

ANNUAL REPORT 2020

Resilience during a pandemic



THE UNIVERSITY OF
AUCKLAND
Te Whare Wānanga o Tamaki Makaurau
NEW ZEALAND



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In 2020 the University of Auckland showed its strengths in intellectual leadership.

As befits Aotearoa New Zealand's leading university, and its largest research institution, the University of Auckland was at the forefront of this country's response to Covid-19. Our academic experts applied their skills and knowledge to help inform the government's policy decisions and health response, providing calm, informative, facts-based guidance to government, news media and the wider public.

Some of our academic staff members became household names, among them Dr Siouxsie Wiles, Associate Professor Helen Petousis-Harris and Professor Shaun Hendy. Dozens more of our experts wrote and spoke about the pandemic's wider impact on jobs, the economy, the future of tourism, globalisation, education and learning.

This has been a timely reminder that universities like ours play a critically important role in society, not just in educating the leaders

of tomorrow and developing new technologies, but as sources of practical knowledge and unbiased truth.

Throughout 2020, our people were recognised for their outstanding contributions to academia and the country. Highlights included:

- Distinguished Professor Jane Harding was made a Dame Companion of the New Zealand Order of Merit, acknowledged for saving and improving the lives of millions of babies internationally through her work.
- World-renowned mathematician, Distinguished Professor Marston Conder, and School of Psychology Professor Ian Lambie became Officers of the New Zealand Order of Merit.
- Professor Aroha Harris (Te Rarawa and Ngāpuhi) became a Member of the New Zealand Order of Merit for services to Māori and historical research, and Professor Ngaire Kerse also became a Member of the

“As always, we are grateful to our generous benefactors and donors who provide valuable support for new academic positions, scholarships for students, funding for research teams and programmes, and many other important initiatives.”

New Zealand Order of Merit for services to seniors and health.

- Dr Rhys Jones (Ngāti Kahungunu), senior lecturer in the Faculty of Medical and Health Sciences, won the Prime Minister's Supreme Award at the 2020 Tertiary Teaching Excellence Awards. Anuj Bhargava, also from the Faculty of Medical and Health Sciences, and Dr Maxine Lewis from the Faculty of Arts, also received Teaching Excellence recognition in 2020.
- Distinguished Professor Dame Anne Salmond was awarded the Blake Medal for leadership.
- Professor Eamonn O'Brien of the Faculty of Science was awarded the Hector Medal by the Royal Society Te Apārangi for his contributions in the field of group theory.
- Royal Society Te Apārangi Early Career Research Excellence Awards were awarded to Dr David Moreau for his research on the link between exercise and a healthy brain, and Associate Professor Ngarino Ellis (Ngāpuhi, Ngāti Porou) for her work in Māori art history.
- Paediatric endocrinologist Professor Wayne Cutfield received the Gluckman Medal for his outstanding contributions to research and Associate Professor Miro Erkkälä from the Department of Physics won the Emerging Scientist Award at the Prime Minister's Science Prizes.
- Distinguished Professor Brian Boyd won the Royal Society of New Zealand Te Apārangi Rutherford Medal for his lifetime's work on Vladimir Nabokov, and his wider work, introducing evolutionary and cognitive perspectives on literature and art, and linking the arts, humanities and sciences.
- Associate Professor Siouxsie Wiles was named the supreme winner at the 2020 Women of Influence Awards as well as winning the Innovation, Science and Health Category. Professor Jane Kelsey won in the Global category.
- Associate Professor Amokura Kawharu (Ngāpuhi and Ngāti Whatua) was appointed

the new president of the New Zealand Law Commission.

- Pro Vice-Chancellor Professor Dame Cindy Kiro (Ngāpuhi, Ngāti Kahu, Ngāti Hine) was appointed Ahorangi Chief Executive of the Royal Society Te Apārangi.
- Deputy Vice-Chancellor (Strategic Engagement) Professor Jenny Dixon was appointed the new Provost of Universitas 21, a global network of 27 research-intensive universities.
- Associate Professor Selina Tusitala Marsh won the top prize in the 2020 New Zealand Book Awards for Children and Young Adults with her graphic memoir *Mophead: How Your Difference Makes a Difference*.

Despite the impact of Covid-19, the University of Auckland is committed to continued development of our world-class facilities to ensure students are provided with the best university experience.

In 2020 the new \$232m Engineering Building (B405) was opened in time for the beginning of Semester One. It was celebrated by a dawn ceremony and pōwhiri, with the inaugural performance of the Faculty of Engineering's own haka 'Me Hoki Whakamuri Kia Anga Whakamua' performed by staff and students.

A 'shovel-ready' grant from the government allowed the University to confirm the start of the project that will see the Faculty of Education and Social Work relocated from the Epsom campus to the main City Campus. This complex programme of works includes refurbishing existing buildings, some of them historic, and ensuring they are suitable for contemporary teaching and research.

We also began demolition of the old Recreation Centre, to make way for the new state-of-the-art Recreation and Wellness Centre, expected to be complete in 2024.

Our alumni continue to support and engage with the University here in Aotearoa New Zealand and around the world. While Covid-19 restrictions meant that our full in-person programme of local and international events could not proceed, a number of successful

virtual events were held, notably the Raising the Bar: Home Edition series, which ran for six consecutive Wednesdays from 20 May to 24 June. Successful Alumni & Friends Receptions were held in Christchurch and Wellington in November.

As always, we are grateful to our generous benefactors and donors who provide valuable support for new academic positions, scholarships for students, funding for research teams and programmes, and many other important initiatives. Among the major donors whose continued support in 2020 had a transformational impact were Cure Kids, Cancer Society Auckland Northland, the Neurological Foundation of New Zealand and the Auckland Medical Research Foundation.

Extraordinary legacy gifts from the estate of Warwick and Judy Smith for Engineering and Science and from the estate of the late Professor Brian Coote for Law will have a significant and lasting effect on research programmes and fellowships. An outstanding gift from the Fehl Trust will fund the Vision Bus, providing improved access and eye healthcare for communities. One of the highlights of 2020 was the generosity of staff and former staff: it was the most successful year yet for staff giving, with the number of gifts rising from 992 in 2019 to 1,491 in 2020.

Finally, I want to acknowledge and thank Professor Stuart McCutcheon, who retired as Vice-Chancellor in March 2020, after 15 years of outstanding service to the University of Auckland. We also welcomed our new Vice-Chancellor, Professor Dawn Freshwater. Her leadership and clear direction is to be commended through the unexpected demands and disruption of 2020. With the development of 'Taumata Teitei: Vision 2030 and Strategic Plan 2025', which Professor Freshwater has led, we have a powerful statement of intent for the future success of the University.

Scott St John
Chancellor



In 2020, the University of Auckland responded to the challenges of Covid-19 with agility, innovation and compassion.

Since I joined the University in March 2020, we have witnessed the acute challenges that the Covid-19 pandemic has created for societies around the world. Universities in Aotearoa New Zealand are no exception, with closed campuses and a disrupted student experience, rapid transitions to full emergency remote teaching and learning, interrupted research programmes, and borders preventing the return of many of our international students.

We showed the University's flexibility, agility and capacity to adapt quickly to new circumstances, to respond positively to increased levels of uncertainty and, importantly, to continue to work in alignment with our values and mission. As the Covid-19 crisis unfolded in New Zealand, it became clear the impact would be greater for some members of our university community. We moved swiftly to organise support for our most vulnerable students, including provision of computer equipment and internet access, and increasing student financial hardship support.

Our academic staff worked tirelessly to understand and respond to the different challenges facing our students during lockdown. While there is no denying the disruption and emotional impact of Covid-19 on many of our students, it is heartening to see that their academic performance remained at similar levels to previous semesters.

I want to acknowledge the outstanding efforts of our staff and students in responding to the extraordinary circumstances of 2020, while not losing sight of our purpose as a university: for the benefit of people and society. We are a stronger, more resilient university as a result.

Despite the challenges and because of these efforts, our key statistics in 2020 were comparable to previous years. Our total domestic Equivalent Full-Time Students (EFTS) was 28,697 compared with 28,496 in 2019.

In 2020 Māori students made up 9 percent of our domestic student population and Pacific students made up 10 percent. These numbers are still below what we want to achieve, but we continue to work hard to support current and potential Māori and Pacific students, and to improve the pathways into tertiary education.

Our international student numbers were directly affected by the border closures. We had 4,990 EFTS in 2020, down from 5,742 in 2019. We moved quickly to put in place support programmes and online teaching for around 2,000 students who were unable to return to Aotearoa New Zealand. We value highly the presence and contribution of international students to our campuses, to our student experience and our research activity, and we worked closely with the government throughout 2020 to look at options for bringing our international students back to Aotearoa New Zealand.

Across all students, 1,840 completed their masters, down from the previous year, but we graduated 472 doctoral students in 2020, an increase on 2019 and getting closer to our Strategic Plan goal of 500 per annum. We employed 5,985 Full-Time Equivalent (FTE) staff in 2020 – 2,449 academic, 3,223 professional and 313 at UniServices. This compares with 5,968 in 2019.

Our researchers have continued to excel, and despite the challenges of working from home, research output has remained high, with many individuals recognised at national and international level. We host four of the ten Centres of Research Excellence (CoREs), including the new Manaaki Mānawa, Healthy Hearts for Aotearoa New Zealand, a national and international collaboration designed to work in partnership with iwi, hāpu, whānau and aiga to research heart and respiratory diseases and improve health outcomes and equity, particularly for Māori and Pacific peoples. Overall, our research revenue was \$269 million in 2020.

The disruption from Covid-19 had a serious impact on all major University operations, weakening our overall financial position. Our total operating revenue for 2020 was \$1.19 billion against \$1.23 billion in 2019. However, our surplus fell from 3.8 percent

in 2019 to a deficit of minus 2.5 percent in 2020. In response, the University developed a comprehensive Business Recovery Programme, which, aligned with our new 'Strategic Plan 2025' and 'Vision 2030', aims to deliver the changes required to return the University to its strong pre-Covid-19 position.

In the second half of 2020, we consulted widely with staff, students and our external community on the development of 'Taumata Teitei: Vision 2030 and Strategic Plan 2025'. 'Taumata Teitei' refers to pursuing excellence, despite uncertainty, which seems particularly apt in the current circumstances. Central to the vision is our relationship with tangata whenua, an approach that will see the University manifest Māori values in everything we do as Aotearoa New Zealand's leading university. The values of manaakitanga, kaitiakitanga and whanaungatanga have a special resonance given some of our key global challenges such as climate change, pandemics, technological impact and the erosion of trust in governments. By living genuinely with these values, the University will meet the challenges and concerns of our age with a commitment to ecologically sustainable systems, an equitable and just society, well-being for all and a thriving economy based on innovation.

We strengthened our commitment to te ao Māori during 2020, with the adoption of the University Language Plan for the Revitalisation of te Reo Māori, which was led by our Pro Vice-Chancellor Māori, Professor Dame Cindy Kiro. An early manifestation was the launch of our te reo and tikanga Māori digital learning app called Te Kūaha – The Doorway, which is an educational resource for our staff, students and alumni to learn te reo Māori and protocol.

In February we opened our own South Auckland campus, Te Papa Ako o Tai Tonga (Te Tai Tonga), as a teaching centre for the Bachelor of Education (Primary) through our Faculty of Education and Social Work, as well

as bridging programmes. It is also an important student hub for all the community in South Auckland, providing research and study space, access to library resources, learning, IT and pastoral support and enrolment advice.

For the second year in a row, the University of Auckland ranked No 1 globally in the Times Higher Education University Impact Rankings, which measure performance against the Sustainable Development Goals (SDGs). We improved our global position in both the QS World University Rankings (81 in the world, up from 83) and the Times Higher Education World Rankings (147, up from 179), and ranked first in New Zealand and fourth overall in Australasia in the Global University Employability Ranking 2020. In addition, we were named Entrepreneurial University of the Year at the Asia-Pacific Triple E Entrepreneurship and Engagement Excellence Awards in Higher Education, recognising the quality and scale of entrepreneurial initiatives generated through UniServices and the Centre for Innovation and Entrepreneurship.

Despite the restrictions placed on us by Covid-19, the University of Auckland continued to achieve, succeed and lead in 2020. To all of our University community, my congratulations and sincere thanks for your contributions. Together we have made excellent progress, at times against formidable headwinds. We are well positioned, as a truly world-class university, to play our part in assisting Aotearoa New Zealand to maintain its strong and transformational role in global development.

Professor Dawn Freshwater
Vice-Chancellor

Key Facts and Figures 2020

Note: figures on these pages are rounded

Full-Time Equivalent Staff (FTE)

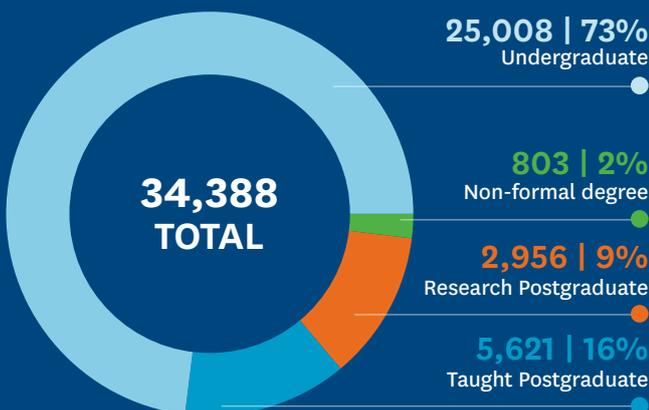


Academic staff by position (FTE)

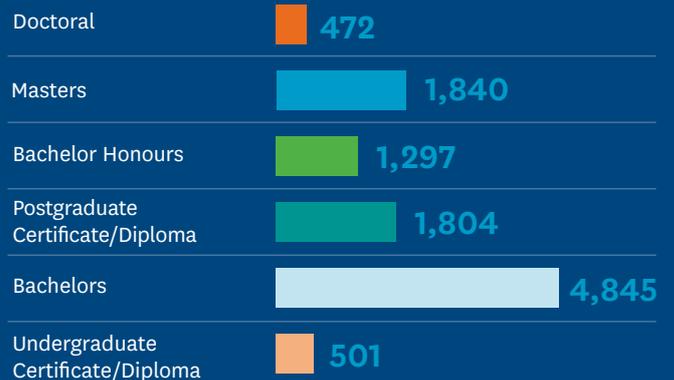
■ Diverse ■ Male ■ Female



Equivalent Full-Time Students (EFTS)



Completions by qualification



Note EFTS include English Language Academy (140)

EFTS 2011-2020

EFTS % Undergraduate % Taught Postgraduate % Research Postgraduate



Note: Undergraduate and non-formal degree EFTS are combined.



Gender
(headcount of students)



Note: MELAA stands for Middle Eastern, Latin American, African

Ethnicity
(headcount of students)



Age group
(headcount of students)

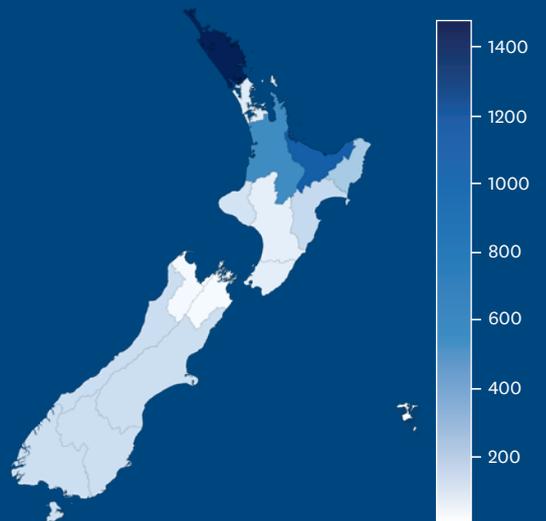


International students



China	4,407	Indonesia	189
India	606	Hong Kong	150
United States	399	Vietnam	147
Malaysia	307	Other countries	1,735
Korea, Republic of	259	Total	8,199

Students by iwi affiliation

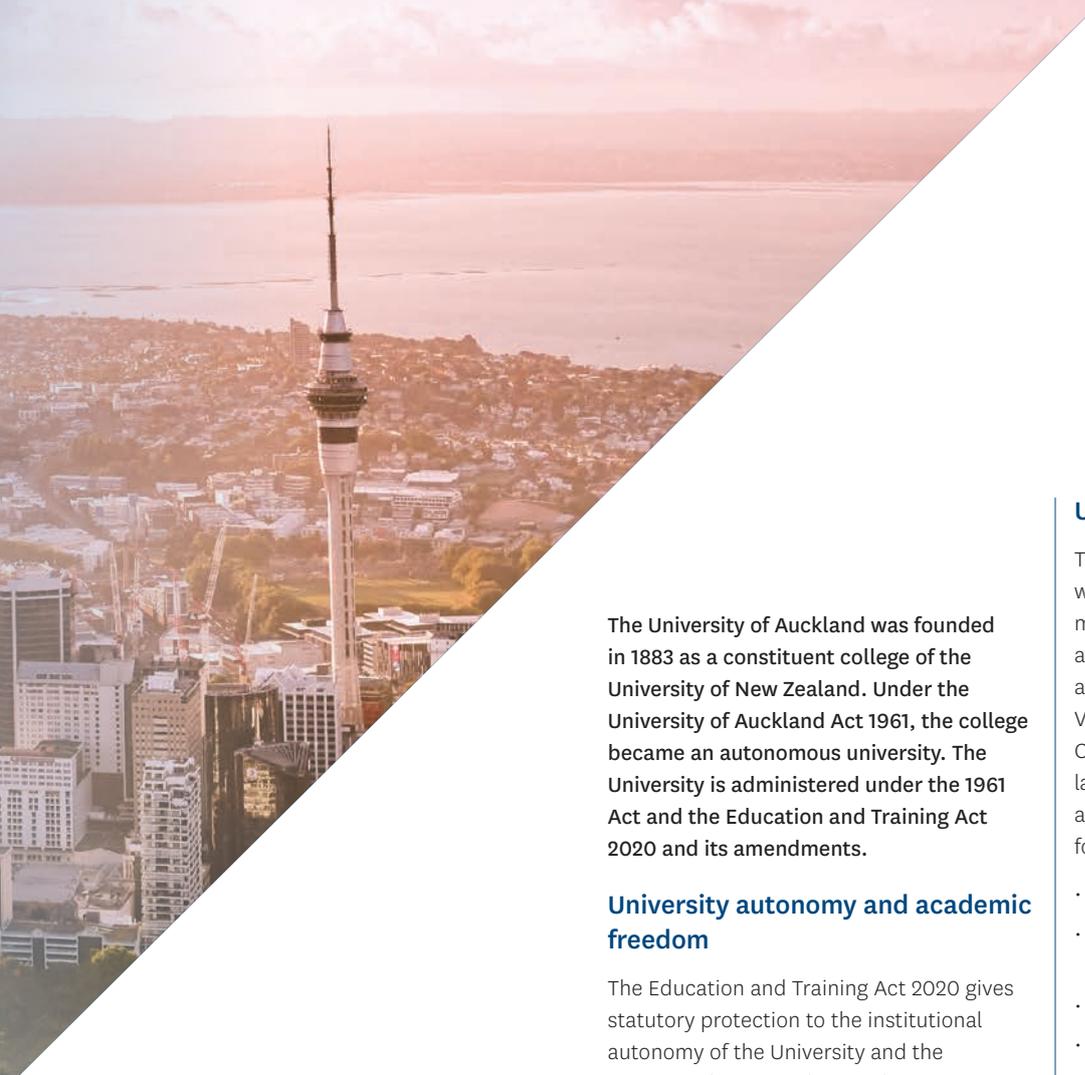


Note: In cases where a student has more than one iwi affiliation, all affiliations for the student are represented.

Map Template: Stats NZ
Source: UoA UDW

University
Governance





The University of Auckland was founded in 1883 as a constituent college of the University of New Zealand. Under the University of Auckland Act 1961, the college became an autonomous university. The University is administered under the 1961 Act and the Education and Training Act 2020 and its amendments.

University autonomy and academic freedom

The Education and Training Act 2020 gives statutory protection to the institutional autonomy of the University and the academic freedom of its staff and students. The Act also binds the Council, the Vice-Chancellor, Ministers and agencies of the Crown to act in all respects to preserve and enhance the University's autonomy and academic freedom.

University leadership: the Council

The University's governing body is the Council, which comprises elected staff and students; a member appointed to advise on Māori issues; a member appointed from the alumni; Council appointees; and Ministerial appointees. The Vice-Chancellor is also a member of Council. Council is chaired by the Chancellor, who is a lay member of Council. Under the Education and Training Act 2020, Council has the following functions:

- Appoint a chief executive
- Carry out long-term planning for the University
- Adopt the Investment Plan
- Ensure that the institution is managed in accordance with the Investment Plan
- Determine the policies of the institution in relation to the carrying out of the Investment Plan and, subject to the State Services Act 2020, the management of its affairs.

2020 Council



From top left: elected by academic staff – Professor Jennifer Curtin; elected by professional staff – Catherine Dunphy; appointed by relevant Minister – Michael Daniell, Rajen Prasad, Rachael Newsome, Cathy Quinn.

From bottom left: Ex officio – Vice-Chancellor Professor Dawn Freshwater; elected by students – Junyi (Johnny) Wang; appointed to advise on Māori issues – John Paitai; alumna – Pro-Chancellor Cecilia Tarrant; to provide skills specified by Council – Jan Dawson; Chancellor Scott St John.

The University's statutory role

In carrying out its functions, and particularly when considering the University's Investment Plan, Council is guided by the statutory characteristics of universities, which are defined in the Education and Training Act 2020.

- Universities are primarily concerned with more advanced learning, the principal aim being to develop intellectual independence.
- Their research and teaching are closely interdependent and most of their teaching is done by people who are active in advancing knowledge.
- They meet international standards of research and teaching.
- They are a repository of knowledge and expertise.
- They accept a role as critic and conscience of society.

A university, according to the Act, is characterised by a wide diversity of teaching and research, especially at a higher level, that maintains, advances, disseminates and assists the application of knowledge, develops intellectual independence and promotes community learning.

Responsibilities of Council

Council is required, when performing its functions, to fulfil various duties. These include:

- Striving to ensure that the University attains the highest standards of excellence in education, training and research
- Acknowledging the principles of Te Tiriti o Waitangi (the Treaty of Waitangi)
- Encouraging the greatest possible participation of the communities served by the University, especially by under-represented groups
- Ensuring that the University does not discriminate unfairly against any person
- Ensuring proper standards of integrity, conduct and concern for the public interest and the well-being of students
- Ensuring that systems are in place for the responsible use of resources.

The Vice-Chancellor

The Education and Training Act 2020 entrusts the Chief Executive Officer (Vice-Chancellor) with the management of the academic and administrative matters of the University. The Vice-Chancellor is the employer of all staff. The Vice-Chancellor is supported by a senior leadership structure that includes University Executive Committee (UEC), Academic Leadership Committee and other advisory

committees to the Vice-Chancellor.

The UEC is chaired by the Vice-Chancellor and comprises:

- The Provost
- The Deputy Vice-Chancellors (Research), (Strategic Engagement) and (Operations)
- The Pro Vice-Chancellors (Māori) and (Pacific)
- The Director of Human Resources

The Senate

On academic matters, Council is bound to consult the Senate which the Vice-Chancellor chairs. This body includes all the professors and representatives of sub-professorial and professional staff and representatives of students. The Senate takes advice from the Education and Research Committees and from a number of other committees.

Council has delegated to Senate the following responsibilities and functions on academic matters:

- Making recommendations or reports to Council
- Furthering and coordinating the work of faculties and departments, the University Library and Auckland University Press
- Encouraging scholarship and research
- Appointing standing committees as required
- Delegating authority to its committees.

As a delegate of Council, the Senate operates as a committee of Council.

The faculties

Each faculty is headed by a Dean who is responsible for management of the teaching, research and administrative activities of that particular faculty. Each faculty has established its own structure of academic governance.

Deans have primary financial responsibility for their faculty. Every year, faculties are required to prepare an annual plan and an annual report that provides detail of achievements and planned activities. Faculties develop strategic plans in alignment with the University Strategic Plan, to ensure that specific faculty-focused endeavours will move the University, collectively, towards its goals.

Governance documents

The Charter

The Charter is a high-level governance document that incorporates the mission, purpose, values and character of the University of Auckland. The Charter is no longer required by the Education and Training Act 2020. The University Council, however, determined that the Charter is of benefit as a guiding document

to the University and has endorsed its retention. The Charter mission and values have been incorporated into the Strategic Plan.

The Strategic Plan 2013-2020

The Strategic Plan is the key document in the University's cycle of planning, delivery and accountability. The Strategic Plan articulates the University's vision and strategic direction for the period of the Plan. The objectives contained within the Plan form the basis for annual planning and resource allocation as faculties, large-scale research institutes and service divisions consider how they can best use resources to maximise progress towards the higher performance and international standing sought by the University.

The University's annual performance is measured against the Plan objectives, and progress each year is reported in the Annual Report's Statement of Service Performance.

Capital Plan and Financial Projections

The Long-Term Academic and Capital Plan sets out the priority strategic initiatives of faculties and service divisions and identifies the investment required to support these initiatives and to maintain University infrastructure and faculties.

The property capital expenditure programme is reviewed by senior management with specific project approvals sought from Council. Faculty capital requirements are established subject to an annual Asset Management Plan. The Information Technology spending programme is established subject to the Digital Strategy, and the Library Committee oversees the University Library's capital expenditure allocation. A projection of the University's financial performance and position over ten years is prepared periodically. Projections of operating income and expenditure are combined with the capital requirements determined in the Capital Plan to establish an overall projection of the University's financial position and financing requirements over a ten-year period.

Council committees

Audit and Risk Committee

Risk management and audit activities are overseen by the Audit and Risk Committee.

The principal task of the Audit and Risk Committee is to ensure that all financial statements released to the public, stakeholders, lenders or any regulatory body comply with accounting standards, and are true and fair. The Committee reviews the effectiveness of internal controls and risk mitigators in the University and the way in which they are applied.

The committee also oversees the relationship with the University's external auditors. Ernst & Young was appointed as the University's current external auditor by the Office of the Auditor-General. The Audit and Risk Committee receives regular reports on any matters that arise in connection with the performance of the external audit.

Health and Safety monitoring and internal audits are an integral aspect of the University's risk management framework. PricewaterhouseCoopers is contracted to provide internal audit support.

Capital Expenditure Committee

The Capital Expenditure Committee is responsible for considering all capital expenditure proposals over \$10 million, with a particular focus on the contribution each proposal would make to the achievement of the Strategic Plan objectives, and the financial sustainability of each proposal.

Equity Leadership Committee

The Equity Leadership Committee provides strategic equity leadership and advises Council, via Senate, and the Vice-Chancellor on fulfilling statutory and compliance obligations, including under the State Services Act 2020 and the Education and Training Act 2020. Committee membership comprises a range of senior academic and professional staff, student representatives and representatives of the Equity Community of Interest.

The Equity Leadership Committee, Equity Office and Equity Community of Interest contribute to the University of Auckland being a safe, inclusive and equitable place to study and work. Equity leadership enhances the University's reputation and helps attract, retain and support talented people to succeed and contribute to New Zealand's social and economic well-being.

