



University
of Otago
ŌTĀKOU WHAKAIHU WAKA

UNIVERSITY OF OTAGO ANNUAL REPORT 2023



The cover of this Annual Report features a close-up of the beautiful family korowai worn by Titihuia Parker at her University of Otago graduation ceremony in December 2023 (see page 43 for her profile photo). Titihuia graduated with a BA in Psychology and Indigenous Development. Her korowai represents both her Ngarimu and Moeke whānau. The purple feathers represent her Ngāti Porou whakapapa from both Hiruharama Marae and Whareponga Marae, situated on the East Coast in Ruatoria.

Also featured on the cover is Otago's new tohu, developed in collaboration with Dunedin mana whenua Te Rūnaka o Ōtākou and Kāti Huirapa ki Puketeraki as part of a refreshed University brand (see pages 55–57). The tohu draws inspiration from Ōtākou channel, in Otago Harbour, representing the movement of water, kai, knowledge and life to and from the region. The changes to the brand were formally adopted by the University Council in July 2023, with a launch in May 2024. This Annual Report is one of its first public appearances.

UNIVERSITY OF OTAGO

Leith Street, Dunedin, New Zealand
Mail PO Box 56, Dunedin 9054, New Zealand
Tel 64 3 479 1100
university@otago.ac.nz
otago.ac.nz

CHRISTCHURCH

University of Otago, Christchurch
2 Riccarton Avenue, Christchurch, New Zealand
Mail PO Box 4345, Christchurch 8140, New Zealand
Tel 64 3 364 0530
christchurch@otago.ac.nz

WELLINGTON

University of Otago, Wellington
Mein Street, Newtown, Wellington South, New Zealand
Mail PO Box 7343, Wellington South 6242, New Zealand
Tel 64 4 385 5541
wellington@otago.ac.nz

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



KO TE ARONGA VISION

Our people and knowledge transforming lives, connecting communities, and nurturing the environment in Otago, Te Waipounamu, Aotearoa, the Pacific and the World.

KO TE UARATANGA MISSION

The University of Otago exists to create, advance, share, promote, preserve and apply knowledge. Committed to partnership with mana whenua and upholding Te Tiriti o Waitangi, we undertake outstanding research and research-informed teaching, enable transformative learning and student experience, and engage in meaningful service to society with a dedication to excellence, innovation and positive impact.





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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

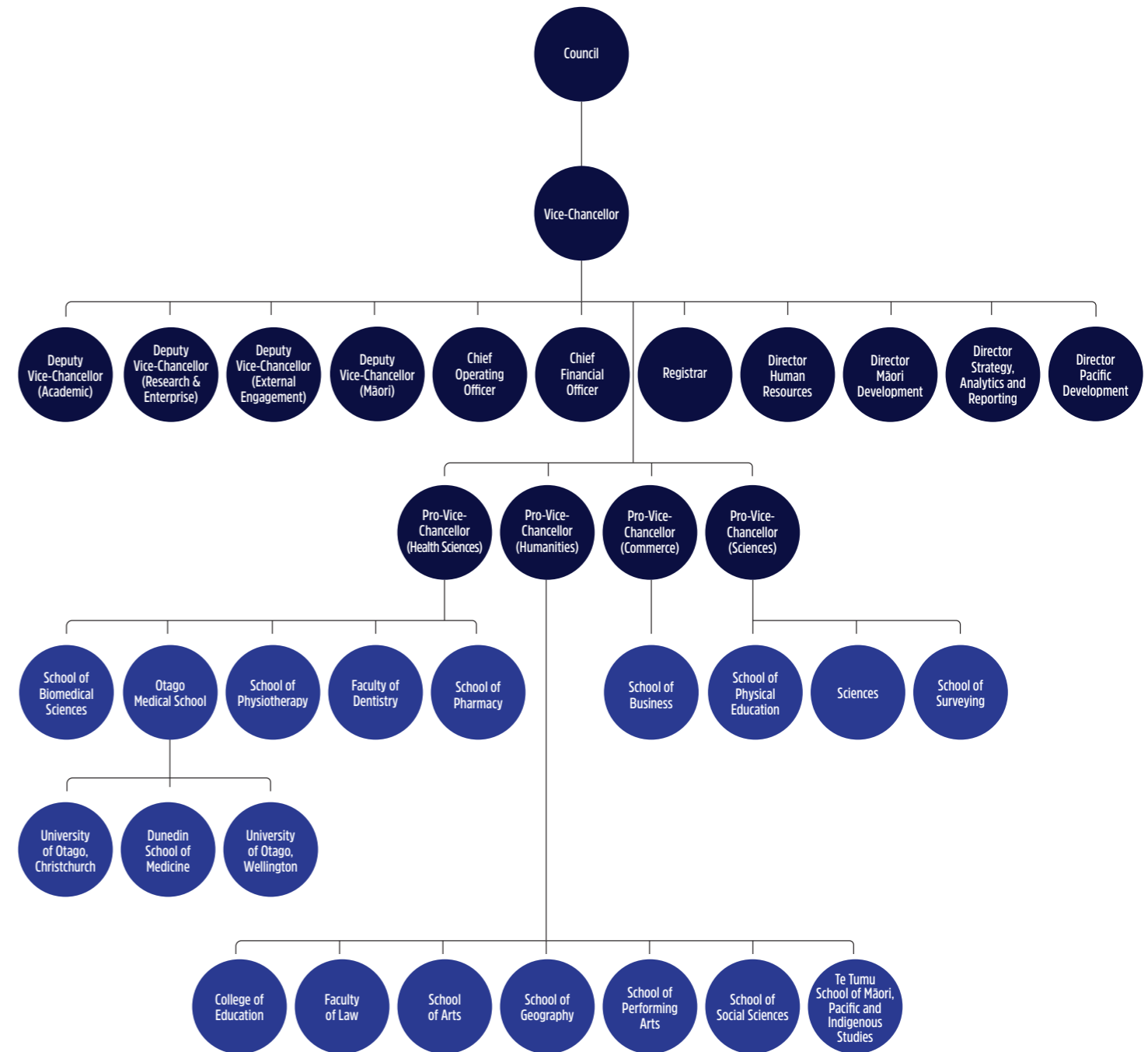
The Education and Training Act 2020 provides statutory recognition of, and protection for, the institutional autonomy of the University and the academic freedom of its staff and students. In accordance with the Act, the Council and the Vice-Chancellor have a duty to act to preserve and enhance university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

GOVERNANCE DOCUMENTS

The University's strategic plan, *Vision 2040*, provides a framework for the development of the University. *Pae Tata: Strategic Direction to 2030* provides the strategic plan to advance the University towards its *Vision 2040* ambition.

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 2023

APPOINTED BY THE MINISTER OF EDUCATION



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



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



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



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

EX OFFICIO



Professor Helen D. Nicholson
(Vice-Chancellor, Acting)
from 1 March 2023
BSc(Hons) MB ChB MD(Brist)



Professor David R. Murdoch
(Vice-Chancellor)
to 14 June 2023
MB ChB MD(Otago) MSc(Lond) DTM&H(Liv)
FRACP FRCPA FFSc(RCPA)

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

ELECTED BY THE ACADEMIC STAFF



Professor Ralph W. Adler
BA(Colgate) MBA(Duke) PhD(NY State) FCA

ELECTED BY THE PROFESSIONAL STAFF



Ms Melissa L. Lethaby
BA(Otago) MInstD

THE PRESIDENT, OTAGO UNIVERSITY STUDENTS' ASSOCIATION



Mr Quintin D. Jane
BASc(Otago)

SECRETARY TO THE COUNCIL

Hon Dr David S. Clark
from 16 October 2023
BA BTheol(Hons) PhD(Otago)
MInstD

Ms Judith A. Thompson
to 6 April 2023
BA(Otago) DipNZLS



EXECUTIVE GROUP UNIVERSITY OF OTAGO 2023

Vice-Chancellor, Acting, from 1 March 2023

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

Vice-Chancellor, to 14 June 2023

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

Deputy Vice-Chancellor (Academic), Acting, from 19 June 2023

Distinguished Professor Phil J. Bremer MSc PhD (Otago) FNZIFST

Deputy Vice-Chancellor (Academic), to 18 June 2023

Professor Helen D. Nicholson BSc(Hons) MB ChB MD(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 MHlthSci(Qld UT) MPRM(S Qld) AdvDipPM(Southbank IT) MAIPM MInstD MoP

Pro-Vice-Chancellor (Commerce), from 1 February 2023

Professor Maree A. Thyne BA PhD PGDipTour Dip Grad (Otago)

Pro-Vice-Chancellor (Commerce) to 28 February 2023

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

Pro-Vice-Chancellor (Health Sciences), Acting

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, from 6 June 2023

Mr Brian N. Trott BBS(Massey) CA

Chief Financial Officer, to 21 June 2023

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

Director, Office of Māori Development, to 29 September 2023

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

Director, Office of Māori Development, Acting, from 19 September 2023

Ms Rhonda L. Bryant BA PGDipTour(Otago)

Director, Office of Pacific Development, Acting, from 1 May 2023

Professor Rosalina Richards MSc PhD PGDipSci(Otago)

Director, Office of Pacific Development, to 21 April 2023

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

Director of Strategy, Analytics and Reporting

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

Registrar and Secretary to the Council, from 16 October 2023

Hon Dr David S. Clark BA BTheol(Hons) PhD(Otago) MInstD

Registrar, Acting, to 27 October 2023

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

Secretary to the Council, to 6 April 2023

Ms Judith A. Thompson BA(Otago) DipNZLS



INTRODUCTION

TĒNĀ KOUTOU KATOĀ,

As Chancellor and Vice-Chancellor (Acting) for 2023, it is our privilege to introduce the University of Otago's 2023 Annual Report which covers the year's challenges and successes.

As for many other tertiary institutions around Aotearoa New Zealand and the world, 2023 was a financially difficult year at the University of Otago. Solid enrolment growth had been anticipated for 2023. Instead (and unusually), our student head count remained very similar to 2022 (21,202 – an increase of 0.2% on 2022) while our Equivalent Full-Time Student (EFTS) numbers – which are the basis on which we receive funding – dropped by 1.1% to 18,960. Reasons for this were varied, but can be largely traced back to the global COVID-19 pandemic, and included a smaller year 13 school leaver cohort and a reduced flow from that cohort on to tertiary study; an unanticipated drop in student retention from 2022 to 2023; and rapid increases in the cost of living which caused students to either pause their studies or lighten their loads considerably in order to accommodate paid work.

This situation was exacerbated by the fact that, for the past 10 years, government funding of the tertiary sector has not kept pace with inflation. While this funding rate issue was belatedly recognised by the previous Government, with a small addition to the tuition subsidy rate from 2024, it provided no financial relief for 2023.

The EFTS shortfall against expectation exacerbated the challenges already inherent in having a deficit budget, itself contingent on savings being made. In April we announced a need for institution-wide, permanent savings of \$60 million, which included calling for voluntary redundancies, delaying appointments, curbing our capital development programme, reviewing all programmes and services offered, and belt-tightening in every department and division. We thank staff and students for their cooperation and patience in what was undoubtedly a highly stressful time. By the end of 2023 we had accepted 151 voluntary redundancies, accounting for an Equivalent Full-Time Staff (EFTS) reduction of 115.6. We had also made 65 redundancies, accounting for an EFTS reduction of 41.87. We acknowledge all of these staff.

We are pleased to say that, through these measures, and also due to a strong performance of the University's Foundation Trust which achieved an operating surplus of \$20.1 million, our financial situation has improved somewhat. We finished the year with a Group deficit of \$0.4 million, while the University alone reported a deficit of \$20.6 million. There is still much to do and a University loss is budgeted for 2024. The pleasing result of the Foundation Trust was due to the performance of the investment markets. While a good outcome, the surplus is largely a recovery of the Trust's losses of 2022.

Despite these challenges, 2023 included many successes for the University of Otago. You will find countless examples throughout this Annual Report, and we would like to draw your attention to several. One highlight was celebrating the 150th anniversary of the Faculty of Law, with alumni travelling from around New Zealand and the world to join us for a reunion and conference in April. It was wonderful to reflect upon the impact our Law staff and alumni have made both here and overseas throughout the Faculty's long history. Another highlight was the completion of Te Rangihīroa College – our first new college build in over 50 years. The 450-bed college was officially opened in October and will house its first cohort of students for the 2024 academic year. The five Green Star sustainably standard facility is named after Otago alumnus Te Rangihīroa (Sir Peter Buck), the first Māori medical graduate from a New Zealand university. We are very grateful to his iwi, Ngāti Mutunga, and his whānau for gifting us the name in 2013 for a previous college and allowing us to use it for this tremendous new facility. We are also completing an extension to Aquinas College, which will provide an additional 66 beds to our first-year offering. As a residential university it is vitally important for us to be able to offer high quality accommodation to our incoming students. This, coupled with our world-class pastoral care, means we can provide a university experience which is unparalleled in New Zealand.

In 2023 the University of Otago continued to perform at a high level across all external measures. We topped the Tertiary Education Commission indicators that measure the educational performance of students at New Zealand universities.



"... we would like to thank the staff and students of the University of Otago. We have shared some tough moments in 2023, but have also continued to teach, research and contribute to the communities we serve and the world at the highest level."



"We topped the Tertiary Education Commission indicators that measure the educational performance of students at New Zealand universities – ranking first overall for all four measures ... We were also delighted to see a recovery in student academic achievement, which fell in 2022 due to a pandemic-induced disruption to the start of the academic year."

ranking first overall for all four measures: first-year retention, qualification completion, course completion and progression from sub-degree programmes to undergraduate study. We were also delighted to see a recovery in student academic achievement, which fell in 2022 due to a pandemic-induced disruption to the start of the academic year, with pass rates up both overall and in our key equity target groups.

Our international rankings were strong, with a climb in the Quacquarelli Symonds (QS) rankings from 217th globally to 206th; and a maintenance of our position in the 301-350 band of the *Times* Higher Education World Rankings. QS also ranked us in the top 5% of the world for sustainability. These results reflect the hard work of our teachers, researchers and professional staff. We would like to thank each and every one of them for their perseverance and dedication.

Our researchers and teachers continued to win top awards and funding through 2023 (see pages 24 to 25 – teaching; and pages 30 to 33 – research). We were the top ranked university for both the Ministry of Business, Innovation and Employment (MBIE) Endeavour Funds and the Health Research Council of New Zealand (HRC) funding rounds, and the second most successful institution for grants from the Marsden Fund. Notably, our researchers were granted a total of \$51 million in HRC's main funding round, the largest amount of funding we have been awarded in any year. We are very proud of the range of projects supported by these funding bodies, and the important research areas they cover, which include cancer care for Māori and their whānau (Associate Professor Jason Gurney); the impact of Tonga's comprehensive taxation on unhealthy food (Dr Andrea Teng); wearable technology to treat neurological disorders (Professor John Reynolds) and gene technology as a tool against invasive pests (Professor Peter Dearden). Professor Michael Baker (Public Health, Wellington) and his team won the HRC's highly prestigious Liley Medal for their work in the field of rheumatic fever; and the University's own highest research honour, the Distinguished Research Medal went to Poutoko Taiea Sesquicentennial Distinguished Professor Philippa Howden-Chapman. Professor Anna High of Law was recognised at Aotearoa's national tertiary educator awards – Te Whatu Kairangi – for leadership and excellence in teaching; while the Cell and Molecular Biology CELS191 team won a General Group Award at Te Whatu Kairangi. Congratulations to all.

Underscoring everything we do here at Otago is very careful strategic planning. Our future strategic document *Vision 2040* was approved in late 2022 after extensive consultation with staff, students and other key stakeholders. In mid-2023 we formally adopted *Pae Tata: Strategic Plan to 2030*, the roadmap that will guide us to the end of this decade as we strive to become a globally leading university that delivers outstanding teaching, transformative student experiences, excellence in research and has a positive impact on our communities and the world. *Pae Tata* has five key themes which are outlined on page 57 – capability. One key aspect is its emphasis on Whakamana Te Tiriti o Waitangi – working to strengthen our capability, capacity and culture to honour Te Tiriti o Waitangi.

Our partnerships with Māori are vitally important to us and our relationship with Kāi Tahu is strong. To further enhance our work in the Māori domain we appointed a new Deputy Vice-Chancellor (Māori), Professor Jacinta Ruru, who will lead the Māori academic agenda at the University of Otago in early 2024. In October 2023, we unveiled a carved pou whenua on the Dunedin campus (pictured on the following page) – which was commissioned to mark the University's 150th anniversary in 2019. Situated on the lawn between the St David lecture theatre complex and the Ōwheo Water of Leith, the pou whenua is named after Tāwhaki, who is known for his pursuit of knowledge and the many challenges he encountered on his journey. The pou is a beautiful, visible reference for all, giving mana and prominence to te ao Māori at the University.

A further reflection of these goals is a change to the University's brand and visual identity. For the first time in this institution's 154-year history, and on the back of one of our largest ever consultation processes, in July 2023 Council approved bold new branding (see pages 55 to 57 – capability). Developed in collaboration with mana whenua and featuring a new tohu (symbol) and ikoa Māori (Māori name), Ōtākou Whakaihu Waka (which translates as 'A Place of Many Firsts'), the branding is visually and metaphorically beautiful. We are very grateful for feedback which helped us to understand the value many people place on our traditional branding. The feedback guided us to develop some variations to the branding for different audiences. For example, the traditional University coat of arms will continue to be used for ceremonial purposes,



"Our partnerships with Māori are vitally important to us and our relationship with Kāi Tahu is strong."

to respect the heritage of Otago's settlers and the University's founders, with a stylised version designed for use in international marketing and alumni communications to reflect the institution's history. The branding will be used from May 2024, and one of its first public appearances is this Annual Report.

Sadly, 2023 included some significant bereavements for the University, including Professor Richie Poulton, the Director of our world-famous Dunedin Study, whose contributions to our university and the world were exceptional; our Director of Pacific Development, Tasileta Teevale, who was a much-loved leader and respected member of our community and who was central to advancing the progress of our Pacific teaching and learning (we thank Professor Rose Richards for stepping into this role); Emeritus Professor Ewan Fordyce of Geology, an incredible teacher and researcher whose work in the field of paleontology was immense and included more than 200 research papers; and Emeritus Professor Bill Harris of Politics, a global expert on the politics and history of the Levant states and Turkey, Middle East comparative politics and the international affairs of the Middle East. We send our condolences to the friends and whānau and colleagues of each.

2023 also saw a number of changes in our senior leadership, most significantly the resignation of Professor David Murdoch, who stepped down as Vice-Chancellor in June after a period of ill health. While he was not in the role for long, Professor Murdoch made a significant contribution, progressing a number of important initiatives including helping to chart our path towards becoming Te Tiriti-led, and initiating the Compass culture change project and key reviews of employment-related processes and Health Sciences. We are very grateful to him, would like to acknowledge his hard work and wish him well in his position as a Distinguished Professor on the University's Christchurch campus. Recruitment for a new Vice-Chancellor began in September, and we are very happy to announce that former Deputy Prime Minister, Hon. Grant Robertson will formally take the role in July 2024. We look forward to his strong and very capable leadership.


We also farewelled a number of our senior leaders, including our Chief Financial Officer Sharon van Turnhout in June and our Acting Registrar Mayhaka Mendis in October. Both

worked extremely hard, with the wellbeing of the University as their number one priority. We thank them, along with all of the Senior Leadership Team, for their work. We also welcome their replacements, our new Chief Financial Officer, Brian Trott, and our new Registrar and Secretary to the Council, Hon. Dr David Clark. We are very lucky to have two people of such high calibre in these roles. We would also like to thank Distinguished Professor Phil Bremer for expertly filling the role of Acting Deputy Vice-Chancellor (Academic). In September we announced the appointment of Professor Stuart Brock to that position permanently. He began in January 2024, and as the former Deputy Vice-Chancellor (Academic) at Te Herenga Waka – Victoria University of Wellington we have no doubt he will do a superb job.

We would like to thank the University Council for its exceptional guidance and support through this challenging and rewarding year. In particular, we would like to thank departing members Quintin Jane (our student representative) and Melissa Lethaby (our professional staff representative). Both have worked with integrity and insight on our Council and will be missed. We welcome in their place two members who we are sure will be equally committed – the 2024 Otago University Students' Association President, Keegan Wells, as our student representative, and Mark Brunton as our professional staff representative.

Finally, we would like to thank the staff and students of the University of Otago. We have shared some tough moments in 2023, but have also continued to teach, research and contribute to the communities we serve and the world at the highest level. Our university is well-positioned to face the next decade, and that is due to the wonderful work of all of the teams who make it up.

MR STEPHEN HIGGS (Chancellor)

PROFESSOR HELEN NICHOLSON (Vice-Chancellor, Acting) 



OUR PEOPLE 2023





SENIOR APPOINTMENTS

Hon. Grant Robertson as Vice-Chancellor from July 2024
 Professor Jacinta Ruru as Deputy Vice-Chancellor (Māori) from March 2024
 Professor Stuart Brock as Deputy Vice-Chancellor (Academic) from January 2024
 Professor Phil Bremer as Deputy Vice-Chancellor (Academic) (Acting) from June 2023
 Professor Maree Thyne as Pro-Vice-Chancellor, Commerce, and Dean, Otago Business School
 Hon. Dr David Clark as Registrar and Secretary to the University Council
 Mr Brian Trott as Chief Financial Officer
 Ms Tanya Syddall as Director, Property and Campus Development
 Professor Rose Richards as Acting Director, Office of Pacific Development
 Professor Moana Theodore as Director, Dunedin Multidisciplinary Health and Development Study
 Mrs Bronwen Stephens as Manager, Graduate Research School

PROFESSORIAL APPOINTMENTS

The following University of Otago academics were promoted to the position of Professor (effective 1 February 2024):

Vivienne Anderson (College of Education); Caroline Bell (Psychological Medicine, Christchurch); Anitra Carr (Pathology and Biomedical Science, Christchurch); Tania Cassidy (School of Physical Education, Sport and Exercise Sciences); Shyamal Das (Pharmacy); Sinéad Donnelly (Medicine, Wellington); Crid Fraser (Marine Science); Andrew Gorman (Geology); Richard Greatbanks (Dean's Office, School of Business); Ricci Harris (Public Health, Wellington); Peter Jones (Physiology); Joyce Koh (Higher Education Development Centre); Cameron Lacey (Dean's Department, Christchurch); Mark Lokman (Zoology); Nigel Lucas (Chemistry); Sunyoung Ma (Oral Rehabilitation); Peter Mace (Biochemistry); Lynn McBain (Primary Healthcare and General Practice, Wellington); Rachael McLean (Preventive and Social Medicine); Tony Moore (Surveying); Ivan Sammut (Pharmacology and Toxicology); Susan Sandretto (College of Education); Sally Shaw (School of Physical Education, Sport and Exercise Sciences); James Stanley (Dean's Department, Wellington); Wayne Stephenson (Geography); Moana Theodore (Psychology); Sarah Wakes (Mathematics and Statistics); Peter Whigham (School of Computing); Stephanie Woodley (Anatomy).

The following University of Otago academics were promoted to the position of Associate Professor (effective 1 February 2024):

Katharina Blattner (Va'a o Tautai – Centre for Pacific Health and General Practice and Rural Health); Jennifer Cattermole (Performing Arts); Mike Garratt (Anatomy); Lesley Gray (Primary Healthcare and General Practice, Wellington); James Harding (Theology); Naomi Ingram (College of Education); Sheri Johnson (Zoology); Josephine Johnston (Bioethics Centre) Ramakrishnan Mani (Physiotherapy); Gwynnaeth McIntyre (Classics); Melissa

McLeod (Public Health, Wellington); Robert Odolinski (Surveying); Tracy Perry (Sciences Divisional Office); Nic Rawlence (Zoology); Annika Seppala (Physics); Rebecca Stringer (Sociology, Gender Studies and Criminology); Robert Van Gorder (Mathematics and Statistics); Esther Willing (Kohatu Centre for Hauora Māori).

Research Associate Professors:

Gabrielle Jenkin (Psychological Medicine, Wellington); Paula King (Public Health, Wellington); Ariyapala Samarana (Biostatistics Centre); Jonathan Squire (Physics).

The University Council awarded Emeritus Professor status to:

Gillian Abel (Population Health, Wellington); Peter Adams (Music); Julian Crane (Medicine, Wellington); John Dawson (Law); Tony Harland (Higher Education Development Centre); Lisa Houghton (Human Nutrition); Iain Lamont (Biochemistry); David Larsen (Chemistry); James Maclaurin (Philosophy); Neil McNaughton (Psychology); Lachlan Paterson (Te Tumu); Richie Poulton (Psychology); Alison Rich (Oral Diagnostic and Surgical Sciences); Bridget Robinson (Medicine, Christchurch); Justin Roake (Surgery, Christchurch); Jeff Smith (College of Education); Michael Tatley (New Zealand Pharmacovigilance Centre); Murray Thomson (Oral Sciences).

HONOURS

Honours were awarded to the following staff:

CNZM: Emeritus Professors Alison Cree (Zoology) for services to herpetology, particularly tuatara; Emeritus Professor Alison Rich (Oral Sciences), for services to oral pathology; Dr Ruth Spearing (Consultant Haematologist, Christchurch), for services to haematology.

ONZM: Emeritus Professor Jennie Connor (Preventive and Social Medicine), for services to alcohol harm reduction; Mama Keni Moeroa (who facilitates the Pacific Immersion Programme for medical students within the Cook Island Community), for services to the Cook Islands community.

QSM: Richard Higham (MBA Programme), for services to rugby and education; Tofilau Nina Kirifi-Alai (Auckland Centre), for services to education and the Pacific Community.

OBITUARIES

Dr Andrew Bagshaw (Pathology and Biomedical Science, Christchurch)
 Emeritus Professor Donald Evans (Bioethics Centre)
 Emeritus Professor Martin Ferguson (Oral Medicine/Oral Surgery)
 Emeritus Professor Ewan Fordyce (Geology)
 Emeritus Professor Basil Jones (Surveying)
 Professor Kypros Kypri (Injury Prevention Research Unit)
 Emeritus Professor Anthony Molteno (Dunedin School of Medicine)
 Andrew Nicholson (Portobello Marine Lab)
 Professor Martin Pollock (Neurology)
 Professor Richie Poulton (Dunedin Study)
 Emeritus Professor Martin Purvis (Information Science)
 Tasileta Teevale (Pacific Development)
 Mark Wilesmith (Academic Division) ▀



EXCELLENCE IN TEACHING AND LEARNING

In 2023 the University of Otago topped New Zealand's key performance indicators for student performance, climbed in international rankings and continued to foster learning in priority groups.



1st

in all 4 TEC
Education Performance Indicators

206th

in QS world
university rankings

96%

of graduates in employment or further study

18,960

Equivalent Full-Time Students (EFTS)
including 2,536 Māori students and 1,390 Pacific students

EXCELLENCE IN TEACHING AND LEARNING

AFTER SEVERAL YEARS of disrupted teaching, due to the global COVID-19 pandemic and its associated lockdowns and restrictions, 2023 saw a full year of face-to-face teaching at the University of Otago and a recovery in student academic performance following a drop in 2022.

In 2023 pass rates were up both overall and for key equity target groups. At the highest level, the overall pass rate improved to 91.4% (2022: 90.3%), while the first-year pass rate recovered to 86.3% (2022: 84.1%).

Students were encouraged to attend lectures in person in 2023 but, to cater for those who want or need to access learning in their own time (for reasons ranging from illness to needing to work to support their studies), lecture recordings are now uniformly made available. To support this, the University has invested in equipping lecture theatres with the necessary technology. In 2023, the University also began looking at ways it can improve student experience by reviewing its digital learning environment and developing a business case for learning management systems. It also undertook a major wi-fi upgrade across all of its campuses in response to increasing internet needs.

Examinations were predominantly held in-person and on campus in 2023. Of note, the University has seen ongoing increases in alternative arrangements for examinations, with 2023's total number higher than in 2022. Special consideration requests also remained high compared to pre-COVID-19 numbers. Reasons could not be tied to a particular event, but it is expected that numbers will continue to be high and ongoing for both alternative arrangements and special consideration, with students more aware of what they need and what the University can provide. For distance taught papers there were an increasing number of in-person distance examinations with the majority of these held around New Zealand but also in Uganda, China, Austria, Rarotonga and Australia.

RANKINGS

In 2023, the University of Otago once again topped Tertiary Education Commission indicators that measure the educational

performance of students at New Zealand universities. Otago ranked first overall for all four measures: first-year retention, qualification completion, course completion and progression from sub-degree programmes to undergraduate study. Otago also ranked first for Māori for qualification completion, second for first-year retention and course completion and third for progression, while for Pacific students Otago was ranked first for qualification completion, second for first-year retention, and third for course completion and progression.

