UNIVERSITY OF AUCKLAND
Waipapa Taumata Rau
NEW ZEALAND

Kei tua te pae
Beyond the horizon

Annual Report 2023

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Chancellor's **review**

The University had another successful year of mobilising its teaching, research and outreach activities for the good of the many communities it represents.

Tēnā koutou katoa

In 2023, Waipapa Taumata Rau, University of Auckland celebrated the 140th anniversary of its founding. Auckland University College, as it was known, opened in 1883 with just 75 students. Today we are a top-100 world-ranked, research-led university with 46,045 students and 6,330 staff across five campuses and two satellite research centres.

This achievement speaks to the leadership, vision and dedication of staff and students over generations. It inspires us as we continue our commitment to educating the nation's citizens and playing our part in creating fundamental solutions to address challenges facing the world.

Throughout the year, we graduated 10,279 students, with 4,963 of them awarded postgraduate qualifications. Graduation is a direct reminder of the University's contribution to society, with many of our students taking their research expertise into industry and the community.

We also conferred posthumous honorary doctorates on three extraordinary New Zealanders, as part of our 140th anniversary celebrations. Kate Edger was the first woman in New Zealand to gain a university degree and the first woman in the British Empire to receive a Bachelor of Arts; Bruce McLaren, founder of the renowned racing and supercar company, was honoured for his contributions to engineering; and 'Epeli Hau'ofa, academic, poet and novelist, for literature.

Among those acknowledged in the University's Research Excellence Awards were:
– Professor Caroline Crowther (Liggins Institute) who won the premier award, the Research Excellence Medal, for her research into treatments given to mothers before pre-term birth.
– Professor Andrew Taberner, Dr Han June-Chiew and Dr Kenneth Tran (the Auckland Bioengineering Institute) who received the Research Excellence team medal for work exploring the energy produced and consumed by the heart.
– Professor Chris Bullen and Associate Professor Natalie Walker (Faculty

Taumata Distinguished Alumni 2023, from left: Fatu Feu'u, ONZM; Elise Beavis; Dr Kirsten Finucane, CNZM; Dr Chris Tooley; and Josh Bayliss.

of Medical and Health Sciences, FMHS) who also won a team medal for research that has led to better ways to support people to quit smoking.
– Associate Professor Dan Hikuroa (Faculty of Arts) who received a Research Excellence Medal for his work related to climate change, coastal and fresh waterways and natural hazards.

Achievements of staff and alumni were also recognised in the King's Honours in June and the 2024 New Year Honours. Among them were Associate Professor Teuila Percival (FMHS), who was made a Dame Companion of the New Zealand Order of Merit. Alumnus, former staff member and paediatric oncologist Dr Scott Macfarlane became a Knight Companion of the New Zealand Order of Merit. Our Deputy Vice-Chancellor Research, Professor Frank Bloomfield became an Officer of the New Zealand Order of Merit for services to neonatology. Our University community congratulates all recipients.

We enjoyed a rewarding year engaging with our impressive alumni at home and abroad, and we are thankful for their ongoing commitment to their alma mater. In 2023 our Taumata Distinguished Alumni Awards honoured five people for their outstanding contributions to their professions, communities, the nation and beyond. They were business leader Josh Bayliss; artist Fatu Feu'u, ONZM; paediatric cardiac surgeon Dr Kirsten Finucane, CNZM; Indigenous human rights activist Dr Chris Tooley; and sailor, coach, youth Olympian and engineer Elise Beavis.

We proudly unveiled a new pou at the City Campus, honouring past, present and future rangatira. Named He Taumata Rau, the pou was carved and designed by a team led by Ngāti Whātua Ōrākei master carver Arekatera 'Katz' Maihi at Toitū Design Ltd. The pou uses visual references to convey courage, discipline and determination and to acknowledge current and future University Māori tauira and leaders. The pou was provided through the generosity of former chancellor Scott St John and his wife Vicki St John.

In the 2022 Annual Report, I acknowledged the passing of former Vice-Chancellor, Emeritus Professor Stuart McCutcheon, who died suddenly in January 2023. The University has recognised his impact by naming the new 900-bed student accommodation building in Carlaw Park Student Village, Stuart McCutcheon House.

During 2023, we sadly lost several people with a close association with the University. These include heritage architect and distinguished alumnus Jeremy Salmond QSO; former attorney-general, the right honourable Paul East, CNZM, QC; longtime philanthropist and friend Dame Rosie Horton QSO, QSM; and alumnus and University of Auckland Foundation Chair Geoff Ricketts, CNZM. A lawyer and widely respected business leader, Geoff stewarded the Foundation from its inception, through both good and bad financial times. He was a generous supporter of the University's people and research.

The University received new commitments of $57.9 million in philanthropic gifts and pledges during 2023. Almost 2,400 donations were used to support student scholarships and projects. The largest area of giving by dollar value was $30.5 million, given to support research at the University.

The annual Chancellor's Dinner, held in November, saw 35 individuals and organisations inducted into the three tiers of the Chancellor's Circle, which honours philanthropic giving at the highest levels. Over the year, the University engaged with nearly 43 percent of its 230,000 alumni, measured through attendance at physical and virtual events, through volunteering programmes, communications and financial support.

As we have come to expect, the year presented challenges including significant weather events locally and global geopolitical tensions. I am proud of the fact the University has the strength and expertise to respond to these and remain focused on its mission to create globally transformative impacts through world-leading research, scholarship, teaching and collaboration. The international and local recognition of our staff with awards, medals, fellowships and appointments is testimony to our collective efforts.

In 2023, the University Council welcomed Julia Arnott-Neenee, appointed by the minister, and farewelled Rachael Newsome, the previous ministerial appointment. Professor Jennifer Curtin, who served as the academic representative on Council, Catherine Dunphy, the professional staff representative, and Jan Dawson, appointed for the skills she brought to the Council, also ended their terms. I would like to thank them all for the time and energy they devoted to their roles. My thanks go to all my University Council colleagues, the University community and our Vice-Chancellor, Professor Dawn Freshwater, who so ably leads our large and complex institution while overseeing its continuing rise in international reputation and rankings.

It is an honour to be the Chancellor of Waipapa Taumata Rau, University of Auckland and to showcase a few of the highlights of 2023 in this annual report. The report summarises the efforts of thousands of people and our contributions to the nation and its communities.

Ngā mihi nui

Cecilia Tarrant
Chancellor

Vice-Chancellor's **report**

In a changing world recently affected by climate-related disasters, pandemics and global tensions, our world-leading researchers continue to contribute internationally, as well as spearheading local innovations.

Our University community began 2023 anticipating a post-pandemic 'new normal'. What that looked like was revealed within days, as Tāmaki Makaurau and Aotearoa New Zealand confronted devastation, first with the Auckland Anniversary Weekend floods and then Cyclone Gabrielle. This highlighted our need to navigate our ever-evolving landscape with resilience and adaptability.

Worldwide, we are learning that our 'new normal' is punctuated by more frequent and more extreme climate-related weather and the remnants of Covid-19.

Research will play a key role in the future well-being of our nation. I am proud of our commitment to excellence, which sees our academics recognised worldwide. This research strength sits alongside the University's quality teaching, learning and student experience, tangata whenua partnerships, sustainability actions and global outlook. These saw our institution ranked 68th in the world in 2023 by ranking agency Quacquarelli Symonds (QS). QS also ranked the University fifth in the world for sustainability and first in Oceania.

Our research is diverse. At the forefront are the developing sectors of MedTech and Space. During 2023, our Medtech-iQ Tāmaki Makaurau Auckland and Te Pūnaha Ātea, the Auckland Space Institute, attracted support and interest from the government and offshore. Our plans for an Innovation Centre at our Newmarket Campus have also advanced.

The University's world-leading researchers form part of a global research workforce, contributing internationally as well as closer to home. In 2023, our medical researchers began collaborating with other national scientists towards the goal of developing homegrown RNA vaccines and other treatments. This nationally important project to build a mRNA platform, with $70 million government funding, aims to boost Aotearoa New Zealand's resilience by contributing to the next revolution in medical science and healthcare.

Research funding remains a persistent challenge. New Zealand sits 44th in the world for the percentage of GDP expenditure on research, behind other Small Advanced Economies such as Sweden, Finland, Iceland, Singapore, Slovenia and Estonia, all of whom can cite the direct value of this investment to their economies. This country's future lies in building knowledge-intensive industry sectors with a culture of investment. In 2023, it was, therefore, rewarding to see New Zealand become associated with the world's largest research and innovation programme, Horizon Europe. It was even more rewarding for our researchers to secure Horizon funding the same year (see page 19).

We are also proud of the eight Waipapa Taumata Rau researchers named on the global 2023 Clarivate Highly Cited Researchers list. Our researchers were also recognised with University Research Excellence, Research Impact and Early Career Research Excellence Medals, along with other awards and medals throughout the year.

Our work on the Curriculum Framework Transformation (CFT) began to be implemented in 2023. CFT covers elements such as sustainability and transdisciplinarity, and directly addresses our approach to learning and teaching.

The global environment is challenging, shaped not only by climate and nature impacts, but also political and economic tensions, high cost of living and an associated rise in inequality and polarisation, fuelled by misinformation and disinformation. This environment reaches directly into our local context, testing us in new ways. It sees us fortifying our commitment to our values of respect and integrity, excellence and service.

Other challenges and opportunities we have faced this year include mainstream access to Artificial Intelligence such as ChatGPT and other similar platforms. These powerful new tools have evolved and, so with them, the implications for teaching, learning and assessment as we once again adapt to new technologies.

We also take time to celebrate the wide-ranging successes of our students in many fields from sport to the arts, community and innovation. In September, 164 students received University Blues awards, including the talented Fitzpatrick sisters, Theresa (FMHS) and Sulu (Arts), international sports stars in rugby and netball respectively. The University also congratulates our staff and students who participated in Te Matatini, the biennial Maori performing arts festival, for which the University was a major sponsor of this year. Ten of the 12 groups featuring our staff and students won their sections in the competition.

As we celebrate our unique place in Aotearoa New Zealand and the world, our University community has actively engaged with our international higher education peers. One of the strong themes I advanced in international fora was sustainability and climate justice. Despite our distance and sustainability considerations, this University has secured a strong voice within our global community.

At home, the Vice-Chancellor's Office hosted the first two in a series of panel discussions, Taumata Rau Conversations, exploring local and national issues. 'Creating a fit-for-purpose NZ health workforce' (moderated by Sir Ashley Bloomfield) and 'New Zealand's national and cyber security' were well received by the community.

Also well received was the sustainable refurbishment of the old human sciences building (B201) on Symonds Street. This created a new teaching and learning space for the faculties of Education and Social Work, Arts, and Creative Arts and Industries. This impressive building was officially opened in 2023 by then Prime Minister Rt Hon Chris Hipkins. It has an award-winning 6 Green Star Design, and was funded in part through an interest-free 'shovel-ready' loan from the government. B201's opening set in motion our departure from teaching at the Epsom Campus. Additionally, the Epsom Marae, Te Aka Matua ki Te Pou Hawaiki, will be re-established on a new site at the City Campus, planned to open around Matariki 2024.

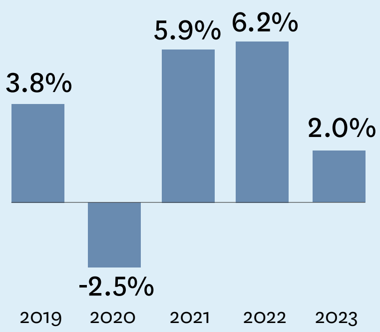
The general election in September led to the formation of a new coalition government, at a time when the country's tertiary education sector is confronting significant financial challenges. While the University of Auckland (excluding the Foundations) remains financially stable, recording a net operating surplus of $29.5 million, or 2 percent, in 2023, (adjusted net operating surplus, see Financial Summary page 68) many of our peer institutions are experiencing significant financial pressures.

The University's 2023 success belongs to our staff, students, alumni, donors, partners and broader community. We have faced challenges, we have challenged ourselves, and we continue to positively impact the world.

Professor Dawn Freshwater
Vice-Chancellor

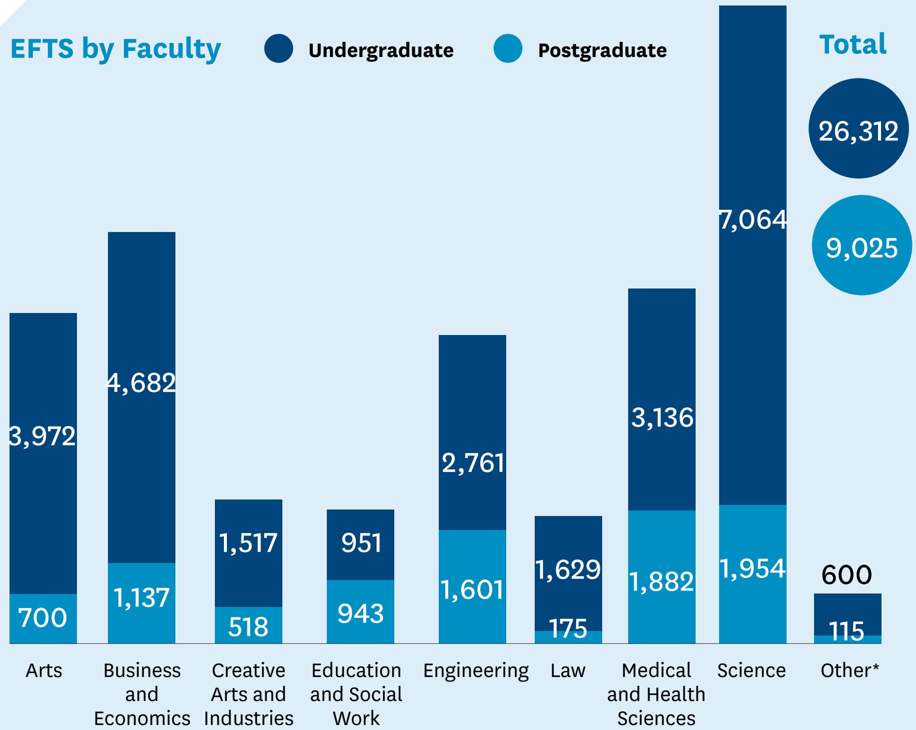
Key facts and figures 2023

Adjusted net surplus $30m (2% of revenue)



Adjusted net surplus as percentage of revenue trend

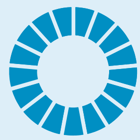
EFTS by Faculty



Source: A3. Faculty & Department EFTS and Headcounts (HC) (Attribute/metric choices via selectors)
*Includes Liggins Institute, the Auckland Bioengineering Institute, and Foundation programmes

No.1
Ranked New Zealand university[1]

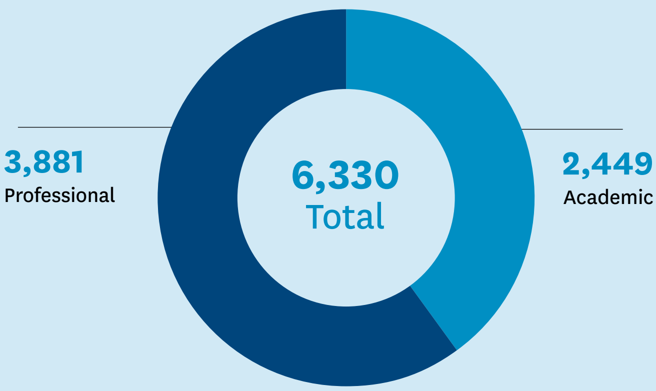
Top 100
University in the world[2]



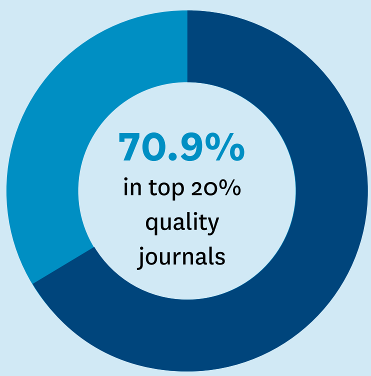
Top 10
In the world for sustainability[3]

Top 50
In the world in 8 subjects[4]

Full-Time Equivalent Staff (FTE)

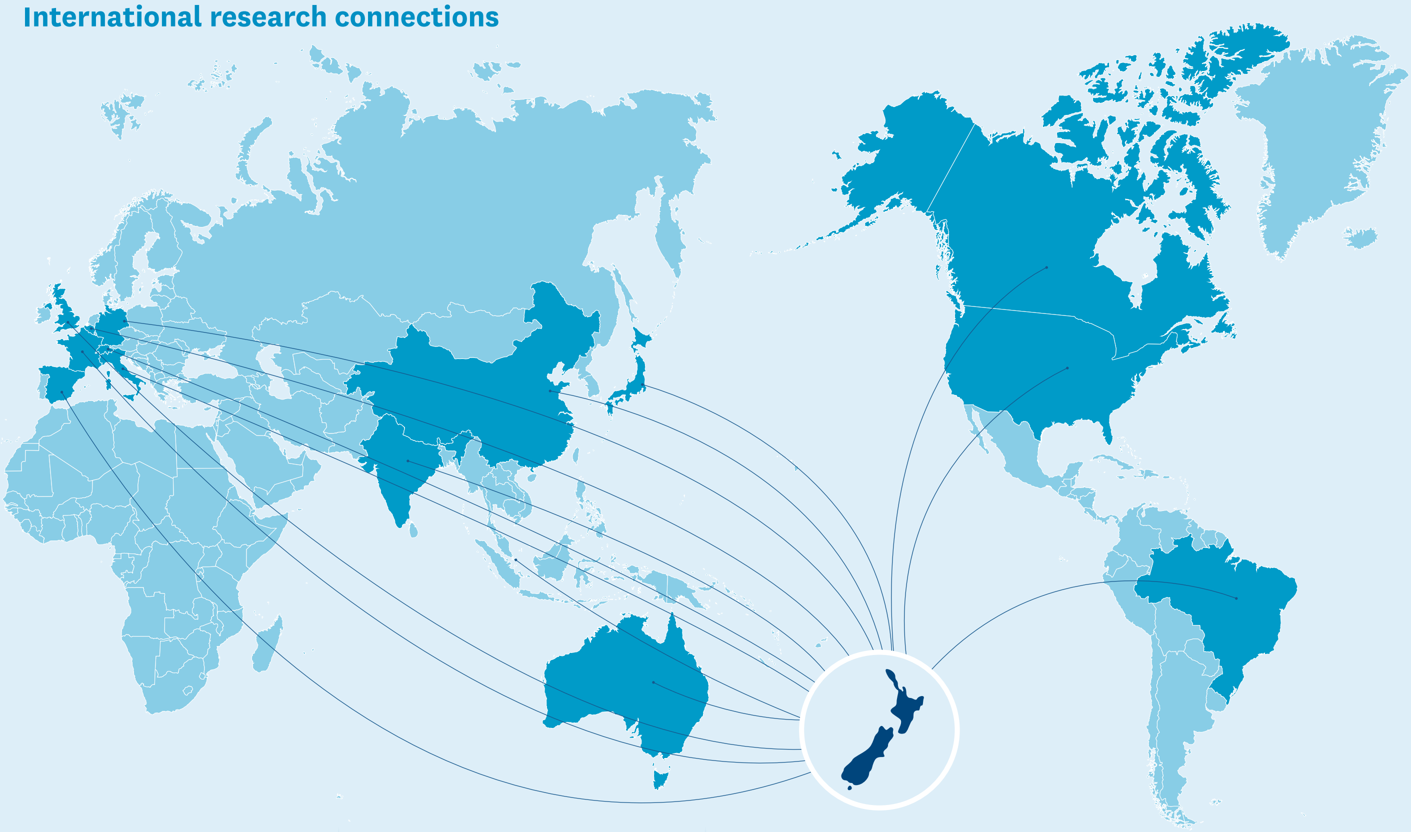


Research publications[5]: 5,067



1. QS World University Rankings 2024, ranked 68; THE World University Rankings 2023, ranked 150=; Academic Ranking of World Universities 2022, ranked 201-300.
2. QS World University Rankings 2024
3. QS World University Ranking, Sustainability 2024, Top 10
4. QS World University Rankings by Subject 2023
5. SCOPUS publications with University of Auckland author address

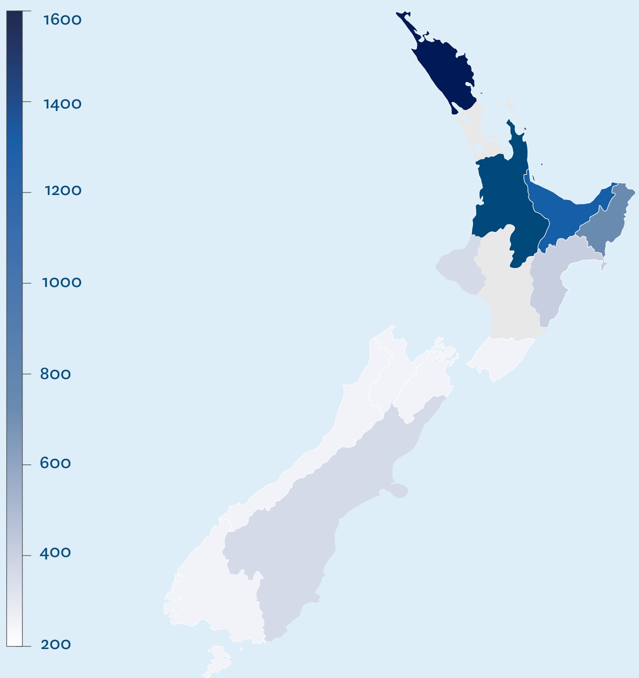
International research connections



Australia	992	France	263	Switzerland	159
United States	989	Italy	199	India	156
China	862	Netherlands	199	Brazil	150
United Kingdom	806	Spain	191		
Canada	379	Singapore	180		
Germany	371	Japan	169	**Total unique**	**3,355**

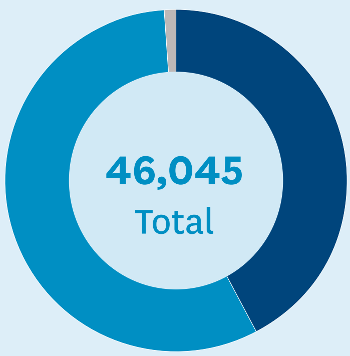
Source: Scopus database of academic works, for publications by authors affiliated with the University of Auckland in 2023 with at least one co-author from a country other than New Zealand. Note that a single paper may be linked to more than one country.

Students by iwi affiliation



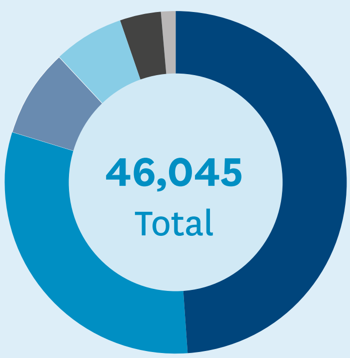
Note: In cases where a student has more than one iwi affiliation, all affiliations for the student are represented.
Map Template: Stats NZ
Source: University of Auckland Data Warehouse

Gender
(headcount of students)



Female	26,224
Male	19,415
Diverse	407

Ethnicity
(headcount of students)



Asian	22,532
European	14,191
Pacific	3,834
Māori	3,095
MELAA	1,761
Other	632

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

University **Governance**

In 2023, Waipapa Taumata Rau, University of Auckland celebrated its 140th anniversary. The governing body is Council and its elected representatives.

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 student representatives, a member appointed to advise on Māori issues, a member appointed from the alumni, Council appointees to provide specified skills, and Ministerial appointees. The Vice-Chancellor is also a member of Council. The 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 (Vice-Chancellor)
- 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.

2023 University of Auckland Council

Top row, from left

Appointed by relevant minister:
Jonathan Mason
Julia Arnott-Neenee
Dr Rajen Prasad

Second row, from left

Appointed by relevant minister:
Pro-Chancellor Cathy Quinn
Appointed to advise on Māori issues:
John Paitai
Elected by Academic staff:
Professor Jennifer Curtin

Third row, from left

Elected by Professional staff:
Catherine Dunphy
Elected by students:
Hala Barakat
Appointed by Alumni of the
University of Auckland:
Chancellor Cecilia Tarrant

Fourth row, from left

Ex Officio: Vice-Chancellor
Professor Dawn Freshwater
To provide skills specified by Council:
Robert McDonald
Jan Dawson

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 section 268 of 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's duties (as outlined in section 281 of the Education and Training Act 2020) include:

- Striving to ensure that Waipapa Taumata Rau, University of Auckland attains the highest standards of excellence in education, training and research
- Acknowledging the principles of Te Tiriti o 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 Act entrusts the Vice-Chancellor with managing the University's academic and administrative matters, and is supported by a senior leadership structure that includes the University Executive Committee (UEC), Academic Leadership Team and other advisory committees. The Vice-Chancellor is also the employer of all staff.

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

- Provost
- Deputy Vice-Chancellor Research, Deputy Vice-Chancellor Strategic Engagement and Deputy Vice-Chancellor Operations
- Pro Vice-Chancellor Māori and Pro Vice-Chancellor Pacific
- Director of Human Resources
- Chief Financial Officer

The Senate

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

- 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 and large-scale research institutes

Each faculty and large-scale research institute (LSRI) is headed by a dean or director responsible for managing its teaching, research and administrative activities. Each faculty/LSRI has established its own structure of academic governance.

Deans and directors have primary financial responsibility for their academic unit. Faculties and LSRIs prepare an annual plan and an annual report that outlines achievements and planned activities. The plans set out the contributions to *Taumata Teitei* priorities and initiatives to ensure their activities help move the University towards its strategic vision.

Governance documents

Taumata Teitei: Vision 2030 and Strategic Plan 2025

Taumata Teitei is the key document in the University's cycle of planning, delivery and accountability. It sets out a vision to be internationally recognised for its unique contribution to fair, ethical and sustainable societies, and establishes sets of priorities within each of the five strategic portfolios.

The priorities and initiatives have been developed into operational plans to deliver its strategic aspirations. These plans form the basis for planning, activities and resource allocation across the faculties, LSRIs and service divisions which are designed to achieve the plan's broader impacts and priorities.

The University's annual performance is measured against *Taumata Teitei's* priorities and initiatives. Annual progress toward achieving the priorities is reported under the Statement of Service Performance from page 36.

Capital Plan and financial projections

This plan sets out the priority initiatives to achieve the vision and strategic priorities in *Taumata Teitei*.

It identifies the investment required to support these initiatives and to maintain University infrastructure and facilities. Senior management reviews the property capital expenditure programme with specific project approvals sought from Council. 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.

The University periodically prepares a projection of financial performance, position and financing requirements over ten years. This includes projections of operating income and expenditure combined with the capital requirements determined in the Capital Plan.

Council committees

Audit and Risk Committee

This committee ensures all financial statements released to the public, stakeholders, lenders or any regulatory body comply with accounting standards and fairly represent the University's financial position. It ensures an appropriate system of internal controls and adherence to legal compliance, and it regularly reviews risk appetite and the enterprise risk register to ensure material risks are appropriately managed.

This committee also oversees the relationship with the University's external auditors – Ernst & Young – who were appointed as the University's current external auditor by the Office of the Auditor-General. The committee receives regular reports on any matters connected with the performance of the external audit. KPMG provides internal audit support.

Finance Committee

This committee monitors the University's finances to ensure they:

- Maintain solvency at all times
- Promote achievement of the University's annual budget, mission and strategic objectives
- Minimise the risk of external intervention in the affairs of the University. The Finance Committee supports the Council in carrying out its duty under s.281(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".

This 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

Capital Expenditure Committee

This 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 objectives in *Taumata Teitei*, and the financial sustainability of each proposal.

University Equity Leadership Committee

This committee provides strategic equity leadership and advises Council, via Senate, on fulfilling statutory and compliance obligations, including under the State Services Act 2020 and the Education and Training Act 2020. It is chaired by the Vice-Chancellor with membership comprising senior academic and professional staff, and student representatives.

The committee, the Office of the Pro Vice-Chancellor Equity, the Equity Action Network and our staff and student equity groups contribute to the University being a safe, inclusive and equitable place to study and work. Equity leadership enhances reputation and helps attract, retain and support talented people to succeed and contribute to New Zealand's social and economic well-being.

Rūnanga

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

This committee ensures the protocols for the use of animals in research and teaching are of the highest ethical standard in accordance with legislative requirements. It reviews proposals and monitors 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. In 2022, the University became a signatory to the Openness Agreement on Animal Research and Teaching in New Zealand, developed by the Australian and New Zealand Council for the Care of Animals in Research and Teaching.

Biological Safety Committee

This committee assesses applications for the use of genetically modified organisms in the University 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 Environmental Protection Authority. The committee also 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

This committee reviews proposed research and teaching projects involving human subjects, other than projects requiring approval from a New Zealand Health and Disability Ethics Committee, to ensure compliance with the highest ethical standards. It also provides advice and assistance to Council and the University community on ethical standards and issues involving human subjects.

Other committees reporting to Council:

Discipline Committee
Student Appeals Committee
University Honours Committee
University Naming Committee
Vice-Chancellor's Review and Executive Remuneration Committee

Health, Safety and Well-being

Chaired by the Vice-Chancellor, this committee is a forum of nominated and elected management and staff representatives. The committee ensures staff, unions and students can advise on any health and safety issues, and encourages staff participation in maintaining and improving the University's safe and healthy environment. It reports to the Audit and Risk Committee.