Finance Committee

The purpose of the Finance Committee is to monitor the finances of the University so as to satisfy Council they are managed in a way that:

- Maintains solvency at all times
- Promotes achievement of the University's annual budget, mission and strategic objectives
- Minimises the risk of external intervention in the affairs of the University.

The Finance Committee supports the Council in carrying out its duty under s.181(e) of the Education and Training Act 2020 to "ensure that the institution operates in a financially responsible manner that ensures the efficient

use of resources and maintains the institution's long-term viability".

The committee is responsible for reporting and recommending to Council matters concerning:

- Approval of major financial decisions
- Financial policy and regulatory matters
- Financial strategy and planning
- The financial position and performance of the University
- Any other matter that Council or the Vice-Chancellor may refer to the committee.

Rūnanga

The Rūnanga is a committee of Senate and Council, constituted as a Committee of Council and chaired by the Pro Vice-Chancellor (Māori).

The Rūnanga has five primary roles:

- To advise Council on the appropriateness of relevant sections of the Charter, Strategic Plan and Council policies in terms of the University's aspirations to partner with Māori and support Māori development
- To advise Council on the progress and achievements of the University towards its strategic objectives for Māori
- To advise management on operational matters relevant to the delivery on strategic objectives for Māori
- To consider and advise appropriate Senate committees and, through them, Council, on academic matters that have direct relevance to Māori curriculum content, delivery and research
- To provide to Council and senior management other advice as may be requested from time to time.

The Rūnanga reports to Council through Senate.

Ethical and safety standards

The University of Auckland maintains high standards of safety and integrity for research and teaching involving animals and humans. The following three committees report directly to Council.

Animal Ethics Committee

The Animal Ethics Committee ensures that the protocols for the use of animals in research and teaching are of the highest ethical standard in accordance with legislative requirements. The committee reviews proposals and undertakes ongoing monitoring of the use of animals in accordance with the University's Code of Ethical Conduct, approved by the Ministry of Primary Industries under the Animal Welfare Act.

Biological Safety Committee

The Biological Safety Committee assesses

applications for the use of genetically modified organisms in the University, in accordance with the delegation by the Environmental Protection Authority (EPA), in order to identify all potential risks to people including researchers and the community, and the environment. Applications are determined in accordance with the Hazardous Substances and New Organisms (HSNO) Act 1996 and any relevant supporting protocols issued by the EPA. In addition, the Biological Safety Committee monitors ongoing work within the University and makes recommendations on containment issues as appropriate. The committee has a system for consultation with Māori.

Human Participants Ethics Committee

The Human Participants Ethics Committee reviews proposed research and teaching projects that involve human subjects, other than projects that require approval from a New Zealand Health and Disability Ethics Committee, to ensure compliance with the highest ethical standards. In addition, this committee provides advice and assistance to Council and the University community with respect to ethical standards and issues involving human subjects.

Other committees reporting to Council:

[Discipline](#)

[Student Appeals](#)

[University Honours](#)

[Vice-Chancellor's Review](#)

Health, Safety and Well-being

The University Health, Safety and Well-being Committee, chaired by the Vice-Chancellor, is a forum of nominated and elected management and staff representatives that enables staff, unions and students to communicate to management any issues of interest and concern related to health and safety, and to encourage staff participation in the ongoing maintenance and improvement of a safe and healthy environment. The committee reports to the Audit & Risk Committee.

Business details

Bankers: Bank of New Zealand, ANZ Bank, Commonwealth Bank of Australia, Hong Kong Shanghai Banking Corporation, Industrial Commercial Bank of China, Bank of Tokyo-Mitsubishi UFJ

Auditors: Ernst & Young – on behalf of the Office of the Auditor-General

Valuers: Beca Projects NZ Ltd
ART + OBJECT
Smith's Bookshop

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COVID-19
COVID-19
COVID-19



Resilience during a pandemic

Universities across the world have worked to help nations navigate the impact of Covid-19.



RISING TO THE CHALLENGE

Uncertainties and challenges brought about by the impact of Covid-19 characterised 2020 – and emphasised the need to improvise and adapt in all aspects of our lives. Universities have and will continue to play a significant role in understanding the challenges of this pandemic and its impact on humanity. Tertiary institutions were already on an accelerated trajectory of change and transformation but 2020 brought into sharp focus the need to be responsive, flexible and adaptive.

Universities across the world have worked to help nations navigate the impact of the pandemic, explained to and educated our communities on the science behind it, and explored how we can mitigate its effect on our lives. At the University of Auckland, staff members have worked with the government and healthcare providers supporting their efforts to contain the spread of Covid-19 while continuing to maintain our ongoing programmes of teaching, postgraduate student supervision and research.

The global pandemic has provided the University an opportunity to test our capabilities, responsiveness and adaptive flexibility.

Education and student experience

Fulfilling our core commitment of teaching, the University moved swiftly to online classes as the country went into level four lockdown in March.

Staff demonstrated exceptional agility, rapidly transitioning to new platforms and learning new software on which to deliver our programmes. Teaching and support staff utilised and adapted the University's state-of-the-art teaching and learning support systems. Their exceptional response and ongoing commitment to maintaining online teaching over most of Semester One and parts of Semester Two was widely recognised by students, who also responded with understanding and solidarity to the unprecedented disruption to their studies.

This year 10,759 students met the academic requirements of their programme, which was comparable to programme completion numbers in previous years.

As the pandemic unfolded and concern for the student experience grew, a survey to gauge suitable study environments, internet connectivity and access to appropriate

digital devices allowed the University to identify needs and assist students with the IT resources required to continue their studies. The University loaned more than 500 laptops and 200 devices to students, and set up 165 internet hotspots during the first lockdown, with 250 laptops given out within the first two weeks.

Also critical to online learning was the negotiation with Copyright Licensing NZ that extended the current licence to allow us to digitise up to 50 percent of readings, including course textbooks for our students. Te Tumu Herenga Libraries and Learning Services also provided a contactless click-and-collect service that made access to chapters, articles and other library material easier for staff and students. A new suite of learning products, Learning Essentials, was accessible to students around-the-clock, regardless of their location.

We recognised the need to support our students and staff beyond assisting with technology and electronic devices. Ranga Auaha Ako – the Learning and Teaching Design team – was set up early on to provide support for learning and teaching disrupted by the lockdown. A rapid redesign team



Kahu Virtual Campus was created during lockdown as an online recruitment tool.

took charge of continuing this programme and producing resources and online support through remote learning websites. Moving out of level four lockdown, Te Tumu Herenga Libraries and Learning Services provided study spaces with safety protocols for students who could not study at home.

The University's commitment to supporting our students extended beyond classrooms. Significant financial relief came from the Covid-19 Student Hardship Fund. More than \$5.5 million was distributed to provide assistance for students facing unexpected circumstances during the pandemic. The fund was generated from staff and alumni donations as well as funding from the Tertiary Education Commission. Through the University's Hardship Accommodation Fund, we repurposed campus accommodation, vacant due to non-arrival of international students, for students who had unsafe or unsuitable home conditions.

The International Office worked with our long-standing partners in China, at Southwest University in Chongqing and Northeast Forestry University in Harbin, to provide our students in China with access to in-person learning support and the benefit of learning in a group. Our China Learning Centres enabled more than 300 of our students to have an on-campus, cohort-based experience with access to in-person support. Both the New Zealand and Chinese governments recognised this partnership as a model of an innovative response to the pandemic and country-to-country collaboration on education delivery.

The challenges posed by the pandemic provided opportunities for us to improvise and improve on our strengths and resources in ways that will inform future developments in teaching delivery and the student experience.

Research and innovation

Research that builds on the University's spirit of creativity, innovation and entrepreneurship has been vital in the nation's fight against Covid-19.

A multi-disciplinary team at Te Pūnaha Matatini, a Centre of Research Excellence (CoRE) hosted by the University of Auckland, developed an epidemic model to understand key characteristics of Covid-19 transmission. The team's advice led to strong suppression measures across New Zealand and assisted in the government setting targeted lockdown periods. The use of epidemic modelling to inform New Zealand's policy and decision-making is one of the highest awarded projects by the government's Covid-19 Innovation Acceleration Fund (CIAF).

The Philosophy Department provided ethics input to many Covid-19 international projects as well as ethics advice to the government around the administration of vaccines. Philosophy was part of an international academic team including health economists, data analysts and communication experts which authored 'Digital Contact Tracing for Covid-19: a Primer for Policymakers'. Demonstrating national collaboration, a New Plymouth-based principal investigator from the School of Medicine is undertaking work with the University of Otago on a mobile solution to disinfect and potentially reuse Personal Protective Equipment (PPE).

As part of the 'A Better Start – E Tipu e Rea National Science Challenge', our researchers developed a chatbot called Aroha to support mental health resilience in children and young people during the pandemic. Delivered directly using Facebook Messenger, Aroha provides evidence-based strategies for managing anxiety, practical ideas to maintain social and



Professor Shaun Hendy, director of Te Pūnaha Matatini, was part of a team that created new pandemic models to show how Covid-19 could spread.



cultural connections, and ideas on how to stay healthy. It has evolved to respond to increased mental health issues resulting from isolation and unemployment.

Werry Workforce Whāraurau, supported by UniServices, worked on training specialised workers to deliver services in the virtual environment. It delivered workforce development initiatives for the Infant, Child and Adolescent Mental Health Sector, and collaborated with international networks to organise workshops on managing childhood anxiety in a Covid-19 environment as well as supporting families through isolation.

The University is also committed to continuing research into vaccine development and post-pandemic recovery. Ongoing research projects include:

- Development of a new peptide-based vaccine for Covid-19, in partnership with Malaghan Institute of Medical Research
- Advanced computational modelling to identify antiviral treatment candidates
- In-vitro and in-vivo studies of antiviral candidates as prerequisites for clinical trials
- Predictive modelling to identify risk factors for Covid-19 and efficacy of interventions
- Pulmonary rehabilitation and non-invasive imaging of the lung
- Digital health initiatives for self-assessment, health management, prophylactic guidance and contact tracing during and after Covid-19

The impact of our research was recognised in the Times Higher Education University Impact Rankings, where we ranked No 1 for the second consecutive year. Research has been at the forefront in the immediate response to Covid-19 and the University will continue to support local and central government initiatives to enhance broad-based economic and well-being priorities.

Partnership and engagement

Central to the University's values is our engagement with our communities for the betterment of society. With this guiding principle, we supported the government and communities across many fronts to unite against Covid-19.

Our laboratory scientists at Grafton Clinical Genomics worked with the Auckland District Health Board under the Auckland Academic Health Alliance to help process thousands of Covid-19 tests. Staff from the Faculty of Medical and Health Sciences, the Liggins Institute and



Associate Professor Siouxsie Wiles was one of the University's top communicators to the public on the best way to protect ourselves from Covid-19.

Auckland Hospital's LabPLUS facility analysed as many as 2,000 swabs a day. University labs and personnel were also redirected to develop rapid serology-based testing for population application as well as the production of essential testing reagents.

As the government deployed the taskforce to plan out the Covid-19 Vaccine Strategy, it was supported with independent expert advice from the Science and Technical Advisory Group (STAG). STAG keeps the government informed on the development, safety and effectiveness of vaccines with a comprehensive understanding of the scientific and technical context. Five of the 12 members of STAG are from the University of Auckland, ranging from biological scientists to general practitioners and immunologists.

In an end-of-year government visit to the University, a joint tribute was paid by Prime Minister Jacinda Ardern and the Director-General of Health Ashley Bloomfield to the University of Auckland staff for their work helping to eliminate Covid-19.

Pandemic challenges were not limited to science and healthcare. Businesses took a massive hit due to lockdown measures. Staff from the Business School formed a pro-bono advisory team to help small and medium-sized enterprises in Auckland during level four lockdown. From running business consultancy advice and webinars to working with industry bodies to facilitate sessions, the team offered expert advice in uncertain times.

Despite the impact of the pandemic, 2020 ended with the University's 360 International team receiving the prestigious Universitas 21 Award to recognise its contribution to internationalisation in higher education. The 360 team target is for one in four graduating students to have a learning-abroad experience

during their bachelor degree studies. The team was recognised for its efforts to ensure students still had access to an overseas experience during the pandemic. This was made possible through virtual programmes – Indigenous Rights and History in Brazil and the Diversity Abroad Global Inclusive Leadership Certificate that increased accessibility to under-represented groups.

The level four lockdown also sparked an idea by the Connected Experiences team for an online recruitment tool to attract potential students to enrol. Kahu Virtual Campus, 'Your World Your Way' used creative technology to showcase the University and engage with future students unable to visit the campus. The imagery used on the virtual campus reflects the values of a Māori and Pacific world view and the University's place in Tāmaki Makaurau.

The University of Auckland extended our range of assets, through knowledge sharing and partnership, to create the social capital that contributes to community resilience. We will continue to respond to challenges in our external and internal environment by embracing new partnership and engagement opportunities as the global landscape evolves in the post-pandemic world.

People and culture

Our workforce demonstrated a seamless transition from a normal to a disruptive way of working and living in 2020. Staff balanced home and work to come up with innovative ideas to deliver on both fronts.

The University, committed to the principle of employee well-being, equity and inclusiveness, introduced ways of working to endure the crisis. We are committed to putting health and safety first and prioritising



When the University campus was open, Vice-Chancellor Dawn Freshwater visited the faculties. When lockdown happened, she held all-staff online forums.

employee well-being. Online resources and webinars promoting wellness and mental health were produced to advise on how to manage personal resilience and productivity. Some teams used 'pulse surveys' as regular check-ins for colleagues, while others enabled senior management members to speak to each team individually. Regular online social engagement events ensured connectedness and a reduced sense of isolation.

To address the anxiety and uncertainty that arose during lockdown, the University launched regular Vice-Chancellor all-staff online forums. In these, the senior management team conveyed key messages and addressed the roadblocks that had emerged during lockdowns, discussing the measures being considered to remove them. The live online format encouraged staff participation through Q&As that were acknowledged and answered by the leadership team. The forums also recognised staff for their distinguished work.

Keeping our commitment to introducing agile ways of working, the University launched new 'flexible wherever possible' principles to help staff leverage the value of remote working. Under the Ngā Tira programme, our staff were supported by toolkits and leader briefings, increased IT support and new technologies. The multi-year programme run by our IT centre, Connect, focused on deriving maximum benefit from our Microsoft 365 licence to use platforms such as Teams and SharePoint for a co-ordinated online way of working.

Our immediate response to Covid-19 included measures that considered the changing world and implemented policies that accommodated the new requirements for staff well-being. With many daily job functions changed, so did the goals that staff set for themselves. Staff well-being and the ongoing

shape of our workforce will continue to be priorities as the University adapts to modified ways of working in a post-Covid world.

Our enabling environment

Keeping with changing times, upscaled IT services and an increased digital presence are vital to the University's delivery of educational and research outcomes. The University's learning management system, Canvas, was expanded during the lockdowns to meet the online delivery requirements and serve as the primary platform for course and assessment communication. Canvas-based quizzes and assignments were used for tests and examinations, and it was further integrated with other learning and teaching tools for peer-to-peer and teacher-student communication.

The University's policy to record most lectures proved its worth by maximising students' access to recorded course materials. The Planning Office developed a student engagement dashboard combining usage and performance data from various sources such as student email, the learning management system, test and assessment completion and e-libraries. This provided insight into how students were doing academically and their level of engagement with the University's central teaching and learning systems.

By tracking the engagement levels of more than 5,300 Māori and Pacific undergraduate students in 2020, the University identified Māori and Pacific students who had disengaged from their studies, were falling behind or were in a position of academic vulnerability. This allowed us to make contact and provide interventions to support them.

The University's Health and Counselling

Service operated virtually through new, secure video-consulting technology instated during the lockdowns. When the University opened again at alert level one, this service continued to provide a high percentage of virtual consultations. These sessions supported students who might have struggled to get to campus for appointments.

To provide certainty for 2021 applicants whose school study had been disrupted, the University started its 'Fast Track' processes early. This system provides early offers to school-leavers and was expanded to more applicants and with enhanced offers. The early offers made, based on known Year 12 results, were conditional on University Entrance and other requirements being fulfilled. Flexibility was applied to the programme-entry requirements in consideration of the disruption faced by the Year 13 students because of lockdowns.

The global pandemic has provided the University an opportunity to test our capabilities, responsiveness and adaptive flexibility. We responded effectively and comprehensively to the extraordinary challenges posed by Covid-19 through our education and student experience programmes and our continued support for the community through research, innovation and engagement. The University community showed exemplary resilience in its commitment to teaching and learning, equitable opportunities and well-being for all. Equally, our students responded exceedingly well to these initiatives.

Our research capability and infrastructure provided extensive expert support to Aotearoa New Zealand's fight against the virus, demonstrating our key role in advancing the country's well-being and informing public debate on the most complex issues of our time.

Faculties, Institutes, UniServices



Arts

Despite the inevitable disruption to the Faculty of Arts' 150+ research projects, caused by lockdown and closed borders, the faculty has maintained a high level of research productivity. Internal funding was re-directed or paused to mitigate the disruption and ensure a more effective return on investments. The faculty's research centres have successfully secured new funding opportunities focused on Covid-19 and pandemic research, while a new research hub focusing on 'pandemics: past, present and future' has been established. Interest in New Zealand's Covid-19 response has also increased our national and international media profile. We continued to perform strongly in both Quacquarelli Symonds (QS) and Times Higher Education (THE) international university rankings and in the 2020 Marsden funding round.

With staff indicating a reduced capacity for individual research given the demands of the move to online teaching, the faculty invested in a number of initiatives to help encourage colleagues to remain research active. It also ensured academic colleagues with additional care commitments under lockdown received funding support to enable research activity.

At the start of 2020, the faculty had intended to extend and refine Ako Arts and Arts+, initiatives to improve the learning and teaching experience and lift student achievement and retention. A launch was planned of an Early Start International programme designed to help the transition of international students. The departure of key

staff, followed almost immediately by the onset of Covid-19, meant that Ako Arts was paused in 2020. Similarly, the Early Start programme, intended primarily for newly enrolled students from China, could not proceed as planned.

The onset of Covid-19 meant shifting focus to develop and support staff capability around online learning, and initiatives to keep students engaged and alleviate equity challenges around student access to technology. The faculty also successfully progressed the development of a new Bachelor of Communication degree for launch in 2022.

Another key objective in 2020 was to establish, implement and embed new faculty values as a means of fostering a more respectful, supportive and inclusive culture among the faculty's staff and students. Pre-Covid-19, the faculty made good progress with planned initiatives to develop staff capability in supporting colleagues who suffer gender-based harassment, and the development and adoption of values informed by Mātauranga Māori. Subsequent lockdowns made further progress difficult, and the faculty has also had to delay being able to fully respond to outcomes from the 2019 Staff Survey.

The faculty worked closely with staff to address concerns about lockdowns, remote working, workload and well-being. Strategic initiatives to address these challenges included the kaiarahi and associate dean (Mātauranga Māori) leading staff workshops and a leadership retreat to consider the faculty's values and aspiration to uphold the mana and tapu of all our community.

Business and Economics

In a challenging year, the Business School has continued its mission to shape futures through its research, teaching and engagement.

Staff demonstrated great resilience in 2020, responding quickly and effectively to the impacts of Covid-19. The faculty did an exceptional job of shifting courses online, adapting quickly to remote working environments and technologies, and modifying pedagogical styles to ensure students remained engaged in their studies.

The Business School provided strong support services and engagement activities to its student body, shifting events and extra-curricular activities into virtual formats with record attendance rates. These efforts contributed to retaining a strong cohort of both domestic and international students, including a very successful overseas delivery of teaching at a Chinese Learning Centre which will be occur again in 2021.

The School had particularly strong engagement with its communities in 2020, including a pro-bono advisory group that drew on academic staff's knowledge, to assist SMEs through this challenging period. The faculty also had a strong media presence, contributing expert commentary on the impacts of Covid-19.

Covid-19 provided a catalyst for the School to consider the future of working and adopting a more flexible work model. A working group and staff survey contributed to the development of a report that will support a flexible, inclusive and collaborative culture within the School.

Despite this, Covid-19 and border closures

had a significant impact on international student numbers and revenue. While the School retained many of its overseas students, overall revenue was affected by the deferral of new intakes of high fee-paying masters' programmes.

The Business School continues to develop effective business recovery plans to respond to these challenges, progressing both strategic and revenue-generating initiatives. These include the development of a portfolio of new professional masters' programmes that support a diverse workforce to upskill and retrain in uncertain employment environments. A Postgraduate Certificate has also been developed to transition those without previous degree qualifications into professional masters programmes.

The School has continued to progress its strategic priorities, including the development of a new practical, interdisciplinary and skills-focused BCom core, designed to bring the world of business into the classroom and strengthen graduates' skills and employability. The School also continues to strengthen its research performance, relevance and impact through the A* Accelerator programme and the University's first Faculty Research Impact Competition. Research Beacons, a new initiative, supports transdisciplinary collaboration in areas of strategic research relevance.

The School is focused on strengthening engagement with industry and government, establishing a dedicated taskforce to examine external engagement across the faculty. A new faculty-wide engagement committee supports external engagement and outreach.

Aligning with the University's Academic Leadership Framework, the School has adopted a matrix organisational structure with faculty from the Graduate School of Management (GSM) shifting into disciplinary departments from 2021. The new GSM will be externally driven while drawing on the expertise of the entire faculty, organised into two cross-cutting portfolios: building partnerships with organisations, individual career development and lifelong learning.

Creative Arts and Industries

Covid-19 resulted in reduced International EFTS and budget restrictions in 2020. It also necessitated the upskilling of staff to deliver teaching and conduct meetings remotely, utilising VPN, Zoom and Microsoft Teams. Most Creative Arts and Industries (CAI) courses were successfully taught online. Face-to-face delivery remains our preferred means of teaching, but online delivery proved advantageous for particular activities. These will be retained in the future, meaning more blended learning.

Faculty operations required careful planning. To this end, faculty leaders and managers attended regular business continuity planning meetings during both semesters. Access to teaching spaces, including workshops and studios, absorbed particular time and energy with each change to lockdown levels.

In response to reduced EFTS and budgets, CAI pursued savings and efficiencies where practicable. International travel was curtailed from March (both research-related travel and strategic visits to partner institutions) and there was a freeze on hiring new staff (unless an exception was granted). External activities, such as music and dance performances, exhibitions and public lectures, were mostly cancelled.

Despite the challenges, CAI achieved many of its annual plan objectives. This included the roll-out of the new Bachelor of Design and the second year of the restructured Bachelor of Music. Several Committee on University Academic Programmes (CUAP) amendments to introduce new and restructured programmes in 2021 were approved. Cultural and professional relevance and employability have been key drivers in all of them.

With regards to gender equity, CAI's academic staffing was 43 percent female and 57 percent male, with good representation of women in leadership positions, including the dean, deputy dean, two out of five academic heads, four out of six associate deans, two out of six professors and nine out of 21 associate professors. CAI students were 62 percent female, 37 percent male and 1 percent diverse. Female and diverse are increasing.

Nine percent of staff are Māori and just under 3 percent Pacific. Māori in leadership positions include one academic Head, one associate dean (Māori, Pacific and Equity), three professors (one newly appointed) and one associate professor. CAI students included 6 percent Māori and 7 percent Pacific. Both are trending slightly down, which is surprising and disappointing as there are recruitment strategies focused on increasing Māori and Pacific enrolments, including visits to schools with high numbers of Māori and Pacific pupils. This is an ongoing priority. We are also selecting te reo Māori names for our schools, and a second lecturer/senior lecturer in Architecture (Pacific) is being sought.

Education and Social Work

In 2020 Education and Social Work (EDSW) introduced six re-invigorated Initial Teacher Education (ITE) programmes. These were redeveloped to enhance their attractiveness to applicants and create opportunities for more efficient delivery. Early indications are that students value the opportunities to

work together across sectors (ECE, primary and secondary) which are possible in the redeveloped programme designs.

The roll-out was disrupted by the pandemic response, leading to rapid changes to accommodate the closures of schools and early childhood centres. As well as moving teaching and assessments online in all programmes, professional programmes in ITE, Social Work and Counselling faced the challenge of ensuring students received adequate time on placements in centres, schools and social agencies to meet the practice requirement of both registration authorities and the programme. In negotiation with registration bodies, placement alternatives were developed and implemented, and delivery patterns were altered to maximise student time in practice settings.

The faculty developed several Covid well-being and retention interventions to support students, especially Māori and Pacific. Staff met regularly with cohort groups and contacted all students not engaging with online learning, providing immediate assistance or referring them to a range of University support agencies. Hardship support policies were amended and the amount of money available for students in financial difficulty was increased. University initiatives were supplemented to ensure students' access to online learning, devices and connectivity.

The faculty's pandemic responses were facilitated by a business continuity team of key professional and academic staff. The team met daily throughout periods where the country was at Covid levels two, three or four to plan and oversee faculty responses. These responses were welcomed by students and practice partners and have ensured no change to the graduation outcomes for our students.

The faculty has won a contract to provide a national enhanced induction programme for new teachers whose preparation for teaching was disrupted by the pandemic. The programme was developed through collaboration between the NZ Council of Deans of Education, the Ministry of Education and the Teaching Council of New Zealand. The programme commences in 2021.

The pandemic disrupted conference activity, vital for the maintenance of strong national and international research networks. Under the auspices of the NZ Council of Deans of Education, the faculty's Associate Dean Research hosted 25 Cancelled Conference Conversations webinars. Each webinar, featuring two presenters, attracted between 50 and 100 attendees, thus providing an opportunity for education researchers to present work to peers across New Zealand.

The University's 20-year partnership with MIT wound up in 2019. In 2020 the faculty's

South Auckland teaching was successfully transferred to the University's new Manukau City campus, Te Papa Ako o Tai Tonga. The University has delayed the relocation of the faculty's Epsom operation to the City Campus until 2024. Throughout 2020, faculty user groups have contributed to the design process for the refurbishment of City Campus buildings to accommodate this move.

Engineering

Against the background of significant change and disruption, particularly in relation to Covid-19, 2020 was an extremely successful year for the Faculty of Engineering. The faculty continued to pursue its two main strategic goals, focusing on maximising our research impact and delivering an excellent student experience.

A key project in 2020 was the activation of the new building, B405. A significant effort in advance of the start of Semester One 2020, meant that the Faculty was able to open the building on time. The haka – 'Me Hoki Whakamuri Kia Anga Whakamua' – was incorporated into the opening of the \$232 million building, attended by representatives from Ngāti Whātua Ōrākei, staff and students of the Faculty of Engineering, members of the University, and key partners of the faculty. The opening of the new building also saw the unveiling of the pou whenua carved by master craftsman Delani Brown, highlighting the importance of understanding and acknowledging the whenua and mana whenua, and celebrating the diversity of the people, experience and knowledge within the faculty.

The teaching and learning space has seen several developments. The Faculty had to quickly and swiftly change to online learning and online exams and this required a huge amount of ongoing effort from staff, many of whom worked extremely long hours in order to deliver their courses. One of the key lessons learned this year is that effective online teaching requires much more time and effort than campus-based teaching. One substantial positive outcome for 2020 was that the necessities of teaching online fostered a great deal of innovation, as staff worked out ways to remotely deliver lectures, labs and assessments effectively. New technologies were explored as staff found ways to turn their homes into impromptu recording studios. This led to the development of interest in and new-found expertise in remote delivery, which opens the door to providing more flexibility in how we teach. As a consequence, far more staff are now considering moving to a flipped classroom model.