Otago improved its position in the Quacquarelli Symonds (QS) World University rankings (moving from #217 globally to #206) and retained its position in the 301-350 band of the *Times* Higher Education World Rankings. Additionally, Otago was ranking 48th globally in the QS Sustainability Rankings, and 63rd globally in *Times* Higher Education Impact rankings.

Three Otago subject areas were ranked in QS's world's top 50: Sports-Related Subjects (15th); Anatomy and Physiology (39th); Dentistry (42nd). A further four subjects were ranked in the 51-100 band and 14 were ranked in the 101-200 range.

TEACHING EXCELLENCE

The University of Otago strives to provide world-class teaching. In 2023 it introduced a team category to its annual Excellence in Teaching awards, held in March, to acknowledge the commitment shown by teachers supporting student learning as a group. The inaugural award was shared by two teams – the Disability Information and Support team and the Cell and Molecular Biology CELS191 team. The CELS191 team went on to win the General Group Award in the “progressing seamless ākonga transitions between contexts” category at Te Whatu Kairangi 2023 – the Aotearoa Tertiary Educator Awards – in September. CELS191 is Otago's largest paper (with an enrolment of 1,800–2,000 students) and plays a vital role in shaping the academic journey of approximately 45% of first-year students.

Associate Professor Anna High (Law) was also recognised at the Otago and national level for teaching. She won a Te Whatu Kairangi Award for leadership and excellence in teaching for

incorporating a mindfulness pedagogy and delivering student-centred legal education. One of the initiatives for which she was recognised was teaching students and colleagues the importance of breaks and mental health.

Other winners of Otago Excellence in Teaching awards were Associate Professor Sunyoung Ma (Dentistry), Arianna Nisa-Waller (Otago Medical School's Kōhatu Centre for Hauora Māori) who won the Kaupapa Māori Award, and Talai Mapusua, who won an Endorsement in Supporting Pacific Learners.

Excellent supervision is also a priority at Otago and is celebrated at the annual Otago University Students' Association Supervisor of the Year Awards. Associate Professor Julia Albrecht (Tourism) was named Supervisor of the Year for 2023, while Divisional awards went to Anatomy's Dr Caroline Decourt (Health Sciences), Sustainability's Professor Merata Kawharu (Humanities), Marine Science's Dr Gert-Jan Jeunen (Sciences) and Associate Professor Albrecht (Commerce).

The University's Higher Education Development Centre (HEDC) provides academic development programmes and services to help foster and encourage excellence in learning and teaching. Overall, in 2023, there were 266 academic development programmes offered to staff, attended by 1,827 participants.

ENROLMENTS

2023 saw Otago in the rather unusual situation of achieving slight head count growth, but a drop in its EFTS (equivalent full-time student) total. This was due to a change in the mix of programmes being taken and a general tendency towards students enrolling in lighter workloads than previously.

In terms of head count, the 21,202 students enrolled in 2023 represented an increase of 43 (0.2%) over 2022. However, the EFTS situation for the University was a decline of 1.1% to 18,960 EFTS.

Within the head count total, commencing enrolments were down by 262 (6.2%), due primarily to reduced enrolments from mature students (including for postgraduate study), and more

school leavers opting to take a gap year. On the other hand, returning students – despite lower-than-normal retention – increased by 305 in head count terms, and the international enrolment head count was up by 767.

The proportion of commencing students attracted from outside the University's Otago/Southland home catchment dropped slightly to 75.9% (2022: 76.8%), with 86.2% coming from outside Dunedin.

2023 saw further records broken for the number of Pacific enrolments at Otago. These increased by 1.8% to 1,390 students (head count), and Pacific students now comprise 7.0% of total domestic EFTS. There were 2,536 Māori students enrolled (head count), a drop of 3.0% on 2022, but still the second-highest Māori recruitment in the University's history. Māori now account for 13.7% of Otago's domestic EFTS.

Within the overall EFTS enrolment total for 2023, sub-degree enrolments increased by 10 EFTS (4.0%), while undergraduate enrolments decreased by 61 EFTS (0.4%). Postgraduate taught enrolments fell by 174 EFTS (9.3%) and postgraduate research enrolments decreased by 2 EFTS (0.1%), with total postgraduate enrolments comprising 17.3% of all University EFTS.

Total domestic enrolments were down by 645 EFTS (3.5%), while international enrolments were up by 431 EFTS (49.8%), this growth following the lifting of COVID-19 border restrictions.

A total of 202 undergraduate and postgraduate degree, diploma and certificate programmes were offered by the University in 2023, including two new diplomas for students starting at the University: the Diploma in Arts (DipArts) and the Diploma in Commerce (DipCom). The DipArts and DipCom are 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 can 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. New programmes

also included a new Bachelor of Medical Laboratory Science with Honours, a new Statistics subject for the Master of Applied Science, and new minor subjects in Sustainable Finance and Sustainable Business.

2024 will see the introduction of the Postgraduate Diploma in Neuropsychology (PGDipNeuropsych), the first programme in Aotearoa providing a professional training pathway to registration as a neuropsychologist with the New Zealand Psychologists Board. It will also see the Postgraduate Certificate in Health Sciences introducing an endorsement in Adult Restorative Dental Care, a Dental Council of New Zealand-accredited course to train dental therapists in the Scope of Adult Care in Dental Therapy Practice. Furthermore, the Diploma in Science (DipSc) will commence in 2024, sitting alongside the DipArts and DipCom and providing a pathway into the Bachelor of Science. Pathway and the English Language Centre will shift from their current site in the Stadium Plaza building to the 2nd and 3rd floors of the Otago Business School early in 2024.

In response to the challenging fiscal environment, the University has been working to reduce the number of papers offered across disciplines by removing papers that duplicate one another. In some areas of low demand, courses have been removed altogether, such as German. These decisions are made proactively, with the University looking at both current and future demand for subjects, including assessing the numbers of students taking subjects at secondary school to gauge future demand.

In other cases, the University has worked to increase efficiencies, for example, a new School of Computing was formally established in August 2023, bringing together Computer Science from the Division of Sciences and Information Science from the Division of Commerce to deliver an academic programme building on the competitive strengths of each. Associate Professor Grant Dick, former Head of Department of Information Science, was appointed as the inaugural Head of the new School of Computing. The new School sits in the Division of Sciences.

The University also reduced its Science Communication courses to offer postgraduate papers only, and refocused its Centre for Peace and Conflict Studies. Additionally, it will begin phasing out the Bachelor of Applied Science programme from the start of 2024 due to a combination of falling enrolments, market confusion, and the introduction of new programmes which have

reduced the need for a separate applied science focus.

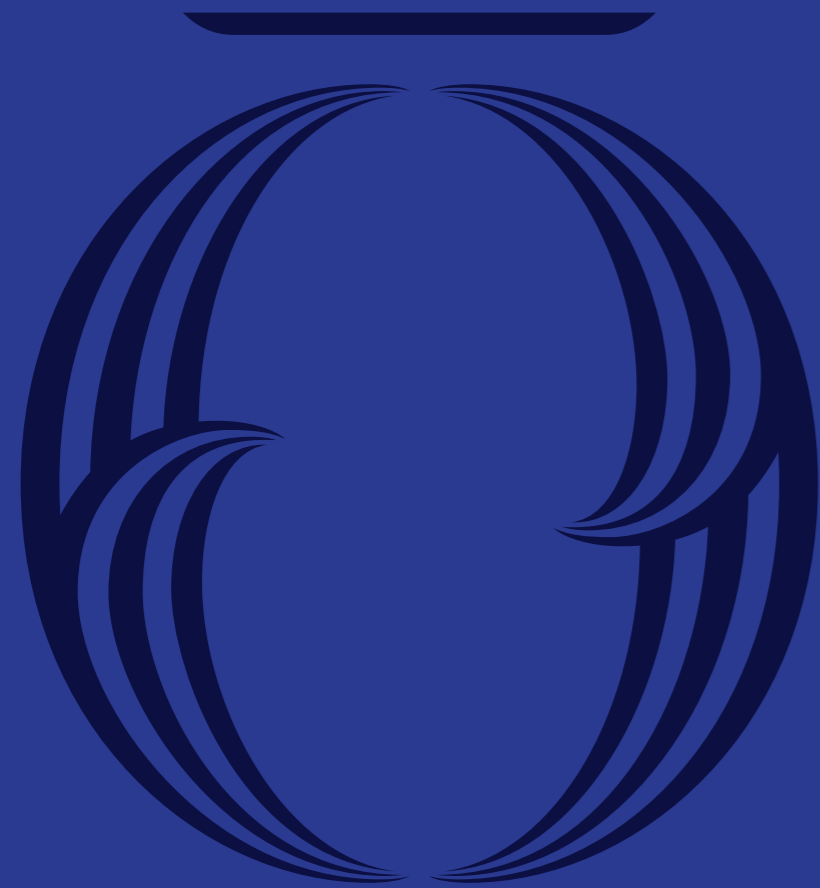
The main annual Summer School programme ran for six weeks from early January to mid-February 2023, offering 46 papers. The School attracted 1,345 enrolments and generated 214 EFTS (a 10.9% decrease on the 2022 Summer School). A pre-Christmas Summer School also ran for five weeks following Semester Two examinations. Ten papers were offered, attracting 693 students and generating 123 EFTS (an increase of 107.1% on the previous year).

The Distance Learning suite of programmes continued to capitalise on particular areas of Otago expertise, with offerings from all academic divisions. In 2023, 3,253 individual students enrolled in the 555 formal distance papers that were offered throughout the year. (Note that the student enrolments were across 510 of the 555 available papers.)

Looking to the future, Otago has set ambitious goals for improving the success of all learners who study at the University via its newly approved Learner Success Plan 2023-2030. The vision for learner success is that students from all backgrounds and experiences are supported holistically to reach their full potential and grow to become innovative global citizens. While Otago already performs strongly for learner success, gaps persist for students from Māori and Pacific communities and students with disabilities, among others. The Learner Success Plan lays out Otago's pathway to achieve this via three focus areas: understanding and responding to the unique contexts of priority student groups; creating a seamless and user-friendly learner-centric experience for navigating University; and ensuring all students get the support they need by improving visibility and accessibility of holistic student supports. The Learner Success Plan is underpinned by *Vision 2040* and *Pae Tata: Strategic Plan to 2030*, the Māori Strategic Framework and the Pacific Strategic Framework.

In the most recent student and graduate opinion surveys 87.9% 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 99.5% and 94.8% respectively. 93.4% of research degree respondents reported overall satisfaction with the quality of supervision, and 95.6% of respondents to the graduate opinion survey reported progression to employment or further study. 📌





EXCELLENCE IN RESEARCH

The University of Otago is proud to be one of Aotearoa New Zealand's top research universities. In 2023 our researchers were awarded significant funding for their innovative and impactful projects, topping two major funding rounds. They also won significant national and international awards.



4

Otago academics elected as
Fellows of the Royal Society Te Apārangi

700+

research projects undertaken
in consultation with Māori

27

Otago academics shared
nearly \$20m in Marsden funding

\$32m+

in MBIE funding



EXCELLENCE IN RESEARCH

2023 MARKED A NUMBER OF SIGNIFICANT ACHIEVEMENTS

for Otago research and researchers, but also a number of significant losses. The University community was deeply saddened by the passing of Professor Richie Poulton in September, the Director of Otago's world-famous Dunedin Study, after a brave battle with illness. It was bittersweet to know that the New Zealand Association of Scientists had awarded Professor Poulton its highest accolade, the 2023 Marsden Medal, for his lifetime of outstanding service to the cause or profession of science – his award was received posthumously by his partner and colleague on the Dunedin Study, Dr Sandhya Ramrakha.

The year was also one of transition for New Zealand, with the national election and formation of a new government. Review of the *Te Ara Paerangi – Future Pathways* Government research reforms will likely occur, but that commitment to see research contribute positively to the lives, wellbeing and prosperity of all New Zealanders will remain firm.

The direction Otago has set out in *Vision 2040* for excellence in research will remain unchanged, as the University seeks to focus its endeavours towards areas where it has either demonstrable strengths, or aspirations to grow a stronger research presence. As the highlights below indicate, Otago builds for this journey ahead from an exceptionally strong base.

FUNDING SUCCESSES

2023 was an outstanding year for the University in terms of securing research funding. Otago was the top ranked university for both the Ministry of Business, Innovation and Employment (MBIE) Endeavour Funds and the Health Research Council of New Zealand (HRC) funding rounds, and the second most successful institution for grants from the Marsden Fund.

A total of 27 Otago academics, working in fields ranging from health to legal research, secured nearly \$20 million from the Marsden Fund, including Dr Andrea Teng (Public Health,

Wellington) who was awarded \$653,000 to investigate the effects of Tonga's world-leading, comprehensive taxation on unhealthy foods, and Dr Megan Leask (Physiology) who was awarded a fast start grant to identify potential immune biomarkers from Māori and Pacific genetics that could be explored further for therapeutic interventions. Associate Professor Bridgette Toy-Cronin (Law) was also awarded a fast start grant, to examine the roles of non-lawyer advocates.

Otago researchers received \$51 million from the HRC in its main funding round, the largest amount of HRC funding the University has been awarded in any year. This included four Programme grants worth \$5 million each over five years, a Rangahau Hauora Māori Health Project, a Pacific Health Project and 24 Project Grants. The successful \$5 million programmes are led by Associate Professor Jason Gurney (Public Health, Wellington), who is exploring aspects of the availability, affordability and acceptability of cancer care for Māori and their whānau; Professor Rachael Taylor (Medicine), who will focus on ways to improve sleep quality from infancy through to adolescence, working closely with health and education providers, Professor Leigh Hale (Physiotherapy) and Mrs Bernadette Jones, who will partner with Māori, Pacific and disability healthcare providers to develop the Taunakitanga Takitini programme; and Professor Antony Braithwaite and Associate Professor Tania Slatter (Pathology), who will focus on understanding how the TP53 gene network contributes to cancer, and use this to develop clinically useful information and tools.

University of Otago researchers secured more than \$32 million in the 2023 MBIE Endeavour Fund – the highest of any New Zealand research institution. Three Programmes and four Smart Ideas from Otago were granted funding ranging from \$1 million to more than \$10 million, for their potential to transform Aotearoa New Zealand's economy, environment and society. Projects include more than \$8.2 million for He karapitipinga mariko, a five-year research programme to create a technology-supported sustainable 'new tourism' model for Aotearoa

involving immersive regenerative tourism experiences, as well as the use of Virtual and Mixed Reality technologies to enable tourism without travel – something that aligns strongly with the Otago's sustainability objectives. Additionally, Professor John Reynolds (Anatomy) was granted \$10.18 million to develop a new wearable technology to change the way neurological disorders like Parkinson's Disease and brain cancers are treated, while Professor Peter Dearden (Biochemistry) received more than \$9.9 million for research exploring gene technology to tackle invasive pests. Dr Eng Tan (Chemistry), Dr Sam Lowery (Physics), Dr Monica Tromp (Southern Pacific Archaeological Research group) and Associate Professor Lyn Wise (Pharmacology and Toxicology) were each awarded \$1 million project grants.

Researchers from Te Ropu Rangahau Hauora a Eru Pomare Centre at the University of Otago, Wellington, are working on a five-year project with a group led by the Johns Hopkins Centre for Indigenous Health, to develop Māori-led programmes and intergenerational play spaces centred on tikanga and te ao Māori. A \$4.3 million Lego Foundation grant awarded to this global collective will include work to open the way for the development of Māori-led programmes for babies, children and family wellbeing in Aotearoa. The group is partnering with Te Hou Ora Whānau Services in Dunedin, Kōkiri marae in Lower Hutt, and Napier-based Toi Matarua Rangatahi Research.

An ambitious and internationally connected programme to leverage New Zealand's niche expertise in quantum technology research will receive up to \$12 million of government funding over the next five years. The Quantum Technologies Research Programme will be developed by Te Whai Ao – Dodd-Walls Centre for Photonic and Quantum Technologies, one of New Zealand's leading centres for quantum research and a Centre of Research Excellence, hosted by the University of Otago. It will focus on increasing international connectivity and domestic capability in this rapidly developing sector.

RESEARCH ACHIEVEMENTS

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

The University's highest honour, the Distinguished Research Medal, went to the University of Otago Wellington's Poutoko Taiea Sesquicentennial Distinguished Professor Philippa Howden-Chapman, the Co-director for He Kāinga Oranga | Housing and Health Research Programme in 2023. The award recognised Professor Howden-Chapman's long-standing commitment to improving health outcomes, her leadership of her outstanding multidisciplinary research team, and her critical influence on public policy in Aotearoa New Zealand.

The 2023 Rowheath Trust Award and Carl Smith Medal was awarded to Professor Jemma Geoghegan (Microbiology and Immunology), the Webster Family Chair in Viral Pathogenesis. Her research focuses on several areas, including determining the fundamental patterns and processes of viral evolution, ecology and emergence. In 2020, she was instrumental in establishing the genome sequencing of SARS-CoV-2 in Aotearoa New Zealand, using an approach later described as "world-leading".

Seven researchers received Early Career Researcher Awards in 2023, recognising their outstanding career research achievements so far. Awards went to Dr Hemakumar Devan (Medicine, Wellington), Dr Simon Jackson (Microbiology and Immunology), Dr Matt Jenkins (Psychological Medicine, Wellington), Dr Matthew McNeil (Microbiology and Immunology), Dr Sara Miller (Chemistry), Dr Kimberley O'Sullivan (Public Health, Wellington) and Dr Stephen Young (Law).

Te Pokapū Mātai Taiāki Iaiā, the Centre for Neuroendocrinology (CNE), which celebrated its 20th anniversary in 2023, won the 2023 Otago Research Group Award. Based in the School of Biomedical Sciences, the CNE has approximately 60 members across 11 key research groups



that all produce internationally recognised research in the field of neuroendocrinology.

Two new award categories were announced this year – early career researcher awards for Māori and Pacific kaimahi. The inaugural winner of the Tofā Sāili Pacific Early Career Awards for Distinction in Research was Dr Troy Ruhe (Va'a o Tautai – Centre for Pacific Health). Dr Alana Alexander (Ngāpuhi: Te Hikutū, Pākehā)(Anatomy) and Dr Erica Newman (Ngāti Hine, Ngāpuhi)(Te Tumu – School of Māori, Pacific and Indigenous Studies) were the inaugural recipients for Māori Early Career Awards for Distinction in Research.

University of Otago researchers also received substantial national recognition in 2023.

Professor Niels Kjærgaard (Physics), a Principal Investigator of the Dodd-Walls Centre, was awarded the prestigious 2023 Hector Medal by The Royal Society Te Apārangi, for his contribution to experimental studies of atomic collisions and light-scattering using ultracold gases.

Professor Michael Baker (Public Health, Wellington) and his research team received the HRC's highly prestigious Liley Medal in recognition of two recent papers highlighting a major development in understanding the causes of acute rheumatic fever and the role of preceding Group A Streptococcal infections.

Four Otago academics were elected to be Fellows of the Academy of the Royal Society Te Apārangi in 2023. They were Professor Suetonia Palmer (Deputy Dean, Christchurch), Professor Lisa Stamp (Medicine, Christchurch), Professor Rachel Taylor (Medicine) and Professor Haillie Buckley (Anatomy).

Royal Society Te Apārangi Research Fellowships were awarded to five Otago researchers to undertake a range of studies, from anatomical skeletal collections to the links

between housing and mental health. Drs Kimberley O'Sullivan (Public Health), Rosie Brown and Megan Leask (both Physiology) were awarded Rutherford Discovery Fellowships which will provide them with \$800,000 each over the next five years to conduct their research projects. Meanwhile, James Cook Research Fellowships were awarded to Professors Siân Halcrow (Anatomy) and Peter Fineran (Microbiology and Immunology).

International recognition of Otago researchers in 2023 included:

Associate Professor Harald Schwefel (Physics), who was one of only eight New Zealanders named a Fellow of Optica, the world's foremost organisation for the science of light and photonics. A principal investigator with the Dodd-Walls Centre for Photonics and Quantum Technologies, he was recognised for his outstanding and sustained contributions to high quality monolithic resonators and their application in nonlinear and quantum optics.

Dr Margo Skinner (Physiotherapy), who received the Mildred Elson Award, World Physiotherapy's highest honour, in recognition of her outstanding contribution to the physiotherapy profession as a clinician, teacher and researcher over a career spanning 50 years.

Professor Jonathan Broadbent (Dentistry), who won the Distinguished Scientist Award from the International Association for Dental Research, in recognition of his meritorious research in epidemiology and public health.

Professor Rob Walker (Medicine), who was awarded the College Medal by the Royal Australasian College of Physicians (RACP), recognition from his peers for his significant international contribution to understanding and managing kidney disease. ■



COMMITMENT AS A LOCAL, NATIONAL AND GLOBAL CITIZEN

The University of Otago contributes to its local communities and regions, Aotearoa New Zealand and the world through volunteering, community service, contributions to the arts and programmes to foster tertiary education in groups under-represented in university study.



150

years of Law education at Otago

733

hours taken as Social Impact Leave

\$1.2b

contribution to the Dunedin economy

34%

increase in international partnerships

COMMITMENT AS A LOCAL, NATIONAL AND GLOBAL CITIZEN

DESPITE THE CHALLENGING FINANCIAL ENVIRONMENT

discussed throughout this Annual Report, the University of Otago and its staff and students once again worked hard to contribute to the communities they serve, Aotearoa New Zealand and the world.

One of the simplest ways the University has demonstrated this in 2023 was with a new Social Impact Leave Policy, put in place in August following a successful six-month trial. Created by Human Resources and the University's Social Impact Studio, the policy allows all permanent and fixed-term staff to take one day a year (pro rata based on their FTE) as Social Impact Leave to volunteer in the community. Many did so in 2023, with 160 staff from across all of the University's campuses recording a combined total of 773 hours contributing to organisations ranging from Te Nohoaka o Tukiauau Sinclair Wetlands to the Child Cancer Society. The scheme is broad and allows staff to volunteer with charities as well as schools, marae and smaller community groups that are not registered charities.

In Christchurch, 2023 was a time to mark the 50th anniversary of the University of Otago, Christchurch – with a year of events and celebrations. The milestone was themed 'Kia Mau' – to encourage those with a connection to the campus to come together and hold tight, both to the campus' history and the future endeavours that staff and students aspire to achieve. More than 5,000 medical students have completed their training at the campus in the past five decades, along with several thousand health professional and health research students. The contributions of the campus have been immense. The celebrations began with an academic welcome and picnic in March, followed by a more formal Civic Showcase event in June in the Rolleston Theatre, and four winter public talks in July. Celebrations closed in November with a light-hearted get together for staff and students.

The Faculty of Law also marked a significant milestone in 2023: 150 years. This was celebrated in April with a conference and reunion, bringing together attendees from as far afield as the United States, Canada, Chile, Hong Kong, Ireland, Singapore and Malaysia. The anniversary was an opportunity to showcase developments in the law and the legal curriculum, and celebrate the enormous contribution made by Otago graduates, over a long period, to the New Zealand legal system.

The COVID-19 pandemic proved to New Zealand and the world the importance of great science communication – and the University of Otago has backed that up, launching a new Public Health Communication Centre in February. The Centre aims to improve the communication of research findings and raise public awareness about opportunities for health gain. Led by Professor Michael Baker, the Centre is based in the Department of Public Health at the University of Otago, Wellington and funded by an endowment from the Gama Foundation.

The University of Otago continues to strengthen its links with the Pacific. In July 2023, Deputy Vice-Chancellor (External Engagement) Professor Tony Ballantyne led a small delegation to Fiji, visiting the Fiji National University's Natabua and Nasinu campuses and re-signing a Memorandum of Understanding between the two institutions, which was first established in 2017. The delegation also met with senior leadership from the University of the South Pacific. The visit was part of Otago's broader vision as a University of the Pacific and focused on engaging with Pacific colleagues on how to progress mutual areas of teaching and research.

The University continued to operate its Pūtea Tautoko student hardship relief fund in 2023. In all, 256 grants totalling \$274,000 were made.

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.

Staff volunteering was strengthened in 2023 with the new Social Impact Leave policy (as described above), while slightly more respondents to the Graduate Opinion Survey (53.9%) indicated they have undertaken volunteer work while studying at the University of Otago, up from 53.6% in 2022.

In a survey of academic staff, 92.2% of respondents had dedicated time to community service and, on average, this comprised 9.9% of their work time. The types of service undertaken included serving on government advisory boards and committees (22.8%); providing services to the public sector (74.8%); giving lectures, talks or presentations to non-university groups (73.3%); holding a post in an organisation or association relevant to their area of expertise (70.9%); editing or serving on the editorial boards of publications (63.6%); and contributing to community projects (64.1%).

The contributions of a number of staff were recognised with 2023 New Zealand Honours (see page 21 – people) and others were acknowledged nationally and internationally within their own fields of endeavour including:

- Associate Professor Dianne Sika-Paotonu (University of Otago, Wellington), who won the 2022 Prime Minister's Science Communication Prize, the first time a Pacific scientist has won the award. An Associate Professor of Biomedical and Health Sciences in Immunology and Associate Dean (Pacific), Associate Professor Sika-Paotonu was a leading voice during the COVID-19 pandemic;
- Associate Professor Diane Ruwhiu (Management), who was appointed as Productivity Commissioner at the New Zealand

- Productivity Commission Te Kōmihana Whai Hua o Aotearoa;
- Professor Emma Wyeth (Kāi Tahu, Te Ātiawa, Ngāti Tama, Ngāti Mutunga) (Kai Tahu Māori Health Research Unit), who was appointed the new Chair of the Health Research Council's Māori Health Committee;
- Professor Louise Parr-Brownlie (Anatomy), who was appointed by the Ministry of Business, Innovation and Employment (MBIE) as a Departmental Science Advisor;
- Professor Gisela Sole (Physiotherapy), who was appointed to the prestigious Australian Physiotherapy Council Accreditation Committee;
- A team from the University of Otago, Christchurch's Māori and Indigenous Health Innovation (MIHI), who were chosen as a joint winner of the UK-based *Nature* journal's Inclusive Health Award 2023.

CONFERENCES AND EVENTS

Otago continued to take a leadership role in addressing both domestic and global challenges.

The 4th University of Otago National Security School in February 2023 focused on the topic "Rethinking New Zealand's National Security" and looked at how New Zealand was impacted by intensifying great power rivalry, the multiplicity and interconnectedness of emerging security threats, and the risks of social fragmentation and a declining economic situation.

Tourism academics, business leaders, policy communities, industry organisations and other interested parties came together in March for the Otago Tourism Policy School to discuss the key challenges and opportunities confronting the tourism industry in Aotearoa New Zealand as it rebuilds following the COVID-19 global pandemic.

In July, the 57th Otago Foreign Policy School brought together academics, journalists, diplomats and members of the general public to explore the international and transnational aspects of a global rise of populism.

The 17th Otago Energy Research Centre (OERC) in November focused on developing an energy research agenda to 2050. The symposium aimed to be a forum for discussion for the energy research community and brought together diverse perspectives and strategies towards meeting the 2050 energy transition goals.

Otago's Auckland-based Tuala Malae: Head, Pacific Community Engagement, Tofilau Nina Kirifi-Alai, continued to work closely with Pacific communities and stakeholders through a range of programmes. 2023 saw the launch of the Pacific Opportunities Programmes at Otago – Village Innovation Programme (POPO VIP), run in partnership with community-based organisations and churches, offering evening homework/study programmes to support the academic growth and development of primary and secondary school students. So

far five programmes involving about 220 students have been established, with a further six planned for 2024.

Tertiary Open Day returned to its regular position in the University of Otago Event calendar in May 2023 and welcomed a large number of taura and whānau onto the Dunedin campus over two days. This is the University's largest annual undergraduate recruitment event, and while flights to and from the city were not quite at pre-COVID-19 levels, most academic sessions were full and the campus was vibrant and busy with excited future students investigating their study and accommodation options for 2024.

Across the wider University, 502 continuing education events were offered in 2023 (2022: 421), including 48 open lectures, 366 seminars (with over 250 available via Zoom), five webinars, 45 Inaugural Professorial Lectures, two short courses, 12 symposia, six conferences, two workshops and 16 miscellaneous events.

AGREEMENTS AND COLLABORATIONS

During 2023, the University intensified its engagement activity with international partners, agents, sponsors and other organisations.

The recently adopted Partnership Arrangements policy continued to be embedded into practice and has proven effective in providing clarity, structure and focus to support the successful outcomes of the *Te Aka Whakaranea ā-Ao, 2021-25 Internationalisation Framework* and the implementation of the University's recently adopted *Pae Tata: Strategic Plan to 2030*.

