

U N I V E R
S I T Y O F
O T A G O -
T W E N T Y
T W E N T Y
A N N U A L
R E P O R T

T W E N T Y
T W E N T Y

UNIVERSITY OF OTAGO

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VISION

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

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

MISSION

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

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

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UNIVERSITY GOVERNANCE

LEGAL STATUS

The University was established by the University of Otago Ordinance of the Provincial Council in 1869, the University of Otago Amendment Act 1961 and the Education Act 1989. 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 Act 1989, include that their teaching is primarily informed by research, they are repositories of knowledge and expertise, and they accept a role as critic and conscience of society.

THE UNIVERSITY COUNCIL

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

COMMITTEES OF COUNCIL

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

THE SENATE

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

UNIVERSITY AUTONOMY AND ACADEMIC FREEDOM

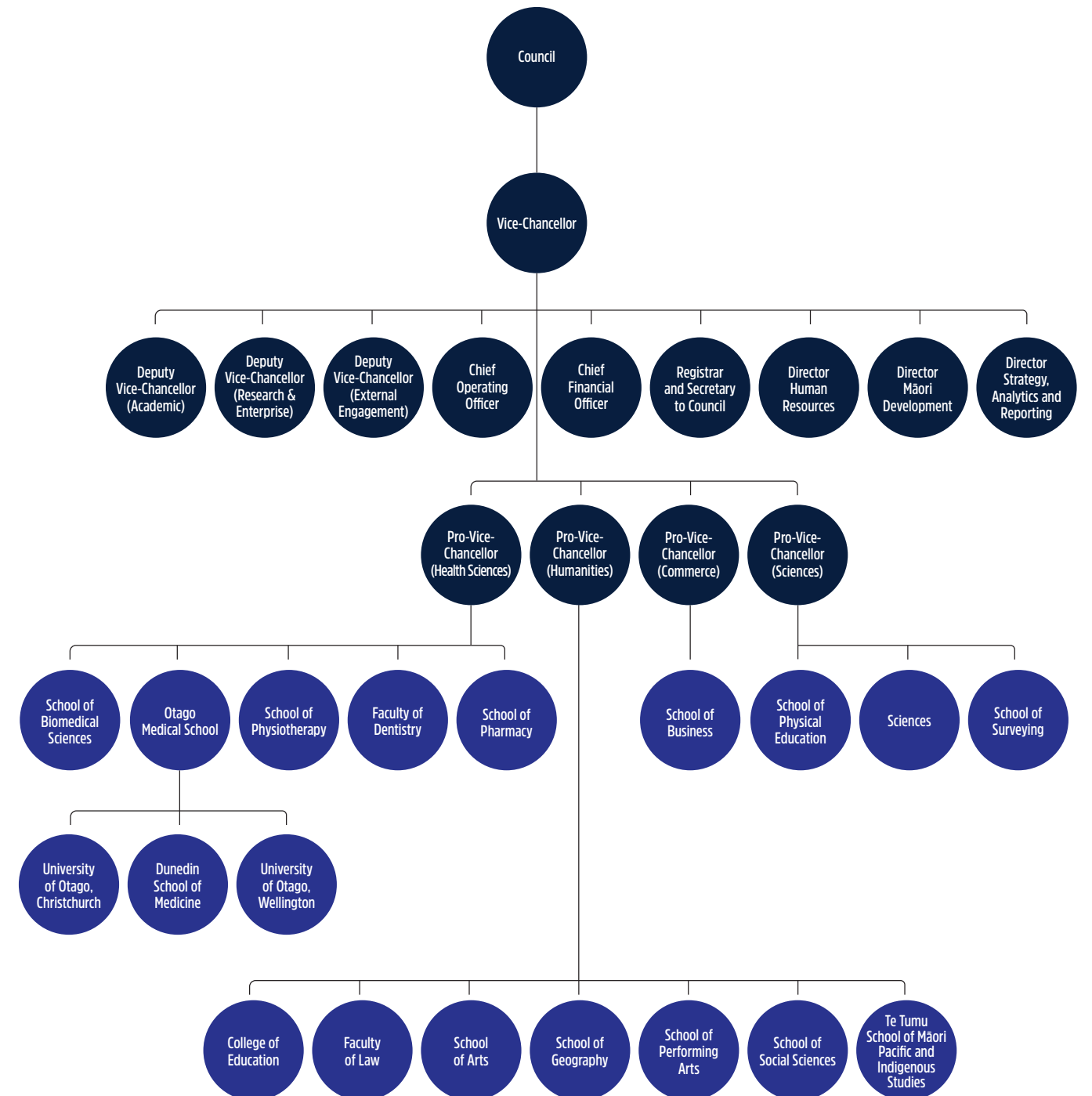
The Education Act 1989 provides statutory recognition of, and protection for, the institutional autonomy of the University and the academic freedom of its staff and students. In accordance with the Act, the Council and the Vice-Chancellor have a duty to act to preserve and enhance university autonomy and academic freedom.

GOVERNANCE DOCUMENTS

The University strategic plan, Strategic Direction to 2020, provides a framework for the development of the University.

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 2020

APPOINTED BY THE MINISTER OF EDUCATION



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



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

EX OFFICIO



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

APPOINTED BY THE UNIVERSITY COUNCIL



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



Mr Martin R. Dippie
CMinstD



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



Mr Malcolm A. Wong
BCom(Otago) FCA



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



Ms P. (Trish) Oakley
BCom(Otago)

ELECTED BY THE ACADEMIC STAFF



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

ELECTED BY THE PROFESSIONAL STAFF



Ms Melissa L. Lethaby
BA (Otago)

THE PRESIDENT, OTAGO UNIVERSITY STUDENTS' ASSOCIATION



Mr Jack P. Manning
BSc DipGrad (Otago)

SECRETARY TO THE COUNCIL



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



EXECUTIVE GROUP UNIVERSITY OF OTAGO 2020

Vice-Chancellor

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

Acting Deputy Vice-Chancellor (Academic)

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

Deputy Vice-Chancellor (Research and Enterprise)

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

Deputy Vice-Chancellor (External Engagement)

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

Chief Operating Officer

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

Pro-Vice-Chancellor (Commerce)

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

Pro-Vice-Chancellor (Health Sciences)

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

Pro-Vice-Chancellor (Humanities)

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

Pro-Vice-Chancellor (Sciences)

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

Director of Human Resources

Mr Kevin J. Seales
BCom(Cant) MHRINZ

Chief Financial Officer

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

Director of Māori Development

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

Director of Strategy, Analytics and Reporting

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

Registrar and Secretary to the Council

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





“Staff members with a wide range and depth of expertise, across the divisions of humanities, sciences, health sciences and commerce, have contributed significantly to the development, implementation and communication of the New Zealand government’s pandemic response strategy... It is clear that the best traditions and values of the University, informed by the imperative of its motto Sapere aude – ‘dare to be wise’ – are being honoured.”

CHANCELLOR’S INTRODUCTION

KEI AKU NUI, KEI AKU RAHI, TĒNĀ KOUTOU KATOĀ

It is my privilege to introduce the University of Otago’s 2020 Annual Report. 2020 was an unprecedented year for the University, as it was for our country and the entire world.

The COVID-19 pandemic has been one of the greatest crises the University of Otago has had to navigate, presenting many challenges. However, I am very proud to reflect on how well we coped in such extraordinary times. The University’s senior leadership, academic and professional staff, and students showed great determination, pulling together to ensure that the core work of this institution could continue. All papers were taught, all examinations and assessments were completed and academic results were excellent. The Council is very conscious of the empathetic and collegial way that all staff on our campuses throughout the country have supported our students and their colleagues during the alert levels.

Staff members with a wide range and depth of expertise, across the divisions of humanities, sciences, health sciences and commerce, have contributed significantly to the development, implementation and communication of the New Zealand government’s pandemic response strategy. They have continued to engage actively in the public space, proffering informed critical and respectful evaluations of the options available to address the challenges for our health and livelihoods. It is clear that the best traditions and values of the University, informed by the imperative of its motto Sapere aude – “dare to be wise” – are being honoured.

Inevitably there have been significant impacts on wider University activities. Each year I look forward to

congratulating our new graduates in person on the completion of their studies. However, our graduation ceremonies were significantly disrupted in 2020. Those planned for May and August were cancelled due to COVID-19 alert level requirements, and a security threat prompted the last-minute cancellation of all formal graduation ceremonies in December. At the end of what had already been a challenging year, the December cancellations were very disappointing, but there was a silver lining. While the Town Hall ceremonies and George Street parades could not proceed, a number of celebrations were held on campus. These became very happy occasions which our indomitable graduands shared with whānau, friends and the University community. Graduation certificates were presented and photographs were taken, and an informal parade around campus will surely be a lasting memory for all who took part.

Similarly, each year I look forward to meeting Otago alumni at events held in New Zealand and in locations around the world. Again, many of the events planned for 2020 had to be cancelled. I was, however, delighted to host the annual Court of Benefactors dinner at which several new members were admitted – Dr John and Mrs Sue Ward, the estate of J. A. Bell, and Port Otago. It was a great pleasure to acknowledge their substantial generosity to the University of Otago.

The COVID-19 pandemic and its impacts – many of which are canvassed in this Annual Report – have served to highlight the importance of long-term planning, so that the University is best able to take advantage of opportunities and meet significant challenges without short-term limitations. Indeed,

the foresight of Council in 2003 to cap international student numbers at Otago has afforded the University some protection against the worst financial implications of overseas students being unable to travel to New Zealand during the pandemic. The University’s income in 2020 was still reduced, but the collective effort of staff across the University to make savings has enabled us to off-set this and end the year in a relatively healthy position.

The University has an ambitious \$1 billion capital development programme. The pandemic has meant that there has been a need to keep reviewing and, if necessary, adapting the programme. It is of significant strategic importance that the University maintains and assiduously continues to develop infrastructure at all its campuses throughout Aotearoa New Zealand. During 2020 the new music, theatre and performing arts building Te Korokoro o te Tūi, the refurbished Walsh Building, the Auckland Dental Facility, and the Eccles Research Support facility have been completed.

The University’s consultation on its Vision 2040 discussion document, which it has developed to inform its strategic planning over the next two decades, was delayed due to the pandemic. This has allowed us more time to consider thoroughly the new challenges that the University is likely to face in a post-COVID world characterised by uncertainty, complexity and constant change. Strategic planning will be a priority for the University in the year ahead.

There are many people to acknowledge for their efforts in 2020. I am very grateful for the dedication of University staff in managing the many challenges that came their way, and I

am very proud of our students who showed great resilience in adapting to the massive changes in their learning environment.

I wish to thank my fellow Council members for their collegiality, wise counsel and support throughout 2020. The term on Council of the President of the Otago University Students’ Association, Mr Jack Manning, expired at the end of 2020. I thank him for his significant contribution to the work of the Council and wish him all the best for the future.

Finally, it is with sadness and enormous gratitude that I thank Professor Harlene Hayne who, after nearly 10 years as Vice-Chancellor of the University of Otago, is leaving to take up a new position as Vice-Chancellor at Curtin University, in Perth, Western Australia. Over the last decade Professor Hayne has steered the University through several major crises – from the Christchurch earthquakes at the start of her tenure as Vice-Chancellor to the 2020 COVID-19 pandemic at the end. She has worked tirelessly for the University and its community, showing compassion in times of tragedy, and courage when hard decisions have had to be made. It has been a pleasure to work alongside her, both as a Council member and more recently as Chancellor. I wish her all the very best in her new venture.

Ngā huatau matihere,

DR ROYDEN SOMERVILLE QC
Chancellor



“Throughout this past year Otago staff and students worked as a team of 25,000 to help us all through the worst of the crisis. They have shown great courage, inventiveness and resilience: attributes which inspire optimism.”

VICE-CHANCELLOR’S REVIEW

2020 WAS AN EXTRAORDINARILY CHALLENGING YEAR FOR THE UNIVERSITY OF OTAGO but, in many respects, also one of its finest.

As the COVID-19 pandemic unfolded, the University faced its single greatest test since World War Two and I am enormously proud of how our entire community – academic and professional staff and, of course, our students – responded. Their resilience, ingenuity and role in New Zealand’s wider COVID-19 response were truly inspiring.

Leading Otago academic experts were providing government with COVID-19 advice well in advance of the pandemic physically reaching our shores, and continued to play a lead role in the national response as the situation unfolded.

As the likely impact of COVID-19 became clearer, here at Otago we acted quickly in activating our senior emergency management group, and ensured both public health experts and student leadership were part of that team.

Within one week of the rise in pandemic alert levels in late March all teaching had transitioned online. As a University that has traditionally taken pride in the quality of its face-to-face teaching, it is a testament to the efforts of a great many people that we adapted to this new way of teaching and learning so quickly. It was not always easy, but it worked. Staff responded quickly and creatively to prioritise needs, all papers were taught and all examinations were held on time. To compensate for any disadvantage that students experienced, we provided a five-mark adjustment to all Semester One paper results. However, even without this adjustment, average marks were higher than in previous years, reflecting both the hard work of our students and the dedication of our teaching staff. In fact, pass rates for the entire 2020 year, across all four academic divisions, were higher than in previous years.

I am particularly grateful for the efforts of our professional staff who, even as they worked from home, kept all essential and support services running. Among them, our

communications teams kept us all informed; IT experts ensured we remained connected; the Library maintained access to essential resources; residential college staff provided support and care to those students who stayed in Dunedin during lockdown; and more than 76,000 wellness checks were undertaken by AskOtago.

The events of 2020 have demonstrated the outstanding role Otago researchers can play in a national crisis. While the first reports of a new coronavirus emerged from Wuhan, China, our researchers got to work. As you will read elsewhere in this report, they were instrumental in providing public health advice and direction that has allowed New Zealand to be an exemplar of global best practice in its COVID-19 response, and helped build scientific capacity to test for and treat this disease. Their contributions have been extraordinary and are ongoing. They have also been shared with the world in more than 7,500 international media hits and more than 1.1 million social media interactions.

In the midst of this, our researchers excelled in major external funding rounds, receiving \$45.6 million from the Health Research Council, \$17.5 million from the Marsden Fund, and two significant grants from the Ministry of Business, Innovation and Employment’s Endeavour Fund – \$15 million for Professor Craig Rodger’s investigations into space weather prediction, and \$12 million to Distinguished Professor Philippa Howden-Chapman’s research into public housing and urban regeneration.

Centre of Research Excellence (CoRE) funding was renewed for the Dodd-Walls Centre for Photonic and Quantum Technologies and a new CoRE was established, Coastal People: Southern Skies, led by Associate Professors Anne-Marie Jackson (School of Physical Education, Sport and Exercise Sciences) and Chris Hepburn (Marine Science). This is an exciting new CoRE for Otago, led by young researchers with a very clear focus on building Māori capacity.

The events of 2020 also brought hardship to many within

our University community, particularly to students who faced additional costs, lost part-time jobs or who were no longer able to receive financial help from their families. To ensure that students facing extreme financial pressure were supported to continue their studies, the University established the Pūtea Tautoko fund (translating as financial support). Comprising a little over \$2.0 million of direct University funding, almost \$500,000 of donor funding and \$1.5 million from government for 2020, Pūtea Tautoko is the largest hardship initiative in the University’s history. By the end of the year more than 2,600 students had received support from the fund, with \$4.1 million distributed. The fund will continue, with additional investment, in 2021.

As a largely residential university, student well-being is at the heart of everything we do at Otago. Following the tragic death of Sophia Crestani at a student party in October 2019, the University worked in collaboration with the Crestani family to create a multi-agency agreement that is designed to enhance the safety and well-being of the student community in North Dunedin. The Sophia Charter unites the University, Police, Fire and Emergency New Zealand, Otago Property Investors Association, the Dunedin City Council and the Otago University Students’ Association to provide a “circle of support” for students. The goal of the Sophia Charter is to create stronger neighbourhoods where residents take responsibility for themselves, each other and the wider community. This is a goal shared by the Crestani family. It has been a great privilege to walk alongside them in the development of the charter. We share their vision of honouring Sophia through positive community action.

COVID-19 has inevitably impacted the University’s enrolments and budget. The University ended 2020 with a total of 18,722 EFTS (equivalent full-time students) comprising 17,326 domestic and 1,396 full-fee international students. While our international students numbers were down 356 EFTS on 2019, this was partly offset by an increase of 164 EFTS in domestic

enrolments, which is a solid outcome (and almost exactly what was forecast pre-COVID) in a very difficult year.

While the inability of so many international students to study at Otago has financial implications, we can be grateful to the decision-making of former University of Otago leaders who set caps on total international enrolments and the numbers of enrolments from any one country. The aim was to enhance diversity, but also to limit the University’s exposure to major international events: this has afforded us considerable protection from the financial impacts of COVID-19, leaving us in a position that is the envy of many.

While COVID-19 resulted in reduced income for 2020 – most notably from reduced international enrolments, but in other areas too – this was more than offset by savings that we were able to make during the year. As a result of what was a massive collective effort from the University community, this saw us end 2020 with a stronger financial result than we had budgeted pre-COVID.

This result, a surplus of \$26.1 million (\$10.1 million better than the budgeted surplus), sets Otago up well to navigate 2021, when the financial impact of ongoing international enrolment reductions will be far greater.

The pressures of COVID-19, and especially those forecast beyond 2020, have prompted a re-think in our capital development programme. A substantial five-year phase of construction is now almost complete, establishing a lasting legacy of outstanding facilities for generations to come. Our new Dental School facilities are among the best in the world; the new research support facility, named after Sir John Eccles, will help future-proof the University’s status as a leading scientific institution; and Te Korokoro o te Tūi, the new music, theatre and performing arts building, supports a proud tradition of arts at Otago and will provide wonderful opportunities for community collaboration as well. We have now revised the next phase of our development programme,

for the next five years focusing on essential projects, among them the replacement of Te Rangihiroa College.

In 2019, as we celebrated the University's 150th anniversary, we began the Vision 2040 project which aims to establish our priorities for the next 20 years. We are seeking a longer-term approach to our strategic direction so we are better able to respond to significant national and global events without short-term constraints. The pandemic has interrupted this process, causing us to reflect on how the University of Otago, as part of a global sector significantly affected by COVID-19, will adapt to the challenges of a post-pandemic world. Some of these challenges are directly related to COVID-19, others are problems that the pandemic has exacerbated; some will be short-term, others will be enduring.

Throughout this past year Otago staff and students worked as a team of 25,000 to help us all through the worst of the crisis. They have shown great courage, inventiveness and resilience: attributes which inspire optimism. They truly reflected the values of the University of Otago – respect, integrity, curiosity and community – recently articulated by our “Shaping our Culture, Together – He Waka Kotuia” project and now being embedded across every facet of the University environment. These values were also on show in December, when our graduation ceremonies were cancelled following a security threat. While our graduands were unable to cross the Town Hall stage, staff made huge efforts to provide alternative celebrations, which I know were very much appreciated by our new graduates and their families.

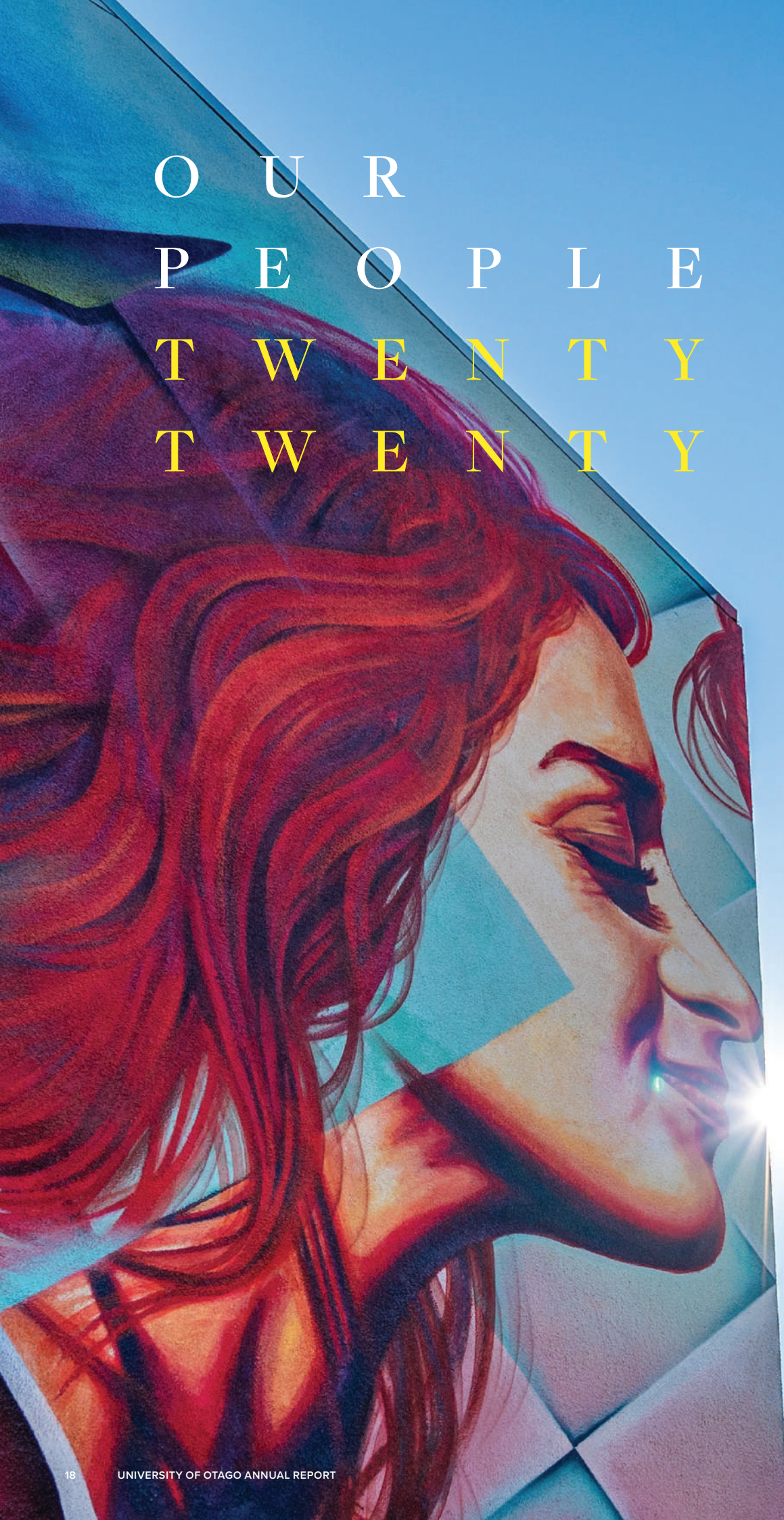
The University of Otago has fared better than many other institutions during the COVID-19 pandemic. The events of 2020 have served to highlight the breadth and depth of the University's research and teaching excellence, and the resilience of our staff and students. In planning for the future, Otago must play to its strengths, capitalise on its uniqueness and celebrate its status as Aotearoa's oldest and finest University. As we finalise our future plans through Vision 2040, I am also confident that Otago will continue to strengthen its commitment to Te Tiriti o Waitangi and to better meet the needs of our Pacific communities, both within this country and across the Pacific region.

It has been a great privilege to be Vice-Chancellor of the University of Otago. In April of this year [2021], I leave Otago to take up the position of Vice-Chancellor at Curtin University in Perth, Australia. As you can imagine, I will be leaving Otago with very mixed emotions. Over the past 29 years, this University has given me a career that has been second to none. Along the way, I have met so many smart, kind and wonderful people. I would like to express my sincere appreciation to the academic and professional staff, including my dream team of senior leaders – people who stood shoulder-to-shoulder with me as we faced the pandemic. I would also like to thank the members of the University Council and alumni from around the world who have supported me and this University over the years. Most importantly, however, I would like to thank the students at the University of Otago. My life has been made so much richer by knowing you. The future of New Zealand is in very good hands.

PROFESSOR HARLENE HAYNE
Vice-Chancellor



O U R
P E O P L E
T W E N T Y
T W E N T Y





OUR PEOPLE 2020

SENIOR APPOINTMENTS

Professor Helen Nicholson as Deputy Vice-Chancellor, (Academic). (Professor Nicholson will assume the role of Acting Vice-Chancellor from 20 March 2021).

Professor Tony Ballantyne as Deputy Vice-Chancellor (External Engagement).

Professor Jessica Palmer as Pro-Vice-Chancellor (Humanities).

Professor Brian Hyland as Dean, School of Biomedical Sciences.

Professor Michael Reilly as Acting Dean, Te Tumu, School of Māori and Indigenous Studies.

Professor Shelley Griffiths as Acting Dean, Faculty of Law.

Professor Nicole Roy as Research Professor, Human Nutrition.

PROFESSORIAL PROMOTIONS

The following University of Otago academics were promoted to the position of professor (effective 1 February 2021):

Robert Aitken (Marketing); Boris Baeumer (Mathematics and Statistics); Tim Cooper (Theology); Sue Crengle (Preventive and Social Medicine); Barbara Galland (Women's and Children's Health); David Gwynne Jones (Surgical Sciences); Simon Hales (Public Health); Marilyn Hibma (Pathology); David Jardine (General Medicine, Christchurch); Roslyn Kemp (Microbiology and Immunology); Ping Liu (Anatomy); Christoph Matthaei (Zoology); Janice Murray (Psychology); Dorothy Oorschot (Anatomy); Chris Pemberton (Medicine, Christchurch); Patricia Priest (Preventive and Social Medicine); Anna Ranta (Medicine, Wellington); Bruce Russell (Microbiology and Immunology); Ben Schonthal (Religion);

Mark Seymour (History); Faumuina Fa'afetai Sopoaga (Health Sciences); Janet Stephenson (Centre for Sustainability); Nicola Taylor (Law); Maree Thyne (Marketing); Paola Voci (Languages and Culture); Nicola Wheen (Law).

The following academic staff were promoted to the position of associate professor (effective 1 February 2021):

Hesham Al-Sallami (Pharmacy); Vivienne Anderson (Education); Katherine Black (Human Nutrition); Sophie Bond (Geography); Ashton Bradley (Physics); Christopher Brown (Biochemistry); Yusuf Ozcakmak (Anatomy); Angela Campbell (Medicine, Wellington); Ben Darlow (Primary Healthcare and General Practice, Wellington); Shyamal Das (Pharmacy); Grant Dick (Information Science); Manikandan Ekambaram (Oral Sciences); Anaru Eketone (Social and Community Work); Susanna Every-Palmer (Psychological Medicine, Wellington); Mark Falcous (Physical Education, Sport and Exercise Sciences); Gina Forster (Anatomy); Benjamin Gray (Primary Healthcare and General Practice, Wellington); Phillip Hider (Population Health, Christchurch); Matloob Husain (Microbiology and Immunology); Jennifer Jordan (Psychological Medicine, Christchurch); Maria Kleinstaeuber (Psychological Medicine); Michael Knapp (Anatomy); SungYong Lee (National Centre for Peace and Conflict Studies); Li Mei (Oral Sciences); Haizal Mohd Hussaini (Oral Diagnostic and Surgical Sciences); Christopher Moy (Geology); Karyn Paringatai (Te Tumu/School of Māori, Pacific and Indigenous Studies); Helen Roberts (Accountancy and Finance); Diane Ruwhiu (Management); Candida Savage (Marine Science); Harald Schwefel (Physics); John Shaver (Religion); Caroline

Shaw (Public Health, Wellington); Alesha Smith (Pharmacy); Tina Summerfield (Botany); Patrick Vakaoti (Sociology, Gender Studies and Criminology); Greg Walker (Pharmacy); Ting Wang (Mathematics and Statistics).

Research Associate Professors: Louise Bicknell (Pathology); Aniruddha Chatterjee (Pathology); Gabrielle Davie (Preventive and Social Medicine); Brigit Mirfin-Veitch (Centre for Postgraduate Nursing, Christchurch); Caroline Orchiston (Geography); Mei Zhang (Medicine, Christchurch).

