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UNIVERSITY OF OTAGO  
ANNUAL REPORT 2022



## UNIVERSITY OF OTAGO

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## CHRISTCHURCH

University of Otago, Christchurch  
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## WELLINGTON

University of Otago, Wellington  
Mein Street, Newtown, Wellington South, New Zealand  
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## AUCKLAND

University of Otago Auckland Centre  
385 Queen Street, Auckland, New Zealand  
Mail PO Box 5543, Wellesley Street, Auckland 1141, New Zealand  
Tel 64 9 373 9700  
auckland.centre@otago.ac.nz

## SOUTHLAND

College of Education, Southland Campus  
100 Nelson Street, Invercargill, New Zealand  
Mail PO Box 886, Invercargill 9840, New Zealand  
Tel 64 3 211 6724  
education@otago.ac.nz



## VISION

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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

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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 mārāma, 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.*



As part of the adoption of a new lead strategic document for the University (see page 6), the current vision and mission statements above will be superseded by new vision and mission statements from 2023.



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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, people and culture, strategy and planning, 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's 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 – *Vision 2040* – was approved by the University Council at the end of 2022, to take effect from 2023.

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 2022

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## APPOINTED BY THE MINISTER OF EDUCATION



Mr Stephen J. Higgs  
(Chancellor)  
from 1 March 2022  
BCom(Otago) FCA CFInstD



Dr Royden J. Somerville KC  
(Chancellor)  
to 28 February 2022  
LLM PhD(Otago) AAMINZ



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



Mr Malcolm A. Wong  
ONZM BCom(Otago) FCA MInstD



Hon Clare E. Curran  
BA(Otago) BA(Hons)(Well) MInstD

## EX OFFICIO



Professor David R. Murdoch  
(Vice-Chancellor)  
from 1 February 2022  
MB ChB MD(Otago) MSc(Lond) DTM&H(Liv)  
FRACP FRCPA FFSc(RCPA)



Professor Helen D. Nicholson  
(Vice-Chancellor, Acting)  
to 31 January 2022  
BSc(Hons) MB ChB MD(Brist)

## APPOINTED BY THE UNIVERSITY OF OTAGO COUNCIL



Ms P. (Trish) A. Oakley  
(Pro-Chancellor)  
BCom(Otago) CFInstD



Mr Martin R. Dippie  
CMInstD



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



Mr Brendan J. Boyle  
from 1 November 2022  
LLB(Otago) MBA(MIT) MInstD



Ms L. Carrie Hobson  
to May 2022  
BCom(Hons)(Otago), RGON

## 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) MInstD

## THE PRESIDENT, OTAGO UNIVERSITY STUDENTS' ASSOCIATION



Ms Melissa K. Lama  
BA MBA(Otago)

## SECRETARY TO THE COUNCIL

Ms Judith A. Thompson  
from 15 April 2022  
BA(Otago) DipNZLS

Mr Christan J. Stoddart  
Registrar and Secretary to the Council  
to 14 April 2022  
BA(Hons)(Otago)



## EXECUTIVE GROUP UNIVERSITY OF OTAGO 2022

### Vice-Chancellor, from 1 February 2022

Professor David R. Murdoch MB ChB MD(Otago) MSc(Lond) DTM&H(Liv) FRACP FRCPA FFSc(RCPA)

### Vice-Chancellor, Acting, to 31 January 2022

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

### Deputy Vice-Chancellor (Academic), from 1 February 2022

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

### Deputy Vice-Chancellor (Academic), Acting, to 31 January 2022

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 MA DCom(Well) PhD(HK)

### Pro-Vice-Chancellor (Health Sciences), to 3 July 2022

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

### Pro-Vice-Chancellor (Health Sciences), Acting, from 4 July 2022

Professor Patricia C. Priest MB ChB(Otago) MPH(Auck) DPhil(Oxf) FNZCPHM

### 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, Acting, from 15 April 2022

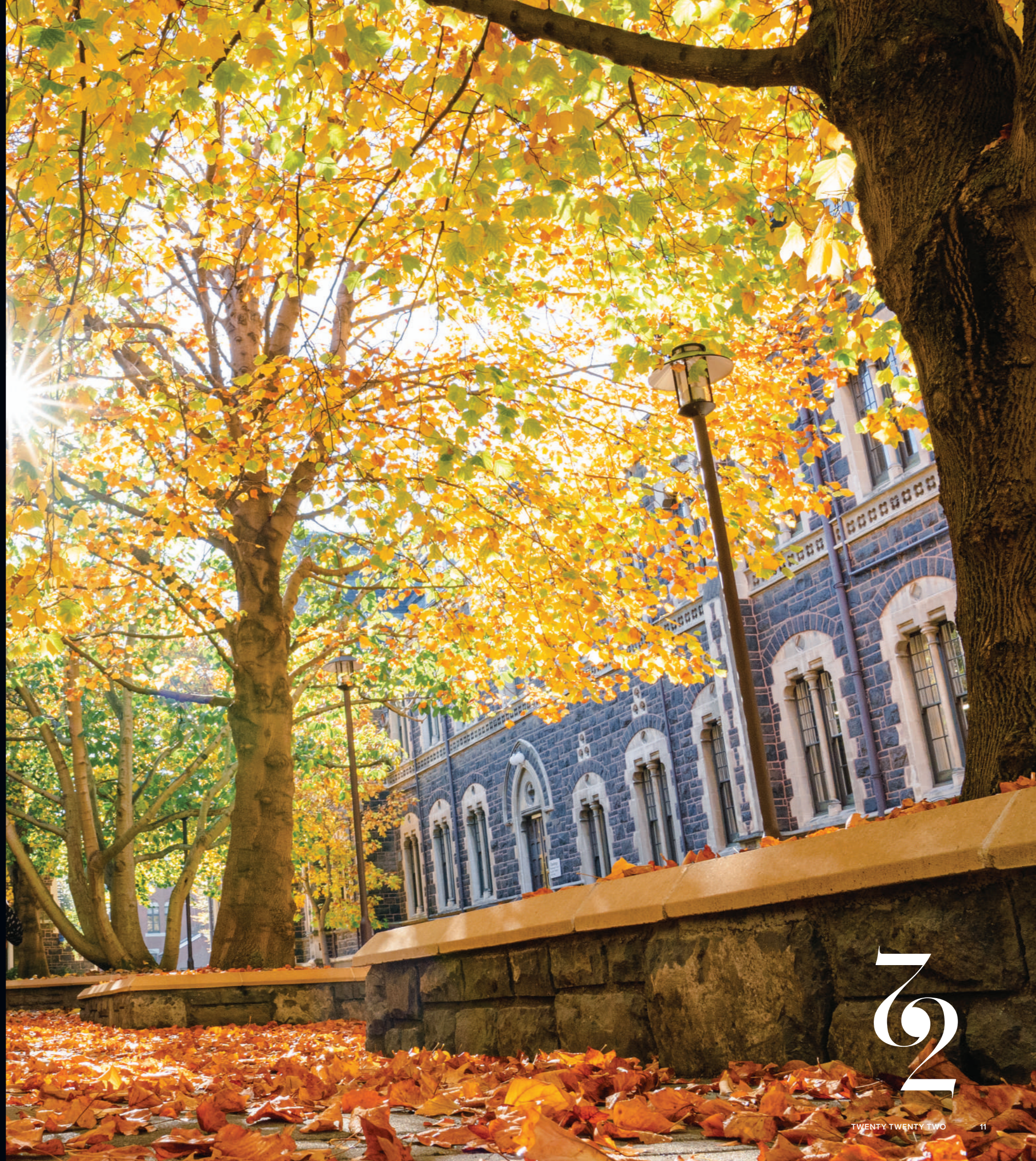
Ms Mayhaka Mendis LLB(Hons)(Kent) LLM(Well)

### Registrar and Secretary to the Council, to 14 April 2022

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

### Secretary to the Council, from 15 April 2022

Ms Judith A. Thompson BA(Otago) DipNZLS





## CHANCELLOR'S INTRODUCTION

### TĒNĀ KOUTOU KATOĀ

It is my privilege to introduce the University of Otago's 2022 Annual Report. 2022 was another challenging year for the University. This Annual Report looks at the University's response to COVID-19, the financial impacts and the changed tertiary landscape.

I became Otago's 20th Chancellor on 1 March 2022, just one month after Professor David Murdoch took the helm as the University's new Vice-Chancellor. I would like to take this opportunity to formally welcome him to the role and thank him for his dedication, strength and wisdom during this exceptionally demanding year. I would also like to thank my predecessor, Dr Royden Somerville KC, for his outstanding work during his time as Chancellor, Pro-Chancellor and member of the University Council, which spanned 12 years from 2010 to 2022.

In many ways, 2022 was even more challenging than the previous two pandemic years, with the highly contagious Omicron variant of COVID-19 sweeping through our staff and student populations during the first part of the academic year. My very sincere thanks to staff and students for their kindness, resilience and adaptability through difficult times. I was humbled to observe the way staff and students mobilised to assist one another during the peak of the outbreak at Otago, with hundreds of staff volunteering to be re-deployed to help members of the Otago University Students' Association prepare and deliver food and support packages for students who were unwell or isolating due to the virus, and others stepping up to fill gaps in workload.

Our senior leadership team and staff worked tirelessly to manage the risks to health and safety of our staff and students and to the continuing operation of the University at all of its campuses through all settings of the COVID-19 Protection Framework. Because of their dedication, Otago continued to deliver outstanding research, teaching and outreach programmes through 2022. The Vice-Chancellor's Report (pages 14 to 17) outlines many examples of successes during the year. There are many others, and we should all be proud of what was achieved in 2022 and of the reputation and standing of our University.

Our staff continued to support Aotearoa New Zealand's COVID-19 response, providing expertise to Government and the media on a number of areas: the spread of Omicron and rise in community cases, testing, modelling, border reopening, inequities for Māori and Pacific peoples, vaccines, waning immunity, flu season, self-isolation and the traffic light and phase systems – as well as commentary about the Wellington Parliament protests from legal, health and social perspectives.

The downstream impacts of the pandemic, including border closures preventing international students from travelling to Otago, have had inevitable effects on Otago's finances. As you will read in this Annual Report, our financial result for 2022 is disappointing, with the University Group (which includes the University of Otago, University of Otago Holdings Limited, and the University of Otago Foundation Trust) recording an operating deficit of \$14.7 million for the year compared to a budgeted surplus of \$3.0 million. We are budgeting another

loss in 2023. This is clearly not sustainable, so adaptability will again be key to ensuring we can return to levels of surplus required by the Crown and necessary to enable investment in people, systems and facilities to ensure the University's continuing success which we all seek.

The global university landscape is changing, and Otago must be nimble and forward-thinking to maintain its position in the top 1% of universities world-wide within this rapidly changing sector. Our new strategic document, *Vision 2040* outlines the broad framework to achieve this together.

*Vision 2040* highlights being Te Tiriti led, fostering outstanding learning and teaching and excellence in research, recognising and developing our place in the world (with a focus on strengthening our relationship with mana whenua and tangata whenua), creating transformative student experiences, nurturing our people and culture, and securing our future. More detailed strategic planning across the University as a whole will bring more clarity and focus to these imperatives and to the priorities of the University over the coming years.

In 2020, in the face of the pandemic and financial pressures, our very ambitious building programme was re-evaluated and our priorities re-assessed. At the close of 2022, construction of the new 450-bed Te Rangihīroa College on the corner of Albany and Forth Streets was on track for completion in 2023; work had begun on the Christchurch Campus Redevelopment project; and construction was well underway on an extension at the Aquinas College campus in Dalmore. In addition, planning was continuing to identify long-term solutions for the Wellington campus which had to be closed in 2021 after a new detailed seismic assessment – under new engineering guidelines – resulted in a number of buildings being identified as earthquake prone.

Alongside this building programme, a new programme to implement significant organisational culture change within the University was launched. The programme, called Compass, aims to ensure the University is a Te Tiriti-led institution, and one which fosters inclusivity and is intolerant of discrimination. It takes courage to address these challenges and I thank Vice-Chancellor Professor David Murdoch for initiating this project.

In 2022, we were once again able to host graduation ceremonies, which are a particular highlight. It was a privilege to celebrate with our graduands and their whānau at this important milestone in their lives. We were particularly pleased to be able to hold two extra ceremonies in May, one an acknowledgement ceremony for those impacted by COVID-19 who were unable to attend an earlier ceremony, and the other to accommodate the large number of 2021

graduates who had deferred their graduation.

The opening of borders allowed us to travel once again, and engage internationally with alumni, partner universities and other institutions, and with sources of international students. There are early signs of international student recoveries, but the market is competitive and changing, and New Zealand has unfortunately been slower than other countries to open up, so we must continue to strongly market our quality offering, and we hope immigration processes support us.

Our students are our main reason for existing, so I am very proud that, despite the extreme challenges of the past few years, student feedback remains very positive. I thank staff for continuing to go above and beyond to ensure that our students were supported through our most difficult weeks, and that quality teaching and pastoral care remained our top priorities. Caring for, and educating, the young people of Aotearoa New Zealand is an honour, and one we will always take seriously.

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 2023.

I wish to thank my fellow Council members for their collegiality, wise counsel and support throughout 2022, particularly Ms Trish A Oakley, who was Pro-Chancellor.

I thank retiring Councillors for their significant contribution to the work of the Council and wish them all the best for the future: Melissa Lama after her one-year term on Council as the President of the Otago University Students' Association; Carrie Hobson, who completed her time on the Council in May; and our Academic staff representative, Professor Charles Pigden, whose three-year term on Council ended at the close of 2022.

I also thank former Registrar and Secretary to the Council, Chris Stoddart, who stepped down in April to move to Wellington, for all of his contributions to the University, and thank the new Secretary to the Council, Judith Thompson, who worked tirelessly during the year.

A warm welcome to our newly appointed Councillor, Brendan Boyle, who brings significant senior public sector and leadership experience, and to Professor Ralph Adler who was elected as the Academic staff representative in late 2022.

**STEPHEN HIGGS**  
Chancellor



## VICE-CHANCELLOR'S REVIEW

### TENA KOUTOU KATOA

2022 was another challenging year for the University of Otago and indeed for all of Aotearoa New Zealand, dominated once again by COVID-19 and all of its social and economic impacts. The first part of the year was marked by illness, with student and staff welfare a priority; the second half of the year by the growing feeling of moving on from the pandemic.

The country's first case of the highly contagious Omicron variant of COVID-19 was confirmed on 23 January 2022, just a week before I took up the role of Vice-Chancellor of the University of Otago on 1 February. As students arrived in Dunedin in mid-February, so too did Omicron, which swept through the University population making thousands of students and staff simultaneously unwell or requiring them to isolate due to being a close contact. It created challenges for the start of the academic year, with another return to online learning instead of face-to-face lectures, and caused significant disruption to the usual activities we hold to celebrate the start of a new academic year. Many events, including convocation, were postponed, cancelled or shifted to different formats. I was very proud of our staff, who worked tirelessly to welcome students and provide the best possible learning experience for them. I was equally proud of the student body, who showed considerable leadership and initiative in supporting fellow students, including with the delivery of 6,811 care packages for those in isolation.

Student hardship was a major issue during this time, and across 2022 our Pūtea Tautoko fund distributed \$1.23 million in hardship grants, with just over 838 grants made to support 736 students.


By the second part of the year, with virus numbers easing and the Government removing COVID-19 restrictions including abolishing vaccination mandates, ending the COVID-19 Protection Framework, and re-opening Aotearoa's borders, there was a collective sense of moving on from the pandemic which has impacted life so drastically since early 2020. We were able to travel and reconnect with our alumni network. As a university, we greatly value the support from our alumni, and our first overseas events since before the pandemic only highlighted the importance of these connections. We were also able to welcome back international students and reopen our exchange programmes.

Re-engaging internationally is also important for our researchers, many of whom have close partnerships with international colleagues. We are elated these opportunities are available once more, but as a university are also cognizant of sustainability issues with unnecessary travel.

The global pandemic has acted as a catalyst for change – and has highlighted the important role universities play in society. Since COVID-19 first arrived in 2020, and through 2022, University of Otago staff contributed disproportionately to the COVID-19 response in Aotearoa New Zealand, providing technical expertise and strategic advice to the Government and expert commentary to the public. They also worked at the cutting edge of research, linking with international colleagues to learn about the virus and develop vaccines and treatments. This collective expertise will continue to be needed as we move on from the pandemic and refocus on the world's other big challenges such as climate change.

Globally, COVID-19 has forced changes in the way universities deliver teaching and learning activities. Many of these changes were simply necessary to keep programmes going in the face of lockdowns and other public health interventions. However, there was a compelling argument for universities to become more adaptive even before the pandemic. Our task now is to capture the good lessons from the pandemic to create resilience and emerge stronger from this time of change. Consequently, in 2022 we began reviews of the delivery of teaching and learning activities, and also our staff employment-related processes and structures, including creating a Working From Home Policy. We are also reviewing the structure of the Division of Health Sciences.

In November, our finalised future strategic direction document *Vision 2040* was presented to the University Council. The document had originally been scheduled for release in 2020, but its development was 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 also the limited capacity of key external stakeholders to engage in consultation while they too were responding to massive disruption). Additionally, development of the final document was slowed to incorporate my perspectives as new Vice-Chancellor. The final document will underpin our way forward as a strongly connected and socially accountable institution that produces research and teaching of the highest quality, and consistently engages with the issues that face our society and humanity. The document embraces the ethos of our Scottish founders, who believed in the intrinsic value of education as a means of personal and societal advancement, while also journeying from our colonial origins and recognising the critical importance of mātauraka Māori, place and culture in forming our distinctive angle of vision on the world. The University is now embarking on high-level strategic planning process to operationalise *Vision 2040* and ensure we keep well-aligned to our strategy.

A portrait of a middle-aged man with short, grey hair and a goatee, wearing glasses and a dark blue blazer over a maroon button-down shirt. He is smiling slightly and looking towards the camera. The background is a blurred green outdoor setting.

"Our task now is to capture the good lessons from the pandemic to create resilience and emerge stronger from this time of change."



Other key activities for 2022 included strengthening our partnership with mana whenua, understanding better what it means to be led by Te Tiriti o Waitangi, and focusing on achieving the goals of the Māori and Pacific Strategic Frameworks. Additionally, we started a new culture change project called "Compass", which is being led by two of our very wise and trusted academics, Professors Peter Crampton and Michelle Thompson-Fawcett. This project will work with the University community, mana whenua and tangata whenua to define the values, expectations and desired norms of behaviour that will underpin our work as a University community. The Compass project leadership group's definition of success is that *the University will be a Tiriti-led organisation; and that the University, its leaders, and all staff within it are equipped for, and proactively engaged in, fostering an environment of inclusivity, safety, respect, and self-worth, and are intolerant of all forms of discrimination and structural bias.* Despite the current fiscal constraints, these are the activities we must prioritise, while also being attentive to the traditions and hidden values that hinder progress.

2022 also saw the universities across Aotearoa New Zealand face their first industrial action in nearly 20 years, prompted by the widening gap between wages and inflation. At Otago, this was characterised by two large strikes by unionised staff in November. In early December, collective agreement bargaining between the University and its staff unions ended with a two-year agreement: a salary increase of \$3,500 across all staff at all salary steps applying from 1 July 2022; followed by a second increase, also across all salary steps of the agreements, of \$3,750 applying from 1 July 2023. I would like to thank the union representatives and union members for their respectful approach to negotiations, and all staff for supporting students and each other through this time.

Despite the challenges of the year, the University of Otago celebrated many successes in 2022.

The high calibre of Otago teachers was once again highlighted in the national teaching awards, with Associate Professor Patrick Vakaoti (Department of Sociology, Gender Studies and Criminology, and the incoming Manutaki (Dean) of Otago's Te Tumu – School of Māori, Pacific and Indigenous Studies) winning a prestigious national Te Whatu Kairangi – Aotearoa Tertiary Educator Award 2022, with an endorsement in Enhancing Pacific Learners' Success. Our researchers also experienced many successes, including through funding (see pages 26 to 27) and awards. A particular highlight was the dominance of Otago researchers in the 2022 Royal Society Te Apārangi awards. Eight of its honours were bestowed on Otago researchers, including Aotearoa New Zealand's top research honour, the Rutherford Medal, which went to the Dunedin Study, which celebrated 50 years in 2022 (see page 29). The Study is a national and international taonga, and the participants and many researchers who have contributed to this success should take great pride in this award. The award was presented to the Study's director of 22 years, Professor Richie Poulton and senior researcher Professor Murray Thomson. Associate director Professor Terrie Moffitt and senior investigator Ashalom Caspi, of Duke University, were also named on the award. In

addition, Professor Stephen Robertson was awarded the Sir Charles Hercus Medal, Professor Michael Baker was awarded the Callaghan Medal, Professor Hallie Buckley was awarded the Mason Durie Medal, Professor David Hutchinson was awarded the Thomson Medal, Drs Anna High and Christina Ergler received Early Career Research Excellence Awards, and PhD candidate Lena Collienne received the Hatherton Award.

The University's own Distinguished Research Medal went to influential Māori legal scholar Professor Jacinta Ruru, who is considered a trailblazer for her work around how environmental law could recalibrate to be more respectful of Māori rights, interests and responsibilities.

Our efforts around sustainability were recognised in 2022, with Te Oraka thrift shop and sustainability hub winning the student engagement category at the Australasian Green Gown Awards, which include entry to the global awards. We also gained international recognition with a top 50 placing in the newly established QS Sustainability Rankings, and ranked 10th in the world for Sustainable Education. The inaugural rankings assess universities to determine their environmental and social impact both in terms of the education they provide as well as how they operate.

As we strive to lift and elevate Māori and Pacific engagement and successes, we are proud of several significant staff appointments that were made in 2022. These include the milestone appointments of two wahine Māori Deans, Professors Suzanne Pitama and Joanne Baxter, at our Christchurch campus and Dunedin School of Medicine, respectively; and the appointment of our first Fijian Dean of Te Tumu – School of Māori and Pacific and Indigenous Studies, Associate Professor Patrick Vakaoti. Additionally, our staff are contributing on a societal level, with Professor Sue Crengle being appointed to the board of Te Aka Whai Ora, the new Māori Health Authority; and Associate Professor Emma Wyeth, Dr Maira Patu and Professor Suzanne Pitama being appointed to Te Tauraki - the Ngāi Tahu Iwi-Māori Partnership Board, contributing to health reforms in delivering better health outcomes for Māori.

We also saw some significant departures in 2022, including Pro-Vice-Chancellor (Health Sciences) Professor Paul Brunton. I thank him for his exceptional contributions to the University.

2022 also marked the end of Dr Royden Somerville KC's 12 years on Council, including as Chancellor since 2018. Dr Somerville has been a champion for the University of Otago, and I thank him for his contributions. Mr Stephen Higgs stepped up into the Chancellor role in March, and I would like to welcome him to this role. In this critical moment for the University of Otago, I can think of no better person to be working alongside. Thanks also to Professor Helen Nicholson for her work as Acting Vice-Chancellor for the 10 months until January 2022.

Finally, my job would be impossible without the ongoing support of staff, the University Council and the Senior Leadership Team. I thank them all for their commitment through the challenges of 2022.

**PROFESSOR DAVID MURDOCH**  
Vice-Chancellor

# OUR PEOPLE 2022





## OUR PEOPLE 2022

### 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 Joanne Baxter as Dean, Dunedin School of Medicine  
 Claire Gallop as Director, Student Services  
 Associate Professor Vivienne Anderson as Dean, University of Otago College of Education  
 Professor David Baxter as Dean, Graduate Research School  
 Associate Professor Diane Ruwhiu as Deputy Dean, Graduate Research School  
 Associate Professor Patrick Vakaoti as Manutaki (Dean), Te Tumu – School of Māori, Pacific and Indigenous Studies  
 Catherine Hammond as Hocken Librarian  
 Associate Professor Lynn McBain as Deputy Dean, Wellington campus  
 Professor Patricia Priest as Pro-Vice-Chancellor (Acting), Division of Health Sciences  
 Professor Neil Gemmill as Deputy Pro-Vice-Chancellor (Acting), Division of Health Sciences  
 Mayhaka Mendis as Registrar (Acting)

### DISTINGUISHED PROFESSORS

The following internationally acclaimed scholars and leaders from the University of Otago have been appointed as Poutoko Taiea, Distinguished Professors (from 1 January 2023):  
 Professor Phil Bremer (Food Science); Professor James Higham (Tourism); Professor Lisa Matisoo-Smith (Anatomy); Professor Richie Poulton (Psychology) and Professor Michelle Thompson-Fawcett (Geography).

### PROFESSORIAL APPOINTMENTS

The following University of Otago academics were promoted to the position of Professor (effective 1 February 2023):  
 Ian Barber (Archaeology); Aladin Bekhit (Food Science); Tamlin Conner (Psychology); Nicolas Cullen (Geography); Gabi Dachs (Pathology, Christchurch); Ben Daniel Motidyang (Higher Education Development Centre); Fiona Edgar (Management); Susanna Every-Palmer (Psychological Medicine, Wellington); David Eysers (Computer Science); Anne-Louise Heath (Human Nutrition); Stephanie Hughes (Biochemistry); Anne-Marie Jackson (Te Koronga Indigenous Science Research Theme); Chris Jackson (Medicine, Dunedin); Chrystal Jaye (General Practice and Rural Health); Tobias Langlotz (Information Science); David McBride (Preventive

and Social Medicine); Lisa McNeill (Marketing); Miranda Miroso (Food Science); Garry Nixon (General Practice and Rural Health); David Orlovich (Botany); Lianne Parkin (Preventive and Social Medicine); Louise Parr-Brownlie (Anatomy); Nevil Pierser (Public Health, Wellington); Charles Pigden (Philosophy); Rose Richards (Health Sciences); Konrad Richter (Surgical Sciences); Bruce Russell (Clinical Pharmacy); Tony Savarimuthu (Information Science); Daryl Schwenke (Physiology); James Scott (Geology); Gisela Sole (Physiotherapy); Andrew Tawse-Smith (Oral Sciences); Joel Tyndall (Pharmacy); James Ussher (Microbiology and Immunology); Patrick Vakaoti (Sociology, Gender Studies and Criminology); Tony Walls (Paediatrics, Christchurch); Ben Wheeler (Medicine); Emma Wyeth (Ngāi Tahu Māori Health Research Unit).

The following University of Otago academics were promoted to the position of Associate Professor (effective 1 February 2023):

Philip Adamson (Medicine, Christchurch); Julia Albrecht (Tourism); Louise Bicknell (Biochemistry); Lynette Brownfield (Biochemistry); Heather Cunliffe (Pathology); Martin de Bock (Paediatrics, Christchurch); Christina Ergler (Geography); Graham Eyres (Food Science); Martin Fronius (Physiology); Allan Gamble (Pharmacy); Anna Garden (Chemistry); Jemma Geoghegan (Microbiology and Immunology); Rob Griffiths (Medicine, Wellington); Anna High (Law); Karl Iremonger

(Physiology); Miranda Johnson (History); Sherlock Licorish (Information Science); Suzanne Little (Performing Arts); Christina McGraw (Chemistry); Ailsa McGregor (Pharmacy); Rebecca McLean (Population Health, Christchurch); Susan Moffat (Oral Sciences); Matthew Parry (Mathematics and Statistics); Tess Patterson (Psychological Medicine); Will Rayment (Marine Science); Marcelo Rodriguez Ferrere (Law); Joy Rudland (Educational Development and Staff Support Unit, Otago Medical School); Damian Scarf (Psychology); Tania Slatter (Pathology); Inga Smith (Physics); Frances Steel (History); Bridgette Toy-Cronin (Law); Anaru Waa (Public Health, Wellington); Shayne Walker (Social and Community Work); Dennis Wesselbaum (Economics); Annie Zhang (Management).

Research Associate Professors:

Andy Anglemyer (Preventive and Social Medicine); Jaydee Cabral (Microbiology and Immunology); Ruth Cunningham (Public Health, Wellington); Katie Douglas (Psychological Medicine, Christchurch); Jill Haszard (Biostatistics Centre); Amanda Kvalsvig (Public Health, Wellington); Kim Meredith-Jones (Medicine, Dunedin); Adam Pomerleau (National Poisons Centre).



## EMERITUS PROFESSORS

The University Council awarded Emeritus Professor status to:

Professor Vicky Cameron (Medicine, University of Otago, Christchurch); Professor Pat Cragg (Acting Deputy Vice-Chancellor (Academic)); Professor Kath Dickinson (Department of Botany); Professor Terence Doyle (Medicine); Professor Ewan Fordyce (Geology); Professor Russell Frew (Chemistry); Professor Juergen Gnoth (Marketing); Professor Jon Hall (School of Arts); Professor Sue Pullon (Primary Healthcare and General Practice, University of Otago, Wellington); Professor Clive Ronson (Microbiology and Immunology); Professor Les Toop (General Practice, Christchurch).

## HONOURS

Honours were awarded to the following staff:

Knight Companion (KNZM): Professor Jim Mann (Human Nutrition) for services to health.

CNZM: Professor Harlene Hayne (former Vice-Chancellor (2011 to 2021)) ONZM, for services to health and wellbeing; Faumuina Professor Fa'afetai Sopoaga (Associate Dean, Pacific, Health Sciences), for services to Pacific health and tertiary education.

ONZM: Professor John Hutton (Obstetrics, Gynaecology and Women's Health, Wellington) for services to women's health education; Mr Malcolm Wong (University Council member), for services to the community and New Zealand-China relations; Professor Frank Frizelle (Surgery, Christchurch) for services to health.

