



UNIVERSITY OF OTAGO ANNUAL REPORT 2021

2021

UNIVERSITY OF OTAGO

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Cover design: The University of Otago sits at the heart of Dunedin City, contributing culturally, economically and socially. Through its campuses in Auckland, Wellington, Christchurch and Invercargill it also contributes to those cities, and indeed to the whole of Aotearoa. The 2021 Annual Report examines this economic and social impact, and the map motif used on the front and back covers and woven through the report is used to visually represent this. On the front: Dunedin; on the back (from top to bottom): Auckland, Wellington, Christchurch and Invercargill.

VISION

A research-led University with an international reputation for excellence.

*He Whare Wānanga aronui ana ki te rangahau,
e rongonui ana i ngā tōpito o te ao i āna
tutukinga ikeike.*

MISSION

The University of Otago will create, advance, preserve, promote and apply knowledge, critical thinking and intellectual independence to enhance the understanding, development and wellbeing of individuals, society and the environment. It will achieve these goals by building on foundations of broad research and teaching capabilities, unique campus learning environments, its nationwide presence and mana, and international links.

*Ko tā Te Whare Wānanga o Otāgo he whakawhanake,
he pupuri, he whakatairanga hoki i te mātauranga, i te
ihomatua tātari kaupapa, i te whakaaroaro motuhake o te
tangata, kia hāpai ai te mōhio, te mārama, te hiatotanga,
otirā, te oranga o te tangata, o te iwi hoki. Mā te rangahau
me te tika mārika o te whakaako, mā te whai wānanga
ahurei, mā te whakaū ki tōna mana, me ōna toronga puta
noa i te motu, i te ao hoki ēnei whāinga e tutuki.*



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UNIVERSITY GOVERNANCE

LEGAL STATUS

The University was established by the University of Otago Ordinance of the Provincial Council in 1869 and the University of Otago Amendment Act 1961, and continued under the Education Act 1989 and the Education and Training Act 2020. It is governed by a Council, which appoints the Vice-Chancellor, who is the chief executive and employer of all other staff.

STATUTORY ROLE

Defining characteristics of universities in New Zealand, specified in the Education and Training Act 2020, include that their teaching is primarily informed by research, they are repositories of knowledge and expertise, and they accept a role as critic and conscience of society.

THE UNIVERSITY COUNCIL

The Council is constituted and empowered according to legislation. Council is chaired by the Chancellor, and comprises appointed, elected and designated members.

COMMITTEES OF COUNCIL

Specific committees report directly to Council on matters including financial management and performance, capital development, audit and risk, and health and safety and ethics compliance. It also has a Treaty of Waitangi committee with equal membership from Ngāi Tahu, and the University may, from time to time, establish special working parties to examine particular issues.

THE SENATE

Senate reports directly to Council, advising it primarily on academic matters as the Academic Board of the University. Senate is convened by the Vice-Chancellor and its membership is drawn mainly from the heads of academic departments. Also included are other senior academics and representatives of other teaching staff and students. It is, in turn, advised by a number of committees and boards.

UNIVERSITY AUTONOMY AND ACADEMIC FREEDOM

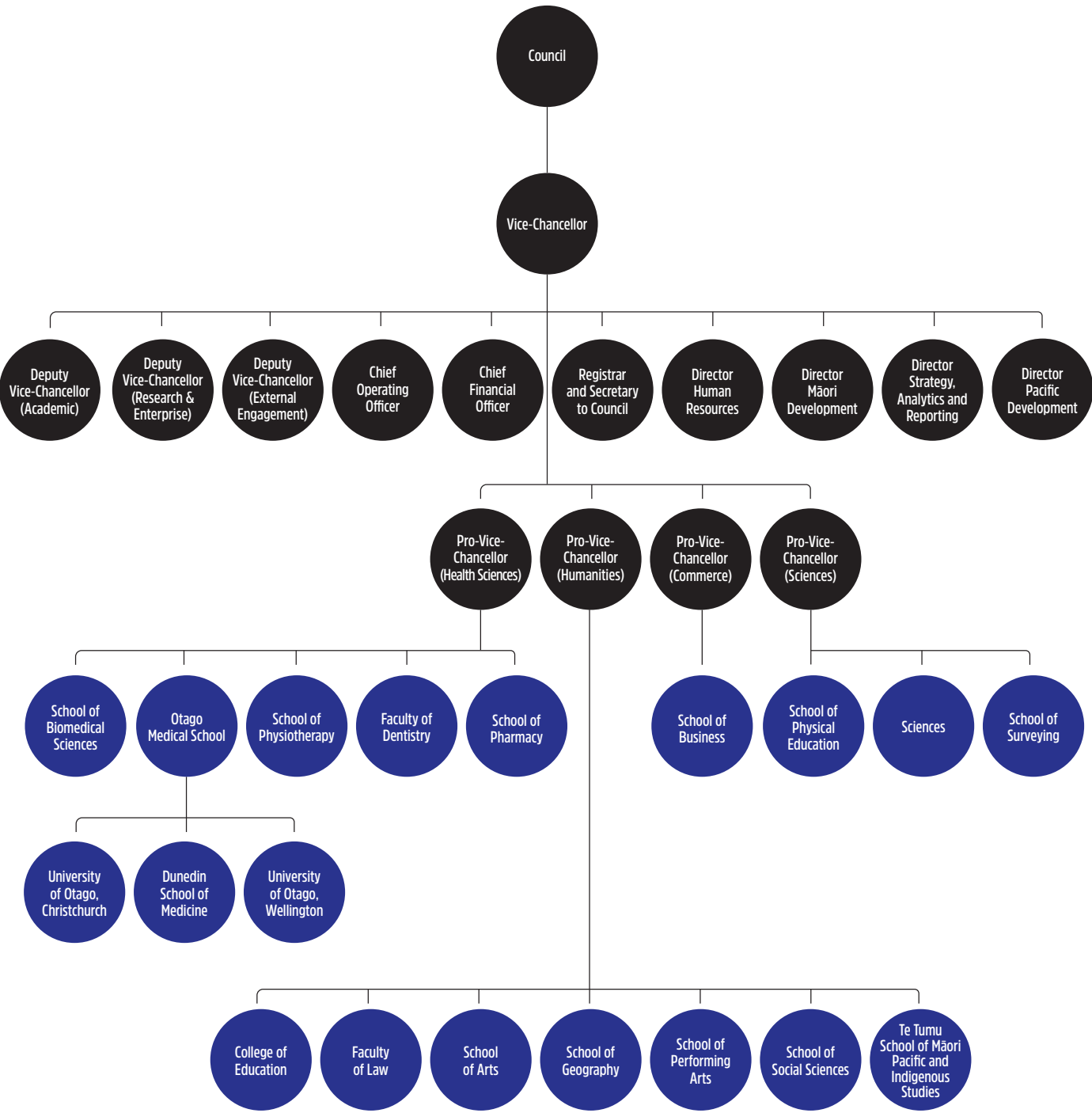
The Education and Training Act 2020 provides statutory recognition of, and protection for, the institutional autonomy of the University and the academic freedom of its staff and students. In accordance with the Act, the Council and the Vice-Chancellor have a duty to act to preserve and enhance university autonomy and academic freedom.

GOVERNANCE DOCUMENTS

The University strategic plan, *Strategic Direction to 2020*, provides a framework for the development of the University. Due to the impacts of COVID-19, the University of Otago Council extended the life of the University's *Strategic Direction to 2020*. A new strategic plan will be finalised in 2022.

The University Investment Plan outlines the means by which the University will contribute to the Government's strategies and priorities for tertiary education, and how it will monitor its performance in these matters.

ORGANISATION CHART





COUNCIL UNIVERSITY OF OTAGO 2021

APPOINTED BY THE MINISTER OF EDUCATION



Dr Royden J. Somerville
(Chancellor)
QC LL.M PhD(Otago) AAMINZ



Ms Suzanne L. Ellison
MNZM BA(Otago)
DipTchg(Higher)



Mr Stephen J. Higgs
(Pro-Chancellor)
BCom(Otago) FCA CFInstD



Mr Malcolm A. Wong
BCom(Otago) FCA

ELECTED BY THE ACADEMIC STAFF



Associate Professor
Charles R. Pigden
MA(Camb) PhD(La Trobe)

ELECTED BY THE PROFESSIONAL STAFF



Ms Melissa L. Lethaby
BA (Otago)

EX OFFICIO



Professor Helen D. Nicholson
Vice-Chancellor (Acting)
from April 2021
BSc(Hons) MB ChB MD(Brist)



Professor Harlene Hayne
(Vice-Chancellor)
to 8 April 2021
ONZM BA HonDSc(Colorado College)
MS PhD(Rutgers) FRSNZ

APPOINTED BY THE UNIVERSITY COUNCIL



Mr Frazer B. Barton
BA LLB(Hons)(Otago)



Mr Martin R. Dippie
CMinstD



Ms L. Carrie Hobson
BCom(Hons)(Otago), RGON



Ms P. (Trish) A. Oakley
BCom(Otago) MinstD

THE PRESIDENT, OTAGO UNIVERSITY STUDENTS' ASSOCIATION



Ms Michaela M. F. Waite-Harvey

SECRETARY TO THE COUNCIL



Mr Christan J. Stoddart
BA(Hons)(Otago)



EXECUTIVE GROUP UNIVERSITY OF OTAGO 2021

Vice-Chancellor, Acting, from April 2021

Professor Helen D. Nicholson
BSc(Hons) MB ChB MD(Brist)

Vice-Chancellor, to 8 April 2021

Professor Harlene Hayne
ONZM BA HonDSc(Colorado College) MS PhD(Rutgers) FRSNZ

Deputy Vice-Chancellor (Academic), Acting

Professor Patricia A. Cragg
BSc(Hons) PhD(Brist)

Deputy Vice-Chancellor (Research and Enterprise)

Professor Richard J. Blaikie
BSc(Hons)(Otago) PhD(Camb) FRSNZ FOSA MIEEE MInstP

Deputy Vice-Chancellor (External Engagement)

Professor Anthony J. Ballantyne
BA(Hons)(Otago) PhD(Camb) FRSNZ

Chief Operating Officer

Mr Stephen W. Willis
BNursing MHLthSc(Qld UT) MPRM(S Qld) AdvDipPM(Southbank IT) MAIPM MInstD MoP

Pro-Vice-Chancellor (Commerce)

Professor Robin D. C. Gauld
BA(Hons) MA(Well) PhD(HK)

Pro-Vice-Chancellor (Health Sciences)

Professor Paul A. Brunton
MSc PhD(Manc) FDSRCSEd FDSRCS FFGDP (UK)

Pro-Vice-Chancellor (Humanities)

Professor Jessica F.M. Palmer
BCom LLM(Auck) LLM(Camb) MInstD

Pro-Vice-Chancellor (Sciences)

Professor Richard J. Barker
BSc(Hons) PhD(Massey) CMInstD

Director of Human Resources

Mr Kevin J. Seales
BCom(Cant) BSc(Otago) MBA(H-W) CMHRINZ

Chief Financial Officer

Ms Sharon A. van Turnhout
BCom(Otago) FCA MInstD

Director of Māori Development

Mr Tuari L. Potiki
PGDipHealSc CComPsC(Otago) CertClinSup CertAODCouns (CIT)

Director of Pacific Development

Dr Tasileta Teevale
BPhEd(Otago) MBA(Massey) PhD(Auck)

Director of Strategy, Analytics and Reporting

Mr David J. Thomson
BA(Hons) MBA(Otago)

Registrar and Secretary to the Council

Mr Christan J. Stoddart
BA (Hons)(Otago)





CHANCELLOR’S INTRODUCTION

TĒNĀ KOUTOU KATOĀ

It is my privilege to introduce the University of Otago’s 2021 Annual Report. 2021 was another challenging year for the University, dominated by the impacts of the COVID-19 pandemic. This Annual Report addresses how the University community responded during the year to constantly changing and complex circumstances.

We have continued to be incredibly proud of the way our staff and alumni have supported the response of Aotearoa New Zealand to the pandemic. Twenty-five staff served directly on Government advisory committees, helping to shape our country’s testing strategies, vaccine rollout, and border measures, while many more led cutting-edge research and modelling, or contributed to the public COVID-19 debate, sharing information and engaging nationally and internationally. Our staff and students also assisted with both vaccinations and diagnoses, including with measures to support equity for marginalised communities.

Our senior leadership team, and academic and professional staff, worked tirelessly to manage the risks to the health and safety of our staff and students and to the continuing operation of the University at all of its campuses. Their dedication, tenacity and adaptability have characterised their commitment to the University and allowed it to continue to maintain and deliver outstanding research, teaching and community outreach programmes.

Inevitably the pandemic has negatively impacted the University’s finances, although less than predicted. It finished 2021 with a surplus of \$16.5 million, which was much better

than the budgeted deficit of \$5.5 million. Distributions from the University of Otago Foundation Trust were also down slightly, at \$10.7 million, compared to the budgeted \$11.7 million.

In April 2021, our long-serving Vice-Chancellor, Professor Harlene Hayne, left the University to take up the role of Vice-Chancellor at Curtin University in Perth, Western Australia. At the public graduation ceremony held in March, I had the privilege of conferring on Professor Hayne the honorary degree of Doctor of Laws. This honour recognised and acknowledged Professor Hayne’s dedicated and selfless leadership of the University. She began her career at the University in 1992 in the Department of Psychology, and became Head of that Department in 2006 before becoming Deputy Vice-Chancellor (Research and Enterprise) in 2008. In 2011 she was appointed Vice-Chancellor. Professor Hayne was always passionate about the University and committed to maintaining and enhancing its excellent reputation world-wide. She was also devoted to the wellbeing of our students. We wish her all the best in her new role.

From April 2021 to January 2022, Professor Helen Nicholson, the Deputy Vice-Chancellor (Academic) served as Acting Vice-Chancellor pending the selection and appointment of a new Vice-Chancellor. Professor Nicholson has a deep knowledge of the University informed by the wide range of senior leadership positions she has held. We are very grateful to her for the skilled and empathetic way she led the University during the interregnum, which was a very challenging time.

Following a comprehensive international search and a careful and collaborative selection process, the University

Council was delighted to appoint Professor David Murdoch as the ninth Vice-Chancellor of the University. Dunedin-born, Professor Murdoch is an Otago medical graduate, a distinguished academic, and a recognised world leader in the prevention and treatment of infectious diseases. He comes into this role directly from the position of Dean and Head of Campus at the University of Otago, Christchurch. Professor Murdoch is an empathetic academic leader who has a demonstrated record in developing positive organisational structures that encourage diversity and inclusiveness. He is committed to the principles of Te Tiriti o Waitangi and to the enduring partnership the University has with Kai Tahu. I am confident that his leadership will ensure that the University is well-positioned to confront the challenges and embrace the opportunities of the 21st century. I warmly welcome him to the role and wish him all the best.

Despite fluctuating COVID-19 Alert Levels during the year, the University continued to deliver its renowned “Otago experience” to students, and provide world-class teaching and research. All papers were taught, all examinations and assessments were completed, and academic results continued to be excellent. Our researchers continued to gain exceptional levels of funding and make significant advances in their areas of expertise and our teachers won top awards.

Alert Level changes did impact significantly on some areas, one of the most disappointing being our public graduation ceremonies. Ceremonies in August and December were cancelled, with only the May ceremonies going ahead as planned. Graduations are one of the highlights of the University year. I always look forward to congratulating our new graduates in person and sharing their success with them and their whānau. I am deeply sorry that so many of our graduands were unable to mark becoming full members of the University, at the usual ceremony. One highlight was that in March we were able to bring together more than 200 graduates who were to have graduated in person in 2020 for an Acknowledgement Graduation Ceremony in lieu of events cancelled that year due to COVID-19 and security concerns. Graduates were able to celebrate with friends and family with a parade up George Street and a ceremony in the Town Hall.

I was very sorry that circumstances prevented me from engaging in person with our wonderful and loyal alumni around the globe. As we watched the pandemic ravage the world, we sent our sympathies and continued our virtual connections with alumni. However, we were pleased that a few local alumni events were able to take place during 2021, including farewell events for Professor Hayne. Unfortunately we were compelled to cancel the Court of Benefactors’ function which is held to acknowledge significant gifts to the University. In 2021 we were delighted to admit as new members of the Court, Emerita Professor Dame Carolyn Burns, Richard and Diana Somerville, the Estate of Barbara Middleton, and the Estate of Ngaere Adele Geddes. We are

also very grateful to the Trustees of the University of Otago Foundation Trust for their careful stewardship of the Trust. Fundraising for Pūtea Tautoko, the support fund for students adversely affected by the COVID-19 pandemic, continued in 2021. Contributions from Government and the University were augmented by ongoing gifts from alumni, staff, students and friends of the University, and together these contributions were sufficient to meet the need in 2021.

During the year the University continued with its capital development programme, adapting it where needed. Highlights included the formal opening of the Faculty of Dentistry’s refurbished Walsh Building, the new Eccles Building, the Performing Arts Building – Te Korokoro o te Tūi, and the Auckland Dental Facility.

University planning has been significantly impacted by the global pandemic. The Council supported a delay in the development of the University’s strategic plan to allow for a full evaluation of the implications of the pandemic for the University and for the tertiary sector. However, during the year there has been a very effective collaborative process involving the development of the *Vision 2040* document which will inform the completion of the Strategic Direction Plan in 2022.

On behalf of the University Council I wish to extend heartfelt thanks to all members of the academic and professional staff for their generous support of their colleagues, students and members of the wider University community during a particularly demanding year. All the very best for 2022.

I wish to thank my fellow Council members for their collegiality, wise counsel and support throughout 2021. The term on Council of the president of the Otago University Students’ Association, Michaela Waite-Harvey, expired at the end of 2021. I thank her for her significant contribution to the work of the Council and wish her all the best for the future.

At the end of February 2022, I stepped down as Chancellor. I joined the University Council in 2010, served as Pro-Chancellor in 2017, and became the 19th Chancellor in January 2018. I am very proud of our University, Aotearoa New Zealand’s first university, and it has been an honour and a privilege to serve on its Council. By a happy coincidence I was Chancellor at the time of the University’s 150th anniversary celebrations to mark its establishment in 1869, when my great-great-great-grandfather, the Reverend Dr Thomas Burns, became the first Chancellor. I am also very proud to be the first Kai Tahu Chancellor of the University of Otago.

I extend to my successor, Stephen Higgs, my best wishes for his time serving the University in this very rewarding and stimulating role.

Kā mihi nui

DR ROYDEN SOMERVILLE QC
Chancellor

VICE-CHANCELLOR'S REVIEW

AS ACTING VICE-CHANCELLOR FOR MUCH OF 2021, it has been my pleasure and privilege to prepare this review for the 2021 Annual Report and reflect upon Otago's achievements over another incredibly challenging year.

I stepped into this position in April, when Professor Harlene Hayne left the University of Otago to become Vice-Chancellor at Western Australia's Curtin University. Professor Hayne was Otago's Vice-Chancellor for almost 10 years, leading the University through highs and lows ranging from the Christchurch earthquakes in 2011, to our 150th celebrations, to the current COVID-19 pandemic. Her wisdom, energy, strength and compassion have stood the University in good stead, and we are very grateful to her. To honour her contributions, the University of Otago conferred the degree of Honorary Doctor of Laws on her in March 2021.

Thanks to the hard work of our academic and professional staff and senior leadership team, the University of Otago had an excellent year, despite the global pandemic. As COVID-19 Alert Levels shifted, sometimes with just hours' warning, our team of 25,000 staff and students once again proved to be adaptable, resilient, motivated and kind. The structures we put in place in response to the 2020 lockdowns were able to be ramped up and down as needed across all areas of the University and this meant that disruptions were kept to a minimum.

Otago's contributions to Aotearoa's pandemic response continued to be substantial: Twenty-five staff held vital positions on Governmental advisory boards, supporting the decision-making processes around testing strategies, vaccine rollout and border controls. As I have led the University through the year, I have felt secure in the knowledge that the very people who are advising the Government, have also been advising me. In addition to these staff, Otago's community also contributed to the country's COVID-19 response in other ways, from our staff at Student Health who performed 5,192 COVID-19 tests, to those who assisted at vaccination and diagnostic centres, through to our Public Health experts who provided commentary to media.

In the midst of this, the University continued to excel across its core business of teaching and research. Our successes on both of these fronts were exceptional, with Otago staff winning

Aotearoa's top awards in both research and teaching, and the University retaining its positions in global University rankings.

In September, Dr Latika Samalia, from the Department of Anatomy, won the Prime Minister's Supreme Award in the Ako Aotearoa National Teaching Excellence Awards. This is the seventh time in 10 years an Otago teacher has won this prestigious award and underscores the importance we place on excellent teaching here at the University. Indeed, Otago teachers took four of the nine Excellence in Teaching Awards. Dr Samalia, who also won a Sustained Excellence Award with the Supporting Pacific Learners Endorsement, was joined by Tourism's Professor Hazel Tucker, Theology's Professor Tim Cooper and Management's Associate Professor Diane Ruwhiu who won the Kaupapa Māori category. As Otago focuses hard on lifting and elevating Māori and Pacific engagement and success, seeing our teachers win awards in both of these categories is hugely gratifying, as are the numbers of Māori and Pacific students enrolling and succeeding here. In 2021 our Māori enrolment numbers increased to a record of 2,532 enrolled, up 10.7% on 2020 numbers, while our Pacific enrolments increased by 13.2% to 1,302 students. We also had a record 46 Māori and Pacific students begin doctorates, and a record number of Māori graduates, including more than 100 Māori graduates from the Health Sciences professional programmes including more than 60 new Māori Medical doctors.

Our performance in the Tertiary Education Commission's annual indicators for 2021 also reflected the strength of our teaching, with Otago ranking a clear first for overall student qualification completion, first-year retention, and progression, and third for course completion. We also held steady in the international rankings of universities, remaining in the 301–400 band of the AWRU (Shanghai) rankings, in the 201–250 band in the *Times* Higher rankings, and placing equal 194th in the latest Quacquarelli Symonds (QS) World University Rankings.

Our researchers continued to excel in major external funding rounds, receiving \$25.4 million from the Health Research Council, \$17.2 million from the Marsden Fund, and \$16 million from the Ministry of Business, Innovation and Employment (MBIE) Endeavour Fund in the 2021 funding rounds.





“Thanks to the hard work of our academic and professional staff and senior leadership team, the University of Otago had an excellent year, despite the global pandemic. As COVID-19 Alert Levels shifted, sometimes with just hours’ warning, our team of 25,000 staff and students once again proved to be adaptable, resilient, motivated and kind.”

Otago staff also won New Zealand’s top research award for 2021, with Distinguished Professor Philippa Howden-Chapman and her colleagues at the He Kāinga Oranga – Housing and Health Research Programme at the University of Otago, Wellington being awarded the Royal Society Te Apārangi’s 2021 Rutherford Medal in November. This prize recognised their ground-breaking research into the impact of housing interventions on residents’ health and wellbeing. The University’s own Distinguished Research Medal went to Professor Keith Gordon of the Department of Chemistry in recognition of his interest in solar energy and his prolific and influential research career over more than 30 years.

COVID-19 has continued to impact the University’s enrolments and budget. 2021 showed the highest domestic enrolments numbers in the University’s history – with rises in both first-year and returning student enrolments. The University ended 2021 with a total of 19,603 EFTS (Equivalent Full-Time Students) comprising 18,552 domestic and 1,051 full-fee international students, including 252 EFTS in the University’s Foundation Programme. Our increased domestic student numbers, up by 1,226 EFTS (7.1%) on 2020, were not enough to offset the financial implications of a drop of 345 (-24.7%) in international enrolments, which fell for a second time in two years due to the pandemic. Our 2021 surplus was \$16.5 million (\$22.1 million better than our budgeted deficit of \$5.5 million). However, this was significantly down on our 2020 surplus of \$26.1 million.

To attempt to redress this, in September I announced a voluntary redundancy programme for staff. A total of 195 staff from across the University expressed an interest in the scheme, and, after careful consideration of each application, we accepted 103 voluntary redundancies. Each application was judged primarily on whether the redundancy would lead to savings over five years, while ensuring business continuity. I thank all staff for considering this option and wish those who were able to take it up all the best for the future.

Another cost saving measure initiated in 2020 in the face of the pandemic and continued through 2021, was a re-think of our capital development programme focusing on essential projects. These include the replacement of Te Rangihiroa College, an expansion of Aquinas College, the redevelopment of the Christchurch campus, and seismic strengthening work on several buildings across the Dunedin campus. Unfortunately, we have

also needed to add the Wellington campus to this list, when a seismic assessment of the Main Academic Block and adjacent Link Block under the New Building Standard (NBS) ratings came in at 15% in August. Staff and students were immediately evacuated, with many working from home and those with the greatest need to be on campus shifting to the Ward Support Block. I thank them for their cooperation under very difficult circumstances. I also thank Professor William Levack and Phillip Kane for the leadership they have shown through a difficult time.

Also impacted by the global pandemic has been our *Vision 2040* project, which aims to establish our priorities for the next 20 years. The document will guide our long-term strategic direction, and the impacts of COVID-19 will need to be fully considered and incorporated in this planning. Added to this, development was slowed when the appointment of the new Vice-Chancellor was confirmed, as it was considered important that his perspectives be adequately reflected in the final document. 2021 ended with the latest draft of *Vision 2040* out for consultation with Otago’s Ngāi Tahu mana whenua, and a timeline that will see the final version approved in the first part of 2022. In the meantime, the University Council has extended the life of the *Strategic Direction to 2020* plan until the end of 2022.

As I write this introduction in February 2022, I am no longer Acting Vice-Chancellor, with Professor David Murdoch having taken up the role on 1 February. Professor Murdoch is an outstanding leader, internationally-renowned researcher and teacher. He brings a strong understanding of the University and a commitment to strengthening our partnerships with mana whenua.

The University will also be welcoming a new Chancellor, Stephen Higgs in March 2022, when the term of our current Chancellor Dr Royden Somerville QC finishes. Dr Somerville is passionate about the University and I would like to thank him for the significant amount of work he has contributed to our community while he has been Chancellor.

Finally, it has been a great pleasure to have been the Acting Vice-Chancellor of the University of Otago through this challenging year. I wish to thank all of the staff and the University Council for their hard work, support and kindness over the past year.

PROFESSOR HELEN NICHOLSON
Acting Vice-Chancellor

OUR PEOPLE 2021





OUR PEOPLE 2021

SENIOR APPOINTMENTS

Stephen Higgs as Chancellor (from 1 March 2022)

Trish Oakley as Pro-Chancellor (from 1 March 2022)

Professor David Murdoch as Vice-Chancellor (from 1 February 2022)

Professor Helen Nicholson as Deputy Vice-Chancellor (Academic) (from 1 February 2022)

Professor Suzanne Pitama as Dean and Head of Campus, University of Otago, Christchurch

Professor Paul Cooper as Dean, Faculty of Dentistry (from July 2022)

Professor Neil Gemmell as Dean, School of Biomedical Sciences

Professor Shelley Griffiths as Dean, Faculty of Law

Michelle Taiaroa-McDonald as Manager, Te Huka Mātauraka – Māori Centre

Tagiilima Feleti as Manager, Pacific Islands Centre

Hone Paul as Director, Marketing

PROFESSORIAL APPOINTMENTS

The following University of Otago academics were promoted to the position of professor (effective 1 February 2022):

Peter Adams (Music); Lynley Anderson (Bioethics Centre); Jesse Bering (Centre for Science Communication);

Michael Black (Biochemistry); Jonathan Broadbent (Oral Sciences); Rebecca Campbell (Physiology); Timothy Eglinton (Surgery, Christchurch); Catherine Fowler (Media, Film and Communication); Anita Gibbs (Sociology, Gender Studies and Criminology); Clinton Golding (Higher Education Development Centre); Rebecca Grainger (Medicine, Wellington); Alex Gunn (College of Education); Siân Halcrow (Anatomy); Chris Hepburn (Marine Science); Christopher Holmes (Theology); Zhiyi Huang (Computer Science); Michael Keall (Public Health, Wellington); Ali Knott (Computer Science); Simone Marshall (English and Linguistics); Natalie Medicott (School of Pharmacy); Karen Nairn (College of Education); Philippa Seaton (Centre for Postgraduate Nursing, Christchurch); Simon Stebbings (Medicine); Michael Tatley (New Zealand Pharmacovigilance Centre); Gareth Treharne (Psychology); Robin Turner (Biostatistics Centre); Angela Wanhalla (History); Gerry Wilkins (Medicine).

The following academic staff were promoted to the position of associate professor (effective 1 February 2022):

Antonie Alm (Languages and Cultures); David Berg (College of Education); Sergio Biggemann (Marketing); Mihnea Bostina (Microbiology and Immunology); Peter Cathro (Oral Rehabilitation); Daniel Cury Ribeiro (School of Physiotherapy); Harsha De Silva (Oral Diagnostic and Surgical Sciences); Anita Dunbier (Biochemistry); Richard Egan (Preventive and Social Medicine); Jeff Erickson (Physiology); Anne Ford

(Archaeology); James Foulds (Psychological Medicine, Christchurch); Murat Genç (Economics); Jane Girling (Anatomy); Sarah Gordon (Psychological Medicine, Wellington); Fi Graham (Medicine, Wellington); Bill Hawkins (Chemistry); Nicholas Heng (Oral Sciences); Linn Hoffmann (Botany); Bryndl Hohmann-Marriott (Sociology, Gender Studies and Criminology); Maria Hook (Faculty of Law); Tim Hore (Anatomy); Mark Huthwaite (Psychological Medicine, Wellington); Hamish Jamieson (Medicine, Christchurch); Cameron Lacey (Dean's Department, Christchurch); Sean McConnell (Classics); May Mei (Oral Rehabilitation); Alison Meldrum (Oral Sciences); Grace Moore (English and Linguistics); Sergio Morales (Microbiology and Immunology); Meredith Perry (School of Physiotherapy); Matt Schofield (Mathematics and Statistics); Pascal Sirguy (School of Surveying); Catherine Smith (Archaeology); Trudy Sullivan (Preventive and Social Medicine); Mele Taumoepeau (Psychology); Timothy Thomas (Archaeology); Phillip Wilcox (Mathematics and Statistics); Megan Wilson (Anatomy); Lyn Wise (Pharmacology and Toxicology); Dan Wright (School of Pharmacy); Haibo Zhang (Computer Science); Stefanie Zollmann (Computer Science).

Research associate professors:

Claire Cameron (Biostatistics Centre); Tristram Ingham (Medicine, Wellington); Khoon Lim (Orthopaedic Surgery and Musculoskeletal Medicine, Christchurch); Tracy Melzer

(Medicine, Christchurch); Katharina Ruckstuhl (Dean's Office, School of Business); Marc Schallenberg (Zoology); Moana Theodore (Psychology).

Clinical associate professors:

Wayne Morriss (Anaesthesia, Christchurch); Anja Werno (Pathology and Biomedical Science, Christchurch).

EMERITUS PROFESSORS

The University Council awarded Emeritus Professor status to:

Professor Robert Aldred (Mathematics and Statistics); Professor Tony Binns (Geography); Professor Phil Bishop (Zoology); Professor Timothy Crack (Accountancy and Finance); Professor Alison Cree (Zoology); Professor Steve Dawson (Marine Science); Professor John Horwood (Psychological Medicine, UOC); Professor Raechel Laing (Clothing and Textile Programme); Professor Janice Murray (Psychology); Professor Inguruwatt Premachandra (Accountancy and Finance); Professor Poia Rewi (Te Tumu School of Māori, Pacific and Indigenous Studies); Professor Edward Shipton (Surgery and Anaesthesia); Professor Liz Slooten (Zoology); Professor Jean-Claude Theis (Surgical Sciences); Professor Murray Tilyard (General Practice and Rural Health); Professor Ian Tucker (Pharmacy); Professor Graham Wallis (Zoology).



HONOURS

Honours were awarded to the following staff:

Dame Companion (DNZM): Professor Carolyn Burns (Zoology) for services to ecological research.

CNZM: Professor Stephen Chambers (Pathology and Biomedical Science, Christchurch) for services to infectious disease research; Distinguished Professor Philippa Howden-Chapman, QSO (Public Health, Wellington) for services to public health.

MNZM: Professor Michael Baker (Public Health, Wellington) for services to public health science; Dr Tasileta Teevale (Director, Pacific Development Office) for services to Pacific education and public health research; Dr Samantha Murton (Primary Health Care and General Practice, Wellington) for services to medical education, particularly general practice; Mani Mitchell (tutor in the Professional and Development and Ethics module for fifth-year medical students) for services to intersex advocacy and education.

Professor Glenn Summerhayes (Archaeology) received the Order of Australia in the Australian Queen's Birthday Honours, for his contribution to tertiary education and history.

OBITUARIES:

Sir Eion Edgar (Chancellor 1999–2003)
Emeritus Professor Fred Fastier (Pharmacology)
Emeritus Professor Peter Innes (Dentistry)
Emeritus Professor George Petersen (Biochemistry)
Emeritus Professor David Russell (School of Physical Education)
Professor Phil Bishop (Zoology)
Associate Professor John Carter (Wellington)
Associate Professor Gina Forster (Anatomy)
Associate Professor Russell Poulter (Biochemistry)
Yvonne Brouwer (College of Education)
Michael Caldwell (Catering team)
Judith Candy (Christchurch)
Nigel Donehue (Catering team)



Excellence in Research

The University of Otago strives for research excellence, and in 2021 this was underscored by continued contributions to Aotearoa’s COVID-19 response, success in competitive funding rounds, and significant prizes for researchers and groups.

\$17.2m

from the Marsden Fund Te Pūtea
Rangahau a Marsden

\$16m

MBIE fund grants

700+

research projects undertaken
in consultation with Māori

94.3%

of graduates satisfied with the
quality of supervision



EXCELLENCE IN RESEARCH

ALTHOUGH COVID-19 meant the University of Otago needed to focus on the health and safety of its students and staff, it did not prevent a busy and fruitful research programme in 2021.

University of Otago researchers across the Dunedin, Christchurch and Wellington campuses continued to play a major part in the country's pandemic response, whether advising the Government and informing public health policy or contributing to research into how to beat the virus. Twenty-five Otago staff served on official Government advisory committees, while scores of their colleagues, support staff and students stepped up and became involved in areas such as genome sequencing, processing test results, COVID-19 testing and vaccination clinics.