In total, Otago currently has 674 (2022: 600) international agreements, including:

- 289 (↑55) Agency Agreements (AGA)
- 167 (↑58) Memorandums of Understanding (MOU)
- 105 (↑13) Student Exchange Agreements (SEA)
- 46 (↑1) Study Abroad Agreements (SAA)
- 25 (↑2) Articulation Agreements (AA)
- 6 (↑3) Letters of Intent (LOI), and
- 33 (↓1) Other arrangements, e.g. Cotutelle Agreements, Government Scholarship arrangements and Medical Elective Internships.

A further 132 new partnerships are currently in development or under consideration. This represents an overall 34% increase in international partnerships during 2023, which is significant and in support of the strategic direction of the University.

The University's Student Exchange activity resumed in 2022, with 14 inbound students received from six countries (four virtually) and 66 outbound students heading to 19 countries. In 2023 those numbers were significantly higher, with Otago hosting 211 students from 26 countries, and 194 Otago students heading on exchange to 25 countries.

The Matariki Network of Universities (MNU), of which

Otago is a founding member, launched a new MNU Research Seed Fund, with Otago featuring highly in these collaborative applications. Results will be known in 2024. During 2023, Otago co-led the inaugural Sustainability MNU Forum with Durham, and six Otago students successfully completed the MNU's Global Citizens programme via a Collaborative Online International Learning programme (COIL) delivered by Common Purpose.

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 through academic research and teaching. In November 2023, Otago participated in the ACU Champions Summit to share best practice ideas around managing partnerships.

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 2023 the Otago CAPEs team forged strong Asia-Pacific connections through the Winds of Change, which unites New Zealand postgraduates and professionals with peers from Chile (with the Latin America CAPE) and China (with the North Asia CAPE) to explore climate change and sustainability challenges. The 2023 programme included trips to Wellington and Fiordland, where participants engaged with researchers, businesses, communities and government. Winds of Change was shortlisted for a Sustainability Education Award at the 2023 QS Reimagined Education Awards.

OUTREACH

The University runs outreach programmes from all of its campuses and divisions.

In January 2023, 384 pupils from 177 different schools took part in Whai Wheako i Ōtākou, Hands-On at Otago. They spent six days discovering what life is like on campus at the University – a welcome return after a break in 2022 due to the Covid-19 pandemic.

The Science Academy continues to attract potentially high-achieving students from lesser served rural/provincial, small and formerly lower decile schools across Aotearoa New Zealand. In 2023 it enrolled 59 students from 47 such schools, with 17 students identifying themselves as Māori and eight as Pasifika. As in previous years, students attended seven-day camps in both January and July and were immersed in a full programme of research seminars, lab projects and science communication workshops. A concurrent four-day programme of teacher professional development was also held in January with 14 teachers attending. The programme translates into enrolments,

with 25 (42%) of Science Academy's 2022 students enrolled at Otago in 2023.

Tuia i Hawaiki, tuia i te Uru – Science Wānanga had two new partnerships in 2023 (with Kura Māori o Porirua and Ngāti Kahu) and ran five Science Wānanga with these and three longer-standing partners.

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 2023, the NZMSC programme engaged with more than 18,177 people, including 7,578 school pupils and their teachers through curriculum-linked programmes at the centre; 6,931 interest groups and families participating in marine experiences; and 3,668 school pupils and their teachers who attended outreach programmes in the Nelson/Marlborough/Tasman regions. Additionally, citizen science programmes were delivered in Auckland, Taranaki, Wellington, Nelson and Otago.

Many departments contribute to the community. For example, in February the School of Pharmacy, in partnership with Dunedin Pride, hosted a free "Rainbow Pharmacy" pop-up clinic where members of the Rainbow community could receive advice on any medicines they were taking or considering. It was so popular that a waitlist was created.

The University is committed to encouraging groups under-represented in tertiary study, particularly Māori and Pacific students. Enrolments for Pacific students reached an all-time high of 1,390 in 2023, with 2,536 Māori also enrolled. Māori accounted for 13.7% of Otago's domestic EFTS and Pacific enrolments comprised 7% of total domestic EFTS.

The University graduated 582 Māori students in 2023. Eighty-five of these Māori students graduated from the University's Health Sciences professional programmes, including 55 in medicine, 15 in physiotherapy, and 10 in dentistry. The University graduated 259 Pacific students in 2023, 43 of them from Health Sciences professional programmes.

ALUMNI

The University of Otago's alumni population grew to over 130,000 alumni in New Zealand and across the world. This community of Otago graduates and friends is an important part of the wider fabric of the University and maintaining connection and engagement with this group is a key responsibility of the Development and Alumni Relations Office (DARO).

In 2023, engagement activities such as in-person events, digital offerings, regular communications via print and online and opportunities to hear from researchers, were successful in connecting alumni with each other and the University. This connection is the conduit which provides a long-lasting mutually beneficial relationship between alumni and friends, and the University.



In 2023 DARO hosted 21 in-person events in New Zealand and around the world, some of which leveraged the University's sponsorship of the Highlanders to provide alumni with a unique opportunity to meet with coaches and management of the team. Alongside in-person events, the virtual online lecture series "March with Otago" continued in 2023 with three lectures on successive weeks in March.

DARO also provided support to Education New Zealand for pan-alumni offshore events and supported individual Law alumni events both in New Zealand and abroad to celebrate the Faculty's 150th anniversary.

There were five other in-person engagement events across the world, in addition to those hosted by DARO, made possible by the generous hosting of Otago volunteers.

Reunions are an important part of engagement, and the Law Faculty's 150th celebration weekend was the biggest of those, with a variety of events held over the weekend after Easter 2023. DARO further supported 17 other reunions across the year, seven of which were in Dunedin.

Engaging with alumni digitally continued to be a focus and engagement opportunities in the online environment have broadened to include photography and writing competitions, book recommendations, interactive activities to be completed, and online digital cards to celebrate and acknowledge Matariki, graduations and end-of-year.

A number of activities were delivered to engage with younger alumni comprising the young alumni awards (the "20Twenties"), in-person events for young alumni, and focused communications celebrating the achievements of young alumni.

During the year the Alumni and Friends Facebook page continued to grow with a 5% growth bringing total followers to over 9,100.

Alumni, staff and friends continued to generously support University of Otago students through scholarships (see also page 55 – capability). Through donations received from alumni and friends, DARO provided entrance scholarships to 71 recipients in 2023. In most cases this funding supported students' residential college fees.

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 was \$1.2 billion, with the total flow-on economic impact nationally of \$1.96 billion. It was also estimated that the University directly and indirectly supported 5,952 FTE jobs in Dunedin, and 7,607 throughout New Zealand.

The University also contributes to the national good through its library collections, publications and commitment to the arts.

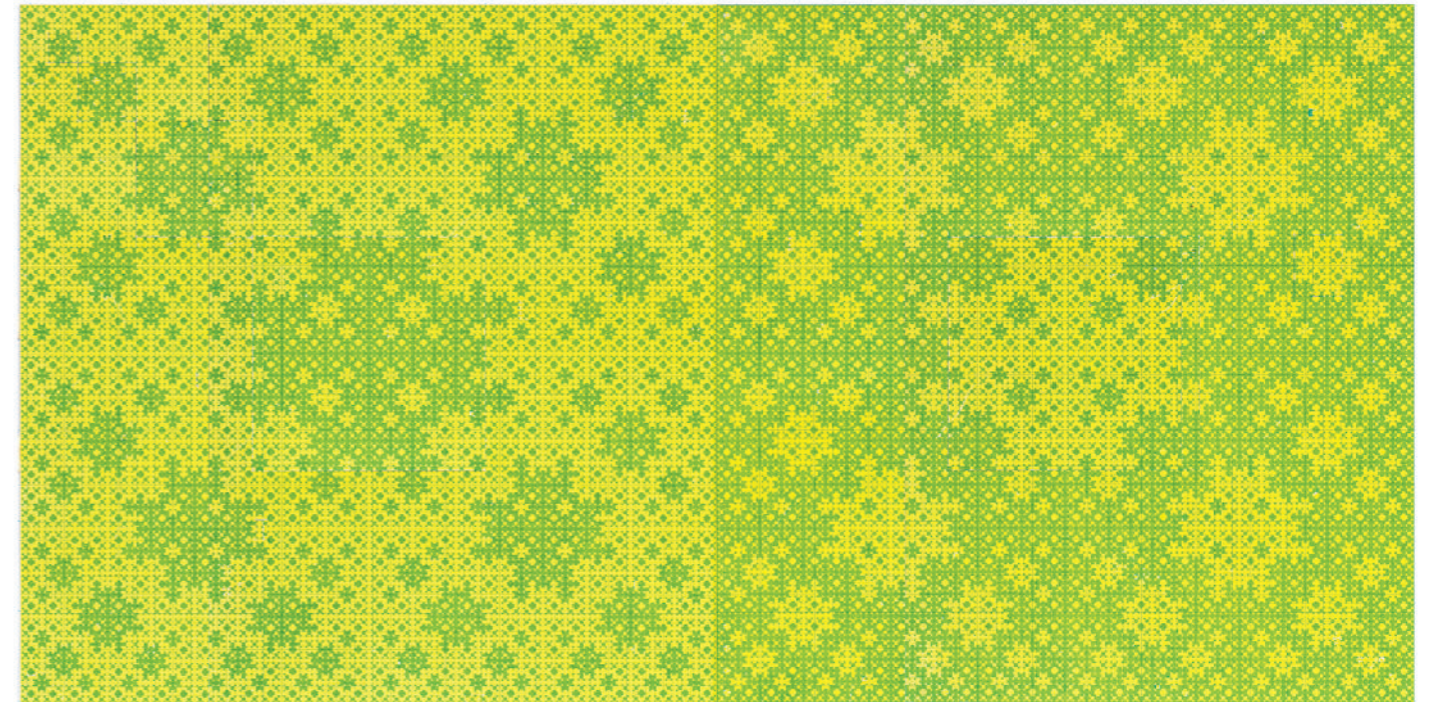
In 2023 the arts fellows were: Kathryn van Beek – Robert Burns Fellow; Sean Donnelly – Mozart Fellow for a second year; Daisy Sanders – Caroline Plummer Fellow in Community Dance; Ruth Paul – University of Otago College of Education Creative New Zealand Children's Writer in Residence Fellow; Emily Hartley-Skudder – Frances Hodgkins Fellow.

The University once again ran its annual creative writing competition in 2023 for staff, students and alumni. 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, as well as the country's longest-running arts and literary journal, *Landfall*. In 2023 OUP published 13 new titles, including *Histories of Hate: The radical right in Aotearoa New Zealand* edited by Matthew Cunningham, Marinus La Rooij and Paul Spoonley; *Aftermaths: Colonialism, violence and memory in Australia, New Zealand and the Pacific* edited by Angela Wanhalla, Lyndall Ryan and Camille Nurka; and *Katherine Mansfield's Europe: Station to station* by Redmer Yska.

Hocken Collections is one of Aotearoa's foremost research libraries, archives and galleries. Each year the Hocken supports up to 6,000 researchers and over 100 student classes to deliver research, teaching and learning outcomes. As the Hocken repositions itself as a future-focused cultural collections hub for the University and the wider public, there were several significant new developments in 2023: access to the collections was greatly enhanced by the launch of a new Digital Collections site with over 50,000 images being made available online; a new Digital Capture Unit for cultural heritage digitisation was established; and staff were recruited to three Māori roles, including a Māori Archivist supported by the William Evans Fund and for activated programmes such as Kāi Tahu digitisation. The University's cultural collections were brought together for the first time as curatorial roles were established that worked across the Hocken and the Library's Special Collections.

In 2023 the Hocken presented a range of exhibitions in its gallery and foyer spaces, many with an emphasis on community connection and engagement. These included 2022 Frances Hodgkins Fellow Sorawit Songsataya's *Nirun*; Cook Islands Community Te Vaka Oral History Project; and, with a knitted yum cha feast at its centre, *Bev Moon: Fortune*, in collaboration with Ōtepoti Chinese organisations and archives. The Hocken and Special Collections contributed to a collaborative guide for the Hallenstein's 150th anniversary, and Bridget Reweti's (Ngāti Ranginui, Ngāi Te Rangī) *Pōkai Whenua, Pōkai Moana* was Hocken's first fully bi-lingual publication. ♥

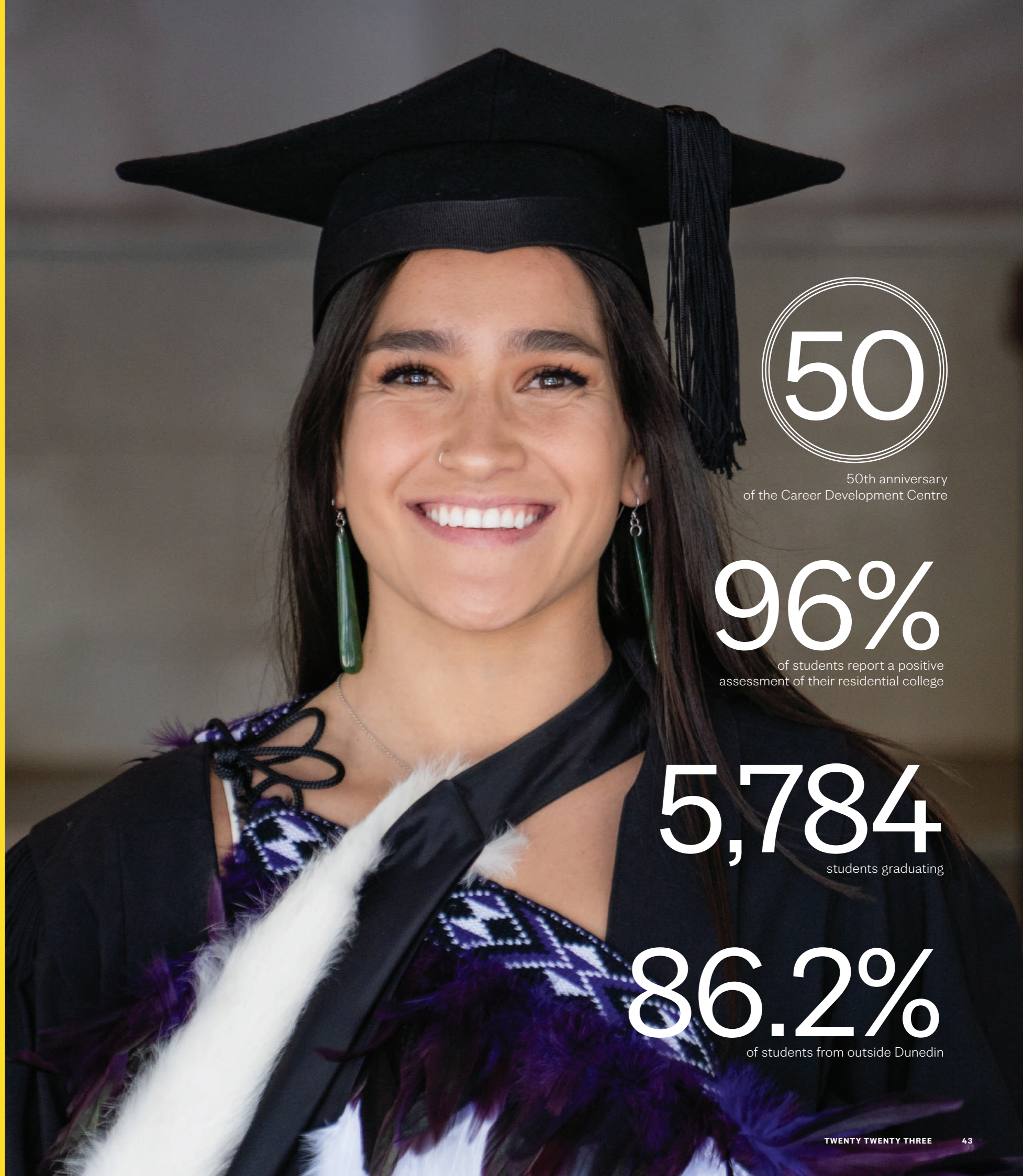


Martin Thompson (1956-2021), *Untitled (Yellow and Green)*, pigment ink on prepared yellow paper, 770mm x 1520mm, purchased from the artist's dealer Brett McDowell, Dunedin, 2022 using Hocken Endowment Funds. Image reproduced courtesy of Brett McDowell Gallery and the artist's estate.



TRANSFORMATIVE STUDENT EXPERIENCES

The University of Otago was thrilled to offer a vibrant on-campus experience to students in 2023, with our exceptional pastoral care supporting them to get the most from their time at university both inside and outside the classroom.



50

50th anniversary
of the Career Development Centre

96%

of students report a positive
assessment of their residential college

5,784

students graduating

86.2%

of students from outside Dunedin

TRANSFORMATIVE STUDENT EXPERIENCES

IN 2023, JUST OVER 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 which housed over 3,500 mainly first-year students. International students were also welcomed back into the colleges, while single semester Study Abroad and Exchange students returned to UniFlats.

In 2024, a new college will be added to the Otago network – Te Rangihiroa – which will accommodate 450 students. Of the 450 bedrooms there are 300 standard rooms and 150 with an ensuite (see page 50 – campus).

The 2023 academic year began without the shadow of COVID-19, but in the wake of Cyclone Gabrielle which battered the North Island in February, causing devastation and hundreds of cancelled flights. Initially it was thought that many of Otago's students would not make it to Dunedin on time, but Air New Zealand stepped in to help, flying larger aeroplanes to the city from Auckland and Wellington for four days and ensuring nearly all students made it to the city for Orientation Week, the first Orientation Week to be held since the beginning of the global COVID-19 pandemic in 2020.

On-campus activities resumed, and it was wonderful to see an active and vibrant student life return to Otago's campuses. Across 2023 lectures, tutorials and laboratory classes were well attended and examinations were almost exclusively held in-person and on campus (see also page 24 – teaching). Twelve very successful graduation ceremonies were held, two in May (one of which included a posthumous award), four in August and six in December, with a total of 5,784 students graduating (including those who graduated in absentia). Marking the Faculty of Law's 150th celebrations in 2023 (see also page 36 – citizen), four honorary Doctor of Laws awards were given across the year, one each during August and December graduations and two at functions outside of graduation ceremonies. These went to Donald Malcolm McRae, Mindy Chen-Wishart, Wilson Whare Isaac and Mai Chen. The December graduations had a high number of students applying which led to five of the six ceremonies reaching capacity and closing before the application period ended.

SUPPORT SERVICES

Otago takes its commitment to pastoral care very seriously, with many teams working in tandem to support students through their Otago journey. These include the University's residential colleges and the Locals Collegiate Community, Student Health Services, Te Huka Mātauraka Māori Centre and the Pacific Islands Centre, the Social Impact Studio, Te Whare Tāwharau

Sexual Violence Support and Prevention, Disability Information and Support, and the Career Development Centre. Many support services celebrated milestone anniversaries in 2023.

The Locals Collegiate Community – which offers pastoral care, academic support and social and volunteering activities to students who chose to flat, board or live at home in their first year of study – celebrated its 10th anniversary in 2023. In its first year Locals supported 60 students and it has grown and flourished over its first decade, supporting 892 students in 2023.

Te Whare Tāwharau Sexual Violence Support and Prevention Centre celebrated its fifth anniversary in 2023, continuing to offer best practice with trauma-informed support for those navigating the impacts of sexual harm during their time at the University of Otago. It also continued to evaluate and develop prevention programmes, delivering programmes to more than 4,500 students and staff in 2023.

The Career Development Centre at Otago celebrated 50 years in 2023, celebrating the work of those who have gone before and recognising the excellence and commitment of the Centre's current team. Building on a successful Pasifika student engagement project, the Career Development Centre ran a taura Māori engagement project, and also formed a Student Advisory Board.

The chaplaincy team (which consists of Ecumenical, Māori, Catholic and Muslim chaplains) celebrated 60 years in 2023. Over the year it led memorial services and graduation thanksgiving services, met with students who were navigating the challenges and celebrations of relationships and study, and worked alongside other support services to care for the wellbeing of Otago staff and students.

Other support services continued to work hard through 2023. The team at Student Health Services provided a full range of primary care services, with a total of 39,500 doctor, nurse and mental health appointments offered through the year. Full staffing meant wait times for appointments were lower than in previous years. Campus Watch staff continued to work around the clock to have a presence in and around the Dunedin campus, helping to keep students safe and offering pastoral care. Unipol Recreation (Recreation Services) saw approximately 570,000 visits to Unipol Gym, good uptake of gear rental from the Outdoor Rental Centre, and high weekly participation in group fitness and social sport. The Student Development team continued to offer holistic course advice working alongside academic staff and other support services, delivering course advice appointments across 2023.

The University Library contributed to research, education and external engagement by providing access to high quality

services, print and digital collections, and spaces. The collections, which underpin library services, contain over 1,250,000 printed books and journals, 2,000,000 eBooks and 340,000 eJournals.

The University's Higher Education Development Centre (HEDC) offers research-led academic professional development, support for student learning development, educational technology support and credit-bearing programmes of study (Postgraduate Certificate and Diploma in Higher Education, Master of Higher Education and PhD) to assist the University community in maintaining and improving the quality and effectiveness of teaching and learning.

In 2023, Peer-Assisted Study Sessions (PASS) and Peer-Assisted Numeracy (PAN) programmes operated by HEDC offered an average of 74 weekly sessions across 38 papers (1,746 sessions in total), which 15,091 students attended. PASS also successfully trialled a second-year Laws paper, adding a further Laws 200-level paper in 2024.

In response to *Vision 2040* and *Pae Tata: Strategic Plan to 2023* as well as several external motivators, many teams worked to develop strategies to enhance the success of Tertiary Education Commission priority groups. The University Library initiated the development of three new roles to work alongside Te Huka Mātauraka and the Pacific Islands Centre to improve outcomes for Māori and Pacific students. These roles will support students' transition to university, enhance their sense of belonging and boost their skills in accessing key resources to lift academic achievement.

In the annual student opinion survey 95.9% of respondents provided a positive assessment of their residential colleges, 95.5% gave a positive assessment of the University's careers advisory service, 83.2% gave a positive assessment of student health and counselling services, 97.8% gave a positive assessment of administrative services and support services, 98.9% gave a positive assessment of the student learning centre, 97.2% gave a positive assessment of the helpfulness of staff, and 96.7% gave a positive assessment of support from the Otago University Students' Association.

VOLUNTEERING

2023 was a milestone year for the culture of volunteering at the University of Otago. The University's Social Impact Studio celebrated 10 years of supporting student-driven change through the provision of volunteering and leadership opportunities. In 2023 students continued to engage with the community through UniCrew, Aspire, Reading Oasis

and the Matariki Global Citizenship Programme. Two new community initiatives were also successfully trialled in 2023: Futureproof, a collaboration with Volunteer South, to connect student collaborators with organisations to provide strategic and practical advice around the youth volunteer experience; and Minds Together, a partnership with Alzheimer's Otago, to connect participants with early-stage dementia with student buddies for a weekly on-campus visit, promoting intergenerational connection and learning. Interest in student leadership remained high, with an additional 100 students taking up the University of Otago Student Leadership Award, supported by Canon, and a capacity audience at On Purpose, a social-impact speaker event, challenging mainstream ideas around leadership and social impact.

Despite these successes, the results of the 2023 Graduate Opinion Survey show a slight decline in students undertaking volunteer work while studying at the University of Otago, with 48.5% of respondents reporting that they undertook volunteer work (down from 53.6% in 2022). This is likely explained by there being fewer opportunities to volunteer during the pandemic years, coupled with students needing to focus on paid work in the face of rapidly escalating costs of living.

In addition to student volunteering, the University of Otago built on its trial of Social Impact Leave for staff to create a new policy supporting all permanent and fixed-term staff to volunteer for one day per year during work time (see also page 36 – citizen).

STUDENT SUCCESSES

University of Otago students have excelled over a wide range of activities in 2023, including:

- Isaac Heron, who was awarded a prestigious Rhodes Scholarship to study at Oxford University. He aims to study a Master of Philosophy in Economics;
- Harry Gardner, who won a Woolf Fisher Scholarship to study for his PhD at the University of Cambridge. He plans to focus on understanding how the brain forms and stores memories;
- The Otago University Rowing Club, which returned to success in the international rowing arena. The University of Otago Men's Eight won the revived "World Famous Universities Rowing Regatta" held in July 2023 in Shangyu, China, beating crews from Sydney, Oxford and Melbourne universities. It was the first time the regatta has been held since 2019 due to COVID-19 disruptions;
- A team of three students from Otago's Te Kaupeka Tātai Ture Faculty of Law, who travelled to the United States in



April 2023 to compete in the world's largest moot court competition, after winning the national final. They were Josef Strauss and Lydia Joseph, with fellow student Rebecca Bridgman joining them as team researcher and counsel at the table. Meanwhile, Tawhiwhi Watson (Ngāti Kahungunu ki Heretaunga and Ngāti Tūwharetoa) won the National Māori Moot Competition;

- Winners in the Otago University Students' Association (OUSA) Blues and Golds Awards including Charlotte Worley (Sportsperson of the Year) for her achievements in powerlifting; the Otago Singapore Club (OUSA Cultural Society of the Year) and Tomuri Spicer (Outstanding Contribution to Arts and Culture);
- PhD candidate Tyla Alexander, from the Department of Pharmacology and Toxicology, who won the doctoral category of Otago's 2023 Three Minute Thesis (3MT) competition in August, going on to win the Matariki Network of Universities 3MT competition. Finn Dobbie of the Teaching Programme won Otago's Masters' 3MT competition;
- Otago PhD candidate Mohsin Ijaz, who was named a Future Hydrogen Leader at the inaugural Aotearoa Hydrogen Awards in November, in recognition of his research in the field of converting solar energy into hydrogen;
- Otago medical student Hannah Maher, who won the female (19–25 years) category of the World Triathlon Long Distance Championships in Spain in May. A trainee intern based in Christchurch, she completed the long distance triathlon – a 3km swim, 116km bike ride and 30km run – in six hours, 49 minutes and 29 seconds;
- Physiotherapy student Gareth Ward-Allen, who was part of the New Zealand men's elite underwater hockey team which won the world championships in the Gold Coast in July. ♥



OUTSTANDING CAMPUS ENVIRONMENTS

The University of Otago boasts internationally recognised campus environments and is a leader in sustainability initiatives. In 2023, several major construction projects were completed, including our first new college build in 50 years – the 450-bed Te Rangihīroa College.



5%

Ranked in the top 5% of universities world-wide for sustainability

450



Te Rangihīroa College completed

99.1%

of students give positive assessment of campus environments

22,000+

hectares of land owned by the University



OUTSTANDING CAMPUS ENVIRONMENTS

THE UNIVERSITY OF OTAGO'S EXCEPTIONAL CAMPUS environments, unique character and high quality facilities are recognised internationally. Ongoing development projects across its Dunedin, Christchurch and Wellington campuses, involving teaching, research, student and accommodation facilities are an important part of maintaining that reputation and provides strong alignment with *Pae Tata*, the University's Strategic Plan to 2030. Otago also continues to be acknowledged internationally for its sustainability initiatives.

CHANGING ENVIRONMENTS

Te Rangihīroa College, the University's first new purpose-built residential college in more than 50 years, was officially opened in October 2023. The five Green Star sustainability standard facility, built to be home to 450 students, consists of four wings each made up of seven floors. There are 125 ensuite rooms, along with college staff accommodation, reception and offices, kitchen and dining hall, and multi-functional communal spaces. The college is named after Otago alumnus Te Rangihīroa (Sir Peter Buck), the first Māori medical graduate from a New Zealand university (1904), who later received his MD in 1910. The name was initially gifted to the University in 2013, following permission from his iwi Ngāti Mutunga and family members.

Construction on an extension to Aquinas College in Dalmore is nearing completion. This will provide an additional 66 beds,

along with improving operational facilities and enhancing the overall student experience.

A near \$15 million project involving compliance work means Arana College will be closed during 2024. The work has been planned to coincide with the opening of the new Te Rangihīroa College which means there is actually a slight increase in the number of places in residential colleges available for students in 2024. Arana is expected to be open again in 2025.

Refurbishment work is underway at the Otago Business School to enable the Pathways and English Learning Centre to relocate from the Plaza, beside Forsyth Barr Stadium, to the University's central campus area. This will provide significant benefits to student experience and create an opportunity to reduce space across campus by relocating many support services staff to the Plaza in a hybrid working environment.

FUTURE ENVIRONMENTS

Work continues on a new six-storey building for the University's Christchurch Campus Redevelopment project in the heart of the Te Papa Hauora/Health Precinct on Oxford Terrace. The Christchurch campus caters for more than 1,000 medical and postgraduate health science students and more than 500 staff. The new building will bring together departments currently dispersed around the city into once precinct, providing research laboratories, teaching facilities and space for groups who are in

the process of commercialising their health science discoveries.

In Wellington, re-strengthening projects in the Lecture Theatre and Link Block buildings will be completed in early 2024, to reinvigorate the Wellington Campus.