EMERITUS PROFESSORS

The University Council awarded the status of Emeritus Professor to: Professor David Bell (College of Education); Professor Barbara Brookes (History); Professor John Broughton (Oral Diagnostic and Surgical Sciences, Preventive and Social Medicine); Professor Jennie Connor (Preventive and Social Medicine); Professor Grant Gillett (Bioethics Centre); Professor Pat Langhorne (Physics); Professor David O'Hare (Psychology); Professor Nicola Peart (Law); Professor Paul Roth (Law); Professor Warren Tate (Biochemistry); Professor Andre van Rij (Surgical Sciences).

HONOURS

Honours were awarded to the following staff:

CNZM: Professor John Norman Nacey, for services to health and education.

ONZM: Dr John Wayne Delahunt, for services endocrinology and the transgender community; Professor Alec Joseph Ekeroma, for services to health and the Pacific community; Mr Shayne William Walker, for services to fostering children and social work.

MNZM (Honorary Member): Dr Johan Hellemans, for services to triathlon.

Professor Peter McIntyre (Women's and Children's Health) was made an Officer of the Order of Australia, for his service to medicine, medical education, child and adolescent health, and professional bodies.

OBITUARIES

Dr Lindsay Brown (Chancellor 2004–2008).

Emeritus Professor James Flynn (Politics, Psychology).
Emeritus Professor Margaret Loutit (Microbiology and Immunology).
Emeritus Professor Patrick Molloy (Cardiothoracic Surgery).
Emeritus Professor Daniel McKerracher (Education).
Emeritus Professor Weston (Wes) Sandle (Physics).
Christine Bradshaw (Geography).
Gina Forster (Anatomy).
Teresa Smith (University Library).



Excellence in Research

The University of Otago has strategic commitments to advancing research “to address questions of national and international importance” and applying research to enhance health and well-being. In 2020 this was put to the test.

\$17.5m

from the Marsden Fund

\$27.4m

MBIE Endeavour Fund grants

2

Centres of Research Excellence



leading COVID-19 research response

EXCELLENCE IN RESEARCH

AS REPORTS OF A NEW CORONAVIRUS EMERGED FROM WUHAN, China, researchers from across the University's campuses stepped up to the challenge, informing public health policy and contributing to scientific developments.

By modelling the best available data, Public Health researchers including Professor Michael Baker, Dr Amanda Kvalsvig and Professor Nick Wilson (University of Otago, Wellington (UOW)) warned the government of how many people might be affected and helped devise New Zealand's elimination strategy. Epidemiologist Dr Ayesha Verrall drew on her expertise in tracking tuberculosis infection to audit and recommend changes to the COVID-19 contact tracing system. Professor Philip Hill (chair of Otago's infectious disease emergency planning group) was appointed to the advisory committee to oversee the implementation of the New Zealand COVID-19 Surveillance Plan and Testing Strategy. Professor Patricia Priest (Preventive and Social Medicine) and Professor Baker were appointed to the Ministry of Health's COVID-19 Technical Advisory Group. Professor David Murdoch (University of Otago, Christchurch (UOC)) was appointed as the deputy chair of the MBIE COVID-19 Vaccine Strategy Taskforce, with membership also including Associate Professor Sue Crengle (Preventive and Social Medicine), Professor Peter McIntyre (Women's and Children's Health) and Associate Professor James Ussher (Microbiology and Immunology).

Teams of researchers also got to work in Otago's laboratories. Microbiology and Immunology's Professor Miguel Quiñones-Mateu and Associate Professor Ussher quickly developed a test for COVID-19 and then turned their attention to isolating the virus itself, leading to multiple collaborative projects. Teams led by virologist Professor Vernon Ward and structural biologist Professor Kurt Krause drew on their extensive experience and expertise to find ways to beat SARS-CoV2, the virus that causes COVID-19.

Associate Professor Jo Stanton (Anatomy) progressed a project developing a handheld rapid testing device; Food Science's Dr Mei Peng joined an international project looking at the loss of smell and taste as early warning signs of COVID-19; geneticist Distinguished Professor Neil Gemmell joined a national group exploring the value of wastewater testing to detect the presence of the virus; and a UOC team, led by Professor Chris Pemberton, began a three-year project to investigate antibody responses to the virus.

Evolutionary virologist Dr Jemma Geoghegan received \$600,000 from the MBIE COVID-19 Acceleration Fund for a nationwide collaborative project using genomic sequencing to track the epidemiology and transmission chains of the virus

within New Zealand. Dr Geoghegan was further awarded a five-year Rutherford Discovery Fellowship from the Royal Society Te Apārangi.

Teams of researchers also undertook surveys to measure how the New Zealand public fared under lockdown, investigating the impacts on issues including behaviour, political beliefs, mental health, equity and physical exercise. Three Otago COVID-19 related projects – led by Professor Baker, Dr Stanton and Ms Lesley Gray (UOW) respectively – received funding totalling \$3.8 million from a new Health Research Council / Ministry of Health initiative to help combat the coronavirus outbreak and prepare New Zealand for future pandemics. (See also page 42.)

The University of Otago joined a nationwide alliance to secure a vaccine for New Zealand – Vaccine Alliance Aotearoa New Zealand – Ohu Kaupare Huaketo (VAANZ) – working with a number of research groups, institutions and companies around the country, and is a key partner in developing a pipeline for evaluating vaccines. Infectious diseases specialist Professor Murdoch was one of three independent international experts invited to advise the Oxford University COVID-19 vaccine effort, providing oversight of clinical trials to test the vaccine's effectiveness.

OTHER RESEARCH DEVELOPMENTS

Two University of Otago projects were successful in the TEC's Centre of Research Excellence (CoRE) funding round. They will receive a combined \$69 million over a seven-year period, beginning July 2021: the Dodd-Walls Centre for Photonic and Quantum Technologies (\$36,750,000) and Coastal People: Southern Skies (\$32,250,000).

This funding is a significant show of support for two national research centres that will benefit local and global knowledge. The Dodd-Walls Centre for Photonic and Quantum Technologies – initially funded as a CoRE in 2014 and directed by Professor David Hutchinson (Physics) – will continue its work in world-class physical sciences research, while the Coastal People: Southern Skies project, led by Associate Professors Anne-Marie Jackson (School of Physical Education, Sport and Exercise Sciences) and Chris Hepburn (Marine Science), will look at ways to strengthen coastal communities in Aotearoa and the Pacific as they deal with the challenges and opportunities of a changing climate. Otago people also hold key leadership and research positions in several other funded CoREs.

Professor Sarah Hook and Dr Allan Gamble (Pharmacy) won Otago Innovation's 2020 Proof of Concept Grant competition

with their novel approach to combatting antibiotic resistance in farm animals. They will use the \$100,000 prize to make chemically-modified antibiotics – known as prodrugs – which only activate in the presence of infection. This annual competition encourages researchers to think about the commercial applications of their research and to test these in front of a panel of expert judges. The Division of Health Sciences' Translational Research Grant competition was won by a team of Christchurch and Dunedin researchers with a project investigating new methods of soft tissue reconstruction.

FUNDING SUCCESSES

University of Otago researchers continued their long-standing success in competitive external funding rounds.

Two Otago proposals were awarded significant five-year funding in the Ministry of Business, Innovation and Employment's (MBIE) Endeavour Fund 2020 grants. Professor Craig Rodger (Physics) received over \$15 million for research into space-weather prediction and risk mitigation for New Zealand energy infrastructure, and Distinguished Professor Philippa Howden-Chapman (Public Health) received more than \$12 million for research into public housing and urban regeneration to maximise well-being.

University of Otago researchers secured \$17.5 million from the Marsden Fund for 30 world-class research projects across all academic divisions. The funded projects will focus on subjects including stress hormones, the links between chromatin and neurodevelopmental disorders, the impact of flooding on property values in New Zealand's coastal cities, child-friendly neighbourhoods, the decline of substance abuse in adolescents, and virus evolution in native species.

Otago researchers were also awarded more than \$26.5 million in the Health Research Council's (HRC) June funding round. Two significant programmes were supported. Infectious diseases expert Professor Michael Baker received almost \$5 million for a SYMBIOTIC programme (Syndemic Management of the Biology and Treatment of Infections and Chronic conditions) to investigate the connection between infectious diseases and long-term conditions to improve health and equity in New Zealand. Otago's Wellington-based housing and health research programme, He Kāinga Oranga, received just under \$5 million to continue research to maximise the health and well-being gains from housing.

Researchers from the University's Dunedin, Christchurch and Wellington campuses also received funding for projects including antimicrobial resistance, abdominal aortic aneurism,

Alzheimer's disease, health inequities, heart disease, ketamine therapy for neurotic disorders, inflammatory responses following viral infection, and the hormonal regulation of maternal behaviour.

Otago received \$4.3 million in the HRC's new Health Delivery Research Investment round. This will support research in areas including partnerships between DHBs and PHOs; access to medicines; and the potential for CT scans in the treatments and diagnosis of heart attack patients. A further 36 Otago researchers received a total of \$3.3 million from the HRC through Career Development Awards, Health Delivery Research Career Development Awards and Health Delivery Research Activation Grants.

RESEARCH ACHIEVEMENTS

Each year the University celebrates the research successes of its staff and students with a series of awards. The University's highest honour, the Distinguished Research Medal, was awarded to UOC Dean Professor David Murdoch. Professor Murdoch (see page 24) is a recognised world leader in the study, prevention and treatment of infectious diseases, and – as described earlier – has been a key advisor to the New Zealand government during the COVID-19 pandemic.

Associate Professor Louise Bicknell (Pathology) and Associate Professor Anne-Marie Jackson were jointly presented with the 2020 Rowheath Trust Award and Carl Smith Medal, given to recognise the outstanding research performance of early-career staff.

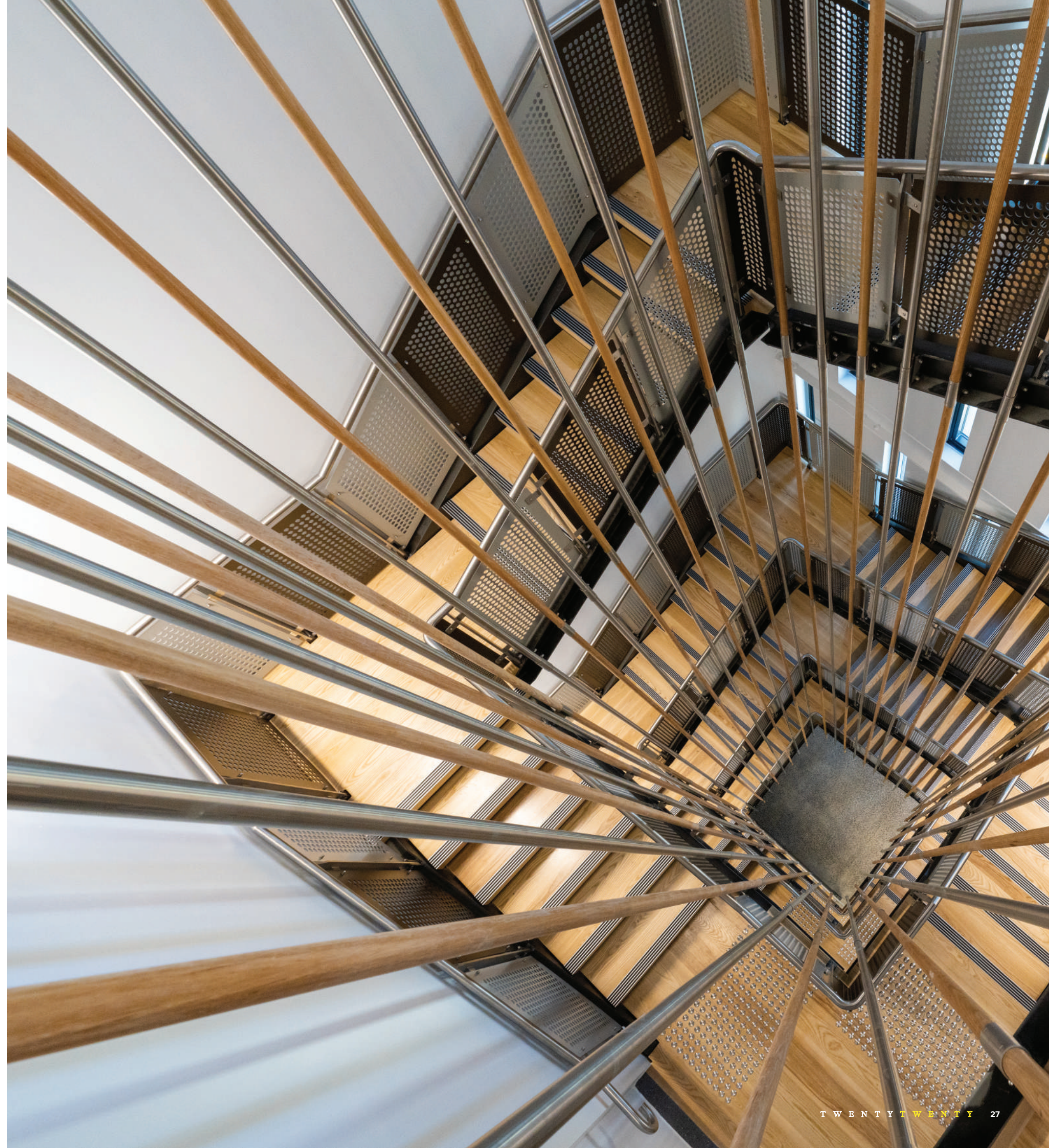
The research group award was won by the Christchurch Heart Institute, a multidisciplinary group of biomedical scientists and clinicians whose work has changed the way clinicians around the world diagnose and treat heart disease.

Early Career Research Awards were received by five up-and-coming research stars: Dr Khoon Lim (Orthopaedic Surgery and Musculoskeletal Medicine, UOC), Dr Rachel Purcell (Surgery, UOC), Dr Stefanie Zollmann (Computer Science), Dr Htin Lin Aung (Microbiology and Immunology), and Dr Rebecca Kinaston (Anatomy).

Other Otago researchers to receive national and international recognition included:

- Dr Elodie Desroziers (Physiology), Dr Sunali Mehta (Pathology) and Dr Adam Middleton (Biochemistry) who received Sir Charles Hercus Health Research Fellowships.
- Distinguished Professor Neil Gemmell (Anatomy) who was awarded the 2020 Hutton Medal by the Royal Society Te Apārangi.

-
- Professor Etienne Nel (Geography) who received the 2020 Distinguished New Zealand Geographer Award and Medal for his sustained contribution to geography and development.
 - Professor Rathan Subramaniam (Dean, Otago Medical School) who was made an inaugural Fellow of the Association of University Radiologists.
 - Dr Katharina Ruckstuhl (Associate Dean Māori, School of Business), who became the first New Zealander to the Open Researcher and Contributor ID (ORCID) board.
 - Professor Takashi Shogimen (History), who became the first New Zealand-based humanities scholar to be invited to join the prestigious Academia Europaea.
 - Dr Dianne Sika-Paotonu (Pathology and Molecular Medicine, UOW) and Professor Stuart Young (School of Performing Arts) who received 2020 Scholar Awards from Fulbright New Zealand.
 - Professor Mark Stringer, (Paediatrics and Child Health, UOW) who received the Farquharson Award from the Royal College of Surgeons of Edinburgh in recognition of his contributions to surgical teaching and surgical anatomy.
 - Professor Mark Weatherall (Medicine, UOW) who was jointly awarded the HRC's Liley Medal for outstanding contributions to the health and medical sciences.
 - Associate Professor Tim Woodfield (Orthopaedic Surgery and Musculoskeletal Medicine, UOC) who received the Australasian Society for Biomaterials and Tissue Engineering Award for research excellence.
 - Professor Richie Poulton (Multidisciplinary Health and Development Research Unit), Professor John Crump (Otago Global Health Institute), Professor Debbie Hay (Pharmacology and Toxicology) and Professor Peter Fineran (Microbiology and Immunology) who were included in the 2020 Clarivate Highly Cited Researchers list (in the top 1% of citations globally).





Excellence in Teaching

Teaching excellence is a high priority at Otago, a priority that was maintained throughout the challenges of 2020. The University's commitment to embracing new technologies and to investing in quality teaching support services stood the institution and its students in good stead.

18,722

equivalent full-time students (EFTS)

184th

in QS World University Rankings

2,600%

increase in Zoom usage

195

programmes offered

EXCELLENCE IN TEACHING

RESPONDING TO NEW ZEALAND'S RISE IN THE COVID-19 ALERT LEVELS

In late March, the University accelerated its COVID-19 contingency planning. With face-to-face teaching no longer possible, all teaching was suspended on March 23 and was transitioned to online learning within one week. Typically lectures were podcasted, tutorials held via Zoom, and laboratory/practical material delivered as online demonstrations with associated questions.

Resources were increased for the University's Blackboard online learning management system and, drawing on the expertise of staff from Distance Learning, the Higher Education Development Centre (HEDC), the College of Education and IT Services, a Shifting Online website was developed. Remote workshops were held to help academic staff in the delivery of online learning and assessment; and additional computer equipment and internet connectivity was provided to students and staff in need.

Teaching and support for students continued through online channels. Additional tutorials and resources were offered to help students adjust to the virtual learning environment. The UNIO 101 website resource for first-year students was made available to all students and staff, and provided student-centric advice for online learning. The Office of Student Success updated existing and developed a number of new resources to support students including "Adjusting your Study Habits for Learning Online" which was posted on the Tertiary Education Commission's website to share with all tertiary providers as an example of best practice, and "Exams and Final Assessments for Semester One under COVID-19 Circumstances". The use of Zoom across the University increased by more than 2,600%.

Students were welcomed back to campus in mid-May for the last two weeks of Semester One when alert levels fell to Level 2, but all teaching and learning continued online to accommodate those students who could not, or chose not to, come back on campus.

All papers were completed and Semester One examinations were held in the scheduled period through a variety of channels. ExamSoft was used for online exams with remote (webcam) invigilation in specific papers required for competitive entry or to meet accreditation requirements. Others were held via online platforms such as Blackboard or Moodle, open-book email exams or final assessment. A five-mark grade adjustment was applied to all Semester One results to compensate for any stress or disadvantage students experienced during lockdown. However, even without this adjustment, average marks were higher than in previous years reflecting the resilience of students.

The University Library was well positioned to respond to the physical closure of libraries during Alert Levels 3 and 4. Staff were able to deliver information services from home, with increased online accessibility to critical library resources. Substantial efforts were made to consult with staff and students, and to provide access solutions within urgent timeframes whilst ensuring copyright and licensing compliance. In 2020 the library's physical collection contained 1,237,274 books, 233,395 electronic serials and 1,118,416 e-books.

RANKINGS

The University of Otago topped the most recent key Tertiary Education Commission indicators that measure the educational performance of students at New Zealand universities. Otago was placed first among the country's eight universities in all four indicators – course completion, qualification completion, retention of its first-year students and progression rate.

The University maintained its position in the 301–400 band of the AWRU (Shanghai) rankings, in the 201–250 band in the *Times* Higher rankings, and was placed at 184th in the 2020 Quacquarelli Symonds (QS) World University Rankings, confirming Otago's place as one of the top two universities in New Zealand and among the top 1% of universities internationally. Four Otago subject areas were ranked in QS's world's top 50 (up from two in 2019). They were: sports-related subjects (13th); dentistry (33rd); anatomy and physiology (45th); and classics and ancient history (47th). A further 10 subjects were ranked in the 51–100 band, and 11 in the 101–200 band. QS also ranked the Otago Business School's Online MBA as number 10 in the world, up three from the previous year. This programme was launched in China mid-year with a full cohort of students, offered in partnership with Beacon Education.

TEACHING EXCELLENCE

The high calibre of Otago teachers is recognised each year in the University's Teaching Excellence Awards. In 2020 these were presented to Professor Hazel Tucker (Tourism) and Associate Professor Stephanie Woodley (Anatomy). Associate Professor Anne-Marie Jackson (School of Physical Education, Sport and Exercise Sciences) received a National Tertiary Teaching Excellence Award from Ako Aotearoa in the Kaupapa Māori category.

Associate Professor Angela Wanhalla (History) was named Otago University Students' Association (OUSA) Supervisor of the Year and Dr Alana Alexander (Anatomy) received the OUSA award for New Supervisor of the Year.

HEDC provides academic development programmes and services to help foster and encourage research-led teaching excellence at Otago. In 2020, 261 workshops were offered to staff and students in teaching and learning, postgraduate supervision, research methodology, educational technology, community engagement, and teaching development for tutors and demonstrators: 2,767 staff and students attended these workshops, and a further 1,170 students accessed one-to-one tutoring/consultations to support them in their studies.

In 2020 the PASS peer-led academic development supported 37 papers. (See also page 34.) A new peer-learning programme, Peer Assisted Numeracy (PAN), was designed and successfully trialled during 2020 and will be implemented in 2021.

HEDC's Associate Professor Vijay Mallan became the first person outside the United Kingdom to become a UK Council of Graduate Education recognised doctoral supervisor. He provides professional development for doctoral supervisors across all three Otago campuses.

ENROLMENTS

In 2020 there was a small decrease in the University's enrolments overall, with EFTS (equivalent full-time students) numbers dropping by 1.0% to 18,722. This total comprised 18,508 University EFTS and a further 215 EFTS for the University's Foundation Studies subsidiary. International full-time enrolments decreased significantly by 356 EFTS (20.3%) as a result of COVID-19. First-year enrolments within the University total were close to flat. A decrease of 87 international first-year EFTS was largely offset by an increase of 85 domestic first-year EFTS. Enrolments in the University's Foundation Studies subsidiary were down overall by 11 EFTS (-5.0%).

China provided the largest number of Otago's international students by headcount, overtaking the United States which had the largest drop in enrolments. The impact of COVID-19 saw declines in enrolments from most countries. Those that did increase included Canada and the Philippines.

The proportion of commencing students attracted from outside the University's Otago/Southland home catchment increased slightly to 75.9% (2019: 75.4%), with 85.7% coming from outside Dunedin. There were 2,288 Māori students enrolled, representing a record 11.0% of total enrolments (headcount) and a record 12.8% of total domestic EFTS. Pacific enrolments were also at an all-time high, with 1,150 students, representing 5.6% of total enrolments and 5.9% of total domestic EFTS.

The number of postgraduate students was stable for 2020 in EFTS terms with a rise in postgraduate taught (37 EFTS)

offset by a decline in postgraduate research programmes (50 EFTS). Total postgraduate enrolments remained steady proportionally at 18.8% of the roll.

195 undergraduate and postgraduate degree, diploma and certificate programmes were offered by the University in 2020, including a new Diploma in Theology. New majors included an Agricultural Innovation major within the Applied Science programme, and a Global Studies major for the Bachelor of Arts and Bachelor of Arts and Science degrees. Two new four-year inter-divisional degrees were approved for introduction in 2021: a Bachelor of Arts and Commerce, and a Bachelor of Commerce and Science. By combining two major subjects, these new programmes will enable students to better personalise their degrees and to expand their future career opportunities.

The annual Summer School programme ran for six weeks from early January to mid-February, offering 52 undergraduate papers from across the teaching divisions. The school attracted 1,826 enrolments (261.0 EFTS), with 86% of students studying one Summer School paper. More than 85% of students were aged between 19 and 24, reflecting the largely undergraduate cohort in a second-, third- or fourth-year of study. More than 12% were Māori and 8% Pacific People, showing increases from previous years. International student numbers decreased to 5%. A positive assessment of Summer School was received by 95% of students.

A pre-Christmas Summer School ran for five weeks following Semester Two examinations. Seven papers were offered, attracting 283 enrolments (37.95 EFTS), of which 41% were distance enrolments.

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

In the most recent student and graduate opinion surveys, 86.1% of respondents reported a positive assessment of the quality of teaching. The University libraries, and information technology and teaching facilities received positive assessments of 99.4% and 96.1% respectively. 91.1% of research degree respondents reported overall satisfaction with the quality of supervision, and 94.5% of respondents to the graduate opinion survey reported progression to employment or further study.



Outstanding Student Experiences

The University of Otago offers students a distinctive residential lifestyle, characterised by academic excellence and personal enrichment. With the vast majority of students coming from outside Dunedin, the University takes seriously its pastoral care responsibilities.

44,858

appointments at Student Health

76,000

student well-being checks by AskOtago

\$4.1m

distributed by Pūtea Tautoko

99.1%

of students gave a positive assessment of personal safety on campus



OUTSTANDING STUDENT EXPERIENCES

IN 2020 MORE THAN 85% OF NEW STUDENTS came to the University from outside Dunedin and, for most, their Otago experience began at one of the residential colleges located around campus.

The residential colleges were filled to capacity in 2020, accommodating 3,479 mainly first-year students, with a further 760 students housed in University-owned flats. All first-year students living at home, in a flat or boarding accommodation were automatically included in the Locals Collegiate Community, giving them the opportunity to access social and volunteering activities and academic support as are available to students in residential colleges. Helping new students adapt to university learning, the presentation “UNIO101 University Transition and Success” was delivered to more than 2,000 first-year students and supported by the online resource “UNIO101: Getting Started at Otago”.

However, within weeks of the start of the 2020 academic year, New Zealand moved to Lockdown Alert Level 4 in response to the global coronavirus pandemic. Most students returned home, but around 1,150 remained in their colleges and flats where they were well-cared for and supported by staff, meeting all COVID health and well-being requirements.

STUDENT SUPPORT AND WELL-BEING

As the University rapidly moved to online learning (see page 30) the wide range of student support services available at Otago quickly adapted their offerings to help students through a difficult year.

Student Health provided a Telehealth service to all students for six weeks during lockdown irrespective of where they lived in New Zealand. Post lockdown, Student Health met an increased demand for well-being support, with 44,858 total medical and mental health support appointments for the year. Te Whare Tāwharau sexual violence support and prevention centre provided Zoom, phone and email support during lockdown for survivors wanting to engage with support services for sexual violence. An online version of the prevention programme “Bring in the Bystander” was developed and delivered to students in colleges and the flatting community on a sign-up basis.

AskOtago ran a programme of wellness checks by telephone, email and text to students (and staff) during Alert Levels 3 and 4. After the Level 2 return to campus, daily contact continued for those in particular need. In all, more than 76,000 student well-being checks were made. The Proctor’s Office and Campus Watch maintained services throughout the lockdown levels, including welfare checks of isolated students, providing

solutions to those requiring equipment, food and medications.

As libraries remained physically closed during Alert Level 3, a “study bubble” programme was established for students who had chosen to stay in Dunedin, but whose living conditions made study difficult. The study bubbles operated seven days a week, meeting strict COVID-19 requirements. Applications were received by around 700 students, with some 120 bubbles operating in supervised locations around campus.

Otago’s Peer Assisted Study Sessions (PASS) academic development programme received a Higher Education Heroes Award from the New Zealand branch of the Higher Education Research and Development Society Australasia in recognition of “exceptional quality of learning support care” provided to students “with a high level of commitment and creativity” during lockdown. (See also page 31.)

Recreation Services offered a variety of exercise activities to students via social media, including a “daily dose” on Facebook and a self-care and wellness programme on Instagram. Unipol’s group fitness classes were available online for members, with some classes also offered on Facebook for the wider University community. A Let’s Stay Connected programme ran for two months for residential college residents.

The Career Development Centre also moved online, with all careers fairs, workshops and employer presentations moved to Zoom from late March, and a blend of face-to-face and Zoom events offered from September. In spite of the challenges, the centre maintained high levels of engagement with students who became increasingly confident in the virtual space. Otago MentorMatch – an alumni-student mentoring programme – remained popular, with an increased number of requests from students wishing to participate. A new 24/7 careers resource, MyCareerSpace, was established and will be offered to students from 2021.

Summer at Otago, a programme of activities, workshops, events and trips, was offered to international students who remained in Dunedin over the 2020/21 summer.

