



AUT

ANNUAL REPORT  
2020  
Te Pūrongo ā-Tau





Kōrihi atu taku manu tāwhiowhio ki te tini,  
Ki te mano o Hākuturi  
Aku manu honenga aku manu whitirua ki te kai ki te  
inu i ngā wai o Horotiu  
Whakatau iho rā ki te roro o te whare nanao atu ai ki  
ngā here Pūrengi  
Tēnā koutou, tēnā koutou, tēnā koutou katoa.

Ko te karanga nei o Te Pūrengi, he tono ki ngā  
pononga o te kuranui kaimahi mai, pouako mai kia  
whakamaua te pūrengi kia tere ai te waka ki ngā  
mātāhauariki o te māramatanga.

Nā konā he whakatere waka i ngā au o te wai e ora  
ai ō tātou wawata e waipuketia ana i te Moana nui a  
Kuranui, a Kuraroa, a Kurapāmaomao.

Nā ō tātou tīpuna i whakapūaho mai te arawai hei  
whai, me te kārewa anō hoki i ā tātou rangatahi e  
whanake haere ana i ngā tai o te ao huri nei,

Ko rātou anō e tohu ana i ngā hua o te kura matua,  
e whakarere iho ana te kakau o te hoe e tetere nei  
te waka o te kuranui, te waka o te kī, ki ngā pae o te  
māramatanga.

Ko te wawata ia, he whakatinanatanga te pūrongo nei  
hei whakaohoho i ō tātou hāpori, kia whakamaua Te  
Pūrengi – e nanao atu ai te taura o tokotū, e hiki kakau  
ai te hoe ki te whakatere tōtika i te waka, kia waka eke  
noa ai te koke ki tua o kitea.

My navigation bird cries out,  
To the multitudes, to the forest guardians, to the  
esteemed, to the gathered,  
Come and feast, quench thy thirst in the waters of  
Horotiu,  
Come, rest on the balcony of my meeting house, grasp  
tightly to the lashings of Te Pūrengi,  
Welcome one and all.

The call of Te Pūrengi is a call to all staff and educators  
alike to grasp the metaphorical rope of the mast, seek  
out challenges, and venture into new waters.

May we explore the tides and currents that shape our  
collective aspirations in the increasingly complex and  
ever-changing tertiary education environment.

Informed by the courage of our tīpuna we navigate  
these waters, buoyed by the transformational capacity  
of our rangatahi,

Who remind us of the capability of education and the  
opportunities that higher education, mātauranga, and te  
reo Māori provide for all.

AUT hopes that this report will represent us and will  
inspire us all, far and wide to whakamaua Te Pūrengi  
– take hold of the rope of the mast, to navigate, to  
uplift and support AUT in our quest for knowledge and  
understanding.

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## CHANCELLOR'S FOREWORD

Kia ora koutou and welcome to Auckland University of Technology's Annual Report 2020. I begin this foreword by acknowledging the work of AUT's staff during this most challenging and extraordinary year. The global uncertainty and widespread economic difficulties created by COVID-19 continue to affect us; throughout all the challenges AUT staff have demonstrated the great depth of their commitment to the University and its stakeholders. I am grateful for their determination in supporting student success, their dedication to their research, and contribution to the national recovery efforts.

2020 marked AUT's 20th year as a University and there was much to celebrate. According to the Times Higher Education (THE) World University Rankings, AUT is placed within the top 1% of all universities worldwide. It is also ranked first in Australasia, and 15th in the world, for universities established since 2000. I am equally proud of AUT's local impact, exemplified by its commitment to South Auckland. The University works in close partnership with schools to create clear, accessible pathways for young people as they traverse from secondary to tertiary education and on to employment.

The South Auckland-based Pacific Islands Families Study also celebrated its 20th anniversary this year. This ground-breaking longitudinal study has made an immeasurable contribution to policy settings and our national understanding of the experiences of young Pacific people and their families, along with parenting practices, cultural identity, and the physical and mental health of children and their caregivers.

Several truly outstanding members of the academic staff received national honours in 2020. On behalf of Council, I congratulate Professor Dame Marilyn Waring, who was made a Dame Companion of the New Zealand Order of Merit for services to women and economics. Her citation noted the international influence of her work on gender and poverty, women's rights, wellbeing, and unpaid work. Emeritus Professor Richard Bedford was made a Companion of the New Zealand Order of Merit for his services to governance, particularly his leadership of the Royal Society Te Apārangi. Under his aegis, Te Apārangi strengthened partnerships with Māori research communities and created greater recognition of mātauranga Māori. Professor Ineke Crezee was made an Officer of the New Zealand Order of Merit for services to interpreter and translator education. She has helped to place New Zealand at the forefront of good practice in training public service interpreters. Lexie Matheson was a finalist in the Senior New Zealander of the Year Awards for her contribution to the arts, the education sector, and the rights of transgender people.





I further congratulate Professor David Towns and Ted Bryant, both of whom were honoured by the University during the year. Professor Towns was made Professor Emeritus for his exemplary service to the School of Science and his contribution to the international understanding of conservation and ecology. Mr Bryant received the Reeves Honorary Fellowship for his immense contribution to the School of Hospitality and Tourism, and New Zealand's hospitality industry.

This past year has provided some unprecedented challenges for the University. The COVID pandemic disrupted the academic year and meant staff and students had to transition to different modes of learning and working. The loss of new international students due to the New Zealand border closure resulted in lower revenue than expected. The effects will reverberate through the tertiary sector for several years to come. The University's difficult but prudent decision to delay construction of the A1 Building at North Campus helped manage the initial impact, yet does not address the needs of the students and staff at that Campus. COVID has again exposed the systemic underfunding of the tertiary sector, and the inherent risks associated with its heavy reliance on international student revenue. AUT Council supports the shared call from New Zealand's universities for a new approach to funding that ensures the sector's quality and viability, while recognising the autonomy and integrity of each university and its unique contribution to our nation.

In 2020, the University commissioned an independent review into harassment and sexual harassment, and Council thanks all those who engaged with the review. The University will respond to the recommendations in 2021.

On a personal note, I retired at the end of 2020, making this my final foreword to the Annual Report. I joined Council in 2009 and am honoured to have served as Chancellor for the past

eight years. My thanks go to Pro-Chancellor Sussan Turner and all my fellow Council members for their tireless contribution and dedication to the University. There were several new members of Council in 2020; I welcome Renata Blair, Sisifa Lui, Sina Wendt, Peter Treacy, Professor Edwina Pio, Corrie Cook, and the new Chancellor, Rob Campbell. I look forward to the University's continued development under their guidance. AUT benefits from the shared vision, mutual respect, and robust debate that underpins the relationship between Council and senior leaders. As such, I am grateful to have worked closely with Vice-Chancellor Derek McCormack. I have observed his leadership and commitment to the University over many years, and congratulate him for his steady guidance of the University through this challenging year. Finally, I honour our former Chancellor, the late Sir Paul Reeves, whose example of dedicated service and tireless advocacy set the standard for me to follow.

I am proud of what we as Council, and the University, have achieved during my time as Chancellor. The two new buildings, Ngā Wai Hono and Mana Hauora, demonstrate AUT's deep commitment to creating new opportunities and providing outstanding learning experiences for our diverse and growing student population. I am even more proud to have celebrated with thousands of graduands as they cross the stage on their way to a bright future. *Semper sint in flore. May they ever flourish.*



**John Maasland**

Chancellor





#### THE COUNCIL OF AUCKLAND UNIVERSITY OF TECHNOLOGY

Front row (from left): Sussan Turner, Janine Smith, Professor Edwina Pio, David Kara France, Sisifa Lui

Second row: Derek McCormack, John Maasland, Dr Andrea Vujnovich, Sina Wendt

Third row: Peter Treacy, James Schofield, Renata Blair, Corrie Cook, Dr Patrick Alley



# THE COUNCIL OF AUCKLAND UNIVERSITY OF TECHNOLOGY

As at 31 December 2020

The AUT Council is the University's governing body. AUT Council is empowered to establish committees, and delegate authority to committees or officers of the University. It is made up of elected staff and student representatives, and people appointed by the Minister or co-opted by the Council from outside the University.

## CHANCELLOR

**John Maasland** MA, FIOD  
Co-opted by Auckland University of Technology Council

## PRO-CHANCELLOR

**Sussan Turner**  
Appointed by the Minister of Education

## SECRETARY TO COUNCIL

**Dr Andrea Vujnovich** LLB (Hons), MSc (Hons), PhD *Auckland*  
Assistant Vice-Chancellor (Corporate Development) & General Counsel

## COUNCIL ADMINISTRATOR

**David Kara France** BA, LLB  
Solicitor

## MEMBERS

**Dr Patrick Alley** MNZM, MBChB, FRACS, DipProfEthics  
Co-opted by Auckland University of Technology Council

**Renata Blair** BEd (Tchg)  
Co-opted by Auckland University of Technology Council

**Corrie Cook** BA, GradDipBus, DipTchg, DipExpMktg  
Elected by the professional staff of Auckland University of Technology

**Sisifa Lui**  
Appointed by the Auckland University of Technology Students' Association

**Professor Edwina Pio** BEd, MA, PhD *Bom*  
Elected by the academic staff of the Auckland University of Technology

**Derek McCormack** MSc, DipTchg  
Vice-Chancellor of the Auckland University of Technology

**James Schofield** BCom, MSc (Econ), FCA  
Co-opted by Auckland University of Technology Council

**Janine Smith** MNZM, BCom, MPhil (Hons)  
Appointed by the Minister of Education

**Peter Treacy** BCom, LLB  
Appointed by the Minister of Education

**Sina Wendt** BA  
Appointed by the Minister of Education



## VICE-CHANCELLOR'S REPORT

2020 was an enormously challenging year for the University and certainly not the one we anticipated, which was to have incorporated the celebration of our 20<sup>th</sup> anniversary. While these celebrations didn't take place, it's worth noting here AUT's progress in the last two decades. Beginning as an unranked and unknown university, we are now placed third in New Zealand by the Times Higher Education (THE) world ranking and are amongst the 40 top-ranked young universities (under 50 years old) in the world. We have the second largest number of students for a New Zealand university. Our students learn in an environment that is deeply engaged with business, industry, and community partners, where they can test and apply the knowledge they have gained. We have developed an excellent international reputation, and conduct research that addresses important issues facing our communities and the wider world, as well as supporting our 1,000 or so doctoral candidates and many other graduate research students. We

have faced numerous challenges over the past two decades as a new university grappling with issues of legacy, growth and change, and through them all our staff have continued to demonstrate a real commitment to our students and their success.

The latest and potentially the greatest challenge faced by AUT has been COVID-19. The pandemic affected every aspect of University life in 2020. The closure of our borders forced many overseas-based international students to postpone or change their study plans. The two lockdowns in April and August required a sudden shift from in-person to remote learning. Our staff rose to the challenge and delivered an excellent online learning experience for thousands of students across 900 papers, and our students' resilience around the changes was inspiring. Much of our research work continued and we secured an impressive \$33.8 million in new research contracts during the year. Sadly, we had to make the difficult decision to cancel both graduation seasons for the year. Graduation is a highlight of university life and we look forward to celebrating with graduands in ceremonies planned for March 2021.





### CREATING EXCEPTIONAL LEARNING EXPERIENCES

Great teaching has continued to be fundamental to the University's work. Despite all the disruptions of the year, I am pleased that early indicators of student success are positive, with pass rates and levels of satisfaction similar to 2019. This is testament to the outstanding work of our academic staff in the transition to online learning, the expert support provided by altLAB (AUT Learning Transformation Lab), faculty learning and teaching advisors, and our student support services, among others. The COVID lockdowns also provided a catalyst for innovations in student-centred learning that improved both online and classroom teaching. This year's AUT Teaching and Learning Conference focussed on interdisciplinary collaboration, one of the core components of our Exceptional Learning Experiences framework. At this, our first post-lockdown event, delegates explored ways to cultivate relationships that support collaborative inquiry and problem identification and sharing knowledge across cultures. We also introduced a new undergraduate curriculum structure, which is better tailored to suit students' choice, and simpler to navigate and administer. The decision was made to purchase and implement a new Learning Management System as part of a major project over the next year to achieve a consistent and high standard of blended digital and face-to-face teaching and learning throughout the University. Finally, we were pleased with a very successful first year of operation for School of Future Environments in the Faculty of Design and Creative Technologies. The School's flagship programmes are the new Bachelor of Architecture and Future Environments, and Master of Architecture (Professional), both of which have attracted strong student numbers.

### TWENTY YEARS AS A UNIVERSITY

AUT's achievements are built on a heritage of service to the Auckland region. Commencing as a night school for 137 students in 1895, the institution grew and became a day school, then a technical institute, then a polytechnic. Finally, on 1 January 2000, it became Auckland University of Technology, Te Wānanga Aronui o Tāmaki Makaurau. In 2000, New Zealand's newest university had just under 12,000 equivalent full-time students (EFTS), of whom 9% were international. Just under half the EFTS were enrolled in degree programmes and 3% in postgraduate study. Seven percent of the domestic students were Māori, and another 7% Pacific. We secured \$1.76 million in external research grants that year, and had close to 1,300 staff. Twenty years later, AUT had almost 20,500 EFTS, of which 95% were at degree level and above, 17% were international students, and 20% postgraduate with total graduates for the year of around 7,000. Māori and Pacific student EFTS grew faster than the University to be 12% and 17% of domestic students respectively and well represented at all levels. AUT had close to 2,500 full-time-equivalent staff in 2020, and our external research income was \$17.9 million. As well as that, the institution has gone from two to four campuses (including the AUT Millennium Sports Campus) with hundreds of millions of investment in new fit-for-purpose facilities, equipment and resources.

## VICE-CHANCELLOR'S REPORT (continued)

### DISCOVERY AND APPLICATION OF KNOWLEDGE FOR WELLBEING AND PROSPERITY

While some research was interrupted by the COVID restrictions, or pushed back because of the extra time needed for teaching remotely, many research programmes were able to advance.

Staff of AUT's Work Research Institute and the AUT Institute of Sports Research are leading a study that during the year secured our largest ever single research grant. 'Enhancing Urban Regeneration' is an \$8 million, five-year investigation with the Ministry of Business, Innovation and Enterprise. This multi-stage project seeks to improve the outcomes of Government-sponsored urban regeneration projects, while deepening our understanding of individual and collective wellbeing. Using Government data and speaking with Kāinga Ora tenants, the study will identify the immediate and longer-term impact of these large-scale projects on many aspects of wellbeing such as residents' mobility, social contact, physical activity, and cultural identity. The Work Research Institute has also released a seminal study of working households that fall below the poverty level, with a specific focus on the experiences of Pacific peoples.

Our contribution to marine science and aquaculture continued to grow as an international team, led from our School of Science, received \$2.7 million from New Zealand Seafood Innovations and the Australian Blue Economy Co-operative Research Centre to assess the environmental impact of offshore fish farming. Their findings will help develop predictive models to inform policies on sustainable fisheries. In a similar field of study, a successful joint project to establish pāua farming in Southland has led AUT scientists to a partnership with Ocean Beach Ltd to turn a former freezing works site into a world-class centre for aquaculture education, research and development.

### RESPONDING TO OUR PLACE IN THE WORLD

One of this year's most important initiatives was a series of wānanga which aimed to identify Te Tiriti-honouring practices and principles for embedding mātauranga Māori, te Reo, and tikanga throughout the curriculum. Staff of the Office of Māori Advancement and altLAB are now developing papamahi (workshops) and rauemi (resources) to guide staff through what this means for curriculum design and teaching. They are also writing an overarching, Te Tiriti-honouring document that will guide the University's relationships with Māori staff, students and stakeholders.

While 2020 was a challenging year for us all, many of our learners were especially vulnerable. A significant proportion of our students experienced educational and economic deprivation and challenges well over and above those of the majority during the COVID disruptions. An AUT survey conducted as we entered Alert Level 4 revealed that up to one-in-six of our students lacked the necessities for online learning: a device and an internet connection. In what became known as the 'digital equity project', we distributed almost 1,000 laptops and 720 internet connections over the course of the year. Although Government funding later offset some of the costs, the University had approved the project well in advance of the Government announcement. Digital equity is a critical factor for students' success, and we are now working to embed this project into our normal services. Many students also found themselves in deeply distressing financial situations as the global economic fallout affected traditional income streams such as part-time employment and family support. With Government assistance, we were able to distribute more than \$1.5 million in hardship funding, including a grant of \$50,000 to Tautoko, the AUT Students' Association's foodbank.

The Impact Rankings evaluate the social impact of universities through their contribution to the United Nations Sustainable Development Goals (UNSDGs). Of the 800 universities participating in the ranking AUT was placed a remarkable first in the world for our contribution to Goal 8: Decent work and economic growth. We ranked 11<sup>th</sup> for Goal 5: Gender equality, and 20<sup>th</sup> for Goal 11: Sustainable cities and communities. Overall, AUT was placed 23<sup>rd</sup>. On behalf of AUT, I congratulate the University of Auckland, who were ranked first for overall impact for the second year in a row. New Zealand performed exceptionally well in the Impact Rankings, with Auckland, AUT, Otago and Victoria all placed in the top fifty.

### BUILDING OUR POSITION AS NEW ZEALAND'S UNIVERSITY OF TECHNOLOGY

*AUT Directions*, our guiding document, sets out an intention to enhance our impact by adopting practically oriented cross-disciplinary research themes. One such initiative, Health Futures, was launched in 2020. With a pool of \$20 million over five years, research teams from across the University were asked to shape with external partners a solution for a pressing health-related issue confronting the communities we serve.



Amongst the six successful projects in the first funding round were proposals to:

- address vaccine hesitancy and the resulting increase in preventable diseases, in partnership with Northland District Health Board;
- use digital literacy to improve Māori community health, working alongside a network of Wairoa-based organisations;
- address social isolation amongst older people, in partnership with MetLifeCare, Silverline Charitable Trust, the National Telehealth service and e-Mental Health Implementation Service; and
- further the development of a potential immunotherapy treatment of cancers using glycolipid/protein constructs, in partnership with KODE Biotech Ltd.

Further Health Futures funding rounds will be held over the next four years broadening the reach and scope of this research stream and its impact.

The Centre for Social Data Analytics continued its international work on social service delivery with the design of a housing assessment tool for Allegheny County in Pennsylvania, US, to improve services to the homeless. They also developed a child harm prevention programme for Allegheny to ensure that the families in greatest need receive the most intensive support and trialled a similar tool in Colorado's Larimer County.

Closer to home, the School of Hospitality and Tourism assisted the investigation into the Whakaari White Island disaster and worked with Auckland Council on regenerative tourism to support the Auckland Climate Plan.

## BEING A PLACE WHERE PEOPLE LOVE TO WORK AND LEARN

The disruption to the international student market had severe financial consequences that will resound through the tertiary sector for several years. Despite the loss of revenue from hundreds of international students, the University has come through 2020 relatively well, thanks to sound financial management and the implementation of all practicable spending constraints. We paused construction of A1 Building at North Campus, cancelled all University travel, and restricted staff recruitment. Staff could also voluntarily forgo their

individual professional development monies for the year, and some offered a reduction in the proportion of full time for which they were employed. Throughout the lockdown periods we managed to retain all staff on pay with no additional support from Government. In the final result, we met all the financial ratios required by our regulators, and achieved a surplus of \$12.3 million, or 2.9%, which though less than budgeted puts us in a fair position for the coming year – also likely to be financially challenging.

In preparation for increasing financial challenges a criterion-based Voluntary Enhanced Leaving Programme (VELP) was introduced in November and accepted applications from more than 60 staff members. This group included many long-standing and valued colleagues, and their depth of knowledge and contribution to the University will be missed. Several units, mainly AUT International House (our short course international English school), whose work was almost extinguished by the border closures, underwent redundancy processes in the last part of the year. The costs of the VELP and redundancies were met in the current year.

Amongst our challenges this year were public allegations of sexual harassment about two senior staff. The matter expanded as questions were raised in the media about the University's culture, and anxiety and concerns mounted in the internal community as the media campaign grew. In response to these concerns, I appointed Kate Davenport QC to conduct an independent review of harassment and sexual harassment at the University and recommended that her report be received directly by the AUT Council so that it could monitor and assure the full release of the findings and the implementation of the recommendations by management. By the end of the year the evidence gathering phase of the review was completed, with several hundred people having responded to the opportunity to bring forward their concerns and views to the reviewer. It is hoped that the report and its recommendations, once received, will provide, as well as an evidenced picture of the state of the University with respect to harassment, much useful guidance on the changes needed to enhance and improve our culture and processes.

In another opportunity for staff feedback, the first AUT Work Jam was run in October by an international agency to gather information from staff on their experiences through the year and their thoughts on our future direction. Rather than

## VICE-CHANCELLOR'S REPORT (continued)

a questionnaire the Jam used structured online conversations amongst participants. Hundreds of staff participated, and I was heartened to see the deep level of commitment to our students and the insightful suggestions on ways we can remove barriers to their success. Participants also shared their appreciation for the University's emphasis on wellbeing during 2020, and the support from colleagues during such a difficult year. We also heard a strong call for greater inclusivity and openness in decision-making, and for the establishment of an active feedback process between leaders and staff.

During the year we were proud to note several staff receiving individual recognition of their work from external bodies. On behalf of the entire University community, I extend my congratulations to Dr Marilyn Waring, Professor of Public Policy, who was appointed a Dame Companion of the New Zealand Order of Merit. This honour recognised Dame Marilyn's seminal work on feminist economics, and her immense contribution to the Pacific region. As well as providing expertise on gender and poverty for the United Nations Development Programme, Dame Marilyn led the Regional Assistance Mission's Gender and Governance team in the Solomon Islands, and led the Commonwealth Secretariat's teams on unpaid work, social protection, and HIV/AIDS prevention. I also wish to congratulate Associate Professor El-Shadan Tautolo, who leads the AUT Pacific Islands Families Study and received the Public Health Association of New Zealand's inaugural Pasifika Award for his leadership and service to Pacific public health, and Dr Keith Tudor, Professor of Psychotherapy, who received the prestigious 2020 Eric Berne Memorial Award for his work on co-creative transactional analysis.

### CONCLUSION

While much has changed over the past two decades since becoming a university, AUT remains both strongly student-centred and outwardly focussed, preparing the graduates who will be our next generation of leaders, thinkers, researchers, and shapers of the future. Despite the turbulence of the year this strong character has been sustained and enhanced even as we grappled with the challenges.

I wish to thank all the staff for their commitment, initiative, perseverance, and willingness to go the extra mile to meet the urgent and difficult situations we faced. I am particularly grateful to AUT Council, for their steady support throughout the year. This year was the final of John Maasland's leadership of the Council with his retirement after nine years as Chancellor. We will certainly miss John, his depth of insight and huge leadership experience, but his legacy remains in the massive improvements to the University's facilities and infrastructure, and the major advances in our national and international standing that were accomplished during his tenure. I want to acknowledge the AUT Students' Association for their unwavering support for our students this year, especially through their Tautoko foodbank, and also for their tremendous assistance to the University during the COVID disruptions with feedback, ideas and shared communications with students.

The year has demonstrated the importance of our social contract. We have a collective responsibility to keep each other safe, to care for one another, and to combat all forms of prejudice, ignorance, and harassment. Our task as a University is to set a high standard, to guide others by our example as well as our scholarship, and to continue to learn and improve together. Kia ū ki te pai.



**Derek McCormack**  
Vice-Chancellor





Image from Ōtairongo,  
by Dr Maree Sheehan  
(Ngāti Maniapoto–Waikato,  
Ngāti Tuwharetoa).

Creative Director: Tyrone Ohia

Winner, Purple and Gold Awards,  
2020 Best Design Awards.





## OFFICERS OF AUCKLAND UNIVERSITY OF TECHNOLOGY

1 Derek McCormack 2 Professor Kath McPherson 3 Professor Kate Kearins 4 Professor Pare Keiha  
5 Professor Guy Littlefair 6 Professor Mark Orams 7 Professor Gayle Morris 8 Professor Desna Jury  
9 Professor John Raine 10 Dr Rosanne Ellis 11 Walter Fraser 12 Dr Andrea Vujnovich 13 Lyle Williams 14 Jenny Bygrave  
15 Liz Gosling 16 Luke Patterson 17 David Curry 18 Lester Khoo 19 Beth Bundy 20 Joanna Scarbrough 21 Kim Tairi



# OFFICERS OF AUCKLAND UNIVERSITY OF TECHNOLOGY

As at 31 December 2020

AUT is led by the Vice-Chancellor who appoints the senior officers employed by the University. The officers are responsible for providing the strategic direction for AUT and for ensuring that the University is well managed, its academic standards are maintained, and the various needs of the University's stakeholders are met.

## VICE-CHANCELLOR

**Derek McCormack** MSc, DipTchg

## DEPUTY VICE-CHANCELLOR

**Professor Kathryn McPherson** BA(Hons), PhD *Edinburgh*, RN, RM, DipHV

## PRO VICE-CHANCELLORS AND DEANS

Pro Vice-Chancellor  
Dean, Faculty of Business, Economics and Law

**Professor Kate Kearins** BEd, PGDip Mgmt, MA (Hons), MMS, PhD *Waikato*, DipTchg

Pro Vice-Chancellor (Māori Advancement) and Dean,  
Faculty of Culture and Society and Tumuaki, Te Ara  
Poutama (Māori and Indigenous Development)

**Professor Pare Keiha** QSO, MBA, MComLaw, MSc, PhD *Auckland*, FRSA, MInstD, MRSNZ

Pro Vice-Chancellor (International)  
Dean, Faculty of Design and Creative Technologies

**Professor Guy Littlefair** MSc, PhD *Nottingham Trent (UK)*, FIEAust, CPEng, EngExec, NER, APEC Engineer, IntPE(Aus), CMEngNZ, MDINZ, MRSNZ

Acting Dean, Faculty of Health and Environmental  
Sciences

**Professor Mark Orams** BRP(Hons), MSc, PhD *Qld*

Pro Vice-Chancellor (Learning and Teaching)

**Professor Gayle Morris** BA, GradDip, PGCertDigCollrng, MEd, PhD *Melbourne*, EMCAULLT

Pro Vice-Chancellor (Student Experience and Success)

**Professor Desna Jury** MEd (Hons), DipTchg, FDINZ, FRSA

Pro Vice-Chancellor in the Vice-Chancellor's office

**Professor John Raine** BE (Hons), PhD *Canterbury*, CEng, FIMechE, DistFEngNZ, MSAE, MASPACI, CRSNZ

Associate Pro Vice-Chancellor (Research Engagement  
and Management)

**Dr Rosanne Ellis** MSc, PhD *Waikato*

## ASSISTANT VICE-CHANCELLORS

AUT South  
Pacific Advancement

**Walter Fraser** BA, PGDipCom

Corporate Development  
General Counsel

**Dr Andrea Vujnovich** LLB (Hons), MSc (Hons), PhD *Auckland*

Finance and Infrastructure  
Chief Financial Officer

**Lyle Williams** BCom, CA, CPA Fellow

Strategy, Students and Marketing

**Jenny Bygrave** LLB, MEdAdmin (Hons)

## GROUP DIRECTORS

Chief Information Officer

**Liz Gosling** BTec HND, MBA (Human Resources Management)

Chief Marketing Officer

**Luke Patterson** MBA

Estates Operations

**David Curry** BA(Hons) PGDipFM

International

**Lester Khoo** BA, LLB, GradDipBus, MMgt

People and Culture


**Beth Bundy** BA (Hons), MPA (Exec), FCPHR, FCIPD, CMInstD

Student Services and Administration

**Joanna Scarbrough**

University Librarian

**Kim Tairi** BBus (InfoMgt), MEd, GradDipTerEd, DipVET, AFALIA (CP), RLIANZA



WE HAVE

**16** schools

- Art & Design
- Business
- Clinical Sciences
- Communication Studies
- Economics
- Education
- Engineering, Computer & Mathematical Sciences
- Future Environments
- Hospitality & Tourism
- Language & Culture
- Law
- Public Health & Interdisciplinary Studies
- Science
- Social Sciences & Public Policy
- Sport & Recreation
- Te Ara Poutama - Māori & Indigenous Development

**29,100**  
students

**4,500**  
staff

**3** campuses  
across Auckland:

- Manukau
- Auckland CBD
- North Shore

**3** specialist locations:

- AUT Millennium high performance sports centre
- Warkworth Radio Astronomical Observatory
- AUT Centre for Refugee Education

## ABOUT AUCKLAND UNIVERSITY OF TECHNOLOGY

AUT is one of New Zealand's largest universities. We have been a university since 2000, and a place of learning for more than 125 years.