In the research area, despite the challenges

created by Covid-19, the faculty's researchers were awarded two Marsden grants and two MBIE Catalyst grants. As well, we are significant subcontractors in three MBIE Strategic Science Investment Fund grants in the Advanced Energy Technology Platform, and three MBIE Endeavour programme contracts. The faculty is also a critical partner in the successful Te Hiranga Rū QuakeCoRE rebid.

One of the major challenges during the year was the impact of Covid-19 on the overall research activity and deliverables. The faculty and the University had to put up systems that allowed for research activity while keeping staff, students and the wider community safe. Researchers and research services staff assessed projects for Covid-19 impacts, with a number of them requiring contract variations to account for the disruptions and delays due to the pandemic.

Law

Staff and students of the Faculty of Law rose to the challenges of 2020 with great resilience, patience and optimism. Teaching, research and engagement-related activities moved swiftly and seamlessly from in-person to online. Despite the disruption of Covid-19, the faculty's key objectives were advanced.

The faculty met its targeted EFTS for second-year law. It intends to maintain its growth agenda but aspires to do so with less reliance on the LLB and hopes to accomplish the growth by other means.

A potential avenue for growth is the addition of a juris doctor (JD) degree for local and international students. The faculty is assessing the potential market acceptance and other aspects of a business case as a first stage in the consideration of the proposal.

At the undergraduate level, three areas of focus are Māori and Pacific content in the curriculum, and technology and the law given the need to prepare students for changes in the profession.

At the end of the Academic Planning period, the faculty will have a higher ratio of postgraduate to undergraduate students, and a higher ratio of international students than currently. This should impact positively on the international reputation of the Law School.

Significant achievements have been made in strengthening our research agenda. These include Professor Janet McLean's appointment as an Honorary QC and being awarded a significant Marsden grant from Te Pūtea Rangahau; a University Early Career Teaching in Excellence Award to Jayden Houghton; Susuga Faiako/Professional Teaching Fellow Litia Tuiburelevu winning a Borrin Foundation grant; Law Foundation grants to Professor

David Grinlinton and Associate Professor Carrie Leonetti; Professor Julia Tolmie's co-authored report winning the Non-Traditional Research Output Award category at the inaugural Australian Legal Research Awards; and Professor Jane Kelsey winning the Global Award at the 2020 Women of Influence Awards. Securing external research grants to the value of more than \$1 million, despite Covid-19, is significant for the faculty, given the challenging funding landscape for legal researchers.

The Dean hosted a number of external engagement events in 2020 including: several webinars with alumni and donors including those in the UK and US; webinars on New Zealand's Covid-19 response; a series of lunches for alumni and key stakeholders from across the legal profession to share future plans and encourage philanthropic support of the faculty; the inaugural Introduction to the Profession event with guest panellists Kate Davenport QC, Jean Yang and Justice Anne Hinton. The Dean also accompanied the Vice-Chancellor to alumni events in Christchurch and Wellington.

Medical and Health Sciences

The Faculty of Medical and Health Sciences (FMHS) is a premier teaching and health sciences research faculty. Our mission is to improve the health of our local, national and global communities through excellence in teaching, research, service and engagement.

When the March Covid-19 lockdown occurred, staff rapidly transitioned lectures, tutorials and seminars for online delivery, supported by the Learning and Teaching Unit. FMHS ensured there were online alternatives to practical laboratories, Objective Structured Clinical Examinations (OSCEs), clinical assessments, tests and examinations throughout the year. The FMHS Academic Continuity Toolkit was developed as a resource for teaching staff to shift to remote delivery.

All clinics, where students gain most of their clinical experience, were affected by the pandemic. This threatened to have an impact on clinical competence and ability to graduate for all clinical professional programmes. During level two lockdown, rapid development of protocols was required to safely deal with patients attending the clinics.

The majority of MBChB students will graduate or progress to their next year on time, without loss of programme quality. Some international MBChB students may undertake 2021 Year 2 offshore, which will help maintain MBChB EFTS.

Māori and Pacific Admission Scheme (MAPAS) students were disproportionately affected by lockdown and some evidence



is emerging of reduced performance by MAPAS students in several programmes. The University is working with these students to enhance their prospects of future success.

Dr Collin Tukuitonga, inaugural Associate Dean Pacific, was heavily involved in the design and delivery of the national Covid-19 response, advising government ministers and the Ministry of Health on the response in the Pacific communities.

The School of Nursing was awarded a Ministry of Health contract worth \$18.6 million to lead the national programme for the Nurse Practitioner Training Pathway. Nursing was also successful in all six Health Research Council (HRC) Activation grant applications and also awarded an HRC Covid-19 grant.

The successful funding bid for a Centre of Research Excellence (CoRE) for Manaaki Mānawa, Healthy Hearts for Aotearoa, was a major success. The new national centre hosted by Auckland will research heart and respiratory diseases to improve outcomes, particularly for Māori and Pacific peoples.

The Growing Up in New Zealand contract was signed in 2020 and work is proceeding towards interviewing children for the next data collection in 2021 for this important longitudinal study.

The faculty-wide Cancer Research Centre was officially approved in 2020 and has received philanthropic support to appoint an inaugural director in 2021.

Covid-19 heavily affected most research projects, with many put on hold for several months. FMHS ensured highest priority

research could be undertaken in high-risk situations – such as clinical trials, animal experiments already under way and Covid-19 research. A significant amount of research was shut down during lockdowns and this was reported via the Covid-19 Research Impact form.

FMHS staff played an integral part in New Zealand's response to Covid-19. A team from Grafton Clinical Genomics and faculty volunteers all stepped up to develop and offer clinical grade testing for Covid-19.

The Vernon Jansen Animal Unit continued supporting research during all lockdown levels with critical, priority and essential research activities able to continue where approved.

Overall, research grant success rates were maintained through the year despite Covid-19. Some School of Medicine researchers successfully pivoted their research programmes to earn specific Covid-19 research grants.

Another highlight was Dr Rhys Jones winning the Prime Minister's Supreme Award for Tertiary Teaching in the 2020 Tertiary Teaching Excellence Awards.

Science

Science was significantly affected by Covid-19, and this led to many international students being supported in their learning using online methods. The faculty performed well with shifts to and from online teaching and assessment of students in New Zealand and the various interruptions to our research activity as lockdown levels changed. Our academic and

professional staff adapted rapidly with each changing situation.

Revenue was adversely impacted by the downturn in international students as a result of Covid-19. This was offset by increases in externally funded research income, together with a reduction in expenditure, to deliver a contribution close to budget.

Externally, members of the faculty made major contributions to the societal response to the Covid-19 situation. The Prime Minister's Chief Science Advisor, Professor Juliet Gerrard (Biological Science/Chemical Sciences), was immensely influential in her advice to Cabinet and the Public Service.

Physics Professor Shaun Hendy, Director of Te Pūnaha Matatini (TPM), the complex systems CoRE, led a team providing epidemiological and, later, socio-economic modelling of the impacts of various policy settings. These were highly influential in Cabinet decisions on changes in alert levels and adoption of specific policy approaches.

Associate Professor Siouxsie Wiles (TPM/Physics/FMHS) showed outstanding science communication skills, providing easily digestible information for the public and earning plaudits and awards, not just locally, but internationally. TPM also undertook research on the spread of Covid-19-related disinformation and its effects.

Our scientists were recognised in funding from the Ministry of Business, Innovation and Employment's (MBIE) Covid-19 Innovation Acceleration Fund. Shaun and his team gained ongoing funding for their modelling work and Professor Jim Warren (Computer Science) was



funded to support youth mental health in the face of Covid-19 challenges using a dynamic chatbot. Associate Professor Nick Gant gained funding to develop a matchbox-sized body sensor worn under the arm to determine whether someone has a fever and apply it to monitor the health of large groups of people, such as in rest homes, to reduce contact with and spread of Covid-19.

Our scientists were more broadly recognised with various honours, notably Distinguished Professor Marston Conder (Mathematics) and Professor Ian Lambie (Psychology) who were both awarded ONZMs, Professor Eamonn O'Brien (Mathematics) was awarded the Hector Medal, Dr David Moreau (Psychology) was awarded the 2020 Royal Society Te Apārangi Early Career Research Excellence Award for Social Sciences, and Associate Professor Miro Erkiñtalo (Physics) won the Prime Minister's MacDiarmid Emerging Scientist Award.

Science staff also used the first lockdown as an opportunity to study how the environment

responded to reduced human activity. For example, Associate Professor Kasper van Wijk (Physics) investigated the reduction in background seismic noise due to lower traffic and construction activity, while Associate Professor Margaret Stanley (Biological Sciences) explored the recovery of birdlife in urban areas.

Auckland Bioengineering Institute

The Auckland Bioengineering Institute (ABI) is a world leader in computational physiology and development of novel bio-instrumentation.

Covid-19 naturally affected research operations because ABI has strong international collaborations and students, and the research requires access to specialised facilities. Preparations started early to ensure staff and students could continue work as the pandemic became reality. Plans were put in place to ensure effective systems for remote working could be achieved and line managers and supervisors worked closely with their teams to reprioritise work.

There was an efficient transitioning into full lockdown, largely due to prior communications, testing and planning. Internally within the subgroups of ABI we saw a high level of camaraderie and strong work ethic.

In order to mitigate financial risk, ABI chose not to replace roles that became vacant and was able to redistribute workload to other staff short term. Further mitigation of risk has been achieved by putting on hold workspace upgrades. ABI moved all engagement online

both internally and externally and adapted well to this change.

While Covid-19 presented significant disruptions, it also provided new opportunities for research and research management.

The reallocation of funding has presented new prospects for some researchers who have been able to adapt or develop novel ideas for Covid-related research or impacts. These include a successful MBIE award received by Professor Merryn Tawhai.

ABI hosts the Medical Technologies Centre of Research Excellence (MedTech CoRE) and learnt recently it was not successful in gaining further funding. This was identified as a potential risk in earlier years and discussions for alternative initiatives are taking shape including the successful \$15m over five years MBIE award received by ABI director, Distinguished Professor Peter Hunter.

Peter also figured in the 2020 University Research Awards, winning one of the Vice-Chancellor's Commercialisation Medals which recognise the work of researchers who have made a significant impact on the economy and society. Professor Thor Besier also won a Commercialisation Medal and Associate Professor Suranga Nanayakkara one of three Research Excellence Medals.

The '12 Labours' project is translating ABI's computational models into applications for diagnosis and therapy, with the intention of creating whole body system avatars for individualised future healthcare. ABI is also leading the work towards the Medical



Director of the Auckland Bioengineering Institute, Distinguished Professor Peter Hunter.

Technologies Innovation Quarter in the Grafton area and is in the early development stages of the MedTech Research Translator which could provide a potential solution to the implementation of the Health Research Strategy.

National and international public-good funding continues to provide the primary support for our basic science research with the potential to lead to translational projects. International (US) funding for our basic research continues to increase.

Covid-19 has led us to look closer locally in terms of funding and recruitment, however the ABI will continue to attract international students through reputation, and by building and fostering relationships with leading universities in targeted countries.

Liggins Institute

The Liggins Institute responded to the challenges of 2020 by refocusing postgraduate student recruitment, leveraging off our team-based approach to research support, to address the impacts on research projects and by contributing to the national response to Covid-19. We rapidly repurposed our laboratory to undertake Covid-19 testing and, together with the Faculty of Medical and Health Sciences, contributed staff and equipment to the national health service teams undertaking testing, doubling their capacity during the peak period of the March lockdown.

In 2020, we had a large number of postgraduate students completing theses. However, the border closures meant approved international students have been unable to enter the country, resulting in a substantial decrease in our postgraduate student cohort. We are addressing this through a concerted domestic student recruitment drive, with an accentuated focus on honours and masters students in addition to our traditional focus on doctoral students. The results of this drive will not be clear until 2021.

Many of our existing students' timelines have been extended due to Covid-19 interruptions to their research. We have supported students through revising timelines and have provided financial support through our student hardship fund, to which many staff have contributed.

All research requiring laboratory facilities or involving human participants has been affected. The major impacts are on clinical trials actively recruiting or with narrow windows for the timing of follow-up assessments. The Liggins Institute team approach to supporting clinical trials has meant that, once activity could get under way again, the team worked exceptionally hard to ensure that as many assessments as possible for all research projects were achieved within

the required time frames, minimising the potential impact. This 'one-team' approach has also meant that the financial impact on individual research grants was greatly reduced.

We have continued our engagement with Institute supporters and the public through online webinars, increased newsletter frequency and, when possible, public lectures in person. Our philanthropic supporters have continued to be extremely generous with 110 donations from 55 individual donors, trusts and foundations in 2020. Donations helped establish two new PhD scholarships, two new research fellowships, research support for three new projects and a student hardship fund. Support from the Aotearoa Foundation saw the second cohort of clinical internships for medical students and two new research fellows appointed.

Our staff and students continue to be recognised for their achievements, with Professor Jane Harding's appointment as Dame Companion of the New Zealand Order of Merit, Professor Caroline Crowther's election as Fellow of the Royal Society of New Zealand and Dr Elza Cloete winning a Vice-Chancellor's Prize for Best Doctoral Thesis.

UniServices

UniServices provides the business development and contracting functions for the externally funded research portfolio of the University of Auckland. UniServices also has sole responsibility for protection and commercialisation of the intellectual property of the University. New IP and new expertise arising from research fuel the creation of new opportunities for expanded research, as well as the creation of new non-research business units and new assets for commercialisation via licensing and establishment of new start-ups.

In keeping with the Statement of Shareholder Expectations provided by the University Council, UniServices has three key objectives:

1. Grow the research revenues of the University on a break-even basis
2. Operate the company's business unit portfolio at a minimum net profit of 4 percent of portfolio revenues
3. Protect and commercialise the intellectual property estate of the University on a break-even basis.

At the same time, it raises the frequency and magnitude of extraordinary events (i.e. royalties and sale of start-ups) that create significant value for the University, UniServices and the researchers/inventors who have produced the IP.

We also have an objective for ourselves,

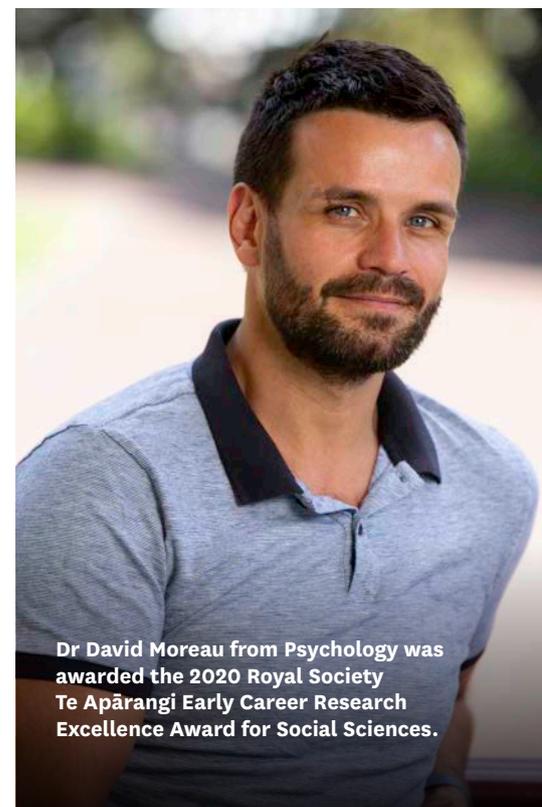
which is to: 4. Provide a supportive environment for all staff.

The Covid-19 pandemic had wide-ranging effects across UniServices in 2020. The lockdowns and travel restrictions had a dramatic impact on the research funding pipeline of the University, resulting in a very large body of research contracts requiring contract variations by UniServices, in collaboration with researchers and their research support teams.

This disruption had the potential to derail a major portion of the effort available to attract new research funds to the University. However, the UniServices team's tremendous efforts, along with the hard work of the research support teams across the University, meant research funding targets were exceeded in 2020.

Covid-19's effects on the business unit portfolio were highly varied. Some business units suffered significant reduction in revenue, largely because of the loss of international students, while others enjoyed record revenue increases through a rapid transformation from in-person to online service delivery, combined with dramatic increases in customer demand. In many areas, demand more than doubled compared with 2019. Agile, active management allowed us to minimise losses where needed and to maximise benefits where available.

The pandemic also drove record levels of activity in the commercialisation pipeline, with new opportunities arising from the change of focus by researchers who could not access their laboratories during lockdown. There was also a surge in invention and innovation-seeking to develop and deliver solutions for the Covid-19 crisis.



Dr David Moreau from Psychology was awarded the 2020 Royal Society Te Apārangi Early Career Research Excellence Award for Social Sciences.

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Diverse student body

Recruitment strategies have focused on increasing Māori and Pacific enrolments.



Statement of service performance

The University of Auckland's mission is to be: "A research-led, international University, recognised for excellence in teaching, learning, research, creative work, and administration, for the significance of its contributions to the advancement of knowledge and its commitment to serve its local, national and international communities." The Strategic Plan 2013-2020 was based on this mission statement and led to 19 objectives reflecting this core mission, which align with seven aspirations.

The outputs of the University of Auckland are research-informed teaching, learning and scholarship; fundamental and commercial applications of research and creative works; and contributions to its local, national, and international communities. All our objectives can be related to one or multiple of these three output classes. The Statement of Service Performance is arranged based on our Strategic Plan 2013-2020. The targets for our KPIs are determined as part of our annual planning and budget cycle.

Accomplished and well-supported staff

Leading universities are primarily defined by their ability to attract and foster the best students and the most accomplished teachers, researchers and administrators. The University of Auckland aims to recruit and retain a high-quality and diverse body of academic and professional staff, who are passionate about their work and enthusiastic about their contribution to the University's objectives. We seek to provide staff with an environment that develops and rewards talent, is flexible to their needs, and fosters high levels of engagement. Staff are encouraged to provide leadership in their professional capacities outside the University, extending benefits to the wider communities, nationally and internationally. The objectives in this first section are focused on our staff, an integral part of delivering our desired outcomes with respect to all our output classes.

The skill and expertise of our professional and academic staff is an important contributor to the full range of our objectives and performance indicators. People costs were \$669m in 2019 and increased to \$707m in 2020. People costs represent 59.1% of total unrestricted revenue. However, 2020 includes termination benefits of \$44m, of which \$43m relates to the voluntary leaving scheme. After adjusting for the termination benefits, people costs have reduced by 0.9%. Further details are provided in the financial statements.

Objective 1

A work environment characterised by a commitment to clear expectations, development of potential, inclusiveness, high achievement and rewarding performance.

Performance indicators	2018 Actual	2019 Actual	2020 Target	2020 Actual
Student : academic staff ratio (EFTS : AFTE)	18.1	18.3	18.5	17.9
Academic : professional staff ratio* (AFTE : Professional Staff FTE)	1.4	1.5	1.5	1.6
Peer-reviewed publications per AFTE	4.6	3.9	4.5	3.8
Citations per AFTE	186.6	197.2	175.0	325.4
Number of prestigious awards held by academic and professional staff	320	358	≥ 350	364
Percentage of Māori staff in academic positions	5.9	5.9	6.5	6.1
Percentage of Pacific staff in academic positions	2.7	2.5	3.0	2.6
Percentage of Māori staff in professional positions	6.7	6.7	7.0	6.7
Percentage of Pacific staff in professional positions	6.4	6.4	7.0	6.7

*Calculation includes professional staff in the faculties and LSRI's only.

- The ratio of students to academic staff is a measure of the level of resourcing for the University's teaching and learning services. The number of students per academic staff member is largely stable compared to 2019, having fallen only slightly from 18.3 to 17.9, the reduction being a consequence of International student numbers being lower than was budgeted.
- The proportion of Māori and Pacific staff FTE in academic and professional positions has fallen slightly short of the target values. The percentage of Māori in professional positions remains stable compared to 2019, while the proportion of Māori in academic positions, as well as the proportions of Pacific individuals in both academic and professional positions, have all shown small improvements.
- Both the number and percentage of women in senior academic roles have risen slightly compared to 2019, reflecting an increase of seven FTE in total, or 0.6% of the total pool of senior academic staff.

- In March, the University completed the implementation of a new framework for the remuneration and categorisation of professional staff positions. This new system aims to promote standardisation and transparency for professional staff, while supporting the University's broader aim of fiscal sustainability.
- As part of the University's response to the impact of Covid-19 on its financial position, a Voluntary Leaving Scheme (VLS) was offered to staff with negotiated end dates, confirmed in December 2020.

Objective 2

An outstanding staff experience where success is celebrated and high levels of engagement achieved.

Performance indicators	2018 Actual	2019 Actual	2020 Target	2020 Actual
Percentage of staff positive about staff engagement in staff surveys	80	77	≥80	N/A

- Staff sentiment is surveyed biennially, with the figures above from the most recent survey, conducted in 2019.
- Every year, high-performing teaching staff are recognised through the Teaching Excellence Awards. This year, winners were chosen from the Faculties of Science, Law, and Education and Social Work.
- The Research Excellence Awards in June celebrated the success of staff in bringing ideas to life for the public good. Three individual Research Excellence Medals were awarded in 2020, to staff in Education and Social Work, Science and the Auckland Bioengineering Institute (ABI). The team award went to the Faculty of Medical and Health Sciences. As well, there were three Vice-Chancellor's Commercialisation Medals awarded, two in ABI and one in Engineering, and five Early Career Research Excellence Awards across four faculties. All awards were announced to staff in the Vice-Chancellor's fortnightly newsletter and via all-staff Zoom meetings instigated during the first lockdown.
- In 2020 new Vice-Chancellor Professor Dawn Freshwater held regular Zoom forums, where she and other members of the senior leadership team discussed key events and decisions affecting the University, and staff had the opportunity to raise concerns and ask questions. These forums have become a popular way for staff to engage with University leadership.
- Staff were encouraged to make submissions to 'Taumata Teitei: Vision 2030 and Strategic Plan 2025', with submissions received from a wide range of both academic and professional staff as well as the student body AUSA. These were compiled into a report for senior leadership, highlighting the key themes.



Objective 3

An environment in which distributed leadership is developed and valued.

Performance indicators	2018 Actual	2019 Actual	2020 Target	2020 Actual
Percentage of staff positive about leadership in staff surveys	62	59	≥65	N/A

- There was no staff survey in 2020. Staff sentiment is surveyed biennially, with the most recent survey conducted in 2019. Confidence in senior leadership has historically appeared as an area for development, which provided incoming Vice-Chancellor Professor Dawn Freshwater with an opportunity to demonstrate a new style of leadership.
- In particular, the Vice-Chancellor sought to keep staff informed about the rapidly evolving Covid-19 situation by providing regular updates as soon as new information was available from central government. Coupled with regular staff Zoom meetings featuring a changing panel of senior leaders on various weeks and physical forums, staff were well informed of decisions that affected them and their students.
- Many staff commented that the opportunity to hear from senior leaders through these Zoom forums was welcome and gave a face to the University Executive Committee that had previously been missing. The forums were seen to strengthen engagement and the trust of all staff in leadership and delivered this through transparent messaging throughout the 2020 stage of the Covid-19 crisis.
- There has been a highly engaging approach to the Strategic Plan process leading to 'Taumata Teitei: Vision 2030 and Strategic Plan 2025', with information forums and feedback sought and received at every stage of the process and clearly signposted through the Vice-Chancellor's staff meetings and fortnightly newsletter.

Able students, successful graduates and alumni

The capabilities of our graduates, enhanced through their university experience, provide our largest impact on society. A high-quality teaching and learning environment, combined with extracurricular opportunities, helps to ensure that our qualifications are of international standing, and that our graduates are independent and critical thinkers with mastery of a body of knowledge and professional skills, and a broad world view.

The University's impact on society is closely tied to the calibre of its high-quality graduates, who benefit from the research-driven ethos of the University, and the range of extracurricular activities that are offered to students. The cost of our teaching and learning outputs is \$846 million. This provides teaching to a large number of students – 43,000 students are enrolled at the University in a formal degree. In 2020, 10,759 students met the requirements of their formal programme. Our most recent Graduate Destination Survey shows that 76% of our graduates are employed within one year of completing their degree, with an employment rate of 96%, while 18% continue with further study. The University is ranked 141st globally by QS for Employer Reputation, and first in New Zealand.





Objective 4

Attract a diverse student body of the highest possible academic potential.

Performance indicators	2018 Actual	2019 Actual	2020 Target	2020 Actual
Percentage of school leavers entering with a GPE greater than or equal to 5	60.9	60.2	60.0	51.0
Percentage of Māori undergraduate students (Domestic EFTS)	8.7	8.7	8.8	8.6
Percentage of Pacific students undergraduate (Domestic EFTS)	12.5	12.3	12.5	12.6
Percentage of Māori postgraduate students (Domestic EFTS)	6.3	6.5	7.0	6.3
Percentage of Pacific postgraduate students (Domestic EFTS)	6.0	5.9	6.5	6.3

- In absolute terms, the number of school leavers entering the University with a Grade Point Estimate (GPE) ≥ 5.0 remained relatively stable, falling slightly to 3,007 from 3,155. However, because the overall number of school leavers entering the University rose from 5,243 to 5,900, the percentage with a high GPE has fallen from 60.2% to 51.0%, and is now below target.
- The percentages of Māori and Pacific domestic students have remained relatively stable compared to last year, with changes all within $\pm 0.5\%$. Absolute EFTS for Pacific undergraduate, Pacific postgraduate, and Māori postgraduate experienced growth relative to 2019, while Māori undergraduate EFTS declined slightly from 1,907 to 1,886. Strong overall growth in postgraduate domestic EFTS has resulted in the relative percentage of postgraduate Māori EFTS also falling slightly.
- As in previous years, the University had a presence at the Big Gay Out, celebrated in February, and saw a record number of participants.

Objective 5

A student body growing at 1% per annum with increased proportions of international, postgraduate taught and postgraduate research students.

Performance indicators	2018 Actual	2019 Actual	2020 Target	2020 Actual
Percentage of total EFTS (Domestic residency)	81.6	79.5	80.0	81.3
Percentage of total EFTS (International residency)	18.4	20.5	20.0	18.7

- As expected during a year where international travel was disrupted by Covid-19, the proportion of total EFTS made up of international students has fallen slightly from 20.5% in 2019 to 18.7% in 2020. This is essentially a return to 2018 levels, where the University had 18.4% international EFTS.
- Total EFTS fell slightly (-0.4%) in 2020, mainly due to a decline in international students related to Covid-19.
- The proportion of EFTS from postgraduate study has generally risen, with the exception of a slight (0.2%) decrease between 2018 and 2019. Total postgraduate EFTS are now 8,578 (24.9%).
- The proportion of EFTS from taught postgraduate study is trending gradually upwards, increasing from 15.2% in 2016 to 16.4% in 2020, while the proportion from research postgraduate is largely unchanged, ranging between 8.5% and 8.8% in all years in this period, and being 8.6% for 2020.