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

SUSTAINABILITY

The University of Otago's sustainability efforts gained international recognition in 2023, with Te Oraka thrift shop and sustainability hub winning the International Green Gown Award for student engagement. The win is recognition of work by both staff and the student community. It is the first time Otago has made the international finals and its first win.

Additionally, Otago was ranked 63rd in the *Times Higher Education Impact* rankings for 2023, which puts it in the top 5% in the world rankings for sustainability. These rankings were echoed by a 48th place ranking in the QS Sustainability Rankings 2023, which ranks 700 of the world's universities on their social and environmental sustainability performance. It reflects a strong performance for the whole New Zealand and Australian sector which sits in the 5-15% segment of the rankings – underscoring the collaborative and supportive approach taken towards sustainability.

Otago's Sustainability Neighbourhood was successful in

terms of attracting international students who were keen to live a sustainable lifestyle while studying. The Neighbourhood gives students the opportunity to be involved in a living lab where they can grow food, compost, develop worm farms and recycle. The 20 bed-spaces on offer could have been filled several times over in 2023, so the addition of Arana Green in 2024, with up to 60 spaces, will be an important step in helping to meet that demand.

The Carbon Neutral Government Programme was also a strong focus in 2023, with Otago helping to pilot the reporting process. The University has also shared its experience with others in the programme, such as its collaboration to reduce commuting emissions through the Dunedin Zero Carbon Alliance (ZCA).

Otago's Energy Analytics programme was named as the supreme winner at the Tertiary Information and Communications Technology (ICT) Excellence Awards in October 2023. In addition to taking the supreme award, the programme won the Excellence in Technology Innovation Award. The programme has been introduced in seven major campus buildings and is helping to reduce energy costs by around 12% per annum. 🏆



ENHANCING CAPABILITY

2023 was a challenging year financially for the University of Otago, with many changes necessitated. The University continued its robust long-term planning with the goal of maintaining its place as one of Aotearoa New Zealand's top universities and becoming a global leader.



New tohu (symbol) and Māori name
- Ōtākou Whakaihu Waka

504

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



Pae Tata: Strategic Direction to 2030 formally adopted

\$200,000

raised by Law Dean's Innovation Fund



ENHANCING CAPABILITY

AS HAS BEEN DETAILED ELSEWHERE in this Annual Report, 2023 was a challenging year for the University financially.

The root causes of this were complex, but included: permitted fee and Government funding-rate increases far less than would have been required to keep pace with rising costs in the current relatively high-inflation environment; an unanticipated drop in student retention from 2022 into 2023; and the combination of a smaller Year 13 school leaver cohort and a reduced flow from that smaller cohort on to tertiary study.

Together, these factors (which were also apparent at other universities across the country) easily outweighed the positive impact that the re-opening of New Zealand's borders had on international enrolments.

The funding-rate issue was belatedly recognised by the previous Government, via a late decision to boost 2024 tuition subsidy funding rates by more than initially announced. That decision, however, provided no financial relief for 2023, and also failed to address the ongoing lack of additional investment in key research funding streams.

A number of factors explain the retention issue, which was a factor at multiple levels of study, but particularly apparent in retention from first- to second-year study, and in progression from undergraduate to postgraduate study.

Retention rates have historically been high and stable at Otago, and remained so through the first two years of the COVID-19 pandemic. However the disruption at the start of the 2022 academic year was unprecedented, as that period coincided with the first period of widespread COVID-19 transmission within Aotearoa New Zealand.

Despite considerable support being provided, the impact on student resilience and academic performance was considerable, and extended through the course of 2022. 2023's commencing students faced particular challenges, having arrived at university after two significantly disrupted senior school years.

These combined with rapid increases in the cost of living and an ongoing strong labour market to cause significant numbers of students to either pause their studies in 2023, or lighten

their course loads slightly.

As a result, rather than the modest growth that had been forecast, the University's student roll remained virtually unchanged in headcount terms, but dropped in Equivalent Full-Time Student (EFTS) terms, the latter being the basis on which the University is funded.

The impact of these factors on University finances, covered more fully elsewhere, was such that a broad push to reduce expenditure was required. This included general belt-tightening, delayed appointments and a voluntary redundancy programme (by the end of 2023 151 voluntary redundancies accounting for 115.6 Equivalent Full-Time Staff (EFTS) had been accepted), as well as targeted changes impacting specific areas of both academic and professional activity. One example was the disbanding of the University's Shared Services Division. Others are outlined further on page 26 – teaching.

The University's capital programme was slowed in consideration of the financial situation, but a number of major projects were still progressed (see pages 50 to 51 – campus).

First use of the University's new \$400 million borrowing consent from Government was made from late 2022 into early 2023, after which the inflow of student tuition fees for the year ahead enabled the University to become debt-free again. A further period of borrowing commenced in September 2023.

DEVELOPMENT

A number of significant gifts were received in 2023. Richard and Di Somerville established six entrance scholarships for students with challenging financial and/or family circumstances studying Commerce and six entrance scholarships for Pacifica students.

The University celebrated the Law Faculty's 150th anniversary and established the Law Dean's Innovation Fund which, to date, has raised over \$200,000.

Otago also celebrated the Dunedin Study's 50th Anniversary with a dinner attended by the Governor General and plans to fundraise for the study. Later in the year the Study's Director,

Professor Richie Poulton ONZM, sadly passed away but plans are still continuing. A celebration of his life was held on 8 December.

Dame Ann and Mr John Hercus have pledged to donate a significant amount over the next two years to support research undertaken by Bowel Cancer Research Aotearoa, led by Professor Frank Frizelle, at the University of Otago, Christchurch.

The Longview Trust provided substantial donations to support a number of positions in Chaplaincy Studies and the Theology Programme.

A bequest from the Estate of Robert Bryden was received for the Edgar Centre for Diabetes, and substantial donations were received for the Hereditary Diffuse Gastric Cancer (HDGC) Research Endowment fund.

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.

COMMERCIALISATION

Academic staff presented Otago Innovation Ltd with 31 potentially commercial opportunities in 2023. Spinout companies successful in raising capital during the year included Amaroq Therapeutics Ltd, Chitogel Ltd, Insitugen Ltd, Periomedic Ltd, Techion Ltd and Upstream Medical Technologies Ltd.

Various licensing agreements were also entered into. While much of this activity is commercially sensitive, the University was delighted to announce that the Ministry of Education invested \$19.7m into the ENGAGE programme (licensed to Methodist Mission Southern in 2021). The Ministry's investment provides the opportunity for Methodist Mission to roll out ENGAGE to 1,830 early childcare education centres by 2027.

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 2023 the grant was awarded to Dr Christoph Goebel (Mātai Hāora – Centre for Redox Biology and Medicine, University of Otago, Christchurch) to further develop a biosensor to rapidly detect toxic byproducts, called polyaromatic hydrocarbons or "forever chemicals", of fossil fuel combustion, particularly in surface and drinking water.

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 2023 it was awarded to Associate Professor Jaydee Cabral (Microbiology), Dr Noelyn Hung (Pathology) and Dr Adel Mekhail (Obstetrics, Te Whatu Ora) to progress a device to enhance therapy for cervical intraepithelial neoplasia (CIN) which is the pre-malignant condition of cervical cancer.

TO TĀTOU TUAKIRITAKA: PRIDE IN OUR IDENTITY

Proposals for a new tohu (symbol) and a new ikoa (Māori name) for the University of Otago were shared in March 2023, with feedback sought from March through to May from staff, students and alumni, in the largest stakeholder consultation in recent memory. The changes to the brand were formally adopted by the University Council in July 2023, with a launch set for May 2024.

The refreshed brand, created in collaboration with Dunedin mana whenua Te Rūnaka o Ōtākou and Kāti Huirapa ki Puketeraki, retains Otago's traditional colours of blue and gold. The new ikoa Māori, Ōtākou Whakaihū Waka, is a metaphor which translates as "A Place of Many Firsts." The new tohu draws inspiration from Ōtākou channel, in Otago Harbour, representing the movement of water, kai, knowledge and life to and from the region.



A te reo Māori version of the brand will be used in spaces, communications or campaigns which directly celebrate or promote kaupapa Māori. The traditional University coat of arms will continue to be used for ceremonial purposes, to acknowledge the proud heritage of the University, while a stylised version of the coat of arms will be used in international marketing and alumni communications to reflect the institution's prestigious history.

A bespoke typeface and fonts – named Wickliffe – were also developed, taking inspiration from the name and passengers of the John Wickliffe, the ship which carried the first settlers to the region in 1848.

The changes to the University's brand reflect *Vision 2040* and the University's ambition to build stronger partnerships with mana whenua, and greater commitment and alignment to Te Tiriti o Waitangi.

The new branding is used in this annual report – one of its first public appearances.

STRATEGIC AND ORGANISATIONAL INITIATIVES

Following the launch of *Vision 2040*, work proceeded on development of *Pae Tata* (near horizon), as the strategic plan to advance the University towards its *Vision 2040* ambition.

Pae Tata sets out what the University will do from now until 2030 as it further builds on its reputation as a globally leading university that delivers outstanding teaching, transformative student experiences and excellence in research, and has a positive impact on its communities and the world. Formally adopted in mid-2023, it is organised under the following key themes:

- Provide compelling and viable educational offerings that deliver excellent student outcomes and experiences;
- Organise and focus research and innovation efforts to deliver high-quality, impactful research;
- Whakamana Te Tiriti o Waitangi – strengthen capability, capacity and culture to honour Te Tiriti o Waitangi;
- Achieve our ambition to become a more global and connected university;
- Support our people to achieve their best.

Implementation of *Pae Tata: Strategic Plan to 2030* commenced in 2023 and will gather momentum in 2024. An inaugural Equity and Diversity Strategic Framework was also completed, work advanced on what will be the third iteration of the University's Māori Strategic Framework, and a new and substantially revised Learner Success Plan (see page 26 – teaching) was prepared to meet Tertiary Education Commission requirements.

Other major 2023 organisational initiatives included: a major structural review of the Division of Health Sciences (for implementation in 2024) and the merging of previously separate departments of Information Science and Computer Science into a single School of Computing within the Division of Sciences (see page 26 – teaching).

The Compass project – an organisational change project initiated following a 2022 review which identified issues of racism, bullying and other unacceptable behaviours at the

University – continued. Key 2023 outcomes included the adoption of the Te Rito Bicultural Competency Programme for the University, with the roll-out of this programme commencing with members of the Senior Leadership team and members of Council also being invited.

The University is also working to connect better with its local, national and international audience by significantly improving its website, otago.ac.nz. A Web Transformation project was approved by the University in 2022, to replace the website's aging content management system (CMS) with a modern cloud-based system.

The new system was successfully launched in September 2023, improving site usability and search functionality.

In 2024, the second phase of the project starts and will involve further improvements to the website user experience and interface, new functionality that is crucial for attracting prospective students, and enhancements to the website's operating model.

STAFF DEVELOPMENT

During 2023, the Learning and Development and Academic Leadership Development teams held a total of 504 workshops/ courses attended by 1,816 participants, totalling 5,827 attendances. This compares with 2022 where the increased attendance (6,897) reflected uptake at the triennial Professional Staff Conference.

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. Workshops were offered online to ensure access for staff all over the country as well as offering some workshops in-person.

Members of the Learning and Development team continue to offer workshops and support to assist academic staff with use of 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.

Along with awards for research and teaching, the 2023 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.

Four Awards for Exceptional Performance by Professional Staff were presented to: Samantha Campbell (Client Services – Operations); Dr Rachel Elliot (Research and Enterprise); Danella King (Student Services) and Claire Ramsay (Organisational Development – Human Resources). The Vice-Chancellor's Award was presented to Claire Ramsay. The Health, Safety and Wellbeing Award (Individual) was awarded to Martin Jones (University Union), and the Team Award went to the Psychology Pastoral Care Team. The Award for Sustainable Practice by Staff (Team) was presented to the Department of Botany. ▀



SERVICE PERFORMANCE REPORTING

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

The 2023 Service Performance Report demonstrates that the University of Otago remains a leading research institution, committed to its community, and delivering an exceptional student experience. While enrolments and finances at Otago were impacted by the challenging operating environment in 2023, performance against a clear majority of the University's key performance indicators remained favourable.



PERFORMANCE AGAINST STRATEGIC PLAN

THE UNIVERSITY HAS IDENTIFIED six 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 TEACHING AND LEARNING

Both 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 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	2021 Actual	2022 Actual	2023 Target	2023 Actual
1.1	Increasing the proportion of postgraduate EFTS within University EFTS. ¹	19.5%	18.1%	> previous year	17.3%
1.2	Increasing the paper pass rate for first-year undergraduate students.	86.2%	84.1%	> previous year	86.3%
1.3	Maintaining an average pass rate for papers within 2% of the average for the previous three years.	91.6% (3-year average 92.0%)	90.3% (3-year average 91.6%)	+/- 2.0% of rolling average	91.4% (3-year average 91.1%)
1.4	Increasing the number of students successfully completing qualifications at both undergraduate and postgraduate levels.	3,487 (UG) 2,245 (PG)	3,291 (UG) 2,176 (PG)	> previous year	3,605 (UG) 1,983 (PG)
1.5	At least 90% of respondents to the Graduate Opinion Survey ² providing a positive assessment of the quality of teaching.	85.5%	87.4%	≥ 90.0%	87.9%
1.6	At least 90% of respondents to the Graduate Opinion Survey reporting some, moderate or extensive development of the following attributes:				
	A willingness to learn;	96.1%	96.4%	≥ 90.0%	96.3%
	Teamwork skills;	86.7%	86.3%	≥ 90.0%	86.5%
	Communication skills;	93.1%	92.8%	≥ 90.0%	93.2%
	The skills to plan my own work;	95.5%	95.5%	≥ 90.0%	96.0%
	The ability to solve problems;	95.4%	95.6%	≥ 90.0%	95.8%
	Independent judgement;	96.0%	95.4%	≥ 90.0%	96.0%
	Academic rigour;	94.4%	94.8%	≥ 90.0%	95.3%
	A multidisciplinary perspective;	90.4%	94.8%	≥ 90.0%	92.1%
	Analytical skills;	96.3%	96.7%	≥ 90.0%	96.6%
	Flexibility and adaptability;	93.8%	94.6%	≥ 90.0%	94.1%
	An awareness of ethical issues;	91.1%	90.4%	≥ 90.0%	91.7%
	A global perspective;	86.3%	86.8%	≥ 90.0%	88.5%
	Cultural understanding;	83.6%	85.7%	≥ 90.0%	86.0%
	Environmental literacy;	78.7%	79.2%	≥ 90.0%	80.0%
	Research skills;	95.0%	94.8%	≥ 90.0%	95.9%
	Information literacy.	95.8%	96.3%	≥ 90.0%	96.8%
1.7	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%	94.7%	≥ 90.0%	95.6%

¹ Equivalent Full-Time Students (EFTS). Includes the University's Foundation and Diploma Pathway programmes, unless specified otherwise.
² Please refer to Service Performance Note 7 for further details of the surveys used in these Key Performance Indicators.

Postgraduate enrolments and completions were impacted by a combination of the strong job market and ongoing COVID-19 factors, the latter being particularly significant for Otago due to the high proportion of health professionals studying part-time within our postgraduate cohort. Postgraduate EFTS declined to 17.3% of total enrolments in 2023 (18.1% 2022), while completions declined to 1,983 (2,176 2022). Following a significant year of COVID-19 disruption in 2022, paper pass rates (91.4%) and undergraduate completions (3,605) both improved over the prior year. 95.6% of graduates progressed to employment or further study following completion of their qualification, which was the highest rate of progression to employment seen in recent years.

87.9% of students provided a positive assessment of the quality of teaching. The majority of graduate attribute KPIs exceeded their aspirational targets, and the four graduate attribute KPIs that fell short of their targets recorded improvements over their 2022 result.

STRATEGIC IMPERATIVE TWO: 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	2021 Actual	2022 Actual	2023 Target	2023 Actual
2.1	Increasing the number of quality-assured research outputs as measured by a three-year rolling average. ³	3-year average 5,786	3-year average 5,762	> previous year	3-year average 5,668
2.2	Increasing research funding from outside sources as measured by a three-year rolling average.	3-year average \$146.7 million	3-year average \$153.1 million	> previous year	3-year average \$161.0 million
2.3	Increasing the proportion of postgraduate research EFTS within University EFTS.	8.6%	8.3%	> previous year	8.4%
2.4	Increasing the number of research degree completions as measured by a three-year rolling average.	3-year average 550	3-year average 539	> previous year	3-year average 535
2.5	At least 90% of research degree respondents to the Graduate Opinion Survey reporting overall satisfaction with the quality of supervision.	94.3%	96.1%	≥ 90.0%	93.4%
2.6	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	First in HRC and second in Marsden
2.7	Rank as one of New Zealand's top two universities in the FC component of the Nature Index. ⁴	Ranked second	Ranked third	Ranked in the top two	Ranked second

The University of Otago was awarded the most research funding by the Health Research Council of any New Zealand university in 2023 and the second highest in the Royal Society Te Apārangi-administered Marsden Fund. These results helped the three-year average for total externally funded research grow to \$161.0 million. While the rolling three-year average for research outputs is slightly lower than 2022, due primarily to a downturn in outputs during the COVID-19 impacted year of 2021, Otago reclaimed second position in New Zealand's ranking in the Nature Index.

Postgraduate research completions have declined compared to recent prior years, due in large measure to the disruptions of COVID-19. However, students enrolled in these programmes are still reporting satisfaction levels above target, with 93.4% of respondents to the Graduate Opinion Survey reporting satisfaction with the quality of supervision.

³ 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 in 2023 are those published in 2022 etc). The definition of research outputs for this measure is consistent with that used for PBRF purposes. Prior year figures are updated to reflect the latest quality-assured publication results.

⁴ 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 THREE: 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 ways 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.

Favourable results were observed for Māori and Pacific participation and achievement. As a proportion of domestic equivalent full-time students, Māori participation rates remained strong at 13.7% (the second-highest in the University's history), while Pacific participation rates improved to a record 7.0%. Participation at the postgraduate level also improved. There were also positive achievement outcomes for Māori and Pacific students, with improvements to paper pass rates and the number of qualification completions.

The University of Otago continues to engage with its communities. 92.2% of academic staff surveyed reported being involved in community service activities and 53.9% of students undertook volunteer work. While there was a decline in the number of academic staff reporting that they served on government advisory boards, there continued to be a high level of staff utilising their expertise to service the community with 74.8% reported providing services to public entities. In addition, the University delivered over 500 open lectures or seminars, and over 100 performing arts activities that were open to the public. Research conducted in consultation with Māori declined slightly, while the University's Fair-Trade Status was maintained.

#	KEY PERFORMANCE INDICATORS	2021 Actual	2022 Actual	2023 Target	2023 Actual
3.1	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;	2,532 students (13.1% of EFTS)	2,614 students (13.8% of EFTS)	> previous year	2,536 students (13.7% of EFTS)
	Increasing the paper pass rate for first-year undergraduate Māori students;	79.4%	77.1%	> previous year	82.6%
	Increasing the number of Māori students completing qualifications at both undergraduate and postgraduate levels;	403 (UG), 171 (PG)	382 (UG), 179 (PG)	> previous year	427 (UG), 155 (PG)
	Increasing the proportion of Māori postgraduate EFTS within postgraduate domestic University EFTS.	10.6%	10.6%	> previous year	10.8%
3.2	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;	1,302 students (6.2% of EFTS)	1,365 students (6.6% of EFTS)	> previous year	1,390 students (7.0% of EFTS)
	Increasing the paper pass rate for first-year undergraduate Pacific students;	66.9%	60.7%	> previous year	68.3%
	Increasing the number of Pacific students completing qualifications at both undergraduate and postgraduate levels;	145 (UG), 74 (PG)	185 (UG), 71 (PG)	> previous year	188 (UG), 71 (PG)
	Increasing the proportion of Pacific postgraduate EFTS within postgraduate domestic University EFTS.	3.6%	4.1%	> previous year	4.9%
3.3	Maintaining or increasing the number of research projects being undertaken in consultation with Māori as measured by a three-year rolling average. ⁵	3-year average 718	3-year average 717	≥ previous year	3-year average 704
3.4	At least 80% of University academic staff involved in community service activities. ⁶	87.2%	86.9%	≥ 80.0%	92.2%
3.5	Holding at least 500 open lectures, public seminars, and adult and community education courses per annum.	401	421	≥ 500	502
3.6	Providing at least 100 performing arts activities open to the public per annum.	140	100	≥ 100	136
3.7	Maintaining the University's status as a Fair-Trade university.	Status maintained	Status maintained	Status maintained	Status maintained
3.8	An increasing proportion of respondents to the Graduate Opinion Survey indicating that they have undertaken volunteer work while studying at the University.	52.3%	53.6%	> previous year	53.9%
3.9	At least 25% of academic staff serving on government advisory boards and committees.	27.6%	25.2%	≥ 25.0%	22.8%
3.10	At least 50% of academic staff providing services to public sector departments, statutory authorities, agencies, boards, committees or inquiries, or to non-governmental organisations.	69.2%	72.8%	≥ 50.0%	74.8%

⁵ This KPI captures the number of research projects appropriately engaging with consultation procedures outlined in the University's Research Consultation with Māori Policy.

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

STRATEGIC IMPERATIVE FOUR: TRANSFORMATIVE 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 of care 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	2021 Actual	2022 Actual	2023 Target	2023 Actual
4.1	At least 90% of undergraduate degree-level commencing students admitted with NCEA Level 3 or an equivalent qualification. ⁷	96.1%	96.6%	≥ 90.0%	95.8%
4.2	At least 90% of residential college respondents to the annual Student Opinion Survey providing a positive assessment of their colleges.	96.9%	95.9%	≥ 90.0%	96.5%
4.3	At least 90% of respondents to the annual Student Opinion Survey providing a positive assessment of:				
	Administrative services and support services;	97.8%	97.1%	≥ 90.0%	97.1%
	The Student Learning Centre;	98.9%	98.9%	≥ 90.0%	98.7%
	The helpfulness of staff;	97.5%	97.2%	≥ 90.0%	95.6%
	Health and counselling services;	89.0%	83.2%	≥ 90.0%	88.7%
	The University's Career Development Centre	98.3%	95.5%	≥ 90.0%	93.7%
	Support from the Otago University Students' Association.	94.3%	96.7%	≥ 90.0%	94.0%
4.4	Achieving or exceeding the following targets for international student enrolments.				
	Full-fee paying international enrolments (EFTS).	1,051	865	1,304	1,296
4.5	Enrolling a diversified international student population constituting not more than 25% of the international cohort from one country. ⁸	26.4%	29.6%	≤ 25.0%	21.5%
4.6	Increasing the number of students studying abroad on outbound student exchange. ⁹	n/a	n/a	> previous year	189

While there was a slight decline in the percentage of students admitted with NCEA Level 3 or equivalent, this result remains well above the target and reflects Otago's continued ability to attract high calibre students. The student perception of the Otago experience and services remains strong, with 96.5% of students providing a favourable experience of their college, and five of the six student assessment measures in KPI 4.3 exceeding their target. Student Health Services was able to fill several staff vacancies, which helped improve the student satisfaction with health and counselling services result from 83.2% to 88.7%. While this is a favourable result, like the rest of the New Zealand health workforce, Otago's Student Health Services team will continue to be under pressure to retain staff and meet rising demand for services.

At the start of the year, there were some delays in student visa processing and some difficulties for students to arrange affordable air travel, which impacted adversely on the speed of international student recovery. The return of Study Abroad students from the USA and Europe helped to achieve the positive 2023 result of 1,296 full-fee paying international EFTS, and improve the diversification of the international student population (KPI 4.5). In addition, with the easing of border restrictions overseas outbound student exchanges were able to re-commence at scale.

⁷ The 2022 Annual Report included a result of 95.5% for 2022. An error in the 2022 calculation was identified during preparation of the 2023 Annual Report. The table above includes the corrected figure of 96.6%.

⁸ Including both full-fee international students and those granted domestic student status for fees and funding purposes.

⁹ 4.6 was suspended for 2021 and 2022 due to ongoing COVID-19 disruptions. There were 229 students on outbound exchange in 2019.

STRATEGIC IMPERATIVE FIVE: 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	2021 Actual	2022 Actual	2023 Target	2023 Actual
5.1	At least 90% of respondents to the annual Student Opinion Survey providing a positive assessment of:				
	The general campus environment;	97.3%	97.3%	≥ 90.0%	99.1%
	Personal safety on campus;	98.7%	98.6%	≥ 90.0%	100.0%
	University libraries;	99.5%	100.0%	≥ 90.0%	99.5%
	University information technology and teaching facilities;	95.1%	94.6%	≥ 90.0%	94.8%
	The quality of sport and recreational facilities;	95.7%	94.1%	≥ 90.0%	92.8%
	University Union, including food and beverage service;	86.0%	86.4%	≥ 90.0%	86.1%
	Living accommodation provided by the University.	96.9%	96.2%	≥ 90.0%	96.3%
5.2	Providing learning assistance and/or access to special equipment for at least 700 students with a disability affecting study.	1,034	1,347	≥ 700	1,464
5.3	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
5.4	Reducing total building-related greenhouse gas emissions generated from University activities by a minimum of six per cent per annum as measured by a three-year rolling average. ¹⁰	12,275t CO ₂ -e	9,772t CO ₂ -e	≥ 6% reduction from previous year	8,247t CO ₂ -e 15.6% decrease
5.5	Reducing greenhouse gas emissions from building-related energy use per m ² of floor space by a minimum of six per cent per annum as measured by a three-year rolling average. ¹¹	26kg CO ₂ -e	20kg CO ₂ -e	≥ 6% reduction from previous year	17kg CO ₂ -e 16.7% decrease
5.6	Reducing the amount of waste sent to landfill per capita ¹² by a minimum of six per cent per annum.	62.5 kg per person (EFTS and FTE)	64.6 kg per person (EFTS and FTE)	≥ 6% reduction from previous year	58.4kg per person (EFTS and FTE) 9.6% decrease

The University's campus environment continues to be highly regarded by students. Six of the seven indicators exceeded their 90% targets, and all respondents surveyed provided a positive assessment of their personal safety on campus. It is difficult to provide food and beverage services that satisfy everyone's preferences, and the student assessment of the University Union including food and beverage services remained steady at 86.1%. The University provided specialised learning assistance or equipment to 1,464 students, which is an 8.7% increase over the prior year (1,347: 2022).

The University continued its efforts to improve environmental sustainability. There is no longer any coal used on the Dunedin campus, and the coal boiler in the Southland campus is being decommissioned and replaced with a wood pellet boiler. Even with activities on campus returning to near pre-pandemic levels, building-related greenhouse gas emissions decreased, both on a total level (declined 15.6%) and a per floor space basis (declined 16.7%). In addition, staff and student efforts to reduce, re-use, and recycle, resulted in a 9.6% decline in the amount of waste sent to landfill.

¹⁰ University activities refers to building energy emissions for all campuses (excluding non-University owned colleges). Performance is measured in tonnes or kilograms of CO₂-e (carbon dioxide equivalent) and includes category 1 and category 2 emissions only. Prior year data updated to reflect the latest emissions factors advised by the Ministry for the Environment. 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.

¹¹ Floor space is measure in m² Gross Floor Area for all campuses (excluding non-University owned colleges).

¹² Sum of Equivalent Full-Time Students (EFTS) and Full-Time Equivalent Staff (FTE).



STRATEGIC IMPERATIVE SIX: ENHANCING 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	2021 Actual	2022 Actual	2023 Target	2023 Actual
6.1	Achieving or exceeding the University EFTS enrolment target.	19,603	19,174	19,969	18,960
6.2	Achieving a University Group operating surplus of at least 3% of revenue (excluding extraordinary items).	2.1%	-1.8%	≥ 3.0% of revenue	-0.04%
6.3	Maintaining a liquid ratio of no worse than 1:1.	1.3:1	0.6:1	≥ 1:1	0.6:1
6.4	Ensuring that net interest paid is no greater than one-third of the operating surplus.	0.5%	0.0%	≤ 33.3%	-0.2%
6.5	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 0.1% increase on 2020	\$77.7 million 0.7% increase on 2021	≥ 5% increase on 2022	\$83.5 million 7.5% increase on 2022
6.6	Hosting at least 250 academic visitors to the University per annum.	n/a	n/a	≥ 250	367
6.7	At least 50% of academic staff holding posts in an organisation or association relevant to their area of professional expertise.	68.6%	73.3%	≥ 50.0%	70.9%

Total University EFTS were 18,960 in 2023, 5.1% lower than the 2023 target and 1.1% down on 2022. The reduction in secondary school students achieving University Entrance and ongoing border issues for international students both impacted the pipeline of new students commencing at the University. The attractive employment market, both in New Zealand and overseas, coupled with a decline in prior year paper pass rates, also had an unfavourable impact on student retention rates. As a result, overall EFTS were lower than budgeted.