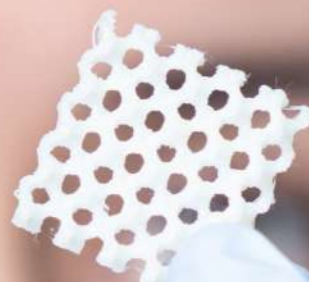
MNZM: Professor Jacinta Ruru (Law) for services to Māori and the law;

## OBITUARIES

Emeritus Professor Kevin Dawkins (Law)  
 Emeritus Professor Colin Gibson (English)  
 Dr David Goodwin (Surveying)  
 Erina Hunt (Pathways and English Language Centre)  
 Emeritus Professor Ian Hodgkinson (Physics)  
 Emeritus Professor Tony Macknight (Physiology)

# Excellence in Research

The University of Otago remains one of Aotearoa New Zealand's top research universities, continually striving for research excellence. In 2022 our researchers won significant grants and awards, and we celebrated a milestone for one of our most important projects – the Dunedin Study.



50

years of the Dunedin Study

\$35m

in Health Research Council grants

700+

research projects undertaken  
in consultation with Māori

\$19.8m

from the Marsden Fund Te Pūtea  
Rangahau a Marsden

## EXCELLENCE IN RESEARCH

**2022 MARKED A TIME OF TRANSFORMATION** for Aotearoa New Zealand's research, science and innovation system, with the release in December 2022 of the *Te Ara Paerangi – Future Pathways* Government white paper outlining future reforms. Building on the major contributions research made to the country's successful pandemic response, the changes are designed to embed more purposeful research priorities that will help deliver better wellbeing for all New Zealanders, advance a high-wage and low-emissions economy, and support a thriving, protected environment. Otago's research workforce will also be better supported, including through the provision of new Māori and Pacific fellowships aimed at increasing diversity in the research workforce.

These changes will take time and resources to implement, but they align well with the direction Otago has set out in *Vision 2040* for excellence in the domains of discovery and innovation, and through the formalisation of Otago's first *University Research Impact Framework*.

These developments arrived in the year that Otago celebrated the 50th anniversary for one of its most famous flagship research programmes – The Dunedin Multidisciplinary Health and Development Research Unit, more commonly known as the *Dunedin Study*. The study began with a cohort of more than 1,000 babies born in Dunedin in 1972, making it one of the most heavily studied group of people on earth. The work of the Dunedin Study team, and the commitment of these participants, has led to many significant and ground-breaking discoveries that have transformed the ways health and wellbeing are managed at individual and societal levels.

New research platforms were celebrated in 2022. Otago and the Institute of Environmental Science and Research (ESR) will lead the development of the new \$36 million Te Niwha (Infectious Diseases Research Platform), funded by the Ministry of Business, Innovation and Employment (MBIE), aimed at preparing for future infectious disease threats. The platform, which will be co-designed with Māori – including Māori health providers, communities, researchers

and educators – will foster interdisciplinary world-leading research, particularly in relation to COVID-19, and create a pipeline of research capability which the nation needs in facing infectious disease outbreaks and pandemics.

### FUNDING SUCCESSES

The University of Otago once again demonstrated the quality and range of its research with success in 2022's major contestable funding rounds.

The 2022 Marsden grants saw 24 Otago academics awarded \$19.8 funding. Professor Jon Waters (Zoology) was granted \$960,000 for his project using native insects as a model to examine evolutionary changes in New Zealand's animals linked to loss of forest, while Professor Richard Walter (Archaeology Programme) was awarded an \$870,000 grant to investigate how Māori communities interacted with moa. Professor Gregory Cook (Microbiology and Immunology) was granted \$934,000 to research antimicrobial resistance (AMR), a rapidly evolving global emergency that threatens many of the achievements of modern medicine.

Otago researchers again figured strongly in the 2022 Health Research Council funding, with 22 Otago researchers securing \$34 million in project and programme funding for research covering areas ranging from pregnancy to tuberculosis. A \$2 million Rangahau Hauora Māori Project Grant will be used for research into improving the health and wellbeing of Māori who re-enter society from prisons, alongside their whānau and communities. The project will be co-led by Dr Paula Toko King (Te Aupōuri, Te Rarawa, Ngāpuhi, Ngāti Whātua, Waikato Tainui, Ngāti Maniapoto) (Eru Pōmare Māori Health Research Unit), Dr Ruth Cunningham (Public Health, University of Otago, Wellington) and Cheryl Davies (Ngāti Raukawa, Ngāti Wehi, Ngāti Mutunga o Wharekauri) from Kōkiri Marae. Two other large grants, of just under \$5 million each, went to Professor Lisa Stamp (Medicine, Christchurch) and Professor Haxby Abbott (Surgical Sciences).

Professor Stamp will investigate strategies to improve gout management in Aotearoa, while Professor Abbott will focus on how to reduce the burden of osteoarthritis, which is one of the country's most common long-term conditions. Rural health research also got a boost with two Otago projects funded to improve services in rural areas.

Health Research Council of New Zealand Emerging Researcher First Grants will support a wide range of projects including improving the health and wellbeing of Māori. Six Otago researchers have also been granted \$150,000 Explorer Grants to support transformative research ideas that have a good chance of making a revolutionary change to managing New Zealanders' health.

Seven University of Otago projects were granted a total of almost \$12 million in the Ministry of Business, Innovation and Employment's (MBIE) Endeavour Funds. Professor Nevil Pierse (University of Otago, Wellington) was granted \$5.8 million from the MBIE Endeavour Research Programme fund to bring together world-leading experts to ensure that Aotearoa's housing support system is sustainable, effective and whānau-centred. Two other researchers were granted \$1 million from the MBIE Smart Ideas Fund. Associate Professor Ting Wang (Mathematics and Statistics) will build the first probabilistic forecasting tool for great earthquakes, while Associate Professor Michael Jack (Physics), the Director of the Energy Programme, is leading a project on avoiding carbon lock-in in the building industry.

University of Otago researchers were granted about \$2.6 million from the Ministry of Health COVID-19 Research Fund to support six projects. They range from examining the rollout of the COVID-19 vaccination programme and pandemic response in different rural communities, to understanding the impact of vaccination on COVID-19 infection and long-term health outcomes.

The Michael J Fox Foundation (MJFF) gave Otago researchers Professor Leigh Hale and Dr Paulo Henrique Silva Pelicioni (Physiotherapy) \$504,000 in funding for a three-year

project studying Parkinson's disease progression in Māori and Pacific peoples. It is the largest sum the MJFF has given to Otago, and is part of the Foundation's efforts to promote diversity, equity and inclusion in Parkinson's disease research.

### RESEARCH ACHIEVEMENTS

Each year the research successes of the University's staff and students are recognised and celebrated with a series of awards.

In 2022 the University's highest honour, the Distinguished Research Medal was awarded to influential Māori legal scholar Professor Jacinta Ruru. A highly regarded trailblazer, she is respected for her work around how environmental law could recalibrate to be more respectful of Māori rights, interests and responsibilities. Professor Ruru was the first Humanities scholar to receive the Distinguished Research Medal in a decade and the first female Humanities recipient since 2003.

Leading structural biologist Associate Professor Peter Mace (Biochemistry) was awarded the 2022 Rowheath Trust Award and Carl Smith Medal. The annual award promotes research at the University and recognises the outstanding research performance of early career staff. His research focuses on understanding signalling networks that regulate how cells respond to stress and translating this into more effective disease therapy. His research has uncovered multiple protein structures relevant to cancer treatment.

Six researchers received Early Career Researcher Awards from the University, recognising their outstanding career research achievements so far. They were: Dr Philip Adamson (Medicine), Dr Sebastian Gehricke (Accountancy and Finance), Dr Anna Gosling (Anatomy), Dr Jemma Geoghegan (Microbiology and Immunology), Dr Joseph Watts (Social Sciences) and Dr Amandine Sabadel (Zoology).

The 2022 University of Otago Research Group Award went to the Christchurch-based Centre for Free Radical Research (CFRR), in recognition of its world-leading research in the



field of redox biology. The centre consists of five principal investigators and eight experienced research fellows who have combined their expertise in chemistry, biochemistry, molecular biology and cell biology to investigate how free radicals and antioxidants work inside the body, and how this knowledge can be used to diagnose and treat human disease and maintain optimal health.

University of Otago researchers have continued to be recognised through the country's highest awards, including the prestigious Royal Society Te Apārangi Rutherford Medal which went to the Dunedin Multidisciplinary Health and Development Study (the Dunedin Study), which is widely recognised as the world's most successful longitudinal study of a general community. The medal, which comes with prize money of \$100,000, was presented to the study's director of 22 years, Professor Richie Poulton, and senior researcher Professor Murray Thomson. Associate director Professor Terrie Moffitt and senior investigator Ashalom Caspi, of Duke University, were also named on the award. The 50-year-old multidisciplinary study has been documenting the lives of more than 1,000 babies born in Dunedin in 1972–73, covering every aspect of their health, development and wellbeing, generating more than 1,400 peer-reviewed journal articles, books, book-chapters and reports.

Other Otago researchers were also recognised with Royal Society Te Apārangi medals. Professor Michael Baker (Public Health, Wellington) was awarded the Callaghan Medal for outstanding contribution to science communication and raising public awareness of the value of science to human progress, particularly during the COVID-19 response.

Professor Hallie Buckley (Anatomy) was awarded the Mason Durie Medal for outstanding contribution to the social sciences that, while originating in a New Zealand environment, has had an international impact with her work on the biomedical history of the ancestors of modern Polynesians, and groundbreaking discoveries of ancient disease in Asia.

Professor David Hutchinson (Director of the Dodd-Walls Centre Te Whai Ao) was awarded the prestigious Thomson Medal for his excellence in leading the successful bid and subsequent development of the Dodd-Walls Centre for Photonic and Quantum Technologies (DWC), and for his valuable contributions to early career researchers and community outreach programmes.

Professor Stephen Robertson (Department of Women's and Children's Health, Dunedin School of Medicine) received the prestigious Hercus Medal for research on genetic conditions impacting children and seeking to establish equitable delivery of genomic medicine for Māori. The Medal is awarded every two years for excellence in molecular and cellular sciences, biomedical or clinical science and public health.

Evolutionary biologist, Distinguished Professor Hamish Spencer (Zoology) was awarded a James Cook Research Fellowship. These \$100,000 plus awards are made to researchers at the height of their careers, allowing them to undertake study or research in their field of endeavour for two years. Professor Spencer uses mathematical modelling and molecular genetics to understand the processes driving the evolution of the world's broad biodiversity.

Two researchers from the Division of Humanities with a focus on the rights of young people, Dr Anna High (Law) and Dr Christina Ergler (Geography), were awarded prestigious Royal Society Te Apārangi Early Career Research Excellence Awards.

Dr Jemma Geoghegan (Microbiology and Immunology) became only the second woman to have won the Te Puiaki Kaipūtaiao Māea Prime Minister's MacDiarmid Emerging Scientist Prize, when she was awarded it in 2022. She is one of the scientists behind Aotearoa New Zealand's COVID-19 genome sequencing programme and will use the \$200,000 prize to inspire more women to pursue science.

Otago global health expert Professor John Crump (Medicine, Pathology and Global Health) received the Royal Society of Tropical Medicine and Hygiene's Chalmers Medal – one of the Society's highest honours – for his tropical medicine research and mentoring of early career scientists. The Chalmers Medal is awarded to one person annually.

Deputy Dean of the Faculty of Dentistry at Otago, Professor Richard Cannon's research in oral microbiology was recognised with a Distinguished Scientist Award for Research in Oral Biology from the International Association for Dental Research.

University of Otago physics research fellow Dr Jonathan Squire received the prestigious American Physical Society's Thomas H Stix Award for outstanding early career contributions to plasma physics research. His research covers a range of topics in astrophysical and space plasma theory.





# Excellence in Teaching

Teaching staff at the University of Otago once again proved themselves to be adaptable and forward thinking in the face of COVID-19 in 2022. Despite the ongoing challenges, Otago maintained its success in key performance indicators and rankings.



# 19,174

Equivalent Full-Time Students (EFTS)  
including 2,614 Māori students  
and 1,365 Pacific students

# No.1

in TEC Education Performance Indicators

# 10

disciplines ranked in world's  
top 100 by QS

# 95%

of graduates in employment  
or further study

## EXCELLENCE IN TEACHING

### THE UNIVERSITY OF OTAGO'S 2022 ACADEMIC YEAR

began when Aotearoa New Zealand was in the Red setting of the COVID-19 Protection Framework, and as Otago's student population battled a widespread COVID-19 outbreak. The Omicron variant swept through Residential Colleges and student flats, with thousands of students simultaneously unwell at the peak. The virus also spread to staff, who stepped up to help one another and ensure classes were taught.

Due to both Red setting restrictions and the high COVID-19 case numbers at Otago, Semester One teaching began online. Thanks to the experience gained in the 2020 and 2021 lockdowns, Otago teaching staff were ready and able to make this transition smoothly. For the most part lectures were recorded, tutorials held via Zoom, and laboratory/practical material delivered as online demonstrations with associated questions. Students and staff once again showed great resilience, adapting admirably through uncertain times. In April, when Aotearoa New Zealand shifted to the Orange setting, teaching moved back to the classroom. However, with many staff and students continuing to be unwell or required to isolate with COVID-19, many lectures were still recorded to allow these students to keep up.

Semester One examinations were held in June, under the Orange setting of the COVID-19 Protection Framework. Exams were predominantly online, with fewer than a quarter conducted in-person. A variety of channels were used including Blackboard, Moodle and ExamSoft. Students with in-person exams, who were required to isolate, could mostly opt for the exam to be transferred to an online version. By the Semester Two examination period, the COVID-19 Protection Framework had been dropped, and most examinations, which were held in October and November, were in-person. 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. Papers also had the option to offer a final assessment or open-book email exams.

### RANKINGS

In 2022, 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 course completion. In the other measure, the percentage of students in sub-degree programmes progressing into undergraduate study, the University ranked fifth. Otago also ranked first for Māori for qualification completion and first-year retention, and second for course completion, while for Pacific students Otago was ranked first for qualification completion and first-year retention, and third for course completion.

Otago remains one of the top 1% of universities in world, ranked #217 by Quacquarelli Symonds (QS), in the 301-400 band of the AWRU (Shanghai) rankings, and in the 301-350 band of the Times Higher Education Rankings. Four Otago subject areas were ranked in QS's world's top 50: Sports-Related Subjects (15th); Dentistry (41st); Anatomy and Physiology (43rd) and Archaeology (47th). A further six subjects were ranked in the 51-100 band and 18 in the 101-200 band.

QS also ranked the Otago Business School's Online MBA as 26th in the world overall, and equal number one globally for classroom experience.

Meanwhile, the Department of Tourism's "Hospitality and Tourism Management" subject was ranked 23rd out of 300 institutions worldwide in the Academic Ranking of World Universities (conducted by an independent organisation, the Shanghai Ranking Consultancy). Its high ranking also makes it the best in Aotearoa New Zealand.

### TEACHING EXCELLENCE

The high calibre of Otago teachers was once again highlighted in the national teaching awards. Associate Professor Patrick Vakaoti (Department of Sociology, Gender Studies and

Criminology, and the incoming Manutaki (Dean) of Otago's Te Tumu – School of Māori, Pacific and Indigenous Studies) was awarded a prestigious national Te Whatu Kairangi – Aotearoa Tertiary Educator Award 2022, with an endorsement in Enhancing Pacific Learners' Success. These awards were formerly known as the Tertiary Teaching Excellence Awards. Professor Vakaoti was previously named one of three winners of a 2022 Otago Excellence in Teaching award, which were this year all won by Humanities staff. He was recognised alongside Associate Professor SungYong Lee (National Centre for Peace and Conflict Studies) and Dr Gwyneth McIntyre (Classics). Each received \$5,000 to support their professional and academic development.

Professor Sheila Skeaff (Human Nutrition) was named 2022 Otago University Students' Association (OUSA) Supervisor of the Year and Dr Mike Garratt (Anatomy) received the OUSA award for New Supervisor of the Year.

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 2022 HEDC's staff offered 177 workshops attended by 2,276 staff and students.

### ENROLMENTS

2022 saw a decline in the University's enrolments overall, with the number of EFTS (equivalent full-time students) decreasing by 2.2% to 19,174.

Within the overall enrolment total for 2022, sub-degree enrolments fell by 19 EFTS (7.4%), and undergraduate enrolments decreased by 96 EFTS (0.6%). Postgraduate taught enrolments fell by 238 EFTS (11.2%) and postgraduate research enrolments decreased by 76 EFTS (4.6%), with total postgraduate enrolments comprising 18.1% of all University EFTS.

Total domestic enrolments were down by 243 EFTS (1.3%), mainly due to first-year domestic decline (210 EFTS).

The decline in domestic enrolments was compounded by a further year of COVID-19 induced full-cost international

enrolment decline. The 2022 decrease of 185 EFTS (17.6%) was less than in 2020 or 2021, and saw the University end the year with international full-fee enrolments totalling 865 EFTS.

The proportion of commencing students attracted from outside the University's Otago/Southland home catchment increased to 76.8% (2021: 74.6%), with 87.3% coming from outside Dunedin.

2022 saw further records broken for the number of Māori and Pacific enrolments at Otago. There were 2,614 Māori students enrolled (head count), an increase of 3.2% on 2021. Māori now account for 13.8% of Otago's domestic EFTS. Pacific enrolments increased by 4.8% to 1,365 students (head count), and now comprise 6.6% of total domestic EFTS.

Two hundred undergraduate and postgraduate degree, diploma and certificate programmes were offered by the University in 2022, including two new undergraduate degrees: the Bachelor of Pharmaceutical Science (BPharmSc) and the Bachelor of Entrepreneurship (BEntr). The BPharmSc is the first degree of its kind in New Zealand and will prepare graduates for careers in pharmaceutical and related industries, while the BEntr prepares students to start a venture or social enterprise or to work entrepreneurially in any organisation. New programmes also included a new Master of Accounting and Finance, a new Artificial Intelligence subject for the Master of Applied Science, and new minor subjects in Business Analytics, Bioethics and Science of Religion. A first for New Zealand, a new degree-level Sustainable Finance Minor has been launched and will be available from 2023.

Two new NZQF Level 5 Diplomas were approved for introduction in 2023: a Diploma in Arts (DipArts) and a Diploma in Commerce (DipCom). The DipArts and DipCom will be offered by Te Huarahi | Otago Pathway and are designed to provide a well-supported year of university study for students who have narrowly missed the entrance requirements for a bachelor's degree or who feel underprepared for university study. Students who successfully complete the requirements of the DipArts or DipCom may choose to transfer their credits into a three-year bachelor's degree programme, such as the



Bachelor of Arts or Bachelor of Commerce, which they may complete with two further years of study.

In 2023, the Wellington campus will offer a postgraduate qualification in genomics and medicine. The Postgraduate Certificate in Health Sciences endorsed in Genomic Health and Medicine will be taught online.

The main annual Summer School programme ran for six weeks from early January to mid-February 2022, offering 49 papers. The school attracted 1,500 enrolments and generated 240.8 EFTS (an 18.0% decrease on the 2021 Summer School). A pre-Christmas Summer School also ran for five weeks following Semester Two examinations. Nine papers were offered, attracting 392 enrolments and generating 59.0 EFTS (a decline of 14.5% on prior year). While Summer School enrolments were down, 2021 was an unusually high year and the 2022 figures of 299 EFTS were similar to the 2020 total of 300 EFTS.

The Distance Learning suite of programmes continued to capitalise on particular areas of Otago expertise, with offerings from all academic divisions. In 2022, 3,282 individual students enrolled in the 483 formal Distance papers that were offered throughout the year.

In the most recent student and graduate opinion surveys 87.4% of respondents provided a positive assessment of the quality of teaching. The University's libraries, and information technology and teaching facilities received positive assessments of 100.0% and 94.6% respectively. 96.1% of research degree respondents reported overall satisfaction with the quality of supervision, and 94.7% of respondents to the graduate opinion survey reported progression to employment or further study.

# Outstanding Student Experiences

The University of Otago prides itself on offering its students opportunities for growth inside and outside the classroom. Through our pastoral care we aim to grow the individual, and support them on the way.

**86%**

of students from outside Dunedin

**30**

30th anniversary of Disability Information and Support

**736**

students supported by Pūtea Tautoko

**12m**

downloads from the Library's digital collections



## OUTSTANDING STUDENT EXPERIENCES

**IN 2022, 86% OF NEW STUDENTS** came to the University of Otago from outside Dunedin and, for a large proportion, their Otago experience began at one of the 14 residential colleges. These colleges were filled to capacity, accommodating over 3,500 mainly first-year students. With many more applications for accommodation at Otago than in previous years, there was also a large waiting list.

Limited numbers of international students arriving at Otago in 2022 due to COVID-19 allowed UniFlats to continue the model begun in 2021 of accommodating students who were in a college the previous year. In 2023 it has reverted to the pre-pandemic model of accommodating international students.

### COVID-19 IMPACTS

The arrival of students in February coincided with the rapid spread around Aotearoa New Zealand of the highly contagious Omicron variant of COVID-19. Through late February and March, thousands of students in flats and residential colleges became unwell or needed to isolate due to being close contacts. At the peak of the outbreak in March, staff from across the University were re-deployed or volunteered to help in the residential colleges. The Otago University Students' Association (OUSA), with financial and logistical support from the University, put together and delivered over 4,500 food and care packages to flats in isolation. The packages included food staples and personal hygiene items as well as treats and items to alleviate isolation boredom. Staff volunteers helped procure supplies, pack bags and drive vans.

The disruptions included Orientation Week 2022, with the OUSA cancelling planned events and developing an alternative programme for the week commencing 21 February. University events, including the Academic Convocation Ceremony were cancelled, postponed or held virtually where possible.

The easing of the national COVID-19 Protection Framework to the Orange Setting in April allowed the University the opportunity to hold graduation ceremonies. This included two extra May ceremonies – one an acknowledgement ceremony

for those impacted by COVID-19 who were unable to attend an earlier ceremony, the other to accommodate the large number of 2021 graduates who had deferred their graduation. This meant there were 14 graduation ceremonies in 2022 – six in May, two in August and six in December. The Graduation Office noted a high number of last-minute withdrawals for the May ceremonies, many due to graduands contracting COVID-19 just before the ceremonies.

Financial support for students impacted by COVID-19 was once again provided from the University's Pūtea Tautoko initiative, which has now distributed \$7.34 million in financial aid to students since it was established in 2020.

### SUPPORT SERVICES

Otago takes the pastoral care of its students extremely seriously, with many entities and programmes working in tandem to provide support to the University's diverse student population and cater to its varied and changing needs. These include Campus Watch, Student Health Services, Recreation Services, Disability Information and Support, Te Huka Mātauraka (the Māori Centre), the Pacific Islands Centre and the Locals Collegiate Community. All of these services stepped up through the early part of 2022 when COVID-19 swept through the student and staff populations.

The team at Student Health Services team worked extremely hard to provide a full range of primary care services throughout the challenges and uncertainties of 2022, with 38,877 total medical and mental health support appointments for the year. However, COVID-19 and General Practitioner vacancies caused an increase in waiting times of up to four weeks at times.

Te Whare Tāwharau Sexual Violence Support and Prevention Centre continued to grow, with an evaluation of its programmes to ensure best practice in prevention and support services.

The Locals Collegiate Community provides opportunities for pastoral care, academic support and social and volunteering activities for all students who choose to flat, board or live at home in their first year. COVID-19 posed challenges for

engagement in 2022, particularly in the year's first half. However, with the help of new social initiatives and the team of volunteer leaders, students still managed to form a tight-knit community. 2022 also saw the successful trial of the Locals Health Science First Year tutorial programme, run in collaboration with the Office of Student Success and with support from the Division of Health Sciences. This will be continued and expanded in 2023.

The Career Development Centre offered a blended range of face-to-face and online engagement options through 2022 as it navigated the COVID-19 environment. Within graduate recruitment, it ran three month-long career festivals featuring Business and Law, Science and Technology, and Humanities, as well as a summer jobs expo. The Otago Mentor Match programme continued to grow and attract positive feedback from both student participants and alumni mentors.

Unipol Recreation (Recreation Services) provided campus recreation opportunities through 2022 to offset online content delivery and an increasingly isolated learning environment. These included approximately 570,000 visits to Unipol gym, 30 events for first-year students through the Inter-College Programme and group exercise classes.

Disability Information and Support marked its 30th Anniversary in 2022, celebrating three decades of providing a formalised support service for students with disabilities. This service was put in place long before it became an official requirement to do so. The service now supports approximately 1,800 students annually.

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 environments 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 e-Journals. 12 million downloads from the digital collections were made in 2022.

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 learning. Despite the challenges of COVID-19, 782 undergraduate and postgraduate students received one-to-one consultations, tutoring or pastoral care in 2022.

Student Learning Development in HEDC also operates a large-scale, peer-assisted learning programme across Otago's campuses. In 2022, there were 1,534 sessions, broken down to 130 weekly sessions, supporting 41 papers. The sessions were attended by a total of 25,712 students. In addition, the Student Learning and Development Centre offered 163 workshops attended by 2,011 students.

### VOLUNTEERING

Volunteering has become an embedded part of the Otago experience, led by the University's Social Impact Studio. Students were connected to volunteer opportunities through UniCrew, Aspire and Reading Oasis. Additionally, and in collaboration with the University's Sustainability Office, the Social Impact Studio also hosted the social impact festival "Agency" in August, and welcomed another 100 students into its University of Otago Student Leadership Award programme. Silverline's student wellbeing initiatives continued to be well attended by students, with creative events exploring male mental health, and the intersection of race, belonging and mental wellbeing.

The annual North Dunedin Clean-up Day, in memory of student Sophia Crestani who died at a student party in 2019, was held on 8 April 2022. The event saw excellent support from the stakeholders of The Sophia Charter who joined University staff and students in collecting 4,710kg of general waste and 760kg of recycling.

The results of the 2022 Graduate Opinion Survey underscore the growing commitment by students to undertake volunteer work while studying at the University of Otago, with 53.6% of respondents reporting that they undertook volunteer work, up slightly on previous years.



## STUDENT SUCCESSES

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

Final-year Bachelor of Medicine and Bachelor of Surgery student Oliver Sutcliffe was awarded a prestigious Rhodes Scholarship to study at Oxford University, commencing in October 2023. He aims to study for a combined Master of Public Policy and Master of Science in Public Policy Research.

Commerce students Georgia Cleaver, Sam Waayer and Jacob Myron won the Innovation Award at the 2022 International Queen's Entrepreneurs' Competition. The Otago students competed against 15 other finalists who pitched to judges from Google, CIBC and Accenture.

Five Otago graduates were awarded Fulbright New Zealand Awards: Dr Will Flavell (Ngā Puhi, Ngāti Whatua, Tainui, Ngāti Maniapoto), Anna Clark, Sophie Oliff, Ngarangi Haerewa (Te Whanau-ā-Apanui) and Jordan Hamel. They will head to the University of Massachusetts, Cornell, Harvard, the University of California and the University of Michigan respectively, to undertake research and postgraduate study in their areas.

Otago postgraduate Science students received three of the 10 national Department of Conservation Te Papa Atawhai Postgraduate Scholarships in 2022. They were Katie Fenton (Marine Science) and Cailie Ward and Johanna Kann (both Zoology).

Winners in the Otago University Students' Association Blues and Golds awards included Brooke Davies (Sportsperson of the Year) for her high performance in, and service to, aerobic gymnastics at a national and international level; Hugo Swinson (Māori Sportsperson of the Year) for his involvement in Ultimate, a frisbee sport; Olivia Lemon (Coach of the Year); Ranisha Chand (Outstanding Member of the Dunedin Community); and Kathleen (Katie) Hensman (Outstanding Member of the University of Otago Community).

Wellington PhD candidate Yasmin Nouri won first place in the international Matariki Network Three Minute Thesis competition 2022 virtual final. Her presentation, *The Nature of the Beast*, focused on her research into a new blood cancer treatment, CAR T-cell therapy. Nouri won best doctoral presentation at the University of Otago's grand final, after winning the Wellington heat of the 3MT competition in June. Marine Science master's student Katie Fenton won the 2022 inter-university Three Minute Thesis (3MT) Masters final, after winning the master's section of Otago's 3MT competition.

In the annual student opinion survey 95.9% of respondents provided a positive assessment of their residential colleges, 95.5% of survey respondents gave a positive assessment of the University's careers advisory service, 83.2% 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, 97.2% a positive assessment of the helpfulness of staff, and 96.7% a positive assessment of support from the Otago University Students' Association.

# Outstanding Campus Environments

The University of Otago works hard to ensure its campus environments meet future needs in terms of both space and sustainability.

## 22,000

hectares of land owned by the University

## 97.3%

of students give a positive assessment of the general campus environment

## top 50

placing in the newly established QS Sustainability Rankings

## 450



Te Rangihīroa College on track for completion in 2023





## OUTSTANDING CAMPUS ENVIRONMENTS

**THE UNIVERSITY OF OTAGO IS COMMITTED** to providing students with exceptional campus environments. A reprioritisation of capital projects, begun in response to the financial implications of the global COVID-19 pandemic in 2020, continued through 2022. However, progress has been made on priority projects such as the new Te Rangihīroa residential college. Additionally, Otago's sustainability initiatives have continued to be recognised internationally.

### CHANGING ENVIRONMENTS

New project design guidelines with a strong emphasis on matauraka Māori were introduced by the University in 2022 to better connect iwi with Otago's campuses. *He Aratohu: Mana Whenua Project Engagement Guidelines* embed mana whenua values in the design of built environment projects, not only on the Dunedin campus but in each part of Aotearoa New Zealand where campus development is planned. The guidelines are the result of extensive consultation, and build on both the University's Equity and Diversity Policy and its Māori Strategic Framework.

A new Science Divisional Office was officially opened on the third floor of the Science Library in July 2022, replacing the old offices in the Union Court building. Its modern-plan design includes 36 workstations, as well as meeting rooms and quiet rooms. The modern-plan approach was chosen to maximise the use of space. Relocating the Science Divisional Office allowed for the demolition of the Union Court building

which was beyond its useful life and uneconomical to retain. Demolishing the building provides more green space in the centre of the Dunedin campus.