Objective 6

A substantial increase in annual completions of taught masters, research masters and doctorates.

Performance indicators	2018 Actual	2019 Actual	2020 Target	2020 Actual
Taught masters completions (numbers)	1,243	1,201	1,310	1,208
Research masters completions (numbers)	888	836	820	719
Doctorate completions (numbers)	394	462	490	472

- Producing high-quality masters and doctoral graduates is an important way in which the University contributes to the betterment of its communities, as well as enhancing its ranking and reputation, both domestically and internationally. Over the period of the 2013-2020 Strategic Plan, around 9,500 such qualifications were awarded.
- Doctoral degree completions increased marginally, from 462 in 2019 to 472 in 2020. Despite a relaxation in the target from 520 to 490, the 2020 number has still fallen short of the target value. The factors affecting work on a doctoral project are complex, which can be seen in the variability of the completion rates year-on-year. Despite this, the general trend over the period of the Strategic Plan 2013 to 2020 is upwards. A notable trend in doctoral enrolments is that the proportion of students opting to enrol in their doctorates part-time has fallen significantly from 55% in 2016 to only 30% in 2020. New doctoral enrolments are variable, but have averaged at around 600 students per year over the same period.
- Completions of research masters and equivalent degrees also show a high degree of volatility, with the 719 completions recorded for 2020 being the lowest number in the 2016 to 2020 period. The number and proportion of research postgraduate EFTS over the period of the 2013-2020 Strategic Plan has grown from 2,600 EFTS (8%) in 2013 to 2,956 (9%) in 2020.
- Taught postgraduate completions experienced a sharp rise between 2017 and 2018 (957 to 1,243), and have remained relatively stable since. The 1,208 completions for 2020 are slightly higher than last year (1,201), but lower than the 2018 peak of 1,243. Taught postgraduate EFTS have also been rising year on year, and now represent 16.4% of all EFTS, and 88.9% of all non-doctoral postgraduate EFTS.
- The University's graduate student scholarships make an important contribution to supporting and attracting students to the graduate programme. In 2020, 977 domestic and international doctoral students received funding from the University of Auckland Doctoral Scholarships and other centrally funded bursaries and awards. A further 198 students received payments from external sources administered via the University; 53 of these were international students. In 2020, 34% of the University of Auckland Doctoral Scholarships awarded were taken up by international students. In all, doctoral students received more than \$28.2m worth of funding and support in 2020.
- Each year, five exceptional doctoral theses are recognised through the Vice-Chancellor's Prize for Best Doctoral Thesis. The winners of this award in 2020 were Andrew Chen (Engineering), Hester Cloete (Liggins Institute), Emily Cross (Science), Michael Hoggard (Science), and Tru Paraha (Creative Arts and Industries).

Objective 7

A high-quality learning environment that maximises the opportunity for all our students to succeed and provides them with an inclusive, intellectually challenging and transformative educational experience.

Performance indicators (as a percentage)	2018 Actual	2019 Actual	2020 Target	2020 Actual
Percentage of successful course completions – overall domestic (excl theses)	88.4	88.6	90.7	90.9
Percentage of new undergraduate retention (re-enrolment)	87.9	87.1	88.0	87.9
Percentage of students expressing satisfaction with overall programme quality	95.0	95.1	> 95	92.6
Percentage of courses with an evaluation score of 80% or more	65.3	65.0	> 70	59.5
Degrees accredited by professional associations/accreditation bodies	52	52	> 50	49

- The domestic pass rate is slightly above target for 2020 and represents an improvement on last year, rising from 88.6% to 90.9%.
- Although Covid-19 caused significant disruptions for staff and students in 2020, the University sought to minimise the impact on students' academic careers by increasing all grades by one in Semester One. As a result, there were 155 EFTS recorded as a C- (bare pass) that would otherwise have been a D+ (fail). These represent less than 1% of the total passing EFTS for 2020, however, and as such do not significantly impact the year's total.
- Despite being slightly below target, overall first-year undergraduate retention has improved, rising from 87.1% in 2019 to 87.9% in 2020. However, retention rates for certain groups have fallen. This is most evident for students with international residency (-3.2%), as well as students from a Pacific background (-3.1%), and those in the MELAA (Middle Eastern, Latin American, and African) ethnic group (-2.4%).

In terms of particular faculty/residency cohorts, significant declines are evident for international students in Business and Economics (-4.9%), and in Engineering (-12.1%). The retention rate for Māori students was 81.6%, which is largely unchanged from 2019's rate of 82%.

- The annual Learning and Teaching Survey (LTS) is used as a general barometer of students' university experience. Although the percentage of students satisfied with their programme was slightly below target, more than 90% of respondents did not express concern with the quality of their programme of study, despite the disruptions caused by Covid-19. In terms of students' ethnic backgrounds, Pacific students were the least likely to express concern about their programme quality (7%), while students from MELAA backgrounds were the most likely to be dissatisfied (12.4%). For Māori students, the level of dissatisfaction was 9.7%.
- For 2020, additional questions were added

to the LTS analysis to gauge students' study experiences during the two Covid-19 lockdowns. Although most students reported being reasonably well resourced to pursue their studies online, nearly one in five respondents (in both lockdowns) found that they did not have access to a suitable study space.

- The University also conducts ongoing monitoring of the quality of individual courses through the Course and Teaching Evaluation surveys. Changes, including a new evaluation instrument for online learning, were made to course and teaching evaluations in 2020 to reflect Covid-19 and the shift to emergency remote learning and teaching. Students' satisfaction with overall course quality was negatively impacted. This reflects the challenges faced by both students and staff through the move to online delivery. Overall approval is measured by the proportion of courses where at least 80% of the respondents do not express concerns about the course. This metric is below

target for 2020, and below the 2019 value of 65%.

- All eight of the University's faculties continue to offer programmes that are externally accredited, covering a broad range of subject areas in multiple domains of public interest. Although the number of degrees and programmes accredited by external organisations has declined (-3) to be marginally below target, this is due in part to changes in how the University's external partners accredit programmes, with some specialisations now captured under a single accreditation rather than being certified separately.

Objective 8

A distinctive, high-quality extracurricular experience that maximises the value to our alumni of their university experience.

Performance indicators	2018 Actual	2019 Actual	2020 Target	2020 Actual
Percentage of students expressing satisfaction with overall university experience	94.8	91.9	≥92	86.8

- The percentage of students satisfied with their University experience has fallen to 86.8% in 2020, 5.1% lower than last year. This is the largest single decline in the 2018-2020 period.
- Students' experiences at the University are

determined not only by the quality of the teaching that they receive, but also by the opportunity for networking and extracurricular activities. These opportunities were reduced during 2020, as a result of the periods that students spent away from the University during

Covid-19 lockdowns. For the majority of students, who study at campuses in Auckland, these lockdowns meant extended periods in Semesters One and Two where they did not have access to campus facilities.





High-quality research that benefits society

Research-intensive universities play a key role in creating and disseminating knowledge that has positive social, cultural, economic and environmental impact. As a comprehensive university we recognise the intrinsic value of knowledge and of diverse intellectual traditions. We are committed to research excellence across all our disciplines, and the dissemination of high-quality research with various forms of impact: informing research-led education; contributing to building bodies of knowledge in different disciplines; addressing the world's major challenges; assisting in policy formulation; enriching the cultural life and well-being of our communities; and promoting commercial innovation.

The University of Auckland generates a large body of high-quality research, conducted by staff at the eight faculties and two Large Scale Research Institutes (LSRIs). The cost of our research output for 2020 was \$385m.

Objective 9

A growing output of excellent research across all our disciplines.

Performance indicators	2018 Actual	2019 Actual	2020 Target	2020 Actual
Number of peer-reviewed research and creative outputs	7,986	6,845	8,115	6,790

- An important measure of the University's research performance is the number of peer-reviewed research and creative outputs published. This metric remains largely unchanged, with 6,845 in 2019 and 6,790 in 2020.
- A new round of Centre of Research Excellence (CoRE) bids concluded in 2020. These are collaborative national research centres where funding is allocated by the government to address pressing social and scientific questions. The University continues hosting rights for three existing CoREs at Te Pūnaha Matatini, the Maurice Wilkins Centre and Ngā Pae o te Māramatanga. The University now also hosts Healthy Hearts for Aotearoa New Zealand at Manaaki Mānawa, our new heart research centre. The centres the University of Auckland is hosting have a combined value of \$155m over 7.5 years.
- As in previous years, researchers from the University have been successful in obtaining significant amounts of research funding from major national funds, including the Health Research Council (HRC), the Marsden Awards, and the Endeavour Fund. Competition for these funds is high, with only a small percentage of initial proposals being approved. The success of the University's researchers is a testament to the quality of their work. University staff obtained \$24.8 million from the HRC, \$24.9m from Marsden, and \$16.9m from Endeavour. This was approximately 19% of all funding awarded by these grantors.
- For individual faculties and research institutes, the greatest increase was seen for Education and Social Work (+21%) and the Auckland Bioengineering Institute (+13%). The most significant declines were seen for the Faculty of Arts (-23%) and the Faculty of Creative Arts and Industries (-15%).

Objective 10

Dissemination of high-quality research that has the greatest possible impact on and value for New Zealand and the world.

- Through Te Pūnaha Matatini, University of Auckland researchers played an important role in the government's response to the ongoing Covid-19 pandemic. University staff assisted the government with statistical modelling and expert advice, and also strove to communicate the importance of lockdown measures to the general public. Associate Professor Siouxsie Wiles and Professor Shaun Hendy, in particular, became household names, working with journalists to distil complex information to keep the public informed and safe.
- Professor Susan Morton of the Faculty of Medicine and Health Sciences released a new report from the longitudinal study that's examining the lives, activities, and health of more than 6,000 children growing up in New Zealand. The work explores a broad range of factors in the lives of participants, including measures of health, education, poverty, and identity. This year's report, Now We Are Eight, takes stock of the participants at age eight, and is the newest in a series of reports, released at regular intervals over the course of the study to help inform government policy.

Treaty of Waitangi/Te Tiriti o Waitangi partnerships for mutual benefit

The University of Auckland has a strong history of developing partnerships with Māori that acknowledge the principles of The Treaty of Waitangi /Te Tiriti o Waitangi. We will maintain and strengthen our core of excellent Māori staff, provide programmes that attract Māori students and recognise their aspirations, and encourage teaching, learning and research that contributes to Māori intellectual and cultural advancement.

Objective 11

Partnerships in which the University and Māori work together to achieve their shared aspirations.

- Te Mātanga Reo, the University's Māori language Advisory Committee released a comprehensive Kuputaka (glossary) detailing expert translations of a wide range of terms, titles, names, and marketing slogans in use around the University. The intention of the Kuputaka is to assist staff in normalising Te Reo Māori, and incorporating it into their day-to-day interactions.
- A related initiative unveiled in 2020 is Te Kūaha, an app available on iOS, Android, and Windows, that teaches elements of Māori vocabulary and culture, and includes a function to assist users in improving their pronunciation of Māori words.
- More broadly, the University launched its 2020-2025 Māori Language Plan, entitled 'Te taonga nō tua whakarere, he taonga mō āpōpō', which translates as 'a treasure from ancient times, and for tomorrow'. This plan outlines the University's commitments, responsibilities, and plans for the revitalisation of te reo on campus.



Strong partnerships with key organisations and communities

The University interacts with and serves many diverse communities locally, nationally and internationally, which contribute to and draw upon our research, teaching and ideas. Our ongoing relationships with employers, business, schools, other teaching and research institutions, government, councils, and regional and community groups play an important part in the achievement of the University's mission and goals. The University benefits from the political, intellectual and financial support of our many alumni and friends.

Objective 12

Strong relationships with key partners which have a positive impact on both parties.

- This year, the University formalised a long-standing strategic partnership with the University of Hawai'i (UH) at Mānoa. The partnership with UH has historically included student exchange and academic cooperation, with the new agreement seeking to expand this relationship, including a specific focus on language, indigenous studies, indigenous health, and urban planning. The University looks forward to leveraging the shared history of Māori and indigenous Hawaiian culture to serve both communities with high-quality research and teaching from both institutions.
- A delegation of New Zealand universities, led by the University of Auckland's Professor Jennifer Dixon, Deputy Vice-Chancellor (Strategic Engagement), signed a memorandum of understanding with the Indian Institute of Technology (IIT) Delhi to establish a New Zealand Centre. The centre will create opportunities for academic collaboration and student mobility, as well as promoting diplomatic and trade dialogue among various sectors. IIT Delhi is a well-ranked, research-driven institution, and is thus an ideal partner for both the University of Auckland and our domestic collaborators.
- In July, the University of Auckland entered a research and teaching partnership with Pennsylvania State University (Penn State). The initial expression of this partnership is through eight research projects that have been selected for cross-university collaboration, and which will be awarded seed grants co-funded by the two institutions. These projects originate within the faculties of Arts, Science, Engineering, and the Auckland Bioengineering Institute. Going forward, the partnership will also facilitate both staff and student mobility, and opportunities for further joint engagement and conferences.

A sustainable, autonomous university

The success of research-intensive universities is determined by their degree of autonomy, the quality of their people, and their ability to resource and support their activities. The University's commitment to excellence extends to all of its financial, investment, government and management practices, helping to build capacity and to ensure the long-term sustainability of the institution for the benefit of Auckland and New Zealand.

Objective 13

A growing and increasingly diversified revenue base to support our activities.

Performance indicators	2018 Actual	2019 Actual	2020 Target	2020 Actual
Total revenue (\$m)	1,202	1,231	1,294	1,195
Total revenue \$ / EFTS	35,556	35,657	36,474	34,863
Total revenue per academic staff FTE (\$)	512,134	512,574	552,457	488,020

- Total unrestricted revenue declined from \$1,231m in 2019 to \$1,195m in 2020 (-2.9%)
- Unrestricted revenue from tuition remained largely unchanged from 2019, rising only slightly from \$316.9m to \$317.7m (+0.3%). Revenue from research and contracts was likewise stable, falling slightly from \$269.2m in 2019 to \$269.1m (-0.1%).
- Revenue from international student tuition fees was \$165m in 2020. This was lower than budget and 1.24% lower than 2019. The immigration restrictions imposed to reduce the country's risk of Covid-19 infections limited the University's opportunities to enrol international students.

Objective 14

Deliver 1.5% of operating revenue from endowment income and current-use philanthropic gifts to provide broad and flexible support for future University initiatives.

- The endowment income for 2020 was \$40.7m, which represents 3.4% of the total operating revenue. This is a substantial improvement on 2019, where endowment income was \$33.4m.
- Among the philanthropic donations received in 2020 were large gifts from former staff members: \$5.5m from the estate of Professor Brian Coote to support advanced research in the Faculty of Law; and \$1.8m from the Fehl Trust to support the Fehl Aotearoa Vision Bus project, to improve access to eye health treatment for New Zealand communities.
- The 2020 Chancellor's Dinner was held in November in the Sir Owen G. Glenn Building, with approximately 230 guests attending, including key members of staff and many of the University's most significant supporters. This important donor event was co-hosted by the Chancellor, Scott St John, and the Vice-Chancellor, Professor Dawn Freshwater. Students and researchers spoke about how they had been supported by philanthropic funding, and 37 donors were inducted into the Chancellor's Circle for having donated \$100,000 or more.
- The University of Auckland Campaign For All Our Futures, completed in October 2019, had a significant ongoing impact in 2020 through research projects and student scholarships and initiatives across the University. The \$380m campaign also earned an award in 2020 from the Fundraising Institute of NZ, which named it Best High Value Campaign and winner of the overall 2020 Fundraising Excellence Award. The campaign was also named as a finalist by the Council for Advancement and Support of Education (CASE) in its global awards, the winners to be announced mid-2021.

Objective 15

An infrastructure of the highest quality possible to support our teaching, learning, research, and community engagement.

- Despite the disruptions of 2020, progress was made on a number of key student accommodation building projects. In Semester One, the new Te Tirohanga accommodation facility was opened, with 488 beds of self-catered accommodation space, along with Tower B of the Waipārūrū facility. When Tower A was opened in Semester Two, the combined facilities of Waipārūrū added 786 catered beds for school leavers.
- A large-scale project is under way to completely rebuild the University's Recreation and Wellness Centre, with significant progress made during 2020 towards the dismantling of the previous facility. A well-equipped interim recreation centre and other complementary facilities were made available a short distance away. This ensured staff and students continued to have access to comparable services while this work is ongoing. Completion of the new structure is expected in 2023.

Objective 16

Sustainable practices to make more efficient use of resources and enhance our environmental performance.

Performance indicators	2018 Actual	2019 Actual	2020 Target	2020 Actual
Energy consumption (KWh/m ² GFA)	162.8	154.5	156.1	134.9
Wastewater (m ³ / m ² GFA)	0.7	0.7	0.7	0.5
Paper (A4 reams / EFTS)	2.4	2.1	1.9	1.2
Solid waste to landfills (m ³ / EFTS)	0.7	0.5	0.5	0.4
CO2 emissions (t CO2-e / EFTS)	1.0	1.0	0.9	0.7

- The effect of the Covid-19 lockdowns is apparent on the data concerning resource consumption. Usage of electricity, water, and paper are all below their 2019 levels, with paper usage in particular showing a significant drop from 2.1 reams per EFTS to 1.2. A similar pattern can be seen with regards to solid waste and CO2 equivalent emissions. These numbers can be attributed to the extended periods of 2020 when staff and students could not be present on campus and to the cessation of almost all international travel during the year.
- During a significant portion of 2020, Auckland experienced unusually low levels of rainfall, and consequently low water levels in the dams. Although the University is unable to halt external washing of its buildings (due to the warranty conditions for the cladding), it has been able to switch to a non-potable water supply. This allows the University to maintain its building warranties, without putting an added strain on the region's potable water supply. In addition, investigation into the possibility of expanding the use of the Newmarket aquifer/bore is ongoing.
- This year, the University relocated more than 200 staff from Auckland Hospital to a facility on the Grafton campus, which resulted in nearly 80 tonnes of furniture that was no longer required. Through a significant logistical effort on the part of the Property Services division, the Faculty of Medical and Health Science, and the Auckland District Health Board, nearly all of this furniture was successfully rehomed, and diverted from landfills.
- The University of Auckland has retained its ranking as the top institution globally in the Times Higher Education University Impact Rankings, which measure contributions to the Sustainable Development Goals. Submissions were made in 15 of 17 categories, and high rankings (top 40) were obtained for all 15.



Objective 17

A safe and healthy environment.

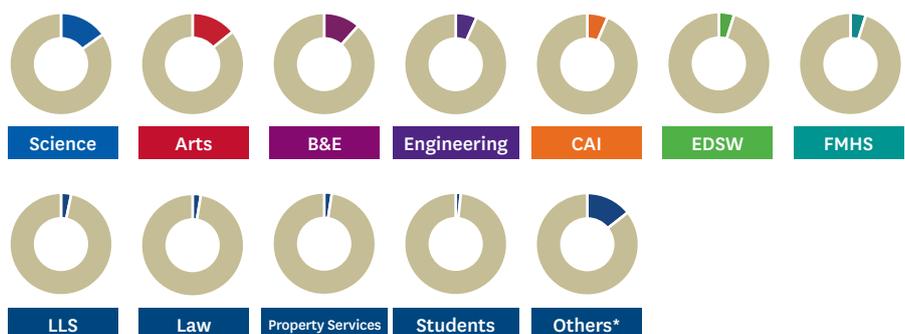
Performance indicators	2018 Actual	2019 Actual	2020 Target	2020 Actual
Rates of accident and injury	515	492	<650	329
Rating in self-assurance review	Tertiary	Tertiary	Tertiary	Tertiary

- The University deployed the first phase of the Improving Health and Safety Project in 2020. This allows staff to report health and safety concerns online, and simplifies the reporting process for students and contractors. These streamlined processes are intended to assist the University in effectively prioritising and managing its response to risks, based on their potential severity.
- The number of incidents and injuries is substantially reduced compared to last year's 492. Likewise, only two notifiable incidents/accidents were recorded for 2020, against five for 2019. These reductions should be interpreted in line with the reduced presence of staff and students on campus during 2020 due to the Covid-19 lockdowns.
- Of the 329 incidents and injuries, 234 involved staff, 86 involved students, and nine involved contractors or other third parties.

Objective 18

High-quality governance and management practices consistent with the mission and values of the University of Auckland.

Performance indicators	2018 Actual	2019 Actual	2020 Target	2020 Actual
Operating surplus as a percentage of revenue	4.9	3.8	2.5	-2.5
Operating cash receipts as a percentage of operating cash payments	118.1	128.2	119.6	122.0



Strategic Plan submissions by Faculty and Service Divisions

*ABI | Campus Life | Comms | Centre for eResearch, Digital Services | Engagement, Equity | Finance | HR | Liggins, OPI | ORSI | UniServices | Pro VC Māori | Pro VC Pacific

- The University Covid-19 response Incident Management Team (IMT) was responsible for reacting and responding to incidents related to Covid-19. Its role was primarily to mitigate immediate damage, secure people and property and ensure immediate business continuity. A significant group of staff from across the University was involved in dealing with complex incidents as a result of the pandemic. These included students remaining in China, travel restrictions, self-isolation requirements, restrictions on large gatherings, repatriation of students and staff and shifting to fully remote teaching and research under alert level four. IMT also responded to changes

to alert levels or other requirements from the government’s response to Covid-19 which gave rise to further incidents with immediate responses required.

- The University established a Business Recovery Programme (BRP) to support medium-term recovery activity. The programme enabled the University to move between the management of the day-to-day response to Covid-19 related incidents, through the IMT and the development of the long-term strategy. The BRP had oversight of activities designed to reduce risk and maximise our opportunities to maintain and resume our core activities as soon as possible. There was a strong focus

on the retention of current students and coordination of our recruitment activities to maximise our share of qualified students for 2021, as well as maintaining our research profile and activities.

- The University Strategy was developed in 2020. The Whakato Kākano process started with a context paper and five position papers that were extensively consulted on and submissions received from across the University. The 495 submissions were analysed, themes extracted, and the draft strategy prepared. An initial draft of ‘Taumata Teitei: Vision 2030 and Strategic Plan 2025’, was presented to Council in December 2020.

A public university of global standing

To continue to realise our aspiration to be a leading public university of global standing, we will maintain and build strong partnerships with leading universities who share our commitment to excellence in research-led education. These relationships will help us to advance and measure our performance in an international context, and ensure that we are an integral part of the international community of leading public universities.

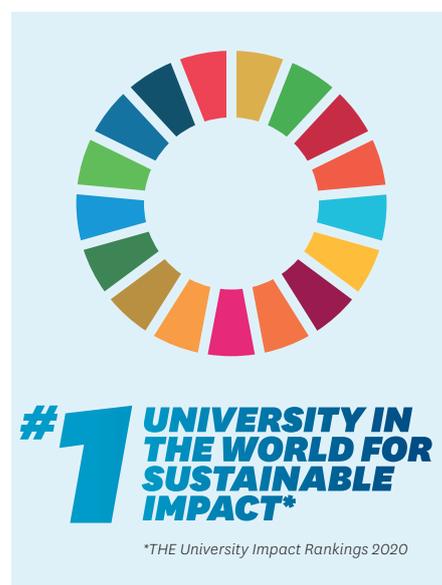
Objective 19

An international standing that places us in the top half of the groups of leading Australian, British and Canadian universities.

Performance indicators	2018 Actual	2019 Actual	2020 Target	2020 Actual
Times Higher Education World University Rankings	201-250	179	< 175	147
QS World University Rankings	85	83	< 83	81

- The University of Auckland improved its standing in the Times Higher Education (THE) World University Rankings, from 179 last year to 147 this year, and has also retained its position as the top-ranked university in New Zealand. THE ranked the University in the top 25% globally for four of the five categories assessed, with especially high scores for citations and international outlook.
- The University also slightly improved its ranking in the QS rankings from 83rd last year to 81st this year, and retained its position as the top-ranked institution in New Zealand. The University obtained top-50 rankings in a range of subject areas, including Archaeology, Pharmacy, Education, Civil Engineering, Psychology and Law.

- The third major international ranking system is the Shanghai Jiao Tong ranking. The University of Auckland remains unchanged on this scale relative to last year, occupying the 201–300 band, and being first in New Zealand.
- The University of Auckland retained its position as No 1 in the world in the Times Higher Education University Impact Rankings in 2020, measuring contributions to the Sustainable Development Goals.



Statement of the cost of outputs

The University's Mission and Values establishes three broad classes of output that result from its activities. The outputs are research-informed teaching, learning and scholarship; fundamental and commercial applications of research and creative works; and contributions to its local, national and international communities.

Output classes	Consolidated			
	2018 Actual \$000	2019 Actual \$000	2020 Budget \$000	2020 Actual \$000
Teaching and learning	760,180	786,340	845,762	845,655
Research	339,105	359,935	384,626	384,706
Community Service	44,822	38,493	35,403	33,262
Total cost of outputs	1,144,108	1,184,768	1,265,791	1,263,623

Compulsory student services fees

	Actual \$000	Actual \$000	Actual \$000	Actual \$000	Actual \$000	Actual \$000	Actual \$000	Actual \$000	Actual \$000	Actual \$000	Actual \$000
	Advocacy and legal advice	Careers information advice and guidance	Counselling and pastoral care	Employment information	Financial support and advice	Health services and disability services	Media	Childcare services	Clubs and societies	Sports, recreation, cultural activities	Total
Compulsory student services fees	1,089	2,277	4,795	160	90	3,112	235	484	1,802	11,812	25,856
Other			15			1,848		4,904	54	3,625	10,446
Total revenue	1,089	2,277	4,811	160	90	4,960	235	5,388	1,856	15,437	36,302
Expenses	572	1,519	4,765	515	131	5,321	425	5,385	1,927	15,743	36,302
Total expenses	572	1,519	4,765	515	131	5,321	425	5,385	1,927	15,743	36,302
Surplus/(deficit)	517	758	46	(355)	(41)	(361)	(190)	3	(71)	(306)	-

The Compulsory Student Services Fee (CSSF) was set at \$943.20 per full-time student in 2020. The administration of the CSSF is integrated within the University's normal operations. All income and expenditure associated with the provision of student services is separately identifiable in the University's accounting system.

Advocacy and legal advice

Advocacy support is provided to students by student organisations, including AUSA and PGSA. AUSA offers all students access to a free and confidential advocacy service, which is independent from the University. The Advocacy team provides professional advice on any issue, whether academic, financial or of a more personal nature. It offers advice about student rights and University procedures.

Career information and support

Career Development and Employment Services (CDES) assists current students and alumni for up to three years after graduation with all aspects of career development. The support provided enables students and graduates to develop the capabilities to successfully self-manage and navigate their world of work, life and learning. This includes online information and resources, and a range of tailored workshops and individual appointments. CDES provides opportunities for students to engage with employers through large expos, career events, employer presentations and a job board. Career development consultants have special responsibilities including being the lead consultant for specific faculties as well as for Māori, Pacific, international and postgraduate students.

Counselling services and pastoral care

Counsellors are available through University Health and Counselling Services for one-on-one and group appointments to help students overcome barriers to academic progress arising from personal circumstances. In 2020 this also included online counselling. Staff are also available to provide pastoral care including chaplains, resident assistants in halls of residence and faculty-based staff. The University's Student Proctor can address disputes between students and concerns about student behaviour.