Further support was offered to students by Disability Information & Support, Te Huka Mātauraka (the Māori Centre) and the Pacific Islands Centre (see pages 68–71.)

The University responded quickly to the significant financial need many students faced as a result of the pandemic, establishing the Pūtea Tautoko hardship fund with \$1.5 million as an initial investment, the largest hardship initiative in the history of the University. Encouraging members of the wider University community to give to the fund, Vice-Chancellor Professor

Harlene Hayne pledged 20% of her salary and Council members donated 20% of their Council honorarium for six months. The response was immediate and generous. By the end of the year more than 2,600 students had received support from the fund, with \$4.1 million distributed. The fund will continue, with additional investment, in 2021. (See also pages 50 and 54.)

The Sophia Charter, another significant initiative to enhance student well-being, was launched in July. Established to honour the memory of Sophia Crestani who was tragically killed at a student flat party in 2019. The charter is a shared commitment by Dunedin stakeholders including the University, Police, Fire and Emergency New Zealand, Otago Property Investors Association, the Dunedin City Council and OUSA. Its aim is to create a “circle of support” to ensure North Dunedin becomes a safer and stronger student neighbourhood, where residents take responsibility for themselves, each other and the wider community.

VOLUNTEERING

Harnessing student altruism is an important part of the Otago experience. The Social Impact Studio supports student-driven change through volunteering and leadership. Its work is underpinned by the United Nations’ Sustainable Development Goals and initiatives include UniCrew Volunteers, Silverline, the Aspire campus-based mentoring programme, Reading Oasis, the University of Otago Student Leadership Award (supported by Canon), and the Matariki Global Citizenship Programme.

UniCrew welcomed 622 new registrations in 2020. During O-week 735 first-year students gave 2,383 hours of their time to helping 33 organisations, and during lockdown UniCrew volunteers supported the Student Volunteer Army to deliver groceries to vulnerable people around. However, most volunteer activity was limited to Semester Two.

The student-led mental health initiative was awarded \$71,000 from the Ministry of Education to support its work. 2020 events included an #ItsNotAwkwardBro men’s mental health panel evening, Silverline Mini-Fest focusing on the impact of race and diversity on mental health and well-being, and a series of well-being workshops and excursions.

Silverline and UniCrew were both finalists in the Youth Local Hero category of the inaugural Otago Hall of Fame awards, with UniCrew taking first place.

In the latest graduate opinion survey 51.3% of respondents indicated they had undertaken volunteer work while studying at Otago.

STUDENT ACHIEVEMENT

Holly Still (Geology) and Taylor Hamlin (Departments of Zoology/Maths and Statistics) received Antarctica New Zealand Doctoral Scholarships; Law and History alumna Emma Gattley won a Gates Cambridge Scholarship; Marine Science master’s student Millie Mannerling was selected as the 2020 Our World Underwater Scholarship Society Australasian Rolex Scholar; and Jennifer Palmer (Biochemistry) received a Cambridge-Rutherford Memorial PhD Scholarship from the Royal Society Te Aparangi’s Rutherford Foundation.

A team of five Otago students won the New Zealand competition of the 2020 CFA Institute Research Challenge and will compete in the Asia Pacific Regional Competition in 2021; Otago Law student Jacob Kohu-Morris won the national Kaupapa Māori Moot competitions held by Te Hunga Roia Māori o Aotearoa, the Māori Law Society; and Food Science PhD student Victoria Purdy won the People’s Choice award in the 2020 Matariki Network of Universities Three Minute Thesis competition.

In February Otago University Rowing Club teams competed at the National Rowing Championships: Hannah Coulter won gold in the women’s club single sculls, and paired with Juliette Aim-Lequeueux to take gold again in the women’s senior double sculls. The Varsity A and Colts Blue teams came second in their respective Dunedin club championships. Sciences student Georgia Trent became the first student to be appointed onto the executive board of Netball New Zealand.

The Otago University Debating Society transitioned to an online format during lockdown and participated in an international tournament with teams from New Zealand, Australia, India, Japan, Taiwan, Malaysia, Ireland and Canada. Otago’s Connor Seddon was the best New Zealand speaker, and second overall, while an Otago team placed third overall.

In the annual student opinion survey 95.8% of survey respondents gave a positive assessment of sport and recreation facilities, 96.8% a positive assessment of administrative and support services, 99.0% were positive about the student Learning Centre, 99.1% a positive assessment of personal safety on campus, and 97.7% of residential college respondents gave a positive assessment of their college.



Outstanding Campus Environments

The University of Otago is internationally recognised for its exceptional campus environments and is committed to providing high quality facilities for staff and students. Over recent years a significant capital development programme has been undertaken – one of the biggest in the University’s history – however this is now being reprioritised due to the financial impacts of the global COVID-19 pandemic.

\$28m

dental teaching and treatment facility completed



450-bed Te Rangihiroa College proceeds

23rd

in the international *Times* Higher Education University Impact rankings

98.5%

of students positive about the general campus environment



OUTSTANDING CAMPUS ENVIRONMENTS

A NUMBER OF DEVELOPMENT PROJECTS were completed in 2020, including the refurbishment of the Dental School's Walsh building. This building is linked by a 1,800m² atrium to the new Dental clinical services building, opened in 2019. The \$26 million music, theatre and performing arts facility Te Korokoro o te Tūi, and the new \$28 million dental teaching facility and patient treatment clinic in South Auckland were also completed. The dental facility will be officially opened in early 2021, with the building named in honour of Dr Graeme and Mrs Robyn Hart who donated \$10 million to support the project.

Work continued on the \$50 million research support facility on Great King Street, scheduled for completion in early 2021. Designed to meet the most stringent animal welfare regulations and health and safety requirements, this facility will help future-proof the University's status as a leading scientific institution. A Clocktower refurbishment project, started in 2019, continued throughout the year. This is the first interior refurbishment of the historic building in more than a decade. It includes new carpets, painting, lighting and technology upgrades, and the re-organisation of spaces to better accommodate existing and additional occupants. With a theme of Pacific navigation, the interior design respects the University's past and cultural heritage, referencing the journeys that have gone before and those to be faced in the future.

The next phase of the University's development programme has now been reprioritised due to the financial impacts of the COVID-19 pandemic. Four cornerstone projects will progress over the next five years.

- Work has begun on a new 450-bed residential college on the corner of Forth and Albany Streets, due for completion in 2023. This is the first purpose-built residential college the University

has constructed in more than 50 years – one that will deliver a bicultural living experience in a five-star Green Star sustainable setting. The new college will replace the existing 125-bed Te Rangihiroa College – named after distinguished alumnus Te Rangihiroa (Sir Peter Buck) – which is located within the new Dunedin Hospital precinct. When completed the new college will encompass six levels over four wings.

- The Christchurch School of Medicine Redevelopment Stage 1 will be the largest construction project the University has undertaken. The project will provide the space and updated facilities the campus needs to continue to grow and deliver world-class health science research and education programmes.
- A redevelopment and seismic strengthening of the Consumer and Applied Sciences and Gregory Buildings will provide much-needed space for the growing Food Science department.
- A minor refurbishment of the Wellington School of Medicine campus will proceed subject to business case approval. A number of other projects have been pushed out until 2026-2031, while others – including the Arts Building redevelopment and Physical Education refurbishment and extension – are now on hold.

AWARDS

Two University of Otago projects won prizes at the 2020 Property Council New Zealand Rider Levett Bucknall Property Industry Awards. The Performing Arts Studio and Suite (Dunedin) and the Faculty of Dentistry, Graeme and Robyn Hart Building (Auckland) both received merit prizes. The University's Archway Lecture Theatres also received an Enduring Architecture award from the New Zealand Institute of Architects Southern Branch.

SUSTAINABILITY

The University's commitment to integrating the Sustainability Framework across all teaching, research and operational activities was recognised in the 2020 *Times* Higher Education University Impact rankings. Otago was placed 23rd in the rankings, which measure the performance of more than 800 international universities against – and their contributions to – the United Nations' Sustainable Development Goals (SDGs). This recognition is a direct result and extensive collaboration across the University and the wider community.

Initiatives in 2020 included:

- Sustainability Week – tagged "Let's Reboot" – which was celebrated in late July with a range of events and activities showcasing how to live a more sustainable life. The Green Your Scene programme attracted 85 teams across the University.
- The installation of a reverse vending machine to reward the recycling of cans and plastic bottles – believed to be New Zealand's first – in the Dunedin campus Link. This was a collaboration between drinks manufacturer Frucor, Waste Management NZ and Union Catering teams.
- A waste diversion day in the student residential areas organised by the Sustainability Office together with Waste Management NZ, the Dunedin City Council, OUSA, Campus Watch and Property Services. The shift from "Skip Day" to "Diversion Day" was significant and waste diversion days and clean up events are scheduled throughout 2021.
- The establishment of a new Sustainability Neighbourhood flattening model to help students to lead healthier lives in a sustainable community setting. With support from

University Flats, the "living lab" initiative will be trialled in three neighbouring Great King Street buildings in 2021, accommodating 20 students and sharing two lawns.

- Encouragement for staff to use e-bikes for their daily commute. A discounted e-bikes scheme was announced for all staff members and an e-bike storage hub is being created on Dunedin's central campus, with help from an Energy Efficiency and Conservation Authority grant. Bike storage is also being integrated into the planning of new buildings on the Dunedin, Christchurch and Wellington campuses.

The Sustainability Office produced the University's first comprehensive and verified greenhouse gas emissions inventory. This information provides a new baseline from which to take action to reduce our emissions as we progress to the 2030 net carbon zero goal. A key part of this is the Air Travel Project, for which a business case is being developed.

In the latest Student Opinion Survey 98.5% of students gave a positive assessment of the general campus environment.



Commitment as a Local, National and Global Citizen

The University demonstrates commitment to local, national and international betterment through research, community service and outreach activities, contributions to the arts, and support for groups under-represented in university study.

\$1b

contribution to the Dunedin economy and more than \$1.6 billion nationally

7,500

international media hits and 1.1 million social media interactions by COVID-19 researchers

90.8%

of academic staff undertook community service activities



Māori and Pacific enrolments at an all-time high of 2,288 and 1,150 respectively



COMMITMENT AS A LOCAL, NATIONAL AND GLOBAL CITIZEN

AS DETAILED EARLIER IN THIS REPORT, THE UNIVERSITY OF OTAGO PLAYED A KEY ROLE in New Zealand's response to the COVID-19 pandemic (see page 24). The advice of Otago's public health experts had a fundamental influence on all aspects of the government's pandemic decision-making, and scientists made important contributions in the development of diagnostics and treatments. They also helped find solutions when supply chains for vital products faltered. For example, Deputy Vice-Chancellor (Research and Enterprise) Professor Richard Blaikie chaired the Diagnostics Development Working Group, set up in response to a Ministry of Health call to action. Dr Tim Hore (Anatomy) developed an alternative diagnostic technique using magnetic nanoparticles when COVID-19 testing reagents were in short supply in New Zealand – a protocol that has subsequently been used internationally. Professor Raechel Laing (Centre for Materials Science and Technology) secured the local production of nasopharyngeal testing swabs, and Associate Professor Shyamal Das (Pharmacy) and his students produced more than 1,200 litres of hand sanitiser for health and emergency organisations when this, too, was in short supply. The Faculty of Dentistry donated 18,000 face masks to the Southern District Health Board following a request for spare personal protective equipment for front-line community workers. And the bubble concept – which captured New Zealand's imagination, framing life under lockdown – was the brainchild of University of Otago, Wellington senior research fellow Dr Tristram Ingham.

Otago experts also contributed to the public COVID-19 debate, sharing information and opinion nationally and internationally. Here in New Zealand Otago academics together made over 500 television appearances, gave around 1,500 radio interviews, and contributed to more than 4,000 newspaper and 12,000 online articles. Their contributions

received more than 7,500 international media hits and more than 1.1 million social media interactions, with their views reaching a potential aggregated audience of around 26 billion.

The University's dentistry, pharmacy and physiotherapy health clinics continued to provide support to the community through lockdown via telehealth consultations, re-opening for appointment-only face-to-face consultations in Alert Level 2.

Responding to other health emergencies, Otago medical staff and alumni were part of a group of 40 Samoan doctors from New Zealand deployed to Samoa for the first three months of the year to assist with that country's measles epidemic. The Otago Global Health Institute invested in new research collaborations with the Fiji National University and the National University of East Timor to help address health problems in these countries. The National Poisons Centre, located within the Department of Preventive and Social Medicine, provided a free 24/7 poisons information and advice service to all New Zealanders.

COMMUNITY SERVICE

A culture of community service and volunteering is embedded across the University. The Social Impact Studio provides a hub for students, staff and the community to work together on projects that benefit society and the environment (see page 35). In a survey of academic staff, 90.8% of respondents had dedicated time to community service and, on average, this comprised 8.3% of their work time. The types of service undertaken included serving on government advisory boards and committees (20.2%); providing services to the public sector (71.8%); giving lectures, talks or presentations to non-university groups (78.5%); holding a post in an organisation or association relevant to their area of expertise (70.6%); editing or serving on the editorial boards of publications (62.0%); and contributing to community projects (55.2%).

The contributions of a number of staff were recognised with 2019 New Zealand Honours (see page 21) and others were acknowledged nationally and internationally within their own fields of endeavour, including:

- Associate Professor Robert Aitken (Marketing) who was elected president of the Australia and New Zealand Marketing Academy (ANZMAC). He has also been elected chairman of Consumer NZ.
- Faculty of Law professional practice fellow Allie Cunninghame who was appointed as a Coroner.
- Pro-Vice-Chancellor (Commerce) Professor Robin Gauld who took over the presidency of the Association of Asia-Pacific Business Schools (AAPBS).
- Professor Colin Gavaghan (New Zealand Law Foundation Chair in Emerging Technologies) who was appointed to the Digital Council for Aotearoa New Zealand.
- Associate Professor Anita Gibbs, (Social and Community Work and Sociology, Gender Studies and Criminology) and Professor Michael Baker (Public Health, Wellington) who received Critic and Conscience of Society Awards from the Gama Foundation.
- Faculty of Law Dean Professor Jessica Palmer who won the Institute of Directors' Otago Southland Branch Emerging Director Award for 2020.
- University of Otago, Wellington, cancer epidemiologist and public health researcher Professor Diana Sarfati who was confirmed as the chief executive of the government's Cancer Control Agency.
- Chief Operating Officer Stephen Willis who was recognised in the Australasian Association of Tertiary Education Management's Best Practice Awards for his sustained and strategic leadership during a time of significant change and during the COVID-19 pandemic.

OUTREACH ACTIVITIES

The University has a well-established outreach programme. The New Zealand Marine Studies Centre (NZMSC), for example, provides a window into marine research at the University of Otago, fostering an understanding of New Zealand's marine environment and its conservation through community engagement and education. In 2020 more than 9,710 people took part in NZMSC programmes, including 3,449 school students and teachers from the lower South Island who attended curriculum-linked programmes; a further 2,864 school students and teachers who attended outreach programmes in the Nelson/Marlborough/Tasman region; as well as schools, teachers, families and communities who participated in the Aquavan programme and other marine experiences. Participant numbers were lower in 2020 due to COVID-19 restrictions, however a number of programmes were delivered online and new resources developed to support learning at home.

NZMSC's Marine Metre Squared citizen science project won the Department of Conservation Community Pihanga Award at the 2020 New Zealand Biosecurity Awards for its efforts to protect this country's biodiversity.

The 2020 Hands-On at Otago programme, held in January for Year-12 or -13 students, was attended by 363 students from 167 schools who participated in a range of programmes designed to help them to explore future study options at the University.

The annual Advanced School Sciences Academy, aimed at strengthening sciences education, was attended by 51 Year-13 school students and nine teachers from rural/provincial, small and lower decile schools. The 2020 Sciences Wānanga for Māori secondary school students were cancelled due to COVID-19, however a four-day Māori Business Boot Camp was hosted by the Otago Business School in October, attended by 23 Year-12 and -13 Māori students interested in studying commerce at the University.

The University is committed to encouraging groups under-represented in tertiary study, particularly Māori and Pacific students. Enrolments for both of these groups were at an all-time high in 2020 with 2,288 Māori and 1,150 Pacific students, comprising a record 11.0% and 5.6% of total enrolments respectively (head count). The pass rates for first-year undergraduate Māori and Pacific students were also higher in 2020 at 82.4% and 68.4% respectively (2019: 79.5% and 66.2%),

(For information about Māori and Pacific development, please see pages 68–71.)

CONTRIBUTION TO THE ECONOMY AND ARTS

The University makes a significant contribution to the local and national economy. The latest Economic Impact Report estimated that the total value added by the University to the Dunedin economy in the previous 12 months exceeded \$1.0 billion, with the total flow-on economic impact nationally at more than \$1.6 billion. It was also estimated that the University directly and indirectly supported 5,313 FTE jobs in Dunedin, and 6,696 throughout New Zealand.

The University of Otago also makes a significant contribution to the community through its commitment to the arts. The annual arts fellowships, in particular, demonstrate the University's support of creative artists and aim to help the public engage with original work created on campus and in our city. The 2020 arts fellows were: Bridget Reweti (Frances Hodgkins Fellow); Dr John Newton (Robert Burns Fellow); Kristie Mortimer (Caroline Plummer Fellow in Community Dance); Elena de Roo (Creative NZ University of Otago College of Education Children's Writer in Residence); and Kenneth Young (Mozart Fellow). Two new writing fellowships were established in 2020 to encourage literary and cultural exchange between Ireland, Scotland and New Zealand.

Attached to Otago's Centre for Irish and Scottish Studies (CISS), the CISS Scottish Writers Fellowship and CISS Irish Writers Fellowship will run on alternate years.

Support continued for the University of Otago Sheilah Winn Shakespeare Festival for secondary school students, held in conjunction with the Shakespeare Globe Centre New Zealand.

The Hocken Collections received its eighth inscription on the UNESCO Memory of the World New Zealand Register for the papers of influential University of Otago nutritionist Dr Muriel Bell whose influence on public health policy has been far reaching.

The Hocken is one of the foremost research libraries in New Zealand, with collections comprising 1,142,817 pictures and photographs and 10,538 linear metres of archives. In 2020, 6,842 researchers visited the Hocken in person or made enquiries at a distance. While in-person events were curtailed due to the impacts of COVID-19 pandemic, Hocken's engagement with research communities continued through social media platforms.

Three significant exhibitions were hosted in 2020: "Tuia: Southern Encounters" which attracted around 3,000 visitors; Imogen Taylor's Frances Hodgkins Fellowship exhibition "Sapphic Fragments"; and "Colin McCahon: A Constant Flow of Light" which focused on the 1930s to 1970s and illustrated the artist's significant relationship with Dunedin and the impact of enlightened professionals and cultural patrons on his career.

The exhibition "In an orange my mother was eating" by 2019 Frances Hodgkins fellow Louise Menzies toured to the Pah Homestead. Hocken also contributed to a number of exhibitions throughout the country through its lending programme. The 2020 Hocken Lecture was held on 2 December with Emerita Professor Barbara Brookes speaking on "Hocken, Health and History: Archival and Digital Traces".





Strong External Engagement

In spite of the constraints imposed by the COVID-19 pandemic, the University continued to engage with its local, national and international communities, building relationships with academic, business, political and alumni groups.

1,000+

watched COVID-19 Masterclass Webinar series each day

363

continuing education events offered

320+

international partners

120,000+

alumni in regular contact with the University



STRONG EXTERNAL ENGAGEMENT

THE UNIVERSITY ALSO CONTINUED TO SECURE REPRESENTATION on key health and research bodies and in 2020 Otago experts were appointed to a number of committees informing New Zealand's pandemic response. These included Professor Patricia Priest (Preventive and Social Medicine) and Professor Michael Baker (UOW) who were appointed to the Ministry of Health's COVID-19 Technical Advisory Group; and Professor David Murdoch (UOC), Associate Professor Sue Crengle (Preventive and Social Medicine), Professor Peter McIntyre (Women's and Children's Health) and Associate Professor James Ussher (Microbiology and Immunology) to the MBIE COVID-19 Vaccine Strategy Taskforce. The University also joined the nationwide Vaccine Alliance Aotearoa New Zealand – Ohu Kaupare Huaketo (VAANZ) – working with a number of research groups, institutions and companies around the country. (See also pages 24 and 42.)

COVID-19 dominated much of the University's usually busy engagements calendar, with many events cancelled, postponed or held online. The pandemic was also an important focus of debate. The annual Public Health Summer School held by the University of Otago, Wellington, in February, offered 30 courses with 800 attendees, and hundreds more across five open-to-the public evening sessions. As the COVID-19 pandemic was unfolding at the time, key speakers at a previously scheduled session titled "Responding to a Mystery Epidemic in the Pacific" offered to host New Zealand's first public COVID event at the end of the course, chaired by Professor Baker.

A COVID-19 Masterclass Webinar series, held from 22 June to 3 July, was very successful. Co-ordinated by the Otago Global Health Institute, the masterclass included presenters from across all four academic divisions as well as a presentation from Director-General of Health Dr Ashley Bloomfield. More

than 1,000 people from around the world tuned in every day to see how Otago's experts tackled the crisis.

The 14th Annual Otago Energy Research Centre Symposium in November was dedicated to "New Energy Futures Post-COVID-19" with participants also "Zooming in" from around the world. The Tourism Policy School was cancelled and the 2020 Foreign Policy School on "Populism and Global Politics" was re-scheduled for July 2022. However the inaugural University of Otago National Security School was held in February, attracting students, government policymakers, and national and international experts in global terrorism, online extremism and transnational crime. The World Congress of Herpetology in early January brought 870 delegates to Otago from 57 countries worldwide.

For the first time the University's annual tertiary open day was held virtually, with prospective students and their families exploring everything Otago has to offer – from their homes. The event included short video presentations from around 100 academics, video introductions to the residential colleges and the Locals programme, information about scholarships and live-chat sessions for questions. A further event was also held on campus after the COVID-19 alert levels were lowered.

Across the wider University, 363 continuing education events were offered in 2020 (2019: 595), including 46 lectures, 234 seminars (with over 55 being held via Zoom), 13 Inaugural Professorial Lectures, 37 short courses, 10 symposia and five conferences. Four performances were given, and eight miscellaneous learning events were held.

AGREEMENTS AND COLLABORATIONS

A number of new agreements were signed in 2020. The University of Otago entered in a Memorandum of Understanding (MOU) with the Northern Consortium of the United Kingdom (NCUK) for the delivery of a foundation studies programme in Asia. An agreement of co-operation was signed with Kwansai Gakuin University, Japan.

At the divisional level, Otago's Division of Health Sciences entered into a MOU with the College of Health Sciences, College of Medicine and College of Pharmacy, Qatar University; and also with the Graduate School of Medicine, Dentistry and Pharmaceutical Sciences, Okayama University, Japan. The Otago Medical School signed an articulation agreement with the School of Medicine, International Medical University, Malaysia. In total the University renewed 66 existing international agreements and established a further 106 (including student exchange agreements), bringing the University's number of international partners to more than 320. The number of students who studied abroad on student exchange was substantially reduced in 2020 due to the impacts of the pandemic (2020: 99; 2019: 229).

The University Council approved a new five-year Internationalisation framework (2021-2025) which sets the tone and direction for Otago's global engagement. It reflects responses to changing patterns of international student mobility and also to the disruption to internationalisation resulting from COVID-19.

2020 marked the 10th anniversary of the establishment of the Matariki Network of Universities (MNU), an international group of leading universities of which Otago is a founding partner. Due to COVID-19 most of the planned anniversary events were postponed, however a book was produced to highlight

the network's achievements. The MNU adapted to virtual connectedness and an online lecture series was developed. Otago featured prominently in a Matariki online photo gallery "Partnering for a better world", with inspirational stories of how challenges were overcome during and after lockdown (matarikinetwerk.org/matariki-covid-19-impressions-gallery).

The University is a consortium partner of CAPE (Centres of Asia-Pacific Excellence), established by government in 2017 to help New Zealand businesses, schools, communities and students gain a better understanding of the culture, languages and business opportunities in key areas of the Asia-Pacific region. Significant activities for 2020 included the continuation of the Cultural Acumen project, led by the Department of Tourism, with the establishment of a website and suite of training resources to enhance development of cultural acumen for the tourism sector. The inaugural Winds of Change programme focused on solutions to climate change impacts and united 30 Chileans and New Zealand postgraduate students from a variety of tertiary institutions to tackle issues affecting both countries. Around 30 Otago students volunteered to deliver cultural workshops in schools as part of the 2020 Building Global Community programme. While school visits were not possible in the earlier part of the year, volunteers delivered six workshops in the final half of the year.

The LatAm CAPE and Young Enterprise Scheme brought 20 senior secondary school students to Otago for a week-long Young Enterprise programme, hosted at the Otago Business School. A LatAm Startup workshop was held in Dunedin in December. As a CAPE consortium partner, Otago also led the initiative in 2020 to develop an e-game for use in schools. This will form the basis of future work to build an enjoyable and educational resource that engages young people with the culture, environment and geography of each of the CAPE areas.

ALUMNI

The University's 120,000-plus alumni in New Zealand and across the world are important members of Otago's community. Connections with this group are made through in-person events, digital offerings, and regular communications in print and online. These connections aim to provide a long-lasting, mutually beneficial relationship between alumni and friends, and the University.

For much of 2020 alumni events were limited to digital platforms due to the COVID-19 pandemic. However, the Development and Alumni Relations Office (DARO) was able to host 10 in-person events including those with the Highlanders' coaching team, alumni events in New Zealand and a Court of Benefactors' evening. Other in-person events included 100th birthday celebrations, the awarding of the Critic and Conscience of Society Award, and those to acknowledge generous gifts from donors.

Digital events for 2020 included a meet the author event with Professor Liam McIlvanney, a series of webinars hosted by Alumni of the University of Otago in America (AUOA), a virtual tour through a range of ephemera at the Hocken Collections, and an afternoon tea with the Highlanders coaching staff.

New initiatives in 2020 included the launching of an online book club and the introduction of the 20Twenties Young Alumni Awards which recognised 20 young alumni under the age of 30 for their achievements since graduating.

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

Digital platforms provided another avenue for DARO to maintain connections with alumni, including the targeted "What's On for Alumni" emails and the quarterly @Otago eNewsletter. In 2020 a further suite of *What's on @Home* digital newsletters were created to help connect and entertain alumni during the global pandemic. At the height of New Zealand's lockdown these were sent fortnightly and focused on providing alumni and whānau with content to watch, listen to, and activities to do. These were well received with high open rates and positive feedback received.

During 2020 University of Otago Alumni Facebook page followers grew by a further 1,200 followers, bringing the total number to 7,553.

More than 700 alumni, friends, staff and student donors gave to the Pūtea Tautoko Student Hardship Fund to support students who were struggling financially due to the COVID-19 pandemic. (See also pages 34–35 and 54.)

Through other donations received from alumni and friends, DARO provided entrance scholarships to 97 recipients in 2020. In most cases this funding supported students' residential college fees. Donor support also contributed to fellowship and research positions in departments, as well as prizes and awards to recognise diligence and tenacity for learning.





Sustaining Capability

The University of Otago aims to take a long-term view to sustaining capabilities, recognising the need to meet the challenges of a changing world. The events of 2020 have served to highlight the importance of this direction.

\$26.1m

University Group surplus

\$4.1m

raised for Pūtea Tautoko

50

new commercial opportunities for Otago Innovation Ltd



Vision 2040 plans for the long term



SUSTAINING CAPABILITY

THE COVID-19 PANDEMIC CAUSED WIDESPREAD DISRUPTION AND UNCERTAINTY throughout 2020 and will continue to impact University operations into 2021 and beyond.

Aside from the massive short-term disruption caused by the national lockdown from late March to May 2020, the most obvious impacts the University has faced have been through ongoing border closures and other limitations on travel. Most significantly, this has caused a loss of international students who are unable to enter New Zealand and who cannot undertake (or choose not to undertake) their studies online.

