

Finance Committee MINUTES | PART A

01 March 2022

HYBRID | Council Meeting Room and Via Zoom

08.00 am to 10.00 am



Present: Rob McDonald (Chair), Cecilia Tarrant, Professor Dawn Freshwater, John Paitai, Professor Jennifer Curtin, Catherine Dunphy and Hala Barakat

In Attendance: Adrienne Cleland, Tim Bluett, Helen Cattnach, Mudasir Matto and Jacqui Metcalf

1. Apologies	Cathy Quinn was noted as an apology.	
2. Disclosures of Interest	No further disclosures were made.	
3. Minutes of Finance Committee of 24 November 2022	<p>Item No 3.1: Minutes, Part A</p> <p>Item No 3.2: Matters Arising from the Minutes, Part A, not elsewhere on the agenda.</p>	<p>RESOLVED (Chair Professor Dawn Freshwater) that the Minutes, Part A, of the Finance Committee held on 24 November 2022 be taken as read and confirmed.</p>
4. Other Matters for Decision or Noting	<p>Item No 4.1: Committee Responsibilities and Processes</p> <p>This paper was noted.</p>	
Other Matters for Decision or Noting	<p>The following section has been approved for insertion in Part A of the minutes.</p> <p>It contains the 2022 Financial Performance highlights for the Finance Committee.</p>	

PART A

2022 FINANCIAL PERFORMANCE



Highlights	2022 Actual	2022 Budget	Act v Bud	2021 Actual	2020 Actual
EFTS					
Domestic	30,159	30,899	(740)	30,828	(669)
International	4,999	4,662	337	5,391	(392)
Total inc Other	35,827	35,960	(133)	36,748	(921)
REVENUE					
TEC revenue	380,834	379,866	967	377,845	347,460
Fees	384,646	373,281	11,366	393,275	356,538
Research	347,154	335,912	11,243	305,004	284,668
Other	277,749	255,505	22,244	238,414	245,032
	1,390,383	1,344,564	45,819	1,314,537	1,233,698
EXPENSES					
Academic salaries	328,219	324,294	(3,925)	322,572	320,455
Other peoplecosts	377,107	387,513	10,405	345,153	386,556
Operating costs	392,080	406,603	14,523	361,751	357,680
Depreciation & leases	201,495	207,752	6,257	209,512	198,932
	1,298,900	1,326,161	27,261	1,238,988	1,263,623
Operating Surplus	91,483	18,403	73,079	75,549	(29,926)
CIP loan revaluation**	31,520	-	31,520	12,019	-
Surplus	123,003	18,403	104,600	87,569	(29,926)

Note: Surplus and revenue in 2022 and 2021 include non-cash fair value gain accounting adjustments linked to Crown Investment Partners Interest Free Loan

The University and UniServices results for 2022 were again impacted by the pandemic, with the operating surplus exceeding budget by \$73.1m.

The 35,827 EFTS achieved fell from historic highs in 2021 and represented a fractionally lower total enrolment than budget. A favourable mix was achieved with internationals up 337 EFTS, while domestic numbers were down 721. The international EFTS increment was a positive influence on student revenues.

A higher level of research activity than budget occurred, in part reflecting higher levels of new activity in Medical and Health Sciences, Science and UniServices.

Expenditure fell below expected levels in both core teaching activities as well infrastructural and strategic projects. Border closures continued to limit travel and international recruitment while supply chain disruptions restricted some activities and purchasing.

A series of non-core transactions have improved the surplus in 2022. These are unlikely to reoccur regularly and include the revaluation of investments in UniServices and the fair value revaluation of interest-free loans.

Cost inflation is a key risk. Inflation had a gradual impact in 2022, but a step change to the cost base is expected to be driven by inflation in 2023. The University is not able to pass on the inflationary impacts into all its revenue streams.

The improved surplus achieved in 2022 has significantly contributed to operating cashflows and lead to a favourable year end net cash position compared to budget. This also provides important resilience to help address the increasing inflationary imbalance and other economic pressures expected in 2023.

5. Leave of Absence

No leave of absence was requested for the next meeting.

6. Public Exclusions

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

General subject of each matter to be considered:

Item No 7.1: Finance Committee Meeting 24 November 2022, Minutes Part B

Item No 7.2: Finance Committee Meeting 24 November 2022, Matters Arising from Minutes, Part B

Item No 8.0: Financial Performance for 2022

Item No 9.0: Treasury Reports

RESOLVED (Chair | Catherine Dunphy) that the public be excluded from Part B of this meeting AND THAT Mrs Cleland, Mr Bluett, Mr Matto, Mrs Cattanaach and Mrs Metcalf be permitted to remain for this part of the meeting, after the public be excluded, because of their knowledge of the matters to be discussed. This knowledge, which will be of assistance in relation to the matters to be discussed, is relevant to those matters because they relate to aspects of the administration of the University of Auckland for which those persons are responsible.

CHAIR APPROVED BUT NOT CONFIRMED BY THE COMMITTEE

[illegible]