Business details

Bankers:
ANZ Bank
Bank of New Zealand
Bank of China
China Construction Bank
Commonwealth Bank of Australia
Hong Kong Shanghai Banking Corporation
Industrial Commercial Bank of China
Kiwibank
Westpac

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

Valuers:
Beca Projects NZ Ltd
ART + OBJECT
AON New Zealand


Add Source
Intel RealSense D415
Pause
Reset
Source
Texture
Shading
Export
Record
Sync
Info
More
Preset:
Custom
Stereo Module
Resolution:
1280 x 720
Frame Rate (FPS):
30
Emitter Enabled:
Laser
Enable Auto Exposure
Controls

02 Outcomes

Kei tua te pae, Beyond the horizon 18

Faculties, Institutes and UniServices 22

Kei tua te pae
Beyond the horizon

"A spirit of innovative, creative and entrepreneurial research has always characterised the University of Auckland. We will build on this to become a global powerhouse for translational research, developing new commercial, social and creative enterprises"

– *Taumata Teitei*, Research and Innovation

Taumata Teitei, the University's Vision 2030 and Strategic Plan 2025, outlines the University of Auckland's direction in pursuing excellence despite uncertainty. It solidifies the University's role as a world-class institution addressing global challenges.

Heading towards the end of the first quarter of the 21st century, the University's focus on the horizon is unwavering – this includes facilitating solutions that shape and advance our future, working to graduate the leaders of tomorrow, transforming lives for the better, and forging just and sustainable societies in New Zealand, the Pacific and around the world.

Leading the way in Aotearoa New Zealand

Waipapa Taumata Rau, University of Auckland is the highest-ranking research university in the country and the lead university in many national research consortia. We support and prepare undergraduate and postgraduate learners for careers at the leading edge of fast-evolving fields including engineering, science, technology, medicine and health. The Auckland Bioengineering Institute (ABI) takes a national leadership role at the intersection of these academic disciplines, through consortia such as Te Tītoki Mataora MedTech Research Translator, a multi-faceted initiative focused on growing Aotearoa New Zealand's deep tech sector.

In 2023, Te Tītoki Mataora launched Medtech-iQ Aotearoa, the latest step in supporting young New Zealand-made companies to develop new technologies to transform healthcare. Medtech-iQ Aotearoa's three key goals are putting New Zealand on the international map for medical device and digital health innovation; fostering start-ups with business models based on high-tech innovation in engineering or major scientific advances; and creating an accessible and patient-centric MedTech ecosystem.

Planned virtual hubs and physical MedTech precincts in Auckland, Wellington, Christchurch and Dunedin will bring deep-tech medical device and digital health research, clinical practice, and business into closer proximity with each other. The greater concentration of activity in this area will increase flow and interaction among MedTech researchers, start-ups, hospital-based clinicians and business, to accelerate and scale the next generation of digital health and device developments and enhance health outcomes for our communities.

Distinguished Professor Peter Hunter, who until recently was director of ABI, and Dr Diana Siew are co-chairs of the Consortium for Medical Devices and Technology partnership (CMDT), the driving force behind the Medtech-iQ Aotearoa enterprise. The initiative will provide greater opportunities to translate research from universities to clinics, to hospital bedsides and homes.

"The New Zealand MedTech sector has more than doubled in size in ten years," said Professor Hunter. "The goal of our spinout companies is to access the US$815 billion global MedTech market. The Insides Company, Alimetry and JunoFem are demonstrating what can be achieved – and quickly."

He says translation of research to medical devices can have a three-fold benefit for New Zealand.

"It can increase New Zealand's exports, help develop an equitable healthcare system and help grow a new and diverse workforce."

One of the many MedTech start-ups to be founded out of ABI and Te Tītoki Mataora is Formus Labs, which has created an AI-automated

Professor Merryn Tawhai and Distinguished Professor Peter Hunter.

3D planner for joint-replacement surgeries. Hip replacements require a custom surgical plan, but surgeons are often time-constrained by heavy caseloads and busy practices. Formus has developed software that does pre-operative planning, analysing CT scans to help select the right components for surgery and the position in which they should be placed. In April 2023, the company received 510(k) clearance from the US Food and Drug Administration (FDA) for Formus Hip as the first 'automated radiological image processing software' for hip replacement pre-op planning. It has now begun making its solution widely available to surgeons and healthcare providers.

Formus Labs is considering a Series A capital raising round in 2024 and in future may look at adapting its software to help with the treatment of muscles, ligaments and tendons surrounding joints. The company is part of the ABI's successful start-up cohort. Its FDA success followed a US$5 million capital raise in 2022, led by venture capital firm Global from Day One (GDI), with participation from Punakaiki Fund, Icehouse Ventures, Pacific Channel and Flying Kiwi Angels.

Aotearoa in a global context

The University of Auckland has strong connections with universities worldwide in terms of co-authorship, collaboration and affiliation. In 2023, New Zealand became an associated country of Horizon Europe, the world's largest research and innovation programme. This enables researchers to lead or join research consortia on equal terms with European counterparts and receive funding.

Research proposals from Professor Ralph Buck and senior lecturer Sarah Foster-Sproull of Dance Studies in the Faculty of Creative Arts and Industries, and Professor Peter Hunter and Professor Merryn Tawhai of ABI were selected for funding from Horizon Europe in 2023. Professors Hunter and Tawhai (Virtual Twins project) and Foster-Sproull and Buck (Dialogical Arts Education project) have been successful in Horizon Europe Pillar 2, which funds research addressing major global challenges such as climate change and the Sustainable Development Goals.

Deputy Vice-Chancellor Research, Professor Frank Bloomfield said: "Association with Horizon Europe opens up enormous opportunities for University of Auckland and New Zealand researchers to take existing European collaborations to a new level and to build new international linkages, taking our excellent research to the world through access to one of the world's largest funding sources for research and innovation."

He said the successful proposals reflected the breadth of the University's research disciplines and demonstrated that the University's research is globally competitive. The two research programmes are going through the grant preparation phase and, subject to final sign off, will begin in early 2024.

Professor Buck and Sarah Foster-Sproull will then work with Nord University on the D@RTS – dialoguing@rts – Advancing Cultural Literacy for Social Inclusion through the Dialogical Arts Education programme. The programme uses the performing arts in communities and schools to lift cultural literacy in diverse populations and enhance social cohesion through the support of diverse people to share their experience and stories. The total Horizon Europe funding for this project is about NZ$5.3m with NZ$260,000 for the New Zealand research contribution.

Professor Hunter is an international expert on 'virtual twins', whereby digital representations of a person become an invaluable health tool. He and Professor Tawhai will work on the Horizon Europe 'VITAL - VIrtual Twins as tools for personalised clinicAL care' project. The total project has funding of about NZ$21.75 million, with $1.83 million for the New Zealand research team. The funding runs from 2024 to 2028.

Beyond this world

Waipapa Taumata Rau research connections are not just bound to planet Earth. In 2019, Te Pūnaha Ātea Space Institute was launched as a multi-faculty space Science and Engineering initiative. Te Pūnaha Ātea has harnessed the potential of the flourishing local space sector. Our expertise includes a capability to execute space missions and develop applications.

The world is increasingly reliant on space technologies, and New Zealand is no different: from satellite navigation to weather forecasting and telecommunications. Te Pūnaha Ātea brings together world-renowned experts in complementary space sector disciplines, creating an end-to-end capability in space missions to create, disseminate and exploit knowledge to support and enhance the development of the New Zealand space sector. The institute solidifies a strong space


Pamela Melroy, Deputy Administrator, and Senator Bill Nelson, Administrator of NASA at a media conference at Te Pūnaha Ātea in 2023.

record at the University, which includes alumni and staff working within and alongside global space giants such as NASA to advance orbital technology to help track and tackle climate change.

In 2023, NASA administrators Senator Bill Nelson and Deputy Administrator Pamela Melroy visited the University. Senator Nelson stated: "We are in the golden age of space exploration. Not only are we going back to the moon, but this time, to stay, to live, to work, to learn, to invent, to create, to make it possible to venture further out into the cosmos."

The visit was an opportunity to discuss the Clear Shores mission, which aims to develop a CubeSat that provides data on New Zealand's water quality. The Clear Shores team will benefit from lessons learnt by personnel who delivered the NASA-supported SeaHawk-1 CubeSat mission, highlighting the expertise that can be gained through collaborations with NASA.

Melroy said that, as an astronaut, she had gazed at New Zealand from space and was heartened to visit and admire the colours of glacial opalescent rivers and lakes up close. "It is great to have New Zealand as part of this age of space exploration."

If space had taught her anything it was to see Earth as a single planet.

"If we want to protect our planet we have to act as citizens of Earth, as members of the crew of spaceship Earth."

Moving forward, sustainably

The University is not only a leader in research and technology, but also in sustainability. *Taumata Teitei* commits the University to maintain its world-leading role in extending the reach and significance of the 17 Sustainable Development Goals (SDGs). Earth systems, biodiversity, water, food, land, and human economic systems are under such pressure that we need to find a way towards sustainable prosperity.

In 2023, Auckland's essential services, housing, and transport systems came under extreme pressure from floods and cyclones, testing the resilience of the region and the fragility of infrastructure. University researchers were at the forefront of the response, the rebuild, and how we tackle climate change, undertaking wide-ranging research into the resilience of our built environment to protect it against everything from flooding to earthquakes.

Cyclone Gabrielle and the Auckland Anniversary weekend floods highlighted the urgency of the need to improve the resilience of New Zealand's infrastructure. Professor Liam Wotherspoon, from Civil and Environmental Engineering, is looking at the resilience of infrastructure networks as part of the Resilience to Nature's Challenges National Science Challenge (resiliencechallenge.nz). The research is being used to identify areas of vulnerability, even during quick-changing conditions.

Dr Enrique del Rey Castillo (Civil and Environmental Engineering) is leading a team funded by the Earthquake Commission to explore the use of Fibre Reinforced Polymers (FRP) to strengthen high-rise buildings, such as through wrapping carbon fibre around weak spots in concrete columns and walls. They experimented with 56 different combinations of concrete, steel and carbon fibres to determine how and when they would fail. The deformation test results were much better than expected – in some instances twice the level of lateral deformation required by the Building Code.

Dr del Rey Castillo is now using a $1 million MBIE Smart Ideas grant to investigate strengthening floors.

Institute of Marine Science Research Fellow, Caitlin Blain, spent two and a half years in freezing Atlantic waters studying the impact of a seaweed called *Desmarestia* on biodiversity before coming to New Zealand, to complete her doctoral studies. She is looking at the impact of anthropogenic stressors on kelp forest function and productivity, mainly coastal turbidity. A side component of this work led her to carbon sequestration.

Compared with terrestrial forests, where fallen leaves provide physical proof to account for carbon, it is much harder to identify what happens to carbon captured by kelp forests. This is because kelp grows on rock, so for the carbon to be sequestered, it has to be exported somewhere conducive. Carbon comprises a whole suite of different chemical compounds, so Blain is looking at the different components of carbon as it is released from a kelp forest, where it might end up, and how long it might stay there. The hope is that scientists can provide measurable data to inform blue carbon budgets by unpacking this process.

Leading the way

The University's activities in meeting the SDGs has placed it in the company of the world's top universities, which include the American Ivy League, the United Kingdom's Russell Group and Australia's Group of Eight.

The 2024 QS World University Sustainability Rankings placed the University of Auckland first in Oceania and fifth in the world for sustainability. The University's fifth place came in a field of more than 1,400 tertiary institutions worldwide. Its first place in Oceania was from 46 institutions in New Zealand, Australia and the wider Pacific.

The QS World University Sustainability Rankings measure how tertiary institutions perform under three main categories. The University of Auckland ranked fourth for Environmental Impact, which includes environmental education, sustainability and research. For Social Impact, the University achieved an equal 39th place, and in the new category, Governance, was ranked 41st.

The University also ranked 12th in the world in the Times Higher Education Impact Rankings for Sustainability earlier in 2023, from more than 1,700 universities in 115 countries and regions.

University of Auckland Vice-Chancellor Professor Dawn Freshwater said, "These rankings results are testament to the extraordinary commitment by the University's staff and students to their collective mahi to support a fair, ethical and sustainable society."

Faculties, Institutes and **UniServices**

Faculty of Arts

In 2023, the Faculty of Arts' Public Policy Institute (PPI) and Centre of Methods and Policy Application in Social Sciences (COMPASS) became Faculty Research Centres. The contributions by such research centres, along with various platforms and other entities hosted and co-hosted by the Faculty of Arts, closely align with the overarching Sustainable Development Goals and the University strategy *Taumata Teitei*.

PPI's research focuses on sustainable and social infrastructure, gender equity in policy, and on questions of inclusive governance in human rights, public finance and trade. Research by COMPASS staff has examined large national datasets, specifically in relation to demographic developments and public health in Aotearoa.

In 2023, the Faculty of Arts also supported the establishment of a new University research platform, called Fofonga for Pacific Research Excellence. Fofonga aims to build Pacific research capacity, increase the number of Pacific researchers in full-time positions at the University and facilitate transdisciplinary Pacific research across all faculties.

Arts hosts Waipapa Taumata Rau's leading Māori transdisciplinary research centre, the James Hēnare Māori Research Centre, which was established in 1992. In 2023, this became one of seven transdisciplinary University centres and institutes that focus on pioneering research. The centre's work this year focused on health and well-being of the country's elderly Māori population and also investigated past and present kaitiakitanga (guardianship) over Aotearoa's harbours, to contribute to a better understanding of Māori knowledge of and relationship with the land-sea environment.

The new University Centre for Climate, Biodiversity and Society (Ngā Ara Whetū) is co-hosted by the Faculty of Arts, with several colleagues playing active roles in the centre's research hubs. Human rights and sustainability researcher Dr Maria Armoudian, from Politics and International Relations, serves as one of the centre's co-directors. In 2023, she received a Royal Society Te Apārangi Early Career Research Excellence Award in Social Sciences.

Our researchers also contribute to Ngā Pae o te Māramatanga, the National Centre for Māori Research Excellence, and were involved in its first International Indigenous Climate Change Research Summit, which brought together Indigenous researchers from around the world.
The Arts faculty celebrated many achievements in the University's premier awards for research in 2023. These included Associate Professor Dan Hikuroa's Research Excellence Medal for his research related to climate change, coastal and fresh waterways, and natural hazards, and helping to resolve challenges faced by Māori communities. Professor Anne Goldson and Dr Sereana Naepi both won Research Impact Awards, Sereana for her work to address equity in research and higher education and Annie for telling Aotearoa's stories through her documentary films.

The Faculty of Arts has also led initiatives to build strong alliances and collaborative research projects to benefit the people of Whangaroa hapū. A series of wananga and hono marae were organised for Arts staff, in particular early career researchers, to enable a better understanding of Vision Mātauranga, which includes enabling opportunities for Māori leadership in research.

Faculty of Business and Economics

Business has the transformative power to make the world a better place, acting as a catalyst for economic and social prosperity.

The University of Auckland Business School is dedicated to reimagining how business education and research can benefit communities, organisations and individuals throughout Aotearoa New Zealand. This objective is realised through a multifaceted strategy that includes impactful research, thought leadership, innovative education and opportunities for professional development.

Embedding te ao Māori perspectives into our teaching and research allows for a more holistic approach to business, where long-term thinking, social responsibility, and the interconnectedness of people and the environment are emphasised – in other words, a more inclusive form of capitalism. The Inclusive Capitalism Centre was established in 2023 to spearhead this theme, which has the potential to change the focus of business research, public policy, practice and education in a fundamental and rigorously research-informed way.

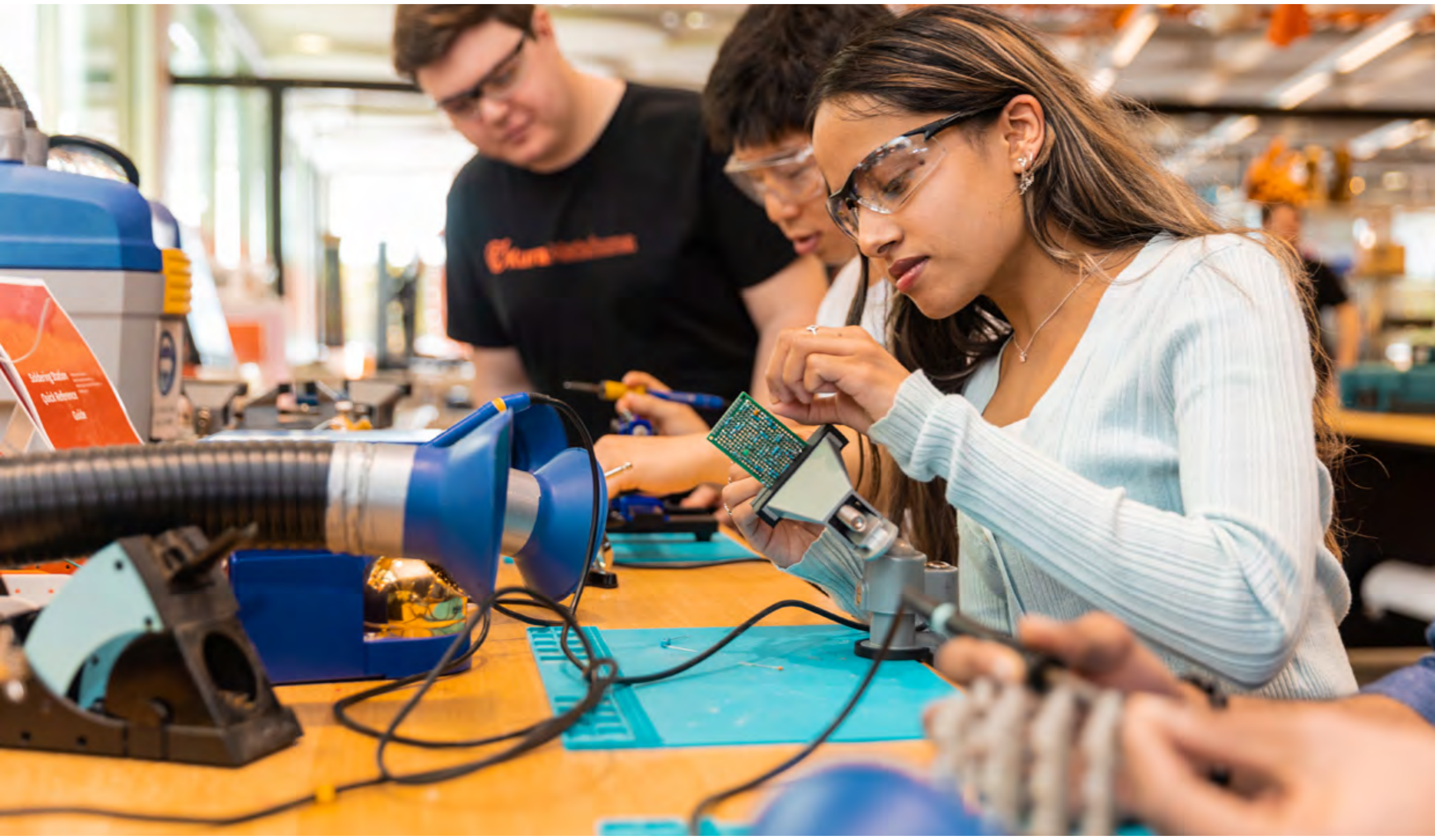
We continue to support our other research centres and externally focused research beacons, including the Circular Economy in Business beacon, which leads and promotes research on circular business to drive the transformation towards a sustainable society. Our reorganisation into disciplinary areas has supported and provided a base for our people to engage in transdisciplinary research and provides a more nurturing environment for early and mid-career academics.

In our teaching, we prepare our students to be innovative, adaptable and collaborative decision-makers. Guided by the Curriculum Transformation Framework principles, the BCom core offers a broad, holistic introduction to business, ensuring that students learn about business in a more integrated way with a focus on innovation, entrepreneurship and sustainability. Over the past year, we have been developing our undergraduate programme to become more experiential and skills-based through relational teaching and learning, the development of capstone courses, and also work-integrated learning opportunities while retaining our rigorous research-informed focus. Our students can use multiple technologies and spaces, including the 5G-powered Te Ahi Hangarau Technology Hub which provides cutting-edge technology and immersive virtual reality experiences.

For postgraduates, multiple pathways provide flexible routes for lifelong learners to step into business learning. Students can progress either to research or professional masters, diploma, or certificate qualifications, which are designed to upskill for career acceleration, reskill for career switchers, or to move into postgraduate research programmes to build specialist knowledge and advance relevant business research.

The strength of our teaching has been recognised in a number of ways. In the University's 2023 Research Excellence Awards, Associate Professor Julia Fehrer was awarded an Early Career Research Excellence medal for her work, including transdisciplinary research into novel ways to reduce plastics sent to landfill, by shaping a sustainable circular plastics market.

In addition, a student team won first place at the Marshall International Case Competition 2023, along with the People's Choice Award and the Best Speaker Award. The University of Auckland is the only team to have won at the Marshall competition four times. Our Centre for Innovation and Entrepreneurship Summer Lab programme was also recognised for excellence in entrepreneurial education at the USA Small Business and Entrepreneurship awards (USASBE). We are the only university outside North America to win a USASBE award.



Creative Arts and Industries

Reflecting its commitment to the SDGs, the Faculty of Creative Arts and Industries (CAI) ran a number of future-thinking projects in 2023 at the intersection between cultural, social and environmental sustainability.

In one project, Dr Barbara Ribeiro repurposes urban public spaces into edible landscapes that reimagine food production and distribution as a public service, supporting biodiversity in towns and cities.

Dr Tia Reihana is involved in Ngākau Oho, a pilot project funded by the Accident Compensation Corporation (ACC) to deliver culturally appropriate rehabilitation programmes. The aim is to encourage greater uptake of ACC's rehabilitation initiatives by providing inclusive, culturally appropriate, whānau-centred care.

Dr Te Oti Rakena is international adviser for The Remedy Project, funded by the Australian Research Council Discovery Indigenous programme to explore music as a primary cultural determinant of health for First Nations people.


Professor Anthony Hoete

Dance Studies staff, funded through Horizon Europe, are part of dialoguing@rts – Advancing Cultural Literacy for Social Inclusion through Dialogical Arts Education. The project uses performing arts in communities and schools to enhance social cohesion and lift cultural literacy in diverse populations.

Professor Nancy November was elected Fellow of the Royal Society of NZ. Her work was recognised for new, culturally sustaining ways of teaching and learning history which empower Indigenous students.

EQC, QuakeCoRE and the Endangered Wooden Architecture Programme funded a project to reintroduce mātauranga Māori building technology mīmiro. Professor Anthony Hoete's team used engineered timber to test mīmiro as a sustainable and culturally appropriate method for the construction of wharenui and modern papakāinga.

Dr Ferdinand Oswald is part of a collaborative project with Unitec, exploring sustainable management of plastic waste on construction sites. Funded by BRANZ, it aims to categorise types and sources of waste in the industry, reduce single-use plastic and increase recycling of plastic construction materials.

The School of Architecture and Planning, in association with Design For Nature, will organise the World Green Infrastructure Congress 2024 – the world's largest event on urban nature-based solutions, green buildings, and climate adaptation strategies. The bid was supported by Tourism New Zealand.

The Glen Eden micro-mobility hub, funded by Waka Kotahi, investigates the impact of shared micro-mobility devices at train stations and community hubs. Dr Tim Welch's team aims to reduce emissions from short, polluting car journeys to and from public transport.

Dr Mark Harvey is involved with Toi Taiao Whakatairanga, funded by the Biological Heritage National Science Challenge. It uses art forms and mātauranga Māori to connect people with ngāhere, the forest, and better understand kauri dieback and myrtle rust.

The MĀPIHI Māori & Pacific Housing Research Centre, launched in 2023, is a transdisciplinary University Research Centre, co-directed by Professor Deidre Brown and Dr Karamia Müller. MĀPIHI's goal is to improve housing quality and supply for Māori and Pacific communities in Aotearoa and the Pacific, aligning with tikanga Māori, Pacific values, Te Tiriti and Vision Mātauranga principles.

Faculty of Education and Social Work

In 2023, Faculty of Education and Social Work (EDSW) researchers won three University Research Impact Awards. Professor Peter O'Connor was recognised for his work leading an international team of researchers, educators and artists to create Te Rito Toi, an online resource used across the world in schools as they supported students returning to school after lockdowns and natural disasters.

On a similar theme, Professor Carol Mutch's research on educational responses to disasters and crises in Aotearoa New Zealand and around the Asia-Pacific region has improved recognition of the importance of the education sector in disaster and crisis contexts. Within the University, the ongoing work of Dr 'Ema Wolfgramm-Foliaki's 'He Vaka Moana' research project (with Sonia Fonua, Science) has made a significant difference in retention, completion and outcomes for Māori and Pacific learners.

EDSW's research remains diverse and the faculty makes a scholarly contribution to education and social practice knowledge-building in Aotearoa; in relation to educational and social outcomes, leadership, diversity in culture, language, gender, socio-economic status, migration, sexuality and disability. Faculty researchers have led or contributed to Ministry of Education panels developing Te Mātaiaho, the refreshed New Zealand Curriculum. Our expertise in mathematics and literacy education has been put to good use with researchers leading groups rewriting curriculum in those areas and developing common practice models for schools. Others have contributed to refreshing social sciences and technology curricula.

EDSW researchers won funding from the US Agency for International Development (USAID), mobilising their expertise for the US-based Education Development Centre. Associate Professor Kirsten Locke is completing a landscape analysis for USAID, aimed at creating gender and education programming guidance for USAID staff and partners.

Dr Ritesh Shah and Professor Jay Marlowe are sharing scholarship about threats to higher education institutions from political and non-political crises and conflicts.

Professor Stephen May (Te Puna Wānanga, School of Māori and Indigenous Education) was awarded the Mason Durie Medal by the Royal Society Te Apārangi, recognising his outstanding contributions to the social sciences for his language rights and revitalisation work.

Dr Frauke Meyer and Dr Jo Smith won a Marsden Grant for their project, 'Using virtual reality to combat racial bias: Immersing teachers into their Māori students' worlds'; and Dr And Pasley a Marsden Fast-Start Grant for 'Co-designing and decolonising gender education: Exploring what it means for gender diverse students to thrive in schools'.

EDSW staff also won two Teaching and Learning Research Initiative grants in partnership with early childhood education providers. Dr Naashia Mohamed will work with Red Kite Preschool on 'Supporting children's literacy skills and sense of belonging through co-created multilingual multimodal stories'. Dr Maria Cooper and Dr Kiri Gould will work with Akoteu Kato Kakala ECE centre, Ōtara, and A'oga Fa'a Samoa, Grey Lynn, to research Pacific leadership in ECE.

Professor Carol Mutch and Toni Moore from UniServices.

Faculty of Engineering

In 2023, Te Herenga Mātai Pūkaha the Faculty of Engineering has continued its mission to change the lives of New Zealanders and the wider international community through its world-class educational and research programmes.

We opened a new cutting-edge technology lab which will empower students by giving them access to industry-standard resources to help develop digital skills. The lab will also support new teaching methods and allow researchers to collect, analyse, and visualise their data in groundbreaking ways.

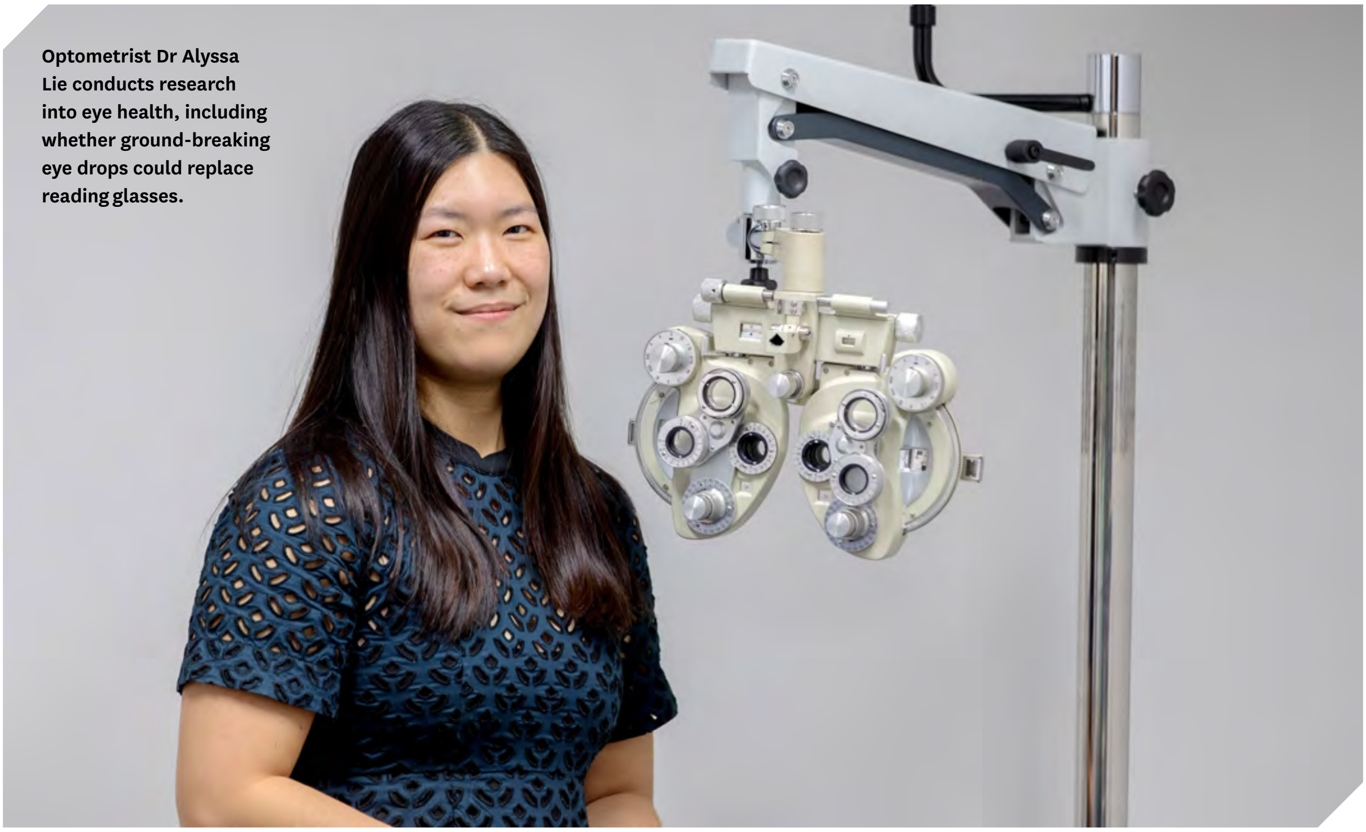
To support future-focused research in partnership with industry, the Faculty of Engineering has completed plans for a new Bruce McLaren Centre for High-Performance Engineering, including the creation of a visitor centre to promote one of Aotearoa New Zealand's most successful engineers and entrepreneurs. It will provide space for transdisciplinary research to address challenges such as energy efficiency, emissions, and sustainability in manufactured products to support the transition to a low-emissions and climate-resilient economy.