With the shortfall in EFTS against target and the resultant decrease in income in 2023, staff worked incredibly hard to identify savings to limit the 2023 University Parent deficit to \$20.6 million. This deficit was offset by the \$20.1 million surplus recorded by the University Foundation Trust, leading to the 2023 University Group operating surplus of -0.04% (-1.8% 2022) and a liquid ratio of 0.6:1 (0.6:1 2022).

Despite these financial challenges, Otago staff continued to deliver an exceptional student experience and utilise their research excellence and expertise to collaborate with people throughout Aotearoa New Zealand and the world. Income from consulting, commercial and intellectual property increased 7.5%, 70.9% of academic staff reported holding external posts relevant to their area of expertise, and the re-opening of the border was instrumental in allowing 367 academic staff to visit the University of Otago in 2023.

13 6.6 was suspended for 2021 and 2022 due to ongoing COVID-19 disruptions. There were 522 academic visitors in 2019.

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 and other strategic documents.

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 2023, with close to 400 students commencing study on designated Māori and Pacific Island Entrance Scholarships, and over 110 Māori and Pacific students securing other Otago entrance scholarships.

The following section provides an overview and highlights of the efforts undertaken by the University to support equal opportunities for staff and students.

IWI TO WHICH STUDENTS AFFILIATED

Affiliation	2019	2020	2021	2022	2023
Ngāi Tahu / Kāi Tahu	512	557	593	604	618
Ngāpuhi	407	418	434	470	450
Ngāti Porou	264	253	284	274	261
Tainui, iwi not named	180	158	181	176	164
Ngāti Maniapoto	130	124	135	128	145
Ngāti Tūwharetoa (ki Taupō)	120	122	128	121	112
Ngāti Kahungunu ki Te Wairoa	102	92	121	114	99
Te Atiawa (Taranaki)	61	78	90	97	88
Te Rarawa	72	84	76	79	76
Tūhoe	95	86	94	97	96
Te Arawa, iwi not named	88	79	81	84	77
Ngāti Kahungunu ki Heretaunga	54	56	63	61	57
Ngāti Raukawa (Horowhenua/Manawatū)	39	53	59	64	69
Te Ati Haunui-a-Pāpārangi	54	59	59	48	45
Ngāti Kahungunu ki Wairarapa	49	52	60	62	66
Ngāti Awa	57	52	61	78	72
Ngāti Kahungunu, region unspecified	71	63	46	27	26
Ngāti Raukawa, region not known	58	48	49	41	36
Waikato	43	47	62	77	72
Taranaki	52	47	51	49	46
Ngāti Ranginui	35	45	47	51	55
Whakatōhea	48	51	56	62	59
Ngāi Te Rangī	50	56	55	62	64
Ngāti Whakaue (Te Arawa)	39	37	51	53	55
Other	1,059	1,120	1,318	1,370	1,370
Don't know	55	61	66	66	66
Total count of unique students	2,187	2,288	2,532	2,614	2,536

MĀORI

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.

In 2023, following many years on annual growth, the number of equivalent full-time Māori students enrolled at Otago decreased from 2,614 in 2022 to 2,536 in 2023. This was still the second-highest Māori roll in the University's history, and as a proportion of the University's total domestic student EFTS, Māori student EFTS was 13.7% (2022: 13.8%).

In 2023, the course pass rate for Māori across all years of University improved to 89.3% (2022: 86.1%). Undergraduate qualification completions increased to 427 students (up 11.8% from 2022), while postgraduate qualification completions decreased to 155 students (down 13.4% from 2022).

Operating in redeveloped premises, Te Huka Mātauraka (the Māori Centre) became fully staffed in 2023 after two years of staff movement, providing increased stability to support the enrolment and retention of students. The various support programmes operated by the Centre were honed to be appropriately responsive to a post-COVID-19 cohort of taura that require something different from those of the past.

The refurbishment of the Māori Centre has resulted in an attractive and comfortable space for taura Māori, that fulfills the aspiration of providing a home-away-from-home. Te Huka Mātauraka continued to strive for excellence in the pastoral and academic experiences for taura Māori, and the synergy of the services offered from the Centre continued to provide a full menu of tautoko (support) that ensured taura had the very best pastoral experience whilst achieving their academic goals and more. The links between community and campus continued to grow as part of the focus on lifting enrolment and retention.

Te Huka Mātauraka was reviewed in 2023, and received a number of commendations. The panel also provided a number of recommendations.

In 2023, Te Kura Pakihi (Otago Business School) students were involved in a range of activities supporting them to achieve success as Māori. These included being part of a research project funded by Ngā Pae o Te Māramatanga on sea level rise along the East Otago coastline. Students also applied their academic knowledge to supporting Māori businesses through involvement with Aukaha, KUMA and Innov8HQ. A highlight was attending the opening of the redeveloped Murihiku marae, along with visits to other Southland marae, to

understand the interplay between Māori culture and social and economic aspirations. Five students were successful in securing Toi Kai Rawa internships aimed at growing the Māori economy in the Bay of Plenty.

Raukaha, the Māori Health Workforce Development Unit (MHWDU) and Socioeconomic Equity (EQ) Programme, sit within Te Wāhanga Matua Mātau Hauora (the Division of Health Sciences). In 2023, the MHWDU continued to build on Māori student support programmes spanning recruitment, Pathway (foundation), first-year transition, academic success and completion. The MHWDU health professional support programmes consist of Te Ara Hauora, Kahikatea, Te Whakapuāwai and Tū Taura Hauora programme suites. The overarching goals of Raukaha are to grow the number of Māori and EQ students accessing, achieving success within, and graduating from, health sciences degrees, and subsequently growing the Māori health workforce of Aotearoa.

There were 145 Māori students in Health Sciences First Year, 420 studying in undergraduate health professional degrees and 167 in Health Sciences postgraduate study. Māori students now comprise 14.4% of students in health professional programmes, up from 11.8% in 2018.

Approximately 560 Māori students participated in MHWDU initiatives in 2023. Within Te Ara Hauora, the MHWDU was pleased to support 23 taura Māori with the REACH Scholarship for on-campus health sciences experience.

Moreover, the MHWDU was excited to see two new scholarship developments within Kahikatea student transitional support, providing support for students to upskill in sciences prior to entering the Health Sciences First Year programme.

Te Whakapuāwai saw high retention of taura from the first to the second semester of Health Sciences First Year. The redesign of semester two Raukaha support included BIOC192 and POPH192 progress test and examination support and received extremely positive feedback from taura, with the proportion of Māori students passing these papers increasing. The Tū Taura Hauora programme continued to retain high numbers of Māori students in health professional programmes and, in combination with the EQ programme, is supporting growing numbers of graduating taura.

The number of Māori staff in leadership roles in the Health Sciences Division continued to grow. There are now two Māori Deans – Dean and Head of Campus for University of Otago Christchurch, and Dean of the Dunedin School of Medicine, and a very active Associate Dean Māori who worked closely with the Acting Pro-Vice-Chancellor on a range of initiatives and projects through 2023 including co-leading the Division's organisational structure review. Māori staff continued to lead innovative and high-quality Māori Health curricula in a number of academic programmes, and there was a growing number of Māori postgraduate students and staff undertaking Māori research.

Te Kete Aronui (Division of Humanities) provided a diverse range of ongoing support to taura Māori in 2023. The Whakatō Tipu programme, led by the two Divisional Kaiāwhina Māori, included a welcome hui at the beginning of both semesters, and

several study workshops on topics such as effective writing, public speaking, exam preparation and time management. The Division also hosted several events to celebrate taurira Māori success, a range of whakawhanaungatanga activities, and provided wellbeing support. In addition, four taurira Māori Bridging Scholarships were awarded for students commencing postgraduate study in 2024.

Kaiāwhina within the Schools and Programmes of Humanities met regularly to build capacity in the provision of supportive activities for taurira Māori. Kaiāwhina worked closely with conditionally-enrolled taurira Māori throughout the year. Divisional kaiāwhina also worked in collaboration with Te Huka Mātauraka, Student Learning Development, taurira collectives, the Career Development Centre and OUSA to support students. Divisional kaiāwhina also worked with Schools to support the enhancement of cultural acumen of staff. The Manupiki Māori was active in implementing the Māori Strategic Framework and Divisional Strategic Plan by working with recruitment panels, kaimahi Māori, and academic staff on curriculum design and cultural competency to facilitate practices that deliver Māori staff and student success.

The Māori support team in the Division of Sciences (Te Rohe a Ahikāroa) provided tautoko to taurira Māori in conjunction with kaimahi from Te Huka Mātauraka, Kaiāwhina network (Sciences) and other University-wide coordinators. The team welcomed a new member, Kaiwhakahaere Pūtaiao, who, working collaboratively with the existing team, expanded the services to support taurira Māori. Throughout 2023, the Division of Sciences' Māori Sciences support team initiated contact with 88 newly enrolled first-year science taurira, extending a supportive welcome from the University. The team facilitated a comprehensive support programme, including 23 study nights leading up to and during the exam period, engaged 380 taurira in these study nights to enhance their academic preparation, conducted several targeted workshops, covering Summer School chemistry, degree planning/course structure, study skills and exam preparation, with 131 taurira benefitting from these tailored sessions.

Te Rōpū Pūtaiao reactivated its presence as the Māori Science Students' Association within the Division of Sciences. The Physical Education Māori Association (PEMA), was strongly welcomed and embraced by the Te Rōpū Pūtaiao as partners in the support of taurira for the Division of Sciences.

In 2023, five Science Wānanga were conducted, including two new partnerships. The first event, hosted at Takapūwāhia Marae in Porirua, marked the initiation of a collaboration with Te Kura Māori o Porirua, engaging 50 rangatahi Māori in interactive physics, chemistry and neuroscience/psychology activities. The second Wānanga, held at Araiteuru Marae in Ōtepoti, featured biochemistry, psychology and mindfulness, captivating 27 rangatahi Māori. The third instalment took place in Kaitaia, establishing a new relationship with Ngāti Kahu, delivering chemistry, genetics and physics activities to 40 rangatahi Māori. The fourth Wānanga revisited Waikawa after seven years, themed around 'taiao and moana,' offering activities in collaboration with the University's New Zealand Marine Studies Centre to 42 rangatahi. 2023 concluded with a Wānanga at Houngarea Marae in Ngāti Kahungunu

ki Heretaunga, focusing on the theme 'E kore au e ngaro, he kākano ahau i ruia mai i Rangiatea.' Engaging 59 rangatahi, this unique event incorporated genetics, He Kāhui Whakaahua and rongoa activities. Notably, it marked the first Wānanga where all kaupūtaiao and kaimahi had Māori whakapapa. Additionally, the participants had the opportunity to visit Waiaroa, a newly developed water treatment plant in Hastings, showcasing embedded Māori knowledge throughout the complex.

PACIFIC PEOPLES

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 Pacific Development Office also oversees the allocation of the Tertiary Education Commission's Pacific Equity Funding for initiatives supporting Pacific student success.

Another strong intake of first-year Pacific enrolments pushed total Pacific enrolments at Otago to an all-time high of 1,390 students (2022: 1,365). Proportionally, Pacific students increased to another all-time high, at 7.0% of total domestic student EFTS (2022: 6.6%). The successful transition of students from secondary school settings to a tertiary learning environment has contributed significantly to this positive rise.

There were 124 Pacific students in Health Sciences First Year, 187 students in undergraduate health professional degrees and 81 in Health Sciences postgraduate study. Pacific students comprised 6.4% of students in health professional programmes, up from 5.4% in 2018.

259 Pacific students from across the University successfully completed qualifications in 2023, an increase on 2022 (256). Undergraduate completions increased from 185 in 2022 to 188 in 2023, while postgraduate completions remained steady at 71. In 2023, the course pass rate for Pacific students across all years of study was 78.6% (2022: 75%). Improving these results is a priority for the University.

An event of sadness was the passing of Pacific Development Office Director Dr Tasileta Teevale in April. Dr Teevale started at Otago as a student, graduating with a Bachelor of Physical Education in 1995, and returned to Otago to become the inaugural Director of the Pacific Development Office in 2013. A member of the University's Senior Leadership Team, she was a strong and exceptional Pacific leader and advocate for equity and was formally acknowledged as a Member of the New Zealand Order of Merit in 2021 for services to Pacific in education and public health research. Dr Teevale's contributions to the University of Otago were highly impactful and she will be greatly missed.

The Pacific Islands Centre exists to serve the needs of its Pacific village at the University – including students, staff, families and communities – and to provide a home-away-from-home. Now based out of a new (and larger) location in close proximity to Te Huka Mātauraka, the Pacific Islands

Centre provides academic support and pastoral care both to the University's Pacific students and to staff who may request advice or guidance to strengthen their interactions with Pacific students. In 2023, progress was also made against numerous Pacific Strategic Framework 2022-30 goals, with the establishment of new Pacific academic and professional roles, awards and growth in Pacific-focused research, and the development of new projects and initiatives to support teaching and learning.

The Pacific Islands Centre continued collaborations with Pacific staff across the University. The Centre hosted a monthly Le Moana Action Group meeting, providing a forum for Pacific support staff to share, inform and discuss matters that impact Pacific students or staff. 'Pacific Voices', the University of Otago's annual Pacific postgraduate symposium, celebrated its 20th anniversary in 2023, and held an additional Pacific alumni event to celebrate past presenters and facilitate the sharing of the journeys of past Pacific alumni to inspire current and future students to achieve their dreams. The Pacific Voices symposium enabled the sharing of current Pacific-focused research projects covering all Divisions, and topics as diverse as Samoan industrial relations, Pacific cultural knowledge in physiotherapy, and the ecocritical analysis of Cook Island Māori texts.

The University continued to run KickStart 101, a six-week programme to aid the transition of students into tertiary education – two weeks online and four weeks living in one of the University's residential colleges in Dunedin prior to the start of the academic year. The requirements integrated within the programme enable students to complete an 18-point University paper which can be applied to their chosen programme of study.

The Otago Business School (OBS) employed its first ever Pacific lecturer in the Department of Accounting and Finance. Dr Iki Mafu Uele (Tongan heritage) began teaching in the second semester. This increased the number of Pacific staff in the Division to five. A work-in-progress in 2023 was using a Pacific Wayfinding Approach to collaboratively develop a new OBS Strategic Plan. This was an exciting and encouraging move that allowed Pacific voices to be heard, and demonstrated the value placed on diversity and inclusion.

The Division of Health Sciences continued to undertake actions and activities in alignment with the University's Pacific Strategic Framework. Pacific leaders within Health Sciences met regularly as part of the Takiala Pacific Leadership Network, and with Pacific leaders across the University. Pacific leaders continued to provide teaching excellence and student support, with 2023 seeing the largest cohort of Pacific students graduating in Medicine. Several staff won teaching and research awards in 2023, including Talai Mapusua of Va'a o Tautai – Centre for Pacific Health who was awarded the University of Otago Award for Excellence in Teaching (Endorsement in supporting Pacific Learners) and Dianne Sika-Paotonu of the University's Wellington campus who won the Prime Minister's Science Communication Prize – the first Pacific researchers to do so.

Staff in Health Sciences continue to demonstrate research excellence on topics of critical importance for Pacific Peoples. These include Dr Allamanda Faatoese, who received a three-

year Heart Foundation grant to continue a longitudinal study of Pacific heart health, Dr Viliami Puloka and Professor Nick Wilson who were awarded a Marsden grant to study the effect of Tonga's taxation on unhealthy foods and Dr Daryl Schwenke and Dr Htin Lin Aung, who were each awarded major grants by the Health Research Council to conduct research related to the health of Pacific peoples.

The Division of Humanities' designated office study space for Pacific students (the Moana Room) was extensively used in 2023, alongside new offices for the current Pacific Island Student Support Officer and the newly appointed Pacific Island Student Support Assistant.

There were two new Pacific staff appointments in the Division of Humanities. One was the inaugural Pacific academic staff member in Archaeology, the other a professional staff appointment enabling the Division to deliver its inaugural Pacific Island postgraduate student support workshops and mentorship. Pacific Bridging Scholarships were provided to grow the cohort of Humanities Pacific postgraduate students, and a Pacific student support programme was provided to students in Summer School.

In mid-2023, the Pacific Student Support team in the Division of Sciences appointed a new Associate Dean Pacific, a Teaching Fellow and three Support Advisors. The appointments increase the number of dedicated Pacific support staff in the Division to five, supporting initiatives that promote inclusivity, and ensuring all Pacific students have access to the resources and support they need to succeed academically.

Several Pacific-specific exam preparation workshops were organised for Pacific students with cooperation and support from Sciences' Māori staff. The University continued to nurture and strengthen its relationship with Waitaki Boys' High School through a funded project with the Ministry of Education.

DISABILITIES SUPPORT

In 2023, the University enrolled 2,256 students who identified as having a disability affecting study (2022: 2,070). Support in the form of learning assistance and/or specialised equipment requiring a specific financial commitment was provided to 1,464 students with disabilities in 2023 (2022: 1,347). As shown in the table below, 2,683 instances of support were provided in the form of notetaking, assistance with examinations, tutoring and other activities (2022: 2,366), along with many hours of individual consultations provided by a team of trained advisors.

Disability Information and Support's dedication to fostering an inclusive and accessible learning environment ensures that all individuals have equal opportunities to thrive. The Disability Information and Support team once again received positive feedback from the 2023 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.

At the beginning of 2023, Disability Information and Support was a recipient of a University of Otago Teaching Excellence Award. This achievement reflects the tireless efforts of the Disability Information

and Support team in advancing education excellence and promoting a culture of diversity, equity and inclusion. The team remains steadfast in its mission to empower individuals with disabilities to achieve their full potential, and this Teaching Excellence Award served as a testament to its outstanding contribution in the field of disability support and education.

LEARNING ASSISTANCE SUPPORT FOR STUDENTS WITH DISABILITIES

	2019	2020	2021	2022	2023
Note-taking	796	722	871	813	823
Examination/tests	569	675	920	927	1,135
Tutoring	374	335	436	330	354
Other	204	226	243	295	371
Assistant	2	2	1	0	0
Transcription/typing	0	0	0	0	0
Reader	0	0	0	1	0
Scanning	1	0	0	0	0
Total Support Activities	1,946	1,960	2,471	2,366	2,683

EQUITY AND DIVERSITY IN EMPLOYMENT

In December 2023, the University approved a new version of Te Rautaki Arara Tōkeke – the Equity and Diversity Strategic Framework. The framework is accompanied by a new Equity and Diversity Action Plan (2023-2030) which contains three interconnected strands of action: 1) Create Opportunity, 2) Grow Capability, and 3) Build Knowledge. Together, these strands promote opportunity, engagement and wellbeing for all, while supporting individuals to develop their own knowledge and skills.

The University also produced its first Gender and Ethnic Pay Gap Report, which provides a snapshot of its current position and the trend during the past six years. The report confirms that there is a gap in pay between genders and ethnicities. The University Council and Senior Leadership Team are committed to addressing this issue as a priority, and endorsed an accompanying action plan. Future reports will be published annually.

The University's Parental Leave Policy went through a significant review, aimed at making it more inclusive and not gender specific, providing more flexibility in how leave is taken, and including Pacific customary adoptions. Effective from January 2024, the new policy also combines various types of paid leave (such as maternity leave and adoption leave) under one Primary Carer Leave category.

Tauiwi-led Te Tiriti o Waitangi Training workshop for staff has been running since 2022, with over 800 staff participating in this workshop over the two year period. This four-hour workshop is co-facilitated by the Manager, Equity, Diversity and Inclusion and the Manager of Learning and Development, and has been held on both the Dunedin and Wellington campuses. Attended by staff throughout the University, the workshop has received overwhelmingly positive feedback with high demand, and more workshops are planned for 2024.

As has been the case in previous years, Equal Employment Opportunity observers attended Divisional Academic Promotions Committees and Staffing Advisory Committee in 2023. An Academic Women's Promotion panel is organised each year, which has about 100 people attend each time.

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.

In addition to the above workshops, the University also provides a wide range of learning and development opportunities that promote equity and diversity, including Women in Leadership at Otago, Prosci™ Change Management Practitioner Programme, Essential Management Programme and Academic Heads Induction Course. There was also training provided on te reo Māori and the Māori Strategic Framework (MSF) for Otago University staff, LGBTQIA+ Ally Awareness, Unconscious Bias in Diversity and Inclusion, and supporting Pacific students to succeed at the University.

Following a recommendation from the Compass Group, funding was provided for the Te Rito bi-cultural learning resource from Kia Māia Bicultural Communications. The introduction of Te Rito supports recommendations from the 2022 Culture Review Report, the Compass Project focus on "leading and implementing a programme of culture change", and the 2022 Review of Employment-Related Policies and Processes recommendations. Te Rito will be made available to staff over five years and commenced with a staged roll-out in 2023.

OTAGO UNIVERSITY CHILDCARE ASSOCIATION

Support for childcare continued to be provided through the Otago University Childcare Association, with the University providing a grant to support the Association's early childhood education facilities. Together the five centres 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 on sport, recreation and cultural activities. This is consistent with student feedback on priorities.

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

STUDENT SERVICES DELIVERED BY THE UNIVERSITY

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

STUDENT SERVICES DELIVERED BY OUSA

Advocacy and legal advice; counselling; services; careers (OUSA Student Support Centre)	Education Quality Support Network (through the coordination of the system of class representatives) Student Support Centre campaigns Financial support and advice Tenancy and flatting advice Advocacy Pastoral care Foodbank Wellbeing support Student Job Search Hardship grants Free breakfasts Event support
Sport, recreation and cultural activities	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
Student communication activities	Radio One 91FM Social media presence and campaigns Web presence

STUDENT SERVICES DELIVERED BY THE OTAGO TERTIARY CHAPLAINCY TRUST BOARD

Counselling services; advocacy	Interfaith chaplaincy services and pastoral care
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COMPULSORY STUDENT SERVICES FEE 2023

CSSF Category	Type of Service	CSSF Income	CSSF Expenditure	CSSF Surplus/ (Deficit)	Other Revenue	Total Surplus/ (Deficit)
Advocacy and legal advice	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	912,573	913,044	(471)	-	(471)
Careers information, advice and guidance	Careers Development Centre	932,933	980,881	(47,949)	63,895	15,946
Clubs and societies	Club Development Officer – supports clubs with training and advice; facilities available for room bookings and storage of club gear (Clubs and Socs and Aquatic Centre); grants committee; recreation programme; support for clubs' council	2,878,579	2,878,578	-	-	-
	Clubs and Societies – other campuses	37,187	40,671	(3,485)	-	(3,485)
Counselling services	Pastoral counselling and care, Chaplaincy Service	114,168	146,768	(32,600)	33,285	685
Financial support and advice	Budget advice usually in conjunction with wellbeing advice (above) and often also involves foodbank parcels and/or hardship grants	10,000	10,000	-	-	-
Health Services	Māori counsellor	88,436	88,436	-	-	-
	Subsidised general practice health care and specialist mental health support	5,430,063	6,397,848	(967,785)	1,186,053	218,267
	Te Whare Tawharau sexual violence support and prevention centre	393,659	355,396	38,263	1,518	39,781
	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	-	-	-
Media	Radio One – student radio station on-campus	255,800	255,800	-	-	-
Other	COVID-19 related revenue reduced EFTS	(578,137)	-	(578,137)	-	(578,137)
Sports, recreation & cultural activities	Campus Wi-Fi	647,433	647,433	-	-	-
	Gym membership, classes, social and competitive sport and recreational events	2,600,006	3,100,353	(500,347)	606,113	105,766
Total		14,158,699	16,251,208	(2,092,510)	1,890,864	(201,646)

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	\$1,015.00
Christchurch	\$298.33
Wellington	\$225.85
Southland	\$153.69



GROUP ENTITIES REPORT

THIS REPORT HAS BEEN PREPARED to provide, within the overall Annual Report, further information on the activities and performance of the University Group.

A full list of Group subsidiary entities and associates appears in the Statement of Accounting Policies on page 93 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.

THE UNIVERSITY OF OTAGO FOUNDATION TRUST

OVERVIEW

Established in 2002, the University of Otago Foundation Trust (the Trust) is a registered charitable trust that receives and administers donations, bequests and sponsorship monies for the University and its academic priorities. The Trust is an umbrella trust consisting of almost 500 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 a 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 6.5% is achieved.

2023 ACHIEVEMENTS

The Trust reported a net surplus of \$20.1 million for the year to 31 December 2023. This compares with a budgeted surplus of \$10.4 million, and 2022 actual deficit of \$19.4 million. The favourable variance is due to the upswing in global financial markets.

The net return on investment for the year was 9.4% compared with a loss of 6.25% in 2022 and an average of 7.7% per annum over the last 10 years. Distributions to the University were \$11.1 million compared with \$14.5 million in 2022.

As at 31 December 2023 total investments were \$271.3 million (\$256.5 million: 2022).

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. Much of this activity is centred upon medical research and biotechnology innovation, however, there are increasing opportunities from 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. Otago Innovation also runs a second competition – the Translational Research Grant – which is valued at \$50,000 and is targeted to the Division of Health Sciences to assist researchers in the pursuit of research which translates into societal benefits.

2023 ACHIEVEMENTS

31 potentially commercial opportunities were presented by academic staff to Otago Innovation in 2023 (2022: 43). Spinout companies successful in raising capital during the year including Amaroq Therapeutics Ltd, Chitogel Ltd, Insitugen Ltd, Periomedic Ltd, Techion Ltd and Upstream Medical Technologies Ltd.

Various licensing agreements were also entered into. While much of this activity is commercially sensitive, Otago Innovation was delighted to announce that the Ministry of Education invested \$19.7m into its ENGAGE programme (licensed to Methodist Mission Southern in 2021), which develops children's self-regulation skills through intentional play. The Ministry's investment provides the opportunity for Methodist Mission to roll out ENGAGE to 1,830 early childcare education centres by 2027.

The Otago Innovation Group posted an operating surplus of \$0.2 million in 2023, however negative revaluations of spinout companies results in a net deficit of \$1.1 million. This was largely due to the negative revaluation of Chitogel and Upstream share values following unfavourable results in product development.

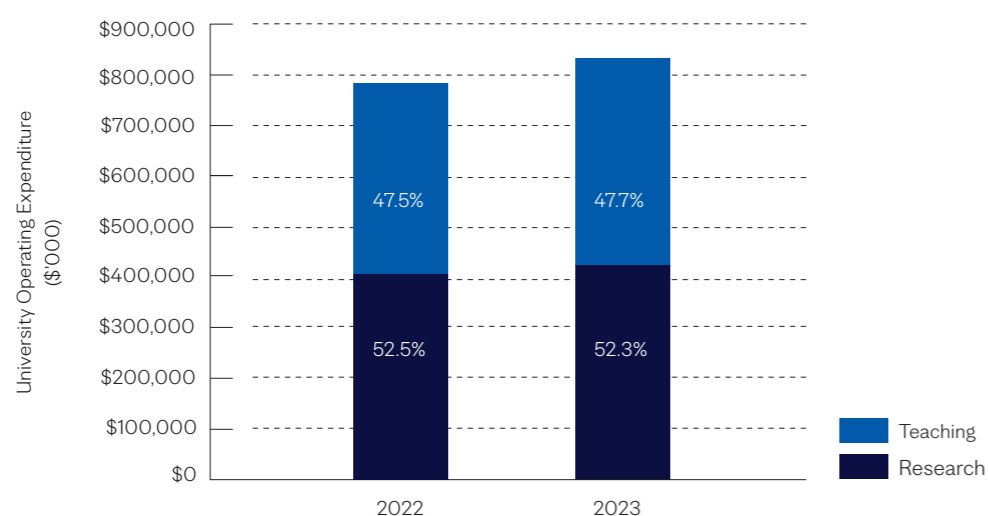
ESTIMATED EXPENDITURE BY OUTPUT CATEGORY

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 interdependence 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 2023 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 factors, the University of Otago has utilised several high-level assumptions to estimate the proportion of its 2023 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 Group¹² for the Tertiary Education Commission for all New Zealand Tertiary Education Institutions including all New Zealand Universities.