In response to the loss of income from reduced international student numbers, the University has implemented a range of measures to protect the delivery of essential services relating to teaching, research and community engagement.

As outlined in further detail in the Financial Review on page 81 the University Group surplus of \$26.1 million was \$10.1 million higher than budget. This very positive result was due to the extraordinary response from the University community to the COVID-related loss of income. The expenditure savings achieved were higher than the drop in income. In addition, financial markets recovered by the end of December and the investment returns by the University of Otago Foundation Trust outperformed budget.

One of the responses to the loss of income in 2020 – and to an expected larger impact in 2021 as an entire year's intake of international students are unable to commence studies on campus – has been a refocusing and slowing of the capital programme (see page 38). A number of building projects have been delayed as a response to the loss of income and it is more important than ever to ensure that University financial resources are focused on funding the essential capital development that will ensure the University can continue to deliver excellence in teaching and research, alongside an outstanding student experience.

COMMERCIALISATION AND DEVELOPMENT

In response to this challenging environment, the University has also continued to seek diversified avenues of funding, particularly focusing on entrepreneurial activities and development opportunities.

A number of significant gifts were received in 2020. Alumnus Dr Stanley Paris and his wife Dr Catherine Palta donated \$800,000 to the Otago School of Physiotherapy, in addition to \$200,000 they gave in 2019 for postgraduate scholarships and fellowships.

Two of New Zealand's most respected and dedicated conservationists, Emeritus Professor Sir Alan Mark and Patricia, Lady Mark, gifted \$150,000 to the University's Ecology Fund. A further two bequests totalling \$680,000 were received for medical research and medical scholarships.

Fundraising for Pūtea Tautoko, the hardship fund to support students adversely affected by the COVID-19 pandemic, was a significant focus for the year. By the end of 2020 around \$4.1 million had been raised, including \$2 million in University funding and \$1.5 million in Government funding, as well as the gifts from more than 700 alumni, staff, students and friends of the University, 400 of whom were first-time donors to the University. The fund will continue, with additional investment, to meet student need in 2021.

New members admitted into the Court of Benefactors in 2020 were Dr John and Mrs Sue Ward, the estate of J.A. Bell, and Port Otago. A former University of Otago Chancellor and Chair of the University of Otago Foundation Trust, Dr Ward has facilitated major donations to the University, in addition to the personal support he and his wife have given. Alumnus Dr John Arnaud Bell bequeathed \$1.5 million to the University which is supporting a Professorial Chair in Oral Biology. Port Otago gifted 0.45 hectares of harbourside land to mark the University's 150th anniversary.

Fifty commercial opportunities were presented to Otago Innovation Ltd, the University's commercialisation company in 2020 (2019: 40). A new spin-out company, Insitugen Ltd, was formed mid-year to pursue development of a diagnostic test for application in the field of sport doping. The initial focus of the company is the horse racing industry. Formative investment into the company was largely sourced from within New Zealand. A number of licensing deals were also concluded throughout the year, including one around the use of the dahlia flower to reduce blood glucose levels. As in recent years, a number of existing spin-out companies were also successful in raising further capital.

STRATEGIC AND ORGANISATIONAL INITIATIVES

To sustain capability the University is seeking a long-term strategic focus with the replacement for the *Strategic Direction to 2020 – Vision 2040* – looking out some 20 years. The development timeline for *Vision 2040* was significantly impacted by the COVID-19 pandemic in 2020, by both the need for the University to focus on its practical response to COVID-19, and the limited capacity of key external stakeholders to engage in consultation while they too were responding to massive disruption. In response to this, the Council decided to extend the life of the Strategic Direction to 2020 plan until the end of 2021. While this disruption in the University's strategic planning is in some respects unfortunate, it does mean *Vision 2040* will be informed by a greater understanding of the challenges of a post-COVID-19 crisis world.

The Enabling Excellence Programme, as a distinct project, which started in 2019, is expected to be completed by the end of 2021. Sub-projects initiated by the programme (for example, supply chain and standard desktop) will be ongoing and identified benefits will be fully realised over the applicable appraisal periods. The Enabling Excellence Programme and its sub-projects will continue to deliver standardised processes, system enhancements, policy changes, revised space and new IT systems across the University to maximise the benefits of the Support Services Review which began in 2015.

The "Shaping our Culture, Together – He Waka Kotuia" project, initiated to shape a positive work environment for all staff at the University of Otago, progressed in 2020 with a series of design-thinking workshops. Four cornerstone staff values were launched in November: respect (manaakitaka), integrity (pono), curiosity (māhirahira) and community (whakawhanaukataka). These values are being embedded throughout the University workplace, providing a framework to guide actions, leadership, management and decision-making.

STAFF DEVELOPMENT

The University recognises the importance staff being fully engaged in their academic and professional roles, and continues to invest in resources to achieve and sustain excellence. During 2020, the Learning and Development and Academic Leadership Development teams worked with a total of 1,711 individual staff who attended one or more of the 339 timetabled workshops and courses. In addition, 862 people attended one or more of the 235 scheduled IT training sessions.

Due to COVID-19 most courses were redesigned for online delivery, however some flagship programmes, such as Women in Leadership at Otago, were deferred. The programmes that proceeded included six Te Reo workshops attended by 169 staff; the annual three-day induction course for new academic heads attended by 22 participants from three campuses; the three-day Essential Management Programme attended by 39 managers; the Supervisory Skills series which offered 10 different sessions; and the Policy and Practice series for professional and academic staff which ran 34 Zoom sessions with 369 participants.

Just as awards for research and teaching excellence are presented each year, the University also recognises the outstanding contributions of its professional staff. Three awards for Exceptional Performances by Professional Staff were presented in 2020, to Cate Bardwell (Library); the Communications Office; and the eConferencing team. A new Vice-Chancellor's Award to recognise exceptional work was presented to Megan Coleman (Microbiology and Immunology) who took on additional responsibilities in the PC3 lab to support scientists contributing to New Zealand's COVID-19 response.

The Health, Safety and Well-Being Award (Team) was won by the U-OWLS social club (UOW Leisure and Sport); the Health, Safety and Well-Being Award (Individual) was presented to Jenine Upritchard, (Sir John Walsh Research Institute); and the Award for Sustainable Practice by Staff (Team) went to the University Union food and retail outlets.



SERVICE PERFORMANCE REPORTING

THE FOLLOWING SECTION OUTLINES the University Service Performance against internal targets and regulatory requirements.

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

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, and a nationwide lockdown commenced (Alert Level 4). On 28 April, the Alert Level reduced to Level 3, and to Level 2 on 14 May. The country then moved to Level 1 on 9 June. There was a further move up the levels from mid-August to late-September, with most of the country at Alert Level 2 and Auckland at Alert Level 3 from 12 August to 21 September, and Auckland at Alert Level 2 for a further period.

As is covered more fully elsewhere in the Annual Report, all aspects of University operations were significantly impacted by the lockdown and more general disruption of the pandemic. The University successfully implemented online learning as a way for students to continue with their studies during the disruption, while the vast majority of staff worked from home. With the resulting changes into Level 2 and 1, the University was able to return to face-to-face teaching and resume more normal research activity.

Despite the disruption, the University finished the year with domestic Equivalent Full-Time Students (EFTS) at the budgeted level. International enrolments, however, were severely impacted. So too were other areas of activity, particularly that involved the hosting of visitors and events, and outward-facing activities that would normally require travel.

The impact of COVID-19 on specific performance indicators are noted in the relevant sections of the Service Performance Report. Overall, the University of Otago delivered a favourable performance despite the challenges of the year, with only a small number of indicators negatively impacted.

PERFORMANCE AGAINST STRATEGIC PLAN

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

STRATEGIC IMPERATIVE ONE: EXCELLENCE IN RESEARCH

The University of Otago is one of New Zealand's largest and most broadly capable research organisations. Our standing as a leading research university has been confirmed in recent years by the ongoing success of our staff in competitive research funding rounds, and by independent national and international assessments. Our individual researchers and research teams provide a strong base from which to further develop our research capability through to 2020 and beyond.

#	KEY PERFORMANCE INDICATORS	2018 Actual	2019 Actual	2020 Target	2020 Actual
1.1	Increasing the number of quality-assured research outputs as measured by a three-year rolling average. ¹	3-year average 5,578	3-year average 5,652	> previous year	3-year average 5,683
1.2	Increasing research funding from outside sources as measured by a three-year rolling average.	3-year average \$122.5 million	3-year average \$131.4 million	> previous year	3-year average \$139.1 million
1.3	Increasing the proportion of postgraduate research EFTS within University EFTS. ²	9.0%	9.2%	> previous year	9.0%
1.4	Increasing the number of research degree completions as measured by a three-year rolling average.	3-year average 553	3-year average 563	> previous year	3-year average 557
1.5	At least 90% of research degree respondents to the Graduate Opinion Survey reporting overall satisfaction with the quality of supervision.	92.5%	91.1%	≥ 90.0%	90.1%
1.6	Rank as one of the top two universities in the annual Marsden and Health Research Council (HRC) funding rounds, as measured by the value of grants awarded.	First in HRC and second in Marsden	First in HRC and first in Marsden	Ranked in the top two in both funding rounds	Second in HRC and second in Marsden
1.7	Rank as one of New Zealand's top two universities in the FC component of the <i>Nature</i> Index. ³	Ranked first	Ranked first	Ranked in the top two	Ranked first

The University of Otago continued to demonstrate excellence in research, with favourable performance against performance indicators. Research outputs continue to grow, and Otago remains the number one ranking New Zealand University in the prestigious *Nature* Index. Despite COVID-19 impacting the study plans of many students, research degree completions and student satisfaction remain strong. Otago continues to build a solid platform for growth, with funding from external bodies rising to a record \$139.1 million in 2020, as well as being awarded the second largest amount of research funding in the 2020 funding rounds from both the Royal Society of New Zealand's Marsden Fund and the Health Research Council of New Zealand. The proportion of postgraduate research EFTS dipped slightly, as COVID-19 travel restrictions prevented a significant number of new doctoral students being able to come to Otago from overseas as planned.

¹ Due to the time required to collate and vet research output data, the outputs reported for this measure are a year in arrears (i.e. outputs reported against 2018 are those published in 2017, etc.). The definition of research outputs for this measure is consistent with that used for PBRF purposes.

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

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

STRATEGIC IMPERATIVE TWO: EXCELLENCE IN TEACHING

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

#	KEY PERFORMANCE INDICATORS	2018 Actual	2019 Actual	2020 Target	2020 Actual
2.1	Increasing the proportion of postgraduate EFTS within University EFTS.	18.3%	18.7%	> previous year	18.8%
2.2	Increasing the paper pass rate for first-year undergraduate students.	85.5%	85.5%	> previous year	87.1%
2.3	Maintaining an average pass rate for papers within 2% of the average for the previous three years.	91.5% (3-year average 90.8%)	91.5% (3-year average 91.1%)	+/- 2.0% of rolling average	93.0% (3-year average 92.0%)
2.4	Increasing the number of students successfully completing qualifications at both undergraduate and postgraduate levels.	3,330 (UG) 1,975 (PG)	3,391 (UG) 1,930 (PG)	> previous year	3,558 (UG) 2,067 (PG)
2.5	At least 90% of respondents to the Student and Graduate Opinion Surveys ⁴ providing a positive assessment of the quality of teaching.	85.9%	86.6%	≥ 90.0%	86.1%
2.6	At least 90% of respondents to the Graduate Opinion Survey ⁵ reporting some, moderate or extensive development of the following attributes:				
	A willingness to learn	96.2%	95.6%	≥ 90.0%	96.6%
	Teamwork skills	85.5%	84.8%	≥ 90.0%	84.9%
	Communication skills	92.4%	92.7%	≥ 90.0%	92.1%
	The skills to plan my own work	95.0%	95.5%	≥ 90.0%	95.0%
	The ability to solve problems	96.0%	95.5%	≥ 90.0%	95.7%
	Independent judgement	95.3%	95.2%	≥ 90.0%	95.7%
	Academic rigour	94.6%	94.0%	≥ 90.0%	94.6%
	A multidisciplinary perspective	90.7%	90.5%	≥ 90.0%	91.3%
	Analytical skills	96.3%	95.4%	≥ 90.0%	95.7%
	Flexibility and adaptability	92.5%	93.0%	≥ 90.0%	93.2%
	An awareness of ethical issues	91.1%	91.3%	≥ 90.0%	91.3%
	A global perspective	86.1%	86.1%	≥ 90.0%	87.9%
	Cultural understanding	84.1%	85.1%	≥ 90.0%	85.1%
	Environmental literacy	79.2%	80.2%	≥ 90.0%	79.2%
	Research skills	94.4%	95.0%	≥ 90.0%	95.4%
	Information literacy.	95.3%	95.5%	≥ 90.0%	96.8%
2.7	At least 90% of respondents to the Graduate Opinion Survey reporting progression to employment or further study following completion of their qualification, as measured by a three-year rolling average.	94.8%	94.9%	≥ 90.0%	94.5%

⁴ Please refer to footnotes 5 and 6 below for discussion of these surveys.

⁵ The annual Graduate Opinion Survey invites feedback from all graduates on their experiences at Otago, particularly in terms of their learning experiences, 18 to 24 months after graduation.

Despite the challenges of 2020, the University of Otago continued to provide an excellent teaching experience, with the 86.1% of students reporting a positive assessment of the University's teaching quality. Numerous factors may have contributed to the slight increase in paper pass rates, with students afforded more time to study during lockdown as well as the five-point grade adjustment being provided in Semester One to all students to compensate for lockdown disruption. Whilst some student survey metrics did not achieve their sometimes aspirational 90% targets, the 2020 results rates remain highly favourable across all KPIs, including the 90% target being met or exceeded for 12 of the core graduate attributes. Graduate outcomes remain strong, with 94.5% of graduates progressing to employment or further study upon completion of their degree.



STRATEGIC IMPERATIVE THREE: OUTSTANDING STUDENT EXPERIENCES

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

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

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

#	KEY PERFORMANCE INDICATORS	2018 Actual	2019 Actual	2020 Target	2020 Actual
3.1	At least 90% of undergraduate degree-level commencing students admitted with NCEA Level 3 or an equivalent qualification.	95.5%	95.7%	≥ 90.0%	96.4%
3.2	At least 90% of residential college respondents to the annual Student Opinion Survey ⁶ providing a positive assessment of their colleges.	97.9%	97.4%	≥ 90.0%	97.7%
3.3	At least 90% of respondents to the annual Student Opinion Survey providing a positive assessment of:				
	Administrative services and support services	98.5%	97.2%	≥ 90.0%	96.8%
	The Student Learning Centre	99.2%	98.4%	≥ 90.0%	99.0%
	The helpfulness of staff	97.1%	95.4%	≥ 90.0%	96.6%
	Student health and counselling services	91.6%	91.8%	≥ 90.0%	94.6%
	The University's careers advisory service	91.5%	98.1%	≥ 90.0%	98.3%
	Support from the Otago University Students' Association.	97.4%	96.6%	≥ 90.0%	97.5%
3.4	Enrolling a diversified international student population ⁷ constituting up to:				
	15% of total University EFTS	12.5%	12.8%	≤ 15.0%	10.7%
	25% of the international cohort from one country.	20.4%	20.4%	≤ 25.0%	19.8%

The University's commitment to the student experience amidst a global pandemic is exemplified by these strong student survey results. In particular, students expressed a marked increase in satisfaction with the Student Health and Counselling Service who implemented additional hours, telehealth, and increased services to ensure their services were available to all Otago students regardless of where they were based in New Zealand. Otago continued to attract a high calibre of students with 96.4% of undergraduate commencing students holding NCEA Level 3 or equivalent in 2020. New Zealand border restrictions in place due to COVID-19 resulted in a significant reduction in international students and this downturn in International EFTS is expected to continue in the medium term.

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

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

STRATEGIC IMPERATIVE FOUR: OUTSTANDING CAMPUS ENVIRONMENTS

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

As a primarily residential destination university, Otago has a particular need to create and maintain facilities – including grounds, buildings, equipment and information technology infrastructure that are world-class at all our sites. New facility requirements that have emerged in recent years include student study spaces centred around informal social interaction, embedding sustainability in campus design and operation, new facilities to enhance health and well-being, 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	2018 Actual	2019 Actual	2020 Target	2020 Actual
4.1	At least 90% of respondents to the annual Student Opinion Survey providing a positive assessment of:				
	The general campus environment	98.2%	97.7%	≥ 90.0%	98.5%
	Personal safety on campus	98.7%	97.6%	≥ 90.0%	99.1%
	University libraries	98.7%	99.3%	≥ 90.0%	99.4%
	University information technology and teaching facilities	95.6%	96.3%	≥ 90.0%	96.1%
	The quality of sport and recreational facilities	95.4%	94.5%	≥ 90.0%	95.8%
	University Union, including food and beverage service	77.9%	83.0%	≥ 90.0%	87.9%
	Living accommodation provided by the University	98.0%	97.5%	≥ 90.0%	97.7%
4.2	Providing learning assistance and/or access to special equipment for at least 700 students with a disability affecting study.	883	813	≥ 700	784
4.3	Providing annual funding for capital expenditure no less than the sum of depreciation and the adjusted surplus (i.e. the surplus adjusted for carry forwards, extraordinary items and capital injections to Group companies).	Funding ≥ depreciation + adjusted surplus	Funding ≥ depreciation + adjusted surplus	Funding ≥ depreciation + adjusted surplus	Funding ≥ depreciation + adjusted surplus

The University of Otago continued to provide an exceptional campus environment, with very positive assessments provided by students via the annual Student Opinion Survey. While several University Union Services were at times unavailable through 2020 due to COVID-19, it is difficult to please everyone with food and beverage services, and the continued improvement in the University Union indicator is viewed as an outstanding result. The University provided support services for 784 students with a disability, well above the target of 700 students.

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

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

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

#	KEY PERFORMANCE INDICATORS	2018 Actual	2019 Actual	2020 Target	2020 Actual
5.1	Raising Māori student participation and achievement by:				
	Increasing the number of Māori students enrolled and Māori EFTS as a percentage of total domestic student EFTS	2,097 students (11.8% of EFTS)	2,187 students (12.4% of EFTS)	> previous year	2,288 students (12.8% of EFTS)
	Increasing the paper pass rate for first-year undergraduate Māori students	77.5%	79.5%	> previous year	82.4%
	Increasing the number of Māori students completing qualifications at both undergraduate and postgraduate levels	310 (UG) 141 (PG)	327 (UG) 101 (PG)	> previous year	371 (UG) 135 (PG)
	Increasing the proportion of Māori postgraduate EFTS within postgraduate domestic University EFTS.	9.0%	7.7%	> previous year	9.2%
5.2	Raising Pacific student participation and achievement by:				
	Increasing the number of Pacific students enrolled and domestic Pacific EFTS as a percentage of total domestic student EFTS	994 students (5.2% of EFTS)	1,058 students (5.4% of EFTS)	> previous year	1,150 students (5.9% of EFTS)
	Increasing the paper pass rate for first-year undergraduate Pacific students	67.1%	66.2%	> previous year	68.4%
	Increasing the number of Pacific students completing qualifications at both undergraduate and postgraduate levels	129 (UG) 59 (PG)	126 (UG) 63 (PG)	> previous year	133 (UG) 67 (PG)
	Increasing the proportion of Pacific postgraduate EFTS within postgraduate domestic University EFTS.	3.6%	3.3%	> previous year	3.6%
5.3	Maintaining or increasing the number of research projects being undertaken in consultation with Māori as measured by a three-year rolling average. ⁸	3-year average 682	3-year average 713	> previous year	3-year average 708
5.4	At least 80% of University academic staff involved in community service activities.	88.4%	90.2%	≥ 80.0%	90.8%
5.5	Holding at least 500 open lectures, public seminars, and adult and community education courses per annum.	742	595	≥ 500	363
5.6	Providing at least 100 performing arts activities open to the public per annum.	102	123	≥ 100	78
5.7	Maintaining the University's status as a Fair Trade university.	Status maintained	Status maintained	Status maintained	Status maintained
5.8	An increasing proportion of respondents to the Graduate Opinion Survey indicating that they have undertaken volunteer work while studying at the University.	52.5%	52.1%	> previous year	51.3%

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

Once again, the University achieved the highest ever enrolment levels for Māori and Pacific students, both in absolute terms and as a proportion of our roll. Postgraduate EFTS increased, and the academic success of Māori and Pacific students improved as exhibited by the increase in pass rates and completions throughout 2020. Achieving increases in all of these areas represents an outstanding achievement given that Māori and Pacific students were disproportionately impacted by COVID-19 in a number of ways, including financial.

The inability to meet targets for community events was due directly to the disruption of COVID-19, with such events either not possible or only possible with greatly reduced numbers of participants at all but Alert Level 1. COVID-19 disruption also impacted adversely on volunteering and service opportunities.



STRATEGIC IMPERATIVE SIX: STRONG EXTERNAL ENGAGEMENT

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

#	KEY PERFORMANCE INDICATORS	2018 Actual	2019 Actual	2020 Target	2020 Actual
6.1	Hosting at least 650 academic visitors to the University per annum.	685	522	≥ 650	216
6.2	At least 25% of academic staff serving on government advisory boards and committees.	27.4%	23.0%	≥ 25.0%	20.2%
6.3	At least 50% of academic staff providing services to public sector departments, statutory authorities, agencies, boards, committees or inquiries, or to non-governmental organisations.	70.5%	59.8%	≥ 50.0%	71.8%
6.4	At least 50% of academic staff holding posts in an organisation or association relevant to their area of professional expertise.	70.5%	65.6%	≥ 50.0%	70.6%
6.5	Increasing the number of students studying abroad on outbound student exchange.	194	229	> previous year	99

The University's ambitions in respect of external engagement were significantly impacted by COVID-19, in particular by national and international travel restrictions. Most obviously, these thwarted Otago in achieving its targets for academic visitors to the University, and for student exchange. Key Performance Indicators 6.2, 6.3 and 6.4 are derived from a random survey of academic staff, which can lead to year-on-year volatility within these indicators. The survey result indicated 20.2% of respondents served on government advisory boards and committees, but while this is below our 25% target, it should be noted that both survey volatility and COVID-19 disruption may account for this. It should be noted, however, that Otago academics lead the way in providing an expert contribution to the national and global response to COVID-19.

STRATEGIC IMPERATIVE SEVEN: SUSTAINING CAPABILITY

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

#	KEY PERFORMANCE INDICATORS	2018 Actual	2019 Actual	2020 Target	2020 Actual
7.1	Achieving or exceeding the following University Group EFTS enrolment targets. ⁹	18,840	18,915	19,158	18,722
7.2	Achieving a University Group operating surplus of at least 3% of revenue (excluding extraordinary items).	3.9%	6.1%	≥ 3.0% of revenue	3.4%
7.3	Maintaining a liquid ratio of no worse than 1:1.	1.7:1	1.6:1	≥ 1:1	1.3:1
7.4	Ensuring that net interest paid is no greater than one-third of the operating surplus.	0.0%	0.3%	≤ 33.3%	0.0%
7.5	Increasing the consulting, commercial and intellectual property income of the University Group by at least 5% per annum as measured by a three-year rolling average.	\$78.7 million (100.5%)	\$78.6 million (99.9%)	≥ 105.0% of 2019	\$77.2 million (98.2%)
7.6	Reducing energy use per m ² of floor space as measured by a three-year rolling average. ¹⁰	3-year average 220.5 kWh/m ²	3-year average 222.5 kWh/m ²	< previous year	3-year average 219.5 kWh/m ²
7.7	Reducing the amount of waste sent to landfill per capita.	121.1 kg per person (EFTS and FTE)	78.9 kg per person (EFTS and FTE)	< previous year	61.4 kg per person (EFTS and FTE)
7.8	Reducing greenhouse gas emissions generated from University activities. ¹¹	19,344 t CO ₂ -e	13,551 t CO ₂ -e	< previous year	8,615 t CO ₂ -e

At the height of the pandemic, many international students returned to their home countries or were unable to enter New Zealand, leading to a reduction in total equivalent full-time students. COVID-19 also resulted in a reduction on consulting, commercial and intellectual property income in 2020, dragging down the three-year average for KPI 7.5. In responding to the challenging environment, the University was able to prudently manage its finances, ensuring that KPIS 7.2, 7.3 and 7.4 were achieved. While the lockdown in 2020 resulted in a reduction of energy consumption for most operational spaces, there was an increase in energy usage in accommodation-related areas as students spent more time in their living spaces, resulting in only a slight reduction in total energy use (KPI 7.6). However, greenhouse gas emissions were significantly reduced as one of the University's major energy sources switched from coal to biomass, resulting in a 36% reduction in KPI 7.8.

⁹ University Group EFTS include those generated by the Foundation Year Programme operated by the University's wholly-owned Foundation Studies subsidiary.

¹⁰ Floor space measured by gross area (Dunedin campus only). Performance is measured in kilowatt hours per square metre, which is a standard unit for measuring energy use.

¹¹ University activities refers to building energy emissions for all campuses (excluding non-University owned colleges). Performance is measured in tonnes of CO₂-e, or carbon dioxide equivalent.

EXTERNAL PERFORMANCE REPORTING

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

EQUAL OPPORTUNITIES REPORT

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

Strong relationships with iwi and Māori providers are integral to the success of Māori at Otago, and the high value placed on these relationships is exemplified by the University's cornerstone memorandum of understanding with Te Rūnanga o Ngāi Tahu, and its formal agreements and activities with other iwi and iwi groups.

The Māori Strategic Framework 2022 was launched in 2017, outlining 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) and the Māori Health Development Workforce Unit.

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

IWI TO WHICH STUDENTS AFFILIATED

Affiliation	2020		2019		2018		2017		2016	
	first	all	first	all	first	all	first	all	first	all
Ngāi Tahu / Kāi Tahu	484	557	428	512	428	494	426	462	391	466
Ngāpuhi	287	418	278	407	278	375	264	336	237	297
Ngāti Porou	147	253	145	264	145	257	143	245	142	225
Tainui, iwi not named	80	158	91	180	91	177	95	141	80	145
Ngāti Maniapoto	74	124	75	130	75	117	63	99	52	100
Ngāti Tūwharetoa (ki Taupō)	63	122	60	120	60	114	54	103	51	106
Ngāti Kahungunu ki Te Wairoa	62	92	56	102	56	90	48	93	54	76
Te Atiawa (Taranaki)	53	78	41	61	41	57	37	48	32	59
Te Rarawa	46	84	39	72	39	65	31	61	32	54
Tūhoe	42	86	43	95	43	90	36	83	31	72
Te Arawa, iwi not named	41	79	45	88	45	88	49	77	42	55
Ngāti Kahungunu ki Heretaunga	39	56	39	54	39	52	40	54	43	38
Ngāti Raukawa (Horowhenua/Manawatū)	37	53	25	39	25	32	19	30	20	39
Te Ati Haunui-a-Pāpārangi	36	59	34	54	34	53	30	43	28	37
Ngāti Kahungunu ki Wairarapa	33	52	32	49	32	49	34	48	31	48
Ngāti Awa	31	52	33	57	33	56	37	61	38	52
Ngāti Kahungunu, region unspecified	31	63	44	71	44	71	40	61	39	55
Ngāti Raukawa, region not known	30	48	34	58	34	60	39	45	30	35
Waikato	30	47	26	43	26	41	23	32	19	32
Taranaki	30	47	34	52	34	46	33	45	29	42
Ngāti Ranginui	28	45	19	35	18	33	15	34	11	31
Whakatōhea	27	51	25	48	25	47	28	32	18	28
Ngāi Te Rangi	27	56	28	50	28	38	19	39	26	33
Ngāti Whātua (not Ōrākei or Kaipara)	22	38	26	49	26	57	31	47	26	38
Other	507	1,120	440	1,059	353	963	264	896	294	841
Don't know	48	61	47	55	45	51	35	42	48	55
Total	2,287	n/a	2,187	n/a	2,097	n/a	1,933	n/a	1,844	n/a

The University is also strongly committed to broad ongoing engagement with Pacific communities. The Pacific Strategic Framework 2013-2020 formalises this commitment and articulates the University's goals to improve academic and development outcomes for Pacific students and staff. This work is monitored by the Pacific Development Office and supported by Associate Deans Pacific and the wider University. The Director of Pacific Development also oversees the allocation of the Tertiary Education Commission's Pacific Equity Funding for initiatives supporting Pacific student success.