The faculty has supported our staff and students to find new ways to respond to sustainability challenges. Professor Saeid Baroutian, collaborating with Dr Kiri Dell from the Faculty of Business and Economics, founded the Nuka Charitable Trust to turn locally grown kānuka into high-value gourmet products, delivering significant economic and social benefits to Māori landowners. By sourcing the kānuka from 15,000 hectares of Māori-owned land in Tairāwhiti, the business expects to benefit local landowners and encourage those holding unproductive land to bring it into cultivation. Nuka will also employ around 15 people in skilled roles in that region. In 2023, the Faculty of Engineering committed to supporting Nuka by hosting the pilot plant. The project was also awarded $1.9m over three years through the Ministry of Primary Industries' Sustainable Food and Fibre Futures fund.

Individual researchers within the Faculty of Engineering have contributed to the future focus of Waipapa Taumata Rau through research which has been recognised for its merit in the Early Career Research Excellence Awards. Dr Yuqian Lu was recognised for his work creating the next generation of artificial intelligence technologies to make manufacturing more efficient and sustainable. Dr Lu's work was noted in 2023 for his contribution towards improving the human-AI interface by embedding empathetic AI in collaborative machines to create natural and smooth human-machine team experiences.

The reach and influence of individual Engineering researchers has been recognised in 2023. Professor Ajit Sarmah was one of eight University of Auckland researchers to appear on the 2023 Clarivate Highly Cited Researchers list. His work on green technologies to reduce the carbon footprint of the construction sector worldwide, and his work on trials with biochar additives to reduce the carbon content of concrete, has been recognised for its transdisciplinary reach and international impact.

Doctoral candidate Jack Robertson, left, with Saeid Baroutian, a professor in chemical and materials engineering.



Optometrist Dr Alyssa Lie conducts research into eye health, including whether ground-breaking eye drops could replace reading glasses.

Faculty of Medical and Health Sciences

During 2023, the Faculty of Medical and Health Sciences (FMHS) undertook significant leadership renewal including the appointment of a new Dean, Deputy Dean, Associate Deans Research, Equity and Diversity and Head of the School of Medical Sciences.

Our research spans bedside-to-bench-to-policy solutions but is always driven by the goal of improving health outcomes and equity in the communities with whom we work. Data releases from the longitudinal study Growing Up in New Zealand provided important new insights and findings from adolescence – a time of rapid social, emotional, and physical development.

Professor John Fraser, Dean of FMHS until the end of 2023, is interim co-director of a new mRNA platform, co-hosted with Victoria University of Wellington and supported by the University of Otago and the Malaghan Institute of Medical Research, which will form a pipeline to turn RNA research into drug development, clinical testing and manufacture at an industrial scale.

Several key projects focused on Pacific health status and outcomes – from how pharmacists contribute to heart health care for Pacific peoples in Aotearoa, to assessing the status of mental health and mental health services in Tonga, to testing 'cool roofs' in Pacific countries that are particularly vulnerable to the impacts of global warming. Research on the sociodemographic profile of students applying to and enrolling in health professional programmes in New Zealand has highlighted changes needed to ensure our health workforce reflects the diverse communities it serves.

A Research Excellence Medal for 2023 was awarded to a group from FMHS led by professors Chris Bullen and Natalie Walker for research that has led to better ways to support people to quit smoking. Early Career Research Excellence Medals were awarded to three FMHS researchers: Dr Joanna Hikaka (caring for kaumātua); Dr Emma Nolan (living library of breast cancer cells); and Dr Rachel Sumner (menstrual cycle link to epilepsy). Dr Natalie Netzler (Ngāti Ruanui, Ngāti Hauā, Moto'otua), a senior lecturer and virologist in FMHS, was awarded the 2023 Cranwell Medal for excellence in communicating research and information to Māori communities during Covid-19.

We continue to be successful in gaining significant funding to support our work. In 2023, FMHS-led research teams were awarded prestigious HRC programme grants for research on dementia and improving surgical recovery and safety, while a new Marsden project grant will explore targeted gene therapy.

Our work continues to develop new programmes to better meet the needs of today's students interested in health as a career as well as the needs of Aotearoa New Zealand. These include the progression of a new undergraduate degree, a postgraduate health professional degrees and a new Doctor of Health Science. In collaboration with Te Whatu Ora, in 2024 we will offer the first national echocardiography education qualification, develop a one-year rural immersion experience for medical students, and have more pharmacists studying to become qualified pharmacy prescribers.

Faculty of Law

In 2023, the Faculty of Law contributed a wealth of research with real-world impact and with a focus on Aotearoa New Zealand, the Pacific and beyond.

The New Zealand Centre for Environmental Law was involved in a range of scholarly symposia in 2023. In May, the 'Climate Litigation in Comparative Contexts' event brought together academics, lawyers, judges including the Chief Justice, and policymakers in a series of panels to discuss climate litigation in a variety of contexts. Members of the centre were also involved in the Workshop on Future Generations Litigation and Transformative Changes in Environmental Governance co-hosted in Budapest by ELTE University and Aarhus University. Law students participated in a discussion with Ministry of Foreign Affairs and Trade legal advisers to provide input into New Zealand's legal submissions to the International Court of Justice on the forthcoming historic Advisory Opinion proceedings on states' climate change obligations.

This year, the Faculty of Law welcomed the first Brian Coote Chair in Private Law, Professor Jodi Gardner. As well as other areas of interest, the new chair carries out research on consumer law including financial sustainability. Professor Gardner has published a monograph on high-cost credit transactions and looks at how private law transactions can be used to promote economic equality and sustainability. Her work is internationally focused, and she is currently undertaking research with Hong Kong University on the regulation of caged houses and how to provide sustainable and equitable housing in one of the most densely populated places in the world.

Members of the Faculty gained national and international recognition in 2023. Two professors were elected as fellows of the Royal Society Te Apārangi New Zealand. Professor Julia Tolmie was elected for her work on the legal challenges facing women, and Emeritus Professor Klaus Bosselmann for his contribution to environmental ethics, policy, law and governance including his work on the Earth Charter. Professor Claire Charters was appointed to the role of Rongomau Taketake, Indigenous rights governance partner, at Te Kāhui Tika Tangata, the New Zealand Human Rights Commission, to lead work on the rights of Indigenous peoples. Professor Janet McLean was elected to the executive of the International Association of Constitutional Law, which provides a forum within which constitutional lawyers from across the globe can discuss constitutional matters from different legal systems.

Students from the Faculty of Law had further success in international competitions, showing their strengths in real-world situations. Teams from the faculty secured our highest-ever finish at the Red Cross International Humanitarian Law Moot Competition in Hong Kong; won the Transatlantic negotiation competition; and continued a run of recent success in the ICC Commercial Mediation competition in Paris by coming third. Students from Rainbow Law won the inaugural Jane Kelsey Te Whāinga i te Tika Award for Social Justice for their campaign around equitable healthcare for international students.

Faculty of Science

Through its impactful research and quality of its educational experiences, the Faculty of Science has continued to make a strong contribution to the University's strategy, *Taumata Teitei*, the lives of its students and the wider communities of Aotearoa New Zealand.

Our contribution to the Curriculum Framework Transformation has progressed well. As part of this, the development of Science's version of the Waipapa Taumata Rau course has advanced. In 2023, Mel Wall (Environment), the course development lead, was awarded a Te Whatu Kairangi Aotearoa Tertiary Educator Award. We have had a good recovery in international student numbers and are well poised to contribute significantly to the shift to postgraduate, envisioned in the University's Size, Shape, Composition targets.

We have attracted excellent revenue from external sources, with funding success from both Marsden grants and the Ministry of Business, Innovation and Employment. Strong philanthropic support has also allowed us to complete the construction and launch of a new research vessel and start construction of new aquaria facilities for the Leigh Marine Laboratory. The Centre for Climate, Biodiversity and Society, Ngā Ara Whetū, was launched as a University Research Centre, focusing on sustainability. It is already having a significant impact in both research activity and community engagement.

Many Science staff won external research awards in 2023, including the Royal Society Te Apārangi MacDiarmid Medal, for Professor Geoff Waterhouse (Chemical Sciences) for his work on renewable energy, and the Thomson Medal for Professor Nicola Gaston (Physics) for her transformative research leadership.

Three Science Faculty members were recognised with ONZMs: Professor Rochelle Constantine (School of Biological Sciences) for research in marine conservation; Professor Lynette Tippett (School of Psychology) for research in neuropsychology and dementia; and Emeritus Professor Paul Williams (Environment), for research in geomorphology, hydrology, karst and paleoclimatology. Professors Andrew Allan (SBS), Virginia Braun (Psychology), Gillian Dobbie (Computer Science), and Paul Kilmartin (Chemical Sciences) were all awarded Fellowships of the Royal Society Te Apārangi, recognising their excellent research. Perhaps the highlight of the year, however, was the award of the Royal Society (London) Davy Medal to Distinguished Professor Dame Margaret Brimble (Chemical Sciences) for her pioneering research in medicinal chemistry. Previous winners of this award include Marie and Pierre Curie and 22 winners have progressed to Nobel Prizes.

Of note also, was our inaugural biennial Pūtaiao Symposium, hosted on Te Tai Tonga Campus, which spoke to the theme, 'Ma Mua Kaa Hua: Our Past Inspires Our Future'.

The faculty has laid the foundations for a new engagement strategy, and Te Huapai Framework is also developing a purposeful direction for enduring engagement and partnerships with Māori. Additionally, Ngā Ara Whetū is key to collaborating with the community on sustainability. Science staff have contributed significantly to the University's Sustainability Strategy and have been progressing initiatives, such as Green Labs and academic travel minimisation.

A new leadership model, Leadwell, has been building momentum and Science staff are taking an active role in the Hono project which will revitalise HR systems and practices.

It has been a rewarding year for Science with significant contributions, particularly in research impact, which will benefit society for the future.

Dr David Ware showcases Science at the University's Incredible Science event for schools.

The Auckland Bioengineering Institute

The Auckland Bioengineering Institute (ABI) continues to push the boundaries of bioengineering innovation for health and economic impact.

Central to the ABI's mission is the development of predictive computational models of human physiology that link with novel bio-instrumentation and are informed by wearable or implantable sensors. The ABI's expertise in integrating across models and devices, and development of infrastructural tools, has positioned the Institute for international leadership in the burgeoning field of digital twins for healthcare. Professor Merryn Tawhai – who in 2023 succeeded ABI's founding director, Distinguished Professor Peter Hunter, as ABI Director – foresees an exciting future for the Institute in developing digital twins to unlock the potential of personalised medicine, driving health and economic impacts.

The ABI's flagship project in this area, '12 Labours', received $15 million funding from the Ministry of Business, Innovation and Employment (MBIE) for a cross-institute programme to develop a clinically oriented framework to mathematically model the physiological systems of the human body. This is supported by philanthropic Aotearoa Foundation Fellowships awarded to early career researchers and aligns with MBIE Catalyst strategic projects in health-related AI research. The latter links digital twins with ABI spinout Soul Machines' Digital People for applications in mental health and type-2 diabetes.

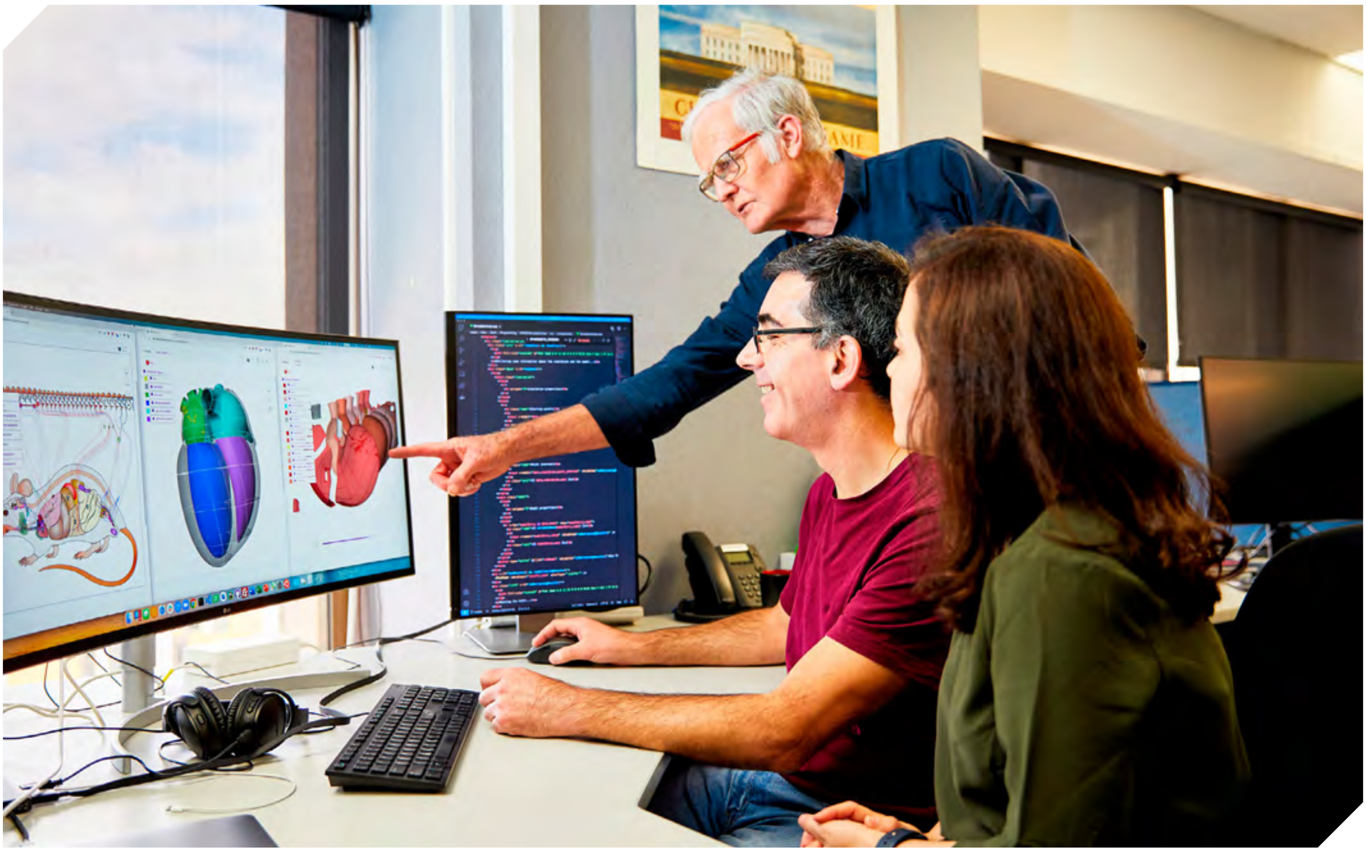
The ABI's international reputation was instrumental in it being awarded Horizon Europe funding (€10M, with $2.8M to ABI) in 2023 for the translation of digital twins to personalised clinical care for hypertension.

Other successes in 2023 underscore the ABI's breadth of research and its focus on excellence, innovation and impact. An outstanding year of Marsden Grant success ($2.8M) saw support for new projects in lymphatic physiology, lymphoedema, and human interactions in virtual spaces. Health Research Council (HRC) programme funding ($5M) will support translation of quantitative biomechanics to cardiac disease, and HRC project funding ($1M) will support clinical trials of advanced implantable devices. An Endeavour Smart Ideas project was awarded by MBIE to advance novel bioengineering methods for neurosurgery.

International engagement and new funding opportunities remain strong, with the renewal of several National Institutes of Health (NIH) and the Office of Naval Research awards. NIH support for the collaborative Centre for Reproducible Modelling reinforces ABI's commitment to research integrity and FAIR and CARE principles, both of which relate to the use of data.

Philanthropic support is increasingly important for the ABI's inter-disciplinary research and the philanthropic base has grown, with a new donor supporting virtual pregnancy research and Physiome infrastructure for modelling multi-organ interactions. ABI's researchers were also recognised with a University Research Excellence Medal, a prestigious James Cook Research Fellowship, and a HRC Sir Charles Hercus Fellowship.

The ABI is hosting, and provides academic leadership to, the University's strategic initiative Medtech-iQ Waipapa Taumata Rau. Medtech-iQ will accelerate research capabilities and stimulate startups to shape the future of healthcare and the New Zealand economy. ABI currently hosts startups in the 'Cloud-9' innovation environment. Several of these, including Kitea Health and JunoFem, have raised significant investment in 2023, while others, including Formus Labs and Alimetry, have 'graduated' from Cloud-9 as they have grown.



Professor Caroline Crowther with Professor Sir Ashley Bloomfield

Liggins Institute

The Liggins Institute's strategic focus lies in advancing pre-clinical studies, clinical trials, and translational research, aiming to amplify clinical and societal impacts for a healthy start to life.

An emerging part of our vision involves nurturing a future-ready healthcare workforce proficient in AI and technology. One initiative, our philanthropically funded internship programme, offers medical students transdisciplinary research exposure. Moreover, our new masters course starting in 2024, in Early Life Nutrition and Life-Long Health, will introduce high-performing researchers to the next generation.

Recognition for the Institute's impact on early-life health came through the appointment of Distinguished Professor Dame Jane Harding as the President-elect of the Royal Society Te Apārangi and the bestowment of a 2023 University of Auckland Research Excellence Medal to Professor Caroline Crowther. In 2023, a record number of award-winning postgraduate students graduated.

In the analytical laboratory research platform hosted by Liggins, a milestone was achieved with the implementation of rapid genome sequencing for critically ill newborns in Te Whatu Ora Te Toka Tumai Auckland. Plans for 2024-25 involve expanding this translational project into a rare disorders' platform. Since 2021, the Human Health Research Services Platform has grown by 40 percent with more than 50 active human health studies, reflecting the increasing value to national researchers. Additionally, the Institute hosts two National Science Challenges – High Value Nutrition Ko Ngā Kai Whai Painga and A Better Start E Tipu e Rea.

Noteworthy research in 2023 from the Liggins Institute includes outcomes from three globally recognised trials. These trials, co-led by the Institute, investigated the effects of various intervention supplements before and during pregnancy. Results published in eminent journals such as *The New England Journal of Medicine, JAMA, and The Lancet Global Health* revealed insights into the effects of amino acids for infants with extremely low birth weight, intravenous magnesium sulphate for pre-term births, and myo-inositol, probiotics, and micronutrient supplementation for lower risk of rapid weight gain.

Groundbreaking discoveries in genetics research have illuminated the complexities of juvenile idiopathic arthritis in children, hinting at tissue and immune cell-specific regulatory changes. Published in the prestigious *Autoimmunity* journal, this work has expanded into similar insights in childhood asthma.

Engagements with the public, government ministries, and science advisers have elevated the profile of institute researchers, fostering new relationships. For example, the Institute launched the Carosika Collaborative – a national transdisciplinary group of healthcare professionals and consumers who are focusing on equity in improving the care and outcomes for infants born pre-term in New Zealand.

The Liggins Institute Māori Advisory Group continues to support researchers, opening doors for co-development opportunities with new communities and funders. Reflecting its accomplishments, the Institute has sustained year-on-year growth in philanthropic donations.

UniServices

UniServices supports research and ideas that can lead to global impact, starting in Aotearoa New Zealand. It builds partnerships with academic institutions, industry and government to build new research-based solutions and we whakatupu (nurture) and commercialise the ideas and intellectual property that arise from Waipapa Taumata Rau, University of Auckland.

With 39 active spinout companies, UniServices ranked Number One in the most recent annual Survey of Commercialisation Outcomes from Public Research (SCOPR) produced by Knowledge Commercialisation Australasia, covering 64 Australian and New Zealand universities and research agencies.

UniServices manages a portfolio of programmes and services that translate evidence-based knowledge into community impact. For example, the longitudinal study Growing Up in New Zealand released data and insights in 2023 from Now We Are Twelve that focused on the lived experience of 12-year-olds and their families, covering topics key to the ongoing well-being and improvement of life in Aotearoa, such as material well-being and identity (ethnicity and gender).

In November, nearly 400 health professionals, academics, and policy and strategy advisers from the Pacific, Australia and New Zealand attended the Aotearoa New Zealand Immunisation Conference on the City Campus, organised by the Immunisation Advisory Centre (IMAC). Held for the first time since 2019, the two-day conference allowed all of those involved in immunisation research to network and present their science and their findings.

UniServices manages the University of Auckland Inventors' Fund, a $40 million pre-seed and seed investment fund that is accessible to the University's researchers and students.

In 2023, UniServices established the Māori Investment Roopū as an addition to our Commercialisation Partner Network programmes, funded by the Ministry of Business, Innovation and Employment. The Roopū pioneers research commercialisation and investment with a distinctive te ao Māori perspective. Its central goal is to forge a vibrant innovation community for Māori, while also seeking to influence the shape of the research and investment sectors, attract new projects, and facilitate the translation of Māori knowledge into impact.

UniServices has supported and helped initiate a number of new companies in 2023. These are consistent with *Taumata Teitei* themes, including improving health and well-being, and research and innovation, but also SDG goals that have a global, sustainable impact. These include:

- Hate & Extremism Insights Aotearoa (HEIA) – a system that assesses online behaviour and associated threat levels of violence and extremism.
- PhaseFoam – a new heat-absorbing material with the potential to transform the building industry.
- Gaiatech – a sustainable solution for healthcare providers to remove waste anaesthetic gases.
- Frond Space Systems – a method of enhancing volumetric efficiency in spacecraft systems.
- SoverEx – resourcing the untapped potential of private data in the marketplace.
- DDRx Pharmaceuticals – a novel class of inhibitors of a key DNA repair enzyme DNA-PK.
- Dawa Therapeutics – to protect against telomere attrition and ageing.
- Nurox – hydrothermal solutions for destruction and valorisation of waste.
- Luminoma – a non-invasive probe for more accurate detection of melanoma skin cancers.
- I-Spy – application of bioluminescence to make nit eggs glow under UV light.

03

Statement of Service Performance

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The University's research vessel *Te Kaihōpara* at anchor at Poor Knights Islands Marine Reserve. Photo: Paul Caiger

Statement of Service **Performance**

Guided by its strategic plan *Taumata Teitei*, Waipapa Taumata Rau University of Auckland seeks to engage with and enrich its diverse communities in Aotearoa New Zealand, throughout the Asia-Pacific region and beyond.

This Statement of Service Performance is structured around our five taumata (strategic priorities) found in *Taumata Teitei*, presenting a collection of metrics and statements for each that speak to the University's performance in our three main output areas which are:

- Teaching, learning and scholarship
- The production and application of research outputs and creative works
- Outreach and contributions to our local and international communities

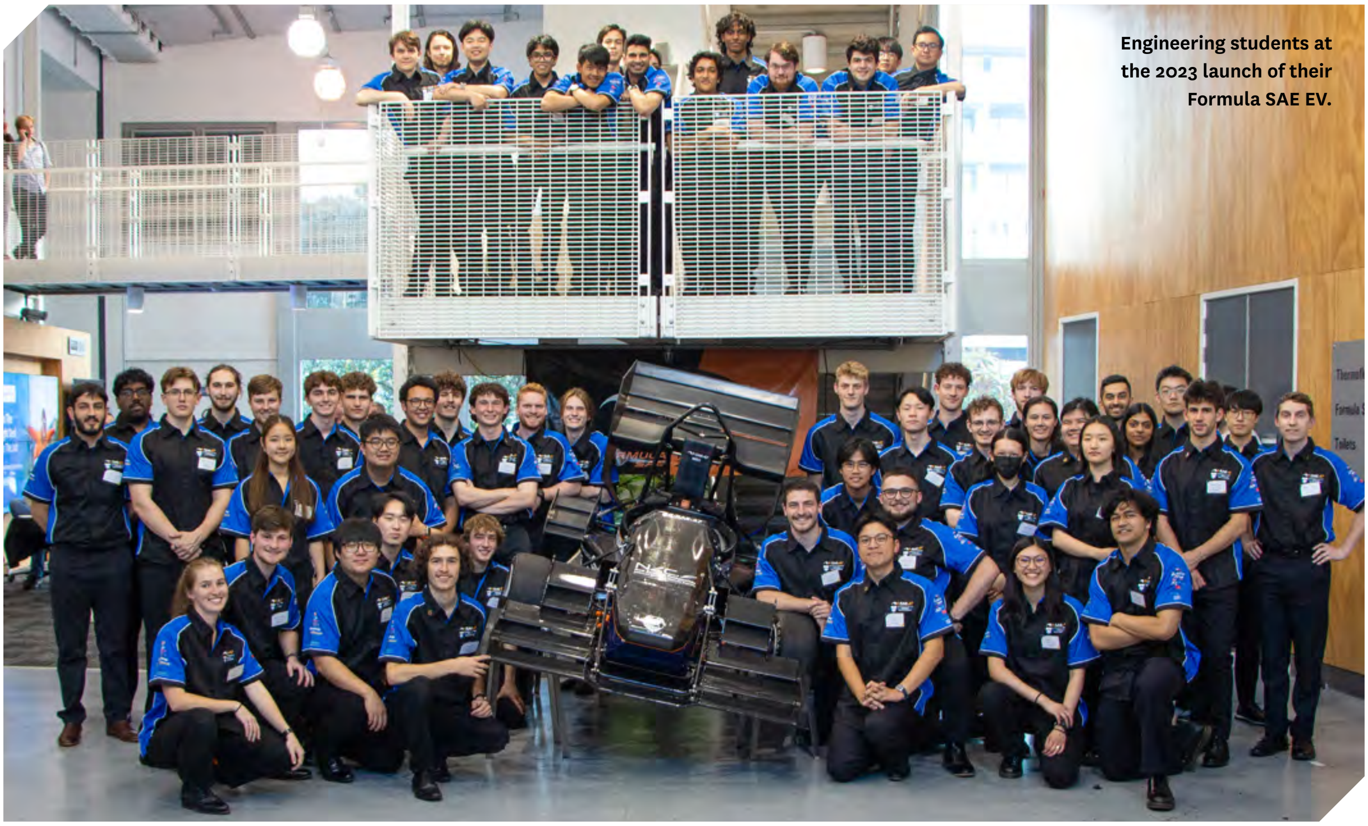
Viability and **reputation**

These metrics demonstrate that the University is operating in a fiscally responsible and sustainable manner, and that it is maintaining a positive reputation with a broad range of local and international stakeholders.

1 Total revenue from tuition, research and other sources

	2021 Actual ($000)	2022 Actual ($000)	2023 Target ($000)	2023 Actual ($000)
Tuition fees	381,941	384,805	410,637	410,589
Research	295,055	327,043	354,145	330,777
All others	645,004	699,798	685,047	806,009
Total	**1,322,000**	**1,411,646**	**1,449,829**	**1,547,375**

- The University's roll decreased by around 500 Equivalent Full-Time Students (EFTS) between 2022 and 2023 (-1.4%), however this decrease was offset by increased international student numbers and increases in tuition fees, resulting in a 6.7% increase in tuition fee revenue.
- Between 2022 and 2023, Research revenue increased by approximately $3 million (+1.1%), but fell 6.6% short of the target value of $354 million.
- Revenue from all other sources grew by approximately $106 million between 2022 and 2023 (+15.2%), and was above the target of $685 million.



Engineering students at the 2023 launch of their Formula SAE EV.

2 Total EFTS (Equivalent Full-Time Students) by segment

Market segment	2021 Actual	2022 Actual	2023 Target	2023 Actual
Foundation	733	833	799	1,016
School leavers	6,284	5,902	5,647	5,225
Other undergraduate	20,545	20,412	20,672	20,071
All undergraduate	27,562	27,147	27,118	26,312
Working professionals	1,836	1,856	1,948	1,918
Postgraduate pathways[1]	4,903	4,394	5,048	4,779
Doctoral	2,221	2,120	2,145	2,158
All postgraduate	8,960	8,370	9,141	8,855
Other	226	310	–	170
Total	**36,748**	**35,827**	**36,259**	**35,337**

- Overall EFTS continued a slight downward trend from their peak in 2021, ending 3.9% down from 2021 to 2023, 1.4% down on the 2022 total, and 2.6% below the 2023 target value.
- In the most recent year (2023), the decline is driven primarily by a drop in the School leavers segment, which has fallen by just over 11% relative to 2022. This segment represents individuals who have recently left high school and come directly to the University of Auckland.
- The drop is partially offset by a sharp increase (+22%) in the Foundation segment, which rose from 833 to 1,016 EFTS, well above the 2023 target of 799. This segment represents students in pre-degree programmes designed to prepare young people for tertiary study.
- The remaining segments[2] are all within the range of -1.7% to +8.8% of their 2022 values, although at the degree level (i.e., excluding Foundation), the only segment to be on-target is Doctoral, with the remaining segments being between 1.5% (Working professionals) and 7.5% (School leavers) below target.
- From a faculty view, most experienced declines in enrolment with the exceptions of Creative Arts and Industries (up by 0.4%) and Business and Economics (up by 1.3%). The most significant decline was seen in Education and Social Work, which ended 2023 with nearly 300 fewer EFTS than in 2022.