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

NOTES TO SERVICE PERFORMANCE REPORTING

For the year ended 31 December 2023

1. Reporting Service Performance Information

- The New Zealand Accounting Standards Board (XRB) has issued a Standard for Service Performance Reporting: *Public Benefit Entity Financial Reporting Standard 48 Service Performance Reporting (PBE FRS 48)* issued November 2017, amendments 31 January 2019.
- The PBE FRS 48 Standard requires public benefit entities to apply the requirements to annual financial reports beginning on or after 1 January 2021. Otago early adopted this Standard for the year-end 31 December 2019 Annual Report.
- 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.
- 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.
- As acknowledged in the PBE FRS 48 Standard, the following attributes apply to the current Service Performance Reporting environment:
 - Service performance reporting is an area of reporting that continues to evolve;
 - Entities may be subject to a range of service performance reporting requirements, including legislative requirements and may use a variety of performance frameworks; and
 - 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:

- Provide users with:
 - 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
 - Information about what the University has done during the reporting period in working towards its broader aims and objectives. [FRS 48 para 15]
- Present its Service Performance Information and its financial statements together in the Annual Report. [FRS 48 para 6]
- Present Service Performance Information for the same entity and same reporting period as the financial statements. [FRS 48 para 11]
- 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]
- Disclose judgements that have the most significant effect on the selection, measurement, aggregation and presentation of service performance information. [FRS 48 para 44]
- Provide comparative information. [FRS 48 para 37]

3. Scope of Service Performance Reporting

- The University's Service Performance Information is contained within several sections 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.
- 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.
 - 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.
- 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.
- 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.

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

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 interdependent 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 11 March 2020 the World Health Organization declared the outbreak of COVID-19 (a novel coronavirus) a global pandemic. The New Zealand government declared a State of National Emergency on 25 March 2020 and a nationwide lockdown commenced (Alert Level 4). All aspects of the University's operations were significantly impacted by the lockdown and subsequent changes in Alert Levels, and these impacts continued in 2023.

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 residential colleges not owned by the University, 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. Prior year data updated to reflect the latest emissions factors advised by the Ministry for the Environment.

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 paper EFTS sat (passed or 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 2023 contacted graduates who completed their qualification requirements in 2021, while the 2022 GOS contacted graduates who completed their qualification requirements in 2020, and the 2021 GOS contacted graduates who completed their qualification requirements in 2019.

The survey was sent to 4,966 students in 2021, 5,283 students in 2022, and 5,380 students in 2023. The number of valid respondents was 2,176 in 2021 (44% response rate), 2,257 in 2022 (43% response rate), and 1,841 in 2023 (34% 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 survey covers multiple topics including accommodation, pastoral care, and transition to university study.

The survey was sent to 4,856 students in 2021, 4,912 students in 2022, and 4,572 students in 2023. The number of valid respondents was 2,666 in 2021 (55% response rate), 2,768 in 2022 (56% response rate), and 2,515 in 2023 (55% 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. 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 4,000 students in 2021, 4,000 students in 2022, and 4,000 students in 2023. The number of valid respondents was 1,588 in 2021 (40% response rate), 1,194 in 2022 (30% response rate), and 929 in 2023 (23% 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 of 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 each of 2021, 2022, and 2023. The number of valid respondents was 156 in 2021 (31% response rate), 206 in 2022 (41% response rate), and 206 in 2023 (41% response rate) when the margin of error was 8% at the 99% confidence interval.

FINANCIAL REVIEW 2023

2023 was an incredibly challenging year financially for all of New Zealand's universities. Despite this, the University of Otago was able to achieve its goal of saving \$25 million, whilst still providing quality educational experiences and services for its taura (students). The University was pleased to see the ongoing improvement in taura pass rates.

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 \$0.4 million for the year compared to a budgeted deficit of \$2.0 million. The Group deficit in 2022 was \$14.7 million. The most significant factors in the Group result were the positive financial market conditions alongside the University's savings initiatives.

Given the unprecedented situation at all tertiary institutions, including the University of Otago, the Tertiary Education Commission accepted early in the year that its minimum guideline for the EBITDA ratio would not be achieved. The 2023 EBITDA ratio was 90 with the minimum guideline being 95.

The University Parent's operating deficit for the year was \$20.6 million, which was a shortfall of \$8.7 million compared to the budgeted deficit of \$11.9 million. A shortfall in student enrolments against budget for 2023 was offset by savings in finance costs, 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. Operating costs included approximately \$7 million in restructuring costs which were incurred during 2023.

During 2023 both academic and professional salaries increased compared to 2022, which included general pay increases/redundancies (offset by reductions in retirement gratuities and annual leave provisions). Increases in professional salaries were higher in comparison, due to a number of vacant positions being filled during the year.

Capital expenditure for the Group was \$140.8 million, which was \$14.8 million (12.2%) higher than 2022. The major capital project in 2023 was the construction of the new Te Rangihiroa residential college.

The University of Otago Foundation Trust recorded an operating surplus of \$20.1 million for the year, against a budgeted surplus of \$10.4 million, due to the strong closing performance in the financial markets in 2023.

Operating cash flow for the Group was a net inflow of \$72.0 million, which was \$8.3 million higher than budgeted for in 2023. This is a pleasing achievement given the financial challenges the University faced during 2023.

The University borrowed for the first time in modern times during 2022. Borrowing facilities of \$400 million have been established to underpin capital investment in building and digital infrastructure over the next decade. The University borrowed less than 50% of its intended debt requirements due to strong fiscal controls during the year.

Total assets for the Group were \$3.1 billion for the year, an increase of \$281 million over 2022. This increase in value was almost three times greater than the borrowings made during 2023.

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

BRIAN TROTT
Chief Financial Officer

STATEMENT OF RESPONSIBILITY

For the year ended 31 December 2023

1. The Council and management of the University of Otago and Group accept responsibility for the preparation of the annual financial statements and the Statement of Service Performance and the judgements used in them;
2. The Council and management of the University of Otago accept responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of the financial reporting; and
3. In the opinion of the Council and management of the University of Otago, the annual financial statements and the Statement of Service Performance for the year ended 31 December 2023 fairly reflect the financial position and operations of the University of Otago and Group.

S. J. HIGGS
Chancellor



29 April 2024

PROFESSOR HELEN NICHOLSON
Vice-Chancellor (Acting)



29 April 2024

STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

For the year ended 31 December 2023

	Note	Consolidated		University			
		Actual 2023 \$'000	Budget 2023 \$'000	Actual 2022 \$'000	Actual 2023 \$'000	Budget 2023 \$'000	Actual 2022 \$'000
REVENUE							
Government grants	3	272,972	286,223	274,796	272,972	286,223	274,796
Tuition fees	3	173,743	183,181	161,872	173,743	183,181	161,872
Trust donations	3	7,089	11,000	12,255	11	-	1,621
Finance revenue	3	26,983	12,735	33,928	5,343	26	3,715
Externally funded research	3	169,321	159,561	157,128	168,302	158,836	156,605
Performance based research funding	3	63,683	61,020	61,494	63,683	61,020	61,494
Distributions from Trust funds	3	-	-	-	11,051	13,490	14,472
Consulting and commercial revenue	3	88,048	90,147	81,929	88,824	90,964	82,743
Other revenue		33,958	29,725	26,718	28,946	28,774	25,848
Total revenue		835,797	833,592	810,120	812,875	822,514	783,166
EXPENDITURE							
Academic salaries		241,618	243,490	235,014	241,618	243,490	235,014
General salaries		198,008	187,959	184,548	197,020	186,967	183,485
Staff related costs		29,005	27,426	20,884	28,947	27,366	20,805
Depreciation and amortisation expense	10	87,942	92,327	82,009	87,786	92,081	81,850
Finance costs	5	2,258	4,797	975	3,286	5,922	2,213
Other expenditure	4	277,328	279,644	301,430	274,840	278,584	256,735
Total operating expenditure		836,159	835,643	824,860	833,497	834,410	780,102
Surplus/(deficit)		(362)	(2,051)	(14,740)	(20,622)	(11,896)	3,064
Gain on revaluation of land and buildings	15	202,240	101,830	-	202,240	101,830	-
Impairment of land and buildings	15	(31)	-	(148)	(31)	-	(148)
Total comprehensive revenue and expenses		201,846	99,779	(14,888)	181,586	89,934	2,917

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 2023

	Note	Consolidated		University			
		Actual 2023 \$'000	Budget 2023 \$'000	Actual 2022 \$'000	Actual 2023 \$'000	Budget 2023 \$'000	Actual 2022 \$'000
ASSETS							
Current assets							
Cash and cash equivalents	6	33,510	10,586	20,505	14,893	-	10,274
Trade and other receivables and prepayments	7	72,130	58,553	69,677	71,994	61,584	72,771
Other financial assets	8	28,955	33,636	16,473	446	455	480
Inventories		1,428	1,698	1,647	1,429	1,699	1,645
Other current assets		277	-	1,097	277	-	1,097
Total current assets		136,300	104,472	109,399	89,039	63,738	86,267
Non-current assets							
Investments in subsidiaries and associates	9	-	-	-	7,786	7,786	7,786
Other financial assets	8	210,770	215,610	216,365	31,179	32,581	33,194
Derivative instruments		165	-	-	165	-	-
Property, plant and equipment	10	2,689,192	2,800,743	2,429,559	2,685,116	2,787,620	2,425,328
Intangible assets	10	22,986	31,501	22,991	22,986	31,501	22,991
Total non-current assets		2,923,113	3,047,854	2,668,915	2,747,232	2,859,488	2,489,299
Total assets		3,059,413	3,152,327	2,778,314	2,836,271	2,923,226	2,575,566
LIABILITIES							
Current liabilities							
Trade and other payables and accruals	11	50,919	44,003	43,715	53,234	45,990	46,328
Employee entitlements	12	77,110	69,722	81,330	77,034	69,660	81,286
Deferred revenue	13	123,103	103,779	123,182	122,659	103,507	122,941
Finance leases	17	-	-	-	1,112	1,112	1,113
Loans	14	105,000	-	30,000	105,000	-	30,000
Total current liabilities		356,132	217,504	278,227	359,039	220,269	281,668
Non-current liabilities							
Employee entitlements	12	41,750	47,894	40,348	41,750	47,894	40,348
Finance leases	17	-	-	-	26,698	26,698	26,697
Loans	14	952	218,607	890	-	217,617	-
Derivative instruments		345	-	-	345	-	-
Total non-current liabilities		43,047	266,501	41,238	68,793	292,209	67,045
Total liabilities		399,180	484,005	319,465	427,832	512,479	348,713
Net assets		2,660,233	2,668,322	2,458,849	2,408,439	2,410,747	2,226,853

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 2023

	Note	Consolidated			University		
		Actual 2023 \$'000	Budget 2023 \$'000	Actual 2022 \$'000	Actual 2023 \$'000	Budget 2023 \$'000	Actual 2022 \$'000
EQUITY							
Accumulated funds	15	1,101,683	1,097,520	1,102,682	849,889	849,066	870,512
Revaluation reserves	15	1,558,550	1,570,802	1,356,341	1,558,550	1,561,681	1,356,341
Total equity attributable to the University		2,660,233	2,668,322	2,459,023	2,408,439	2,410,747	2,226,853
Minority interest		-	-	(174)	-	-	-
Total equity		2,660,233	2,668,322	2,458,849	2,408,439	2,410,747	2,226,853

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2023

	Note	Consolidated			University		
		Actual 2023 \$'000	Budget 2023 \$'000	Actual 2022 \$'000	Actual 2023 \$'000	Budget 2023 \$'000	Actual 2022 \$'000
Balance at 1 January		2,458,849	2,568,542	2,473,020	2,226,853	2,320,812	2,223,936
Surplus/(deficit)		(362)	(2,051)	(14,740)	(20,622)	(11,896)	3,064
Equity adjustments	15	(637)	1	891	(1)	1	1
Gain on revaluation of land and buildings	15	202,240	101,830	-	202,240	101,830	-
Impairment of land and buildings	15	(31)	-	(148)	(31)	-	(148)
Minority interest		174	-	(174)	-	-	-
Balance at 31 December		2,660,233	2,668,322	2,458,849	2,408,439	2,410,747	2,226,853

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 2023

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 2023 \$'000	Budget 2023 \$'000	Actual 2022 \$'000 Restated*	Actual 2023 \$'000	Budget 2023 \$'000	Actual 2022 \$'000 Restated**
Cash flows from operating activities						
Subsidies and grants received	339,016	347,075	338,205	339,016	347,075	338,205
Fees and charges received	194,214	200,137	182,371	194,214	200,137	182,309
Interest and dividends received	11,331	4,156	27,292	5,343	26	2,585
Receipts from other revenue	277,097	265,339	263,611	283,485	266,872	266,935
	821,658	816,707	811,478	822,058	814,110	790,033
Payments to suppliers and employees	747,101	746,258	712,761	748,553	744,478	713,650
Payments of finance costs	2,537	6,273	1,036	3,649	7,398	2,213
Net cash flow from operating activities	72,020	64,176	97,681	69,856	62,234	74,170
Cash flows from investing activities						
Receipts from sale of property, plant and equipment	131	1,566	371	131	1,566	371
Receipts from sale of investments and loan repayments	6,654	344	13,398	449	344	12,969
	6,754	1,910	13,769	580	1,910	13,340
Purchase of assets	140,777	245,277	124,554	140,776	245,854	125,733
Acquisition of investments	-	3,509	23,524	41	-	(523)
Net cash flow from investing activities	(133,993)	(246,876)	(134,308)	(140,238)	(243,944)	(111,870)
Cash flows from financing activities						
Proceeds from borrowings	74,977	181,710	29,981	75,000	181,710	30,000
Net cash flow from financing activities	74,977	181,710	29,981	75,000	181,710	30,000
Net (decrease)/increase in cash, cash equivalents and bank overdrafts	13,005	(990)	(6,646)	4,619	-	(7,699)
Cash, cash equivalents and bank overdrafts at the beginning of the year	20,505	11,576	27,151	10,274	-	17,973
Cash, cash equivalents and bank overdrafts at the end of the year	33,510	10,586	20,505	14,893	-	10,274

*Prior year comparatives for the Group for payments to suppliers and employees and acquisition of investments have been restated due to unrealised losses on investments incorrectly being included in the Group statement of cash flows. The correction increased Net cash flow from operating activities and decreased Net cash flow from investing activities by \$46,796k.

**Prior year comparatives for the University and Group for receipts from sale of investments and loan repayments and acquisition of investments have been restated due to the sale of short-term deposits being incorrectly classified in acquisition of investments. This correction increased receipts from sale of investments and loan repayments by \$12,500k and decreased acquisition of investments by the same amount. There is no impact on Net cash flow from investing activities.

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 2023

RECONCILIATION OF NET SURPLUS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	Consolidated		University	
	Actual 2023 \$'000	Actual 2022 \$'000 Restated*	Actual 2023 \$'000	Actual 2022 \$'000
Surplus/(deficit)	(362)	(14,740)	(20,622)	3,064
Add/(less) non-cash items				
Non-cash donations	(980)	(1,219)	(980)	(1,219)
Non-cash dividends	(1,221)	(1,988)	-	-
Share of subsidiaries surplus	-	(174)	-	-
Adjustment to staff entitlement	1,973	(4,826)	1,973	(5,426)
Depreciation and amortisation expense	87,942	82,011	87,786	81,850
Property, plant and equipment loss on disposal	155	56	155	56
Increase/(decrease) in loans from external trust funds	85	(61)	-	-
Capitalisation of borrowing costs	(363)	-	(363)	-
Intellectual Property income	-	(538)	-	538
(Gains)/losses in fair value of investments	(11,320)	41,712	2,639	(1,289)
Total non-cash items	76,271	114,973	91,210	74,510
Add/(less) movements in working capital items				
(Increase)/decrease in receivables	(164)	(4,255)	2,975	(4,836)
(Increase)/decrease in prepayments	(3,278)	(3,130)	(3,188)	(3,096)
(Increase)/decrease in inventory	219	(514)	217	(511)
(Increase)/decrease in minority interest	(463)	-	-	-
Increase/(decrease) in payables	38	(5,474)	(275)	(5,676)
Increase/(decrease) in funds received in advance	3,230	14,685	3,026	14,561
Increase/(decrease) in employee entitlements	(3,472)	(3,864)	(3,486)	(3,845)
Net movement in working capital items	(3,890)	(2,552)	(731)	(3,404)
Net cash inflow/(outflow) from operating activities	72,020	97,681	69,856	74,170

*Prior year comparatives for the Group for losses in fair value of investments have been restated due to unrealised losses on investments incorrectly being included in the Group statement of cash flows. The correction increased losses in fair value investments by 46,796k.

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 2023

RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	Opening Balance \$'000	Cash flows \$'000	Non-cash changes			Closing Balance \$'000
			Acquisitions \$'000	Fair value changes \$'000	Other \$'000	
31 December 2023 – Consolidated						
Long-term borrowing	890	(23)	-	-	85	952
Short-term borrowing	30,000	75,000	-	-	-	105,000
Total liabilities from financing activities	30,890	74,977	-	-	85	105,952
31 December 2022 – Consolidated						
Long-term borrowing	965	(14)	-	-	(61)	890
Short-term borrowing	-	30,000	-	-	-	30,000
Total liabilities from financing activities	965	29,986	-	-	(61)	30,890
31 December 2023 – University						
Short-term borrowing	30,000	75,000	-	-	-	105,000
Lease liabilities	27,811	-	-	-	-	27,811
Total liabilities from financing activities	57,811	75,000	-	-	-	132,811
31 December 2022 – University						
Short-term borrowing	-	30,000	-	-	-	30,000
Lease liabilities	28,240	-	-	-	(429)	27,811
Total liabilities from financing activities	28,240	30,000	-	-	(429)	57,811

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

1. STATEMENT OF ACCOUNTING POLICIES

1.1 REPORTING ENTITY

The financial statements of the University of Otago and Group and its subsidiaries for the year ended 31 December 2023 were authorised for issue by Council on 29 April 2024.

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:

ENTITY	DESCRIPTION	OWNERSHIP
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
Upstart Incubation Trustee Company Limited	Non-operational and has no assets or liabilities.	33% owned by University of Otago Holdings Limited
Periomedic Limited	Commercialising technologies relating to periodontal health exams.	45% owned by Otago Innovation Limited
Amaroq Therapeutics Limited	Development of RNAs to treat breast, colorectal and liver cancer.	41% owned by Otago Innovation Limited
Ubiquitome Limited	Commercialisation of a novel battery powered portable qPCR device.	21% owned by Otago Innovation Limited
Alumni of University of Otago In America Incorporated	Established to provide an entity for collection of donations for University of Otago supporters living in the USA.	
University of Otago Foundation Trust	A charitable trust which receives and administers donations, bequests and sponsorship monies for the University of Otago.	

The primary objective of the University and Group is to provide goods and services to the community for social benefit rather than to 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principle 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 2023, 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 University 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 and 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 and Group for the preparation of the financial statements. The budget was approved by Council on 14 November 2023.

Reclassification of prior year balances

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

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

Disclosure of Fees for Audit Firms' Services (Amendments to PBE IPSAS 1) include a requirement to disaggregate the fees into specified categories for fees relating to services provided by the audit or review provider. The amendments to PBE IPSAS 1 aim to address concerns about the quality and consistency of disclosures about fees paid to its audit or review firm for different types of services. The enhanced disclosures are expected to improve the transparency and consistency of disclosures about fees paid to an entity's audit or review firm. This is effective for the year ended 31 December 2024. These amendments are not expected to have a significant impact.

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 of 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.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

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 2023 has been included in trade payables.

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	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Government grants				
Delivery on the NZQCF based funding (previously SAC funding)	269,900	271,741	269,900	271,741
Vote Health	3,072	3,055	3,072	3,055
Total Government grants	272,972	274,796	272,972	274,796

Delivery on the New Zealand Qualifications and Credentials Framework (NZQCF)

Delivery and Qualification (DQ – formerly SAC) funding is the University's main source of operational funding from the Tertiary Education Commission (TEC) for delivery on the NZQCF. The University considers DQ funding to be non-exchange revenue.

The University recognises DQ 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 fees

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

International student tuition fees are accounted for as exchange transactions. 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.

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	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Tuition fees				
Domestic tuition fees	128,623	129,971	128,623	129,971
International tuition fees	45,120	31,901	45,120	31,901
Total tuition fees	173,743	161,872	173,743	161,872

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 2023 was \$30.418 million (GST exclusive) (2022: \$25.335 million (GST exclusive)).

Donations, trust funds, endowments, bequests and pledges

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.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2023

3. REVENUE CONTINUED

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 the 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	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Finance revenue				
Interest received	6,132	4,111	2,608	1,769
Dividends received	3,550	3,816	2,529	-
Realised gains	2,870	21,338	206	10
Unrealised gains	14,431	4,663	-	1,936
Total finance revenue	26,983	33,928	5,343	3,715

4. SPECIFIC EXPENDITURE

	Consolidated		University	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Surplus/(deficit) includes the following specific expenses:				
Consumables and general	164,667	148,674	164,853	148,081
Occupancy costs	52,144	47,802	52,370	47,971
Investment losses	4,203	48,133	1,349	2,274
Audit and assurance fees – Audit New Zealand				
Audit fees for financial statements University audit	341	316	341	316
Audit fees for financial statements University audit (prior year)	-	26	-	26
Audit fees for PBRF audit	15	14	15	14
Audit fees for US DOE Federal Aid Programme audit	8	12	8	12
Audit fees for financial statements Foundation Trust audit	50	36	-	-
Audit fees for financial statements Foundation Trust audit (prior year)	9	-	-	-
Total audit fees	422	404	363	368
Rental expense relating to operating leases				
Minimum lease payments	11,234	10,006	11,498	10,186
Total rental expense relating to operating leases	11,234	10,006	11,498	10,186

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2023

5. FINANCE COSTS

	Consolidated		University	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Finance costs				
Bank fees on borrowing	1,600	973	1,600	973
Interest on borrowing	936	59	936	59
Interest on finance leases	-	-	1,112	1,113
Borrowing costs capitalised	(363)	-	(363)	-
Other interest paid	85	(57)	1	68
Total finance costs	2,258	975	3,286	2,213

6. CASH AND CASH EQUIVALENTS

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

	Consolidated		University	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Cash at bank and on hand	33,510	20,505	14,893	10,274
Total cash and cash equivalents	33,510	20,505	14,893	10,274

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 is included within the cash and cash equivalents totals \$2.124 million (2022: \$2.959 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	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Trade receivables	39,497	39,501	39,450	39,344
Less expected credit losses	(1,703)	(1,626)	(1,703)	(1,508)
Net trade receivables	37,794	37,874	37,747	37,836
Other receivables	13,190	12,946	13,297	16,183
Prepayments	21,146	18,857	20,950	18,752
Total trade and other receivables and prepayments	72,130	69,677	71,994	72,771

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

	Current	Consolidated		Total
		2 to 3 months	> 3 months	
31 December 2023				
Total gross trade receivables	23,956	12,773	2,768	39,497
Expected credited losses	(32)	(56)	(1,615)	(1,703)
Expected credit loss rate	(0.1%)	(0.4%)	(58.4%)	(4.3%)
31 December 2022				
Total gross trade receivables	25,764	5,570	8,167	39,501
Expected credited losses	(12)	(41)	(1,573)	(1,626)
Expected credit loss rate	(0.0%)	(0.7%)	(19.3%)	(4.1%)
	Current	University		Total
		2 to 3 months	> 3 months	
31 December 2023				
Total gross trade receivables	23,947	12,735	2,768	39,450
Expected credited losses	(32)	(56)	(1,615)	(1,703)
Expected credit loss rate	(0.1%)	(0.4%)	(58.4%)	(4.3%)
31 December 2022				
Total gross trade receivables	25,762	5,543	8,039	39,344
Expected credited losses	(12)	(41)	(1,455)	(1,508)
Expected credit loss rate	(0.0%)	(0.7%)	(18.1%)	(3.8%)

Movements in the allowance for credit losses is as follows:

	Consolidated		University	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Opening allowance for credit losses as at 1 January	1,626	1,377	1,508	1,377
Revision in loss allowance made during the year	448	642	332	524
Receivables written off during year	(372)	(393)	(137)	(393)
Expected credit losses closing balance	1,703	1,626	1,703	1,508

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 number of 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.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2023

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 them.

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 if 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 or deficit.

Term deposits

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

Loans

The face value of loans in 2023 is \$5.459 million (2022: \$5.868 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.

	Consolidated		University	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Current portion				
Short-term deposits	10,608	8,150	-	-
Other loans	446	480	446	480
Corporate bonds	17,901	7,843	-	-
Total current portion	28,955	16,473	446	480
Non-current portion				
Other investments				
Loans	3,933	4,160	3,933	4,159
Receivables	-	-	2,110	3,468
Long-term deposits	-	7,057	-	-
Corporate bonds	37,611	60,210	-	-
	41,544	71,425	6,043	7,627
Other listed securities				
Equity securities	165,645	138,644	136	568
	165,645	138,644	136	568
Other unlisted securities				
Shares in other companies	3,581	6,295	-	-
	3,581	6,295	-	-
Investment in in-substance subsidiary				
University of Otago Foundation Trust 100% controlled trust, domiciled in New Zealand	-	-	25,000	25,000
	-	-	25,000	25,000
Total non-current portion	210,770	216,365	31,179	33,194

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 2023: \$5.170 million (2022: \$5.550 million). The net present value of these loans at a discount rate of 4% is 2023: \$4.090 million (2022: \$4.320 million). Movements in the carrying value of loans are as follows:

	Consolidated		University	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
At 1 January	4,638	5,116	4,638	5,116
Amount of new loans granted during the year	40	1	40	1
Fair value adjustment on initial recognition	150	(8)	150	(8)
Loans repaid during the year (principal and interest)	(448)	(470)	(448)	(470)
At 31 December	4,380	4,639	4,380	4,639

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

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2023

9. INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES

	Consolidated		University	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Shares in University of Otago Holdings Limited 100% owned subsidiary, domiciled in New Zealand Balance date 31 December	-	-	7,786	7,786

Total investment in subsidiaries	-	-	7,786	7,786
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INVESTMENTS IN ASSOCIATES

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 arrangement.

Accounting policy

Investments in associates are accounted for in the Group financial statements using the equity method of accounting.

Equity method of accounting for associates in Group financial statements

Under the equity method of accounting, the investment is initially recognised at cost and the carrying amount is increased or decreased to recognise the Group's share of the change in net assets of the entity after the date of acquisition. The Group's share of the surplus or deficit is recognised in the Group surplus or deficit. Distributions received from the investee reduce the carrying amount of the investment in the Group financial statements.

If the share of deficits of the entity equals or exceeds the interest in the entity, the Group discontinues recognising its share of further deficits. After the Group's interest is reduced to zero, additional deficits are provided for, and a liability is recognised, only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the entity. If the entity subsequently reports surpluses, the Group will resume recognising its share of those surpluses only after its share of the surpluses equals the share of deficits not recognised.

Consolidated	
2023	2022
\$'000	\$'000

University of Otago Holdings Limited's associate

Name of entity: Upstart Incubation Trustee Company Limited

Principal activity: This company is not operational and has no assets or liabilities

Ownership: 33% (31 December 2022: 33%)

Otago Innovation Limited's associates

Name of entity: Ubiquitome Limited

Principal activity: Commercialisation of medical products

Ownership: 21% (31 December 2022: 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

-

-

Total investment

-

-

Name of entity: Amaroq Limited

Principal activity: Development of RNAs to treat breast, colorectal and liver cancer

Ownership: 41% (31 December 2022: 41%)

Balance date: 30 June

Number of unlisted ordinary shares

1,099

1,099

Share of increase (decrease) in the net assets of the associate

-

-

Total investment

-

-

Name of entity: Periomedic Limited

Principal activity: Commercialising technologies relating to periodontal health

Ownership: 45% (31 December 2022: 60%) – treated as subsidiary in 2022

Balance date: 31 March

Number of unlisted ordinary shares

350

-

Share of increase (decrease) in the net assets of the associate

-

-

Total investment

-

-

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2023

10. PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

Accounting policy

Property, plant and equipment (PPE) consists of the following asset classes: land, buildings, computer, furniture, equipment, library books, artworks, the Hocken Collection and rare books. 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 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, artworks and the Hocken Collection 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-accessioned 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.

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 most recent valuation, a full revaluation of land and buildings is 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.

In 2023, following a fair value assessment, it was decided that, due to significant movements in building costs and market values, a revaluation was required. Accordingly, the land and buildings were revalued as at 31 December 2023 in accordance with "PBE IPSAS 17 Property, Plant and Equipment" Australia and New Zealand Valuation and Property Guidance Papers. In addition, a full valuation of infrastructure assets for financial reporting was undertaken, whereas previously this was an estimate amount included in the building valuation. Infrastructure assets are included as part of the building asset class as they perform a similar function as part of the University's operations.

The basis of the full revaluation performed as at 31 December 2023 was as follows:

- The valuation (and the Fair Value Assessment) was completed by Marsh Limited, Registered Valuers;
- Land was valued at market value;
- Land values were assessed on the basis of highest and best use and with reference to sales of comparable land;
- 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;
- Infrastructure assets were valued at depreciated replacement cost as there is no market data available to determine the accurate market based value.

Depreciated replacement cost is determined using a number of methodologies. Methodologies used in the 31 December 2023 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 past experience with similar buildings;
- Straight-line depreciation has been applied in determining the depreciated replacement cost 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 2023 valuation include market rents and capitalisation rates.