Several initiatives specifically targeted to support Pacific students continued in 2020, including additional mental health and well-being support, student counselling, and the Kickstart 101 Summer School programme to help prepare students for life at University. The Division of External Engagement appointed a new manager of External Engagement to be based in Auckland, to lead the Pacific communities' engagement work for the North Island region. In 2020, the TEC Pacific Equity Fund supported a part-time Pacific liaison role within Te Whare Tāwharau (a sexual violence support and prevention centre). This enabled talanoa/workshop sessions to be held with Pacific students to develop sexual violence prevention services that can meet their needs and led to increased visibility of Te Whare Tāwharau services to Pacific students.

The Pacific Development Office commenced work to revise the Pacific Strategic Framework, including online stakeholder engagements or Fono with Pacific students, Pacific academic and professional staff, Pacific communities and Pacific tertiary sector leaders.

EQUAL EDUCATIONAL OPPORTUNITIES

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

The University's package of targeted scholarships and awards continued in 2020, with 280 students commencing study on Māori and Pacific Island Entrance Scholarships (2019: 220) and many more Māori and Pacific students securing other Otago entrance scholarships.

MĀORI

As noted in KPI 5.1 earlier in this report, the number of equivalent full-time Māori students enrolled at Otago increased from 2,187 in 2019 to 2,288 in 2020. As a proportion of the University's total domestic student EFTS, Māori student EFTS increased to an all-time high of 12.8% (2019: 12.4%).

There were 140 Māori students in Health Sciences First Year, 386 studying in undergraduate health professional degrees, and 127 in Health Sciences postgraduate study. Māori students now comprise 12.9% of students in health professional programmes, up from 10.7% in 2016.

In 2020, the course pass rate for Māori across all years of University was 89.7% (2019: 87.1%). Undergraduate qualification completions increased to 371 students (up 13.5% from 2019), while postgraduate qualification completions increased to 135 students (up 33.7% from 2019).

Key initiatives in 2020 included: the Kā Rikarika ā Tāne mentoring programme, with senior student volunteers mentoring first-year students; and Turaka Hou an academic orientation programme for first-year Māori students. The Turaka Hou pōwhiri at the Moeraki Marae was very popular with an additional pōwhiri required to accommodate over 400 students and whānau.

The Te Heika Pounamu ceremonies bring together Māori graduands, whānau and staff in celebration of Māori academic achievement. As a result of COVID-19 the May and August ceremonies were postponed to December. Despite the threat to the December Town Hall graduations, Te Heika Pounamu ceremonies were able to be held and saw increased attendance. The ceremony on December 18 became the first Te Heika Pounamu where degrees and certificates (tohu) were given to graduands.

All regional and national secondary schools' events and expo's were postponed in 2020. Online tools were used to communicate to schools and students interested in 2021 tertiary studies, scholarships and grants.

In December a celebration was held to mark the launch of *Te Huka Mātauraka: 30 Tau* a commemorative book featuring photos and stories of staff, tutors and students from the first 30 years of Te Huka Mātauraka.

In 2020 Te Huka Mātauraka, the Māori Centre, experienced an increase in the number of students accessing cultural, counselling and pastoral services. In response to COVID-19, the Māori Centre adapted to deliver high-quality online academic and pastoral support to students. Each of the University's four academic divisions also provided tailored support for Māori students in 2020.

Te Kura Pakihi (Otago Business School) initiatives were curtailed in 2020 due to COVID-19. Staff provided extensive support by contacting students in each semester. The Māori student entrepreneurship mentoring programme Innov8 HQ pivoted to a digital experience. This allowed flexibility with format and gave the opportunity to work with Te Puni Kōkiri. Towards the end of the year, five students had the opportunity to be either matched with Māori businesses to undertake a research project or to work on a research project with Business School staff investigating Māori business. Staff also helped students with writing CVs, provided references and encouraged students to pursue opportunities such as Te Hononga-ā-Kiwa 2020, an online internship business programme with the Centre for Asia Pacific Excellence.

In 2020 Te Wāhanga Matua Mātau Hauora (Division of Health Sciences) built on Māori student support programmes spanning recruitment, foundation, first-year transition, academic success and completion. Over 850 Māori students participated in these programmes in 2020 which included: the Te Ara Hauora programme, focused on pathways for Māori secondary students into Health Sciences (including REACH – a residential programme for Year 13 students); Tū Kahika, a culturally responsive foundation studies programme; the Te Whakapuāwai Māori Health Sciences First Year (HSFY) success programme; and the Tū Tauria Hauora programme for health professional and health sciences undergraduates. Retention and completion rates for Māori students in the Tū Tauria Hauora programme were over 95%. During the COVID-19 lockdown, dedicated Māori staff worked closely with the staff of Te Huka Mātauraka to ensure Māori students across the division were supported, and offered assistance spanning pastoral, academic and IT support.

Te Kete Aronui (Division of Humanities) adapted to the challenges of COVID-19 to provide ongoing support to students. The Whakatō Tipu programme, led by Humanities Kaiāwhina Māori monitored the academic engagement and achievement of the 650-750 Māori students enrolled in Humanities programmes. A database created at the start of the year proved to be crucial. It helped build excellent relationships with students and enabled students to be emailed regularly with information and advice. A welcome hui, how-to-study seminar and an essay-writing workshop were held prior to the COVID-19 lockdown. Supermarket vouchers, study/kai packs were provided to students using the Whakatō Tipu budget. All four Whakahihihi Ngakau events were combined into one, with the same core of kaupapa promoting postgraduate study to undergraduate students. The scholarship prize was reallocated into research grants for current postgraduate students. Seven Māori bridging scholarships were awarded to students transitioning from undergraduate to postgraduate study. The Kaiāwhina-ā-kura Network consisting of the Kaiāwhina Māori roles among the 21 academic and/or support staff was invaluable, especially during lockdown and managed to hold a Treaty of Waitangi hui in November 2020.

Te Rohe a Ahikāroa (Division of Sciences) saw Kaiārahi Sciences and Kaituitui Wānanga provide wrap around support to students including regular phone calls, follow-up assistance and help submitting application submissions to the Pūtea Tautoko Student Hardship Fund. Sessions for study tips and exam preparation were held in both Semester One (online exams) and Semester Two, where exam study sessions were run in collaboration with the Sciences Pacific Support and Strategy Team. Te Roopū Pūtaiao was re-established by engaging with a keen group of students, fostering whakawhanaungatanga among this group. A welcome back hui after lockdown for Māori students was held at the start of Semester Two. Te Koronga continued their kaupapa of Māori research excellence within Sciences by continued support through undergraduate and postgraduate study. In the summer of 2020-2021, 27 Māori students received the Science Division Summer Scholarship, Te Ngaru Paewhenua, and Riddet Institute Summer Science Scholarships were awarded to an additional four students. Scholarship recipients met weekly at Te Mātiti – Business School café to share their kaupapa research with each other. A summer barbecue was held at Te Huka Mātauraka for Māori Sciences students (including those on summer scholarships and internships) along with the students' supervisors and kaimahi from Te Huka Mātauraka.

PACIFIC PEOPLES

Another strong intake of first-year Pacific enrolments pushed total Pacific enrolments at Otago to an all-time high of 1,150 students (2019: 1,058). Proportionally, Pacific students increased to another all-time high, at 5.9% of total domestic student EFTS (2019: 5.4%).

There were 113 Pacific students in Health Sciences First Year, 205 students in undergraduate health professional degrees and 80 in Health Sciences postgraduate study. Pacific students now comprise 6.9% of students in health professional programmes, up from 4.4% in 2016.

200 Pacific students from across the University successfully completed qualifications in 2020, an increase on 2019 (189). Undergraduate completions increased (from 126 in 2019 to 133 in 2020) while postgraduate completions increased slightly (from 63 in 2019 to 67 in 2020).

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

The Pacific Islands Centre (PIC) continued an extensive programme of academic and pastoral support services in 2020. Key initiatives in 2020 included continuation and growth of academic support with the provision of tutorials and academic mentoring and support through the Taimane academic mentoring programme; ongoing annual recruitment programmes; the Pacific on Campus Experience programme; and the local schools Dare to Succeed mentoring programme. In 2020 the Dare to Succeed mentoring programme saw the inclusion of more Southern and Central Otago schools plus a growth in engaging with North Island-based schools through Zoom and online Fono (information sessions).

The Pacific Islands Centre was assisted by the collaborative work of the Associate Deans (Pacific) within the academic divisions and especially the Le Moana Action Group and the Pacific Leadership Group (PLG). Le Moana Action Group meets monthly and is made up of all Pacific support staff on campus led by the manager of the PIC, all four academic divisions and the Pacific Development Office. These meetings were co-ordinated by the PIC, which alternates hosting and chairing meetings with each academic division and the Pacific Development Office. The Pacific Postgraduate Reference Group continued to host monthly seminars, culminating in the annual Pacific Voices XVII Symposium. The Fofoa accommodation scheme was offered again in 2020, providing supported flatting accommodation for Pacific students on the Dunedin campus with a wrap-around support programme that included supervised study nights four times a week during semester.

The PIC adapted to the impact of COVID-19 by continuing to support students via online Zoom consultations, online tutorials and regular contact via email, Puletini, Facebook and radio programmes. Each of the University's four academic divisions also provided tailored support for Pacific students in 2020.

The Division of Commerce appointed two new Pacific staff in 2020: a Pacific student support facilitator to run the First- and Second-Year Transition Support programme and a programme co-ordinator to run the (PIPE) - Pacific Incubate Programme - Entrepreneurship Outreach. The PIPE programme planned in 2020 did not take place as schools faced major challenges due to the impact of COVID-19. The division continued to work closely and collaboratively with other academic divisions, the Pacific Development Office, Pacific Islands Centre, Pacific Student Associations including Pacific families and communities.

The Division of Health Sciences appointed a new Associate Dean (Pacific). This role is in addition to six other Associate Deans (Pacific) roles across the division. An inaugural director for the Va'a o Tautai, Centre for Pacific Health was appointed. This role works in collaboration with the Associate Dean (Pacific) to further strengthen the support for Pacific students and staff; and also strengthen engagement with the Pacific communities locally, nationally and across the Pacific region. It is pleasing to report a record number of Pacific students (68) graduated with a Health Sciences degree, including the largest cohort of Pacific students (22) graduating with a medical degree. The Otago Medical School endorsed Pacific Health as one of the seven domains of learning for the first time in 2019 and this was rolled out in 2020. Aligned with the division's commitment to the University of Otago Pacific Strategic Framework, the content of Pacific teaching across our health programmes was increased. The Associate Deans across the three campuses continued to provide support for students. The Cook Islands celebrated the graduation of two medical doctors, through a collaboration between the Otago Medical School, Royal New Zealand College of General Practitioners, and the Cook Islands government. The same academic programme provided support for medical doctors in Niue and Samoa. The Division of Health Sciences, working in collaboration with the Ministry of Health, continued to provide pathways for students from high school to

university and into the workforce. The delivery of an internship programme strengthened the relationship between the University and Pacific providers throughout New Zealand. The challenges experienced through COVID-19 opened up opportunities for teaching, research and engagement with the wider community in New Zealand and also across the Pacific region.

The Division of Humanities took the lead role in developing and finalising a guidebook for departmental Pacific Island student liaisons across the University. There were two successful recipients of the Divisional Pacific Postgraduate Bridging Scholarships. Two new Pacific academics were welcomed into the division.

The Division of Sciences Pacific support and strategy team welcomed a new .7FTE Associate Dean Pacific. This role includes developing the division's Pacific Strategy, which aligns with the Pacific Strategic Framework. In addition to implementing initiatives identified by the previous Associate Dean Pacific, the implementation part of the Science Pacific Strategy also identified our investment plan. This incorporated a village concept that provides a supportive structure to enable efficiencies for the division. This also aligns the division's positioning statement "Our People, Our Place". The Pacific Support and Strategy team co-ordinator's role increased to 1FTE, in order to provide for the demand for a holistic approach to Pacific student support such as pastoral and academic care in addition to supporting the co-ordination between departments and Pacific support services across the University. During COVID-19 lockdown our team engaged with about 72% of Pacific Sciences students providing pastoral, academic and financial support with the help of community organisations. The division signed a memorandum of understanding with Pacific Trust Otago (Pacific Health and Social Services provider) to formalise our ongoing engagement with the Pacific communities. In addition, our partnership allows us to jointly apply for funding from government departments to implement community initiatives. Both parties see this as capability building for both organisations.

SERVICES PROVIDED BY THE PACIFIC ISLANDS CENTRE

	2020	2019	2018	2017	2016
Student consultations	2,500	1,840	1,680	2,800	2,502
Students receiving course advice	1,400	1,316	1,425	1,320	1,240
Registered with the centre	1,150	1,091	906	870	859
Community meetings/consultation	500	320	245	185	245
Student gatherings	450	250	121	120	165
Extra tutorials	397	149	130	101	82
Community functions attended	120	54	45	24	45
Pacific postgraduate seminars	17	8	9	8	9
Career advisory services seminar	12	17	25	16	17
Total	6,546	5,045	4,586	5,444	5,164

LEARNING ASSISTANCE SUPPORT FOR STUDENTS WITH DISABILITIES

	2020	2019	2018	2017	2016
Notetaking	722	796	745	622	550
Examination/tests	675	569	603	878	606
Tutoring	335	374	405	354	274
Other	226	204	286	214	274
Assistant	2	2	0	1	2
Transcription/typing	0	0	0	0	1
Reader	0	0	0	0	1
Scanning	0	1	0	0	0
Total	1,960	1,946	2,039	2,069	1,708

DISABILITIES SUPPORT

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

In 2020, the University enrolled 1,699 students who identified as having a disability affecting study (2019: 1,714). Support in the form of learning assistance and/or specialised equipment requiring a specific financial commitment was provided to 784 students with disabilities in 2020 (2019: 813). 1,585 instances of support were provided in the form of notetaking, assistance with examinations, tutoring, and transcription or typing (2019: 1,742), along with many hours of individual consultations provided by a team of trained advisors.

Disability Information and Support staff hosted a number of workshops in 2020 (including New Zealand Sign Language courses) and participated in several teaching initiatives and disability awareness-raising events, including the Disability Information and Support Appreciation Awards ceremony. Disability Information and Support staff were also involved in the selection processes for the N.G. Stewart Scholarship, J.F. Ward Scholarship, Stephen Higgs Scholarship and the Donna-Rose McKay Disability Support Scholarship.

The Disability Information and Support team received positive feedback from the 2020 Student Satisfaction Survey, indicating that more than 95% of respondents were either "extremely satisfied" or "satisfied" with the service. The team strives to provide an outstanding experience for students and are proud to continue to be leaders in the field of disability support in tertiary education.

EQUITY AND DIVERSITY IN EMPLOYMENT

The University was re-accredited as a Rainbow Tick employer in December 2020. Rainbow Tick is a continual improvement certification designed to help an organisation ensure it is a safe and welcoming workplace for LGBTTIQA+ employees. Rainbow Tick training sessions were also held in person across on the Dunedin campus in November. The Rainbow Brown Bag lunches have been running for over a year and will continue into 2021. The aim of the lunches is to create a social space for staff within the rainbow community and any allies who wish to join. In addition to this, the University now has a new rainbow communities webpage (otago.ac.nz/rainbow).

The Equity Advisory Committee continued to provide leadership and oversight of the implementation of the Equity and Diversity Strategic Framework. As a part of this, the committee launched a new Equity, Diversity and Inclusion (EDI) Network in December. Before the lockdown, a well-attended Academic Promotions Workshop for women was held on the Dunedin campus. Equal Employment Opportunity observers were also present at all divisional academic promotions committees. The fifth annual Staff Equity Demographics Data Summary was released by the Equity Office in December to assist with evidence-based decision-making, and is available to all University staff upon request.

LEARNING AND DEVELOPMENT

Diversity topics were included in the three signature programmes for leaders and managers: Academic Leadership Development, Essential Management, and Supervisory Skills.

The topic of diversity and inclusivity was promoted through a range of workshops, including Equity at Otago; Creating an Inclusive Environment: Disability Awareness; Customer Diversity; Rainbow Tick Diversity and Inclusivity Training; Mental Health: Face-to-Face with Student Issues; Pacific Awareness; Te Reo Māori: He Timatanga; and Te Reo Māori: Te Waharoa. Women in Leadership at Otago provided the opportunity to develop leadership skills for women in both academic and professional staff.

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.

STUDENT SERVICES FEE REPORT

THIS REPORT HAS BEEN PREPARED in accordance with clause 6 of the Ministerial Direction on Compulsory Student Services Fees 2014.

This clause requires the University to publish a description of the services funded out of the compulsory student services fee, an income and expenditure statement for each type of student service, the fee charged, and the accounting requirements in its Annual Report each year.

SUMMARY

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

The highest proportion of the fee is spent on health services, and sport, recreation and cultural activities. This is consistent with student feedback on priorities. The University publishes detailed information on the fees charged, services provided and opportunities for students to have input and provide feedback on its website.

Due to COVID-19 restrictions, forums planned on campuses were not able to go ahead in 2020. Feedback from students was received via the Student Satisfaction Survey, OUSA Satisfaction Survey, regular surveys and satisfaction ratings from individual services provided via the Student Services Fee and input from student representatives across a range of University Committees and Council. Student representatives are also key members of the Student Services Fee Advisory Group that met five times during the year.

STUDENT SERVICES DELIVERED BY THE UNIVERSITY

Sports, recreation and cultural activities

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

Health services

Career information, advice and guidance; employment information

Financial support and advice

STUDENT SERVICES DELIVERED BY OUSA

Advocacy and legal advice; counselling; services; careers (OUSA Student Support Centre)

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

Sport, recreation and cultural activities

Student communication activities

STUDENT SERVICES DELIVERED BY THE OTAGO TERTIARY CHAPLAINCY TRUST BOARD

Counselling services; advocacy

Interfaith chaplaincy services and pastoral care

CSSF Category	Type of Service	CSSF Income	CSSF Expenditure	CSSF Surplus/ (Deficit)	Other Revenue	Total Surplus/ (Deficit)
Advocacy and legal advice	Accommodation support	122,000	163,579	(41,579)	39,596	(1,983)
	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; well-being support including (if required) referrals to other agencies and accompaniment to those other agency appointments; access to University Emergency Fund grants	766,078	766,078	-	-	-
Careers information, advice and guidance	Careers Development Centre	714,741	594,990	119,751	24,957	144,708
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	2,164,892	2,164,892	(0)	-	(0)
	Clubs and Societies - other campuses	32,028	39,253	7,225	-	(7,225)
Counselling services	Pastoral counselling and care, Chaplaincy Service	97,000	28,775	(31,775)	-	(31,775)
Employment Information	Member of Student Job Site – gives Otago students access to jobs through SJS	27,314	27,314	-	-	-
Financial support and advice	Budget advice usually in conjunction with well-being advice (above) and often also involves foodbank parcels and/or hardship grants	6,000	6,000	-	-	-
Health Services	Māori counsellor	35,000	33,399	1,601	-	1,601
	Subsidised general practice health care and specialist mental health support	4,257,110	5,320,119	(1,063,008)	1,457,146	394,137
	Te Whare Tāwharau sexual violence support and prevention centre	381,000	330,639	50,361	-	50,361
	Disability information and support for students impacted by mental health issues to continue in their studies	221,000	203,234	17,766	475	18,241
Media	Radio One – student radio station on-campus	222,147	222,147	-	-	-
Other	COVID-19 related revenue shortfall	(313,581)	-	(313,581)	-	(313,581)
Sports, recreation & cultural activities	Campus wi-fi	604,907	604,907	-	-	-
	Gym membership, classes, social and competitive sport and recreational events	2,271,700	2,620,137	(348,437)	491,295	142,859
Total		11,609,336	13,225,462	(1,616,126)	2,013,469	397,343

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 EFTS is shown below. The amounts include GST.

Dunedin	\$830.02
Christchurch	\$265.00
Wellington	\$136.68
Southland	\$136.68

GROUP ENTITIES REPORT

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

A full list of Group subsidiary entities and associates appears in the Statement of Accounting Policies on page 87 of this Annual Report.

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

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

THE UNIVERSITY OF OTAGO FOUNDATION TRUST

OVERVIEW

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

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

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

All monies received by the Trust are combined for investment purposes, enabling investment risk to be managed through a diversified portfolio. Investments are spread in a balanced portfolio which includes shares, property, bonds and cash. A detailed investment policy provides guidelines on asset allocation and social responsibility issues and is regularly reviewed by the board.

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 4.5% is achieved.

2020 ACHIEVEMENTS

The Trust reported a net surplus of \$11.3 million for the year to 31 December 2020. This compares with a budgeted surplus of \$9.7 million, and 2019 actual surplus of \$36.5 million. The year-on-year decline in surplus was driven by market conditions.

The net return on investment for the year was 6.75% compared with a return of 19.7% in 2019 and an average of 8.45% per annum over the last 10 years. Distributions to the University were \$11.9 million compared with \$10.3 million in 2019.

As at 31 December 2020 total investments were \$257.1 million (2019: \$247.0).

UNIVERSITY OF OTAGO FOUNDATION STUDIES LIMITED

OVERVIEW

Incorporated in 1996, University of Otago Foundation Studies Limited (FSL) provides transition pathways to degree-level study at the University of Otago.

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

2020 ACHIEVEMENTS

In 2020, the Foundation Year provided academic tuition to 215 Equivalent Full-Time Students (EFTS), down from 226 in 2020. This decline was due to a decrease of eight international EFTS and three domestic EFTS.

In 2020, the Language Centre provided English language tuition to 95 EFTS. This was a decrease of 38 EFTS (-28.6%) on the previous year.

FSL generated an overall operating deficit of \$0.7 million in 2020, which is an unfavourable result compared to the \$0.2 million operating surplus achieved in 2019. This reduction was a result of decreased student numbers across both Foundation Year and the Language Centre due to the impacts of COVID-19 and the associated border closure.

OTAGO INNOVATION LIMITED

OVERVIEW

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

Otago Innovation provides business partners, industry and investors with information about current University of Otago projects, their practical applications, their patent status and market potential. Otago Innovation's commercialisation managers assist with the preparation and implementation of business and marketing plans, assist the commercialisation process and ensure key proof-of-concept targets are managed and met.

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

2020 ACHIEVEMENTS

Fifty commercial opportunities were presented to Otago Innovation in 2020 (2019: 40). Spin-out companies successful in raising capital during the year included Chitogel Limited and Insitugen Limited. A number of licences were agreed with pharmaceutical and other companies worldwide, though often under conditions of confidentiality.

The Otago Innovation Group operating result was a surplus of \$1.4 million (deficit \$2.2 million: 2019). The main reasons for this favourable result were income from the sale of shares in investments held by Otago Innovation Limited.

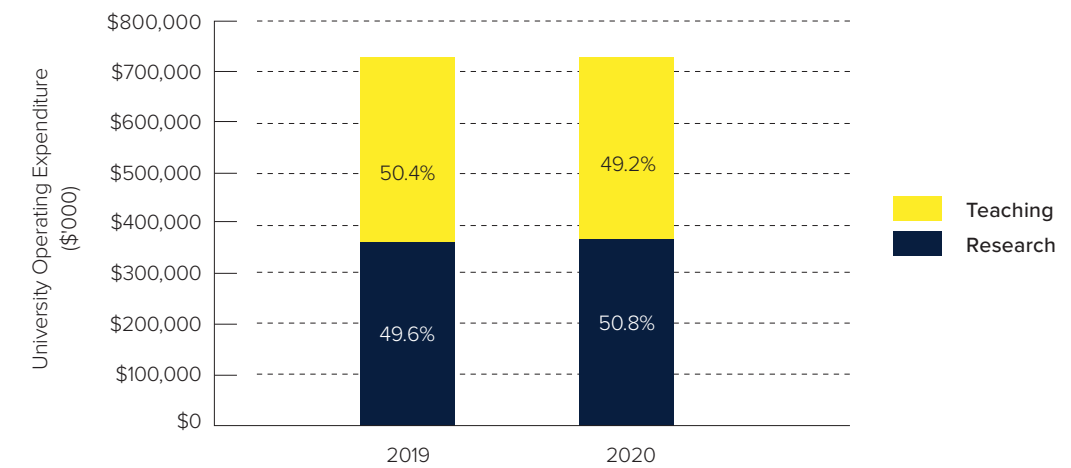
ESTIMATED EXPENDITURE BY OUTPUT CATEGORY

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 2020 will not result in a fully-qualified graduate for several years. For this reason, reporting against the University's strategic plan includes several lead and lag indicators of performance towards achieving these outputs.

Acknowledging these interdependencies, the University of Otago has utilised several high-level assumptions to estimate the proportion of its 2020 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.

¹² Tribal Group is an international provider of educational support services

NOTES TO SERVICE PERFORMANCE REPORTING

For the year ended 31 December 2020

1. Reporting Service Performance Information

- 1.1. 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.
- 1.2. The PBE FRS 48 Standard requires public benefit entities to apply the requirements to annual financial reports beginning on or after 1 January 2021. Otago adopted this Standard early and it was used for the year-end 31 December 2020 Annual Report.
- 1.3. Otago has produced a methodology document outlining the approach to reporting Service Performance information in-line with the PBE FRS 48 Standard. This document is available on our website.
- 1.4. The University has reported Service Performance information in prior Annual Reports, however changes are required to meet the new XRB Standard outlining reporting requirements. The underlying performance indicators are unchanged from prior years and the adoption of the new standard has no material effect on service performance reporting.
- 1.5. As acknowledged in the PBE FRS 48 Standard, the following attributes apply to the current Service Performance reporting environment:
 - a) *Service performance reporting is an area of reporting that continues to evolve;*
 - b) *Entities may be subject to a range of Service Performance reporting requirements, including legislative requirements and may use a variety of performance frameworks; and*
 - c) *It provides flexibility for entities to determine how best to "tell their story" in an appropriate and meaningful way.*

2. University Requirements for Service Performance Reporting

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

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

3. Scope of Service Performance Reporting

- 3.1. The University's Service Performance information is contained within 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.
- 3.2. PBE FRS 48 states that in reporting about the entity's objectives and how it intends to achieve them, the information should be drawn from the founding documents, governance documents and accountability documents. As such, Otago has drawn this information from the University's lead strategic document, *Strategic Direction to 2020*. This articulates the University's vision, mission, values and strategic imperatives.
- 3.3. PBE FRS 48 states judgement is required in deciding how much information to provide about the current reporting period and also how much information to provide about progress towards the long-term objectives. Otago has balanced the information available with the need to report in an understandable and concise manner for the users.
- 3.4. As acknowledged within PBE FRS 48 and as applicable to Otago, entities are subject to a range of reporting requirements from different standard bodies: as such, the presentation of Service Performance information by Otago allows for the different reporting requirements.

4. Selecting and Aggregating Service Performance Information

4.1. The level of aggregation used by Otago has been based on:

- a) Reporting against the strategic imperatives:
 - This allows Otago to report to stakeholders using strategic objectives that have been developed in consultation with those stakeholders including the wider community. It also provides a framework for units of the University to use in their own strategic and operational planning.
- b) Reporting Key Performance Indicators (KPIs) for strategic imperatives:
 - The University Council sets annually, within the Statement of Service Objectives, the Key Performance Indicators (KPIs) for each strategic imperative. The KPIs relating to each strategic imperative are reported against in the Service Performance information. In 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. Significant Events

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 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. Please see page 58.