This focus on the pandemic has not slowed the work of other researchers, with University of Otago scientists driving a major scientific breakthrough which could lead to elimination of one of the world's leading infectious diseases killers, tuberculosis (TB). Professor Kurt Krause and Professor Greg Cook were part of an international collaboration with Nobel Prize winner Professor Hartmut Michel, of Germany's Max Planck Institute of Biophysics, that determined the atomic structure of a protein called bd oxidase, a promising target for the development of fast acting drugs.

The high standing of Otago researchers continued to be recognised with Distinguished Professor Philippa Howden-Chapman CNZM QSO FRSNZ and researchers at the He Kāinga Oranga – Housing and Health Research Programme at the University of Otago, Wellington being awarded New Zealand's top research honour by the Royal Society Te Apārangi, the 2021 Rutherford Medal. It recognised their ground-breaking research into the impact of housing interventions on residents' health and wellbeing, led by Professor Howden-Chapman and her colleagues, Professor Julian Crane, Associate Professor Michael Keall, and Associate Professor Nevil Pierse, as well as the wider research team. The medal came with \$100,000 in prize money from the Ministry of Business, Innovation and Employment (MBIE).

FUNDING SUCCESSES

University of Otago researchers continued to be successful in competitive external funding rounds.

Professor Mark Hampton (Pathology and Biomedical Science, Christchurch) was one of 23 Otago researchers to receive part of Otago's \$17.2 million allocation from the Marsden Fund Te Pūtea Rangahau a Marsden, securing \$960,000 to investigate what happens in cells as people age. Others to receive funding include Dr Mei Peng (Food Science) who secured \$839,000 for research which aims to find out whether a brain response is guiding people's food choices, and Distinguished Professor Neil Gemmell (Anatomy) who received \$926,000 to examine why about 500 fish species undertake sex change as a normal part of their lives.

Understanding the ability of fjords to soak up carbon is the largest of nine University of Otago scientific research projects awarded a share of \$16 million from the Ministry of Business, Innovation and Employment (MBIE) Endeavour Fund. In a project that strongly reflects Otago's sustainability imperative, Associate Professor Christopher Moy (Geology), in partnership with Otago Honorary Professor Gary Wilson, now GM Strategy for GNS Science, secured a five-year, \$8.6 million Research Programme grant to find a pathway towards carbon neutrality by analysing the future of Fiordland, one of the country's largest natural carbon sinks. Eight Otago researchers were also successful in the Endeavour Fund's Smart Ideas grants, each valued at \$1 million over three years.

More than \$13 million in new funding was awarded to 13 different projects via the Health Research Council (HRC) of New Zealand funding round in July. The projects cover a wide range of research including improving the health of Māori affected by psychosis, and a new stomach cancer drug delivery system. Dr Allamanda Faatoese (Medicine, Christchurch) was one of just five researchers to receive a \$1.1 million Pacific Project Grant.

Otago researchers were awarded almost \$2.9 million in funding from the HRC Career Development Awards, including

two prestigious Sir Charles Hercus Fellowships. Dr Matthew McNeil (Microbiology and Immunology) and Dr Nina Dickerhof (Pathology and Biomedical Science, Christchurch) both received about \$600,000 for their projects. Dr McNeil is examining the global issue of drug-resistant Mycobacterium tuberculosis, while Dr Dickerhof's focus is on respiratory illness, both chronic and infections. Theirs were two of 22 successful Otago grants.

A further nine Otago researchers received a share of just under \$1.65 million in the HRC's Emerging Researcher and Explorer funding allocations. The Emerging Researcher funding will accelerate the careers of six next-generation research leaders, while the three Explorer grants will allow feasibility and early data collection for important long-term studies.

The HRC's Feasibility Studies grants round saw seven Otago researchers from the Dunedin, Wellington and Christchurch campuses receive a total of \$1.74 million, while eight Otago researchers were awarded more than \$230,000 from the HRC's Health Delivery Research Activation Grants, which will help them to work on evidence to support future health projects.

In 2021 the University, Waitematā DHB, and Auckland DHB were awarded a \$1.96 million grant from the Global Alliance for Chronic Diseases (GACD) – via the HRC. The GACD grant will fund the first trial of lung cancer screening in Aotearoa, New Zealand, focusing on Māori, whose mortality rates from the disease are up to four times higher than other ethnic groups.

World Rugby is partnering with New Zealand Rugby, the University of Otago and Prevent Biometrics to undertake a ground-breaking study to understand the nature and frequency of head impacts in men's and women's community and age-grade rugby. More than 700 male and female participants over a range of ages were asked to wear a Prevent Biometrics' impact monitoring mouthguard, which collects and wirelessly transmits count, load, location, direction, linear and rotational motion every time there is a collision.

RESEARCH ACHIEVEMENTS

Celebrating excellence in research has always been an important part of the Otago approach.

The 2021 University of Otago Distinguished Research Medal – the University's highest honour – was presented to Professor Keith Gordon (Chemistry) in recognition of his interest in solar energy and his prolific and influential research career over more than 30 years.

Religion programme Professor Ben Schonthal and Religion Head of Programme Associate Professor John Shaver were joint 2021 recipients of the University's premier early research award, the Rowheath Trust Award and Carl Smith Medal.

This year's University of Otago Early Career Researcher Awards went to Dr Meredith Peddie (Human Nutrition), Dr Michael Garratt (Anatomy), Dr Sarah Diermeier (Biochemistry), Dr Charlotte King (Anatomy), Dr Christina Ergler (Geography) and Dr Anna High (Law).

Other University of Otago researchers to receive national and international recognition included:

- Distinguished Professor Neil Gemmell (Anatomy) and Professor Michelle Thompson-Fawcett (Geography) were made Fellows of the Royal Society Te Apārangi.
- Dr Khoon Lim (Orthopaedic Surgery and Musculoskeletal Medicine, Christchurch), Dr Alana Alexander (Anatomy) and Dr Htin Lin Aung (Microbiology and Immunology) were awarded the Royal Society Te Apārangi's Rutherford Discovery Fellowship, providing each with \$800,000 over five years to extend their research.
- Professor Paul Brunton (Pro-Vice-Chancellor, Health Sciences) received the Ivar Mjör Award for Practice-Based Research at the 99th General Session of the International Association for Dental Research.
- Professor Lisa Matisoo-Smith received the Nayacakalou Medal from the Polynesian Society for her research into Pacific migration.
- Dr Olivia Harrison (Psychology) received the 2021 L'Oréal-UNESCO For Women in Science fellowship.



Excellence in Teaching

Teaching excellence, a priority for the University, was maintained through 2021 despite continued challenges created by the global COVID-19 pandemic. Achievements included success in key performance indicators and international rankings, and significant awards for individuals.

19,603

Equivalent Full-Time Students (EFTS)
including 2,532 Māori students

200

programmes offered

7th

Prime Minister's Supreme
Teaching Award winner in 10 years

194th

in QS World University Rankings



EXCELLENCE IN TEACHING

AS COVID-19 ALERT LEVELS changed through 2021, so too did the types of teaching, learning and assessment offered by the University of Otago to its students. Thanks to the robust online learning structures created during the 2020 lockdown, adjustments could be made very quickly when required. Otago teachers employed hybrid teaching models, offering online learning when needed, and taking learning back to the classroom when possible. During Semester One, students were on campus, but in Semester Two following the sudden leap to Alert Level 4 on 8 August, learning returned online. For the most part, this meant lectures were podcasted, tutorials held via Zoom, and laboratory/practical material delivered as online demonstrations with associated questions. At Alert Level 3 this online model continued. At Alert Level 2, which commenced on 8 September, students were able to return to campus but with 1 metre distancing restrictions in place. Many of the large classes had to continue online. Students showed great resilience, adapting admirably through uncertain times.

Semester One examinations were held in June, under Alert Level 1, and were sat mainly in person, with a small number of examinations online. Semester Two examinations were held in October and November, under Alert Level 2, and were held online through a variety of channels. ExamSoft was used for a number of online exams with remote (webcam) invigilation in specific papers required for competitive entry or to meet accreditation requirements. Others were held via online platforms such as Blackboard or Moodle. A number of papers elected to adjust how they delivered the final assessment including by final assessment or open-book email exams.

RANKINGS

In 2021, the University of Otago once again topped Tertiary Education Commission indicators that measure the educational performance of students at New Zealand universities. Otago ranked a clear first for overall student qualification completion, first-year retention, and progression. In the other measure, course completion, the University ranked third. Otago also ranked first for Māori in three of the four measures and equal second in the other.

The University maintained its position in the 301–400 band of the AWRU (Shanghai) rankings, in the 201–250 band in the *Times* Higher rankings, and was placed equal 194th in the latest Quacquarelli Symonds (QS) World University Rankings, confirming Otago's place as one of the top two universities in New Zealand and among the top 1% of universities internationally.

Five Otago subject areas were ranked in QS's world's top 50 (up from four in 2020). They were: sports-related subjects (14th); Dentistry (43rd); Theology and Religious Studies (47th); Archaeology (48th); and Anatomy and Physiology (40th). A further eight subjects were ranked in the 51–100 band, and 13 in the 101–200 band.

QS also ranked the Otago Business School's Online MBA as 13th in the world overall, and number one globally for classroom experience.

TEACHING EXCELLENCE

The high calibre of Otago teachers was once again reflected in Otago’s success in the Ako Aotearoa National Teaching Excellence Awards. For the seventh time in 10 years an Otago teacher received the Prime Minister’s Supreme Award. Dr Latika Samalia (Anatomy) won the award, as well as a Sustained Excellence Award with the Supporting Pacific Learners endorsement. Otago made up four of the nine Excellence in Teaching awardees – Dr Samalia was joined by Tourism’s Professor Hazel Tucker, Theology’s Professor Tim Cooper and the Department of Management’s Associate Professor Diane Ruwhiu (Kaupapa Māori category).

The University’s Higher Education Development Centre (HEDC) provides academic development programmes and services to help foster and encourage excellence in learning and teaching. In 2021 HEDC’s staff offered 148 workshops, attended by 1,913 staff and students.

ENROLMENTS

In 2021 there was a significant increase in the University’s enrolments overall, with EFTS (equivalent full-time students) numbers increasing by 4.7% to 19,603.

Within the overall enrolment total for 2021, sub-degree enrolments increased by 37 EFTS (17.3%), and undergraduate degree enrolments by 543 EFTS (3.6%). Postgraduate taught enrolments rose by 305 EFTS (16.9%) and postgraduate research enrolments held steady at 1,668 EFTS, with total postgraduate enrolments comprising 19.5% of all University EFTS.

Overall enrolment growth was generated by very strong domestic demand at all levels. Total domestic enrolments were up by 1,226 EFTS (7.1%), and within this total first-year enrolments rose by 499 EFTS (12.3%) and returning-student enrolments increased by 726 EFTS (5.5%). The combined impact of this growth was a final year domestic enrolment of 18,552 EFTS, which was the highest in the University’s history.

The benefit of increased domestic EFTS was partly offset by a further year of COVID-induced full-cost international enrolment decline. The 2021 decrease of 345 EFTS (24.7%) was similar in magnitude to the 2020 decline, and saw the University end the year with international full-fee enrolments totalling 1,051 EFTS.

The proportion of commencing students attracted from outside the University’s Otago/Southland home catchment dropped slightly to 74.6% (2020: 74.8%), with 85.3% coming from outside Dunedin.

2021 saw further records broken for the number of Māori and Pacific enrolments at Otago. There were 2,532 Māori students enrolled (head count), an increase of 10.7% on 2020. Māori now account for 13.1% of Otago’s domestic EFTS. Pacific

enrolments increased by 13.2% to 1,302 students (head count), and now comprise 6.2% of total domestic EFTS.

Two hundred undergraduate and postgraduate degree, diploma and certificate programmes were offered by the University in 2021, including the new Postgraduate Diploma in Digital Health, Postgraduate Certificate in Digital Health, and Master of Archaeological Practice and two new four-year inter-divisional degrees: a Bachelor of Arts and Commerce and a Bachelor of Commerce and Science. By combining two major subjects, these new inter-divisional degrees enable students to better personalise their degrees and to expand their future career opportunities. New programmes also included a Criminology endorsement for the Diploma for Graduates. Two new bachelor’s degrees were approved for introduction in 2022: a Bachelor of Pharmaceutical Science and a Bachelor of Entrepreneurship. The Bachelor of Pharmaceutical Science will be the first degree of its kind in New Zealand and will prepare graduates for careers in pharmaceutical and related industries. The Bachelor of Entrepreneurship will prepare students to start a venture or social enterprise or to work entrepreneurially in any organisation.

Foundation Studies Ltd, Otago Language Centre and Foundation Year which were separate entities, moved into the University’s operations in April 2021, becoming Te Huarahi, University of Otago Pathway, and Te Puna o te Kī, the English Language Centre. These changes aim to ensure programmes meet student needs and function as pathways into degree-level study.

The main annual Summer School programme ran for six weeks from early January to mid-February, offering 55 papers. The school attracted 1,804 enrolments and generated 294 EFTS (a 14.5% increase on the 2020 Summer School). A pre-Christmas Summer School also ran for five weeks following Semester Two examinations. Seven papers were offered, attracting 462 enrolments and generating 69 EFTS (up massively from the 39 EFTS of the pre-Christmas Summer School in 2020).

The Distance Learning suite of programmes continued to capitalise on particular areas of Otago expertise, with offerings from all academic divisions. The 443 papers attracted 4,858 enrolments across the year. Distance Learning programmes were predominantly postgraduate, with diploma, certificate and doctoral students making up approximately 70% of all distance-enrolled students.

In the most recent student and graduate opinion surveys 85.5% of respondents provided a positive assessment of the quality of teaching. 99.5% of students provided a positive assessment of the University’s libraries, and 95.1% provided a positive assessment of the University’s information technology and teaching facilities. 94.3% of research degree respondents reported overall satisfaction with the quality of supervision, and 94.5% of respondents to the graduate opinion survey reported progression to employment or further study.





Outstanding Student Experiences

The University of Otago offers a distinctive residential lifestyle, and with the vast majority of students coming from outside Dunedin pastoral care is a major focus. This has been even more important as we guide our students through the uncertainties created by COVID-19.

85%+

of students from outside Dunedin

97%

of students report a positive assessment of their Residential College

5,192

COVID-19 tests carried out by Student Health

\$1.75m

distributed by Pūtea Tautoko



OUTSTANDING STUDENT EXPERIENCES

IN 2021, OVER 85% OF NEW STUDENTS came to the University from outside Dunedin and, for most, their Otago experience began at one of the 14 residential colleges located around campus. These residential colleges were filled to capacity, accommodating over 3,500 mainly first-year students.

The global COVID-19 pandemic and travel restrictions led to a reduced demand for accommodation from international students, and a change in strategy allowed more than 200 second-year students to be accommodated in University-owned flats which are normally reserved for international students.

The Locals Collegiate Community, which provides free support and opportunities for all first-year students flatting, living at home or boarding, had a 30% increase in student numbers relative to 2020. This increase highlights an upsurge in the number of people choosing to study or retrain in 2021 instead of travelling or working, and that students chose to come to Dunedin despite residential colleges being full. Locals now has more students flatting than any other accommodation type and is working with the Otago University Students' Association (OUSA) to support this cohort as flatting can be challenging. An updated presentation "UNIO101 University Transition and Success" which highlights the challenges of the transition to university and provides tips for success was delivered to 3,000 first-year students, with transition supported during the year by the online resource "UNIO101: Getting Started at Otago".

While fluctuations in COVID-19 Alert Levels impacted some of the experiences offered to students once again in 2021, Orientation Week proceeded in February with minimal disruption. Around 3,600 first-year students were welcomed to Otago at a Convocation Ceremony held at Forsyth Barr Stadium, which featured Deputy Prime Minister Hon. Grant Robertson, while hundreds of taura (students) Māori also attended two Pōwhiri at Ōtākou Marae. All but the final evening of events took place before a jump from Alert Level 1 to 2 on 28 February.

Graduations were once again impacted by COVID-19. Graduation ceremonies in August and December were cancelled, with just the May graduations going ahead as planned.

During the brief Alert Level 4 lockdown in early Semester Two most students chose to stay in Dunedin where they were well cared for and supported by staff, meeting all COVID-19 health and wellbeing requirements.

SUPPORT SERVICES

Student safety and wellbeing is paramount at Otago, with many separate entities and programmes working to provide comprehensive support across the board, from Campus Watch, to Student Health Services, to Te Whare Tāwharau Sexual Violence Support and Prevention Centre. Other Support Services offered in 2021 included Recreation Services, Disability Information and Support, Te Huka Mātauraka (the Māori Centre) and the Pacific Islands Centre (see pages 72–75). Like Otago's teaching network, all Student Support Services were ready to rapidly switch to online options as and when it was necessary. The experience gained from the first lockdown in 2020 meant the transition was relatively straight-forward.

46,085 students accessed Student Health Services in 2021, with Telehealth becoming a permanent option. To address a growing student demand for mental health and wellbeing support, Student Health partnered with Whakarongorau Aotearoa to provide Telehealth services in these areas. Student Health also provided support around COVID-19, including testing, vaccinations and advertising campaigns. Visits to the University's recreation centre (primarily Unipol gym) were 572,808 in 2021.

Te Whare Tāwharau Sexual Violence Support and Prevention Centre continued to grow through the development of a role to design prevention programmes specific to Pacific communities. The new programmes are: Pacific Citizenship, empowering community-centred activism against sexual harm, and 'Akava'ine and Akatāne, empowering positive understandings of what it means to be a woman and man, respectively.

The Career Development Centre offered a blended range of face-to-face and online engagement options through 2021 as it

negotiated changes in COVID-19 Alert Levels. It worked to better measure students' career readiness and target communications accordingly, by having three career development questions added to student enrolment material. This was supported by a new careers information database MyCareerSpace, and a new collaborative job board, NZUniTalent (shared with six of New Zealand's other universities), which connects students with graduate employment and internship opportunities in New Zealand and overseas. The Career Development Centre was nominated for the Best Career Service for 2021 by the New Zealand Association of Graduate Employers (NZAGE), with Graduate Recruitment Co-ordinator Lucy Dodds winning Best Careers Professional for 2021.

The University Union's on-campus business units were impacted due to COVID-19 restrictions, seismic strengthening work during Summer School and the absence of tourists and international students. On-campus customers were 512,274, which is over 44% down on levels experienced before COVID-19 in 2019. College Catering operations remained very busy, producing almost 2 million meals during the year across the 10 catered colleges.

The impact of COVID-19 on the finances of students and their whānau continued through 2021 and so did Otago's pledge to support students via its Pūtea Tautoko financial aid fund. Demand for the fund was steady in the first part of the year and picked up significantly following the move to a national Level 4 Lockdown in August. Utilising funding provided by the University itself, Government, and a range of donors including alumni and staff, grants totalling more than \$1.7 million were made to approximately 1,500 students. The fund will continue to operate in 2022.

The University Library contributes to research, education and external engagement through services, print and digital collections, and spaces. The Library adapted through the changing COVID-19 environment to enable students and researchers to continue to access services. The collections, which underpin the services, contain over 1,200,000 printed books, 1,600,000 eBooks and 250,000 eJournals.

The University's Higher Education Development Centre (HEDC) offers research-led academic, professional development, support for student learning development, educational technology support, and credit-bearing programmes of study (Postgraduate Certificate and Diploma in Higher Education, Master of Higher Education, and PhD) to assist the University community in maintaining and improving the quality and effectiveness of teaching and other professional and academic activities and student learning. Despite the challenges of COVID-19, HEDC programmes remained relatively stable in 2021. 1,104 students accessed one-to-one consultations, tutoring and pastoral services, including 539 undergraduate and 565 postgraduate students. Peer Assisted Study Sessions (PASS) were offered in 32 papers, with 11,324 students attending the 53 50-minute sessions per week (1,167 sessions). There were 2,457 staff and student attendances at the 166 workshops.

VOLUNTEERING

Harnessing student altruism is an important part of the Otago experience, and is led by the University's Social Impact Studio which challenges students to give back to their community while developing effective leadership and employability skills. The University of Otago Student Leadership Award supported by Canon reached a new milestone this year, more than doubling its annual intake from 50 to 105 students committed to developing their leadership skills and practice for social change. UniCrew Volunteers renewed its seven-year partnership with Volunteer South, consolidating collaboration around spontaneous emergency volunteering.

The annual North Dunedin Student Clean-up, in memory of student Sophia Crestani who died in an accident at a student party in 2019, was held in October. Approximately 400 students helped clean up as part of an initiative to enhance wellbeing and promote safety and respect in the streets where they live. The event was scaled-down due to COVID-19 Alert Levels.

STUDENT SUCCESSES

University of Otago students excelled across a wide spectrum of activities.

Bachelor of Commerce student Lachlan McLean won the 2020 Prince of Wales Prize; Abhinath Berry (Music) and Jordan Wichman (Theatre Studies) won FAME Emerging Practitioner Awards; and Oscar Thomas (Zoology and Ecology) won a Heritage Expedition True Young Explorers scholarship to voyage to the Subantarctic islands.

Four Otago students were confirmed as recipients of national Toloa Scholarships administered by the Ministry for Pacific Peoples: Jade Angel Christiansen (Master of Science), Tisiola Sarah Adela Talalima (Bachelor of Science Honours), Ben Williams (Master of Science), Amelia Kirsome (Bachelor of Surveying).

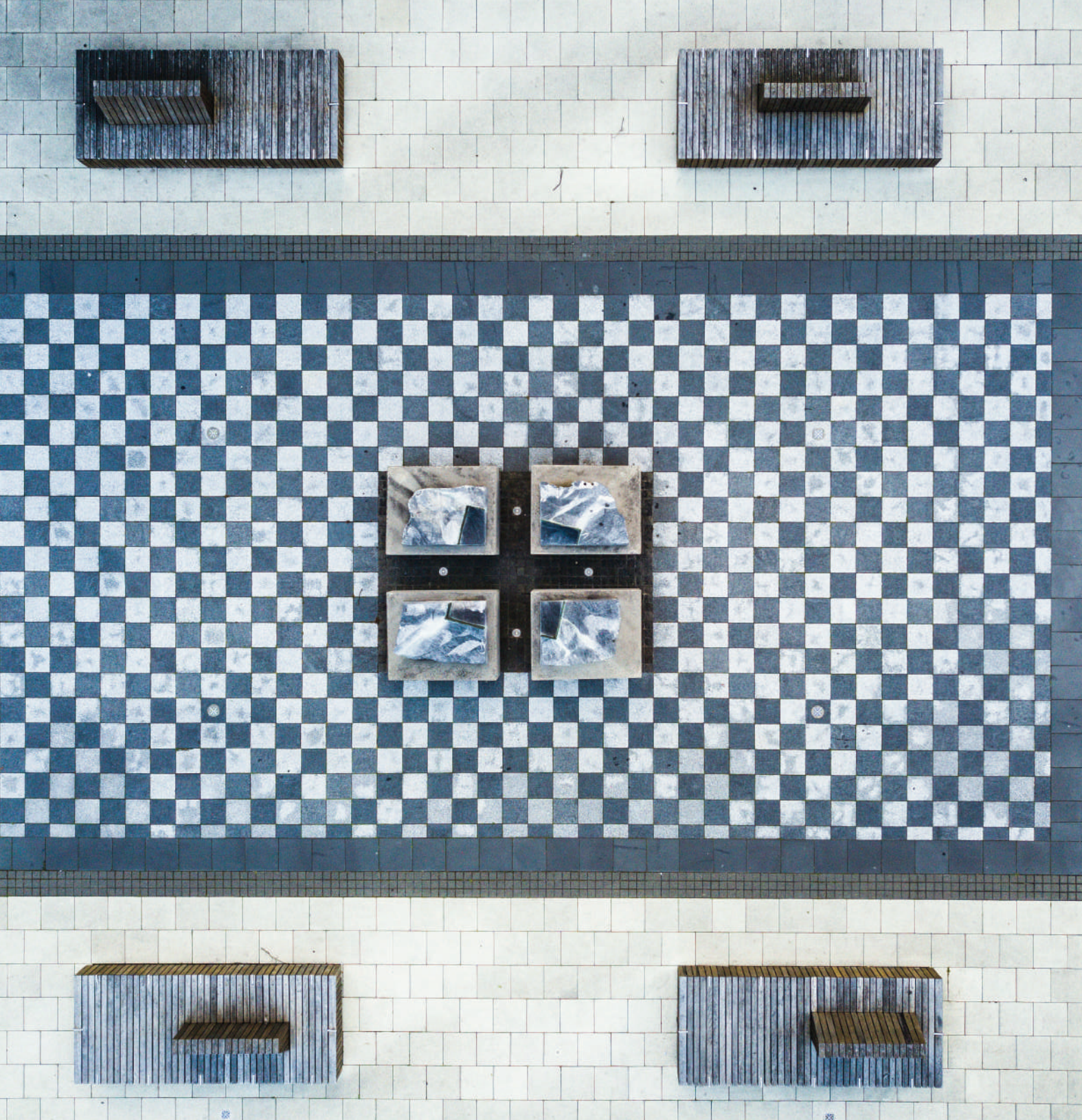
The first recipient of a scholarship honouring the memory of Sophia Crestani was Emilia Haszard, a second-year Bachelor of Science student majoring in Oceanography, with a minor in Mathematics.

Otago students continued to excel in national and international 3MT (Three Minute Thesis) competitions. Master’s Thesis candidate Giverny Forbes (Zoology) was highly commended in the national competition, while Patrick Boudreau (Tourism) received the People’s Choice Award in the Matariki Network 3MT contest.

Winners in the Otago University Students’ Association Blues and Golds awards included Shay Veitch (Sportsman of the year), Nick Parata (Māori Sportsperson of the Year), Stephen Jones (Outstanding Member of the Dunedin Community), Lauren Dewhirst (Outstanding Member of the University Community) and Abhinath Berry (Outstanding Contribution to Arts and Culture).

In the annual student opinion survey 96.9% of respondents provided a positive assessment of their residential colleges, 98.3% of survey respondents gave a positive assessment of the University’s Careers Advisory Service, 89.0% a positive assessment of Student Health and counselling services, 97.8% a positive assessment of administrative services and support services, 98.9% a positive assessment of the student learning centre, 97.5% a positive assessment of the helpfulness of staff, and 94.3% a positive assessment of support from the Otago University Students’ Association.





Outstanding Campus Environments

The University of Otago is internationally recognised for its exceptional campus environments. While the financial implications of COVID-19 have prompted a re-prioritisation of capital projects, 2021 still saw several major projects completed, others begun and excellent progress on sustainability initiatives.

22,000+

hectares of land owned by the University

3.4%

reduction in greenhouse
gas emissions

\$18.4m

expansion of Aquinas College announced

97.3%

of students positive about the
general campus environment



OUTSTANDING CAMPUS ENVIRONMENTS

THE UNIVERSITY’S APPROACH TO CAMPUS ENVIRONMENTS WON an Australasian award and several national awards in 2021.

At Australasia’s tertiary sector Green Gown sustainability awards, He Kāika Toitu, he Kāika ora: The Sustainability Neighbourhood won the Build Back Better category. This Dunedin initiative is a group of University-owned flats where students are supported to live sustainably and agree to be the focus of sustainability research.

National awards included the Faculty of Dentistry’s world-class, technology-leading facility taking out the Greenstone Group Education Property "Best in Category" Award in the 2021 Property Council of New Zealand Rider Levett Bucknall Property Industry Awards.

2021’s official opening of the sympathetically refurbished historic Walsh Building signalled the end of seven-and-a-half years’ work. Walsh’s former "dental teaching hospital" interior was turned into staff offices, laboratories, student spaces and teaching areas. A new dental teaching hospital – the four-storey Clinical Services Building – had already been built behind the Walsh Building in Great King Street, along with a new atrium ‘heart’ to link the two buildings.

The Property Council Awards recognised the Eccles Building which opened in Great King Street in 2021 as well, with the Greenstone Group Education Property "Merit" Award. The 4000m2 multi-million-dollar project declares the University of Otago’s commitment to world-class research benefiting humanity and veterinary medicine – and world-class conditions for research animals and staff.

Architectural awards were bestowed on two projects in 2021 too – the Dentistry project and the new Performing Arts Centre Te Korokoro o te Tūi in Union Street East jointly won the Te Kāhui Whaihanga New Zealand Institute of Architects’ Southern awards education category, and the Performing Arts Centre won the Resene Colour Award.

CHANGING ENVIRONMENT

Also opened in 2021 was a new wing of student accommodation, when Abbey College stopped housing postgraduate students and became undergraduate accommodation called Caroline Freeman College East.

Four pilot learning spaces introduced around the Dunedin campus in 2021 included the latest technology and group-oriented pods of mobile desks and chairs. The spaces sparked predominantly positive feedback from staff and students, with students saying the spaces are helping their learning. This project will contribute significantly to planning learning and teaching spaces for the future.

FUTURE ENVIRONMENTS

The Health Sciences Master Plan revealed in June 2021 sets an ambitious plan to create a "Health Precinct" concentrating high-level research, world-class laboratories and health businesses alongside the new Dunedin Hospital. The Master Plan balances a desire to respect the precinct’s historic buildings with the need to provide new and upgraded

facilities to meet future growth and align with modern teaching methods.

Design work on the \$178 million University of Otago, Christchurch campus redevelopment is complete with enabling works commencing on-site in late November 2021. This is the University’s most significant building project ever and the first stage – a new six-storey medical teaching and research building on Oxford Terrace – should be finished in 2025.

Planning is underway to identify long-term solutions for the Wellington campus which was closed unexpectedly in August after a new detailed seismic assessment (under new engineering assessment guidelines) resulted in the main academic block being determined as earthquake prone. The initial focus has been on finding short- and medium-term accommodation for staff and students.

In Dunedin, construction of the new 450-bed residential student accommodation, Te Rangihiroa College, on the corner of Forth and Albany Streets, is ongoing and scheduled for completion in 2023.

A \$18.4 million expansion of Aquinas College was also announced in 2021, with a 66-bed wing and enhanced dining facilities to be complete for 2023.

The redevelopment and seismic strengthening of the Food Science precinct incorporating the CApSc and Gregory Buildings is well underway with decanting projects in progress and demolition of the Eleanor Gibson and Leith Walk Buildings to commence in January 2022.

MORE SUSTAINABILITY

The University committed to slashing its carbon emissions on the Dunedin campus by 54% across six areas by 2029, as the most critical step to achieving net carbon zero by 2030.

Sending emissions plummeting by about 27,000 tonnes of CO²-equivalent compared to the 2019 baseline is the cornerstone to reaching the target, which will take the University below 22,000 tonnes before the end of the decade.

The six areas for emissions cuts are waste, buildings, energy, supply chain, travel (air) and travel (other).

Mindful Mondays at the University’s Residential Colleges (which take red meat and chicken off menus on that day) saved about the same amount of carbon as getting 133 cars off the road in 2021 – the initiative’s first full year. An audit had identified food purchasing emissions as the fourth-largest carbon emissions across the University and College Mindful Mondays are estimated to reduce that 4,500t-CO²e total by about 500t-CO²e annually.

Plans to replace the last college coal-fired boiler, at Arana College, should also reduce carbon emissions by an estimated 7,175 tonnes over 10 years. As part of a Government push to have a carbon neutral public sector by 2025, the University will receive \$224,000 towards the cost and will fund the remaining \$337,000.

Otago also became the first university in the country to incorporate an artificial intelligence building analytics system into some of its main buildings in 2021, using one of the largest and most diverse building management systems



in Australasia, as part of the Property Services Division implementing an innovative Energy Efficiency (ICT and Analytics) programme.

After smashing the goal to halve waste sent from the Dunedin campus to landfill two years early – when it dropped by 62% from 2012 levels to about 1,908 tonnes in 2019 – the University is now working on halving its 2018 waste total of 2,660 tonnes.

Recycling options are continuing to roll out to all staff – desk-top "precycler" containers for paper, cans and plastic that each person empties into a "station" of four colour-coded bins. Staff are also using almost 20 worm farms to reduce food waste to landfill, while teaching themselves new skills for home as well.

The University's sustainability initiatives were finalists in seven Australasian Green Gown Award categories and the University was one of only two New Zealand tertiary institutions to make the finals.

Along with the Sustainability Neighbourhood's category win, Otago's Engagement Team Leader Jesikah Triscott was highly commended in the Award of Excellence – Staff, while student Charlotte Brewer, currently completing a Master's degree in Sustainable Business, was highly commended in the Award of Excellence – Student. The other finalists were the Tētēkura/Student Leads, Mindful Mondays, waste management and Unipol Recreation.

In the latest Student Opinion Survey 97.3% of students gave a positive assessment of the general campus environment.



Commitment as a Local, National and Global Citizen

The University is committed to local, national and international betterment through research, community service, contributions to the arts, and ongoing support of groups under-represented in university study.

25

staff members on COVID-19
Governmental Advisory Boards

4

\$10,000 scholarships offered
in partnership with band Six60

\$1.1b

contribution to the Dunedin economy
and more than \$1.7 billion nationally

52.3%

of graduates report undertaking
volunteer work while at Otago



COMMITMENT AS A LOCAL, NATIONAL AND GLOBAL CITIZEN

THE UNIVERSITY CONTINUED TO PLAY A KEY ROLE

in New Zealand’s response to the COVID-19 pandemic through 2021, with 25 Otago staff holding vital positions on governmental advisory boards including Professor Michael Baker (Public Health, University of Otago, Wellington), Vice-Chancellor Elect Professor David Murdoch (Dean, University of Otago, Christchurch) and Professor Sir David Skegg (Preventive and Social Medicine). Their advice supported Aotearoa’s testing strategies, vaccine rollout, and the reconnection of New Zealand to the world in a COVID-19 environment.

Otago experts also contributed to the public COVID-19 debate, sharing information and opinion nationally and internationally, and being called upon for regular media appearances and commentary. Experts included Professors Michael Baker, Kurt Krause and David Murdoch, Dr Jemma Geoghegan, and many more. Across both COVID-related and other topics, Otago experts consistently appeared in the media in New Zealand and overseas in 2021 with more than 3,500 radio items, 7,000 newspaper articles, and 1,000 television slots.

Otago staff and final-year Medical students were heavily involved in testing for COVID-19 and vaccine rollout. On-campus testing and vaccination clinics were held in Dunedin for students, staff and members of the public, as well as a two-day walk-in vaccination centre held at the Forsyth Barr Stadium. Students also helped in diagnostic testing labs in Dunedin and Christchurch. The University’s Māori Indigenous Health Institute (MIHI) led the vaccine rollout and delivery for Māori and marginalised communities in Ōtautahi Christchurch, in collaboration with mana whenua, the Maui Collective and the Canterbury District Health Board.