Impairment

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 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.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2023

10. PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS CONTINUED

Depreciation

Depreciation is provided on a straight-line basis on all PPE other than land, artworks, rare books and the Hocken Collection, 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	1 to 250 years	0.4% to 100.0%
Furniture	5 to 10 years	10.0% to 20.0%
Equipment	1 to 60 years	1.7% to 100.0%
Computers	1 to 10 years	10.0% to 100.0%
Library books	5 to 10 years	10.0% to 20.0%
Software	1 to 25 years	4.0% to 100.0%

10. PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS CONTINUED

	As at 1 January 2023		2023 Movement					As at 31 December 2023				
	Cost valuation	Accumulated depreciation and impairments	Book value	Additions	Disposals	Depreciation/amortisation	Revaluation adjustments	Cost adjustments	Depreciation adjustments	Cost valuation	Accumulated depreciation and impairments	Book value
CONSOLIDATED 2023	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Land	444,319	-	444,319	1,987	-	-	2,592	40	-	448,938	-	448,938
Buildings	1,759,277	(53,104)	1,706,173	100,608	-	(53,594)	199,648	392	-	1,955,015	(1,787)	1,953,228
Computers	84,118	(61,257)	22,861	10,641	(55)	(7,930)	-	(1,045)	-	88,895	(64,424)	24,472
Furniture	18,343	(8,389)	9,955	2,447	(6)	(1,878)	-	664	(102)	19,572	(8,493)	11,079
Artworks	11,626	-	11,626	265	-	-	-	(23)	-	11,868	-	11,868
Library books	32,985	(20,960)	12,025	2,433	-	(2,222)	-	-	-	35,419	(23,182)	12,237
Hocken Collection	118,118	-	118,118	980	-	-	-	-	-	119,098	-	119,098
Rare books	10,282	-	10,282	8	-	-	-	-	-	10,290	-	10,290
Equipment	333,129	(238,928)	94,200	21,652	(146)	(17,824)	-	-	102	342,150	(244,165)	97,985
Property, plant and equipment	2,812,197	(382,638)	2,429,559	141,022	(207)	(83,448)	202,240	28	-	3,031,244	(342,050)	2,689,194
Intangible assets	59,510	(36,519)	22,991	4,729	(111)	(4,517)	-	(107)	-	63,087	(40,104)	22,984

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2023

10. PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS CONTINUED

	As at 1 January 2022		2022 Movement					As at 31 December 2022		
	Cost valuation \$'000	Accumulated depreciation and impairments value \$'000	Additions \$'000	Disposals \$'000	Depreciation/ amortisation \$'000	Revaluation adjustments \$'000	Cost adjustments \$'000	Depreciation adjustments \$'000	Cost valuation impairments value \$'000	Book and impairments value \$'000
Land	444,588	-	176	(445)	-	-	-	444,319	-	444,319
Buildings	1,665,588	(1,488)	94,802	(115)	(51,487)	-	(998)	1,759,277	(53,104)	1,706,173
Computers	81,086	(61,390)	9,951	(5)	(6,324)	-	(457)	84,118	(61,257)	22,861
Furniture	17,525	(7,905)	2,166	-	(1,812)	-	138	18,552	(8,440)	10,112
Artworks	11,488	-	138	-	-	-	-	11,626	-	11,626
Library books	30,550	(18,645)	2,530	-	(2,315)	-	(95)	32,985	(20,960)	12,025
Hocken Collection	116,898	-	1,219	-	-	-	-	118,118	-	118,118
Rare books	10,168	-	114	-	-	-	-	10,282	-	10,282
Equipment	325,573	(232,420)	16,820	(404)	(16,353)	-	837	332,921	(238,878)	94,043
Property, plant and equipment	2,703,465	(321,847)	127,915	(969)	(78,291)	-	(574)	2,812,198	(382,638)	2,429,560
Intangible assets	60,950	(37,153)	3,116	(20)	(3,769)	-	(134)	59,510	(36,519)	22,991

	As at 1 January 2023		2023 Movement					As at 31 December 2023		
	Cost valuation \$'000	Accumulated depreciation and impairments value \$'000	Additions \$'000	Disposals \$'000	Depreciation/ amortisation \$'000	Revaluation adjustments \$'000	Cost adjustments \$'000	Depreciation adjustments \$'000	Cost valuation impairments value \$'000	Book and impairments value \$'000
Land	444,240	-	1,987	-	-	2,592	40	-	448,859	-
Buildings	1,753,499	(51,464)	100,608	-	(53,447)	199,648	392	-	1,949,237	(1,949,237)
Computers	84,087	(61,235)	10,641	(55)	(7,927)	-	(1,045)	-	88,865	(64,398)
Furniture	18,289	(8,335)	2,447	(6)	(1,877)	-	664	(102)	19,518	(8,439)
Artworks	11,626	-	265	-	-	-	(23)	-	11,868	-
Library books	32,985	(20,960)	2,433	-	(2,222)	-	-	-	35,419	(23,182)
Hocken Collection	118,118	-	980	-	-	-	-	-	119,098	-
Rare books	10,282	-	8	-	-	-	-	-	10,290	-
Equipment	333,108	(238,912)	21,651	(146)	(17,819)	-	-	102	342,127	(244,144)
UNIVERSITY 2023	2,806,234	(380,906)	141,021	(207)	(83,292)	202,240	28	-	3,025,280	(340,162)
Property, plant and equipment	2,806,234	(380,906)	141,021	(207)	(83,292)	202,240	28	-	3,025,280	(340,162)
Intangible assets	59,410	(36,420)	4,729	(111)	(4,517)	-	(107)	-	62,988	(40,004)

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2023

10. PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS CONTINUED

UNIVERSITY 2022	As at 1 January 2022		2022 Movement					As at 31 December 2022			
	Cost valuation \$'000	Accumulated depreciation and impairments value \$'000	Book value \$'000	Additions \$'000	Disposals \$'000	Depreciation/amortisation \$'000	Revaluation adjustments \$'000	Cost adjustments \$'000	Depreciation adjustments \$'000	Cost valuation \$'000	Accumulated depreciation and impairments value \$'000
Operating assets											
Land	444,509	-	444,509	176	(445)	-	-	-	-	444,240	-
Buildings	1,659,802	-	1,659,802	94,802	(115)	(51,334)	-	(990)	-	1,753,499	(51,464)
Computers	81,059	(61,370)	19,689	9,947	(5)	(6,321)	-	(457)	-	84,087	(61,235)
Furniture	17,471	(7,853)	9,618	2,166	-	(1,811)	-	138	-	18,497	(8,386)
Artworks	11,488	-	11,488	138	-	-	-	-	-	11,626	-
Library books	30,550	(18,645)	11,905	2,530	-	(2,315)	-	(95)	-	32,985	(20,960)
Hocken Collection	116,898	-	116,898	1,219	-	-	-	-	-	118,118	-
Rare books	10,168	-	10,168	114	-	-	-	-	-	10,282	-
Equipment	325,551	(232,408)	93,143	16,820	(404)	(16,348)	-	837	-	332,900	(238,861)
Property, plant and equipment	2,697,497	(320,276)	2,377,221	127,912	(969)	(78,130)	-	(566)	-	2,806,235	(380,906)
Intangible assets	60,851	(37,053)	23,797	3,116	(20)	(3,769)	-	(134)	-	59,410	(36,420)

Capital work in progress	Consolidated		University	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Land and buildings	120,097	149,753	120,097	149,753
Equipment	533	5,018	533	5,018
Intangible assets – software	926	2,759	926	2,759
Balance as at 31 December	121,556	157,530	121,556	157,530

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	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Current				
Trade payables	5,222	9,713	5,170	9,637
Accruals	24,351	19,558	24,201	19,464
Other payables	21,346	14,444	23,863	17,227
Total trade and other payables and accruals	50,919	43,715	53,234	46,328

Total trade and other payables and accruals comprise:

Payables and accruals from exchange transactions	32,882	29,271	35,264	32,131
Payables and accruals from non-exchange transactions	18,038	14,445	17,970	14,197

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, but not yet taken, to 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 \$19.153 million (2022: \$19.392 million), University \$19.153 million (2022: \$19.392 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 different 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 engaged with an external party to undertake the work to assess the non-compliance. The University has worked with the Ministry of Business, Innovation and Employment (MBIE) to finalise this matter and received confirmation in October 2023 that MBIE is satisfied that the University is using best endeavours to remediate breaches identified. The Inspectorate advised that they do not intend to take further action. The University is now able to move into the remediation phase in 2024.

As at 31 December 2023, 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 \$7 million by calculating the underpayment for employees over the full period of liability based on known non-compliance at 31 December 2023. This liability amount is the University's best estimate at this stage.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2023

12. EMPLOYEE ENTITLEMENTS CONTINUED

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 0.5% to allow for secular salary increases. These rates were calculated as at 31 December 2023.

A salary promotional scale which adds an approximate 0.5% allowance to the projected salary increases was adopted.

Treasury has indicated the set of discount rates and general CPI inflation assumptions are to be consistent amongst all entities that form part of the Crown's annual reporting. The discount rate was based on the yields on government bonds (as there is no deep market in high quality corporate bonds).

	Consolidated		University	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Current portion				
Annual leave	37,217	37,416	37,141	37,372
Accrued wages	19,919	22,417	19,919	22,417
Long-service leave	990	1,103	990	1,103
Retirement gratuities	18,984	20,394	18,984	20,394
Total current portion	77,110	81,330	77,034	81,286
Non-current portion				
Long-service leave	2,527	1,664	2,527	1,664
Sick leave	1,056	1,113	1,056	1,113
Staff intellectual property entitlements	915	1,485	915	1,485
Retirement gratuities	37,252	36,086	37,252	36,086
Total non-current portion	41,750	40,348	41,750	40,348

13. LIABILITIES – DEFERRED REVENUE

	Consolidated		University	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Research funding in advance	81,039	80,165	81,039	80,165
Student fees in advance	34,462	32,357	34,462	32,357
Other income in advance	7,602	10,660	7,158	10,419
Total deferred revenue	123,103	123,182	122,659	122,941

Deferred revenue from tuition fees includes both liabilities recognised for domestic and international student fees received for which the course withdrawal date has not yet passed. 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. LOANS

ACCOUNTING POLICY

Bank borrowings

Bank 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 despite the University and Group having 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.

Other loans

Non-current loans represent funds held on behalf of an external trust (the Canterbury Healthcare of the Elderly Education Trust) where the University of Otago is not the sole beneficiary on cessation of the trust. The funds from this trust have been invested in the University of Otago Foundation Trust and investment income is allocated to this fund monthly.

	Consolidated		University	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Current portion				
Bank borrowings	105,000	30,000	105,000	30,000
Total current portion	105,000	30,000	105,000	30,000
Non-current portion				
Other loans	952	890	-	-
Total non-current portion	952	890		

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2023

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

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

	Consolidated		University	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Accumulated funds				
Balance at 1 January	1,102,682	1,116,530	870,511	867,447
Adjustments	(637)	892	-	-
Surplus/(deficit) for the year	(362)	(14,740)	(20,622)	3,064
Balance at 31 December	1,101,683	1,102,682	849,889	870,511
Revaluation reserves include				
Land revaluation reserve	351,521	348,929	351,521	348,929
Building revaluations	1,181,750	982,134	1,181,750	982,134
Other revaluations	25,279	25,278	25,279	25,278
Total reserves	1,558,550	1,356,341	1,558,550	1,356,341
Revaluation reserves				
Balance at 1 January	1,356,341	1,356,489	1,356,341	1,356,489
Gain on revaluation of land and buildings	202,240	-	202,240	-
Impairment of land and buildings	(31)	(148)	(31)	(148)
Balance at 31 December	1,558,550	1,356,341	1,558,550	1,356,341

16. CONTINGENCIES

	Consolidated		University	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Contingent liabilities				
Personal grievance and employment-related claims against the University	5	20	5	20
Total contingent liabilities	5	20	5	20

There are no contingent assets at balance date (2022 Nil).

17. 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	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Capital commitments				
Buildings	159,852	222,185	159,852	222,185
Equipment and other	11,925	11,630	11,925	11,630
Total capital commitments	171,777	233,815	171,777	233,815

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

	Consolidated		University	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Operating leases as lessee				
Not later than one year	9,954	8,954	9,954	8,954
Later than one year and not later than five years	24,164	15,362	24,164	15,362
Later than five years	21,079	18,513	21,079	18,513
Total non-cancellable operating leases	55,197	42,829	55,197	42,829

Total operating leases include accommodation head leases, \$5.221 million (2022: \$3.591 million).

	Consolidated		University	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Operating leases as lessor				
Not later than one year	10,593	10,069	10,593	10,069
Later than one year and not later than five years	1,839	1,882	1,839	1,882
Later than five years	4,350	4,034	4,350	4,034
Total non-cancellable operating leases	16,783	15,985	16,783	15,985

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

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2023

17. COMMITMENTS CONTINUED

	Consolidated		University	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Finance leases				
Not later than one year	-	-	1,112	1,113
Later than one year and not later than five years	-	-	4,022	4,025
Later than five years	-	-	22,677	22,673
Total present value of minimum lease payments payable	-	-	27,811	27,811
Present value of minimum lease payments payable made up of				
Future lease payments	-	-	24,215	25,327
Residual value payable	-	-	3,596	2,484
Total gross lease liability	-	-	27,811	27,811
Comprising				
Current	-	-	1,112	1,113
Non-current	-	-	26,698	26,697
Total present value of minimum lease payments	-	-	27,811	27,811

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

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

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

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

18. RELATED-PARTY TRANSACTIONS

RELATED-PARTY TRANSACTIONS WITH SUBSIDIARIES, ASSOCIATES OR JOINT OPERATIONS

Intra-Group	Goods and services received \$'000	Goods and services provided \$'000	Interest paid \$'000	Distribution /Dividend received \$'000	Distributions made \$'000	Debtor receivables \$'000	Creditor payables \$'000	Current account \$'000	Finance lease \$'000
2023									
Alumni of University of Otago in America Incorporated	-	-	-	144	-	-	-	-	-
University of Otago Foundation Trust	-	691	1,112	11,051	11	-	-	(2,116)	(27,811)
University of Otago Holdings Limited	-	31	-	2,529	-	-	-	(469)	-
Otago Innovation Limited	642	608	-	-	-	2,139	5	250	-
University Union Limited	528	191	-	-	-	53	-	-	-
2022									
Alumni of University of Otago in America Incorporated	-	-	-	396	-	-	-	-	-
University of Otago Foundation Trust	-	691	1,112	14,472	1,661	-	-	3,243	(27,811)
University of Otago Holdings Limited	-	31	65	-	-	-	-	(3,029)	-
Otago Innovation Limited	664	564	-	-	-	3,468	-	250	-
University Union Limited	360	162	-	-	-	-	-	-	-
Transactions with key management personnel									
Key management personnel compensation								2023 \$'000	2022 \$'000
Council members									
Council fees								205	195
Councillors								11	12
Senior management team, including the Vice-Chancellor									
Remuneration								4,367	4,526
Full-time equivalent								15	18

There are close family members of key management personnel employed by the University and Group. The terms and conditions of these 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 \$0.129 million (2022: \$0.131 million), University of Otago \$0.043 million (2022: \$0.057 million).

No provision has been required, nor any expense recognised for impairment of receivables, for any loans or other receivables to related parties (2022: Nil).

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2023

18. RELATED-PARTY TRANSACTIONS CONTINUED

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	Expenditure incurred by the University		Revenue received by the University		Creditor 2023 \$'000	Payables 2022 \$'000
		2023	2022	2023	2022		
		\$'000	\$'000	\$'000	\$'000		
Mr F B Barton	Anderson Lloyd	160	80	-	-	1	-
Mr F B Barton	Presbyterian Support Otago	8	4	-	-	-	-
Mr F B Barton	New Zealand Law Society	2	3	-	-	-	-
Mr B J Boyle	Brendan Boyle Limited	17	-	-	-	-	-
Hon C E Curran	Curran Consultants Ltd	19	16	-	-	4	-
Mr M R Dippie	Mitre 10 (New Zealand) Limited	86	72	-	-	6	1
Mr M R Dippie	Real Journeys Ltd	11	-	-	-	7	-
Ms S L Ellison	Karitane Māori Tours Limited	15	-	-	-	-	-
Ms S L Ellison	Kati Huirapa Runaka ki Puketeraki	33	7	-	-	2	-
Mr S J Higgs	Mitern Limited	51	43	-	-	11	-
Mr Q D Jane	Otago University Students' Association	4,330	-	77	-	4	-
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)	625	-	1	-	-	-
Ms P A Oakley	Forsyth Barr Limited	96	24	-	-	-	-
Ms P A Oakley	Institute of Directors in New Zealand	9	8	-	-	-	-
Mr M A Wong	Cook North and Wong Limited	23	23	-	-	-	-

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.

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	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
FINANCIAL ASSETS				
Fair value through surplus or deficit				
Listed shares	165,645	138,644	136	568
Unlisted shares	3,581	6,295	-	-
Corporate bonds	55,512	68,052	-	-
Interest rate swaps	165	-	165	-
<i>Other financial assets:</i>				
Shares in subsidiaries	-	-	7,786	7,786
Investment in in-substance subsidiary	-	-	25,000	25,000
Total fair value through surplus or deficit	224,903	212,991	33,087	33,354
Amortised cost				
Cash and cash equivalents	33,510	20,505	14,893	10,274
Receivables	50,984	50,820	51,044	54,019
<i>Other financial assets:</i>				
Term deposits	10,608	15,208	-	-
Loans	4,379	4,638	6,489	8,106
Total amortised cost	99,481	91,171	72,426	72,399
FINANCIAL LIABILITIES				
Financial liabilities at amortised cost				
Payables and accruals	50,919	43,715	53,234	46,328
Loans and leases	105,952	30,890	132,811	57,811
Interest rate swaps	345	-	345	-
Total financial liabilities at amortised cost	157,216	74,605	186,390	104,139

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2023

20. FINANCIAL INSTRUMENTS CONTINUED

(B) MARKET RISK

Currency risk

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

The 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:

	Consolidated	
	2023 \$'000	2022 \$'000
Cash and cash equivalents		
USD	2	13
AUD	215	87
EUR	2	695
GBP	21	465
Equities		
USD	5,015	4,373
AUD	43,915	36,119

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 surplus		Impact on equity	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Australian equities	2,368	1,940	-	-
NZ equities	5,518	4,690	-	-
US equities	396	350	-	-

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 actively manages their exposure to fair value interest expense through the derivative portfolio. Cashflow interest rate risk exposure arises due to the exposure on bank borrowings issued at variable interest rates. Generally, the University and Group raises long-term borrowings at floating rates and enters interest rate swap contracts to manage the cash flow interest rate risk. Under the interest rate swap contracts, the University and Group agree with other parties to exchange, at specified intervals, the difference between fixed-term contract rates and floating rate interest amounts calculated by reference to the agreed notional principal amounts. The University intends to apply hedge accounting to ensure fair value fluctuations on the interest rate portfolio are taken to other comprehensive revenue or expense in future periods.

Movement in interest rate	Group Surplus		Group Equity	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
1.0% (100 basis points) higher for the year				
Interest received	5,086	3,155	-	-
Interest paid	(5,659)	(905)	-	-

The interest rate sensitivity is based on a reasonable 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	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Cash at bank and term deposits	44,118	35,713	14,893	10,274
Receivables	50,984	50,820	51,044	54,019
Corporate bonds	55,512	68,052	-	-
Loans	4,379	4,638	6,489	8,106
Total credit risk	154,993	159,223	72,426	72,399

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2023

20. FINANCIAL INSTRUMENTS CONTINUED

Credit quality of financial assets

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

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

	Consolidated		University	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
COUNTERPARTIES WITH CREDIT RATINGS				
Cash at bank and term bank deposits				
AA	7,477	7,057	-	-
AA-	32,287	28,353	14,682	10,274
A+	303	303	-	-
Total cash at bank and term deposits	40,067	35,713	14,682	10,274
Corporate bonds				
AAA	1,950	1,897	-	-
AA+	954	15,679	-	-
AA	4,306	4,168	-	-
AA-	22,516	7,450	-	-
A+	986	966	-	-
A	2,946	2,853	-	-
A-	8,194	9,973	-	-
BBB+	7,812	9,824	-	-
BBB	3,495	5,438	-	-
Not rated	2,353	9,804	-	-
Total corporate bonds	55,512	68,052	-	-
	Consolidated		University	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
COUNTERPARTIES WITHOUT CREDIT RATINGS				
Receivables and loans				
Debtors and other receivables	50,984	50,820	51,044	54,019
Existing counterparty with no defaults in the past	4,379	4,638	6,489	8,106
Total receivables and loans	55,363	55,458	57,533	62,125

(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 manage 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
CONSOLIDATED 2023						
Financial assets						
Cash and cash equivalents	33,510	-	-	-	33,510	33,510
Term deposits	10,608	-	-	-	10,608	10,608
Trade receivables	50,984	-	-	-	50,984	50,984
Corporate bonds	17,901	8,154	10,236	19,221	55,512	55,512
Interest rate swaps	-	85	-	80	165	165
Loans	446	430	1,199	2,304	4,379	4,379
Total financial assets	113,449	8,669	11,435	21,605	155,158	155,158
Financial liabilities						
Trade payables and accruals	50,919	-	-	-	50,919	50,919
Loans	105,000	-	-	952	105,952	105,952
Interest rate swaps	-	-	-	345	345	345
Total financial liabilities	155,919	-	-	1,297	157,216	157,216
CONSOLIDATED 2022						
Financial assets						
Cash and cash equivalents	20,505	-	-	-	20,505	20,505
Term deposits	8,151	7,057	-	-	15,208	15,208
Trade receivables	50,820	-	-	-	50,820	50,820
Corporate bonds	7,843	17,442	17,536	25,232	68,052	68,052
Interest rate swaps	-	-	-	-	-	-
Loans	480	446	1,158	2,555	4,638	4,638
Total financial assets	87,799	24,945	18,694	27,787	159,223	159,223
Financial liabilities						
Trade payables and accruals	43,715	-	-	-	43,715	43,715
Loans	30,000	-	-	890	30,890	30,890
Interest rate swaps	-	-	-	-	-	-
Total financial liabilities	73,715	-	-	890	74,605	74,605

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2023

20. FINANCIAL INSTRUMENTS CONTINUED

	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
UNIVERSITY 2023						
Financial assets						
Cash and cash equivalents	14,893	-	-	-	14,893	14,893
Trade receivables	51,044	-	-	-	51,044	51,044
Interest rate swaps	-	85	-	80	165	165
Loans and Finance leases	446	430	1,199	2,304	4,379	4,379
Total financial assets	66,383	515	1,199	2,384	72,591	72,591
Financial liabilities						
Trade payables and accruals	53,234	-	-	-	53,234	53,234
Loans and Finance leases	106,112	1,068	2,954	22,676	132,811	132,811
Interest rate swaps	-	-	-	345	345	345
Total financial liabilities	159,346	1,068	2,954	23,021	186,390	186,390
UNIVERSITY 2022						
Financial assets						
Cash and cash equivalents	10,274	-	-	-	10,274	10,274
Trade receivables	54,019	-	-	-	54,019	54,019
Loans and Finance leases	480	446	1,158	2,555	4,639	4,639
Total financial assets	64,773	446	1,158	2,555	68,932	68,932
Financial liabilities						
Trade payables and accruals	46,328	-	-	-	46,328	46,328
Loans and Finance leases	31,113	1,069	2,956	22,672	57,811	57,811
Total financial liabilities	77,441	1,069	2,956	22,672	104,139	104,139
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			
	2023	2022	2023	2022		
	\$'000	\$'000	\$'000	\$'000		
Forward foreign-exchange contracts						
Less than 1 month	370	448	370	448		
Between 1 and 3 months	150	223	150	223		
Between 3 and 12 months	12,844	15,033	12,844	15,033		
Between 1 and 2 years	-	-	-	-		
Total	13,364	15,704	13,364	15,704		
Carrying amount (asset)/liability	(277)	(1,097)	(277)	(1,097)		

	Contract fixed interest rate		Notional principal amount		Fair value	
	2023	2022	2023	2022	2023	2022
	%	%	\$'000	\$'000	\$'000	\$'000
INTEREST RATE SWAPS						
Outstanding floating for fixed contracts						
<1 year to maturity	4.84		40,000		85	
Between 1 to 2 years to maturity	-		-		-	
Between 2 to 5 years to maturity	3.91		60,000		(266)	
>5 year to maturity	-		-		-	
Total			100,000		(181)	

(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
	\$'000	\$'000	\$'000	\$'000
CONSOLIDATED 2023				
Financial assets				
Listed shares	165,645	165,645	-	-
Unlisted shares	3,581	-	-	3,581
Corporate bonds	55,512	55,512	-	-
Interest rate swaps	165	165	-	-
Cash and cash equivalents	33,510	33,510	-	-
Receivables	50,984	50,984	-	-
Term deposits	10,608	10,608	-	-
Loans	4,379	-	4,379	-
Total financial assets	324,384	316,424	4,379	3,581

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2023

20. FINANCIAL INSTRUMENTS CONTINUED

	Total	Quoted market price	Observable inputs	Significant non-observable inputs
	\$'000	\$'000	\$'000	\$'000
CONSOLIDATED 2022				
Financial assets				
Listed shares	138,644	138,644	-	-
Unlisted shares	6,295	-	-	6,295
Corporate bonds	68,052	68,052	-	-
Cash and cash equivalents	20,505	20,505	-	-
Receivables	50,820	50,820	-	-
Term deposits	15,208	15,208	-	-
Loans	4,638	-	4,638	-
Total financial assets	304,162	293,229	4,638	6,295
UNIVERSITY 2023				
Financial assets				
Listed shares	136	136	-	-
Interest rate swaps	165	165	-	-
Shares in subsidiaries	7,786	-	7,786	-
Investment in in-substance subsidiary	25,000	-	25,000	-
Cash and cash equivalents	14,893	14,893	-	-
Receivables	51,044	51,044	-	-
Loans	6,489	-	6,489	-
Total financial assets	105,513	66,238	39,275	-

	Total	Quoted market price	Observable inputs	Significant non-observable inputs
	\$'000	\$'000	\$'000	\$'000
UNIVERSITY 2022				
Financial assets				
Listed shares	568	568	-	-
Shares in subsidiaries	7,786	-	7,786	-
Investment in in-substance subsidiary	25,000	-	25,000	-
Cash and cash equivalents	10,274	10,274	-	-
Receivables	54,019	54,019	-	-
Loans	8,106	-	8,106	-
Total financial assets	105,753	64,861	40,892	-

21. TRUST FUNDS

	Consolidated	
	2023	2022
	\$'000	\$'000
Opening balance	254,074	273,463
Income	32,206	41,766
Expenses	(12,128)	(61,155)
Closing balance on 31 December	274,153	254,074

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 ONGOING EFFECTS OF COVID-19 ON THE UNIVERSITY OF OTAGO

Even though the COVID-19 restrictions were lifted in September 2022, the University is still impacted by the indirect financial impacts caused by COVID-19.

REVENUE

Due to the prolonged border closures from 2020 to 2022, international student numbers remain lower than pre-COVID-19 years. This was caused by the pipeline effect of fewer students commencing study in COVID-19 years and market competition for new students.

Domestic student numbers have fallen from the 2022 levels due to poor student retention. The pipeline impact of this will flow into 2024, and will to a lesser extent be felt in 2025. The University also continues to be recruiting from a significantly disrupted school cohort. In addition, the main funder of the University (Government) is fiscally constrained due to funding applied to support the country through the COVID-19 period.

IMPAIRMENT

Overall student numbers have increased from pre-COVID-19 levels, therefore, there is no requirement for impairment.

RISK ASSESSMENT

The University holds a level of short-term debt and has facilities in place to borrow to fund future cashflow gaps.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2023

23. EXPLANATION OF MAJOR VARIANCES AGAINST BUDGET

STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSES

Student-related income was lower than budget largely due to lower than budgeted enrolment of domestic students, both first-year intake and returners, and semester two enrolments generating fewer equivalent full-time students (EFTS) than expected.

Trust donations received are unfavourable to budget due to the impact of negative media on the financial situation of the University and the Tuakiritaka brand identity project.

Finance revenue was higher than budget due to an unbudgeted dividend received from University of Otago Holdings, unrealised gains on the revaluation of investments held by the Foundation Trust and higher than expected interest rates achieved in both the University Parent and the Foundation Trust.

Consulting and commercial revenue was lower than budgeted largely due to reduced student intake which resulted in college fee and property rental fee income being lower than budgeted.

Other revenue was higher than budget largely due to higher than expected donations received in University of Otago in America Incorporated.

Salaries were overall higher than budgeted due to additional redundancy costs offset in part by vacancies. Staff related costs were higher than budgeted largely due to the annual actuarial valuation assessment adjustment.