WE OFFER EXCEPTIONAL LEARNING EXPERIENCES  
TO DEVELOP OUTSTANDING GRADUATES

**#1** **MILLENNIAL  
UNIVERSITY**  
IN AUSTRALASIA  
**#15**  
IN THE WORLD  
(Times Higher Education)

**WORLD-RANKED SUBJECTS**

- Sports
- Hospitality & Leisure Management
- Art & Design
- Accounting & Finance
- Communication & Media Studies
- Business & Management Studies
- Economics and Econometrics
- Computer Science & Information Systems
- Electrical & Electronic Engineering
- Mechanical, Aeronautical & Manufacturing Engineering

(QS World University Subject Rankings 2020)

**1<sup>st</sup>** & **19<sup>th</sup>**  
in New Zealand in the world  
for global research impact  
(Times Higher Education)

**60<sup>+</sup>**  
research centres and  
institutes with  
world-class expertise

**1,011**  
doctoral students

**5** **★ ★ ★ ★ ★**  
**OUT OF 5**  
for Research,  
Internationalisation, Teaching,  
Employability, Innovation,  
Facilities, and Inclusiveness  
(QS Stars)

**1<sup>st</sup>**  
in New Zealand &  
**29<sup>th</sup>**  
in the world  
for international outlook  
(Times Higher Education)

**#23** **WORLDWIDE  
FOR  
SOCIAL  
IMPACT**  
(Times Higher Education)

Students come from  
**143**  
countries

## We foster new thinking, discovery and achievement

- AUT students are taught by expert academics who are active in advancing their fields.
- We have more than 60 research institutes and centres in diverse fields including: radio astronomy, artificial intelligence, tourism, data mining, geo-informatics, forensics, nutrition, financial forecasting, sports science, rehabilitation, epidemiology and biotechnology engineering.
- We collaborate with more than 5,000 industry, education and research partners worldwide.
- AUT alumni enter the workforce able to challenge routine thinking and provide innovative solutions to industry and society. They are outstanding graduates who are highly capable, enterprising and ready to contribute to a changing world.

## We have a strong focus on students and graduates

- We want our students to be challenged, successful and engaged with the wider world. We encourage them to collaborate, experiment and experience working life beyond the classroom.
- We provide a transformational student experience.
- More than 90% of bachelors graduates complete a work placement or internship.
- We contribute to the social and economic development of Auckland, New Zealand, and the wider world through our graduates, research and innovation, and our engagement with industry and communities.





# AUT DIRECTIONS TO 2025

In *AUT Directions to 2025*, we outline our vision for the coming years.

## OUR MISSION

### GREAT GRADUATES

## OUR VISION

To be a university known for the desirability of our contemporary education, built on our commitments to:

#### LEARNING & TEACHING

Creating exceptional learning experiences

#### RESEARCH

Discovery and application of knowledge for wellbeing and prosperity

#### ENGAGEMENT

Responding to our place in the world

#### DISTINCT CONTRIBUTION

Building our position as New Zealand's university of technology

#### VIBRANT COMMUNITY

Being a place where people love to work and learn

## OUR CULTURE

#### OPEN-MINDED

We are open-minded, curious and questioning

#### COURAGEOUS

We think critically, listen carefully and speak courageously

#### COLLABORATIVE

We are welcoming, collegial, collaborative and respectful of others

#### PURPOSEFUL

We are achievement-oriented and dedicated to the success of our students and partners

## OUR VALUES

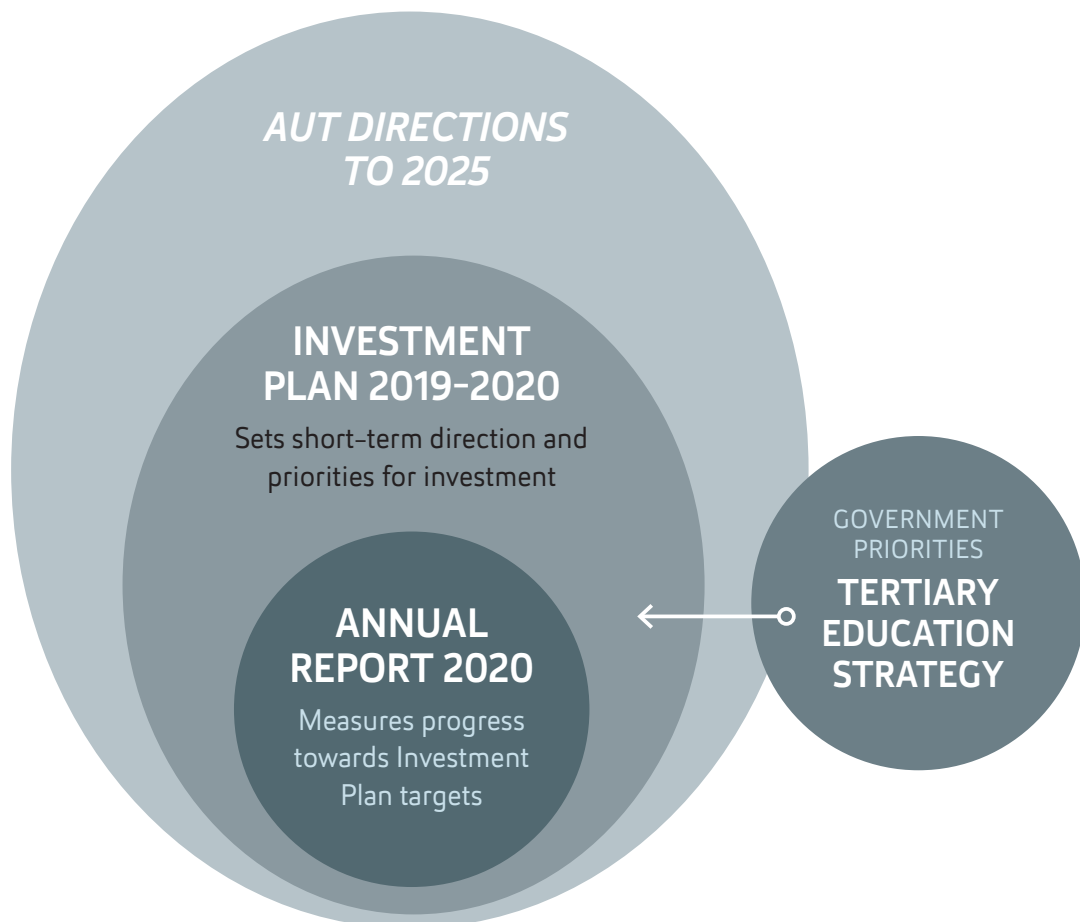
**TIKA**  
Integrity

**PONO**  
Respect

**AROHA**  
Compassion

## PLANNING AND MONITORING OUR PROGRESS

*AUT Directions* was adopted in 2017 and has one central mission: great graduates. To achieve this mission, we offer exceptional learning experiences, conduct research that makes a difference, engage with our communities, and celebrate a culture that is inclusive, vibrant and collegial. We want to increase the extent and impact of our relationships with industry, demonstrate technological excellence, and encourage innovation and entrepreneurship to flourish. Our *Investment Plan 2019-2020* reflects these aims.





THE FIVE THEMES OF *AUT DIRECTIONS* ARE:



# KEY FACTS AND FIGURES

## ALL EFTS <sup>1,2</sup>

	2020 Budget	2020 Actual	2019 Actual	2018 Actual
<b>EFTS</b>				
Domestic SAC-funded EFTS <sup>3</sup>	16,394	<b>16,492</b>	16,241	16,131
International EFTS receiving SAC funding <sup>4</sup>	374	<b>321</b>	356	359
<b>Total SAC-funded EFTS</b>	16,768	<b>16,813</b>	16,597	16,490
International EFTS	3,336	<b>3,013</b>	3,219	2,906
Other Domestic EFTS	243	<b>276</b>	239	267
Other International EFTS <sup>5</sup>	329	<b>309</b>	326	313
Non EFTS <sup>6</sup>	48	<b>48</b>	48	48
<b>Total programme EFTS</b>	20,724	<b>20,459</b>	20,429	20,024
AUT International House	103	<b>39</b>	102	109
<b>Total EFTS</b>	20,827	<b>20,498</b>	20,531	20,133
<b>Total number of students</b>		<b>29,118</b>	29,428	29,248

## EFTS BY QUALIFICATION TYPE

	2020		2019		2018	
	Numbers	Percentage	Numbers	Percentage	Numbers	Percentage
<b>SAC-FUNDED EFTS</b>						
Postgraduate	<b>2,586</b>	<b>16%</b>	2,589	16%	2,554	15%
Bachelor degree and graduate programme	<b>13,319</b>	<b>79%</b>	12,845	77%	12,680	77%
Diploma and certificate	<b>908</b>	<b>5%</b>	1,163	7%	1,256	8%
<b>Total SAC-funded EFTS</b>	<b>16,813</b>	<b>100%</b>	16,597	100%	16,490	100%
<b>INTERNATIONAL EFTS</b>						
Postgraduate	<b>1,418</b>	<b>47%</b>	1,417	44%	1,104	38%
Bachelor degree and graduate programme	<b>1,520</b>	<b>50%</b>	1,704	53%	1,672	58%
Diploma and certificate	<b>75</b>	<b>3%</b>	98	3%	130	4%
<b>Total International EFTS</b>	<b>3,013</b>	<b>100%</b>	3,219	100%	2,906	100%

<sup>1</sup> Equivalent full-time students

<sup>2</sup> Unless enrolled in a doctorate, international postgraduate research students were deemed ineligible for Student Achievement Component funding from 2019 and from that year are counted as International EFTS. To ensure a consistent presentation, the 2018 results reported here differ from those shown in Annual Report 2018

<sup>3</sup> SAC-funded refers to students eligible for Student Achievement Component funding

<sup>4</sup> Includes International SAC-funded EFTS (German academic exchange students and diplomatic staff and family), International Research SAC-funded EFTS (On-shore international PhDs), and International Exchange (SAC-funded) EFTS

<sup>5</sup> Other International EFTS refer to international students enrolled in programmes that are not eligible for SAC funding. This includes non-credit-bearing courses and revenue-generating activities

<sup>6</sup> Non-EFTS refer to students who receive specific funds for enrolment in programmes that do not attract SAC funding

## DOMESTIC SAC-FUNDED STUDENTS

	2020		2019		2018	
	Numbers	Percentage	Numbers	Percentage	Numbers	Percentage
<b>STUDENTS BY ETHNICITY <sup>7</sup></b>						
Asian	5,612	25%	5,564	26%	5,530	25%
Māori	2,533	12%	2,403	11%	2,435	11%
New Zealand European/Pākehā	8,699	39%	8,504	39%	8,851	41%
Pacific	3,672	17%	3,710	17%	3,575	16%
Other	1,513	7%	1,489	7%	1,480	7%
Non-declared	51	<1%	63	<1%	64	<1%

### STUDENTS BY MODE OF STUDY

Full-time	15,406	70%	15,195	70%	15,126	69%
Part-time	6,674	30%	6,538	30%	6,809	31%

### STUDENTS BY AGE

Under 25 years	14,774	67%	14,845	68%	14,829	68%
25-39 years	5,123	23%	4,768	22%	4,827	22%
40+ years	2,183	10%	2,120	10%	2,279	10%

### STUDENTS BY GENDER

Female	13,756	62%	13,487	62%	13,581	62%
Male	8,251	38%	8,203	38%	8,323	38%
Gender diverse	73	<1%	43	<1%	31	<1%

## INTERNATIONAL STUDENTS

International students were enrolled from 104 countries. The top ten are listed below.

	2020		2019
	Numbers	Percentage	Percentage
China	1,758	40%	42%
India	955	22%	20%
Vietnam	200	5%	5%
South Korea	134	3%	3%
Hong Kong	104	2%	2%
Saudi Arabia	85	2%	3%
Thailand	75	2%	1%
United States of America	62	2%	1%
Oman	56	1%	1%
Malaysia	54	1%	2%
Other (94 countries)	891	20%	20%
<b>Total International students <sup>8</sup></b>	<b>4,734</b>	<b>100%</b>	<b>100%</b>

<sup>7</sup> Based on student headcount and primary self-selected ethnicity

<sup>8</sup> This includes international students that are SAC-funded



## QUALIFICATIONS AWARDED

	2020	2019	2018
Doctorates	126	121	128
Masters	1,049	872	839
Honours, Postgraduate Diplomas and Postgraduate Certificates	1,404	1,365	1,152
Degrees, Graduate Diplomas and Graduate Certificates	3,883	3,914	4,025
Diplomas	230	222	217
Certificates	476	537	821
<b>Total qualifications awarded</b>	<b>7,168</b>	<b>7,031</b>	<b>7,182</b>

## STAFF

For the year ended 31 December 2020

	2020			2019		
	Academic	Admin	Total	Academic	Admin	Total
<b>FACULTIES</b>						
Business, Economics and Law	200	63	263	184	66	250
Culture and Society	170	62	232	164	65	229
Design and Creative Technologies	329	120	449	334	120	454
Health and Environmental Sciences	433	152	585	432	147	579
Te Ara Poutama	24	3	27	29	3	32
<b>Total faculty FTE</b>	<b>1,156</b>	<b>400</b>	<b>1,556</b>	<b>1,143</b>	<b>401</b>	<b>1,544</b>
<b>Total central administration services FTE</b>	<b>38</b>	<b>855</b>	<b>893</b>	<b>46</b>	<b>852</b>	<b>898</b>
<b>TOTAL UNIVERSITY FTE</b>	<b>1,194</b>	<b>1,255</b>	<b>2,449</b>	<b>1,189</b>	<b>1,253</b>	<b>2,442</b>

## KEY FACTS BY FACULTY <sup>9</sup>

EFTS	Business, Economics and Law		Culture and Society		Design and Creative Technologies		Health and Environmental Sciences		Te Ara Poutama		University programmes	
	2020 Actual	2019 Actual	2020 Actual	2019 Actual	2020 Actual	2019 Actual	2020 Actual	2019 Actual	2020 Actual	2019 Actual	2020 Actual	2019 Actual
<b>ENROLMENTS</b>												
SAC-funded EFTS	3,126	3,085	2,651	2,669	4,448	4,435	5,684	5,408	52	92	852	908
International EFTS	1,139	1,200	467	513	1,017	1,113	368	372	3	1	19	20
Other EFTS	13	6	55	67	134	158	104	125	0	1	327	256
<b>TOTAL PROGRAMME EFTS</b>	<b>4,278</b>	<b>4,291</b>	<b>3,173</b>	<b>3,249</b>	<b>5,599</b>	<b>5,706</b>	<b>6,156</b>	<b>5,905</b>	<b>55</b>	<b>94</b>	<b>1,198</b>	<b>1,184</b>
Taught EFTS <sup>10</sup>	4,433	4,436	3,133	3,243	5,882	6,048	6,500	6,208	403	492	108	2

	Business, Economics and Law		Culture and Society		Design and Creative Technologies		Health and Environmental Sciences		Te Ara Poutama		TOTAL UNIVERSITY	
	2020 Actual	2019 Actual	2020 Actual	2019 Actual	2020 Actual	2019 Actual	2020 Actual	2019 Actual	2020 Actual	2019 Actual	2020 Actual	2019 Actual
<b>RESEARCH AND COST OF SERVICE</b>												
Student: academic staff ratio <sup>11</sup>	22.2:1	24.1:1	19.6:1	21.3:1	17.9:1	18.1:1	15.0:1	14.4:1	16.8:1	17.0:1	17.9:1	18.1:1
MoE bulk-funded taught EFTS <sup>12</sup>	4,397	4,397	3,047	3,140	5,701	5,833	6,282	5,970	398	474	19,826	19,816
<b>RESEARCH</b>												
Research outputs <sup>13</sup>	367	382	284	324	748	741	697	823	41	55	1,930	2,032
Research revenue	\$1,987,179	\$964,244	\$1,662,661	\$1,485,719	\$4,929,268	\$4,268,813	\$9,284,638	\$10,003,901	\$65,052	\$326,017	\$17,928,798	\$17,062,747

## FINANCIAL \$000s

Faculty costs	37,758	36,923	28,888	29,156	63,994	62,924	77,404	75,278	3,381	3,889	211,425	208,170
Administrative costs	39,298	39,488	30,107	31,742	68,892	71,603	66,658	66,520	3,739	4,683	209,175	214,701
<b>Total costs</b>	<b>77,056</b>	<b>76,411</b>	<b>58,995</b>	<b>60,898</b>	<b>132,886</b>	<b>134,527</b>	<b>144,062</b>	<b>141,798</b>	<b>7,120</b>	<b>8,572</b>	<b>420,600</b>	<b>422,871</b>
Less recoveries	1,130	660	2,268	2,631	5,266	5,330	4,359	6,510	324	289	10,556	14,886
<b>NET COST OF SERVICE</b>	<b>75,926</b>	<b>75,751</b>	<b>56,727</b>	<b>58,267</b>	<b>127,620</b>	<b>129,197</b>	<b>139,703</b>	<b>135,228</b>	<b>6,796</b>	<b>8,283</b>	<b>410,044</b>	<b>407,985</b>
Net cost of service per EFTS	\$17,268	\$17,228	\$18,617	\$18,556	\$22,386	\$22,149	\$22,239	\$22,661	\$17,075	\$17,475	\$20,682	\$20,589

<sup>9</sup> Although previous Annual Reports allocated UniPrep EFTS to University programmes, teaching is shared equally between Te Ara Poutama and Design and Creative Technologies. Results for taught EFTS, student:staff academic ratio, MoE bulk-funded taught EFTS and net cost of service have been updated accordingly. There were 71 UniPrep EFTS in 2020 and 89 EFTS in 2019.

<sup>10</sup> The increase in University Programmes is due to COVID-related extensions for masters, doctoral and honours degrees

<sup>11</sup> For 2020, 10.3 FTE belonging to the Centre for Refugee Education (Faculty of Culture and Society) have been removed to provide a more accurate comparison of student:staff ratios across the faculties. In 2019, 12.0 FTE were removed

<sup>12</sup> The University total includes one EFTS not attributed to any faculty in 2020. For 2019, this was two EFTS

<sup>13</sup> Where there are multiple AUT authors in more than one faculty, an output is counted once per faculty



# FINANCIAL REVIEW

For the year ended 31 December 2020

KEY FINANCIAL INDICATORS	University			Consolidated		
	2020 Actual \$000s	2020 Budget \$000s	2019 Actual \$000s	2020 Actual \$000s	2020 Budget \$000s	2019 Actual \$000s
<b>OPERATIONS</b>						
<b>Total revenue</b>	<b>425,434</b>	437,541	428,821	<b>426,249</b>	439,112	430,791
<b>Total expenses before finance, depreciation, amortisation and impairment costs</b>	<b>360,746</b>	364,932	354,984	<b>361,403</b>	366,455	355,954
<b>Operating surplus before finance, depreciation, amortisation and impairment costs</b>	<b>64,688</b>	72,609	73,837	<b>64,846</b>	72,657	74,837
Finance costs	<b>3,097</b>	4,331	3,560	<b>3,097</b>	4,331	3,560
Depreciation, amortisation and impairment costs	<b>49,298</b>	52,925	53,001	<b>49,298</b>	52,925	53,001
Share of associate and joint venture's surplus/(deficit)	-	-	-	<b>(1,153)</b>	(784)	(1,067)
<b>NET SURPLUS</b>	<b>12,293</b>	15,353	17,276	<b>11,298</b>	14,617	17,209
<b>CASH FLOWS FROM OPERATIONS</b>						
Operating cash receipts	<b>420,094</b>	443,352	447,784	<b>421,474</b>	446,743	448,882
Operating cash payments	<b>355,706</b>	369,262	353,749	<b>356,593</b>	372,611	354,036
<b>NET CASH FLOWS FROM OPERATIONS</b>	<b>64,388</b>	74,090	94,035	<b>64,881</b>	74,132	94,846
<b>PROPERTY, PLANT &amp; EQUIPMENT – NET BOOK VALUE</b>	<b>966,624</b>	931,955	975,908	<b>966,624</b>	931,955	975,908
<b>DEBT</b>						
Bank borrowings – term	<b>64,850</b>	128,799	96,900	<b>64,850</b>	128,799	96,900
Finance leases – current	<b>7,058</b>	7,065	6,140	<b>7,058</b>	7,065	6,140
Finance leases – term	<b>11,997</b>	11,870	13,404	<b>11,997</b>	11,870	13,404
<b>TOTAL DEBT</b>	<b>83,905</b>	147,734	116,444	<b>83,905</b>	147,734	116,444
<b>TOTAL EQUITY</b>	<b>782,675</b>	705,556	771,356	<b>814,405</b>	729,116	804,397
<b>OPERATING RATIOS</b>						
Net surplus/revenue	<b>2.9%</b>	3.5%	4.0%	<b>2.7%</b>	3.3%	4.0%
Cashflow from operations ratio	<b>118%</b>	120%	127%	<b>118%</b>	120%	127%
Interest cover ratio	<b>4.97</b>	4.54	5.85	<b>4.65</b>	4.37	5.83
Liquidity ratio	<b>44%</b>	25%	33%	<b>44%</b>	25%	34%
<b>CAPITAL RATIOS</b>						
Debt cover ratio	<b>1.30</b>	1.99	1.24	<b>1.29</b>	1.99	1.23
Debt/debt + equity	<b>10%</b>	17%	13%	<b>9%</b>	17%	13%
Debt/total revenue ratio	<b>20%</b>	34%	27%	<b>20%</b>	34%	27%

# STATEMENT OF RESPONSIBILITY

For the year ended 31 December 2020

In terms of the Education and Training Act 2020 and the Crown Entities Act 2004 we certify that:

- the Council and management of the Auckland University of Technology accept responsibility for the preparation of these statements of service performance and financial statements and the judgements used therein; and
- the Council and management of the Auckland University of Technology accept responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of performance reporting and financial reporting; and
- the Council and management of the Auckland University of Technology are of the opinion that these statements of service performance and financial statements fairly reflect the financial position for the Auckland University of Technology and Group at 31 December 2020 and the results of the operations for the year ended 31 December 2020.



Rob Campbell CNZM  
Chancellor



Derek McCormack  
Vice-Chancellor

29 March 2021

# INDEPENDENT AUDITOR'S REPORT

**AUDIT NEW ZEALAND**

Mana Arotake Aotearoa

**To the readers of Auckland University of Technology and group's financial statements and performance information for the year ended 31 December 2020**

The Auditor-General is the auditor of Auckland University of Technology (the University) and group. The Auditor-General has appointed me, Karen MacKenzie, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements and performance information of the University and group on his behalf.

## OPINION

We have audited:

- the financial statements of the University and group on pages 73 to 123, that comprise the statement of financial position as at 31 December 2020, the statement of financial performance, statement of other comprehensive revenue and expense, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information; and
- the performance information of the University and group, that comprises the statement of service performance on pages 30 to 59, the statement of the cost of outputs on page 61 and the key facts and figures on pages 22 to 25.

In our opinion:

- the financial statements of the University and group on pages 73 to 123:
  - 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 the Public Benefit Entity Reporting Standards; and
- the performance information of the University and group on pages 30 to 59, 61 and 22 to 25:
  - 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 March 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. In addition, we outline

the responsibilities of the Council and our responsibilities relating to the financial statements and performance information, 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 as set out in note 32 to the financial statements and page 30 of the performance information.

## 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 PERFORMANCE INFORMATION

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 performance information 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 performance information that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and performance information, 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 Crown Entities Act 2004 and the Education and Training Act 2020.

## RESPONSIBILITIES OF THE AUDITOR FOR THE AUDIT OF THE FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION

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

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

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

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

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 performance information, 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 performance information 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 performance information, including the disclosures, and whether the financial statements

and performance information represent the underlying transactions and events in a manner that achieves fair presentation.

We obtain sufficient appropriate audit evidence regarding the financial statements and performance information of the entities or business activities within the group to express an opinion on the consolidated financial statements and the consolidated performance information. 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 4 to 21, 26 and 27, and 61 to 72, but does not include the financial statements and the performance information, and our auditor's report thereon.

Our opinion on the financial statements and performance information 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 performance information, 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 performance information or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## INDEPENDENCE

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

In addition to the audit, we have provided a report on the group's performance-based research fund –eligible external research income. This is compatible with those independence requirements. Other than the audit and this assignment, we have no relationship with or interests in the University or any of its subsidiaries.

**Karen MacKenzie**  
Audit New Zealand  
On behalf of the Auditor-General  
Auckland, New Zealand

# TE TAUĀKĪ O NGĀ PAETAE

## Statement of service performance

The following Statement of Service Performance contains information on the University's KPIs. It documents the services provided by AUT to meet stakeholder needs and to ensure the intent of *AUT Directions to 2025* is fulfilled. For an overall view of the performance of the University, this section must be read in conjunction with the section entitled 'The Year: 2020'.

Performance against many of the University's KPIs was affected by the pandemic, related lockdowns, and the closure of the New Zealand border. Measures relating to international students, enrolment numbers, postgraduate students, and graduate employment were all directly affected, while other measures, such as consultancy revenue and international research partnerships, may have been indirectly affected. Many of our KPIs had ambitious targets which would have been a challenge even without the recent disruptions. The University is generally showing steady progress towards its development aims.

## EDUCATIONAL PERFORMANCE INDICATORS

Educational performance indicators (EPIs) are among the range of measures the Government uses to monitor the performance and contribution of the tertiary sector. The EPIs include course completion, cohort-based qualification completion, retention from first to second year, and progression from pre-degree to degree-level programmes. The measures and targets represented below are taken from the EPI commitments submitted alongside *Investment Plan 2019-2020*. The course completion targets are aspirational and were agreed with TEC as part of the sector-wide plan to achieve parity in performance and participation for Māori and Pacific students by 2022.

the University's provisional 2020 results are presented below. The retention, course completion and participation statistics were taken from TEC's Ngā Kete data site on 3 February 2021 and reflect the results as at 31 December 2020. These results are likely to be understated due to the timing of the submission, and a higher proportion of students still awaiting results due to COVID-related delays. Final 2020 results will be published in Annual Report 2021.