Employment information

Part-time employment opportunities for students are promoted on campus in a variety of ways. There is also a job board on the CDES website which is accessible to students and alumni up to three years after graduation.

Health, safety and well-being services

University Health, Safety and Well-being provides primary healthcare services to students to help prevent and overcome personal difficulties relating to their physical and mental well-being. Services are delivered by GPs and nurses and in 2020 consultations were also held online. Disability Services provides support to students with physical and mental disabilities.

Media

The University supports the production and dissemination of information by students to students including website hosting, print-based media and online communities for students across the University.

Childcare services

Childcare facilities are available to parents and caregivers across all campuses.

Clubs and societies

The University of Auckland supports clubs and societies through the provision of administrative support, grants, facilities and equipment.

Sports, recreation and cultural activities

The University provides sport and recreation facilities and services to students and staff. The University Recreation Centre offers gym and fitness equipment, fitness classes and sports facilities such as a bike studio, sports hall and squash courts. Campus Life Sport and Recreation delivers student sporting tournaments, events, wellness programmes and supports sports club activities. The University also provides a range of cultural activities on campus.



Educational Performance Indicator Commitments

	2018 Actual	2019 Actual	2020 Target	2020 Actual
Performance				
Course completion rate				
Māori	85.1%	84.5%	87.0%	86.4%
Pacific	75.4%	74.0%	78.0%	79.8%
Non-Māori and non-Pacific	91.0%	90.6%	91.0%	92.6%
First-year retention rate				
Māori	79.2%	78.1%	81.0%	81.6%
Pacific	81.9%	80.6%	82.0%	81.5%
Non-Māori and non-Pacific	85.3%	82.1%	85.0%	88.8%
Participation				
Percentage participation Māori students				
Level 4 to 7 (non-degree)	14.1%	17.7%	16.0%	12.9%
Level 7 (degree)	8.0%	9.3%	8.2%	7.8%
Level 8 to 10 (postgraduate)	5.1%	5.9%	5.2%	5.1%
Percentage participation Pacific students				
Level 4 to 7 (non-degree)	32.4%	35.9%	33.0%	27.5%
Level 7 (degree)	11.7%	13.3%	11.0%	11.6%
Level 8 to 10 (postgraduate)	4.9%	5.3%	4.8%	5.2%
Percentage participation non-Māori and non-Pacific students				
Level 4 to 7 (non-degree)	56.1%	50.6%	51.0%	62.8%
Level 7 (degree)	81.5%	78.8%	80.8%	81.8%
Level 8 to 10 (postgraduate)	90.4%	89.4%	90.0%	90.2%

Each year, the University of Auckland works towards a group of Educational Performance Indicator Commitments as part of the Investment Plan Process. The Educational Performance Indicators give a view of how well tertiary providers are helping their students

to achieve. The University has performance commitments regarding course completions, first-year retention and participation of key groups. The definition used by the Tertiary Education Commission (TEC) to calculate these performance indicators, as well as the granularity

of the indicators, is slightly different from our internal Key Performance Indicators as presented in the Statement of Service Performance. The 2020 Educational Performance Indicators are calculated by the TEC, based on the December Single Data Return (SDR).

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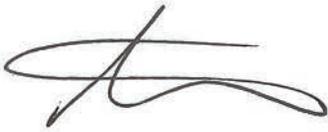


No. 1 globally for sustainability

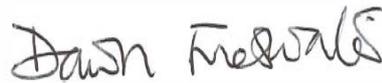
The University of Auckland retained its position as No 1 in the world in the Times Higher Education University Impact Rankings in 2020.

Statement of responsibility

- The Council and management of the University of Auckland accept responsibility for the preparation of the Financial Statements and the judgments used in them.
- The Council and management of the University of Auckland accept responsibility for establishing and maintaining a system of internal control which has been designed to provide reasonable assurance as to the integrity and reliability of financial reporting.
- In the opinion of the Council and management of the University of Auckland, the Financial Statements for the year ended 31 December 2020 fairly reflect the financial position and operations of the University of Auckland.
- The Council of the University of Auckland has reviewed these Financial Statements at its meeting of 15 March 2021 and formally adopted these Financial Statements for issue on 15 March 2021.



Scott St John
CHANCELLOR



Professor Dawn Freshwater
VICE-CHANCELLOR



Mrs Adrienne Cleland
DEPUTY VICE-CHANCELLOR
(OPERATIONS) & REGISTRAR

Statement of comprehensive revenue and expenses

For the year ended 31 December 2020

	Note	Consolidated					
		2020 Unrestricted \$'000	2020 Restricted \$'000	2020 Total \$'000	2019 Unrestricted \$'000	2019 Restricted \$'000	2019 Total \$'000
Operating revenue							
Government grants	2	489,762	-	489,762	478,059	-	478,059
Tuition fees		317,729	-	317,729	316,879	-	316,879
Research and contracts	3	269,059	-	269,059	269,236	-	269,236
Service income		123,125	-	123,125	128,904	-	128,904
Donations and legacies		387	40,668	41,055	256	33,398	33,654
Interest received		1,756	1,895	3,651	3,699	1,919	5,618
Other revenue		7,214	-	7,214	10,651	-	10,651
Other gains/(losses)	4	(38,021)	20,082	(17,939)	(1,181)	32,395	31,214
Transfer of funds from restricted to unrestricted	5	23,936	(23,936)	-	24,436	(24,436)	-
Total operating revenue		1,194,947	38,709	1,233,656	1,230,939	43,276	1,274,215
Operating expenses							
People costs	6	706,805	-	706,805	668,859	-	668,859
Operating costs	7	358,964	-	358,964	370,462	-	370,462
Finance costs		-	-	-	6	-	6
Depreciation and amortisation	10,11	158,763	-	158,763	144,236	-	144,236
Total operating expenses		1,224,532	-	1,224,532	1,183,563	-	1,183,563
Net surplus / (deficit) before tax		(29,585)	38,709	9,124	47,376	43,276	90,652
Income tax expense/(benefit)		(349)	-	(349)	190	-	190
Net surplus / (deficit) after tax		(29,236)	38,709	9,473	47,186	43,276	90,462
Other comprehensive revenue and expenses							
Gain/(loss) on asset revaluation reserve	19	722	-	722	156,293	-	156,293
Gain/(loss) on cash flow hedges taken to equity	19	(507)	-	(507)	(507)	-	(507)
Gain/(loss) in foreign currency translation reserve	19	(341)	-	(341)	230	-	230
Gain/(loss) in available-for-sale reserve	19	(2,115)	-	(2,115)	18,592	-	18,592
Total comprehensive revenue and expenses		(31,477)	38,709	7,232	221,794	43,276	265,070
Surplus is attributable to:							
Members of the parent entity		(31,477)	38,709	7,232	221,794	43,276	265,070

The accompanying Notes to the Financial Statements on pages 52 to 88 form part of and should be read in conjunction with these financial statements.

Statement of comprehensive revenue and expenses (continued)

For the year ended 31 December 2020

	Note	University		
		Actual 2020 \$'000	Budget 2020 \$'000	Actual 2019 \$'000
Operating revenue				
Government grants	2	489,762	462,791	478,059
Tuition fees		317,729	380,009	316,879
Research and contracts	3	214,837	236,417	220,264
Service income		136,319	137,672	144,139
Donations and legacies		13,482	10,198	15,517
Interest received		1,212	1,779	2,492
Other revenue		6,593	9,453	9,936
Other gains/(losses)	4	(38,265)	(11,765)	(703)
Total operating revenue		1,141,669	1,226,554	1,186,583
Operating expenses				
People costs	6	672,720	647,239	630,439
Operating costs	7	347,898	387,742	361,086
Finance costs		1,373	1,426	1,300
Depreciation and amortisation	10,11	157,440	159,695	142,712
Total operating expenses		1,179,431	1,196,102	1,135,537
Net surplus / (deficit) before tax		(37,762)	30,452	51,046
Income tax expense/(benefit)		-	-	-
Net surplus / (deficit) after tax		(37,762)	30,452	51,046
Surplus/(deficit) attributable to:				
Other comprehensive revenue and expenses				
Gain/(loss) on asset revaluation reserve	19	722	-	156,295
Gain/(loss) on cash flow hedges taken to equity	19	(610)	-	(531)
Total comprehensive revenue and expenses		(37,650)	30,452	206,810
Attributable to:				
Surplus is attributable to:				
Members of the parent entity		(37,650)	30,452	206,810

The accompanying Notes to the Financial Statements on pages 52 to 88 form part of and should be read in conjunction with these financial statements.

Statement of financial position

As at 31 December 2020

	Note	Consolidated		University		
		Actual 2020 \$'000	Actual 2019 \$'000	Actual 2020 \$'000	Budget 2020 \$'000	Actual 2019 \$'000
Current assets						
Cash and cash equivalents		66,968	41,937	22,433	(18,142)	20,327
Short term bank deposits		38,738	66,915	24,447	35,195	23,359
Receivables	9	63,650	51,272	63,271	61,967	52,511
Research work in progress		18,869	20,463	27,322	27,108	19,181
Derivative financial instruments	23.1	2,344	1,391	(759)	382	(149)
Inventories		2,300	2,139	2,300	2,013	2,139
Prepayments and other current assets		32,292	36,576	29,342	25,822	34,317
Total current assets		225,161	220,693	168,356	134,345	151,685
Non-current assets						
Investment in controlled entities	21.1	-	-	19,570	19,882	19,570
Property, plant and equipment	10	3,599,228	3,645,456	3,597,156	3,572,350	3,643,086
Intangible assets	11	28,359	28,060	27,110	37,785	26,486
Other financial assets	23.1	333,111	284,111	17,141	5,709	17,132
Total non-current assets		3,960,698	3,957,627	3,660,977	3,635,726	3,706,274
Total assets		4,185,859	4,178,320	3,829,333	3,770,071	3,857,959
Current liabilities						
Payables	12	144,420	173,579	137,958	118,705	163,752
Deferred revenue	13	232,321	201,565	211,142	170,180	178,549
Income tax payable/(receivable)		-	151	-	-	-
Loans and borrowings	15	100,628	625	154,655	43,400	50,663
Employee entitlements	14	67,464	67,480	63,083	62,748	63,733
Provisions	16	39,223	-	39,223	-	-
Total current liabilities		584,056	443,400	606,061	395,033	456,697
Non-current liabilities						
Employee entitlements	14	67,425	66,984	67,399	65,659	66,949
Loans and borrowings	15	38,693	180,614	38,693	291,707	180,614
Provisions	16	1,130	-	1,130	-	-
Total non-current liabilities		107,248	247,598	107,222	357,366	247,563
Total liabilities		691,304	690,998	713,283	752,399	704,260
Net assets		3,494,555	3,487,322	3,116,050	3,017,672	3,153,699
Equity						
General equity		1,413,011	1,394,465	1,366,895	1,380,446	1,356,994
Reserves	19	1,735,846	1,785,499	1,706,146	1,597,607	1,753,446
Restricted and special funds	20	345,698	307,358	43,009	39,622	43,259
Total equity		3,494,555	3,487,322	3,116,050	3,017,675	3,153,699
Net assets						
Restricted		327,052	288,343	24,364	-	24,245
Unrestricted		3,167,503	3,198,979	3,091,686	3,017,672	3,129,454
Total net assets		3,494,555	3,487,322	3,116,050	3,017,672	3,153,699

The accompanying Notes to the Financial Statements on pages 52 to 88 form part of and should be read in conjunction with these financial statements.

Statement of cash flows

For the year ended 31 December 2020

	Note	Consolidated		University		
		Actual 2020 \$'000	Actual 2019 \$'000	Actual 2020 \$'000	Budget 2020 \$'000	Actual 2019 \$'000
Cash flows from operating activities						
Government grants		490,566	480,587	490,566	462,791	480,587
Tuition fees		311,447	328,966	311,447	384,191	328,966
Other operating receipts		413,072	446,060	379,045	376,607	386,545
Donations and legacies received		41,055	30,705	13,482	-	-
Goods and services tax (net)		(9,865)	6,140	(9,148)	(4,181)	5,976
Payments to employees		(607,194)	(588,589)	(576,862)	(574,373)	(555,315)
Other operating payments		(412,312)	(402,207)	(395,303)	(439,835)	(419,817)
Net cash flow from operating activities	8	226,769	301,662	213,227	205,200	226,942
Cash flows from investing activities						
Interest received		3,776	5,527	1,227	1,779	2,515
Proceeds of loan from controlled entities		-	-	3,989	-	11,600
Acquisition of property, plant and equipment and work in progress		(153,862)	(398,260)	(169,754)	(268,801)	(397,646)
Borrowing costs capitalised		(1,980)	(1,443)	(1,980)	-	(1,443)
(Acquisition)/disposal of financial assets		(7,540)	(47,586)	(1,097)	-	13,890
Investment in controlled entities		-	-	-	-	312
Net cash flow from investing activities		(159,606)	(441,762)	(167,616)	(267,022)	(370,772)
Cash flows from financing activities						
Proceeds from borrowings		-	130,000	-	-	130,000
Interest paid		-	-	(1,373)	(1,426)	(1,300)
Repayment of borrowings		(41,918)	(597)	(41,918)	2,339	(591)
Net cash provided by/(used in) financing activities		(41,918)	129,403	(43,291)	913	128,109
Net increase/(decrease) in cash and cash equivalents		25,245	(10,697)	2,320	(60,909)	(15,721)
Cash and cash equivalents at the beginning of the financial year		41,937	52,500	20,327	42,647	36,048
Effects of exchange rate changes on cash and cash equivalents		(214)	134	(214)	120	-
Cash, cash equivalents, and bank overdrafts at the end of the year		66,968	41,937	22,433	(18,142)	20,327
Reconciliation of cash and cash equivalents						
Current accounts at bank		66,968	41,937	22,433	(18,142)	20,327
Total cash and cash equivalents		66,968	41,937	22,433	(18,142)	20,327

The accompanying Notes to the Financial Statements on pages 52 to 88 form part of and should be read in conjunction with these financial statements.

Statement of cash flows (continued)

For the year ended 31 December 2020

Cash flows are classified into three sources:

Operating activities

- The principal revenue-producing activities of the Group generally result from the transactions and other events that are integral to the determination of the net surplus. Operating activities include all transactions and other events that are not investing or financing activities.

Investing activities

- Those activities relating to the acquisition, holding and disposal of property, plant and equipment and of investments. Investments include securities not falling within the definition of cash and cash equivalents.

Financing activities

- Those activities that result in changes to the size and composition of the capital structure. This includes both equity and debt not falling within the definition of cash and cash equivalents.

Interest paid is classified as a financing cash flow and interest and dividends received are classified as investing cash flows.

Cash and cash equivalents comprise cash on hand, cash in banks and investments in money market instruments and other short-term, highly liquid investments with original maturities of 90 days or less, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Cash and cash equivalents are stated net of outstanding bank overdrafts when the bank has full right of set-off against accounts which are in funds. Bank overdrafts, for which the bank has no right of set-off, are shown within current liabilities in the statement of financial position.

The carrying value of cash at bank, call deposits, and term deposits with maturities less than three months approximates their fair value.

The accompanying Notes to the Financial Statements on pages 52 to 88 form part of and should be read in conjunction with these financial statements.

Statement of changes in equity

For the year ended 31 December 2020

		Asset revaluation reserve	Hedging and statutory reserves	Foreign currency translation reserve	General equity	Restricted and special funds	Available for sale	Total equity
Consolidated	Note	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance as at 1 January 2020		1,753,595	(55)	50	1,394,465	307,358	31,909	3,487,322
Net surplus for the year		-	-	-	9,473	-	-	9,473
Other comprehensive revenue and expenses for the year	19	722	(507)	(341)	-	-	(2,115)	(2,240)
Transfer asset revaluation reserve to general equity	19	(47,412)	-	-	47,412	-	-	-
Transfer surplus to restricted and special funds	20	-	-	-	(38,340)	38,340	-	-
Balance as at 31 December 2020		1,706,905	(562)	(291)	1,413,010	345,698	29,794	3,494,555
Equity								
Unrestricted		1,706,905	(562)	(291)	1,413,010	18,646	29,794	3,167,503
Restricted		-	-	-	-	327,052	-	327,052
Total equity		1,706,905	(562)	(291)	1,413,010	345,698	29,794	3,494,555
Balance as at 1 January 2019		1,599,497	452	(180)	1,340,091	263,323	13,317	3,216,500
Net surplus for the year		-	-	-	90,462	-	-	90,462
Other comprehensive revenue and expenses for the year	19	156,293	(507)	230	-	-	18,592	174,608
Other gain/losses recognised directly in equity		-	-	-	5,752	-	-	5,752
Transfer asset revaluation reserve to general equity	19	(2,195)	-	-	2,195	-	-	-
Transfer surplus to restricted and special funds	20	-	-	-	(44,035)	44,035	-	-
Balance as at 31 December 2019		1,753,595	(55)	50	1,394,465	307,358	31,909	3,487,322
Equity								
Unrestricted		1,753,595	(55)	50	1,394,465	19,015	31,909	3,198,979
Restricted		-	-	-	-	288,343	-	288,343
Total equity		1,753,595	(55)	50	1,394,465	307,358	31,909	3,487,322

The accompanying Notes to the Financial Statements on pages 52 to 88 form part of and should be read in conjunction with these financial statements.

Statement of changes in equity (continued)

For the year ended 31 December 2020

University	Note	Asset revaluation reserve \$'000	Hedging and statutory reserves \$'000	Foreign currency translation reserve \$'000	General equity \$'000	Restricted and special funds \$'000	Available for sale \$'000	Total equity \$'000
Balance as at 1 January 2020		1,753,595	(149)	-	1,356,994	43,259	-	3,153,699
Net surplus for the year		-	-	-	(37,762)	-	-	(37,762)
Other comprehensive revenue and expenses for the year	19	722	(610)	-	-	-	-	113
Other (gains)/losses recognised directly in equity		-	-	-	-	-	-	-
Transfer asset revaluation reserve to general equity	19	(47,412)	-	-	47,412	-	-	-
Transfer surplus to restricted and special funds	20	-	-	-	250	(250)	-	-
Balance as at 31 December 2020		1,706,905	(759)	-	1,366,894	43,009	-	3,116,050
Balance as at 1 January 2019		1,597,300	382	-	1,307,184	42,092	-	2,946,958
Net surplus for the year		-	-	-	51,046	-	-	51,046
Other comprehensive revenue and expenses for the year	19	156,295	(531)	-	-	-	-	155,764
Other (gains)/losses recognised directly in equity		-	-	-	-	(69)	-	(69)
Transfer revaluation reserve on disposed assets	19	-	-	-	-	-	-	-
Transfer surplus to restricted and special funds	20	-	-	-	(1,236)	1,236	-	-
Balance as at 31 December 2019		1,753,595	(149)	-	1,356,994	43,259	-	3,153,699

The accompanying Notes to the Financial Statements on pages 52 to 88 form part of and should be read in conjunction with these financial statements.

Notes to the Financial Statements

For the year ended 31 December 2020

1 Statement of accounting policies

1.1 Reporting entity

The financial statements of The University of Auckland, the ultimate Parent, and its controlled entities (together the Group) for the year ended 31 December 2020 were authorised for issue by the Council on 15 March 2021.

The Group consists of The University of Auckland (the University), Auckland UniServices Limited (AUL), and The University of Auckland Foundation (the Foundation). AUL operates in Hong Kong and China and has a branch in the Kingdom of Saudi Arabia.

The University of Auckland was established by The University of Auckland Act 1961. The principal activities of the University and AUL are the provision of teaching and research services. The principal activities of the Foundation are raising and stewardship of funds for charitable purposes and advancement of education and health care, assistance of students to pursue courses of study at The University of Auckland, and the general advancement of the University.

The central office of the University's management is located at the Clock Tower, 22 Princes St, Auckland, New Zealand.

The financial statements have been prepared in accordance with the requirements of the Crown Entities Act 2004 and Section 203 of the Education Act 1989, which include the requirement to comply with generally accepted accounting practice in New Zealand.

The University and Group are designated as public benefit entities (PBE) for financial reporting purposes.

1.2 Basis of preparation

The financial statements have been prepared on a going concern basis, and the accounting policies have been applied consistently throughout the period.

GST is excluded from the financial statements except for Trade Receivables and Trade Payables which are stated inclusive of GST. The balance of GST payable to the Inland Revenue Department is included in Trade Payables.

The net GST paid to, or received from, including the GST relating to investing and

financing activities, is classified as a net operating cash flow in the statement of cash flows.

Statement of compliance

These financial statements comply with PBE Standards.

Measurement base

These financial statements have been prepared under the historical cost convention, except the following assets and liabilities which are stated at their fair value: derivative financial instruments, assets held as available for sale, financial instruments which are designated at fair value through surplus or deficit, land and buildings, library special collections and works of art.

Works of art, library special collections and land and buildings are revalued every three years (unless there is evidence that suggests it should be done sooner in order to carry the assets at fair value) and are stated at revalued amount less impairment, if any, and subsequent accumulated depreciation on buildings.

Functional and presentation currency

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$'000). The functional currency of the University and Group is New Zealand dollars.

Restrictions on net assets

Management views the Group's core operating activities as excluding receipts of donor-restricted revenues and gains from contributions and investment income. In order to clearly identify the Group's core operating activities, the Group has voluntarily elected to classify its consolidated net assets as either restricted or unrestricted. Assets are classified as restricted when they are subject to donor-imposed restrictions that prevent the Group from using them either permanently, or temporarily until certain restrictions are met. Assets are classified as unrestricted when they are not subject to any donor-imposed restrictions. The movement in consolidated net unrestricted assets relates to the Group's core operating activities and as such provides more relevant and reliable information.

Statement of comprehensive revenue and expenses

- Revenue and expenses are classified as movements in either unrestricted or restricted net assets.
- The line item 'Transfer of funds from restricted to unrestricted' represents the expiration of donor-imposed restrictions.

Statement of financial position and statement of changes in equity

- Net assets are split into unrestricted and restricted.

Budget figures

The budget figures presented are for the University (the Parent) which form part of the Group budget figures that were approved by Council before the beginning of the 2020 financial year. The Group budget figures approved by Council excluded the Foundation. The budget figures have been prepared using the same accounting policies as those used in the preparation of these financial statements. The budget figures have not been audited.

Standards issued and not yet effective and not early adopted

There have been no new standards issued and effective in 2020 that impact the financial statements.

The External Reporting Board also issued PBE FRS 48: Service Performance Reporting in November 2017 that PBEs will need to apply from 1 January 2021. The impact of this accounting standard has not yet been assessed.

The External Reporting Board issued PBE IPSAS 40: PBE Combinations in July 2019. PBEs are required to adopt the standard from 1 January 2021. The University and its controlled entities will adopt the standard for the December 2021 year end. The impact of adopting the standard has not yet been assessed.

The External Reporting Board issued PBE IPSAS 41: Financial Instruments in March 2019. PBEs are required to adopt the standard from 1 January 2022. Along with PBE IPSAS 41, Effective date of PBE IFRS 9 was also issued. This standard limits the early adoption of PBE IFRS 9 to annual

Notes to the Financial Statements (continued)

For the year ended 31 December 2020

1 Statement of accounting policies (continued)

periods beginning before 1 January 2020. For periods beginning on or after that date, entities can only early adopt PBE IPSAS 41. The University and its controlled entities have not early adopted PBE IFRS 9. The University and its controlled entities will adopt PBE IPSAS 41 for the December 2022 year end. The impact of the adoption of this accounting standard has not yet been assessed.

Changes in accounting policies

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

Critical accounting estimates

In preparing these financial statements, estimates and assumptions have been made concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The following are the estimations and assumptions that management has made in the process of applying the Group's accounting policies and that have the most significant effects on the amounts recognised in these financial statements:

- The estimated useful lives of Property, Plant and Equipment and Intangible Assets.
- The fair value estimation of Property, Plant and Equipment. Land, buildings, library special collections and works of art at the University are revalued at least every three years or when there is a material change between the fair value and the carrying value of the assets.
- The rate of future salary increases and the discount rate used to present value future cash flows, which are used to calculate the employee entitlements liabilities.
- The discount rate used to present value future cash flows of non-interest bearing loans.
- The value of work in progress and expensing of any expenditure that will

not contribute to the long term value of the asset being constructed.

- The classification of revenue as exchange or non-exchange in nature, and the accounting consequences related to each revenue class, in particular whether the assessment of a return obligation exists in non-exchange transactions.
- The classification and valuation of investments in associates, convertible notes and investments held as available for sale.
- The estimation of potential liabilities arising from areas of non-compliance with the Holidays Act. This liability is included in the annual leave liability within the employee entitlements note 14.

Critical accounting judgments

Management has exercised the following critical judgments in applying accounting policies for the year ended 31 December 2020:

Held to maturity investments

The Group follows the PBE IPSAS 29 guidance on classifying non-derivative financial assets with fixed or determinable payments and fixed maturity as held-to-maturity. This classification requires significant judgment. In making this judgment, the Group evaluates its intention and ability to hold such investments to maturity. If the Group fails to keep these investments to maturity other than for specific circumstances explained in PBE IPSAS 29, it will be required to reclassify the whole class as available-for-sale. The investments would therefore be measured at fair value not amortised cost. Furthermore, the entity would not be able to classify any financial assets as held-to-maturity for the following two annual reporting periods.

Classification of investments as financial instruments

In the absence of contradictory evidence, a holding of over 20% of equity indicates significant influence and the investment is treated as an associate. For certain entities that AUL holds over 20% of the shareholding, management has assessed that AUL does not have significant influence or control over the entities due to Shareholders' Agreements, Terms Sheets and other key documentation.

As AUL does not have significant influence over these entities, the investments are accounted for as financial instruments.

1.3 Basis of consolidation

The consolidated financial statements are prepared by combining the financial statements of all the entities that comprise the Group, being the University of Auckland and its controlled entities. Consistent accounting policies are employed in the preparation and presentation of the consolidated financial statements.

Any accounting policies of controlled entities that differ from those of the University are adjusted for where material.

In preparing the consolidated financial statements, all material intercompany balances and transactions, and unrealised profits arising within the Group are eliminated in full.

Controlled entities

Controlled entities are those entities over which the Parent has power, exposure, or rights, to variable benefits from its involvement with these entities, and the ability to use its power over these entities to affect the nature or amount of the benefits from its involvement with these entities.

On acquisition, the assets, liabilities and contingent liabilities of a controlled entity are measured at their fair values at the date of acquisition. Any excess of the cost of acquisition over the fair values of the identifiable net assets acquired is recognised as goodwill. If, after reassessment, the fair values of the identifiable net assets acquired exceed the cost of acquisition, the difference is credited to the surplus or deficit in the statement of comprehensive revenue and expenses. In the University's financial statements, investment in controlled entities is recognised at cost on initial recognition, and at cost less accumulated impairment (if any) subsequent to initial recognition.

Associates

Associates are measured on initial recognition at cost. After initial measurement, associates are subsequently measured at fair value with changes in fair value being recognised as unrealised gains or losses through profit or loss.

Notes to the Financial Statements (continued)

For the year ended 31 December 2020

1 Statement of accounting policies (continued)

Joint arrangements

Joint arrangements are arrangements where two or more parties share control.