Otago staff and students also contributed widely at a local, national and international level in non-COVID areas. For example, the Otago Business School became the first

in New Zealand to be invited to join the Global Business School Network (GBSN), and the University’s Global Health Institute, together with Dunedin’s Mercy Hospital, supported the establishment of a new Communicable Diseases Research Centre at Fiji National University (FNU).

Closer to home, a new centre with a focus on socio-legal studies was established. The Otago Centre for Law and Society Te Pokapū me te Papori ki Ōtākou has four Co-Directors from Religion, History and the Faculty of Law, and will support collaborative research projects, public events and academic symposia to give insights into the interactions of law, society, religion, culture, history, race, indigenous and human rights, gender and other factors.

In 2021 the University joined forces with band Six60 to support four aspiring musicians. The first four students who will take up the opportunity of a \$10,000 scholarship, mentoring from Six60 and free accommodation in Six60’s former flat on Castle Street are Samuel Leaper, Teone Hotu, TJ Zimba and Emily Kerr-Bell.

COMMUNITY SERVICE

A culture of community service and volunteering is embedded across the University of Otago. The Social Impact Studio provides a hub for students, staff and the community to work together on projects that benefit society and the environment. An increasing proportion of respondents to the Graduate Opinion Survey (52.3%) indicated that they have undertaken volunteer work while studying at the University. In a survey of academic staff, 87.2% of respondents had dedicated time to community service and, on average, this comprised 7.5% of their work time. The types of service undertaken included serving on government advisory boards and committees (27.6%); providing services to the public sector (69.2%); giving

lectures, talks or presentations to non-university groups (71.2%); holding a post in an organisation or association relevant to their area of expertise (68.6%); editing or serving on the editorial boards of publications (57.7%); and contributing to community projects (53.2%).

The contributions of a number of staff were recognised with 2021 New Zealand Honours [see page 23] and others were acknowledged nationally and internationally within their own fields of endeavour, including:

- Faumuina Professor Fa’afetai Sopoaga, public health and primary care expert, who was appointed to the role of New Zealand Health Adviser, Samoa with the New Zealand Ministry of Foreign Affairs and Trade (MFAT)
- Dr Bret Dougherty (Student Health Services), who attended the Tokyo Olympics as a medical support team member
- Professor Michael Baker (Public Health, Wellington), who received the 2020 Prime Minister’s Science Communication Prize in recognition of his outstanding ability to translate his expert knowledge into practical and accessible information to inform the government and people of New Zealand. Professor Baker was also named Wellingtonian of the Year for 2020 at *The Dominion Post*’s annual “Welly Awards”
- Leanne Te Karu (Pharmacy), who received a gold medal from the Pharmaceutical Society of New Zealand for her dedication to improving health outcomes for all, and particularly Māori
- Dr Dianne Sika-Paotonu (Pathology and Molecular Medicine, Wellington), who received the New Zealand Association of Scientists’ Cranwell Medal for science communication for 2020
- Chief Financial Officer Sharon van Turnhout, who received a Chartered Accountants’ Australia and New Zealand Fellowship in recognition of her outstanding achievement and contribution to the accounting profession.

OUTREACH ACTIVITIES

Some of Otago’s outreach activities were impacted by COVID-19 restrictions. However, many events were able to take place including Hands-On at Otago in January 2021, which saw 393 secondary school students from 149 schools around the country attend a range of programmes designed to help them explore future study options at Otago.

The New Zealand Marine Studies Centre’s (NZMSC) programmes, which provide a window into marine research at Otago and foster an understanding of New Zealand’s marine environment and its conservation engaged more than 18,452 people, despite COVID-19 restrictions. Participants included 5,508 school students and teachers from the lower South Island who attended curriculum-linked programmes through the Centre; 6,224 school students, teachers and communities who took part in the Aquavan programme; and 4,122 school students and teachers who attended outreach programmes in the Nelson/Marlborough/Tasman region.

The NZMSC provides a wide range of marine experiences for school classes and interest groups. New science extension and enrichment programmes included a programme for year 9 and 10 Pacific students on the science and stories of climate change, and year 9 and 10 students in Nelson/Marlborough designing underwater robots to sample the sea. Narrated dives underwater with the Centre’s remote operated vehicle (ROV) attracted Facebook viewers from around New Zealand and the world. Workshops for teachers focused on ocean acidification, marine monitoring, enhancing local curriculum, and science kits were developed for teachers in Tonga.

The First Science Wānanga to take place since lockdown 2020 was coordinated with the whānau of Te Rūnaka o Kāti Huirapa ki Puketeraki. Held in May 2021, the Wānanga, a three-day hands-on experience for Māori secondary students,

was attended by 30 rangatahi and six kaiako from local kura including Dunedin North Intermediate, Queen's High School and Te Kura Kaupapa Māori o Otepoti. In June, Tuia i Hawaiki, tuia i te Uru (Science Wānanga) travelled to Waihōpai, in collaboration with Waihōpai Rūnaka. Hands-on science activities from the Dodd-Walls Centre, Chemistry and Genetics were shared with 37 rangatahi Māori from Te Wharekura o Arowhenua, Southland Boys' High School, Southland Girls' High School and James Hargest College.

Similarly, in early June 2021, 20 year 12 and 13 Māori economic and accounting secondary school pupils from throughout the country attended Nohoaka Pakihi, a five-day boot-camp styled programme organised by the Otago Business School which aims to develop skills in innovation, entrepreneurship, economics, sustainability and Māori business frameworks.

University of Otago College of Education staff led a research project with former refugees from Dunedin and Invercargill secondary schools exploring tertiary education pathways in Aotearoa New Zealand. Thirty-four year 12 and 13 students have joined the Secondary to Tertiary Transitions Project since it began.

The University is committed to encouraging groups under-represented in tertiary study, particularly Māori and Pacific students. Enrolments for both Māori and Pacific students were at an all-time high in 2021 with 2,532 Māori and 1,302 Pacific students enrolled. Māori now account for 13.1% of Otago's domestic EFTS and Pacific enrolments now comprise 6.2% of total domestic EFTS.

(For more about Māori and Pacific development, please see pages 72–75.)

Amongst other landmark performances for Māori, Otago also reached a new high for the number of Māori graduates, with 2021's total of 574 being 13.4% up on 2020. Included in the 2021 cohort were a record of more than 100 Māori graduates from the University's Health Sciences professional programmes, including over 60 new Māori medical doctors.

CONTRIBUTION TO THE ECONOMY AND ARTS

The University makes a significant contribution to the local and national economy. The latest Economic Impact Report estimated that the total value added by the University to the Dunedin economy in the previous 12 months exceeded \$1.1 billion, with the total flow-on economic impact nationally at more than \$1.7 billion. It was also estimated that the University directly and indirectly supported 5,581 FTE jobs in Dunedin, and 7,048 throughout New Zealand.

The University also makes a significant contribution to the community through its commitment to the arts. The annual arts fellowships, in particular, demonstrate the University's support of creative artists and aim to help the public engage with original work created on campus and in the city. The 2021 arts fellows were: Becky Manawatu (Robert Burns Fellow); Lucy Marinkovich (Caroline Plummer Fellow in Community Dance); and Heather McQuillan (University of Otago College of Education Creative New Zealand Children's Writer in Residence). The 2020 Frances Hodgkins Fellow Bridget Reweti and the 2020 Mozart Fellow Kenneth Young both received Fellowships for a second year.

The Hocken is one of the foremost art collections and research libraries in New Zealand, with collections comprising about 1,140,000 art, pictures and photographs and 10,500 linear metres of archives. In 2021, around 6,900 researchers visited the Hocken in person or made enquiries at a distance.

Exhibitions are a key mechanism to showcase Hocken collections to the public, researchers and students. Four significant exhibitions were hosted in 2021: "Colin McCahon: A Constant Flow of Light"; "Drift" which focused on recently acquired items from Hocken art and other collection areas; "Pōkai Whenua, Pōkai Moana" an exhibition by Tauranga Moana artist Bridget Reweti, the 2020/2021 Frances Hodgkins Fellow; and "Kaleidoscope World: Forty Years of Flying Nun", a celebration of 40 years of "Flying Nun" and the Dunedin musicians associated with the label. The Hocken also lent works to several exhibitions throughout the country.





Strong External Engagement

Even with constraints imposed by the COVID-19 pandemic the University continued to build strong relationships with academic, political, business and alumni groups, locally, nationally and internationally.

10,000+

downloads of Tertiary Open Day App

401

continuing education events offered

369

international partners

130,000+

alumni in regular contact with the University



STRONG EXTERNAL ENGAGEMENT

OTAGO STAFF ACROSS THE DUNEDIN, CHRISTCHURCH AND WELLINGTON CAMPUSES continued to be sought after for roles in a wide range of research and advisory groups, in particular those involved in the country’s pandemic response. There were 25 Otago staff serving on official Government advisory committees, while many others, along with support staff and students were hands-on in areas such as genome sequencing, processing test results and vaccination clinics.

A COVID-19 Masterclass Series, held from 23 November to 5 December, was very successful. Coordinated by the Otago Global Health Institute and the Otago Communications Office, in collaboration with *Newsroom*, the Masterclass included pieces from across all four academic divisions, as well as external authors. Twenty pieces were published on *Newsroom* and widely read across New Zealand and internationally.

The annual Public Health Summer School held by the University of Otago, Wellington, in February 2021, had the theme “Post COVID-19 reset” and “COVID-19: What we have learnt and where are we going?” Convened by Professor Michael Baker and Dr Amanda Kvalsvig, leading epidemiologists in New Zealand’s response to the pandemic, it attracted 650 attendees with 24 courses on offer. A session on Kei te kōrero he rongoā: The healing power of stories for Māori suicide prevention, postvention and wellbeing was well received with over 100 attending in person or online.

COVID-19 also featured strongly as a topic in both the 2nd University of Otago National Security School in February and the 55th University of Otago Foreign Policy School in July. The National Security School looked at how the myriad of challenges presented by a global pandemic like COVID-19 are redefining New Zealand’s understanding of national security; while the Foreign Policy School considered the disruptive impact of COVID-19 on New Zealand’s diplomacy in terms of values and interests, climate concerns, trade interests and the openings for small/middle power leadership. Nearly half of the 170 attendees

were drawn from Government Ministries in Wellington.

Leading experts from Government, industry, business and academia converged on Queenstown in March for the two-day Tourism Policy School, organised by the Otago Business School and Department of Tourism. With global tourism paused due to the COVID-19 pandemic it was seen as an opportunity to plan for a more sustainable future for what has been New Zealand’s major export earner. The event, echoing the University’s sustainability imperative of people, place, planet, featured addresses by the Minister of Tourism, Hon. Stuart Nash, and Parliamentary Commissioner for the Environment, Simon Upton.

After 18 years as Otago’s Pacific Islands Centre Manager in Dunedin, Tofilau Nina Kirifi-Alai moved to Auckland to take on the newly established role of Pacific Community Engagement Manager in Auckland. The new position puts a strong focus on building relationships with Pacific communities in Auckland, and, in time, across New Zealand and the Pacific region. A Pacific Leaders’ Fono Summit was hosted in August to promote collaboration between Pacific leaders, with an aim of combating contemporary issues affecting Pacific Peoples.

The 15th annual Otago Energy Research Centre (OERC) symposium in November was focused on “The challenge of net zero by 2050”. The symposium brought together diverse perspectives on these challenges (and opportunities), including focused sessions on national energy modelling and energy hardship. Participants attended both in person and online.

After holding the 2020 Tertiary Open Day virtually, in 2021 the University opted for an in-person open day in May, followed by a virtual version in July. With over 10,000 Tertiary Open Day app downloads for the immersive two-day May event, it was clear that being on campus was important for students and their families. For those who could not attend in person, there was still the opportunity to engage via the Virtual Open Day, where potential students peeked

into Residential Colleges and checked out over 100 short presentations from academic programmes to scholarships and other services. A highlight was a live segment where students could tune in to hear about life at Otago from those who know it best – the students.

Across the wider University, 401 continuing education events were offered in 2021, including 35 lectures, 285 seminars (with over 84 being held via Zoom), 17 Inaugural Professorial Lectures, 29 short courses, seven symposia and 12 conferences. Seven workshops and eight miscellaneous learning events were held.

AGREEMENTS AND COLLABORATIONS

In 2021 the University adopted a formal Partnership and Arrangements Policy. This policy provides a greater degree of strategic focus to the development and maintenance of international partnerships across the University.

At the divisional level, Otago’s Division of Sciences entered into a new Memorandum of Understanding (MOU) with the Secretariat of the Pacific Community in recognition of its long-standing relationships in the region. The Division of Humanities was successful in developing a new articulation agreement (English and Linguistics) with Dalian University of Foreign Languages. The Otago Business School continues to progress its many articulation agreements with international business schools, particularly in China and Southeast Asia. The Division of Health Sciences has maintained a range of articulation agreements, mainly across the Dentistry, Medicine and Pharmacy programmes.

In total the University renewed 20 existing international agreements, and despite the challenges of the pandemic established a further 74 partnerships, bringing the University’s current number of international partnerships to 369. The University’s Student Exchange programme resumed in

Semester Two of 2021, with a small number of inbound students welcomed from Australia.

In December 2020, the University Council approved a new five-year Internationalisation framework (2021-2025) which sets the tone and direction for Otago’s global engagement. It reflects responses to changing patterns of international student mobility and also to the disruption to internationalisation resulting from COVID-19. This Framework was well utilised during 2021 and was reflected in the decision-making for developing new, and continuing current, international partnerships.

2020 marked the 10th anniversary of the establishment of the Matariki Network of Universities (MNU), an international group of leading universities of which Otago is a founding partner. The anniversary was celebrated in 2021 with the release of a 10 Year report highlighting the network’s many achievements and with Otago featuring highly. The MNU adapted to virtual connectedness and in 2021 participated in and hosted online lectures as part of the MNU lecture series exploring “Race, Racism and Decolonisation”.

The University is a consortium partner of the Centres of Asia-Pacific Excellence (CAPEs), established by the Government in 2017 to create a step change in New Zealanders’ Asia-Pacific skills and knowledge. The CAPEs, funded by the Tertiary Education Commission, harness academic expertise and industry acumen to deliver practical education, knowledge and resources.

The University’s 2021 CAPEs programmes helped to keep New Zealand’s Asia-Pacific connections alive and growing, even with closed borders. The second annual Winds of Change programme, led by Otago academics, united 30 postgraduate students from Chile and Aotearoa to collaborate on climate change solutions, including engagement with New Zealand and Chilean experts across science, business and public policy.



ALUMNI

The University's 130,000-plus alumni in New Zealand and across the world are important members of Otago's wider community and engaging with them is a key responsibility of the Development and Alumni Relations Office (DARO). Engagement activities include in-person events, digital offerings, and regular communications in print and online. These connections aim to provide a long-lasting, mutually beneficial relationship between alumni and friends, and the University.

During the first half of 2021, DARO hosted 15 in-person events, including a farewell event for outgoing Vice-Chancellor Professor Harlene Hayne, musical performances with high teas, breakfasts with the Highlanders coaching team, and a meet the Burns Fellow event. New to 2021 were DARO hosted whānau sessions for alumni and family held in partnership with departments on the Dunedin campus. Events were also held to acknowledge generous gifts from donors.

Digital events included meet the author events in conjunction with our online Book Club provider, and a series of webinars hosted by Alumni of the University of Otago in America (AUOA).

Despite the reduced opportunity to meet in-person for some of the year, there were still four class reunions. Zoom sessions were encouraged and supported by DARO to allow those who were unable to attend to join the celebrations.

The Young Alumni Awards, the 20Twenties, entered its second year with a further cohort of 20 young alumni recognised for outstanding achievements.

New initiatives in 2021 were based around online engagement and included the launching of an online photography competition, the development of an online congratulatory card for Otago's newest alumni on their graduation, and the inclusion of interactive activities and various polls within communications.

Digital communications provided another avenue for DARO to maintain connections with alumni, including the targeted monthly "What's On for Alumni" emails and the quarterly @Otago eNewsletter. In 2021 DARO continued to send every six weeks *What's on @Home* digital newsletters with a focus on watching, listening or doing. These continue to be well received with positive feedback.

During 2021 the University of Otago Alumni Facebook page continued to grow and now has more than 8,100 followers.

Alumni, staff and friends continue to generously support University of Otago students through scholarships and Pūtea Tautoko Student hardship support (see also pages 36 and 60 – student experiences, capability). Through donations received from alumni and friends, DARO provided entrance scholarships to 60 recipients in 2021. In most cases this funding supported students' Residential College fees.

Donor support also contributed to fellowship, teaching and research positions in departments, as well as prizes and awards to recognise diligence and tenacity for learning. Significant bequests received in 2021 will transform the ability of the recipient departments to provide awards for postgraduate students of merit, fund research and teaching, and provide scholarships for students experiencing financial hardship.



Sustaining Capability

The University of Otago is committed to taking a long-term view to sustaining capabilities, recognising the need to meet the challenges of a changing world. Through 2021 this focus was more important than ever.

\$16.5m

University Group surplus

35

commercial opportunities
for Otago Innovation Ltd

334

courses offered by Learning &
Development and Academic
Leadership Development teams



Vision 2040 plans for long term

SUSTAINING CAPABILITY

FOR A SECOND YEAR IN SUCCESSION, University operations, activities and finances were significantly disrupted by the COVID-19 pandemic.

The impact was arguably less than in 2020 in an operational sense, with the main period of national lockdown being shorter, and occurring at a less disruptive time for the University than the previous year. However the financial impact was more keenly felt, due in particular to the ongoing impact of border closures and other travel restrictions on international student enrolments.

As has been detailed more closely elsewhere in this Annual Report, full-fee international enrolments were down by almost a quarter on 2020, and this drop followed a similar decline between 2019 and 2020. International tuition fee revenue for the University group in 2021 totalled \$37.5 million, compared with a pre-COVID peak of \$52.5 million in 2019. International enrolment decline is expected to continue into 2022, and recovery will take several years, and require significant investment to secure.

Faced with this decline, and a range of cost pressures, the University was reliant on strongly positive investment returns from the Otago Foundation Trust to achieve a financial surplus for the year.

A slowing of the University’s capital programme was flagged in last year’s report as both a response to and a consequence of COVID-19 disruption. This disruption continued to impact on the capital programme in a range of ways in 2021. Securing a new borrowing consent and indeed borrowing itself will be crucial to advancing the capital programme into 2022 and beyond.

COMMERCIALISATION AND DEVELOPMENT

A number of significant gifts were received in 2021. The estate of Barbara Middleton left a substantial bequest to the University of Otago for support in the fields of medical virology and microbiology. The bequest was in memory of her late husband, Dr Peter J Middleton, also an Otago graduate.

The estate of Ngaere Geddes left a bequest in memory of her late husband, Professor Bob Geddes, to establish a fund in perpetuity, to provide income for awards for postgraduate students of merit while they pursue courses in Anthropology.

Richard and Diana Somerville have pledged a major donation over five calendar years to provide 20 entrance scholarships annually for new students from the 2022 academic year. Ten scholarships are to be allocated to first-year students of low decile Pacifica background with a further 10 scholarships for first-year students from low decile backgrounds who wish to study Commerce at Otago.

The estate of Elman Poole, a major donor and member of the Court of Benefactors, has provided funds to endow undergraduate scholarships for students from Southland Boys’ and Southland Girls’ High Schools to study Science, Music and Health Sciences and postgraduate travelling scholarships at Otago.

Emerita Professor Dame Carolyn Burns has provided funding to establish The Carolyn Burns Chair in Freshwater Sciences.

Dame Carolyn Burns, the Estate of Barbara Middleton, the Estate of Ngaere Adele Geddes, and Richard and Diana Somerville have all been admitted as new members of the Court of Benefactors.

Fundraising for Pūtea Tautoko, the hardship fund to support students adversely affected by the COVID-19 pandemic, continued in 2021. Contributions by Government and the University were augmented by ongoing gifts from alumni, staff, students and friends of the University, and together these contributions were sufficient to meet need in 2021.

Thirty-five potentially commercial opportunities were presented by academic staff to Otago Innovation in 2021. 2021 saw newly formed companies Amaroq Therapeutics (below), Wellumio (in conjunction with Victoria University of Wellington) and Periomedic come into existence. Previous spin-outs including Chitogel raised significant capital during the year.

Otago Innovation’s annual Proof of Concept competition combined with the Health Science Division’s Translational Research Grant (TRG) to attract 19 applications in 2021. The Proof of Concept competition was won by a new approach to cancer therapy from the Pathology Department, while the TRG was won by a group from Pharmacology who have a novel approach to removing nitrates from water supplies.

Otago Innovation’s longest-standing staff member, Dr Alex Tickle, was shortlisted as a finalist in the 2021 KiwiNet Commercialisation Professional Award, recognising the significant contribution she has made at Otago and within the wider commercialisation ecosystem.

A German-NZ Green Hydrogen alliance has been formed between the University and the Helmholtz-Zentrum Hereon, a major German research institute, to establish a joint research centre on green hydrogen at Otago. The alliance will be co-led by Professor Sally Brooker (Chemistry) and Dr Paul Jerabek from the Helmholtz-Zentrum Hereon. Funding for the initiative is shared by the German Federal Ministry of Education and Research (BMBF), and New Zealand’s Ministry of Business, Innovation and Employment (MBIE). Five years of funding has been confirmed by both sides.

Amaroq Therapeutics, a new biotech start-up spun out of the University of Otago, has secured a commitment to invest \$14 million to accelerate its pioneering work using one of the world’s most advanced programmes in next-generation RNA therapy to target cancer. The Amaroq Therapeutics team, led by Chief Scientific Officer and founder, Dr Sarah Diermeier, are exploring the use of lncRNA molecules as therapeutic targets and diagnostic markers in the treatment of cancer. They are looking to apply the \$14 million investment – from life science investor Brandon Capital, Otago Innovation Ltd, NZ Innovation Booster and Cure Kids Ventures – to investigate therapies to treat common cancers such as breast, colorectal and liver cancer.

A Memorandum of Understanding has been signed for a multi-party agreement between the University of Otago and the Bay of Plenty-based Ngā Iwi i Te Rohe o Te Waiariki to explore potential marine, science and technology business opportunities. They will work in collaboration with other parties including Plant & Food Research, Cawthron Institute, National Institute of Water and Atmospheric Research and the University of Waikato to address marine environment challenges and explore opportunities.

STRATEGIC AND ORGANISATIONAL INITIATIVES

To sustain capability the University is seeking a long-term strategic focus with the replacement for the *Strategic Direction to 2020 – Vision 2040* – looking out some 20 years.

The development timeline for *Vision 2040* has been significantly impacted by the COVID-19 pandemic, both because of the need for the University to focus on its practical response to COVID-19, and the limited capacity of key external stakeholders to engage in consultation while they too were responding to massive disruption. In response to this, the Council extended the life of the *Strategic Direction to 2020* plan until the end of 2021.

Additionally, *Vision 2040* development was slowed when the appointment of the new Vice-Chancellor was confirmed, as it was considered important that his perspectives be adequately reflected in the final document. 2021 ended with the latest draft of *Vision 2040* out for consultation with Otago’s Ngāi Tahu mana whenua, and a timeline that will see the final version approved in the first part of 2022.

This disruption does mean *Vision 2040* will be informed by a greater understanding of the challenges of a post-COVID-19 crisis world, and incorporate the perspectives of the incoming Vice-Chancellor, Professor David Murdoch.

The Enabling Excellence Programme, launched in 2019, drew to its scheduled close at the end of 2021. All organisational design and space related aspects of the programme have been completed, while other sub-projects (for example, the supply chain enhancement programme and standard Otago digital workspaces) will continue, with responsibility for them handed over to the appropriate teams. These projects will continue to provide standardised processes, system enhancements, policy changes, and new IT systems across the University to maximise the benefits of the Support Services Review.

Further to the launch of the four cornerstone staff values: respect (manaakitaka), integrity (pono), curiosity (māhirahira) and community (whakawhanaukataka) a second staff values survey was undertaken in 2021. A total of 2,626 respondents answered the survey constituting a 52% response rate. The Acting Vice-Chancellor shared the University results at a staff forum in November 2021.

STAFF DEVELOPMENT

During 2021, the Learning and Development and Academic Leadership Development teams held a total of 334 workshops/ courses attended by 1,941 participants, totalling 3,641 attendances.

In the continuing context of COVID-19, the majority of activities were available online. Wherever possible flagship programmes, such as Women in Leadership at Otago, ProsciTM, Essential Management and Academic Heads Induction Course, were delivered in-person as part of fostering learning networks within the University community. Following on from work undertaken in 2020, members of the Learning and Development team with IT expertise have continued to offer a range of workshops to assist academic staff with online teaching and examinations.

In addition to workshops and courses on a wide range of topics, all staff were able to access an extensive range of online learning materials relevant to their roles via LinkedIn Learning.

Some of the key on-campus activities in 2021 included:

- Te Reo Māori workshops, attended by 87 participants
- A new workshop developed in partnership with the Office of Māori Development offering an introduction to Te Tiriti o Waitangi and the Māori Strategic Framework, offered for the first time in December
- Five workshops on aspects of the Pacific Strategic Framework, attended by 89 participants
- The ProsciTM change management courses, including the one-day Fundamentals of Change Management course offered three times with 29 participants; the one-day Change Management Programme for Managers offered three times with 22 participants; and the three-day course offered three times with 29 participants
- A Policy and Practice series for professional and academic staff, which ran 34 Zoom sessions with 373 participants
- The annual three-day Induction Course for new Academic Heads of Departments, Programmes, Schools and Centres, attended by 21 participants from three campuses
- Academic leadership courses for Associate Deans and nominated departmental leaders
- The Crucial AccountabilityTM course for academic leaders, attended by 23 participants.

In 2021, the Awards for Exceptional Performances by Professional Staff were incorporated into the new University of Otago Staff Awards, along with the existing awards for research and teaching. Three of these awards were presented to Carol Dunstone and Chris Smith (both Anatomy) and David Hood (Learning and Development). The 2021 Vice-Chancellor’s Award was presented to Russ Linwood (Trade Services) for his leadership during the University’s COVID-19 response, on top of his exceptional service and innovation in several roles. The 2021 Award for Sustainable Practice by Staff (Team) went to the Procurement Office.

SERVICE PERFORMANCE REPORTING

The following section outlines the University Service Performance against internal targets and regulatory requirements.

The University of Otago remains steadfast in pursuit of its vision to be a research-led University with an international reputation for excellence. The University’s mission is to create, advance, preserve, promote and apply knowledge, critical thinking and intellectual independence to enhance the understanding, development and wellbeing of individuals, society and the environment. It seeks to achieve these goals by building on foundations of broad research and teaching capabilities, unique campus learning environments, its nationwide presence and mana, and international links.

As is covered more fully elsewhere in the Annual Report, all aspects of University operations continue to be significantly impacted by lockdowns and more general disruption arising from the COVID-19 global pandemic. While domestic enrolments increased substantially in 2022, international Equivalent Full Time Students (EFTS) volumes have been restricted due to the ongoing New Zealand border closures as have other service performance activities, particularly those that normally require travel.

Despite these challenges, the Service Performance Report demonstrates that overall the University of Otago delivered a favourable performance.

PERFORMANCE AGAINST STRATEGIC PLAN

THE UNIVERSITY HAS IDENTIFIED seven strategic imperatives to achieving its vision and delivering on its mission. On an annual basis, the University Council sets the Statement of Service Objectives, which contains the Key Performance Indicators (KPIs) for each Strategic Imperative. This is the mechanism used by the University to measure and report its own performance against its Vision and Mission. Refer to Notes.

STRATEGIC IMPERATIVE ONE: EXCELLENCE IN RESEARCH

The University of Otago is one of New Zealand’s largest and most broadly capable research organisations. Our standing as a leading research university has been confirmed in recent years by the ongoing success of our staff in competitive research funding rounds, and by independent national and international assessments. Our individual researchers and research teams provide a strong base from which to further develop our research capability into the future.

#	KEY PERFORMANCE INDICATORS	2019 Actual	2020 Actual	2021 Target	2021 Actual
1.1	Increasing the number of quality-assured research outputs as measured by a three-year rolling average. ¹	3-year average 5,758	3-year average 5,835	> <i>previous year</i>	3-year average 5,571
1.2	Increasing research funding from outside sources as measured by a three-year rolling average.	3-year average \$131.4 million	3-year average \$139.1 million	> <i>previous year</i>	3-year average \$146.7 million
1.3	Increasing the proportion of postgraduate research EFTS within University EFTS. ²	9.2%	9.0%	> <i>previous year</i>	8.6%
1.4	Increasing the number of research degree completions as measured by a three-year rolling average.	3-year average 563	3-year average 557	> <i>previous year</i>	3-year average 550
1.5	At least 90% of research degree respondents to the Graduate Opinion Survey reporting overall satisfaction with the quality of supervision.	91.1%	90.1%	≥ 90.0%	94.3%
1.6	Rank as one of the top two universities in the annual Marsden and Health Research Council (HRC) funding rounds, as measured by the value of grants awarded.	First in HRC and first in Marsden	Second in HRC and second in Marsden	<i>Ranked in the top two in both funding rounds</i>	Second in HRC and second in Marsden
1.7	Rank as one of New Zealand's top two universities in the FC component of the Nature Index. ³	Ranked first	Ranked first	<i>Ranked in the top two</i>	Ranked second

The University of Otago continued to demonstrate excellence in research, ranking in the top two New Zealand universities as measured by the prestigious *Nature* Index as well as the value of research grants received from the Health Research Council and the Royal Society of New Zealand’s Marsden Fund. Research output data are reported one year in arrears due to the time required to collate and vet research outputs, and the unfavourable result for KPI 1.1 reflects the reduced ability of staff to attend conferences and stage performances in 2020 due to the global pandemic. Satisfaction amongst research degree students remains very high, despite COVID-19 impairing the ability of many students to complete their research in the timeframes they originally planned. While the volume of postgraduate EFTS remained steady at 1,663 in 2021 (1,668 in 2020), there was a substantial increase in taught EFTS leading to a reduction in the proportion of postgraduate EFTS reported in KPI 1.3.

1 Due to the time required to collate and vet research output data, the outputs reported for this measure are a year in arrears (i.e. outputs reported against 2020 are those published in 2019, etc.). The definition of research outputs for this measure is consistent with that used for PBRF purposes.

2 University EFTS, as referred to for this indicator and elsewhere in the Statement of Objectives, exclude those associated with the University’s Foundation Studies subsidiary except where specifically stated.

3 The *Nature* Index FC (fractional count or share) measures collaboration in the production of excellent research. Due to the time at which this data becomes available, *Nature* Index data is reported a year in arrears.

STRATEGIC IMPERATIVE TWO: EXCELLENCE IN TEACHING

The academic performance of our students and the teaching awards secured by our staff confirm that Otago is at the forefront of New Zealand universities in teaching, and it is highly regarded internationally. We have focused on raising the calibre of our commencing student cohort, increasing expectations in respect of student academic performance, and recruiting a higher proportion of postgraduate students. We have also sustained a strong research-teaching link and promoted the evolution of teaching, including in response to the opportunities made possible by new technologies.

#	KEY PERFORMANCE INDICATORS	2019 Actual	2020 Actual	2021 Target	2021 Actual
2.1	Increasing the proportion of postgraduate EFTS within University EFTS.	18.7%	18.8%	> previous year	19.5%
2.2	Increasing the paper pass rate for first year undergraduate students.	85.5%	87.1%	> previous year	86.2%
2.3	Maintaining an average pass rate for papers within 2% of the average for the previous three years.	91.5% (3 year average 91.1%)	93.0% (3 year average 92.0%)	+/- 2.0% of rolling average	91.6% (3 year average 92.0%)
2.4	Increasing the number of students successfully completing qualifications at both undergraduate and postgraduate levels.	3,391 (UG) 1,930 (PG)	3,558 (UG) 2,067 (PG)	> previous year	3,487 (UG) 2,245 (PG)
2.5	At least 90% of respondents to the Student and Graduate Opinion Surveys ⁴ providing a positive assessment of the quality of teaching.	86.6%	86.1%	≥ 90.0%	85.5%
2.6	At least 90% of respondents to the Graduate Opinion Survey ⁵ reporting some, moderate or extensive development of the following attributes:				
	A willingness to learn;	95.6%	96.6%	≥ 90.0%	96.1%
	Teamwork skills;	84.8%	84.9%	≥ 90.0%	86.7%
	Communication skills;	92.7%	92.1%	≥ 90.0%	93.1%
	The skills to plan my own work;	95.5%	95.0%	≥ 90.0%	95.5%
	The ability to solve problems;	95.5%	95.7%	≥ 90.0%	95.4%
	Independent judgement;	95.2%	95.7%	≥ 90.0%	96.0%
	Academic rigour;	94.0%	94.6%	≥ 90.0%	94.4%
	A multidisciplinary perspective;	90.5%	91.3%	≥ 90.0%	90.4%
	Analytical skills;	95.4%	95.7%	≥ 90.0%	96.3%
	Flexibility and adaptability;	93.0%	93.2%	≥ 90.0%	93.8%
	An awareness of ethical issues;	91.3%	91.3%	≥ 90.0%	91.1%
	A global perspective;	86.1%	87.9%	≥ 90.0%	86.3%
	Cultural understanding;	85.1%	85.1%	≥ 90.0%	83.6%
	Environmental literacy;	80.2%	79.2%	≥ 90.0%	78.7%
	Research skills;	95.0%	95.4%	≥ 90.0%	95.0%
	Information literacy.	95.5%	96.8%	≥ 90.0%	95.8%
2.7	At least 90% of respondents to the Graduate Opinion Survey reporting progression to employment or further study following completion of their qualification, as measured by a three-year rolling average.	94.9%	94.5%	≥ 90.0%	94.5%

⁴ Please refer to footnotes 5 and 6 below for discussion of these surveys.
⁵ The annual Graduate Opinion Survey invites feedback from all graduates on their experiences at Otago, particularly in terms of their learning experiences, 18 to 24 months after graduation.

Otago staff continued to demonstrate an exemplary commitment to teaching despite the disruptions arising from COVID-19, with 85.5% of students reporting a positive assessment of the University’s teaching quality. While some student survey metrics did not achieve their aspirational 90% targets, the 2021 results rates remain highly favourable across all KPIs, including the 90% target being met or exceeded for 12 of the core graduate attributes. Graduate outcomes remain strong with 94.5% of graduates progressing to employment or further study following completion of their qualification.