INDICATOR	Cohort group	Ethnicity Group	Target 2020	Provisional 2020	Actual 2019
Course completion	All	Māori	85.0%	77.9%	82.3%
	All	Non-Māori, Non-Pacific	87.5%	87.0%	88.4%
	All	Pacific	72.0%	69.2%	68.8%
First-year retention	Level 7 (degree)	Māori	74.0%	71.0%	73.7%
	Level 7 (degree)	Non-Māori, Non-Pacific	80.0%	80.6%	79.1%
	Level 7 (degree)	Pacific	73.0%	71.5%	74.3%
Participation	Level 7 (degree)	Māori	11.5%	11.2%	11.2%
	Level 7 (degree)	Non-Māori, Non-Pacific	71.0%	70.8%	71.1%
	Level 7 (degree)	Pacific	17.8%	20.2%	19.6%
	Level 8-10	Māori	7.1%	7.6%	7.4%
	Level 8-10	Non-Māori, Non-Pacific	84.0%	83.6%	84.0%
	Level 8-10	Pacific	10.4%	9.8%	9.7%

INDICATOR	Target 2020	Actual 2020	Actual 2019
External research income	\$20.9M	\$17.9M	\$17.1M
International student EFTS*	2,819	3,643	3,901

\* This target is taken from the Educational Performance Indicator Commitments that were agreed with TEC as part of the Investment Plan 2019-2020 process. It differs from the Budget international EFTS described in Key Facts and Figures, which are set on an annual basis

While still below target, provisional EPI results show an increased course completion rate for Pacific students in 2020. This is an outstanding result in such a challenging year, especially given the high proportion of Pacific students who experience severe economic disadvantage. Unfortunately, the course completion rate for Māori students fell sharply from previous years, placing us well below our targeted level of success. As is to be expected, first-year retention rates have also declined for priority students. Our participation rates remain on, or close to, target at undergraduate level and showed some percentage growth for both Māori and Pacific postgraduate students.



THEME

1

CREATING EXCEPTIONAL  
LEARNING EXPERIENCES



South Campus class

DELIVERING  
COMPELLING  
PROGRAMMES

Our programmes will be high quality, relevant and supported with effective learning and teaching services, offering students a rich educational experience on campus and in industry, community and field settings here and overseas.

GOING BEYOND  
EDUCATED AND  
EMPLOYABLE

We will challenge students to become inquiring and agile thinkers and communicators with a broad understanding of their world, looking at issues in ways that transcend disciplines. They will gain core and transferable skills with which to navigate the shifting opportunities of work and enterprise and contribute in all aspects of their lives.

DESIGNING  
STUDENT-DIRECTED  
LEARNING

Students will be able to explore and build programmes from both broad curricular and co-curricular options designed to enhance their sense of purpose and confidence, and their employability and enterprise skills. Students' options will include modes of delivery and engagement.

SUPPORTING  
GREAT  
TEACHING

Our teaching will be creative, interactive and responsive, characterised by its contemporary approaches, technologies and resources. Our teachers will be active in developing their teaching expertise, and be at the forefront of their disciplines as researchers, scholars and advanced professional practitioners.

## HIGHLIGHTS

### SCHOOL OF FUTURE ENVIRONMENTS

established

Aspen Institute's

### 'IDEAS WORTH TEACHING' AWARD

for core Bachelor of  
Business course

### AUT EDGE AWARD

3,700 students enrolled

New award

### BEYOND AUT

640 postgraduate  
students enrolled

### \$15 MILLION INVESTMENT

in a new learning  
management system

## PERFORMANCE MEASURES

Key performance indicator

1.1

✖ Not achieved

**Increase the proportion of students who would recommend their programme of study**

This result is taken from the Annual Programme Survey conducted by AUT's Academic Quality Office. The survey uses 16 five-point Likert scale items and two qualitative questions to gather student feedback on the programmes and services we offer. The response rate for this question was 29% (7,179 respondents out of a total population of 24,913) and the margin of error was 1%. The overall response rate for the survey was 29% (7,343 respondents out of a population of 24,913). This is consistent with other online surveys and above the previous year's response rate of 21%.

The proportion of students satisfied with their programme of study remained at 81% from 2019 to 2020. While this is a relatively good outcome from such a disrupted year, overall programme satisfaction has been static between 80% and 82% since 2014. Over the last few years, the University has identified an opportunity to better meet students' needs and expectations through a new curriculum structure for general undergraduate degrees. This new structure is both simpler and more flexible, allowing students to design a programme of study that suits their intended career path. It will be introduced over the coming five years and imparts the critical learning experiences identified in *AUT Directions*, including mātauranga Māori, work-integrated learning and professional practice, research development, sustainability, internationalisation, and technological skills.

Target 2020	Actual 2020	Actual 2019	Actual 2018
82.5%	81%	81%	82%

Key performance indicator

1.2

✖ Not achieved

**Increase the proportion of students who are satisfied with teaching quality**

This result is taken from the Annual Programme Survey. Further details of this survey, including the format, overall response rate, and margin of error are provided in the note for KPI 1.1. The response rate for this question was 29% (7,256 respondents out of a total population of 24,913).

The proportion of students satisfied with teaching quality fell one percentage point from 2019 to 2020. This is a creditable result when considered against the background of the pandemic, and reflects the efforts made to support students through the disruption. During the periods of enforced remote learning, faculty staff contacted all students who appeared at risk of disengagement and teaching and academic support staff worked tirelessly to adapt course materials, delivery styles, and assessments to suit an online learning environment.

As stated in the Learning and Teaching Roadmap, academic staff are expected to participate in regular teacher development programmes, and to be guided by the Exceptional Learning Experiences framework as they develop each programme. The framework is designed to ensure courses are engaging, relevant, coherent, and help students build the capabilities necessary for their chosen endeavours. It is based on three key concepts: work and social connection, interdisciplinary collaboration (including with mātauranga Māori and other cultural knowledge), and authentic assessment. This year's Teaching and Learning Conference focussed on interdisciplinary collaboration; delegates explored opportunities to connect students with the wider context for what they are learning, to participate in shared problem-framing, and to be mindful of bi- and inter-cultural approaches to learning.

Target 2020	Actual 2020	Actual 2019	Actual 2018
>85%	82%	83%	84%



## PERFORMANCE MEASURES (continued)

Key performance indicator

# 1.3

✓ **Achieved**

### Percentage of bachelors graduates who completed work-integrated learning while studying

Target 2020	Actual 2020	Actual 2019	Actual 2018
>90%	<b>92%</b>	93%	93%

The uptake of the work-integrated learning programme was slightly lower than usual in 2020, although still above target for the year. The pandemic response affected some students' ability to complete their work-integrated learning component, which required a more creative and flexible approach than in previous years. This was especially the case for students from the School of Hospitality and Tourism; many lost their placements in this hard-hit industry. To support these students, we provided a tailored personal and professional development programme, covering values, strengths, workplace resilience, and life and industry planning. The Faculty of Business, Economics and Law offered a 'gig' option, whereby students could combine up to four part-time roles into their work placement and arranged scholarships for students to complete an international virtual internship. For those with budding entrepreneurial capabilities, Co-Starters offered 12 places on their programme free of charge. Students in this group were able to work on their business idea while completing their placement. Another 30 students secured volunteer placements with charitable organisations and businesses through the StudentForce initiative established by Student Services and Administration.

Key performance indicator

# 1.4

✗ **Not achieved**

### Percentage of available graduates who are working full time

Target 2020	Actual 2020	Actual 2019	Actual 2018
>85%	<b>77%</b>	84%	86%

Results are taken from the Annual Graduate Survey conducted by the Academic Quality Office at AUT and refer to domestic graduates only. AUT graduates from 2019 were invited to participate in the 2020 survey, which uses a variety of scales (ranging from yes/no questions to open-ended questions) to provide insight into their initial destinations upon completion of their qualification, and their experiences of transition into the workforce. The results either include each of the responses available to the participants, or combine response options into meaningful categories. Where response options have been combined, an explanation is included in the body of the report. In total, the response rate to this question was 28% (1,463 respondents out of a population of 5,228), with a margin of error of 2.5%. The overall response rate to the 2020 Graduate Survey was 36% (2,517 respondents out of a population of 7,011). This is above average for online surveys, and above that of the 2019 survey (30%).

The graduate employment rate fell sharply from 2019 to 2020, which was not an unexpected result given the difficult economic climate. Of those available graduates who were not working full-time, close to eight in 10 (77%) reported that COVID had affected their employment opportunities, with a third (32%) of respondents having lost full-time work due to the impact of COVID on their employer.

The University has sought to support our graduates through this challenging time. At the annual Employability Matters week, held online in May, presenters discussed ways students could adapt to the new climate, and find opportunities to develop their skills. Towards the end of the year, as businesses began to recover, TalentHub, the University's in-house student and graduate recruitment service, noted that the number of jobs advertised had reached the same level as the previous year, and secured a record number of placements.

# DR MAHSA MOHAGHEGH

School of Engineering, Computer and Mathematical Sciences  
Director of Women in Technology

**Dr Mahsa Mohaghegh is helping ordinary New Zealanders prepare for the coming digital revolution. She is dedicated to creating a greater diversity of voices in the technology industry, and a better general understanding of the challenges and changes ahead.**

Dr Mohaghegh believes our communities and our society will benefit from a more balanced, inclusive technology sector, and that women's voices need to be at the centre of this rapidly developing industry. Her charitable trust She# aims to address the entrenched gender imbalance by creating connections and professional development opportunities for women already working in technology, and establishing a support network, mentors and defined career paths for girls from high school age. She# holds up to ten events each year, hosted by key industry players, where girls gain hands-on experience in computer science and technology, and connect with women working in the field. The group's impact is such that Dr Mohaghegh was named the YWCA's Equal Pay Champion in 2019. The judges described her as making a difference for thousands of women and girls through her work to raise awareness of the value of diversity in technology. She also received the Women of Influence Emerging Leader award in 2013 and was a semi-finalist for the 2018 New Zealander of the Year, and She# received the 2019 Diversity Works

Small Organisation Excellence Award for its work in improving diversity in technology fields.

In the classroom, Dr Mohaghegh employs an interactive teaching approach, demonstrating physical examples of technology in action to reinforce theory, and involving her students with practical, hands-on activities to maximise engagement and knowledge retention. Her Computer Science for High Schools initiative, funded by Google, provides professional development for technology teachers at secondary schools. Through the programme, secondary teachers learn about the latest industry developments and share innovative and engaging ways of presenting these topics in the classroom.

Her research centres on artificial intelligence (AI), machine learning, and the internet of things, with recent investigations into the use of blockchain in a decentralised land sale system, and the future of AI in the education sector. Dr Mohaghegh is on the Executive Council for AI Forum, and is the Government, education and diversity representative on the board of NZTech. She is also a member of the board of directors at Variety, and is an external technical advisor on AI strategy to two New Zealand businesses, Aider and The Story Mint.





# THEME 2 DISCOVERY AND APPLICATION OF KNOWLEDGE FOR WELLBEING AND PROSPERITY



## INTEGRATING TEACHING WITH RESEARCH

We will support our staff in their work of advancing knowledge and in growing the quality and value of this work, including its benefit to their teaching and students

## CONTRIBUTING EXCELLENT RESEARCH

We will pursue excellence in innovative and relevant research from fundamental enquiry to applied research and creative practice

## APPLYING OUR RESEARCH

Our research will increasingly be project- and mission-led in interdisciplinary teams. We will share our discoveries and developments in ways that allow them to be widely used, and will be active in research supporting industry, business and governments.

## ADVANCING BY COLLABORATING

Our collaborations with external partners will enhance our research capability and capacity

## ENHANCING STUDENT RESEARCH

Our research students will be active members of our academic community, contributing to our research programmes and teams. Opportunities for undergraduate students to be involved in research will be a feature of our educational experience

## HIGHLIGHTS

### NATIONAL SCIENCE CHALLENGE PROJECT

Dr Valance Smith  
appointed co-leader

### VIDEO SERIES

'Adapting to a changing  
world, shaping resilient  
futures' video series  
released

# \$33.8M

in **research contracts** signed  
including

\$11.5M with the Ministry of Business,  
Innovation and Enterprise

\$6.8M with the Health  
Research Council

\$2.1M with Callaghan  
Innovation

\$1.0M with the Marsden  
Fund

# 126

**new doctoral  
graduates**

## PERFORMANCE MEASURES

Key performance indicator

2.1

**Increase the number of quality-assured outputs <sup>14</sup>**

✖ Not achieved

Research activity was another area affected by COVID. While many staff were able to maintain or even accelerate their research programme during the lockdowns, those with teaching responsibilities focussed on reorganising their papers for online delivery and supporting students through the transition. Staff with specialist equipment needs or domestic responsibilities also experienced disruptions to their intended research programme. Overall, research activity remains an area for development for the University.

Target 2020	Actual 2020	Actual 2019	Actual 2018
2,600	1,930	2,032	2,125

Key performance indicator

2.2

**Increase the proportion of research-active academic staff**

✖ Not achieved

AUT has some way to go before achieving our desired breadth and depth of research participation. While this year's result was undoubtedly affected by the pandemic, and the resulting concentration of effort in teaching and pastoral care, we remain well below our expected standard for this measure. The Health Futures initiative is one way the University is seeking to strengthen our research community, by partnering experienced researchers with junior academics and postgraduate students. We have also established clear expectations for academic staff to engage in research and produce quality-assured outputs and these will be embedded through the annual planning process.

Target 2020	Actual 2020	Actual 2019	Actual 2018
80%	55%	55%	59%

Key performance indicator

2.3

**Increase the value of new research contracts signed**

✔ Achieved

This KPI measures the total value of all new contracts signed during the year. It reports the full value of all contracts signed during 2020, including several large multi-year contracts. The external research income reported in Note 2(iii) of the Financial Statements measures the actual income received from research during the year. This amounted to \$17.9 million in 2020.

For the second year in a row the University achieved a record result for this KPI, and the annual value of new contracts signed in 2020 was more than double that signed in 2018. Some highlights included the \$8 million MBIE contract awarded to Associate Professor Scott Duncan and the New Zealand Work Research Institute for research into enhancing the impact of urban regeneration projects. MBIE also granted Dr Maryam Doborjeh \$1.9 million for the use of neuro-genetic modelling in mental health, and \$1.5 million to Professor Simon Milne for Pacific tourism research. We also secured 17 projects with the Health Research Council, including \$1.4 million to Professor Jane Koziol-McLain for a project on improving primary care for victims of violence, and another \$1.2 million to Professor Jarrod Haar for an investigation into improving wellbeing for people on low incomes.

Target 2020	Actual 2020	Actual 2019	Actual 2018
\$22M	\$33.8M	\$28.4M	\$15.9M



## PERFORMANCE MEASURES (continued)

Key performance indicator

# 2.4

✗ Not achieved

### Increase the number of doctoral students

After many years of steady growth, the number of doctoral students decreased slightly from 2019 to 2020 and fell some way short of target. This result was affected by the border closures, which prevented some international students from travelling to New Zealand to commence their studies.

More positively, 126 doctoral candidates completed their studies during the year, and there were record numbers of Māori and Pacific candidates, at 68 and 48 respectively.

Target 2020	Actual 2020	Actual 2019	Actual 2018
1,163	1,011	1,017	994

Key performance indicator

# 2.5

✗ Not achieved

### Increase the proportion of outputs with an international co-author

As with other measures related to research outputs, our ability to achieve this KPI may have been affected by COVID. As well as the impact on time available for research, the international travel ban affected the ability for staff to make new contacts, while their existing colleagues have been affected by the pandemic within their own countries. We anticipate that the level of international activity will increase again once COVID is under control.

Target 2020	Actual 2020	Actual 2019	Actual 2018
63%	62%	64%	58%

14. A quality-assured research output is defined as any research output that successfully completed a formal quality-assurance process before its final version was first made available in the public domain. It has been subjected to formal, independent scrutiny by those with the skills or expertise (or both) to assess its quality. This may include its rigour, logic, clarity, intellectual significance, originality, impact, applications and artistic merit. Formal quality-assurance processes vary between disciplines and output types, including (but not limited to): peer review by journals and book publishers; selection of conference papers; Māori or Pacific research-specific processes or methodologies; review and curation processes conducted by major galleries, museums, or broadcasters; and reviews by users of commissioned or funded research.

# PROFESSOR HINEMATAU MCNEILL

*Tapuika, Ngāti Moko*

Professor of Māori Development, Te Ara Poutama

**Professor McNeill is driven to make a difference for Māori, believing that what is good for Māori is also good for all of Aotearoa. She is held in high esteem for her academic contribution, in the fields of Māori health, tribal history, and Māori community education, and for her service to the community. She was a strong advocate for the establishment of Māori women's refuges and the introduction of mandatory reporting for domestic violence. Her doctoral thesis investigated mental wellbeing for Tūhoe kaumatua, and she acted as Treaty negotiator for her iwi, which settled with the Crown in 2014. This convergence of her tribal and academic worlds continues to influence her research and teaching. She was a trustee of the Tapuika Iwi Authority for many years and remains actively involved in tribal affairs.**

She is committed to the revitalisation of te reo Māori. Led by Tumuaki Professor Pare Keiha, Te Ara Poutama is at the forefront of technology-enhanced approaches to learning and teaching. Professor McNeill and co-creator Hemi Kelly worked with a team of AUT staff, students and whānau to develop the popular Kōreroreo app, which was launched during Te Wiki o te Reo Māori 2020, and has proven to be an effective tool for learning te reo. The app is available free of charge and is an example of the University's educational commitment to Māori communities.

In collaboration with colleagues from Environmental Sciences, Professor McNeill's latest research draws from Māori knowledge, traditions and practices regarding death and burial. Funded by a Vision Mātauranga grant from the Ministry of Business, Innovation and Enterprise, the team is exploring the feasibility of developing urupā tautaiāo (environmentally sustainable burial practices). They aim to deepen understanding of traditional and sustainable burial practices, develop a research proposal for nehu tautaiāo (natural burials), and to support local governments to develop sustainable burial processes that respect and uphold Māori traditions and world view.

Professor McNeill is deeply committed to her students and their success. She is a supporter of UniPrep, AUT's university preparation and pastoral care programme designed for school leavers from lower socio-economic backgrounds. An interest in artistic practice-led research has enriched her work with research students, helping them to work creatively in a way that respects ikaupapa Māori methodologies and indigenous epistemologies. She believes that indigenous knowledge, when truly valued, will invigorate and enrich the learning experience for all.





# THEME 3 RESPONDING TO OUR PLACE IN THE WORLD



Students in the BA (Sign Language – English Interpreting) practice their skills

## RESPECTING TE TIRITI O WAITANGI

We will partner with Māori to advance mātauranga Māori and te reo and achieve the benefits a university can provide with and for Māori.

## WORKING FOR OUR CITY AND COUNTRY

We will prioritise the needs of the people of Tāmaki Makaurau Auckland, and Aotearoa New Zealand, contributing to social, economic and environmental development. We will be active in our city, responding to its Māori heritage and identity, Pacific communities, and ethnic diversity, and playing our part in its development as a world centre.

## SHARING OUR KNOWLEDGE AT HOME

Our staff members will contribute to public discussion on matters of general concern and interest in Aotearoa New Zealand and our region of the Pacific.

## IMPROVING OUR WORK THROUGH INTERNATIONALISATION

Our international work will meet high standards, be mutually beneficial, and designed to increase our student and staff opportunities, teaching and research capability, and financial sustainability.

## BEING A RESPONSIBLE GLOBAL CITIZEN

We will recognise and respond to our global responsibilities and opportunities guided by our commitment to the United Nations Sustainable Development Goals, and act on the understanding that all our graduates will be global as well as national citizens.



## HIGHLIGHTS

### PIKI AKE KAIPAHIKI

**study skills programme** for  
Māori students introduced

### PACIFIC MEDIA CENTRE

received funding from Earth  
News Journalism

### INDIAN INSTITUTE OF TECHNOLOGY MADRAS

new agreement signed

68

Māori doctoral candidates

### MŌHIO CLIMATE INNOVATION LAB

AUT became a principal partner

48

Pacific doctoral candidates

## PERFORMANCE MEASURES

Key performance indicator

3.1

✔ Achieved

**Increase the number of Māori graduates from bachelors degrees**

Target 2020	Actual 2020	Actual 2019	Actual 2018
350	366	291	306

The number of Māori graduates increased significantly in 2020, placing us five percent above target and 26% above the result for the previous year. This was an excellent result for the University. The Faculty of Business, Economics, and Law appointed two tuakana teina (peer tutors) and developed the Piki Ake Kaipakihi study skills programme, which included workshops, resources and a dedicated online learning site. They also hosted an event with the Whāriki Māori Business Network for senior students, and offered regular online and in-person wānanga to support those at risk of failure or withdrawal. Māori support staff implemented a peer mentoring programme in the Faculty of Design and Creative Technologies, designed to help students gain skills and build confidence in their academic abilities.

Te Tari Takawaenga (Māori student liaison services) conducted 1,400 wellbeing checks during the year and established the Equity Māori Hardship Fund to support students experiencing hardship due to COVID. In total, 385 students received assistance through this initiative, which provided well-being, academic, and social support as well as financial help. Recognising that housing costs are frequently prohibitive for students from lower socio-economic backgrounds, the University established scholarships for Māori students in approved AUT accommodation. The scholarship provides paid-for accommodation, along with cultural, social, personal and academic support through Te Tari Takawaenga.

The additional hardship funding provided by the Government allowed the University to offer a unique support service for final-year students from lower socio-economic areas. These students received free accommodation and meals in AUT student hostels during their final semester, allowing them the space to concentrate on finishing their degree.

Key performance indicator

3.2

✔ Achieved

**Increase the number of postgraduate students that are Māori**

Target 2020	Actual 2020	Actual 2019	Actual 2018
345	381	365	336

The number of postgraduate Māori students continues to grow, up 13% since 2018. This community of Māori emerging scholars is crucial for extending AUT's contribution to mātauranga Māori, and to fostering success for undergraduate students. To this end, MAI-ki-Aronui is a group of Māori and Indigenous doctoral candidates, aiming to build research and teaching excellence, academic and community leadership skills, interdisciplinary relationships and supervisory potential at the University. There were six group members who submitted their doctorates during the year, all of which were accepted without amendments. Most have secured academic roles at AUT and will in turn mentor the next generation of emerging Māori and Indigenous scholars.

Key performance indicator

3.3

✘ Not achieved

**Increase the number of Pacific graduates from bachelors degrees**

Target 2020	Actual 2020	Actual 2019	Actual 2018
425	403	383	332

Although the number of Pacific graduates increased by 5% from 2019, it was still some way short of the target. AUT has a long-term strategy to increase success and graduation rates, built on a deep understanding of the needs of students who experience high levels of economic deprivation and educational disadvantage. Pacific students are over-represented in this group, especially those from the South Auckland region. Recognising that these learners face exceptionally high barriers to success, we have progressively introduced pastoral care initiatives, academic support, and practical assistance such as providing low-cost, healthy meals on campus, child-friendly study spaces, free access to computers and internet connections, and holiday programmes. Although COVID disrupted many of the initiatives planned to support Pacific student success, we established Hauora Hub, an online portal that offered resources, wellbeing workshops and live seminars. The accommodation and living support package for final-year students described in KPI 3.1 was designed to support students from lower socio-economic areas, and many of the recipients were Pacific peoples.

## PERFORMANCE MEASURES (continued)

Key performance indicator

# 3.4

### Increase the number of Pacific postgraduate students

✖ Not achieved

The number of Pacific postgraduate students grew slightly from 2019 yet remained well below target. Despite an increase in Pacific postgraduate scholarships at AUT and across the sector, many Pacific graduates were under significant pressure to secure employment as a result of COVID.

While more work is needed to increase the representation of Pacific peoples amongst our postgraduate community, the doctoral programme continues to grow from strength to strength. During the year four Pacific students completed their doctorates, and there are another 48 candidates, up from 42 in 2018.<sup>15</sup> The Health Research Council awarded more than \$270,000 to four doctoral candidates, supporting their research into issues such as the development of a health care model for Samoan people for Counties Manukau District Health Board and three projects focussed on the Tongan community: the influence of faith leaders on wellbeing; dissemination of culturally relevant diabetes-prevention information; and gaining a better understanding of problem gambling.

Target 2020	Actual 2020	Actual 2019	Actual 2018
455	385	379	395

Key performance indicator

# 3.5

### Increase the proportion of international EFTS

✖ Not achieved

As was to be expected, the proportion of international students fell in 2020. The international student market was severely affected by COVID and is expected to take several years to recover, even once the border reopens.

Target 2020	Actual 2020	Actual 2019	Actual 2018
17.5%	17%	18%	17%

15. This KPI measures Pacific postgraduate students who are eligible for Domestic SAC funding only. There were 39 Pacific doctoral candidates who were Domestic SAC-funded students in 2020.



# PROFESSOR INEKE CREZEE ONZM

Professor of Translation and Interpreting  
School of Language and Culture

**Professor Ineke Crezee is an outstanding teacher, practitioner and researcher of translation and interpreting. Over the two decades she has taught at AUT, she has written several textbooks and trained countless healthcare, community and legal interpreters, along with the public sector professionals who work alongside them.**

She was president of the Auckland branch, and secretary of the national arm, of the New Zealand Society of Translators and Interpreters and co-convened the first International Conference on Legal and Healthcare Interpreting. Her research interests include the role of translators and interpreters in the health system. As the recipient of a Fulbright New Zealand Scholarship in Public Health, she spent time at Seattle Children's Hospital investigating the benefits of bilingual patient navigation for migrant families with low levels of English proficiency and literacy. She found that specialised training is required for healthcare-based translators, to help them manage the ethical and technical challenges of their role. As such, she has developed many guidelines and educational materials for interpreters and translators, including a bilingual patient navigator course for the Counties Manukau District Health Board. Her book *Introduction to Healthcare for Interpreters and Translators* is being translated

into Turkish, joining editions in six other languages. She co-edits two international journals: the *International Journal of Interpreter Education*, and *Translation and Interpreting*. After translating her first book at just 21 years of age, she has translated several novels, textbooks in nursing and social work, and non-fiction works regarding refugees and resettlement.

As well as her influence on the profession, Professor Crezee is an award-winning teacher. Her students describe her as inspiring, knowledgeable, and an outstanding mentor who sees the potential in each learner. She enjoys working with students from a wide range of age groups, cultural and linguistic backgrounds, and loves using situated learning approaches to make learning enjoyable. The situated learning approach is one she benefited from while training as a registered nurse and completing her translation studies. Under this approach, teachers incorporate real life elements in the classroom, using real life medical equipment, authentic video clips, and shared learning with other health professionals. She loves to help students develop the confidence, knowledge, and skills base to develop as an interpreting professional.





## THEME

BUILDING OUR POSITION AS  
NEW ZEALAND'S UNIVERSITY  
OF TECHNOLOGY

4



Students from the Bachelor of Communication Studies at work in the digital media suite

### INCREASING OUR STRENGTH IN APPLICATION AND INNOVATION

Throughout our curriculum of social sciences, humanities, life and physical sciences, engineering and information technology, and creative arts, we will pursue an emphasis on professional preparation, refining practice, the application of knowledge, and innovation

### LEADING OUR SECTOR IN EXTERNAL IMPACT

We will aim to be the leading New Zealand university in the extent and impact of our interactions with industry, professions, and the employment and enterprise sectors.