FINANCIAL REVIEW 2020

THE UNIVERSITY GROUP, which includes the University of Otago, University of Otago Holdings Limited, and the University of Otago Foundation Trust, achieved an operating surplus of \$26.1 million for the year, \$10.1 million (63.5%) higher than the budget.

This compares with a Group surplus of \$42.9 million for 2019 that was unusually high due to very strong investment returns for the University of Otago Foundation Trust that year.

The 2020 surplus represented a return of 3.4% on revenue of \$756.5 million and 1.2% on equity of \$2.2 billion. These results met the Tertiary Education Commission's minimum guidelines of 3.0% and 1.2% respectively.

The University Parent's operating surplus for the year was \$14.3 million which was \$7.9 million higher than budget. This was an exceptional result in a year severely impacted by the COVID-19 pandemic and would not have been achieved without outstanding efforts across the University community to make savings in expenditure. Ultimately, these savings more than offset a significant drop in income, particularly from international student fees.

It should be noted, however, that the University Parent budget for 2020 at \$6.4m was lower than at any time since 2004. Lower investment income as cash reserves were used to fund the capital programme, higher student scholarship costs and higher depreciation charges following the building revaluation exercise at the end of 2019 contributed to 2020's historically low budgeted surplus.

Capital expenditure for the Group was \$116.1 million which was \$32.0 million (23.2%) lower than 2019. This was due both to some planned capital expenditure being delayed as part of the response to the impact of COVID-19, and several major capital projects being at the peak of construction activity in 2019.

The University of Otago Foundation Trust recorded an operating surplus of \$11.3 million for the year, against a budgeted surplus of \$9.7 million, as financial markets recovered from losses in the early part of 2020. The net return on investment for the year was 6.8% and the average net return over the last 10 years was 8.4%.

Operating cash flow for the Group for the year was a net inflow of \$121.0 million which was \$32.6 million higher than 2019. This was largely due to higher research income received in advance and travel savings made in response to the impact of COVID-19.

The Group continued to invest heavily in fixed assets (mainly buildings). Cash outflows for fixed assets of \$141.1 million were \$4.0 million higher than 2019.

The University continues to fund capital expenditure from operating cash flow, surplus and cash reserves, but is forecasting to commence borrowing for the first time late in 2021.

Total assets for the Group were \$2.5 billion for the year, an increase of \$59.9 million over 2019 mainly due to an increase in fixed assets.

The University Group continues to be impacted by the loss of international student income which will affect University income for the next several years. However, Otago has not been impacted to the same extent as other universities due to the long-standing Otago practice of capping international enrolments. International student income is a lower proportion of total income for Otago than is usual across the sector.

SHARON VAN TURNHOUT
Chief Financial Officer

STATEMENT OF RESPONSIBILITY

For the year ended 31 December 2020

- The Council and management of the University of Otago and Group accept responsibility for the preparation of the annual financial statements and the Statement of Service Performance and the judgements used in them;
- The Council and management of the University of Otago accept responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of the financial reporting; and
- In the opinion of the Council and management of the University of Otago, the annual financial statements and the Statement of Service Performance for the year ended 31 December 2020 fairly reflect the financial position and operations of the University of Otago and Group.

Dr R.J. SOMERVILLE QC
Chancellor



30 April 2021

PROFESSOR H. D. NICHOLSON
Vice-Chancellor (Acting)



30 April 2021

STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

For the year ended 31 December 2020

	Note	Consolidated		Actual 2019 \$'000	Actual 2020 \$'000	University	
		Actual 2020 \$'000	Budget 2020 \$'000			Budget 2020 \$'000	Actual 2019 \$'000
REVENUE							
Government grants	4,5	257,988	256,350	248,727	256,705	255,067	247,499
Tuition fees	4	167,498	177,563	170,043	163,839	172,150	165,509
Trust donations	4	7,703	7,000	6,804	-	-	-
Finance revenue	4,7	20,712	15,942	46,331	1,636	384	3,928
Externally-funded research	4	145,795	145,511	137,939	145,592	144,867	137,673
Performance-based research funding	4	62,299	62,493	62,234	62,299	62,493	62,234
Distributions from trust funds		-	-	-	11,873	11,816	10,333
Consulting and commercial revenue	4	70,904	82,608	80,697	72,105	84,328	81,549
Other revenue		23,585	26,037	26,352	23,897	25,700	27,750
Total revenue	4	756,484	773,504	779,127	737,946	756,805	736,475
EXPENDITURE							
Salaries - academic		228,924	227,771	221,905	226,770	225,727	219,873
Salaries - professional		173,275	172,948	170,641	170,182	169,623	167,596
Staff-related costs		22,136	27,057	32,957	22,006	26,854	32,832
Other expenditure	6	228,064	248,502	240,165	226,761	247,103	237,320
Depreciation and amortisation expense	6,12,13	77,937	81,023	70,419	77,756	80,783	70,243
Finance costs	7	58	303	134	129	306	211
Total operating expenditure		730,394	757,604	736,221	723,604	750,396	728,075
Surplus		26,090	15,900	42,906	14,342	6,409	8,400
Gain on revaluation of land and buildings		-	-	65,715	-	-	65,715
Impairment of land and buildings		(2,799)	-	-	(2,799)	-	-
Total comprehensive revenue and expense		23,291	15,900	108,621	11,543	6,409	74,115

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION

As at 31 December 2020

	Note	Consolidated			University		
		Actual 2020 \$'000	Budget 2020 \$'000	Actual 2019 \$'000	Actual 2020 \$'000	Budget 2020 \$'000	Actual 2019 \$'000
ASSETS							
Current assets							
Cash and cash equivalents	8	31,299	10,923	23,246	21,627	-	17,555
Trade and other receivables and prepayments	9	63,378	34,550	52,680	70,714	37,790	58,371
Other financial assets	10	40,474	12,000	44,854	12,946	-	19,497
Inventories		948	1,218	1,043	949	1,218	1,045
Total current assets		136,099	58,691	121,823	106,236	39,008	96,468
Non-current assets							
Investments in associates and joint ventures	22	7,514	4,338	4,395	-	-	-
Investments in subsidiaries	11	-	-	-	7,786	7,786	7,786
Other financial assets	11	221,094	237,469	224,372	48,778	32,833	29,993
Property, plant and equipment	12	2,060,326	2,239,855	2,016,251	2,058,323	2,121,705	2,014,184
Intangible assets	13	27,424	4,616	25,719	27,297	4,523	25,680
Total non-current assets		2,316,358	2,486,278	2,270,737	2,142,184	2,166,847	2,077,643
Total assets		2,452,457	2,544,969	2,392,560	2,248,420	2,205,855	2,174,111
LIABILITIES							
Current liabilities							
Trade and other payables and accruals	14	48,422	69,617	48,463	54,039	76,977	55,577
Employee entitlements	15	67,174	52,764	59,108	66,713	52,600	58,776
Deferred revenue	16	107,857	65,220	80,685	106,535	63,628	78,499
Other current liabilities		1,797	1,092	364	1,797	-	364
Finance leases	20	-	-	-	1,130	-	-
Total current liabilities		225,250	188,693	188,620	230,214	193,205	193,216
Non-current liabilities							
Employee entitlements	17	52,132	49,631	53,481	52,132	49,631	53,481
Finance leases	20	-	-	-	27,110	-	-
Loans		1,153	58,325	1,108	-	58,325	-
Total non-current liabilities		53,285	107,956	54,589	79,242	107,956	53,481
Total liabilities		278,535	296,649	243,209	309,456	301,161	246,697
Net assets		2,173,922	2,248,320	2,149,351	1,938,964	1,904,694	1,927,414
EQUITY							
Accumulated funds	18	1,126,861	1,086,477	1,099,494	891,858	758,692	877,509
Other reserves	18	1,047,106	1,161,843	1,049,905	1,047,106	1,146,002	1,049,905
Total equity attributable to the University		2,173,967	2,248,320	2,149,399	1,938,964	1,904,694	1,927,414
Minority interest		(45)	-	(48)	-	-	-
Total equity		2,173,922	2,248,320	2,149,351	1,938,964	1,904,694	1,927,414

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2020

	Consolidated			University		
	Actual 2020 \$'000	Budget 2020 \$'000	Actual 2019 \$'000	Actual 2020 \$'000	Budget 2020 \$'000	Actual 2019 \$'000
Balance at 1 January	2,149,351	2,232,420	2,039,829	1,927,414	1,898,285	1,851,968
Total comprehensive revenue and expenses previously reported	26,090	15,900	42,906	14,342	6,409	8,400
Gain on revaluation of land and buildings	-	-	65,715	-	-	65,715
Equity adjustments	1,280	-	922	7	-	1,331
Impairment of land and buildings	(2,799)	-	-	(2,799)	-	-
Capital injection from non-controlling interest	-	-	(21)	-	-	-
Balance at 31 December	2,173,922	2,248,320	2,149,351	1,938,964	1,904,694	1,927,414

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS

For the year ended 31 December 2020

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.

	Note	Consolidated		University			
		Actual 2020 \$'000	Budget 2020 \$'000	Actual 2019 \$'000	Actual 2020 \$'000	Budget 2020 \$'000	Actual 2019 \$'000
Cash flows from operating activities							
Subsidies and grants received		319,375	318,843	314,691	318,091	317,560	313,463
Fees and charges received		178,546	191,475	188,261	165,973	185,685	189,602
Interest received		14,761	8,612	9,786	2,382	604	4,533
Receipts from other revenue		258,527	237,799	243,288	273,159	254,231	237,955
		771,209	756,729	756,026	759,605	758,080	745,553
Payments to suppliers and employees		650,173	657,182	667,644	645,388	662,009	656,480
Net cash flow from operating activities	25	121,036	99,547	88,382	114,217	96,071	89,073
Cash flows from investing activities							
Receipts from sale of property, plant, and equipment		107	18	119	108	18	102
Receipts from sale of investments & loan repayments		99,277	-	64,559	7,444	338	30,891
		99,384	18	64,678	7,552	356	30,993
Purchase of property, plant and equipment		141,072	168,522	137,087	117,697	167,752	137,498
Acquisition of investments		71,281	2,272	40,056	-	-	-
Net cash flow from investing activities		(112,969)	(170,776)	(112,465)	(110,145)	(167,396)	(106,505)
Cash flows from financing activities							
Proceeds from borrowings		(14)	58,579	(7)	-	58,325	-
Repayment of borrowings		-	-	-	-	-	-
Net cash flow from financing activities		(14)	58,579	(7)	-	58,325	-
Net (decrease)/increase in cash, cash equivalents, and bank overdrafts		8,053	(12,650)	(24,090)	4,072	(13,000)	(17,432)
Cash at the beginning of the year		23,246	23,573	47,336	17,555	13,000	34,987
Cash at the end of the year	8	31,299	10,923	23,246	21,627	-	17,555

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

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 2020 were authorised for issue by Council on 30 April 2021.

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

The University is a tertiary education institution governed by the Crown Entities Act 2004 and the Education and Training Act 2020.

The Financial Statements presented here are for the reporting entity, University of Otago (Parent), and the Group, consisting of subsidiary and associate companies, joint ventures and controlled trusts.

The Group subsidiary and associate companies and joint ventures are:

- University of Otago Holdings Limited. Holding company. 100% owned by the University.
- Otago Innovation Limited. Company to hold and develop the commercial interests of the University. 100% owned by University of Otago Holdings Limited.
- University of Otago Foundation Studies Limited. Operates the Foundation Year programme and an English language school. 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.
- Upstream Medical Technologies. 20% owned by University of Otago Holdings Limited. Commercialising technologies relating to certain biomarkers.
- Ubiquitome Limited. 21% owned by University of Otago Holdings Limited. Commercialisation of a novel battery-powered portable qPCR device.
- BPAC NZ Limited. This company works with the Division of Health Sciences to provide best-practice advocacy services to primary, secondary and tertiary health providers in the area of medication prescribing. 17% owned by University of Otago Holdings Limited.
- Upstart Incubation Trustee Company Limited. Non-operational; has no assets or liabilities. 33% owned by University of Otago Holdings Limited.
- Disease Research Limited. Diagnostics of health and disease in ruminants, located at Invermay. The company was 100% owned by Otago Innovation Limited until being sold to new owners in 2020.
- Silventum Limited. Commercialising dental material incorporating nano silver. 59% owned by Otago Innovation Limited.
- Insitugen Limited. 22% owned by Otago Innovation Limited. Commercialising applications relating to androgen assays.
- University of Otago Foundation Trust Group. A charitable trust which receives and administers donations, bequests and sponsorship monies of the University of Otago.
- Otago University Trust (UK). Established to provide a vehicle for University of Otago supporters living in the UK.

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

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

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated Financial Statements are set out below. These policies have been consistently applied to the opening balance sheet and reporting period to 31 December 2020, unless otherwise stated.

2.1 BASIS OF PREPARATION

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

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

Accordingly, the use of the going-concern assumption is appropriate in the preparation of the Financial Statements of the Group and the University:

- The loss in revenue in 2020 was exceeded by savings in expenditure
- A budgeted deficit (\$5.5 million) in 2021 for the Group can be absorbed by the University Group (\$2.5 billion in assets)
- Net operating cash flow remains significant and capital budgets have been cut back to maintain cash reserves.

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. These Financial Statements comply with PBE accounting standards.

Functional and presentation currency

The Financial Statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$'000). The functional currency of the University and its subsidiaries, associates and joint ventures is New Zealand dollars.

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

Budget figures

The budget figures have been prepared in accordance with NZ GAAP and are consistent with the accounting policies adopted by the University for the preparation of the Financial Statements. The budget was approved by Council on 12 November 2019.

Reclassification of prior year balances

Where the presentation of balances has been changed in the current year, prior year balances have also been reclassified for consistency.

The following Statement of Comprehensive Revenue and Expenses reclassifications were made in the 2020 Financial Statements:

- Sale of intellectual property is now included in other revenue
- Occupancy cost, scholarships, other expenses, and consumables and general are now classified as other expenditure.

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

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

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

The University and Group intends to adopt PBE IPSAS 41 for the 31 December 2022 financial year. The University and Group has not yet assessed in detail the impact of the new standard.

An amendment to PBE IPSAS 2 Statement of Cash Flows requires entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. This amendment is effective for annual periods beginning on or after 1 January 2021, with early application permitted. The University and Group does not intend to early adopt the amendment.

Other amendments

Public Benefit Entities are required to apply the requirements of the PBE FRS 48 Standard to annual reports beginning on or after 1 January 2021. The University and Group early adopted this standard for the year ended 31 December 2019 Annual Report. The underlying performance indicators were unchanged from prior year and the adoption of the new standard had no material effect on service performance reporting.

While there are other amendments issued and not yet effective, the University and Group do not consider these to be relevant and therefore no information has been disclosed about these amendments.

Critical accounting estimates and assumptions

In preparing these Financial Statements, estimates and assumptions have been made concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Property revaluations

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

Retirement gratuities

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

2.2 BASIS OF CONSOLIDATION

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

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

Subsidiaries

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

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

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 2020 has been included in other payables.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2020

3. FINANCIAL INSTRUMENTS

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

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

(A) FINANCIAL INSTRUMENT CATEGORIES

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

	Consolidated		University	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
FINANCIAL ASSETS				
Fair value through surplus or deficit – held for trading				
Listed shares	155,454	165,418	1,385	136
Unlisted shares	3,869	5,672	-	-
Total fair value through surplus or deficit – held for trading	159,323	171,090	1,385	136
Loans and receivables				
Cash and cash equivalents	31,299	23,246	21,627	17,555
Receivables	49,303	40,044	56,728	45,827
Other financial assets:				
- Term deposits	29,546	44,329	12,000	20,000
- Loans	5,286	5,353	5,286	5,353
- Corporate bonds	49,360	49,453	-	-
- Shares in subsidiaries	-	-	7,786	7,786
- Investment in in-substance subsidiary	-	-	25,000	25,000
- Prepaid leases	18,053	-	18,053	-
- Investments in associates and joint ventures	7,515	4,395	-	-
Total loans and receivables	190,362	166,820	146,480	121,521
FINANCIAL LIABILITIES				
Financial liabilities at amortised cost				
Payables	48,322	48,513	53,939	55,627
Loans and leases	1,153	1,108	28,240	-
Total financial liabilities at amortised cost	49,475	49,621	82,179	55,627

(B) MARKET RISK

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

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

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

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

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

	2020				2019			
	USD \$'000	AUD \$'000	EUR \$'000	GBP \$'000	USD \$'000	AUD \$'000	EUR \$'000	GBP \$'000
Cash and cash equivalents foreign bank accounts	174	-	-	214	4	2,165	-	-
Equities	7,843	47,860	-	-	6,940	8,470	-	-

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 Index	Impact on the surplus		Impact on equity	
	Actual 2020 \$'000	Actual 2019 \$'000	Actual 2020 \$'000	Actual 2019 \$'000
ASX 200	2,543	3,040	2,543	3,040
NZX50	4,686	5,490	4,686	5,490
NYSE International 100	544	515	544	515

Interest rate risk

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

Movement in interest rate	Surplus (the Group)		Equity (the Group)	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
0.5% (50 basis points) higher for the year				
Interest received	227	331	227	331

Explanation of interest rate risk sensitivity

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

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2020

(C) CREDIT RISK

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

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

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

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

Maximum exposure to credit risk

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

	Consolidated		University	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Cash at bank and term deposits	60,804	65,032	33,627	36,555
Receivables	49,303	32,046	56,728	36,332
Loans	5,286	5,353	5,286	5,353
Corporate bonds	49,360	49,453	-	-
Total credit risk	164,753	151,884	95,641	78,240

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	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Counterparties with credit ratings				
Cash at bank and term bank deposits				
AA-	45,783	52,871	27,627	35,055
A	15,021	-	6,000	-
BBB	-	12,161	-	1,500
Total cash at bank and term deposits	60,804	65,032	33,627	36,555

	Consolidated		University	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Stock and government bonds				
AA+	1,172	1,114	-	-
AA	5,139	4,812	-	-
AA-	33,753	6,346	-	-
A+	1,101	1,072	-	-
A	2,555	2,524	-	-
A-	8,194	7,925	-	-
BBB+	15,406	15,361	-	-
BBB	3,880	3,805	-	-
Not rated	6,402	6,495	-	-
Total corporate bonds	77,602	49,454	-	-
Counterparties without credit ratings				
Debtors and other receivables	49,303	32,046	56,728	36,332
Existing counterparty with no defaults in the past	5,286	5,353	5,286	5,353
Total community and related-party loans	54,589	37,399	62,014	41,685

(D) LIQUIDITY RISK

Liquidity risk is the risk that the University and Group will encounter difficulty raising funds to meet commitments as they fall due.

Prudent liquidity risk management implies maintaining sufficient cash and liquid assets, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions.

The University and Group 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 (assets)/liabilities \$'000
CONSOLIDATED 2020						
Financial assets						
Cash and cash equivalents	31,299	-	-	-	31,299	31,299
Bank term deposits	29,546	-	-	-	29,546	29,546
Corporate bonds	12,143	6,060	25,909	33,488	77,600	77,600
Loans	364	358	1,065	3,499	5,286	5,286
Total financial assets	73,352	6,418	26,974	36,987	143,731	143,731
Financial liabilities						
Payables and accruals	48,322	-	-	-	48,322	48,322
Loans	-	-	-	1,153	1,153	1,153
Total financial liabilities	48,322	-	-	1,153	49,475	49,475

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2020

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total contractual cash flows	Carrying Amount assets/liabilities
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
CONSOLIDATED 2019						
Cash and cash equivalents	23,246	-	-	-	23,246	23,246
Bank term deposits	44,329	-	-	-	44,329	44,329
Corporate bonds	1,028	10,160	26,373	11,892	49,453	49,453
Loans	496	419	1,152	3,286	5,353	5,353
Total financial assets	69,099	10,579	27,525	15,178	122,381	122,381
Financial liabilities						
Payables and accruals	48,513	-	-	-	48,513	48,513
Loans	-	-	-	1,108	1,108	1,108
Total financial liabilities	48,513	-	-	1,108	49,621	49,621
UNIVERSITY 2020						
Financial assets						
Cash and cash equivalents	21,627	-	-	-	21,627	21,627
Bank term deposits	12,000	-	-	-	12,000	12,000
Receivables	56,728	-	-	-	56,728	56,728
Loans	364	358	1,065	3,499	5,286	5,286
Total financial assets	90,719	358	1,065	3,499	95,641	95,641
Financial liabilities						
Payables and accruals	53,939	-	-	-	53,939	53,939
Total financial liabilities	53,939	-	-	-	53,939	53,939
UNIVERSITY 2019						
Financial assets						
Cash and cash equivalents	17,555	-	-	-	17,555	17,555
Bank term deposits	20,000	-	-	-	20,000	20,000
Receivables	45,827	-	-	-	45,827	45,827
Loans	496	419	1,152	3,286	5,353	5,353
Total financial assets	83,878	419	1,152	3,286	88,735	88,735
Financial liabilities						
Payables and accruals	55,627	-	-	-	55,627	55,627
Total financial liabilities	55,627	-	-	-	55,627	55,627

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

	Less than 1 month	Between 1 and 3 months	Between 3 and 12 months	Between 1 and 2 years	Total	Carrying amount liabilities
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
CONSOLIDATED – ACTUAL 2020						
Forward foreign exchange contracts	4,037	706	20,128	100	24,971	24,971
CONSOLIDATED – ACTUAL 2019						
Forward foreign exchange contracts	69	339	7,077	3,719	11,204	11,204
UNIVERSITY – ACTUAL 2020						
Forward foreign exchange contracts	4,037	706	20,128	100	24,971	24,971
UNIVERSITY – ACTUAL 2019						
Forward foreign exchange contracts	69	339	7,077	3,719	11,204	11,204

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2020

(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
31 DECEMBER 2020 – CONSOLIDATED				
Financial assets				
Cash and cash equivalents	31,299	31,299	-	-
Bank term deposits	29,546	29,546	-	-
Corporate bonds	49,360	49,360	-	-
Listed shares	155,454	155,454	-	-
Investments in associates and joint ventures	7,515	-	7,515	-
Shares in unlisted companies	4,796	-	-	4,796
Loans	5,286	-	5,286	-
Total financial assets	283,256	265,659	12,801	4,796
	Total	Quoted market price	Observable inputs	Significant non-observable inputs
	\$'000	\$'000	\$'000	\$'000
31 DECEMBER 2019 – CONSOLIDATED				
Financial assets				
Cash and cash equivalents	28,465	28,465	-	-
Bank term deposits	37,612	37,612	-	-
Corporate bonds	49,453	49,453	-	-
Listed shares	165,418	165,418	-	-
Investments in associates and joint ventures	4,395	-	4,395	-
Shares in unlisted companies	5,672	-	-	5,672
Loans	5,353	-	5,353	-
Total financial assets	296,368	280,948	9,748	5,672

	Total	Quoted market price	Observable inputs	Significant non-observable inputs
	\$'000	\$'000	\$'000	\$'000
31 DECEMBER 2020 – UNIVERSITY				
Financial assets				
Cash and cash equivalents	21,627	21,627	-	-
Bank term deposits	26,000	26,000	-	-
Listed shares	1,385	1,385	-	-
Shares in subsidiaries	7,786	-	7,786	-
Investment in in-substance subsidiary	25,000	-	25,000	-
Loans	5,286	-	5,286	-
Total financial assets	87,084	49,012	38,072	-

	Total	Quoted market price	Observable inputs	Significant non-observable inputs
	\$'000	\$'000	\$'000	\$'000
31 DECEMBER 2019 – UNIVERSITY				
Financial assets				
Cash and cash equivalents	17,555	17,555	-	-
Bank term deposits	20,000	20,000	-	-
Listed shares	136	136	-	-
Shares in subsidiaries	7,786	-	7,786	-
Investment in in-substance subsidiary	25,000	-	25,000	-
Loans	5,353	-	5,353	-
Total financial assets	75,830	37,691	38,139	-

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2020

4. REVENUE SUMMARY

ACCOUNTING POLICY

Government grants

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

Student Achievement Component (SAC) funding

SAC funding is the University's main source of operational funding from the Tertiary Education Commission (TEC). The University considers SAC funding to be non-exchange revenue.

The University of Otago (University) recognises SAC funding as revenue, when the course withdrawal date has passed, based on the number of eligible students enrolled in the course at that date and the value of the course.

Tuition fees

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

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

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

Fees free

The University considers fees-free revenue is non-exchange revenue and has presented funding received as part of tuition fees. This is on the basis that receipts from the TEC are for payment on behalf of the student as specified in the relevant funding mechanism.

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

The amount received in 2020 was \$24.784 million (GST exclusive) (2019: \$24.787 million (GST exclusive)).

Donations

Donated assets are recognised at fair value.

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

Externally-funded research

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

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

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

For a non-exchange research contract, the total funding receivable under the contract is recognised as revenue immediately, unless there are substantive conditions in the contract. If there are substantive conditions, revenue is recognised when the conditions are satisfied. A condition could include the requirement to complete research to the satisfaction of the funder, to retain funding or return unspent funds. Revenue for future periods is not recognised where the contract contains substantive termination provisions for failure to comply with the requirements of the contract.

Conditions and termination provisions need to be substantive, which is assessed by considering factors such as contract monitoring mechanisms of the funder and the past practice of the funder.

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

Performance-Based Research Fund (PBRF)

The University considers PBRF funding to be non-exchange in nature. PBRF funding is specifically identified by the TEC as being for a funding period as required by section 159YA 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	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Tuition fees				
Domestic tuition fees	120,842	117,528	120,196	116,840
International tuition fees	46,656	52,515	43,643	48,669
Total tuition fees	167,498	170,043	163,839	165,509

The amount of fees-free revenue in 2020 was \$24.784 million (GST exclusive) (2019: \$24.787 million (GST exclusive)).

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2020

5. GOVERNMENT GRANTS

	Consolidated		University	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Vote Education	255,270	246,087	253,987	244,859
Vote Health	2,718	2,640	2,718	2,640
Total government grants	257,988	248,727	256,705	247,499

6. SPECIFIC EXPENSES

	Consolidated		University	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Surplus before income tax includes the following specific expenses:				
Consumables and general	130,773	140,430	129,360	137,776
Occupancy	43,360	45,098	43,470	45,043
Amortisation	3,773	3,561	3,739	3,537
Impairment	2,410	-	2,410	-
Assurance audits:				
Audit fees for financial statements audit - Audit New Zealand	266	260	243	239
Audit fees for the PBRF audit - Audit New Zealand	10	10	10	10
Other assurance audits	38	42	38	42
Total	314	312	291	291
Directors'/Councillors'/Trustees' fees	355	360	255	245
No Council members received compensation or benefits in relation to cessation (2019 Nil)				
Rental expense relating to operating leases				
Minimum lease payments	9,463	10,023	9,619	10,008
Total rental expense relating to operating leases	9,463	10,023	9,619	10,008

7. FINANCE REVENUE AND FINANCE COSTS

	Consolidated		University	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Finance revenue				
Interest received	4,348	6,614	1,819	4,175
Realised gain/(loss) on sale of investments	10,032	3,346	-	-
Dividends received	3,432	5,308	-	-
Gain/(loss) forex unrealised	(1,869)	(432)	(1,834)	-
Unrealised gain/(loss) on revaluations of investments	4,769	31,495	1,651	(247)
Total finance revenue	20,712	46,331	1,636	3,928
Finance costs				
Interest paid	58	134	129	211
Total finance costs	58	134	129	211

8. CASH AND CASH EQUIVALENTS

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

	Consolidated		University	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Cash at bank and on hand	17,301	22,246	7,627	16,555
Short-term deposits maturing three months or less from date of acquisitions	13,998	1,000	14,000	1,000
Total cash and cash equivalents	31,299	23,246	21,627	17,555

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2020

9. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

	Consolidated		University	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Trade debtors	16,533	16,096	16,140	15,323
Other receivables	33,670	23,948	41,488	30,504
Prepayments	13,175	12,636	13,086	12,544
Total trade and other receivables and prepayments	63,378	52,680	70,714	58,371

The ageing profile of trade receivables is as follows:

Current	11,252	9,800	10,998	9,432
2 to 3 months	2,172	4,955	2,033	4,574
> 3 months	3,109	1,341	3,109	1,317
Total gross trade receivables	16,533	16,096	16,140	15,323

Any impairment or write-off of trade receivables is based on analysis of past history, and a review of specific debtors' balances greater than 3 months. Amounts not considered recoverable are written off in the period in which they are identified.