### FUTURE ENVIRONMENTS

In mid-2022, work began on a new six-storey building as part of the Christchurch Campus Redevelopment project in the heart of the Te Papa Hauora/Health Precinct on Oxford Terrace. More than 1,000 students – both Medical and postgraduate Health Sciences – study at the University's Christchurch campus, which has more than 500 staff. The building will include new research laboratories, teaching facilities and space for groups who are in the process of commercialising their discoveries. It will enable the world-class Health Science research and education programmes based at Otago's Christchurch campus to grow, and will bring together departments currently dispersed around the city into one precinct.

In Dunedin, work continued on the new 450-bed Te Rangihīroa College on the corner of Albany and Forth Streets, with the project on track for completion in 2023. This purpose-built University of Otago residential college will deliver an enriching bicultural living experience in a 5-star Green Star sustainable setting. It will encompass six levels over four wings and will include 125 en-suite rooms, professional college staff accommodation, reception and offices, dining hall and kitchen, and multi-functional communal spaces.

Construction is well underway on an extension at the Aquinas College campus in Dalmore. The extension will provide an additional 66 beds, along with improving operation facilities and enhancing the overall student experience. The work aligns with the University's Accommodation Masterplan, developed in 2019, which showed Aquinas College as having the clear potential to accommodate additional beds.

Planning continued in 2022 to identify long-term solutions for the Wellington campus which was closed unexpectedly in 2021 after a new detailed seismic assessment (under new engineering assessment guidelines) resulted in a number of buildings being identified as earthquake prone. The first re-strengthening project for the Lecture Theatre block was approved in September 2022 and design is underway. The University has found short- and medium-term accommodation, including workspace, teaching and student spaces that can be used in the meantime.

### MORE SUSTAINABILITY

Otago's efforts around sustainability gained international recognition in 2022, with a top 50 placing in the newly established QS Sustainability Rankings. The University was also ranked 10th in the world for Sustainable Education. Overall, the University is ranked 47th out of 700 universities globally and second in New Zealand. The inaugural rankings assess universities to determine their environmental and social impact both in terms of the education they provide and how they operate.

Meanwhile, Otago was ranked 61st in the Times Higher Education Impact Rankings for 2022. The global performance tables involve 1,406 universities from 106 countries/regions and assess them against the United Nations Sustainable Development Goals (SDGs).

The University's Te Oraka thrift shop and sustainability hub won the student engagement category in the 2022 Australasian Green Gown Awards, which puts the initiative in line for the global awards. The thrift shop hosts repair cafés, skills workshops, education sessions and volunteer work experience, while providing free meeting spaces for students, along with accessible options that include reduced-price sustainable products and a refilling station for hand soap, dishwashing liquid and laundry liquid.

In 2022, Otago completed a project which saw it become the first university in the country to incorporate an Artificial Intelligence (AI) building analytics system into some of its main buildings, using what is known as an Energy Efficiency and ICT Analytics programme. It now operates one of the largest and most diverse Building Management Systems (BMS) in Australasia, with more than 60,000 individual control points and BMS controllers in the larger facilities on campus. This is especially challenging because the University's buildings are incredibly diverse ranging from historic buildings to leading-edge teaching facilities, but it is already providing insights into its buildings' energy use and delivering substantial savings.

The University also changed the name of its Integrated Workplace Management System (IWMS) Project in 2022, to





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the Property+ Project to highlight that it involves more than implementing technology. This will reflect changes in the way many things are done in terms of working, transacting, data capture and management, analysis, reporting, quality control and decision-making. The project draws on principles, processes and an overarching management approach that aligns with the international best practice standard ISO 55001 Asset Management Systems.

It is expected the new residential college Te Rangihīroa will achieve an internationally recognised 5-Star Green Star design and as-built rating from the New Zealand Green Building Council (NZGBC). The new staff accommodation within the complex is on track to achieve a 7-Star Homestar rating through the NZGBC. A 5-Star rating is also being targeted for the Christchurch Campus Development project Te Papa Hauora/Health Precinct on Oxford Terrace.

The University's goal to achieve net carbon zero by 2030 came a step closer in 2022 with the upgrading of the Arana College boiler from coal to wood pellet. The work, completed in August with assistance from the Government's State Sector Decarbonisation Fund, is expected to cut about 7,000 tonnes of CO<sub>2</sub> over 10 years.

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

With campuses or centres in Invercargill, Dunedin, Christchurch, Wellington and Auckland, the University of Otago proudly contributes to local communities and regions, Aotearoa New Zealand, and the world through research, community service, contributions to the arts, and ongoing support of groups under-represented in university study.



## \$1b+

contribution to the Dunedin economy

## 86.9%

of academic staff report being involved in community service activities

## 561

Māori graduates in 2022

## 55

pupils from 49 rural, provincial, lower decile or small schools attended Science Academy

# COMMITMENT AS A LOCAL, NATIONAL AND GLOBAL CITIZEN

## THE CONTRIBUTIONS OF THE UNIVERSITY OF OTAGO

begin close to home and extend around the world, as you will see throughout this Annual Report. Below, we have outlined just a few of the ways Otago contributes at a local, regional, national and global level.

The University of Otago enjoys an enviable town and gown relationship with the city of Dunedin, where its largest campus is located. This is exemplified by the longitudinal Dunedin Multidisciplinary Health and Development Study (the Dunedin Study), which in 2022 celebrated 50 years (see also page 29). For half a century, Otago researchers have followed the lives of babies born in Dunedin between 1972 and 1973. The impact has been world-changing, with the significance of some contributions recognised by *Science News 2021* as among the most important for psychology and social science in the last 100 years.

The University is also working hard to strengthen its regional partnerships. In September 2022, it launched a new strategic framework focused on Central Otago and the Southern Lakes districts to develop opportunities, enhance relationships and support Māori goals and aspirations.

On a national level, Otago staff continued to support Aotearoa New Zealand's COVID-19 response through 2022, providing expertise to Government and the media on a number of areas including the spread of Omicron and rise in community cases, testing, COVID-19 modelling, border reopening, inequities for Māori and Pacific peoples, vaccines, waning immunity, flu season, self-isolation and the traffic light and phase systems, as well as commentary in regard to Wellington Parliament protests from legal, health and social perspectives.

Otago treasures its relationship with the Pacific, and this was highlighted by the way staff stepped up to help with relief efforts when the Kingdom of Tonga's Hunga-Tonga-Hunga-Ha'apai volcano erupted in January 2022. The Va'a o Tautai – Centre for Pacific Health (VoT) gave sponsorship of \$2,000, to help pay for essential supplies such as food, clothing and water that were shipped to Tonga, while Pharmacy's Associate Professor Shyamal Das led a team to prepare 50 litres of ethanol-based hand sanitiser which was included in the shipment. Additionally, Geology's Dr Marco Brenna, who conducted fieldwork on the volcano in 2015, became a key spokesperson for local and international media.

This relationship with the Pacific was also on display in September 2022, when The Fred Hollows Foundation and VoT hosted the inaugural Fred Hollows Lecture. After the lecture, a Memorandum of Understanding (MOU) was signed between The Foundation and Otago's Division of Health Sciences, continuing their collaboration to improve eye care for the people of the Pacific.

In October 2022, the Vice-Chancellor led an Otago delegation to Fiji and Samoa. In addition to successful alumni events being hosted in Suva and Apia, this trip included a number of visits to long-standing partner institutions as well as the signing of new MOUs with Pacific Theological College in Fiji and Malua Theological College in Samoa. The University also collaborated with the Samoa campus of the University of the South Pacific and the National University of Samoa to stage a successful symposium on the 60th anniversary of the Treaty of Friendship between Samoa and New Zealand.

## COMMUNITY SERVICE

A culture of community service and volunteering is an important element of the University of Otago, with the Social Impact Studio providing a hub for students, staff and the community to work together on projects that benefit society and the environment.

In 2022, Human Resources and the University's Social Impact Studio developed a trial of Social Impact Leave for staff. From 3 October 2022 to 31 March 2023 all permanent and fixed-term staff had available to them one day (pro rata based on their FTE) of Social Impact Leave enabling them to volunteer that time with a registered New Zealand charity during their work hours.

An increasing proportion of respondents to the Graduate Opinion Survey (53.6%) indicated they had undertaken volunteer work while studying at the University of Otago (see also pages 39 and 74). In a survey of academic staff, 86.9% of respondents had dedicated time to community service and, on average, this comprised 7.6% of their work time. The types of service undertaken included serving on government advisory boards and committees (25.2%); providing services to the public sector (72.8%); giving lectures, talks or presentations to non-university groups (75.7%); holding a post in an organisation or association relevant to their area of expertise (73.3%); editing or serving on the editorial boards of publications (60.7%); and contributing to community projects (57.3%).

The contributions of a number of staff were recognised with 2022 New Zealand Honours (see page 23) and others were acknowledged nationally and internationally within their own fields of endeavour including:

- Professor of Public Health Janet Hoek, who won the 2022 Critic and Conscience of Society Award for her research exposing regulatory loopholes, which are contributing to increases in the number of young Kiwis exposed to nicotine through vaping

- Dr Branko Sijnja (General Practice and Rural Health) who won the Peter Snow Memorial Award for a lifetime of service to rural health as a GP and educator
- Professor Brett Delahunt (Pathology and Molecular Medicine, Wellington) who was awarded the Royal College of Pathologists of Australasia's (RCPA) Silver Medal, in recognition of his 14 "stellar" years of service as Editor of the College journal, *Pathology*
- University Pro-Chancellor Trish Oakley, who was named as a Chartered Fellow of the Institute of Directors in recognition of her service to the business and governance communities both in Otago-Southland and nationally
- Associate Professor Tristram Ingham (Medicine, Wellington) who was appointed as co-chair of the Community Steering Group responsible for supporting and guiding the establishment of the new Ministry for Disabled People
- The Director of the Office of Māori Development, Tuari Potiki, who was appointed as a Board member of the Mental Health and Wellbeing Commission
- Student Health staff who were recognised for their outstanding mahi in enabling Pasifika students to be vaccinated against measles, mumps and rubella (MMR) by Te Whatu Ora – Health New Zealand
- Professor Suzanne Pitama, Associate Professor Emma Wyeth and Dr Maira Patu, who were appointed to Te Rūnanga o Ngāi Tahu's Iwi-Māori Partnership Board, Te Tauraki
- Professor Claire Freeman (School of Geography) who won the the 2022 Te Kōkiringa Taumata/New Zealand Planning Institute's Distinguished Service Award.

## OUTREACH

The University runs outreach programmes from all of its campuses and divisions. While some activities at the beginning of 2022 were impacted by COVID-19, many were able to take place.

The first of Science Academy's two annual science camps was held at the Red setting of the COVID-19 Protection Framework in January 2022, with the support of the Health and Safety team. Fifty-five students from 49 rural, provincial, lower decile or small schools across Aotearoa New Zealand took part, returning in July for a second week of science learning. A concurrent four-day programme of teacher professional development was also held in January 2022 with 12 teachers attending.

Tuia i Hawaiki, tuia i te Uru – Science Wānanga ran two

Science Wānanga with two new partners in 2022. The first was held at Parawera Marae near Te Awamutu in late September, delivering chemistry, physics and food science activities to 50 rangatahi Māori; the second was held at Taneātua near Whakatane in November, delivering neuroscience and mindfulness, chemistry and physics activities to 51 rangatahi Māori.

The New Zealand Marine Studies Centre (NZMSC) provides a window into marine research at the University of Otago and fosters an understanding of New Zealand's marine environment and its conservation through community engagement and education. In 2022, the NZMSC programme engaged 10,993 people, significantly fewer than in previous years due to the impact of COVID-19 restrictions. Participants included 4,989 school pupils and teachers from the lower South Island, who attended curriculum-linked programmes through the centre; 2,019 school pupils, teachers and communities who participated in the Aquavan programme; and 1,794 school pupils and teachers who attended outreach programmes in the Nelson/Marlborough/Tasman region.

The Department of Human Nutrition extended its reach in 2022, beginning a number of new initiatives aimed at promoting and supporting nutritious and economical meals. These included launching a food truck to sell food on campus and at community events, and creating "Feed My Flat" meal kits and accompanying social media posts.

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 2022 with 2,614 Māori and 1,365 Pacific students enrolled. Māori now account for 13.8% of Otago's domestic EFTS and Pacific enrolments now comprise 6.6% of total domestic EFTS.

The first seven health science graduates from the University of Otago's Socioeconomic Equity Project (EQ) pathway graduated in December 2022. The EQ project – launched in 2019 – specifically supports domestic students from decile one to three schools to progress into health professional programmes, and ultimately the health workforce. Twenty-four students were admitted into a health professional programme in the inaugural intake in 2019. Those graduating in 2022 completed pharmacy, physiotherapy and oral health degrees; graduates from the longer dentistry and medicine programmes will follow in the future.

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## CONTRIBUTION TO THE ECONOMY AND THE 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 \$1.9 billion. It was also estimated that the University directly and indirectly supported 5,816 FTE jobs in Dunedin, and 7,408 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 2022 Robert Burns Fellow was Albert Belz; Sean Donnelly was the Mozart Fellow; Michael Parmenter was the Caroline Plummer Fellow in Community Dance; Swapna Haddow was the University of Otago College of Education/Creative New Zealand Children's Writer in Residence Fellow, and Sorawit Songsataya was the Frances Hodgkins Fellowship. All five completed projects with a common thread – understanding and embracing diversity.

The University also extended its annual creative writing competition in 2022 to welcome entries from alumni as well as staff and students. Entries were received from around New Zealand and the world, with the winning stories and poems published online and read on Otago Access Radio.

Otago University Press (OUP) publishes books of scholarly and cultural significance that enrich society, a small amount of poetry, and the country's longest-running arts and literary journal, *Landfall*. In 2022 OUP published 14 new titles, including *Anzac Nations: The legacy of Gallipoli in New Zealand and Australia, 1965–2015* by Rowan Light and *Fossil Treasures of Foulden Maar* by Daphne Lee, Uwe Kaulfuss and John Conran. The 2022 poetry list included *Night School* by Michael Steven.

Hocken Collections is one of the foremost research libraries and art museums in Aotearoa New Zealand, with documentary heritage and cultural collections of national significance. In 2022, close to 4,000 researchers visited Hocken in person or made enquiries at a distance, with digital services enhanced for remote access and learning in response to the pandemic. Exhibitions are a key mechanism to showcase Hocken Collections to the public, researchers and students. Two significant exhibitions were hosted in 2022: *Kaleidoscope World: Forty Years of Flying Nun* and *Joe L'Estrange Painter*. The Hocken also lent works to several exhibitions including Frances Hodgkins' *Double Portrait* to Wrightwood Gallery in Chicago.



# Strong External Engagement

Aotearoa New Zealand's post-pandemic opening up allowed the University of Otago to expand and strengthen the work it is doing to build strong relationships with academic, political, business and alumni groups, locally, nationally and internationally.

421

continuing education events

600

international agreements

8,800+

followers on Otago Alumni Facebook page

3

years celebrating the success of young alumni via 20Twenties programme



## STRONG EXTERNAL ENGAGEMENT

**IN 2022, THE UNIVERSITY OF OTAGO CONTINUED TO PLAY A STRONG ROLE** in tackling the many challenges the country faces both at home and on the global stage.

The third University of Otago National Security School in February examined the challenges to national security posed by the rapid development of emerging technologies such as drones, robotic weapons, artificial intelligence, intrusive surveillance capabilities and cyber-attacks. Such technologies are not just confined to nation states but are well within the reach of non-state actors and organised crime. The conference looked at what they could mean for the national security for a country like New Zealand, which until recently has seen its relative geographical isolation as some form of protection.

Similarly, the 56th University of Otago Foreign Policy School in July 2022 examined the regulatory, scientific, cultural and security aspects Aotearoa New Zealand must consider as a space-faring nation. With the potential to become a global leader for low Earth orbit activities, the Foreign Policy School examined issues such as the need for New Zealand to work collaboratively with its partners and evaluating the future implications for national security and foreign policy.

The inaugural Otago Politics Day School in August drew around 190 members of the public, with secondary school pupils, Otago students and staff taking part in panel discussions and workshops. Guest presenters and panellists included Green, Labour, ACT and National Party representatives, International Socialists, Extinction Rebellion and LGBTQ activists and some of Aotearoa's leading political scientists.

A wide array of tourism academics, business leaders, policy communities, industry organisations and other interested parties gathered virtually in late March for the University of Otago's fourth Tourism Policy School. The opening address was delivered by the Minister of Tourism, Hon. Stuart Nash, and discussion centred on the theme "Structural Change for

Regenerative Tourism". The Tourism Policy School has become a key forum for full and open discussion about challenges facing the sector as well as thought leadership on the future of tourism. The 2022 School was particularly important for highlighting Māori and indigenous perspectives on tourism which are increasingly fundamental to policy and practice.

Otago's Pacific Community Engagement Manager Tofilau Nina Kirifi-Alai, who is based in Auckland, has worked closely with Pacific communities and stakeholders to enhance their relationship with the University since she took up this new role in early 2022. Relationships have been established with various Auckland based corporate and community organisations such as the South Seas Healthcare Trust, Cause Collective, Pacific Media Network and many church and Pacific communities. 2022 saw the launch of the Mangere East Church STEAM (Science, Technology, Engineering, Arts, Maths) programme run jointly with the University and Church Homework.

The 16th Otago Energy Research Centre (OERC) symposium held in November 2022 focused on "An Equitable and Low-Cost Energy Transition". Held over two days, it brought together researchers, industry representatives and non-profit organisations across two key sessions – one focused on energy wellbeing, the other on energy storage and demand flexibility. The symposium was set up to allow people to attend either in person or online.

The COVID-19 pandemic impacted Tertiary Open Days again in 2022. Government restrictions on numbers attending events prompted the event to be postponed from May to July. The ongoing pandemic, and possibly the postponement, caused attendance numbers to drop significantly (down 25%) from previous years. There has, however, been an increase over the years of the numbers of whānau accompanying prospective students to see everything Otago has to offer.

Across the wider University, 421 Continuing Education events were offered in 2022 (2021: 401), including 36 lectures,

307 seminars (with over 163 being held via Zoom), 26 Inaugural Professorial Lectures, 10 short courses, 18 symposia and eight conferences. Four workshops and 12 miscellaneous learning events were held.

### AGREEMENTS AND COLLABORATIONS

During 2022, the University's newly adopted Partnership Arrangements with International Institutions Policy was embedded into practice. This policy, with accompanying procedures and legally robust agreement templates, provides clarity, structure and focus to support the successful implementation of the new Te Aka Whakaranea ā-Ao, 2021-25 Internationalisation Framework.

Otago's new Internationalisation Framework sets the tone and direction of Otago's global engagement. It also reflects the University's responses to new patterns of international student mobility and addresses the many disruptions to partnerships resulting from the impacts of COVID-19.

In total, Otago currently has 600 international agreements, including:

- 234 Agency contracts
- 161 Memoranda of Understanding
- 92 Exchange Agreements
- 45 Study Abroad Agreements
- 23 Articulation Agreements
- Nine Custom Course Agreements
- Three Letters of Intent, and
- 33 other arrangements, such as Cotutelle Agreements, Government Scholarship arrangements and Academic Cooperation Agreements.

The University's Student Exchange activity restarted in 2022, with 16 inbound students received from seven countries (six virtually) and 63 outbound students heading to 19 countries.

The Matariki Network of Universities (MNU), of which

Otago is a founding member, will expand its reach with growth in 2023. During 2022, the MNU provided Otago with opportunities to connect students as global citizens and for staff to establish Collaborative Online International Learning programmes (COIL).

Otago is also a member of the Association of Commonwealth Universities (ACU), which provides access to over 500 member universities in 50 countries, covering 10 million students and more than one million academic and professional staff. The ACU is particularly focused on the United Nations Sustainable Development Goals and seeks to strengthen member responses to these challenges. In 2022, Otago participated in the ACU Measures Research Survey (a benchmarking exercise) with results due in early 2023.

The University is a consortium partner of the Centres of Asia-Pacific Excellence (CAPEs), established by the Government in 2017 to enhance Aotearoa New Zealand's engagement with North Asia, Southeast Asia and Latin America. In 2022, the University's CAPEs programmes continued to build strong connections between academics, students and communities in the business, education and sustainability sectors. The successful Winds of Change programme, originally arising from New Zealand's ecological connections with Chile, expanded to include a North Asia programme in 2022. The two programmes brought together 44 students from Chile, China and New Zealand. In July 2022, the CAPEs launched Aotearoa Explorers, an e-game which enables primary school students to explore the Asia-Pacific without leaving their classroom. The free game fits into the New Zealand curriculum and enables students to explore 30 virtual locations in English or te reo Māori, while learning about culture and history along the way.

## ALUMNI

The University's 120,000-plus alumni in Aotearoa New Zealand and across the world are important members of Otago's wider community. Engaging with this group is a key responsibility of the Development and Alumni Relations Office (DARO). A variety of engagement activities, including in-person events, digital offerings and regular communications in print and online are used to engage with alumni and connect them with their university. These connections are key to providing a long-lasting, mutually beneficial relationship between alumni and friends, and the University.

During 2022 DARO was able to host 23 in-person events, many of which provided the opportunity for alumni to meet the new Chancellor, Mr Stephen Higgs, and new Vice-Chancellor, Professor David Murdoch. Events were held in New Zealand and, for the first time in three years, overseas. New in 2022 were DARO-hosted virtual sessions held in partnership with departments on the Dunedin campus. This "March with Otago" series gave alumni across the globe the ability to hear from, and engage with, three of Otago's researchers.

Despite COVID-19 restrictions at the beginning of the year, eight class reunions were held in Dunedin and other cities in New Zealand. For those who were unable to attend in person, Zoom sessions were encouraged and supported by DARO to allow overseas and other classmates to join the celebrations.

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

New digital initiatives, launched in 2021, continued in 2022 including an online photography competition, and online congratulatory cards for Otago's newest alumni on their graduation, for Matariki, and to mark the end of the year.

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 e-newsletter. In 2022 DARO continued its *What's on @ Home* digital newsletters with a focus on watching, listening or doing. These continued to be popular with open rates climbing steadily throughout the year and positive feedback received.

During 2022 the University of Otago Alumni Facebook page continued to grow with the number of followers exceeding 8,800.

Alumni, staff, and friends continue to generously support University of Otago students through scholarships and Pūtea Tautoko student hardship support (see also pages 38 and 63). Through donations received from alumni and friends, DARO provided entrance scholarships to 70 recipients in 2022. In most cases this funding supported students' residential college fees.

Donor support also contributed to research, fellowships, teaching and research positions in departments, as well as scholarships and awards to recognise diligence and tenacity for learning and assist with financial hardship. A number of significant bequests were also received in 2022 that 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 recognises this as a time of change for tertiary institutions within Aotearoa New Zealand and globally, and is committed to meeting these challenges head on, through careful long-term planning.

# 43

commercial opportunities for  
Otago Innovation Ltd



Interim final version of *Vision 2040*  
approved by Council

# 513

workshops/courses  
offered by Learning and Development and  
Academic Leadership Development teams

# \$600,000

raised by Pūtea Tautoko



## SUSTAINING CAPABILITY

### DISRUPTION ARISING FROM THE COVID-19 PANDEMIC

continued to impact on University operations, activities and finances in 2022.

Operationally, the first part of Semester One was most heavily impacted; the start of the semester coincided with the first period of widespread COVID-19 transmission within Aotearoa New Zealand. That transmission spread first through Otago's student community and, in short order after that, through the ranks of staff. This meant the year began with large numbers of students self-isolating for a period, teaching delivered online and core services – particularly residential colleges and Student Health Services – hugely stretched.

While the operational disruption eased as the Semester One progressed, the financial impacts of COVID-19 were ongoing, and greater than in 2020 or 2021. This was due primarily to the ongoing impact of border closures and other travel restrictions on international student enrolments, but other factors were also at play; for example, student retention within colleges dropped as a consequence of the disrupted start to the year, and revenue from the University's food outlets fell due to their being closed early in the year.

As has been detailed more closely elsewhere in this Annual Report, full-fee international enrolments were down by 17% on 2021, with this drop following a cumulative decline of approximately 50% over the previous two years. International tuition fee revenue for the University group in 2022 totalled \$31.9 million, compared with a pre-COVID peak of \$52.5 million in 2019. International recovery is expected to commence in 2023, but a full recovery will take several years and require significant investment to secure.

The University is facing significant funding challenges due to the loss of international student revenue, cost inflation running higher than funding level increases, and domestic student numbers nationally remaining stagnant. In order to continue to support our excellent teaching, research and community service, it is essential that the University prioritises activity to support areas of strategic importance.

The University's capital programme continued to slow in 2022 as both a response to, and a consequence of, COVID-19 disruption (see page 134).

As was flagged in the 2021 Annual Report, securing a new borrowing consent from Government and indeed borrowing itself will be crucial to advancing the capital programme into the future; a new borrowing consent for up to \$400 million was secured in mid-2022, and after discussions with a number of commercial lenders, the University commenced borrowing at the end of the year.

### DEVELOPMENT

A number of significant gifts were received in 2022. The estate of Emeritus Professor Fred Fastier left a substantial bequest to the University of Otago Foundation Trust for the Fastier Pharmacology Research Fund to support summer studentships and other research activity by Otago students in the subject area of Pharmacology.

A significant donation was received from the Estate of J A Bell for an endowment to establish the J A Bell Chair in Oral Biology at the University, and a further bequest donation was received from the estate of Ngaere Geddes 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 pursuing courses in Anthropology.

Significant bequests were also received from the Estate of Helen Alexander for research into colon cancer and diabetes and the Estate of Roger Mackie for the University of Otago general fund.

Graeme and Robyn Hart made their final donation of their \$10 million pledge to support the dental facility in Auckland. The Longview Trust provided substantial donations to support a number of positions in Chaplaincy Studies and the Theology Programme.

Dr Peter Grant made a substantial donation to an endowment for the Dr EC and Mrs HM Grant Memorial Medical Scholarship.

David and Phyllis Lacey made a significant donation to establish the Bishara Scholarship in Neurology for students undertaking the one-year research degree Bachelor of Medical Sciences with Honours with the objective of promoting further research into the field of neurology with an emphasis on epilepsy.

Donations continued to be received for the Pūtea Tautoko student hardship fund, with nearly \$600,000 raised to the end of 2022.

### COMMERCIALISATION

Academic staff presented Otago Innovation Ltd with 43 potentially commercial opportunities in 2022. Spinout companies successful in raising capital during the year included the recently formed Periomedic Ltd, as well as Amaroq Therapeutics Ltd, Insitugen Ltd and Upstream Medical Technologies Ltd.

Various licensing agreements were also entered into. While most remain confidential, one of note was the 2021 licensing of ENGAGE – a programme out of the University's Psychology Department to teach young children self-regulation skills – to the Methodist Mission Southern (MMS). MMS has subsequently secured funding from the Ministry of Education to run a pilot programme in around 100 early childhood education centres around Aotearoa New Zealand.

In other highlights, phase two trials are underway into the use of ketamine for treatment-resistant depression, an approach conceived of at the University of Otago and taken up by Douglas Pharmaceuticals through a collaborative research agreement.

Each year Otago Innovation runs a Proof of Concept Grant competition with a \$100,000 research grant awarded to the winning University of Otago application. The competition aims to encourage researchers to explore the possible commercial applications of their research. In 2022 the grant was won by Dr Christina McGraw (Chemistry) and Dr Evelyn Armstrong (Marine Science) for an invention with the potential to improve the efficiency of processes in the algal biofuels industry by

providing measurement of algal growth in real-time, rather than via lengthy manual processes. A second competition – the Translational Research Grant valued at \$50,000 – is open to Division of Health Sciences staff and achieves a similar purpose. In 2022 it was won by a team led by Professor Chris Pemberton and Ms Sarah Raudsepp, alongside Professors Mark Richards, Richard Troughton, Martin Than and John Pickering (University of Otago, Christchurch). The group is developing a new method for rapidly diagnosing heart attacks, improving the existing process with the aim of reducing false positive and false negative rates of testing.

### STRATEGIC AND ORGANISATIONAL INITIATIVES

An interim final version of *Vision 2040* was approved by Council at its last meeting of 2022 and will be launched in early 2023. *Vision 2040* includes a new and more outwardly focused aspiration for Otago, and is notably more ambitious than *Strategic Direction to 2020* in a number of key areas including Te Tiriti responsiveness, sustainability and international ambition. The delay in finalising *Vision 2040* has allowed the document to take into account some of the new educational paradigms that are emerging post-pandemic.

Further refinements will be made to produce a fully final version of *Vision 2040* in mid-2023, incorporating additional points related to the University's Te Tiriti o Waitangi commitments and the outcomes of consultation on Tuakiritaka, the University's brand project.

In late 2022, early-stage work also commenced on a shorter-frame strategic action plan to support the first phase of *Vision 2040* delivery. This is scheduled to be finalised in mid-2023. A new Pacific Strategic Framework for the University was also adopted in 2022, as well as a number of divisional and major unit plans.

Other major organisation initiatives commenced in 2022 included a review of the University brand (Tuakiritaka), and the Compass project.



The work relating to the brand includes a review of the Māori name of the University, to ensure that it reflects an authentic narrative of Otago's identity. Once proposals are finalised, consultation around possible changes will take place in the first quarter of 2023.

The Compass project is an organisational change project initiated following a review which identified issues of racism, bullying and other unacceptable behaviours at the University. It aims to address these issues so that the University, its leaders, and all staff within it are equipped for, and proactively engaged in, fostering an environment of inclusivity, safety, respect and self-worth, and are intolerant of all forms of discrimination and structural bias.

## STAFF DEVELOPMENT

During 2022, the Learning and Development and Academic Leadership Development teams held a total of 513 workshops/ courses attended by 2,688 participants, totalling 6,897 attendances.