### DEMONSTRATING TECHNOLOGICAL EXCELLENCE

All aspects of our university and its interactions will be distinguished and enhanced by the utility and ease of our technology, digital, and design systems and solutions

### APPLYING SHARED TECHNOLOGICAL THEMES

We will increasingly work across disciplines and develop key themes to be expressed in all of our work, such as design, digital and information science, wellbeing, enterprise, human interaction, and sustainable development.

# HIGHLIGHTS

## DATA SCIENCE FOR MENTAL HEALTH

project launched

## HEALTH FUTURES

6 projects funded

## 2020 ERIC BERNE MEMORIAL AWARD

received by Professor Keith  
Tudor in Transactional Analysis

Public Health Association  
of New Zealand

## PASIFIKA AWARD

received by Associate Professor  
Dan Tautolo



## PERFORMANCE MEASURES

Key performance indicator

4.1

✗ Not achieved

**Increase the number of disciplines included in the QS World University Rankings by Subject**

QS ranked ten AUT subjects in 2020. Although this represents an increase of one from the previous year, we remain below target for this measure. Two subjects, Sports, and Hospitality and Leisure Management are placed within the top 35 in the world. Other highly ranked subjects include Accounting and Finance, Art and Design, Business and Management Studies, Communication and Media Studies, Computer Science and Information Systems, Economics and Econometrics, Electrical and Electronic Engineering, and Mechanical Engineering.

For their part, THE placed AUT first in New Zealand, and in the top 125 in the world, for clinical, pre-clinical and health subjects. Our high scores for research impact and international outlook were significant factors in this ranking. THE ranked eight other subjects, including Life Sciences, Education, Arts and Humanities, and Computer Science.

Target 2020	Actual 2020	Actual 2019	Actual 2018
14	10	9	13

Key performance indicator

4.2

✗ Not achieved

**Increase staff consultancy revenue**

Consultancy revenue fell from 2019 to 2020 and was well below target. Just under half of our consultancy income is drawn from the Centre for Social Data Analytics' work with social services agencies in the United States. The remainder comes from New Zealand-based projects, with clients including Internet NZ, and NZ Rugby Auckland.

Target 2020	Actual 2020	Actual 2019	Actual 2018
\$1.7M	\$1.2M	\$1.75M	\$1.01M

Key performance indicator

4.3

✓ Achieved

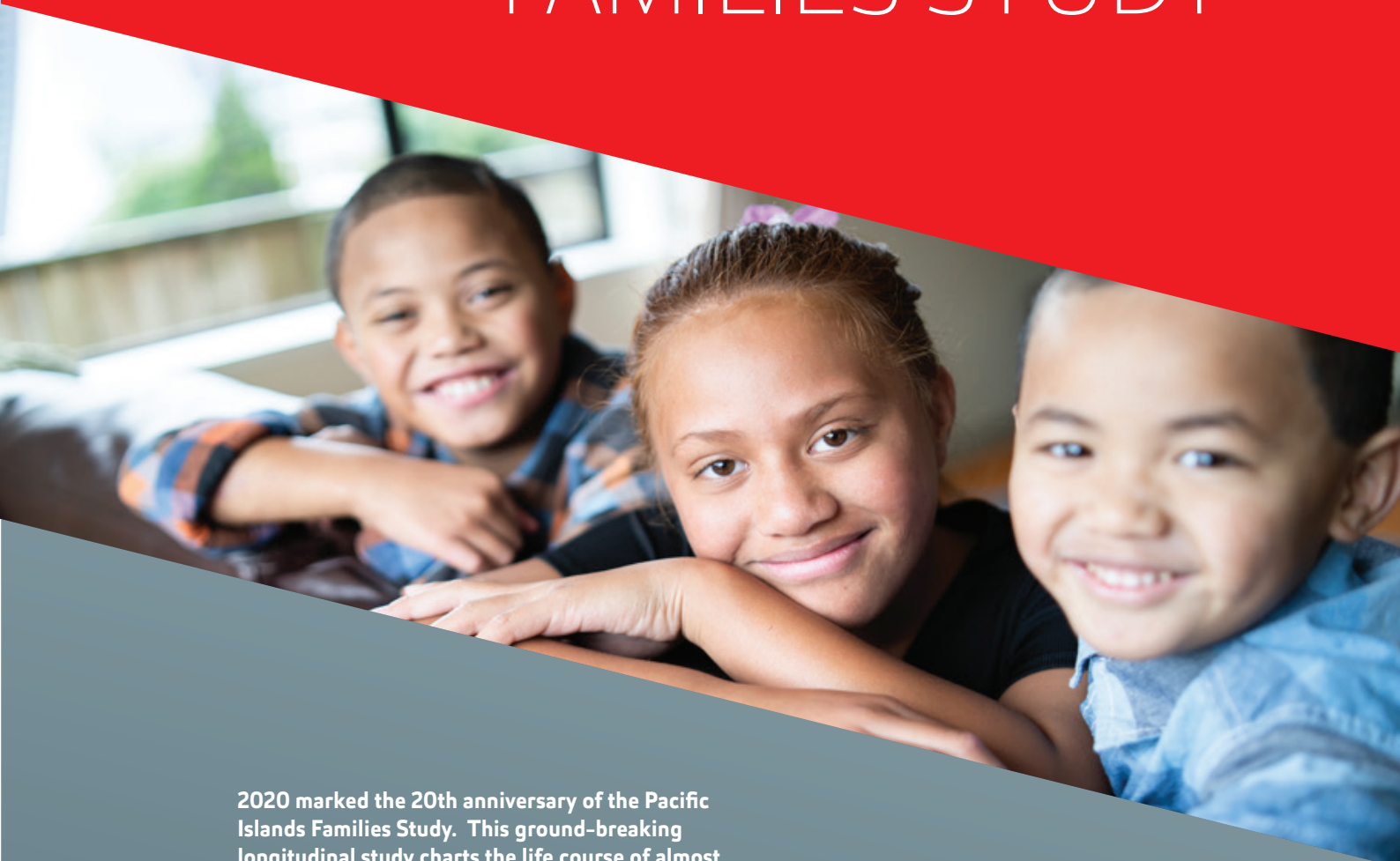
**Contribute to the public debate**

Number of media articles using AUT staff as expert voices or highlighting AUT research

The University comfortably achieved its target for contribution to the public debate for 2020, despite a drop in the number of relevant media articles from the previous years. This was partly due to a lack of media attention to non-COVID-related topics, and partly a result of the redeployment of AUT's communications staff to support the University's pandemic response plan. Several academics emerged as sought-after commentators on a range of relevant issues: Professor David Parry (School of Engineering, Computer and Mathematical Sciences) for his expertise on technology, tracing apps and security; Professor Michael Lueck (School of Hospitality and Tourism) regarding COVID's impact on tourism; and Professor John Tookey (School of Future Environments) for insight into wage subsidies in the construction industry.

Target 2020	Actual 2020	Actual 2019	Actual 2018
>1,000	1,535	2,113	3,203

# PACIFIC ISLANDS FAMILIES STUDY



**2020 marked the 20th anniversary of the Pacific Islands Families Study. This ground-breaking longitudinal study charts the life course of almost 1,400 Pacific infants born at Middlemore Hospital in early 2000. The study includes ten assessments of the children, from the age of 6 weeks through to 18 years, along with interviews with their parents and teachers, providing a rich evidence base from which to make recommendations on improving health outcomes for Pacific peoples.**

To date, the study has generated more than 130 publications on issues ranging from family composition and Pacific fatherhood; to obesity, nutrition and physical activity; respiratory health; growth; domestic violence; the prevalence and impact of childhood hearing loss; the link between housing conditions and maternal mental health; youth and older adult mental health; and cultural resiliency. One of the key findings has been that alignment with their traditional culture is a strong protective factor for Pacific peoples. Mothers who closely identified with their heritage were less likely to experience intimate partner violence, postnatal depression, and unplanned pregnancies, and their children had fewer hospital admissions and were less likely to have had behavioural problems.

The study team work closely with agencies such as the Heart Foundation, Plunket, and the Ministry for Pacific Peoples, and their findings have informed policy settings for the Ministries of Health and Social Development, and the Counties Manukau District Health Board. Recently, the team launched the Healthy Pacific Grandparents study, which uses a collaborative approach to identifying participants' concerns and co-designing solutions. The study is instrumental in building Pacific research capability in New Zealand, and in working with Pacific communities to identify specific research needs and develop culturally appropriate methodologies. The study has received more than \$6 million in funding from the Health Research Council over the past ten years, along with grants from the Ministry of Business, Innovation and Enterprise, and the Ageing Well National Science Challenge.

## THEME

## 5

BEING A PLACE WHERE  
PEOPLE LOVE TO WORK  
AND LEARNDESIGNING  
WORK THAT IS  
PURPOSEFUL AND  
REWARDING

We work together for a vibrant university community in which creativity is nurtured and achievement celebrated, and where everyone's experience of work is purposeful, enjoyable, fair and rewarding.

BEING AN  
INCLUSIVE  
COMMUNITY

We welcome people of all ethnicities, genders, sexual orientations, religious and political beliefs, socioeconomic situations, and accessibility needs, by improving equity and creating a sense of shared community and belonging where everyone is valued.

ACHIEVING OUR  
GOALS THROUGH  
EFFECTIVE  
ADMINISTRATION

Our systems, procedures and accountability mechanisms will be designed to help us all achieve our shared goals effectively, with a high trust, light touch approach that challenges us to improve and supports the creativity and collegiality crucial for our work

MAKING GREAT  
SPACES AND PLACES

We will provide students and staff with attractive, functional campuses and facilities and inspiring work and learning spaces

SUSTAINING  
OUR FUTURE

We will learn from our students, prospective students and graduates the qualities of a desirable university education and consistently move towards developing them.

We will improve our university rankings, ratings and accreditations, and build our profile and standing for the benefit of our students, graduates and communities.

We will grow our enrolment to a sustainable level for a strong comprehensive, contemporary university in New Zealand.

We will secure our financial position with diversified revenue streams and effective spending.

# HIGHLIGHTS

## #1

in New Zealand for  
**GLOBAL RESEARCH  
IMPACT**

(Times Higher Education,  
US News Global Universities Ranking)

## #1

in New Zealand for  
**INTERNATIONAL  
OUTLOOK**

(Times Higher Education)

## #1

in New Zealand for  
**HEALTH SUBJECTS**

(Times Higher Education)

## #1

**MILLENNIAL  
UNIVERSITY**  
in Australasia

## TOP 35

WORLDWIDE

for **Sport**

(Times Higher Education)

## #15

in the world

(Times Higher Education)

## TOP 150

WORLDWIDE

for **Art & Design**

(Times Higher Education)

## TOP 34

WORLDWIDE

for **Hospitality &  
Leisure Management**

(Times Higher Education)

## #23

WORLDWIDE

for **Social Impact**

(Times Higher Education)



## PERFORMANCE MEASURES

Key performance indicator

5.1

✖ Not achieved

**Increase total EFTS**

Total EFTS fell slightly (-0.2%) from 2019 to 2020, causing AUT to fall below target (-0.6%). The impact of the border closure resulted in an 8% decline in international EFTS, which was somewhat mitigated by strong growth in domestic EFTS (up 1.7% from the previous year).

Target 2020	Actual 2020	Actual 2019	Actual 2018
20,630	<b>20,498</b>	20,531	20,133

Key performance indicator

5.2

✖ Not achieved

**Increase the number of students at South Campus**

2020 marked the tenth anniversary of South Campus. Although the number of students enrolled at South fell slightly from 2019, overall the Campus is proving a resounding success. It has grown ten-fold over the decade, from fewer than 200 EFTS to more than 2,000. The Campus is also a driving force behind the continued economic and social development of South Auckland. It is the home of the Pacific Islands Families Study, a hub for community events, and an accessible, supportive, and success-focussed option for school leavers and second-chance learners to gain a higher education. More than a third (34%) of students come from areas with high deprivation scores, who traditionally face considerable barriers in their quest for tertiary education.

Target 2020	Actual 2020	Actual 2019	Actual 2018
3,000	<b>2,246</b>	2,267	2,234

Key performance indicator

5.3

✖ Not achieved

**Increase the proportion of students in postgraduate study**

After several years of sustained growth, the proportion of students in postgraduate study remained at 20% in 2020. This is likely to be another consequence of COVID as the number of international postgraduate students stayed at the same level as in 2019, against the trend of steady growth from several previous years.

Target 2020	Actual 2020	Actual 2019	Actual 2018
21%	<b>20%</b>	20%	19%

## PERFORMANCE MEASURES (continued)

Key performance indicator

# 5.4

Not measured

### Increase staff engagement

\* This KPI previously reported the overall engagement score taken from the biennial staff engagement survey. The last survey took place in 2018; we moved to a different approach to measuring staff engagement in 2020

Supporting staff through the pandemic was a core mission for the University in 2020. During the first lockdown, we moved all our learning and development workshops online and surveyed all staff to better understand their needs. We also sought feedback from academic staff to provide appropriate support for the transition to online teaching, and from managers at all levels to understand how best to support staff in their return to work. We introduced several new courses focussed on wellbeing and connection and more than 3,330 staff attended a development programme over the course of the year, up from 1,610 in 2019. The TeamShare initiative provided the opportunity for staff to collaborate in support of over-stretched colleagues, and we allocated additional sick leave to ensure staff were able to take time off for illness or wellbeing purposes.

In the past, the University has conducted an official staff engagement survey every two years. However, this year, AUT sought a more innovative and collaborative approach. The Great Work Jam was a crowd-sourced, online engagement event facilitated by an external organisation. Staff were invited to comment on specific themes, including ways of working, student and people focus, and future education. Rather than specifically measuring engagement, this approach was designed to identify the important lessons from 2020 and how they may affect our approach in future, and to gauge the effectiveness of the University's support for staff. The themes that emerged from the conversations were the need for greater agility in our approach to education; and that the pandemic revealed AUT's strong community spirit, along with the need for more collaborative leadership and effective communication across all levels of the organisation. Recommendations from the Work Jam report will inform our 2021 organisational development plan. This plan will also respond to the recommendations from the independent review, commissioned by Council following allegations of inappropriate behaviour from some senior staff members. AUT is committed to providing a safe and inclusive place to work; all forms of bullying and harassment are unacceptable and will not be tolerated.

Target 2020	Actual 2020	Actual 2019	Actual 2018
79%	*	*	78%

# PROFESSOR JARROD HAAR

*Ngāti Maniapoto, Ngāti Mahuta*

Professor of Human Resources Management  
Faculty of Business, Economics and Law

**Through his research on employee wellbeing, work-life balance, and workplace cultural support, Professor Jarrod Haar is helping to create happier, more productive workplaces. He is a strong proponent for the use of data analytics in human resource management, to help organisations build evidence-based strategies that improve productivity and employee wellbeing. He believes people like numbers because “fundamentally, numbers enable them to better perceive changes in the workplace.”**

One of those key numbers is the perception of work-life balance, which increased 20% at trustee company Perpetual Guardian. The organisation worked with Professor Haar to track the productivity and engagement of staff members as they trialled a four-day working week. The study received international attention and showed that keeping employees on their full pay while working fewer hours led to greater organisational commitment, work stimulation, and perception of work-life balance, and did not affect their productivity. The study received widespread media attention and was featured in The Conversation Yearbook 2018, a collection of the top 50 articles published on The Conversation's website. An updated version, focussed on how a four-day week could boost internal tourism, also featured in the top 50 articles in The Conversation Yearbook 2020. As Professor Haar states, “The four-day week is great because it challenges organisations to focus on productivity, not time counting. The benefits are real and potentially powerful.”

He is also known for his contribution to the fields of Māori leadership, and organisational support for Māori culture. As deputy director of the New Zealand Work Research Institute, Professor Haar's work exemplifies the Institute's ethos of excellent research with strong social impact. He received the inaugural Human Resources New Zealand Researcher of the Year award in 2016 and was part of the group which received the teams award in 2019. He is currently serving on the Royal Society's Marsden Fund Council and is the convenor of the Economics and Human Behavioural Sciences Panel. The Council sets the direction for the fund and selects the successful proposals. The 11 Council members are all eminent researchers, appointed by the Minister of Science and Innovation.

When teaching quantitative analysis to masters students, Professor Haar wants them to go beyond just learning how to conduct the analysis. “I teach my students the pros and cons of quantitative analysis, but I also strive to get them to think about what the answers mean. What do they represent? What would this mean in an organisation? What should managers do about this?” He believes numbers are most useful when understood as a vehicle representing the voice of the workforce being studied. It is therefore vital that students have a deep understanding of their findings to facilitate needed change.







## STATEMENT OF THE COST OF OUTPUTS

For the year ended 31 December 2020

The University's activities contribute to three broad classes of outputs. These outputs are learning and teaching, research and scholarship, and engagement with communities. The following table outlines the cost of providing these outputs.

	University		
	2020 Actual \$000s	2020 Budget \$000s	2019 Actual \$000s
<b>OUTPUTS</b>			
Learning and teaching	<b>311,163</b>	310,965	302,401
Research and scholarship	<b>66,887</b>	75,640	67,744
Engagement with communities	<b>35,091</b>	35,583	41,400
<b>TOTAL COST OF OUTPUTS</b>	<b>413,141</b>	422,188	411,545

## COMPULSORY STUDENT SERVICES FEES

For the year ended 31 December 2020

AUT seeks student input on the student services levy through the AUT Students' Association (AUTSA). The consultation process included a question and answer session with the Vice-Chancellor, the Group Director (Student Services and Administration), the AUTSA President, and the Chief Financial Officer. The session was shared live on social media.

In addition, the Group Director met with the President and General Manager of AUTSA, discussing the types of services to be delivered and the apportionment of levy funding. AUTSA proposed new services to be delivered and these were included in the 2020 allocation. AUT sets one standard compulsory student services fee (CSSF) for all students. In 2020, the fee was \$760.00 (GST inclusive) per full-time student and is borrowable against a student loan. The fee is used to fund key services, under the Minister's approved

categories, that assist student success, retention and overall wellbeing while enrolled at AUT. It is compulsory for all students except those on exchange or studying by distance. The following report outlines the investment in service provision in 2020.

In 2020, following the national and Auckland-based lockdowns in response to the COVID pandemic, student services transitioned to phone and online support and engagement activities, except for childcare centres and gym access as Alert Levels allowed. In collaboration with AUTSA, services were also adjusted to include additional financial support, equipment and data packages funded by the University and Government grants. These grants included the Hardship Funding for Learners (\$1.6 million), and Technology Access Funding for Learners (\$1.7 million).

# COMPULSORY STUDENT SERVICES FEES (continued)

## STUDENT ADVISORY COMMITTEE

AUT's formal partnership with AUTSA is through the Student Advisory Committee, which also provides oversight and guidance on the allocation of the CSSF. The membership consists of equal numbers of representatives from AUT and AUTSA. The committee is responsible for ensuring the best value for students and promoting student engagement with learning and with AUT.

## ADVOCACY AND LEGAL ADVICE

AUTSA provides AUT students with independent and confidential support, advice and advocacy services, including assistance for legal matters, disciplinary action, harassment, complaints, employment and tenant rights, grade appeals, class representatives, general information, and translation of AUT rules and policies. All university-related issues are resolved where possible or escalated for action as appropriate.

## CAREERS ADVICE AND GUIDANCE

AUT offers career counselling, employability development services and job search support to prospective and current AUT students. AUT's career specialists provide advice and support students to make informed decisions about their career path and study programme, internship opportunities and to improve their employability. AUT also delivers the AUT Edge Award and Beyond AUT Award, which formally acknowledges students' involvement in volunteering, leadership and employability activities.

## CLUBS AND SOCIETIES

AUTSA offers support and grants to student clubs to deliver a range of student-run social, sporting, sustainability, religious, academic and cultural clubs through which students can meet new people, participate in events, and get involved in university life.

## CHILDCARE SERVICES

AUT hosts two childcare facilities – one at AUT City Campus (run by AUT) and an independently-run crèche at North Campus. Both centres provide excellent facilities and services, including school holiday programmes. AUT also provides comfortable and private rooms for breastfeeding at all three main campuses.

## COUNSELLING AND PASTORAL CARE

AUT has a diverse range of pastoral, mental health, counselling, and wellbeing services to facilitate our students' integration into university life and provide on-going personal, spiritual, psychological and emotional support. The University offers specialised services to students with an impairment or disability, or who are Māori, Pacific, Chinese, international, refugees, new migrants, elite athletes, members of the Rainbow community, scholars, and postgraduate students, as well as students who present with behavioural concerns through the Student Conduct team. The members of this team are professionals with psychosocial qualifications.

The University operates a comprehensive orientation and transition programme, and an early intervention service, delivered

by peer advisors, to promote the success and retention of our students. This is in addition to a programme of regular workshops and events throughout the year to support the development of wellness, positive psychology and resilience.

## EMPLOYMENT INFORMATION

AUTSA provides students with employment information and funding for Student Job Search (SJS), an employment agency targeted at finding employment for students.

## FINANCIAL SUPPORT AND ADVICE

AUT offers students information and advice to help manage their money, including assistance with StudyLink issues, budgeting, and banking. In addition, the University offers financial assistance for students experiencing financial hardship in the form of vouchers for food and transport, and assistance with outstanding bills. In 2020, the financial allocation was substantially increased in response to student hardship caused by the COVID global pandemic.

## STUDENT MEDICAL CENTRES

The Student Medical Centres at City and North Campuses offer integrated general practice medical, nursing, and wellbeing services to support students' overall health and wellbeing.

The centres are part of the Auckland Primary Health Organisation. Routine consultations are free for domestic students who register with one of the centres as their primary health care organisation.

At North Campus, the Student Medical Centre, counselling and mental health services are delivered at NorthMed, a purpose-built integrated health clinic near the campus.

For students based at South Campus, the University offers a nurse and mental health services, as well as access to funded consultations with four local medical practitioners.

## MEDIA

AUTSA supports the production and dissemination of information by students for students through Debate magazine and online media.

## SPORT, RECREATION AND CULTURAL SERVICES

AUT delivers a range of recreational and competitive sport events and activities. Each campus has a fitness centre offering quality fitness equipment as well as in-person and online group classes and personalised exercise programmes, and access to sport and exercise services.

The University also offers a wide range of cultural events and diversity-related activities to promote diversity and inclusion, as well as to support student engagement.

AUTSA complements AUT's services with the delivery of a student-led recreational programme of events, including AUTSA O-week to welcome and celebrate new students at the beginning of Semesters 1 and 2 and social sport activities.

	\$000s				
	Compulsory student services fee	Other	Total revenue	Total expenses	Surplus/ (deficit)
<b>AUTSA SERVICE LEVEL AGREEMENT</b>					
<b>Advocacy and legal advice</b>	<b>413</b>	<b>-</b>	<b>413</b>	<b>360</b>	<b>53</b>
Class representation	-	-	-	88	(88)
Advocacy	-	-	-	133	(133)
Legal advice - tenancy	-	-	-	139	(139)
<b>Clubs and societies</b>	<b>179</b>	<b>-</b>	<b>179</b>	<b>181</b>	<b>(2)</b>
Grants	-	-	-	15	(15)
Activities	-	-	-	166	(166)
<b>Media</b>	<b>431</b>	<b>-</b>	<b>431</b>	<b>403</b>	<b>28</b>
Print media - Debate magazine	-	-	-	98	(98)
Online	-	-	-	305	(305)
<b>Employment information</b>	<b>20</b>	<b>-</b>	<b>20</b>	<b>20</b>	<b>-</b>
Student Job Search	-	-	-	20	(20)
<b>Sports, recreation and cultural services</b>	<b>499</b>	<b>-</b>	<b>499</b>	<b>518</b>	<b>(19)</b>
AUTSA O Week	-	-	-	148	(148)
Recreational activities and events	-	-	-	303	(303)
Student on-campus events	-	-	-	67	(67)
<b>Financial support and advice</b>	<b>55</b>	<b>-</b>	<b>55</b>	<b>69</b>	<b>(14)</b>
Foodie Godmother	-	-	-	69	(69)
<b>TOTAL AUTSA SERVICE LEVEL AGREEMENT</b>	<b>1,597</b>	<b>-</b>	<b>1,597</b>	<b>1,551</b>	<b>46</b>
<b>AUT SERVICES</b>					
<b>Careers information, advice, and guidance</b>	<b>1,311</b>	<b>2</b>	<b>1,313</b>	<b>1,459</b>	<b>(146)</b>
Employability lab and support	1,311	2	1,313	1,459	(146)
<b>Counselling and pastoral care</b>	<b>5,658</b>	<b>498</b>	<b>6,156</b>	<b>6,786</b>	<b>(630)</b>
Mental health and counselling services	1,116	23	1,139	1,263	(124)
Disability services	765	468	1,233	1,318	(85)
Student advisory pastoral support	945	-	945	1,050	(105)
Student wellbeing	1,327	-	1,327	1,475	(148)
Student conduct and support	336	-	336	373	(37)
Māori student pastoral care	507	7	514	571	(57)
Pacific student pastoral care	413	-	413	459	(46)
Orientation and transition	249	-	249	277	(28)
<b>Financial support and advice</b>	<b>772</b>	<b>-</b>	<b>772</b>	<b>858</b>	<b>(86)</b>
Financial information and advice	90	-	90	100	(10)
Financial hardship subsidy	682	-	682	758	(76)
<b>Health services</b>	<b>983</b>	<b>709</b>	<b>1,692</b>	<b>1,802</b>	<b>(110)</b>
Medical health centres	983	709	1,692	1,802	(110)
<b>Childcare services</b>	<b>153</b>	<b>619</b>	<b>772</b>	<b>789</b>	<b>(17)</b>
Childcare subsidy	-	-	-	-	-
Childcare centre	153	619	772	789	(17)
<b>Sports, recreation and cultural services</b>	<b>1,217</b>	<b>423</b>	<b>1,640</b>	<b>1,775</b>	<b>(135)</b>
Competitive sports	240	22	262	289	(27)
Gyms and recreation	722	401	1,123	1,203	(80)
Diversity and cultural engagement	255	-	255	283	(28)
<b>TOTAL AUT STUDENT SERVICES</b>	<b>10,094</b>	<b>2,251</b>	<b>12,345</b>	<b>13,469</b>	<b>(1,124)</b>
<b>TOTAL</b>	<b>11,691</b>	<b>2,251</b>	<b>13,942</b>	<b>15,020</b>	<b>(1,078)</b>

The administration of Compulsory Student Services Fees is integrated within the University's normal operations. All income and expenditure associated with the provision of student services is separately accounted for in the University's accounting system.





## AN INCLUSIVE COMMUNITY

*AUT Directions* defines an inclusive community as one where people of all ethnicities, genders, sexual orientations, religious and political beliefs, socio-economic situations and accessibility needs feel welcome, safe and valued while interacting with AUT. Such a community is founded on tika, pono and aroha. It requires integrity, empathy, and a consistently high standard of behaviour from the University and its individual members, along with a willingness to listen and learn from others.

### EQUAL OPPORTUNITIES

It is our responsibility to identify any barriers we place between our students and their success, and to work faithfully to mitigate or remove them. AUT acknowledges a particular obligation to several traditionally under-represented groups amongst our staff and student bodies, including Māori and Pacific peoples, people with disabilities, those from refugee backgrounds, and those who experience educational and economic disadvantage.