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

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

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

10. OTHER FINANCIAL ASSETS

ACCOUNTING POLICY

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

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

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

Financial assets at fair value through surplus or deficit

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

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

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

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

Loans and receivables

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

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

Term deposits

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

	Consolidated		University	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Current portion				
Other loans	946	497	946	497
Short-term deposits	29,546	43,329	12,000	19,000
Corporate bonds	9,982	1,028	-	-
Total current portion	40,474	44,854	12,946	19,497

Other loans includes \$485k relating to the Auckland Dental Building lease.

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

	Consolidated		University	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Less than 1 year				
Other loans	946	497	946	497
Short-term deposits with maturities of greater than 3 months from acquisition	29,546	43,329	12,000	19,000
Corporate bonds	9,982	1,028	-	-
	40,474	44,854	12,946	19,497

Other loans includes \$485k relating to the Auckland Dental Building lease.

Auckland Dental Building

The University of Otago entered into a co-operative agreement with the Counties Manukau District Health Board, for the University to lease DHB land for up to 30 years for the purposes of developing a Dental training facility at Manukau Health Park. The Dental facility construction was completed in February 2020.

The University has accounted for the development as an operating lease. The value of construction costs have been recognised by the University as a prepaid lease asset.

On expiry of the lease, ownership of the Dental facility will transfer to the DHB, and Counties Manukau will be required to compensate the University for the value of the Dental facility at the date of expiry. The net present value of this transfer value has been recognised for the period ended 31 December 2020, and will be unwound over the 30-year lease period.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2020

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

	Consolidated		University	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Non-current portion				
<i>Investment in subsidiaries</i>				
Shares in University of Otago Holdings Ltd 100% owned subsidiary, domiciled in New Zealand Balance date 31 December	-	-	7,786	7,786
Total investment in subsidiaries	-	-	7,786	7,786
<i>Other Investments</i>				
Loans and receivables	22,393	4,857	22,393	4,857
Corporate bonds	39,378	48,425	-	-
	61,771	53,282	22,393	4,857
<i>Other listed securities</i>				
Shares in other companies	155,454	165,418	1,385	136
	155,454	165,418	1,385	136
<i>Other unlisted securities</i>				
Equity securities	3,869	5,672	-	-
	3,869	5,672	-	-
<i>Investment in in-substance subsidiary (University of Otago Foundation Trust)</i>				
100% controlled trust, domiciled in New Zealand	-	-	25,000	25,000
	-	-	25,000	25,000
Other financial assets	221,094	224,372	48,778	29,993

Loans and receivables include \$17.568 million relating to the Auckland Dental Building lease.
Investment in in-substance subsidiary is carried at cost in the parent entity financial statements.

Term deposits

The carrying amount of term deposits approximates their fair value.

Bonds

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

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

Loans

The face value of loans is \$6.937 million (2019: \$7.739 million).

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

Unlisted shares

Unlisted shares are recognised at fair value.

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

Listed shares

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

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

Interest-free loans

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

Total interest-free loans outstanding are \$6.560 million (2019: \$6.933 million). The net present value of these loans at a discount rate of 4% is \$4.909 million (2019: \$4.906 million).

Movements in the carrying value of loans are as follows:

	Consolidated		University	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
At 1 January	5,354	5,739	5,354	5,739
Amount of new loans granted during the year	44	58	44	58
Fair value adjustment movement on initial recognition	376	6	376	6
Loans repaid during the year (principal and interest)	(484)	(449)	(484)	(449)
At 31 December	5,290	5,354	5,290	5,354

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 2020

12. PROPERTY, PLANT AND EQUIPMENT

ACCOUNTING POLICY

The University's land and buildings are revalued when there has been a significant movement in the market value or depreciated replacement cost. They were revalued on 31 December 2019 in accordance with PBE IPSAS 17 Property, Plant and Equipment and the New Zealand Property Institute's Valuation Standard 3, "Valuations for Financial Reporting".

The basis of valuation was as follows:

The valuation was completed by a registered valuer employed by the University and has been reviewed by an independent registered valuer (Chapman Consultancy (2008) Limited) and confirmed as appropriate for financial reporting purposes.

Land was valued at market value;

Land fair value, using market-based evidence, is based on the highest and best use of the land, with reference to comparable land values;

Restrictions on the University's ability to sell land are reflected in the valuation to recognise that additional time and costs would be involved in selling any land due to these restrictions;

Specialised buildings and improvements were valued at depreciated replacement cost; and

Non-specialised buildings and improvements were valued at market value.

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

Depreciated replacement cost is determined using a number of methodologies. Methodologies used in the December 2019 valuation include:

The replacement costs of the specific assets are adjusted where appropriate for optimisation due to over-design or surplus capacity;

The replacement cost is derived from recent construction contracts of modern equivalent assets and consultation with other valuers and quantity surveyors;

Valuations have been adjusted to take account of known building faults including the need to strengthen some structures and to comply with current fire regulations;

The remaining useful life of assets is estimated after considering factors such as the condition of the asset, future maintenance and replacement plans and experience with similar buildings;

Straight-line depreciation has been applied in determining the depreciated replacement cost value of the asset.

Non-specialised buildings (for example, residential buildings and storage facilities) are valued at fair value using market-based evidence. Significant assumptions in the 31 December 2019 valuation include market rents and capitalisation rates.

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
- Discussions with facilities managers.

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.

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

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

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

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

The University holds in trust a national archival collection of books and artworks known as the Hocken Collection. Items included in the collection 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.

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.

Plant, motor vehicles, equipment and furniture are recorded at cost less accumulated depreciation and impairment losses.

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.

Property, plant and equipment that 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.

Depreciation

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

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

Class of asset depreciated	Estimated useful life	Depreciation rates
Buildings and components		
Site improvements	50 years	2.0%
Structure including walls	30 to 250 years	0.4% to 3.3%
Roof	25 to 100 years	1.0% to 4.0%
Plumbing	40 to 50 years	2.0% to 2.5%
Lifts	40 years	2.5%
Heating and ventilation	30 to 50 years	2.0% to 3.3%
Fume cupboards	15 years	6.7%
Floor coverings and chattels	10 to 40 years	2.5% to 10.0%
Fit out	30 to 75 years	1.3% to 3.3%
Fire protection	40 to 60 years	1.7% to 2.5%
Electrical	40 to 50 years	2.0% to 2.5%
Data network	20 years	5.0%
Infrastructure	10 to 50 years	2% to 10%
Motor vehicles and trailers	3 to 10 years	10% to 33.3%
Furniture and fittings	5 to 10 years	10% to 20%
Plant and equipment	4 to 60 years	1.7% to 25.0%
Computers	4 to 10 years	10.0% to 25.0%
Ipads and mobile phones	3 years	33.3%
Library collections	5 to 10 years	10.0% to 20.0%

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2020

	Land \$'000	Buildings \$'000	Computers \$'000	Furniture \$'000	Artworks \$'000	Library Books \$'000	Hocken Collection \$'000	Rare Books \$'000	Equipment \$'000	Total \$'000
CONSOLIDATED 2019										
Gross carrying amount										
Balance as at 1 January 2019	271,250	1,393,521	65,539	17,724	11,190	27,860	114,896	10,002	283,251	2,195,233
Year ended 31 December 2019										
Revaluation	13,367	53,445	-	-	-	-	-	-	-	66,812
Rollback accum deprec	-	(73,153)	-	-	-	-	-	-	-	(73,153)
Additions	-	102,850	5,618	1,600	110	2,617	762	112	20,040	133,709
Disposals	(255)	(916)	(1,958)	(1,851)	-	(4,243)	-	-	(4,894)	(14,117)
Transfers / adjustments	-	(8,725)	1,255	455	(13)	-	-	-	8,056	1,028
Balance as at 31 December 2019	284,362	1,467,022	70,454	17,928	11,287	26,234	115,658	10,114	306,453	2,309,512

CONSOLIDATED 2020										
Balance as at 1 January 2020	284,362	1,467,022	70,454	17,928	11,287	26,234	115,658	10,114	306,453	2,309,512
Additions	14,498	97,507	5,560	1,341	94	2,355	377	34	17,768	139,534
Disposals	-	-	(2,604)	(2,955)	-	-	-	-	(10,230)	(15,789)
Transfers / adjustments	510	(19,048)	263	95	-	(2)	-	(1)	352	(17,831)
Balance as at 31 December 2020	299,370	1,545,481	73,673	16,409	11,381	28,587	116,035	10,147	314,343	2,415,426

	Land \$'000	Buildings \$'000	Computers \$'000	Furniture \$'000	Artworks \$'000	Library Books \$'000	Hocken Collection \$'000	Rare Books \$'000	Equipment \$'000	Total \$'000
CONSOLIDATED 2019										
Accumulated depreciation	-	(35,287)	(50,161)	(9,813)	-	(15,404)	-	-	(201,608)	(312,273)
Balance as at 1 January 2019	-	(35,287)	(50,161)	(9,813)	-	(15,404)	-	-	(201,608)	(312,273)

Year ended 31 December 2019										
Revaluation	-	72,331	-	-	-	-	-	-	-	72,331
Disposals	-	629	1,953	1,849	-	4,243	-	-	4,604	13,278
Depreciation charge (Note 6)	-	(38,191)	(6,711)	(1,806)	-	(2,541)	-	-	(17,609)	(66,858)
Transfers / adjustments	-	337	2	(1)	-	-	-	-	(77)	261
Balance as at 31 December 2019	-	(181)	(54,917)	(9,771)	-	(13,702)	-	-	(214,690)	(293,261)

CONSOLIDATED 2020										
Balance as at 1 January 2020	-	(181)	(54,917)	(9,771)	-	(13,702)	-	-	(214,690)	(293,261)
Disposals	-	-	2,602	2,955	-	1	-	-	10,003	15,561
Depreciation charge (Note 6)	-	(45,785)	(6,375)	(1,630)	-	(2,514)	-	-	(17,860)	(74,164)
Transfers / adjustments	-	(3,308)	(1)	74	-	-	-	-	(1)	(3,236)
Balance as at 31 December 2020	-	(49,274)	(58,691)	(8,372)	-	(16,215)	-	-	(222,548)	(355,100)

	Land \$'000	Buildings \$'000	Computers \$'000	Furniture \$'000	Artworks \$'000	Library Books \$'000	Hocken Collection \$'000	Rare Books \$'000	Equipment \$'000	Total \$'000
Net book value										
As at 1 January 2019	271,250	1,358,234	15,378	7,911	11,190	12,456	114,896	10,002	81,643	1,882,960
As at 31 December 2019	284,362	1,466,841	15,537	8,157	11,287	12,532	115,658	10,114	91,763	2,016,251
As at 31 December 2020	299,370	1,496,207	14,982	8,037	11,381	12,372	116,035	10,147	91,795	2,060,326

NOTES TO THE FINANCIAL STATEMENTS CONTINUED
For the year ended 31 December 2020

	Land \$'000	Buildings \$'000	Computers \$'000	Furniture \$'000	Artworks \$'000	Library Books \$'000	Hocken Collection \$'000	Rare Books \$'000	Equipment \$'000	Total \$'000
UNIVERSITY 2019										
Gross carrying amount										
Balance as at 1 January 2019	271,036	1,391,373	65,050	17,419	11,190	27,860	114,896	10,001	282,520	2,191,345
Year ended 31 December 2019										
Revaluation	13,367	53,445	-	-	-	-	-	-	-	66,812
Rollback accum depn	-	(73,153)	-	-	-	-	-	-	-	(73,153)
Additions	-	102,850	5,613	1,597	110	2,617	762	112	20,030	133,691
Disposals	(120)	(626)	(1,955)	(1,849)	-	(4,243)	-	-	(4,854)	(13,647)
Transfers / adjustments	-	(8,725)	1,255	455	(13)	-	-	1	8,053	1,026
Balance as at 31 December 2019	284,283	1,465,164	69,963	17,622	11,287	26,234	115,658	10,114	305,749	2,306,074
UNIVERSITY 2020										
Balance as at 1 January 2020	284,283	1,465,164	69,963	17,622	11,287	26,234	115,658	10,114	305,749	2,306,074
Additions	14,498	97,507	5,512	1,339	94	2,355	377	34	17,733	139,449
Disposals	-	-	(2,604)	(2,955)	-	(1)	-	-	(10,230)	(15,790)
Transfers / adjustments	510	(19,048)	262	95	-	(1)	-	(1)	353	(17,830)
Balance as at 31 December 2020	299,291	1,543,623	73,133	16,101	11,381	28,587	116,035	10,147	313,605	2,411,903
UNIVERSITY 2019										
Accumulated depreciation	-	(35,146)	(49,759)	(9,537)	-	(15,404)	-	-	(201,165)	(311,011)
Balance as at 1 January 2019	-	(35,146)	(49,759)	(9,537)	-	(15,404)	-	-	(201,165)	(311,011)
Year ended 31 December 2019										
Revaluation	-	72,331	-	-	-	-	-	-	-	72,331
Disposals	-	631	1,950	1,849	-	4,243	-	-	4,564	13,237
Depreciation charge (note 6)	-	(38,153)	(6,675)	(1,797)	-	(2,541)	-	-	(17,540)	(66,706)
Transfers / adjustments	-	337	(1)	-	-	-	-	-	(77)	259
Balance as at 31 December 2019	-	-	(54,485)	(9,485)	-	(13,702)	-	-	(214,218)	(291,890)

	Land \$'000	Buildings \$'000	Computers \$'000	Furniture \$'000	Artworks \$'000	Library Books \$'000	Hocken Collection \$'000	Rare Books \$'000	Equipment \$'000	Total \$'000
UNIVERSITY 2020										
Balance as at 1 January 2020	-	-	(54,485)	(9,485)	-	(13,702)	-	-	(214,218)	(291,890)
Disposals	-	-	2,602	2,955	-	1	-	-	10,004	15,562
Depreciation charge (note 6)	-	(45,748)	(6,347)	(1,622)	-	(2,514)	-	-	(17,786)	(74,017)
Transfers / adjustments	-	(3,309)	-	74	-	-	-	-	-	(3,235)
Balance as at 31 December 2020	-	(49,057)	(58,230)	(8,078)	-	(16,215)	-	-	(222,000)	(353,580)
Net book value										
As at 1 January 2019	271,036	1,356,227	15,291	7,882	11,190	12,456	114,896	10,001	81,355	1,880,334
As at 31 December 2019	284,283	1,465,164	15,478	8,137	11,287	12,532	115,658	10,114	91,531	2,014,184
As at 31 December 2020	299,291	1,494,566	14,903	8,023	11,381	12,372	116,035	10,147	91,605	2,058,323

Work in progress as at 31 December 2019 (University and Group):
Buildings \$135,193 million (2019: \$129,898 million);
Equipment \$1,632 million (2019: \$1,119 million).

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2020

13. INTANGIBLE ASSETS

ACCOUNTING POLICY

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

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

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

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

Amortisation

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

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

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

	Computer software \$'000
CONSOLIDATED 2019	
Gross Carrying Amount	
Cost	55,556
Balance as at 1 January 2019	55,556
Year ended 31 December 2019	
Additions	4,144
Adjustments	(1,108)
Disposals	(120)
Balance as at 31 December 2019	58,472
CONSOLIDATED 2020	
Balance as at 1 January 2020	58,472
Additions	6,154
Adjustments	(493)
Disposals	(2,080)
Balance as at 31 December 2020	62,053

	Computer software \$'000
CONSOLIDATED 2019	
Accumulated amortisation and impairment	
Cost	(29,309)
Balance as at 1 January 2019	(29,309)
Year ended 31 December 2019	
Amortisation charge (Note 6)	(3,562)
Disposals	118
Balance as at 31 December 2019	(32,753)
CONSOLIDATED 2020	
Balance as at 1 January 2020	(32,753)
Amortisation charge (Note 6)	(3,773)
Disposals	1,897
Balance as at 31 December 2020	(34,629)
Net Book Value	
As at 1 January 2019	26,247
As at 31 December 2019	25,719
As at 31 December 2020	27,424
UNIVERSITY 2019	
Gross carrying amount	
Cost	55,252
Balance as at 1 January 2019	55,252
Additions	4,144
Adjustments	(1,108)
Disposals	(120)
Balance as at 31 December 2019	58,168
UNIVERSITY 2020	
Balance as at 1 January 2020	58,168
Year ended 31 December 2020	
Additions	6,034
Adjustments	(493)
Disposals	(2,080)
Balance as at 31 December 2020	61,629

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2020

	Computer software \$'000
UNIVERSITY 2019	
Accumulated amortisation and impairment	
Cost	(29,068)
Balance as at 1 January 2019	(29,068)
Additions	117
Amortisation charge (Note 6)	(3,537)
Balance as at 31 December 2019	(32,488)
UNIVERSITY 2020	
Balance as at 1 January 2020	(32,488)
Year ended 31 December 2020	
Disposals	1,895
Amortisation charge (Note 6)	(3,739)
Balance as at 31 December 2020	(34,332)
Net book value	
As at 1 January 2019	26,184
As at 31 December 2019	25,680
As at 31 December 2020	27,297

Work in progress not yet commissioned as at 31 December 2020 (University and Group): \$4.078 million (2019: \$2.029 million).

14. TRADE AND OTHER PAYABLES AND ACCRUALS

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

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

	Consolidated		University	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Current				
Trade payables	10,559	5,600	10,458	5,390
Accruals	20,684	23,649	20,613	23,537
Other payables	17,179	19,214	22,968	26,650
Total creditors and other payables	48,422	48,463	54,039	55,577

15. CURRENT LIABILITIES – EMPLOYEE ENTITLEMENTS

Short-term employee entitlements

Employee benefits expected to be settled within 12 months after the end of the period in which the employee renders the related service, are measured based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, annual leave earned to, but not yet taken at balance date.

Defined contribution/benefit schemes

Employer contributions to multi-employer defined benefit plans: Consolidated \$1.612 million (2019: \$1.702 million), University \$1.612 million (2019: \$1.702 million). Employer contributions to defined contribution schemes: Consolidated \$19.370 million, (2019: \$17.090 million), University \$19.370 million, (2019: \$17.090 million).

Holidays Act 2003

A number of New Zealand's public and private organisations have identified issues with the calculation of leave entitlements under the Holidays Act 2003. For employers such as the University of Otago, that have workforces that include differential occupational groups with complex entitlements, non-standard hours, allowances and/or overtime, the process of assessing non-compliance with the Act and determining the additional payment is time consuming and complicated.

The University has engaged with an external party to undertake the work to assess the non-compliance. This work will continue during 2021. The final outcome and the timeline will not be determined until this work has been completed.

As at 31 December 2020, 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 \$7.2 million by calculating the underpayment for employees over the full period of liability based on known non-compliance as 31 December 2020. This liability amount is the University's best estimate at this stage.

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

	Consolidated		University	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Current portion				
Annual leave	33,941	31,923	33,591	31,653
Long-service leave	838	980	838	980
Retirement gratuities	18,934	18,053	18,934	18,053
Accrued wages	13,461	8,152	13,350	8,090
Total current portion	67,174	59,108	66,713	58,776

16. CURRENT LIABILITIES – DEFERRED REVENUE

	Consolidated		University	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Research funding in advance	69,430	48,549	69,430	48,549
Student fees in advance	33,116	27,912	32,017	25,925
Other income in advance	5,311	4,224	5,088	4,025
Total current liabilities - deferred income	107,857	80,685	106,535	78,499

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

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2020

17. NON-CURRENT LIABILITIES – EMPLOYEE ENTITLEMENTS

LONG-TERM EMPLOYEE ENTITLEMENTS

Employee benefits that are due to be settled beyond 12 months after the end of the period in which the employee renders the related service, such as long-service leave and retirement gratuities, have been calculated on an actuarial basis. The calculations are based on:

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

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

Wages and salaries, annual leave and sick leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable.

Long-service leave

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

Retirement benefit obligations

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

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

Critical assumptions: The discount and CPI rates adopted are those specified by Treasury for reporting purposes of Crown Entities. The long-term rate of inflation is 2.0% which is the mid-point of the 1% - 3% target range of the Reserve Bank. To this was added 0.5% to allow for secular salary increases. These rates were calculated as at 31 December 2020.

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

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

	Consolidated		University	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Retirement gratuities	46,924	48,816	46,924	48,816
Long-service leave	2,111	2,100	2,111	2,100
Sick leave	1,161	1,096	1,161	1,096
Staff intellectual property entitlements: non-current	1,936	1,469	1,936	1,469
Total non-current portion	52,132	53,481	52,132	53,481

18. EQUITY

ACCOUNTING POLICY

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

- General funds
- Property revaluation reserves.

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

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

	Consolidated		University	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Accumulated funds				
Balance at 1 January	1,099,494	1,055,613	877,509	867,778
Adjustments	1,277	975	7	1,331
Surplus for the year	26,090	42,906	14,342	8,400
Balance at 31 December	1,126,861	1,099,494	891,858	877,509

	Consolidated		University	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Other reserves include				
Building revaluation reserve	843,300	846,609	843,300	846,609
Land revaluation reserve	203,806	203,296	203,806	203,296
Total reserves	1,047,106	1,049,905	1,047,106	1,049,905
Revaluation reserves				
Balance at 1 January	1,049,905	984,190	1,049,905	984,190
Net revaluation adjustment	-	65,715	-	65,715
Impairment of land and buildings	(2,799)	-	(2,799)	-
Balance at 31 December	1,047,106	1,049,905	1,047,106	1,049,905

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2020

19. CONTINGENCIES

	Consolidated		University	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Contingent liabilities				
The University provided a guarantee to the Bank of New Zealand for a bond given by the bank to the Dunedin City Council, over the siting of some temporary buildings.	50	50	50	50
There were several personal grievance and employment related claims against the University.	20	30	20	30
Total contingent liabilities	70	80	70	80

There are no other contingent assets at balance date (2019: Nil)

20. CAPITAL COMMITMENTS OPERATING AND FINANCE LEASES

ACCOUNTING POLICY

Operating leases

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset.

Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term.

	Consolidated		University	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Capital commitments				
Buildings	84,888	40,149	84,888	40,149
Equipment and other	6,992	4,665	6,992	4,665
Total capital commitments	91,880	44,814	91,880	44,814

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

Included in operating lease is the lease of the Auckland Dental Building.

	Consolidated		University	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Operating leases as lessee				
Not later than 1 year	5,101	6,122	5,101	6,122
Later than 1 year and not later than 5 years	8,366	5,139	8,366	5,139
Later than 5 years	26,380	2,828	26,380	2,828
Total non-cancellable operating leases	39,847	14,089	39,847	14,089

Operating leases "Not later than one year" includes accommodation head leases, \$1.686 million (2019: \$3.200 million).

	Consolidated		University	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Operating leases as lessor				
Not later than 1 year	4,019	5,306	4,109	5,306
Later than 1 year and not later than 5 years	2,950	5,139	2,950	5,139
Later than 5 years	6,090	2,828	6,090	2,828
Total non-cancellable operating leases	13,059	13,273	13,059	13,273

No contingent rents have been recognised during the period.

	Consolidated		University	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Finance leases				
Not later than 1 year	-	-	1,130	-
Later than 1 year but not later than 5 years	-	-	4,993	-
Later than 5 years	-	-	22,117	-
Total present value of minimum lease payments payable	-	-	28,240	-

Present value of minimum lease payments payable

Made up of

Future lease payments	-	-	27,999	-
Residual value payable	-	-	241	-
Total gross lease liability	-	-	28,240	-

Comprising

Current	-	-	1,130	-
Non-current	-	-	27,110	-

Total present value of minimum lease payments	-	-	28,240	-
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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.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2020

21. RELATED-PARTY TRANSACTIONS

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

RELATED-PARTY TRANSACTIONS WITH SUBSIDIARIES, ASSOCIATES OR JOINT VENTURES

	Consolidated	
	2020 \$'000	2019 \$'000
INTRA-GROUP		
University of Otago Holdings Limited (UOHL)		
Dividends received from University of Otago Foundation Studies Ltd	107	452
Equity advanced to Otago Innovation Limited	-	250
Accounting and secretarial services paid to the University of Otago	29	29
UOHL has a current account with the University of Otago. Since 1 January 2008 this account has been interest-bearing, with interest paid by the University of Otago at the average rate achieved by the University of Otago on its bank call and term deposits.		
Interest paid on this current account amounted to	50	68
The balance of the current account at year end was	2,761	2,633
University of Otago Foundation Studies Limited (FSL)		
FSL enters into transactions with the University of Otago (University), which are made on normal commercial terms and conditions. During the year FSL purchased goods and services from the University, including building rentals, to the value of		
	1,777	2,083
At year end the amount owing to the University was	-	-
During the year FSL provided goods and services to the University to the value of		
	-	-
At the end of the year the amount owing by the University was	111	111
FSL has invested its surplus funds with the University. Interest is paid by the University at the average rate achieved by the University on its bank call and term deposits. Interest paid on these funds amounted to		
	79	156
The balance at year end was	3,075	5,327
Otago Innovation Limited (OIL)		
OIL enters into transactions with the University of Otago (University), which are made on normal commercial terms and conditions. During the year OIL purchased goods and services from the University to the value of		
	1,490	969
At year end the amount owing to the University was	6,313	3,516
During the year OIL supplied services to the University to the value of		
	686	672
At year end the amount owing by the University was	287	127
Disease Research Limited (DRL)		
DRL enters into transactions with the University of Otago (University), which are made on normal commercial terms and conditions. During the year DRL purchased goods and services from the University to the value of		
	27	21
At year end the amount owing to the University was	141	227
University of Otago Foundation Trust		
The University of Otago Foundation Trust distributed to the University of Otago (University) an amount of		
	11,873	10,333
The University of Otago Foundation Trust paid to the University administration fees to the value of		
	672	672
The University of Otago Foundation Trust holds a current account with the University		
	2,159	3,388
The University of Otago Foundation Trust received donations via the University an amount of		
	125	320
The University of Otago Foundation Trust has a finance lease asset with the University of Otago		
	28,240	-

	Consolidated	
	2020 \$'000	2019 \$'000
University Union Limited (UUL)		
During the year the University of Otago (University) entered into transactions with UUL, an associate company of UOHL. The transactions were made on commercial terms and conditions. The University paid UUL rent of		
	346	373
UUL paid the University ground rent of		
	122	119

Transactions with key management personnel

	Consolidated	
	2020 \$'000	2019 \$'000
Key management personnel compensation		
Council members' Council fees		
	204	191
Councillors		
	11	11
Senior management team, including the Vice-Chancellor:		
Remuneration	4,083	4,206
Full-time equivalent	14	14

	Consolidated	
	2020 \$'000	2019 \$'000
There are close family members of key management personnel employed by the University of Otago and Group. The terms and conditions of those arrangements are no more favourable than the University of Otago and Group would have adopted if there were no relationship to key management personnel.		
All members of the Vice Chancellor's Advisory Group were included as key management personnel.		
Directors fees: Consolidated \$0.100 million (2019: \$0.110 million), University of Otago Nil (2019: Nil)		
No provision has been required, nor any expense recognised for impairment of receivables, for any loans or other receivables to related parties (2019: Nil).		