Postgraduate EFTS and completions both increased, with growth recorded in numerous postgraduate taught programmes. Undergraduate completions decreased as a pipeline consequence of a decrease in students commencing undergraduate study in 2019. Paper pass rates were down on 2020 and marginally higher than those achieved in 2019, noting that 2020 pass rates were boosted due to a number of factors including the five-point grade adjustment being provided to students in Semester One, 2020.



STRATEGIC IMPERATIVE THREE: OUTSTANDING STUDENT EXPERIENCES

The Otago experience, which encompasses the social, cultural and sporting aspects of student life as well as the pursuit of academic excellence, is one of the defining features of the University. It has its roots in the distinctive residential student lifestyle that the majority of Otago students enjoy.

Most of our commencing students leave home for the first time to attend Otago and the University has a duty to provide outstanding pastoral support. Typically, the core of that support is provided through our residential colleges in a student's first year. The nature of that support changes, but is no less important during the transition to independent living that occurs when students begin flatting in close proximity to our main Dunedin campus or when they are based at one of our specialist Health Sciences campuses in Christchurch and Wellington, or while located elsewhere.

A common feature of the Otago experience wherever it occurs is a nationally unique and internationally rare opportunity for personal development through student experiences beyond academic study. This enriched student experience, in turn, leads to graduates who are distinguished not only by their academic achievement, but also by their intellectual and personal independence and maturity.

#	KEY PERFORMANCE INDICATORS	2019 Actual	2020 Actual	2021 Target	2021 Actual
3.1	At least 90% of undergraduate degree-level commencing students admitted with NCEA Level 3 or an equivalent qualification.	95.7%	96.4%	≥ 90.0%	96.1%
3.2	At least 90% of residential college respondents to the annual Student Opinion Survey ⁶ providing a positive assessment of their colleges.	97.4%	97.7%	≥ 90.0%	96.9%
3.3	At least 90% of respondents to the annual Student Opinion Survey providing a positive assessment of:				
	Administrative services and support services;	97.2%	96.8%	≥ 90.0%	97.8%
	The Student Learning Centre;	98.4%	99.0%	≥ 90.0%	98.9%
	The helpfulness of staff;	95.4%	96.6%	≥ 90.0%	97.5%
	Student health and counselling services;	91.8%	94.6%	≥ 90.0%	89.0%
	The University's careers advisory service;	98.1%	98.3%	≥ 90.0%	98.3%
	Support from the Otago University Students' Association.	96.6%	97.5%	≥ 90.0%	94.3%
3.4	Enrolling a diversified international student population ⁷ constituting up to:				
	15% of total University EFTS;	12.8%	10.7%	≤ 15.0%	7.7%
	25% of the international cohort from one country.	20.4%	19.8%	≤ 25.0%	26.4%

Students continue to report very positive assessments of their Otago student experience, reflecting the commitment of Otago staff to support students amidst challenging circumstances. The result for Health and Counselling services dropped slightly below the 90% target, almost certainly due to the continued impacts of COVID-19 such as increasing demand for medical and mental health services, the extended use of external agencies to help support the higher levels of demand, and the need to conduct more appointments via phone instead of in person. Otago continued to attract a high calibre cohort of students in 2021, with 96.1% of commencing undergraduate students holding NCEA Level 3 or equivalent. Results in KPI 3.4 reflect an increase in enrolments of Chinese students into online Business programmes and a simultaneous decline in total on-campus international EFTS due to the ongoing border controls in place to limit the spread of COVID-19 restricting the number of international students able to study on campus.

⁶ The annual Student Opinion Survey elicits comprehensive feedback from students on both the academic and wide pastoral support aspects of their study at Otago. Each year, students in approximately a quarter of the University's programmes are invited to participate (so that all departments and programmes are covered in a four-year cycle).

⁷ Including both full-fee international students and those granted domestic student status for fees and funding purposes.

STRATEGIC IMPERATIVE FOUR: OUTSTANDING CAMPUS ENVIRONMENTS

Otago is nationally renowned and internationally recognised for its exceptional campus environments, centred on Dunedin and also encompassing its specialist facilities in Invercargill, Christchurch, Wellington and Auckland.

As a primarily residential destination university, Otago has a particular need to create and maintain facilities – including grounds, buildings, equipment and information technology infrastructure that are world-class at all our sites. New facility requirements that have emerged in recent years include student study spaces centred around informal social interaction, embedding sustainability in campus design and operation, new facilities to enhance health and wellbeing, and a heightened awareness of the importance of adequate seismic strengthening. A common feature of all our campus environments is their location within well-established urban environments. This location, in conjunction with the high concentration of heritage buildings on and around the Dunedin campus, has a major influence on campus development.

#	KEY PERFORMANCE INDICATORS	2019 Actual	2020 Actual	2021 Target	2021 Actual
4.1	At least 90% of respondents to the annual Student Opinion Survey providing a positive assessment of:				
	The general campus environment;	97.7%	98.5%	≥ 90.0%	97.3%
	Personal safety on campus;	97.6%	99.1%	≥ 90.0%	98.7%
	University libraries;	99.3%	99.4%	≥ 90.0%	99.5%
	University information technology and teaching facilities;	96.3%	96.1%	≥ 90.0%	95.1%
	The quality of sport and recreational facilities;	94.5%	95.8%	≥ 90.0%	95.7%
	University Union, including food and beverage service;	83.0%	87.9%	≥ 90.0%	86.0%
	Living accommodation provided by the University.	97.5%	97.7%	≥ 90.0%	96.9%
4.2	Providing learning assistance and/or access to special equipment for at least 600 students with a disability affecting study.	813	784	≥ 600	1,034
4.3	Providing annual funding for capital expenditure no less than the sum of depreciation and the adjusted surplus (i.e. the surplus adjusted for carry forwards, extraordinary items and capital injections to Group companies).	Funding ≥ depreciation + adjusted surplus	Funding ≥ depreciation + adjusted surplus	Funding ≥ depreciation + adjusted surplus	Funding ≥ depreciation + adjusted surplus

The results of the Student Opinion Survey indicate that students continue to hold a highly favourable opinion of Otago's campus environment. Six indicators reported assessment levels of over 95%, and a result of 86% for the University Union is positive considering the constraints that COVID-19 placed on outlets such as limited or changed service offerings. As total enrolments increased, so did the number of students with a disability receiving support from the University, increasing from 784 in 2020 to 1,034 in 2021, which is well above the target of 700 students.

STRATEGIC IMPERATIVE FIVE: COMMITMENT AS A LOCAL, NATIONAL AND GLOBAL CITIZEN

New Zealand is in the midst of major demographic, social and economic changes which, over the course of the next few decades, will significantly alter the country. Key elements underlying these changes include the growing size and voice of Māori, the rapid expansion of our Asian population, the increasing size and aspirations of the Pacific community, and an ageing population. These domestic changes interact with the international realities of greater global connectivity, the transformative rise of Asia and the Pacific Rim in the world, the challenging legacies of the global economic crisis, and the implications of climate and wider environmental change.

Otago has already made a purposeful response to the challenges posed by changing times. Our notable successes in Māori student transition and our achievement in responding to opportunities to access funding for industry-linked research are two examples of the way in which we are leading the way nationally. We are also well positioned to contribute globally, through the international profile of our academic staff and the extraordinary dispersion of our graduates around the world.

#	KEY PERFORMANCE INDICATORS	2019 Actual	2020 Actual	2021 Target	2021 Actual
5.1	Raising Māori student participation and achievement by:				
	Increasing the number of Māori students enrolled and Māori EFTS as a percentage of total domestic student EFTS;	2,187 students (12.4% of EFTS)	2,288 students (12.8% of EFTS)	> previous year	2,532 students (13.1% of EFTS)
	Increasing the paper pass rate for first-year undergraduate Māori students;	79.5%	82.4%	> previous year	79.4%
	Increasing the number of Māori students completing qualifications at both undergraduate and postgraduate levels;	327 (UG), 101 (PG)	371 (UG), 135 (PG)	> previous year	403 (UG), 171 (PG)
	Increasing the proportion of Māori postgraduate EFTS within postgraduate domestic University EFTS.	7.7%	9.2%	> previous year	10.6%
5.2	Raising Pacific student participation and achievement by:				
	Increasing the number of Pacific students enrolled and domestic Pacific EFTS as a percentage of total domestic student EFTS;	1,058 students (5.4% of EFTS)	1,150 students (5.9% of EFTS)	> previous year	1,302 students (6.2% of EFTS)
	Increasing the paper pass rate for first-year undergraduate Pacific students;	66.2%	68.4%	> previous year	66.9%
	Increasing the number of Pacific students completing qualifications at both undergraduate and postgraduate levels;	126 (UG), 63 (PG)	133 (UG), 67 (PG)	> previous year	145 (UG), 74 (PG)
	Increasing the proportion of Pacific postgraduate EFTS within postgraduate domestic University EFTS.	3.3%	3.6%	> previous year	3.6%
5.3	Maintaining or increasing the number of research projects being undertaken in consultation with Māori as measured by a three-year rolling average. ⁸	3-year average 713	3-year average 708	> previous year	3-year average 718
5.4	At least 80% of University academic staff involved in community service activities.	90.2%	90.8%	≥ 80.0%	87.2%
5.5	Holding at least 500 open lectures, public seminars, and adult and community education courses per annum.	595	363	≥ 500	401
5.6	Providing at least 100 performing arts activities open to the public per annum.	123	78	≥ 100	140
5.7	Maintaining the University's status as a Fair Trade university.	Status maintained	Status maintained	Status maintained	Status maintained
5.8	An increasing proportion of respondents to the Graduate Opinion Survey indicating that they have undertaken volunteer work while studying at the University.	52.1%	51.3%	> previous year	52.3%

8 Based on the number of research projects appropriately engaging with consultation procedures outlined in the University's Research Consultation with Māori Policy.

The University sustained the trend of recent years, continuing to grow Māori and Pacific student enrolments both in absolute terms and as a proportion of total domestic EFTS. The continued growth in enrolments over time has led to the increase in undergraduate and postgraduate completions observed in 2021. Pass rates for both Māori and Pacific returned to 2019 levels after the increases experienced in 2020, and maintaining this result represents an outstanding achievement given that Māori and Pacific students were disproportionately impacted by COVID-19 in a number of ways, including financial.

The University's commitment to its communities is demonstrated with the high level of staff and students involved in community service and volunteer activity, and a return to pre-COVID levels of publicly accessible performing arts events, and high levels of community education courses considering the constraints arising from the global pandemic.



STRATEGIC IMPERATIVE SIX: STRONG EXTERNAL ENGAGEMENT

The location of Otago’s main campus in Dunedin confers outstanding advantages, but it also geographically separates much of the University from the major centres of population and political and economic decision-making. This location means that Otago must work especially hard to engage effectively with national bodies, much in the same way that New Zealand must work especially hard internationally.

#	KEY PERFORMANCE INDICATORS	2019 Actual	2020 Actual	2021 Target	2021 Actual
6.1	At least 25% of academic staff serving on government advisory boards and committees.	23.0%	20.2%	≥ 25.0%	27.6%
6.2	At least 50% of academic staff providing services to public sector departments, statutory authorities, agencies, boards, committees or inquiries, or to non-governmental organisations.	59.8%	71.8%	≥ 50.0%	69.2%
6.3	At least 50% of academic staff holding posts in an organisation or association relevant to their area of professional expertise.	65.6%	70.6%	≥ 50.0%	68.6%

The University’s ambitions in respect to external engagement continued to be significantly impacted by COVID-19. In particular, restrictions placed on national and international travel have prevented key engagement activities such as international academics from visiting campuses and Otago students participating in exchange programmes at overseas universities.

The Key Performance Indicators shown are derived from a random survey of academic staff, which can lead to year-on-year volatility within these indicators. Despite the challenges that the global pandemic continues to present, these data indicate that Otago staff are committed to engaging with our communities, with many staff contributing their expertise to the national and global response to COVID-19.

STRATEGIC IMPERATIVE SEVEN: SUSTAINING CAPABILITY

In order to sustain capability universities must maintain a long-term view even when challenged by short- or medium-term instability. Particularly when funded predominantly from public sources, they must also be mindful of the need to manage risk effectively and use resources efficiently. At the same time, universities must evolve to meet the challenges of a changing world, and continually improve the environmental sustainability of its operations.

#	KEY PERFORMANCE INDICATORS	2019 Actual	2020 Actual	2021 Target	2021 Actual
7.1	Achieving or exceeding the following University and University Group EFTS enrolment targets. ⁹	18,915	18,722	18,376	19,603
7.2	Achieving a University Group operating surplus of at least 3% of revenue (excluding extraordinary items).	6.1%	3.4%	≥ 3.0% of revenue	2.1%
7.3	Maintaining a liquid ratio of no worse than 1:1.	1.6:1	1.3:1	≥ 1:1	1.3:1
7.4	Ensuring that net interest paid is no greater than one-third of the operating surplus.	0.3%	0.0%	≤ 33.3%	0.5%
7.5	Increasing the consulting, commercial and intellectual property income of the University Group by at least 5% per annum as measured by a three-year rolling average.	\$78.6 million (99.9%)	\$77.2 million (98.2%)	≥ 105.0% of 2020	\$77.2 million (100.1%)
7.6	Reducing energy use per m ² of floor space as measured by a three-year rolling average. ¹⁰	3-year average 221.8 kWh/m2	3-year average 222.4 kWh/m2	< previous year	3-year average 224.5 kWh/m2
7.7	Reducing the amount of waste sent to landfill per capita.	78.9 kg per person (EFTS and FTE)	61.4 kg per person (EFTS and FTE)	< previous year	62.5 kg per person (EFTS and FTE)
7.8	Reducing greenhouse gas emissions generated from University activities. ¹¹	13,029 t CO2-e	9,177 t CO2-e	< previous year	8,861 t CO2-e

With 19,603 Equivalent Full-Time Students in 2021, the University of Otago exceeded its annual enrolment target by 1,227 EFTS (6.7%). The 2021 result represents an overall increase of 4.7% over 2020, comprised of a 7.1% increase in domestic EFTS and a 24.7% decline in international EFTS. Despite not achieving the target for KPI 7.2, the 2021 Group Operating Surplus of 2.1% is considered a favourable result considering the challenges the University had to contend with throughout the year.

The approaches used to measure environmental impact are improving each year, and prior year measures for 7.6 and 7.8 have been re-stated in line with the latest more accurate methodology employed in 2022. Greenhouse emissions continue to decline as a result of the University shifting one of its main energy sources from coal to biomass in 2020, while energy used per square metre increased slightly as a number of new energy-dense buildings were commissioned.

⁹ University Group EFTS include those generated by the Foundation Year Programme.
¹⁰ Floor space measured by gross area (Dunedin campus only). Performance is measured in *kilowatt hours per square metre*, which is a standard unit for measuring energy use.
¹¹ University activities refers to building energy emissions for all campuses (excluding non-University owned colleges). Performance is measured in tonnes of CO₂-e, or carbon dioxide equivalent.

EXTERNAL PERFORMANCE REPORTING

THE PREVIOUS SECTION reported on performance against the University of Otago’s strategic plan. The following sections contain further performance reporting as required by various external instruments.

EQUAL OPPORTUNITIES REPORT

Equity in educational opportunity and employment are core values of the University, supported by the Māori and Pacific Strategic Frameworks.

Strong relationships with iwi and Māori providers are integral to the success of Māori at Otago. The high value placed on these relationships is exemplified by the hui held in 2021 to commence collaborative development of the University’s strategic plan *Vision 2040* and updating of the University’s cornerstone memorandum of understanding with Te Rūnanga o Ngāi Tahu.

The Māori Strategic Framework outlines the University’s commitment to Māori advancement through a set of goals and strategies that seek to increase Māori student and staff

participation and success.

The Office of Māori Development has overall leadership in implementing initiatives that foster the success of Māori at Otago. This role includes working closely with other key groups such as the Associate Deans Māori network, Te Huka Mātauraka (the Māori Centre), Te Poutama Māori (the Otago Māori Academic Staff Collective) as well as professional Māori staff across campus.

The Office of Māori Development is also responsible for allocating the Māori component of Tertiary Education Commission equity funding, to support initiatives contributing to the recruitment, retention and success of Māori students.

IWI TO WHICH STUDENTS AFFILIATED

Affiliation	2017	2017	2018	2018	2019	2019	2020	2020	2021	2021
	first	all	first	all	first	all	first	all	first	all
Ngāi Tahu / Kāi Tahu	426	462	428	494	428	512	484	557	512	593
Ngāpuhi	264	336	278	375	278	407	287	418	300	434
Ngāti Porou	143	245	145	257	145	264	147	253	157	284
Tainui, iwi not named	95	141	91	177	91	180	80	158	94	181
Ngāti Maniapoto	63	99	75	117	75	130	74	124	76	135
Ngāti Tūwharetoa (ki Taupō)	54	103	60	114	60	120	63	122	69	128
Ngāti Kahungunu ki Te Wairoa	48	93	56	90	56	102	62	92	79	121
Te Atiawa (Taranaki)	37	48	41	57	41	61	53	78	56	90
Te Rarawa	31	61	39	65	39	72	46	84	36	76
Tūhoe	36	83	43	90	43	95	42	86	48	94
Te Arawa, iwi not named	49	77	45	88	45	88	41	79	44	81
Ngāti Kahungunu ki Heretaunga	40	54	39	52	39	54	39	56	43	63
Ngāti Raukawa (Horowhenua/Manawatū)	19	30	25	32	25	39	37	53	39	59
Te Ati Haunui-a-Pāpārangi	30	43	34	53	34	54	36	59	37	59
Ngāti Kahungunu ki Wairarapa	34	48	32	49	32	49	33	52	38	60
Ngāti Awa	37	61	33	56	33	57	31	52	37	61
Ngāti Kahungunu, region unspecified	40	61	44	71	44	71	31	63	22	46
Ngāti Raukawa, region not known	39	45	34	60	34	58	30	48	30	49
Waikato	23	32	26	41	26	43	30	47	35	62
Taranaki	33	45	34	46	34	52	30	47	34	51
Ngāti Ranginui	15	34	18	33	19	35	28	45	28	47
Whakatōhea	28	32	25	47	25	48	27	51	32	56
Ngāi Te Rangi	19	39	28	38	28	50	27	56	26	55
Ngāti Whakaue (Te Arawa)	9	31	12	38	15	39	16	37	23	51
Other	286	896	367	963	451	1059	466	1120	587	1318
Don't Know	35	42	45	51	47	55	48	61	50	66
Total	1,933	n/a	2,097	n/a	2,187	n/a	2,288	n/a	2,532	n/a

The University is also strongly committed to broad ongoing engagement with Pacific communities. The Pacific Strategic Framework formalises this commitment and articulates the University’s goals to improve academic and development outcomes for Pacific students and staff. This work is monitored by the Pacific Development Office and supported by Associate Deans Pacific and the wider University.

The Director of Pacific Development also oversees the allocation of the Tertiary Education Commission’s Pacific Equity Funding for initiatives supporting Pacific student success.

EQUAL EDUCATIONAL OPPORTUNITIES

The University supports the educational aspirations and progress of all students, and recognises the importance of identifying and eliminating barriers to entry and successful study. Key elements of the University’s strategy in this area are support and recruitment initiatives for students from groups with recognised educational inequities, particularly Māori and Pacific students, and students with disabilities.

The University’s package of targeted scholarships and awards continued in 2021, with approximately 402 students commencing study on Māori and Pacific Island Entrance Scholarships (an increase of 40% on 2020), with many more Māori and Pacific students also securing other Otago entrance scholarships.

MĀORI

As noted in KPI 5.1 earlier in this annual report, the number of equivalent full-time Māori students enrolled at Otago increased from 2,288 in 2020 to 2,532 in 2021. As a proportion of the University’s total domestic student EFTS, Māori student EFTS increased to an all-time high of 13.1% (2020: 12.7%).

There were 174 Māori students in Health Sciences First Year, 412 studying in undergraduate health professional degrees, and 172 in Health Sciences postgraduate study. Māori students now comprise 13.8% of students in health professional programmes, up from 10.9% in 2017.

In 2021, the course pass rate for Māori across all years of University was 87.9% (2020: 89.7%; 2019: 87.1%). Undergraduate qualification completions increased to 403 students (up 8.6% from 2020), while postgraduate qualification completions increased to 171 students (up 26.7% from 2020).

In 2021, Te Huka Mātauraka, the Māori Centre, secured significant growth within its support team that will enable the Centre to further enrich and support our taura. Te Whare Wānanga o Ōtākou have recognised how the kaupapa within the Centre contributes to their goal to reach equity, Māori success, retention and outstanding experience.

In 2021, the Centre’s services ranged from a tuakana teina mentoring programme with 176 participants, a tutorial programme that hosts up to 38 tutors delivering up to 972 tutorials with up to 539 taura attending those tutorials resulting in up to 1,454 session spots taken, a kaupapa Māori counselling service with three senior aroha-filled counsellors, a dedicated committed Māori Chaplain and manaaki aroha

from its front of house and support staff. In addition, the Centre has a dedicated member that focuses on the Year 13 taura to assist them with preparation and enrolment in University life and remains their advisor and Mātua tautoko throughout first-year. This role will be vital in terms of reducing the impacts of underpreparedness particularly for our Auckland taura, who have faced the most significant COVID-19 disruptions. Te Huka Mātauraka continued to deliver events such as the impressive Māori pre-graduation ceremonies (COVID-19 allowing), the welcome powhiri that mana whenua host on their marae for all Māori first years, various dinners and fun events throughout the year, and exam morning breakfasts. During the COVID-19 lockdown and changes to teaching, Te Huka Mātauraka worked closely with staff across the University to ensure Māori students were supported, and offered assistance spanning pastoral, academic and IT support.

Te Kura Pakihi (Otago Business School) undertook several initiatives in 2021 to support Māori student success as Māori. These have included involving students with Māori community activities such as Waitangi Day celebrations at Awarua [Bluff], pōwhiri at marae and working with Māori start-up business through the Innov8 HQ entrepreneurship-mentoring programme. The latter involved businesses from throughout New Zealand. Five students worked over the summer on Māori community projects including climate change, marae development and business marketing. A new Māori student leadership programme was developed involving study days and visits to areas with strong Māori cultural components such as the Otago Harbour.

In 2021, Te Wāhanga Matua Mātau Hauora (Division of Health Sciences) built on Māori student support programmes spanning recruitment, foundation, first-year transition, academic success and completion. Over 900 Māori students participated in these programmes in 2021 which included: the Te Ara Hauora programme, focused on pathways for Māori secondary students into Health Sciences (including REACH – a residential programme for Year 13 students); Tū Kahika, a culturally responsive foundation studies programme; the Te Whakapuāwai Māori Health Sciences First Year (HSFY) success programme; and the Tū Taura Hauora programme for health professional and Health Sciences undergraduates. Retention and completion rates for Māori students in the Tū Taura Hauora programme were over 95%.

Māori staff are leading innovative, and high quality Māori Health curricula in a number of academic programmes including Dentistry, Medicine, Oral Health, Pharmacy and Physiotherapy. All of these programmes now have comprehensive Māori health programmes and the quality of teaching and outcomes from these programmes is recognised. There has been continued growth of Māori students in Biomedical Science degrees and in the Bachelor of Health Science (BHealSci). This degree included opportunity for students to study a Major in Māori Health and over one third of students in the BHealSci are Māori.

Māori staff continued to make a significant contribution to teaching, research and service in Health Sciences, and the number of Māori staff in leadership roles is also growing. In addition to leadership roles, Māori entities within the Division are increasing with Te Rōpū Rangahau Hauora a Eru Pōmare (University of Otago, Wellington), Māori and Indigenous Health Institute – MIHI (University of Otago, Christchurch), the Ngāi Tahu Māori Health Research Unit (Preventive and Social Medicine, Dunedin School of Medicine), and Kōhatu, Centre for Hauora Māori, all providing a positive kaupapa Māori environment for Māori staff and students. Māori research is a feature of all these centres and there is a growing number of postgraduates and staff undertaking Māori research.

Te Kete Aronui (Division of Humanities) provided ongoing support to taura Māori in a number of ways. The Whakatō Tipu programme, led by the Divisional Kaiāwhina Māori (and often in conjunction with other Māori support services), included welcome hui at the beginning of both semesters, a celebratory Easter event, study workshops on essay writing and exam preparation, a study break event at the Museum, and networking for School/programme Kaiāwhina Māori in the Division. In addition, during the Semester Two lockdown, all taura Māori in the Division were contacted personally. This included welfare and resources checks (financial, IT, academic, mentoring) and provision of kai and study packs. The Division awarded eight taura Māori Summer Scholarships to third-year students, four taura Māori Bridging Scholarships for students embarking on their first year of postgraduate study in 2022, and four academic prizes to students moving into their final year of undergraduate study.

Kaiārahi Sciences (Division of Sciences) provided tautoko to students in conjunction with kaimahi from Te Huka Mātauraka, Kaiāwhina network (Sciences) and other University-wide Māori Student Support coordinators. A Sciences welcome hui was run at the start of Semester One and Two to foster whanaungatanga and meaningful hononga between taura Māori and staff. Student workshops were run throughout the teaching year to provide students with appropriate skills and knowledge as they move through their degree. A Work Readiness workshop was introduced as a two-part series focused on preparing students with the skills needed to create a professional CV and cover letter, interview techniques, networking tips and job search advice. To improve pass rates, Paper Coordinator Sessions were held for taura taking papers identified as challenging.

Te Koronga continued their kaupapa of Māori research excellence of undergraduate and postgraduate study including Māori postgraduate writing retreats on Campus; research wānanga focused on research skills, publications, presentation skills, leadership, te reo Māori me ona tikanga; two study nights, and oranga activities for Māori students including whānau fit and Taonga Takaaro ki Ōtepoti.

In the summer of 2020–2021, 27 Māori students were awarded Te Ngaru Paewhenua, or Riddet Institute Otago Summer Scholarships. Scholarship recipients met weekly at Te Mātiti (the Business School café) to whakawhanaungatanga and share their rangahau progress with students and supervisors.

The Kaituitui Wānanga coordinated two Science Wānanga – Tuia i Hawaiki, tuia i te Uru noho marae. The first was held at Puketeraki Marae in collaboration with Te Rūnaka o Kāti Huirapa with the kaupapa Te Taiao. The Second Science Wānanga (SW) was held at Murihiku Marae in collaboration with Waihōpai Rūnaka.

PACIFIC PEOPLES

Another strong intake of first-year Pacific enrolments pushed total Pacific enrolments at Otago to an all-time high of 1,302 students (2020: 1,150). Proportionally, Pacific students increased to another all-time high, at 6.2% of total domestic student EFTS (2020: 5.9%).

There were 126 Pacific students in Health Sciences First Year, 206 students in undergraduate health professional degrees and 86 in Health Sciences postgraduate study. Pacific students comprise 6.9% of students in health professional programmes, up from 4.7% in 2017.

219 Pacific students from across the University successfully completed qualifications in 2021, an increase on 2020 (200). Undergraduate completions increased from 133 in 2020 to 145 in 2021, while postgraduate completions increased from 67 to 74.

In 2021, the course pass rate for Pacific students across all years of University was 79.1% (2020: 81.0%; 2019: 78.3%). Continuing to improve these results is a priority for the University.

The University is strongly committed to broad ongoing engagement with Pacific communities. The Pacific Strategic Framework formalises this commitment and articulates the University’s goals to improve academic and development outcomes for Pacific students and staff. This work is monitored by the Pacific Development Office and supported by the Associate Deans Pacific and the wider University. Development of the next Pacific Strategic Framework (PSF) continued in collaboration with Pacific communities, as demonstrated by the fono held in South Auckland in August 2021 – titled “The Future is Now” – “Ua tatou taunuu I gaga”, this summit was attended by ministers, reverends and senior staff members who came together to share their vision for the future of Pacific Peoples in Aotearoa and the wider Pacific.

The Pacific Development Office continued to award several Pacific research grants and scholarships such as Pacific Health PhD and Master Scholarship, Pacific Health Summer Scholarship, and Pacific Health Clinical Training Fellowship. The Office also contributed to the successful Coastal Peoples: Southern Skies CoRE bid. The Director of the Pacific Development Office also oversees the allocation of the Tertiary Education Commission’s Pacific Equity Funding for initiatives supporting Pacific student success.

Throughout 2021, the Pacific Islands Centre continued to deliver key pastoral and academic support services for Pacific students. Key initiatives in 2021 included the Taimane Academic Mentoring Programme which ensured that students were able to engage in peer and group tutoring over four workshops/sessions. Annual recruitment initiatives such as our local schools Dare to Succeed programme and Pacific on Campus Experience continued to raise the profile of the University whilst also exposing students to the many opportunities and academic pathways available for their

consideration. Pacific staff across each academic division were always on hand and readily available to assist with any queries that a student may have. The work of the Pacific Islands Centre was supported to ensure greater connections with the various Pacific student associations, ensuring positive outcomes from student-led events.

In 2021, an additional Pacific Navigator role was established within Student and Academic Services’ Te Whare Tāwharau Sexual Violence Support and Prevention Centre, to increase the visibility of their services to Pacific students and holding talanoa/workshop sessions with Pacific students with the aim of developing sexual violence prevention and support services that can meet the needs of the Pacific student community.

The Pacific Islands Centre endeavoured to ensure that all students were welcomed and saw the Centre as their home away from home. Students used the Centre for advice on anything from academic assistance, scholarships, accommodation issues, legal matters, immigration, airfares and places to worship, or just to have a chat with one of the staff. The Centre also helped with fellowships, information about church groups, Pacific Islands community networks, and advocacy. It also offered support to other existing student services for career planning and course guidance to ensure students were studying the right subjects to achieve their goals.

The Pacific Islands Centre continued to collaborate with academic divisions in many ways, such as through the Pacific Leadership Group (PLG) and the Le Moana Action Group. The PLG is a group of senior Pacific staff at the University who meet monthly to discuss strategic issues relevant to the University’s Pacific Strategic Framework, including key Pacific topics and issues in New Zealand and the Pacific region as appropriate. The Le Moana Action Group meets monthly and is made up of all Pacific support staff on campus across all academic divisions and is led by the Manager of the Pacific Islands Centre. The Pacific Postgraduate Reference Group continued to host regular workshops and talanoa sessions to support Pacific postgraduate students, culminating in the successful facilitation of the annual Pacific Voices XVIII Symposium in October.

The Pacific Islands Centre adapted to the impact of COVID-19 Alert Level 2 by providing over 5,000 individual consults with students via Zoom, online tutorials and regular contact via email, Puletini, Facebook, Instagram and radio programmes. The Fofoa accommodation scheme was offered again in 2021, providing supported flatting accommodation for 19 Pacific students on the Dunedin campus with a wrap-around support programme that included supervised study nights four times per week during semester.

Otago Business School extended their first-year transition programme into a second-year transition programme, with greater emphasis on meeting retention goals for Pacific students. The School’s commitment to offer the Pacific Incubate Programme Entrepreneurship (PIPE), for local Dunedin Pacific students to learn more about the world of business from successful local Pacific business alumni, was challenged through the impacts of the COVID-19 pandemic.

Whilst COVID-19 has provided challenges, the Division of Health Sciences has adapted and taken new opportunities for growth and development for Pacific teaching, research and community engagement both in New Zealand and the Pacific region. The Division of Health Sciences appointed its first Associate Dean (Pacific) in the School of Physiotherapy, with new Associate Deans (Pacific) appointed in the Faculty of Dentistry and the Otago Medical School. There are now a total of eight Associate Deans (Pacific) across the Division which form the Takiala Pacific Leadership Network. Physiotherapy held an inaugural Pacific Research Day which was very successful.

The Division of Health Sciences maintains an ongoing commitment to the local Pacific community with assistance provided for the establishment of the Pacific Trust Otago vaccination clinic and successful Pacific immersion programme attachments for medical students in the community. The Pacific Islands Research and Student Support Unit (PIRSSU) has continued to provide support to students, and in 2021 celebrated the 10th anniversary of POPO (Pacific Opportunities Programmes at Otago) with the Minister of Pacific Peoples attending. A Memorandum of Understanding (MOU) was signed with Niue, and an MOU with the Tongan Ministry of Health will officially be signed by the new Vice-Chancellor in early 2022. Pacific regional relationships continue to be fostered within the region, with education support provided to the Fiji National University during its COVID-19 lockdown. The Cook Islands and Niue continue to have doctors participating and graduating from the postgraduate rural medical programme, while 11 Pacific students completed the Dental Surgery programme.

The Campus and Collegiate Life Services’ Student Health Centre extended its services for mental health and wellbeing support for Pacific students. A dedicated full-time Pacific Wellbeing Counsellor service was offered. The Residential Colleges continued their work on diversifying staff, including the appointment of a new Pacific staff member as Head of one of the Colleges. The Division of External Engagement appointed a new Manager of External Engagement to be based in Auckland, to lead the Pacific communities’ engagement work for the North Island region. New MOU’s with two Pacific regional entities were confirmed in 2021, with the Tongan Ministry of Health and Pacific Community (ex-South Pacific Commission).

The Division of Humanities provided a designated office study space for Divisional Pacific students, titled the Moana Room, and provided supplementary Pacific Bridging Scholarships to grow the cohort of Pacific postgraduate students in the Division. The Division welcomed new academic staff members of Pacific heritage into the Faculty of Law and College of Education. A Summer School Pacific student support programme was offered with the inclusion of local Pacific students, and the academic paper for this programme was delivered through the Division of Humanities.

The Division of Sciences continued its work to integrate the Pacific Strategic Framework with the Division of Sciences strategic plan – Our People, Our Place. Through 2021, it provided pastoral and academic support for Pacific students to assist them through the challenges arising from the COVID-19 pandemic.

DISABILITIES SUPPORT

The University takes a proactive approach to the recruitment and support of students with disabilities. The Disability Information and Support service takes a lead role in this area, working in conjunction with both academic and administrative departments.

In 2021, the University enrolled 2,004 students who identified as having a disability affecting study, which was a massive increase on the 1,699 students who identified in 2020. Support in the form of learning assistance and/or specialised equipment requiring a specific financial commitment was provided to 1,034 students with disabilities in 2021 (2020: 784). 2,228 instances of support were provided in the form of notetaking, assistance with examinations, tutoring, and transcription or typing (2020: 1,734), along with many hours of individual consultations provided by a team of trained advisors.

Disability Information and Support staff participated in several teaching initiatives and disability awareness-raising events in 2021, including the Disability Information and Support Appreciation Awards ceremony. Disability Information and Support staff were also involved in the selection processes for the N.G. Stewart Scholarship, J.F. Ward Scholarship, Stephen Higgs Scholarship, and the Donna-Rose McKay Disability Support Scholarship.