We have a close association with the South Auckland region, and its strong Pacific communities, through our South Campus. This relationship is informing our understanding of the needs and challenges facing our students, and the development of an evidence-based, institution-wide approach to lifting success for all. Under this strategy, we offer pastoral care, dedicated support services for learners with specific needs, and culturally

responsive teaching and academic support, all underpinned by a robust analytics programme and a constant desire to do more to support our students. We have begun the process of aligning our academic offerings with international evidence on best practice for supporting students from disadvantaged backgrounds. This year, we trialled a new approach to assessment in several first-year courses with some history of high failure rates. Instead of a single, high-stakes examination, early results suggest that regular tests with smaller contributions to the final grade help build students' confidence and longer-term retention of course content, as well as more closely representing the kind of knowledge required in an applied or professional setting. We provide dedicated support services for Māori students through Te Tari Takawaenga. These services include orientation programmes, ongoing mentoring, scholarships, pastoral care, and academic and cultural support. We also offer scholarships for refugee-background students, and to Pacific postgraduates.

As outlined in the *Kia Ōrite Code of Practice*, we are committed to providing an inclusive, enabling environment for all students, and thus provide individualised support for those with specific accessibility needs. Our newer buildings all meet the criteria for Be.Lab's Gold accessibility standard, and where possible we are working to upgrade our existing facilities. We achieved Be.Lab's full organisational accreditation in 2019, based on our

employment practices; accessible experiences for staff, students and visitors; accessible communications; and organisational strategy.

AUT was New Zealand's first University to achieve the Rainbow Tick, and the first to appoint a Rainbow Community Co-ordinator. The co-ordinator provides pastoral care to Rainbow students and the role was established in response to calls from the community for specialised support. Transgender students at AUT have the opportunity to identify as gender diverse on their enrolment records, and are supported through identity and name change processes as appropriate. We also offer gender neutral bathrooms on all three campuses. We have active Out@AUT staff and student groups and are regular supporters of Pride events in the Auckland region.

### STUDENT WELLBEING

Being an inclusive community took on new meaning in 2020 as many people associated with the University experienced severe COVID-related hardship. Students lost part-time employment, and the global economic fallout meant family financial support was no longer an option for many. Financial stress inevitably affects mental health and wellbeing and is hugely detrimental to a student's sense of safety and ability to succeed in university study. In response, AUT increased the size of our hardship fund to \$0.8 million (almost double the usual pool) and raised \$6,000 in donations from staff. This was boosted by a \$1.6 million Government grant. In total, we granted more

than \$1.3 million directly to students, helping with food and accommodation costs, utilities bills and debt payments. With the remaining funds, we provided \$50,000 to Tautoko, the AUT Students' Association foodbank, and offered an accommodation and living support package to around 40 final-year students. The digital equity project provided more than one thousand laptops and data connections to students during the year, to ensure all our students had access to the basic necessities for learning success.

A team of specialist advisors and counsellors conducted thousands of wellbeing checks, offering personalised support to learners with disabilities, as well as those who were in their first year of study, or were Māori, Pacific, international, Rainbow, or in AUT accommodation. Students who remained in the halls of residence during the lockdowns received a free daily meal service, while those who returned home received a rent rebate. For all students, the Student Wellbeing team were available for tele-based medical, counselling, and mental health care. Peer-based services such as the 'Are You OK?' ambassadors and academic mentors were available throughout, and the University held daily online karakia and waiata sessions.



The AUT "Are you OK?" Team

Beyond the COVID response effort, AUT formally adopted the principles outlined in the new *Code of Practice for the Pastoral Care of Domestic Tertiary Students*, including training programmes, governance processes, and a self-review programme. The Code outlines ten outcomes for students, including a safe, inclusive and supportive learning environment, assistance to meet basic needs, and physical and mental health. Following a successful pilot programme the previous year, the BrightSide initiative ran more than 20 workshops focussed on wellbeing and self-care, covering topics such as mindfulness, sleep and nutrition, conservation and ethical spending, and healthy relationships. More than 800 students completed the Consent Matters course, an online programme that provides information on sexual consent, healthy relationships and bystander intervention. We also launched an online tool to guide staff in responding empathetically, appropriately and confidently to disclosures of sexual violence from students.

### EQUAL EMPLOYMENT OPPORTUNITIES

AUT Council Policy 5: Equal Opportunities states that the University is “committed to the provision of Equal Employment Opportunities” and will “take positive steps to provide equal access to its educational programmes, regardless of race, colour, sex, national origin or ancestry, religion, political beliefs, marital status, sexual orientation, or physical or emotional handicap.”

The University has a long-term strategy to increase the number of Māori and Pacific academic staff, along with the number of Māori, Pacific and female staff in senior positions. Along with their wider contribution to cultural advancement through research, Māori and

Pacific academic staff play an important role in supporting student success. We are building a career path for high achieving Māori and Pacific students, supporting them from undergraduate to postgraduate studies, and on to an academic career, with opportunities for development through roles as peer mentors, and teaching and research assistants. On completion of their doctorates, the Early Career Academic programme was introduced in 2015 and offers up to six permanent, full-time research-active lecturer positions per year. Successful applicants join the network of others in the programme, are mentored through the process of developing their teaching skills and establishing a publication record and are supported by a member of the Senior Leadership Team to advance their professional development. Three Pacific and one Māori staff members were appointed through this initiative in 2020. Overall, 5.1% of permanent and fixed-term academic staff are Māori, and 2.2% are Pacific peoples.

There are 129 women in senior leadership positions at AUT, down slightly from 132 in 2019. The decline is likely due to the number of women who applied for the voluntary enhanced leaving programme (VELP) at the end of the year. In total, ten senior female staff were accepted for the VELP, with an even split between academic and professional colleagues. Overall there were 80 senior female academic staff (down from 84 in 2019), and 49 senior allied staff (up one from the previous year). Slightly more than four in ten (43%) of senior leadership roles were held by women in 2020.



## STAFF WELLBEING

Along with students, supporting employee wellbeing was a high priority in 2020. During the lockdowns and their aftermath, the University's approach was focussed on helping staff to stay safe, work together, and deliver what matters. We surveyed staff to learn about their lockdown experiences and better understand their needs and encouraged flexibility for those who were managing domestic responsibilities along with their regular workload. A digital capability survey for academic staff helped identify those who needed assistance in the switch to remote teaching, and another survey of managers assessed how best to support staff through the return to work. In response to the feedback gathered from the survey, we established webinars and teams focussed on helping staff stay engaged and to know where to access help and provided toolkits for managers to share. We also offered additional sick leave and encouraged a more flexible approach to support staff through the return to work.

Where possible and appropriate, we sought to be open and transparent regarding our response to the allegations of bullying and harassment levelled at two senior staff members, both of whom subsequently resigned. While some of the allegations were denied and other details must remain confidential, such behaviour cannot be tolerated. Our employees, students and external partners deserve to be treated with respect, and it is crucial that we have a

robust, trustworthy, and secure response to all instances of inappropriate behaviour. The independent review process provided a safe and anonymous process for staff to share their experiences. We intend to accept and implement all the report's recommendations.

Towards the end of the year, AUT held the AUT Great Work Jam. Instead of a formal staff engagement survey, this 72-hour online event was designed to spark discussions and gather feedback on AUT's direction. The work jam was built around five main topics: ways of working, future education, student focus, people focus, and confidence and courage. Staff were invited to share their thoughts on these subjects, along with their lockdown experiences. The main themes that emerged from the Great Work Jam were that staff are keen to be more agile and innovative in our approach to education; and that AUT has a strong community spirit and a desire for more collaborative leadership and open communication across the organisation. We will use these themes to inform our priorities for development for 2021 and beyond.







## A RESPONSIBLE GLOBAL CITIZEN

2020 showed more than ever the importance of responsible global citizenship. New Zealand's successful COVID response demonstrated the importance of evidence-based policies, and a cohesive society based on shared values and collective actions. This approach has much to teach us, both in our pandemic response, and in our actions towards combatting climate change and creating a more sustainable, equitable, and just world.

AUT again achieved an excellent result in the THE University Impact Rankings, placing 23rd in the world. We scored an outstanding first for our contribution to Decent Work and Economic Growth (SDG 8), 11th for Gender Equality (SDG 5) and 20th for Sustainable Cities and Communities (SDG 11). These rankings consider our teaching and research contributions, as well as our actions as a University. All four main faculties teach papers that include a strong sustainability focus, covering a diverse set of issues such as food ethics, marine ecology, sustainable energy systems and architectural design, managing for social impact, and Māori health research practice. As part of our curriculum redesign, we aim to embed sustainability education into each undergraduate degree. In March, we held the first Sustainability Learning and Teaching Symposium, to help academic staff explore how to integrate sustainability education and the UNSDGs into their own practice. The symposium was led by AUT academics who are already leaders in this field, including Professor Len Gillman, Associate Professor Barbara Bollard, Dr Peter Skilling, Anke Nienhuis, and Associate Professor David White.

Professor Marjo Lips-Wiersma (AUT Business School) joined with Oxygen Consulting, the Sustainable Business Council and the Sustainable Business Network to conduct the first research into sustainability professionals in New Zealand. The number of sustainability-focussed roles has increased in recent years as business leaders become more aware of their corporate citizenship responsibilities. They found that business transformation was the most likely motivation for an organisation to invest in sustainability; and that sustainability professionals generally felt their work was stressful yet satisfying, and the major challenge they faced was a lack of resources, along with a potential lack of progression within an organisation. The study will be repeated in 2021, with the intention of helping to grow the profession by providing a broad structure for establishing and supporting sustainability roles, identifying the necessary capabilities, and guiding academic pathways into a sustainability career.

A study led by Dr Bradley Case (School of Science), and funded by the BioHeritage National Science Challenge, found that non-productive vegetation on farms can improve natural processes such as decomposition, and carbon and nutrient cycling, and increase wildlife diversity and movements. Allowing space for such vegetation goes against the trend towards more intensive farming practices, yet is important for increasing biodiversity in a region. Greater biodiversity is also linked to increased levels of resilience against extreme weather events such as drought or flooding.

Tertiary Education Facilities Management Association's (TEFMA) annual benchmarking survey showed that AUT has the lowest energy consumption per student and staff member in New Zealand, and second lowest in Australasia. Despite our relative energy efficiency, there are plenty of opportunities to improve and we are pursuing our goal of halving carbon emissions between 2017 and 2025. This year we upgraded existing gas heating to electric and identified and cut out unnecessary energy usage. We saved more than 5.5 million kilowatt (kWh) hours over the course of the year, which translates into a 755-tonne reduction in carbon emissions. Of this, only 750,000 kWh (74 tonnes of CO<sup>2</sup>) was saved during the initial April lockdown.

Following four years of work to reduce its energy consumption, the WO Building on City Campus received a five-star NABERSNZ Energy Efficiency Rating, making it one of the most efficient buildings in New Zealand. Over this time, the University installed insulating window film, LED lighting, energy efficient chillers, and a new control system. Energy use fell from a wasteful 1.64 million kilowatt hours in 2016 down to 1.01 million in 2019, saving around 53 tonnes of CO<sup>2</sup> emissions from just this building alone. Attention now turns to WB and WC Buildings, both of which are older and relatively inefficient; we received a \$1.3 million grant from the Government's New Zealand Upgrade programme that will be used to install new air-conditioning, LED lighting, and energy efficient water heating pumps. We anticipate at least 10% energy savings from this project in the first year, with potential for more as the equipment is fine-tuned.

Our procurement process is designed to ensure we work with other organisations who share similar values. Our two new grounds maintenance providers are committed to using electrical equipment, which reduces noise as well as emissions. Our paper towel provider purchased New Zealand's first inter-city electric truck, along with two electric vans to use for deliveries, and used paper towels are collected separately and

composted along with our organic waste. Following a successful trial in 2019, we installed organic waste collections in three major buildings, along with the kitchens of all North Campus food outlets. We plan to introduce organic waste collections across the whole University within the next few years.

While energy efficiency is an important factor, transport is by far AUT's major generator, with almost a third of our emissions resulting from commuter trips. The Estates Sustainability team has been working with a doctoral candidate to analyse travel to and from our campuses, and looking for ways to make commuting more sustainable, equitable, and financially viable for staff and students.

Staff and students installed several new vegetable gardens at South Campus, joining those already established there and at North Campus. Students will tend the gardens and be able to take produce home. We also held vegetable planting workshops on North and South Campuses, bike maintenance and an e-bike trial ride at City Campus, and a biodiversity walk at South, which involved learning about the creek and the range of native plants on campus. A total of seven teams, made up of 130 staff and students competed in this year's Green Impact Challenge. Teams choose from a suite of ideas, or create their own, designed to contribute to the United Nations Sustainable Development Goals. Won by the Library's Kakariki team, participants completed more than 150 actions, ranging from tree planting, soft plastic collections, and composting to hosting repair and mask-making workshops. Team members again reported finding great satisfaction from the changes they had made, both in their own lives and for their contribution to the University.



Photo: Sam Hartnett

In their 'What could this become?' exhibition, Monique Jansen (School of Art and Design) and renowned artist Xin Cheng repurposed items from AUT's waste. They turned milk bottles into brushes, drawing tools, string, and containers for mixing ink; felted wool leftovers into a hat; and mixed coffee grounds, charcoal and dried clay into paints, dyes, and inks.



## OUR CONTRIBUTION TO THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

Auckland University of Technology makes a broad-ranging contribution to the UNSDGs through its research and teaching, and commitment to responsible institutional citizenship. The following index provides a guide to the University's actions in support of the 17 goals. This index applies only to those actions described in Annual Report 2020 and should not be considered an exhaustive summary of our contribution. Some actions may contribute to more than one goal.



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Health Futures, p. 10  
Pacific-focussed health and wellbeing  
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Promoting women's participation and leadership in technology sector, **p. 36**  
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Partnership with the Mōhio Climate Innovation laboratory, **p. 45**

Research on regenerative tourism to support the Auckland Climate Plan, **p. 11**

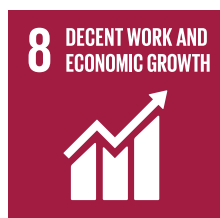
Reducing carbon emissions, enacting a sustainable procurement strategy, and analysing the impact of our travel patterns, **p. 69**



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Equal opportunities and the Rainbow Tick, **pp. 64-65**

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Pacific Media Centre's partnership with Earth News Journalism, **p. 45**



Additional student housing, **p. 72**

Enhancing Urban Regeneration research project, **p. 10**

Green Impact challenge and research on the University's travel-related emissions, **p. 69**

Research into sustainable burial practices, **p. 42**



Research into the sustainability profession in New Zealand, **p. 68**



AUT's corporate citizenship commitment and action to reduce emissions, **p. 69**

Organic waste collection, **p. 69**



## GREAT SPACES AND PLACES

Auckland University of Technology has a long-term plan to redevelop our built estate into modern, attractive, and functional campuses. We have already built several new, fit-for-purpose buildings, and retired or upgraded many others. This work continued during 2020, although at a slower pace than was anticipated.

A1 Building is the University's major development project at North Campus. Approved by Council in 2019, site works were suspended as part of our efforts to manage the financial constraints imposed by COVID. When complete, A1 Building will provide a central heart for North Campus, along with teaching facilities, office space, and much-needed social and collaborative learning space. Construction will recommence once finances permit.

At City Campus, WQ Building is almost complete and will be ready for occupation in early 2021. WQ will provide residential accommodation for 700 students, campus recreation facilities, and staff offices. WT Building, which we have leased for many years, has now been sold. We have begun the multi-stage exit

process, which is expected to take several years. Some staff currently in WT will move to WQ Building; others will move to WZ Building in 2022.

We developed a fit-for-purpose health teaching facility in MH Building at South Campus. This previously vacant area is now specialist space for students to practice patient interactions in realistic hospital- and home-like settings.

The University had a total land area of 29.8 hectares and 244,264m<sup>2</sup> in buildings in 2020. The land area remained the same as in 2019, while the building footprint increased slightly (from 244,056m<sup>2</sup>) after several old floorplans were updated with more accurate information. The combined net book value of all land and buildings owned by the University is \$914 million.





# FINANCIAL STATEMENTS

# STATEMENT OF FINANCIAL PERFORMANCE

For the year ended 31 December 2020

		University			Consolidated		
	Note	2020 Actual \$000s	2020 Budget \$000s	2019 Actual \$000s	2020 Actual \$000s	2020 Budget \$000s	2019 Actual \$000s
REVENUE							
Government grants	2	190,879	185,669	184,175	190,879	185,669	184,175
Student-derived revenue	2	194,735	201,651	193,928	194,735	201,651	193,928
Research revenue	2	17,928	15,324	17,062	17,928	15,324	17,062
Other revenue	2	21,892	34,897	33,656	22,707	36,468	35,626
Total revenue		425,434	437,541	428,821	426,249	439,112	430,791
EXPENSES							
Personnel costs	3	262,273	259,643	247,878	262,273	260,421	247,878
Supplies and other costs	4	98,473	105,289	107,106	99,130	106,034	108,076
Depreciation, amortisation and impairment	11, 12	49,298	52,925	53,001	49,298	52,925	53,001
Total expenses before finance costs		410,044	417,857	407,985	410,701	419,380	408,955
Operating surplus before finance costs		15,390	19,684	20,836	15,548	19,732	21,836
Finance costs	5	3,097	4,331	3,560	3,097	4,331	3,560
Operating surplus		12,293	15,353	17,276	12,451	15,401	18,276
Share of associate and joint venture's surplus/ (deficit)	10	-	-	-	(1,153)	(784)	(1,067)
NET SURPLUS		12,293	15,353	17,276	11,298	14,617	17,209

Explanations of major variances against budget are provided in Note 31.  
The accompanying notes form part of these Financial Statements.

# STATEMENT OF OTHER COMPREHENSIVE REVENUE AND EXPENSE

For the year ended 31 December 2020

	Note	University			Consolidated		
		2020 Actual \$000s	2020 Budget \$000s	2019 Actual \$000s	2020 Actual \$000s	2020 Budget \$000s	2019 Actual \$000s
<b>Net surplus</b>		<b>12,293</b>	15,353	17,276	<b>11,298</b>	14,617	17,209
<b>OTHER COMPREHENSIVE REVENUE AND EXPENSE</b>							
<b>Items that may be reclassified subsequently to surplus/(deficit)</b>							
Net gain/(loss) on other financial assets at fair value through other comprehensive revenue and expense	20	-	-	-	(316)	-	485
Net gain/(loss) on cash flow hedges	20	(974)	-	(719)	(974)	-	(719)
<b>Item that will not be reclassified to surplus/(deficit)</b>							
Net gain on asset revaluations	20	-	-	81,621	-	-	81,621
Share of other comprehensive revenue of joint venture	10, 20	-	-	-	-	-	8,147
<b>Total other comprehensive revenue and expense</b>		<b>(974)</b>	-	80,902	<b>(1,290)</b>	-	89,534
<b>TOTAL COMPREHENSIVE REVENUE AND EXPENSE</b>		<b>11,319</b>	15,353	98,178	<b>10,008</b>	14,617	106,743

Explanations of major variances against budget are provided in Note 31.  
The accompanying notes form part of these Financial Statements.



# STATEMENT OF FINANCIAL POSITION

As at 31 December 2020

As at 31 December 2020		University			Consolidated		
		2020 Actual \$000s	2020 Budget \$000s	2019 Actual \$000s	2020 Actual \$000s	2020 Budget \$000s	2019 Actual \$000s
Note							
<b>CURRENT ASSETS</b>							
Cash and cash equivalents	6	329	705	679	1,728	1,898	3,335
Receivables	7	61,032	59,781	40,329	61,304	60,007	40,731
Other financial assets	8	4,500	10,774	10,906	7,000	13,074	11,706
Inventories		137	187	132	137	187	132
Prepayments		5,493	6,010	5,992	5,494	6,010	5,998
<b>Total current assets</b>		<b>71,491</b>	<b>77,457</b>	<b>58,038</b>	<b>75,663</b>	<b>81,176</b>	<b>61,902</b>
<b>NON-CURRENT ASSETS</b>							
Investment in subsidiaries	9	1,675	1,675	1,675	-	-	-
Investments accounted for using the equity method	10	23,528	23,528	23,528	51,446	43,674	52,599
Other financial assets	8	91	191	91	2,884	2,812	3,064
Property, plant and equipment	11	966,624	931,955	975,908	966,624	931,955	975,908
Intangible assets	12	5,908	8,567	8,971	5,908	8,567	8,971
<b>Total non-current assets</b>		<b>997,826</b>	<b>965,916</b>	<b>1,010,173</b>	<b>1,026,862</b>	<b>987,008</b>	<b>1,040,542</b>
<b>TOTAL ASSETS</b>		<b>1,069,317</b>	<b>1,043,373</b>	<b>1,068,211</b>	<b>1,102,525</b>	<b>1,068,184</b>	<b>1,102,444</b>
<b>CURRENT LIABILITIES</b>							
Payables	13	58,901	58,629	54,481	60,236	59,605	55,516
Deferred revenue	14	106,551	99,723	92,668	106,694	99,998	92,825
Employee entitlements	15	21,131	17,331	16,105	21,131	17,331	16,105
Provisions	16	196	-	-	196	-	-
Finance lease borrowings	17	7,058	7,065	6,140	7,058	7,065	6,140
Derivative financial instruments	18	468	529	492	468	529	492
<b>Total current liabilities</b>		<b>194,305</b>	<b>183,277</b>	<b>169,886</b>	<b>195,783</b>	<b>184,528</b>	<b>171,078</b>
<b>NON-CURRENT LIABILITIES</b>							
Borrowings	19	64,850	128,799	96,900	64,850	128,799	96,900
Employee entitlements	15	10,169	9,642	11,584	10,169	9,642	11,584
Provisions	16	2,625	3,029	3,639	2,625	3,029	3,639
Finance lease borrowings	17	11,997	11,870	13,404	11,997	11,870	13,404
Derivative financial instruments	18	2,696	1,200	1,442	2,696	1,200	1,442
<b>Total non-current liabilities</b>		<b>92,337</b>	<b>154,540</b>	<b>126,969</b>	<b>92,337</b>	<b>154,540</b>	<b>126,969</b>
<b>TOTAL LIABILITIES</b>		<b>286,642</b>	<b>337,817</b>	<b>296,855</b>	<b>288,120</b>	<b>339,068</b>	<b>298,047</b>
<b>EQUITY</b>							
General equity	20	391,394	394,203	379,101	414,670	417,492	403,372
Revaluation reserves	20	391,281	311,353	392,255	399,735	311,624	401,025
<b>Total equity</b>		<b>782,675</b>	<b>705,556</b>	<b>771,356</b>	<b>814,405</b>	<b>729,116</b>	<b>804,397</b>
<b>TOTAL LIABILITIES and EQUITY</b>		<b>1,069,317</b>	<b>1,043,373</b>	<b>1,068,211</b>	<b>1,102,525</b>	<b>1,068,184</b>	<b>1,102,444</b>

Explanations of major variances against budget are provided in Note 31. The accompanying notes form part of these Financial Statements.

# STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2020

	Note	University			Consolidated		
		2020 Actual \$000s	2020 Budget \$000s	2019 Actual \$000s	2020 Actual \$000s	2020 Budget \$000s	2019 Actual \$000s
<b>Total equity at the beginning of the year</b>		<b>771,356</b>	690,203	673,178	<b>804,397</b>	714,499	697,654
<b>COMPREHENSIVE REVENUE</b>							
Net surplus		<b>12,293</b>	15,353	17,276	<b>11,298</b>	14,617	17,209
Other comprehensive revenue		<b>(974)</b>	-	80,902	<b>(1,290)</b>	-	89,534
<b>Total comprehensive revenue</b>		<b>11,319</b>	15,353	98,178	<b>10,008</b>	14,617	106,743
<b>TOTAL EQUITY AT THE END OF THE YEAR</b>		<b>782,675</b>	705,556	771,356	<b>814,405</b>	729,116	804,397

Explanations of major variances against budget are provided in Note 31.  
The accompanying notes form part of these Financial Statements.

# STATEMENT OF CASH FLOWS

For the year ended 31 December 2020

		University		Consolidated			
	Note	2020 Actual \$000s	2020 Budget \$000s	2019 Actual \$000s	2020 Actual \$000s	2020 Budget \$000s	2019 Actual \$000s
CASH FLOWS FROM OPERATING ACTIVITIES							
Receipts from government grants		190,879	185,966	184,175	190,879	185,966	184,175
Receipts from student-derived revenue		183,347	201,354	211,371	183,347	201,354	211,371
Receipts from service activities		32,805	45,623	43,107	33,924	48,183	43,929
Interest received		201	–	36	244	24	61
Dividend received		9	–	11	17	839	11
Receipts from other revenue		10,732	9,706	9,084	11,085	9,706	9,335
Payments to employees		(260,382)	(255,652)	(245,294)	(260,382)	(256,462)	(245,294)
Payments to suppliers		(92,227)	(109,279)	(104,851)	(93,114)	(111,818)	(105,126)
Interest paid		(3,097)	(4,331)	(3,560)	(3,097)	(4,331)	(3,560)
Net GST received/(paid)		2,121	703	(44)	1,978	671	(56)
NET CASH FLOW FROM OPERATING ACTIVITIES		64,388	74,090	94,035	64,881	74,132	94,846
CASH FLOWS FROM INVESTING ACTIVITIES							
Proceeds from sale of property, plant and equipment		95	132	85	95	132	85
Purchases of property, plant and equipment		(29,855)	(61,494)	(40,612)	(29,855)	(61,494)	(40,612)
Purchases of intangible assets		(2,150)	(8,117)	(2,844)	(2,150)	(8,117)	(2,844)
Receipt on maturity/(placement) of short-term investments		6,406	–	(10,906)	4,656	–	(11,206)
NET CASH FLOW FROM INVESTING ACTIVITIES		(25,504)	(69,479)	(54,277)	(27,254)	(69,479)	(54,577)
CASH FLOWS FROM FINANCING ACTIVITIES							
Proceeds from/(repayment of) borrowings		(32,050)	3,055	(33,200)	(32,050)	3,055	(33,200)
Proceeds from/(repayment of) finance lease		(7,184)	(7,666)	(6,584)	(7,184)	(7,666)	(6,584)
NET CASH FLOW FROM FINANCING ACTIVITIES		(39,234)	(4,611)	(39,784)	(39,234)	(4,611)	(39,784)
Net increase/(decrease) in cash and cash equivalents		(350)	–	(26)	(1,607)	42	485
Cash and cash equivalents at beginning of the year		679	705	705	3,335	1,856	2,850
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	6	329	705	679	1,728	1,898	3,335

Explanations of major variances against budget are provided in Note 31.  
The accompanying notes form part of these Financial Statements.