[1] *Previously called 'Other Postgraduate'*
[2] *Excluding 'Other', which is enrolments that are not classified on the segment system.*

3 Operating margin

	2021 Actual	2022 Actual	2023 Target	2023 Actual
Operating margin (%)	+6.8%	+8.3%	+0.7%	+7.1%

- The University's operating margin decreased from 8.3% in 2022 to 7.1% in 2023. This is well above the target of +0.7% and reflects the University's prudent and effective fiscal management practices.
- This result also reflects a non-cash accounting adjustment arising from the government's interest-free 'shovel-ready' loan, and revenue recognised from gifted assets. Without those adjustments, the operating margin would have been +2%.

4 Overall institutional ranking

Market segment	2021 Actual	2022 Actual	2023 Target	2023 Actual
Times Higher Education World University Rankings (THE)	137=	139=	Top 150	150=
QS World University Rankings (QS)	85=	87	Top 100	68
Academic Ranking of World Universities (ARWU)	201 – 300	201 – 300	150 – 200	201 – 300

- In the Times Higher Education rankings, the University went from 139th equal to 150th equal. However, this should be understood in the context of increased competition, with 300 more institutions being evaluated this year than last year. In relative terms, the University was, and remains, in the top six percent globally in this ranking. Particular strengths in the most recent edition were international outlook, industry, and research quality. Our 2023 result was on target.
- Driven by increased recognition of sustainability commitments and international collaboration in the QS rankings, the University improved its standing, rising from 87th to 68th, which places us within the top five percent globally, and remains within target. Strengths in this ranking were academic reputation, international student ratio, international faculty ratio, and international research network.
- Our performance on the Academic Ranking of World Universities (also known as the 'Shanghai' ranking) remains unchanged in the undifferentiated 201 – 300 band, and thus remains off-target. However, it should be noted that this ranking has more stringent requirements than the other two listed here, in that eligibility to participate requires evidence of externally validated high-performing staff and alumni (e.g., prestigious international awards, publications in top-tier journals, or extremely high citation levels).

5 Ranked subjects contributing to transdisciplinarity

	2021 Actual	2022 Actual	2023 Target	2023 Actual
Subjects in Top 50	ARWU: 3 QS: 10	ARWU: 2 QS: 12	15 or more subjects	ARWU: 1 QS: 8

- This KPI reports on subjects in the top 50 according to either the QS or ARWU (Shanghai) rankings. In this area, our performance has dropped and is below target.
- In the ARWU rankings, where previously (2021) the University had Civil Engineering, Food Science and Technology, and Instruments Science and Technology in the top 50, Instruments Science dropped out in 2022, and Civil Engineering in 2023, leaving only Food Science and Technology.
- The loss of Civil Engineering resulted from a drop in our score for publications appearing in top-rated journals, despite an improvement in the underlying counts between the window used for the 2022 rankings, and the corresponding window used for the 2023 rankings.
- The most likely explanation is the scaling that this ranking applies according to the top-rated institution in the world, which in this case improved its top quartile publications by around 22% between the two rankings, versus an approximately 8% improvement on the same scale for the University of Auckland.
- Although we have fared better in the QS subject rankings, Accounting and Finance, Linguistics, Nursing, and Philosophy have all dropped out of the top 50 in the 2023 edition. This system relies heavily on reputational voting, and it appears that our votes[3] declined in all of these subjects, except Nursing, between 2022 and 2023. For Nursing, declining research performance is the likely cause, with the rolling five-year average citation impact declining steadily each year.

[3] *Unique respondents, not taking scaling or weighting into account*

6 Sustainability ranking performance

	2021 Actual	2022 Actual	2023 Target	2023 Actual
THE Impact Ranking	9	6	Top 10	12
QS Sustainability Ranking	N/A	10	N/A	5

- The items listed here focus on sustainability. In the broad sense that includes outreach, engagement, and research on pressing social and environmental questions.
- The Times Higher Education Impact Rankings are based on the 17 Sustainable Development Goals (SDGs[4]), with institutions scored on their best three plus SDG 17 (Partnerships for the Goals).
- Although we fell six places between 2022 and 2023 to end slightly off-target, we remain within the top 1% of institutions globally, despite increasing competition, scoring well above the upper quartile for all 17 SDGS, and with top 50 ranks for 14 of the 17.
- The QS Sustainability rankings are conceptually similar, although without explicitly using the SDGs as an organising principle, and scoring all institutions on all indicators, not only on their best-scoring areas. Note that a target was not set because these rankings were new in 2022, when the 2023 targets were being compiled.
- Here we improved by five places, despite the number of competing institutions nearly doubling from 700 in 2022 to 1,397 in 2023, a particularly positive result. We scored well on all three ‘lenses’: Environmental Impact, Social Impact and Governance.

[4] *See sdgs.un.org/goals*

Education and **student experience**

As the primary consumers of the University's teaching output, the experiences of our students and graduates during their time with us is of critical importance. The metrics presented here report on various aspects of student recruitment, satisfaction, and performance, as well as graduate outcomes.

7 Enrolments by student cohort (Māori, Pacific, All other ethnicities), at each qualification segment

Māori students

	2021 Actual	2022 Actual	2023 Target	2023 Actual
Foundation	98	87	90	75
School leavers	389	347	364	332
Other undergraduate	1,532	1,462	1,511	1,403
Working professionals	162	168	172	143
Postgraduate Pathways	273	240	276	212
Doctoral	103	111	82	117
Other	12	23	0	5
Total	**2,569**	**2,438**	**2,495**	**2,287**

Māori students (continued)

- Relative to 2022, Māori student numbers are down by 151 EFTS, which is 6.2% below the 2022 number, and 8.3% below the 2023 target. It is notable that viewed in absolute terms, or relative to target, this is a substantially sharper drop than is seen for overall EFTS (see KPI 2).
- The decline is evident in all segments except Doctoral (up by 6 EFTS, or 5.4%), with the greatest drop seen for Postgraduate Pathways (-11.7%) and Working professionals (-14.9%).
- Most segments are also below target for Māori students, again with the exception of Doctoral – where a drop was anticipated from the 111 EFTS in 2022, the numbers have instead risen slightly to 117.

Pacific students

	2021 Actual	2022 Actual	2023 Target	2023 Actual
Foundation	179	178	175	152
School leavers	551	505	557	408
Other undergraduate	1,950	1,919	2,105	1,785
Working professionals	169	173	173	182
Postgraduate Pathways	255	221	281	217
Doctoral	64	65	69	73
Other	14	20	0	6
Total	**3,182**	**3,081**	**3,360**	**2,823**

- A similar pattern is evident with Pacific enrolments, which are down 8.4% relative to 2022, and 16% below target.
- Running against this trend are the Working professional enrolments, which are up by ten EFTS (+5.2%), and Doctoral enrolments, which increased by seven EFTS, or 12.3%.
- The Doctoral and Working professional segments are also the only two that are above the 2023 target values.

All Other students

	2021 Actual	2022 Actual	2023 Target	2023 Actual
Foundation	456	567	534	788
School leavers	5,344	5,049	4,726	4,485
Other undergraduate	17,064	17,032	17,056	16,884
Working professionals	1,505	1,516	1,603	1,593
Postgraduate pathways	4,375	3,933	4,491	4,350
Doctoral	2,054	1,944	1,994	1,965
Other	200	267	0	159
Total	**30,998**	**30,308**	**30,404**	**30,224**

- The 'All Other' ethnicity category represents around 85.5% of total enrolments in 2023. Enrolments in this category were essentially static across the two years, varying by less than 0.3% overall.
- These changes were not evenly distributed amongst the different segments. Enrolments in this group actually increased for most segments, with only the School leavers (-11.2%) and Other Undergraduate (-0.9%) segments showing declines, which are essentially the same as the corresponding changes for the overall student body in those segments (-11.5% and -1.7% respectively).
- With this in mind, it is clear that a substantial part of the decline in overall EFTS between 2022 and 2023 is being driven by declining Māori and Pacific enrolments. The University is aware of this and working to address it with schools and community outreach and a Māori/Pacific student plan.

International students

- International students increased from 18% of the student body in 2022 to 20.6% in 2023, with students coming from over 100 different countries and territories.
- The average EFTS load of an international student remained largely unchanged on 0.78 EFTS.
- Most international students came to the University from China (63%), with India (4.9%) and the United States (3.9%) rounding out the top three.
- The proportion of students from China has dropped slightly from its peak in 2022 (66.7%) to 63% in 2023.

Students with disabilities

- In 2023, the student body included 4,729 students who identified that they experience disability and/or registered for support with Ratonga Hauātanga Tauira Student Disability Services. This represents 3,601 equivalent full-time students, and just over ten percent of the total student body.
- The University has a comprehensive Disability Action Plan (DAP) to address barriers to inclusion and success for students and staff with disabilities.
- We are striving to ensure that our growing cohort of disabled learners has everything they need to succeed during their time with us.

8 Student satisfaction with their programme

	2021 Actual	2022 Actual	2023 Target	2023 Actual
Students satisfied with their programme	75.4%	77.6%	≥ 78%	75.8%

- This metric reports on respondents in our annual Learning and Teaching Survey (LTS) who agreed, or strongly agreed, with the proposition that they were satisfied with their programme of study.
- The overall satisfaction score declined by 1.8% between 2022 and 2023, although remains slightly above the 2021 result. Nevertheless, it is below the target value of 78% for 2023.
- In the 2023 survey, women were slightly more satisfied (77%) than men (73.8%), and both were more satisfied than gender-diverse students (67.9%).
- Satisfaction was similar across ethnic groups, although Māori (72.9%) and Pacific (74%) students were somewhat less satisfied than students from other ethnicities (76.2%).
- Satisfaction was highest for students in the Faculty of Medical and Health Sciences (80.6%), and lowest for students in the Faculty of Creative Arts and Industries (67.9%).

9 Student satisfaction with university life

	2021 Actual	2022 Actual	2023 Target	2023 Actual
Students satisfied with university life	70.1%	72.2%	≥ 72.6%	73.7%

- This KPI is also derived from the annual Learning and Teaching Survey, and reports on the overall satisfaction of the respondents with their university experience.
- Here, the figure for 2023 is above the target value of 72.6%, and represents a steady improvement from 2021 onwards, rising a total of 3.6% in this time.
- Satisfaction by gender largely mirrors the previous KPI, with women (74.5%) being slightly more satisfied than men (72.5%), and both men and women being significantly more satisfied than gender-diverse students (61.5%).
- Likewise, a similar picture emerges for ethnicity, with Māori (71.1%) and Pacific (68.4%) students being less satisfied than students from other ethnicities (74.3%).
- Students in the Faculty of Medical and Health Sciences were the most satisfied (79.1%), while students from the Faculty of Creative Arts and Industries were the least satisfied (70.7%), although the gap is smaller than for the preceding KPI.

10 Graduate satisfaction with graduate skills

	2021 Actual	2022 Actual	2023 Target	2023 Actual
Students satisfied with university life	80.2%	80.8%	≥ 82.7%	81.8%

- This metric is derived from the Graduate Destination Survey, which is sent out annually to recent graduates.
- The number reported here is aggregated across a set of questions that present respondents with a series of (positive) propositions about their qualification, and asks whether they agree.
- In 2023, 2,436 respondents recorded 24,014 unique responses, of which 19,471 (81.8%) were positive. This is an improvement on 2022, but is slightly below the target value of 82.7%.
- Three constituent questions appear to have contributed to this, with scores at least 5% below the overall average. These are: [my degree has] prepared me well for my job (66%); has improved my earning potential (71.2%); and has contributed to my career progress so far (76.2%).
- By gender, women (82%) were slightly more satisfied than men (80.1%), and both were significantly more satisfied than gender-diverse graduates (59.7%).
- By ethnicity, Māori and Pacific graduates (82.5% in both cases) were slightly more satisfied than graduates from other ethnicities (80.9%).
- In terms of programme area, satisfaction ranged from 72.2% (Faculty of Creative Arts and Industries) to 87.4% (Faculty of Medical and Health Sciences). Satisfaction was below target for the faculties of Creative Arts and Industries, Business and Economics, Arts, and Science.

11 Employer satisfaction with graduate skills

	2021 Actual	2022 Actual	2023 Target	2023 Actual
Employer satisfaction with graduate skills	57.3	48.3	≥ 50.0	40.8

- Rather than relying on a bespoke survey, the University has adopted an external measure for this KPI, specifically the 'Employer Reputation' score that makes up part of the QS World University Rankings[5] (see KPI 4, Overall institutional ranking).
- This metric is based on the number of votes received for a given institution from employers, scaled to a score from one to 100, where the worst performer globally receives one, and the best receives 100.
- Our performance on this metric has declined markedly from 57.3 in 2021 to 48.3 in 2022, and to 40.8 in 2023.
- The decline can largely be explained by a sharp increase in competition. Although the number of employers nominating us over the rolling five-year window grew by 65 percent between 2021 and 2023, our relative performance has progressively slipped. We ranked in the 89th percentile globally in 2021 but in the 84th percentile in 2023.

[5] *topuniversities.com/qs-world-university-rankings*

12 Graduate Employment Rate

	2021 Actual	2022 Actual	2023 Target	2023 Actual
Graduate employment rate	96.6%	96.5%	≥ 96%	96%

- The Graduate Employment Rate is derived from the same Graduate Destination Survey that is used for KPI 10.
- In this instance, the question used is a series of options presented to the graduate for possible activities in which they are engaged as of the survey date, with respondents able to select any combination of the options. These are then processed using a branching logic approach to assign each respondent to one of four categories, based on their responses (working, studying, seeking work, and other). The calculation reported here is [working] / [working + seeking work].
- Although the overall rate has dropped slightly from 2022 to 2023, it remains (exactly) on target, at 96%.
- In terms of respondent demographics, rates vary by less than 1% for Māori (96.6%), Pacific (95.8%), and graduates from other ethnicities (95.9%), although there are differences by gender, with women having a slightly higher employment rate (96.7%) than men (95%), and both having a higher rate than gender diverse graduates (85%).
- Graduate employment rates by faculty range from 92.2% (Faculty of Arts) to 99.7% (Faculty of Medical and Health Sciences).
- In parallel to graduate satisfaction with skills (KPI 10), the faculties of Arts, Science, Creative Arts and Industries, and Business and Economics all recorded graduate employment rates below the overall average.
- In terms of the level of the programme from which the respondent graduated, employment rates were highest for doctoral (97%) and postgraduate (97.6%) graduates, although rates for all three groups (including undergraduate) have been consistently above 95% for each of the three years displayed here.

13 Students enrolled in courses that are aligned with the strategic plan, as a proportion of total EFTS

	2021 Actual	2022 Actual	2023 Target	2023 Actual
EFTS in SDG-aligned courses	All: 26.1% Env: 4.5% SE: 22.5%	All: 26.7% Env: 4.8% SE: 22.9%	N/A	All: 26.8% Env: 5.1% SE: 22.5%

Key: All = All mapped SDGs
Env = Environmental (SDGs related to environmental and ecological issues)
SE = Socio-Economic (SDGs related to economic and social issues)

- This KPI measures the proportion of enrolments (as Equivalent Full-Time Students) in courses that are tagged as being relevant to one or more of the Sustainable Development Goals[6] (SDGs).
- The SDGs cover a range of economic, social, and environmental aspirations that are intended to reflect positive approaches to pressing issues facing the world today. We assign courses to these goals using a keyword mapping approach.
- There are several reasons for adopting the SDGs as a proxy for strategic alignment in teaching. Most significantly, engaging students with the issues the SDGs represent aligns with our broader commitment to produce graduates who are equipped to make a positive difference in their communities. In addition, the SDGs are a widely used, externally agreed set of standards for defining social, economic and environmental good. Using keywords to map activities (such as teaching) to SDGs is likewise widespread and well-documented.
- No target was set for 2023, because the methodology was not finalised in time, although it can be observed that the overall pattern remains largely unchanged from 2022, with +0.1% overall SDG-relevant enrolment.
- Six of the top ten subject areas (by enrolments) in 2023 were healthcare-related areas from the Faculty of Medical and Health Sciences, with the remaining four being Psychology, Criminology, Urban Planning, and Business.
- With a demographic lens, and relative to the proportion of the total student body that each group comprises, women (+7.2%) and local (+6.2%) students were more likely to be enrolled in these courses in 2023, while men (-7.1%) and overseas students (-6.2%) were less likely.
- For the most part, ethnicity showed no strong correlation with the likelihood of SDG-related enrolment, with the exception of Asian students, who made up 51% of the overall student body, but only 46% of the SDG-related enrolments.

[6] *www.sdgmapping.auckland.ac.nz*

14 Course completions by student cohort at each qualification segment

Māori students

	2021 Actual	2022 Actual	2023 Target	2023 Actual
Foundation	80.4%	73%	80%	79.2%
School leavers	80.4%	81.2%	85%	83.9%
Other undergraduate	84.2%	81.3%	85%	83.9%
Working professionals	89.8%	82.5%	92%	82.2%
Postgraduate pathways	92.7%	89.6%	96%	88.1%
Total	**84.6%**	**81.8%**	**87%**	**83.9%**

- Between 2022 and 2023, pass rates for Māori students improved overall from 81.8% to 83.9%, driven by improvements in the Foundation, School leavers, and Other undergraduate segments.
- However, the pass rates for all segments were below target, and both Working professionals and Postgraduate pathways declined between 2022 and 2023.
- Across the eight academic faculties[7], pass rates for Māori students in 2023 were highest in the Faculty of Engineering (88.7%), and lowest in the Faculty of Science (78.4%).
- The University has a Learner Success Plan which places an emphasis on the success of Māori students in first-year courses. The improved School leaver pass rates, which have now exceeded the 2021 rates, are an outcome of the Learner Success activities.

[7] *Excluding a small number of enrolments (3 percent in 2023) managed centrally by the University, or by one of the large-scale research institutes.*

Pacific course completions

	2021 Actual	2022 Actual	2023 Target	2023 Actual
Foundation	66.7%	59.3%	67%	67.6%
School leavers	73.7%	67.1%	75%	73.2%
Other undergraduate	75.9%	73.2%	78%	74%
Working professionals	88%	78.5%	88%	78.5%
Postgraduate Pathways	90.5%	84.2%	93%	87.6%
Total	**76.7%**	**72.4%**	**78%**	**74.7%**

- Pacific student pass rates show a similar pattern to Māori rates, in that there is a modest improvement evident between 2022 and 2023, driven by marked improvements in the Foundation segment (+8.3%) and the School leaver segment (+6.1%). The remaining segments were largely unchanged, varying by no more than 3.4% (Postgraduate pathways) relative to the 2022 number.
- However, all segments except Foundation are below target for Pacific students. Working professionals shows the most significant variation with a target of 88%, vs an actual pass rate of 78.5%.
- Across the eight faculties, Pacific pass rates, like Māori pass rates, were highest in the Faculty of Engineering (82.6%), and the lowest in the Faculty of Science (78.5%).
- The University has a Learner Success Plan which places emphasis on the achievement of Pacific students in first-year courses. To enhance outcomes for Pacific students, the University is addressing the preparedness challenges faced by School leavers, whose transition to university was significantly disrupted by the Covid-19 pandemic.

All Other ethnicities

	2021 Actual	2022 Actual	2023 Target	2023 Actual
Foundation	76.5%	66.6%	84%	67.8%
School leavers	89.6%	88.7%	90%	89.1%
Other undergraduate	91%	90.7%	88%	90.5%
Working professionals	95.8%	91.8%	95%	92.1%
Postgraduate Pathways	95.5%	92.6%	96%	93.5%
Total	**91.4%**	**90.1%**	**92%**	**90.1%**

- Changes for other ethnic groups were more muted, with overall pass rates remaining unchanged at 90.1%.
- Pass rates were below target for all segments, most significantly for Foundation enrolments (-16.2%). For all other segments, the variance was less than or equal to 2.9%.
- Mirroring the pattern observed for Māori and Pacific students by faculty, the highest pass rates for all other ethnicities recorded in 2023 were for Engineering and Law (93.9%), and the lowest were for Science (84.4%).
- Through the University's Learner Success Plan, the issue of the under-preparedness of many School leavers is being addressed. The actions include consistent engagement, monitoring and support.

Research and **innovation**

The University recognises that research excellence relies on cultivating outstanding talent as well as securing strong and diverse streams of research revenue. The metrics grouped under this strategic priority include measures of research revenue, research commercialisation, and research quality.

15 Research income from non-New Zealand government sources

	2021 Actual	2022 Actual	2023 Target	2023 Actual
Research income from non-NZ govt sources ($ million/ of PBRF-eligible research revenue)	56.4 (22.8%)	57.8 (22.4%)	57.5	64.0 (22.7%)

- This metric has been calculated using contracted research expenditure (as a proxy for income[8]) that originated from sources other than the New Zealand government or public sector.
- Funding source is determined according to the Performance Based Research Fund (PBRF) category of the research, and the percentage reported above is based on total PBRF-eligible research expenditure.
- The 2023 value of $64 million is well above the target of $57.5 million, and reflects the diversity of the University's research funding sources.
- The largest portion of this $64 million came from domestic charities and charitable trusts ($23.4 million), with other prominent sources being overseas governments ($9.8 million), overseas charities ($9.2 million), and the overseas private sector ($6.9 million).
- The amount from domestic charitable sources was particularly positive, increasing by more than $2 million relative to 2022.

[8] From 2021 to 2023, the deviation of this method from the official (audited) research and contracts total revenue was 0.8 – 1.2%.

16 Value generated from research commercialisations

	2021 Actual	2022 Actual	2023 Target	2023 Actual
Value for UniServices Research Commercialisation Portfolio ($ million)	73.8	66.1	70.0	41.0

- UniServices is a wholly owned subsidiary of the University that specialises in commercialising research and other academic services.
- This metric reports on the value of the portfolio held by UniServices, derived from its investments in start-ups.
- The current portfolio value of $41 million is a significant drop on the $66.1 million reported in 2022, and is below the target value of $70 million.
- Investor appetite and access to new capital contracted in 2023, reflecting the hardening economic and market conditions. This affected valuation metrics and extended the time required to raise new capital.
- Despite these headwinds, UniServices reports that they were still able to successfully form ten new companies in 2023, and that their overall rate of return remains in line with the average for funds of their type.

17 Number of completed doctoral and pathways to research qualifications

	2021 Actual	2022 Actual	2023 Target	2023 Actual
Completed research and pathways to research qualifications	Path: 993 Doc: 456	Path: 1,106 Doc: 523	1,420	Path: 964 Doc: 472

Key: Path = Pathways to research, e.g., honours or masters degrees
Doc = Doctorate (e.g., PhD or similar)

- This KPI shows the number of students who completed either a doctoral qualification, or a programme that builds towards a doctoral qualification (typically, an honours or masters degree).
- The 2023 academic year saw a 9.8% drop in doctoral completions, and a 12.8% drop in pathways to research completions, although the overall count of 1,436 eligible completions is still above the target of 1,420.
- The most common qualifications in this set for 2023 were the Doctor of Philosophy, the Master of Science and the Bachelor of Science (Honours), which collectively accounted for just over 57% of the completions.
- Doctoral completions were primarily from the faculties of Science (171), Engineering (83), and Medical and Health Sciences (68), which accounted for 68% of all doctoral completions in 2023.
- As in past years, doctoral completions were overwhelmingly PhDs (457 of the 472), although the University also produced several graduates each in the Doctor of Clinical Psychology (DClinPsych), Doctor of Education (ED), Doctor of Fine Arts (DFA), and the Doctor of Medicine (MD).
- In terms of the slight drop overall between 2022 and 2023, it is worth noting that the University has launched a number of postgraduate qualifications in recent years that fit into other qualification segments and are not captured here.
- In particular, 'Working Professional' postgraduate qualification completions increased by 15% between 2022 and 2023, and overall postgraduate/doctoral completions increased by 2%. It is therefore possible that students are opting for these new qualifications, instead of more traditional research qualifications.

18 Research revenue per research-active academic

	2021 Actual	2022 Actual	2023 Target	2023 Actual
Research revenue per research-active academic ($ 000)	$162	$181	$183	$184

- This metric is an intensity measure of total research and contracts revenue (see KPI 1), measured against academics in a Significant Academic Role, or SAR, which generally means lecturers, professors, senior tutors, and research fellows.
- Total SAR full-time-equivalent staff declined slightly from 1,807 in 2022 to 1,796 in 2023, while research and contracts revenue increased by a similarly small margin from $327 million to $330.8 million.
- The net effect is an increase in research revenue per research-active academic from approximately $181,000 to $184,000, which is above the target of $183,000.
- For further detail on changes to research revenue, please see KPI 1.

19 Highly Cited Researchers

	2021 Actual	2022 Actual	2023 Target	2023 Actual
Highly Cited Researchers	9	7	10	8

- This KPI reports on a list published annually by Clarivate, based on their Web of Science database of academic outputs (journal articles, conference proceedings and so forth).
- To feature on the list, an academic must be in the top 1% of their field in terms of number of citations over a ten-year period, or have equivalent reach in cross-field or interdisciplinary research.
- Between 2022 and 2023, we lost one highly cited researcher in Economics and Business, but gained one in Agricultural Sciences, and one in cross-field research, for a net improvement of one. Note that this remains below the target value of ten.
- In total, the 2023 list contains two University of Auckland affiliated researchers in Agricultural Sciences, one each in Materials Science, Pharmacology and Toxicology, and Plant and Animal Science, and three in cross-field research.
- These individuals give us slightly more than a third of the 22 researchers with a primary affiliation in New Zealand, and more than any other New Zealand university.

20 Number of high-impact publications in top 20% quality journals

	2021 Actual	2022 Actual	2023 Target	2023 Actual
High Impact Publications	63.5%	67.6%	70%	70.9%

- This measure uses data from the Scopus database of academic outputs, which incorporates data on a wide range of journal articles, books and chapters, and conference proceedings.
- The calculation presented here is the percentage of outputs authored by University of Auckland staff that appear in a journal that ranks in the top 20% according to any of the three methods Scopus uses to determine journal quality.
- For 2023, of the outputs appearing in publications that had a valid rank score in at least one of these three measures[9], 71% were in top journals, which is slightly above the target value of 70%.
- These outputs appeared in a rich array of journals, with the top five being ***Scientific Reports***, ***PloS ONE***, ***BMJ Open***, ***Nature Communications***, and the ***Journal of the Royal Society of New Zealand***, where University of Auckland staff published 152 articles in total.
- University of Auckland publications also appeared in the top 1% of journals, including ***Nature Genetics***, ***The Lancet***, and ***Chemical Engineering Journal***.

[9] Previous versions of this KPI incorrectly included outputs in publications with no rank (primarily books, chapters, and conference papers). These represent around eight to ten percent of the total outputs in any given year.

The ceremony for the conferral of the posthumous honorary doctorate to ‘Epeli Hau’ofa.

Partnerships and **engagement**

21 Stakeholder satisfaction with engagement

In 2023, the University continued the important process of re-engaging with its key local, national and international communities post-pandemic, as well as revitalising key relationships that had understandably been affected by the disruptions of Covid-19 and its aftermath.

The University’s 140th anniversary in 2023 provided an important opportunity to re-emphasise the significant contribution that the University and its alumni have made to society throughout the decades. As detailed in the Chancellor’s report, the University conferred three special posthumous honorary doctorates as part of the 140th celebrations to ‘Epeli Hau’ofa, Kate Edger and Bruce McLaren.

Continued commitment to te ao Māori principles and Te Tiriti were a key focus for 2023, including ongoing conversations throughout the University about indigenisation in the context of higher education. The University unveiled a new pou at the City Campus, ***He Taumata Rau***, which honours the tūpuna from within the Tāmaki rohe and the mana whenua of central Tāmaki Makaurau, as well as acknowledging the present and future Māori tauira and leaders from the University, with visual references of courage, discipline and determination.

The University also strengthened its focus on sustainability, as the implementation of Te Rautaki Aronga Toitū (the Sustainability Strategy) got underway, with the newly established Sustainability Hub, Sustainability Management Board and Sustainability Action Network. Together these entities will oversee, coordinate and implement the University’s sustainability activities, engaging with colleagues within and partners outside the University.

Three important new leadership positions were filled in the Strategic Engagement portfolio, with new directors of International, Communications and Engagement, and Marketing and Recruitment joining the team. These roles will have an important part to play in the University’s navigation of an increasingly competitive student recruitment landscape and a complex post-pandemic communications and engagement environment.

To this end, the new Taumata Rau Conversation series, which brings together panels of experts to spark meaningful discussions on major issues confronting Aotearoa New Zealand, was launched in 2023. It will grow as a mechanism for deeper engagement with local and national stakeholder groups.

Enabling **environment**

We adopt a broad view of environment, recognising that the University is both a part of a wider ecosystem, and an environment in itself. The metrics reported here reflect this understanding, and speak to both the institution's impact on the natural world, and to the environment that it cultivates for staff and students.

22 Stakeholder satisfaction with services

Students

	2021 Actual	2022 Actual	2023 Target	2023 Actual
Physical	72.9%	75.2%	78%	69.9%
Social	61.6%	61.1%	62%	63%
Digital	68.9%	69%	72.7%	67.8%
Mana-enhancing	65.1%	64.5%	65%	63.5%

- The metrics for students in this KPI are reported based on question sets from the annual Learning and Teaching Survey (see also KPIs 8 and 9).
- Three of the four named environments registered a drop from 2022 to 2023 and are below target, with 'social' being the exception, rising from 61.1% to 63%, and being slightly above the target value of 62%.
- Satisfaction was generally similar for men and women (± 3%), although gender-diverse respondents scored all aspects of satisfaction lower than either men or women, with the mana-enhancing environment scoring particularly poorly for this group, on 47.2% versus an overall average of 63.5%.
- Satisfaction was within ± 4% for all environments for Māori, Pacific, and All Other ethnicities.
- By faculty, satisfaction overall was lowest for Law, ranging from 53.6% (Social) to 63.8% (Digital), although this was tied with the faculty of Creative Arts and Industries for Digital on 63.8%, and with a Social score very marginally ahead of the Faculty of Arts (53.3% for Arts, versus 53.6% for Law).
- The greatest negative deviation from the target is seen for the Physical environment (-8.1%), which appears to be driven primarily by downward movement for two specific areas: informal learning spaces (from 72.7% to 65.8%), and library resources and facilities (from 77.2% to 72%).
- Also of note is the persistent low performance (under Digital) of 'finding information on the [University] website', which has varied between 54.2% and 56.4% in all three years presented here.