COVID-19 meant most activities were available online. Wherever possible flagship programmes, such as the Women in Leadership at Otago, Prosci™ Essential Management Programme 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 2020-2021, members of the Learning and Development team continued to offer workshops and support to assist academic staff with online teaching tools and examinations.

Workshops and courses covered a wide range of topics and many of these were open to both academic and professional staff as part of creating shared learning opportunities. All staff could access an extensive range of online learning materials relevant to their roles via LinkedIn Learning. The Policy and Practice series for professional and academic staff ran 41 Zoom sessions with 476 participants. Curated resources, including short videos from the Policy and Practice series, were available on the Staff Development Blackboard site which had 877 staff registered with access and 1,185 module hits.

Some of the key on-campus activities in 2022 included:

- Te reo Māori workshops, attended by 148 participants
- A new workshop, Taiwi-led Introduction to Te Tiriti o Waitangi and Māori Strategic Framework (MSF) for Otago University Staff, provided 25 times for a total of 425 participants

- Three workshops on engaging with and supporting Pacific students to succeed at the University, attended by 69 participants
- The three-day Prosci™ Change Management Practitioner Programme, delivered once for nine participants
- The three-day Essential Management Programme, offered twice with 37 participants; and a new Aspiring Leaders programme piloted for 14 participants
- The annual three-day Induction Course for new Academic Heads of Departments, Programmes, Schools and Centres, attended by 21 participants from three campuses
- Collaboration with the Occupational Health Team on wellbeing topics including five webinars on menopause for women at work (attended by 129 participants) as well as workshops on stress and burnout
- Learning and courses on the LinkedIn Learning Platform, with which nearly 1,000 staff engaged, with 44,191 learning videos completed.

The Professional Staff Conference returned in 2022 after three years, and was held on the new Zoom Events platform with support from eConferencing. Twenty-two live or recorded sessions were offered, as well as a number of videos from around the University. The conference received 439 unique registrations, around twice the level of interest for past in-person conferences. During the conference 365 people "attended", with many of these and others later viewing recordings in their own time.

Along with awards for research and teaching, the 2022 University of Otago Staff Awards included awards for Exceptional Performance by Professional Staff; Health, Safety and Wellbeing Awards; and Awards for Sustainable Practice by Staff.

Two Awards for Exceptional Performance by Professional Staff were presented to Megan McPherson (Communications) and Brent Pooley (Geology). The Health, Safety and Wellbeing Award (Individual) was awarded to Suzanne Mackay (Student Experience), and the Team award went to the School of Surveying Te Kura Kairūri Student Wellbeing and Support Team. The Award for Sustainable Practice by Staff (Individual) was presented to Manon Knapen (Health Sciences Divisional Office).



## SERVICE PERFORMANCE REPORTING

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**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.

In 2022, all aspects of University activity continued to be significantly impacted by the COVID-19 global pandemic. 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.

### STRATEGIC IMPERATIVE ONE: EXCELLENCE IN RESEARCH

The University of Otago is one of Aotearoa 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	2020 Actual	2021 Actual	2022 Target	2022 Actual
1.1	Increasing the number of quality-assured research outputs as measured by a three-year rolling average. <sup>1</sup>	3-year average 6,010	3-year average 5,708	> previous year	3-year average 5,766
1.2	Increasing research funding from outside sources as measured by a three-year rolling average.	3-year average \$139.1 million	3-year average \$146.7 million	> previous year	3-year average \$153.1 million
1.3	Increasing the proportion of postgraduate research EFTS within University EFTS. <sup>2</sup>	9.0%	8.6%	> previous year	8.3%
1.4	Increasing the number of research degree completions as measured by a three-year rolling average.	3-year average 557	3-year average 550	> previous year	3-year average 539
1.5	At least 90% of research degree respondents to the Graduate Opinion Survey reporting overall satisfaction with the quality of supervision.	90.1%	94.3%	≥ 90.0%	96.1%
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.	Second in HRC and second in Marsden	Second in HRC and second in Marsden	Ranked in the top two in both funding rounds	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. <sup>3</sup>	Ranked first	Ranked second	Ranked in the top two	Ranked third

The University of Otago continues to be one of New Zealand's top research universities, remaining in the top two for the value of research grants received from the Health Research Council and the Royal Society Te Apārangi's Marsden Fund, and growing externally funded research to \$153.1 million. COVID-19 continued to impact many research activities. Although 2022 research outputs increased compared to last year, they are still below the 2020 result, and the University was ranked third in the *Nature Index*. Postgraduate research EFTS and completions have declined compared to prior years, due in large measure to the disruptions of COVID-19, though students enrolled in these programmes are still reporting high levels of satisfaction with the student experience.

<sup>1</sup> 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 2022 are those published in 2021, etc.). The definition of research outputs for this measure is consistent with that used for PBRF purposes.

<sup>2</sup> Equivalent Full Time Students (EFTS). Includes the University's Foundation Studies unless specified otherwise.

<sup>3</sup> 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 that 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	2020 Actual	2021 Actual	2022 Target	2022 Actual
2.1	Increasing the proportion of postgraduate EFTS within University EFTS.	18.8%	19.5%	> previous year	18.1%
2.2	Increasing the paper pass rate for first-year undergraduate students.	87.1%	86.2%	> previous year	84.1%
2.3	Maintaining an average pass rate for papers within 2% of the average for the previous three years.	93.0% (3 year average 92.0%)	91.6% (3 year average 92.0%)	+/- 2.0% of rolling average	90.3% (3 year average 91.6%)
2.4	Increasing the number of students successfully completing qualifications at both undergraduate and postgraduate levels.	3,558 (UG) 2,067 (PG)	3,487 (UG) 2,245 (PG)	> previous year	3,291 (UG) 2,176 (PG)
2.5	At least 90% of respondents to the Graduate Opinion Surveys <sup>4</sup> providing a positive assessment of the quality of teaching.	86.1%	85.5%	≥ 90.0%	87.4%
2.6	At least 90% of respondents to the Graduate Opinion Survey <sup>5</sup> reporting some, moderate or extensive development of the following attributes:				
	A willingness to learn;	96.6%	96.1%	≥ 90.0%	96.4%
	Teamwork skills;	84.9%	86.7%	≥ 90.0%	86.3%
	Communication skills;	92.1%	93.1%	≥ 90.0%	92.8%
	The skills to plan my own work;	95.0%	95.5%	≥ 90.0%	95.4%
	The ability to solve problems;	95.7%	95.4%	≥ 90.0%	95.6%
	Independent judgement;	95.7%	96.0%	≥ 90.0%	95.4%
	Academic rigour;	94.6%	94.4%	≥ 90.0%	94.8%
	A multidisciplinary perspective;	91.3%	90.4%	≥ 90.0%	94.8%
	Analytical skills;	95.7%	96.3%	≥ 90.0%	96.7%
	Flexibility and adaptability;	93.2%	93.8%	≥ 90.0%	94.6%
	An awareness of ethical issues;	91.3%	91.1%	≥ 90.0%	90.4%
	A global perspective;	87.9%	86.3%	≥ 90.0%	86.8%
	Cultural understanding;	85.1%	83.6%	≥ 90.0%	85.7%
	Environmental literacy;	79.2%	78.7%	≥ 90.0%	79.2%
	Research skills;	95.4%	95.0%	≥ 90.0%	94.8%
	Information literacy.	96.8%	95.8%	≥ 90.0%	96.3%
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.	94.5%	94.5%	≥ 90.0%	94.7%

<sup>4</sup> The 2020 result was based on results combined from the Student Opinion Survey and the Graduate Opinion Survey. 2021 and 2022 results are taken from the Graduate Opinion Survey only.

<sup>5</sup> Please refer to Service Performance Note 7 for further details of the surveys used in these Key Performance Indicators.

2021 saw a sharp spike in students undertaking postgraduate taught study during the COVID-19 pandemic. With decreasing unemployment rates, this was not sustained in 2022, and postgraduate EFTS declined to 18.1% of total enrolments (19.5% 2021), while completions declined to 2,176 (2,245 2021). Paper pass rates declined compared to previous years, reflecting the five-point grade adjustment provided to students in 2020, and the ongoing impact of COVID-19 on academic preparation and achievement; 2022 was especially challenging for first-year undergraduates, who arrived to commence their university study after two years of COVID-19 disrupted secondary schooling, and immediately faced an extended-period of Government-mandated lockdown.

Student satisfaction with the educational experience remains highly favourable, with 87.4% of students providing a positive assessment of the quality of teaching, and 12 out of 14 of the graduate attribute KPIs exceeding their aspirational targets. These results reflect the commitment of Otago staff to deliver despite the ongoing hurdles arising from COVID-19, and the determination of our students to do their best in challenging times. Graduate outcomes remain strong with 94.7% of graduates progressing to employment or further study following completion of their qualification.



## 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	2020 Actual	2021 Actual	2022 Target	2022 Actual
3.1	At least 90% of undergraduate degree-level commencing students admitted with NCEA Level 3 or an equivalent qualification.	96.4%	96.1%	≥ 90.0%	95.5%
3.2	At least 90% of residential college respondents to the annual College and First-Year Survey <sup>6</sup> providing a positive assessment of their colleges.	97.7%	96.9%	≥ 90.0%	95.9%
3.3	At least 90% of respondents to the annual Student Opinion Survey providing a positive assessment of:				
	Administrative services and support services;	96.8%	97.8%	≥ 90.0%	97.1%
	The Student Learning Centre;	99.0%	98.9%	≥ 90.0%	98.9%
	The helpfulness of staff;	96.6%	97.5%	≥ 90.0%	97.2%
	Student health and counselling services;	94.6%	89.0%	≥ 90.0%	83.2%
	The University's careers advisory service;	98.3%	98.3%	≥ 90.0%	95.5%
	Support from the Otago University Students' Association.	97.5%	94.3%	≥ 90.0%	96.7%
3.4	Achieving or exceeding the following targets for international student enrolments.				
	Total international students enrolled (head count) <sup>7</sup> .	2,353	1,790	1,770	1,569
	Full-fee international enrolments (EFTS).	1,396	1,051	924	865
3.5	Enrolling a diversified international student population constituting not more than 25% of the international cohort from one country.				
		19.8%	26.4%	≤ 25.0%	29.6%

Otago continues to attract high calibre students, with 95.5% of new undergraduate students admitted with NCEA Level 3 or equivalent. Students continue to value their residential college experience, with 95.9% of students providing a favourable assessment of their college. Five of the six student satisfaction measures in KPI 3.3 exceeded their target, with only Student Health and Counselling services falling below the 90% level. The decline in the Student Health and Counselling result is due to increasing demand from students contending with the impacts of COVID-19, coupled with staff in Student Health being stretched due to vacancies and illness. Otago had 3 to 4 vacancies for general practitioners throughout 2022, reflecting the issues of staff recruitment and retention exhibited in the entire New Zealand health workforce, by both COVID-19 and also difficulties in staff recruitment and retention.

The ongoing border issues arising from COVID-19 continued to negatively impact New Zealand's international education sector, with Otago experiencing a further decline in international enrolments in 2022. Otago also experienced a temporary increase in concentration of students from China of almost 30% of international students; this was due to students from China accessing Otago's online classes at a higher rate than students from other countries.

<sup>6</sup> Please refer to Service Performance Note 7 for further details of the surveys used in these Key Performance Indicators.

<sup>7</sup> 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	2020 Actual	2021 Actual	2022 Target	2022 Actual
4.1	At least 90% of respondents to the annual Student Opinion Survey providing a positive assessment of:				
	The general campus environment;	98.5%	97.3%	≥ 90.0%	97.3%
	Personal safety on campus;	99.1%	98.7%	≥ 90.0%	98.6%
	University libraries;	99.4%	99.5%	≥ 90.0%	100.0%
	University information technology and teaching facilities;	96.1%	95.1%	≥ 90.0%	94.6%
	The quality of sport and recreational facilities;	95.8%	95.7%	≥ 90.0%	94.1%
	University Union, including food and beverage service;	87.9%	86.0%	≥ 90.0%	86.4%
	Living accommodation provided by the University.	97.7%	96.9%	≥ 90.0%	96.2%
4.2	Providing learning assistance and/or access to special equipment for at least 700 students with a disability affecting study.	784	1,034	≥ 700	1,347
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 volume of students with a disability affecting study continues to grow, with 1,347 students in 2022 representing a 30.6% increase over the 1,034 students in 2021, and a 71.8% increase over the 784 in 2020. Students continue to hold a highly favourable opinion of Otago's campus environment, with four indicators achieving results of over 95%. The only result below 90% was recorded for the University Union including food and beverage services, with this result reflecting how difficult it is to provide food and beverage services that please everyone.

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

Aotearoa 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	2020 Actual	2021 Actual	2022 Target	2022 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;	2,288 students (12.8% of EFTS)	2,532 students (13.1% of EFTS)	> previous year	2,614 students (13.8% of EFTS)
	Increasing the paper pass rate for first-year undergraduate Māori students;	82.4%	79.4%	> previous year	77.1%
	Increasing the number of Māori students completing qualifications at both undergraduate and postgraduate levels;	371 (UG), 135 (PG)	403 (UG), 171 (PG)	> previous year	382 (UG), 179 (PG)
	Increasing the proportion of Māori postgraduate EFTS within postgraduate domestic University EFTS.	9.2%	10.6%	> 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;	1,150 students (5.9% of EFTS)	1,302 students (6.2% of EFTS)	> previous year	1,365 students (6.6% of EFTS)
	Increasing the paper pass rate for first-year undergraduate Pacific students;	68.4%	66.9%	> previous year	60.7%
	Increasing the number of Pacific students completing qualifications at both undergraduate and postgraduate levels;	133 (UG) 67 (PG)	145 (UG), 74 (PG)	> previous year	185 (UG), 71 (PG)
	Increasing the proportion of Pacific postgraduate EFTS within postgraduate domestic University EFTS.	3.6%	3.6%	> previous year	4.1%
5.3	Maintaining or increasing the number of research projects being undertaken in consultation with Māori as measured by a three-year rolling average. <sup>8</sup>	3-year average 708	3-year average 718	> previous year	3-year average 717
5.4	At least 80% of University academic staff involved in community service activities.	90.8%	87.2%	≥ 80.0%	86.9%
5.5	Holding at least 500 open lectures, public seminars, and adult and community education courses per annum.	363	401	≥ 500	421
5.6	Providing at least 100 performing arts activities open to the public per annum.	78	140	≥ 100	100
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.	51.3%	52.3%	> previous year	53.6%

<sup>8</sup> 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. While enrolments have increased, Māori and Pacific students were disproportionately impacted by COVID-19 leading to a decline in paper pass rates and mixed completion rates. The University has teams in place working to improve these results.

Despite the Omicron wave and ongoing impacts of COVID-19 limiting opportunities, community service levels remain strong with 86.9% of academic staff and 53.6% of students reporting being involved in community services activities or volunteer work, and 100 performing arts events being provided to the public. Research conducted in consultation with Māori remained steady, while public lectures increased slightly and the University's Fair Trade Status was maintained.



## 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	2020 Actual	2021 Actual	2022 Target	2022 Actual
6.1	At least 25% of academic staff serving on government advisory boards and committees.	20.2%	27.6%	≥ 25.0%	25.2%
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.	71.8%	69.2%	≥ 50.0%	72.8%
6.3	At least 50% of academic staff holding posts in an organisation or association relevant to their area of professional expertise.	70.6%	68.6%	≥ 50.0%	73.3%

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. The survey results show that in 2022 staff exceeded our targets of community engagement, attaining similar levels to last year for participation on advisory boards, committees, or other posts relevant to their area of expertise.

## 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 their operations.

#	KEY PERFORMANCE INDICATORS	2020 Actual	2021 Actual	2022 Target	2022 Actual
7.1	Achieving or exceeding the following University and University Group EFTS enrolment targets. <sup>9</sup>	18,722	19,603	19,892	19,174
7.2	Achieving a University Group operating surplus of at least 3% of revenue (excluding extraordinary items).	3.4%	2.1%	≥ 3.0% of revenue	-1.8%
7.3	Maintaining a liquid ratio of no worse than 1:1.	1.3:1	1.3:1	≥ 1:1	0.6:1
7.4	Ensuring that net interest paid is no greater than one-third of the operating surplus.	0.0%	0.5%	≤ 33.3%	0.0%
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.	\$77.2 million (98.2%)	\$77.2 million (100.1%)	≥ 105.0% of 2021	\$77.7 million (100.7%)
7.6	Reducing total building-related greenhouse gas emissions generated from University activities by a minimum of six percent per annum as measured by a three-year rolling average <sup>10</sup> .	14,980 t CO <sub>2</sub> -e	12,357 t CO <sub>2</sub> -e	≥ 6.0% reduction from	10,657 t CO <sub>2</sub> -e 13.8% reduction previous year
7.7	Reducing greenhouse gas emissions from building-related energy use per m <sup>2</sup> of floor space by a minimum of six percent per annum, as measured by a three-year rolling average <sup>11</sup> .	31.3 kg CO <sub>2</sub> -e	25.8 kg CO <sub>2</sub> -e	≥ 6.0% reduction from	22.1 kg CO <sub>2</sub> -e 14.3% reduction previous year
7.8	Reducing the amount of waste sent to landfill per capita <sup>12</sup> by a minimum of 6 percent per annum.	61.4 kg per person (EFTS and FTE)	62.5 kg per person (EFTS and FTE)	≥ 6.0% reduction from	64.6 kg per person (EFTS and FTE) 3.4% increase

While Otago fell 3.6% (718 EFTS) short of its enrolment target, the 2022 result needs to be viewed in the context of ongoing restrictions on international students entering New Zealand, and both COVID-19 disruption and a very strong labour market within New Zealand. Compared to 2021, the University achieved a 10.4% increase in domestic EFTS and a 21.5% decline in international EFTS. The increase in consulting, commercial and intellectual property income (\$77.7 million in 2022; \$77.2 million in 2021) was not enough to overcome the decline in tuition income and negative investment returns, and the University Group reported a deficit of 1.8% in 2022 and a reduction in the University's liquid ratio below the 1:1 target.

Greenhouse emissions continue to decline as a result of the University shifting one of its main energy sources from coal to biomass in 2021, while energy used per square meter increased slightly as the number of new energy-dense buildings were commissioned. The reduction in emissions reflects the University's continued efforts to improve sustainability, such as converting the boiler in Arana College from coal to woodchips in 2022 resulting in coal no longer being used on the Dunedin campus. The increase in the number of students with COVID-19 isolating in colleges in 2022 resulted in an increase in the amount of waste sent to landfill.

<sup>9</sup> University Group EFTS include those generated by the Foundation Programme

<sup>10</sup> University activities refers to building energy emissions for all campuses (excluding non-University owned colleges). Performance is measured in tonnes or kilograms of CO<sub>2</sub>-e (carbon dioxide equivalent) and includes category 1 and category 2 emissions only. There is inherent uncertainty in reported greenhouse gas emissions because the scientific knowledge and methodologies to determine the emissions factors and processes to calculate or estimate quantities of greenhouse gases are still evolving, as are reporting and assurance standards. See Service Performance Reporting Note 6 for further information.

<sup>11</sup> Floor space is measure in m<sup>2</sup> Gross Floor Area for all campuses (excluding non-University owned colleges)

<sup>12</sup> Sum of Equivalent Full Time Students (EFTS) and Full Time Equivalent Staff (FTE)



# 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 ongoing hui and 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 the University.

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	2018	2019	2020	2021	2022
Ngāi Tahu / Kāi Tahu	494	512	557	593	604
Ngāpuhi	375	407	418	434	470
Ngāti Porou	257	264	253	284	274
Tainui, iwi not named	177	180	158	181	176
Ngāti Maniapoto	117	130	124	135	128
Ngāti Tūwharetoa (ki Taupō)	114	120	122	128	121
Ngāti Kahungunu ki Te Wairoa	90	102	92	121	114
Te Atiawa (Taranaki)	57	61	78	90	97
Te Rarawa	65	72	84	76	79
Tūhoe	90	95	86	94	97
Te Arawa, iwi not named	88	88	79	81	84
Ngāti Kahungunu ki Heretaunga	52	54	56	63	61
Ngāti Raukawa (Horowhenua/Manawatū)	32	39	53	59	64
Te Ati Haunui-a-Pāpārangī	53	54	59	59	48
Ngāti Kahungunu ki Wairarapa	49	49	52	60	62
Ngāti Awa	56	57	52	61	78
Ngāti Kahungunu, region unspecified	71	71	63	46	27
Ngāti Raukawa, region not known	60	58	48	49	41
Waikato	41	43	47	62	77
Taranaki	46	52	47	51	49
Ngāti Ranginui	33	35	45	47	51
Whakatōhea	47	48	51	56	62
Ngāi Te Rangi	38	50	56	55	62
Ngāti Whakaue (Te Arawa)	38	39	37	51	53
Other	963	1059	1120	1318	1370
Don't Know	51	55	61	66	66
<b>Total count of unique students</b>	<b>2,097</b>	<b>2,187</b>	<b>2,288</b>	<b>2,532</b>	<b>2,614</b>

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 2022, with over 400 students commencing study on designated Māori and Pacific Island Entrance Scholarships, and over 150 Māori and Pacific students securing other Otago entrance scholarships.

### MĀORI

The number of equivalent full-time Māori students enrolled at Otago increased from 2,532 in 2021 to 2,614 in 2022. As a proportion of the University's total domestic student EFTS, Māori student EFTS increased to an all-time high of 13.8% (2021: 13.1%).

There were 179 Māori students in Health Sciences First Year, 418 studying in undergraduate health professional degrees, and 158 in Health Sciences postgraduate study. Māori students now comprise 14.3% of students in health professional programmes, up from 11.8% in 2018.

In 2022, the course pass rate for Māori across all years of University was 86.1% (2021: 87.9%; 2020: 89.7%). Undergraduate qualification completions decreased to 382 students (down 5.2% from 2021), while postgraduate qualification completions increased to 179 students (up 4.7% from 2021).

Semester One 2022 commenced in the Red setting of the COVID-19 Protection Framework, due to the Omicron wave and significant COVID-19 infections. This severely impacted the ability to connect and engage with first year taura, and ongoing disruption meant engagement was incredibly difficult to maintain. Despite these challenges, Te Huka Mātauraka (the Māori Centre), achieved high numbers on its academic programme, launched a college programme and reinvigorated the mentoring programme.

The ongoing uncertainty from COVID-19 exacerbated any pre-existing anxiety about attending University, meaning Te Huka Mātauraka staff had to become even more visible and vocal than in previous years. This was achieved through

welfare calling, emails, social media presence and by focusing effort into a targeted "Are you OK Bub?" campaign. The Counsellors, Hauora Connectors, Community Liaison staff and Chaplains dedicated time to be in colleges, on campus, and in spaces where taura were. This effort paid dividends, with taura self-referring then those taura referring their friends. In 2022, the University received additional funding to support this mahi under the Government's Tertiary Student Mental Wellbeing package.

Te Huka Mātauraka operates under a "prevention through early intervention" strategy, making self-referrals very important. We know that once taura are engaged, their future at Otago will be more successful, more enjoyable and more memorable for all the right reasons.

Otago's reputation for excellent indigenous pastoral care has extended internationally, with several Canadian universities visiting to gain insight and understanding of what we do and how we do it. It was rewarding to host these guests.

Te Kura Pakihi (Otago Business School) students were involved in a range of activities which supported them to become actively involved in the Māori community. This included an ongoing project modelling climate change through visualisation of Otago harbour data. Students were introduced to Dunedin's environmental and health businesses and local government, with some students linking into the Otago-Southland Māori business network. A highlight was a visit to several Māori businesses in Tahuna/Queenstown, giving students a better understanding of the issues facing small- and medium-sized enterprises.

Raukaha, the Māori Health Workforce Development Unit (MHWDU), sits within Te Wāhanga Matua Mātau Hauora (the Division of Health Sciences). The MHWDU has continued to build on Māori student support programmes spanning recruitment, Pathway (foundation), first-year transition, academic success and completion. Approximately 800 Māori students participated in these programmes in 2022. Importantly, online methods of recruitment and engagement were established. This included: Te Ara Hauora programme, focused on pathways for Māori secondary students into Health Sciences (including REACH – a residential programme for Year 13 students) and an online hui; Tū Kahika, a culturally responsive pathway scholarship programme; Te Whakapuāwai, a comprehensive 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 remain at over 95%. In 2022, Otago boasted the largest graduation of Māori physiotherapists and dentists in the University's history. The MHWDU also delivered the Socioeconomic Equity (EQ) Project for the fourth consecutive year and celebrated the first cohort of EQ health professionals in Oral Health and Physiotherapy.

The number of Māori staff in leadership roles is growing. A new Associate Dean Māori for the Division was appointed in early 2022 and there are now two Māori Deans – one appointed as Dean and Head of Campus for University of Otago Christchurch, the other as the Dean of the Dunedin School of Medicine. Māori staff continue to lead innovative and high-quality Māori Health curricula in a number of academic programmes, and there are a growing number of Māori postgraduate students and staff undertaking Māori research.

Te Kete Aronui (the Division of Humanities) provided ongoing support to taura Māori. The Whakatō Tipu programme, led by the Divisional Kaiāwhina Māori, included a welcome hui at the beginning of both semesters, study workshops on essay writing and exam preparation, events to celebrate taura Māori success, a range of whakawhanaungatanga activities, and a postgraduate opportunities seminar. In addition, two taura Māori Summer Scholarships were awarded to third-year students for summer 2022/23, and three taura Māori Bridging Scholarships for students commencing postgraduate study in 2023. Schools within the Division have also been undertaking a series of activities to enhance equity outcomes throughout 2022, including establishing their own taura Māori prizes and summer scholarships, running Māori pedagogies, as well as tikanga and marae-based sessions for staff.

The Kaiārahi Sciences' (Division of Sciences) Māori support team provided tautoko to taura Māori in conjunction with kaimahi from Te Huka Mātauraka, Kaiāwhina network (Sciences) and other University-wide coordinators. To help improve paper pass rates, and in collaboration with the Pacific Science Support Team, the Sciences Division provided paper-specific mid-semester and exam preparation workshops for 112 Māori and Pacific students.

In the summer of 2022–2023, 13 taura Māori were awarded Division of Sciences, 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. Taura Māori from the last round of Summer Scholarships 2021–2022 did a presentation via Zoom on their summer research. Seventeen Māori Science students completed the Te Pae Kōtuku – Māori Science Leadership programme in 2022. Taura Māori attended four workshops with specific kaupapa on whakawhanaungatanga, whakapapa and pepeha, whakatipu ngahere and te ao Māori. The te ao Māori workshop was conducted in collaboration with the Career Development Centre.

The Kaituitui Wānanga, Mariana Te Pou, coordinated two Science Wānanga (SW) – Tuia i Hawaiki, tuia i te Uru noho marae. The first was held at Parawera Marae in collaboration with Raukawa and Tainui, with 50 rangatahi Māori from local schools in attendance. The second was held at Te Kura o Taneātua in collaboration with Ngā Kura O Ngai Tūhoe, and with 51 rangatahi Māori from local and rural kuru in attendance. The Kaituitui Wānanga in collaboration with the Department of Chemistry piloted a kaupapa of delivering chemistry in schools. This was delivered in Kaitaia to four schools and one Kura Kaupapa Māori. Through this mahi Otago now has a connection with Te Rūnanga-a-Iwi o Ngāti Kahu.

## PACIFIC PEOPLES

Another strong intake of first-year Pacific enrolments pushed total Pacific enrolments at Otago to an all-time high of 1,365 students (2021: 1,302). Proportionally, Pacific students increased to another all-time high, at 6.6% of total domestic student EFTS (2021: 6.2%).

There were 126 Pacific students in Health Sciences First Year, 195 students in undergraduate health professional degrees and 89 in Health Sciences postgraduate study. Pacific students comprise 6.7% of students in health professional programmes, up from 5.4% in 2018.

256 Pacific students from across the University successfully completed qualifications in 2022, an increase on 2021 (219). Undergraduate completions increased from 145 in 2021 to 185 in 2022, while postgraduate completions decreased from 74 to 71.

In 2022, the course pass rate for Pacific students across all years of University was 75.0% (2021: 79.1; 2020: 81.0%). Improving these results is a priority for the University.

The University is strongly committed to broad ongoing engagement with Pacific communities. The Pacific Strategic Framework, which formalises this commitment and articulates the University's goals to improve academic and development outcomes for Pacific students and staff, was renewed in 2022 to provide guidance to the University in Pacific matters through until 2030. Monitoring of the progress made against the goals within the Pacific Strategic Framework is undertaken by the Pacific Development Office and supported by the Associate Deans Pacific and the wider University. The Pacific Development Office welcomed new staff this year with the appointment of a new Pacific Projects Lead and the development of a new role, Senior Advisor Research and Policy Pacific.

The Pacific Development Office continued to award Pacific prizes, grants and scholarships to support Pacific recruitment and research. The Director of the Pacific Development Office also oversees the allocation of the Tertiary Education Commissions Pacific Equity Funding for initiatives supporting Pacific student success.

The Pacific Development Office completed its Quality Advancement Unit Review in 2022, resulting in a number of recommendations for implementation which focus on future growth and recognising the aspirations of our Pacific students, staff and communities.

The Pacific Islands Centre has continued to provide academic and pastoral support for Pacific students throughout the year. Staffing has increased at the centre with eight full-time staff available to assist with student and staff enquiries. External funding through the Government's Tertiary Student Mental Wellbeing package enabled the appointment of a Hauora Connector and the Kaituitui Colleges Programme Coordinator roles.

The Hauora Connector has a strong focus on making connections to student support services for taura who are displaying early onset symptoms of potential mental unwellness. The overarching vision is to reduce serious mental health conditions by prevention through early intervention. The Kaituitui Colleges Programme Coordinator is strategically

focused on the provision of appropriate coordination and support to the Colleges Programme. The overarching vision is to strengthen the connection of Māori and Pacific taura to both the Pacific Islands Centre and Te Huka Mātauraka, the Māori Centre, to increase academic success for those students.