If the parties have rights to the net assets of the arrangement this is classified as a joint venture. An interest in a joint venture is accounted for using the equity method.

Investments

Investments are all entities over which the Group does not have significant influence, joint control, or control and that are neither a controlled entity nor an interest in a joint venture or associate, generally but not always evidenced by holdings of less than 20% of the voting rights.

Where the fair value of investments cannot be reliably measured, they are held on the statement of financial position at \$1. These investments relate to start-up and non-trading entities with limited financial information available and primarily where the intellectual property requires significant additional work to prove the commercial and/or technical viability.

All other investments are recognised in accordance with the 'Financial Assets' accounting policy.

Methodology used to determine nature of relationship with related entities

An entity controls another entity if it has all of the following:

- (a) Power over the other entity;
- (b) Exposure, or rights, to variable benefits from its involvement with the other entity; and
- (c) The ability to use its power over the entity to affect the nature or amount of the benefits from its involvement with the other entity.

Auckland UniServices Limited (AUL)

The University holds 100% of the shares in AUL and as a result has power over AUL, rights to variable benefits from AUL, and the power to affect the nature and amount of those benefits. AUL is accounted for as a controlled entity and consolidated into the Group.

University of Auckland Foundation (the Foundation)

The Foundation is a charitable entity and the majority of the trustees are independently appointed. The factors that led management to conclude that the University has control over the Foundation for financial reporting purposes and as such to consolidate the Foundation as part of the Group are as below:

(a) Power

The University does not have the power to appoint a majority of the board of Trustees. However, the board's decision making powers are limited by the University's involvement in fundraising activities, which are for University specific purposes. The University also funds a significant part of the Foundation's operations and provides key assets and management personnel to the Foundation.

(b) Exposure or rights to variable benefits

The University is exposed to or has rights to financial and non financial benefits as a result of its involvement with the Foundation.

The University is the beneficiary of the majority of the Foundation's assets, as donations to the Foundation are specified for this purpose. The activities of the Foundation are congruent with the University's objectives and support the University in achieving its objectives such that the University also receives non-financial benefits from the activities of the Foundation.

(c) The ability to use its power over the entity to affect the nature or amount of the benefits from its involvement with the other entity.

The majority of donations received by the Foundation are for University specific purposes, which are as a result of fundraising activities driven and funded by the University.

Even though the University does not control the investing activities of the Foundation, under the Trustees Act, the Trustees are required to act in the best interests of all present and future beneficiaries. As the majority of donations are for University specific purposes, in making investment decisions, the independent board of trustees is acting in the best interests of, or on behalf of and for the benefit of, the University; that

is, there is minimal conflict between the objectives of the University and the duties of the Trustees of the Foundation.

1.4 Foreign currency transactions

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the balance date are translated to New Zealand dollars at the foreign exchange rate ruling at that date.

Non-monetary items carried at fair value that are denominated in foreign currencies are translated to New Zealand dollars at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not re-translated.

Foreign exchange gains and losses resulting from settlement of foreign currency transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the exchange rate ruling at balance date are recognised in the surplus or deficit in the statement of comprehensive revenue and expenses, except where cash flow hedge accounting is used and the resulting fair value movements on the forward exchange contracts are deferred in the hedging reserve.

1.5 Significant accounting policies

Significant accounting policies which are pervasive throughout the financial statements or where there is no dedicated note disclosure are set out below. Other significant accounting policies which are specific to certain transactions or balances are disclosed within the particular note to which they relate.

The accounting policies set out in the financial statements and the accompanying notes have been applied consistently to all periods presented in these consolidated financial statements.

Revenue recognition

Tuition fees

Domestic student tuition fees are subsidised by government funding and are considered non-exchange. Revenue is recognised at the amount received when the course withdrawal

Notes to the Financial Statements (continued)

For the year ended 31 December 2020

1 Statement of accounting policies (continued)

date has passed, which is when a student is no longer entitled to a refund for withdrawing from the course. Prior to the course withdrawal date domestic student tuition fees are treated as deferred revenue.

International student tuition fees are accounted for as exchange transactions. Revenue is recognised at the amount received over the length of the course when the course withdrawal date has passed, which is when a student is no longer entitled to a refund for withdrawing from the course. Prior to the course withdrawal date international student tuition fees are treated as revenue in advance.

Service income

Service income is recognised as revenue throughout the period of the service delivery where the transaction is classified as exchange in nature. Where the transaction is classified as non-exchange in nature and where there are in substance conditions to return the funds to the funder if performance stipulations are not met, service income is recognised as revenue at the time that the conditions are met. For non-exchange transactions where there are no in substance obligations to return the funds service income is recognised as revenue at the point the Group has an enforceable claim to resources.

Donations and legacies

Unrestricted donations are recognised as revenue at the point the Group has an enforceable claim to resources. Where the Group receives a donation with conditions, a liability is recognised. Once the condition is met, the donation is recognised as revenue. Donated assets are recognised at fair value. Donations are considered non-exchange revenue.

Revenue received while acting as an agent

Where the Group collects money from contracts as an agent for a third party, the Group only recognises the commission received from the collections as revenue and is considered exchange revenue.

Sale of goods

Revenue from the sale of goods is considered exchange revenue and is recognised when the

significant risks and rewards of ownership of the goods are transferred to the buyer.

Dividend and interest revenue

Dividend revenue from investments is considered exchange revenue and is recognised when the shareholders' rights to receive payment have been established. Interest revenue is considered exchange and is recognised on a time proportionate basis using the effective interest rate method.

The effective interest rate is the rate that discounts estimated future cash receipts through the expected life of the financial asset, or where appropriate a shorter period, to the net carrying amount of the financial asset.

The effective interest rate is used to calculate the amortised cost of a financial asset and to allocate interest income over the relevant period.

Restrictions on net assets

The Group's net assets are classified as either unrestricted or restricted.

Unrestricted net assets

Unrestricted net assets are not subject to any donor-imposed restrictions. These assets consist primarily of the University's assets with the most significant category being property, plant & equipment.

Restricted net assets

Net assets are considered restricted when they are subject to donor-imposed restrictions, that prevent the assets from being used for general or administrative purposes by the Group. The restrictions may be temporary or permanent. Temporarily restricted net assets have donor-imposed restrictions that will expire after the University performs certain actions (e.g. spends money on research in a particular field) or after a certain amount of time. Permanently restricted net assets are subject to donor imposed restrictions that they be invested to provide a permanent source of income to the University. The investment income from these endowments is usually subject to temporary restrictions. The majority of these restricted assets are in the Foundation.

Revenues from sources other than donations are generally reported as increases in unrestricted net assets. Gains and losses on investments are reported as increases or decreases in unrestricted net assets, unless their use is restricted by donor stipulations. Expenses are generally reported as decreases in unrestricted net assets, even if they are financed from restricted sources.

Expenses cause any restrictions related to them to expire. Expirations of temporary restrictions on net assets are reported as reclassifications from restricted to unrestricted net assets and appear as "Transfer of funds from restricted to unrestricted" in the statement of comprehensive revenue and expense. The aggregate carrying amount of unrestricted and restricted net assets is presented on the face of the statement of financial position and statement of changes in equity. The statement of cash flows is unaffected.

Inventories

Inventories are valued at the lower of cost and net realisable value. The weighted average method is used to determine cost. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

Prepayments

Prepayments are originally recognised at cost and are evenly recognised as expense over the expected period of the benefit.

Impairment of financial assets

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

Objective evidence of impairment could include:

- Significant financial difficulty, or a downgrade in credit rating of the issuer or counter party; or
- Default or delinquency in interest or principal payments; or

Notes to the Financial Statements (continued)

For the year ended 31 December 2020

1 Statement of accounting policies (continued)

- It becomes probable that the borrower will enter bankruptcy or financial re-organisation.

Income tax

The University and its controlled entities are exempt from the payment of income tax in New Zealand as they are treated as charitable organisations by the Inland Revenue Department.

Income tax payable by the Group relates to net profits derived from Auckland UniServices Limited operating in Hong Kong and China and the branch in the Kingdom of Saudi Arabia being taxed at the applicable rates under the laws of those countries.

Current tax liabilities for the current period are measured at the amount expected to be paid to the taxation authorities of that country based on the current period's taxable income of the branch.

Deferred income tax is provided on all temporary differences, if any and except where the initial recognition exemption applied, at the reporting date between the

tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

1.6 Impact of Covid-19

On 11 March 2020, the World Health Organisation officially declared Covid-19, the disease caused by novel coronavirus, a global pandemic. Covid-19, as well as the measures introduced to slow the virus, have since had a significant impact on the global economy and the sector that the Group operates in.

On 21 March 2020, the New Zealand Government announced the Covid-19 alert system (Levels 1-4) which specified the level of risk and restrictions that were to be followed. New Zealand entered 'Level 4' lockdown on 25 March 2020, which required mandatory nationwide suspension of all non-essential services. In full compliance with 'Level 4' restrictions, the Group suspended all on campus activities, and all teaching transitioned to remote/online learning.

On 27 April 2020, New Zealand moved to alert 'Level 3', under which classes of fewer than 10 people were permitted but

were encouraged to be held remotely where possible.

The Government subsequently announced the move to alert 'Level 2' on 13 May 2020. Whilst in-person classes were permitted, most teaching activities continued online. On 18 June 2020, alert 'Level 1' allowed all campus activities to resume as usual.

The University was also impacted by the August 2020 alert level 3 lockdown and implemented the same protocols as described above.

The Group has considered the impact of Covid-19 in preparing its financial statements.

Key balance sheet items and related disclosures that have been impacted by Covid-19 are as follows:

Category	Assessment	Notes
Government grants	TEC Access and Hardship Funding are new funding categories in FY20. These funding categories provide financial assistance, support and resources for currently enrolled tertiary learners who are facing hardship due to the Covid-19 pandemic.	2
External Research Income (EFR)	The various lockdowns and restrictions on access to facilities and resources from Covid-19 resulted in research activity being disrupted. Research revenue of \$11.9m has been deferred to recognise the proportionate progress of research activity for those projects impacted by the pandemic.	3, 13
Property, Plant & Equipment	New Zealand valuers, in line with their peers around the world, included in their property valuations during 2020 reporting periods, a material valuation uncertainty clause. This clause highlighted that less certainty and consequently a higher degree of caution should be attached to valuations as a result of Covid-19. Valuers also noted that entities should keep the property valuations under frequent review as they may change significantly and unexpectedly over short periods of time.	10
Provisions and other people costs	The objective of the University's Business Recovery programme is to ensure the University gets through the impact of the Covid-19 crisis as quickly and effectively as possible. One of the components of the Business Recovery Programme is the Voluntary Leaving Scheme ("VLS") where eligible employees were offered the opportunity to conclude their employment with the University. A commitment of \$40.4m for termination benefits resulting from VLS scheme, has been provided for as at 31 December 2020.	6, 16
Investments	The Covid-19 pandemic created uncertainty and significant volatility in financial markets. Although markets have largely recovered, market volatility still exists. The fair value of level 1 and 2 investments (as described in note 23.2) reflect market observable prices or inputs available at 31 December 2020. Investments categorised within level 3 are by their very nature inherently more subjective and therefore more exposed to valuation uncertainty as at 31 December 2020.	21, 23

Notes to the Financial Statements (continued)

For the year ended 31 December 2020

2 Government grants

Student Achievement Component (SAC) funding is the University's main source of operational funding from the Tertiary Education Commission (TEC). The University considers SAC funding to be non-exchange and recognises SAC funding as revenue when the course withdrawal date has passed, based on the number of eligible students enrolled in the course at that date and the value of the course. Prior to the course withdrawal date SAC funding is treated as revenue in advance.

Fees-free funding is provided by the TEC, on behalf of the Crown, as compensation for fees forgone related to courses and programmes commenced by eligible students from 2018 onwards. The University considers Fees-free funding to be non-exchange and recognises the revenue after the course withdrawal date has passed and on confirmation of each student's eligibility to fees-free funding. Prior to confirmation of eligibility fees-free funding is treated as revenue in advance.

The University considers Performance-Based Research Fund (PBRF) funding to be non-exchange in nature. PBRF funding is specifically identified by the TEC as being for a funding period as required by section 159YA of the Education Act 1989. The University recognises its confirmed allocation of PBRF funding at the commencement of the specified funding period, which is the same as the University's financial year. PBRF revenue is measured based on the University's funding entitlement adjusted for any expected adjustments as part of the final wash-up process. Indicative funding for future periods is not recognised until confirmed for that future period.

Other grants are recognised as revenue when they become receivable unless there is an obligation in substance to return the funds if conditions of the grant are not met. If there is such an obligation, the grants are initially recorded as deferred revenue when received and recognised as revenue when the conditions of the grant are satisfied.

	Consolidated		University	
	Actual 2020 \$'000	Actual 2019 \$'000	Actual 2020 \$'000	Actual 2019 \$'000
Student component funding	347,460	337,382	347,460	337,382
Fees-free funding	34,492	34,682	34,492	34,682
Clinical Training Agency grants	5,182	4,324	5,182	4,324
Other Government grants	6,956	8,352	6,956	8,352
Performance Based Research Funding	92,453	93,319	92,453	93,319
TEC Access & Hardship Funding	3,219	-	3,219	-
Total Government grants	489,762	478,059	489,762	478,059

3 Research and contracts revenue

The University and Group exercises judgment in determining whether funding received under a research contract is received in an exchange or non-exchange transaction. In determining whether a research contract is exchange or non-exchange, the Group considers factors such as the following:

- Whether the funder has substantive rights to the research output. This is a persuasive indicator of exchange or non-exchange.
- How the research funds were obtained. For example, whether through a commercial tender process for specified work or from applying to a more general research funding pool.
- Nature of the funder
- Specificity of the research brief or contract.

For an exchange research contract, revenue is recognised on a percentage completion basis. The percentage of completion is measured by reference to the actual research expenditure incurred as a proportion to total expenditure expected to be incurred.

For a non-exchange research contract, the total funding receivable under the contract is recognised as revenue immediately when the funds become receivable, unless there are substantive conditions in the contract. If there are substantive conditions, a research contract obligation is initially recognised and revenue is subsequently recognised when the conditions are satisfied. A condition could include the requirement to complete research to the satisfaction of the funder to retain funding or return unspent funds. Revenue for future periods is not recognised where the contract contains substantive termination provisions for failure to comply with the requirements of the contract. Conditions and termination provisions need to be substantive, which is assessed by considering factors such as contract monitoring mechanisms of the funder and the past practice of the funder.

Notes to the Financial Statements (continued)

For the year ended 31 December 2020

3 Research and contracts revenue (continued)

Judgment is often required in determining the timing of revenue recognition for contracts that span a balance date and multi-year research contracts.

Research contract obligations are identified in note 13.

	Consolidated		University	
	Actual 2020 \$'000	Actual 2019 \$'000	Actual 2020 \$'000	Actual 2019 \$'000
External research income	227,791	223,323	214,228	219,938
Other research and contract income	41,268	45,913	609	326
Total research and contracts revenue	269,059	269,236	214,837	220,264

4 Other gains/(losses)

	Consolidated		University	
	Actual 2020 \$'000	Actual 2019 \$'000	Actual 2020 \$'000	Actual 2019 \$'000
Non-financial instruments				
Gain/(loss) on disposal of property, plant and equipment	(39,619)	(1,468)	(38,332)	(1,188)
Foreign exchange gains/(losses)	11,067	(731)	67	485
Financial instruments				
Fair value gain/(loss) on financial assets	10,613	33,413	-	-
Total other gains/(losses)	(17,939)	31,214	(38,265)	(703)

Gains/(losses) on financial assets comprise realised and unrealised gains/(losses) in the fair value of assets held in managed funds.

During FY20 a large part of the Education and Social Sciences buildings were demolished. This is in preparation for the rebuild and refurbishment of the buildings. The total value of the demolition was (\$25.8m).

5 Transfer of funds from restricted to unrestricted

The transfer of funds from restricted to unrestricted represents external restrictions on funds being extinguished due to the restrictions being met (generally expenditure on specified activities). The transfer is shown by major categories of restrictions on funds expiring below.

	Consolidated	
	Actual 2020 \$'000	Actual 2019 \$'000
Research	11,043	10,443
Donations	10,241	12,569
Other	2,652	1,424
Total transfer of funds from restricted to unrestricted	23,936	24,436

Notes to the Financial Statements (continued)

For the year ended 31 December 2020

6 People costs

	Consolidated		University	
	Actual 2020 \$'000	Actual 2019 \$'000	Actual 2020 \$'000	Actual 2019 \$'000
Academic salaries	320,455	308,186	319,392	307,195
Professional salaries	260,112	258,347	230,631	225,785
Defined contribution expense	26,013	24,662	24,945	23,728
Contracts for service	43,448	43,307	35,130	33,883
Other people costs	56,777	34,357	62,622	39,848
Total people costs	706,805	668,859	672,720	630,439

The Group and the University have termination payments of \$44.1 million included in Other people costs. (2019: \$3.4 million)

7 Operating costs

	Consolidated		University	
	Actual 2020 \$'000	Actual 2019 \$'000	Actual 2020 \$'000	Actual 2019 \$'000
Operating costs includes the following specific expenses:				
Consumable supplies	26,267	27,881	23,947	25,255
Repairs and maintenance	38,972	41,742	37,873	40,621
Operating leases				
Properties	34,392	32,408	33,471	31,248
Equipment	503	1,823	501	1,819
Motor vehicles	191	328	23	41
Total operating lease costs	35,086	34,559	33,995	33,108
Auditor remuneration				
Audit fees for audit of financial statements	573	568	350	346
Other assurance services	18	18	18	18
Other non-assurance services*	16	26	-	-
Total auditors' remuneration	607	612	368	364

* Relates to taxation fees paid to EY for overseas entity taxation returns.

Notes to the Financial Statements (continued)

For the year ended 31 December 2020

8 Reconciliation of operating surplus and net cash flow from operating activities

	Consolidated		University		
	Actual 2020 \$'000	Actual 2019 \$'000	Actual 2020 \$'000	Budget 2020 \$'000	Actual 2019 \$'000
Net surplus/(deficit) for the year	9,473	90,462	(37,762)	30,452	51,046
Add/(less) non-cash items:					
Depreciation and amortisation	158,765	144,236	157,440	159,694	142,712
Foreign exchange fluctuations	(11,280)	(134)	(280)	(120)	(134)
Unrealised gain on investments	(20,997)	-	897	-	-
	126,488	144,102	158,057	159,574	142,578
Add/(less) items classified as investing or financing activities					
Interest income	(3,651)	(5,618)	(1,212)	(490)	(2,492)
(Gain)/loss on disposal of property, plant, and equipment	39,619	1,626	38,332	11,885	1,339
Movements relating to capital expenditure	20,093	(5,921)	22,389	19,251	(20,213)
Finance costs	-	6	1,373	136	1,300
Total items classified as investing or financing activities	56,061	(9,907)	60,882	30,782	(20,066)
Add/(less) changes in net assets and liabilities:					
Decrease/(Increase) in receivables	(12,378)	12,202	(10,760)	(3,282)	3,882
Decrease/(Increase) in prepayments and other current assets	3,468	(13,728)	4,159	(1,533)	(16,549)
Decrease/(Increase) in inventories	(161)	(191)	(161)	-	(191)
Decrease/(Increase) in research work in progress	1,594	(2,174)	(8,141)	(2,396)	(744)
Increase/(Decrease) in payables and provisions	11,043	51,156	14,560	(20,312)	39,465
Increase/(Decrease) in deferred revenue	30,756	23,927	32,593	6,094	22,553
Increase/(Decrease) in employee entitlements	425	5,813	(200)	5,821	4,968
Net movement in working capital items	34,747	77,005	32,050	(15,608)	53,384
Net cash inflow/(outflow) from operating activities	226,769	301,662	213,227	205,200	226,942

9 Receivables

Receivables are recognised initially at fair value, and subsequently at amortised cost less impairment. Due to the short-term nature of receivables they are not discounted.

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

Notes to the Financial Statements (continued)

For the year ended 31 December 2020

9 Receivables (continued)

The Group holds no collateral as security or other credit enhancements over receivables that are either past due or impaired.

	Consolidated		University	
	Actual 2020 \$'000	Actual 2019 \$'000	Actual 2020 \$'000	Actual 2019 \$'000
Trade receivables	64,738	52,673	54,494	41,801
Provision for receivables impairment	(1,088)	(1,401)	(816)	(939)
Net receivables	63,650	51,272	53,678	40,862
Related company receivables	-	-	9,593	11,649
Total receivables	63,650	51,272	63,271	52,511

The ageing profile of trade receivables at year end is as follows:

	2020			2019		
	Gross \$'000	Impairment \$'000	Net \$'000	Gross \$'000	Impairment \$'000	Net \$'000
Consolidated						
Current	44,749	-	44,749	44,026	-	44,026
Past due 31-60 days	6,671	-	6,671	1,908	-	1,908
Past due 61-90 days	3,567	-	3,567	1,905	-	1,905
Past due > 90 days	9,751	(1,088)	8,663	4,834	(1,401)	3,433
Total	64,738	(1,088)	63,650	52,673	(1,401)	51,272
University						
Current	44,752	-	44,752	47,261	-	47,261
Past due 31-60 days	6,671	-	6,671	1,730	-	1,730
Past due 61-90 days	3,567	-	3,567	933	-	933
Past due > 90 days	9,096	(816)	8,280	3,526	(939)	2,587
Total	64,086	(816)	63,270	53,450	(939)	52,511

All receivables greater than 30 days in age are considered to be past due.

Receivables past due but not considered impaired are \$18.9m (2019: \$7.2m) for the Group, and \$18.5m (2019: \$5.3m) for the University.

Payment terms on receivables past due but not considered impaired have not been re-negotiated. Each operating unit has been in direct contact with the relevant debtor and is satisfied that payment will be received in full.

The Group holds no collateral as security or other credit enhancements over receivables that are either past due or impaired.

Movements in the provision for receivables impairment are as follows:

	Consolidated		University	
	Actual 2020 \$'000	Actual 2019 \$'000	Actual 2020 \$'000	Actual 2019 \$'000
Balance at beginning of financial year	1,401	1,011	939	925
Additional provisions made during the year	855	1,243	357	867
Provisions reversed during the year	(1,168)	(421)	(480)	(421)
Receivables written-off during the period	-	(432)	-	(432)
Balance at the end of the financial year	1,088	1,401	816	939

Notes to the Financial Statements (continued)

For the year ended 31 December 2020

10 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost, with the exception of donated assets, which are initially recorded at fair value.

Library collection held as at 31 December 1991 was valued internally, based on the estimated volume of the collection and weighted average cost as at that date. This valuation is taken as deemed cost. The library collections are made up of two distinct asset classes (i.e. the general library collection, and library special collections which includes a range of historical and rare books). Except for library special collections all subsequent acquisitions are recorded at cost less accumulated depreciation and impairment, if any. At balance date the library collection is carried at deemed cost less accumulated depreciation and impairment, if any. Library special collections are carried at assessed market value. All permanent withdrawals from the collection are recorded at average cost less accumulated depreciation and impairment, if any.

Plant and Equipment are carried at cost less accumulated depreciation and impairment, if any.

Leasehold Improvements are carried at cost less accumulated depreciation and impairment, if any.

Assets under construction are carried at cost comprising expenditure incurred and certified Gross Progress Claim Certificates up to balance date less impairment, if any. Capital work in progress is not depreciated.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the surplus or deficit in the statement of comprehensive revenue and expenses.

Land and Buildings, Library Special Collections and Works of Art are revalued to fair value at least every three years by an independent valuer.

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

Any revaluation increase is credited to the asset revaluation reserve, except to the extent that it reverses a revaluation decrement for the same asset class previously recognised as an expense in the statement of comprehensive revenue and expenses, in which case the increase is credited to the surplus or deficit to the extent of the decrease previously charged. A decrease in carrying amount arising on the revaluation of land and buildings or works of art is charged as an expense in the statement of comprehensive revenue and expenses to the extent that it exceeds the balance, if any, held in the asset revaluation reserve relating to a previous revaluation of that asset class.

Depreciation on revalued buildings is charged as an expense to the statement of comprehensive revenue and expenses. On a sale or retirement of a revalued property, the revaluation surplus attributable remaining in the property's revaluation reserve is transferred directly to general equity. No transfer is made from the revaluation reserve to general equity except when an asset is derecognised.

All items of property, plant and equipment other than freehold land, works of art, library special collections and work in progress are depreciated using the straight-line method at rates that will write off the cost or revalued amount of assets less their residual values, over their estimated remaining useful life.

The depreciation rates used for each class of asset are:

Buildings	1 - 10%
Library collection	33%
Plant and equipment	5 - 50%
Leasehold improvements	9 - 21%

Notes to the Financial Statements (continued)

For the year ended 31 December 2020

10 Property, plant and equipment (continued)

Property, plant, and equipment subsequently measured at cost are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

If an asset's carrying amount exceeds its recoverable amount, the asset is regarded as impaired and the carrying amount is written-down to the recoverable amount. The total impairment loss is recognised in the surplus or deficit. The reversal of an impairment loss is recognised in the surplus or deficit. For assets carried at revalued amounts an impairment loss is recognised in other comprehensive income and expenditure to the extent it reverses previous recognised revaluation gains for that class of asset.

Value in use for non cash generating assets

Non-cash-generating assets are those assets that are not held with the primary objective of generating a commercial return.

For non-cash-generating, value in use is determined using an approach based on either a depreciated replacement cost approach, restoration cost approach, or a service units approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information.

Value in use for cash generating assets

Cash-generating assets are those assets that are held with the primary objective of generating a commercial return.

The value in use for cash-generating assets and cash-generating units is the present value of expected future cash flows.