# STATEMENT OF CASH FLOWS (continued)

For the year ended 31 December 2020

	University		Consolidated	
	2020 Actual \$000s	2019 Actual \$000s	2020 Actual \$000s	2019 Actual \$000s
<b>NET SURPLUS FROM OPERATIONS</b>	<b>12,293</b>	17,276	<b>11,298</b>	17,209
<b>ADJUSTMENTS FOR ITEMS NOT INVOLVING CASH</b>				
Depreciation, amortisation and impairment	<b>49,298</b>	53,001	<b>49,298</b>	53,001
Increase/(decrease) in employee entitlements – term portion	<b>(1,415)</b>	1,752	<b>(1,415)</b>	1,752
Increase/(decrease) in reinstatement provision	<b>(818)</b>	619	<b>(818)</b>	619
Net (gain)/loss on foreign currency translation	<b>(56)</b>	(405)	<b>(56)</b>	(405)
Net (gain)/loss on foreign exchange derivatives	<b>258</b>	131	<b>258</b>	131
Net (gain)/loss on financial assets	-	100	<b>(130)</b>	(293)
Other non-cash items	-	4,323	-	4,323
Share of associate and joint venture's (surplus)/deficit	-	-	<b>1,153</b>	1,067
<b>TOTAL ITEMS NOT INVOLVING CASH</b>	<b>47,267</b>	59,521	<b>48,290</b>	60,195
<b>MOVEMENTS IN WORKING CAPITAL</b>				
(Increase)/decrease in receivables	<b>(20,703)</b>	17,962	<b>(20,601)</b>	17,503
(Increase)/decrease in prepayments	<b>499</b>	(3,105)	<b>499</b>	(3,105)
(Increase)/decrease in inventories	<b>(5)</b>	3	<b>(5)</b>	3
Increase/(decrease) in payables	<b>3,640</b>	3,327	<b>4,003</b>	3,990
Increase/(decrease) in deferred revenue	<b>13,883</b>	(1,567)	<b>13,883</b>	(1,567)
Increase/(decrease) in current employee entitlements	<b>5,019</b>	535	<b>5,019</b>	535
<b>TOTAL MOVEMENTS IN WORKING CAPITAL</b>	<b>2,333</b>	17,155	<b>2,798</b>	17,359
<b>ADD/(LESS) ITEMS CLASSIFIED AS INVESTING ACTIVITIES</b>				
Net (gain)/loss on disposal of property, plant and equipment	<b>2,495</b>	83	<b>2,495</b>	83
<b>TOTAL ITEMS CLASSIFIED AS INVESTING ACTIVITIES</b>	<b>2,495</b>	83	<b>2,495</b>	83
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>64,388</b>	94,035	<b>64,881</b>	94,846



# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

## NOTE 1 STATEMENT OF ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these Financial Statements are set out below. The Financial Statements comprise Financial Statements for Auckland University of Technology (the University) as an individual entity, and for the consolidated entity consisting of the University, its subsidiaries, interest in associate and joint venture interests (the Consolidated Group).

### REPORTING ENTITY

Auckland University of Technology is a University under the Auckland University of Technology (Establishment) Order 1999 and is domiciled in New Zealand. The relevant legislation governing the University's operations includes the Crown Entities Act 2004 and the Education and Training Act 2020. The primary objective of the University is to provide tertiary education and research services for the benefit of the community rather than making a financial return. For the purposes of financial reporting, the University and the Consolidated Group are considered to be Public Benefit Entities (PBE).

The Financial Statements of the University and the Consolidated Group for the year ended 31 December 2020 were authorised for issue by the Council of Auckland University of Technology on 29 March 2021.

### 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.

#### Statement of compliance

The Financial Statements of the University and the Consolidated Group 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 in New Zealand (NZ GAAP). The Financial Statements have been prepared to comply with Public Benefit Entity International Public Sector Accounting Standards (PBE IPSAS) for a Tier 1 entity.

#### Measurement base

The Financial Statements have been prepared on an accruals basis and are based on the historical cost convention as modified by the revaluation of certain assets and liabilities as identified in the significant accounting policies. These include the revaluation of financial assets and liabilities (including derivative instruments) at fair value through other comprehensive revenue and expense and certain classes of property, plant and equipment.

### Functional and presentation currency

The Financial Statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars, unless otherwise stated. The functional currency of the University and its subsidiaries is New Zealand dollars.

### Standards issued and not yet effective and not early adopted

Standards and amendments, issued but not yet effective that have not been early adopted, and which are relevant to the University and the Consolidated Group are:

#### PBE IPSAS 41 Financial Instruments

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

#### Amendment to PBE IPSAS 2 Statement of Cash Flows

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 the Consolidated Group do not intend to early adopt the amendment.

#### PBE FRS 48 Service Performance Reporting

PBE FRS 48 replaces the service performance reporting requirements of PBE IPSAS 1 Presentation of Financial Statements and is effective for annual reporting periods beginning on or after 1 January 2022.

## NOTE 1

### STATEMENT OF ACCOUNTING POLICIES (continued)

The University and the Consolidated Group have not yet determined how application of PBE FRS 48 will affect its statement of service performance. The University and the Consolidated Group do not plan to adopt the standard early.

#### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Significant accounting policies are included in the notes to which they relate.

Significant accounting policies that do not relate to a specific note are outlined below.

##### Basis of consolidation

The consolidated Financial Statements comprise the Financial Statements of the University, its subsidiaries, interest in an associate and joint venture interests. The consolidated financial statements are prepared by adding together like items of assets, liabilities, equity, revenue, expenses, and cash flows of entities in the Consolidated Group on a line-by-line basis. All intra-group balances, transactions, revenue, and expenses are eliminated on consolidation.

The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. The consolidation of an entity begins from the date the University obtains control of the entity and ceases when the University loses control of the entity.

##### Foreign currency translation

Transactions in foreign currencies are translated to New Zealand dollars at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance date are translated to New Zealand dollars at the foreign exchange rate ruling at that date. All foreign exchange differences arising on translation are recognised in the surplus or deficit.

##### Goods and Services Tax (GST)

Auckland University of Technology is a GST-registered person as defined by the Goods and Services Act 1985. The Financial Statements have been prepared on a GST-exclusive basis with the exception of receivables and payables, which are stated GST inclusive. When GST is not recoverable on input tax then it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department at balance date is included as part of receivables or payables in the Statement of Financial Position.

The net GST paid to, or received from, the Inland Revenue Department, including the GST relating to investing and financing activities, is classified as an operating cash flow in the Statement of Cash Flows.

Commitments and contingencies are disclosed exclusive of GST.

##### Income tax

The University and its subsidiaries are exempt from the payment of income tax as they are treated by the Inland Revenue Department as charitable organisations for the purposes of the Income Tax Act. Accordingly, no provision for income tax has been made.

##### Budget figures

The University budget figures are those approved by the Council of the Auckland University of Technology before the beginning of each financial year. The consolidated group budget figures have been compiled from the University budget and its subsidiaries' budgets. They have been prepared in accordance with generally accepted accounting practice and are consistent with the accounting policies adopted by the Council in preparing these Financial Statements.

##### Critical accounting estimates and assumptions

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

- Other financial assets – see note 8
- Revaluation of land and buildings – see note 11
- Depreciation and amortisation – see note 11 and note 12
- Long service leave and retirement leave – see note 15
- Research and study leave – see note 15
- Reinstatement provision – see note 16

##### Critical judgements in applying accounting policies

The University has made the following critical judgements in applying accounting policies:

- Research revenue recognition – see note 2
- Crown-owned land and buildings – see note 11
- Research and study leave – see note 15

## NOTE 2

### REVENUE

#### 2(i) GOVERNMENT GRANTS

	University		Consolidated	
	2020 Actual \$000s	2019 Actual \$000s	2020 Actual \$000s	2019 Actual \$000s
Student Achievement Component (SAC) Funding	161,339	158,591	161,339	158,591
Performance Based Research Funding (PBRF) – Note (a)	20,627	19,908	20,627	19,908
Mangere Refugee Centre	2,190	2,209	2,190	2,209
Tertiary students with disabilities	477	464	477	464
Māori and Pacific Peoples	1,312	1,266	1,312	1,266
Early childhood education centre – Note (b)	407	431	407	431
Other government funding (incl. Hardship fund and technology access fund for learners)	4,527	1,306	4,527	1,306
<b>TOTAL GOVERNMENT GRANTS</b>	<b>190,879</b>	<b>184,175</b>	<b>190,879</b>	<b>184,175</b>

	University		Consolidated	
	2020 Actual \$000s	2019 Actual \$000s	2020 Actual \$000s	2019 Actual \$000s
<b>NOTE (a): PBRF</b>				
Provisional PBRF received	20,730	19,910	20,730	19,910
Prior year PBRF final wash-up	(103)	(2)	(103)	(2)
<b>TOTAL PBRF</b>	<b>20,627</b>	<b>19,908</b>	<b>20,627</b>	<b>19,908</b>

	University		Consolidated	
	2020 Actual \$000s	2019 Actual \$000s	2020 Actual \$000s	2019 Actual \$000s
<b>NOTE (b): Early childhood education centre</b>				
<b>Revenue</b>				
Early childhood education funding	407	431	407	431
Other revenue *	212	304	212	304
<b>Total revenue</b>	<b>619</b>	<b>735</b>	<b>619</b>	<b>735</b>
<b>Expenditure</b>				
Operating expenses	692	712	692	712
<b>Total expenditure</b>	<b>692</b>	<b>712</b>	<b>692</b>	<b>712</b>
<b>NET SURPLUS</b>	<b>(73)</b>	<b>23</b>	<b>(73)</b>	<b>23</b>

\*Other revenue represents early childhood education fees received from parents and is reflected as part of the trading revenue in Note 2(iv).

## NOTE 2

### REVENUE (continued)

#### 2(ii) STUDENT-DERIVED REVENUE

	University		Consolidated	
	2020 Actual \$000s	2019 Actual \$000s	2020 Actual \$000s	2019 Actual \$000s
Domestic student tuition fees	72,581	69,137	72,581	69,137
Fees-free funding	20,552	20,156	20,552	20,156
International student tuition fees	88,682	92,893	88,682	92,893
Compulsory student service fees	11,691	10,498	11,691	10,498
Other student-related fees	1,229	1,244	1,229	1,244
<b>TOTAL STUDENT-DERIVED REVENUE</b>	<b>194,735</b>	<b>193,928</b>	<b>194,735</b>	<b>193,928</b>

#### 2(iii) RESEARCH REVENUE

	University		Consolidated	
	2020 Actual \$000s	2019 Actual \$000s	2020 Actual \$000s	2019 Actual \$000s
Research revenue received	17,827	17,210	17,827	17,210
Movement in research revenue carried forward	101	(148)	101	(148)
<b>TOTAL RESEARCH REVENUE</b>	<b>17,928</b>	<b>17,062</b>	<b>17,928</b>	<b>17,062</b>

#### 2(iv) OTHER REVENUE

	University		Consolidated	
	2020 Actual \$000s	2019 Actual \$000s	2020 Actual \$000s	2019 Actual \$000s
Trading revenue	11,025	18,082	11,025	18,082
Student accommodation revenue	4,109	5,719	4,109	5,719
Interest revenue	201	36	247	62
Dividend revenue	9	11	17	11
Net foreign exchange gains	56	405	60	403
Other operating revenue	6,377	9,369	7,134	11,315
Donations received	115	34	115	34
<b>TOTAL OTHER REVENUE</b>	<b>21,892</b>	<b>33,656</b>	<b>22,707</b>	<b>35,626</b>



## NOTE 2

### REVENUE (continued)

#### ACCOUNTING POLICY

Revenue is measured at fair value. The University recognises revenue from individual categories of transactions as follows:

##### 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 in nature and thus 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.

##### Fees-free funding

Fees-free funding from TEC is considered to be non-exchange in nature and is recognised as revenue when the course withdrawal date for an eligible student has passed. The University has presented funding received for fees-free 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.

##### Domestic student tuition fees

Domestic student tuition fees are subsidised by government funding and are considered non-exchange in nature. Revenue is thus 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

International student tuition fees are treated 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.

##### Performance-Based Research Fund (PBRF)

The University considers PBRF funding to be non-exchange in nature. PBRF funding is specifically identified by the TEC as being for a funding period as required by section 425 of the Education and Training Act 2020. The University recognises its confirmed allocation of PBRF funding at the commencement of the specified funding period, which is the same as the University's financial year. PBRF revenue is measured based on the University's funding entitlement adjusted for any expected adjustments as part of the final wash-up process. Indicative funding for future periods is not recognised until confirmed for that future period.

##### Research revenue

For an exchange research contract, revenue is recognised on a percentage of 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.

##### Other grants received

Other grants are recognised as revenue when they become receivable unless there is an obligation in substance to return the funds if conditions of the grant are not met. If there is such an obligation, the grants are initially recorded as grants received in advance when received and recognised as revenue when the conditions of the grant are satisfied.

##### Donations, bequests, and pledges

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

##### Trading revenue

Trading revenue includes revenue from the sales of goods and services, which is recognised when the product is sold to the customer, or the service provided.

##### Student accommodation services

Revenue from the provision of student accommodation services is recognised on a percentage of completion basis. This is determined by reference to the number of accommodation days used as a proportion of the total accommodation days contracted for with the individual.

##### Interest and dividends

Interest revenue is recognised by accruing on a time proportion basis the interest due for the investment. Dividends are recognised when the right to receive payment has been established.

## NOTE 2

### REVENUE (continued)

#### CRITICAL JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

##### Research revenue

The University exercises its judgement in determining whether funding received under a research contract is received in an exchange or non-exchange transaction. In making its judgement, 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 general research funding pool.
- Nature of the funder.
- Specificity of the research brief or contract.

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

## NOTE 3

### PERSONNEL COSTS

	University		Consolidated	
	2020 Actual \$000s	2019 Actual \$000s	2020 Actual \$000s	2019 Actual \$000s
<b>ACADEMIC</b>				
Salaries and wages	134,643	128,114	134,643	128,114
Defined contribution plan employer contributions	3,660	3,479	3,660	3,479
Movement in employee entitlements	821	1,915	821	1,915
Other staff-related costs	5,906	6,000	5,906	6,000
	145,030	139,508	145,030	139,508
<b>ADMINISTRATION</b>				
Salaries and wages	103,185	98,236	103,185	98,236
Defined contribution plan employer contributions	2,812	2,675	2,812	2,675
Movement in employee entitlements	1,975	(37)	1,975	(37)
Other staff-related costs	9,271	7,496	9,271	7,496
	117,243	108,370	117,243	108,370
<b>TOTAL PERSONNEL COSTS</b>	<b>262,273</b>	<b>247,878</b>	<b>262,273</b>	<b>247,878</b>

#### ACCOUNTING POLICY

##### Superannuation schemes

##### Defined contribution schemes

Employer contributions to KiwiSaver and two of the National Provident Fund (NPF) Superannuation schemes, namely the Lump Sum National Scheme and the Pension National Scheme, are accounted for as defined contribution schemes and are recognised as an expense in the surplus or deficit as incurred.

##### Defined benefit schemes

The University belongs to the Government Superannuation Fund (GSF) scheme, which is a defined benefit scheme managed by the Government Superannuation Fund Authority. The University has no underwriting responsibilities as any shortfall is met by the Government. As such, employer contributions to the GSF scheme are accounted for as a defined contribution scheme.

## NOTE 4

### SUPPLIES AND OTHER COSTS

	University		Consolidated	
	2020 Actual \$000s	2019 Actual \$000s	2020 Actual \$000s	2019 Actual \$000s
Faculty costs	37,257	38,239	37,257	38,239
Occupancy/property costs	15,690	16,590	15,690	16,590
Operating lease costs – buildings	8,327	9,584	8,327	9,584
Operating lease costs – equipment	1,452	1,117	1,452	1,117
Administration expenses	15,794	20,125	15,794	20,125
Fees to principal auditor:				
Financial Statements audit (*)	223	218	247	233
Performance-Based Research Fund audit	20	20	20	20
Provision for impairment of receivables:				
Change in provision for impairment of receivables	1,162	768	1,162	768
Uncollectible receivables written off	490	674	490	674
Councillors' fees (Note 22)	241	245	241	245
Net loss on foreign exchange derivatives	258	131	258	131
Loss on disposal of property plant and equipment	2,495	83	2,495	83
Other operating costs	15,064	19,312	15,697	20,267
<b>TOTAL SUPPLIES AND OTHER COSTS</b>	<b>98,473</b>	<b>107,106</b>	<b>99,130</b>	<b>108,076</b>

\*Includes audit fees of \$11,584 (2019: \$10,570) for Auckland University of Technology Foundation paid on its behalf by Auckland University of Technology.

#### Operating lease commitments as lessee

Auckland University of Technology leases property, plant and equipment in the normal course of its business. Most of these leases have a non-cancellable term of 36 months. The commitments for future aggregate minimum lease payments, in relation to non-cancellable operating leases contracted at the balance date but not recognised as liabilities, are as follows:

	University		Consolidated	
	2020 Actual \$000s	2019 Actual \$000s	2020 Actual \$000s	2019 Actual \$000s
Not later than one year	5,617	5,764	5,617	5,764
Later than one year and not later than five years	6,291	16,716	6,291	16,716
Later than five years	-	-	-	-
<b>TOTAL NON-CANCELLABLE OPERATING LEASES</b>	<b>11,908</b>	<b>22,480</b>	<b>11,908</b>	<b>22,480</b>

The University leases 24,815 square metres (2019: 24,800 square metres) of office space in Auckland for teaching, research and administrative purposes. Most of these leases can be renewed at the University's option, with rents set by reference to current market rates for items of equivalent age and condition.

#### Other contractual commitments

AUT has an agreement with Pamoja Capital Limited (operating as New Zealand Education Holdings Wakefield Limited). Under the terms of the agreement, New Zealand Holdings Wakefield Limited purchased a parcel of land on the corner of Wakefield Street and Mayoral Drive and has begun the construction of a student accommodation facility, three

additional floors of leasable educational support spaces, a gym & recreational centre and retail space. Upon completion of the facility, the Development Agreement requires the University to enter into an operating lease for the educational, retail and recreational spaces for a term of 15 years with a right of renewal for a further 15 years.

## NOTE 4

### SUPPLIES AND OTHER COSTS (continued)

The operating lease commitments figures relating to this non-cancellable lease have not been included in the table above on the basis that the lease has yet to be finalised and executed by either party meaning there is insufficient financial information available to reliably calculate the lease commitments at year-end.

#### 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 to the lessee. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term. Lease incentives received are recognised in the surplus or deficit as a reduction of rental expense over the lease term.

## NOTE 5

### FINANCE COSTS

Interest on bank borrowings

Interest on finance leases

#### TOTAL FINANCE COSTS

University		Consolidated	
2020 Actual \$000s	2019 Actual \$000s	2020 Actual \$000s	2019 Actual \$000s
2,207	2,538	2,207	2,538
890	1,022	890	1,022
3,097	3,560	3,097	3,560

#### ACCOUNTING POLICY

Borrowing costs are expensed in the financial year in which they are incurred.

## NOTE 6

### CASH AND CASH EQUIVALENTS

Cash at bank and on hand

#### TOTAL CASH AND CASH EQUIVALENTS AS PER THE STATEMENT OF CASH FLOWS

University		Consolidated	
2020 Actual \$000s	2019 Actual \$000s	2020 Actual \$000s	2019 Actual \$000s
329	679	1,728	3,335
329	679	1,728	3,335

The carrying value of cash at bank and short-term deposits with maturity dates of three months or less approximates their fair value.

The weighted average effective interest rate for cash and cash equivalents was 0.19% (2019: 1.07%).

#### Financial assets recognised in a non-exchange transaction that are subject to restrictions

The cash and cash equivalents balance of the Consolidated Group includes an amount of \$0.5 million (2019: \$1.79 million) that relates to unspent funds received that are subject to restrictions. These unspent funds relate to donations and

bequests received by the Auckland University of Technology Foundation. The restrictions generally specify how the funds are required to be used for specified purposes as outlined by donors.

#### ACCOUNTING POLICY

Cash and cash equivalents include cash on hand, deposits held on call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings as current liabilities in the statement of financial position.



## NOTE 7

### RECEIVABLES

	University		Consolidated	
	2020 Actual \$000s	2019 Actual \$000s	2020 Actual \$000s	2019 Actual \$000s
Trade receivables	1,913	1,984	2,386	2,489
Less: provision for impairment	(793)	(763)	(793)	(763)
	1,120	1,221	1,593	1,726
Student fee receivables	61,048	38,709	61,048	38,709
Less: provision for impairment	(2,187)	(1,055)	(2,187)	(1,055)
	58,861	37,654	58,861	37,654
Other receivables	641	507	641	507
Accrued revenue	63	732	63	732
Related parties	347	215	146	112
<b>TOTAL RECEIVABLES</b>	<b>61,032</b>	<b>40,329</b>	<b>61,304</b>	<b>40,731</b>

Student fee receivables are non-interest bearing and are generally paid in full by the course start date. Therefore, their carrying value approximates their fair value.

Trade receivables and other receivables are non-interest bearing and are generally settled on 30-day terms. Therefore, the carrying value of other receivables approximates their fair value.

Movements in the provision for uncollectability of trade receivables and student receivables are as follows:

	University		Consolidated	
	2020 Actual \$000s	2019 Actual \$000s	2020 Actual \$000s	2019 Actual \$000s
<b>TRADE RECEIVABLES</b>				
Opening provisions	763	820	763	820
Provisions made/ (reversed) during the year	36	101	36	101
Trade receivables written-off during the year	(6)	(158)	(6)	(158)
<b>CLOSING PROVISIONS FOR IMPAIRMENT OF TRADE RECEIVABLES</b>	<b>793</b>	<b>763</b>	<b>793</b>	<b>763</b>

#### STUDENT FEE RECEIVABLES

Opening provisions	1,055	230	1,055	230
Provisions made/ (reversed) during the year	1,616	1,341	1,616	1,341
Student fee receivables written-off during the year	(484)	(516)	(484)	(516)
<b>CLOSING PROVISIONS FOR IMPAIRMENT OF STUDENT FEE RECEIVABLES</b>	<b>2,187</b>	<b>1,055</b>	<b>2,187</b>	<b>1,055</b>

## NOTE 7

### RECEIVABLES (continued)

The ageing profile of trade receivables and student receivables at the balance date is as follows:

	University			Consolidated		
	Gross \$000s	Impairment \$000s	Net \$000s	Gross \$000s	Impairment \$000s	Net \$000s
<b>TRADE RECEIVABLES</b>						
<b>2020 – Under 30 days</b>	824	–	824	1,029	–	1,029
31 – 60 days	625	(329)	296	779	(329)	450
61 – 90 days	89	(89)	–	111	(89)	22
Over 90 days	375	(375)	–	467	(375)	92
<b>Total trade receivables</b>	<b>1,913</b>	<b>(793)</b>	<b>1,120</b>	<b>2,386</b>	<b>(793)</b>	<b>1,593</b>
<b>2019 – Under 30 days</b>	557	–	557	699	–	699
31 – 60 days	676	(120)	556	848	(120)	728
61 – 90 days	259	(151)	108	325	(151)	174
Over 90 days	492	(492)	–	617	(492)	125
<b>Total trade receivables</b>	<b>1,984</b>	<b>(763)</b>	<b>1,221</b>	<b>2,489</b>	<b>(763)</b>	<b>1,726</b>
<b>STUDENT FEE RECEIVABLES</b>						
<b>2020 – Under 30 days</b>	58,173	–	58,173	58,173	–	58,173
31 – 60 days	366	(90)	276	366	(90)	276
61 – 90 days	98	(24)	74	98	(24)	74
Over 90 days	2,411	(2,073)	338	2,411	(2,073)	338
<b>Total student fee receivables</b>	<b>61,048</b>	<b>(2,187)</b>	<b>58,861</b>	<b>61,048</b>	<b>(2,187)</b>	<b>58,861</b>
<b>2019 – Under 30 days</b>	36,843	–	36,843	36,843	–	36,843
31 – 60 days	271	(38)	233	271	(38)	233
61 – 90 days	116	(17)	99	116	(17)	99
Over 90 days	1,479	(1,000)	479	1,479	(1,000)	479
<b>Total student fee receivables</b>	<b>38,709</b>	<b>(1,055)</b>	<b>37,654</b>	<b>38,709</b>	<b>(1,055)</b>	<b>37,654</b>

All receivables greater than 30 days in age are considered to be past due. There are no provisions for impairment of other receivables and no amounts are overdue.

Due to the large number of student fee receivables, the impairment assessment is performed on a collective basis, based on an analysis of past collection history and debt write-offs.

#### ACCOUNTING POLICY

Receivables are recognised initially at fair value and subsequently measured at amortised cost, less any provision for impairment.

Collectability of receivables is reviewed on an on-going basis. Receivables which are known to be uncollectable are written off. A provision for impairment of receivables is established when there is objective evidence that the University will not be able to collect all amounts due according to the original terms of payment.

## NOTE 8

### OTHER FINANCIAL ASSETS

	University		Consolidated	
	2020 Actual \$000s	2019 Actual \$000s	2020 Actual \$000s	2019 Actual \$000s
<b>CURRENT PORTION</b>				
Term deposits with maturities greater than 3 months	4,500	10,906	7,000	11,706
	4,500	10,906	7,000	11,706
<b>NON-CURRENT PORTION</b>				
Unlisted shares (at cost, less impairment)	91	91	91	91
Unlisted shares held by subsidiaries	-	-	2,793	2,973
	91	91	2,884	3,064
<b>TOTAL OTHER FINANCIAL ASSETS</b>	<b>4,591</b>	<b>10,997</b>	<b>9,884</b>	<b>14,770</b>

#### UNLISTED SHARES

Unlisted shares held by the University are carried at cost less any impairment as either the fair value of unlisted shares cannot be reliably determined using a standardised valuation technique or due to cost not being materially different to fair value. There is currently no intention to dispose of these investments.

Unlisted shares held by subsidiaries are carried at fair value. The fair value of these shares is determined based on the most recent price of the equity investment. Adjustments are made to the most recent price of investment when there is evidence of events subsequent to that investment that have affected the value of the company.

#### IMPAIRMENT

There are no impairment provisions for other financial assets. None of the financial assets are either past due or impaired.

#### ACCOUNTING POLICY

Financial assets are initially recognised at fair value plus transaction costs unless they are carried at fair value through surplus or deficit, in which case the transaction costs 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. Term deposits of the Consolidated Group includes \$1.5 million (2019: Nil) of unspent funds relate to donations and bequests received by the Auckland University of Technology Foundation that are subject to restrictions.

#### EQUITY INVESTMENTS

Equity investments are designated at fair value through other comprehensive revenue and expense.

After initial recognition, the shares are measured at their fair value, with gains and losses recognised in other comprehensive revenue and expense, except for impairment losses, which are recognised in the surplus or deficit. When sold, the cumulative gain or loss previously recognised in other comprehensive revenue and expense is transferred to the surplus or deficit.

A significant or prolonged decline in the fair value of the investment below its cost is considered objective evidence of impairment. If impairment evidence exists, the cumulative loss recognised in other comprehensive revenue and expense is transferred from equity to the surplus or deficit.

Impairment losses on equity investments recognised in the surplus or deficit are not reversed through the surplus or deficit.

Equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably determined using a standardised valuation technique are carried at cost less impairment.

#### CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

Unlisted equity investments are generally not publicly traded. As there may be no open market to establish an independent value for certain unlisted equity, there can be no assurance that a determination of fair value for an unlisted equity will be obtainable in the market, or that there will be a market for the unlisted equity.

## NOTE 9

### INVESTMENT IN SUBSIDIARIES

Name of entity	Country of incorporation/ operation	Nature of business	Ownership interest	
			2020	2019
Auckland University of Technology Foundation	New Zealand	To receive donations and endowments that are used to promote and support academic excellence at the University	100%	100%
AUT Ventures Limited	New Zealand	Commercialisation of research and provision of consulting services	100%	100%

#### University

2020 Actual \$000s	2019 Actual \$000s
--------------------------	--------------------------

#### INVESTMENT IN SUBSIDIARIES

Auckland University of Technology Foundation	-	-
AUT Ventures Limited	1,675	1,675
<b>TOTAL INVESTMENT IN SUBSIDIARIES</b>	<b>1,675</b>	<b>1,675</b>

All subsidiaries have a balance date of 31 December

#### ACCOUNTING POLICY

The University consolidates in the consolidated financial statements those entities it controls. Control exists where the University 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. Investments in subsidiaries are measured at cost in the University's financial statements.