	Purchased by the University		Purchased from the University	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Transactions with members of Council				
Member of Council	Organisation			
Mr F B Barton (term 1 Jan 2016 to 31 Dec 2023)	Anderson Lloyd (D) (P)	55	41	-
	Presbyterian Support Otago (Trustee)	10	3	-
				46
Mr M R Dippie (term 1 Jan 2016 to 31 Dec 2022)	Mitre 10 (New Zealand) Limited (D)	53	69	-
Ms S L Ellison (term 1 Jan 2019 to 31 Dec 2022)	Karitane Māori Tours Limited (D)	1	3	-
	Kati Huirapa Runaka ki Puketeraki (Manager)	16	47	-
Professor H Hayne	NZ Vice Chancellors' Committee Universities NZ (Committee Member)	607	599	-
	Otago Innovation Limited (D) (See intragroup note)	-	-	-
	University of Otago Foundation Trust (Ex-officio Trustee) (See intragroup note)	-	-	-
	University of Otago Holdings Limited (D) (See intragroup note)	-	-	-

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2020

Transactions with members of Council		Purchased by the University		Purchased from the University	
		2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Member of Council	Organisation				
Mr J A Heath (term 1 Jan 2019 to 31 Dec 2019)	Otago University Students' Association (P)	-	3,707	-	102
	University Bookshop (Otago) Limited (D)	-	116	-	3
Mr S J Higgs (term 1 Jan 2016 to 25 Feb 2024)	Disease Research Limited (D) (See intragroup note)	-	-	-	-
	Mitern Limited (D) (S)	51	35	-	-
	Otago Innovation Ltd (D) (See intragroup note)	-	-	-	-
	University of Otago Foundation Trust (C) (Trustee) (See intragroup note)	-	-	-	-
	University of Otago Holdings Limited (D) (See intragroup note)	-	-	-	-
Ms L C Hobson (term 14 Mar 2017 to 31 Dec 2021)	University of Otago Foundation Trust (Trustee) (See intragroup note)	-	-	-	-
Mr J P Manning (term 1 Jan 2020 to 31 Dec 2020)	Otago University Students' Association (P)	3,846	-	129	-
	University Bookshop (Otago) Limited (D)	104	-	2	-
Ms P A Oakley (term 1 Mar 2018 to 31 Dec 2023)	Dunedin International Airport Limited (D)	-	26	-	-
	Forsyth Barr Limited (Employee) (S)	37	28	-	-
	Institute of Directors in New Zealand (Branch Committee)	5	4	-	-
Dr R J Somerville QC (term 1 Jan 2016 to 31 Dec 2021)	University of Otago Foundation Trust (Ex-officio Trustee) (See intragroup note)	-	-	-	-
	University of Otago Holdings Limited (D) (See intragroup note)	-	-	-	-
Mr M A Wong (term 1 Jan 2018 to 31 Dec 2021)	Cook North & Wong Limited (D) (S)	22	16	-	-

* C = Chair; D = Director; S = Shareholder; P = President

22. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

ACCOUNTING POLICY

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

ASSOCIATE

An associate is an entity over which the University of Otago has significant influence and that is neither a subsidiary nor an interest in a joint venture. Investments in associates are accounted for in the Group Financial Statements using the equity method of accounting.

Investments in associates are measured at cost in the University's parent Financial Statements.

JOINT VENTURE

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

Investments in joint ventures are measured at cost in the University's parent Financial Statements.

EQUITY METHOD OF ACCOUNTING IN GROUP FINANCIAL STATEMENTS

Investments in associates and joint ventures are accounted for in the Group Financial Statements using the equity method of accounting.

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

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

	Consolidated	
	2020 \$'000	2019 \$'000
University of Otago Holdings Limited		
University Union Limited	5,765	4,395
Otago Innovation Limited	1,749	-
Total investments in associates and joint ventures	7,514	4,395

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2020

	Consolidated	
	2020	2019
	\$'000	\$'000
University of Otago Holdings Limited's associates and joint ventures		
Name of entity: University Union Limited		
Investment in the University Union Limited (at cost)	-	-
Group		
Dividends or similar distributions received	-	-
Summarised financial information of University Union Limited		
Current assets		
Cash and cash equivalents	2,155	2,106
Other current assets	172	150
Total current assets	2,327	2,256
Non-current assets		
	4,657	3,762
Current liabilities		
Other current liabilities	1,023	56
Total current liabilities	1,023	56
Revenue, excluding interest	406	434
Interest revenue	50	62
Depreciation and amortisation	(171)	(171)
Net surplus/(deficit)	102	114
Other comprehensive revenue and expense	-	-
Total comprehensive revenue and expense	102	114
Reconciliation to equity accounted carrying amount		
University Union Limited net assets	5,961	5,859
Ownership: 50% (31 December 2019 50%)	-	-
Group's share of working capital	1,971	-
Group's share of building	2,329	2,930
Group's share of building revaluation	1,465	1,465
Total interest in joint operation	5,765	4,395
Risks associated with the Group's investment in the University Union Limited		
Shareholder funding commitments for next 3 years	-	-
Share of University Union Limited's contingent liabilities	-	-
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 2019: 33%)		

	Consolidated	
	2020	2019
	\$'000	\$'000
Otago Innovation Limited's joint ventures and associates		
Name of entity: Upstream Medical Technologies Limited		
Principal activity: Development of signal peptide biomarkers		
Ownership: 20% (31 December 2019: 29%)		
Balance date: 31 December		
Unlisted ordinary shares	840	-
Share of increase (decrease) in the net assets of the joint venture (previous years)	(131)	-
Share of increase (decrease) in the net assets of the joint venture (current year)	(135)	-
Total investment	574	-
Name of entity: Ubiquitome Limited		
Principal activity: Commercialisation of medical products.		
Ownership: 21% (31 December 2019: 21%)		
Balance date: 31 March		
Unlisted ordinary shares	850	-
Share of increase (decrease) in the net assets of the associate (previous years)	(95)	-
Share of increase (decrease) in the net assets of the associate (current year)	(127)	-
Total investment	628	-
Name of Entity: Insitugen Limited		
Principal activity: Development of new racehorse doping test platform		
Ownership: 22% (31 December 2019: 100%)		
Balance date: 31 March		
Unlisted ordinary shares	452	-
Share of increase (decrease) in the net assets of the associate (previous years)	-	-
Share of increase (decrease) in the net assets of the associate (current year)	96	-
Total investment	548	-

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2020

23. CAPITAL MANAGEMENT

THE UNIVERSITY

The University of Otago (University) and Group's capital is its equity, which comprises general funds and reserves. Equity is represented by net assets. The University is subject to the financial management and accountability provisions of the Education and Training Act 2020, which includes restrictions in relation to: disposing of assets or interests in assets, ability to mortgage or otherwise charge assets or interests in assets, granting leases of land or buildings or parts of buildings, and borrowing.

The University manages its revenues, expenses, assets, liabilities, investments, and general financial dealings prudently and in a manner that promotes the current and future interests of the community. The University's equity is largely managed as a by-product of managing revenues, expenses, assets, liabilities, investments, and general financial dealings.

The objective of managing the University's equity is to ensure that it effectively and efficiently achieves the goals and objectives for which it has been established, while remaining a going concern.

24. EVENTS OCCURRING AFTER THE BALANCE DATE

There were no significant events occurring after balance date.

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

	Consolidated		University	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Surplus	26,090	42,906	14,342	8,400
Add/(less) non-cash items				
Non-cash donations	(377)	(761)	(377)	(761)
Gain/(loss) in fair value of assets	-	511	-	1,331
Non-cash dividends	(1,492)	(1,390)	-	-
Share of associate's surplus	138	(57)	-	-
Adjustments to staff entitlements	(1,817)	7,121	(1,817)	7,121
Depreciation and amortisation expense	77,937	70,419	77,757	70,243
Property, plant, and equipment impairment	120	899	118	528
Intellectual property income	467	38	(786)	(1,750)
Increase / (decrease) in loans from external trust funds	58	142	-	-
(Gains)/losses in fair value of investments	(5,399)	(33,171)	(191)	608
Total non-cash items	69,635	43,751	74,704	77,320
Add/(less) movements in working capital items				
(Increase)/decrease in receivables	(9,452)	(4,736)	(9,675)	(6,989)
(Increase)/decrease in prepayments	(538)	(2,376)	(541)	(2,387)
(Increase)/decrease in inventory	96	126	96	127
Increase / (decrease) in payables	4,296	(12,492)	3,635	(14,195)
Increase/(decrease) in funds received in advance	28,251	21,809	29,115	19,215
Increase / (decrease) in employee entitlements	2,657	(606)	2,541	7,582
Net movement in working capital items	25,310	1,725	25,171	3,353
Net cash inflow/(outflow) from operating activities	121,035	88,382	114,217	89,073

26. REMUNERATION

ENTITY EMPLOYEES

As required by the Companies Act 1993 sec 211 (1) (g), the total annual remuneration, by band, for employees in the group companies, as at 31 December 2020 was:

	Number of employees	
	2020	2019
\$100k – \$109k	2	2
\$110k – \$119k	1	1
\$150k – \$159k	1	1
\$220k – \$229k	1	1
Total employees	5	5

27. THE EFFECTS OF COVID-19 ON THE UNIVERSITY OF OTAGO

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, and a nationwide lockdown commenced (Alert Level 4). On 28 April, the Alert Level reduced to Level 3, and to Level 2 on 14 May. The country then moved to Level 1 on 9 June. There was further move up the levels from mid-August to late-September, with most of the country at Alert Level 2 and Auckland at Alert Level 3 from 12 August to 21 September, and Auckland at Alert Level 2 for a further period.

During the lockdown, the University successfully implemented online learning as a way for students to continue with their studies, while staff and students worked from home. With the resulting changes into Levels 2 and 1, the University was able to return to face-to-face teaching.

The University finished the year with domestic Equivalent Full-Time Students (EFTS) at the budgeted level, though international EFTS were fewer than budgeted.

The Financial Statements presented in this report include the direct and indirect financial impacts caused by COVID-19.

REVENUE

Due to the national lockdown and borders closing, the University suffered a decrease in the number of international students arriving and remaining in the country, resulting in a drop in international tuition fees.

This and domestic students returning home for lockdown also led to a decrease in residential college income.

The University also had a drop in commercial income due to the closure of patient clinics (Dentistry and Physiotherapy) as well as the food outlets on campus during lockdown, and a reduction in sales in Alert Levels 3 and 2.

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

EXPENSES

The University of Otago was not eligible for the Government Wage Subsidy.

Due to COVID-19 lockdown and border restrictions, employees have been unable to travel, and as a result staff have cancelled leave, which has led to an increase in the leave liability.

Moving the University to online learning over the COVID-19 Alert Levels incurred additional technology-related expenditure.

By contrast, there has also been a significant decrease in travel (flights, accommodation and other) expenditure due to COVID-19 Alert Levels and border restrictions. The reduction in commercial income for the food outlets was partially offset by a decrease in the associated costs.

IMPAIRMENT

A decrease in student numbers could imply that the service potential of assets could be limited or impaired, however while the University has lost a portion of international students against budget in 2020 and is forecasting a drop in its 2021 budget, these numbers are in part offset by an increased number of domestic students (which were very close to budget for 2020).

In a typical year, international tuition fees represent less than 7% of income. The University is not looking to reduce activity in response to the impact of COVID-19, and therefore its teaching and research assets remain in regular use.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2020

For other assets, such as cash and receivables, the University does not consider there to be any significant impairment requirement. Receivables have been reviewed and deemed that no substantial impact has been caused by the COVID-19 pandemic to warrant impairment.

A fair-value assessment of the assets of the University and how the assets are used has been undertaken, with the result being that the assets are considered to be at fair value and that no material impairment is necessary in this period.

ASSETS

Land and buildings were last valued in December 2019. University buildings and other assets with long useful lives are not generally affected by short-term market events such as the COVID-19 pandemic, and adjusting for these would misrepresent replacement costs and valuations.

RISK ASSESSMENT

The COVID-19 related impacts described above have resulted in the University having cash balances greater than budgeted.

Liquidity was strong and cash reserves were sufficient to meet the planned expenditure on major projects for 2020. The financial impact of COVID-19 will put pressure on operating cash flows and ongoing savings will be required to ensure the University is well placed for recovery.

The University holds no debt and is in a good position to borrow to fund any future cashflow gaps if required.

Disclosures relating to the currently known impacts of COVID-19 have been made in the relevant areas of the Annual Report.

28. EXPLANATION OF MAJOR VARIANCES AGAINST BUDGET

STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

Tuition fees income was lower than budgeted, due to the decrease in international students as a result of the COVID-19 pandemic.

Finance revenue was higher than budget due to high investment returns in the Foundation Trust and share sales in Otago Innovation Limited.

Consulting and commercial revenue was lower than budgeted, due to the impact of the COVID-19 lockdowns when the University of Otago (University) closed its commercial food outlets, and there was a reduction in revenue from student accommodation.

Staff related costs include a non-budgeted actuarial credit for long service leave, sick leave and retirement gratuities (due to the movement in long term interest rates); as well as savings in conference registrations due to COVID-19 travel restrictions.

Other expenditure was significantly lower than budget, due to the COVID-19 pandemic and the travel restrictions put in place, resulting in large savings in travel related expenditure.

Depreciation was lower than budget due to delays in the capital programme spend due to the impacts of COVID-19.

STATEMENT OF FINANCIAL POSITION

Cash and cash equivalents, and current other financial assets balances were higher than expected due to delays in completing capital projects. It was expected that the University would be in a borrowing position by year end, but this did not eventuate.

Non-current other financial assets were higher than budget at the University level due to the Auckland dental building prepaid lease asset, which was unbudgeted in this category. Also, a property portfolio was purchased by the Foundation Trust, which is leased to the University under a finance lease. At the consolidated level, the group accounting treatment of the finance lease eliminates the asset from the Foundation Trust, and the liability from the University.

Trade and other receivables and prepayments were higher than budget due to changes in the student enrolment process (for Studylink funding, Summer School students were required to enrol in papers for the year ahead and not just Summer School as had previously been the case), which increased fees in advance at balance date.

Property, plant and equipment balances were lower than budget because of delays in the capital programme due to the impact of COVID-19.

Intangible assets were higher than budget due to a change in the process of capitalising software related assets.

Trade and other payables and accruals were lower than budget due to less capital project and general accruals at year end.

Deferred revenue is mainly research projects and student fees. The University received an increase in research activity. Student fees in advance were higher than budget due to changes in the student enrolment process (for Studylink funding, Summer School students were required to enrol in papers for the year ahead), which increased fees in advance at balance date.

The University budget assumed borrowing would be required to fund the capital programme. As expenditure on major projects was slower than budgeted, borrowing was not required in 2020.

Loans were budgeted but did not eventuate because of delays in the capital programme.

STATEMENT OF CASH FLOWS

Net cash flow from operating activities were higher than expected due to lower payments to suppliers, because of the impact of COVID-19.

Net cash flow from investing activities was higher than expected due to delays in the capital programme, partly as a result of the COVID-19 pandemic.

Net cash flow from financing activities was less than budgeted as borrowing was not required.



INDEPENDENT AUDITOR'S REPORT

To the readers of University of Otago and Group's Financial Statements and Service Performance Report for the year ended 31 December 2020

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 Service Performance Report of the University and Group on his behalf.

OPINION

We have audited:

- the Financial Statements of the University and Group on pages 83 to 129, that comprise the statement of financial position as at 31 December 2020, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the Financial Statements that include accounting policies and other explanatory information; and
- the Service Performance Report of the University and Group on pages 58 to 79.

In our opinion:

- the Financial Statements of the University and Group on pages 83 to 129:
 - present fairly, in all material respects;
- the financial position as at 31 December 2020; 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 Tier 1 Public Benefit Entity Standards; and
- the Service Performance Report on pages 58 to 79:
 - 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 2020; and
 - complies with generally accepted accounting practice in New Zealand.

Our audit was completed on 30 April 2021. This is the date at which our opinion is expressed.

The basis for our opinion is explained below and we draw attention to the impact of COVID-19 on the University and Group. In addition, we outline the responsibilities of the Council and our responsibilities relating to the Financial Statements and the Service Performance Report, we comment on other information, and we explain our independence.

EMPHASIS OF MATTER – IMPACT OF COVID-19

Without modifying our opinion, we draw attention to the disclosures about the impact of COVID-19 on the University and Group as set out in note 27 to the Financial Statements and page 58 of the Service Performance Report.

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 AND THE SERVICE PERFORMANCE REPORT

The Council is responsible on behalf of the University and Group for preparing Financial Statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand.

The Council is also responsible on behalf of the University and Group for preparing a 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.

RESPONSIBILITIES OF THE AUDITOR FOR THE AUDIT OF THE FINANCIAL STATEMENTS AND THE SERVICE PERFORMANCE REPORT

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.

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 and Statement of Objectives.

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 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.
- 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 1 to 57, 80 to 82 and 133 to 140 but does not include the Financial Statements and the Service Performance Report, and our auditor's report thereon.

Our opinion on the Financial Statements and the Service Performance Report does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the Financial Statements and the Service Performance Report, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the Financial Statements and the Service Performance Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENCE

We are independent of the University and Group in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: International Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board.

Other than the audit, we carried out an assurance engagement reporting on the Vice-Chancellor's annual declaration on the Performance-Based Research Fund external research income.

We have no relationship with or interests in the University or its subsidiaries.



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



SUMMARY FACTS AND FIGURES

	2020	2019	2018	2017	2016
STUDENT ENROLMENTS					
EQUIVALENT FULL-TIME STUDENTS (EFTS)					
Commerce	2,768	2,811	2,829	2,885	2,954
Health Sciences	6,409	6,435	6,483	6,267	6,089
Humanities	4,799	4,901	4,825	4,712	4,807
Sciences	4,532	4,543	4,435	4,334	4,437
Subtotal	18,508	18,689	18,572	18,198	18,287
Other Group EFTS*	215	226	268	260	259
Total	18,722	18,915	18,840	18,457	18,547

* Other Group EFTS comprise EFTS enrolled in the Foundation Studies programme of the University subsidiary Foundation Studies Limited.

ENROLMENT BY QUALIFICATION TYPE					
PhD	1,368	1,402	1,399	1,383	1,325
Professional doctorates	180	177	142	118	86
Masters	1,549	1,469	1,360	1,261	1,287
Postgraduate diplomas	832	942	1,063	1,072	1,016
Postgraduate certificates	595	649	628	690	638
Graduate diplomas	185	192	215	243	294
Bachelor honours	400	396	404	366	385
Bachelors	14,782	14,728	14,677	14,448	14,598
Undergraduate diplomas	22	14	17	20	29
Certificate of proficiency	1,151	1,576	1,455	1,492	1,493
Interest only	5	13	5	11	1
Foundation studies	236	263	298	305	292
Other	0	0	0	0	0
Total students	20,721	21,240	21,108	20,838	20,814

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

	2020	2019	2018	2017	2016
GENDER OF STUDENTS					
Female	12,501	12,711	12,588	12,272	12,147
Male	8,187	8,510	8,519	8,565	8,665
Gender diverse	33	19	1	1	2
Total Students	20,721	21,240	21,108	20,838	20,814

FIRST-YEAR AND RETURNING STUDENTS					
First-year	4,018	4,025	4,023	3,770	4,002
Returning	16,703	17,215	17,085	17,068	16,812
Total	20,721	21,240	21,108	20,838	20,814

ETHNICITY OF STUDENTS					
European/Pākeha	72.9%	71.5%	71.4%	72.4%	73.1%
Māori	11.0%	10.3%	9.9%	9.3%	8.9%
Asian	20.0%	20.3%	20.5%	19.8%	19.2%
Pacific	5.5%	5.0%	4.7%	4.5%	4.2%
Middle Eastern/Latin American/African	3.6%	3.7%	3.6%	3.4%	3.4%
Other/unknown	2.8%	3.8%	3.7%	3.9%	3.7%

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

HOME AREA OF STUDENTS					
Dunedin	2,968	3,078	2,999	3,043	3,127
Otago/Southland	1,869	1,853	1,858	1,860	1,969
Remainder of South Island	3,651	3,662	3,796	3,813	3,903
North Island	9,368	9,180	8,946	8,737	8,570
Overseas (including NZ citizens overseas)	2,852	3,448	3,482	3,348	3,191
Unknown	13	19	27	37	54
Total	20,721	21,240	21,108	20,838	20,814

	2020	2019	2018	2017	2016
INTERNATIONAL STUDENTS					
Undergraduate	1,256	1,833	1,819	1,807	1,810
Postgraduate	1,099	1,139	1,096	1,030	913
Total	2,355	2,972	2,915	2,837	2,723

INTERNATIONAL STUDENTS BY HOME COUNTRY

China	445	525	507	500	490
United States of America	440	804	772	798	721
Malaysia	198	263	301	241	241
India	150	149	133	130	119
Canada	68	59	71	67	54
Singapore	68	67	70	68	52
United Kingdom	64	69	85	89	87
Viet Nam	57	52	40	27	25
Indonesia	50	48	43	39	32
Iran, Islamic Republic of	43	50	52	55	53
Sri Lanka	42	36	29	23	14
Oman	40	37	33	27	30
Thailand	36	31	34	31	30
Korea, Republic of	33	37	29	30	31
Pakistan	31	36	34	27	21
Fiji	30	27	23	21	18
Germany	29	47	59	69	72
Japan	29	29	35	37	44
France	26	32	35	46	52
Nepal	26	27	21	16	12
Samoa	25	27	18	24	19
Other	423	520	491	472	510
Total	2,353	2,972	2,915	2,837	2,727

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.

	2020	2019	2018	2017	2016
HOME AREA OF FIRST-YEAR STUDENTS					
Dunedin	575	577	573	578	616
Otago/Southland	435	414	462	428	432
Remainder of South Island	769	717	745	714	831
North Island	2,023	2,015	1,950	1,794	1,826
Overseas (including NZ citizens overseas)	216	302	293	255	277
Unknown	0	0	0	1	20
Total	4,018	4,025	4,023	3,770	4,002

ACADEMIC ATTAINMENT

NUMBER OF PROGRAMME COMPLETIONS

Undergraduate diplomas and certificates	104	97	130	143	183
Undergraduate degrees	3,693	3,517	3,395	3,368	3,467
Postgraduate diplomas and certificates	903	912	940	969	995
Postgraduate degrees	1,183	1,044	1,054	1,056	969
Total University	5,883	5,570	5,519	5,536	5,614
Commerce graduates	775	709	724	700	671
Health Sciences graduates	1,835	1,691	1,768	1,674	1,790
Humanities graduates	1,289	1,237	1,099	1,275	1,290
Sciences graduates	1,579	1,566	1,541	1,494	1,475
Interdivisional graduates	405	367	387	393	388
Total University	5,883	5,570	5,519	5,536	5,614

DEGREES, DIPLOMA AND CERTIFICATES COMPLETED PER 100 EFTS ENROLLED

Commerce	28.0	25.2	25.6	24.3	22.7
Health Sciences	28.6	26.3	27.3	26.7	29.4
Humanities	26.9	25.2	22.8	27.1	26.8
Sciences	34.8	34.5	34.7	34.5	33.2
Total	31.8	29.8	29.7	30.4	30.7

	2020	2019	2018	2017	2016
EXAMINATION PASS RATES					
Commerce	92.3%	89.1%	89.6%	88.6%	87.8%
Health Sciences	96.0%	94.8%	95.0%	94.9%	94.2%
Humanities	92.7%	92.5%	92.5%	92.4%	92.1%
Sciences	90.5%	88.0%	87.2%	87.1%	87.7%
Other (Foundation Studies)	71.0%	73.5%	77.2%	76.0%	74.8%
Total Pass Rate	93.0%	91.5%	91.5%	91.2%	90.8%

STAFF PROFILE

FULL-TIME EQUIVALENT (FTE) TEACHING AND RESEARCH STAFF

Female

Vice-Chancellor/senior academic managers	3	3	2	2	2
Professors	64	67	53	52	50
Readers/associate professors	89	80	78	74	72
Senior lecturers	155	154	164	168	162
Lecturers	99	94	88	89	87
Other teaching and teaching/research staff	187	186	182	160	161
Research-only staff	218	209	225	198	181
Total females	814	793	792	743	715

Male

Vice-Chancellor/senior academic managers	5	5	6	6	6
Professors	170	175	167	170	178
Readers/associate professors	123	115	129	120	117
Senior lecturers	164	175	183	191	186
Lecturers	57	55	55	62	69
Other teaching and teaching/research staff	111	122	100	104	106
Research-only staff	185	171	164	159	155
Total males	817	818	804	810	817
Total Academic and Research-Only Staff	1,631	1,612	1,596	1,552	1,532

	2020	2019	2018	2017	2016
FULL-TIME EQUIVALENT (FTE) PROFESSIONAL STAFF					
Female					
Senior managers	9	9	9	9	9
Professional services, student and community staff	1,238	1,187	1,197	1,177	1,153
Librarians and library assistants	83	86	88	93	93
Research support staff and technicians	305	249	318	325	235
Total females	1,635	1,531	1,612	1,604	1,489
Male					
Senior managers	17	18	18	18	18
Professional services, student and community staff	676	647	651	651	640
Librarians and library assistants	22	23	24	22	21
Research support staff and technicians	166	163	179	181	162
Total males	881	851	872	872	841
Total Professional Staff	2,523	2,384	2,484	2,476	2,330
Total Staff	4,154	3,996	4,080	4,029	3,862

Note: Total staff includes staff who identify as neither female nor male. Total reflects non-rounded FTE data. Corrections have been made to the staff FTE figures that were incorrectly reported in the 2019 Annual Report.

RESEARCH ACTIVITIES (Revised For Previous Years)

Research Outputs Produced

Total Publications	5,559	5,465	6,026	5,466	5,242
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Note: Publications are shown in the year they are reported in the University's Research Outputs Report. Actual date of publication or dissemination may differ. Figures for the current year are provisional, subject to final vetting. Figures for previous years are updated as appropriate to account for the impact of vetting.

LAND AND BUILDINGS

Land (hectares)

Land owned by the University (other than endowment land)	33.394	33.7293	33.9474	33.0985	32.1435
Land in Crown title for the University	10.7405	10.7405	10.7405	10.7405	11.6657
Endowment land	22,243	22,243	22,243	22,243	22,244
Total freehold land	22,287	22,288	22,288	22,287	22,288

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

University of Otago Net Assignable Space (floor space in square metres)

Total	221,750	223,565	220,495	219,784	220,408
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Notes:

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

	2020	2019	2018	2017	2016
LIBRARY					
Library Collection					
Books (volumes)	1,237,274	1,235,974	1,231,268	1,224,672	1,217,737
Print serials subscriptions	944	1,093	2,776	2,855	2,915
Hocken pictures and photographs	1,142,817	1,141,358	1,137,522	1,136,251	1,131,932
Hocken linear metres of archives	10,538	10,518	10,415	10,272	10,178
Electronic serials available	233,395	199,772	163,586	169,530	152,490
Electronic books available	1,118,416	1,037,433	953,812	850,783	779,443
Space					
Seating places available	4,681	4,419	4,584	4,500	4,392

KEY FINANCIAL INDICATORS

Financial Indicators	2020 Consolidated	2019 Consolidated	2018 Consolidated	2017 Consolidated	2016 Consolidated
Current ratio	0.6	0.7	0.9	1.2	1.4
Liquid ratio	1.3	1.6	1.7	2.5	3.1
Level of debt (debt to equity)	2.4%	2.5%	2.2%	2.2%	2.2%
Increase in net assets	1.0%	5.6%	2.4%	14.0%	1.8%
Return on total assets	1.1%	2.0%	1.2%	1.5%	1.6%
Return on revenue	3.6%	6.1%	3.9%	4.8%	4.6%