Staff

	2021 Actual	2022 Actual	2023 Target	2023 Actual[10]
Physical	Not surveyed	Not surveyed	N/A	51.4%
Digital	Not surveyed	Not surveyed	N/A	62.8%
Mana-enhancing	Not surveyed	Not surveyed	N/A	33.6%

- For staff satisfaction with the named environments, the University has adopted specific question sets from UniForum[11], an international benchmarking exercise in which we participate, and which includes (among other elements) a survey of those staff who could be expected to use the range of services. Note that no target was set, because 2023 is the first year that this metric has been reported.
- Because the UniForum survey is concerned primarily with 'service effectiveness', it should be noted that it does not contain questions relevant to the University's Social environment, although it does allow similar mapping to the student survey for the Physical, Digital, and Mana-enhancing environments.
- Responses to the question sets used here are characterised by relatively high rates of 'neutral' responses. Where these varied from 21.3% to 25.6% in the student survey, neutral responses for the mapped questions in the UniForum survey ranged from 23.7% to 42.7%.
- An alternative way to demonstrate this high level of neutral responses (and apparently low level of satisfaction) is to look at the average numeric score by question. The low result of satisfaction for Mana-enhancing is reflected in individual questions' scores ranging from 2.9 to 3.4, where 3.0 is 'Neutral'.
- Of note is that staff satisfaction with 'Public-facing websites' was the lowest-rated item included here, with an average score of only 2.7. This is consistent with the satisfaction scores achieved by our benchmark partners.

[10] The survey is not conducted in all years, or on a consistent schedule. The numbers reported here are for 2022.
[11] https://nouscubane.com/uniforum

23 Professional Staff core services normalised cost position relative to ANZ benchmark

	2021 Actual	2022 Actual	2023 Target	2023 Actual
Professional staff core service cost relative to ANZ benchmark	N/A	N/A	≤ 93 ANZ LQ	91

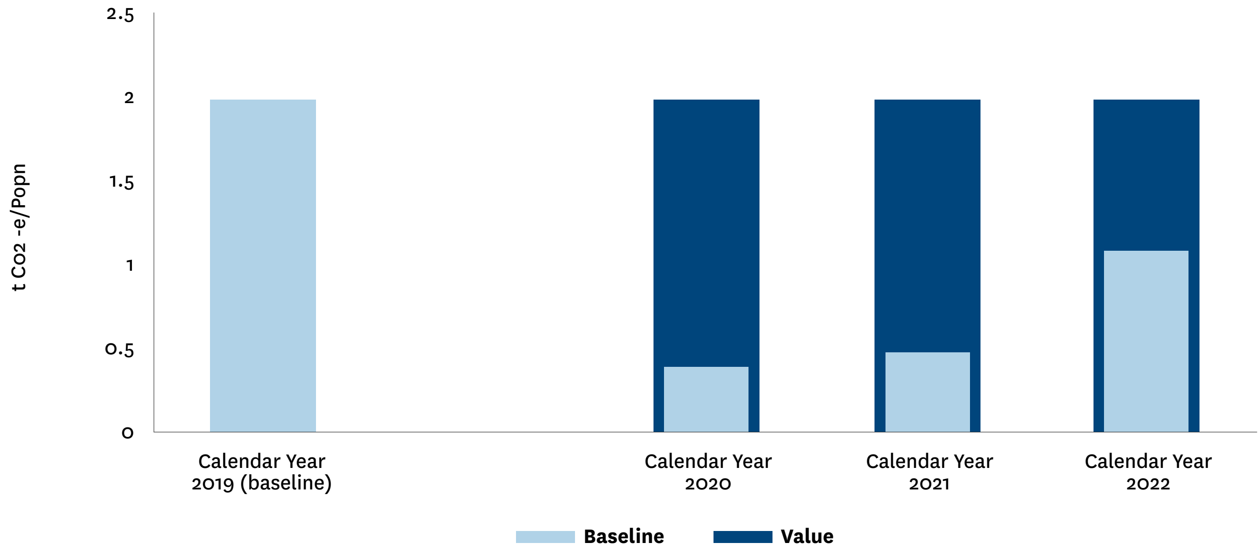
- The University participates in the UniForum Professional Staff Activity survey that allows us to benchmark our relative professional staff resources (FTE) and costs (salary) against a range of Australian universities.
- Both our revenue and core costs increased in 2023, with the return of international students improving revenue, and salary costs increasing because of inflation and other external pressures. However, our position as second 'most efficient' university in the group of Australia/New Zealand universities with whom we benchmark, was retained.

24 Net CO_2 emissions

	2021 Actual 2020 calendar year	2022 Actual 2021 calendar year	2023 Target	2023 Actual 2022 calendar year
t CO_2-e / Popn	0.5	0.4	N/A	1.1

- The University participates in an annual carbon audit, in partnership with Toitū EnviroCare, conducted according to the ISO14064-1:2018 standard.
- Because the audit for a given year is only completed roughly in the second quarter of the following year, we report this KPI with a one-year delay. For example, we are reporting calendar year 2022 under reporting year 2023, because the 2022 data is what was signed off by the auditors during 2023.
- In 2022, we recorded a total of 47,376 t CO_2-e (tonnes of carbon dioxide equivalent). Measured against a total campus population for 2022 of 41,943 (full-time equivalent staff + students), meaning we arrive at the number reported here, which is 1.1 t CO_2-e per person.
- To avoid reporting anomalies caused by disruptions in the 2020 and 2021 years, this KPI is internally compared to the 2019 baseline, which was 2.1 t CO_2-e per person. A chart detailing emissions (and emission sources) relative to baseline is shown below.
- Because of the uncertainty surrounding the expected number, no overall target for carbon emissions was set, although (see KPI 25 opposite) targets were set for some of the individual components.

Note: GHG quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases.

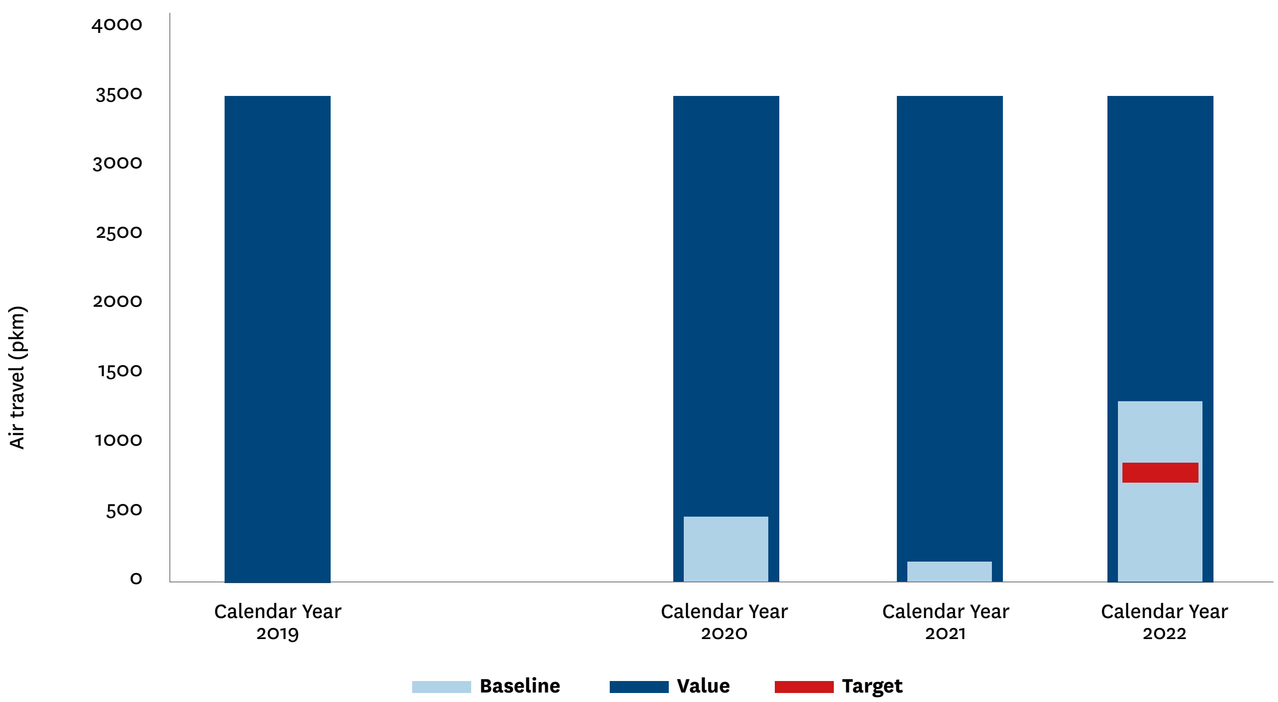


25 Environmental sustainability measures

Metric (unit per person)	2021 Actual 2020 calendar year	2022 Actual 2021 calendar year	2023 Target	2023 Actual 2022 calendar year
Air travel (pkm)	483	131	750	1,360
Electricity and natural gas (kWh)	2,317	2,114	1,725	2,203
Diesel and petrol (L)	1.3	1.7	N/A	2.2
Waste to landfill (kg)	30	26	25	32
Water (m3)	9.4	8.3	8.0	8.7

- The overall carbon number is derived from many individual inputs, a subset of which are aggregated and reported here.
- Diesel and petrol are included in the interests of transparency around fossil fuel use – no target is set because they are not part of the formal KPI set.
- Although the values are not within target, it is relevant here to compare the numbers to the 2019 baseline (not shown above).
    - Person-kilometres of work-related air travel per person in 2022 is improved (from 3,510 pkm/person in 2019 to 1,360 pkm/person in 2022).
    - Kilowatt-hours of gas and electricity usage also improved, from 2,424 kW-h/person in 2019 to 2,203 kW-h/person in 2022.
    - Petrol and diesel usage is higher than baseline (from 1.8 L/person in 2019 to 2.2 L/person in 2022), but this should be understood in light of the significantly decreased air travel, with more domestic journeys taken by car.
    - Waste to landfill is improved (from 40kg/person in 2019 to 32kg /person in 2022).
    - Water consumption is improved (from 10.9 m3/person in 2019 to 8.7 m3 / person in 2022).
- In addition, the University engaged in a programme of purchasing energy offset certificates in 2022, lowering the net carbon impact of our energy consumption.

Note: Quantification of sustainability data is subject to inherent uncertainty due to the complexity of methodologies established for collecting, measuring, and analysing those secondary data.



People and **culture**

The University is a significant employer in Auckland and Aotearoa New Zealand. This final strategic priority area covers metrics relating to staff engagement and retention, and the profile of the staff body.

26 Staff reporting active and positive engagement

	2021 Actual	2022 Actual	2023 Target	2023 Actual
Staff reporting active and positive engagement	Not Surveyed	Not Surveyed	77-79%	70%

- The Human Resources service division has been reviewing and updating the composition and schedule of staff surveys, which has meant that this is the first year in which we are able to report a clear number.
- The overall engagement score (70%) is the average of a series of (positive) propositions about working at the University, with scores ranging from 46% ("This organisation energises me to go the extra mile") up to 91% ("The work I do is meaningful").
- The overall favourability rating is 6% lower than the 2019 baseline, driven by declines in two of the four constituent questions ("I believe strongly in the purpose and aspirations of the University", -8%, and "I would recommend the University as a good place to work", -3%.)
- In terms of broad service areas, the highest engagement was reported by Human Resources (86%), and the lowest by academic areas (65%). This is also reflected in the results by employee group, where engagement for Academic staff was 62%, against 75% for Professional (non-academic) staff.
- Engagement was below the organisational average for all eight academic faculties, ranging from 57% (Faculty of Arts) to 68% (Faculty of Medical and Health Sciences), although it was slightly higher than average for the Auckland Bioengineering Institute (72%) and the Liggins Institute (78%).
- Ethnicity was not coded in a standardised way, but it appears that Māori staff were approximately as engaged as Pākehā staff (68% vs 70%).

27 Staff satisfaction with their immediate manager

	2021 Actual	2022 Actual	2023 Target	2023 Actual
Staff satisfied with their immediate manager	Not Surveyed	Not Surveyed	59–61%	75%

- This metric uses the same survey as the preceding KPI.
- The 75% presented here is the average of three questions in the survey.
- The lowest individual score was 65% agreement, regarding whether or not the respondent's manager clearly established team goals and responsibilities, and the highest was 82%, regarding whether or not the individual felt supported by their manager.
- The remaining score (78%) related to whether or not the person's manager communicated effectively overall.
- Surveys conducted in prior years did not contain sufficiently similar questions for comparison, in this case.

28 Staffing profile (total FTE by Academic, Professional, Māori, Pacific, seniority, gender, teaching and research)

	2021 Actual		2022 Actual		2023 Target		2023 Actual	
Academic (Total)	2,453	41% FTE	2,439	40% FTE	N/A	N/A	2,449	39% FTE
Senior Academic	630	26% AFTE	636	26% AFTE	N/A	N/A	661	27% AFTE
Teaching	550	22% AFTE	570	23% AFTE	N/A	N/A	575	23% AFTE
Research	528	22% AFTE	538	22% AFTE	N/A	N/A	541	22% AFTE
Teaching and research	1,367	56% AFTE	1,321	54% AFTE	N/A	N/A	1,329	54% AFTE
Other Academic	7	<1% AFTE	10	< 1% AFTE	N/A	N/A	3	< 1% AFTE
Professional (Total)	3,534	59% FTE	3,677	60% FTE	N/A	N/A	3,881	61% PFTE
Senior Professional	277	8% PFTE	298	8% PFTE	N/A	N/A	312	8% PFTE
Gender Diverse[12]	24	< 1% FTE	26	< 1% FTE	N/A	N/A	26	< 1% FTE
Female	3,471	58% FTE	3,613	59% FTE	N/A	N/A	3,810	60% FTE
Male	2,490	42% FTE	2,476	41% FTE	N/A	N/A	2,494	39% FTE
Māori	388	6% FTE	419	7% FTE	N/A	N/A	448	7% FTE
Pacific	334	6% FTE	361	6% FTE	N/A	N/A	367	6% FTE
All Other ethnicities	5,264	88% FTE	5,335	87% FTE	N/A	N/A	5,515	87% FTE

[12] Including gender not specified

Key for percentages: FTE = Full-Time Equivalent for All Staff, AFTE = Academic Full-Time Equivalent, PFTE = Professional Full-Time Equivalent

Staffing profile (continued)

- Between 2022 and 2023, overall full-time equivalent (FTE) staff increased by 3.5%, from 6,116 to 6,330.
- This was driven largely by an increase in Professional (non-academic) staff, which rose by 5.6%, while academic FTE remained largely static, increasing by only 0.4%.
- Within the body of academic staff, we are above 2022 numbers for senior academics (+25 FTE), teaching specialists (+5 FTE), and research specialists (+3 FTE), and are above the 2022 number for staff in teaching and research (combined) positions (+8 FTE).
- In terms of gender, the overall balance remains in favour or women, with a ratio of approximately 60 women to 39 men. The count of FTE gender-diverse staff remained unchanged on 26 FTE between 2022 and 2023.
- Likewise, we have had no change to Māori and Pacific staff as a proportion of total staff. Although we did gain 29 Māori and 6 Pacific FTE between 2022 and 2023, the overall percentage of the staff body that those staff represent remains unchanged on 7% and 6%, respectively.

29 Talent retention

	2021 Actual	2022 Actual	2023 Target	2023 Actual
Total Turnover	13.1%	10%	< 8%	8.1%

- Turnover is defined here as the number of unique staff whose employment at the University terminated in a given year, divided by the total headcount of unique staff employed within that year. Only permanent, primary job contracts are considered.
- Earlier versions of this KPI divided the terminations by the average staff headcount at the start and end of the reporting year. This method incorrectly excludes staff with otherwise valid contracts that started and finished within the year.
    - With the new technique, 2022 would become 8.5%, and 2021 would become 11.1%.
- Turnover for 2023 was 8.1%, which is slightly above the target value of less than 8%, although an improvement on the 10% recorded for 2022 (8.5% with the new method).
- The most significant source of terminations in 2023 was resignation, accounting for 81% of terminations, followed by retirement (7%), and redundancy (6%).
- Turnover rates vary significantly across the University, with particularly high rates for 2023 in Campus Life (21%) and Property Services (13%). Conversely, rates were lowest for the Faculties of Arts (3%) and Engineering (4%).
- With a demographic lens, turnover rates were slightly lower for men (7%) than for women (9%), and were higher for Pacific staff (12%) than Māori staff (8%), or staff from other ethnicities (8%).

30 Permanent and fixed-term staff who have engaged with tikanga or te reo Māori courses

	2021 Actual	2022 Actual	2023 Target	2023 Actual
Unique staff engaging with te reo / tikanga Māori programmes	N/A	N/A	Year: 1,000 Accumulative: 2,273	Year: 555 Accumulative: 1,275

- The University operates a programme, Taumata Ngaio, that has the aim of introducing staff to te ao Māori (the Māori worldview) and te reo Māori (the Māori language).
- Our data maturity for this KPI has improved markedly, meaning we are able to report it formally for the first time. Data for prior years is available, but less reliable, and so is not listed here.
- The programme includes a dedicated, credit-bearing paper that staff can take, as well as more informal online and group classes, and systems to allow staff to participate in conventional Māori Studies papers, alongside students.
- At the end of 2023, 1,275 unique staff had participated in an eligible course, including 555 during 2023 specifically.
- During 2023, the most popular courses were Te Reo Māori Pronunciation Online (31% of completions), Te Akoranga Kairangi (30%), and the credit-bearing staff paper MĀORI131 (20%). In addition, staff participated in a range of other Māori Studies papers, including 51 completions at a second- or third-year level.
- In 2024, we anticipate the first cohort, who started their reo journey with the staff paper MĀORI131, transitioning into MĀORI302, a third-year speaking paper.

Statement of the **Cost of Outputs**

The University's Mission and Values statement 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.

	2021 Actual ($000)	2022 Actual ($000)	2023 Target ($000)	2023 Actual ($000)
Teaching and learning	815,102	827,291	927,637	929,007
Research	391,204	433,648	448,075	449,007
Community service	32,682	37,961	64,293	62,678
Total cost of outputs	1,238,988	1,298,900	1,440,005	1,440,693

Compulsory Student **Services Fee**

The Compulsory Student Services Fee (CSSF) was set at $1,005.60 per full-time student in 2023. The administration of the CSSF is integrated within the University's standard 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

The Auckland University Students' Association (AUSA) provides advocacy support for students through a number of different provisions. This includes its Advocacy Service, a free and confidential resource, 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. In addition, the AUSA Executive, made up of elected current students, continuously uses connections and committee memberships to advocate for students and ensure the student voice is core to decisions being made at every level of the University. AUSA has sole use of a number of spaces on campus to ensure its vital advocacy and support work can be delivered effectively. This includes AUSA House, Womxn's Space and Queer Space.

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. CDES also provides opportunities for students to engage with employers through large expos, career events, employer presentations and a job board.

Counselling services and pastoral care

Counsellors are available through the University Health and Counselling Services for in-person, online and phone appointments, to help students overcome barriers to academic progress arising from personal circumstances. The Te Papa Manaaki Campus Care team provides generalist support for health, well-being and safety matters, as well as the management of complex cases where multiple supports are required.

The University has a broad network of staff based across service divisions and faculties who provide pastoral care to students, including Student Support and Engagement Managers and Student Support Advisers based in the faculties. The University also has specific roles for distinct cohorts of students, such as Māori and Pacific students, international students and equity students. The University's student Proctor can address disputes between students and concerns about student behaviour. To support students in reaching their potential, the University and AUSA run a number of peer-mentoring programmes through which students can benefit from the support and guidance of a fellow student.

Employment information

To support students in securing employment while studying, AUSA promotes Student Job Search to provide students with easy access to a host of employment opportunities, including flexible part-time positions and permanent, full-time graduate positions.

Health services

The University Health and Counselling Service (UHCS) 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 across three different campuses. Student 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. AUSA supports a team to create and deliver the Craccum student magazine, which is published on a weekly basis.

Childcare services

Childcare facilities are available to parents and caregivers at six childcare centres across three campuses. Discounted childcare fees are available for students.

Compulsory Student Services Fee (continued)

Clubs and societies

The University supports more than 270 student clubs and societies through the provision of administrative support, grants, facilities and equipment. Campus Life, in conjunction with AUSA, organises regular training and social opportunities for Club Executives along with Club Expos each semester and end-of-year Club Awards.

Sports, recreation and cultural activities

Orientation activities take place each semester to welcome new students to the University. A mixture of academic and social activities is on offer over the first few weeks of each semester to help students settle into life at University. AUSA complements the University's Orientation programme with its own action-packed O-Week and Alfred's Street Party.

The University provides sport and recreation facilities and services to students, along with a range of cultural activities on campus. The Sport and Recreation team operates gym and fitness facilities, fitness classes and sports facilities as well as delivering student sporting tournaments, events and wellness programmes. It also supports sports club activities. The University runs a High Performance Support Programme to help students who are managing tertiary study while also competing at elite sports or performance activities.

The University and AUSA organises a host of social and cultural activities throughout the year, along with a range of recognition and celebration events such as Sport Awards, Blues Awards, co-curricular recognition awards and Class of 2023.

Financial support and advice

Through Te Papa Manaaki Campus Care, the University provides students with financial advice in the form of individual appointments with trained financial advisers, and online resources for financial well-being. It also administers the Student Emergency Fund to provide financial support to students in economic hardship. Several additional hardship funds are available across various faculties and AUSA.

Compulsory Student Services Fee ($000s)

	Advocacy and legal advice	Careers information, advice and guidance	Counselling services and pastoral care	Employment information	Financial support and advice	Health Services	Media	Childcare Services	Clubs and societies	Sports, recreation and cultural activities	TOTAL
Compulsory Student Services Fee	1,474	3,459	9,132	22	1,208	3,161	152	460	4,291	6,150	**29,509**
Other		233	1,257		22	2,674		5,856	83	1,111	**11,236**
Total Revenue	1,474	3,692	10,389	22	1,230	5,835	152	6,316	4,374	7,261	**40,746**
Total Expenses	1,474	3,692	10,389	22	1,230	5,835	152	6,316	4,374	7,261	**40,746**

Note: 'Other' is the University contribution to the categories where the Compulsory Student Services Fee does not cover the total expenses.

Educational Performance **Indicator Commitments**

Metric	2021 Actual	2022 Actual	2023 Target	2023 Actual
Māori course completion	83.1%	81.2%	89%	83.3%
Pacific course completion	75.1%	71.7%	81%	74.5%
Non Māori/non Pacific course completion	90%	90.3%	91%	90.4%
Māori first-year retention	79.1%	73.4%	80%	73.3%
Pacific first-year retention	78.2%	77.6%	80%	73.1%
Non Māori/non Pacific first-year retention	84.8%	80.3%	86%	80.7%
Māori 4 - 7* (Non-Degree) participation	14.8%	20.1%	20%	17.2%
Māori 7 (Degree) participation	9.1%	8.8%	9.1%	8.8%
Māori 8 - 10 (Postgraduate) participation	5.8%	6.1%	6.1%	5.8%
Pacific 4 to 7 (Non-degree) participation	14.8%	40.7%	40%	35.6%
Pacific 7 (Degree) participation	11.1%	13.1%	13.6%	12.5%
Pacific 8 - 10 (Postgraduate) participation	5.1%	6.3%	6.5%	6.3%
Non Māori/non Pacific (Non-Degree) participation	62.1%	43.4%	40%	51.9%
Non-Māori / Non-Pacific 7 (Degree) participation	79.7%	79.5%	77.3%	80.2%
Non Māori/non Pacific (Postgraduate) participation	89%	88.3%	87.4%	88.5%

* Numbers represent the ten levels on the NZQA qualifications framework. Source: Tertiary Education Commission

04

Financial statements

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Financial summary

Operating context and external environment

While the effects of lockdowns, border closures and teaching offshore are behind us, residual impacts of the pandemic remained a feature of University operations and financials in 2023.

International students returned in greater numbers, especially in the postgraduate offering. This resulted in an increase in international fee revenues and a return to full occupation of the accommodation facilities.

Domestic enrolments fell below expectations as high youth employment, combined with the pandemic, influenced lower University Entrance attainment and retention rates.

Anticipated salary and operating cost inflation has combined with the lifting of border restrictions and supply-chain problems to see costs accelerate faster than revenues. Latent demand for staff, rising activity levels and salary inflation has resulted in teaching-related people costs rising at twice the rate of core teaching revenues in 2023.

Material inflationary impacts in 2023 also came from asset maintenance and construction costs (capital expenditure). Operating performance and results will be under greater pressure in 2024, as the operating costs of new infrastructure and contractual inflationary increases come into effect.

Overview of 2023 financial performance

At a consolidated level, including Auckland UniServices and the University of Auckland Foundation, the reported net surplus before tax was $152.1 million compared with $98.2 million in 2022. Much of the improvement results from the growth in endowment fund valuations of the Foundation, in line with global financial market movements.

Excluding the Foundation, the University and its wholly owned subsidiary UniServices reported an adjusted net surplus before tax of $29.5 million in 2023, compared with $85.1 million in the previous year. The statutory net surplus before tax was $110.1 million in 2023 compared to $116.7 million in 2022.

The adjusted net surplus excludes non-cash reversing fair value gains of $80.6 million in 2023, with a net of $31.7 million attributable to the Crown Infrastructure Partners (CIP) interest-free loan and net $48.9m arising from gifted assets. The 2022 equivalent was $31.5 million from CIP.

SBITDAF/Operating cash

Surplus before interest, tax, depreciation, amortisation, and fair value adjustments (SBITDAF) is a non-GAAP financial measure that closely correlates to net operating cash generation. The SBITDAF of $184.0 million (12.8% of income) is $68.8 million lower than in 2022, reflecting the compression from inflationary impacts and reduced operating surplus.

Unrestricted Operations (University excluding Foundation)	2023 $'000	2022 $'000
Reported net surplus before tax	**110,082**	**116,664**
Surplus % Revenue	7.1%	8.3%
Less:		
CIP interest free loan fair value gain	(36,349)	(31,520)
Fair Value unwind	4,679	
Gifted asset fair value revenue	(57,507)	
Gifted asset fair value amortisation	8,626	
Adjusted net surplus before tax	**29,532**	**85,144**
Adjusted surplus % Revenue	2.0%	6.2%
SBITDAF*	184,040	252,805
SBITDAF %	12.8%	18.4%

*Surplus before interest, tax, depreciation, amortisation and fair value adjustments

Gifted Assets – Accounting Fair Value Gain

The University received significant gifts of assets and resources which benefit students.

Accounting Standards require the gifted assets to be assessed at fair value and this value recorded in other revenue in the statement of comprehensive revenue and expense. The gain is an estimate of the market value of the benefits provided.

The University recognised a fair value gain of $57.5 million in 2023, with associated amortisation of $8.6m. The gain will be amortised to zero over the five years of the useful lives of the assets.

Interest-free Loan – Accounting Fair Value Gain

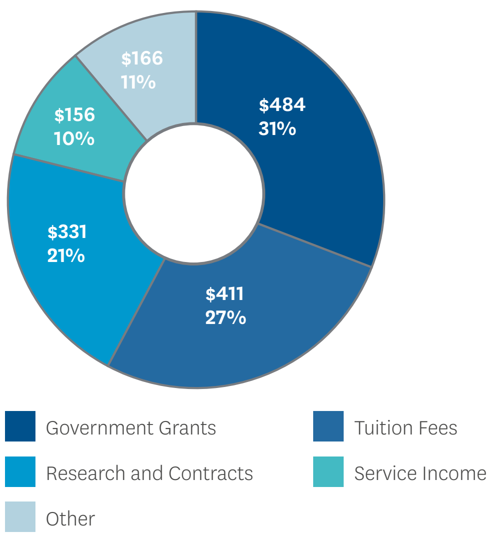
In 2020, the University secured a $200 million interest-free loan facility from CIP to partially fund the refurbishment of the Social Sciences Building. The loan will be repayable in 2033. At 31 December 2023, the full $200 million had been drawn down. As the loan is interest-free, Accounting Standards require the loan to be assessed at fair value and for any gain or loss to be recorded in other gains/losses in the statement of comprehensive revenue and expense. The gain represents an estimate of the value of the interest cost avoided over the entire term of the loan.

Financial summary (continued)

Key drivers of 2023 University operating performance

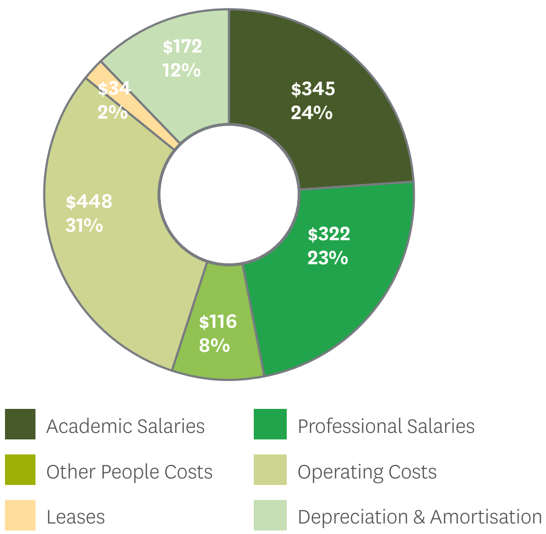
- Demand from domestic student enrolments softened further in 2023 as high youth employment and lower University Entrance attainment combined with rising undergraduate dropout rates. International students have returned to campus, although lower pipelines from local secondary schools muted new entrant numbers. There was high demand for postgraduate taught programmes, especially in Business and Economics.
- Overall, equivalent full-time students (EFTS) decreased by 1.4 percent, although internationals rose by 12.2 percent to 5,607.
- Revenue from grants and tuition fees combined accounted for 58 percent of total revenue. Together they increased by 2.0 percent from the previous year, reflecting the EFTS decrease and offset by increases in fee and TEC Student Achievement Component grants which were each regulated at 2.75 percent.
- Research and contracts revenue increased by 1.1 percent from the previous year, assisted by growth in the Medical Health and Science disciplines.