The Disability Information and Support team received positive feedback from the 2021 Student Satisfaction Survey, indicating that more than 98.9% of respondents were either “extremely satisfied” or “satisfied” with the service. The team strives to provide an outstanding experience for students and is proud to continue to be leaders in the field of disability support in tertiary education.

EQUITY AND DIVERSITY IN EMPLOYMENT

The University was re-accredited as a Rainbow Tick employer in October 2021. Rainbow Tick is a continual improvement

certification designed to help an organisation ensure it is a safe and welcoming workplace for LGBTTIQA+ employees.

As has been the case in previous years, EEO observers sat on all Divisional Academic Promotions Committees in 2021. In March, an Academic Promotions for Women workshop was held and had a record number of attendees. Another workshop with be organised in 2022.

An Equity Diversity and Inclusion Network was launched for Otago staff at the beginning of 2021. The network brings together people from departments across the University who work in both the staff and student spaces. This network provides a place to share best equity and diversity practice. Where COVID-19 restrictions permit, Rainbow Brown Bag lunches have been running for most of 2021, creating a social space for staff within rainbow communities and any others who wish to join.

LEARNING AND DEVELOPMENT

The topic of diversity and inclusivity was promoted through a range of training courses and workshops, including Creating an Inclusive Environment: Disability Awareness, Rainbow Tick Diversity and Inclusivity Training, Pacific Awareness, Te Reo Māori: He Timatanga, Te Reo Māori: Te Waharoa, and Women in Leadership at Otago.

The Academic Leadership Development Programme, the signature programme for leaders and managers, included a broad range of diversity workshops.

OTAGO UNIVERSITY CHILDCARE ASSOCIATION

Support for childcare continued to be provided through the Otago University Childcare Association, with the University providing a grant to support the association’s early childhood education facilities. Together the five centres (including a bilingual centre where Te Reo Māori is the main language spoken) provide education and care for approximately 190 children, of which over 90% are children of University staff or students.

LEARNING ASSISTANCE SUPPORT FOR STUDENTS WITH DISABILITIES

	2017	2018	2019	2020	2021
Note-taking	622	745	796	722	871
Examination/Tests	878	603	569	675	920
Tutoring	354	405	374	335	436
Other	214	286	204	226	243
Assistant	1	0	2	2	1
Transcription/typing	0	0	0	0	0
Reader	0	0	0	0	0
Scanning	0	0	1	0	0
Total	2,069	2,039	1,946	1,960	2,471

STUDENT SERVICES FEE REPORT

THIS REPORT HAS BEEN PREPARED in accordance with clause 6 of the Ministerial Direction on Compulsory Student Services Fees 2014. This clause requires the University to publish a description of the services funded out of the compulsory student services fee, an income and expenditure statement for each type of student service, the fee charged, and the accounting requirements in its Annual Report each year.

SUMMARY

The University provides student services and also contracts with third parties to provide services. The Otago University Students' Association (OUSA) is the principal third-party provider and a comprehensive service level agreement is negotiated each year.

The highest proportion of the fee is spent on health services, and sport, recreation and cultural activities. This is consistent with student feedback on priorities.

The University publishes detailed information on the fees charged, services provided and opportunities for students to have input and provide feedback on its website.

STUDENT SERVICES DELIVERED BY THE UNIVERSITY

Sport, recreation and cultural activities	Recreation and fitness programmes Social sport UNIPOL gym Outdoor trips and activities Unlimited internet use on campus for students’ personal use (internet use for academic purposes is covered by tuition fees) Subsidised general practice health care Specialist mental health support and counselling Sexual safety, sexual assault support and prevention
Health services	Careers advice, guidance, planning, workshops and providing employment information to assist students transitioning from University to the workplace Opportunities for volunteering Student Emergency Fund
Career information, advice and guidance; employment information	
Financial support and advice	

STUDENT SERVICES DELIVERED BY OUSA

Advocacy and legal advice; counselling; services; careers (OUSA Student Support Centre)	Education Quality Support Network (through the coordination of the system class representatives) Student Support Centre campaigns Financial support and advice Tenancy advice Advocacy Pastoral care Foodbank Wellbeing support Student Job Search USNZ level sports and games tournaments Blues and Golds sports and cultural awards Healthy Lifestyles programme Club support and training Club grants Recreation programme Club facilities and storage Orientation Capping Week and Capping Show Bring the noise (Battle of bands competition) Market days Re-Orientation International food festival Music gigs Art week Volunteers
Sport, recreation and cultural activities	Radio One 91FM, Social media presence and campaigns, Web presence
Student communication activities	

STUDENT SERVICES DELIVERED BY THE OTAGO TERTIARY CHAPLAINCY TRUST BOARD

Counselling services; advocacy	Interfaith chaplaincy services and pastoral care
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COMPULSORY STUDENT SERVICES FEE 2021

CSSF Category	Type of Service	CSSF Income	CSSF Expenditure	CSSF Surplus/ (Deficit)	Other revenue	Total Surplus/ (Deficit)
Advocacy and legal advice	Accommodation support	124,089	110,116	13,973	37,257	51,229
	General student advocacy; tenancy advice (including advocating at tenancy tribunals); foodbank; hardship grants; academic advocacy (including leaves to appeal and academic grievances and ethical behaviour complaints); class rep system; wellbeing support including (if required) referrals to other agencies and accompaniment to those other agency appointments; access to University Emergency Fund grants	766,078	766,078	-	-	-
Careers information, advice and guidance	Careers Development Centre	726,981	613,757	113,224	35,490	148,714
Clubs and societies	Club development officer – supports clubs with training and advice; facilities available for room bookings and storage of club gear (Clubs and Socs and Aquatic Centre); grants committee; recreation programme; support for clubs' council	2,402,865	2,402,865	-	-	-
	Clubs and Societies – other campuses	31,938	30,970	968		968
Counselling services	Pastoral counselling & care, Chaplaincy Service	98,661	91,995	6,667	-	6,667
Employment Information	Member of Student Job Site – gives Otago students access to jobs through SJS	27,314	27,314	-	-	-
Financial support and advice	Budget advice usually in conjunction with wellbeing advice (above) and often also involves foodbank parcels and/or hardship grants	6,000	6,000	-		-
Health Services	Maori counsellor	57,661	10,367	47,294	-	47,294
	Subsidised general practise health care and specialist mental health support	4,462,802	5,708,361	(1,245,559)	1,142,554	(103,005)
	Te Whare Tawharau sexual violence support and prevention centre	386,199	419,209	(33,010)	11,409	(21,601)
	Disability information & support for students impacted by mental health issues to continue in their studies	221,000	212,990	8,010	-	8,010
Media	Radio One – student radio station on-campus	222,147	222,147	-	-	-
Other	COVID-19 related revenue shortfall	(94,716)	-	(94,716)	-	(94,716)
Sports, recreation & cultural activities	Campus Wi-Fi	614,732	614,732	-	-	-
	Gym membership, classes, social and competitive sport and recreational events	2,310,589	2,817,158	(506,569)	527,787	21,218
Total		12,364,340	14,054,057	(1,689,717)	1,754,496	64,779

GROUP ENTITIES REPORT

THIS REPORT HAS BEEN PREPARED to provide, within the overall Annual Report, further information on the activities and performance of the most significant entities that comprise part of the University Group, but sit outside the University parent.

A full list of Group subsidiary entities and associates appears in the Statement of Accounting Policies on page 91 of this Annual Report.

The following have been identified as the most significant of these entities for reporting purposes, and are covered individually below:

- The University of Otago Foundation Trust
- University of Otago Foundation Studies Limited
- Otago Innovation Limited

THE UNIVERSITY OF OTAGO FOUNDATION TRUST

OVERVIEW

The University of Otago Foundation Trust (the Trust) was established in 2002. It is a registered charitable trust that receives and administers donations, bequests and sponsorship monies for the University and academic priorities.

The Trust is an umbrella trust consisting of over 400 individual trust funds, each with specific terms and conditions which outline the purpose for which the funds can be distributed to the University.

The investments are managed by the Board of Trustees, which is appointed by Council. The Board holds regular meetings to evaluate the investment performance of the fund and to ensure that the investment objectives are being met. The risks and exposure to individual investments and sectors are regularly monitored and reviewed. The Board receives advice from a Board-appointed independent external investment advisor who reviews and endorses investment decisions and offers advice on purchases and sales for the portfolio.

All monies received by the Trust are combined for investment purposes, enabling investment risk to be managed through a diversified portfolio. Investments are spread in a balanced portfolio which includes shares, property, bonds and cash.

A detailed investment policy provides guidelines on asset allocation and social responsibility issues and is regularly reviewed by the Board.

The investment objectives of the Trust are to ensure that, where appropriate, capital is preserved and increased by an amount at least equal to the rate of inflation, and that an income return of 5.0% is achieved.

2021 ACHIEVEMENTS

The Trust reported a net surplus of \$19.5 million for the year to 31 December 2021. This compares with a budgeted surplus of \$6.8 million, and 2020 actual surplus of \$11.3 million. The year-on-year increase in surplus was driven by market conditions recovering after the initial impact of the COVID-19 pandemic.

The net return on investment for the year was 7.8% compared with a return of 6.75% in 2020 and an average of 9.2% per annum over the last 10 years. Distributions to the University were \$10.7 million compared with \$11.9 million in 2020.

As at 31 December 2021 total investments were \$277.6 million (\$257.1 million: 2020).

UNIVERSITY OF OTAGO FOUNDATION STUDIES LIMITED

OVERVIEW

University of Otago Foundation Studies Limited (FSL) has provided transition pathways to degree-level study at the University of Otago since 1996.

FSL comprised two distinct functional areas: Foundation Year and the Language Centre. The Foundation Year prepares students for degree-level study at the University. While originally conceived as a programme primarily for international students, Foundation Year has become increasingly important as a transition pathway for New Zealand students as well. It includes the Tu Kahika Programme for Māori students wishing to prepare for study in the Health Sciences and its Pacific equivalent, the Pacific Foundation Programme. The Language Centre provides English language tuition to both groups and individuals, primarily to international students who have recently arrived in New Zealand from overseas. In many cases, that tuition develops students' English language ability so they can proceed to study at Foundation Year and at the University.

2021 EFTS

In 2021, the Foundation Year provided academic tuition to 252 Equivalent Full-Time Students (EFTS), up from 215 EFTS in 2020. This comprised an increase of 20 domestic EFTS and 17 international EFTS, with 69 international students able to access an online version of the foundation programme.

In 2021, the Language Centre provided English language tuition to 95 EFTS. This was a decrease of 26 EFTS (-27.4%) on the previous year.

Foundation Studies Limited merged with the University in April 2021 to become Pathway, Te Huarahi & English Language Centre, Te Puna o te Ki. The above performance results for Foundation and English Language represent the full year EFTS in order to support readability and year-on-year comparability.

OTAGO INNOVATION LIMITED

OVERVIEW

Otago Innovation Limited (Otago Innovation) was established in 2002. It is a wholly-owned subsidiary of the University that has responsibility for the commercialisation of intellectual property arising from research within the University. Much of Otago Innovation’s commercialisation activity is centred upon medical research and biotechnology innovation. However, an increasing number of ideas are emerging from the sciences.

Otago Innovation provides business partners, industry and investors with information about current University of Otago projects, their practical applications, their patent status and market potential. Otago Innovation’s commercialisation managers assist with the preparation and implementation of business plans, assist with the commercialisation process, ensure key proof-of-concept experiments are managed and met, and ultimately secure investment into start-up companies or conclude licensing deals with partners.

Otago Innovation also runs an annual Otago Innovation Proof of Concept Grant competition with a \$100,000 research grant awarded to the winning University of Otago application. The competition is designed to encourage researchers to think about the possible commercial applications of their research, including what an end product or service might look like and who would buy it. A second competition – the Translational Research Grant valued at \$50,000 – is open to Division of Health Sciences staff and achieves a similar purpose.

2021 ACHIEVEMENTS

35 potentially commercial opportunities were presented by academic staff to Otago Innovation in 2021 (2020: 50). Spin-out companies successful in raising capital during the year included the newly formed Amaroq Therapeutics, Chitogel Limited, Techion Holdings Limited and Periomedic Ltd. A number of licences were agreed with companies worldwide, though often under conditions of confidentiality.

The Otago Innovation Group operating result was a deficit of \$1.4 million (surplus \$1.4 million: 2020) after extraordinary expenditure (equity accounting revaluations of spinout companies) with an actual net operating loss of \$180,000.

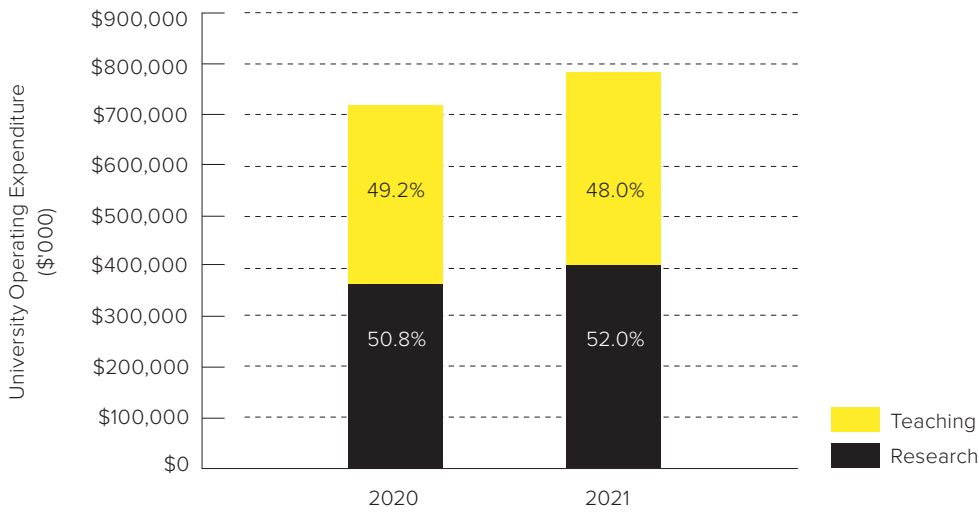
ESTIMATED EXPENDITURE BY OUTPUT CATEGORY

For a university, particularly a research-intensive university such as Otago, it is problematic to link a single year of financial statements to the long-term output categories of research and teaching.

As required under the Education and Training Act 2020, the University of Otago exhibits strong inter-dependence between research and teaching, and the utilisation of these activities to serve its communities.

In addition, there may be several years between when money is expended and the outputs are realised. For example, there may be several years between the time research funds are utilised to conduct research and the time that the outputs of that research are realised through a peer-reviewed academic publication; monies spent teaching a student in 2020 will not result in a fully qualified graduate for several years. For this reason, reporting against the University’s strategic plan includes several lead and lag indicators of performance towards achieving these outputs.

Acknowledging these inter-dependencies, the University of Otago has utilised several high level assumptions to estimate the proportion of its 2021 expenditure that are attributable to research and teaching. These estimates are based on the rolling three-year results of the NZBT+ benchmarking analysis conducted by Tribal Group¹² for the Tertiary Education Commission for all New Zealand Tertiary Education Institutions including all New Zealand Universities.



In addition to core outputs of research and teaching, the University also conducts a substantial amount of external engagement with its communities. These service activities are assumed to be included within the inter-dependent teaching and research activities of the University.

12 Tribal Group is an international provider of educational support services.

NOTES TO SERVICE PERFORMANCE REPORTING

For the year ended 31 December 2021

1. Reporting Service Performance Information

- 1.1. The New Zealand Accounting Standards Board (XRB) issued a Standard for Service Performance Reporting: *Public Benefit Entity Financial Reporting Standard 48 Service Performance Reporting (PBE FRS 48)*. This was issued in November 2017, with amendments made in January 2019.
- 1.2. The PBE FRS 48 Standard requires public benefit entities to apply the requirements to annual financial reports beginning on or after 1 January 2021. Otago early adopted this Standard commencing with the year-end 31 December 2019 Annual Report.
- 1.3. Otago has produced a Methodology document outlining the approach to reporting Service Performance Information in-line with the PBE FRS 48 Standard. This document is available on our website.
- 1.4. As acknowledged in the PBE FRS 48 Standard, the following attributes apply to the current Service Performance Reporting environment:
- a) *Service performance reporting is an area of reporting that continues to evolve;*
 - b) *Entities may be subject to a range of service performance reporting requirements, including legislative requirements and may use a variety of performance frameworks; and*
 - c) *It provides flexibility for entities to determine how best to "tell their story" in an appropriate and meaningful way.*

2. University Requirements for Service Performance Reporting

The University has set the following requirements for its Service Performance Reporting:

- 2.1. Provide users with:
- a) Sufficient contextual information to understand what the University intends to achieve in broad terms over the medium to long term and how it goes about this; and
 - b) Information about what the University has done during the reporting period in working towards its broader aims and objectives. *[FRS 48 para 15]*
- 2.2. Present its Service Performance Information and its financial statements together in the Annual Report. *[FRS 48 para 6]*
- 2.3. Present Service Performance Information for the same entity and same reporting period as the financial statements. *[FRS 48 para 11]*
- 2.4. Apply the following qualitative characteristics in the context as described in the Public Benefit Entities' (PBE) Conceptual Framework: Relevance, Faithful Representation, Understandability, Timeliness, Comparability and Verifiability. *[FRS 48 para 7]*
- 2.5. Disclose judgements that have the most significant effect on the selection, measurement, aggregation and presentation of service performance information. *[FRS 48 para 44]*
- 2.6. Provide comparative information. *[FRS 48 para 37]*

3. Scope of Service Performance Reporting

- 3.1. The University's Service Performance Information is contained within the Service Performance Reporting section of the Annual Report, notably the section Performance Against Strategic Plan, as well as the additional reports required for external instruments: Equal Opportunities Report, Student Services Fee Report, Group Entities Report, and Estimated Expenditure by Output Category.
- 3.2. PBE FRS 48 states that in reporting about the entity's objectives and how it intends to achieve them, the information should be drawn from the founding documents, governance documents and accountability documents. As such, Otago has drawn this information from the University's lead strategic document, *Strategic Direction to 2020*. This articulates the University Vision, Mission, Values and Strategic Imperatives.
- 3.2.1. Originally intended to expire in 2020, considering the impacts of the global COVID-19 pandemic, The University Council extended the timeframe of *Strategic Direction to 2020* to the end of 2022.
- 3.3. PBE FRS 48 states judgement is required in deciding how much information to provide about the current reporting period and also how much information to provide about progress towards the long-term objectives. Otago has balanced the information available with the need to report in an understandable and concise manner for the users.
- 3.4. As acknowledged within PBE FRS 48 and as applicable to Otago, entities are subject to a range of reporting requirements from different standard bodies, as such the presentation of Service Performance Information by Otago allows for the different reporting requirements.

4. Selecting and Aggregating Service Performance Information

- 4.1. The level of aggregation used by Otago has been based on:
- a) Reporting against the Strategic Imperatives.
 - This allows Otago to report to stakeholders using strategic objectives that have been developed in consultation with those stakeholders including the wider community. It also provides a framework for units of the University to use in their own strategic and operational planning.
 - b) Reporting Key Performance Indicators (KPIs) for Strategic Imperatives.
 - The University Council sets annually, within the Statement of Service Objectives, the Key Performance Indicators (KPIs) for each Strategic Imperative. The KPIs relating to each Strategic Imperative are reported against in the Service Performance Information. In the previous annual reports, the performance against these KPIs was titled the Statement of Service Performance.
 - c) Reporting by whole-of-University Parent/Group Entity.
 - Due to the cross-functional and inter-dependent nature of University activities, the most appropriate form of aggregation is at the University entity level, with a separate report for the most significant entities that comprise the University Group that sit outside the University Parent.
- 4.2. As acknowledged for entities in the PBE Conceptual Framework, the pervasive constraints on reporting Service Performance Information are materiality, cost-benefit and balance between timeliness, understandability and relevance of information for the end users.

5. COVID-19 Pandemic

On 11th March 2020 the World Health Organization declared the outbreak of COVID-19 (a novel coronavirus) a global pandemic. The Service Performance Report reflects the impact that the global pandemic continued to exert on the University in 2021.



FINANCIAL REVIEW 2021

THE UNIVERSITY GROUP, which includes the University of Otago, University of Otago Holdings Limited, and the University of Otago Foundation Trust, achieved an operating surplus of \$16.5 million for the year, a \$22.1 million improvement over the budgeted deficit of \$5.5 million. This compares with a Group surplus of \$26.1 million for 2020.

The 2021 surplus represented a return of 2.1% on revenue of \$795.9 million and 0.7% on equity of \$2.5 billion. These results fell short of the Tertiary Education Commission's minimum guidelines of 3.0% and 1.2% respectively, due to the impact of the COVID-19 pandemic.

The University Parent's operating deficit for the year was \$1.8 million which was \$10.5 million lower than budget. Additional domestic student enrolments made a positive contribution, partially offset by the costs of the voluntary redundancy scheme agreed at the end of 2021.

Capital expenditure for the Group was \$94.0 million which was \$22.1 million (19.0%) lower than 2020. The impact of the pandemic led to a fall in operating cashflows, and as a consequence the capital programme was reviewed and some projects delayed. In addition there were COVID-related delays in delivery of the capital programme due to lockdowns and supply chain delays for raw materials.

The University of Otago Foundation Trust recorded an operating surplus of \$19.5 million for the year, against a budgeted surplus of \$6.8 million due to the very strong performance in financial markets during 2021. The net return on investment for the year was 7.8% and the average net return over the last 10 years was 9.2%.

Operating cash flow for the Group was a net inflow of \$107.5 million which was \$13.6 million lower than 2020. This was largely due to the continuing adverse impact of COVID-19 on operating cashflows.

The Group continued to invest heavily in fixed assets (mainly buildings). Cash outflows for fixed assets of \$99.0 million were \$42.1 million lower than 2020 due largely to the deliberate slowing of the capital programme noted above.

The University continues to fund capital expenditure from operating cash flow, surplus and cash reserves, but is forecasting to commence borrowing for the first time in the second half of 2022.

Total assets for the Group were \$2.8 billion for the year, an increase of \$306.1 million over 2020 mainly due to a revaluation of Land and Buildings assets at balance date. This exercise increased land and building valuations by \$284.1 million.

The University Group continues to be impacted by the COVID-related loss of international students which will affect financial results for the next several years until student numbers recover following the opening of the borders and granting of study visas. The University community continues to respond to the adverse financial impacts of the pandemic by looking for opportunities to increase income and reduce expenditure wherever possible.

SHARON VAN TURNHOUT
Chief Financial Officer

STATEMENT OF RESPONSIBILITY

For the year ended 31 December 2021


1. The Council and management of the University of Otago and Group accept responsibility for the preparation of the annual financial statements and the Statement of Service Performance and the judgements used in them;
2. The Council and management of the University of Otago accept responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of the financial reporting; and
3. In the opinion of the Council and management of the University of Otago, the annual financial statements and the Statement of Service Performance for the year ended 31 December 2021 fairly reflect the financial position and operations of the University of Otago and Group.

S. J. HIGGS
Chancellor



27 April 2023

PROFESSOR HELEN NICHOLSON
Vice-Chancellor (Acting)



27 April 2023

STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

For the year ended 31 December 2021

		Consolidated				University	
		Actual	Budget	Actual	Actual	Budget	Actual
	Note	2021	2021	2020	2021	2021	2020
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
REVENUE							
Government grants	4,5	274,024	262,265	257,988	273,585	260,949	256,705
Tuition fees	4	167,600	162,159	167,498	165,008	156,377	163,839
Trust donations	4	10,003	8,000	7,760	-	-	-
Finance revenue	4,7	22,813	11,028	20,712	2,495	275	1,636
Externally funded research	4	156,392	150,190	145,795	156,054	149,668	145,592
Performance based research funding	4	61,664	62,493	62,299	61,664	62,493	62,299
Distributions from trust funds		-	-	-	10,694	11,734	11,873
Consulting and commercial revenue	4	78,796	81,325	70,904	79,729	83,008	72,105
Other revenue		24,619	24,932	23,528	27,488	24,745	23,897
Total revenue	4	795,911	762,392	756,484	776,717	749,249	737,946
EXPENDITURE							
Salaries - academic		237,890	230,292	228,924	236,895	228,042	226,770
Salaries - professional		182,875	170,486	173,275	181,297	167,557	170,182
Staff related costs		19,306	24,693	22,136	19,230	24,497	22,006
Other expenditure	6	259,697	261,929	228,064	260,597	261,539	226,761
Depreciation and amortisation expense	6,12,13	79,543	80,300	77,937	79,343	79,587	77,756
Finance costs	7	75	238	58	1,150	307	129
Total operating expenditure		779,386	767,938	730,394	778,512	761,529	723,604
Surplus/(deficit)		16,525	(5,546)	26,090	(1,795)	(12,280)	14,342
Gain on revaluation of land and buildings	18	336,035	-	-	336,035	-	-
Impairment of land and buildings	18	(51,931)	-	(2,799)	(51,931)	-	(2,799)
Total comprehensive revenue and expense		300,629	(5,546)	23,291	282,309	(12,280)	11,543

Explanations of major variances against budget are provided in Note 27.
The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION

As at 31 December 2021

		Consolidated			University		
		Actual	Budget	Actual	Actual	Budget	Actual
	Note	2021	2021	2020	2021	2021	2020
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
ASSETS							
Current assets							
Cash and cash equivalents	8	27,151	8,864	31,299	17,973	-	21,627
Trade and other receivables and prepayments	9	61,242	55,026	63,378	63,789	60,745	70,714
Other financial assets	10	55,008	55,223	39,988	12,456	1	12,460
Inventories		1,133	1,112	948	1,133	1,112	949
Total current assets		144,535	120,226	135,613	95,351	61,858	105,750
Non-current assets							
Investments in associates and joint ventures	22	71	4,395	7,514	-	-	-
Investments in subsidiaries	11	-	-	-	7,786	7,786	7,786
Other financial assets	11	208,499	188,545	203,526	34,715	30,633	31,210
Property, plant and equipment	12	2,381,618	2,144,386	2,078,380	2,377,221	2,142,285	2,076,377
Intangible assets	13	23,798	47,885	27,424	23,798	47,746	27,297
Total non-current assets		2,613,986	2,385,213	2,316,844	2,443,520	2,228,451	2,142,670
Total assets		2,758,521	2,505,439	2,452,457	2,538,871	2,290,309	2,248,420
LIABILITIES							
Current liabilities							
Trade and other payables and accruals	14	45,214	43,640	48,422	47,618	49,125	54,039
Employee entitlements	15	85,062	65,404	67,174	84,997	64,996	66,713
Deferred revenue	16	108,496	85,777	107,857	108,318	84,054	106,535
Other current liabilities		49	-	1,797	49	-	1,797
Finance lease	20	-	-	-	1,130	-	1,130
Total current liabilities		238,821	194,821	225,250	242,112	198,175	230,214
Non-current liabilities							
Employee entitlements	17	45,712	54,473	52,132	45,712	54,473	52,132
Finance lease	20	-	-	-	27,110	-	27,110
Loans		965	115,709	1,153	-	114,563	-
Total non-current liabilities		46,677	170,181	53,285	72,822	169,035	79,242
Total liabilities		285,498	365,002	278,535	314,394	367,210	309,456
Net assets		2,473,023	2,140,437	2,173,922	2,223,937	1,923,099	1,938,964
EQUITY							
Accumulated funds	18	1,141,813	1,081,146	1,126,861	892,727	863,756	891,858
Other reserves	18	1,331,210	1,059,343	1,047,106	1,331,210	1,059,343	1,047,106
Total equity attributable to the University		2,473,023	2,140,489	2,173,967	2,223,937	1,923,099	1,938,964
Minority interest		-	(52)	(45)	-	-	-
Total equity		2,473,023	2,140,437	2,173,922	2,223,937	1,923,099	1,938,964

Explanations of major variances against budget are provided in note 27. The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2021

		Consolidated			University		
		Actual	Budget	Actual	Actual	Budget	Actual
	Note	2021	2021	2020	2021	2021	2020
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 January		2,173,922	2,145,983	2,149,351	1,938,964	1,935,379	1,927,414
Total comprehensive revenue and expenses previously reported		16,525	(5,546)	26,090	(1,795)	(12,280)	14,342
Gain on revaluation of land and buildings	18	336,035	-	-	336,035	-	-
Equity adjustments	18	(1,528)	-	1,280	2,664	-	7
Impairment of land and buildings	18	(51,931)	-	(2,799)	(51,931)	-	(2,799)
Balance at 31 December		2,473,023	2,140,437	2,173,922	2,223,937	1,923,099	1,938,964

Explanations of major variances against budget are provided in note 27. The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS

For the year ended 31 December 2021

ACCOUNTING POLICY

Included in the Statement of Cash Flows is the year-end balance – bank and deposits which consists of cash on hand, bank account balances plus call deposits or call loans that form part of the day-to-day cash management of the University.

	Note	Consolidated		Actual		University	
		Actual	Budget	Actual	Actual	Budget	Actual
		2021	2021	2020	2021	2021	2020
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities							
Subsidies and grants received		332,178	324,759	319,375	331,739	323,443	318,091
Fees and charges received		174,394	180,880	178,546	174,133	175,004	165,973
Interest received		22,017	4,346	14,761	611	274	2,382
Receipts from other revenue		266,143	247,392	258,527	269,580	253,015	273,159
		794,731	757,377	771,209	776,063	751,736	759,605
Payments to suppliers and employees		687,264	686,867	650,173	682,692	681,479	645,388
Net cash flow from operating activities	24	107,467	70,510	121,036	93,371	70,257	114,217
Cash flows from investing activities							
Receipts from sale of property, plant and equipment		82	24	107	82	24	108
Receipts from sale of investments and loan repayments		600	981	99,277	600	273	7,444
		682	1,005	99,384	682	297	7,552
Purchase of property, plant and equipment		98,531	170,204	141,072	94,158	170,565	117,697
Acquisition of investments		13,756	-	71,281	3,551	-	-
Net cash flow from investing activities		(111,605)	(169,199)	(112,969)	(97,025)	(170,268)	(110,145)
Cash flows from financing activities							
Proceeds from borrowings		(10)	100,011	(14)	-	100,011	-
Repayment of borrowings		-	-	-	-	-	-
Net cash flow from financing activities		(10)	100,011	(14)	-	100,011	-
Net (decrease)/increase in cash, cash equivalents and bank overdrafts		(4,148)	1,322	8,053	(3,654)	-	4,072
Cash at the beginning of the year		31,299	7,542	23,246	21,627	-	17,555
Cash, cash equivalents and bank overdrafts at the end of the year	8	27,151	8,864	31,299	17,973	-	21,627

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

1. STATEMENT OF ACCOUNTING POLICIES

1.1 REPORTING ENTITY

The financial statements of the University of Otago and Group and its subsidiaries for the year ended 31 December 2021 were authorised for issue by Council on 28 April 2022.

The University of Otago was founded in 1869 by an Ordinance of the Otago Provincial Council, and is New Zealand’s oldest University. In 1874 the University of Otago became an affiliated college of the University of New Zealand, which was established by statute in 1870. However, in 1961 the University of New Zealand was disestablished and the University of Otago acquired its present legal status and was granted the power to confer degrees by the University of Otago Amendment Act 1961.

The University is a Tertiary Education Institution governed by the Crown Entities Act 2004 and the Education and Training Act 2020. The financial statements presented here are for the reporting entity, University of Otago (Parent), and the Group, consisting of subsidiary and associate companies, joint ventures and controlled trusts.

The Group subsidiary and associate companies and joint ventures are:

- University of Otago Holdings Limited. Holding company. 100% owned by the University.
- Otago Innovation Limited. Company to hold and develop the commercial interests of the University. 100% owned by University of Otago Holdings Limited.
- University of Otago Foundation Studies Limited. Operates the Foundation Year programme and an English language school. The company was 100% owned by University of Otago Holdings Limited before being wound up in 2021.
- University Union Limited. Owner of the University Union building. 50% owned by University of Otago Holdings Limited.
- Upstream Medical Technologies. 20% owned by Otago Innovation Limited. Commercialising technologies relating to certain biomarkers.
- Ubiquitome Limited. 21% owned by Otago Innovation Limited. Commercialistion of a novel battery powered portable qPCR device.
- BPAC NZ Limited. This company works with the Division of Health Sciences to provide best practice advocacy services to primary, secondary and tertiary health providers in the area of medication prescribing. University of Otago Holdings Limited owned 17% of this company before selling its shares in 2021.
- Upstart Incubation Trustee Company Limited. Non-operational: has no assets or liabilities. 33% owned by University of Otago Holdings Limited.
- Silventum Limited. Commercialising dental material incorporating nano silver. 59% owned by Otago Innovation Limited before being wound up in 2022.
- Amaroq Therapeutics Limited. Development of RNA to treat breast, colorectal and liver cancer. 71% owned by Otago Innovation Limited.
- Periomedic Limited. 81% owned by Otago Innovation Limited. Commercialising technologies relating to periodontal health exams.
- University of Otago Foundation Trust. A charitable trust which receives and administers donations, bequests and sponsorship monies for the University of Otago.
- Otago University Trust (UK). Established to provide a vehicle for University of Otago supporters living in the United Kingdom.
- Alumni of University of Otago In America Incorporated. Established to provide a vehicle for University of Otago supporters living in the USA.

The primary objective of the University and Group is to provide goods and services for the community for social benefit rather than make a financial return. Accordingly, the University has designated itself and the Group as public benefit entities for the purposes of financial reporting.

The financial statements have been prepared in accordance with the requirements of the Crown Entities Act 2004 and the Education and Training Act 2020, which include the requirement to comply with generally accepted accounting practice (GAAP) in New Zealand.

Explanations of major variances against budget are provided in note 27. The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to the opening balance sheet and reporting period to 31 December 2021, unless otherwise stated.

2.1 BASIS OF PREPARATION

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

A review of the group and the University's financial conditions was undertaken by management. The review confirmed that all entities in the group were able to continue as going concerns and were able to realise their assets, and discharge their liabilities, in the ordinary course of business.

Accordingly, the use of the going concern assumption is appropriate in the preparation of the financial statements of the Group and the University:

- A Group surplus of \$16.5 million was achieved in 2021.
- The Group asset budget for 2022 is \$2.8 billion, and the Group has also budgeted a surplus of \$3.0 million for 2022.
- Net operating cash flow remains significant and capital projects have been reduced to mitigate the financial impact of the pandemic.