Throughout 2022, there continued to be a strong focus on wellbeing and mental health support for students. This was largely led by the Hauora Connector with the support of the Pacific Students' Transition Officers. A number of requests and referrals for support were received by the Pacific Islands Centre that highlighted the ongoing impact of COVID-19. Students had sought support for not only their wellbeing and mental health, but also for the resulting impact with their academic programmes.

The Academic Warning Project was another significant area of work supported by the Pacific Islands Centre in 2022. This collaborative project included Student Development, the residential colleges, the International Office, and Te Huka Mātauraka. A strong focus of this project was to provide proactive support for students who had a challenging first semester.

The Taimane Academic Mentoring Programme provided four workshops each semester for students to gather, share and learn and receive targeted academic support within a welcoming and friendly Pacific environment.

Collaborative relationships with internal groups and departments are key to the work of the Pacific Islands Centre. The Centre's working relationship with Te Huka Mātauraka was strengthened with its relocation to 520 Castle Street in April 2022. Staff are working together on projects such as the Colleges Programme, Kickstart 101 and Kia Ita Summer School programmes.

Other significant relationships were with the Pacific Leadership Group (PLG), Le Moana Action Group and the University of Otago Pacific Islands Students' Association (UOPISA). The PLG is comprised 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 Aotearoa New Zealand and the Pacific region as appropriate. The Le Moana Action Group meets monthly and is comprised of all Pacific support staff on campus across all academic divisions and is led by the Manager of the Pacific Islands Centre.

The relationship with Pacific student associations has always been a priority for the Pacific Islands Centre. Throughout 2022, the UOPISA executive met with the Manager of the Pacific Islands Centre several times to discuss its priorities in supporting the goals and aspirations of the 13 Pacific student cultural and divisional associations. The Pacific Postgraduate Reference Group met via Zoom towards the end of Semester One and into Semester Two to discuss postgraduate support. This was also used to plan the annual Pacific Postgraduate Symposium, Pacific Voices XIX, which was successfully run in October.

First-year student outreach programmes such as Kickstart 101, Growing Pacific Scholars (GPS) and Pacific on Campus Experience (PoCE) were rolled out from the beginning of January 2023 ahead of another busy and exciting year.

The Otago Business School grew its Pacific staff capacity in 2022 with the recruitment of three new permanent, part-time roles, supporting Commerce Pacific Projects. 2022 saw the Pacific Incubation Programme Entrepreneurship (PIPE) work with the Koloa'i Tongan Community, and several students undertook work with a network of local Pacific business owners in Dunedin. A Pacific community outreach event called Pathways to Homeownership took place in 2022, in collaboration with Otago Polytechnic, Mortgage Link and Kainga Ora.

The Otago Business School has two Pacific Student Support Facilitators, one responsible for supporting all Bachelor of Commerce students through their journey at the Otago Business School. There is also a dedicated space for Pacific students in the Commerce building. The Division has gone from having one Pacific staff member employed since 2013 to having four staff members of Samoan, Tongan and Fijian heritage. While the Division does not currently have any Pacific academic staff, it is seeking to address this by supporting Pacific doctoral students and helping them find career opportunities in academia when they complete their studies.

Despite ongoing pandemic disruption, strong growth in Pacific students was achieved in the Division of Health Sciences in 2022. The Pacific Islands Research and Student Support Unit (PIRSSU) had one the largest ever Pacific Health Sciences cohorts with 46 Pacific students graduating, including 26 as medical doctors. Several Health Research Council scholarships were awarded, many students undertook Summer Studentships, and Divisional strategic research grants were secured to improve Pacific research.

Health Sciences continued to support the recruitment and development of Pacific academic staff, with three new academic appointments across the School of Pharmacy, the Christchurch campus, and the School of Physiotherapy (the latter being the first Pacific academic appointment in the 100-year history of Physiotherapy). The School of Biomedical Sciences appointed three new Associate Deans (Pacific) to cover roles in strategy, academic and research and the School of Pharmacy appointed a new Associate Dean (Pacific). This establishes a total of 10 Associate Deans (Pacific) across the Division, who together form the Takiala Pacific Leadership Network.

In 2022, a significant relationship was founded with the Fred Hollows Foundation NZ, which works in the Pacific region to provide specialised eye care. A Memorandum of Understanding was signed at the inaugural Fred Hollows Lecture, held in September, which will become an annual event. There will also be annual scholarships for Pacific medical students to undertake elective work at Fred Hollows clinical sites in the Pacific. The Cook Islands and Niue continued to have doctors participating and graduating from the postgraduate Rural Medical Programme. A strong relationship with the local Pacific community continues, with the Director of Va'a o Tautai – Centre for Pacific Health, becoming the chair of Pacific Trust Otago. The Division participated at the Moana Nui festival with the Associate Dean (Pacific), Dunedin School of Medicine and Pacific medical students providing free health checks for people attending.

The Division of Humanities' designated office study space for Pacific students (the Moana Room) was extensively used in 2022, and Pacific Bridging Scholarships provided to grow the cohort of Humanities Pacific postgraduate students. The Division welcomed new academic staff members of Pacific heritage into Te Tumu – School of Māori, Pacific and Indigenous Studies, the School of Social Sciences, and to deliver Pacific cultural intelligence training. A Summer School Pacific student support programme was re-offered, and the academic paper was delivered through the Division of Humanities.

#### DISABILITIES SUPPORT

The University of Otago 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. Scholarships for students with disabilities have been offered for nearly 20 years and have helped a number of students fund their studies so they can focus on what matters to achieve academic success.

In 2022, the University enrolled 2,070 students who identified as having a disability affecting study (2021: 2,004). Support in

the form of learning assistance and/or specialised equipment requiring a specific financial commitment was provided to 1,347 students with disabilities in 2022 (2021: 1,034). As shown in the table below, 2,366 instances of support were provided in the form of notetaking, assistance with examinations, tutoring and other activities (2021: 2,471), along with many hours of individual consultations provided by a team of trained advisors.

The Disability Information and Support team once again received positive feedback from the 2022 Student Satisfaction Survey, indicating that a high proportion of respondents were either "extremely satisfied" or "satisfied" with the service. The team strives to ensure students have an outstanding experience while at Otago and is proud to continue to be leaders in the field of disability support in the tertiary sector.

During 2022, Disability Information and Support celebrated its 30th Anniversary and we remain proud that the University of Otago had the foresight to establish a formalised disability support service long before it was an official requirement to do so. The team paid tribute to Donna-Rose McKay, former Head of Service, who was a pioneer and absolute champion in creating a service that has supported thousands of students over the years. The team, initially of one, now stands at 15 and provides essential academic learning support and advocacy for students with disabilities.

#### LEARNING ASSISTANCE SUPPORT FOR STUDENTS WITH DISABILITIES

	2018	2019	2020	2021	2022
Note-taking	745	796	722	871	813
Examinations/tests	603	569	675	920	927
Tutoring	405	374	335	436	330
Other	286	204	226	243	295
Assistant	0	2	2	1	0
Transcription/typing	0	0	0	0	0
Reader	0	0	0	0	1
Scanning	0	1	0	0	0
<b>Total Support Activities</b>	<b>2,039</b>	<b>1,946</b>	<b>1,960</b>	<b>2,471</b>	<b>2,366</b>

#### EQUITY AND DIVERSITY IN EMPLOYMENT

During 2022, the University's Equity, Diversity and Inclusion Adviser joined the University's Policy Management Group (PMG). This appointment improves the ability of the University to apply an equity lens to all policies as they are developed and reviewed.

A new Taiwi-led Te Tiriti o Waitangi training workshop for staff was delivered in 2022. This four-hour workshop was co-facilitated by the University's Equity, Diversity and Inclusion Adviser and the Manager of Learning and Development. Many of the workshops were attended by Heads of Department and other senior leaders. The workshop received overwhelmingly positive feedback, and in response to high demand more workshops are planned for 2023.

As has been the case in previous years, Equal Employment Opportunity observers attended Divisional Academic Promotions Committees in 2022. An Academic Women's Promotion panel is organised each year, which has about 100 people attend each time.

After two disrupted years it was pleasing to run Women in Leadership at Otago in 2022, attended by 21 academic and professional staff.

The University is recognised as a Rainbow Tick certified employer, which means it meets a standard of inclusivity with respect to its staff's sexual orientation and gender identity, and is committed to continuous improvement. Workshops are conducted annually on campus by a Rainbow Tick facilitator and there is also an online training module developed by Rainbow Tick, which staff can complete at their own pace at any time.

#### LEARNING AND DEVELOPMENT

The topic of diversity and inclusivity was promoted through a range of training courses and workshops, including Women in Leadership at Otago, Prosci™ Change Management Practitioner Programme, Essential Management Programme and Academic Heads Induction Course, Taiwi-led Introduction to Te Tiriti o Waitangi and Māori Strategic Framework (MSF) for Otago University Staff.

Collaboration with the Occupational Health team on wellbeing topics included a broad range of diversity workshops and webinars. The Professional Staff Conference returned in 2022 after three years, and was held on the new Zoom Events platform with support from eConferencing.

In 2022, the following awards were again incorporated into the University of Otago Staff Awards, along with the awards for research and teaching: awards for Exceptional Performance by Professional Staff; Health, Safety and Wellbeing awards; and awards for Sustainable Practice by Staff.

#### OTAGO UNIVERSITY CHILDCARE ASSOCIATION

Support for childcare continued to be provided through the Otago University Childcare Association in 2022, with the University providing a grant to support the Association's early childhood education facilities. Together the five centres provide education and care for approximately 190 children, of which over 90% are children of University staff or students. One of the five centres provides a bilingual learning environment where te reo Māori is the main language spoken.

## 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

<b>Sport, recreation and cultural activities</b>	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)
<b>Health services</b>	Subsidised general practice health care Specialist mental health support and counselling Sexual safety, sexual assault support and prevention
<b>Career information, advice and guidance; employment information</b>	Careers advice, guidance, planning, workshops and providing employment information to assist students transitioning from University to the workplace Opportunities for volunteering
<b>Financial support and advice</b>	Student Emergency Fund

### STUDENT SERVICES DELIVERED BY OUSA

<b>Advocacy and legal advice; counselling; services; careers (OUSA Student Support Centre)</b>	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 Hardship grants Free breakfasts
<b>Sport, recreation and cultural activities</b>	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
<b>Student communication activities</b>	Radio One 91FM Social media presence and campaigns Web presence

### STUDENT SERVICES DELIVERED BY THE OTAGO TERTIARY CHAPLAINCY TRUST BOARD

<b>Counselling services; advocacy</b>	Interfaith chaplaincy services and pastoral care
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## COMPULSORY STUDENT SERVICES FEE 2022

CSSF Category	Type of Service	CSSF Income	CSSF Expenditure	CSSF Surplus/ (Deficit)	Other Revenue/ (Deficit)	Total Surplus/ (Deficit)
<b>Advocacy and legal advice</b>	Accommodation support	125,000	125,000	-	-	-
	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	845,573	847,341	(1,768)	-	(1,768)
<b>Careers information, advice and guidance</b>	Careers Development Centre	856,612	943,064	(86,452)	91,930	5,478
<b>Clubs and societies</b>	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	2,332,516	2,332,516	-	-	-
	Clubs and Societies – other campuses	41,096	24,874	16,222	-	16,222
<b>Counselling services</b>	Pastoral counselling and care, Chaplaincy Service	114,168	132,567	(18,399)	29,596	11,197
<b>Financial support and advice</b>	Budget advice usually in conjunction with wellbeing advice (above) and often also involves foodbank parcels and/or hardship grants	10,000	10,000	-	-	-
<b>Health Services</b>	Māori counsellor	88,436	88,436	-	-	-
	Subsidised general practice health care and specialist mental health support	5,073,957	5,641,138	(567,181)	894,780	327,599
	Te Whare Tawharau sexual violence support and prevention centre	388,206	325,023	63,183	396	63,579
	Disability information and support for students impacted by mental health issues to continue in their studies	221,000	221,000	-	-	-
	Campus Watch	90,000	90,000	-	-	-
<b>Media</b>	Radio One – student radio station on-campus	255,800	255,800	-	-	-
<b>Other</b>	COVID-19 related revenue shortfall	(773,491)	-	(773,491)	-	(773,491)
<b>Sports, recreation &amp; cultural activities</b>	Campus Wi-Fi	629,775	629,775	-	-	-
	Gym membership, classes, social and competitive sport and recreational events	2,260,310	2,550,363	(290,053)	503,729	213,676
<b>Total</b>		<b>12,558,958</b>	<b>14,216,898</b>	<b>(1,657,940)</b>	<b>1,520,431</b>	<b>(137,509)</b>

Income and expenditure associated with the provision of these services are separately accounted for in the University's accounting system. The compulsory student services fee levy charged per Equivalent Full-Time Student is shown below. The amounts include GST.

Dunedin	\$906.00
Christchurch	\$289.33
Wellington	\$219.27
Southland	\$149.21

## 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 99 of this Annual Report.

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

- Otago Foundation Trust
- Otago Innovation Limited

In previous years, Otago Foundation Studies Limited was included in the Group Entities Report. This subsidiary shifted into the parent University entity during 2021, and therefore is not included in the 2022 Group Entities Report.

### 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.

#### 2022 ACHIEVEMENTS

The Trust reported a net deficit of \$19.4 million for the year to 31 December 2022. This compares with a budgeted surplus of \$7.9 million, and 2021 actual surplus of \$19.5 million.

The unfavourable variance is due to the unrealised loss on revaluation of investments. The net return on investment for the year was -6.25% compared with a return of 7.8% in 2021 and an average of 7.3% per annum over the last 10 years. Distributions to the University were \$14.5 million compared with \$10.7 million in 2021.

As at 31 December 2022 total assets were \$258.3 million (\$277.6 million: 2021).

### OTAGO INNOVATION LIMITED

#### OVERVIEW

Otago Innovation Limited (Otago Innovation) is a wholly-owned subsidiary of the University that has responsibility for the commercialisation of intellectual property from University of Otago's academic staff. Traditionally, much of Otago Innovation's commercialisation activity is centred upon medical research and biotechnology innovation, however an increasing number of opportunities are emerging from the sciences and other disciplines.

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

To ensure a steady supply of opportunities, Otago Innovation 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.

#### 2022 ACHIEVEMENTS

43 potentially commercial opportunities were presented by academic staff to Otago Innovation in 2022 (2021: 35). Spinout companies successful in raising capital during the year included the recently formed Periomedic Ltd, Amaroq Therapeutics Ltd, Insitugen Ltd and Upstream Medical Technologies Ltd.

Various licensing agreements were also entered into. While most remain confidential, one of note was the 2021 licensing of ENGAGE – a programme out of the University's Psychology Department to teach young children self-regulation skills – to the Methodist Mission Southern (MMS). MMS has subsequently secured funding from the Ministry of Education to run a pilot programme in around 100 early childcare education centres around Aotearoa New Zealand.

The Otago Innovation Group operating result was a surplus of \$1.5 million (deficit \$1.4 million: 2021) after extraordinary expenditure (equity accounting revaluations of spinout companies) with an actual net operating loss of \$173,000. This was largely due to an unbudgeted \$1.2 million unrealised gain on investment in Upstream Medical Technologies, previously accounted for as an associate, now accounted for as an investment due to a reduction in shareholding and control. In addition to this, an unbudgeted realised gain of \$350,000 on NZeno Limited Shares and an unbudgeted unrealised gain of \$316,000 on investment in Insitugen.

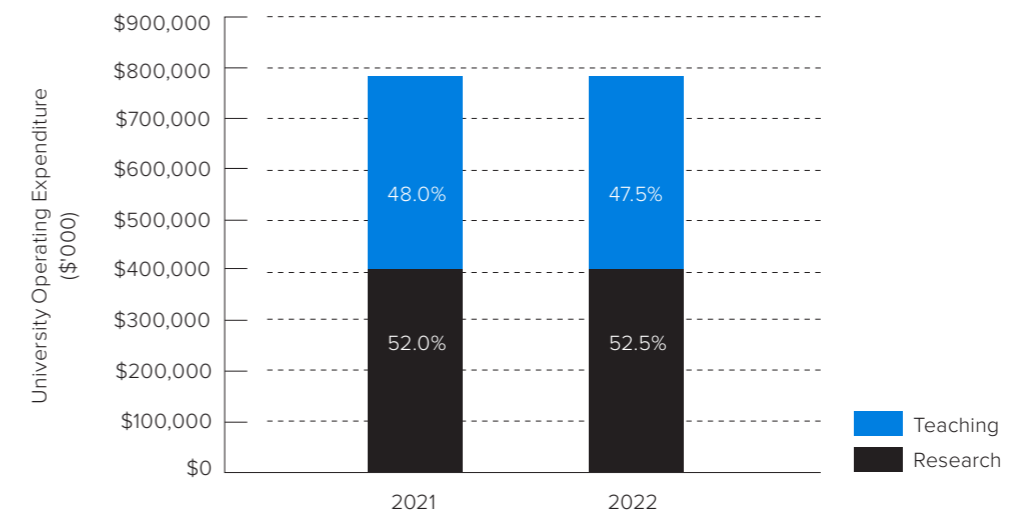
## ESTIMATED EXPENDITURE BY OUTPUT CATEGORY

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 2022 expenditure that is attributable to research and teaching. These estimates are based on the rolling three-year results of the NZBT+ benchmarking analysis conducted by Tribal Group<sup>12</sup> 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.

<sup>12</sup> Tribal Group is an international provider of educational support services.

# NOTES TO SERVICE PERFORMANCE REPORTING

For the year ended 31 December 2022

## 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 2022. Otago early adopted this Standard commencing with the year-end 31 December 2019 Annual Report.
- 1.3. The Statement of Service Performance of the University has been prepared in accordance with the requirements of the Education and Training Act 2020 and the Crown Entities Act 2004, which include the requirement to comply with New Zealand generally accepted accounting practice (NZ GAAP). The Statement of Service Performance has been prepared in accordance with Tier 1 PBE financial reporting standards, which have been applied consistently throughout the period, and complies with PBE financial reporting standards.
- 1.4. 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.
- 1.5. 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 2023.
- 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.
    - Based on the approach outlined in the University's Methodology Document, the University Council uses its judgment to select the KPIs used to measure performance for each Strategic Imperative. The University Council sets annually, within the Statement of Service Objectives, these Key Performance Indicators which 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 2022.

## 6. Greenhouse Gas Emissions

The University prepares a greenhouse gas emissions inventory in accordance with the requirements of the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) and ISO 14064-1:2018 Specification with Guidance at the Organization Level for Quantification and Reporting of Greenhouse Gas Emissions and Removals.

The emissions included in this report are classified under the following two categories:

Category 1: Direct GHG emissions from sources that are owned or controlled by the University of Otago.

Category 2: Indirect GHG emissions such as electricity, heat and steam consumed by the University of Otago.

The emissions reported include all University of Otago campuses, excludes non-University owned colleges, and excludes activities conducted by consultants or contractors engaged by the University. The emissions in this report do not include Category 3: Other Indirect GHG emissions such as transportation and Category 4: Indirect emissions from products the University of Otago uses.

There is inherent uncertainty in reported greenhouse gas emissions because the scientific knowledge and methodologies to determine the emissions factors and processes to calculate or estimate quantities of greenhouse gases are still evolving, as are reporting and assurance standards.

## 7. Further notes on selected measures

The University uses its judgment when selecting the measures used to monitor performance. Selected measures use rolling averages to smooth the impact of year-to-year volatility.

### 7.1 Paper Pass Rates

Paper pass rates are calculated internally by Otago University as percentage of paper EFTS passed divided by the sum of paper EFTS passed and paper EFTS failed. These broadly align with the Tertiary Education Commission's course completion rate calculations.

### 7.2 Surveys

The Service Performance Report utilises data from the Graduate Opinion Survey, College and First-Year Survey, Student Opinion Survey, and the Academic Staff Community Service Survey.

#### 7.2.1 Graduate Opinion Survey

The Graduate Opinion Survey (GOS) is conducted annually to gather feedback from graduates about their qualifications. The survey conducted in 2022 contacted graduates who completed their qualification requirements in 2020, while the 2021 GOS contacted graduates who completed their qualification requirements in 2019, and the 2020 GOS contacted graduates who completed their qualification requirements in 2018. The survey was sent to 5,150 graduates in 2020, 4,966 students in 2021, and 5,283 students in 2022. The number of valid respondents was 2,184 in 2020 (42% response rate), 2,176 in 2021 (44% response rate), and 2,257 in 2022 (43% response rate) when the margin of error was 2% at the 99% confidence interval.

#### 7.2.2 College and First-Year Survey

The survey is sent to all first-year students in May of each year. The 2020 survey was conducted in August due to COVID-19 disruption. The survey covers multiple topics including accommodation, pastoral care, and transition to university study.

The survey was sent to 4,101 students in 2020, 4,856 students in 2021, and 4,912 students in 2022. The number of valid respondents was 2,225 in 2020 (54% response rate), 2,666 in 2021 (55% response rate), and 2,768 in 2022 (56% response rate) when the margin of error was 2% at the 99% confidence interval.

#### 7.2.3 Student Opinion Survey – Support Services Improvement

The survey samples a randomly selected group of 4,000 students each year (4,400 in 2020). The survey is run at the end of the second semester each year, and captures student assessment of various administrative and support services provided by the University.

The survey was sent to 4,400 students in 2020, 4,000 students in 2021, and 4,000 students in 2022. The number of valid respondents was 1,657 in 2020 (38% response rate), 1,588 in 2021 (40% response rate), and 1,194 in 2022 (30% response rate) when the margin of error was 4% at the 99% confidence interval.

#### 7.2.4 Academic Staff Community Service Survey

The survey samples a randomly selected group academic staff in November of each year. The survey captures staff participation in community service activities which make use of their specialist skills and knowledge.

The survey was sent to 498 staff in 2020, 498 staff in 2021, and 498 staff in 2022. The number of valid respondents was 163 in 2020 (33% response rate), 156 in 2021 (31% response rate), and 206 in 2022 (41% response rate) when the margin of error was 8% at the 99% confidence interval.

## FINANCIAL REVIEW 2022

**THE UNIVERSITY GROUP**, which includes the University of Otago, University of Otago Holdings Limited, and the University of Otago Foundation Trust, recorded an operating deficit of \$14.7 million for the year compared to a budgeted surplus of \$3.0 million. The Group surplus in 2021 was \$16.5m. The most significant factor in the Group result was the challenging financial market conditions. These led to a deficit in the Foundation Trust caused by unrealised investment losses for the year.

The deficit has led to the Tertiary Education Commission's minimum guidelines of 3.0% of external revenue and 1.2% of equity not being achieved.

The University Parent's operating surplus for the year was \$3.1 million, which was an improvement of \$7.3 million compared to the budgeted deficit of \$4.2 million. A shortfall in student enrolments against budget for 2022 was offset by savings in consumables and general costs. Each year, liabilities held for future payments to current employees are reviewed to recognise the value today of payments to be made to these employees in the future. These payments include retirement gratuities, long-service leave and annual leave. As interest rates have increased sharply during 2022, these future payments have a lower value today, and this has led to \$5.4 million improvement in the surplus position. Without this non-cash actuarial adjustment, the University Parent would have recorded a deficit of \$2 million for 2022.

Capital expenditure for the Group was \$131.0 million, which was \$32.7 million (33.3%) higher than 2021. The major capital project in 2022 was the construction of the new Te Rangihīroa College. This is expected to be completed according to plan by mid-2023.

The University of Otago Foundation Trust recorded an operating deficit of \$19.4 million for the year, against a budgeted surplus of \$7.9 million due to the very poor performance of financial markets during 2022. The net return on investment for the year was -6.25%, however the average net return over the last 10 years was 7.3%.

Operating cash flow for the Group was a net inflow of \$98.5 million which was \$9.0 million lower than 2021. This was largely due to the continuing adverse impact of COVID-19 on operating cashflows.

The University borrowed for the first time in modern times in December 2022. Borrowing facilities of \$400 million have been established to underpin capital investment in building and digital infrastructure over the next decade.

Total assets for the Group were \$2.8 billion for the year, an increase of \$20.2 million over 2021.

The financial operating environment for tertiary institutions continues to be challenging and recovery of international student numbers is an important focus for the University.

SHARON VAN TURNHOUT  
Chief Financial Officer



## STATEMENT OF RESPONSIBILITY

For the year ended 31 December 2022

- 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;
- 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
- 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 2022 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 2022

	Note	Consolidated			University		
		Actual 2022 \$'000	Budget 2022 \$'000	Actual 2021 \$'000	Actual 2022 \$'000	Budget 2022 \$'000	Actual 2021 \$'000
<b>REVENUE</b>							
Government grants	3	274,796	282,430	274,024	274,796	282,430	273,585
Tuition fees	3	161,872	167,162	167,600	161,872	167,162	165,008
Trust donations	3	12,255	9,000	10,003	-	-	-
Finance revenue	3	34,103	13,302	22,813	3,716	110	2,495
Externally funded research	3	157,129	153,537	156,392	156,605	152,631	156,054
Performance based research funding	3	61,494	61,790	61,664	61,494	61,790	61,664
Distributions from trust funds	3	-	-	-	14,472	14,542	10,694
Consulting and commercial revenue	3	81,930	86,903	78,796	82,743	87,354	79,729
Other revenue		26,543	27,642	24,619	27,470	26,982	27,488
<b>Total revenue</b>		<b>810,122</b>	<b>801,766</b>	<b>795,911</b>	<b>783,168</b>	<b>793,000</b>	<b>776,717</b>
<b>EXPENDITURE</b>							
Salaries – academic		235,014	231,782	237,890	235,014	231,782	236,895
Salaries – general		184,548	180,757	182,875	183,485	179,698	181,297
Staff related costs		20,884	26,655	19,306	20,805	26,604	19,230
Other expenditure	4	301,430	276,514	259,697	256,734	276,263	260,597
Depreciation and amortisation expense	10	82,011	81,996	79,543	81,851	81,868	79,343
Finance costs	5	975	1,066	75	2,213	1,015	1,150
<b>Total operating expenditure</b>		<b>824,862</b>	<b>798,770</b>	<b>779,386</b>	<b>780,102</b>	<b>797,231</b>	<b>778,512</b>
<b>Surplus/(deficit)</b>		<b>(14,740)</b>	<b>2,996</b>	<b>16,525</b>	<b>3,066</b>	<b>(4,231)</b>	<b>(1,795)</b>
Gain on revaluation of land and buildings	15	-	-	336,035	-	-	336,035
Impairment of land and buildings	15	(147)	-	(51,931)	(147)	-	(51,931)
<b>Total comprehensive revenue and expenses</b>		<b>(14,887)</b>	<b>2,996</b>	<b>300,629</b>	<b>2,919</b>	<b>(4,231)</b>	<b>282,309</b>

Explanations of major variances against budget are provided in note 23. The accompanying notes form part of these financial statements.



## STATEMENT OF FINANCIAL POSITION

As at 31 December 2022

	Note	Consolidated		Actual 2021 \$'000	Actual 2022 \$'000	University	
		Actual 2022 \$'000	Budget 2022 \$'000			Budget 2022 \$'000	Actual 2021 \$'000
<b>ASSETS</b>							
<b>Current assets</b>							
Cash and cash equivalents	6	20,505	9,628	27,151	10,274	-	17,973
Trade and other receivables and prepayments	7	69,677	64,016	61,242	72,771	67,206	63,789
Other financial assets	8	16,474	64,540	55,008	480	-	12,456
Inventories		1,643	986	1,133	1,644	986	1,133
Other current assets		1,097	-	-	1,097	-	-
<b>Total current assets</b>		<b>109,396</b>	<b>139,170</b>	<b>144,534</b>	<b>86,266</b>	<b>68,192</b>	<b>95,351</b>
<b>Non-current assets</b>							
Investments in associates	9	-	3,722	71	-	-	-
Investments in subsidiaries	9	-	-	-	7,786	7,786	7,786
Other financial assets	8	216,366	182,776	208,499	33,195	34,455	34,715
Property, plant and equipment	10	2,429,562	2,448,365	2,381,618	2,425,329	2,445,935	2,377,221
Intangible assets	10	22,991	40,270	23,798	22,991	40,270	23,798
<b>Total non-current assets</b>		<b>2,668,919</b>	<b>2,675,133</b>	<b>2,613,986</b>	<b>2,489,301</b>	<b>2,528,446</b>	<b>2,443,520</b>
<b>Total assets</b>		<b>2,778,315</b>	<b>2,814,303</b>	<b>2,758,520</b>	<b>2,575,567</b>	<b>2,596,638</b>	<b>2,538,871</b>
<b>LIABILITIES</b>							
<b>Current liabilities</b>							
Trade and other payables and accruals	11	43,715	54,495	45,214	46,327	56,875	47,618
Employee entitlements	12	81,330	66,786	85,062	81,286	66,700	84,997
Deferred revenue	13	123,182	108,594	108,496	122,941	108,434	108,318
Other current liabilities		-	-	49	-	-	49
Finance lease		-	-	-	1,113	-	1,130
Loans	14	30,000	-	-	30,000	-	-
<b>Total current liabilities</b>		<b>278,227</b>	<b>229,875</b>	<b>238,821</b>	<b>281,667</b>	<b>232,009</b>	<b>242,112</b>
<b>Non-current liabilities</b>							
Employee entitlements	12	40,348	53,093	45,712	40,348	53,093	45,712
Finance lease		-	-	-	26,697	-	27,110
Loans		890	152,984	965	-	180,017	-
<b>Total non-current liabilities</b>		<b>41,238</b>	<b>206,077</b>	<b>46,677</b>	<b>67,045</b>	<b>233,110</b>	<b>72,822</b>
<b>Total liabilities</b>		<b>319,465</b>	<b>435,952</b>	<b>285,498</b>	<b>348,712</b>	<b>465,119</b>	<b>314,934</b>
<b>Net assets</b>		<b>2,458,850</b>	<b>2,378,351</b>	<b>2,473,022</b>	<b>2,226,855</b>	<b>2,131,519</b>	<b>2,223,937</b>

Explanations of major variances against budget are provided in note 23. The accompanying notes form part of these financial statements.