Operating revenue ($ millions)



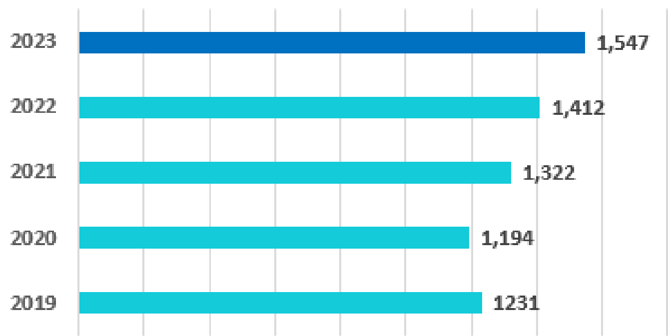
- People costs increased by 11.0 percent reflecting academic and professional salary costs increases of 7.4 percent, with pay rates rising by 5 percent combining with reducing vacancies and expanding activities.
- Operating costs increased by 11.7 percent, driven by factors including rising inflation, post-pandemic spikes in travel costs, and infrastructural costs. Insurance and electricity grew materially, as did preliminary costs associated with building projects and the implementation costs of software projects. Scholarship costs increased as their value grew to respond to inflation, while volumes also increased.

Operating expenses ($ millions)

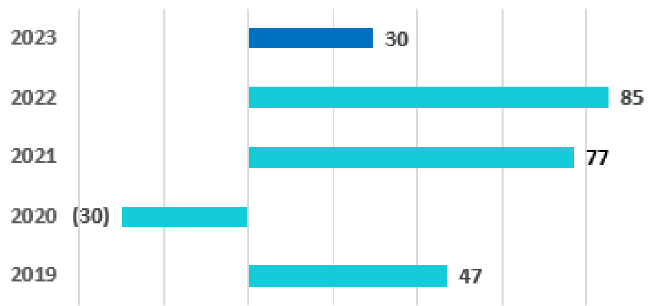


Five-year financial summary

Revenue summary ($ millions)



Adjusted surplus/(deficit) ($ millions)



Financial summary (continued)

The pandemic has resulted in high levels of variability in surpluses; from the Voluntary Leaving Scheme (VLS) business recovery measure impacted loss of 2020 to the high inflation influenced 2023 result. Over the last four years including the pandemic period, the average annual (adjusted) surplus equates to $39.1 million or 2.9 percent of the average four-year revenues. This compares to 3.8 percent and 4.9 percent in 2019 and 2018, respectively.

Capital expenditure.

Expenditure capitalised on property, plant and equipment, and intangibles in 2023 amounted to $307 million. Of this, $82.1 million was directly funded by the CIP loan facility referred to above. Major property investments in progress include a new Recreation and Wellness Centre for students and redevelopment of the City Campus to accommodate the relocation of Education and Social Work Faculty from the Epsom Campus planned for 2024.

Net cash and debt

At 31 December 2023, the operating cash balance was $156.2 million (including restricted balances of $17.4 million in term deposits held by the Foundation). Total debt through external funding arrangements amounted to $127.9 million, which predominantly relates to the CIP interest-free loan (at fair-value) repayable in 2033, resulting in net cash of $29.3 million.

Statement of responsibility

The Council and management of the University of Auckland accept responsibility for the preparation of the Financial Statements and the judgements 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 2023 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 on 11 March 2024 and formally adopted these Financial Statements for issue on 11 March 2024.

Cecilia Tarrant
CHANCELLOR

Professor Dawn Freshwater
VICE-CHANCELLOR

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

Statement of comprehensive revenue and expense

For the year ended 31 December 2023

		Consolidated					
	Note	2023 Unrestricted $'000	2023 Restricted $'000	2023 Total $'000	2022 Unrestricted $'000	2022 Restricted $'000	2022 Total $'000
Operating revenue							
Government grants	2	484,067	-	484,067	492,006	-	492,006
Tuition fees	2	410,589	-	410,589	384,805	-	384,805
Research and contracts		330,777	-	330,777	327,043	-	327,043
Other revenue	2	248,819	42,417	291,236	146,499	39,123	185,622
Other gains/(losses)	3	39,043	33,685	72,728	33,965	(30,305)	3,660
Transfer of funds from restricted to unrestricted	4	34,080	(34,080)	-	27,328	(27,328)	-
Total operating revenue		1,547,375	42,022	1,589,397	1,411,646	(18,510)	1,393,136
Operating expenses							
People costs	5	782,885	-	782,885	705,164	-	705,164
Operating costs	6	477,573	-	477,573	427,465	-	427,465
Finance costs		4,851	-	4,851	-	-	-
Depreciation and amortisation	10,11	171,984	-	171,984	162,353	-	162,353
Total operating expenses		1,437,293	-	1,437,293	1,294,982	-	1,294,982
Net surplus / (deficit) before tax		110,082	42,022	152,104	116,664	(18,510)	98,154
Income tax expense/(benefit)		276	-	276	295	-	295
Net surplus / (deficit) after tax		**109,806**	**42,022**	**151,828**	**116,369**	**(18,510)**	**97,859**
Other comprehensive revenue and expense							
Gain/(loss) on asset revaluation reserve	19	10,048	-	10,048	-	-	-
Gain/(loss) on cash flow hedges taken to equity	19	(79)	-	(79)	(205)	-	(205)
Gain/(loss) in foreign currency translation reserve	19	75	-	75	(246)	-	(246)
Gain/(loss) in fair value through other comprehensive revenue and expense reserve	19	(32,127)	-	(32,127)	(8,266)	-	(8,266)
Total comprehensive revenue and expense		**87,723**	**42,022**	**129,745**	**107,652**	**(18,510)**	**89,142**
Surplus / (deficit) is attributable to:							
Members of the parent entity		87,723	42,022	129,745	107,652	(18,510)	89,142

The accompanying Notes to the Financial Statements on pages 78 to 121 form part of and should be read in conjunction with these financial statements.

Statement of comprehensive revenue and expense (continued)

For the year ended 31 December 2023

		University		
	Note	Actual 2023 $'000	Budget 2023 $'000	Actual 2022 $'000
Operating revenue				
Government grants	2	484,067	502,348	492,006
Tuition fees	2	410,588	410,654	384,805
Research and contracts		283,647	285,837	273,195
Other revenue	2	273,479	183,940	167,425
Other gains/(losses)	3	35,919	24,057	29,456
Total operating revenue		1,487,700	1,406,836	1,346,887
Operating expenses				
People costs	5	737,031	704,341	660,451
Operating costs	6	480,406	498,108	407,625
Finance costs		6,983	2,319	668
Depreciation and amortisation	10,11	171,053	168,502	161,283
Total operating expenses		1,395,473	1,373,270	1,230,027
Net surplus / (deficit) before tax		92,227	33,566	116,860
Income tax expense/(benefit)		-	-	-
Net surplus / (deficit) after tax		**92,227**	**33,566**	**116,860**
Other comprehensive revenue and expense				
Gain/(loss) on asset revaluation reserve	19	10,048	-	-
Gain/(loss) on cash flow hedges taken to equity	19	(105)	-	(200)
Total comprehensive revenue and expense		**102,170**	**33,566**	**116,660**
Surplus / (deficit) is attributable to:				
Members of the parent entity		102,170	33,566	116,660

The accompanying Notes to the Financial Statements on pages 78 to 121 form part of and should be read in conjunction with these financial statements.

Statement of financial position

As at 31 December 2023

	Note	Consolidated		University		
		Actual 2023 $'000	Actual 2022 $'000	Actual 2023 $'000	Budget 2023 $'000	Actual 2022 $'000
Current assets						
Cash and cash equivalents	8	58,290	37,706	24,726	1,852	15,893
Short term bank deposits		97,907	141,936	80,457	8,622	127,434
Receivables	9	59,131	59,683	70,552	71,588	58,948
Research work in progress		34,628	27,242	38,796	32,039	28,646
Derivative financial instruments	24.1	2,091	3,963	(234)	-	(129)
Inventories		2,616	2,623	2,616	2,736	2,623
Prepayments and other current assets		61,864	51,671	58,858	42,152	50,216
Total current assets		316,527	324,824	275,771	158,989	283,631
Non-current assets						
Investment in controlled entities	21.1	-	-	19,873	19,873	19,873
Property, plant and equipment	10	4,327,747	4,236,500	4,325,554	4,338,005	4,234,137
Intangible assets	11	68,441	18,563	67,953	36,688	17,880
Other financial assets	24.1	449,698	395,296	44,579	22,767	18,360
Total non-current assets		4,845,886	4,650,359	4,457,959	4,417,333	4,290,250
Total assets		**5,162,413**	**4,975,183**	**4,733,730**	**4,576,322**	**4,573,881**
Current liabilities						
Payables	12	193,905	182,947	174,770	177,116	165,199
Deferred revenue	13	313,386	299,374	292,678	225,676	275,529
Income tax payable		4,898	4,525	-	-	-
Employee entitlements	14	89,585	81,533	83,742	87,199	76,831
Loans and borrowings	15	979	1,279	55,979	55,000	56,279
Provisions	16	650	2,900	650	-	2,900
Total current liabilities		603,403	572,558	607,819	544,991	576,738
Non-current liabilities						
Employee entitlements	14	60,442	55,084	60,328	70,623	55,012
Loans and borrowings	15	126,923	101,598	126,923	109,710	101,598
Provisions	16	2,106	6,147	2,106	4,596	6,147
Total non-current liabilities		189,471	162,829	189,357	184,929	162,757
Total liabilities		**792,874**	**735,387**	**797,176**	**729,920**	**739,495**
Net assets		**4,369,539**	**4,239,796**	**3,936,554**	**3,846,402**	**3,834,386**
Equity						
General equity		1,739,828	1,629,265	1,689,344	1,609,231	1,598,164
Reserves	19	2,217,414	2,240,204	2,203,438	2,193,275	2,193,458
Restricted and special funds	20	412,297	370,327	43,772	43,896	42,764
Total equity		**4,369,539**	**4,239,796**	**3,936,554**	**3,846,402**	**3,834,386**
Net assets						
Restricted		393,913	351,892	25,387	-	24,327
Unrestricted		3,975,626	3,887,904	3,911,167	3,846,402	3,810,059
Total net assets		**4,369,539**	**4,239,796**	**3,936,554**	**3,846,402**	**3,834,386**

The accompanying Notes to the Financial Statements on pages 78 to 121 form part of and should be read in conjunction with these financial statements.

Statement of cash flows

For the year ended 31 December 2023

	Note	Consolidated		University		
		Actual 2023 $'000	Actual 2022 $'000	Actual 2023 $'000	Budget 2023 $'000	Actual 2022 $'000
Cash flows from operating activities						
Government grants		492,084	490,543	492,084	502,348	490,543
Tuition fees		401,216	422,415	401,216	415,402	422,415
Other operating receipts		526,591	496,065	474,950	454,156	438,369
Donations and legacies received		39,302	35,144	18,587	-	15,101
Goods and services tax (net)		(1,886)	9,019	(3,930)	(1,240)	8,492
Payments to employees		(668,743)	(623,276)	(627,032)	(592,185)	(583,849)
Other operating payments		(586,948)	(523,135)	(586,219)	(594,524)	(499,360)
Net cash inflow / (outflow) from operating activities	7	201,615	306,775	169,656	183,958	291,710
Cash flows from investing activities						
Interest received		14,662	5,291	12,268	5,180	3,504
Proceeds of loan from controlled entities		-	-	-	-	2,973
(Acquisition)/disposal of financial assets		(2,571)	(84,407)	22,724	-	(68,733)
Acquisition of property, plant and equipment and work in progress		(250,041)	(288,910)	(250,634)	(296,935)	(287,947)
Borrowing costs capitalised		(810)	(1,088)	(810)	-	(1,088)
Investment in controlled entities		-	-	-	71	-
Net cash inflow / (outflow) from investing activities		(238,760)	(369,114)	(216,452)	(291,684)	(351,291)
Cash flows from financing activities						
Proceeds from borrowings		139,454	196,323	139,454	71,944	196,324
Interest paid		-	-	(2,132)	(2,319)	(668)
Repayment of borrowings		(82,932)	(131,377)	(82,932)	-	(131,377)
Net cash provided by/(used in) financing activities		56,522	64,946	54,389	69,625	64,279
Net increase/(decrease) in cash and cash equivalents		19,376	2,607	7,592	(38,101)	4,698
Cash and cash equivalents at the beginning of the financial year		37,706	33,079	15,893	39,833	9,116
Effects of exchange rate changes on cash and cash equivalents		1,208	2,020	1,242	120	2,079
Cash, cash equivalents, and bank overdrafts at the end of the year	8	58,290	37,706	24,726	1,852	15,893
Reconciliation of cash and cash equivalents						
Current accounts at bank		58,290	37,706	24,726	1,852	15,893
Total cash and cash equivalents		**58,290**	**37,706**	**24,726**	**1,852**	**15,893**

The accompanying Notes to the Financial Statements on pages 78 to 121 form part of and should be read in conjunction with these financial statements.

Statement of changes in net assets/equity

For the year ended 31 December 2023

Consolidated	Note	Asset revaluation reserve $'000	Hedging and statutory reserves $'000	Foreign currency translation reserve $'000	General equity $'000	Restricted and special funds $'000	Fair value reserve of financial assets at FVOCRE* $'000	Total equity $'000
Balance as at 1 January 2023		2,193,587	(57)	(299)	1,629,265	370,327	46,973	4,239,796
Net surplus for the year		-	-	-	151,828	-	-	151,828
Other comprehensive revenue and expense for the year	19	10,048	(79)	75	-	-	(32,127)	(22,083)
Transfer reserves to general equity	19	36	-	-	707	-	(743)	-
Transfer surplus to restricted and special funds	20	-	-	-	(41,970)	41,970	-	-
Balance as at 31 December 2023		**2,203,671**	**(136)**	**(224)**	**1,739,828**	**412,297**	**14,103**	**4,369,539**
Equity								
Unrestricted		2,203,671	(136)	(224)	1,739,828	18,383	14,103	3,975,626
Restricted		-	-	-	-	393,913	-	393,913
Total equity		**2,203,671**	**(136)**	**(224)**	**1,739,828**	**412,296**	**14,103**	**4,369,539**
Balance as at 1 January 2022		2,193,587	148	(53)	1,512,814	388,919	55,239	4,150,654
Net surplus for the year		-	-	-	97,859	-	-	97,859
Other comprehensive revenue and expense for the year	19	-	(205)	(246)	-	-	(8,266)	(8,717)
Transfer surplus to restricted and special funds	20	-	-	-	18,592	(18,592)	-	-
Balance as at 31 December 2022		**2,193,587**	**(57)**	**(299)**	**1,629,265**	**370,327**	**46,973**	**4,239,796**
Equity								
Unrestricted		2,193,587	(57)	(299)	1,629,265	18,435	46,973	3,887,904
Restricted		-	-	-	-	351,892	-	351,892
Total equity		**2,193,587**	**(57)**	**(299)**	**1,629,265**	**370,327**	**46,973**	**4,239,796**

* Fair value through other comprehensive revenue and expense (FVOCRE)

The accompanying Notes to the Financial Statements on pages 78 to 121 form part of and should be read in conjunction with these financial statements.

Statement of changes in net assets/equity (continued)

For the year ended 31 December 2023

University	Note	Asset revaluation reserve $'000	Hedging and statutory reserves $'000	General equity $'000	Restricted and special funds $'000	Total equity $'000
Balance as at 1 January 2023		2,193,587	(129)	1,598,162	42,764	3,834,384
Net surplus for the year		-	-	92,227	-	92,227
Other comprehensive revenue and expense for the year	19	10,048	(105)	-	-	9,943
Transfer reserve to general equity	19	36	-	(36)	-	-
Transfer surplus to restricted and special funds	20	-	-	(1,008)	1,008	-
Balance as at 31 December 2023		**2,203,671**	**(234)**	**1,689,344**	**43,772**	**3,936,554**

University	Note	Asset revaluation reserve $'000	Hedging and statutory reserves $'000	General equity $'000	Restricted and special funds $'000	Total equity $'000
Balance as at 1 January 2022		2,193,587	71	1,480,775	43,291	3,717,724
Net surplus for the year		-	-	116,860	-	116,860
Other comprehensive revenue and expense for the year	19	-	(200)	-	-	(200)
Transfer surplus to restricted and special funds	20	-	-	527	(527)	-
Balance as at 31 December 2022		**2,193,587**	**(129)**	**1,598,162**	**42,764**	**3,834,384**

The accompanying Notes to the Financial Statements on pages 78 to 121 form part of and should be read in conjunction with these financial statements.

Notes to the Financial Statements

For the year ended 31 December 2023

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 2023 were authorised for issue by the Council on 11 March 2024.

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 New Zealand and China and has a branch in the Kingdom of Saudi Arabia. Both the operation in China and the branch in the Kingdom of Saudi Arabia, are currently in the process of liquidation, and will be deregistered once all regulatory requirements have been met.

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 305 of the Education and Training Act 2020, which include the requirement to comply with generally accepted accounting practice in New Zealand.

The University and Group are designated as public benefit entities (PBEs) 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

The financial statements have been prepared in accordance with and comply with PBE accounting 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, financial assets at fair value through other comprehensive revenue and expense, financial instruments which are designated at fair value through surplus or deficit, land and buildings, library special collections and works of art. Fair value gain/loss of financial assets at fair value through surplus or deficit includes distributions.

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

Council and Management view 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 expense

- 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 net assets/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 2023 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 adopted

The External Reporting Board issued PBE IFRS 17: Insurance Contracts in July 2019 that not-for-profit PBEs were required to adopt the standard from 1 January 2023. The University and its controlled entities adopted PBE IFRS 17 for the December 2023 year end. The impact of the adoption has been assessed as not material.

The External Reporting Board issued an amendment to PBE IPSAS 1 : Presentation of Financial Reports in May 2023 requiring the disclosure of fees for audit firm services. The amendment required entities to adopt by 1 January 2024. The University and its controlled entities early adopted for the December 2023 year end.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

1 Statement of accounting policies (continued)

Significant 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 effective interest 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 valuation of investments in associates, convertible notes and financial assets at fair value through other comprehensive revenue and expense.
- 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 employee entitlements.

Significant accounting judgements

Management has exercised the following significant judgements in applying accounting policies for the year ended 31 December 2023:

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.

Classification of revenue

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.

Comparative Balances

Certain amounts in the financial statements and the accompanying notes have been reclassified to conform to current year's accounting presentation.

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 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 expense. 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 surplus or deficit.

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.

1 Statement of accounting policies (continued)

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 Trusts Act 2019, 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 expense, 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.

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.

1 Statement of accounting policies (continued)

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 net assets/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.

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 China and a 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.

2 Revenue

Accounting policy

Revenue is measured at fair value. The specific accounting policies for significant revenue items are explained below:

Student Achievement Component (SAC) funding

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.

Other grants received

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 grants received in advance when received and recognised as revenue when the conditions of the grant are satisfied.

Performance Based Research Fund (PBRF)

The University considers 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 425 of the Education and Training Act 2020. 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.

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 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.

Fees-free revenue

Fees free revenue is considered non-exchange and recognised when the course withdrawal date for an eligible student has passed. Funding received for fees-free is presented as part of tuition fees. This is on the basis that receipts from the TEC are for payment on behalf of the student as specified in the relevant funding mechanism.

Research revenue

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, unless there are substantive conditions in the contract. If there are substantive conditions, revenue is 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.

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.

Interest and dividends revenue

For all financial instruments measured at amortised cost and interest-bearing financial assets at fair value through other comprehensive revenue and expense, interest revenue is considered exchange revenue and is recognised on a time proportionate basis using the effective interest rate.

Dividend revenue from investments is considered exchange revenue and is recognised when the shareholders' rights to receive payment have been established, and recognised in surplus/deficit.

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.

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.

2 Revenue (continued)

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 it is considered exchange revenue.

Gifted Assets

Non-exchange revenue will be recognised when control of the gifted asset is transferred to the University and it is probable that the economic benefits or service potential related to the asset will flow to the University and can be measured reliably. The transfer is free from conditions that require the asset to be refunded or returned if the conditions are not fulfilled. Control is deemed to be transferred when the University has the ability to direct the use of assets and obtain the benefits associated with the asset. Revenue will be recognised at fair value on initial recognition when the University obtains control.

2 Revenue (continued)

	Note	Consolidated		University	
		Actual 2023 $'000	Actual 2022 $'000	Actual 2023 $'000	Actual 2022 $'000
Exchange Revenue					
Other revenue					
Service income		156,035	127,097	160,314	129,634
Interest received		16,552	7,101	14,101	5,336
Other revenue		21,450	15,830	22,990	17,271
Total other revenue		**194,037**	**150,028**	**197,405**	**152,241**
Tuition Fees					
International Tuition fees		203,334	178,027	203,334	178,027
Total Tuition Fees		**203,334**	**178,027**	**203,334**	**178,027**
Total Exchange Revenue		**397,371**	**328,055**	**400,739**	**330,268**
Non Exchange Revenue					
Government Grants					
Student Achievement Component funding		375,184	380,834	375,184	380,834
Clinical Training Agency grants		5,506	5,704	5,506	5,704
Other Government grants		10,977	10,256	10,977	10,256
PBRF Funding		92,400	93,589	92,400	93,589
Hardship Fund for Learners		-	1,623	-	1,623
Total Government Grants		**484,067**	**492,006**	**484,067**	**492,006**
Other revenue					
Donations		39,692	35,594	18,567	15,184
Sponsorship*	11	57,507	-	57,507	-
Total Other revenue		**97,199**	**35,594**	**76,074**	**15,184**
Tuition Fees					
Domestic Tuition fees		169,246	168,295	169,246	168,295
Fees free funding		38,009	38,483	38,009	38,483
Total Tuition Fees		**207,255**	**206,778**	**207,255**	**206,778**
Total Non Exchange Revenue		**788,521**	**734,378**	**767,396**	**713,968**
Total Exchange and Non Exchange Tuition Fees		**410,589**	**384,805**	**410,589**	**384,805**
Total Exchange and Non Exchange Other Revenue		**291,236**	**185,622**	**273,479**	**167,425**

* The University was gifted software assets as part of a sponsorship agreement. The software assets are recorded in the financial statements at fair value and are amortised over the useful life of 5 years.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

3 Other gains/(losses)

	Consolidated		University	
	Actual 2023 $'000	Actual 2022 $'000	Actual 2023 $'000	Actual 2022 $'000
Non-financial instruments				
Gain/(loss) on disposal of property, plant and equipment	(3,634)	(4,155)	(3,638)	(4,143)
Foreign exchange gains/(losses)	1,208	2,020	1,242	2,079
Financial instruments				
Fair value gain/(loss) on financial assets at fair value through surplus or deficit held at year end	38,805	(26,935)	1,966	-
Fair value gain/(loss) on financial assets at fair value through surplus or deficit derecognised during the year	-	1,210	-	-
Fair value gain/(loss) on financial liabilities at amortised cost	36,349	31,520	36,349	31,520
Total other gains/(losses)	**72,728**	**3,660**	**35,919**	**29,456**

Gains/(losses) on financial assets at fair value through surplus or deficit comprise realised and unrealised gains/(losses) in the fair value of assets held in managed funds, foreign currency forward exchange contracts, investment in associates and convertible notes.

Gains/(losses) on financial liabilities includes a fair value adjustment on initial recognition in the non- interest bearing loans. Refer also notes 15 and 24.

4 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 2023 $'000	Actual 2022 $'000
Research	15,911	13,835
Donations	16,396	11,277
Other	1,773	2,216
Total transfer of funds from restricted to unrestricted	**34,080**	**27,328**

5 People costs

Accounting Policy

Defined contribution schemes

Employer contributions to KiwiSaver, the Government Superannuation Fund, and other defined contribution superannuation schemes are accounted for as defined contribution schemes and are recognised as an expense in the surplus or deficit when incurred.

	Consolidated		University	
	Actual 2023 $'000	Actual 2022 $'000	Actual 2023 $'000	Actual 2022 $'000
Academic salaries	344,878	328,219	343,877	327,421
Professional salaries	322,183	292,795	280,728	254,023
Defined contribution expenses	29,589	27,238	27,918	25,704
Contracts for service	55,739	44,515	43,341	33,001
Other people costs	30,496	12,397	41,167	20,302
Total people costs	**782,885**	**705,164**	**737,031**	**660,451**

6 Operating costs

Accounting policy

Scholarships

Scholarships awarded by the University that reduce the amount of tuition fees payable by the student are accounted for as an expense and not offset against student tuition fees revenue.

	Consolidated		University	
	Actual 2023 $'000	Actual 2022 $'000	Actual 2023 $'000	Actual 2022 $'000
Breakdown of operating costs				
Auditors' fees	814	859	514	499
Total auditors' fees	814	859	514	499
Operating leases				
Properties	33,634	33,825	33,043	31,942
Equipment	43	14	39	12
Motor vehicles	300	359	2	20
Total operating lease costs	33,977	34,198	33,084	31,974
Other operating costs				
Consumable supplies	29,628	27,938	28,179	26,740
Prizes and scholarships	57,656	53,561	57,656	53,561
Conferences, travel and accommodation	31,911	20,015	29,223	18,022
Repairs and maintenance	48,610	39,604	45,870	38,214
Student related	26,075	23,747	26,147	23,747
Contracted and professional services	104,896	86,920	108,454	88,462
Other information technology	25,870	21,784	25,875	21,784
Utilities	21,952	16,216	21,948	16,168
Advertising, marketing and printing	24,489	23,555	22,940	21,154
Books and library	8,047	7,572	8,048	7,572
Other operating expenses	63,648	71,496	72,468	59,728
Total other operating costs	442,782	392,408	446,808	375,152
Total operating costs	**477,573**	**427,465**	**480,406**	**407,625**

6 Operating costs (continued)

Auditors' fees

During the year the following fees were paid or payable for services provided by the auditor of the Group and its related practices:

	Consolidated		University	
	Actual 2023 $'000	Actual 2022 $'000	Actual 2023 $'000	Actual 2022 $'000
(a) Assurance services				
Audit services - EY				
Audit of financial statements	724	778	478	471
Other assurance services	36	28	36	28
Total remuneration for assurance services	**760**	**806**	**514**	**499**
(b) Taxation services				
Tax compliance services, including review of KSA branch income tax returns - EY KSA	54	53	-	-
Total remuneration for taxation services	**54**	**53**	**-**	**-**
Total auditors' fees	**814**	**859**	**514**	**499**

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

Accounting policy

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.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

7 Reconciliation of operating surplus and net cash flow from operating activities (continued)

	Consolidated		University		
	Actual 2023 $'000	Actual 2022 $'000	Actual 2023 $'000	Budget 2023 $'000	Actual 2022 $'000
Net surplus/(deficit) for the year	151,828	97,859	92,227	33,575	116,860
Add/(less) non-cash items:					
Depreciation and amortisation	171,984	162,353	171,053	168,502	161,283
Donated assets	(390)	(450)	20	-	(84)
Foreign exchange fluctuations	(1,209)	(2,020)	(1,240)	(120)	(2,079)
Non-cash fair value of non-interest bearing loan*	(31,497)	(31,520)	(31,497)	(25,315)	(31,520)
Unrealised (gain)/loss on investments	(38,805)	25,722	(1,966)	-	-
Sponsorship	(57,507)	-	(57,507)	-	-
Total non-cash items	42,576	154,085	78,863	143,067	127,600
Add/(less) items classified as investing or financing activities:					
Interest income	(16,552)	(7,101)	(14,101)	(5,182)	(5,336)
(Gain)/loss on disposal of property, plant, and equipment	3,634	4,155	3,638	1,378	4,143
Movements relating to capital expenditure	4,690	5,354	4,632	-	5,376
Finance costs	-	-	2,132	2,319	668
Total items classified as investing or financing activities	(8,228)	2,408	(3,699)	(1,486)	4,851
Add/(less) changes in net assets and liabilities:					
Decrease/(increase) in receivables	551	5,923	(11,605)	(9,059)	759
Decrease/(increase) in prepayments and other current assets	(10,194)	(8,842)	(8,642)	(1,773)	(8,933)
Decrease/(increase) in inventories	6	59	6	(27)	59
Decrease/(increase) in research work in progress	(7,386)	261	(10,150)	(4,238)	(1,330)
Increase /(decrease) in payables and provisions	5,662	(6,183)	3,903	1,996	(7,230)
Increase /(decrease) in deferred revenue	14,012	59,267	17,148	7,310	57,616
Increase /(decrease) in employee entitlements	12,787	1,938	11,604	14,593	1,458
Net movement in working capital items	15,439	52,423	2,265	8,802	42,399
Net cash inflow/(outflow) from operating activities	**201,615**	**306,775**	**169,656**	**183,958**	**291,710**

*Refer also notes 15 and 24.