Measurement base

The accounting principles followed by the Group are those recognised as appropriate for the measurement and reporting of financial performance and financial position on a historical cost basis, with the exception that certain property, plant and equipment have been revalued and some other financial assets have been shown at fair value.

The financial statements have been prepared in accordance with tier 1 Public Benefit Entity (PBE) accounting standards.

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 its subsidiaries, associates and joint ventures is New Zealand dollars.

Transactions and balances in foreign currencies are converted at the New Zealand rate of exchange ruling at the date of the transaction and balance date respectively. Foreign exchange gains and losses have been recognised in the surplus or deficit.

Budget figures

The budget figures have been prepared in accordance with NZ GAAP and are consistent with the accounting policies adopted by the University for the preparation of the financial statements. The budget was approved by Council on 10 November 2020.

Change in accounting policy

Due to a change in accounting policy, the University has reconsidered its treatment of the Auckland Dental School. This has resulted in a reclassification of \$18.1 million from Other Financial Assets to property, plant and equipment in 2020. This change is made as the University's view is that it improves the readability and understandability of the financial statements as it better reflects the substance of the transaction.

Reclassification of prior year balances

Some items have been reclassified in the notes for clearer comparability.

New amendment applied

An amendment to PBE IPSAS 2 Statement of Cash Flows requires entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. This amendment is effective for annual periods beginning on or after 1 January 2021 and has been adopted by the University in 2021.

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

PBE IPSAS 41 Financial Instruments replaces PBE IPSAS 29 Financial Instruments: Recognition and Measurement and PBE IFRS 9 Financial Instruments and is effective for financial years beginning on or after 1 January 2022, with earlier adoption permitted. The main changes compared to PBE IPSAS 29 that are relevant to the University and Group are:

- New financial asset classification requirements for determining whether an asset is measured at fair value or amortised cost.
- A new impairment model for financial assets based on expected losses, which might result in the earlier recognition of impairment losses.

The University and Group intends to adopt PBE IPSAS 41 for the 31 December 2022 financial year. The University and Group has assessed the impact of the new standard and there will be no significant changes to the reporting of Financial Instruments.

Critical accounting estimates and assumptions

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 or future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Property revaluations

Note 12 provides information about the estimates and assumptions exercised in the measurement of revalued land, buildings and infrastructure.

Retirement gratuities

Note 17 provides information about the estimates and assumptions exercised in the measurement of retirement gratuities.

2.2 BASIS OF CONSOLIDATION

The consolidated financial statements are prepared adding together like items of assets, liabilities, equity, revenue and expenses on a line-by-line basis. All significant intragroup balances, transactions, revenue and expenses are eliminated on consolidation.

The financial statements include the operations of the University of Otago, its subsidiary and associate companies and its controlled trusts. The subsidiary companies and trusts have been included in the consolidated accounts by line aggregation of assets, liabilities, revenues, expenses and cash flows. Associate companies have been consolidated on an equity accounting basis, which shows the share of the surpluses and/or deficits in the University and Group Statement of Comprehensive Revenue and Expense and the share of post-acquisition increases and/or decreases in net assets in the University and Group Statement of Financial Position.

Subsidiaries

The University consolidates in the Group financial statements those entities it controls. Control exists where the University and Group is exposed, or has rights, to variable benefits (either financial or non-financial) and has the ability to affect the nature and amount of those benefits from its power over the entity. Power can exist over an entity if, by virtue of its purpose and design, the relevant activities and the way in which the relevant activities of the entity can be directed has been predetermined by the University and Group.

Investments in subsidiaries are measured at cost in the University's parent financial statements.

Joint operation

In 2021 the University changed the method of accounting for its arrangements with University Union Limited. Historically this arrangement has been a joint venture but is now considered a joint operation.

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets, and obligations for the liabilities, relating to the arrangement. Joint control is the agreed sharing of control of an arrangement by way of a binding agreement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

Investments in joint operations record the University's share of assets and liabilities in the operation and are measured at cost.

2.3 INCOME TAX AND GOODS AND SERVICES TAX

The University Group is exempt from income tax. Accordingly, no provision has been made for income tax.

The financial statements are prepared on a basis which excludes GST. Accounts receivable and accounts payable are GST inclusive. GST owing to the Inland Revenue Department as at 31 December 2021 has been included in other payables.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2021

3. FINANCIAL INSTRUMENTS

The Group's activities expose it to a variety of financial instrument risks, including market risk, credit risk and liquidity risk. The University and Group have a series of policies to manage the risks associated with financial instruments.

To manage and limit the effects of those risks, the University Council has approved policy guidelines and authorised the use of various financial instruments. Compliance is monitored monthly and deviations from the target are reported to the Finance and Budget Committee or the University of Otago Foundation Trust.

(A) FINANCIAL INSTRUMENT CATEGORIES

The accounting policies for financial instruments have been applied to the line items below.

The carrying amounts of financial assets and liabilities in each of the financial instrument categories are as follows:

	Consolidated		University	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
FINANCIAL ASSETS				
Fair value through surplus or deficit – held for trading				
Listed shares	163,277	155,454	1,510	1,385
Unlisted shares	4,469	4,377	-	-
Corporate bonds	37,941	49,360	-	-
Total fair value through surplus or deficit – held for trading	205,687	209,191	1,510	1,385
Loans and receivables				
Cash and cash equivalents	27,151	31,299	17,973	21,627
Receivables	46,564	49,303	49,183	56,728
Other financial assets:				
- Term deposits	52,709	29,546	12,000	12,000
- Loans	5,111	5,286	5,111	5,286
- Shares in subsidiaries	-	-	7,786	7,786
- Investment in in-substance subsidiary	-	-	25,000	25,000
- Investments in associates and joint ventures	71	7,515	-	-
Total loans and receivables	131,606	122,949	117,054	128,427
FINANCIAL LIABILITIES				
Financial liabilities at amortised cost				
Payables	45,215	48,322	47,618	53,939
Loans and leases	965	1,153	28,240	28,240
Total financial liabilities at amortised cost	46,179	49,475	75,859	82,179

(B) MARKET RISK

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

The University purchases goods and services from overseas exposing it to currency risk. The University of Otago Foundation Trust's investment portfolio invests in shares and bonds denominated in foreign currency, which also exposes it to currency risk.

The University and Group manages currency risks associated with the purchase of goods and services from overseas that are above specified amounts by entering into forward foreign exchange contracts. This allows the University and Group to fix the New Zealand dollar amount payable prior to the payment date. Hedge accounting is not applied. The Group has a Finance and Budget Committee that oversees this risk by applying the foreign exchange policy approved by Council.

The University of Otago Foundation Trust's investment portfolio's exposure to currency risk is mitigated to an extent through diversification of investments across different currencies in accordance with the investment policy.

The Group's exposure to foreign currency risk at the reporting date was as follows:

	2021				2020			
	USD	AUD	EUR	GBP	USD	AUD	EUR	GBP
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash and cash equivalents foreign bank accounts	9	229	1	209	174	-	-	214
Equities	9,151	60,636	-	-	7,843	47,860	-	-

Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices. Equity securities price risk arises on listed share investments, which are classified as available for sale investments.

The price sensitivity impact on the surplus is based on a 5% movement in each of the following indexes with all other variables held constant.

Consolidated	Impact on the surplus		Impact on equity	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Australian Equities	3,210	2,543	-	-
NZ Equities	4,284	4,686	-	-
US Equities	670	544	-	-

Interest rate risk

Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. Investments issued at fixed rates of interest create exposure to fair value interest rate risk. The University and Group do not actively manage their exposure to fair value interest rate risk.

Movement in interest rate	Surplus (the Group)		Equity (the Group)	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
0.5% (50 basis points) higher for the year				
Interest received	179	227	-	-

Explanation of interest rate risk sensitivity

The interest rate sensitivity is based on a reasonable possible movement in interest rates, with all other variables held constant, measured as a basis points (bps) movement. For example, a decrease in 50 bps is equivalent to a decrease in interest rates of 0.5%.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2021

(C) CREDIT RISK

The University and Group have no significant concentrations of credit risk. Credit risk is the risk that a third party will default on its obligation to the University and Group, causing the University and Group to incur a deficit. Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, credit exposures to receivables and other debtors as well as derivative financial instruments.

In the normal course of business, the University and Group are exposed to credit risk from cash and term deposits with banks, debtors and other receivables, corporate bonds, listed shares, other loans and pledged donations. For each of these, the maximum credit exposure is best represented by the carrying amount in the Statement of Financial Position.

The University and Group control the amount of credit exposure to any one financial institution for cash and term deposits by limiting the maximum funds that can be placed on deposit. The maximum deposit which can be held in any single registered bank, where the bank has a Standard and Poors' credit rating of at least A+ varies depending on the total funds held at time of investment. A limit of 5% exists where the bank has a Standard and Poors' credit rating of at least BBB.

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

Maximum exposure to credit risk

The University and Group's maximum credit exposures for each class of financial instruments are as follows:

	Consolidated		University	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Cash at bank and term deposits	79,860	60,804	29,973	33,627
Receivables	46,564	49,303	49,183	56,728
Corporate bonds	37,068	49,360	-	-
Loans	5,111	5,286	5,111	5,286
Total credit risk	168,604	164,754	84,267	95,641

Credit quality of financial assets

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to Standard and Poor's credit ratings (if available), or to historical information about counterparty default rates.

Impairment of a loan or receivable is established when there is objective evidence that the University and Group will not be able to collect amounts due according to the original terms of the debt. Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy and default in payments are considered indicators that the asset is impaired. The amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the original effective interest rate. For debtors and other receivables, the carrying amount of the asset is reduced through the use of a provision account and the amount of the loss is recognised in the surplus or deficit. When the receivable is uncollectable, it is written off against the provision account. Overdue receivables that have been renegotiated are reclassified as current (i.e. not past due). For other financial assets, impairment losses are recognised directly against the instrument's carrying amount.

	Consolidated		University	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Counterparties with credit ratings				
Cash at bank and term bank deposits				
AA	21,523	-	14,000	-
AA-	58,338	45,783	15,974	27,627
A	-	15,021	-	6,000
Total cash at bank and term deposits	79,860	60,804	29,974	33,627

	Consolidated		University	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Corporate bonds				
AA+	1,044	1,172	-	-
AA	2,855	5,139	-	-
AA-	5,172	33,753	-	-
A+	1,030	1,101	-	-
A	1,058	2,555	-	-
A-	8,164	8,194	-	-
BBB+	11,737	15,406	-	-
BBB	4,526	3,880	-	-
Not rated	2,356	6,402	-	-
Total corporate bonds	37,941	77,602	-	-

Counterparties without credit ratings				
Receivables and loans				
Debtors and other receivables	46,564	49,303	49,183	56,728
Existing counterparty with no defaults in the past	5,111	5,286	5,111	5,286
Total receivables and loans	51,675	54,589	54,294	62,014

(D) LIQUIDITY RISK

Liquidity risk is the risk that the University and Group will encounter difficulty raising funds to meet commitments as they fall due. Prudent liquidity risk management implies maintaining sufficient cash and liquid assets, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The University and Group manages liquidity risk by continuously monitoring forecast and actual cash flow requirements and matching the maturity profiles of financial assets and liabilities.

Contractual maturity analysis of financial assets and liabilities

The table below analyses financial assets and liabilities into relevant maturity groupings based on the remaining period at balance date to the contractual maturity date.

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total contractual cash flows	Carrying amount
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
CONSOLIDATED 2021						
Financial assets						
Cash and cash equivalents	27,151	-	-	-	27,151	27,151
Bank term deposits	52,709	-	-	-	52,709	52,709
Trade receivables	11,529	-	-	-	11,529	11,529
Corporate bonds	5,864	6,044	23,056	2,977	37,941	37,941
Loans	456	444	1,567	2,644	5,111	5,111
Total financial assets	97,710	6,488	24,623	5,621	134,442	134,442
Financial liabilities						
Payables and accruals	45,215	-	-	-	45,215	45,215
Loans	-	-	-	965	965	965
Total financial liabilities	45,215	-	-	965	46,180	46,180

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2021

	Less than 1 year \$'000	Between 1 and 2 years \$'000	Between 2 and 5 years \$'000	Over 5 years \$'000	Total contractual cash flows \$'000	Carrying amount \$'000
CONSOLIDATED 2020						
Cash and cash equivalents	31,299	-	-	-	31,299	31,299
Bank term deposits	29,546	-	-	-	29,546	29,546
Trade receivables	16,533	-	-	-	16,533	16,533
Corporate bonds	12,143	6,060	25,909	33,488	77,600	77,600
Loans	364	358	1,065	3,499	5,286	5,286
Total financial assets	89,885	6,418	26,974	36,987	160,264	160,264
Financial liabilities						
Payables and accruals	48,322	-	-	-	48,322	48,322
Loans	-	-	-	1,153	1,153	1,153
Total financial liabilities	48,322	-	-	1,153	49,475	49,475
UNIVERSITY 2021						
Financial assets						
Cash and cash equivalents	17,973	-	-	-	17,973	17,973
Bank Term Deposits	12,000	-	-	-	12,000	12,000
Trade receivables	11,393	-	-	-	11,393	11,393
Loans	456	444	1,567	2,644	5,111	5,111
Total financial assets	41,822	444	1,567	2,644	46,477	46,477
Financial liabilities						
Payables and accruals	47,619	-	-	-	47,619	47,619
Leases	1,130	1,084	3,910	22,117	28,240	28,240
Total financial liabilities	48,749	1,084	3,910	22,117	75,859	75,859
UNIVERSITY 2020						
Financial assets						
Cash and cash equivalents	21,627	-	-	-	21,627	21,627
Bank term deposits	12,000	-	-	-	12,000	12,000
Trade receivables	16,140	-	-	-	16,140	16,140
Loans	364	358	1,065	3,499	5,286	5,286
Total financial assets	50,131	358	1,065	3,499	55,053	55,053
Financial liabilities						
Payables and accruals	53,939	-	-	-	53,939	53,939
Leases	1,130	1,084	3,910	22,117	28,240	28,240
Total financial liabilities	55,069	1,084	3,910	22,117	82,179	82,179

The table below analyses the Group's net-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the Statement of Financial Position date to the contractual maturity date. Derivative financial liabilities are included in the analysis if their contractual maturities are essential for an understanding of the timing of the cash flows. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 1 month \$'000	Between 1 and 3 months \$'000	Between 3 and 12 months \$'000	Between 1 and 2 years \$'000	Total \$'000	Carrying amount liabilities \$'000
CONSOLIDATED – ACTUAL 2021						
Forward foreign exchange contracts	562	643	15,472	-	16,677	49
CONSOLIDATED – ACTUAL 2020						
Forward foreign exchange contracts	4,037	706	20,128	100	24,971	1,797
UNIVERSITY – ACTUAL 2021						
Forward foreign exchange contracts	562	643	15,472	-	16,677	49
UNIVERSITY – ACTUAL 2020						
Forward foreign exchange contracts	4,037	706	20,128	100	24,971	1,797

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2021

(E) FAIR VALUE ESTIMATION

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 techniques 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.

The following table analyses the basis of the valuation of classes of financial instruments measured at fair value in the Statement of Financial Position:

	Total	Quoted market price	Observable inputs	Significant non-observable inputs
31 DECEMBER 2021 – CONSOLIDATED				
Financial assets				
Cash and cash equivalents	27,151	27,151	-	-
Bank term deposits	52,709	52,709	-	-
Receivables	46,564	46,564	-	-
Corporate bonds	37,941	37,941	-	-
Listed shares	163,277	163,277	-	-
Investments in associates	71	-	71	-
Shares in unlisted companies	4,469	-	-	4,469
Loans	5,111	-	5,111	-
Total financial assets	337,294	327,642	5,182	4,469

	Total	Quoted market price	Observable inputs	Significant non-observable inputs
31 DECEMBER 2020 – CONSOLIDATED				
Financial assets				
Cash and cash equivalents	31,299	31,299	-	-
Bank term deposits	29,546	29,546	-	-
Receivables	49,303	49,303	-	-
Corporate bonds	49,360	49,360	-	-
Listed shares	155,454	155,454	-	-
Investments in associates	7,515	-	7,515	-
Shares in unlisted companies	4,796	-	-	4,796
Loans	5,286	-	5,286	-
Total financial assets	332,559	314,962	12,801	4,796

	Total	Quoted market price	Observable inputs	Significant non-observable inputs
31 DECEMBER 2021 – UNIVERSITY				
Financial assets				
Cash and cash equivalents	17,973	17,973	-	-
Bank term deposits	12,000	12,000	-	-
Receivables	49,183	49,183	-	-
Listed shares	1,510	1,510	-	-
Shares in subsidiaries	7,786	-	7,786	-
Investment in in-substance subsidiary	25,000	-	25,000	-
Loans	5,111	-	5,111	-
Total financial assets	118,654	80,666	37,897	-

	Total	Quoted market price	Observable inputs	Significant non-observable inputs
31 DECEMBER 2020 – UNIVERSITY				
Financial assets				
Cash and cash equivalents	21,627	21,627	-	-
Bank term deposits	26,000	26,000	-	-
Receivables	56,728	56,728	-	-
Listed shares	1,385	1,385	-	-
Shares in subsidiaries	7,786	-	7,786	-
Investment in in-substance subsidiary	25,000	-	25,000	-
Loans	5,286	-	5,286	-
Total financial assets	143,812	105,740	38,072	-

(F) RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

Non-cash changes						
	2020 \$'000	Cash flows \$'000	Acquisitions \$'000	Fair value changes \$'000	Other \$'000	2021 \$'000
Consolidated						
Long-term borrowing	1153	(50)	-	-	(138)	965
Lease liabilities	-	-	-	-	-	-
Total liabilities from financing activities	1153	(50)	-	-	(138)	965

Non-cash changes						
	2020 \$'000	Cash flows \$'000	Acquisitions \$'000	Fair value changes \$'000	Other \$'000	2021 \$'000
University						
Long-term borrowing	-	-	-	-	-	-
Lease liabilities	28,240	-	-	-	-	28,240
Total liabilities from financing activities	28,240	-	-	-	-	28,240

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2021

4. REVENUE SUMMARY

Accounting policy

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

Government grants

Government grants are recognised as revenue upon completion of services for which the grant was made. Where obligations are attached to a government grant, a liability is recognised. Once the obligation is discharged, the government grant is recognised as revenue.

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 revenue.

The University of Otago (University) 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.

2020 comparative year:

In response to COVID-19, the Tertiary Education Commission (TEC) confirmed that it will not seek repayment of 2020 Student Achievement Component (SAC) and fees-free funding if there is under-delivery. Therefore, the University recognised the 2020 funding in full as revenue in the year ended 31 December 2020. There is no such arrangement in place for 2021 funding.

Tuition fees

Domestic student tuition fees are subsidised by government funding and are considered non-exchange. Revenue is recognised when the course withdrawal date has passed, which is when a student is no longer entitled to a refund for withdrawing from the course.

International student tuition fees are accounted for as exchange transactions and recognised as revenue on a course percentage of completion basis. The percentage of completion is measured by reference to the days of the course completed as a proportion of the total course days.

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	
	2021	2020	2021	2020
	\$’000	\$’000	\$’000	\$’000
Tuition fees				
Domestic tuition fees	130,139	120,842	129,482	120,196
International tuition fees	37,461	46,656	35,526	43,643
Total	167,600	167,498	165,008	163,839

Fees free

The University considers fees-free revenue is non-exchange revenue and has presented funding received 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.

The University recognises revenue when the course withdrawal date for an eligible student has passed.

The amount received in 2021 was \$27.417 million (GST exclusive) (2020 \$24.784 million (GST exclusive)).

Donations

Donated assets are recognised at fair value.

Donations, trust funds, endowments and bequests for the benefit of the University are recognised as an asset and revenue when the right to receive the funding or asset has been established, unless there is an obligation in substance to return the funds if conditions are not met. If there is such an obligation, they are initially recorded as revenue in advance and then recognised as revenue when conditions are satisfied. Pledges are not recognised as assets or revenue until the pledged item is received.

Externally-funded research

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

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

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

For a non-exchange research contract, the total funding receivable under the contract is recognised as revenue immediately, 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.

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

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.

Consulting and commercial revenue

Service income is recognised as revenue throughout the period of delivery of the service.

Revenue from the sale of goods is recognised when the University and Group have transferred the significant risks and rewards of ownership of the goods to the buyer.

Finance revenue

Dividend revenue from investments is recognised when the shareholders’ rights to receive payment have been established.

Interest revenue is recognised on a time-proportionate basis using the effective interest-rate method.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2021

5. GOVERNMENT GRANTS

	Consolidated		University	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Vote Education	270,928	255,270	270,489	253,987
Vote Health	3,096	2,718	3,096	2,718
Total Government grants	274,024	257,988	273,585	256,705

6. SPECIFIC EXPENDITURE

	Consolidated		University	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Surplus includes the following specific expenses:				
Consumables and general	151,760	130,773	151,446	129,360
Occupancy	50,399	43,360	50,222	43,470
Amortisation	3,896	3,773	3,874	3,739
Impairment	320	2,410	320	2,410
Audit and Assurance fees:				
Audit fees for financial statements audit – Audit New Zealand	270	264	248	243
Audit fees for financial statements audit (prior year) – Audit New Zealand	35	19	25	17
Audit fees for the PBRF audit – Audit New Zealand	10	10	10	10
Total	315	293	283	270
Directors’/Councillors’/Trustees’ fees	305	355	244	255
No Council members received compensation or benefits in relation to cessation (2020 Nil)				
Rental expense relating to operating leases				
Minimum lease payments	7,155	9,463	6,965	9,619
Total rental expense relating to operating leases	7,155	9,463	6,965	9,619

7. FINANCE REVENUE AND FINANCE COSTS

	Consolidated		University	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Finance revenue				
Interest received	2,475	4,348	621	1,819
Realised gain/(loss) on sale of investments	7,351	10,032	-	-
Dividends received	4,475	3,432	-	-
Gain/(loss) forex unrealised	2,235	(1,869)	1,749	(1,834)
Unrealised gain/(loss) on revaluations of investments	6,277	4,769	125	1,651
Total finance revenue	22,813	20,712	2,495	1,636
Finance costs				
Interest paid	75	58	1,150	129
Total finance costs	75	58	1,150	129

8. CASH AND CASH EQUIVALENTS

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.

	Consolidated		University	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Cash at bank and on hand	16,226	17,301	6,973	7,627
Short term deposits maturing three months or less from date of acquisitions	10,925	13,998	11,000	14,000
Total cash and cash equivalents	27,151	31,299	17,973	21,627

The University has entered into a number of research contracts that require the funding to be spent in achieving the objectives of the research brief. For some of these contracts, there are no conditions to return the funding should the funding not be spent in achieving the objectives of the research brief. The amount of unspent funding for such contracts included within the cash and cash equivalents totals \$2.901 million (2020 \$2.728 million).

The University and Group have a number of trust funds, endowments and bequests that have restrictions on what the funds can be used for and when they can be used.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2021

9. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

	Consolidated		University	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Trade receivables	11,529	16,533	11,393	16,140
Other receivables	35,035	33,670	37,791	41,488
Prepayments	14,677	13,175	14,605	13,086
Total trade and other receivables and prepayments	61,241	63,378	63,789	70,714
The ageing profile of trade receivables is as follows:				
Current	5,274	11,252	5,214	10,998
2 to 3 months	1,152	2,172	1,075	2,033
> 3 months	5,103	3,109	5,104	3,109
Total gross trade receivables	11,529	16,533	11,393	16,140

All trade and other receivables and prepayments have arisen from exchange transactions.

Any impairment or write-off of trade receivables is based on analysis of past history and a review of specific debtors balances greater than three months. Amounts not considered recoverable are written off in the period in which they are identified.

Student fees are invoiced before a course begins or are due upon enrolment if the course has already begun.

Student fee receivables are non-interest bearing and are generally settled 20 days following date of invoice. Therefore, their carrying value approximates the fair value.

Other receivables are non-interest bearing and are generally settled on the 20th of the month following date of invoice. Therefore, the carrying value of other receivables approximates their fair value.

10. OTHER FINANCIAL ASSETS

ACCOUNTING POLICY

Financial assets are classified into the following categories for the purpose of measurement:

- fair value through surplus or deficit;
- loans and receivables;
- held-to-maturity investments; and
- fair value through other comprehensive income.

The classification of a financial asset depends on the purpose for which the instrument was acquired.

Financial assets at fair value through surplus or deficit

Financial assets at fair value through surplus or deficit include financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term or it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of short-term profit-taking.

University investments in its subsidiaries are carried at cost. Investments in associate companies are valued at cost plus the share of retained profits.

Investments held by the Group include state-owned enterprises stock, local authority stock, bank bonds, commercial bonds and listed equities. The fair values of these investments are based on quoted market prices at balance date.

After initial recognition, financial assets in this category are measured at their fair values with gains or losses on remeasurement recognised in the surplus or deficit.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance date, which are included in non-current assets.

After initial recognition, they are measured at amortised cost, using the effective interest method, less impairment. Gains and losses when the asset is impaired or derecognised are recognised in the surplus or deficit.

Term deposits

Term deposits are initially measured at the amount invested. Where applicable, interest is subsequently accrued and added to the investment balance.

	Consolidated		University	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Current portion				
Other loans	456	460	456	460
Short-term deposits	48,688	29,546	12,000	12,000
Corporate bonds	5,864	9,982	-	-
Total current portion	55,008	39,988	12,456	12,460

The maturity profile for the current other financial assets is as follows:

	Consolidated		University	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Less than 1 year				
Other loans	456	460	456	460
Short-term deposits with maturities of greater than 3 months from acquisition	48,688	29,546	12,000	12,000
Corporate bonds	5,864	9,982	-	-
	55,008	39,988	12,456	12,460

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2021

11. NON-CURRENT ASSETS – OTHER FINANCIAL ASSETS AND INVESTMENTS IN SUBSIDIARIES

	Consolidated		University	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Non-current portion				
Investment in subsidiaries				
Shares in University of Otago Holdings Ltd				
100% owned subsidiary, domiciled in New Zealand				
Balance date 31 December	-	-	7,786	7,786
Total investment in subsidiaries	-	-	7,786	7,786
Other Investments				
Long-term bank deposits	4,021	-	-	-
Loans and receivables	4,655	4,825	8,205	4,825
Corporate bonds	32,077	39,378	-	-
	40,753	44,203	8,205	4,825
Other listed securities				
Shares in other companies	163,277	155,454	1,510	1,385
	163,277	155,454	1,510	1,385
Other unlisted securities				
Equity securities	4,469	3,869	-	-
	4,469	3,869	-	-
Investment in in-substance subsidiary (University of Otago Foundation Trust)	-	-	25,000	25,000
100% controlled trust, domiciled in New Zealand	-	-	25,000	25,000
Other financial assets	208,499	203,526	34,715	31,210

Investment in in-substance subsidiary is carried at cost in the parent entity financial statements.

Term deposits

The carrying amount of term deposits approximates their fair value.

Bonds

University of Otago Group bonds are valued at market bid prices.

Investments are carried at fair value through profit or loss and transaction costs are recognised in the Statement of Comprehensive Revenue and Expense.

Loans

The face value of loans is \$6.337 million (2020 \$6.937 million).

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost using the effective interest method less any provision for impairment. Gains or losses are recognised in the surplus or deficit when the loans and receivables are derecognised or impaired. These are included in current assets, except for those with maturities greater than 12 months after balance date, which are classified as non-current.

Unlisted shares

Unlisted shares are recognised at fair value.

For investments with no active market, fair values are determined using valuation methods. Investments whose fair values cannot be reliably measured are accounted for at cost and impaired where necessary.

Listed shares

Listed shares are recognised at fair value. The fair values of listed shares are determined by reference to published current bid price quotations in an active market.

Investments in quoted shares are initially measured at fair value plus transaction costs.

Interest-free loans

Other loans are recognised when the loan value is transferred to the other party and contract documents signed. The fair value of these loans is the face value. The University expects the loan repayment instalments to be repaid and the agreements to be honoured.

Total interest-free loans outstanding are \$5.990 million (2020 \$6.560 million). The net present value of these loans at a discount rate of 4% is \$4.764 million (2020 \$4.909 million).

Movements in the carrying value of loans are as follows:

	Consolidated		University	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
At 1 January	5,290	5,354	5,290	5,354
Amount of new loans granted during the year	12	44	12	44
Fair value adjustment movement on initial recognition	425	376	425	376
Loans repaid during the year (principal and interest)	(611)	(484)	(611)	(484)
At 31 December	5,116	5,290	5,116	5,290

Loans have been advanced to various affiliated colleges for upgrades of their accommodation facilities for use by students of the University. Mortgages have been raised over the freehold interest in the properties in each case.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED
For the year ended 31 December 2021

12. PROPERTY, PLANT AND EQUIPMENT

Accounting policy

Property, plant and equipment (PPE) consists of the following asset classes: land, buildings and components, computer hardware, furniture and equipment, motor vehicles, library collections and heritage collections. Land is measured at fair value, and buildings and components are measured at fair value less accumulated depreciation and impairment losses. All other classes are measured at cost less accumulated depreciation and impairment losses.

Additions

The cost of an item of PPE is recognised as an asset when it is probable that future economic benefit or service potential associated with the item will flow to the University and Group and the cost of the item can be measured reliably.

In most instances, an item of PPE is initially recognised at cost. Where an asset is acquired through a non-exchange transaction, it is recognised at its fair value as at the date of acquisition. Costs incurred subsequent to initial acquisition are capitalised when it is probable that future economic benefits or service potential associated with the item will flow to the University and Group and the cost of the item can be measured reliably.

Costs incurred in researching and determining the feasibility of acquiring a fixed asset, prior to final approval to purchase, have been recognised as an expense.

All Crown-owned land and buildings (if any) used by the University are included as part of the University's assets. Although legal title has not been transferred, the University has assumed all the normal risks and rewards of ownership.

Library books and periodicals, with the exception of rare books and special library collections, have been valued at cost less accumulated depreciation less impairment. Library electronic resources in the form of annual subscriptions are written off at the time of purchase. The University holds a number of gifted collections of books, manuscripts, and artworks within the Central, Medical and Dental Libraries. Rare books and special library collections were valued as at 31 December 1994 by expert University Library staff, based on the net current value of items following the generally accepted methodology employed by the Alexander Turnbull Library. Any additions to the collection have been valued at cost.

The University holds in trust a national archival collection of books and artworks known as the Hocken Collection. Items included in the collections are acquired by gift, bequest and purchase. Items are also accepted on deposit where ownership is retained by the depositor. The Hocken Library is in substance the owner of all items in the collection. The Hocken Collection was revalued at 1 January 2006 by an independent Registered Valuer (Peter Webb Galleries). The value represents deemed cost. Any additions since 1 January 2006 have been valued at cost. The Hocken Collection has a number of shelves of unaccessioned items, which are not included as an asset in the University as the value cannot currently be reliably measured. The University is currently working with a valuer to establish a value for these unaccessioned items.

University artworks were valued at 1 January 2006 by an independent Registered Valuer (Peter Webb Galleries). The value represents deemed cost. Any additions since 1 January 2006 have been valued at cost.

Asset purchases of less than \$2,000 are expensed at cost on acquisition, with the exception of furniture, mobile phones and computers which are capitalised regardless of cost.

Capital work in progress is valued at cost less impairment and is not depreciated.

The costs of day-to-day servicing of PPE are recognised in surplus or deficit as they are incurred.

Revaluation

The University conducts a fair value assessment of land and buildings on an annual basis, and if there is a significant movement, or it has been three years since the last revaluation, a full revaluation of land and buildings will be undertaken. The revaluation movement is credited or debited to other comprehensive revenue and expense. Where there is a debit balance in the asset revaluation reserve, this balance is recognised in the surplus or deficit. These asset classes have been revalued as at 31 December 2021 in accordance with PBE IPSAS 17 Property, Plant and Equipment Australia and New Zealand Valuation and Property Guidance Papers.

The basis of valuation was as follows:

- The valuation was completed by a Registered Valuer employed by the University and has been reviewed by an independent Registered Valuer (Colliers) and confirmed as appropriate for financial reporting purposes;
- Land was valued at market value;
- Land fair value, using market-based evidence, is based on the highest and best use of the land, with reference to comparable land values;
- Restrictions on the University's ability to sell land are reflected in the valuation to recognise that additional time and costs would be involved in selling any land due to these restrictions;
- Specialised buildings and improvements were valued at depreciated replacement cost; and
- Non-specialised buildings and improvements were valued at market value.

Specialised buildings are buildings designed for educational purposes. They are valued using depreciated replacement cost because no reliable market data is available for such buildings.

Depreciated replacement cost is determined using a number of methodologies. Methodologies used in the December 2021 valuation include:

- The replacement costs of the specific assets are adjusted where appropriate for optimisation due to over-design or surplus capacity;
- The replacement cost is derived from recent construction contracts of modern equivalent assets and consultation with other valuers and quantity surveyors;
- Valuations have been adjusted to take account of known building faults including the need to strengthen some structures and to comply with current fire regulations;
- The remaining useful life of assets is estimated after considering factors such as the condition of the asset, future maintenance and replacement plans and experience with similar buildings;
- Straight-line depreciation has been applied in determining the depreciated replacement cost value of the asset.

Non-specialised buildings (for example, residential buildings and storage facilities) are valued at fair value using market-based evidence. Significant assumptions in the 31 December 2021 valuation include market rents and capitalisation rates.

The ongoing social and economic impact of COVID-19 currently is providing elevated market risk. In some markets there is more certainty regarding "post-COVID pricing" than others due to the subsequent transactional evidence, however there is increased latent risk across all asset classes and property sectors due to the impact of the pandemic. Market value is "as at the valuation date" and is based on events and evidence up to that date. The valuer considers the current cost levels, as adopted in the valuation, as sustainable and likely to continue to increase in the short- to medium-term.

Impairments

PPE which have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that an impairment has occurred. Impairment losses are recognised in the Statement of Comprehensive Revenue and Expense. For assets not carried at a revalued amount, the total impairment loss is recognised in surplus or deficit.

Disposals

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are reported net in surplus or deficit. When revalued assets are sold, the amounts included in revaluation reserves in respect of those assets are transferred to general funds within equity.

Restrictions on title

Under the Education and Training Act 2020, the University is required to obtain consent from the Ministry of Education to dispose of land and buildings. For plant and equipment, there is an asset disposal limit formula, which provides a limit up to which a Tertiary Education Institution may dispose of plant and equipment without seeking the approval from the Ministry of Education. Detailed information on the asset disposal rules can be found on the TEC website.