## STATEMENT OF FINANCIAL POSITION CONTINUED

As at 31 December 2022

	Note	Consolidated		Actual 2021 \$'000	Actual 2022 \$'000	University	
		Actual 2022 \$'000	Budget 2022 \$'000			Budget 2022 \$'000	Actual 2021 \$'000
<b>EQUITY</b>							
Accumulated funds	15	1,102,682	1,105,636	1,116,533	870,513	858,759	867,448
Other reserves	15	1,356,342	1,272,760	1,356,489	1,356,342	1,272,760	1,356,489
<b>Total equity attributable to the University</b>		<b>2,459,024</b>	<b>2,378,396</b>	<b>2,473,022</b>	<b>2,226,855</b>	<b>2,131,519</b>	<b>2,223,937</b>
Minority interest		(174)	(45)	-	-	-	-
<b>Total equity</b>		<b>2,458,850</b>	<b>2,378,351</b>	<b>2,473,022</b>	<b>2,226,855</b>	<b>2,131,519</b>	<b>2,223,937</b>

## STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2022

Balance at 1 January		2,473,022	2,375,400	2,173,922	2,223,937	2,135,749	1,938,964
Surplus/(deficit)		(14,740)	2,996	16,525	3,064	(4,230)	(1,795)
Gain on revaluation of land and buildings	15	-	-	336,035	-	-	336,035
Equity adjustments	15	889	-	(1,528)	-	-	2,664
Minority interest		(174)	(45)	-	-	-	-
Impairment of land and buildings	15	(147)	-	(51,931)	(147)	-	(51,931)
<b>Balance at 31 December</b>		<b>2,458,850</b>	<b>2,378,351</b>	<b>2,473,022</b>	<b>2,226,855</b>	<b>2,131,519</b>	<b>2,223,937</b>

Explanations of major variances against budget are provided in note 23. The accompanying notes form part of these financial statements.

## STATEMENT OF CASH FLOWS

For the year ended 31 December 2022

ACCOUNTING POLICY						
Included in the Statement of Cash Flows is the year-end balance; bank and deposits which consist 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.						
	Consolidated			University		
	Actual	Budget	Actual	Actual	Budget	Actual
	2022	2022	2021	2022	2022	2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Cash flows from operating activities</b>						
Subsidies and grants received	338,205	344,218	332,178	338,205	344,218	331,739
Fees and charges received	182,371	180,205	174,394	182,309	180,205	174,133
Interest received	27,292	4,768	22,017	2,585	99	611
Receipts from other revenue	263,611	261,074	266,143	266,935	263,877	269,580
	<b>811,478</b>	<b>790,265</b>	<b>794,731</b>	<b>790,033</b>	<b>788,399</b>	<b>776,063</b>
Payments to suppliers and employees	760,593	719,654	687,264	715,863	718,556	682,692
<b>Net cash flow from operating activities</b>	<b>50,886</b>	<b>70,611</b>	<b>107,467</b>	<b>74,170</b>	<b>69,843</b>	<b>93,371</b>
<b>Cash flows from investing activities</b>						
Receipts from sale of property, plant and equipment	371	13	82	371	13	82
Receipts from sale of investments and loan repayments	898	620	600	469	406	600
	<b>1,269</b>	<b>633</b>	<b>682</b>	<b>840</b>	<b>419</b>	<b>683</b>
Purchase of assets	124,554	213,167	98,531	125,733	213,161	94,158
Acquisition of investments	(35,772)	1,508	13,756	(13,023)	-	3,551
<b>Net cash flow from investing activities</b>	<b>(87,513)</b>	<b>(214,042)</b>	<b>(111,605)</b>	<b>(111,870)</b>	<b>(212,742)</b>	<b>(97,025)</b>
<b>Cash flows from financing activities</b>						
Proceeds from borrowings	29,981	142,899	(10)	30,000	142,899	-
<b>Net cash flow from financing activities</b>	<b>29,981</b>	<b>142,899</b>	<b>(10)</b>	<b>30,000</b>	<b>142,899</b>	<b>-</b>
Net (decrease)/increase in cash, cash equivalents and bank overdrafts	(6,646)	(532)	(4,148)	(7,699)	-	(3,654)
Cash, cash equivalents and bank overdrafts at the beginning of the year	27,151	10,160	31,299	17,973	-	21,627
<b>Cash, cash equivalents and bank overdrafts at the end of the year</b>	<b>20,505</b>	<b>9,628</b>	<b>27,151</b>	<b>10,274</b>	<b>-</b>	<b>17,973</b>

## STATEMENT OF CASH FLOWS CONTINUED

For the year ended 31 December 2022

RECONCILIATION OF NET SURPLUS TO NET CASH FLOW FROM OPERATING ACTIVITIES				
	Consolidated		University	
	Actual	Actual	Actual	Actual
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Surplus/(deficit)	(14,740)	16,525	3,066	(1,795)
<b>Add/(less) non-cash items</b>				
Non-cash donations	(1,219)	(864)	(1,219)	(864)
Non-cash dividends	(1,988)	(1,988)	-	-
Share of subsidiaries surplus	(174)	-	-	-
Adjustment to staff entitlement	(4,826)	(7,050)	(5,426)	(5,907)
Depreciation and amortisation expense	82,011	79,543	81,850	79,343
Property, plant and equipment impairment	56	215	56	174
Intellectual property income	(538)	630	538	(630)
Increase/(decrease) in loans from external trust funds	(61)	72	-	-
(Gains)/losses in fair value of investments	(5,083)	3,518	(1,289)	366
<b>Total non-cash items</b>	<b>68,177</b>	<b>74,077</b>	<b>74,511</b>	<b>72,482</b>
<b>Add/(less) movements in working capital items</b>				
(Increase)/decrease in receivables	(4,255)	2,739	(4,836)	2,825
(Increase)/decrease in prepayments	(3,130)	(1,502)	(3,096)	(1,520)
(Increase)/decrease in inventory	(514)	(185)	(511)	(185)
Increase/(decrease) in payables	(5,474)	(1,361)	(5,677)	1,476
Increase/(decrease) in funds received in advance	14,685	(1,271)	14,561	1,243
Increase/(decrease) in employee entitlements	(3,864)	18,445	(3,845)	18,846
<b>Net movement in working capital items</b>	<b>(2,552)</b>	<b>16,865</b>	<b>(3,405)</b>	<b>22,684</b>
<b>Net cash inflow/(outflow) from operating activities</b>	<b>50,886</b>	<b>107,467</b>	<b>74,170</b>	<b>93,371</b>

Explanations of major variances against budget are provided in note 23. The accompanying notes form part of these financial statements.

## STATEMENT OF CASH FLOWS CONTINUED

For the year ended 31 December 2022

	Opening Balance \$'000	Cash flows \$'000	Non-cash changes			Closing Balance \$'000
			Acquisitions \$'000	Fair value changes \$'000	Other \$'000	
<b>RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES</b>						
<b>31 December 2022 – Consolidated</b>						
Long-term borrowing	965	(19)	-	-	(56)	890
Short-term borrowing	-	30,000	-	-	-	30,000
<b>Total liabilities from financing activities</b>	<b>965</b>	<b>29,981</b>	<b>-</b>	<b>-</b>	<b>(56)</b>	<b>30,890</b>
<b>31 December 2021 – Consolidated</b>						
Long-term borrowing	1,153	(50)	-	-	(138)	965
<b>Total liabilities from financing activities</b>	<b>1,153</b>	<b>(50)</b>	<b>-</b>	<b>-</b>	<b>(138)</b>	<b>965</b>
<b>31 December 2022 – University</b>						
Short-term borrowing	-	30,000	-	-	-	30,000
Lease liabilities	28,240	-	-	-	(429)	27,811
<b>Total liabilities from financing activities</b>	<b>28,240</b>	<b>30,000</b>	<b>-</b>	<b>-</b>	<b>(429)</b>	<b>57,811</b>
<b>31 December 2021 – University</b>						
Lease liabilities	28,240	-	-	-	-	28,240
<b>Total liabilities from financing activities</b>	<b>28,240</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>28,240</b>

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

### 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 2022 were authorised for issue by Council on 27 April 2023.

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 operations and controlled trusts.

The Group subsidiary, associate companies and joint operations 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 Union Limited. Owner of the University Union building. 50% owned by University of Otago Holdings Limited.
- Ubiquitome Limited. 21% owned by Otago Innovation Limited. Commercialisation of a novel battery powered portable qPCR device.
- Upstart Incubation Trustee Company Limited. Non-operational and has no assets or liabilities. 33% owned by University of Otago Holdings Limited.
- Amaroq Therapeutics Limited. Development of RNAs to treat breast, colorectal and liver cancer. 41% owned by Otago Innovation Limited.
- Periomedic Limited. 60% 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.

# NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2022

## 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 2022, unless otherwise stated.

### 2.1 BASIS OF PREPARATION

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

A review of the Group and the University's financial conditions was undertaken by management. The impact of COVID-19 remains a challenge for the University. Despite this, it should be noted that the University still holds a strong balance sheet position, and leveraging that has resulted in the University establishing its borrowing facilities. The review, therefore, 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.

#### 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, its subsidiaries, associates and joint operations, 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 9 November 2021.

#### Reclassification of prior year balances

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

#### New amendment applied

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, which has been adopted by the University and Group. 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.

Information about the transition to PBE IPSAS 41 is disclosed in Note 20.

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

There are no other amendments issued, not yet effective.

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

#### Retirement gratuities

Note 12 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 Expenditure 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

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 2022 has been included in trade payables.

# NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2022

## 3. REVENUE

### 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.

	Consolidated		University	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
<b>Government grants</b>				
Vote Education	271,741	270,928	271,741	270,489
Vote Health	3,055	3,096	3,055	3,096
<b>Total Government grants</b>	<b>274,796</b>	<b>274,024</b>	<b>274,796</b>	<b>273,585</b>

### 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 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.

### Tuition fee

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	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
<b>Tuition fees</b>				
Domestic tuition fees	129,971	130,139	129,971	129,482
International tuition fees	31,901	37,461	31,901	35,526
<b>Total tuition fees</b>	<b>161,872</b>	<b>167,600</b>	<b>161,872</b>	<b>165,008</b>

### Fees free

The University considers fees-free revenue as 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 2022 was \$25.335 million (GST exclusive) (2021 \$27.417 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.

	Consolidated		University	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
<b>Finance revenue</b>				
Interest received	4,285	2,475	1,770	621
Dividends received	3,816	4,475	-	-
Realised gains	21,338	7,351	10	-
Unrealised gains	4,663	8,512	1,936	1,874
<b>Total finance revenue</b>	<b>34,103</b>	<b>22,813</b>	<b>3,716</b>	<b>2,495</b>

## NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2022

### 4. SPECIFIC EXPENDITURE

	Consolidated		University	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
<b>Surplus/(deficit) includes the following specific expenses:</b>				
Consumables and general	149,217	151,760	148,622	151,446
Occupancy	47,802	50,399	47,971	50,222
Investment losses	48,133	-	2,274	-
Impairment	124	320	124	320
<b>Audit and assurance fees – Audit New Zealand</b>				
Audit fees for financial statements audit	352	270	316	248
Audit fees for financial statements audit (prior year)	26	35	26	25
Audit fees PBRF audit	14	10	14	10
Audit fees for US DOE Federal Aid Programme audit	12	-	12	-
Audit fees for US DOE Federal Aid Programme audit (prior year)	12	-	12	-
<b>Total audit fees</b>	<b>416</b>	<b>315</b>	<b>380</b>	<b>283</b>
<b>Directors'/Councillors'/Trustees' fees</b>	<b>327</b>	<b>305</b>	<b>252</b>	<b>244</b>
<i>No Council members received compensation or benefits in relation to cessation (2021 Nil)</i>				
<b>Rental expense relating to operating leases</b>				
Minimum lease payments	10,006	7,155	10,186	6,965
<b>Total rental expense relating to operating leases</b>	<b>10,006</b>	<b>7,155</b>	<b>10,186</b>	<b>6,965</b>

### ENTITY EMPLOYEES

As required by the Companies Act 1993 sec 211(f)(g), the total annual remuneration, by band, for employees in the Group companies, as at 31 December 2022 was:

	Number of employees	
	2022 \$'000	2021 \$'000
\$110k–\$119k	1	1
\$120k–\$129k	2	2
\$140k–\$149k	-	1
\$160k–\$169k	1	1
\$220k–\$229k	-	1
\$230k–\$239k	1	-
<b>Total Employees</b>	<b>5</b>	<b>6</b>

### 5. FINANCE COSTS

	Consolidated		University	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
<b>Finance costs</b>				
Bank fees on borrowing	973	-	973	-
Interest on borrowing	59	-	59	-
Other interest paid	(58)	75	1,181	1,150
<b>Total finance costs</b>	<b>975</b>	<b>75</b>	<b>2,213</b>	<b>1,150</b>

### 6. CASH AND CASH EQUIVALENTS

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

	Consolidated		University	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Cash at bank and on hand	20,505	16,226	10,274	6,973
Short-term deposits maturing three months or less from date of acquisitions	-	10,925	-	11,000
<b>Total cash and cash equivalents</b>	<b>20,505</b>	<b>27,151</b>	<b>10,274</b>	<b>17,973</b>

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 \$2.959 million (2021 \$2.901 million).

The Group has 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.

### 7. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

	Consolidated		University	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Trade receivables	39,501	28,940	39,344	28,803
Less expected credit losses	(1,626)	(1,377)	(1,508)	(1,377)
<b>Net trade receivables</b>	<b>37,875</b>	<b>27,563</b>	<b>37,836</b>	<b>27,426</b>
Other receivables	12,945	19,002	16,183	21,758
Prepayments	18,857	14,677	18,752	14,605
<b>Total trade and other receivables and prepayments</b>	<b>69,677</b>	<b>61,241</b>	<b>72,771</b>	<b>63,789</b>

## NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2022

### 7. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS CONTINUED

The ageing profile of trade receivables and expected credit losses is as follows:

	Consolidated			Total
	Current	2 to 3 months	> 3 months	
<b>31 December 2022</b>				
Total gross trade receivables	25,764	5,570	8,166	39,501
Expected credited losses	(12)	(41)	(1,573)	(1,626)
Expected credit loss rate	0.0%	-0.7%	-19.3%	-4.1%
<b>31 December 2021</b>				
Total gross trade receivables	18,189	6,222	4,529	28,940
Expected credit losses	(8)	(40)	(1,329)	(1,377)
Expected credit loss rate	0.0%	-0.6%	-29.3%	-4.8%
	University			Total
	Current	2 to 3 months	> 3 months	
<b>31 December 2022</b>				
Total gross trade receivables	25,762	5,543	8,039	39,344
Expected credit losses	(12)	(41)	(1,455)	(1,508)
Expected credit loss rate	0.0%	-0.7%	-18.1%	-3.8%
<b>31 December 2021</b>				
Total gross trade receivables	18,136	6,215	4,453	28,803
Expected credit losses	(8)	(40)	(1,329)	(1,377)
Expected credit loss rate	-0.0%	-0.6%	-29.9%	-4.8%

Movements in the allowance for credit losses is as follows:

	Consolidated		University	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Opening allowance for credit losses as at 31 December 2021	1,377	1,281	1,377	1,281
Revision in loss allowance made during year	642	112	524	109
Receivables written off during year	(393)	(16)	(393)	(13)
<b>Expected credit losses closing balance</b>	<b>1,626</b>	<b>1,377</b>	<b>1,508</b>	<b>1,377</b>

All trade and other receivables and prepayments have arisen from exchange transactions. Short-term receivables are recorded at the amount due, less an allowance for expected credit losses (ECL). The University and Group apply the simplified ECL model of recognising lifetime ECL for short-term receivables. 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.

In measuring ECLs, receivables have been assessed on a collective basis as they possess shared credit risk characteristics. They have then been grouped based on the days past due. A provision matrix is then established based on historical credit loss experience, adjusted for forward looking factors specific to the debtors and the economic environment.

#### Previous accounting policy

In the previous year, the allowance for credit losses was based on the incurred credit loss model. An allowance for credit losses was recognised only when there was objective evidence that the amount due would not be fully collected.

### 8. OTHER FINANCIAL ASSETS

#### ACCOUNTING POLICY

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

- amortised cost;
- fair value through other comprehensive revenue and expense; or
- fair value through surplus or deficit

The classification of a financial asset depends on its cash flow characteristics and the University and Group's management model for managing it.

#### Previous accounting policy (summarised)

In the previous year, other financial assets also included the following category:

- loans and receivables at amortised cost (included term deposits, loans, investments in associates);

The main difference for the prior year policies is:

Impairment was recorded only when there was objective evidence of impairment. For equity investments, a significant or prolonged decline in the fair value of the investment below its cost was considered objective evidence of impairment. For debt investments, significant financial difficulties of the debtor, probability the debtor would enter into bankruptcy, receivership or liquidation, and default in payments were indicators the asset is impaired.

#### 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.

#### Amortised cost

Financial assets at amortised cost are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Financial assets in this category are included in current assets, except for those with maturities greater than 12 months after the balance date, which are included in non-current assets. After initial recognition, financial assets classified at amortised cost are subsequently measured at amortised cost using the effective credit method, less any expected losses (ECL). When expected credit losses are recognised, or when the asset is impaired or derecognised, gains and losses are recognised in the surplus and deficit.

#### Term deposits

Term deposits are initially measured at the amount invested. Where applicable, interest is subsequently accrued and added to the investment balance. 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 in 2022 is \$5.868 million (2021: \$6.337 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 expected credit losses. 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 amortised 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.

## NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2022

	Consolidated		University	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
<b>Current portion</b>				
Other loans	480	456	480	456
Short-term deposits	8,151	48,688	-	12,000
Corporate bonds	7,843	5,864	-	-
<b>Total current portion</b>	<b>16,474</b>	<b>55,008</b>	<b>480</b>	<b>12,456</b>
<b>Non-current portion</b>				
<i>Other investments</i>				
Long-term deposits	7,057	4,021	-	-
Loans and receivables	4,159	4,655	7,627	8,205
Corporate bonds	60,210	32,077	-	-
	<b>71,426</b>	<b>40,753</b>	<b>7,627</b>	<b>8,205</b>
<b>Other listed securities</b>				
Shares in other companies	138,644	163,277	568	1,510
	<b>138,644</b>	<b>163,277</b>	<b>568</b>	<b>1,510</b>
<b>Other unlisted securities</b>				
Equity securities	6,295	4,469	-	-
	<b>6,295</b>	<b>4,469</b>	<b>-</b>	<b>-</b>
<b>Investment in in-substance subsidiary</b>				
University of Otago Foundation Trust 100% controlled trust, domiciled in New Zealand	-	-	25,000	25,000
	<b>-</b>	<b>-</b>	<b>25,000</b>	<b>25,000</b>
<b>Total non-current portion</b>	<b>216,366</b>	<b>208,499</b>	<b>33,195</b>	<b>34,715</b>

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

### 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.

The interest-free loans outstanding are 2022: \$5.550 million (2021: \$5.990 million). The net present value of these loans at a discount rate of 4% is 2022: \$4.320 million (2021: \$4.764 million).

Movements in the carrying value of loans are as follows:

	Consolidated		University	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
At 1 January	5,116	5,290	5,116	5,290
Amount of new loans granted during the year	1	12	1	12
Fair value adjustment on initial recognition	(8)	425	(8)	425
Loans repaid during the year (principal and interest)	(470)	(611)	(470)	(611)
<b>At 31 December</b>	<b>4,638</b>	<b>5,116</b>	<b>4,638</b>	<b>5,116</b>

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.

## 9. INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES

	Consolidated		University	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
<b>Investment in subsidiaries</b>				
Shares in University of Otago Holdings Ltd 100% owned subsidiary, domiciled in New Zealand Balance date 31 December	-	-	7,786	7,786
<b>Total investment in subsidiaries</b>	<b>-</b>	<b>-</b>	<b>7,786</b>	<b>7,786</b>

### Investments in associates and joint ventures

#### Accounting policy

Investments in subsidiaries are measured at cost less any impairment in the University's and Group's 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.



## NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2022

### 9. INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES CONTINUED

	Consolidated	
	2022	2021
	\$'000	\$'000
<b>University of Otago Holdings Limited</b>		
Otago Innovation Limited	-	71
<b>Total investment in associates</b>	-	71
<b>University of Otago Holdings Limited's associate</b>		
<b>Name of entity: Upstart Incubation Trustee Company Limited</b>		
Principal activity: This company is not operational and has no assets or liabilities		
Ownership: 33% (31 December 2020 33%)		
<b>Otago Innovation Limited's associates</b>		
<b>Name of entity: Upstream Medical Technologies Limited</b>		
Principal activity: Development of signal peptide biomarkers		
Ownership: 19% (31 December 2021: 20%) - treated as an investment in 2022		
Balance date: 31 December		
Number of unlisted ordinary shares	-	1,325
Share of increase (decrease) in the net assets of the associate	-	(1,325)
<b>Total investment</b>	-	-
<b>Name of entity: Ubiquitome Limited</b>		
Principal activity: Commercialisation of medical products		
Ownership: 21% (31 December 2021: 21%)		
Balance date: 31 March		
Number of unlisted ordinary shares	1,350	1,350
Share of increase (decrease) in the net assets of the associate	-	(1,350)
<b>Total investment</b>	-	-
<b>Name of entity: Periomedic Limited</b>		
Principal activity: Commercialising technologies relating to periodontal health		
Ownership: 60% (31 December 2021: 80.85%) - treated as a subsidiary in 2022		
Balance date: 31 March		
Number of unlisted ordinary shares	-	71
Share of increase (decrease) in the net assets of the associate	-	-
<b>Total investment</b>	-	71
<b>Name of entity: Amaroq Limited</b>		
Principal activity: Development of RNAs to treat breast, colorectal and liver cancer		
Ownership: 41% (31 December 2021: 71%)		
Balance date: 30 June		
Number of unlisted ordinary shares	1,099	1,203
Share of increase (decrease) in the net assets of the associate	-	(1,203)
<b>Total investment</b>	-	-

### 10. PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

#### 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. Intangible assets consist of software which is measured at fair value less accumulated amortisation and impairment losses.

#### Additions

The cost of an asset or service potential associated with the asset will flow to the University and Group when 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 when incurred. Costs associated with maintaining computer software are recognised as an expense when incurred. 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. 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.

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 un-acquisitioned items, which are not included as an asset in the University as the value cannot currently be reliably measured.

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.

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.

# NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2022

## 10. PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS CONTINUED

### 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 were 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.

In 2022, from the fair value assessment performed by a third party, it was decided that, notwithstanding the movements in building costs and market values, a revaluation was not required. This, in part, recognises that building cost increased significantly in 2022. Similarly, changes in land values and non-specialised buildings such as houses, have not been large enough to require a revaluation. The valuer considered there to be a significant valuation uncertainty as a result of the COVID-19 pandemic to establish building costs and market value, however this did not impact the conclusion that a revaluation was required.

The basis of the full revaluation performed as at 31 December 2021 was as follows:

The valuation was completed by a Registered Valuer, employed by the University, and was 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.

COVID-19 had a significant impact on the property market, with large increases in construction costs and market values for land and improved properties over the past couple of years. While market values have fallen in 2022, construction costs continue to rise. Market values of land have, in general, declined due to increased cost of borrowing, reduced availability of credit and decreased consumer confidence following the pandemic.

### Impairments

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

### 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 as 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.

### 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.

### 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	1 to 250 years	0.4% to 100%
Furniture and fittings	5 to 10 years	10% to 20%
Plant and equipment	1 to 60 years	1.7% to 100%
Computers	1 to 10 years	10% to 100%
Library collections	5 to 10 years	10% to 20%
Software	1 to 25 years	4% to 100%

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2022

10. PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS CONTINUED

	As at 1 January 2022		2022 Movement						As at 31 December 2022	
	Cost \$'000	Book impairments value \$'000	Additions \$'000	Disposals \$'000	Impairments \$'000	Depreciation/ amortisation \$'000	Revaluation adjustments \$'000	Cost adjustments \$'000	Depreciation and impairments value \$'000	Book value \$'000
<b>CONSOLIDATED 2022</b>	<b>Cost \$'000</b>	<b>Book impairments value \$'000</b>	<b>Additions \$'000</b>	<b>Disposals \$'000</b>	<b>Impairments \$'000</b>	<b>Depreciation/ amortisation \$'000</b>	<b>Revaluation adjustments \$'000</b>	<b>Cost adjustments \$'000</b>	<b>Depreciation and impairments value \$'000</b>	<b>Book value \$'000</b>
Land	444,588	-	176	(445)	-	-	-	-	444,319	-
Buildings	1,815,189	(150,850)	94,818	(115)	(129)	(51,486)	-	(1,235)	1,908,657	(202,465)
Computers	83,623	(63,929)	9,947	(1)	-	(6,323)	-	(458)	93,111	(70,252)
Furniture	19,532	(9,994)	1,958	-	-	(1,761)	-	220	21,709	(11,754)
Artworks	11,488	-	138	-	-	-	-	-	11,626	-
Library books	30,549	(18,645)	11,904	-	-	(2,315)	-	(95)	32,984	(20,960)
Hocken Collection	116,899	-	1,219	-	-	-	-	-	118,118	-
Rare books	10,169	-	114	-	-	-	-	-	10,282	-
Equipment	332,060	(239,061)	17,012	(404)	(133)	(16,280)	-	993	349,661	(255,474)
<b>Property, plant and equipment</b>	<b>2,864,097</b>	<b>(482,479)</b>	<b>127,912</b>	<b>(965)</b>	<b>(262)</b>	<b>(78,165)</b>	<b>-</b>	<b>(575)</b>	<b>2,990,467</b>	<b>(560,905)</b>
<b>Intangible assets</b>	<b>62,106</b>	<b>(38,308)</b>	<b>3,116</b>	<b>(20)</b>	<b>-</b>	<b>(3,769)</b>	<b>-</b>	<b>(134)</b>	<b>65,068</b>	<b>(42,077)</b>

	As at 1 January 2021		2021 Movement						As at 31 December 2021	
	Cost \$'000	Book impairments value \$'000	Additions \$'000	Disposals \$'000	Impairments \$'000	Depreciation/ amortisation \$'000	Revaluation adjustments \$'000	Cost adjustments \$'000	Depreciation and impairments value \$'000	Book value \$'000
<b>CONSOLIDATED 2021</b>	<b>Cost \$'000</b>	<b>Book impairments value \$'000</b>	<b>Additions \$'000</b>	<b>Disposals \$'000</b>	<b>Impairments \$'000</b>	<b>Depreciation/ amortisation \$'000</b>	<b>Revaluation adjustments \$'000</b>	<b>Cost adjustments \$'000</b>	<b>Depreciation and impairments value \$'000</b>	<b>Book value \$'000</b>
Land	299,370	-	-	-	(173)	-	145,391	-	444,588	-
Buildings	1,563,535	(49,274)	61,871	-	(51,758)	(49,818)	190,644	(861)	1,815,189	(150,850)
Computers	73,673	(58,691)	14,982	(29)	-	(5,625)	-	(488)	83,623	(63,929)
Furniture	16,409	(8,372)	8,037	(1)	-	(1,791)	-	1,059	19,532	(9,994)
Artworks	11,381	-	110	-	-	-	-	(3)	11,488	-
Library books	28,587	(16,215)	12,372	-	-	(2,430)	-	-	30,549	(18,645)
Hocken Collection	116,035	-	864	-	-	-	-	-	116,899	-
Rare books	10,147	-	21	-	-	-	-	1	10,169	-
Equipment	314,343	(222,548)	16,439	(234)	-	(17,111)	-	1,512	332,060	(239,061)
<b>Property, plant and equipment</b>	<b>2,433,480</b>	<b>(355,100)</b>	<b>93,799</b>	<b>(265)</b>	<b>(51,931)</b>	<b>(76,775)</b>	<b>336,035</b>	<b>1,220</b>	<b>2,864,097</b>	<b>(482,479)</b>
<b>Intangible assets</b>	<b>62,053</b>	<b>(34,629)</b>	<b>4,523</b>	<b>(35)</b>	<b>-</b>	<b>(3,897)</b>	<b>-</b>	<b>(4,435)</b>	<b>62,106</b>	<b>(38,308)</b>

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2022

10. PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS CONTINUED

UNIVERSITY 2022	As at 1 January 2022		2022 Movement					As at 31 December 2022	
	Cost \$'000	Book value \$'000	Additions \$'000	Disposals \$'000	Impairments \$'000	Depreciation/ amortisation \$'000	Revaluation adjustments \$'000	Cost adjustments \$'000	Depreciation and impairments value \$'000
Land	444,509	-	176	(445)	-	-	-	-	444,240
Buildings	1,809,403	(149,362)	94,818	(115)	(129)	(51,334)	(1,227)	-	1,902,878
Computers	86,130	(66,443)	9,947	(5)	-	(6,321)	(458)	-	95,615
Furniture	22,431	(12,896)	1,958	-	-	(1,760)	220	-	24,609
Artworks	11,488	-	138	-	-	-	-	-	11,626
Library books	30,550	(18,646)	2,530	-	-	(2,315)	(95)	-	32,985
Hocken Collection	116,899	-	1,219	-	-	-	-	-	118,118
Rare books	10,169	-	114	-	-	-	-	-	10,282
Equipment	341,846	(248,857)	17,012	(404)	(133)	(16,275)	993	-	359,448
<b>Property, plant and equipment</b>	<b>2,873,425</b>	<b>(496,204)</b>	<b>127,912</b>	<b>(969)</b>	<b>(262)</b>	<b>(78,005)</b>	<b>(567)</b>	<b>-</b>	<b>2,999,801</b>
									<b>(574,472)</b>
									<b>2,425,329</b>
<b>Intangible assets</b>	<b>63,899</b>	<b>(40,101)</b>	<b>3,116</b>	<b>(20)</b>	<b>-</b>	<b>(3,769)</b>	<b>(134)</b>	<b>-</b>	<b>66,861</b>
									<b>(43,870)</b>
									<b>22,991</b>

UNIVERSITY 2021	As at 1 January 2021		2021 Movement					As at 31 December 2021	
	Cost \$'000	Book value \$'000	Additions \$'000	Disposals \$'000	Impairments \$'000	Depreciation/ amortisation \$'000	Revaluation adjustments \$'000	Cost adjustments \$'000	Depreciation and impairments value \$'000
Land	299,291	-	-	-	(173)	-	145,391	-	444,509
Buildings	1,561,677	(49,057)	61,871	-	(51,758)	(48,547)	190,644	(4,790)	1,809,403
Computers	75,735	(60,832)	14,903	(16)	-	(5,613)	-	(51)	86,130
Furniture	19,056	(11,032)	8,023	-	-	(1,789)	1,310	(74)	22,431
Artworks	11,381	-	110	-	-	-	(3)	-	11,488
Library books	28,587	(16,215)	1,962	-	-	(2,430)	-	-	30,550
Hocken Collection	116,035	-	864	-	-	-	-	-	116,899
Rare books	10,148	-	21	-	-	-	1	-	10,169
Equipment	323,609	(232,004)	16,439	(205)	(124)	(16,966)	238	238	341,846
<b>Property, plant and equipment</b>	<b>2,445,519</b>	<b>(369,140)</b>	<b>93,795</b>	<b>(221)</b>	<b>(52,055)</b>	<b>(75,345)</b>	<b>336,035</b>	<b>166</b>	<b>2,873,425</b>
									<b>(496,204)</b>
									<b>2,377,221</b>
<b>Intangible assets</b>	<b>63,524</b>	<b>(36,227)</b>	<b>27,297</b>	<b>4,523</b>	<b>(35)</b>	<b>(3,874)</b>	<b>(4,113)</b>	<b>-</b>	<b>63,899</b>
									<b>(40,101)</b>
									<b>23,798</b>

Capital work in progress	Consolidated		University	
	Dec 2022 \$'000	Dec 2021 \$'000	Dec 2022 \$'000	Dec 2021 \$'000
Buildings	149,753	73,402	149,753	73,402
Plant and equipment	5,018	2,669	5,018	2,669
Intangible assets – software	2,759	1,677	2,759	1,677
<b>Balance as at 31 December</b>	<b>157,530</b>	<b>77,748</b>	<b>157,530</b>	<b>77,748</b>

## NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2022

### 11. TRADE PAYABLES

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	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
<b>Current</b>				
Trade payables	9,712	8,308	9,637	8,297
Accruals	19,558	20,718	19,464	20,411
Other payables	14,445	16,188	17,226	18,910
<b>Total trade and other payables and accruals</b>	<b>43,715</b>	<b>45,214</b>	<b>46,327</b>	<b>47,618</b>

**Total trade and other payables and accruals comprise:**

Payables and accruals from exchange transactions	29,271	29,026	32,131	31,704
Payables and accruals from non-exchange transactions	14,445	16,188	14,197	15,915

### 12. EMPLOYEE ENTITLEMENTS

#### CURRENT 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 and 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 \$19.392 million (2021: \$19.290 million), University \$19.392 million (2021: \$19.290 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. The University is working with the Ministry of Business, Innovation and Employment (MBIE) to finalise this matter. The final outcome and the timeline will not be determined until this work has been completed.