Notes to the Financial Statements (continued)

For the year ended 31 December 2020

10 Property, plant and equipment (continued)

	Consolidated							Total \$'000
	Land	Buildings	Leasehold improvements	Plant and equipment	Works of art	Library collections	Capital work in progress	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Gross carrying amount								
Cost	-	-	31,609	522,014	-	342,386	308,796	1,204,805
Valuation	928,321	1,827,611	-	-	24,517	9,090	-	2,789,539
Balance as at 1 January 2019	928,321	1,827,611	31,609	522,014	24,517	351,476	308,796	3,994,344
Additions	2,300	-	50	32,906	101	13,643	352,744	401,744
Disposals	(2,300)	(237)	(617)	(28,696)	(346)	(192)	-	(32,388)
Transfers	-	188,273	-	5,666	-	-	(193,939)	-
Net revaluation increments	155,763	124	-	-	-	-	-	155,887
Balance as at 1 January 2020	1,084,084	2,015,771	31,042	531,890	24,272	364,927	467,601	4,519,587
Additions	2,375	3,089	14	26,305	2,249	13,031	97,000	144,063
Disposals	(2,750)	(47,170)	-	(8,176)	(509)	(4,024)	-	(62,629)
Transfers	-	465,619	6,334	21,422	-	-	(493,376)	-
Net revaluation increments	-	-	-	-	294	429	-	722
Balance as at 31 December 2020	1,083,709	2,437,309	37,390	571,441	26,306	374,363	71,226	4,601,744
Accumulated depreciation								
Cost	-	-	25,081	396,367	-	325,337	-	746,785
Valuation	-	26,216	-	-	-	-	-	26,216
Balance as at 1 January 2019	-	26,216	25,081	396,367	-	325,337	-	773,001
Disposals	-	(16)	(395)	(28,231)	-	(192)	-	(28,834)
Depreciation expense	-	80,310	1,283	34,461	-	14,318	-	130,372
Net revaluation increments	-	(408)	-	-	-	-	-	(408)
Balance as at 1 January 2020	-	106,102	25,969	402,597	-	339,463	-	874,131
Disposals	-	(8,478)	-	(4,336)	-	(4,024)	-	(16,837)
Depreciation expense	-	90,913	1,664	38,468	-	14,178	-	145,223
Balance as at 31 December 2020	-	188,537	27,633	436,729	-	349,617	-	1,002,517
Net book value								
As at 1 January 2019	928,321	1,801,395	6,528	125,647	24,517	26,139	308,796	3,221,343
As at 1 January 2020	1,084,084	1,909,669	5,073	129,293	24,272	25,464	467,601	3,645,456
As at 31 December 2020	1,083,709	2,248,772	9,757	134,712	26,306	24,746	71,226	3,599,228

Notes to the Financial Statements (continued)

For the year ended 31 December 2020

10 Property, plant and equipment (continued)

	University							Total
	Land	Buildings	Leasehold improvements	Plant and equipment	Works of art	Library collections	Capital work in progress	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Gross carrying amount								
Cost	-	-	27,990	509,560	-	342,386	308,782	1,188,718
Valuation	926,021	1,827,611	-	-	24,517	9,090	-	2,787,239
Balance as at 1 January 2019	926,021	1,827,611	27,990	509,560	24,517	351,476	308,782	3,975,957
Additions	2,300	-	9	32,580	101	13,643	352,721	401,354
Disposals	-	(237)	(618)	(28,691)	(346)	(192)	-	(30,084)
Transfers	-	188,273	-	5,653	-	-	(193,926)	-
Net revaluation increments	155,763	124	-	-	-	-	-	155,887
Balance as at 1 January 2020	1,084,084	2,015,771	27,381	519,102	24,272	364,927	467,577	4,503,114
Additions	2,375	3,089	14	26,270	2,249	13,031	96,336	143,365
Disposals	(2,750)	(47,170)	-	(8,165)	(509)	(4,024)	-	(62,617)
Transfers	-	465,619	6,334	21,076	-	-	(493,029)	-
Net revaluation increments	-	-	-	-	294	428	-	722
Balance as at 31 December 2020	1,083,709	2,437,309	33,729	558,284	26,306	374,363	70,884	4,584,584
Accumulated depreciation								
Cost	-	-	21,937	386,526	-	325,337	-	733,800
Valuation	-	26,216	-	-	-	-	-	26,216
Balance as at 1 January 2019	-	26,216	21,937	386,526	-	325,337	-	760,016
Disposals	-	(16)	(395)	(28,224)	-	(192)	-	(28,827)
Depreciation expense	-	80,309	1,139	33,480	-	14,318	-	129,246
Net revaluation increments	-	(408)	-	-	-	-	-	(408)
Balance as at 1 January 2020	-	106,102	22,681	391,782	-	339,463	-	860,028
Disposals	-	(8,478)	-	(4,324)	-	(4,024)	-	(16,825)
Depreciation expense	-	90,913	1,549	37,584	-	14,178	-	144,224
Balance as at 31 December 2020	-	188,537	24,230	425,042	-	349,617	-	987,427
Net book value								
As at 1 January 2019	926,021	1,801,395	6,053	123,034	24,517	26,139	308,782	3,215,941
As at 1 January 2020	1,084,084	1,909,669	4,700	127,320	24,272	25,464	467,577	3,643,086
As at 31 December 2020	1,083,709	2,248,772	9,499	133,240	26,306	24,746	70,884	3,597,156

Notes to the Financial Statements (continued)

For the year ended 31 December 2020

10 Property, plant and equipment (continued)

Valuation

Fair value is the amount for which the assets could be exchanged between a knowledgeable willing buyer and a knowledgeable willing seller in an arm's length transaction as at the valuation date.

Land and buildings

The Group engage Beca Limited, an accredited independent valuer that uses the International Valuation Standards Committee, and International Valuation Standards as a reference, to determine the fair value of its land and buildings.

Fair value for land is determined on its highest and best use taking into consideration restrictions over the use of the land and the likelihood of re-zoning.

For buildings that are not specialised in nature, fair value is determined by direct reference to recent market transactions on arm's length terms for land and buildings comparable in size and location to those held by the Group, and to market based yields for comparable properties.

Where buildings are specialised in nature, their value is determined on an optimised depreciated replacement cost basis, as limited market data is available for buildings designed for educational delivery purposes.

Depreciated replacement cost is determined using a number of significant assumptions. Significant assumptions include:

- The replacement asset is based on the replacement with modern equivalent assets with adjustments where appropriate for obsolescence due to over-design or surplus capacity.
- The replacement cost is derived from recent construction contracts of similar assets and Property Institute of New Zealand cost information.
- For the Groups earthquake-prone buildings that are expected to be strengthened, the estimated earthquake-strengthening costs have been deducted off the depreciated replacement cost.
- The remaining useful life of assets is estimated.
- Straight-line depreciation has been applied in determining the depreciated replacement cost value of the asset.

The most recent valuation of land was effective 31 December 2019, and the most recent valuation of buildings was effective 31 December 2018.

Library special collections

Library special collections held by the University are independently valued by Rowan Gibbs of Smith's Bookshop Limited. The valuation basis is assessed at market value. Guidance for the valuation is taken from the New Zealand Government Treasury Valuation Guidance for Cultural and Heritage Assets (November 2002), and that valuation is designed to be consistent with the methodology and outcome of other comparable major heritage collections with established valuations held elsewhere in New Zealand, in particular those of the Alexander Turnbull Library, the Auckland City Libraries, Dunedin Public Library, and the University of Otago Hocken Collections.

Values are based on prices realised at auction for copies in similar condition and on prices asked by reputable dealers for similar copies, catalogues prices of rare books still available for sale, or in the absence of any current or recent sale records a 'best estimate' value is assigned, based on the valuer's experience in the book trade, taking into account the scarcity of the book and likely demand for it, and market prices for similar items.

The most recent valuation of Library special collections was effective 31 December 2020.

A revaluation surplus for library special collections of \$0.43 million was recognised in the revaluation reserve in 2020.

Works of art

Works of art held by the University are independently valued by ART+OBJECT. The valuation basis is assessed at market value. Guidance for the valuation is taken from the New Zealand Government Treasury Valuation Guidance for Cultural and Heritage Assets (November 2002), Te Papa National Services Valuing Collections Resource Guide and the New Zealand Property Institute Trans-Tasman and International Valuation Standards.

Notes to the Financial Statements (continued)

For the year ended 31 December 2020

10 Property, plant and equipment (continued)

Fair value is determined by where an active market exists for the same or similar asset the market prices are deemed to be fair value, or where there is no active market fair value is determined by other market based evidence adjudged by the valuer as active and knowledgeable participants in the market.

The most recent valuation of Works of art was effective 31 December 2020.

A revaluation surplus for works of art of \$0.29 million was recognised in the revaluation reserve in 2020.

11 Intangible assets

An intangible asset arising from development expenditure on an internal project is recognised only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits and service potential, the availability of resources to complete the development and the ability to measure reliably the expenditure attributable to the intangible asset during its development.

Following the initial recognition of the development expenditure, the cost model is applied requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses. Any expenditure so capitalised is amortised over the period of expected benefit from the related project.

Capital work in progress is not amortised (until it is reclassified to software), whereas completed/purchased software has a finite life and is amortised on a straight line basis. Amortisation expenses are included in the depreciation and amortisation expense line in the statement of comprehensive revenue and expenses.

Computer software that is not integral to the operation of hardware is capitalised as an intangible asset on the basis of costs incurred to acquire and bring to use the specific software.

The straight line amortisation rates used are:

Software 20 - 33%

Intangible assets subsequently measured at cost that have an indefinite useful life, or are not yet available for use, and goodwill, are not subject to amortisation and are tested annually for impairment.

Notes to the Financial Statements (continued)

For the year ended 31 December 2020

11 Intangible assets (continued)

	Consolidated		
	Software \$'000	Capital work in progress \$'000	Total \$'000
Gross carrying amount			
Balance as at 1 January 2019	129,490	4,456	133,946
Additions	1,011	10,144	11,155
Disposals	(2,723)	-	(2,723)
Transfers	7,837	(7,837)	-
Balance as at 31 December 2019	135,615	6,763	142,378
Balance as at 1 January 2020	135,615	6,763	142,378
Additions	1,534	13,088	14,622
Disposals	(781)	-	(781)
Transfers	10,688	(10,688)	-
Balance as at 31 December 2020	147,056	9,163	156,219
Accumulated amortisation and impairment			
Balance as at 1 January 2019	102,970	-	102,970
Disposals	(2,518)	-	(2,518)
Amortisation expense	13,867	-	13,867
Balance as at 31 December 2019	114,318	-	114,318
Balance as at 1 January 2020	114,318	-	114,318
Disposals	(1)	-	(1)
Amortisation expense	13,542	-	13,542
Balance as at 31 December 2020	127,859	-	127,859
Net book value			
As at 1 January 2019	26,520	4,456	30,976
As at 1 January 2020	21,297	6,763	28,060
As at 31 December 2020	19,196	9,163	28,359

Notes to the Financial Statements (continued)

For the year ended 31 December 2020

11 Intangible assets (continued)

	University		Total
	Software	Capital work in progress	
	\$'000	\$'000	\$'000
Gross carrying amount			
Balance as at 1 January 2019	125,017	4,456	129,473
Additions	953	10,144	11,097
Disposals	(2,724)	-	(2,724)
Transfers	7,837	(7,837)	-
Balance as at 31 December 2019	131,083	6,763	137,846
Balance as at 1 January 2020	131,083	6,763	137,846
Additions	1,534	13,088	14,622
Disposals	(782)	-	(782)
Transfers	10,688	(10,688)	-
Balance as at 31 December 2020	142,523	9,163	151,686
Accumulated amortisation and impairment			
Balance as at 1 January 2019	100,411	-	100,411
Disposals	(2,519)	-	(2,519)
Amortisation expense	13,468	-	13,468
Balance as at 31 December 2019	111,360	-	111,360
Balance as at 1 January 2020	111,360	-	111,360
Disposals	(1)	-	(1)
Amortisation expense	13,216	-	13,216
Balance as at 31 December 2020	124,575	-	124,575
Net book value			
As at 1 January 2019	24,606	4,456	29,062
As at 1 January 2020	19,723	6,763	26,486
As at 31 December 2020	17,947	9,163	27,110

Notes to the Financial Statements (continued)

For the year ended 31 December 2020

12 Payables

Payables are recognised at fair value on initial recognition.

Trade payables and other accounts payable are recognised when the Group becomes obliged to make future payments resulting from the purchase of goods and services. They are carried at amortised cost, are non-interest bearing and due to their short term nature they are not discounted.

	Consolidated		University	
	Actual 2020 \$'000	Actual 2019 \$'000	Actual 2020 \$'000	Actual 2019 \$'000
Trade payables	144,420	173,579	136,654	162,576
Related company payables	-	-	1,304	1,176
Total payables	144,420	173,579	137,958	163,752

13 Deferred Revenue

	Consolidated		University	
	Actual 2020 \$'000	Actual 2019 \$'000	Actual 2020 \$'000	Actual 2019 \$'000
Current liabilities				
Deferred revenue	85,937	88,754	85,937	88,754
Research contract obligations	146,384	112,811	125,205	89,795
Deferred revenue - current	232,321	201,565	211,142	178,549

This note should be read in conjunction with note 3.

Included in deferred revenue for FY20, is \$ 11.9m of externally funded research revenue. This recognises the proportionate progress of research activity for those projects impacted by the pandemic.

Notes to the Financial Statements (continued)

For the year ended 31 December 2020

14 Employee entitlements

Provision is made for the University's liability for professional and academic staff annual leave, long service leave, retirement gratuities and sick leave when it is probable that settlement will be required and the liabilities are capable of being measured reliably.

- Annual leave is calculated on an actual entitlement basis at the rates expected to apply at time of settlement.
- Sick leave, long service leave and retirement gratuities have been calculated on an actuarial basis which estimates the present value of amounts payable in respect of existing employees based on assumed rates of sickness, death, disablement, resignation, retirement and salary progression.

	Consolidated		University	
	Actual 2020 \$'000	Actual 2019 \$'000	Actual 2020 \$'000	Actual 2019 \$'000
Current liabilities				
Accumulated annual leave	46,758	47,604	42,377	43,857
Retirement allowance	20,127	19,353	20,127	19,353
Long service leave	579	523	579	523
Total employee entitlements - current	67,464	67,480	63,083	63,733
Non-current liabilities				
Sick leave	1,436	1,695	1,410	1,660
Retirement allowance	63,117	62,544	63,117	62,544
Long service leave	2,872	2,745	2,872	2,745
Total employee entitlements - non-current	67,425	66,984	67,399	66,949

Notes to the Financial Statements (continued)

For the year ended 31 December 2020

15 Loans and borrowings

Borrowings are initially recognised at their fair value less directly attributable transaction costs. After initial recognition, all borrowings are measured at amortised cost using the effective interest method. Fees paid on the establishment of loan facilities are deducted from the fair value of the loan to determine the carrying amount on initial recognition, and are then accredited to the carrying amount of the loan under the effective interest rate method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset (i.e. an asset that necessarily takes a substantial period of time to get ready for its intended use or sale) are capitalised as part of the cost of that asset. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

	Consolidated		University	
	Actual 2020 \$'000	Actual 2019 \$'000	Actual 2020 \$'000	Actual 2019 \$'000
Current liabilities				
Non-interest bearing loan	628	625	628	625
Interest bearing loan from controlled entity	-	-	54,027	50,038
Interest bearing loan facility	100,000	-	100,000	-
Total loans and borrowings - current	100,628	625	154,655	50,663
Non-current liabilities				
Unsecured				
Non-interest bearing loan	-	614	-	614
Interest bearing loan facility	38,693	180,000	38,693	180,000
Total loans and borrowings - non-current	38,693	180,614	38,693	180,614

Non-interest bearing loan

On 30 June 2011, the University acquired a winery, which included property, plant and equipment, from the K & J Goldwater Family Trust. Consideration for the acquisition was made in three parts being a cash payment, a gift by way of reduction in the purchase price and an interest free loan with a term of 10 years. The non-interest bearing loans above represent the value of the current and non-current portions of this loan measured at amortised cost with an average effective interest rate of 0.6% (2019: 1.7%).

Interest bearing loan from controlled entity

The loan from controlled entity represents advances by Auckland UniServices Limited to the University. The loan is on demand and the University pays a rate of interest equivalent to an investment portfolio of 10% on call, 60% 1 year and 30% over 1 year as at January 2020 (2019: 26% on call, 44% 1 year and 30% over 1 year as at January 2019).

Interest-bearing loan facility

The University has a total interest bearing loan facility of \$300m. As at 31 December 2020, nine separate loans were drawn down from the facility with terms ranging from six months to five years. The largest maturity date on the drawdown was 92 days, with interest rates ranging from 1.65% to 1.96%.

Borrowing costs capitalised

Borrowing costs of \$2.0m were capitalised during 2020 (2019: \$1.5m).

Fair values

The carrying amount of current and non-current loans and borrowings approximate their fair value. The fair value has been calculated by discounting the expected future cash flows at prevailing market interest rates ranging from 0.82% to 1.03% (2019: 1.66% to 1.72%).

Notes to the Financial Statements (continued)

For the year ended 31 December 2020

15 Loans and borrowings (continued)

Assets pledged as security

All loans and borrowings are unsecured so there are no assets pledged as security.

Defaults and breaches

During the current and prior years there were no defaults or breaches on any of the external loans or borrowings.

Interest rate and liquidity risk

Details regarding interest rate and liquidity risk are disclosed in note 23.

16 Provisions

The Voluntary Leaving Scheme (“VLS”) has arisen from the University’s Business Recovery Programme. Refer to note 1.6 “Impact of Covid-19”.

	Consolidated		University	
	Actual 2020 \$'000	Actual 2019 \$'000	Actual 2020 \$'000	Actual 2019 \$'000
Termination Benefits	39,223	-	39,223	-
Total current portion	39,223	-	39,223	-
Termination Benefits	1,130	-	1,130	-
Total non-current portion	1,130	-	1,130	-

Notes to the Financial Statements (continued)

For the year ended 31 December 2020

17 Operating leases and capital commitments

Operating leases as lessee

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset.

Lease payments under an operating lease are recognised as expense on a straight-line basis over the lease term.

Operating lease commitments

The Group lease various offices, premises, motor vehicles and equipment under non-cancellable operating leases. The leases have various terms, escalation clauses and renewal rights. On renewal, the terms of the leases are renegotiated.

	Consolidated		University	
	Actual 2020 \$'000	Actual 2019 \$'000	Actual 2020 \$'000	Actual 2019 \$'000
Not later than one year	36,737	36,593	36,737	36,593
Later than one year and not later than five years	135,154	138,325	135,154	138,325
Later than five years	545,194	475,009	545,194	475,009
Total operating lease commitments	717,085	649,927	717,085	649,927
Operating lease commitments by type				
Properties	717,085	649,913	717,085	649,913
Motor vehicles	-	7	-	7
Equipment	-	7	-	7
Total operating lease commitments by type	717,085	649,927	717,085	649,927

Operating leases as lessor

Where the Group are the lessor, assets leased to third parties under operating leases are included in property, plant and equipment in the statement of financial position. They are depreciated over their expected useful lives on a basis consistent with similar owned property, plant and equipment.

Operating lease receivables

Operating leases relate to property held by the Group that is leased to external parties to provide additional services to students. The properties are not investment properties because they are held by the University, as a public-benefit entity, for strategic purposes or to meet its service delivery objectives where rental revenue derived is incidental to the purpose of holding the property. The lease terms range from 1 to 20 years. All operating lease contracts contain market review clauses in the event the entity exercises its option to renew. There is no option to purchase the property at the expiry of the lease period.

	Consolidated		University	
	Actual 2020 \$'000	Actual 2019 \$'000	Actual 2020 \$'000	Actual 2019 \$'000
Not later than one year	3,789	3,554	3,789	3,554
Later than one year and not later than five years	6,581	8,337	6,581	8,337
Later than five years	405	1,376	405	1,376
Total non-cancellable operating leases	10,776	13,267	10,776	13,267

Notes to the Financial Statements (continued)

For the year ended 31 December 2020

17 Operating leases and capital commitments (continued)

Capital commitments

Capital expenditures contracted for at reporting date but not recognised as liabilities are as follows:

	Consolidated/ University	
	Actual 2020 \$'000	Actual 2019 \$'000
Property Services projects	185,466	76,227
Other capital expenditure	1,392	2,617
Total capital commitments	186,858	78,844

18 Contingencies

As at 31 December 2020 the Group had no contingent liabilities or assets (2019: Nil).

19 Reserves

Land, Buildings, Works of Art and Library Special Collections are re-valued to fair value every three years, as determined by an independent valuer. A revaluation for Buildings was carried out in 2018, revaluations for Library Special Collections and Works of Art were carried out in 2020, and the latest revaluation for Land was carried out in 2019.

The asset revaluation reserve arises on the revaluation of land, buildings, works of art and special library collections. Where a revalued land, building, work of art or an item from the special library collections is sold or disposed of, the portion of the asset revaluation reserve which relates to that asset is transferred directly to general equity.

The hedging reserve represents hedging gains and losses recognised on the effective portion of cash flow hedges in relation to forward exchange contracts. The cumulative deferred gain or loss on the hedge is recognised in the surplus or deficit when the hedged transaction impacts the statement of comprehensive revenue and expenses, or is included as a basis adjustment to the non-financial hedged item, as per the University's hedging policy.

The available-for-sale investments revaluation reserve is used to recognise changes in the fair value and exchange differences arising on translation of investments classified as available for sale financial assets, such as equities.

Notes to the Financial Statements (continued)

For the year ended 31 December 2020

19 Reserves (continued)

	Consolidated		University	
	Actual 2020 \$'000	Actual 2019 \$'000	Actual 2020 \$'000	Actual 2019 \$'000
Reserves includes				
Land and buildings	1,683,174	1,730,586	1,683,174	1,730,586
Works of art and special library collections	23,731	23,009	23,731	23,009
Cash flow hedge reserve	(656)	(149)	(759)	(149)
Foreign currency translation reserve	(291)	50	-	-
Statutory reserve - international entities	94	94	-	-
Available-for-sale investments revaluation reserve	29,794	31,909	-	-
Total reserves	1,735,846	1,785,499	1,706,146	1,753,446
Land and buildings				
Balance at beginning of financial year	1,730,586	1,576,488	1,730,586	1,574,291
Transferred to general equity	(47,412)	(2,195)	(47,412)	-
Revaluation increments/(decrements)	-	156,293	-	156,295
Balance at end of financial year	1,683,174	1,730,586	1,683,174	1,730,586
Works of art and special library collections				
Balance at beginning of financial year	23,009	23,009	23,009	23,009
Revaluation increments/(decrements)	722	-	722	-
Balance at end of financial year	23,731	23,009	23,731	23,009
Cash flow hedge reserve				
Balance at beginning of financial year	(149)	358	(149)	382
Gain/(loss) recognised	110	(1,797)	(366)	(1,600)
Transfers to initial carrying amount of hedged item	(617)	1,290	(244)	1,069
Balance at end of financial year	(656)	(149)	(759)	(149)
Available-for-sale investments revaluation reserve				
Balance at beginning of financial year	31,909	13,317	-	-
Revaluation increments/(decrements)	(2,115)	18,592	-	-
Balance at 31 December	29,794	31,909	-	-

Notes to the Financial Statements (continued)

For the year ended 31 December 2020

20 Restricted and special funds

The University has established Special Funds for specific purposes. Special purpose funds are not classified as restricted in the statement of financial position, as they are not subject to donor-imposed restrictions. They do however have internal restrictions on their use and as such are disclosed separately from general equity. The balance of a special purpose fund is transferred to general equity when it is no longer required for a specific purpose.

Restricted purpose funds are subject to donor-imposed restrictions that prevent the Group from using those funds until certain restrictions are met. Funds are classified as restricted if externally imposed restrictions prevent the assets from being used for general or administrative purposes by the Group. Restricted purpose funds are recognised in the unrestricted statement of comprehensive revenue and expenses at the time restrictions have been extinguished.

Restricted purpose funds consist of endowments and current use funds.

	2020 Special purpose funds \$'000	2020 Restricted purpose funds \$'000	2020 Total \$'000	2019 Special purpose funds \$'000	2019 Restricted purpose funds \$'000	2019 Total \$'000
Consolidated						
Balance at beginning of financial year	19,015	288,343	307,358	18,503	244,820	263,323
Income	130	62,645	62,775	711	67,959	68,670
Less funds released from restrictions	499	23,936	24,435	199	24,436	24,635
Net surplus (deficit)	(369)	38,709	38,340	512	43,523	44,035
Balance at end of financial year	18,646	327,052	345,698	19,015	288,343	307,358
University						
Balance at beginning of financial year	19,014	24,245	43,259	18,502	23,590	42,092
Income	130	6,116	6,246	711	5,201	5,912
Less funds released from restrictions	499	5,998	6,496	199	4,546	4,745
Net surplus (deficit)	(369)	119	(250)	512	655	1,167
Balance at end of financial year	18,645	24,364	43,009	19,014	24,245	43,259

The income and expenditure items presented above are included in the surplus or deficit in the statement of comprehensive revenue and expenses and are presented above for information purposes.

Notes to the Financial Statements (continued)

For the year ended 31 December 2020

21 Investments

21.1 Investment in controlled entities

The consolidated financial statements include the financial statements of The University of Auckland, the ultimate parent of the Group, and its controlled entities being Auckland UniServices Limited, and The University of Auckland Foundation.

The University's interest in controlled entities is measured at cost.

Investment in controlled entities of \$1m (2019: \$1m) relates to shares held in Auckland UniServices Limited, which represents a 100% interest in the Company (2019:100%). The principal activity of Auckland UniServices Limited is commercial research, it is incorporated in New Zealand, and it has a 31 December balance date.

Auckland UniServices Limited has a 100% interest in two subsidiaries, Auckland UniServices (HK) Limited (AUHK) (2019: 100%) and The University of Auckland (Hangzhou) Innovation Institute Company (2019: 100%). The value of each shareholding is \$1.00 (2019: \$1.00).

Investment in controlled entities of \$18.6m (2019: \$18.6m) relates to the University's investment in the Foundation, which represents funds transferred to the Foundation (previously held as restricted purpose funds by the University) in 2016.

The Foundation holds net assets of \$288.9m (2019: \$257.8m). Of these \$6.2m (2019: \$5.1m) are available to the University for general expenditure and \$282.7m (2019: \$252.7m) are restricted to the University until they meet the specific restrictions imposed by the donor when the funds were gifted. The Foundation's trustees must approve applications from the University for funding prior to funds being transferred.

21.2 Investment in associates

Investments in associates are accounted for in the financial statements at fair value utilising the exemption for "Venture Capital Organisations" under paragraph 25 of PBE IPSAS 36 Investments in Associates and Joint Ventures.

The primary source of fair value for associates is the arm's length sale of equity in those investments to third parties involving transfer of cash or cash equivalents. If the transaction involves only existing shareholders, this will not normally result in a change in fair value. When available, fair value is determined using other valuation techniques (discounting cash flows, earnings multiple, net assets). Management also takes into consideration other qualitative information in determination of fair value.

The Group has the following investments in associates through ordinary shares held by Auckland UniServices Limited:

	2020 \$'000	2019 \$'000
Investments in associates	11,176	12,425
Investments in associates	11,176	12,425

Fair values of investments in associates are based on non-market observable inputs, and fair values are therefore classified as Level 3 in note 23.2

The balance above includes investments in the following entities: SapVax LLC (domiciled in the USA), Vortex Power Systems Ltd, Objective Acuity Ltd, Cirrus Materials Ltd and Compliance Audit Systems Ltd.

21.3 Other investments

Auckland UniServices Limited has acquired shares in Actigaze Ltd, Alimetry Ltd, ApiMatic Ltd, Aravive Corporations, Ceryx Medical Ltd, Cirrus Materials Science Ltd, CoDa Therapeutics (NZ) Ltd, Compliance Audit Systems, , Dotterel Technologies Limited, Double Helix Analysis Ltd, Energia Potior Ltd, EXSS Ltd, Fastec Ltd, FormUS Labs Ltd, HeartLab Ltd, Junofem Ltd, Mote Limited, Objective Acuity Ltd, OPUM Technologies Limited, Orbis Diagnostics Ltd, PowerOn Ltd, Quantifi Photonis Ltd, Rain Therapeutics Limited, SapVax LLC, Sensor Holdings Ltd, Soul Machines Ltd, Southern Photonics Ltd, Strutfit Ltd, The Insides Company Ltd, Tectonus Ltd, Tinnitus Tunes Ltd and Vortex Systems Ltd.