8 Cash and cash equivalents

Accounting policy

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

Breakdown of cash and cash equivalents

	Consolidated		University	
	Actual 2023 $'000	Actual 2022 $'000	Actual 2023 $'000	Actual 2022 $'000
Cash at bank and on hand	41,767	28,575	24,726	15,893
Call deposits	5,184	3,994	-	-
Short term deposits less than 90 days to maturity	11,339	5,137	-	-
Total cash and cash equivalents	**58,290**	**37,706**	**24,726**	**15,893**

9 Receivables

Accounting policy

Short-term receivables are recorded at the amount due. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate method, less impairment.

The Group apply the simplified ECL model of recognising lifetime ECL for short-term receivables.

	Consolidated		University	
	Actual 2023 $'000	Actual 2022 $'000	Actual 2023 $'000	Actual 2022 $'000
Trade receivables	62,212	60,820	53,391	46,798
Less expected credit loss	(3,081)	(1,137)	(3,054)	(1,123)
Net trade receivables	59,131	59,683	50,337	45,675
Related company receivables	-	-	20,215	13,273
Total receivables	**59,131**	**59,683**	**70,552**	**58,948**

Expected credit loss

The expected credit loss for receivables is based on analysis of past history and a review of specific debtors balances greater than 90 days, adjusted for current and forward-looking factors that might affect the recoverability of receivables. Given the short period of credit risk exposure, the impact of those factors is not considered significant.

There have been no changes during the reporting in the estimation techniques or significant assumptions used in measuring the loss allowance.

9 Receivables (continued)

The allowance for credit losses was determined as follows:

	Consolidated				
	Current	Past due 31-60 days	Past due 61-90 days	Past due > 90 days	Total
31 December 2023					
Gross carrying amount ($'000)	53,532	3,083	882	4,715	62,212
Lifetime expected credit loss ($'000)	-	(16)	(6)	(3,059)	(3,081)
Expected credit loss rate	- %	0.51 %	0.70 %	64.88 %	4.95 %
31 December 2022					
Gross carrying amount ($'000)	48,948	9,448	821	1,603	60,820
Lifetime expected credit loss ($'000)	-	-	-	(1,137)	(1,137)
Expected credit loss rate	- %	- %	- %	70.93 %	1.87 %

	University				
	Current	Past due 31-60 days	Past due 61-90 days	Past due > 90 days	Total
31 December 2023					
Gross carrying amount ($'000)	55,558	6,201	1,972	9,874	73,606
Lifetime expected credit loss ($'000)	-	(16)	(6)	(3,032)	(3,054)
Expected credit loss rate	- %	0.26 %	0.30 %	30.71 %	4.15 %
31 December 2022					
Gross carrying amount ($'000)	49,131	6,916	368	3,656	60,071
Lifetime expected credit loss ($'000)	-	-	-	(1,123)	(1,123)
Expected credit loss rate	- %	- %	- %	30.72%	1.87 %

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

Receivables past due but not considered impaired are $5.6m (2022: $10.7m) for the Group, and $15.0m (2022: $9.8m) for the University.

Payment terms on receivables past due but not considered impaired have not been re-negotiated.

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

Movements in the allowance for credit losses are as follows:

	Consolidated		University	
	Actual 2023 $'000	Actual 2022 $'000	Actual 2023 $'000	Actual 2022 $'000
Balance at beginning of financial year	1,137	1,126	1,123	866
Additional loss allowance made during the year	2,325	449	2,325	449
Loss allowance reversed during the year	(381)	(438)	(394)	(192)
Receivables written-off during the period	-	-	-	-
Balance at the end of the financial year	3,081	1,137	3,054	1,123

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 include 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.

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits or service potential are expected from its use or disposal. 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 expense.

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 expense, 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 expense 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 expense. 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%

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 revenue and expense to the extent it reverses previous recognised revaluation gains for that class of asset.

10 Property, plant and equipment (continued)

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 assets, 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.

Significant accounting estimates and judgements

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 Projects NZ 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 Group's 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 and buildings was effective 31 December 2021.

Library special collections

Library special collections held by the University are independently valued by Aon New Zealand (Aon). 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, catalogue prices of rare books still available for sale, or in the absence of any current or recent sale records a 'best estimate' value is

10 Property, plant and equipment (continued)

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 2023.

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.

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 2023

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

10 Property, plant and equipment (continued)

	Consolidated							
	Land	Buildings	Leasehold improve-ments	Plant and equipment	Works of art	Library collections	Capital work in progress	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Gross carrying amount								
Cost	-	-	38,010	593,218	-	366,994	181,880	1,180,102
Valuation	1,419,664	2,351,475	-	-	26,165	9,553	-	3,806,857
Balance as at 1 January 2022	**1,419,664**	**2,351,475**	**38,010**	**593,218**	**26,165**	**376,547**	**181,880**	**4,986,959**
Additions	-	181	-	33,547	77	12,373	231,598	277,776
Disposals	-	(1,528)	(1,241)	(10,628)	7	(3,295)	-	(16,685)
Transfers	-	15,138	-	7,062	54	-	(22,253)	-
Balance as at 1 January 2023	**1,419,664**	**2,365,266**	**36,769**	**623,200**	**26,303**	**385,625**	**391,224**	**5,248,051**
Additions	-	366	-	24,259	70	12,632	201,469	238,796
Disposals	-	(4,075)	-	(15,090)	(62)	-	-	(19,227)
Transfers	-	229,580	1,180	8,367	526	-	(239,653)	-
Net revaluation movements	-	-	-	-	1,001	9,047	-	10,048
Balance as at 31 December 2023	**1,419,664**	**2,591,137**	**37,949**	**640,736**	**27,838**	**407,304**	**353,040**	**5,477,668**
Accumulated depreciation								
Cost	-	-	29,446	469,360	-	353,103	-	851,909
Valuation	-	22,490	-	-	-	-	-	22,490
Balance as at 1 January 2022	**-**	**22,490**	**29,446**	**469,360**	**-**	**353,103**	**-**	**874,399**
Disposals	-	(146)	(1,241)	(9,577)	-	(3,295)	-	(14,259)
Depreciation expense	-	100,410	1,601	36,456	-	12,944	-	151,411
Balance as at 1 January 2023	**-**	**122,754**	**29,806**	**496,239**	**-**	**362,752**	**-**	**1,011,551**
Disposals	-	(448)	-	(14,724)	-	-	-	(15,172)
Depreciation expense	-	102,286	1,585	37,058	-	12,616	-	153,545
Balance as at 31 December 2023	**-**	**224,592**	**31,391**	**518,573**	**-**	**375,368**	**-**	**1,149,924**
Net book value								
As at 1 January 2022	**1,419,664**	**2,328,985**	**8,564**	**123,858**	**26,165**	**23,444**	**181,880**	**4,112,560**
As at 1 January 2023	**1,419,664**	**2,242,512**	**6,963**	**126,961**	**26,303**	**22,873**	**391,224**	**4,236,500**
As at 31 December 2023	**1,419,664**	**2,366,545**	**6,560**	**122,164**	**27,838**	**31,936**	**353,040**	**4,327,747**

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

10 Property, plant and equipment (continued)

	University							
	Land	Buildings	Leasehold improve-ments	Plant and equipment	Works of art	Library collections	Capital work in progress	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Gross carrying amount								
Cost	-	-	34,349	579,469	-	366,994	181,627	1,162,439
Valuation	1,419,664	2,351,475	-	-	26,161	9,553	-	3,806,853
Balance as at 1 January 2022	**1,419,664**	**2,351,475**	**34,349**	**579,469**	**26,161**	**376,547**	**181,627**	**4,969,292**
Additions	-	181	-	32,234	77	12,373	231,574	276,440
Disposals	-	(1,528)	(9)	(9,557)	7	(3,295)	-	(14,382)
Transfers	-	15,138	-	6,809	54	-	(22,000)	-
Balance as at 1 January 2023	**1,419,664**	**2,365,266**	**34,340**	**608,955**	**26,299**	**385,625**	**391,201**	**5,231,350**
Additions	-	366	-	23,842	70	12,632	201,393	238,303
Disposals	-	(4,075)	-	(13,318)	(62)	-	-	(17,455)
Transfers	-	229,580	1,180	8,343	526	-	(239,629)	-
Net revaluation movement	-	-	-	-	1,001	9,047	-	10,048
Balance as at 31 December 2023	**1,419,664**	**2,591,137**	**35,520**	**627,822**	**27,834**	**407,304**	**352,965**	**5,462,246**
Accumulated depreciation								
Cost	-	-	25,927	457,064	-	353,103	-	836,094
Valuation	-	22,490	-	-	-	-	-	22,490
Balance as at 1 January 2022	**-**	**22,490**	**25,927**	**457,064**	**-**	**353,103**	**-**	**858,584**
Disposals	-	(146)	(9)	(8,536)	-	(3,295)	-	(11,986)
Depreciation expense	-	100,410	1,491	35,769	-	12,944	-	150,614
Balance as at 1 January 2023	**-**	**122,754**	**27,410**	**484,297**	**-**	**362,752**	**-**	**997,213**
Disposals	-	(448)	-	(12,957)	-	-	-	(13,405)
Depreciation expense	-	102,286	1,562	36,420	-	12,616	-	152,884
Balance as at 31 December 2023	**-**	**224,592**	**28,972**	**507,760**	**-**	**375,368**	**-**	**1,136,692**
Net book value								
As at 1 January 2022	**1,419,664**	**2,328,985**	**8,422**	**122,405**	**26,161**	**23,444**	**181,627**	**4,110,708**
As at 1 January 2023	**1,419,664**	**2,242,512**	**6,930**	**124,658**	**26,299**	**22,873**	**391,201**	**4,234,137**
As at 31 December 2023	**1,419,664**	**2,366,545**	**6,549**	**120,062**	**27,834**	**31,936**	**352,964**	**4,325,554**

11 Intangible assets

Accounting policy

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 expense.

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. All ongoing fees for use of software/infrastructure and running costs for cloud computing arrangements have been expensed at the time of incurring. This includes all Software-as-a-service (“SAAS”), Infrastructure-as-a-services (“IAAS”) or any hardware/software hosting arrangements.

The straight line amortisation rates used are:

Software 20 - 33%

11 Intangible assets (continued)

	Note	Consolidated		
		Software	Capital work in progress	Total
		$'000	$'000	$'000
Gross carrying amount				
Balance as at 1 January 2022		**160,558**	**3,208**	**163,766**
Additions		299	9,561	9,860
Disposals		(6,812)	-	(6,812)
Transfers		8,290	(8,290)	-
Balance as at 31 December 2022		**162,335**	**4,479**	**166,814**
Balance as at 1 January 2023		**162,335**	**4,479**	**166,814**
Additions	2	57,701	10,564	68,265
Disposals		(477)	-	(477)
Transfers		8,202	(8,202)	-
Balance as at 31 December 2023		**227,761**	**6,841**	**234,602**
Accumulated amortisation and impairment				
Balance as at 1 January 2022		**141,660**	**-**	**141,660**
Disposals		(4,351)	-	(4,351)
Amortisation expense		10,942	-	10,942
Balance as at 31 December 2022		**148,251**	**-**	**148,251**
Balance as at 1 January 2023		**148,251**	**-**	**148,251**
Disposals		(528)	-	(528)
Amortisation expense		18,439	-	18,439
Balance as at 31 December 2023		**166,162**	**-**	**166,162**
Net book value				
As at 1 January 2022		**18,898**	**3,208**	**22,106**
As at 1 January 2023		**14,084**	**4,479**	**18,563**
As at 31 December 2023		**61,600**	**6,841**	**68,441**

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

11 Intangible assets (continued)

	Note	University		
		Software	Capital work in progress	Total
		$'000	$'000	$'000
Gross carrying amount				
Balance as at 1 January 2022		**156,026**	**3,208**	**159,234**
Additions		299	9,561	9,860
Disposals		(6,813)	-	(6,813)
Transfers		8,290	(8,290)	-
Balance as at 31 December 2022		**157,802**	**4,479**	**162,281**
Balance as at 1 January 2023		**157,802**	**4,479**	**162,281**
Additions	2	57,626	10,564	68,190
Disposals		(360)	-	(360)
Transfers		8,202	(8,202)	-
Balance as at 31 December 2023		**223,271**	**6,841**	**230,112**
Accumulated amortisation and impairment				
Balance as at 1 January 2022		**138,073**	**-**	**138,073**
Disposals		(4,341)	-	(4,341)
Amortisation expense		10,669	-	10,669
Balance as at 31 December 2022		**144,401**	**-**	**144,401**
Balance as at 1 January 2023		**144,401**	**-**	**144,401**
Disposal		(411)	-	(411)
Amortisation expense		18,169	-	18,169
Balance as at 31 December 2023		**162,159**	**-**	**162,159**
Net book value				
As at 1 January 2022		**17,953**	**3,208**	**21,161**
As at 1 January 2023		**13,401**	**4,479**	**17,880**
As at 31 December 2023		**61,112**	**6,841**	**67,953**

12 Payables

Accounting policy

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 2023 $'000	Actual 2022 $'000	Actual 2023 $'000	Actual 2022 $'000
Trade payables and accruals	193,905	182,947	170,949	160,924
Related company payables	-	-	3,821	4,275
Total payables	**193,905**	**182,947**	**174,770**	**165,199**

13 Deferred Revenue

	Consolidated		University	
	Actual 2023 $'000	Actual 2022 $'000	Actual 2023 $'000	Actual 2022 $'000
Deferred revenue	141,987	128,216	141,987	128,216
Research contract obligations	171,399	171,158	150,691	147,313
Deferred revenue - current	**313,386**	**299,374**	**292,678**	**275,529**

This note should be read in conjunction with note 2.

14 Employee entitlements

Accounting policy

Employee benefits that are expected to be settled wholly before twelve months after the end of the reporting period in which the employees render the related service are measured based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, annual leave earned to but not yet taken at balance date, sick leave and retirement allowances.

A liability and an expense are recognised for bonuses where there is a contractual obligation or where there is a past practice that has created a constructive obligation and a reliable estimate of the obligation can be made.

Long-term employee entitlements

Employee benefits that are not expected to be settled wholly before twelve months after the end of the reporting period in which the employees render the related service, such as long service leave and retirement gratuities, have been calculated on an actuarial basis. The calculations are based on:

- likely future entitlements accruing to staff, based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement, and contractual entitlement information; and
- the present value of the estimated future cash flows.

Presentation of employee entitlements

Annual leave and vested long service leave are classified as a current liability. Sick leave, non-vested retirement and long service leave expected to be settled within 12 months of balance date are also classified as a current liability. All other employee entitlements are classified as a non-current liability.

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 2023 $'000	Actual 2022 $'000	Actual 2023 $'000	Actual 2022 $'000
Current liabilities				
Accumulated annual leave	65,452	60,049	59,609	55,347
Long service leave	671	783	671	783
Retirement allowance	20,565	18,038	20,565	18,038
Sick leave	410	389	410	389
Accrued salaries and wages	2,487	2,274	2,487	2,274
Total employee entitlements - current	**89,585**	**81,533**	**83,742**	**76,831**
Non-current liabilities				
Long service leave	2,496	2,183	2,496	2,183
Retirement allowance	57,152	52,378	57,152	52,378
Sick leave	794	523	680	451
Total employee entitlements - non-current	**60,442**	**55,084**	**60,328**	**55,012**

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 2023 $'000	Actual 2022 $'000	Actual 2023 $'000	Actual 2022 $'000
Current liabilities				
Non-interest bearing loan	979	1,279	979	1,279
Interest bearing loan from controlled entity	-	-	55,000	55,000
Total loans and borrowings - current	**979**	**1,279**	**55,979**	**56,279**
Non-current liabilities				
Unsecured				
Non-interest bearing loans	126,923	76,598	126,923	76,598
Interest bearing loan facility	-	25,000	-	25,000
Total loans and borrowings - non-current	**126,923**	**101,598**	**126,923**	**101,598**

Reconciliation of the opening and closing balance of the financial liabilities

	1 January 2023 $'000	Cash flows $'000	Changes in fair values adjustment on initial recognition $'000	31 December 2023 $'000
Consolidated/University				
Current non-interest-bearing loans and borrowings	1,279	(300)	-	979
Non-current non-interest-bearing loans and borrowings	76,598	81,822	(31,497)	126,923
Non-current interest-bearing loans and borrowings	25,000	(25,000)	-	-
Total liabilities from financing activities	**102,877**	**56,522**	**(31,497)**	**127,902**

15 Loans and borrowings (continued)

	1 January 2022 $'000	Cash flows $'000	Changes in fair values adjustment on initial recognition $'000	31 December 2022 $'000
Consolidated/University				
Current non-interest-bearing loans and borrowings	444	835	-	1,279
Non-current non-interest-bearing loans and borrowings	24,007	84,111	(31,520)	76,598
Non-current interest-bearing loans and borrowings	45,000	(20,000)	-	25,000
Total liabilities from financing activities	**69,451**	**64,946**	**(31,520)**	**102,877**

Non-interest bearing loan from Crown Infrastructure Partners

In 2020, the University secured a $200m NZD loan from Crown Infrastructure Partners. This loan will partially fund the refurbishment of the Social Science Building. As at 31 December 2023 $200m (2022: $118m) of the facility had been drawn down. The loan is payable on 16 October 2033, being 10 years from the project completion date, and has a concessionary interest rate of 0.00%. The effective interest rates used range from 5.23%to 6.44% (2022: 3.67% to 5.85%) which are the government bond yield rates for bonds of similar terms adjusted for the University's risk margin as at the dates for drawdowns on the loan. The loan is recognised at fair value of $125m (2022: $75m). The movement of $31m (2022: $32m) is comprised of a net unrealised gain of $36m (2022: $34m), which was recognised as non-exchange deferred revenue (refer Note 3) and interest expense of $5m (2022: $2m).

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 18% on call, 52% 1 year and 30% over 1 year as at July 2023 (2022: 18% on call, 52% 1 year and 30% over 1 year as at July 2022).

Interest-bearing loan facility

The University has a total interest bearing loan facility of $300m, with $100m maturing 20 June 2024, $100m maturing 20 June 2025 and a $100m evergreen uncommitted facility. As at 31 December 2023 there were no loan drawdowns on the facility.

Borrowing costs capitalised

Borrowing costs of $0.8m were capitalised during 2023 (2022: $1.0m).

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 24.

16 Provisions

Accounting policy

A provision is recognised for future expenditure of uncertain amount or timing when:

- there is a present obligation (either legal or constructive) as a result of a past event;
- it is probable that an outflow of future economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the amount of the obligation.

Restructuring

The Voluntary Leave Scheme ("VLS") arose from the 2020 University's Business Recovery Programme. All employees impacted by the VLS scheme have left the University by the end of 2022.

Onerous Contracts

A provision for onerous contracts is recognised when the expected benefits or service potential to be derived from a contract is lower than the unavoidable cost of meeting the obligations under the contract. The provision is measured at the present value of the lower of the expected costs of terminating the contract and the expected net cost of continuing with the contract.

The group has a non-cancellable lease for student accommodation space that is no longer required under our revised view of accommodation. The lease does not expire until 31 March 2026. A provision has been recognised for the obligation of the future discounted rental payments net of estimated rental revenue.

	Consolidated		University	
	Actual 2023 $'000	Actual 2022 $'000	Actual 2023 $'000	Actual 2022 $'000
Current portion				
Termination benefits - VLS	-	118	-	118
Onerous Contracts	650	2,782	650	2,782
Total current portion	**650**	**2,900**	**650**	**2,900**
Non-current portion				
Onerous Contracts	2,106	6,147	2,106	6,147
Total non-current portion	**2,106**	**6,147**	**2,106**	**6,147**

Movements for each class of provision are as follows:

	Voluntary Leaving Scheme $'000	Onerous Contracts $'000	Total $'000
Consolidated/University			
Balance as at 1 January 2023	118	8,929	9,047
Amounts used	(118)	(2,782)	(2,900)
Unused amounts reversed	-	(3,391)	(3,391)
Balance as at 31 December 2023	**-**	**2,756**	**2,756**

17 Operating leases and capital commitments

Accounting policy

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 and premises 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 2023 $'000	Actual 2022 $'000	Actual 2023 $'000	Actual 2022 $'000
Not later than one year	44,526	39,946	44,526	39,946
Later than one year and not later than five years	177,347	148,164	177,347	148,164
Later than five years	523,800	553,511	523,800	553,511
Total operating lease commitments	**745,673**	**741,621**	**745,673**	**741,621**
Operating lease commitments by type				
Properties	745,673	741,621	745,673	741,621
Total operating lease commitments by type	**745,673**	**741,621**	**745,673**	**741,621**

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.

17 Operating leases and capital commitments (continued)

	Consolidated		University	
	Actual 2023 $'000	Actual 2022 $'000	Actual 2023 $'000	Actual 2022 $'000
Not later than one year	3,423	3,613	3,423	3,613
Later than one year and not later than five years	6,913	8,563	6,913	8,563
Later than five years	5,042	5,358	5,042	5,358
Total non-cancellable operating lease receivables	**15,378**	**17,534**	**15,378**	**17,534**

Capital commitments

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

	Consolidated		University	
	Actual 2023 $'000	Actual 2022 $'000	Actual 2023 $'000	Actual 2022 $'000
Property Services projects	112,825	235,217	112,825	235,217
Other capital expenditure	5,173	6,127	5,173	6,127
Total capital commitments	**117,998**	**241,344**	**117,998**	**241,344**

18 Contingencies

As at 31 December 2023 the Group had no material contingent liabilities or assets (2022: $nil).

19 Reserves

Accounting policy

Land, Buildings, Works of Art and Library Special Collections are revalued to fair value every three years, as determined by an independent valuer. Revaluations for Land and Buildings were carried out in 2021, revaluations for Library Special Collections and Works of Art were carried out in 2023.

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 expense, or is included as a basis adjustment to the non-financial hedged item, as per the University's hedging policy. The transfers to initial carrying amount of hedged item is the amount transferred to surplus or deficit when the hedged financial income or financial loss is recognised or when a forecast purchase occurs.

The fair value through other comprehensive revenue and expense reserve comprises the cumulative net change of financial assets classified as fair value through other comprehensive revenue and expense.

19 Reserves (continued)

	Consolidated		University	
	Actual 2023 $'000	Actual 2022 $'000	Actual 2023 $'000	Actual 2022 $'000
Reserves includes				
Land and buildings	2,169,856	2,169,856	2,169,856	2,169,856
Works of art and special library collections	33,815	23,731	33,815	23,731
Cash flow hedge reserve	(230)	(151)	(234)	(129)
Foreign currency translation reserve	(224)	(299)	-	-
Fair value through other comprehensive revenue and expense	14,103	46,973	-	-
Statutory reserve - international entities	94	94	-	-
Total reserves	2,217,414	2,240,204	2,203,438	2,193,458
Land and buildings				
Balance at beginning of financial year	2,169,856	2,169,856	2,169,856	2,169,856
Transferred to general equity	-	-	-	-
Revaluation increments/(decrements)	-	-	-	-
Balance at end of financial year	2,169,856	2,169,856	2,169,856	2,169,856
Works of art and special library collections				
Balance at beginning of financial year	23,731	23,731	23,731	23,731
Transferred to general equity	36	-	36	-
Revaluation increments/(decrements)	10,048	-	10,048	-
Balance at end of financial year	33,815	23,731	33,815	23,731
Cash flow hedge reserve				
Balance at beginning of financial year	(151)	54	(129)	71
Gain/(loss) recognised	(536)	(731)	(563)	(667)
Transfers to initial carrying amount of hedged item	457	526	458	467
Balance at end of financial year	(230)	(151)	(234)	(129)
Fair value through other comprehensive revenue and expense				
Balance at beginning of financial year	46,973	55,239	-	-
Revaluation increments/(decrements)	(32,127)	(8,266)	-	-
Transfer to general equity	(743)	-	-	-
Net movement in other comprehensive revenue and expense reserve	(32,870)	(8,266)	-	-
Balance at end of financial year	14,103	46,973	-	-

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 expense at the time restrictions have been extinguished.

Restricted purpose funds consist of endowments and current use funds.

	2023 Special purpose funds $'000	2023 Restricted purpose funds $'000	2023 Total $'000	2022 Special purpose funds $'000	2022 Restricted purpose funds $'000	2022 Total $'000
Consolidated						
Balance at beginning of financial year	18,435	351,892	370,327	18,517	370,402	388,919
Income	2	76,101	76,103	66	8,818	8,884
Less funds released from restrictions	(54)	(34,080)	(34,134)	(149)	(27,328)	(27,476)
Net surplus (deficit)	(52)	42,021	41,970	(82)	(18,510)	(18,592)
Balance at end of financial year	**18,382**	**393,913**	**412,297**	**18,435**	**351,892**	**370,327**

	2023 Special purpose funds $'000	2023 Restricted purpose funds $'000	2023 Total $'000	2022 Special purpose funds $'000	2022 Restricted purpose funds $'000	2022 Total $'000
University						
Balance at beginning of financial year	18,437	24,327	42,764	18,516	24,775	43,291
Income	2	6,582	6,584	69	6,057	6,126
Less funds released from restrictions	(54)	(5,522)	(5,576)	(148)	(6,505)	(6,653)
Net surplus (deficit)	(52)	1,060	1,008	(79)	(448)	(527)
Balance at end of financial year	**18,385**	**25,387**	**43,772**	**18,437**	**24,327**	**42,764**

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

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 (2022: $1m) relates to shares held in Auckland UniServices Limited, which represents a 100% interest in the Company (2022: 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 one subsidiary on 31 December 2023, the University of Auckland (Hangzhou) Innovation Institute Company (2022: 100%). The value of the shareholding is $1.00 (2022: $1.00).

Investment in controlled entities of $18.9m (2022: $18.9m) 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 $351.6m (2022: $303.5m). Of these $0.0m (2022: $3.2m) are available to the University for general expenditure and $351.6m (2022: $300.3m) 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 24 of PBE IPSAS 36 Investments in Associates and Joint Ventures with changes in fair value being recognised as unrealised gains or losses through surplus or deficit.

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:

	2023 $'000	2022 $'000
Investments in associates	8,808	4,944
Investments in associates	**8,808**	**4,944**

Fair values of investments in associates are based on non-market observable inputs (Level 3)

The balance above includes investments in the following entities: Cirrus Materials Science Ltd, Codify Asset Solutions Ltd (formerly Compliance Audit Systems Ltd), Junofem Ltd, SapVax LLC and TamoRX Ltd.

21.3 Other investments

Actigaze Ltd, Acumino NZ Ltd, Alimetry Ltd, Apercure Surgical Ltd, Apimatic Ltd, Avasa Ltd, Ceryx Medical Ltd, Codatherapeutics (NZ) Ltd, Dawa Therapeutics Ltd, DDRx Pharmaceuticals Ltd, Dotteral Technologies Limited, Double Helix Analysis Ltd, Energia Potior Ltd, eVouch Ltd, EXSS Ltd, Formus Holdings Ltd, Frond Space Systems Ltd, Gaiatech Ltd, Heartlab Ltd, InflammX Therapeutics Inc, ISpy Nit Detector Ltd, Kara Technologies Ltd, Kitea Health Ltd, Lighthouse Innovations Ltd, Luminoma Diagnostics Ltd, Mindbio Therapeutics NZ Ltd, Mote Ltd, Nurox Hydrothermal Ltd, Objective Acuity Ltd, OcuNexus Therapeutics Inc, OdioTech Pty Ltd, Opo Bio Ltd, OPUM Technologies Ltd, Orbis Diagnostics Ltd, Phasefoam Ltd, PlatformPI Ltd, Poweron Ltd, Quantifi Photonics Ltd, Research And Analysis Ltd, Rosterlab Ltd, Sensor Holdings Ltd, Soul Machines Ltd, Southern Photonics Ltd, Soverex Ltd, Strutfit Ltd, Tectonus Ltd, The Insides Company Ltd, Theianova Ltd, Tinnitus Tunes Ltd, Toku Inc, TrueSilence Therapeutics Inc, Vortex Power Systems Ltd, Vready Ltd and Zenno Astronautics Ltd.

These entities are neither controlled entities nor associates and are treated as financial assets in note 24.

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. 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 University Executive Team may be directors or officers of other companies or organisations with whom the University may transact.

Auckland UniServices Limited

The University pays 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.

University of Auckland Foundation

The University pays all of the salaries of the Foundation staff. 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 2023 the University donated $0.41m (2022: $0.37m) to the Foundation.

The Foundation pays grants and donations to the University on non arms length terms, for nil consideration. During 2023, the trustees approved grants to the University amounting to $24.6m (2022: $20.4m), and at reporting date grants payable to the University amounted to $56.3m (2022: $56.8m).

23 Key management personnel compensation

	Consolidated/University	
	Actual 2023 $'000	Actual 2022 $'000
Council members*	231	241
University Executive Team	3,803	3,210
Total key management personnel compensation	**4,034**	**3,451**
Full-time equivalent members**		
Council members*	2.0	2.0
University Executive Team	10.0	7.5
Total full-time equivalent personnel	**12.0**	**9.5**

* Excludes the salaries of Council members who are also employees. Non employee Council member headcount is 9 in 2023 (2022: 9). Comparative figure for 2022 has been restated to exclude salaries of Council members who were also employees. Council members who are part of the University Executive team are not paid any council fees.