Depreciation

Depreciation is provided on a straight-line basis on all PPE other than land and heritage collections, at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives. Heritage collections are not depreciated because they are maintained such that they have indefinite or sufficiently long useful lives that any depreciation is considered negligible.

Key assumptions and special conditions

Remaining useful lives and other strategic considerations are based on the University's capital expenditure and strategic asset management plan, seismic assessment programme close-out report, fire penetrations assessment and discussions with facilities managers.

The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

Class of asset depreciated	Estimated useful life	Depreciation rates
Buildings and components	10 to 250 years	0.4% to 10%
Furniture and fittings	5 to 10 years	10% to 20%
Plant and equipment	4 to 60 years	1.7% to 33.3%
Computers	1 to 10 years	10% to 100%
Library collections	5 to 10 years	10% to 20%

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2021

	Land \$'000	Buildings \$'000	Computers \$'000	Furniture \$'000	Artworks \$'000	Library books \$'000	Hocken Collection \$'000	Rare books \$'000	Equipment \$'000	Total \$'000
CONSOLIDATED 2020										
Cost as at 1 January 2020	284,362	1,467,022	70,454	17,928	11,287	26,234	115,658	10,114	306,453	2,309,512
Additions	14,498	115,561	5,560	1,341	94	2,355	377	34	17,768	157,588
Disposals	-	-	(2,604)	(2,955)	-	-	-	-	(10,230)	(15,789)
Transfers / adjustments	510	(19,048)	263	95	-	(2)	-	(1)	352	(17,831)
Balance as at 31 December 2020	299,370	1,563,535	73,673	16,409	11,381	28,587	116,035	10,147	314,343	2,433,480
CONSOLIDATED 2021										
Cost as at 1 January 2021	299,370	1,563,535	73,673	16,409	11,381	28,587	116,035	10,147	314,343	2,433,480
Net revaluation	145,391	91,573	-	-	-	-	-	-	-	236,964
Impairment	(173)	(50,291)	-	-	-	-	-	-	-	(50,464)
Additions	-	61,871	10,467	2,065	110	1,962	864	21	16,439	93,799
Disposals	-	-	(2,568)	(2,090)	-	-	-	-	(6,875)	(11,533)
Transfers / adjustments	-	(861)	(488)	1,059	(3)	-	-	1	1,512	1,220
Balance as at 31 December 2021	444,588	1,665,827	81,084	17,443	11,488	30,549	116,899	10,169	325,419	2,703,466

	Land \$'000	Buildings \$'000	Computers \$'000	Furniture \$'000	Artworks \$'000	Library books \$'000	Hocken Collection \$'000	Rare books \$'000	Equipment \$'000	Total \$'000
CONSOLIDATED 2020										
Accumulated depreciation										
Balance as at 1 January 2020	-	(181)	(54,917)	(9,771)	-	(13,702)	-	-	(214,690)	(293,261)
Disposals	-	-	2,602	2,955	-	1	-	-	10,003	15,561
Depreciation charge	-	(45,785)	(6,375)	(1,630)	-	(2,514)	-	-	(17,860)	(74,164)
Transfers / adjustments	-	(3,308)	(1)	74	-	-	-	-	(1)	(3,236)
Balance as at 31 December 2020	-	(49,274)	(58,691)	(8,372)	-	(16,215)	-	-	(222,548)	(355,100)
CONSOLIDATED 2021										
Balance as at 1 January 2021	-	(49,274)	(58,691)	(8,372)	-	(16,215)	-	-	(222,548)	(355,100)
Revaluation	-	99,071	-	-	-	-	-	-	-	99,071
Disposals	-	-	2,539	2,089	-	-	-	-	6,641	11,269
Depreciation charge	-	(49,818)	(5,625)	(1,791)	-	(2,430)	-	-	(17,111)	(76,775)
Impairment	-	(1,467)	-	-	-	-	-	-	-	(1,467)
Transfers / adjustments	-	-	387	169	-	-	-	-	598	1,154
Balance as at 31 December 2021	-	(1,488)	(61,390)	(7,905)	-	(18,645)	-	-	(232,420)	(321,848)
Net book value										
As at 1 January 2020	284,362	1,466,841	15,537	8,157	11,287	12,532	115,658	10,114	91,763	2,016,251
As at 31 December 2020	299,370	1,514,261	14,982	8,037	11,381	12,372	116,035	10,147	91,795	2,078,380
As at 31 December 2021	444,588	1,664,339	19,694	9,538	11,488	11,904	116,899	10,169	92,999	2,381,618

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2021

UNIVERSITY 2020											
	Land \$'000	Buildings \$'000	Computers \$'000	Furniture \$'000	Artworks \$'000	Library books \$'000	Hocken Collection \$'000	Rare books \$'000	Equipment \$'000	Total \$'000	
Cost as at 1 January 2020	284,283	1,465,164	69,963	17,622	11,287	26,234	115,658	10,114	305,749	2,306,074	
Additions	14,498	115,561	5,512	1,339	94	2,355	377	34	17,733	157,503	
Disposals	-	-	(2,604)	(2,955)	-	(1)	-	-	(10,230)	(15,790)	
Transfers / adjustments	510	(19,048)	262	95	-	(1)	-	(1)	353	(17,830)	
Balance as at 31 December 2020	299,291	1,561,677	73,133	16,101	11,381	28,587	116,035	10,147	313,605	2,429,957	
UNIVERSITY 2021											
Cost as at 1 January 2021	299,291	1,561,677	73,133	16,101	11,381	28,587	116,035	10,147	313,605	2,429,957	
Net revaluation	145,391	91,573	-	-	-	-	-	-	-	236,964	
Impairment	(173)	(50,291)	-	-	-	-	-	-	-	(50,464)	
Additions	-	61,871	10,462	2,066	110	1,962	864	21	16,439	93,795	
Disposals	-	-	(2,487)	(2,089)	-	-	-	-	(6,649)	(11,225)	
Transfers / adjustments	-	(4,790)	(51)	1,310	(3)	-	-	1	2,003	(1,530)	
Balance as at 31 December 2021	444,509	1,660,040	81,057	17,388	11,488	30,549	116,899	10,169	325,398	2,697,497	
UNIVERSITY 2020											
Accumulated depreciation											
Balance as at 1 January 2020	-	-	(54,485)	(9,485)	-	(13,702)	-	-	(214,218)	(291,890)	
Disposals	-	-	2,602	2,955	-	1	-	-	10,004	15,562	
Depreciation charge	-	(45,748)	(6,347)	(1,622)	-	(2,514)	-	-	(17,786)	(74,017)	
Transfers / adjustments	-	(3,309)	-	74	-	-	-	-	-	(3,235)	
Balance as at 31 December 2020	-	(49,057)	(58,230)	(8,078)	-	(16,215)	-	-	(222,000)	(353,580)	

UNIVERSITY 2021											
	Land \$'000	Buildings \$'000	Computers \$'000	Furniture \$'000	Artworks \$'000	Library books \$'000	Hocken Collection \$'000	Rare books \$'000	Equipment \$'000	Total \$'000	
Balance as at 1 January 2021	-	(49,057)	(58,230)	(8,078)	-	(16,215)	-	-	(222,000)	(353,580)	
Revaluation	-	99,071	-	-	-	-	-	-	-	99,071	
Disposals	-	-	2,471	2,089	-	-	-	-	6,444	11,004	
Depreciation charge	-	(48,547)	(5,613)	(1,789)	-	(2,430)	-	-	(17,090)	(75,469)	
Impairment	-	(1,467)	-	-	-	-	-	-	-	(1,467)	
Transfers / adjustments	-	-	2	(75)	-	-	-	-	238	165	
Balance as at 31 December 2021	-	-	(61,370)	(7,853)	-	(18,645)	-	-	(232,408)	(320,276)	
Net book value											
As at 1 January 2020	284,283	1,465,164	15,478	8,137	11,287	12,532	115,658	10,114	91,531	2,014,184	
As at 31 December 2020	299,291	1,512,620	14,903	8,023	11,381	12,372	116,035	10,147	91,605	2,076,377	
As at 31 December 2021	444,509	1,660,040	19,687	9,535	11,488	11,904	116,899	10,169	92,990	2,377,221	

Work in progress as at 31 December 2021 (University and Group):
Buildings \$73.402 million (2020 \$135.193 million).
Equipment \$2.669 million (2020 \$1.632 million).

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2021

13. INTANGIBLE ASSETS

ACCOUNTING POLICY

Costs that are directly associated with the development of software for internal use are recognised as an intangible asset. Direct costs include the software development employee costs and an appropriate portion of relevant overheads.

Costs incurred in researching and determining the feasibility of acquiring computer software, prior to final approval to purchase, have been recognised as an expense.

Acquired computer software is capitalised on the basis of the costs incurred to acquire and bring to use the specific software, subsequent to final approval to purchase.

Costs associated with maintaining computer software are recognised as an expense when incurred.

The Hocken Collection holds intangible assets such as digital sound recordings, which are not included as an asset of the University. The value of these cannot be reliably measured as there is no active market for these assets.

Impairments

Intangible assets subsequently measured at cost and not yet available for use are not subject to amortisation and are tested annually for impairment.

For further details refer to the policy for impairment of property, plant and equipment in Note 12. The same approach applies to the impairment of intangible assets.

Amortisation

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised. The amortisation charge for each period is recognised in the surplus or deficit.

The useful lives and associated amortisation rates of major classes of intangible assets have been estimated as follows:

Class of intangible asset	Estimated useful life	Amortisation rates
Computer software	3 to 25 years	4% to 33.3%

	Computer software \$'000
CONSOLIDATED 2020	
Gross Carrying Amount	
Balance as at 1 January 2020	58,472
Additions	6,154
Adjustments	(493)
Disposals	(2,080)
Balance as at 31 December 2020	62,053
CONSOLIDATED 2021	
Balance as at 1 January 2021	62,053
Additions	4,523
Adjustments	(4,434)
Disposals	(1,191)
Balance as at 31 December 2021	60,951

	Computer software \$'000
CONSOLIDATED 2020	
Accumulated amortisation and impairment	
Balance as at 1 January 2020	(32,753)
Amortisation charge	(3,773)
Disposals	1,897
Balance as at 31 December 2020	(34,629)
CONSOLIDATED 2021	
Balance as at 1 January 2021	(34,629)
Amortisation charge	(3,896)
Disposals	1,156
Other adjustments	216
Balance as at 31 December 2021	(37,153)
Net book value	
As at 1 January 2020	25,719
As at 31 December 2020	27,424
As at 31 December 2021	23,798
UNIVERSITY 2020	
Gross carrying amount	
Balance as at 1 January 2020	58,168
Additions	6,034
Adjustments	(493)
Disposals	(2,080)
Balance as at 31 December 2020	61,629
UNIVERSITY 2021	
Balance as at 1 January 2021	61,629
Additions	4,523
Adjustments	(4,113)
Disposals	(1,188)
Balance as at 31 December 2021	60,851

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2021

	Computer software \$'000
UNIVERSITY 2020	
Accumulated amortisation and impairment	
Balance at 1 January 2020	(32,488)
Additions	1,895
Amortisation charge	(3,739)
Balance as at 31 December 2020	(34,332)

UNIVERSITY 2020	
Balance as at 1 January 2021	(34,332)
Year ended 31 December 2021	
Disposals	1,153
Amortisation charge (Note 6)	(3,874)
Balance as at 31 December 2021	(37,053)

Net book value	
As at 1 January 2020	25,680
As at 31 December 2020	27,297
As at 31 December 2021	23,798

Work in progress not yet commissioned as at 31 December 2021 (University and Group): \$1.677 million (2020 \$4.078 million).

14. TRADE AND OTHER PAYABLES AND ACCRUALS

Creditors and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. They are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Payables are non-interest bearing and are settled on the 20th of the month following date of invoice. Therefore, the carrying value of payables approximates their fair value.

	Consolidated		University	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Current				
Trade payables	8,308	10,559	8,297	10,458
Accruals	20,718	20,684	20,411	20,613
Other payables	16,188	17,179	18,910	22,968
Total trade and other payables and accruals	45,214	48,422	47,618	54,039

Total trade and other payables and accruals comprise:				
Payables and accruals from exchange transactions	29,026	31,242	31,705	36,907
Payables and accruals from non-exchange transactions	16,188	17,180	15,915	17,132

15. CURRENT LIABILITIES – EMPLOYEE ENTITLEMENTS

Short-term employee entitlements

Employee benefits that are expected to be settled within 12 months after the end of the reporting period in which the employee renders 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.

Annual leave and vested long service leave are classified as a current liability. Non-vested long service leave and retirement gratuities expected to be settled within 12 months of balance date are classified as a current liability.

Defined contribution schemes

Employer contributions to defined contribution schemes: Consolidated \$19.290 million, (2020 \$19.370 million), University \$19.290 million, (2020 \$19.370 million).

Holidays Act 2003

A number of New Zealand's public and private organisations have identified issues with the calculation of leave entitlements under the Holidays Act 2003.

For employers such as the University of Otago, that have workforces that include differential occupational groups with complex entitlements, non-standard hours, allowances and/or overtime, the process of assessing non-compliance with the Act and determining the additional payment is time consuming and complicated.

The University has engaged with an external party to undertake the work to assess the non-compliance, This work will continue during 2022. The final outcome and the timeline will not be determined until this work has been completed.

As at 31 December 2021, in preparing these financial statements, the University of Otago has made estimates and assumptions to determine a potential liability based on its review of payroll processes for instances of non-compliance with the Act. The liability has been estimated at \$6.4 million by calculating the underpayment for employees over the full period of liability based on known non-compliance as at 31 December 2021. This liability amount is the University's best estimate at this stage.

However, until the assessment has progressed further, uncertainties remain as to the actual amount the University will be required to pay to current and former employees. The estimates and assumption may differ from the subsequent actual results as further work is completed. This may result in further adjustment to the carrying amount of the provision within the next financial year, or payments to employees that differ from the estimation of the liability.

	Consolidated		University	
	Actual 2021 \$'000	Actual 2020 \$'000	Actual 2021 \$'000	Actual 2020 \$'000
Current portion				
Annual leave	36,697	33,941	36,632	33,591
Long-service leave	1,016	838	1,016	838
Retirement gratuities	17,855	18,934	17,855	18,934
Accrued wages	29,494	13,461	29,494	13,350
Total current portion	85,062	67,174	84,997	66,713

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2021

16. LIABILITIES – DEFERRED REVENUE

	Consolidated		University	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Research funding in advance	78,167	69,430	78,167	69,430
Student fees in advance	24,203	33,116	24,203	32,017
Other income in advance	6,126	5,311	5,948	5,088
Total current liabilities - deferred income	108,496	107,857	108,318	106,535

Deferred revenue from tuition fees includes both liabilities recognised for domestic student fees received for which the course withdrawal date has not yet passed and for international student fees, which is based on the percentage completion of the course. Deferred revenue from research contracts includes both liabilities recognised for research funding with unsatisfied conditions (non-exchange contracts) and liabilities for exchange research funding received in excess of costs incurred to date on the required research.

17. NON-CURRENT LIABILITIES – EMPLOYEE ENTITLEMENTS

LONG-TERM EMPLOYEE ENTITLEMENTS

Employee benefits that are due to be settled beyond 12 months after the end of the period in which the employee renders 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.

Employee entitlements due to be settled beyond 12 months after balance date are classified as a non-current liability.

Long-service leave

The liability for long-service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit-credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Retirement benefit obligations

A liability or asset in respect of defined benefit superannuation plans is recognised in the Statement of Financial Position, and is measured as the present value of the defined benefit obligation at the reporting date plus unrecognised actuarial gains (less unrecognised actuarial losses) less the fair value of the superannuation fund's assets at that date and any unrecognised past service cost. The present value of the defined benefit obligation is based on expected future payments which arise from membership of the fund to the reporting date, calculated annually by independent actuaries using the projected unit-credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service.

The actuarial assessment of retiring gratuities, long-service leave and sick leave is performed by Eriksen Global Limited annually.

Critical assumptions: The discount and CPI rates adopted are those specified by Treasury for reporting purposes of Crown Entities. The long-term rate of inflation is 2.0% which is the mid-point of the 1% - 3% target range of the Reserve Bank. To this was added 0.5% to allow for secular salary increases. These rates were calculated as at 31 December 2021.

A salary promotional scale which adds an approximate 0.50% allowance to the projected salary increases was adopted. Treasury has indicated the set of discount rates and general CPI inflation assumptions are to be consistent amongst all entities that form part of the Crown's annual reporting. The discount rate was based on the yields on Government Bonds (as there is no deep market in high quality Corporate Bonds).

	Consolidated		University	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Retirement gratuities	41,453	46,924	41,453	46,924
Long service leave	1,692	2,111	1,692	2,111
Sick leave	1,144	1,161	1,144	1,161
Staff intellectual property entitlements – non current	1,423	1,936	1,423	1,936
Total non-current portion	45,712	52,132	45,712	52,132

18. EQUITY

ACCOUNTING POLICY

Equity is the community's interest in the University and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into the following components:

- Accumulated funds
- Other reserves.

Property revaluation reserve: This reserve relates to the revaluation of land and buildings to fair value.

The breakdown of accumulated funds and reserves are disclosed as follows:

	Consolidated		University	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Accumulated funds				
Balance at 1 January	1,126,861	1,099,494	891,858	877,509
Adjustments	(1,574)	1,277	2,664	7
Surplus for the year	16,525	26,090	(1,795)	14,342
Balance 31 December	1,141,813	1,126,861	892,727	891,858
Other reserves include				
Building revaluation reserve	982,186	843,300	982,186	843,300
Land revaluation reserve	349,024	203,806	349,024	203,806
Total reserves	1,331,210	1,047,106	1,331,210	1,047,106
Revaluation reserves				
Balance at 1 January	1,047,106	1,049,905	1,047,106	1,049,905
Net revaluation adjustment	336,035	-	336,035	-
Decrement of land and buildings	(51,931)	(2,799)	(51,931)	(2,799)
Balance at 31 December	1,331,210	1,047,106	1,331,210	1,047,106

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2021

19. CONTINGENCIES

	Consolidated		University	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Contingent liabilities				
The University provided a guarantee to the Bank of New Zealand for a bond given by the bank to the Dunedin City Council, over the siting of some temporary buildings	-	50	-	50
Personal grievance and employment related claims against the University	10	20	10	20
Total contingent liabilities	10	70	10	70

Contingent assets

There are no contingent assets at balance date (2020 Nil).

20. CAPITAL COMMITMENTS, OPERATING AND FINANCE LEASES

ACCOUNTING POLICY

Operating leases

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 an expense on a straight-line basis over the lease term.

Finance leases

A finance lease is a lease that transfers substantially all the risks and rewards incidental to ownership of an asset. Title may or may not eventually be transferred. At the commencement of the lease term, assets acquired under finance leases are recognised as assets, and the associated lease obligations as liabilities. The assets and liabilities are recognised at amounts equal to the fair value of the leased property. The incremental borrowing rate is used. A finance lease gives rise to a depreciation expense for depreciable assets as well as a finance expense for each accounting period. The depreciation policy for depreciable leased assets shall be consistent with that for depreciable assets that are owned, and the depreciation recognised shall be calculated in accordance with PBE IPSAS 17 Property, Plant and Equipment and PBE IPSAS 31 Intangible Assets as appropriate.

	Consolidated		University	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Capital commitments				
Buildings	59,649	84,888	59,649	84,888
Equipment and other	9,145	6,992	9,145	6,992
Total capital commitments	68,794	91,880	68,794	91,880

Capital commitments represent capital expenditure contracted for at balance date, but not yet incurred.

	Consolidated		University	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Operating leases as lessee				
Not later than one year	7,340	4,616	7,340	4,616
Later than one year and not later than five years	13,491	5,941	13,491	5,941
Later than five years	20,530	11,237	20,530	11,237
Total non-cancellable operating leases	41,361	21,794	41,361	21,794

Operating leases "Not later than one year" include accommodation head leases, \$2.951 million (2020 \$1.686 million).

	Consolidated		University	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Operating leases as lessor				
Not later than one year	4,471	4,019	4,471	4,019
Later than one year and not later than five years	2,531	2,950	2,531	2,950
Later than five years	4,305	6,090	4,305	6,090
Total non-cancellable operating leases	11,307	13,059	11,307	13,059

No contingent rents have been recognised during the period.

	Consolidated		University	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Finance leases				
Not later than one year	-	-	1,130	1,130
Later than one year but not later than five years	-	-	4,993	4,993
Later than five years	-	-	22,117	22,117
Minimum lease payments	-	-	28,240	28,240
Present value of minimum lease payments payable				
Made up of				
Future lease payments	-	-	26,870	27,999
Residual value payable	-	-	1,370	241
Total gross lease liability	-	-	28,240	28,240
Comprising				
Current	-	-	1,130	1,130
Non-current	-	-	27,110	27,110
Total present value of minimum lease payments	-	-	28,240	28,240

The University of Otago has entered into a finance lease for a portfolio of properties, with the University of Otago Foundation Trust.

The agreement is for 20 years, with a right of renewal of a further 20 years.

The lease agreement guarantees that the University of Otago Foundation Trust's capital investment is protected, thereby the full value of the liability at the end of the lease term is shown in the accounts.

The agreement between the University of Otago Foundation Trust (landlord) and the University of Otago (tenant) includes put and call options, which allows, within specified periods within the lease or renewal of the lease, the landlord to request the tenant to purchase some or all of the properties; and also allows the tenant to request the landlord to sell all of the properties to the tenant.

Depending on the timing throughout the lease of either the landlord or the tenant exercising this option, there are specified methodologies to calculate the purchase price.

The University of Otago is treating the asset as Property, Plant and Equipment as the University of Otago entered into a finance lease with the University of Otago Foundation Trust to retain control over the services provided to students. Due to the properties being used exclusively for the accommodation of students and students' family members, this accommodation service supports the education service, which is a core service and purpose of the University.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2021

21. RELATED-PARTY TRANSACTIONS

The Government influences the role of the University and Group as well as being a major source of revenue. While the University and Group enter into numerous transactions with Government departments and other Crown agencies, they are on an arm's length basis and, where those parties are acting in the course of their normal dealings, are not considered to be related party transactions.

RELATED-PARTY TRANSACTIONS WITH SUBSIDIARIES, ASSOCIATES OR JOINT VENTURES

	Consolidated	
	2021	2020
	\$'000	\$'000
INTRA-GROUP		
University of Otago Holdings Limited (UOHL)		
Dividends received from University of Otago Foundation Studies Ltd	-	107
Accounting and secretarial services paid to the University of Otago	31	29
UOHL has a current account with the University of Otago. Since 1 January 2008 this account has been interest bearing, with interest paid by the University of Otago at the average rate achieved by the University of Otago on its bank call and term deposits.		
Interest paid on this current account amounted to	17	50
The balance of the current account at year end was	2,996	2,761
University of Otago Foundation Studies Limited (FSL)		
FSL enters into transactions with the University of Otago (University) , which are made on normal commercial terms and conditions. During the year FSL purchased goods and services from the University, including building rentals, to the value of		
	530	1,777
At year end the amount owing to the University was	-	-
At the end of the year the amount owing by the University was	-	111
FSL has invested its surplus funds with the University. Interest is paid by the University at the average rate achieved by the University on its bank call and term deposits.		
Interest paid on these funds amounted to	5	79
The balance at year end was	-	3,075
Otago Innovation Limited (OIL)		
OIL enters into transactions with the University of Otago (University) , which are made on normal commercial terms and conditions. During the year OIL purchased goods and services from the University to the value of		
	1,094	1,490
At year end the amount owing to the University was	3,800	6,313
During the year OIL supplied services to the University to the value of	802	686
At year end the amount owing by the University was	27	287
Disease Research Limited (DRL)		
DRL enters into transactions with the University of Otago (University) , which are made on normal commercial terms and conditions. During the year DRL purchased goods and services from the University to the value of		
	-	27
At year end the amount owing to the University was	-	141
University of Otago Foundation Trust		
The University of Otago Foundation Trust distributed to the University of Otago (University) an amount of		
	10,694	11,873
The University of Otago Foundation Trust paid to the University administration fees to the value of		
	672	672
The University of Otago Foundation Trust holds a current account with the University		
	3,156	2,159
The University of Otago Foundation Trust received donations via the University to an amount of		
	21	125
The University of Otago Foundation Trust has a finance lease asset with the University		
	28,240	28,240

		Consolidated	
		2021	2020
		\$'000	\$'000
University Union Limited (UUL)			
During the year the University of Otago (University) entered into transactions with UUL, an associate company of UOHL. The transactions were made on commercial terms and conditions. The University paid UUL rent of			
		334	346
UUL paid the University ground rent of			
		125	122
Transactions with key management personnel			
Key management personnel compensation			
		2021	2020
		\$'000	\$'000
Council members Council fees		202	204
Councillors		11	11
Senior management team, including the Vice-Chancellor:			
Remuneration		4,202	4,083
Full-time equivalent		16	14
There are close family members of key management personnel employed by the University of Otago and Group. The terms and conditions of those arrangements are no more favourable than the University of Otago and Group would have adopted if there were no relationship to key management personnel.			
All members of the Vice Chancellor's Advisory Group were included as key management personnel.			
Directors/trustees fees: Consolidated \$0.072 million (2020 \$0.100 million), University of Otago Nil (2020 Nil).			
No provision has been required, nor any expense recognised for impairment of receivables, for any loans or other receivables to related parties (2020 Nil).			
Transactions with members of Council		Purchased by the University	
		2021	2020
		\$'000	\$'000
		2021	2020
		\$'000	\$'000
Member of Council	Organisation		
Mr F B Barton	Anderson Lloyd (D) (P)	71	55
(term 1 Jan 2016 to 31 Dec 2023)	Presbyterian Support Otago (Trustee)	8	10
	New Zealand Law Society (Branch President)	3	4
Mr M R Dippie	Mitre 10 (New Zealand) Limited (D)	74	53
(term 1 Jan 2016 to 31 Dec 2022)			
Ms S L Ellison	Karitane Maori Tours Limited (D)	1	1
(term 1 Jan 2019 to 31 Dec 2022)	Kati Huirapa Runaka ki Puketeraki (Manager)	19	16
Professor H Hayne	NZ Vice Chancellors' Committee Universities NZ (Committee Member)	293	607
(term 1 Jan 2021 to 8 April 2021)			
	University of Otago Foundation Trust (Ex-officio Trustee) (See intragroup note)	-	-
	University of Otago Holdings Limited (D) (See intragroup note)	-	-

NOTES TO THE FINANCIAL STATEMENTS CONTINUED
For the year ended 31 December 2021

Transactions with members of Council		Purchased by the University		Purchased from the University	
		2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Member of Council Mr S J Higgs (term 1 Jan 2016 to 25 Feb 2024)	Organisation Miterm Limited (D) (S)	43	51	-	-
	Otago Innovation Ltd (D) (See intragroup note)	-	-	-	-
	University of Otago Foundation Trust (C) (Trustee) (See intragroup note)	-	-	-	-
	University of Otago Holdings Limited (D) (See intragroup note)	-	-	-	-
Ms L C Hobson (term 14 Mar 2017 to 31 Dec 2021)	University of Otago Foundation Trust (Trustee) (See intragroup note)	-	-	-	-
Mr J P Manning (term 1 Jan 2020 to 31 Dec 2020)	Otago University Students' Association (P)	-	3,846	-	129
	University Bookshop (Otago) Limited (D)	-	104	-	2
Professor H D Nicholson (term 20 Mar 2021 to 31 Jan 2022)	NZ Vice-Chancellors' Committee (Universities NZ) (Committee Member)	300	-	2	-
	University of Otago Foundation Trust (Ex officio Trustee) (See intergroup note)	-	-	-	-
	University of Otago Holdings Limited (Ex officio Director) (See intergroup note)	-	-	-	-
	Dunedin Basic Medical Sciences Course (Trustee)	-	-	68	-
Ms P A Oakley (term 1 Mar 2018 to 31 Dec 2023)	Forsyth Barr Limited (Employee) (S)	29	37	-	-
	Institute of Directors in New Zealand (Branch Committee)	5	5	-	-
Dr R J Somerville QC (term 1 Jan 2016 to 31 Dec 2021)	University of Otago Foundation Trust (Ex-officio Trustee) (See intragroup note)	-	-	-	-
	University of Otago Holdings Limited (D) (See intergroup note)	-	-	-	-
Ms M M F Waite-Harvey (term 1 Jan 2021 to 31 Dec 2021)	Otago University Students' Association (Employee)	4,261	-	153	-
	University Bookshop (Otago) Limited (D)	112	-	1	-
Mr M A Wong (term 1 Jan 2018 to 31 Dec 2021)	Cook North & Wong Limited (D) (S)	22	22	-	-
* C = Chair; D = Director; S = Shareholder; P = President					

22. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

ACCOUNTING POLICY

Investments in subsidiaries are measured at cost less any impairment in the University's parent financial statements.

ASSOCIATE

An associate is an entity over which the University of Otago has significant influence and that is neither a subsidiary nor an interest in a joint venture. Investments in associates are accounted for in the group financial statements using the equity method of accounting. Investments in associates are measured at cost in the University's parent financial statements.

EQUITY METHOD OF ACCOUNTING FOR ASSOCIATES IN GROUP FINANCIAL STATEMENTS

Investments in associates are accounted for in the Group Financial Statements using the equity method of accounting. Under the equity method of accounting, the investment is initially recognised at cost and the carrying amount is increased or decreased to recognise the Group's share of the change in net assets of the entity after the date of acquisition. The Group's share of the surplus or deficit is recognised in the Group surplus or deficit. Distributions received from the investee reduce the carrying amount of the investment in the Group Financial Statements. If the share of deficits of the entity equals or exceeds the interest in the entity, the Group discontinues recognising its share of further deficits. After the Group's interest is reduced to zero, additional deficits are provided for, and a liability is recognised, only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the entity. If the entity subsequently reports surpluses, the Group will resume recognising its share of those surpluses only after its share of the surpluses equals the share of deficits not recognised.

	Consolidated	
	2021 \$'000	2020 \$'000
University of Otago Holdings Limited		
University Union Limited	-	5,765
Otago Innovation Limited	71	1,749
Total investments in associates and joint ventures	71	7,514

	Consolidated	
	2021 \$'000	2020 \$'000
University of Otago Holdings Limited's associates		
Name of entity: Upstart Incubation Trustee Company Limited		
Principal activity: This company is not operational, and has no assets or liabilities.		
Ownership: 33% (31 December 2020 33%)		



	Consolidated	
	2021	2020
	\$'000	\$'000
Otago Innovation Limited's associates		
Name of entity: Upstream Medical Technologies Limited		
Principal activity: Development of signal peptide biomarkers		
Ownership: 20% (31 December 2020 20%)		
Balance date: 31 December		
Unlisted ordinary shares	1,325	840
Share of increase (decrease) in the net assets of the joint venture (previous years)	(135)	(131)
Share of increase (decrease) in the net assets of the joint venture (current year)	(1,190)	(135)
Total investment	-	574
Name of entity: Ubiquitome Limited		
Principal activity: Commercialisation of medical products		
Ownership: 21% (31 December 2020 21%)		
Balance date: 31 March		
Unlisted ordinary shares	1,350	850
Share of increase (decrease) in the net assets of the associate (previous years)	(127)	(95)
Share of increase (decrease) in the net assets of the associate (current year)	(1,223)	(127)
Total investments	-	628
Name of entity: Insitugen Limited		
Principal activity: Development of new racehorse doping test platform		
Ownership: 2% (31 December 2020 22%) - treated as investment from 2021		
Balance date: 31 March		
Unlisted ordinary shares	-	452
Share of increase (decrease) in the net assets of the associate (previous years)	-	-
Share of increase (decrease) in the net assets of the associate (current year)	-	96
Total investment	-	548
Name of entity: Periomedic Limited		
Principal activity: Commercialising technologies relating to periodontal health		
Ownership: 80.85% (31 December 2020 0%)		
Balance date: 31 March		
Unlisted ordinary shares	71	-
Share of increase (decrease) in the net assets of the associate (current year)	-	-
Total investments	71	-
Name of entity: Amaroq Limited		
Principal activity: Development of RNA to treat breast, colorectal and liver cancer		
Ownership: 71% (31 December 2020 0%)		
Balance date: 30 June		
Unlisted ordinary shares	1,203	-
Share of increase (decrease) in the net assets of the associate (current year)	(1,203)	-
Total investment	-	-

NOTES TO THE FINANCIAL STATEMENTS CONTINUED
For the year ended 31 December 2021

23. CAPITAL MANAGEMENT

THE UNIVERSITY

The University of Otago (University) and Group's capital is its equity, which comprises general funds and reserves. Equity is represented by net assets. The University is subject to the financial management and accountability provisions of the Education and Training Act 2020, which includes restrictions in relation to: disposing of assets or interests in assets, ability to mortgage or otherwise charge assets or interests in assets, granting leases of land or buildings or parts of buildings, and borrowing.
The University manages its revenues, expenses, assets, liabilities, investments and general financial dealings prudently and in a manner that promotes the current and future interests of the community. The University's equity is largely managed as a by-product of managing revenues, expenses, assets, liabilities, investments and general financial dealings.
The objective of managing the University's equity is to ensure that it effectively and efficiently achieves the goals and objectives for which it has been established, while remaining a going concern.