As at 31 December 2022, 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 \$6.8 million by calculating the underpayment for employees over the full period of liability based on known non-compliance at 31 December 2022. 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.

##### 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 sheet 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 levies, 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 of 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 benefits superannuation plans is recognised in the Statement of Financial Position, and is measured as the present value of the defined obligation at the reporting date plus unrecognised actuarial gains (less unrecognised actuarial losses) less the fair value of the superannuation fund's assets at the 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 funds to the reporting date, calculated annually by independent actuaries using 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 1.0% - 3.0% target range of the Reserve Bank. To this was added 0.50% to allow for secular salary increases. These rates were calculated as at 31 December 2022.

A salary promotional scale which adds an approximate 0.50% allowance to the projected salary increases was adopted.

Treasury has indicated the set of discounts 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	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
<b>Current portion</b>				
Annual leave	37,416	36,697	37,372	36,632
Long-service leave	1,103	1,016	1,103	1,016
Retirement gratuities	20,394	17,855	20,394	17,855
Accrued wages	22,417	29,494	22,417	29,494
<b>Total current portion</b>	<b>81,330</b>	<b>85,062</b>	<b>81,286</b>	<b>84,997</b>
<b>Non-current portion</b>				
Retirement gratuities	36,086	41,453	36,086	41,453
Long-service leave	1,664	1,692	1,664	1,692
Sick leave	1,113	1,144	1,113	1,144
Staff intellectual property entitlements: non current	1,485	1,423	1,485	1,423
<b>Total non-current portion</b>	<b>40,348</b>	<b>45,712</b>	<b>40,348</b>	<b>45,712</b>

## NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2022

### 13. LIABILITIES – DEFERRED REVENUE

	Consolidated		University	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Research funding in advance	80,165	78,167	80,165	78,167
Student fees in advance	32,357	24,203	32,357	24,203
Other income in advance	10,660	6,126	10,419	5,948
<b>Total current liabilities – deferred income</b>	<b>123,182</b>	<b>108,496</b>	<b>122,941</b>	<b>108,318</b>

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.

### 14. BANK BORROWINGS

#### Accounting policy

Borrowings are initially recognised at the amount borrowed, being the fair value of the consideration received net of transaction costs associated with the borrowings. After initial recognition, all borrowings are measured at amortised cost using the effective interest method.

Borrowings are classified as current liabilities unless the University and Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance date as the University expects to settle the liability in the next 12 months.

The University has entered into loan facility arrangements, of various maturity terms (from 2025–2027), 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. These facilities are unsecured so there are no assets pledged as security, though certain covenants are imposed on the University.

	Consolidated		University	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Opening balance	-	-	-	-
Loans	30,000	-	30,000	-
<b>Closing balance</b>	<b>30,000</b>	<b>-</b>	<b>30,000</b>	<b>-</b>

### 15. 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
- Revaluation reserves: These reserves relate to the revaluation of land, buildings and other assets, to fair value.

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

	Consolidated		University	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
<b>Accumulated funds</b>				
Balance at 1 January	1,116,533	1,101,582	867,447	866,579
Adjustments	889	(1,574)	-	2,664
Surplus/(deficit) for the year	(14,740)	16,525	3,066	(1,795)
<b>Balance at 31 December</b>	<b>1,102,682</b>	<b>1,116,533</b>	<b>870,513</b>	<b>867,448</b>

#### Other reserves include

Land revaluation reserve	348,929	349,024	348,929	349,024
Building revaluations	982,134	982,186	982,134	982,186
Other revaluations	25,279	25,279	25,279	25,279

<b>Total reserves</b>	<b>1,356,342</b>	<b>1,356,489</b>	<b>1,356,342</b>	<b>1,356,489</b>
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#### Revaluation reserves

Balance at 1 January	1,356,489	1,072,385	1,356,489	1,072,384
Net revaluation adjustment	-	336,035	-	336,035
Decrement of land and buildings	(147)	(51,931)	(147)	(51,931)

<b>Balance at 31 December</b>	<b>1,356,342</b>	<b>1,356,489</b>	<b>1,356,342</b>	<b>1,356,489</b>
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### 16. CONTINGENCIES

	Consolidated		University	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
<b>Contingent liabilities</b>				
Personal grievance and employment-related claims against the University	20	10	20	10
<b>Total contingent liabilities</b>	<b>20</b>	<b>10</b>	<b>20</b>	<b>10</b>

There are no contingent assets at balance date (2021 Nil).

# NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2022

## 17. STATEMENT OF COMMITMENTS

### 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	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
<b>Capital commitments</b>				
Buildings	222,185	59,649	222,185	59,649
Equipment and other	11,630	9,145	11,630	9,145
<b>Total capital commitments</b>	<b>233,815</b>	<b>68,794</b>	<b>233,815</b>	<b>68,794</b>

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

	Consolidated		University	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
<b>Operating leases as lessee</b>				
Not later than one year	8,954	7,340	8,954	7,340
Later than one year and not later than five years	15,362	13,491	15,362	13,491
Later than five years	18,513	20,530	18,513	20,530
<b>Total non-cancellable operating leases</b>	<b>42,829</b>	<b>41,361</b>	<b>42,829</b>	<b>41,361</b>

Operating leases "Not later than one year" includes accommodation head leases, \$3.591 million (2021 \$2.951 million).

	Consolidated		University	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
<b>Operating leases as lessor</b>				
Not later than one year	10,069	4,471	10,069	4,471
Later than one year and not later than five years	1,882	2,531	1,882	2,531
Later than five years	4,034	4,305	4,034	4,305
<b>Total non-cancellable operating leases</b>	<b>15,985</b>	<b>11,307</b>	<b>15,985</b>	<b>11,307</b>

No contingent rents have been recognised in the statement of financial performance during the period.

	Consolidated		University	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
<b>Finance leases</b>				
Not later than one year	-	-	1,113	1,130
Later than one year but not later than five years	-	-	4,933	4,993
Later than five years	-	-	21,764	22,117
<b>Total present value of minimum lease payments payable</b>	<b>-</b>	<b>-</b>	<b>27,811</b>	<b>28,240</b>
<b>Present value of minimum lease payments payable made up of</b>				
Future lease payments	-	-	25,327	26,870
Residual value payable	-	-	2,484	1,370
<b>Total gross lease liability</b>	<b>-</b>	<b>-</b>	<b>27,811</b>	<b>28,240</b>
<b>Comprising</b>				
Current	-	-	1,113	1,130
Non-current	-	-	26,697	27,110
<b>Total present value of minimum lease payments</b>	<b>-</b>	<b>-</b>	<b>27,811</b>	<b>28,240</b>

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 a put-and-call option, which allows, within specified periods within the lease or renewal of the lease, the landlord to request the tenant purchase some or all of the properties; and also allows the tenant to request the landlord sells 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 2022

## 18. 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 OPERATIONS

- within a normal supplier or client/recipient relationship; and
- on terms and conditions no more or less favourable than those that are reasonable to expect that the Institute would have adopted in dealing with the party at arm's length in the same circumstances.

#### Intra-Group

	Goods and services		Debtors/creditors		Interest	Current	Distributions	Donations	Finance
	Received \$'000	Provided \$'000	Receivables \$'000	Payables \$'000	Received \$'000	Account \$'000	Made \$'000	Received \$'000	Lease \$'000
<b>2022</b>									
University of Otago Foundation Trust	672	-	-	-	-	3,243	14,472	1,661	27,811
University of Otago Holdings Limited	31	-	-	-	65	3,029	-	-	-
Otago Innovation Limited	664	564	3,468	-	-	250	-	-	-
University Union Limited	162	360	-	-	-	-	-	-	-
<b>2021</b>									
University of Otago Foundation Trust	672	-	-	-	-	3,156	10,694	21	28,240
University of Otago Foundation Studies Limited	530	-	-	-	5	-	-	-	-
University of Otago Holdings Limited	31	-	-	-	17	2,996	-	-	-
Otago Innovation Limited	1,094	802	3,550	27	-	250	-	-	-
University Union Limited	125	334	-	-	-	-	-	-	-

#### Transactions with key management personnel

	2022 \$'000	2021 \$'000
Key management personnel compensation		
<b>Council members</b>		
Council fees	195	202
Councillors	12	11
<b>Senior management team, including the Vice-Chancellor</b>		
Remuneration	4,526	4,202
Full-time equivalent	18	16

There are close family members of key management personnel employed by the University and Group. The terms and conditions of those arrangements are no more favourable than the University and Group would have adopted if there were no relationships to key management personnel.

All members of the Senior Leadership Team were included as key management personnel.

Directors/trustees fees: Consolidated \$0.131 million (2021 \$0.072 million), University of Otago \$0.057 million (2021 Nil).

No provision has been required, nor any expense recognised for impairment of receivables, for any loans or other receivables to related parties (2021 Nil).

### Transactions with members of Council (excluding intra-group entities)

The organisations in which Council members have an interest are not limited to those listed below. Where a Council member has an interest in an organisation but where there were no transactions with the University, these have been excluded.

Member of Council	Organisation	Purchased by the University		Purchased from the University	
		2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Mr F B Barton	Anderson Lloyd	80	71	-	-
Mr F B Barton	Presbyterian Support Otago	4	8	-	-
Mr F B Barton	New Zealand Law Society	3	3	-	-
Hon C E Curran	Curran Consultants Ltd	16	-	-	-
Mr M R Dippie	Mitre 10 (New Zealand) Limited	72	74	-	1
Ms S L Ellison	Karitane Māori Tours Limited	-	1	-	-
Ms S L Ellison	Kati Huirapa Runaka ki Puketeraki	7	19	-	-
Professor H Hayne	NZ Vice-Chancellors' Committee (Universities NZ)	-	293	-	-
Mr S J Higgs	Mitern Limited	43	43	-	-
Ms M K Lama	Otago University Students' Association	4,390	-	143	-
Ms M K Lama	University Book Shop (Otago) Limited	115	-	1	-
Ms M L Lethaby	Achieve – the National Post-Secondary Education Disability Network NZ Limited	1	-	-	-
Ms M L Lethaby	George Street Normal School Parent Teacher Association Incorporated	1	-	-	-
Professor D R Murdoch	Christchurch Heart Institute Trust	102	-	231	-
Professor D R Murdoch	NZ Vice-Chancellors' Committee (Universities NZ)	593	-	82	-
Professor H D Nicholson	NZ Vice-Chancellors' Committee (Universities NZ)	-	300	-	2
Professor H D Nicholson	Dunedin Basic Medical Sciences Course	-	-	-	68
Ms P A Oakley	Forsyth Barr Limited	24	29	-	-
Ms P A Oakley	Institute of Directors in New Zealand	8	5	-	-
Ms M M F Waite-Harvey	Otago University Students' Association	-	4,261	-	153
Ms M M F Waite-Harvey	University Bookshop (Otago) Limited	-	112	-	1
Mr M A Wong	Cook North and Wong Limited	23	22	-	-

## 19. CAPITAL MANAGEMENT

### THE UNIVERSITY

The 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.



## NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2022

### 20. 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:

	Consolidated		University	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
<b>FINANCIAL ASSETS</b>				
<b>Fair value through surplus or deficit</b>				
Listed shares	138,644	163,277	568	1,510
Unlisted shares	6,295	4,469	-	-
Corporate bonds	68,052	37,941	-	-
Other financial assets:				
- Shares in subsidiaries	-	-	7,786	7,786
- Investment in in-substance subsidiary	-	-	25,000	25,000
- Investments in associates	-	71	-	-
<b>Total fair value through surplus or deficit</b>	<b>212,992</b>	<b>205,758</b>	<b>33,354</b>	<b>34,296</b>
<b>Amortised cost</b>				
Cash and cash equivalents	20,505	27,151	10,274	17,973
Receivables	50,820	46,564	54,019	49,183
Other financial assets:				
- Term deposits	15,208	52,709	-	12,000
- Loans	4,638	5,111	4,638	5,111
<b>Total amortised cost</b>	<b>91,171</b>	<b>131,536</b>	<b>68,932</b>	<b>84,268</b>
<b>FINANCIAL LIABILITIES</b>				
<b>Financial liabilities at amortised cost</b>				
Payables	43,715	45,215	46,327	47,619
Loans and leases	30,890	965	57,811	28,240
<b>Total financial liabilities at amortised cost</b>	<b>74,605</b>	<b>46,179</b>	<b>104,138</b>	<b>75,859</b>

In accordance with the transitional provisions in PBE IPSAS 41, the University and Group have elected not to restate the comparative information. The comparative information continues to be reported under PBE IPSAS 29. Adjustments arising from the adoption of PBE IPSAS 41 are recognised in opening equity at 1 January 2022 (the date of initial application).

The accounting policies for the year ended 31 December 2022 have been updated to comply with PBE IPSAS 41. The main changes to the University and Group's accounting policies are:

#### Note 7 – Trade and other receivables and prepayments

This policy has been updated to reflect that the impairment of short-term receivables is now determined by applying the simplified expected credit loss model.

#### Note 8 – Other financial assets

This policy has been updated to reflect the new classification categories and the measurement and recognition of loss allowances on the new expected credit loss (ECL) model.

PBE IPSAS 41 also significantly amended the financial instruments disclosures of PBE IPSAS 30. This has resulted in new or amended disclosures, mostly in relation to credit risk. On the date of initial application of PBE IPSAS 41, the classification and carrying amounts of financial assets under PBE IPSAS 41 and PBE IPSAS 29 is outlined in the table below. The measurement categories and carrying amounts for financial liabilities have not changed on transition.

Reconciliation of classification changes:	PBE IPSAS 29	PBE IPSAS 41	31-Dec-21	1-Jan-22	Variance
<b>CONSOLIDATED</b>					
<b>Financial assets</b>					
Listed shares	FVTSD	FVTSD	163,277	163,277	-
Unlisted shares	FVTSD	FVTSD	4,469	4,469	-
Corporate bonds	FVTSD	FVTSD	37,941	37,941	-
Cash and cash equivalents	Loans and receivables	Amortised cost	27,151	27,151	-
Receivables	Loans and receivables	Amortised cost	46,564	46,564	-
<b>Other financial assets</b>					
Term deposits	Loans and receivables	Amortised cost	52,709	52,709	-
Loans	Loans and receivables	Amortised cost	5,111	5,111	-
Investments in associates	Loans and receivables	FVTSD	71	71	-
<b>UNIVERSITY</b>					
<b>Financial assets</b>					
Listed shares	FVTSD	FVTSD	1,510	1,510	-
Cash and cash equivalents	Loans and receivables	Amortised cost	17,973	17,973	-
Receivables	Loans and receivables	Amortised cost	49,183	49,183	-
<b>Other financial assets</b>					
Term deposits	Loans and receivables	Amortised cost	12,000	12,000	-
Loans	Loans and receivables	Amortised cost	5,111	5,111	-
Shares in subsidiaries	Loans and receivables	FVTSD	7,786	7,786	-
Investment in in-substance subsidiary	Loans and receivables	FVTSD	25,000	25,000	-

#### (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 manage 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 University has a Finance and Budget Committee which oversees this risk by applying the foreign-exchange risk-management processes as per the Treasury Management 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:

	2022				2021			
	USD \$'000	AUD \$'000	EUR \$'000	GBP \$'000	USD \$'000	AUD \$'000	EUR \$'000	GBP \$'000
Cash and cash equivalents foreign bank accounts	13	87	695	465	9	229	1	209
Equities	4,373	36,119	-	-	9,151	60,636	-	-

# NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2022

## 20. FINANCIAL INSTRUMENTS CONTINUED

### (B) MARKET RISK CONTINUED

#### 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	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Australian equities	1,940	3,210	-	-
NZ equities	4,690	4,284	-	-
US equities	350	670	-	-

#### 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)	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
1.0% (100 basis points) higher for the year				
Interest received	3,155	359	-	-

#### Explanation of interest rate risk sensitivity

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 100 bps is equivalent to a decrease in interest rates of 1.0%.

### (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 University has a Finance and Budget Committee which oversees this risk by applying the counterparty credit risk management processes as per the Treasury Management Policy approved by Council.

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	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Cash at bank and term deposits	35,713	79,860	10,274	29,973
Receivables	50,820	46,564	54,019	49,183
Corporate bonds	68,052	37,068	-	-
Loans	4,638	5,111	4,638	5,111
<b>Total credit risk</b>	<b>159,223</b>	<b>168,604</b>	<b>68,932</b>	<b>84,267</b>

#### 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, or a 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	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
<b>Counterparties with credit ratings</b>				
<b>Cash at bank and term bank deposits</b>				
AA	7,057	21,523	-	14,000
AA-	28,353	58,338	10,274	15,974
A+	303	191	-	-
<b>Total cash at bank and term deposits</b>	<b>35,713</b>	<b>80,051</b>	<b>10,274</b>	<b>29,974</b>

	Consolidated		University	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
<b>Corporate bonds</b>				
AAA	1,897	-	-	-
AA+	15,679	1,044	-	-
AA	4,168	2,855	-	-
AA-	7,450	5,172	-	-
A+	966	1,030	-	-
A	2,853	1,058	-	-
A-	9,973	8,164	-	-
BBB+	9,824	11,737	-	-
BBB	5,438	4,526	-	-
Not rated	9,804	2,356	-	-
<b>Total corporate bonds</b>	<b>68,052</b>	<b>37,941</b>	<b>-</b>	<b>-</b>

## NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2022

### 20. FINANCIAL INSTRUMENTS CONTINUED

#### (C) CREDIT RISK CONTINUED

	Consolidated		University	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
<b>Counterparties without credit ratings</b>				
<b>Receivables and loans</b>				
Debtors and other receivables	50,820	46,564	54,019	49,183
Existing counterparty with no defaults in the past	4,638	5,111	4,638	5,111
<b>Total receivables and loans</b>	<b>55,458</b>	<b>51,675</b>	<b>58,657</b>	<b>54,294</b>

#### (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, the availability of funding through an adequate amount of committed credit facilities, and the ability to close out market positions. The aim is to maintain flexibility in funding by keeping committed credit lines available.

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 \$'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
<b>CONSOLIDATED 2022</b>						
<b>Financial assets</b>						
Cash and cash equivalents	20,505	-	-	-	20,505	20,505
Term deposits	8,151	7,000	57	-	15,208	15,208
Trade receivables	50,820	-	-	-	50,820	50,820
Corporate bonds	7,843	17,442	17,536	25,232	68,053	68,052
Loans	480	430	1,173	2,555	4,638	4,638
<b>Total financial assets</b>	<b>87,798</b>	<b>24,872</b>	<b>18,766</b>	<b>27,787</b>	<b>159,223</b>	<b>159,223</b>
<b>Financial liabilities</b>						
Payables and accruals	43,715	-	-	-	43,715	43,715
Loans	30,000	-	-	890	30,890	30,890
<b>Total financial liabilities</b>	<b>73,715</b>	<b>-</b>	<b>-</b>	<b>890</b>	<b>74,605</b>	<b>74,605</b>

	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
<b>CONSOLIDATED 2021</b>						
<b>Financial assets</b>						
Cash and cash equivalents	27,151	-	-	-	27,151	27,151
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
<b>Total financial assets</b>	<b>97,710</b>	<b>6,488</b>	<b>24,623</b>	<b>5,621</b>	<b>134,442</b>	<b>134,442</b>
<b>Financial liabilities</b>						
Payables and accruals	45,215	-	-	-	45,215	45,215
Loans	-	-	-	965	965	965
<b>Total financial liabilities</b>	<b>45,215</b>	<b>-</b>	<b>-</b>	<b>965</b>	<b>46,180</b>	<b>46,180</b>
<b>UNIVERSITY 2022</b>						
<b>Financial assets</b>						
Cash and cash equivalents	10,274	-	-	-	10,274	10,274
Term deposits	-	-	-	-	-	-
Trade receivables	54,019	-	-	-	54,019	54,019
Loans	480	430	1,173	2,555	4,638	4,638
<b>Total financial assets</b>	<b>64,773</b>	<b>430</b>	<b>1,173</b>	<b>2,555</b>	<b>68,932</b>	<b>68,932</b>
<b>Financial liabilities</b>						
Payables and accruals	46,327	-	-	-	46,327	46,327
Loans and leases	31,113	1,069	3,864	21,764	57,811	57,811
<b>Total financial liabilities</b>	<b>77,441</b>	<b>1,069</b>	<b>3,864</b>	<b>21,764</b>	<b>104,138</b>	<b>104,138</b>
<b>UNIVERSITY 2021</b>						
<b>Financial assets</b>						
Cash and cash equivalents	17,973	-	-	-	17,973	17,973
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
<b>Total financial assets</b>	<b>41,822</b>	<b>444</b>	<b>1,567</b>	<b>2,644</b>	<b>46,477</b>	<b>46,477</b>
<b>Financial liabilities</b>						
Payables and accruals	47,619	-	-	-	47,619	47,619
Loans and leases	1,130	1,084	3,910	22,117	28,240	28,240
<b>Total financial liabilities</b>	<b>48,749</b>	<b>1,084</b>	<b>3,910</b>	<b>22,117</b>	<b>75,859</b>	<b>75,859</b>

## NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2022

### 20. FINANCIAL INSTRUMENTS CONTINUED

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.

	Consolidated		University	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
<b>Forward foreign-exchange contracts</b>				
Less than 1 month	448	562	448	562
Between 1 and 3 months	223	643	223	643
Between 3 and 12 months	15,033	15,472	15,033	15,472
Between 1 and 2 years	-	-	-	-
<b>Total</b>	<b>15,704</b>	<b>16,677</b>	<b>15,704</b>	<b>16,677</b>
<b>Carrying amount (asset)/liability</b>	<b>(1,097)</b>	<b>49</b>	<b>(1,097)</b>	<b>49</b>

#### (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
<b>CONSOLIDATED 2022</b>				
<b>Financial assets</b>				
Cash and cash equivalents	20,505	20,505	-	-
Term deposits	15,208	15,208	-	-
Receivables	50,820	50,820	-	-
Corporate bonds	68,052	68,052	-	-
Listed shares	138,644	138,644	-	-
Investments in associates	-	-	-	-
Shares in unlisted companies	6,295	-	-	6,295
Loans	4,638	-	4,638	-
<b>Total financial assets</b>	<b>304,163</b>	<b>293,230</b>	<b>4,638</b>	<b>6,295</b>

	Total	Quoted market price	Observable inputs	Significant non-observable inputs
<b>CONSOLIDATED 2021</b>				
<b>Financial assets</b>				
Cash and cash equivalents	27,151	27,151	-	-
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	-
<b>Total financial assets</b>	<b>337,294</b>	<b>327,642</b>	<b>5,182</b>	<b>4,469</b>

#### UNIVERSITY 2022

<b>Financial assets</b>				
Cash and cash equivalents	10,274	10,274	-	-
Term deposits	-	-	-	-
Receivables	54,019	54,019	-	-
Listed shares	568	568	-	-
Shares in subsidiaries	7,786	-	7,786	-
Investments in in-substance subsidiary	25,000	-	25,000	-
Loans	4,638	-	4,638	-
<b>Total financial assets</b>	<b>102,285</b>	<b>64,861</b>	<b>37,424</b>	<b>-</b>

#### UNIVERSITY 2021

<b>Financial assets</b>				
Cash and cash equivalents	17,973	17,973	-	-
Term deposits	12,000	12,000	-	-
Receivables	49,183	49,183	-	-
Listed shares	1,510	1,510	-	-
Investment in associates	7,786	-	7,786	-
Investments in in-substance subsidiary	25,000	-	25,000	-
Loans	5,111	-	5,111	-
<b>Total financial assets</b>	<b>118,564</b>	<b>80,666</b>	<b>37,897</b>	<b>-</b>

## NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2022

### 21. TRUST FUNDS

	Consolidated		University	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Opening Balance	273,463	253,998	-	-
Income	41,766	31,101	-	-
Expenses	(61,155)	(11,636)	-	-
<b>Closing Balance on 31 December</b>	<b>254,074</b>	<b>273,463</b>	<b>-</b>	<b>-</b>

The University of Otago Foundation Trust is a registered charitable trust, established in 2002 to receive and administer donations, bequests and sponsorship monies gifted to the University of Otago. As an umbrella trust, it is comprised of 467 individual trust funds, each with specific terms and conditions stating the purpose for which its funds are to be used. All monies received by the Trust are combined for investment purposes, enabling investment risk to be managed through a diversified, balanced portfolio which includes shares, property, bonds and cash. The Trust is governed by a Board of Trustees, including Council members and independent Trustees.

### 22. THE EFFECTS OF COVID-19 ON THE UNIVERSITY OF OTAGO

The majority of New Zealand started 2022 in the Orange setting of the COVID-19 Protection Framework ("Traffic Light System"), with Northland remaining in Red until late January.

Throughout 2022 the restrictions were removed, along with the COVID-19 Protection Framework, which was withdrawn on 12 September 2022, and the last of the government vaccine mandates were lifted on 26 September 2022.

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-19 levels, giving an overall increase in EFTS numbers for 2022 against 2019 actuals.

Commercial income levels at the University continue to improve, with 2022 income higher than pre-COVID-19 values.

Due to delayed capital expenditure on major projects, there has been an increase in investment income as a result of higher than expected cash balances.

#### EXPENSES

As restrictions have been lifted globally, there has been a significant increase in travel (flights, accommodation and other) expenditure in 2022 compared to 2020 and 2021, though travel expenditure is still significantly lower than pre-COVID-19 levels.

#### IMPAIRMENT

Overall student numbers increased from pre-COVID-19 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.

#### ASSETS

A full revaluation of land and buildings was completed as at 31 December 2021, and a fair value assessment completed in 2022 found no additional requirements to impair.

#### RISK ASSESSMENT

The University holds a small amount of short-term debt and has facilities in place to borrow to fund future cashflow gaps. Disclosures relating to the currently known impacts of COVID-19 have been made in the relevant areas of the Annual Report.

### 23. EXPLANATION OF MAJOR VARIANCES AGAINST BUDGET

#### STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSES

Student-related income was lower than budgeted largely due to fewer enrolments of mature postgraduate students and Semester Two enrolments being lower than expected.

Finance revenue was higher than budget due to the realised gains on the revaluation of investments held by the Foundation Trust.

Consulting and commercial revenue was lower than budgeted, largely in the catering outlets where the impact of COVID-19 resulted in fewer customers. Staff shortages also impacted on the ability to operate all outlets.