** 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 2023

23 Key management personnel compensation (continued)

The following table shows the pay bands of employees who earned over $100k in the year to 31 December 2023:

	Consolidated		University	
	Actual 2023 $'000	Actual 2022 $'000	Actual 2023 $'000	Actual 2022 $'000
Remuneration Band				
$100k - $109k	443	437	404	411
$110k - $119k	369	304	339	277
$120k - $129k	276	263	258	250
$130k - $139k	252	262	236	256
$140k - $149k	271	245	257	236
$150k - $159k	232	209	229	205
$160k - $169k	220	142	216	135
$170k - $179k	104	104	103	98
$180k - $189k	109	76	107	75
$190k - $199k	66	59	61	56
$200k - $209k	57	45	54	41
$210k - $219k	50	38	46	33
$220k - $229k	30	30	35	29
$230k - $239k	28	30	27	30
$240k - $249k	30	20	28	19
$250k - $259k	24	22	22	21
$260k - $269k	16	12	16	11
$270k - $279k	15	11	15	11
$280k - $289k	11	19	11	19
$290k - $299k	11	8	10	8
$300k - $309k	18	7	17	7
$310k - $319k	7	6	7	6
$320k - $329k	5	7	5	7
$330k - $339k	7	4	7	4
$340k - $349k	6	7	6	7
$350k - $359k	2	3	2	3
$360k - $369k	2	8	2	8
$370k - $379k	4	3	4	3
$380k - $389k	7	9	6	6
$390k - $399k	2	3	2	3
$400k - $409k	3	2	2	2
$410k - $419k	3	-	3	-
$420k - $429k	5	-	4	-
$430k - $439k	-	1	-	1
$440k - $449k	-	1	-	1
$450k - $459k	1	2	1	2
$470k - $479k	2	1	2	1
$480k - $489k	-	1	-	1
$500k - $509k	2	1	2	1
$520k - $529k	1	1	1	-
$530k - $539k	1	-	1	-
$590k - $599k	1	1	-	-
$600k - $609k	-	1	-	1
$630k - $639k	1	-	1	-
$750k - $759k	1	1	1	1
Total Employees	**2,702**	**2,406**	**2,550**	**2,286**

24 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.

24.1 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 remeasured 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 expense.

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 expense. 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 expense.

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;
- financial assets at amortised cost;
- financial liabilities at amortised cost; and

24 Financial instruments (continued)

24.1 Financial instrument categories (continued)

- financial assets at fair value through other comprehensive revenue and expense (FVOCRE).

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of short-term receivables and payables that do not contain a significant financing component, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through surplus or deficit, transaction costs.

In order for a financial asset to be classified and measured at amortised cost or FVOCRE, it needs to give rise to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through surplus or deficit, irrespective of the business model. The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows. Financial assets classified and measured at FVOCRE are held within a business model with the objective of both holding to collect contractual cash flows and selling. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e. the date that the Group commits to purchase or sell that asset.

Financial assets at fair value through surplus or deficit

The Group holds investments which have been classified 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 24.2. Any resultant gain or loss is recognised in the surplus or deficit in the statement of comprehensive revenue and expense.

The policy of the Group is to treat 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.

Financial assets at amortised cost

Financial assets at amortised cost 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. Financial assets at amortised cost are measured using the effective interest rate method and are subject to impairment. Interest income is recognised by applying the effective interest rate.

Financial liabilities at amortised cost

Financial liabilities 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.

Financial liabilities initially measured at fair value relate to a non-interest bearing loan from Crown Infrastructure Partners. The loan is initially measured at fair value, with changes in fair value upon recognition being taken through surplus or deficit and subsequently measured at amortised cost.

Financial assets at fair value through other comprehensive revenue and expense

Financial assets at fair value through other comprehensive revenue and expense are those non-derivative financial assets that are not classified as financial assets at amortised cost or financial assets at fair value through surplus and deficit. Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at FVOCRE when they meet the definition of equity and are not held for trading. The classification is determined on an instrument-by-instrument basis. They are initially measured at fair value and subsequent changes to fair value are taken through other comprehensive revenue and expense. On derecognition any cumulative gain or loss is not recycled to the surplus or deficit.

24 Financial instruments (continued)

24.1 Financial instrument categories (continued)

	Consolidated		University	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
FINANCIAL ASSETS				
Derivatives that are hedge accounted				
Derivative financial instrument assets	2,091	3,963	(234)	(129)
Total derivatives that are hedge accounted	**2,091**	**3,963**	**(234)**	**(129)**
Financial assets at fair value through surplus or deficit				
New Zealand fixed interests*	54,312	48,425	-	-
International fixed interests*	34,454	31,192	-	-
Australasian equities*	35,568	34,701	-	-
International equities*	112,972	90,830	-	-
Emerging markets*	17,067	14,973	-	-
New Zealand property*	27,108	29,357	-	-
Private equity*	37,692	30,297	-	-
Private credit*	17,018	18,124	-	-
Infrastructure*	6,230	5,042	-	-
Investment in associates*	8,808	4,944	-	-
University's share of investments held by UniServices*	-	-	3,532	18,360
Convertible / SAFE notes	2,310	1,551	-	-
Total financial assets at fair value through surplus or deficit	**353,538**	**309,436**	**3,532**	**18,360**
Financial assets at amortised cost				
Cash and cash equivalents	58,290	37,706	24,726	15,893
Short term bank deposits	97,907	141,936	80,457	127,434
Long term bank deposits*	68,520	27,763	41,047	-
Receivables	59,131	59,683	70,552	58,948
Total financial assets at amortised cost	**283,848**	**267,088**	**216,782**	**202,275**
Financial assets at fair value through other comprehensive revenue and expense				
Shares*	29,949	59,648	-	-
Total financial assets at fair value through other comprehensive revenue and expense	**29,949**	**59,648**	**-**	**-**
FINANCIAL LIABILITIES				
Financial liabilities at amortised cost				
Payables	102,876	92,891	84,381	78,743
Borrowings:				
- interest bearing loan facility (revolving credit)	-	25,000	-	25,000
- non-interest bearing loan	127,902	77,877	127,902	77,877
- loan from controlled entity	-	-	55,000	55,000
Total financial liabilities at amortised cost	**230,778**	**195,768**	**267,283**	**236,620**

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

24 Financial instruments (continued)

24.2 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 financial assets at fair value through other comprehensive revenue and expense 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 financial assets at fair value through other comprehensive revenue and expense 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.

Level transfers will be linked to a single transfer for a current investment, or change in investment manager.

	(Level 1) Quoted market price	(Level 2) Observable inputs	(Level 3) Significant non-observable inputs	Total
	$'000	$'000	$'000	$'000
Consolidated 2023				
Financial assets				
NZ fixed interest*	-	54,312	-	54,312
International fixed interest*	34,454	-	-	34,454
Australasian equities*	-	35,568	-	35,568
International equities*	-	112,972	-	112,972
Emerging markets*	-	17,067	-	17,067
New Zealand property*	-	-	27,108	27,108
Private equity*	-	-	37,692	37,692
Private credit*	-	-	17,018	17,018
Infrastructure*	-	-	6,230	6,230
Convertible / SAFE notes	-	-	2,310	2,310
Shares	-	-	29,949	29,949
Investment in Associates	-	-	8,808	8,808
Derivative financial instruments - foreign exchange contracts	-	2,091	-	2,091
Total financial assets	**34,454**	**222,010**	**129,115**	**385, 579**

* These assets are held in managed funds.

There have been no transfers between Level 1 and Level 2 during the year.

24 Financial instruments (continued)

24.2 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 2022				
Financial assets				
NZ fixed interest*	-	48,425	-	48,425
International fixed interest*	31,192	-	-	31,192
Australasian equities*	-	34,701	-	34,701
International equities*	56,424	34,406	-	90,830
Emerging markets*	-	14,973	-	14,973
New Zealand property*	-	-	29,357	29,357
Private equity*	-	-	30,297	30,297
Private credit*	-	-	18,124	18,124
Infrastructure*	-	-	5,042	5,042
Convertible / SAFE notes	-	-	1,551	1,551
Shares	1,310	-	58,338	59,648
Investment in Associates	-	-	4,944	4,944
Derivative financial instruments - foreign exchange contracts	-	3,963	-	3,963
Total financial assets	**88,926**	**136,468**	**147,653**	**373,047**

* These assets are held in managed funds.

There have been no transfers between Level 1 and Level 2 during the year.

	(Level 1) Quoted market price	(Level 2) Observable inputs	(Level 3) Significant non-observable inputs	Total
	$'000	$'000	$'000	$'000
University 2023				
Financial assets				
University's share of investments held by UniServices	-	-	3,532	3,532
Derivative financial instruments - foreign exchange contracts	-	(234)	-	(234)
Total financial assets	**-**	**(234)**	**3,532**	**3,298**

There have been no transfers between Level 1 and Level 2 during the year.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

24 Financial instruments (continued)

24.2 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
University 2022				
Financial assets				
University's share of investments held by UniServices	-	-	18,360	18,360
Derivative financial instruments - foreign exchange contracts	-	(129)	-	(129)
Total financial assets	**-**	**(129)**	**18,360**	**18,231**

There have been no transfers between Level 1 and Level 2 during the year.

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*	Convertible / SAFE notes	Investment in Associates	Shares	New Zealand Property	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Consolidated 2023						
Balance at 1 January 2023	53,463	1,551	4,944	58,338	29,357	147,653
Transfers into/(out) level 3	-	(716)	133	2,920	-	2,337
New Calls	10,836	1,598	-	-	-	12,434
Distributions received	(5,636)	-	-	-	-	(5,636)
Gains and (losses) recognised in surplus or deficit	2,277	(121)	3,731	542	(2,249)	4,180
Gains and (losses) recognised in other comprehensive revenue and expense	-	-	-	(31,852)	-	(31,852)
Balance at 31 December 2023	**60,940**	**2,312**	**8,808**	**29,948**	**27,108**	**129,115**

	Private equity*	Convertible / SAFE notes	Investment in Associates	Shares	New Zealand Property	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Consolidated 2022						
Balance at 1 January 2022	37,363	1,619	4,910	62,294	32,301	138,488
Transfers into/(out) level 3	13,761	(68)	828	4,310	-	18,831
Distributions received	(5,431)	-	-	-	(4,000)	(9,431)
Gains and (losses) recognised in surplus or deficit	7,770	-	(794)	-	1,056	8,031
Gains and (losses) recognised in other comprehensive revenue and expense	-	-	-	(8,266)	-	(8,266)
Balance at 31 December 2022	**53,463**	**1,551**	**4,944**	**58,338**	**29,357**	**147,653**

* Private equity includes private equity, private credit and infrastructure.

24 Financial instruments (continued)

24.2 Fair values of financial assets and liabilities (continued)

University 2023	University's share of investments held by UniServices $'000
Balance at 1 January 2023	18,360
Gains and (losses) recognised in surplus or deficit	(14,828)
Balance at 31 December 2023	**3,532**

University 2022	University's share of investments held by UniServices $'000
Balance at 1 January 2022	22,771
Gains and (losses) recognised in surplus or deficit	(4,411)
Balance at 31 December 2022	**18,360**

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

24.3 Financial instrument risks

Market risk

Currency risk

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 SIPOs forward contracts are entered into to hedge specific proportions of the currency risk. The SIPOs 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. A shift in the NZD of +/- 10% would result in an equivalent change in the 2023 value of $2.0m (2022: $2.2m).

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

Approximately 9% (2022: 9%) of Auckland UniServices Limited revenues are denominated in foreign currencies, whilst 16% (2022 16%) 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 SIPOs 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 SIPOs for the 12 months to 31 December 2023.

24 Financial instruments (continued)

24.3 Financial instrument risks (continued)

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 equal to or above 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 holds no collateral or credit enhancements for financial instruments that give rise to credit risk. The maximum exposure to credit risk as at the reporting date for trade receivables is their carrying value as the Group does not hold collateral as security.

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

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 investment strategies set out in the Foundation's SIPOs.

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 $200m and uncommitted facility of $100m (2022: committed borrowing facility of $300m). The University has complied with all banking covenants under this facility. The University's maturity analysis is presented below.

24 Financial instruments (continued)

24.3 Financial instrument risks (continued)

	Mature within 1 year	Mature within 1-5 years	Mature within 5-12 years	Total
	$'000	$'000	$'000	$'000
Consolidated 2023				
Payables	(102,876)	-	-	(102,876)
Non-interest bearing loan	(979)	(1,800)	(125,123)	(127,902)
Interest bearing loan facility	-	-	-	-
Cash and cash equivalents	58,290	-	-	58,290
Bank term deposits	97,907	68,520	-	166,427
Total financial instruments	**52,342**	**66,720**	**(125,123)**	**(6,061)**
Consolidated 2022				
Payables	(92,891)	-	-	(92,891)
Non-interest bearing loan	(1,279)	(1,958)	(74,640)	(77,877)
Interest bearing loan facility	-	(25,000)	-	(25,000)
Cash and cash equivalents	37,706	-	-	37,706
Bank term deposits	141,936	27,763	-	169,699
Total financial instruments	**85,472**	**805**	**(74,640)**	**11,637**

	Mature within 1 year	Mature within 1-5 years	Mature within 5-12 years	Total
	$'000	$'000	$'000	$'000
University 2023				
Payables	(84,381)	-	-	(84,381)
Loan from controlled entities	(55,000)	-	-	(55,000)
Non-interest bearing loan	(979)	(1,800)	(125,123)	(127,902)
Interest bearing loan facility	-	-	-	-
Cash and cash equivalents	24,726	-	-	24,726
Bank term deposits	80,457	41,047	-	121,504
Total financial instruments	**(35,177)**	**39,247**	**(125,123)**	**(121,053)**
University 2022				
Payables	(78,743)	-	-	(78,743)
Loan from controlled entities	(55,000)	-	-	(55,000)
Non-interest bearing loan	(1,279)	(1,958)	(74,640)	(77,877)
Interest bearing loan facility	-	(25,000)	-	(25,000)
Cash and cash equivalents	15,893	-	-	15,893
Bank term deposits	127,434	-	-	127,434
Total financial instruments	**8,305**	**(26,958)**	**(74,640)**	**(93,293)**

24 Financial instruments (continued)

24.3 Financial instrument risks (continued)

Sensitivity analysis

	Consolidated		University	
	Actual 2023 $'000	Actual 2022 $'000	Actual 2023 $'000	Actual 2022 $'000
Total Financial Assets				
Value at Risk	(5.04)%	(5.01)%	0.74 %	0.74 %
Assets available	561,358	545,130	121,504	127,434
Estimated impact on assets available	(28,287)	(27,319)	903	947

	Consolidated	
	Actual 2023 $'000	Actual 2022 $'000
Level 3 Assets		
Value at Risk	(12.90%)	(14.54%)
Assets available	129,115	147,653
Estimated impact on assets available	(16,653)	(21,469)

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 2023. 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 there is no 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.

Financial Responsibility Supplemental Schedule

For the year ended 31 December 2023

		Note	Consolidated 2023 $'000
	Primary reserve ratio		
	Expendable net assets		
A	Net assets without donor restrictions	SoFP	3,975,626
B	Net assets with donor restrictions	SoFP	393,913
	Secured and unsecured related party receivable		-
C	Unsecured related party receivable		-
	Property, plant and equipment, net (includes Construction in progress)	SS 1	4,396,188
D	Property, plant and equipment pre-implementation	SS 1	4,036,307
	Property, plant and equipment post-implementation with outstanding debt for original purchase		-
	Property, plant and equipment post-implementation without outstanding debt for original purchase		-
E	Construction in progress	SS 1	359,881
	Lease right-of-use asset, net		-
	Lease right-of-use asset, pre-implementation		-
	Lease right-of-use asset, post-implementation		-
	Intangible assets		-
F	Post-employment and pension liabilities	SS 2	77,717
	Long-term debt - for long term purposes	SoFP	126,923
G	Long-term debt - for long term purposes pre-implementation	SoFP	126,923
	Long-term debt - for long term purposes post-implementation		-
	Line of credit for construction in progress		-
	Lease right-of-use asset liability		-
	Pre-implementation right-of-use asset liability		-
	Post-implementation right-of-use asset liability		-
	Annuities with donor restrictions		-
	Term endowments with donor restrictions		-
	Life income funds with donor restrictions		-
	Net assets with donor restrictions: restricted in perpetuity		-
	Expendable net assets (A + B - C - D - E + F + G)		177,991
	Total expenses and losses		
A	Total expenses without donor restrictions	SS 3	1,437,569
B	Non-operating and net investment (loss)	*	(16,960)
C	Net investment losses	SS 3	(42,677)
D	Pension-related changes other than net periodic costs		-
	Total expenses and losses without donor restrictions (A + B - C - D)		1,463,286

* Non-operating and net investment (loss), is the sum of Investment return appropriated for spending $42.677m, less Other gains (losses) $22.083m and Sale of Fixed Assets gains (losses) $3.634m

Financial Responsibility Supplemental Schedule (continued)

For the year ended 31 December 2023

		Note	Consolidated 2023 $'000
	Equity Ratio		
	Modified net assets		
A	Net assets without donor restrictions	SoFP	3,975,626
B	Net assets with donor restrictions	SoFP	393,913
	Intangible assets		-
	Secured and unsecured related party receivables		-
C	Unsecured related party receivables		-
	Modified net assets (A + B - C)		4,369,539
	Modified assets		
A	Total assets	SoFP	5,162,413
	Lease right-of-use asset pre-implementation		-
	Pre-implementation right-of-use asset liability		-
	Intangible assets		-
	Secured and unsecured related party receivables		-
B	Unsecured related party receivables		-
	Modified assets (A - B)		5,162,413
	Net income ratio		
	Change in net assets without donor restrictions	SoCRE	87,723
	Total revenues and gains without donor restrictions	*	1,508,332

* Total revenues and gains without donor restrictions includes the following balances shown in the Statement of Activities: Total Operating revenue and Other Additions $1.551b, less Investment return appropriated for Spending $42.677m.

USDE Format
Statement of financial position

As at 31 December 2023

	Note	Consolidated 2023 $'000
Assets		
Cash and cash equivalents	SoFP	58,290
Accounts receivable, net	SS 4	93,759
Prepaid expenses	SS 4	64,480
Related party receivable		-
Contributions receivable, net		-
Student loans receivable, net		-
Investments	SS 5	451,790
Property, plant and equipment, net	SS 1	4,396,188
Lease right-of-use asset, net		-
Goodwill		-
Deposits	SoFP	97,907
Total assets		5,162,413
Liabilities		
Line of credit - short term	SoFP	979
Line of credit - short term for CIP		-
Accrued expenses/accounts payable	SS 6	273,869
Deferred revenue	SoFP	313,386
Post-employment and pension liability	SS 2	77,717
Line of credit - operating		-
Other liabilities		-
Notes payable		-
Lease right-of-use asset liability		-
Line of credit for long term purposes	SoFP	126,923
Total Liabilities		792,874
Net assets without donor restrictions		3,975,626
Net assets with donor restrictions		
Annuities		-
Term endowments		-
Life income funds		-
Other restricted by purpose and time	SoFP	393,913
Restricted in perpetuity		-
Total net assets with donor restrictions		393,913
Total net assets		**4,369,539**
Total liabilities and net assets		**5,162,413**

USDE Format
Statement of activities

For the year ended 31 December 2023

	Note	Consolidated 2023 $'000
Changes in net assets without donor restrictions		
Operating revenue and other additions		
Tuition and fees, net	SS 3	1,051,075
Contributions	SS 3	423,177
Investment return appropriated for spending	SS 3	42,677
Auxiliary enterprises		-
Net assets released from restriction	SS 3	34,080
Total Operating Revenue and Other Additions		1,551,009
Operating expenses and other deductions		
Education and research expenses	*	1,260,734
Depreciation and amortization	SS 3	171,984
Interest expense	*	4,851
Auxiliary enterprises		-
Total Operating Expenses		1,437,569
Change in net assets from operations		113,440
Non-operating changes		
Investments, net of annual spending, gain (loss)		-
Other components of net periodic pension costs		-
Pension-related changes other than net periodic pension costs		-
Change in value of split-interest agreements		-
Other gains (losses)	SS 3	(22,083)
Sale of fixed assets, gains (losses)	SS 3	(3,634)
Total Non-operating changes		(25,717)
Change in net assets without donor restrictions		87,723
Change in net assets with donor restrictions		
Contributions	Note 20	76,101
Net assets released from restriction	SoCRE	(34,080)
Change in net assets with donor restrictions		42,021
Change in net assets		**129,743**
Net assets, beginning of Year		4,239,796
Net assets, end of Year		**4,369,539**

* Education and research expenses of $1.261b and Interest expense of $4.851m equals $1.266b as shown in SS 3 Education and research expenses.

Notes to Supplemental Schedule

These notes to the supplemental schedule have been added to provide a link back to the financial statements.

Note references (FS Ref) are either to a line item within in the Statement of Comprehensive Revenue and Expense (SoCRE), Statement of Financial Position (SoFP), or notes to the financial statements.

1 Property, plant and equipment

	Note	Consolidated 2023 $'000
Property, plant and equipment, net		
Property, plant and equipment	Note 10	4,327,747
Intangible assets	Note 11	68,441
Total property, plant and equipment net		4,396,188
Construction in progress		
Work in progress - property, plant and equipment	Note 10	353,040
Work in progress - intangibles	Note 11	6,841
Total construction in progress		359,881
Property, plant and equipment (excl WIP)		**4,036,307**

2 Post-employment and pension liabilities

	Note	Consolidated 2023 $'000
Retirement allowance - current	Note 14	20,565
Retirement allowance - non-current	Note 14	57,152
Total post-employment and pension liabilities		**77,717**

Notes to Supplemental Schedule (continued)

3 Revenue and expenses

	Note	Consolidated 2023 $'000
Operating revenue and other additions		
Government grants	Note 2	484,067
Less Performance-Based Research Fund funding	Note 2	92,400
Tuition fees	SoCRE	410,589
Service income	Note 2	156,035
Other revenue	*	92,784
Tuition and fee, net		**1,051,075**
Research and contracts	SoCRE	330,777
Performance-Based Research Fund funding	Note 2	92,400
Contributions		**423,177**
Other gains/(losses)	SoCRE	39,043
Less sale of fixed assets, gains (losses)	Note 3	(3,634)
Investment return appropriated for spending		**42,677**
Net assets released from restriction	Note 4	**34,080**
Total operating revenue and other additions		**1,551,009**
Operating expenses and other deductions		
People costs	Note 5	782,885
Operating costs	Note 6	477,573
Finance costs	SoCRE	4,851
Income tax expense/(benefit)	SoCRE	276
Education and research expenses		**1,265,585**
Depreciation and amortisation	Note 10, 11	**171,984**
Total operating expenses		**1,437,569**
Non-operating charges		
Other gains/(losses)	**	(22,083)
Sale of fixed assets, gains (losses)	Note 3	(3,634)
Total non-operating charges		**(25,717)**

* Total other revenue per SoCRE of $248.819m, less Service income of $156.035m per Note 2, equals $92.784m

** Other gains/(losses) is the sum of Gains/losses reported in Other Comprehensive Revenue and Expense section of SoCRE

Notes to Supplemental Schedule (continued)

4 Accounts receivable

	Note	Consolidated 2023 $'000
Receivables	Note 9	62,212
Research work in progress	SoFP	34,628
Less provision for doubtful debts	Note 9	3,081
Accounts receivable, net		**93,759**
Prepayments and other current assets	SoFP	61,864
Inventories	SoFP	2,616
Prepaid expenses		**64,480**

5 Investments

	Note	Consolidated 2023 $'000
Derivative financial instruments	SoFP	2,091
Other financial assets - non-current	SoFP	449,698
Total investments		**451,789**

6 Accrued expenses/accounts payable

	Note	Consolidated 2023 $'000
Payables	SoFP	193,905
Income tax payable	SoFP	4,898
Employee entitlements - current	SoFP	89,585
Employee entitlements - non-current	SoFP	60,442
Provisions - current	SoFP	650
Provisions - non-current	SoFP	2,106
Less post-employee and pension liability	SS 2	77,717
Accrued expenses/accounts payable		**273,869**

Notes to Supplemental Schedule (continued)

7 Reconciliation of right-of-use assets and long term debt

	Note	Consolidated 2023 $'000
Lease right-of-use assets		
Lease right-of use assets - pre-implementation		-
Lease right-of use assets - post-implementation		-
Total lease right-of-use assets		-
Lease right-of-use liability		
Lease right-of-use liability - pre-implementation		-
Lease right-of-use liability - post-implementation		-
Total lease right-of-use liability		-
Net property, plant and equipment		
Pre-implementation property, plant and equipment	SS 1	4,036,307
Post-implementation property, plant and equipment		-
Vehicles		-
Furniture		-
Computers		-
Construction in progress	SS 1	359,881
Post-implementation property, plant and equipment		-
Total net property, plant and equipment		**4,396,188**
Long-term debt for long term purposes		
Pre-implementation long-term debt	SoFP	126,923
Allowable post-implementation long-term debt		-
Vehicles		-
Furniture		-
Computers		-
Construction in progress		-
Long-term debt not for the purchase of property, plant and equipment or liability greater than asset value		-
Total long-term debt for long term purpose		**126,923**

Notes to Supplemental Schedule (continued)

8 Calculating the composite score

	Consolidated
	2023
	$'000
Primary reserve ratio	
Expendable net assets	177,991
Total expenses and losses without donor restrictions	1,463,286
Ratio	**0.1216**
Equity Ratio	
Modified net assets	4,369,539
Modified assets	5,162,413
Ratio	**0.8464**
Net income ratio	
Change in net assets without donor restrictions	87,723
Total revenue and gains without donor restrictions	1,508,332
Ratio	**0.0566**

Ratio	Ratio	Strength Factor	Weight	Composite Scores
Primary reserve ratio	0.1216	1.2164	40%	0.4866
Equity ratio	0.8464	3.0000	40%	1.2000
Net income ratio	0.0566	3.0000	20%	0.6000
Total composite score - rounded				**2.28655**

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INDEPENDENT AUDITOR'S REPORT
TO THE READERS OF THE UNIVERSITY OF AUCKLAND AND GROUP'S FINANCIAL STATEMENTS, STATEMENT OF SERVICE PERFORMANCE AND FINANCIAL RESPONSIBILITY SUPPLEMENTAL SCHEDULE FOR THE YEAR ENDED 31 DECEMBER 2023

The Auditor-General is the auditor of the University of Auckland (the University) and group. The Auditor-General has appointed me, Brent Penrose, 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.

We have also been requested by the University to audit the financial responsibility supplemental schedule it has prepared for the Office of the Inspector General – United States Department of Education, under United States Government Federal Regulations.

Opinion

We have audited:

- the financial statements of the University and group on pages 72 to 121, that comprise the statement of financial position as at 31 December 2023, the statement of comprehensive revenue and expense, statement of changes in net assets/equity and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information;
- the statement of service performance of the University and group on pages 36 to 61; and
- the financial responsibility supplemental schedule on pages 122 to 130.

In our opinion:

- the financial statements of the University and group on pages 72 to 121:
  - present fairly, in all material respects:
    - the financial position as at 31 December 2023; 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 36 to 61:
  - presents fairly, in all material respects, the University and group's service performance achievements as compared with the forecast outcomes included in the investment plan for the year ended 31 December 2023; and
  - complies with generally accepted accounting practice in New Zealand; and
- the financial responsibility supplemental schedule on pages 122 to 130 is prepared, in all material respects, in accordance with Section 668.172(a) and Section 2 of Appendix B to Subpart L of Part 668 of Chapter VI of Subtitle B of Title 34 of the Code of Federal Regulations of the United States Government Federal Regulations

Our audit was completed on 11 March 2024. This is the date at which our opinion is expressed.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Council and our responsibilities relating to the financial statements, the statement of service performance, and the financial responsibility supplemental schedule, we comment on other information, and we explain our independence.

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.

Emphasis of Matter – Inherent uncertainties in the measurement of greenhouse gas emissions

The University has chosen to include a measure of its greenhouse gas (GHG) emissions in its performance information. Without modifying our opinion and considering the public interest in climate change related information, we draw attention to performance measures 24 and 25 on pages 56 and 57 of the annual report, which outlines the inherent uncertainty in the reported GHG emissions. Quantifying GHG emissions is subject to inherent uncertainty because the scientific knowledge and methodologies to determine the emissions factors and processes to calculate or estimate quantities of GHG sources are still evolving, as are GHG reporting and assurance standards.

Responsibilities of the Council for the financial statements, the statement of service performance and the financial responsibility supplemental schedule

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 and the Crown Entities Act 2004.

The Council is also responsible on behalf of the University and group for preparing the financial responsibility supplemental schedule in compliance with the requirements of Section 668.172(a) and Section 2 of Appendix B to Subpart L of Part 668 of Chapter VI of Subtitle B of Title 34 of the Code of Federal Regulations of the US Government. These requirements include:

- Each item in the supplemental schedule must have a reference to the statement of financial position, statement of comprehensive revenue and expense, or notes to the financial statements.
- The amount entered in the supplemental schedule should tie directly to a line item, be part of a line item (if part of a line item it must also include a note disclosure of the actual amount), or a note to the financial statements.
- Calculation of the specified ratios and composite scores.

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

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.

Our responsibility is also to audit the financial responsibility supplemental schedule required by Section 668.172(a) and Section 2 of Appendix B to Subpart L of Part 668 of Chapter VI of Subtitle B of Title 34 of the Code of Federal Regulations of the US Government. Our audit includes:

- Agreeing each item in the supplemental schedule to the reference in the audited statement of financial position, statement of comprehensive revenue and expense, or notes to the financial statements.
- Reconciling the amounts in the supplemental schedule to the notes to the supplemental schedule.
- Agreeing the amounts in the notes to the supplemental schedule to the applicable line items and/or notes to the audited financial statements.
- Re-performing the calculations of the ratios specified in the notes to the supplemental schedule.
- Re-performing the mathematical accuracy of the composite scores.

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 approved budget for the financial statements and investment plan for the statement of service performance.

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 evaluate the appropriateness of the reported performance information within the University's framework for reporting its performance.

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- 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 35 and 62 to 71 but does not include the financial statements, the statement of service performance, and the financial responsibility supplemental schedule, 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.

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In addition to the audit, we have provided tax compliance services in relation to the Saudi Arabia branch of Auckland UniServices Limited. We have also provided other assurance services in relation to Performance Based Research Funding and special purpose financial statements. 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.

Brent Penrose
Ernst & Young
On behalf of the Auditor-General
Auckland, New Zealand


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