These entities are neither controlled entities nor associates and are treated as financial assets in note 23.

Notes to the Financial Statements (continued)

For the year ended 31 December 2020

22 Related party transactions

Related party disclosures have not been made for transactions with related parties that are within a normal supplier or client/recipient relationship on terms and condition no more or less favourable than those that it is reasonable to expect the University would have adopted in dealing with the party at arm's length in the same circumstances.

The University transacts with other Government owned or related entities independently and on an arm's length basis. Transactions cover a variety of services, including funding and grants for education and research services and purchases of postage, travel and tax. Therefore, transactions with Government owned and related entities are not disclosed as related party transactions when they are consistent with the normal operating arrangements with TEIs and undertaken on the normal terms and conditions for such transactions.

The University Council and the University Executive Team may be directors or officers of other companies or organisations with whom the University may transact. Such transactions are carried out independently on an arm's length basis.

Auckland UniServices Limited

The University pays some of the salaries of Auckland UniServices Limited's administrative staff and other administration costs which it recharges to the company. The University also charges Auckland UniServices Limited for costs incurred by departments and student scholarship costs against the company's projects and for rental on premises subleased from the University.

Auckland UniServices Limited pays some salary costs and sundry expenses on behalf of the University and recharges these to the University.

These transactions are consistent with the normal operating relationship between the University and Auckland UniServices Limited, and are carried out on an arm's length basis.

University of Auckland Foundation

The University pays some of the salaries of the Foundation. The University also pays administrative and associated services expenses for the Foundation, to enable the Foundation to operate, and this is treated as a donation. The University intends to continue to provide this support in the future. In 2020 the University donated \$289.0k (2019: \$398.3k) to the Foundation.

The Foundation pays grants and donations to the University on non arms length terms, for nil consideration. During 2020, the trustees approved grants to the University amounting to \$29.7m (2019: \$31.2m), and at reporting date grants payable to the University amounted to \$47.0m (2019: \$35.5m).

Key management personnel compensation

	Consolidated/University	
	Actual 2020 \$'000	Actual 2019 \$'000
Council members*	326	467
University Executive Team	3,189	9,146
Total key management personnel compensation	3,515	9,613
Full-time equivalent members**		
Council members*	3	4
University Executive Team	7.80	25.21
Total full-time equivalent personnel	10.80	29.21

The Senior Leadership Team was replaced by the University Executive Team ("UET") in 2020. 2019 comparative numbers represent the Senior Leadership Team which was in place at the time.

* Excludes the Vice-Chancellor, who is a member of Council, but also included in the UET. Council members are not paid for their services to Council. Council members who are also employed by the University in other roles were paid \$326k (2019: \$467k) in their capacity as employees.

** Due to the difficulty in determining the full-time equivalent for Council Members, the full-time equivalent figure is taken as the total head count of Council Members who received compensation in their capacity as employees.

Notes to the Financial Statements (continued)

For the year ended 31 December 2020

23 Financial instruments

The University and Group's activities expose it to a variety of financial risks (market risk, liquidity risk, credit risk and other price risk). The University and Group's risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group is able to use derivative financial instruments such as interest rate swaps and forward foreign exchange contracts to hedge certain risk exposures.

The University's treasury management is carried out under the Treasury Management Policy, which is approved by the Council. The policy does not allow any transactions that are speculative in nature to be entered into.

The Foundation's treasury management is carried out in accordance with its Strategic Asset Allocation policy, which consists of two diversified portfolios, the Current Use Investment Pool (CUIP) and the Endowment Investment Pool (EIP). The CUIP is utilised for funds required in the short term and includes highly liquid assets such as bank term deposits. The EIP is utilised for funds required for long term growth and income assets. The risks associated with the Foundation's investments are managed through the Statement of Investment Policy and Objectives (SIPO) for each pool.

23.1 Financial instrument categories

Derivative Financial Instruments

The Group enters into foreign currency forward exchange contracts to manage foreign exchange risk on committed expenditure, highly probable forecast transactions denominated in foreign currencies and long term investments. These are either designated as cash flow hedges or fair value hedges at inception.

Cash flow hedge

A cash flow hedge is a hedge designed to limit the risks associated with the change in cash flows of a recognised asset, liability or a highly probable forecast transaction that could affect surplus or deficit.

All derivatives are initially recognised at fair value on the date a derivative contract is entered into. Subsequent to initial recognition, derivative financial instruments are re measured to their fair value at each reporting date.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are deferred in equity. The gain or loss relating to the ineffective portion or any derivative which is not designated as a hedge instrument, is recognised immediately in the surplus or deficit in the statement of comprehensive revenue and expenses.

Amounts deferred in equity are recycled into the surplus or deficit in the periods when the hedged item is recognised in the statement of comprehensive revenue and expenses. However, when the forecast transaction that is hedged results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously deferred in equity are transferred from equity and included in the initial measurement of the cost of the asset or liability.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, exercised, or no longer qualifies for hedge accounting. Any cumulative gains or losses deferred in equity at that time remains in equity until the forecast transaction occurs.

When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was deferred in equity is recognised immediately in the surplus or deficit in the statement of comprehensive revenue and expenses.

Notes to the Financial Statements (continued)

For the year ended 31 December 2020

23 Financial instruments (continued)

23.1 Financial instrument categories (continued)

Fair value hedge

A fair value hedge is a hedge designed to limit the risks associated with changes in fair value of a recognised asset or liability or an unrecognised firm commitment that could affect surplus or deficit. A gain or loss from re-measuring the derivative at fair value is recognised immediately in surplus or deficit.

The gain or loss on the hedged item is recognised as an increase/decrease in the carrying value of that item and immediately in surplus or deficit.

Financial assets/liabilities

The Group holds financial assets/liabilities in the following specified categories:

- financial assets at fair value through surplus or deficit;
- loans and receivables;
- financial liabilities measured at amortised cost;
- Available for sale financial assets.

The classification depends on the purpose of the financial asset or liability and is determined at the time of initial recognition.

The carrying value is equivalent to the fair value for all financial assets and liabilities.

Financial assets at fair value through surplus or deficit

The Group holds investments which have been designated as financial assets at fair value through surplus or deficit and are stated at fair value. Fair value is determined in the manner described in note 23.2. Any resultant gain or loss is recognised in the surplus or deficit in the statement of comprehensive revenue and expenses and incorporates any interest earned on the financial asset.

The policy of the Group is to designate an asset as a financial asset at fair value through surplus or deficit if the asset is subject to frequent changes in fair value and the performance of the asset is evaluated by management on a fair value basis in accordance with investment policies.

Loans and receivables

Loans and receivables include cash and cash equivalents, bank term deposits, trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market that are classified as loans and receivables. Loans and receivables are measured at amortised cost using the effective interest method less any impairment. Interest income is recognised by applying the effective interest rate.

Financial liabilities measured at amortised cost

Financial assets measured at amortised cost include trade payables, loans and borrowings. After initial recognition, these liabilities are subsequently measured at amortised cost using the effective interest rate method.

Available for sale financial assets

Available-for-sale financial assets are those non-derivative financial assets that are designated as available for sale or are not classified as loans and receivables, held-to-maturity or financial assets at fair value through surplus and deficit. They are initially measured at fair value and subsequent changes to fair value are taken through other comprehensive revenue and expenses. On derecognition any cumulative gain or loss is recycled to the surplus or deficit.

Notes to the Financial Statements (continued)

For the year ended 31 December 2020

23 Financial instruments (continued)

23.1 Financial instrument categories (continued)

	Consolidated		University	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Financial Assets				
<i>Derivatives that are hedge accounted</i>				
Derivative financial instrument assets	2,344	1,391	(759)	(149)
Total derivatives that are hedge accounted	2,344	1,391	(759)	(149)
<i>At fair value through surplus and deficit</i>				
New Zealand fixed interests*	46,148	42,167	-	-
International fixed interests*	30,926	14,784	-	-
Australasian equities*	35,978	28,954	-	-
International equities*	89,320	81,832	-	-
Emerging markets*	19,314	15,322	-	-
New Zealand property*	25,980	15,964	-	-
Private equity*	18,150	12,991	-	-
Investment in associates*	11,176	12,425	-	-
University's share of investments held by UniServices*	-	-	16,862	16,862
Convertible notes	3,060	2,259	-	-
Total at fair value through surplus and deficit	280,052	226,698	16,862	16,862
<i>Loans and receivables</i>				
Cash and cash equivalents	66,968	41,937	22,433	20,327
Short term bank deposits	38,738	66,915	24,447	23,359
Long term bank deposits*	17,118	20,689	-	-
Receivables	63,650	51,272	63,271	52,510
Advances to third parties*	279	309	279	270
Total loans and receivables	186,753	181,122	63,271	96,466
<i>Available-for-sale financial assets</i>				
Shares*	38,721	38,674	-	-
Total available-for-sale financial assets	38,721	38,674	-	-
Financial Liabilities				
<i>Financial liabilities at amortised cost</i>				
Payables	144,420	173,579	137,958	163,752
Borrowings:				
- non-interest bearing loan	628	1,239	628	1,239
- interest bearing loan facility (revolving credit)	138,693	180,000	138,693	180,000
- loan from controlled entity	-	-	54,027	50,038
Total financial liabilities at amortised cost	283,741	354,818	331,306	395,029

* These assets are classified as other financial assets in the statement of financial position.

Notes to the Financial Statements (continued)

For the year ended 31 December 2020

23 Financial instruments (continued)

23.2 Fair values of financial assets and liabilities

For those instruments recognised at fair value in the statement of financial position, fair values are determined according to the following hierarchy:

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

Fair value in relation to investments held in managed funds is based on the fund's unit/share price excluding adjustments for buy/sell spreads, which is in turn based on the fund's Net Asset Value (NAV).

The primary source of fair value for available for sale assets is the arm's length sale of equity in those investments to third parties involving transfer of cash and cash equivalents. If the transaction involves only existing shareholders, this will not normally result in a change in fair value. When available, fair value is determined using other valuation techniques (discounting cash flows, earnings multiple, net assets). Management also takes into consideration other qualitative information in determination of fair value.

Due to the age, stage and nature of the available for sale investments involving mainly pre seed/seed funding and where the associated intellectual property often has unproven commercial or technical viability, actual performance may differ from management's estimate.

For those financial assets and liabilities not carried at fair value, the carrying value amount approximates the fair value.

The following table analyses the basis of the valuation of classes of financial instruments measured at fair value in the statement of financial position:

	(Level 1) Quoted market price	(Level 2) Observable inputs	(Level 3) Significant non- observable inputs	Total
	\$'000	\$'000	\$'000	\$'000
Consolidated 2020				
Financial assets				
NZ fixed interest	-	46,148	-	46,148
International fixed interest	-	30,926	-	30,926
Australasian equities	35,978	-	-	35,978
International equities	89,320	-	-	89,320
Emerging markets	-	19,314	-	19,314
New Zealand property	-	25,980	-	25,980
Private equity	-	-	18,150	18,150
Convertible notes	-	-	3,060	3,060
Shares	-	-	38,721	38,721
Derivative financial instruments - foreign exchange contracts	-	2,344	-	2,344
Total financial assets	125,298	124,712	59,931	309,941

Notes to the Financial Statements (continued)

For the year ended 31 December 2020

23 Financial instruments (continued)

23.2 Fair values of financial assets and liabilities (continued)

	(Level 1) Quoted market price	(Level 2) Observable inputs	(Level 3) Significant non- observable inputs	Total
	\$'000	\$'000	\$'000	\$'000
Consolidated 2019				
Financial assets				
NZ fixed interest	-	42,167	-	42,167
International fixed interest	-	14,784	-	14,784
Australasian equities	28,954	-	-	28,954
International equities	81,832	-	-	81,832
Emerging markets	-	15,322	-	15,322
New Zealand property	-	15,964	-	15,964
Private equity	-	-	12,991	12,991
Convertible notes	-	-	2,259	2,259
Shares	-	-	38,674	38,674
Derivative financial instruments - foreign exchange contracts	-	1,391	-	1,391
Total financial assets	110,786	89,628	53,924	254,338

	(Level 1) Quoted market price	(Level 2) Observable inputs	(Level 3) Significant non- observable inputs	Total
	\$'000	\$'000	\$'000	\$'000
University 2020				
Financial assets				
University's share of investments held by UniServices	-	-	16,862	16,862
Derivative financial instruments - foreign exchange contracts	-	(759)	-	(759)
Total financial assets	-	(759)	16,862	16,103

University 2019

Financial assets				
University's share of investments held by UniServices	-	-	16,862	16,862
Derivative financial instruments - foreign exchange contracts	-	(149)	-	(149)
Total financial assets	-	(149)	16,862	16,713

There were no transfers between the different levels of the fair value hierarchy.

Notes to the Financial Statements (continued)

For the year ended 31 December 2020

23 Financial instruments (continued)

23.2 Fair values of financial assets and liabilities (continued)

Valuation techniques with significant non-observable inputs (level 3)

The table below provides a reconciliation from the opening balance to the closing balance for the level 3 fair value measurements:

	Private equity \$'000	Convertible notes \$'000	Shares \$'000	Total \$'000
Consolidated 2020				
Balance at 1 January 2020	12,991	2,259	38,674	53,924
Transfers into/(out) level 3	5,312	1,415	2,162	8,889
Distributions received	(870)	-	-	(870)
Gains or losses recognised in surplus or deficit	717	(614)	-	103
Gains and losses recognised in other comprehensive revenue and expense	-	-	(2,115)	(2,115)
Balance at 31 December 2020	18,150	3,060	38,721	59,931

Total gains or losses for the period included in surplus or deficit for assets held at the end of the reporting period.

	University's share of investments held by UniServices \$'000	Total \$'000
University 2020		
Balance at 1 January 2020	16,862	16,862
Gains and losses recognised in other comprehensive revenue and expenses	-	-
Balance at 31 December 2020	16,862	16,862

Total gains or losses for the period included in surplus or deficit for assets held at the end of the reporting period.

Changing a valuation assumption to a reasonable possible alternative assumption would not significantly change fair value.

Notes to the Financial Statements (continued)

For the year ended 31 December 2020

23 Financial instruments (continued)

23.3 Financial instrument risks

Market risk

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates.

The Group holds a diversified portfolio of international fixed interest and equity investments through managed funds in the Foundation's Endowment Investment Pool (EIP). These investments are denominated in foreign currencies and accordingly are exposed to currency risk. In accordance with the SIPO's forward contracts are entered into to hedge specific proportions of the currency risk. The SIPO's restricts the total exposure to foreign currency to 30% of the portfolio's asset value. The University has exposure to currency risk from off shore transactions with suppliers. This exposure is mitigated through the use of financial instruments which are utilised in accordance with the University's Treasury Management Policy.

The University also holds foreign cash balances at year-end. The resulting currency risk is mitigated as the balances are used in the payment of foreign supplier invoices.

The derivatives are marked-to-market at the end of the reporting period. This has resulted in a gain of \$2.3m (2019: gain of \$1.4m). A shift in the NZD of +/- 10% would result in an equivalent change in the 2020 value of \$2.5m (2019: \$2.3m).

Auckland UniServices Limited have transactional currency exposures. Such exposures arise from sales or purchases in currencies other than the New Zealand dollar.

Approximately 6% (2019: 12%) of Auckland UniServices Limited and group revenues are denominated in foreign currencies, whilst 19% (2019: 12%) of costs are denominated in foreign currencies.

Cash flow interest rate risk

Cash flow interest rate risk is the risk that the cash flows from a financial instrument will fluctuate because of changes in market interest rates. Borrowings and investments issued at variable interest rates expose the Group to cash flow interest rate risk. The Group does not currently hold any interest rate swaps.

Interest rate risk

Interest rate risk is managed in accordance with the Treasury Policy for the University and the SIPO's for the Foundation. The University and Foundation apply maximum limits to approved counterparties to mitigate concentration of interest rate risk. There were no breaches of the Treasury Policy or SIPO's for the 12 months to 31 December 2020.

Credit risk

Credit risk is the risk that a third party will default on its obligation to the Group, causing it to incur a loss. Due to the timing of its cash inflows and outflows, University surplus cash is invested in accordance with the Public Finance Act 1989, which gives rise to credit risk. The Foundation invests various funds for investment returns, which gives rise to credit risk.

The University's investment policy limits the amount of credit exposure to any one financial institution or organisation to no more than 40% of the total operating investments held or \$40 million (whichever is greater) with counterparties that have a Standard and Poor's credit rating of A+ or above, and \$25 million with counterparties that have a credit rating of A. The Foundation manages credit risk with all cash and term deposits held by New Zealand registered banks, with credit ratings of Standard and Poor's A or Moody's A2. The credit ratings are monitored periodically.

New Zealand and International fixed interest securities are managed by fund managers who adopt risk management procedures aimed at limiting credit risk exposure. Their portfolios are monitored for compliance with the individual mandate requirements of each investment class.

The Group hold no collateral or credit enhancements for financial instruments that give rise to credit risk.

There is no concentration of credit risk in Trade Receivables due to the relatively low value of individual amounts due.

Notes to the Financial Statements (continued)

For the year ended 31 December 2020

23 Financial instruments (continued)

23.3 Financial instrument risks (continued)

Other price risk

Other price risk is the risk that the fair value or future cash flows of financial assets will fluctuate because of changes in market prices (other than those arising from currency or interest rate risk). The majority of instruments materially exposed to this risk are in the Foundation. The Foundation's investment policies acknowledge that the market prices of financial assets will fluctuate. Risk is minimised by ensuring that investment activities are undertaken in accordance with established mandated limits and the investments strategies set out in the Foundation's SIPO.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty raising liquid funds to meet commitments as they fall due. Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of credit facilities, and the ability to close out market positions. The University aims to maintain flexibility in funding by keeping committed credit lines available. The Foundation liquidity requirements are evaluated on an on-going basis including through managing the cash flows of the operating activities and the duration of term deposits.

In meeting its liquidity requirements, the University maintains a target level of operating investments that must mature within one month, and no more than 12 months. The University manages its borrowings in accordance with its funding and financial policies incorporated in the Treasury Management Policy.

The University has a maximum amount that can be drawn down against its committed borrowing facility of \$300m (2019: committed borrowing facility of \$300m). The University has complied with all banking covenants under this facility. The University's maturity analysis is presented below.

	2020 Mature within 1 year \$'000	2020 Mature within 1-5 years \$'000	2020 Total \$'000	2019 Mature within 1 year \$'000	2019 Mature within 1-5 years \$'000	2019 Total \$'000
Consolidated						
Payables	(144,420)	-	(144,420)	(173,579)	-	(173,579)
Non-interest bearing loan	(628)	-	(628)	(625)	(614)	(1,239)
Interest bearing loan facility	(100,000)	(38,693)	(138,693)	-	(180,000)	(180,000)
Cash and cash equivalents	66,968	-	66,968	41,937	-	41,937
Bank term deposits	38,738	17,118	55,856	66,915	20,689	87,604
Total financial instruments	(139,342)	(21,575)	(160,917)	(65,352)	(159,925)	(225,277)

	2020 Mature within 1 year \$'000	2020 Mature within 1-5 years \$'000	2020 Total \$'000	2019 Mature within 1 year \$'000	2019 Mature within 1-5 years \$'000	2019 Total \$'000
University						
Payables	(137,958)	-	(137,958)	(163,752)	-	(163,752)
Loan from controlled entities	(54,027)	-	(54,027)	(50,038)	-	(50,038)
Non-interest bearing loan	(628)	-	(628)	(625)	(614)	(1,239)
Interest bearing loan facility	(100,000)	(38,693)	(138,693)	-	(180,000)	(180,000)
Cash and cash equivalents	22,433	-	22,433	20,327	-	20,327
Bank term deposits	24,447	-	24,447	23,359	-	23,359
Total financial instruments	(245,733)	(38,693)	(284,426)	(170,729)	(180,614)	(351,343)

Notes to the Financial Statements (continued)

For the year ended 31 December 2020

23.3 Financial instrument risks (continued)

Sensitivity analysis

	Consolidated		University	
	Actual 2020 \$'000	Actual 2019 \$'000	Actual 2020 \$'000	Actual 2019 \$'000
Value at Risk	(6.41%)	(5.70%)	0.74%	0.74%
Assets available	355,702	312,452	24,447	23,359
Estimated impact on assets available	(22,800)	(17,813)	182	174

Value at Risk (VaR) analysis

The VaR analysis is a tool used to measure the market risk exposure of an investment portfolio. The VaR of a portfolio estimates the potential loss of a portfolio's net asset value over a given holding period at a specified confidence level. The VaR analysis is a statistically defined, probability-based approach that takes into account market volatilities as well as risk diversification by recording offsetting asset class exposures and correlations between asset classes. The one year 95% VaR number reflects that there is a 5% probability over a one year period that the portfolio will perform in line or worse than the stated VaR. The VaR analysis is a forward-looking Monte Carlo simulation that incorporates assumptions for each asset class in the Group and the University's portfolio.

Analysis Assumptions

This VaR analysis is based on underlying asset class assumptions. The relative portfolio weighting was calculated from the Group and the University's underlying asset class exposure as at 31 December 2020. In cases where cash assets were held within an investment sector these assets were treated as likely to be invested in that asset class and included as exposure to that asset class.

Limitations

The VaR analysis should be interpreted in light of the limitations of the methodologies used. These limitations include the following:

- The asset class assumptions used reflect behaviour in equilibrium market conditions and therefore may not capture the risk of possible extreme adverse market movements.
- VaR using a 95% confidence level does not reflect the extent of potential losses beyond that percentile. These limitations and the nature of the VaR analysis mean that the Fund can neither guarantee that losses will not exceed the VaR amounts indicated nor that the losses in excess of the VaR amounts will not occur more frequently than is stipulated by the model.

INDEPENDENT AUDITOR'S REPORT
TO THE READERS OF THE UNIVERSITY OF AUCKLAND AND GROUP'S
FINANCIAL STATEMENTS AND STATEMENT OF SERVICE PERFORMANCE
FOR THE YEAR ENDED 31 DECEMBER 2020

The Auditor-General is the auditor of the University of Auckland (the University) and group. The Auditor-General has appointed me, Susan Jones, using the staff and resources of Ernst & Young, to carry out the audit of the financial statements and statement of service performance of the University and group on his behalf.

Opinion

We have audited:

- the financial statements of the University and group on pages 45 to 88, that comprise the statement of comprehensive revenue and expenses, statement of financial position as at 31 December 2020, the statement of cash flows and statement of changes in equity for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information; and
- the statement of service performance of the University and group on pages 28 to 39.

In our opinion:

- The financial statements of the University and group on pages 45 to 88:
 - Present fairly, in all material respects:
 - The financial position as at 31 December 2020; and
 - The financial performance and cash flows for the year then ended; and
 - Comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards; and
- The statement of service performance on pages 28 to 39:
 - Presents fairly, in all material respects, the University and group's service performance achievements as compared with planning and budget report for the year ended 31 December 2020; and
 - Complies with generally accepted accounting practice in New Zealand.

Our audit was completed on 15 March 2021. This is the date at which our opinion is expressed.

The basis for our opinion is explained below, and we draw your attention to the impact of Covid-19 on the University. In addition, we outline the responsibilities of the Council and our responsibilities relating to the financial statements and the statement of service performance, we comment on other information, and we explain our independence.

Emphasis of Matter – Impact of Covid-19

Without modifying our opinion, we draw attention to the disclosures about the impact of Covid-19 on the University and the Group as set out in Note 1.6 to the financial statements.

Basis for our opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Council for the financial statements and the statement of service performance

The Council is responsible on behalf of the University and group for preparing financial statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand.

The Council is also responsible on behalf of the University and group for preparing a statement of service performance that is fairly presented and that complies with generally accepted accounting practice in New Zealand.

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

In preparing the financial statements and the statement of service performance, the Council is responsible on behalf of the University and group for assessing the University and group's ability to continue as a going concern. The Council is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the Council intends to liquidate the University and group or to cease operations, or has no realistic alternative but to do so.

The Council's responsibilities arise from the Education and Training Act 2020, Crown Entities Act 2004 and the Public Finance Act 1989.

Responsibilities of the auditor for the audit of the financial statements and the statement of service performance

Our objectives are to obtain reasonable assurance about whether the financial statements and the statement of service performance, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of these financial statements and statement of service performance.

For the budget information reported in the financial statements and the statement of service performance, our procedures were limited to checking that the information agreed to the University and group's planning and budget report.

We did not evaluate the security and controls over the electronic publication of the financial statements and the statement of service performance.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the financial statements and the statement of service performance, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the University and group's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Council and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the University and group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements and the statement of service performance or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the University and group to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements and the statement of service performance, including the disclosures, and whether the financial statements and the statement of service performance represent the underlying transactions and events in a manner that achieves fair presentation.
- We obtain sufficient appropriate audit evidence regarding the financial statements and the statement of service performance of the entities or business activities within the group to express an opinion on the consolidated financial statements and the consolidated statement of service performance. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the *Public Audit Act 2001*.

Other information

The Council is responsible for the other information. The other information comprises the information included on pages 1 to 27 and 40 to 44 but does not include the financial statements and the statement of service performance, and our auditor's report thereon.

Our opinion on the financial statements and the statement of service performance does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements and the statement of service performance, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements and the statement of service performance or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independence

We are independent of the University and group in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: *International Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing and Assurance Standards Board.

In addition to the audit, we have provided tax compliance services to the group. We have also provided other assurance services in relation to PBRF funding. These engagements are compatible with those independence requirements, and other than the audit and these engagements, we have no relationship with or interests in the University or any of its subsidiaries.



Susan Jones
Ernst & Young
Chartered Accountants
On behalf of the Auditor-General
Auckland, New Zealand

Glossary

Abbreviations

Expanded meaning

ABI	Auckland Bioengineering Institute
ARWU	Academic Ranking of World Universities
APRU	Association of Pacific Rim Universities
CAI	Creative Arts and Industries
CIE	Centre for Innovation and Entrepreneurship
CDES	Career Development and Employability Services
CSSF	Compulsory Student Services Fee
CoRE	Centre of Research Excellence
EDSW	Faculty of Education and Social Work
EFTS	Equivalent Full-Time Students
EPA	Environmental Protection Authority
ERI	External Research Income
FMHS	Faculty of Medical and Health Sciences
FTE	Full-Time Equivalent Staff
GPE	Grade Point Equivalent
HRC	Health Research Council
IMT	Incident Management Team
ITE	Initial Teacher Education
KPI	Key Performance Indicator
LSRI	Large-Scale Research Institute
LLS	Libraries and Learning Services
MBIE	Ministry of Business, Innovation and Employment
NIH	National Institutes of Health
NIWA	National Institute of Water and Atmospheric Research
OGGB	Sir Owen G. Glenn Building
ORSI	Office of Research Strategy & Integrity
PBRF	Performance-Based Research Fund
QS	Quacquarelli Symonds
SDGs	Sustainable Development Goals
SSR	Student to Academic Staff Ratio
STEM	Science, Technology, Engineering and Maths
TEC	Tertiary Education Commission
THE	Times Higher Education
UEC	University Executive Committee
U21	Universitas 21
UTAS	Undergraduate Targeted Admission Scheme
WUN	Worldwide Universities Network