Salaries for both academic and professional staff was higher than budgeted due to higher than anticipated cost-of-living increases. This was offset in part by a reduction in actuarial liability due to significant movements in Treasury discount rates.

Other expenditure was higher than budget largely due to the unrealised losses on the revaluation of investments held by the Foundation Trust. This was offset in part by the University response in achieving a savings target in the University in order to meet budget which was largely achieved in general materials and consumables, computer expenditure, and external catering expenditure.

#### STATEMENT OF FINANCIAL POSITION

Cash and cash equivalents were higher than expected mainly due to expenditure savings and slower spend on the capital programme.

Trade and other receivables and prepayments were higher than budget largely due to IT-related costs prepaid.

Property, Plant and Equipment and intangible assets were significantly lower than budget due to delays in capital programme.

Trade and other payables and accruals are lower than budget due to lower general accruals than anticipated as well as reduced capital project activity for a number of reasons, including the impact of COVID-related delays.

Employee entitlements are higher at year end due to accrued wages, for both business-as-usual payroll accounting, as well as a voluntary redundancy scheme agreed at the end of 2021 and not budgeted for in 2022, and a higher than estimated outcome of pay bargaining.

Deferred revenue is mainly research projects and student fees. The University received an increase in research funding and student fees in advance compared to budget.

Current and non-current loans (borrowings) were significantly less than budget due to expenditure savings and a slower spend on the capital programme which resulted in a delayed borrowing position.

#### STATEMENT OF CHANGES IN EQUITY

Total equity is significantly higher than budget due to the revaluation of land and buildings which occurred in late 2021 not fully budgeted for in 2022.

#### STATEMENT OF CASH FLOWS

Net cash flow from operating activities was higher than budgeted largely due to favourable variances on payments to suppliers offset in part by higher than budgeted payments to employees and unfavourable variances on tuition-related income.

Net cash flow from investing activities was lower than expected due to delays in the capital programme.

Net cash flow from financing activities was less than budgeted as less borrowing was required than budgeted.

### 24. EVENTS OCCURRING AFTER THE BALANCE DATE

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 not 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 \$25 million, 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 2022, 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 2022 \$'000	University 2022 \$'000
<b>Financial responsibility supplemental schedule</b>	<b>Notes</b>		
<b>Primary reserve ratio: expendable net assets</b>			
Net assets without donor restrictions	SS 1	2,204,776	2,226,855
Net assets with donor restrictions	SS 1	254,074	-
Secured and unsecured related party receivable	SS 2	-	6,961
Unsecured related party receivable	SS 2	-	6,961
Property, plant and equipment, net (include construction in progress)	SS 3	2,429,562	2,425,329
Property, plant and equipment pre-implementation	SS 3	2,274,791	2,270,558
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	154,771	154,771
Lease right-of-use asset, net		-	-
Lease right-of-use asset, pre-implementation		-	-
Lease right-of-use asset, post-implementation		-	-
Intangible assets	SoFP	22,991	22,991
Post-employment and pension liabilities	SS 4	56,480	56,480
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	-	27,811
Pre-implementation right-of-use asset liability	SS 6	-	27,811
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		-	-
<b>Primary reserve ratio: expendable net assets</b>		<b>62,778</b>	<b>(144,136)</b>
<b>Primary reserve: expenses and losses</b>			
Total expenses without donor restrictions	SS 5	763,708	780,102
Non-operating and net investment (loss)	SS 5	-	147
Net investment losses		-	-
Pension-related changes other than net periodic costs		-	-
<b>Total expenses and losses without donor restrictions</b>		<b>763,708</b>	<b>780,250</b>
<b>Equity ratio: modified net assets</b>			
Net assets without donor restrictions	SS 1	2,204,776	2,226,855
Net assets with donor restrictions	SS 1	254,074	-
Intangible assets	SoFP	22,991	22,991
Secured and unsecured related party receivables	SS 2	-	6,961
Unsecured related party receivables	SS 2	-	6,961
<b>Modified net assets</b>		<b>2,458,850</b>	<b>2,219,894</b>

	Notes	Consolidated 2022 \$'000	University 2022 \$'000
<b>Equity ratio: modified assets</b>			
Total assets	SoFP	2,778,315	2,575,567
Lease right-of-use asset pre-implementation		-	-
Pre-implementation right-of-use asset liability	SS 6	-	27,811
Intangible assets	SoFP	22,991	22,991
Secured and unsecured related party receivables	SS 2	-	6,961
Unsecured related party receivables	SS 2	-	6,961
<b>Modified assets</b>		<b>2,778,315</b>	<b>2,568,606</b>
<b>Net income ratio</b>			
Change in net assets without donor restrictions		5,216	2,918
Total revenues and gains without donor restrictions	SS 5	768,924	783,168
<b>SUMMARY OF ASSETS AND LIABILITIES FOR THE YEAR ENDED 31 DECEMBER 2022</b>			
Cash and cash equivalents	SoFP	20,505	10,274
Accounts receivable, net	SS 7	50,821	50,526
Prepaid expenses	SS 7	20,504	20,397
Related party receivable	SS 2	-	6,961
Contributions receivable, net		-	-
Student loans receivable, net		-	-
Investments	SS 8	233,936	39,089
Property, plant and equipment, net	SS 3	2,429,562	2,425,329
Lease right-of-use asset, net		-	-
Intangible assets	SoFP	22,991	22,991
Deposits		-	-
<b>Total assets</b>		<b>2,778,315</b>	<b>2,575,567</b>
Line of credit – short term	SoFP	30,000	30,000
Line of credit – short term for CIP		-	-
Accrued expenses/accounts payable	SS 9	108,913	111,482
Deferred revenue	SoFP	123,182	122,941
Post-employment and pension liability	SS 4	56,480	56,480
Line of credit – operating		-	-
Other liabilities	SoFP	890	-
Notes payable		-	-
Lease right-of-use asset liability	SS 6	-	27,811
Line of credit for long term purposes		-	-
<b>Total liabilities</b>		<b>319,465</b>	<b>348,712</b>
<b>Net assets without donor restrictions</b>		<b>2,204,776</b>	<b>2,226,855</b>

US DEPARTMENT OF EDUCATION FINANCIAL  
RESPONSIBILITY SUPPLEMENTAL SCHEDULE CONTINUED

	Notes	Consolidated 2022 \$'000	University 2022 \$'000
<b>Net assets with donor restrictions</b>			
Annuities		-	-
Term endowments		-	-
Life income funds		-	-
Other restricted by purpose and time	Note 21	254,074	-
Restricted in perpetuity		-	-
<b>Total net assets with donor restrictions</b>		<b>254,074</b>	<b>-</b>
<b>Total net assets</b>		<b>2,458,850</b>	<b>2,226,855</b>
<b>Total liabilities and net assets</b>		<b>2,778,315</b>	<b>2,575,567</b>
<b>STATEMENT OF ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2022</b>			
<b>Changes in net assets without donor restrictions</b>			
<b>Operating revenue and other additions:</b>			
Tuition and fees, net	SS 5	319,000	318,477
Contributions	SS 5	336,290	336,290
Investment return appropriated for spending		-	-
Auxiliary enterprises	SS 5	113,065	128,400
Net assets released from restriction		-	-
<b>Total operating revenue and other additions</b>		<b>768,356</b>	<b>783,167</b>
<b>Operating expenses and other deductions</b>			
Education and research expenses	SS 5	567,656	567,638
Depreciation and amortization	SS 5	82,011	81,851
Interest expense	SS 5	975	2,213
Auxiliary enterprises	SS 5	113,065	128,400
<b>Total operating expenses</b>		<b>763,708</b>	<b>780,102</b>
<b>Change in net assets from operations</b>		<b>4,648</b>	<b>3,065</b>
<b>Non-operating changes</b>			
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	568	(147)
Sales of fixed assets, gains (losses)		-	-
<b>Total non-operating changes</b>		<b>568</b>	<b>(147)</b>
<b>Change in net assets without donor restrictions</b>		<b>5,216</b>	<b>2,918</b>
<b>Change in net assets with donor restrictions</b>			
Contributions	Note 21	41,766	-
Net assets released from restriction	Note 21	(61,155)	-
<b>Change in net assets with donor restrictions</b>		<b>(19,389)</b>	<b>-</b>
<b>Change in net assets</b>		<b>(14,173)</b>	<b>2,918</b>
Net assets, beginning of year	SoFP	2,473,022	2,223,937
Net assets, end of year	SoFP	2,458,850	2,226,855

Notes to Supplemental Schedule	Notes	Consolidated 2022 \$'000	University 2022 \$'000
These notes to the supplemental schedule have been added to provide a link back to the main statements on pages 93–95. 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.			
<b>1. Reconciliation of net assets</b>			
Net assets	SoFP	2,458,850	2,226,855
Trust funds balance as at 31 December	Note 21	254,074	-
<b>Net assets without donor restrictions</b>		<b>2,204,776</b>	<b>2,226,855</b>
<b>2. Related parties receivables</b>			
Otago Innovation Limited	Note 18	-	3,718
University of Otago Foundation Trust	Note 18	-	3,243
<b>Unsecured related party receivables</b>		<b>-</b>	<b>6,961</b>
<b>3. Property, plant and equipment</b>			
Property, plant and equipment	Note 10	2,429,562	2,425,329
<b>Total property, plant and equipment net</b>		<b>2,429,562</b>	<b>2,425,329</b>
Work in Progress – PPE – buildings	Note 10	149,753	149,753
Work in Progress – PPE – equipment	Note 10	5,018	5,018
<b>Total construction in progress</b>		<b>154,771</b>	<b>154,771</b>
<b>Property, plant and equipment (excl WIP)</b>		<b>2,274,791</b>	<b>2,270,558</b>
<b>4. Post employment and pension liability</b>			
Retirement gratuities – current	Note 12	20,394	20,394
Retirement gratuities – non-current	Note 12	36,086	36,086
<b>Total post employment and pension liability</b>		<b>56,480</b>	<b>56,480</b>
<b>5. Revenue and expenses</b>			
<b>Operating revenue and other additions</b>			
Tuition fees	SoCRE	161,872	161,872
Externally funded research	SoCRE	157,128	156,605
<b>Tuition and fee, net</b>		<b>319,000</b>	<b>318,477</b>
Government grants	SoCRE	274,796	274,796
Performance based research funding	SoCRE	61,494	61,494
<b>Contributions (Government grants)</b>		<b>336,290</b>	<b>336,290</b>
Trust donations	SoCRE	12,255	-
Finance revenue	SoCRE	34,103	3,715
Distributions from trust funds	SoCRE	-	14,472
Consulting and commercial revenue	SoCRE	81,930	82,743
Other revenue	SoCRE	26,543	27,470
Less trust funds income	Note 21	(41,766)	-
<b>Auxiliary enterprises</b>		<b>113,065</b>	<b>128,400</b>
<b>Total operating revenue and other additions</b>		<b>768,356</b>	<b>783,167</b>

US DEPARTMENT OF EDUCATION FINANCIAL  
RESPONSIBILITY SUPPLEMENTAL SCHEDULE CONTINUED

	Notes	Consolidated 2022 \$'000	University 2022 \$'000
Impairment of land and buildings	SoCE	(147)	(147)
Minority interest	SoCE	(174)	-
Equity adjustments	SoCE	889	-
<b>Total non-operating charges</b>		<b>568</b>	<b>(147)</b>
<b>Total revenues and gains without donor restrictions</b>		<b>768,924</b>	<b>783,020</b>
<b>Operating expenses and other deductions</b>			
Salaries – academic	SoCRE	235,014	235,014
Salaries – professional	SoCRE	184,548	183,485
Staff related costs	SoCRE	20,884	20,805
Other expenditure	SoCRE	301,431	256,734
Less cost of auxiliary enterprises	SS 5	113,065	128,400
Less trust funds expenditure	Note 21	61,155	-
<b>Education and research expenses</b>		<b>567,656</b>	<b>567,638</b>
Depreciation and amortisation	SoCRE	82,011	81,851
Interest expense (finance expenses)	SoCRE	975	2,213
Cost of auxiliary enterprises	SS 5	113,065	128,400
<b>Total expenses without donor restrictions</b>		<b>763,708</b>	<b>780,102</b>
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.			
<b>6. Pre-implementation right-of-use asset liability</b>			
Finance lease – current	SoFP	-	1,113
Finance lease – non current	SoFP	-	26,697
<b>Total pre-implementation right-of-use asset liability</b>		<b>-</b>	<b>27,811</b>
<b>7. Accounts receivable</b>			
Trade receivables	Note 7	39,501	39,344
Other receivables	Note 7	12,946	16,183
		<b>52,447</b>	<b>55,527</b>
Less provision for doubtful debts	Note 7	1,626	1,508
Less related party receivables	SS 2	-	(3,493)
<b>Accounts receivable, net</b>		<b>50,821</b>	<b>50,526</b>
Prepayments	Note 7	18,857	18,752
Inventories	SoFP	1,647	1,645
<b>Total prepaid expenses</b>		<b>20,504</b>	<b>20,397</b>

	Notes	Consolidated 2022 \$'000	University 2022 \$'000	
<b>8. Investments</b>				
Other financial assets – current	SoFP	16,474	480	
Other financial assets – non-current	SoFP	216,366	29,727	
Investments in subsidiaries	SoFP	-	7,786	
Other current assets	SoFP	1,097	1,097	
<b>Total investments</b>		<b>233,936</b>	<b>39,089</b>	
<b>9. Accrued expenses / accounts payable</b>				
Trade and other payables	SoFP	43,715	46,328	
Employee entitlements – current	SoFP	81,330	81,286	
Employee entitlements – non-current	SoFP	40,348	40,348	
		<b>165,393</b>	<b>167,962</b>	
Less post employment and pension liability	SS 4	56,480	56,480	
<b>Total accrued expense / accounts payable</b>		<b>108,913</b>	<b>111,482</b>	
<b>Calculating the composite score</b>				
<b>Primary reserve ratio:</b>				
Expendable net assets		62,778	(144,136)	
Total expenses and losses without donor restrictions		763,708	780,250	
<b>Ratios</b>		<b>0.0822</b>	<b>(0.1847)</b>	
<b>Equity ratio</b>				
Modified net assets		2,458,850	2,219,894	
Modified assets		2,778,315	2,568,606	
<b>Ratios</b>		<b>0.8850</b>	<b>0.8642</b>	
<b>Net income ratio</b>				
Change in net assets without donor restrictions		5,216	2,918	
Total revenues and gains without donor restrictions		768,924	783,168	
<b>Ratios</b>		<b>0.0068</b>	<b>0.0037</b>	
	<b>Ratio</b>	<b>Strength factor</b>	<b>Weight</b>	<b>Composite scores</b>
<b>Ratio (Consolidated)</b>				
Primary reserve ratio	0.0822	0.8220	40%	0.3288
Equity ratio	0.8841	3.0000	40%	1.2000
Net income ratio	0.0068	1.3392	20%	0.2678
				<b>1.7966</b>
<b>Total composite score – rounded (Consolidated)</b>				
				<b>1.8</b>
<b>Ratio (University)</b>				
Primary reserve ratio	(0.1847)	(1.0000)	40%	(0.4000)
Equity ratio	0.8630	3.0000	40%	1.2000
Net income ratio	0.0037	1.0931	20%	0.2186
				<b>1.0186</b>
<b>Total composite score – rounded (University)</b>				
				<b>1.0</b>



# INDEPENDENT AUDITOR'S REPORT

To the readers of University of Otago and Group's financial statements, service performance report and financial responsibility supplemental schedule for the year ended 31 December 2022

**AUDIT NEW ZEALAND**  
Mana Arotake Aotearoa

The Auditor-General is the auditor of University of Otago (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 the 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 93 to 135, that comprise the statement of financial position as at 31 December 2022, 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; and
- the service performance report of the University and Group on pages 67 to 89; and
- the financial responsibility supplemental schedule on pages 136 to 141.

In our opinion:

- the financial statements of the University and Group on pages 93 to 135:
  - present fairly, in all material respects:
    - its financial position as at 31 December 2022; and
    - its financial performance and cash flows for the year then ended; and
  - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards; and
- the service performance report of the University and Group on pages 67 to 89:
  - 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 2022; and
  - complies with generally accepted accounting practice in New Zealand.
- the financial responsibility supplemental schedule on pages 136 to 141 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, and we draw attention to the inherent uncertainties in the measurement of greenhouse gas emissions. 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.

## EMPHASIS OF MATTER – INHERENT UNCERTAINTIES IN THE MEASUREMENT OF GREENHOUSE GAS EMISSIONS

The University and Group have chosen to include a measure of its greenhouse gas (GHG) emissions in its performance information. Without modifying our opinion and considering the public interest in climate change related information, we draw attention to page 89 of the service performance report, which outlines the inherent uncertainty in the reported GHG emissions. Quantifying GHG emissions is subject to inherent uncertainty because the scientific knowledge and methodologies to determine the emissions factors and processes to calculate or estimate quantities of GHG sources is still evolving, as are GHG reporting and assurance standards.

## 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'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 information agreed to the University and Group's approved budget for the financial statements and investment plan 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 2 to 66, 90 to 92 and 146 to 152, but does not include the financial statements, the 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 and 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 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

	2022	2021	2020	2019	2018
<b>STUDENT ENROLMENTS</b>					
<b>EQUIVALENT FULL-TIME STUDENTS (EFTS)</b>					
Commerce	2,853	2,910	2,768	2,811	2,829
Health Sciences	6,350	6,554	6,409	6,435	6,483
Humanities	5,035	5,167	4,799	4,901	4,825
Sciences	4,688	4,720	4,532	4,543	4,435
<b>Subtotal</b>	<b>18,926</b>	<b>19,351</b>	<b>18,508</b>	<b>18,689</b>	<b>18,572</b>
Foundation Studies*	249	252	215	226	268
<b>Total EFTS</b>	<b>19,174</b>	<b>19,603</b>	<b>18,722</b>	<b>18,915</b>	<b>18,840</b>

\*Foundation Studies merged from a subsidiary entity into the main University parent during 2021.

### ENROLMENT BY QUALIFICATION TYPE

PhD	1,352	1,397	1,368	1,402	1,399
Professional Doctorates	201	196	180	177	142
Masters	1,538	1,664	1,549	1,469	1,360
Postgraduate Diplomas	880	985	832	942	1,063
Postgraduate Certificates	607	687	595	649	628
Graduate Diplomas	164	192	185	192	215
Bachelor Honours	471	478	400	396	404
Bachelors	15,493	15,429	14,782	14,728	14,677
Undergraduate Diplomas	32	21	22	14	17
Certificate of Proficiency	641	730	1,151	1,576	1,455
Interest Only	4	12	5	13	5
Foundation Studies	268	299	236	263	298
Other	0	0	0	0	0
<b>Total students</b>	<b>21,159</b>	<b>21,549</b>	<b>20,721</b>	<b>21,240</b>	<b>21,108</b>

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

	2022	2021	2020	2019	2018
<b>GENDER OF STUDENTS</b>					
Female	12,893	13,094	12,501	12,711	12,588
Male	8,175	8,398	8,187	8,510	8,519
Gender Diverse	91	57	33	19	1
<b>Total students</b>	<b>21,159</b>	<b>21,549</b>	<b>20,721</b>	<b>21,240</b>	<b>21,108</b>

### FIRST-YEAR AND RETURNING STUDENTS

First-year	4,244	4,459	4,018	4,025	4,023
Returning	16,915	17,090	16,703	17,215	17,085
<b>Total students</b>	<b>21,159</b>	<b>21,549</b>	<b>20,721</b>	<b>21,240</b>	<b>21,108</b>

### ETHNICITY OF STUDENTS

European/Pākeha	74.7%	74.7%	72.9%	71.5%	71.4%
Māori	12.4%	11.7%	11.0%	10.3%	9.9%
Asian	19.1%	19.3%	20.0%	20.3%	20.5%
Pacific	6.5%	6.0%	5.5%	5.0%	4.7%
Middle Eastern/Latin American/African	3.9%	3.6%	3.6%	3.7%	3.6%
Other/unknown	2.0%	1.8%	2.8%	3.8%	3.7%

Note: Students who reported more than one ethnic group are counted once in each group reported. This means that the total number of responses for all ethnic groups can be greater than the total number of students who stated their ethnicities. Therefore, totals may be greater than 100%.

### HOME AREA OF STUDENTS

Dunedin	2,924	3,116	2,968	3,078	2,999
Otago/Southland	1,939	2,018	1,869	1,853	1,858
Remainder of South Island	3,854	3,901	3,651	3,662	3,796
North Island	10,486	10,300	9,368	9,180	8,946
Overseas (including NZ citizens overseas)	1,948	2,200	2,852	3,448	3,482
Unknown	8	14	13	19	27
<b>Total</b>	<b>21,159</b>	<b>21,549</b>	<b>20,721</b>	<b>21,240</b>	<b>21,108</b>

## SUMMARY FACTS AND FIGURES CONTINUED

	2022	2021	2020	2019	2018
<b>INTERNATIONAL STUDENTS</b>					
Undergraduate	733	790	1,256	1,833	1,819
Postgraduate	747	900	1,099	1,139	1,096
<b>Total</b>	<b>1,480</b>	<b>1,690</b>	<b>2,355</b>	<b>2,972</b>	<b>2,915</b>
<b>INTERNATIONAL STUDENTS BY HOME COUNTRY</b>					
China	434	464	445	525	507
Malaysia	96	136	198	263	301
United States of America	104	114	440	804	772
India	68	87	150	149	133
Vietnam	37	55	57	52	40
Indonesia	27	45	50	48	43
Singapore	24	44	68	67	70
Sri Lanka	53	42	42	36	29
Iran, Islamic Republic of	43	40	43	50	52
Oman	34	38	40	37	33
Korea, Republic of	37	38	33	37	29
United Kingdom	37	36	64	69	85
Canada	40	35	68	59	71
Fiji	19	30	30	27	23
Pakistan	33	30	31	36	34
Japan	24	28	29	29	35
Thailand	27	26	36	31	34
Samoa	24	25	25	27	18
Kuwait	16	23	20	12	4
Nepal	14	22	26	27	21
Bangladesh	22	22	24	27	26
Other	267	310	436	560	555
<b>Total</b>	<b>1,480</b>	<b>1,690</b>	<b>2,355</b>	<b>2,972</b>	<b>2,915</b>

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.

	2022	2021	2020	2019	2018
<b>HOME AREA OF FIRST-YEAR STUDENTS</b>					
Dunedin	541	654	575	577	573
Otago/Southland	444	479	435	414	462
Remainder of South Island	755	842	769	717	745
North Island	2,341	2,329	2,023	2,015	1,950
Overseas (including NZ citizens overseas)	163	154	216	302	293
Unknown	0	1	0	0	0
<b>Total</b>	<b>4,244</b>	<b>4,459</b>	<b>4,018</b>	<b>4,025</b>	<b>4,023</b>

### ACADEMIC ATTAINMENT

#### NUMBER OF PROGRAMME COMPLETIONS

Undergraduate diplomas and certificates	93	92	104	97	130
Undergraduate degrees	3,381	3,596	3,693	3,517	3,395
Postgraduate diplomas and certificates	948	947	903	912	940
Postgraduate degrees	1,243	1,312	1,183	1,044	1,054
<b>Total University</b>	<b>5,665</b>	<b>5,947</b>	<b>5,883</b>	<b>5,570</b>	<b>5,519</b>
Commerce graduates	651	764	775	709	724
Health Sciences graduates	1,889	1,831	1,835	1,691	1,768
Humanities graduates	1,229	1,279	1,289	1,237	1,099
Sciences graduates	1,507	1,639	1,579	1,566	1,541
Interdivisional graduates	389	434	405	367	387
<b>Total University</b>	<b>5,665</b>	<b>5,947</b>	<b>5,883</b>	<b>5,570</b>	<b>5,519</b>

#### DEGREES, DIPLOMA AND CERTIFICATES COMPLETED PER 100 EFTS ENROLLED

Commerce	22.8	26.3	28.0	25.2	25.6
Health Sciences	29.8	27.9	28.6	26.3	27.3
Humanities	24.4	24.8	26.9	25.2	22.8
Sciences	32.1	34.7	34.8	34.5	34.7
<b>Total</b>	<b>29.9</b>	<b>30.7</b>	<b>31.8</b>	<b>29.8</b>	<b>29.7</b>

## SUMMARY FACTS AND FIGURES CONTINUED

	2022	2021	2020	2019	2018
<b>EXAMINATION PASS RATES</b>					
Commerce	88.3%	90.9%	92.3%	89.1%	89.6%
Health Sciences	94.9%	94.9%	96.0%	94.8%	95.0%
Humanities	90.2%	91.3%	92.7%	92.5%	92.5%
Sciences	86.9%	89.0%	90.5%	88.0%	87.2%
Other (Foundation Studies)	60.6%	71.1%	71.0%	73.5%	77.2%
<b>Total pass rate</b>	<b>90.3%</b>	<b>91.6%</b>	<b>93.0%</b>	<b>91.5%</b>	<b>91.5%</b>

### STAFF PROFILE

#### FULL-TIME EQUIVALENT (FTE) TEACHING AND RESEARCH STAFF

<b>Female</b>					
Vice-Chancellor/Senior Academic Managers	3	3	3	3	2
Professors	81	72	64	67	53
Associate Professors	89	85	89	80	78
Senior Lecturers	151	159	155	154	164
Lecturers	95	94	99	94	88
Other Teaching and Teaching/Research staff	226	191	187	186	182
Research-only staff	211	176	218	209	225
<b>Total females</b>	<b>856</b>	<b>778</b>	<b>814</b>	<b>793</b>	<b>792</b>
<b>Male</b>					
Vice-Chancellor/Senior Academic Managers	6	5	5	5	6
Professors	168	169	170	175	167
Associate Professors	134	127	123	115	129
Senior Lecturers	145	170	164	175	183
Lecturers	51	58	57	55	55
Other Teaching and Teaching/Research staff	128	117	111	122	100
Research-only staff	139	126	185	171	164
<b>Total males</b>	<b>771</b>	<b>772</b>	<b>817</b>	<b>818</b>	<b>804</b>
<b>Total academic and research-only staff</b>	<b>1,631</b>	<b>1,552</b>	<b>1,631</b>	<b>1,612</b>	<b>1,596</b>

	2022	2021	2020	2019	2018
<b>FULL-TIME EQUIVALENT (FTE) PROFESSIONAL STAFF</b>					
<b>Female</b>					
Senior Managers	10	11	9	9	9
Professional Services, Student and Community staff	1,202	1,220	1,238	1,187	1,197
Librarians and Library Assistants	83	85	83	86	88
Research Support staff and Technicians	289	302	305	249	318
<b>Total females</b>	<b>1,584</b>	<b>1,618</b>	<b>1,635</b>	<b>1,531</b>	<b>1,612</b>
<b>Male</b>					
Senior Managers	18	17	17	18	18
Professional Services, Student and Community staff	675	669	676	647	651
Librarians and Library Assistants	23	22	22	23	24
Research Support staff and Technicians	150	159	166	163	179
<b>Total males</b>	<b>867</b>	<b>867</b>	<b>881</b>	<b>851</b>	<b>872</b>
<b>Total professional staff</b>	<b>2,466</b>	<b>2,493</b>	<b>2,523</b>	<b>2,384</b>	<b>2,484</b>
<b>Total staff</b>	<b>4,097</b>	<b>4,044</b>	<b>4,154</b>	<b>3,996</b>	<b>4,080</b>

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

<b>Total publications</b>	<b>6,011</b>	<b>5,235</b>	<b>6,051</b>	<b>5,837</b>	<b>6,141</b>
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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

<b>Land (hectares)</b>					
Land owned by the University (other than endowment land)	48.3	48.5	33.3	33.7	33.9
Land in Crown title for the University	10.7	10.7	10.7	10.7	10.7
Endowment land	22,243	22,243	22,243	22,243	22,243
<b>Total freehold land</b>	<b>22,302</b>	<b>22,302</b>	<b>22,287</b>	<b>22,288</b>	<b>22,288</b>

Land owned by the University fell by 278m<sup>2</sup> due to the sale of one property. Prior year (2021) figures have been restated.

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

<b>Total</b>	<b>220,801</b>	<b>221,350</b>	<b>221,750</b>	<b>223,565</b>	<b>220,495</b>
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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. The decrease in space is largely due to the demolition of Union Court and McIntosh House as well as the closure of the Taieri research facility.
2. Assignable space at University-owned flats and residential colleges totals a further 66,897m<sup>2</sup>.

## SUMMARY FACTS AND FIGURES CONTINUED

	2022	2021	2020	2019	2018
<b>LIBRARY</b>					
<b>Library collection</b>					
Books (volumes)	1,236,618	1,232,823	1,237,274	1,235,974	1,231,268
Print serials subscriptions	784	867	944	1,093	2,776
Hocken pictures and photographs	1,144,334	1,143,779	1,142,817	1,141,358	1,137,522
Hocken linear metres of archives	10,586	10,551	10,538	10,518	10,415
Electronic serials available	257,325	254,918	233,395	199,772	163,586
Electronic books and streaming media available	1,796,559	1,607,631	1,118,416	1,037,433	953,812
<b>Space</b>					
Seating places available (from 2022 includes Christchurch Medical Library)	4,883	4,629	4,681	4,419	4,584

### KEY FINANCIAL INDICATORS

Financial indicators	2022 Consolidated	2021 Consolidated	2020 Consolidated	2019 Consolidated	2018 Consolidated
Current ratio	0.4%	0.6%	0.6%	0.7%	0.9%
Liquid ratio	0.6%	1.3%	1.3%	1.6%	1.7%
Level of debt (debt to equity)	1.7%	1.9%	2.4%	2.5%	2.2%
Increase in net assets	-0.6%	13.8%	1.0%	5.6%	2.4%
Return on total assets	-0.5%	0.6%	1.1%	2.0%	1.2%
Return on revenue	-1.8%	2.1%	3.6%	6.1%	3.9%

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