Other expenditure was lower than budget largely due to lower than budgeted scholarship expenditure and occupancy costs, offset in part by Otago Innovation Limited's higher than budgeted unrealised losses on investments.

Depreciation was lower than budgeted due to the budgeted value assuming a building revaluation exercise which was ultimately not required at the end of 2022.

STATEMENT OF FINANCIAL POSITION

Cash and cash equivalents were higher than expected mainly due to delays on the capital programme and higher than budgeted closing cash balances in the Foundation Trust and Alumni of University of Otago in America Incorporated.

Trade and other receivables and prepayments were higher than budget largely related to research funds received, trade debtors and IT related costs prepaid.

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

Trade and other payables and accruals were higher than budgeted due to an unbudgeted amount owing to the Tertiary Education Commission for Fees Free payments.

Employee entitlements were higher at year end largely related to unbudgeted voluntary redundancy related costs.

Deferred revenue consists mainly of 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 delayed borrowing arising from delays in the capital programme.

STATEMENT OF CHANGES IN EQUITY

Total equity is close to budget.

STATEMENT OF CASH FLOWS

Net cash flow from operating activities was higher than budget, largely due to increased income from services, higher than budgeted interest and dividends received and lower than budgeted finance costs, offset in part by less student-related income and higher-than-expected payments to suppliers and employees.

Net cash flow from investing activities was lower than expected due to delayed expenditure on capital projects.

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

24. EVENTS OCCURRING AFTER THE BALANCE DATE

There were no significant events occurring after balance date.

US DEPARTMENT OF EDUCATION FINANCIAL RESPONSIBILITY SUPPLEMENTAL SCHEDULE

For the year ended 31 December 2023, the US Department of Education requires that the financial information used to compute the 'composite' score be included in the higher education provider's financial statement.

		Consolidated 2023 \$'000	University 2023 \$'000
FINANCIAL RESPONSIBILITY SUPPLEMENTAL SCHEDULE			
	Notes		
Primary reserve ratio: expendable net assets			
Net assets without donor restrictions	SS 1	2,386,080	2,408,439
Net assets with donor restrictions	SS 1	274,153	-
Secured and unsecured related-party receivable	SS 2	-	250
Unsecured related-party receivable	SS 2	-	250
Property, plant and equipment, net (include construction in progress)	SS 3	2,689,192	2,685,116
Property, plant and equipment pre-implementation	SS 3	2,568,562	2,564,486
Property, plant and equipment post-implementation with outstanding debt for original purpose		-	-
Property, plant and equipment post-implementation without outstanding debt for original purpose		-	-
Construction in progress	SS 3	120,630	120,630
Lease right-of-use asset, net		-	-
Lease right-of-use asset, pre-implementation		-	-
Lease right-of-use asset, post-implementation		-	-
Intangible assets	SoFP	22,986	22,986
Post-employment and pension liabilities	SS 4	56,237	56,237
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 liability	SS 6	-	27,811
Pre-implementation of right-of-use asset liability	SS 6	-	27,811
Post-implementation of right-of-use asset liability		-	-
Annuities with donor restrictions		-	-
Term endowments with donor restrictions		-	-
Life income funds with donor restrictions		-	-
Net assets with donor restrictions: restricted in perpetuity		-	-
Primary reserve ratio: expendable net assets		4,292	(215,865)

US DEPARTMENT OF EDUCATION FINANCIAL RESPONSIBILITY
SUPPLEMENTAL SCHEDULE CONTINUED

For the year ended 31 December 2023

		Consolidated 2023 \$'000	University 2023 \$'000
FINANCIAL RESPONSIBILITY SUPPLEMENTAL SCHEDULE			
Primary reserve: expenses and losses	Notes		
Total expenses without donor restrictions	SS 5	824,031	833,497
Non-operating and net investment (loss)	SS 5	-	-
Net investment losses		-	-
Pension-related changes other than net periodic costs		-	-
Total expenses and losses without donor restrictions		824,031	833,497
Equity ratio: modified net assets			
Net assets without donor restrictions	SS 1	2,386,080	2,408,439
Net assets with donor restrictions	SS 1	274,153	-
Intangible assets	SoFP	22,986	22,986
Secured and unsecured related-party receivables	SS 2	-	250
Unsecured related-party receivables	SS 2	-	250
Modified net assets		2,637,247	2,385,203
Equity ratio: modified assets			
Total assets	SoFP	3,059,413	2,836,271
Lease right-of-use asset, pre-implementation		-	-
Pre-implementation of right-of-use asset liability	SS 6	-	27,811
Intangible assets	SoFP	22,986	22,986
Secured and unsecured related-party receivables	SS 2	-	250
Unsecured related-party receivables	SS 2	-	250
Modified assets		3,036,427	2,813,035
Net income ratio			
Change in net assets without donor restrictions		181,304	181,584
Total revenues and gains without donor restrictions	SS 5	1,005,335	1,015,081
SUMMARY OF ASSETS AND LIABILITIES			
For the year ended 31 December 2023			
	Notes	Consolidated 2023 \$'000	University 2023 \$'000
Cash and cash equivalents	SoFP	33,510	14,893
Accounts receivable, net	SS 7	50,984	50,794
Prepaid expenses	SS 7	22,574	22,378
Related-party receivable	SS 2	-	250
Contributions receivable, net		-	-
Student loans receivable, net		-	-
Investments	SS 8	240,167	39,853
Property, plant and equipment, net	SS 3	2,689,192	2,685,116
Lease right-of-use asset, net		-	-
Intangible assets	SoFP	22,986	22,986
Deposits		-	-
Total assets		3,059,413	2,836,271

SUMMARY OF ASSETS AND LIABILITIES continued

	Notes	Consolidated 2023 \$'000	University 2023 \$'000
Line of credit – short-term	SoFP	105,000	105,000
Line of credit – short-term for CIP		-	-
Accrued expenses / accounts payable	SS 9	113,543	115,781
Deferred revenue	SoFP	123,103	122,659
Post-employment and pension liability	SS 4	56,237	56,237
Line of credit - operating		-	-
Other liabilities	SoFP	1,297	345
Notes payable		-	-
Lease right-of-use liability	SS 6	-	27,811
Line of credit for long-term purposes	SoFP	-	-
Total liabilities		399,180	427,832
Net assets without donor restrictions		2,386,080	2,408,439
Net assets with donor restrictions			
Annuities		-	-
Term endowments		-	-
Life income funds		-	-
Other restricted by purpose and time	Note 21	274,153	-
Restricted in perpetuity		-	-
Total net assets with donor restrictions		274,153	-
Total net assets		2,660,233	2,408,439
Total liabilities and net assets		3,059,413	2,836,271

	Notes	Consolidated 2023 \$'000	University 2023 \$'000
STATEMENT OF ACTIVITIES			
For the year ended 31 December 2023			
Changes in net assets without donor restrictions		\$'000	\$'000
Operating revenue and other additions:			
Tuition and fees, net	SS 5	343,063	342,044
Contributions	SS 5	336,655	336,655
Investment return appropriated for spending		-	-
Auxiliary enterprises	SS 5	123,872	134,176
Net assets released from restriction		-	-
Total operating revenue and other additions		803,590	812,875
Operating expenses and other deductions			
Education and research expenses	SS 5	609,958	608,249
Depreciation and amortisation	SS 5	87,942	87,786
Interest expense	SS 5	2,258	3,286
Auxiliary enterprises	SS 5	123,872	134,176
Total operating expenses and other deductions		824,031	833,497
Change in net assets from operations		(20,441)	(20,622)

US DEPARTMENT OF EDUCATION FINANCIAL RESPONSIBILITY
SUPPLEMENTAL SCHEDULE CONTINUED

For the year ended 31 December 2023

	Notes	Consolidated 2023 \$'000	University 2023 \$'000
SUMMARY OF ASSETS AND LIABILITIES continued			
Non-operating changes			
Investments, net of annual spending, gain (loss)		-	-
Other components of net periodic pension costs		-	-
Pension-related changes other than net periodic pension costs		-	-
Change in value of split-interest agreements		-	-
Other gains (losses)	SS 5	201,745	202,206
Sales of fixed assets, gains (losses)		-	-
Total non-operating changes		201,745	202,206
Change in net assets without donor restrictions		181,304	181,584
Change in net assets with donor restrictions			
Contributions	Note 21	32,207	-
Net assets released from restrictions	Note 21	(12,128)	-
Change in net assets with donor restrictions		20,079	-
Change in net assets		201,383	181,584
Net assets, beginning of year		2,458,850	2,226,855
Net assets, end of year		2,660,233	2,408,439

Notes to Supplemental Schedule

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

	Notes	Consolidated 2023 \$'000	University 2023 \$'000
1. Reconciliation of net assets			
Net assets	SoFP	2,660,233	2,408,439
Trust funds balance as at 31 December	Note 21	274,153	-
Net assets without donor restrictions		2,386,080	2,408,439
2. Related-parties receivables			
University of Otago Holdings Limited	Note 18	-	-
Otago Innovation Limited	Note 18	-	250
University of Otago Foundation Trust	Note 18	-	-
Unsecured related-party receivables		-	250
3. Property, plant and equipment			
Property, plant and equipment	Note 10	2,689,192	2,685,116
Total property, plant and equipment, net		2,689,192	2,685,116
Work in progress – PPE – buildings	Note 10	120,097	120,097
Work in progress – PPE – equipment	Note 10	533	533
Total construction in progress		120,630	120,630
Property, plant and equipment (excl WIP)		2,568,562	2,564,486

	Notes	Consolidated 2023 \$'000	University 2023 \$'000
4. Post employment and pension liability			
Retirement gratuities – current	Note 12	18,985	18,985
Retirement gratuities – non-current	Note 12	37,252	37,252
Total post employment and pension liability		56,237	56,237
5. Revenue and expenses			
Operating revenue and other additions			
Tuition fees	SoCRE	173,743	173,743
Externally funded research	SoCRE	169,321	168,302
Tuition and fees, net		343,063	342,044
Government grants	SoCRE	272,972	272,972
Performance-Based Research Funding	SoCRE	63,683	63,683
Contributions (Government grants)		336,655	336,655
Trust donations	SoCRE	7,089	11
Finance revenue	SoCRE	26,983	5,343
Distributions from trust funds	SoCRE	-	11,051
Consulting and commercial revenue	SoCRE	88,048	88,824
Other revenue	SoCRE	33,959	28,947
Less trust funds income	Note 21	(32,207)	-
Auxiliary enterprises		123,872	134,176
Total operating revenue and other additions		803,590	812,875
Gain on revaluation of land and buildings	SoCE	273,344	273,344
Impairment of land and buildings	SoCE	(71,135)	(71,135)
Minority interest	SoCE	-	-
Equity adjustments	SoCE	(464)	(3)
Total non-operating charges		201,745	202,206
Total revenue and gains without donor restrictions		1,005,335	1,015,081
Operating expenses and other deductions			
Salaries – academic	SoCRE	241,618	241,618
Salaries – professional	SoCRE	198,008	197,020
Staff-related costs	SoCRE	29,005	28,947
Other expenditure	SoCRE	277,327	274,840
Less cost of auxiliary enterprises	SS 5	(123,872)	(134,176)
Less trust funds expenditure	Note 21	(12,128)	-
Education and research expenses		609,958	608,249
Depreciation and amortisation	SoCRE	87,942	87,786
Interest expense (finance expenses)	SoCRE	2,258	3,286
Cost of auxiliary enterprises	SS 5	123,872	134,176
Total expenses without donor restrictions		824,031	833,497

Research charges have been included within tuition and fees, as they are an integral part of the University's core activities and are not auxiliary in nature. Expenses related 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.

US DEPARTMENT OF EDUCATION FINANCIAL RESPONSIBILITY
SUPPLEMENTAL SCHEDULE CONTINUED

For the year ended 31 December 2023

	Notes	Consolidated 2023 \$'000	University 2023 \$'000
6. Pre-implementation right-of-use asset liability			
Finance lease – current	SoFP	-	1,112
Finance lease – non-current	SoFP	-	26,698
Total pre-implementation right-of-use asset liability		-	27,811
7. Accounts receivable			
Trade receivables	Note 7	39,497	39,450
Other receivables	Note 7	13,190	13,297
		52,687	52,747
Less provision for doubtful debts	Note 7	(1,703)	(1,703)
Less related-party receivables	SS 2	-	(250)
Accounts receivable, net		50,984	50,794
Prepayments	Note 7	21,146	20,950
Inventories	SoFP	1,428	1,428
Total prepaid expenses		22,574	22,378
8. Investments			
Other financial assets – current	SoFP	29,232	723
Other financial assets – non-current	SoFP	210,935	31,344
Investments in subsidiaries	SoFP	-	7,786
Other current assets	SoFP	-	-
Total investments		240,167	39,853
9. Accrued expenses / accounts payable			
Trade and other payables	SoFP	50,919	53,234
Employee entitlements – current	SoFP	77,110	77,034
Employee entitlements – non-current	SoFP	41,750	41,750
		169,780	172,018
Less post-employment and pension liability	SS 4	(56,237)	(56,237)
Total accrued expense / accounts payable		113,543	115,781

Consolidated
2023
\$'000

University
2023
\$'000

Notes

CALCULATING THE COMPOSITE SCORE

Primary reserve ratio:

Expendable net assets	4,293	(215,865)
Total expenses and losses without donor restrictions	824,031	833,497

Ratios	0.0052	(0.2590)
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Equity ratio

Modified net assets	2,637,247	2,385,203
Modified assets	3,036,427	2,813,035

Ratios	0.8685	0.8479
---------------	---------------	---------------

Net income ratio

Change in net assets without donor restrictions	181,304	181,584
Total revenues and gains without donor restrictions	1,005,335	1,015,081

Ratios	0.1803	0.1789
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	Ratio	Strength factor	Weight	Composite score
Ratio (Consolidated)				
Primary reserve ratio	0.0052	0.0521	40%	0.0208
Equity ratio	0.8685	3.0000	40%	1.2000
Net income ratio	0.1803	3.0000	20%	0.6000
				1.8208
Total composite score – rounded (Consolidated)				1.8
Ratio (University)				
Primary reserve ratio	(0.2590)	(1.0000)	40%	(0.4000)
Equity ratio	0.8479	3.0000	40%	1.2000
Net income ratio	0.1789	3.0000	20%	0.6000
				1.4000
Total composite score – rounded (University)				1.4

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 2023.



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 United States Government.

OPINION

We have audited:

- the financial statements of the University and Group on pages 86 to 128, that comprise the statement of financial position as at 31 December 2023, the statement of comprehensive revenue and expense, statement of changes in equity, and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies, and other explanatory information;
- the service performance report of the University and Group on pages 59 to 83; and
- the financial responsibility supplemental schedule on pages 129 to 135.

In our opinion:

- the financial statements of the University and Group on pages 86 to 128:
 - present fairly, in all material respects:
 - the financial position as at 31 December 2023; and
 - the financial performance and cash flows for the year then ended; and
 - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards; and
- the service performance report of the University and Group on pages 59 to 83:
 - presents fairly, in all material respects, the University and Group's service performance achievements as compared with the forecast outcomes included in the investment plan for the year ended 31 December 2023; and
 - complies with generally accepted accounting practice in New Zealand; and
- the financial responsibility supplemental schedule on pages 129 to 135 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 Chapter VI of Subtitle B of Title 34 of the Code of Federal Regulations of the United States Government.

Our audit was completed on 29 April 2024. 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 Council has chosen to include a measure of the University's greenhouse gas (GHG) emissions in the performance information. Without modifying our opinion and considering the public interest in climate change-related information, we draw attention to page 82 of the annual report, which outlines the uncertainty in the reported GHG emissions. Quantifying GHG emissions is subject to inherent uncertainty because the scientific knowledge and methodologies to determine the emissions factors and processes to calculate or estimate quantities of GHG sources are still evolving, as are GHG reporting and assurance standards.

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 a service performance report that are free from material misstatement, whether due to fraud or error.

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

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

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

- that 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;
- that 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; and
- the calculation of specified ratios and composite scores.

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

Our objectives are to obtain reasonable assurance about whether the financial statements and the 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 United States 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; and
- 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 the 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 the 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 the 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 the 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 the service performance report, including the disclosures, and whether the financial statements and the service performance report represent the underlying transactions and events in a manner that achieves fair presentation; and
- we obtain sufficient appropriate audit evidence regarding the financial statements and the 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 58, 84 to 85, and 140 to 147, but does not include the financial statements, the service performance report, the financial responsibility supplemental schedule, and our auditor's report thereon.

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

INDEPENDENCE

We are independent of the University and Group in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1 International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand) (PES 1) 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

	2023	2022	2021	2020	2019
STUDENT ENROLMENTS					
EQUIVALENT FULL-TIME STUDENTS (EFTS)					
Commerce	2,933	2,853	2,910	2,768	2,811
Health Sciences	6,180	6,350	6,554	6,409	6,435
Humanities	4,986	5,035	5,167	4,799	4,901
Sciences	4,602	4,688	4,720	4,532	4,543
Subtotal	18,701	18,926	19,351	18,508	18,689
Other	259	249	252	215	226
Total EFTS	18,960	19,174	19,603	18,722	18,915

Note: Other includes EFTS enrolled in the Foundation and Diploma Pathway programmes.

ENROLMENT BY QUALIFICATION TYPE					
PhD	1,340	1,352	1,397	1,368	1,402
Professional Doctorates	202	201	196	180	177
Masters	1,490	1,538	1,664	1,549	1,469
Postgraduate Diplomas	818	880	985	832	942
Postgraduate Certificates	510	607	687	595	649
Graduate Diplomas	131	164	192	185	192
Bachelor Honours	372	471	478	400	396
Bachelors	15,239	15,493	15,429	14,782	14,728
Undergraduate Diplomas	37	32	21	22	14
Certificate of Proficiency	1,277	641	730	1,151	1,576
Interest Only	5	4	12	5	13
Foundation Studies	262	268	299	236	263
Other	-	-	-	-	-
Total Students	21,202	21,159	21,549	20,721	21,240

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

SUMMARY FACTS AND FIGURES CONTINUED

	2023	2022	2021	2020	2019
GENDER OF STUDENTS					
Female	12,890	12,893	13,094	12,501	12,711
Male	8,188	8,175	8,398	8,187	8,510
Gender Diverse	124	91	57	33	19
Total Students	21,202	21,159	21,549	20,721	21,240

	2023	2022	2021	2020	2019
FIRST-YEAR AND RETURNING STUDENTS					
First Year	3,982	4,244	4,459	4,018	4,025
Returning	17,220	16,915	17,090	16,703	17,215
Total students	21,202	21,159	21,549	20,721	21,240

	2023	2022	2021	2020	2019
ETHNICITY OF STUDENTS					
European/Pākeha	72.8%	74.7%	74.7%	72.9%	71.5%
Māori	12.0%	12.4%	11.7%	11.0%	10.3%
Asian	20.0%	19.1%	19.3%	20.0%	20.3%
Pacific	6.6%	6.5%	6.0%	5.5%	5.0%
Middle Eastern/Latin American/African	4.2%	3.9%	3.6%	3.6%	3.7%
Other/Unknown	3.0%	2.0%	1.8%	2.8%	3.8%

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%.

	2023	2022	2021	2020	2019
HOME AREA OF STUDENTS					
Dunedin	2,792	2,924	3,116	2,968	3,078
Otago/Southland	1,837	1,939	2,018	1,869	1,853
Remainder of South Island	3,683	3,854	3,901	3,651	3,662
North Island	10,180	10,486	10,300	9,368	9,180
Overseas (including NZ citizens overseas)	2,692	1,948	2,200	2,852	3,448
Unknown	18	8	14	13	19
Total	21,202	21,159	21,549	20,721	21,240

	2023	2022	2021	2020	2019
INTERNATIONAL STUDENTS					
Undergraduate	1,429	733	790	1,256	1,833
Postgraduate	818	747	900	1,099	1,139
Total	2,247	1,480	1,690	2,355	2,972

	2023	2022	2021	2020	2019
INTERNATIONAL STUDENTS BY HOME COUNTRY					
United States of America	492	96	136	198	263
China	457	434	464	445	525
Malaysia	135	104	114	440	804
India	99	68	87	150	149
Canada	88	27	45	50	48
Kuwait	75	34	38	40	37
Singapore	62	37	55	57	52
Korea, Republic of	59	37	36	64	69
Indonesia	58	53	42	42	36
United Kingdom	50	43	40	43	50
Thailand	49	19	30	30	27
Japan	48	24	28	29	29
Viet Nam	43	24	44	68	67
Germany	43	27	26	36	31
Iran, Islamic Republic of	36	40	35	68	59
Oman	35	37	38	33	37
Sri Lanka	33	33	30	31	36
Fiji	26	16	23	20	12
France	25	22	22	24	27
Samoa	24	14	22	26	27
Pakistan	22	24	25	25	27
Other	388	267	310	436	560
Total	2,247	1,480	1,690	2,355	2,972

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.

SUMMARY FACTS AND FIGURES CONTINUED

	2023	2022	2021	2020	2019
HOME AREA OF FIRST-YEAR STUDENTS					
Dunedin	548	541	654	575	577
Otago/Southland	410	444	479	435	414
Remainder of South Island	736	755	842	769	717
North Island	2,029	2,341	2,329	2,023	2,015
Overseas (including NZ citizens overseas)	255	163	154	216	302
Unknown	4	-	1	-	-
Total	3,982	4,244	4,459	4,018	4,025
ACADEMIC ATTAINMENT					
NUMBER OF PROGRAMME COMPLETIONS					
Undergraduate diplomas and certificates	80	93	92	104	97
Undergraduate degrees	3,707	3,381	3,596	3,693	3,517
Postgraduate diplomas and certificates	875	948	947	903	912
Postgraduate degrees	1,122	1,243	1,312	1,183	1,044
Total University	5,784	5,665	5,947	5,883	5,570
Commerce graduates	764	651	764	775	709
Health Sciences graduates	1,757	1,889	1,831	1,835	1,691
Humanities graduates	1,260	1,229	1,279	1,289	1,237
Sciences graduates	1,542	1,507	1,639	1,579	1,566
Interdivisional graduates	461	389	434	405	367
Total University	5,784	5,665	5,947	5,883	5,570
EXAMINATION PASS RATES					
Commerce	89.6%	88.3%	90.9%	92.3%	89.1%
Health Sciences	95.0%	94.9%	94.9%	96.0%	94.8%
Humanities	92.4%	90.2%	91.3%	92.7%	92.5%
Sciences	88.5%	86.9%	89.0%	90.5%	88.0%
Total pass rate	91.4%	90.3%	91.6%	93.0%	91.5%

	2023	2022	2021	2020	2019
STAFF PROFILE					
FULL-TIME EQUIVALENT (FTE) TEACHING AND RESEARCH STAFF					
Female					
Vice-Chancellor/Senior Academic Managers	4	3	3	3	3
Professors	92	81	72	64	67
Associate Professors	90	89	85	89	80
Senior Lecturers	140	151	159	155	154
Lecturers	99	95	94	99	94
Other Teaching and Teaching/Research staff	226	226	191	187	186
Research-only staff	213	211	176	218	209
Total Females	852	856	778	814	793
Male					
Vice-Chancellor/Senior Academic Managers	4	6	5	5	5
Professors	176	168	169	170	175
Associate Professors	120	134	127	123	115
Senior Lecturers	134	145	170	164	175
Lecturers	46	51	58	57	55
Other Teaching and Teaching/Research staff	127	128	117	111	122
Research-only staff	147	139	126	185	171
Total Males	754	771	772	817	818
Total Academic and Research-Only Staff	1,610	1,631	1,552	1,631	1,612

SUMMARY FACTS AND FIGURES CONTINUED

	2023	2022	2021	2020	2019
FULL-TIME EQUIVALENT (FTE) PROFESSIONAL STAFF					
Female					
Senior Managers	12	10	11	9	9
Professional Services, Student and Community staff	1,213	1,202	1,220	1,238	1,187
Librarians and Library Assistants	83	83	85	83	86
Research Support staff and Technicians	268	289	302	305	249
Total females	1,576	1,584	1,618	1,635	1,531
Male					
Senior Managers	18	18	17	17	18
Professional Services, Student and Community staff	688	675	669	676	647
Librarians and Library Assistants	21	23	22	22	23
Research Support staff and Technicians	145	150	159	166	163
Total males	872	867	867	881	851
Total professional staff	2,467	2,466	2,493	2,523	2,384
Total staff	4,077	4,097	4,044	4,154	3,996

Note: Figures shown are annualised FTE, not results as at the end of the year. e.g. one person working full time for nine months is 0.75 FTE. Total Academic, Total Professional, and Total Staff figures include staff that identify as neither female nor male. Total reflects non-rounded FTE data.

STAFF SALARIES

Number of employees in the University Group (headcount) receiving total annual remuneration of \$100,000 or more, as required by the Education and Training Act s306(4)(g) from 2023.

Bracket	2023	2022	Bracket	2023	2022	Bracket	2023	2022
\$100k-\$109k	299	296	\$220k-\$229k	19	19	\$340k-\$349k	4	5
\$110k-\$119k	263	201	\$230k-\$239k	19	12	\$350k-\$359k	2	4
\$120k-\$129k	127	123	\$240k-\$249k	9	14	\$360k-\$369k	5	3
\$130k-\$139k	108	128	\$250k-\$259k	7	9	\$370k-\$379k	1	2
\$140k-\$149k	107	108	\$260k-\$269k	13	5	\$380k-\$389k	3	2
\$150k-\$159k	142	115	\$270k-\$279k	4	9	\$390k-\$399k	1	2
\$160k-\$169k	61	63	\$280k-\$289k	7	6	\$400k-\$409k	1	2
\$170k-\$179k	86	75	\$290k-\$299k	2	4	\$410k-\$419k	2	1
\$180k-\$189k	49	44	\$300k-\$309k	7	9	\$530k-\$539k	1	0
\$190k-\$199k	60	54	\$310k-\$319k	2	4	\$550k-\$559k	1	0
\$200k-\$209k	57	49	\$320k-\$329k	7	7	\$660k-\$669k	0	1
\$210k-\$219k	21	23	\$330k-\$339k	6	4	Total	1,503	1,403

Consolidated
2023
\$'000

Directors'/Councillors'/Trustees' fees

No council members received compensation or benefits in relation to cessation (2022: nil)

334 327

	2023	2022	2021	2020	2019
RESEARCH ACTIVITIES (revised for previous years)					
Research outputs produced					
Total publications	5,817	5,898	5,288	6,100	5,969

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

	2023	2022	2021	2020	2019
Land (hectares)					
Land owned by the University (other than Endowment land)	38.5	38.5	38.5	33.4	33.7
Land in Crown title for the University	10.8	10.8	10.8	10.7	10.7
Endowment land	22,243	22,243	22,243	22,243	22,243
Total freehold land	22,292	22,292	22,292	22,288	22,288

Note: During preparation of the 2023 Annual Report, it was identified that the land owned by the University was incorrectly stated in previous Annual Reports. The table above includes the corrected figures (38.5 hectares in 2021-2023).

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

	2023	2022	2021	2020	2019
Total	223,780	220,801	221,350	221,750	223,565

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. Increase of +3,000m² due to leases taken on at the Wellington campus. 2. Assignable space at University-owned flats and residential colleges totals a further 66,900m.

	2023	2022	2021	2020	2019
LIBRARY					
Library collection					
Books (volumes)	1,256,028	1,236,618	1,232,823	1,237,274	1,235,974
Print serials subscriptions	768	784	867	944	1,093
Hocken pictures and photographs	1,145,114	1,144,334	1,143,779	1,142,817	1,141,358
Hocken linear metres of archives	10,604	10,586	10,551	10,538	10,518
Electronic serials available	342,297	257,325	254,918	233,395	199,772
Electronic books and streaming media available	2,155,752	1,796,559	1,607,631	1,118,416	1,037,433
Space					
Seating places available (from 2022 includes Christchurch Medical Library)	4,801	4,883	4,629	4,681	4,419

Note: Data from 2023 includes both Christchurch and Wellington Medical Libraries.

KEY FINANCIAL INDICATORS

University of Otago-Consolidated Group Financial indicators	2023	2022	2021	2020	2019
Current Ratio	0.4	0.4	0.6	0.6	0.7
Liquid Ratio	0.6	0.9	1.3	1.3	1.6
Level of Debt (Debt to Equity)	5.6%	2.9%	1.9%	2.5%	2.5%
Increase in Net Assets	8.2%	-0.6%	13.8%	0.9%	5.6%
Return on Total Assets	0.0%	-0.5%	0.6%	1.1%	2.0%
Return on Revenue	0.0%	-1.8%	2.1%	3.4%	6.1%

Note: 2022 ratios have been re-stated to reflect latest 2023 calculation methods.





University
of Otago

ŌTĀKOU WHAKAIHU WAKA