**NOTE 10****INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD**

	<b>University</b>		<b>Consolidated</b>	
	<b>2020 Actual \$000s</b>	<b>2019 Actual \$000s</b>	<b>2020 Actual \$000s</b>	<b>2019 Actual \$000s</b>
Investment in associate	<b>5,000</b>	5,000	<b>8,810</b>	8,986
Investment in joint venture	<b>18,528</b>	18,528	<b>42,636</b>	43,613
<b>TOTAL INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD</b>	<b>23,528</b>	23,528	<b>51,446</b>	52,599

**INVESTMENT IN ASSOCIATE**

The University has a 15% (2019: 15%) interest in an associate, Waterfront Theatre Limited, which develops, owns and manages the ASB Waterfront Theatre. Waterfront Theatre Limited is domiciled and operates in New Zealand. The consolidated group's interest in Waterfront Theatre Limited is measured using the equity method of accounting in the consolidated financial statements, reflecting the significant influence the University has with a representative on the Board of Directors of Waterfront Theatre Limited.

**Summarised financial information of the Consolidated Group's investment in Waterfront Theatre Limited:**

	<b>Consolidated</b>	
	<b>2020 Actual \$000s</b>	<b>2019 Actual \$000s</b>
Current assets	<b>951</b>	280
Non-current assets	<b>29,883</b>	31,729
Current liabilities	<b>(476)</b>	(476)
Non-current liabilities	-	-
<b>Net assets</b>	<b>30,358</b>	31,533
<b>Share of associate's net assets</b>	<b>4,554</b>	4,730
Revenue	<b>341</b>	435
Net surplus/(deficit)	<b>(1,174)</b>	(1,084)
Other comprehensive revenue and expense	-	-
<b>Total comprehensive revenue and expense</b>	<b>(1,174)</b>	(1,084)
<b>Share of associate's net surplus/(deficit)</b>	<b>(176)</b>	(163)

**RECONCILIATION OF CARRYING AMOUNT OF INVESTMENT IN ASSOCIATE:**

Balance at the beginning of the year	<b>8,986</b>	9,149
Share of associate's net surplus/(deficit)	<b>(176)</b>	(163)
<b>CARRYING AMOUNT AT THE END OF THE YEAR</b>	<b>8,810</b>	8,986

The associate had no contingent liabilities or capital commitments as at 31 December 2020 (2019: Nil).

## NOTE 10

### INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (continued)

#### INVESTMENT IN JOINT VENTURE

The University has a 50% (2019: 50%) interest in AUT/Millennium Ownership Trust, a joint venture established by the University and the North Shore Bays Community Fitness Centre Trust to promote community fitness and well-being and to support elite sport.

AUT/Millennium Ownership Trust is domiciled and operates in New Zealand.

#### Summarised financial information of the Consolidated Group's investment in AUT/Millennium Ownership Trust:

	Consolidated	
	2020 Actual \$000s	2019 Actual \$000s
Current assets	2,460	2,471
Non-current assets	84,502	86,612
Current liabilities	(982)	(1,150)
Non-current liabilities	(372)	(372)
<b>Net assets</b>	<b>85,608</b>	<b>87,561</b>
<b>Share of joint venture's net assets</b>	<b>42,804</b>	<b>43,781</b>
Revenue	8,283	9,774
Net surplus/(deficit)	(1,953)	(1,808)
Other comprehensive revenue and expense	-	16,293
<b>Total comprehensive revenue and expense</b>	<b>(1,953)</b>	<b>14,485</b>
<b>Share of joint venture's net surplus/(deficit)</b>	<b>(977)</b>	<b>(904)</b>
<b>Share of joint venture's other comprehensive revenue/(expense)</b>	<b>-</b>	<b>8,147</b>
<b>RECONCILIATION OF CARRYING AMOUNT OF INVESTMENT IN JOINT VENTURE:</b>		
Balance at the beginning of the year	43,613	36,370
Share of joint venture's net surplus/(deficit)	(977)	(904)
Share of joint venture's other comprehensive revenue/(expense)	-	8,147
<b>CARRYING AMOUNT AT THE END OF THE YEAR</b>	<b>42,636</b>	<b>43,613</b>

The joint venture had no contingent liabilities or capital commitments as at 31 December 2020 (2019: Nil).

## NOTE 10

### INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (continued)

#### ACCOUNTING POLICY

##### Associate

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

##### 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. Investment in joint ventures is measured at cost in the University's financial statements. Investment in joint venture is accounted for in the consolidated financial statements using the equity method of accounting.

##### Equity method of accounting in consolidated financial statements

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

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

## NOTE 11

### PROPERTY, PLANT & EQUIPMENT

#### 2020 – University / Consolidated

	Cost / Revaluation				Accumulated Depreciation and Impairment Losses				Net Book Value	
	Balance at 1 Jan 2020	Additions / reclassifications	Revaluation movements	Disposals	Balance at 31 Dec 2020	Balance at 1 Jan 2020	Depreciation	Disposals/ eliminated on revaluation	Impairment losses / reclassifications	Balance at 31 Dec 2020
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
<b>AUT-OWNED ASSETS</b>										
Land	184,620	-	-	-	184,620	-	-	-	-	184,620
Buildings	609,190	-	-	-	609,190	-	18,772	-	-	609,190
Library collection	73,610	4,718	-	-	78,328	65,637	7,161	-	-	7,973
Computers and electronic equipment	27,064	1,647	-	(2,885)	25,826	25,429	1,286	(2,885)	-	1,635
Furniture and fittings	20,076	964	-	(1,686)	19,354	17,208	1,299	(1,686)	-	2,868
Leasehold improvements	26,156	-	-	(14,622)	11,534	22,043	1,835	(14,504)	77	4,113
Motor vehicles	978	-	-	(32)	946	695	56	(27)	-	283
Office equipment	2,488	14	-	(92)	2,410	2,482	8	(92)	-	6
Plant and equipment	58,746	4,994	-	(3,034)	60,706	38,070	6,211	(2,651)	4	20,676
Specialty electronics	2,544	15	-	(47)	2,512	2,269	131	(46)	-	275
Works of art	427	-	-	-	427	-	-	-	-	427
WIP – buildings	16,791	20,755	-	(1,752)	35,794	-	-	-	-	16,791
WIP – others	8,048	(2,727)	-	(141)	5,180	-	-	-	-	8,048
<b>TOTAL AUT-OWNED ASSETS</b>	<b>1,030,738</b>	<b>30,380</b>	<b>-</b>	<b>(24,291)</b>	<b>1,036,827</b>	<b>173,833</b>	<b>36,759</b>	<b>(21,891)</b>	<b>81</b>	<b>856,905</b>
<b>CROWN-OWNED LAND AND BUILDINGS</b>										
Land	82,908	-	-	-	82,908	-	-	-	-	82,908
Buildings	20,897	-	-	-	20,897	-	477	-	-	20,897
<b>TOTAL CROWN-OWNED LAND &amp; BUILDINGS</b>	<b>103,805</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>103,805</b>	<b>-</b>	<b>477</b>	<b>-</b>	<b>-</b>	<b>103,805</b>
<b>ASSETS UNDER FINANCE LEASES</b>										
Computers and electronic equipment	14,059	6,694	-	(5,193)	15,560	6,853	5,069	(5,193)	-	7,206
Buildings	32,505	-	-	-	32,505	24,513	1,572	-	-	7,992
<b>TOTAL ASSETS UNDER FINANCE LEASES</b>	<b>46,564</b>	<b>6,694</b>	<b>-</b>	<b>(5,193)</b>	<b>48,065</b>	<b>31,366</b>	<b>6,641</b>	<b>(5,193)</b>	<b>-</b>	<b>15,198</b>
<b>TOTAL PROPERTY, PLANT AND EQUIPMENT</b>	<b>1,181,107</b>	<b>37,074</b>	<b>-</b>	<b>(29,484)</b>	<b>1,188,697</b>	<b>205,199</b>	<b>43,877</b>	<b>(27,084)</b>	<b>81</b>	<b>975,908</b>
										<b>966,624</b>



**NOTE 11**  
PROPERTY, PLANT & EQUIPMENT (continued)

2019 – University / Consolidated						
Cost / Revaluation				Accumulated Depreciation and Impairment Losses		
Balance at 1 Jan 2019	Additions / reclassification- tions	Revaluation movements	Disposals	Balance at 31 Dec 2019	Balance at 1 Jan 2019	Balance at 31 Dec 2019
\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's
<strong>AUT-OWNED ASSETS</strong>						
Land	119,731	56,039	8,850	-	184,620	119,731
Buildings	561,251	29,680	18,259	-	609,190	530,988
Library collection	69,079	4,531	-	-	73,610	11,433
Computers and electronic equipment	24,895	2,269	-	(100)	27,064	776
Furniture and fittings	21,153	(515)	-	(562)	20,076	4,686
Leasehold improvements	25,337	819	-	-	26,156	5,651
Motor vehicles	959	88	-	(69)	978	276
Office equipment	2,509	-	-	(21)	2,488	14
Plant and equipment	56,715	3,699	-	(1,668)	58,746	23,216
Specialty electronics	2,544	-	-	-	2,544	404
Works of art	427	-	-	-	427	427
WIP – buildings	8,466	8,325	-	-	16,791	8,466
WIP – others	4,263	3,785	-	-	8,048	4,263
TOTAL AUT-OWNED ASSETS	897,329	108,720	27,109	(2,420)	1,030,738	710,331
<strong>CROWN-OWNED LAND AND BUILDINGS</strong>						
Land	135,557	(56,039)	3,390	-	82,908	135,557
Buildings	46,697	(25,722)	(78)	-	20,897	44,395
TOTAL CROWN-OWNED LAND & BUILDINGS	182,254	(81,761)	3,312	-	103,805	179,952
<strong>ASSETS UNDER FINANCE LEASES</strong>						
Computers and electronic equipment	14,497	5,623	-	(6,061)	14,059	6,232
Buildings	32,505	-	-	-	32,505	9,565
TOTAL ASSETS UNDER FINANCE LEASES	47,002	5,623	-	(6,061)	46,564	15,797
TOTAL PROPERTY, PLANT AND EQUIPMENT	1,126,585	32,582	30,421	(8,481)	1,181,107	906,080
						975,908

## NOTE 11

### PROPERTY, PLANT & EQUIPMENT (continued)

#### Assets under Finance leases

Note 17 provides further information about assets under finance leases.

#### Non-cash transactions

During the year the University acquired \$6.7 million of computers and electronic equipment under finance leases (2019: \$5.6 million).

#### Crown-owned land and buildings

On 23 July 2019, the Crown transferred legal ownership of the land and buildings on AUT North Campus to the University. A condition has been attached to the title of the land stating that

if the land is sold within five years from the date of transfer, the University shall pay 20% of the net proceeds to the Crown.

#### 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 Tertiary Education Commission website.

### CAPITAL COMMITMENTS

The amount of contractual commitments for the acquisition of property, plant and equipment are as follows:

	University		Consolidated	
	2020 Actual \$000s	2019 Actual \$000s	2020 Actual \$000s	2019 Actual \$000s
<b>CAPITAL COMMITMENTS</b>				
Buildings	10,391	5,075	10,391	5,075
Plant and equipment	619	1,311	619	1,311
<b>TOTAL CAPITAL COMMITMENTS</b>	<b>11,010</b>	<b>6,386</b>	<b>11,010</b>	<b>6,386</b>

### ACCOUNTING POLICY

Property, plant, and equipment consists of eleven asset classes: land, buildings, library collection, computers and electronic equipment, furniture and fittings, leasehold improvements, motor vehicles, office equipment, plant and equipment, speciality electronics and works of art.

Land is measured at fair value, and buildings are measured at fair value less accumulated depreciation. All other asset classes are measured at cost, less accumulated depreciation and impairment losses.

#### Revaluations

Following initial recognition at cost, all land and buildings, whether owned by the Crown or purchased and built out of the University's reserves, are shown at fair value. Revaluation of land and buildings is carried out at least every three years by an independent Registered Valuer to ensure that their carrying amounts do not differ materially from fair values. The carrying values of revalued assets are assessed annually to ensure that they do not differ materially from the assets' fair values at the balance date. If there is evidence supporting a material difference, then the off-cycle asset classes are revalued.

Revaluation movements are accounted for on a class of asset basis. The net revaluation results are credited or debited to other comprehensive revenue and expense and are accumulated to an asset revaluation reserve in equity for that class of asset. Where this would result in a debit balance in the asset revaluation reserve, this balance is recognised in the surplus or deficit. Any subsequent increase on revaluation that reverses a previous decrease in value recognised in the surplus or deficit will be recognised first in the surplus or deficit up to the amount previously expensed, and then recognised in other comprehensive revenue and expense.

## NOTE 11

### PROPERTY, PLANT & EQUIPMENT (continued)

#### Depreciation

Property, plant and equipment is depreciated using the straight-line method (except for motor vehicles, which uses the diminishing value method) to allocate cost or revalued amount to residual value over their estimated useful lives, as follows:

Buildings	20 – 50 years straight-line
Library collection	3 years straight-line
Plant and equipment	5 – 20 years straight-line
Specialty electronics	6 years straight-line
Furniture and fittings	5 years straight-line
Leasehold improvements	5 years straight-line
Office equipment	5 years straight-line
Computers and electronic equipment	3 years straight-line
Motor vehicles	20% diminishing value

Land, works of art, and work in progress are not depreciated.

#### Disposals

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

#### Work in progress

Work in progress is valued on the basis of expenditure incurred up to balance date. Financing costs have not been capitalised during the construction of assets. The total cost of a project is transferred to the relevant asset class on completion and is then depreciated.

#### Impairment of property, plant, and equipment

Property, plant, and equipment assets held at cost that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

If an asset's carrying amount exceeds its recoverable amount, the asset is regarded as impaired and the carrying amount is written down to the recoverable amount. The total impairment loss is recognised in the surplus or deficit. The reversal of an impairment loss is recognised in the surplus or deficit.

#### Value in use for non-cash-generating assets

Non-cash-generating assets are those assets that are not held with the primary objective of generating a commercial return. For non-cash generating assets, value in use is determined using an approach based on either a depreciated replacement cost approach, restoration cost approach, or a service units approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information.

### CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

#### Estimating the fair value of land and buildings

The University relies on the services of an independent Registered Valuer to assess the carrying values of land and buildings. The most recent full revaluation of land and buildings was performed by Seagar & Partners (Auckland) Limited, an independent Registered Valuer, at 31 December 2019, to a fair value of \$898 million.

Land is valued at fair value using market-based evidence based on its highest and best use with reference to comparable land values. Adjustments have been made to the unencumbered land value for campus land where there is a designation against the land or the use of the land is restricted because of reserve or endowment status. These adjustments are intended to reflect the negative effect on the value of the land where an owner is unable to use the land more intensively.

All buildings are valued at fair value using depreciated replacement cost because no reliable market data is available for buildings designed for education delivery purposes.

#### Desktop revaluation of land and buildings

A desktop revaluation of land and buildings was performed by Seagar & Partners (Auckland) Limited, an independent Registered Valuer, at 31 December 2020. The percentage change between the valuer's desktop revaluation and the net book value is not significantly different, and therefore a full revaluation was not performed.

## NOTE 11

### PROPERTY, PLANT & EQUIPMENT (continued)

#### Depreciation and amortisation

At each balance date, the University reviews the useful lives and residual values of its property, plant and equipment. Assessing the appropriateness of useful life and residual value estimates of property, plant and equipment requires the University to consider a number of factors such as the physical condition of the asset, expected period of use of the asset by the University, and expected disposal proceeds from the future sale of the asset. An incorrect estimate of the useful life or residual value will impact on the depreciable amount of an asset, therefore impacting on the depreciation recognised in the surplus or deficit, and on the carrying amount of the asset in the Statement of Financial Position.

#### CRITICAL JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

##### Crown-owned land and buildings

Property in the legal name of the Crown that is occupied by the University is recognised as an asset in the Statement of Financial Position. The University considers that it has assumed all the normal risks and rewards of ownership of this property despite legal ownership not being transferred. Accordingly, it would be misleading to exclude these assets from the Financial Statements.

The University has secured the use of the property by means of a lease from the Ministry of Education for a period of thirty-three years from 1 November 1994 at nil rent, with rights of renewal for two further periods of thirty-three years each.



## NOTE 12

### INTANGIBLE ASSETS

#### 2020 – University / Consolidated

	Cost				Accumulated Amortisation and Impairment Losses				Net Book Value	
	Balance at 1 Jan 2020 \$000s	Additions / reclassifications \$000s	Disposals \$000s	Balance at 31 Dec 2020 \$000s	Balance at 1 Jan 2020 \$000s	Amortisation \$000s	Disposals \$000s	Impairment losses \$000s	Balance at 31 Dec 2020 \$000s	Balance at 1 Jan 2020 \$000s
<b>INTANGIBLE ASSETS</b>										
Software	45,824	2,620	(166)	48,278	40,365	4,971	(166)	22	45,192	5,459
Programme development	935	562	(321)	1,176	522	347	(134)	-	735	413
WIP – software	3,099	(718)	-	2,381	-	-	-	-	-	3,099
<b>TOTAL INTANGIBLE ASSETS</b>	<b>49,858</b>	<b>2,464</b>	<b>(487)</b>	<b>51,835</b>	<b>40,887</b>	<b>5,318</b>	<b>(300)</b>	<b>22</b>	<b>45,927</b>	<b>8,971</b>

#### 2019 – University / Consolidated

	Cost				Accumulated Amortisation and Impairment Losses				Net Book Value	
	Balance at 1 Jan 2019 \$000s	Additions / reclassifications \$000s	Disposals \$000s	Balance at 31 Dec 2019 \$000s	Balance at 1 Jan 2019 \$000s	Amortisation \$000s	Disposals \$000s	Impairment losses \$000s	Balance at 31 Dec 2019 \$000s	Balance at 1 Jan 2019 \$000s
<b>INTANGIBLE ASSETS</b>										
Software	46,423	(461)	(138)	45,824	31,926	8,577	(138)	-	40,365	14,497
Programme development	795	140	0	935	302	220	0	-	522	493
WIP – software	949	2,150	-	3,099	-	-	-	-	-	949
<b>TOTAL INTANGIBLE ASSETS</b>	<b>48,167</b>	<b>1,829</b>	<b>(138)</b>	<b>49,858</b>	<b>32,228</b>	<b>8,797</b>	<b>(138)</b>	<b>-</b>	<b>40,887</b>	<b>15,939</b>

## NOTE 12

### INTANGIBLE ASSETS (continued)

#### ACCOUNTING POLICY

##### Computer software

Computer software licences are capitalised on the basis of the costs incurred to acquire and to bring the software to use. These costs are amortised on a straight-line basis over their estimated useful lives, being three years.

Costs associated with maintaining computer software are recognised as an expense when incurred. Costs that are directly associated with the development of identifiable and unique software controlled by the University, and that will probably generate economic benefits exceeding costs beyond one year, are recognised as intangible assets. Direct costs include software development, employee costs and an appropriate portion of relevant overheads. Computer software development costs recognised as assets are amortised on a straight-line basis over their estimated useful lives, being three years to seven years.

##### Programme development

Costs incurred on development of new academic programmes are capitalised to the extent that such costs are expected to be recovered. Capital costs are amortised from the commencement of a particular programme on a straight-line basis over the period of their expected benefits, being three years.

##### Impairment of intangible assets

Intangible assets subsequently measured at cost that have an indefinite useful life, or are not yet available for use, are not subject to amortisation and are tested annually for impairment.

For further details refer to the policy for impairment of property, plant, and equipment in Note 11. The same approach applies to the impairment of intangible assets

## NOTE 13

### PAYABLES

	University		Consolidated	
	2020 Actual \$000s	2019 Actual \$000s	2020 Actual \$000s	2019 Actual \$000s
<b>PAYABLES UNDER EXCHANGE TRANSACTIONS</b>				
Trade payables	3,477	4,300	3,468	4,351
Creditors accruals	31,526	26,728	32,878	27,733
Sundry creditors	4,643	4,014	4,643	4,014
<b>PAYABLES UNDER NON-EXCHANGE TRANSACTIONS</b>				
GST payable	12,060	9,939	12,052	9,918
Withholding tax payable	4,807	6,527	4,807	6,527
Tertiary Education Commission	2,388	2,973	2,388	2,973
<b>TOTAL PAYABLES</b>	<b>58,901</b>	<b>54,481</b>	<b>60,236</b>	<b>55,516</b>

#### ACCOUNTING POLICY

Payables are recorded at their face value.

## NOTE 14

### DEFERRED REVENUE

	University		Consolidated	
	2020 Actual \$000s	2019 Actual \$000s	2020 Actual \$000s	2019 Actual \$000s
Tuition fees received in advance	92,814	82,410	92,814	82,410
Research revenue received in advance	10,719	6,213	10,719	6,213
Other revenue received in advance	3,018	4,045	3,161	4,202
<b>TOTAL DEFERRED REVENUE</b>	<b>106,551</b>	<b>92,668</b>	<b>106,694</b>	<b>92,825</b>

#### ACCOUNTING POLICY

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.

## NOTE 15

### EMPLOYEE ENTITLEMENTS

	University		Consolidated	
	2020 Actual \$000s	2019 Actual \$000s	2020 Actual \$000s	2019 Actual \$000s
Annual leave	17,961	13,358	17,961	13,358
Accrued salary payments	1,381	-	1,381	-
Sick leave	616	785	616	785
Other employee entitlements	1,173	1,962	1,173	1,962
<b>Total employee entitlements – current</b>	<b>21,131</b>	<b>16,105</b>	<b>21,131</b>	<b>16,105</b>
Long service leave	1,842	1,602	1,842	1,602
Retirement leave	1,401	1,561	1,401	1,561
Research and study leave	6,926	8,421	6,926	8,421
<b>Total employee entitlements – non-current</b>	<b>10,169</b>	<b>11,584</b>	<b>10,169</b>	<b>11,584</b>
<b>TOTAL EMPLOYEE ENTITLEMENTS</b>	<b>31,300</b>	<b>27,689</b>	<b>31,300</b>	<b>27,689</b>

## NOTE 15

### EMPLOYEE ENTITLEMENTS (continued)

#### ACCOUNTING POLICY

##### Short-term employee entitlements

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

##### Long-term employee entitlements

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

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

#### CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

##### Long service leave and retirement leave

The present values of the long service leave and retirement leave obligations depend on a number of factors that are determined on an actuarial basis using a number of assumptions. Two key assumptions used in calculating this liability include the discount rate of 0.99% (2019: 1.65%) and the salary inflation factor of 3.0 % (2019: 3.0%). Any changes in these assumptions will impact on the carrying amount of the liability.

In determining the appropriate discount rate, the University considered the interest rates on New Zealand government bonds with terms to maturity similar to those of the estimated future cash outflows. The inflation factor has been based on the expected long-term increase in remuneration for employees.

##### Research and study leave

The University accrues the liability for research and study leave based on the following estimates and assumptions:

- Probability of eligible academic staff entitled to research and study leave in future period.
- Historical experience on the uptake of research and study leave by eligible academic staff.

Any changes in these estimates and assumptions will affect the carrying amount of the liability.

#### CRITICAL JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

##### Research and study leave

Some academic staff are entitled to guaranteed research and study leave in certain circumstances. The substance of this leave is to enable staff to take leave from teaching duties in order to undertake research activity, whilst continuing to earn their salary and other employee entitlements. The University is of the view that guaranteed research and study leave is the value of the future benefit that academic staff have earned in return for their service in the current and prior periods. Accordingly, a liability has been recognised for such leave.



## NOTE 16

### PROVISIONS

	University		Consolidated	
	2020 Actual \$000s	2019 Actual \$000s	2020 Actual \$000s	2019 Actual \$000s
<b>REINSTATEMENT PROVISION FOR LEASED BUILDINGS</b>				
Opening balance	3,639	3,020	3,639	3,020
Provision made/(reversed) during the year	(818)	619	(818)	619
<b>CLOSING BALANCE</b>	<b>2,821</b>	<b>3,639</b>	<b>2,821</b>	<b>3,639</b>
<b>COMPRISING</b>				
Current	196	–	196	–
Non-current	2,625	3,639	2,625	3,639
<b>TOTAL PROVISIONS</b>	<b>2,821</b>	<b>3,639</b>	<b>2,821</b>	<b>3,639</b>

The reinstatement provision represents the University's estimated liability to reinstate leased buildings to their original state at the expiry of the lease terms.

#### ACCOUNTING POLICY

Provisions are recognised when the University has a present legal or constructive obligation as a result of past events, when it is more likely than not that an outflow of resources will be required to settle the obligation, and when the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised in the surplus or deficit.

#### CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

The reinstatement provision is calculated on the net present value of the estimated liability at lease expiry using a discount rate of 0.99% (2019: 1.65%).

## NOTE 17

### FINANCE LEASE BORROWINGS

	University		Consolidated	
	2020 Actual \$000s	2019 Actual \$000s	2020 Actual \$000s	2019 Actual \$000s
Not later than one year	7,756	6,982	7,756	6,982
Later than one year and not later than five years	12,862	14,620	12,862	14,620
Later than five years	-	235	-	235
<b>Total minimum lease payments</b>	<b>20,618</b>	<b>21,837</b>	<b>20,618</b>	<b>21,837</b>
Future finance charges	(1,563)	(2,293)	(1,563)	(2,293)
<b>PRESENT VALUE OF MINIMUM FINANCE LEASE PAYMENTS</b>	<b>19,055</b>	<b>19,544</b>	<b>19,055</b>	<b>19,544</b>
<b>PRESENT VALUE OF MINIMUM FINANCE LEASE PAYMENTS PAYABLE</b>				
Not later than one year	7,058	6,140	7,058	6,140
Later than one year and not later than five years	11,997	13,170	11,997	13,170
Later than five years	-	234	-	234
<b>TOTAL PRESENT VALUE OF MINIMUM LEASE PAYMENTS</b>	<b>19,055</b>	<b>19,544</b>	<b>19,055</b>	<b>19,544</b>
<b>COMPRISING</b>				
Current	7,058	6,140	7,058	6,140
Non-current	11,997	13,404	11,997	13,404
<b>TOTAL PRESENT VALUE OF MINIMUM FINANCE LEASE PAYMENTS</b>	<b>19,055</b>	<b>19,544</b>	<b>19,055</b>	<b>19,544</b>

Auckland University of Technology has entered into finance leases for various properties, computers and electronic equipment. The net carrying amount of the leased items within each class of property, plant and equipment is shown in Note 11.

The finance leases can be renewed at the University's option, with rents set by reference to current market rates for items of equivalent age and condition. The University has the option to purchase assets at the end of the lease terms. There are no restrictions placed on the University by any of the finance leasing arrangements.

The University leases approximately 14,082 square metres (2019: 14,082 square metres) of accommodation space in Auckland to provide residential accommodation for students.

The University leases 14,928 computers and items of electronic equipment for teaching, research and administrative purposes (2019: 11,486).

#### ACCOUNTING POLICY

Leases where the University assumes substantially all the risks and rewards of ownership are classified as finance leases, whether or not title is eventually transferred.