24. RECONCILIATION OF NET SURPLUS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	Consolidated		University	
	Actual 2021 \$'000	Actual 2020 \$'000	Actual 2021 \$'000	Actual 2020 \$'000
Surplus	16,525	26,090	(1,795)	14,342
Add/(less) non-cash items				
Non-cash donations	(864)	(377)	(864)	(377)
Non-cash dividends	(1,988)	(1,492)	-	-
Share of associates' surplus	-	138	-	-
Adjustments to staff entitlements	(7,050)	(1,817)	(5,907)	(1,817)
Depreciation and amortisation expense	79,543	77,937	79,343	77,757
Property, plant and equipment impairment	215	120	174	118
Intellectual property income	630	467	(630)	(786)
Increase/(decrease) in loans from external trust funds	72	58	-	-
(Gains)/losses in fair value of investments	3,518	(5,399)	366	(191)
Total non-cash items	74,077	69,635	72,482	74,704
Add/(less) movements in working capital items				
(Increase)/decrease in receivables	2,739	(9,452)	2,825	(9,675)
(Increase)/decrease in prepayments	(1,502)	(538)	(1,520)	(541)
(Increase)/decrease in inventory	(185)	96	(185)	96
Increase/(decrease) in payables	(1,361)	4,296	1,476	3,635
Increase/(decrease) in funds received in advance	(1,271)	28,251	1,243	29,115
Increase/(decrease) in employee entitlements	18,445	2,657	18,846	2,541
Net movement in working capital items	16,865	25,311	22,684	25,171
Net cash inflow/(outflow) from operating activities	107,467	121,036	93,371	114,217

25. REMUNERATION

ENTITY EMPLOYEES

	Number of employees	
	2021 \$'000	2020 \$'000
\$100k–\$109k	-	2
\$110k–\$119k	1	1
\$120k–129k	2	-
\$140k–\$149k	1	-
\$150k–\$159k	-	1
\$160k–\$169k	1	-
\$220k–\$229k	1	1
Total employees	6	5

26. THE EFFECTS OF COVID-19 ON THE UNIVERSTY OF OTAGO

Due to the ongoing COVID-19 pandemic, on 17th August 2021, New Zealand's first case of COVID-19 community transmission in six months and first community transmission of the Delta variant was confirmed. As a result, the New Zealand Government declared a state of emergency and a nationwide lockdown commenced (Alert Level 4) effective immediately that night. On 1st September 2021, Auckland and Northland regions remained at Alert Level 4 while the rest of the country transitioned into Alert Level 3. On 8th September 2021, all of New Zealand except Auckland moved into Alert Level 2, and on 22nd September 2021 Auckland moved down to Alert Level 3. On 3rd December 2021, New Zealand transitioned into the COVID-19 Protection Framework ("Traffic Light System"). Auckland and Northland started on the Red setting, while the rest of the country commenced on the Orange setting. On 31st December 2021, most areas under the Red setting, with the exception of the Northland region, transitioned to the Orange setting.
The University finished the year with domestic Equivalent Full-Time Students (EFTS) significantly higher than budgeted and international EFTS were slightly higher than budgeted.
The financial statements presented in this report include the direct and indirect financial impacts caused by COVID-19.

REVENUE

Due to the ongoing border closures, international student numbers remain lower than pre-COVID-19 years. Domestic student numbers were significantly higher than pre-COVID levels, giving an overall increase in EFTS numbers for 2021 against both 2020 actuals, and 2021 budget.
The University had a drop in commercial income due to the closure of patient clinics (Dentistry and Physiotherapy) as well as the food outlets on campus during lockdown, and a reduction in sales during Alert Level conditions.

EXPENSES

The University of Otago was not eligible for the Government Wage Subsidy.
Due to COVID-19 lockdown and border restrictions, employees have been unable to travel, and as a result staff have cancelled leave, which has led to an increase in the leave liability of approximately two days.
By contrast, there has been a significant decrease in travel (flights, accommodation and other) expenditure due to COVID-19 Alert Levels and border restrictions. The reduction in commercial income for the food outlets was partially offset by a decrease in the associated costs.

IMPAIRMENT

Overall student numbers increased from pre-COVID levels and research activity was also higher. Therefore teaching and research assets remain in regular use and there is no requirement for impairment.
For other assets, such as cash and receivables, there is no impairment requirement. Receivables have been reviewed and deemed that no substantial impact has been caused by the COVID-19 pandemic to warrant impairment.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2021

ASSETS

A full revaluation of land and buildings was completed as at 31 December 2021, and any impairments required were included in that exercise.

RISK ASSESSMENT

The COVID-19 related impacts described above have resulted in the University having cash balances greater than budgeted. Liquidity was strong and cash reserves were sufficient to meet the planned expenditure on major projects for 2021. The financial impact of COVID-19 will put pressure on operating cash flows and ongoing savings will be required to ensure the University is well placed for recovery. The University holds no debt and is in a good position to borrow to fund any future cashflow gaps if required. Disclosures relating to the currently known impacts of COVID-19 have been made in the relevant areas of the Annual Report.

27. EXPLANATION OF MAJOR VARIANCES AGAINST BUDGET

STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

Tuition fees income was higher than budgeted, due to an increase in domestic student enrolments. Finance revenue was higher than budget due to strong investment returns in the Foundation Trust. Consulting and commercial revenue was lower than budgeted, due to the impact of the COVID-19 lockdown when the University of Otago (University) closed its commercial food outlets, and sales from those outlets were lower throughout the year than planned. Salaries for both academic and professional staff were higher than budgeted. These costs include a provision for the voluntary redundancy scheme the University is undertaking, as well as an estimate for unbudgeted cost-of-living increases. Other expenditure was slightly lower than budget, due to the COVID-19 pandemic and the travel restrictions put in place, resulting in savings in travel-related expenditure. Depreciation was lower than budget because of delays in the capital programme spend due to the impacts of COVID-19.

STATEMENT OF FINANCIAL POSITION

Cash and cash equivalents, and current other financial asset balances were higher than expected due to delays in completing capital projects. It was expected that the University would be in a borrowing position by year end but, due to higher income, expenditure savings and slower spend on the capital programme, borrowing was not needed. Trade and other receivables and prepayments were higher than budget due to student-related income funding owing at balance date, in respect of outstanding additional Government funding awarded. Non-current other financial assets were higher than budget due to an increase in equities within the Foundation Trust portfolio. This was due to the markets recovering from the global impact of the COVID-19 pandemic better than expected at the time the budgets were set. At the University level, this is due to intellectual property receivables not budgeted for. Property, plant and equipment balances were higher than budget as a result of the land and building revaluation undertaken by the University in 2021, while the budget assumed the revaluation would not be needed until 2022. Intangible asset additions were lower than budget due to a delays in the capital programme, and the reclassification of Software-as-a-Service implementation costs, originally budgeted as capital spend. Trade and other payables and accruals were lower than budget due to fewer capital project and general accruals at year end, in part due to slower spend on the capital programme due to the impacts of COVID-19. Employee entitlements are higher at year end due to accrued wages, for both business-as-usual payroll accounting, as well as voluntary redundancy and an estimate of the outcome of pay bargaining which will be higher than budgeted. Deferred revenue is mainly research projects and student fees. The University received an increase in research funding compared to budget. The University budget assumed borrowing would be required to fund the capital programme. As expenditure on major projects was slower than budgeted and operating cashflows were higher than anticipated, borrowing was not required in 2021.

STATEMENT OF CHANGES IN EQUITY

Total equity is significantly higher than budget. The explanation provided above for property, plant and equipment balances explain this variance.

STATEMENT OF CASH FLOWS

Net cash flow from operating activities was higher than expected due to increase in externally-funded research received against budget. Additional tuition-related income also contributed to stronger operating cash flow than budgeted. Net cash flow from investing activities was lower than expected due to delays in the capital programme, partly as a result of the COVID-19 pandemic. Net cash flow from financing activities was less than budgeted as borrowing was not required.

28. EVENTS OCCURING AFTER THE BALANCE DATE

On 23 January 2022 New Zealand transitioned into the Red setting under the COVID-19 Protection Framework ("Traffic Light System"). On 13 April 2022 New Zealand transitioned into the Orange setting. At this stage it is difficult to determine what, if any, impact this will have on the University of Otago. In August 2022 the University entered into loan facility arrangements giving the University available loan facilities of \$400 million. The facilities have been established in accordance with the conditions of the Consent to Borrow granted by the Secretary for Education, under section 282(4)(d) and 282(7) of the Education and Training Act 2020. The University started 2023 in a challenging financial position with a deficit budget that required savings of \$25 million to achieve. That position has deteriorated by a further estimated \$20 million as domestic enrolments have been lower than budget for 2023 for a range of reasons including:

- fewer domestic students passing University Entrance nationwide.
- many prospective students choosing to enter the workforce instead of study due to the strong employment market.
- an unexpected drop in domestic student retention from first and second year, likely caused by factors including the ongoing impact of COVID-19 disruption, the rising cost of study, and job opportunities.

This means our pipeline for students over the next three years, in the absence of action, would be lower than we projected. Previously forecast surpluses would no longer be achievable, and the University would record deficits in future years, which is not a sustainable position.

We have been absorbing the cumulative impact of successive years of below-inflation funding rate increases from Government. The 2023 enrolment shortfall has exacerbated that challenge. As a result, the University needs to improve our annual operating budget by approximately \$60 million. Some savings have already been identified against the earlier budgeted savings target of \$25m, but there are significant savings still required and salary savings will need to be a significant component of this. It is likely that this will result in changes across the University, with the loss of several hundred staff positions. Many initiatives are underway to identify cost savings and revenue generation opportunities. The University is confident of achieving the necessary improvements to ensure our future success.

US DEPARTMENT OF EDUCATION FINANCIAL RESPONSIBILITY SUPPLEMENTAL SCHEDULE

For the year ended 31 December 2021, the US Department of Education require the financial information used to compute the 'composite' score be included in the higher education providers financial statement.

		Consolidated 2021 \$'000	University 2021 \$'000
Financial responsibility supplemental schedule	Notes		
Primary reserve ratio: expendable net assets			
Net assets without donor restrictions	SS 1	2,199,560	2,223,937
Net assets with donor restrictions	SS 1	273,463	-
Secured and unsecured related party receivable	SS 2	-	6,956
Unsecured related party receivable	SS 2	-	6,956
Property, plant and equipment, net (include construction in progress)	SS 3	2,381,618	2,377,221
Property, plant and equipment pre-implementation	SS 3	2,305,547	2,301,150
Property, plant and equipment post-implementation with outstanding debt for original purchase		-	-
Property, plant and equipment post-implementation without outstanding debt for original purchase		-	-
Construction in progress	SS 3	76,071	76,071
Lease right-of-use asset, net		-	-
Lease right-of-use asset, pre-implementation		-	-
Lease right-of-use asset, post-implementation		-	-
Intangible assets	SoFP	23,797	23,797
Post-employment and pension liabilities	SS 4	59,308	59,308
Long-term debt – for long term purposes		-	-
Long-term debt – for long term purposes pre-implementation		-	-
Long-term debt – for long term purposes post-implementation		-	-
Line of credit for construction in progress		-	-
Lease right-of-use asset liability	SS 6	-	28,240
Pre-implementation right-of-use asset liability	SS 6	-	28,240
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		-	-
Primary reserve ratio: expendable net assets		126,914	(96,490)
Primary reserve: expenses and losses			
Total expenses without donor restrictions	SS 5	767,751	778,512
Non-operating and net investment (loss)		-	-
Net investment losses		-	-
Pension-related changes other than net periodic costs		-	-
Total expenses and losses without donor restrictions		767,751	778,512
Equity ratio: modified net assets			
Net assets without donor restrictions	SS 1	2,199,560	2,223,937
Net assets with donor restrictions	SS 1	273,463	-
Intangible assets	SoFP	23,797	23,797
Secured and unsecured related party receivables	SS 2	-	6,956
Unsecured related party receivables	SS 2	-	6,956
Modified net assets		2,473,023	2,216,980

	Notes	Consolidated 2021 \$'000	University 2021 \$'000
Equity ratio: modified assets			
Total assets	SoFP	2,758,521	2,538,871
Lease right-of-use asset pre-implementation		-	-
Pre-implementation right-of-use asset liability	SS 6	-	28,240
Intangible assets	SoFP	23,797	23,797
Secured and unsecured related party receivables	SS 2	-	6,956
Unsecured related party receivables	SS 2	-	6,956
Modified assets		2,758,521	2,531,915
Net income ratio			
Change in net assets without donor restrictions		279,636	284,973
Total revenues and gains without donor restrictions	SS 5	1,047,386	1,063,484
SUMMARY OF ASSETS AND LIABILITIES FOR THE YEAR ENDED 31 DECEMBER 2021			
Cash and cash equivalents	SoFP	27,151	17,973
Accounts receivable, net	SS 7	46,565	45,777
Prepaid expenses	SS 7	15,810	15,739
Related party receivable	SS 2	-	6,956
Contributions receivable, net		-	-
Student loans receivable, net		-	-
Investments	SS 8	263,578	51,407
Property, plant and equipment, net	SS 3	2,381,618	2,377,221
Lease right-of-use asset, net		-	-
Intangible assets	SoFP	23,797	23,797
Deposits		-	-
Total assets		2,758,521	2,538,871
Line of credit – short term		-	-
Line of credit – short term for CIP		-	-
Accrued expenses/accounts payable	SS 9	116,680	119,019
Deferred revenue	SoFP	108,496	108,318
Post-employment and pension liability	SS 4	59,308	59,308
Line of credit – operating		-	-
Other liabilities	SS 10	1,014	49
Notes payable		-	-
Lease right-of-use asset liability	SS 6	-	28,240
Line of credit for long term purposes		-	-
Total liabilities		285,498	314,934
Net assets without donor restrictions		2,199,560	2,223,937

US DEPARTMENT OF EDUCATION FINANCIAL RESPONSIBILITY SUPPLEMENTAL SCHEDULE CONTINUED

	Notes	Consolidated 2021 \$'000	University 2021 \$'000
Net assets with donor restrictions			
Annuities		-	-
Term endowments		-	-
Life income funds		-	-
Other restricted by purpose and time		273,463	-
Restricted in perpetuity		-	-
Total net assets with donor restrictions		273,463	-
Total net assets		2,473,023	2,223,937
Total liabilities and net assets		2,758,521	2,538,871
STATEMENT OF ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2021			
Changes in net assets without donor restrictions			
Operating revenue and other additions			
Tuition and fees, net	SS 5	323,992	321,062
Contributions	SS 5	335,688	335,249
Investment return appropriated for spending		-	-
Auxiliary enterprises	SS 5	105,130	120,404
Net assets released from restriction		-	-
Total operating revenue and other additions		764,811	776,717
Operating expenses and other deductions			
Education and research expenses	SS 5	583,003	577,615
Depreciation and amortisation	SS 5	79,543	79,343
Interest expense	SS 5	75	1,150
Auxiliary enterprises	SS 5	105,130	120,404
Total operating expenses		767,751	778,512
Change in net assets from operations		(2,940)	(1,795)
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 5	282,576	286,768
Sales of fixed assets, gains (losses)		-	-
Total non-operating changes		282,576	286,768
Change in net assets without donor restrictions		279,636	284,973
Change in net assets with donor restrictions			
Contributions	UOFT	31,101	-
Net assets released from restriction	UOFT	(11,636)	-
Change in net assets with donor restrictions		19,465	-
Change in net assets		299,101	284,973
Net assets, beginning of year	SoFP	2,173,922	1,938,964
Net assets, end of year	SoFP	2,473,023	2,223,937

	Notes	Consolidated 2021 \$'000	University 2021 \$'000
Notes to Supplemental Schedule			
These notes to the supplemental schedule have been added to provide a link back to the main statements on pages 87-89. Note references are either to a line item within the Statement of Comprehensive Revenue and Expense (SoCRE), Statement of Financial Position (SoFP), Statement of Changes in Equity (SoCE), or notes to the financial statements.			
1. Reconciliation of net assets			
Net assets	SoFP	2,473,023	2,223,937
Trust funds balance as at 31 December	UOFT	273,463	-
Net assets without donor restrictions		2,199,560	2,223,937
2. Related parties receivables			
Otago Innovation Limited	Note 21	-	3,800
University of Otago Foundation Trust	Note 21	-	3,156
Unsecured related party receivables		-	6,956
3. Property, plant and equipment			
Property, plant and equipment	Note 12	2,381,618	2,377,221
Total property, plant and equipment net		2,381,618	2,377,221
Work in Progress – PPE – buildings	Note 12	73,402	73,402
Work in Progress – PPE – equipment	Note 12	2,669	2,669
Total construction in progress		76,071	76,071
Property, plant and equipment (excl WIP)		2,305,547	2,301,150
4. Post employment and pension liability			
Retirement gratuities – current	Note 15	17,855	17,855
Retirement gratuities – non-current	Note 17	41,453	41,453
Total post employment and pension liability		59,308	59,308
5. Revenue and expenses			
Operating revenue and other additions			
Tuition fees	SoCRE	167,600	165,008
Externally funded research	SoCRE	156,392	156,054
Tuition and fee, net		323,992	321,062
Government grants	SoCRE	274,024	273,585
Performance based research funding	SoCRE	61,664	61,664
Contributions (Government grants)		335,688	335,249
Trust donations	SoCRE	10,003	-
Finance revenue	SoCRE	22,813	2,495
Distributions from trust funds	SoCRE	-	10,694
Consulting and commercial revenue	SoCRE	78,796	79,729
Other revenue	SoCRE	24,619	27,488
Less trust funds income	UOFT	(31,101)	-
Auxiliary enterprises		105,130	120,404
Total operating revenue and other additions		764,810	776,716

US DEPARTMENT OF EDUCATION FINANCIAL RESPONSIBILITY SUPPLEMENTAL SCHEDULE CONTINUED

	Notes	Consolidated 2021 \$'000	University 2021 \$'000
Gain on revaluation of land and buildings	SoCRE	336,035	336,035
Impairment of land and buildings	SoCRE	(51,931)	(51,931)
Equity adjustments	SoCE	(1,528)	2,664
Other gains (losses)		282,576	286,768
Total revenue and gains without donor restrictions		1,047,386	1,063,484
Operating expenses and other deductions			
Salaries – academic	SoCRE	237,890	236,895
Salaries – professional	SoCRE	182,875	181,297
Staff related costs	SoCRE	19,306	19,230
Other expenditure	SoCRE	259,697	260,597
Less cost of auxiliary enterprises	SS 5	105,130	120,404
Less trust funds expenditure	UOFT	11,636	-
Education and research expenses		583,003	577,615
Depreciation and amortisation	SoCRE	79,543	79,343
Interest expense (finance expenses)	SoCRE	75	1,150
Cost of auxiliary enterprises	SS 5	105,130	120,404
Total expenses without donor restrictions		767,751	778,512
Research charges have been included within tuition and fees, as it in an integral part of the University's core activities and is not auxiliary in nature. Expenses relates to auxiliary enterprises are not identifiable within the financial statements, but as these services are designed to run on a break even basis, expenses have been set to equal revenue from auxiliary services.			
6. Pre-implementation right-of-use asset liability			
Finance lease – current	SoFP	-	1,130
Finance lease – non current	SoFP	-	27,110
Total pre-implementation right-of-use asset liability		-	28,240
7. Accounts receivable			
Trade receivables	Note 9	11,529	11,393
Other receivables	Note 9	36,081	38,837
		47,611	50,229
Less provision for doubtful debts	Note 9	1,046	1,046
Less related party receivables	SS 2	-	(3,406)
Accounts receivable, net		46,565	45,777
Prepayments	Note 9	14,677	14,605
Inventories	SoFP	1,133	1,133
Total prepaid expenses		15,810	15,739
8. Investments			
Other financial assets – current	SoFP	55,008	12,456
Other financial assets – non-current	SoFP	208,499	31,165
Investments in associates	SoFP	71	-
Investments in subsidiaries	SoFP	-	7,786
Total investments		263,578	51,407

		Consolidated 2021 \$'000	University 2021 \$'000	
	Notes			
9. Accrued expenses / accounts payable				
Trade and other payables	SoFP	45,214	47,618	
Employee entitlements – current	SoFP	85,062	84,997	
Employee entitlements – non-current	SoFP	45,712	45,712	
		175,988	178,327	
Less post employment and pension liability	SS 4	59,308	59,308	
Total accrued expense / accounts payable		116,680	119,019	
10. Other liabilities				
Other current liabilities	SoFP	49	49	
Loans	SoFP	965	-	
Total other liabilities		1,014	49	
Calculating the composite score				
Primary reserve ratio:				
Expendable net assets		126,914	(96,490)	
Total expenses and losses without donor restrictions		767,751	778,512	
Ratios		0.1653	(0.1239)	
Equity ratio				
Modified net assets		2,473,023	2,216,980	
Modified assets		2,758,521	2,531,915	
Ratios		0.8965	0.8756	
Net income ratio				
Change in net assets without donor restrictions		279,636	284,973	
Total revenues and gains without donor restrictions		1,047,386	1,063,484	
Ratios		0.2670	0.2680	
	Ratio	Strength factor	Weight	Composite scores
Ratio (Consolidated)				
Primary reserve ratio	0.1653	1.6531	40%	0.6612
Equity ratio	0.8965	3.0000	40%	1.2000
Net income ratio	0.2670	3.0000	20%	0.6000
				2.4612
Total composite score – rounded (Consolidated)				2.5
Ratio (University)				
Primary reserve ratio	(0.1239)	(1.0000)	40%	(0.4000)
Equity ratio	0.8756	3.0000	40%	1.2000
Net income ratio	0.2680	3.0000	20%	0.6000
				1.4000
Total composite score – rounded (University)				1.4

INDEPENDENT AUDITOR’S REPORT

To the readers of Otago University and Group’s financial statements, service performance report and financial responsibility supplemental schedule for the year ended 31 December 2021



The Auditor-General is the auditor of Otago University (the University) and Group. The Auditor-General has appointed me, Rudie Tomlinson, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements and service performance report of the University and Group on his behalf.

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

OPINION

We have audited:

- the financial statements of the University and Group on pages 87 to 133, that comprise the statement of financial position as at 31 December 2021, the statement of comprehensive revenue and expense, statement of changes in 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 service performance report of the University and Group on pages 62 to 83; and
- the financial responsibility supplemental schedule on pages 134 to 139.

In our opinion:

- the financial statements of the University and Group on pages 87 to 133:
 - present fairly, in all material respects:
- the financial position as at 31 December 2021; 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 Standards;
- the service performance report of the University and Group on pages 62 to 83:
 - 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 2021; and
 - complies with generally accepted accounting practice in New Zealand.
- the financial responsibility supplemental schedule on pages 134 to 139 is prepared, in all material respects, in compliance with section 668.172(a) and section 2 of Appendix B to Subpart L of Part 668 of the US Government Federal Regulations.

Our audit was completed on 27 April 2023. 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, service performance report, 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.

RESPONSIBILITIES OF THE COUNCIL FOR THE FINANCIAL STATEMENTS, SERVICE PERFORMANCE REPORT 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 the service performance report 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 service performance report that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and service performance report, 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.

RESPONSIBILITIES OF THE AUDITOR FOR THE AUDIT OF THE FINANCIAL STATEMENTS, SERVICE PERFORMANCE REPORT AND THE FINANCIAL RESPONSIBILITY SUPPLEMENTAL SCHEDULE

Our objectives are to obtain reasonable assurance about whether the financial statements and service performance report, 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 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 service performance report.

For the budget information reported in the financial statements and service performance report, our procedures were limited to checking that:

- the University budget information in the financial statements agreed to the Council approved budget;
- the consolidated budget information in the financial statements agreed to the budget compiled by the University; and
- the information agreed to the investment plan or Council approved budget, as applicable, for the service performance report.

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

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 service performance report, 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.
- 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 service performance report 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 service performance report, including the disclosures, and whether the financial statements and service performance report represent the underlying transactions and events in a manner that achieves fair presentation.
- We obtain sufficient appropriate audit evidence regarding the financial statements and service performance report of the entities or business activities within the Group to express an opinion on the consolidated financial statements and the consolidated service performance report. 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 pages 2 to 61, 84 to 86, and 144 to 150, but does not include the financial statements and service performance report and the financial responsibility supplemental schedule, and our auditor's report thereon.

Our opinion on the financial statements and service performance report 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 service performance report, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements service performance report, 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 (including International Independence Standards) (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board.

In addition to the audit, we completed an assurance engagement reporting on the University's Performance-Based Research Fund - external research income annual return submitted to the Tertiary Education Commission. This assurance engagement is compatible with those independence requirements. We have no other relationship with or interests in the University or any of its subsidiaries.

Rudie Tomlinson
Audit New Zealand
On behalf of the Auditor-General
Dunedin, New Zealand

SUMMARY FACTS AND FIGURES

	2021	2020	2019	2018	2017
STUDENT ENROLMENTS					
EQUIVALENT FULL-TIME STUDENTS (EFTS)					
Commerce	2,910	2,768	2,811	2,829	2,885
Health Sciences	6,554	6,409	6,435	6,483	6,267
Humanities	5,167	4,799	4,901	4,825	4,712
Sciences	4,720	4,532	4,543	4,435	4,334
Subtotal	19,351	18,508	18,689	18,572	18,198
Other Group EFTS*	252	215	226	268	260
Total EFTS	19,603	18,722	18,915	18,840	18,457

*Other Group EFTS comprises students enrolled in the Foundation Studies Certificate. See page 79.

ENROLMENT BY QUALIFICATION TYPE					
PhD	1,397	1,368	1,402	1,399	1,383
Professional Doctorates	196	180	177	142	118
Masters	1,664	1,549	1,469	1,360	1,261
Postgraduate Diplomas	985	832	942	1,063	1,072
Postgraduate Certificates	687	595	649	628	690
Graduate Diplomas	192	185	192	215	243
Bachelor Honours	478	400	396	404	366
Bachelors	15,429	14,782	14,728	14,677	14,448
Undergraduate Diplomas	21	22	14	17	20
Certificate of Proficiency	730	1,151	1,576	1,455	1,492
Interest only	12	5	13	5	11
Foundation Studies	299	236	263	298	305
Other	0	0	0	0	0
Total students	21,549	20,721	21,240	21,108	20,838

Note: Enrolments by qualification type sum to more than the total headcount as students can enrol for more than one qualification type.

	2021	2020	2019	2018	2017
GENDER OF STUDENTS					
Female	13,094	12,501	12,711	12,588	12,272
Male	8,398	8,187	8,510	8,519	8,565
Gender diverse	57	33	19	1	1
Total students	21,549	20,721	21,240	21,108	20,838

FIRST-YEAR AND RETURNING STUDENTS					
First Year	4,459	4,018	4,025	4,023	3,770
Returning	17,090	16,703	17,215	17,085	17,068
Total students	21,549	20,721	21,240	21,108	20,838

ETHNICITY OF STUDENTS					
European/Pākeha	74.7%	72.9%	71.5%	71.4%	72.4%
Māori	11.7%	11.0%	10.3%	9.9%	9.3%
Asian	19.3%	20.0%	20.3%	20.5%	19.8%
Pacific	6.0%	5.5%	5.0%	4.7%	4.5%
Middle Eastern/Latin American/African	3.6%	3.6%	3.7%	3.6%	3.4%
Other / Unknown	1.8%	2.8%	3.8%	3.7%	3.9%
Note: Students who reported more than one ethnic group are counted once in each group reported. Therefore, totals may be greater than 100%.					

HOME AREA OF STUDENTS					
Dunedin	3,116	2,968	3,078	2,999	3,043
Otago/Southland	2,018	1,869	1,853	1,858	1,860
Remainder of South Island	3,901	3,651	3,662	3,796	3,813
North Island	10,300	9,368	9,180	8,946	8,737
Overseas (including NZ citizens overseas)	2,200	2,852	3,448	3,482	3,348
Unknown	14	13	19	27	37
Total	21,549	20,721	21,240	21,108	20,838

	2021	2020	2019	2018	2017
INTERNATIONAL STUDENTS					
Undergraduate	790	1,256	1,833	1,819	1,807
Postgraduate	900	1,099	1,139	1,096	1,030
Total	1,690	2,355	2,972	2,915	2,837

INTERNATIONAL STUDENTS BY HOME COUNTRY

China	464	445	525	507	500
Malaysia	136	198	263	301	241
United States of America	114	440	804	772	798
India	87	150	149	133	130
Viet Nam	55	57	52	40	27
Indonesia	45	50	48	43	39
Singapore	44	68	67	70	68
Sri Lanka	42	42	36	29	23
Iran, Islamic Republic of	40	43	50	52	55
Oman	38	40	37	33	27
Korea, Republic of	38	33	37	29	30
United Kingdom	36	64	69	85	89
Canada	35	68	59	71	67
Fiji	30	30	27	23	21
Pakistan	30	31	36	34	27
Japan	28	29	29	35	37
Thailand	26	36	31	34	31
Samoa	25	25	27	18	24
Kuwait	23	20	12	4	4
Nepal	22	26	27	21	16
Bangladesh	22	24	27	26	23
Other	310	436	560	555	560
Total	1,690	2,355	2,972	2,915	2,837

Note: Australian, Tokelauan and Cook Islands' students - whether resident in their home country or New Zealand prior to commencing study - are not counted as international students, and so are not included in the above figures.

	2021	2020	2019	2018	2017
HOME AREA OF FIRST-YEAR STUDENTS					
Dunedin	654	575	577	573	578
Otago/Southland	479	435	414	462	428
Remainder of South Island	842	769	717	745	714
North Island	2,329	2,023	2,015	1,950	1,794
Overseas (including NZ citizens overseas)	154	216	302	293	255
Unknown	1	0	0	0	1
Total	4,459	4,018	4,025	4,023	3,770

ACADEMIC ATTAINMENT

NUMBER OF PROGRAMME COMPLETIONS

Undergraduate diplomas and certificates	92	104	97	130	143
Undergraduate degrees	3,596	3,693	3,517	3,395	3,368
Postgraduate diplomas and certificates	947	903	912	940	969
Postgraduate degrees	1,312	1,183	1,044	1,054	1056
Total University	5,947	5,883	5,570	5,519	5,536
Commerce graduates	764	775	709	724	700
Health Sciences graduates	1,831	1,835	1,691	1,768	1,674
Humanities graduates	1,279	1,289	1,237	1,099	1,275
Sciences graduates	1,639	1,579	1,566	1,541	1,494
Interdivisional graduates	434	405	367	387	393
Total University	5,947	5,883	5,570	5,519	5,536

DEGREES, DIPLOMA AND CERTIFICATES COMPLETED PER 100 EFTS ENROLLED

Commerce	26.3	28.0	25.2	25.6	24.3
Health Sciences	27.9	28.6	26.3	27.3	26.7
Humanities	24.8	26.9	25.2	22.8	27.1
Sciences	34.7	34.8	34.5	34.7	34.5
Total	30.7	31.8	29.8	29.7	30.4

	2021	2020	2019	2018	2017
EXAMINATION PASS RATES					
Commerce	90.9%	92.3%	89.1%	89.6%	88.6%
Health Sciences	94.9%	96.0%	94.8%	95.0%	94.9%
Humanities	91.3%	92.7%	92.5%	92.5%	92.4%
Sciences	89.0%	90.5%	88.0%	87.2%	87.1%
Other (Foundation Studies)	71.1%	71.0%	73.5%	77.2%	76.0%
Total pass rate	91.6%	93.0%	91.5%	91.5%	91.2%

STAFF PROFILE

FULL-TIME EQUIVALENT (FTE) TEACHING AND RESEARCH STAFF

Female					
Vice-Chancellor/Senior Academic Managers	3	3	3	2	2
Professors	72	64	67	53	52
Readers/Associate Professors	85	89	80	78	74
Senior Lecturers	159	155	154	164	168
Lecturers	94	99	94	88	89
Other teaching and teaching/research staff	191	187	186	182	160
Research-only staff	176	218	209	225	198
Total females	778	814	793	792	743
Male					
Vice-Chancellor/Senior Academic Managers	5	5	5	6	6
Professors	169	170	175	167	170
Readers/Associate Professors	127	123	115	129	120
Senior Lecturers	170	164	175	183	191
Lecturers	58	57	55	55	62
Other teaching and teaching/research staff	117	111	122	100	104
Research-only staff	126	185	171	164	159
Total males	772	817	818	804	810
Total academic and research-only staff	1,552	1,631	1,612	1,596	1,552

	2021	2020	2019	2018	2017
FULL-TIME EQUIVALENT (FTE) PROFESSIONAL STAFF					
Female					
Senior Managers	11	9	9	9	9
Professional Services, student and community staff	1,220	1,238	1187	1,197	1,177
Librarians and Library Assistants	85	83	86	88	93
Research support staff and technicians	302	305	249	318	325
Total females	1,618	1,635	1,531	1,612	1,604
Male					
Senior Managers	17	17	18	18	18
Professional Services, student and community staff	669	676	647	651	651
Librarians and Library Assistants	22	22	23	24	22
Research support staff and technicians	159	166	163	179	181
Total males	867	881	851	872	872
Total Professional staff	2,493	2,523	2,384	2,484	2,476
Total Staff	4,044	4,154	3,996	4,080	4,029

Note: Total staff includes staff who identify as neither female nor male. Total reflects non-rounded FTE data.

RESEARCH ACTIVITIES (revised for previous years)

Research outputs produced

Total publications	5,309	5,559	5,465	6,026	5,466
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Note: Publications are shown in the year they are reported in the University's Research Outputs Report. Actual date of publication or dissemination may differ. Figures for the current year are provisional, subject to final vetting. Figures for previous years are updated as appropriate to account for the impact of vetting.

LAND AND BUILDINGS					
Land (hectares)					
Land owned by the University (other than endowment land)	35.4302	33.3940	33.7293	33.9474	33.0985
Land in Crown title for the University	10.8120	10.7405	10.7405	10.7405	10.7405
Endowment land	22,243	22,243	22,243	22,243	22,243
Total freehold land	22,289	22,287	22,288	22,288	22,287

Note: Land owned by the University (other than endowment land) decreased due to the sale of a property in 2019.

University of Otago net assignable space (floor space in square metres)¹

Total	221,350	221,750	223,565	220,495	219,784
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Notes:

1. Assignable space is defined as the floor area measured from the inside face of the walls and deducting all the common use areas (corridors, toilets, etc) and non-inhabitable areas (lifts, stairs, service ducts, etc). Note, corridors provided within "open plan" offices are considered to be assignable space. Assignable space at University-owned flats and residential colleges totals a further 57,064m².

	2021	2020	2019	2018	2017
LIBRARY					
Library Collection					
Books (volumes)	1,232,823	1,237,274	1,235,974	1,231,268	1,224,672
Print serials subscriptions	867	944	1,093	2,776	2,855
Hocken pictures and photographs	1,143,779	1,142,817	1,141,358	1,137,522	1,136,251
Hocken linear metres of archives	10,551	10,538	10,518	10,415	10,272
Electronic serials available	254,918	233,395	199,772	163,586	169,530
Electronic books and streaming media available	1,607,631	1,118,416	1,037,433	953,812	850,783
Space					
Seating places available	4,629	4,681	4,419	4,584	4,500

KEY FINANCIAL INDICATORS

Financial Indicators	2021	2020	2019	2018	2017
	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated
Current ratio	0.6	0.6	0.7	0.9	1.2
Liquid ratio	1.3	1.3	1.6	1.7	2.5
Level of debt (debt to equity)	1.9%	2.4%	2.5%	2.2%	2.2%
Increase in net assets	13.8%	1.0%	5.6%	2.4%	14.0%
Return on total assets	0.6%	1.1%	2.0%	1.2%	1.5%
Return on revenue	2.1%	3.6%	6.1%	3.9%	4.8%