Finance leases are capitalised at the lower of the fair value of the leased asset or the present value of the minimum lease payments, at inception of the lease, less accumulated depreciation and impairment losses. The corresponding liability to the lessor, net of finance charges, is included in the Statement of Financial Position as a finance lease obligation.

Lease payments are apportioned between finance charges and reduction of the finance lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are included in the surplus or deficit as finance costs.

Capitalised leased assets are depreciated over the estimated useful life of the asset or the lease term, whichever is shorter.

For a lease of land and buildings in which the minimum lease payments cannot be allocated reliably between the land and the building elements in proportion to the relative fair values of the leasehold interests in the land element and buildings element of the lease at the inception of the lease, the entire lease is classified as a finance lease, unless it is clear that both elements are operating leases, in which case the entire lease is classified as an operating lease.

## NOTE 18

### DERIVATIVE FINANCIAL INSTRUMENTS

	University		Consolidated	
	2020 Actual \$000s	2019 Actual \$000s	2020 Actual \$000s	2019 Actual \$000s
<b>CURRENT LIABILITY PORTION</b>				
Forward foreign exchange contract – Non-hedges	287	30	287	30
Interest rate swap – cash flow hedges	181	462	181	462
<b>Total current liability portion</b>	<b>468</b>	<b>492</b>	<b>468</b>	<b>492</b>
<b>NON-CURRENT LIABILITY PORTION</b>				
Interest rate swap – Cash flow hedges	2,696	1,442	2,696	1,442
<b>TOTAL DERIVATIVE FINANCIAL INSTRUMENT LIABILITIES</b>	<b>3,164</b>	<b>1,934</b>	<b>3,164</b>	<b>1,934</b>

#### FAIR VALUE

##### Interest rate swaps

The fair values of interest rate swaps have been determined by calculating the expected cash flows under the terms of the swaps and discounting these values to present value. The inputs into the valuation model are from independently sourced market parameters such as interest rate yield curves. Most market parameters are implied from instrument prices.

##### Forward foreign exchange contracts

The fair values of forward foreign exchange contracts have been determined using a discounted cash flows valuation technique based on quoted market prices. The inputs into the valuation model are from independently sourced market parameters such as currency rates. Most market parameters are implied from instrument prices.

The fair values of interest rate swaps have been determined using a discounted cash flows valuation technique based on quoted market prices.

#### NOTIONAL PRINCIPAL AMOUNT

##### Interest rate swaps

The notional principal amounts of the outstanding interest rate swap contracts totalled \$80 million (2019: \$109.5 million). The fixed interest rates of interest rate swaps vary from 1.16% to 3.25%.

##### Forward foreign exchange contracts

The notional principal amounts of outstanding forward foreign exchange contracts in NZ\$ were \$3.6 million (2019: \$4.4 million). The foreign currency principal amounts were US\$2.4 million (2019: US\$2.9 million).

#### ACCOUNTING POLICY

The University uses derivative financial instruments, such as interest rate swaps and forward foreign exchange contracts, to hedge its interest rate risks and foreign currency risks respectively. In accordance with its treasury policy, the University does not hold or issue derivative financial instruments for trading purposes. However, derivatives that do not qualify for hedge accounting are accounted for as trading instruments. Derivative financial instruments are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value. The fair value of interest rate swaps and forward foreign exchange contracts are determined by reference to market values for similar instruments.

For the purposes of hedge accounting, all the University's hedging instruments are designated as cash flow hedges. A cash flow hedge is defined as that which mitigates the exposure to variability in cash flows attributable to a particular risk associated with a recognised asset or liability, firm commitment, or highly probable forecast transaction, which could affect surplus or deficit. A cash flow hedge protects against the risk caused by variable prices, costs, rates or terms which cause uncertainty in the future.

The University documents, at the inception of the transaction, the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The University also documents its assessment, both at hedge inception and on an on-going basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair value or cash flows of hedged items.

The portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognised directly in Other Comprehensive Revenue and Expense, within the Statement of Other Comprehensive Revenue and Expense and

## NOTE 18

### DERIVATIVE FINANCIAL INSTRUMENTS (continued)

the ineffective portion is recognised immediately in the surplus or deficit as part of the finance costs.

The gain or loss accumulated in equity is recognised in the surplus or deficit when the hedged cash flows are settled.

Changes in the fair value of any derivative instrument that do not qualify for hedge accounting are recognised immediately in the surplus or deficit.

## NOTE 19

### BORROWINGS

On 4 December 2019, the University entered into three separate revolving advances facility agreements (and the accompanying negative pledge deeds) with the following banks.

Name of Bank	Facility Limit	Final Maturity Date
ANZ Bank New Zealand Limited	\$55 million	31 January 2025
Industrial and Commercial Bank of China (New Zealand) Limited	\$55 million	31 January 2027
Westpac New Zealand Limited	\$110 million	31 January 2025

These facilities have been established in accordance with the conditions of the Consent to Borrow granted by the Secretary for Education, under section 282 (4) (d) and (7) of the Education and Training Act 2020. These are unsecured facilities with a negative pledge arrangement that imposes certain covenants on the University.

As at 31 December 2020, the University has revolving advances facilities for a total amount of \$220 million (2019: \$213 million), and \$65 million (2019: \$97 million) had been drawn down on these facilities. The University has complied with all the covenants under these facilities during the financial year.

	University		Consolidated	
	2020 Actual \$000s	2019 Actual \$000s	2020 Actual \$000s	2019 Actual \$000s
<b>Opening balance</b>	<b>96,900</b>	130,100	<b>96,900</b>	130,100
Net borrowings / (repayments)	<b>(32,050)</b>	(33,200)	<b>(32,050)</b>	(33,200)
<b>CLOSING BALANCE</b>	<b>64,850</b>	96,900	<b>64,850</b>	96,900
<b>COMPRISING</b>				
Current	-	-	-	-
Non-current	<b>64,850</b>	96,900	<b>64,850</b>	96,900
<b>TOTAL BORROWINGS</b>	<b>64,850</b>	96,900	<b>64,850</b>	96,900

The University uses the facility as a flexible finance facility, seeking to minimise debt as cash flows permit. The weighted average interest rate on the outstanding loan for the year was 3.56% (2019: 2.61%).



## NOTE 19

### BORROWINGS (continued)

#### FAIR VALUE

The carrying amounts of borrowings approximate their fair value as interest rates on floating rate debt resetting to the market rate every three months and the impact of discounting is not significant.

#### ACCOUNTING POLICY

Borrowings are initially recognised at cost, being the fair value of the consideration received net of transaction costs associated with the borrowings.

Subsequent to initial recognition, borrowings are measured at amortised cost using the effective interest method. Amortised cost is calculated by taking into account any transaction costs, and any discount or premium on settlement.

Gains or losses are recognised in the surplus or deficit when the liabilities are derecognised and through the amortisation process.

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

## NOTE 20

### EQUITY

#### GENERAL EQUITY

	University		Consolidated	
	2020 Actual \$000s	2019 Actual \$000s	2020 Actual \$000s	2019 Actual \$000s
<b>GENERAL RESERVE</b>				
Balance at the beginning of the year	372,146	355,340	396,417	379,678
Net surplus for the year	12,293	17,276	11,298	17,209
Transfer from/ (to) research reinvestment reserve	(2,956)	(470)	(2,956)	(470)
<b>Balance at the end of the year</b>	<b>381,483</b>	372,146	<b>404,759</b>	396,417
<b>RESEARCH REINVESTMENT RESERVE</b>				
Balance at the beginning of the year	6,955	6,485	6,955	6,485
Transfer (to)/ from general equity	2,956	470	2,956	470
<b>Balance at the end of the year</b>	<b>9,911</b>	6,955	<b>9,911</b>	6,955
<b>TOTAL GENERAL EQUITY</b>	<b>391,394</b>	379,101	<b>414,670</b>	403,372

## NOTE 20

### EQUITY (continued)

#### REVALUATION RESERVES

	University		Consolidated	
	2020 Actual \$000s	2019 Actual \$000s	2020 Actual \$000s	2019 Actual \$000s
<b>ASSET REVALUATION RESERVE</b>				
<b>Land revaluation reserve</b>				
Balance at the beginning of the year	167,476	155,236	167,476	155,236
Net revaluation movement in the year				
Crown-owned land	-	3,390	-	3,390
AUT-owned land	-	8,850	-	8,850
<b>Balance at the end of the year</b>	<b>167,476</b>	<b>167,476</b>	<b>167,476</b>	<b>167,476</b>
<b>BUILDINGS REVALUATION RESERVE</b>				
Balance at the beginning of the year	226,683	157,302	226,683	157,302
Net revaluation movement in the year				
Crown-owned buildings	-	1,377	-	1,377
AUT-owned buildings	-	68,004	-	68,004
Balance at the end of the year	226,683	226,683	226,683	226,683
<b>Balance at the end of the year</b>	<b>394,159</b>	<b>394,159</b>	<b>394,159</b>	<b>394,159</b>
<b>FAIR VALUE THROUGH OTHER COMPREHENSIVE REVENUE AND EXPENSE RESERVE</b>				
Balance at the beginning of the year	-	-	623	138
Net fair value gains/(losses) in the year	-	-	(316)	485
<b>Balance at the end of the year</b>	<b>-</b>	<b>-</b>	<b>307</b>	<b>623</b>
<b>CASH FLOW HEDGE RESERVE</b>				
Balance at the beginning of the year	(1,904)	(1,185)	(1,904)	(1,185)
Net fair value gains/(losses) in the year	(974)	(719)	(974)	(719)
<b>Balance at the end of the year</b>	<b>(2,878)</b>	<b>(1,904)</b>	<b>(2,878)</b>	<b>(1,904)</b>
<b>SHARE OF JOINT VENTURE'S ASSET REVALUATION RESERVE</b>				
Balance at the beginning of the year	-	-	8,147	-
Net revaluation movement in the year	-	-	-	8,147
<b>Balance at the end of the year</b>	<b>-</b>	<b>-</b>	<b>8,147</b>	<b>8,147</b>
<b>TOTAL REVALUATION RESERVES</b>	<b>391,281</b>	<b>392,255</b>	<b>399,735</b>	<b>401,025</b>
<b>TOTAL EQUITY</b>	<b>782,675</b>	<b>771,356</b>	<b>814,405</b>	<b>804,397</b>

## NOTE 20

### EQUITY (continued)

#### ACCOUNTING POLICY

Equity is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into the following components:

##### General equity

- General reserve
- Research reinvestment reserve

##### Revaluation reserve

- Asset revaluation reserve
- Fair value through other comprehensive revenue and expense reserve
- Cash flow hedge reserve

##### Research reinvestment reserve

Research reinvestment reserve is a component of general equity which has been created by the University. The use of these funds is restricted to research activities.

#### Asset revaluation reserve

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

#### Fair value through other comprehensive revenue and expense reserve

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

#### Cash flow hedge reserve

This reserve comprises the effective portion of the cumulative net change in the fair value of derivatives designated as cash flows hedges.

## NOTE 21

### RELATED PARTY TRANSACTIONS

Related party disclosures have not been made for transactions with related parties that are:

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

Further, transactions with government agencies (for example, government departments and Crown entities) are not disclosed as related party transactions when they are consistent with the normal operating arrangements with tertiary education

institutions and undertaken on the normal terms and conditions for such transactions.

Related party transactions required to be disclosed:

The University purchased advisory services from three Council members (outside their governance roles) during the year, at a total cost of \$41,188 (2019: Nil). No tender process took place due to the University's need for timely, independent oversight. The Council members were remunerated at market rates and selected due to their recent appointment to Council, and their relevant and pertinent expertise.

#### KEY MANAGEMENT PERSONNEL COMPENSATION

	University		Consolidated	
	2020 Actual	2019 Actual	2020 Actual	2019 Actual
<b>COUNCILLORS</b>				
Remuneration (\$000s)	241	245	241	245
Full-time equivalent members	12	12	12	12
<b>STRATEGIC LEADERSHIP TEAM, INCLUDING THE VICE-CHANCELLOR</b>				
Remuneration (\$000s)	4,781	6,199	4,781	6,199
Full-time equivalent members	14	19	14	19
<b>TOTAL KEY MANAGEMENT PERSONNEL REMUNERATION (\$000s)</b>	<b>5,022</b>	<b>6,444</b>	<b>5,022</b>	<b>6,444</b>
<b>TOTAL FULL-TIME EQUIVALENT MEMBERS</b>	<b>26</b>	<b>31</b>	<b>26</b>	<b>31</b>

## NOTE 21

### RELATED PARTY TRANSACTIONS (continued)

During 2020, the Vice-Chancellor reshaped the executive leadership team to reflect the cross-organisational responsibilities of his direct reports more accurately. This was in response to the challenges caused by COVID and the need to ensure agile leadership in future. The figures reflect the full remuneration each member received in their executive leadership role. The comparative figures reflect the leadership structure that was in place in 2019. Due to the difficulty in determining the full-time equivalent for Councillors, the full-time equivalent figure expressed above is taken as the number of Councillors.

## NOTE 22

### COUNCILLORS' FEES

The following fees were paid to members of the Council of Auckland University of Technology:

	University	
	2020 Actual \$000s	2019 Actual \$000s
<b>COUNCIL MEMBER</b>		
P Alley	20	20
R Blair (Appointed 31 Jan 2020)	20	-
D Colbert (Term expired 8 August 2019)	-	15
C Cook (Appointed 1 Jan 2020)	20	-
H Gaeta (Term expired 31 Dec 2019)	-	20
S Hayman (Term expired 31 Dec 2019)	-	20
D Kataria (Appointed 8 August 2019, Term expired 31 Dec 2019)	-	5
L Lim (Term expired 17 Mar 2020)	5	20
S Lui (Appointed 1 Jan 2020)	20	-
J Maasland (Chancellor)	36	40
D McCormack (Vice-Chancellor)	-	-
E Pio (Appointed 1 Jan 2020)	20	-
J Schofield	20	20
J Smith	20	20
S Stehlin (Term expired 31 Jan 2020)	-	20
P Treacy (Appointed 18 Mar 2020)	15	-
J Thompson (Term expired 1 Mar 2020)	5	20
S Turner (Pro-Chancellor)	25	25
S Wendt (Appointed 18 Mar 2020)	15	-
<b>TOTAL COUNCILLORS' FEES</b>	<b>241</b>	<b>245</b>

The Vice-Chancellor is not entitled to the Council fees.

No Council members received compensation or other benefits in relation to cessation (2019: nil).

**NOTE 23****FINANCIAL INSTRUMENTS****FINANCIAL INSTRUMENTS CATEGORIES**

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

**FINANCIAL ASSETS****LOANS AND RECEIVABLES**

	<b>University</b>		<b>Consolidated</b>	
	<b>2020 Actual \$000s</b>	<b>2019 Actual \$000s</b>	<b>2020 Actual \$000s</b>	<b>2019 Actual \$000s</b>
Cash and cash equivalents	329	679	1,728	3,335
Receivables	61,032	40,329	61,304	40,731
Other financial assets – term deposits	4,500	10,906	7,000	11,706
<b>TOTAL LOANS AND RECEIVABLES</b>	<b>65,861</b>	<b>51,914</b>	<b>70,032</b>	<b>55,772</b>

**FAIR VALUE THROUGH OTHER COMPREHENSIVE REVENUE AND EXPENSE****Other financial assets**

Unlisted shares held by subsidiaries	-	-	2,793	2,973
<b>TOTAL FAIR VALUE THROUGH OTHER COMPREHENSIVE REVENUE AND EXPENSE</b>	<b>-</b>	<b>-</b>	<b>2,793</b>	<b>2,973</b>

**FINANCIAL ASSETS CARRIED AT COST****Other financial assets**

Unlisted shares	91	91	91	91
<b>TOTAL FINANCIAL ASSETS CARRIED AT COST</b>	<b>91</b>	<b>91</b>	<b>91</b>	<b>91</b>

**FINANCIAL LIABILITIES****DERIVATIVES NOT DESIGNATED AS HEDGES**

Forward foreign exchange contracts	287	30	287	30
<b>TOTAL DERIVATIVES NOT DESIGNATED AS HEDGES</b>	<b>287</b>	<b>30</b>	<b>287</b>	<b>30</b>

**DERIVATIVES DESIGNATED AS CASH FLOW HEDGES**

Interest rate swap	2,877	1,904	2,877	1,904
<b>TOTAL DERIVATIVES DESIGNATED AS CASH FLOW HEDGES</b>	<b>2,877</b>	<b>1,904</b>	<b>2,877</b>	<b>1,904</b>

**FINANCIAL LIABILITIES MEASURED AT AMORTISED COST**

Payables	39,646	35,042	40,989	36,098
Borrowings	64,850	96,900	64,850	96,900
<b>TOTAL FINANCIAL LIABILITIES MEASURED AT AMORTISED COST</b>	<b>104,496</b>	<b>131,942</b>	<b>105,839</b>	<b>132,998</b>



## NOTE 23

### FINANCIAL INSTRUMENTS (continued)

#### FAIR VALUE HIERARCHY DISCLOSURES

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 – financial instruments with quoted prices for identical instruments in active markets.
- Valuation technique using observable inputs – 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 – 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:

	Valuation Technique			
	Total \$000s	Quoted market price \$000s	Observable inputs \$000s	Significant non- observable input \$000s
<b>UNIVERSITY 2020</b>				
<b>Financial liabilities</b>				
Forward foreign exchange contracts – Non-hedges	287	–	287	–
Interest rate swap – Cash flow hedges	2,877	–	2,877	–

#### CONSOLIDATED 2020

<b>Financial assets</b>				
Unlisted shares held by Subsidiaries	2,793	–	2,793	–
<b>Financial liabilities</b>				
Forward foreign exchange contracts – Non-hedges	287	–	287	–
Interest rate swap – Cash flow hedges	2,877	–	2,877	–

#### UNIVERSITY 2019

<b>Financial liabilities</b>				
Forward foreign exchange contracts – Non-hedges	30	–	30	–
Interest rate swap – Cash flow hedges	1,904	–	1,904	–

#### CONSOLIDATED 2019

<b>Financial assets</b>				
Unlisted shares held by Subsidiaries	2,973	–	2,973	–
<b>Financial liabilities</b>				
Forward foreign exchange contracts – Non-hedges	30	–	30	–
Interest rate swap – Cash flow hedges	1,904	–	1,904	–

## NOTE 24

### FINANCIAL INSTRUMENT RISKS

Auckland University of Technology's activities expose it to a variety of financial risks including market risk (interest rate risk, currency risk and price risk), credit risk and liquidity risk. The University's Treasury Management Policy and overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the University. The University uses derivative financial instruments such as interest rate swaps and forward foreign exchange contracts to hedge certain risk exposures.

Financial risk management is carried out under the Treasury Management Policy approved by the Council of the University. The Council provides written principles for overall risk management, as well as policies covering specific areas such as interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

Treasury Management Policy does not allow any transactions that are speculative in nature to be entered into.

#### MARKET RISK

##### Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the University's financial instruments will fluctuate due to changes in market interest rates. Auckland University of Technology is exposed to interest rate risk from its interest-earning financial assets and interest-bearing liabilities.

The University is risk averse and seeks to minimise exposure arising from its treasury activities. It does not undertake unnecessary investment or borrowing activity, nor is it speculative in the activity it undertakes.

The University manages its interest rate risk on borrowings by using floating-to-fixed interest rate swaps. Such interest rate swaps have the economic effect of converting borrowings at floating rates and swapping them into fixed rates that are generally lower than those available if the University borrowed at fixed rates directly. Under the interest rate swaps, the University agrees with other parties to exchange, at specified intervals, the difference between fixed contract rates and floating-rate interest amounts calculated by reference to the agreed notional principal amounts.

##### Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. Auckland University of Technology has transactional currency exposure. Such exposure arises from the purchase of goods and services in currencies other than the local currency.

It is the University's Treasury Management Policy to manage foreign currency risks arising from contractual commitments and liabilities that are above specified amounts by entering into forward foreign exchange contracts, or supplier guaranteed New Zealand Dollar purchase price contracts, to hedge the foreign currency risk exposure.

##### Price risk

Auckland University of Technology is exposed to equity securities price risk. This arises from investments held by the University and classified in the Statement of Financial Position either as financial assets at fair value through other comprehensive revenue and expense, or financial assets at fair value through surplus or deficit.

The University does not manage the price risk arising from investments in equity securities. The price risk for the equity securities is immaterial in terms of the possible impact on surplus or deficit or total equity. It has therefore not been included in the sensitivity analysis.

##### Credit risk

Credit risk is the risk that a third party will default on its obligations to the University, thereby causing the University to incur a loss. The University's Treasury Management Policy limits the amount of credit exposure to any one financial institution or organisation. The University only invests funds with entities that have a Standard and Poor's or Moody's long-term credit rating of A or above.

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

**NOTE 24****FINANCIAL INSTRUMENT RISKS (continued)**

The maximum credit exposure for each class of financial instrument is as follows:

	<b>University</b>		<b>Consolidated</b>	
	<b>2020 Actual \$000s</b>	<b>2019 Actual \$000s</b>	<b>2020 Actual \$000s</b>	<b>2019 Actual \$000s</b>
Cash and cash equivalents	<b>329</b>	679	<b>1,728</b>	3,335
Other financial asset – term deposits	<b>4,500</b>	10,906	<b>7,000</b>	11,706
Receivables	<b>61,032</b>	40,329	<b>61,304</b>	40,731
<b>TOTAL CREDIT RISK</b>	<b>65,861</b>	51,914	<b>70,032</b>	55,772

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:

	<b>University</b>		<b>Consolidated</b>	
	<b>2020 Actual \$000s</b>	<b>2019 Actual \$000s</b>	<b>2020 Actual \$000s</b>	<b>2019 Actual \$000s</b>
<b>COUNTERPARTIES WITH CREDIT RATINGS</b>				
<b>Cash and cash equivalents</b>				
AA-	<b>329</b>	679	<b>1,728</b>	3,335
<b>TOTAL CASH AND CASH EQUIVALENTS</b>	<b>329</b>	679	<b>1,728</b>	3,335
<b>Other financial asset – term deposits</b>				
AA-	<b>4,500</b>	10,906	<b>7,000</b>	11,706
<b>TOTAL SHORT-TERM INVESTMENTS</b>	<b>4,500</b>	10,906	<b>7,000</b>	11,706

Receivables arise mainly from the University's operating activities, therefore there are no procedures in place to monitor or report the credit quality of receivables with reference to internal or external credit ratings. The University is not exposed to any material concentrations of credit risk. Receivable balances are monitored on an on-going basis to ensure that the exposure to bad debts is not significant.

**NOTE 24****FINANCIAL INSTRUMENT RISKS (continued)****Liquidity risk****Management of liquidity risk**

Liquidity risk is the risk that the University will encounter difficulty raising liquid funds to meet commitments as they fall due. Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of unutilised committed credit facilities.

The University manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. To provide flexibility in the management of the University's liquidity, the University has established revolving advance facility agreements

(and the accompanying negative pledge deed) with the banks as disclosed in Note 19.

**Contractual maturity analysis of financial liabilities**

The table below analyses the University's financial liabilities into relevant maturity groupings based on the remaining period at balance date to the contractual maturity date. Future interest payments on floating rate debt are based on the floating rate on the instrument at balance date. The amounts disclosed are the contractual undiscounted cash flows.

	Carrying amount \$000s	Contractual Cash flows \$000s	Less than 1 year \$000s	1-5 years \$000s	More than 5 years \$000s
<b>UNIVERSITY 2020</b>					
Payables	39,646	39,646	39,646	-	-
Net settled derivative liabilities	3,164	3,164	468	2,696	-
Finance leases	19,055	20,618	7,756	12,862	-
Borrowings	64,850	73,749	2,215	15,554	55,980
<b>TOTAL</b>	<b>126,715</b>	<b>137,177</b>	<b>50,085</b>	<b>31,112</b>	<b>55,980</b>

**CONSOLIDATED 2020**

Payables	40,989	40,989	40,989	-	-
Net settled derivative liabilities	3,164	3,164	468	2,696	-
Finance leases	19,055	20,618	7,756	12,862	-
Borrowings	64,850	73,749	2,215	15,554	55,980
<b>TOTAL</b>	<b>128,058</b>	<b>138,520</b>	<b>51,428</b>	<b>31,112</b>	<b>55,980</b>

**UNIVERSITY 2019**

Payables	35,042	35,042	35,042	-	-
Net settled derivative liabilities	1,934	1,934	492	1,442	-
Finance leases	19,544	21,837	6,982	14,620	235
Borrowings	96,900	112,105	2,971	52,707	56,427
<b>TOTAL</b>	<b>153,420</b>	<b>170,918</b>	<b>45,487</b>	<b>68,769</b>	<b>56,662</b>

**CONSOLIDATED 2019**

Payables	36,098	36,098	36,098	-	-
Net settled derivative liabilities	1,934	1,934	492	1,442	-
Finance leases	19,544	21,837	6,982	14,620	235
Borrowings	96,900	112,105	2,971	52,707	56,427
<b>TOTAL</b>	<b>154,476</b>	<b>171,974</b>	<b>46,543</b>	<b>68,769</b>	<b>56,662</b>

**NOTE 24****FINANCIAL INSTRUMENT RISKS (continued)****Contractual maturity analysis of financial assets**

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

	Carrying amount \$000s	Contractual Cash flows \$000s	Less than 1 year \$000s	1-5 years \$000s	More than 5 years \$000s
<b>UNIVERSITY 2020</b>					
Cash and cash equivalents	329	329	329	-	-
Receivables	61,032	61,032	61,032	-	-
Other financial assets	4,500	4,500	4,500	-	-
<b>TOTAL</b>	<b>65,861</b>	<b>65,861</b>	<b>65,861</b>	<b>-</b>	<b>-</b>
<b>CONSOLIDATED 2020</b>					
Cash and cash equivalents	1,728	1,728	1,728	-	-
Receivables	61,304	61,304	61,304	-	-
Other financial assets	7,000	7,000	7,000	-	-
<b>TOTAL</b>	<b>70,032</b>	<b>70,032</b>	<b>70,032</b>	<b>-</b>	<b>-</b>
<b>UNIVERSITY 2019</b>					
Cash and cash equivalents	679	679	679	-	-
Receivables	40,329	40,329	40,329	-	-
Other financial assets	10,906	10,906	10,906	-	-
<b>TOTAL</b>	<b>51,914</b>	<b>51,914</b>	<b>51,914</b>	<b>-</b>	<b>-</b>
<b>CONSOLIDATED 2019</b>					
Cash and cash equivalents	3,335	3,335	3,335	-	-
Receivables	40,731	40,731	40,731	-	-
Other financial assets	11,706	11,706	11,706	-	-
<b>TOTAL</b>	<b>55,772</b>	<b>55,772</b>	<b>55,772</b>	<b>-</b>	<b>-</b>



**NOTE 24****FINANCIAL INSTRUMENT RISKS (continued)****SENSITIVITY ANALYSIS**

The tables below illustrate the potential effect on the surplus or deficit and equity (excluding general reserve) for reasonably possible market movements, with all other variables held constant, based on the financial instrument exposures at balance date.

2020	University				Consolidated			
	+100 bps		-100 bps		+100bps		-100 bps	
	Surplus \$000s	Other equity \$000s	Surplus \$000s	Other equity \$000s	Surplus \$000s	Other equity \$000s	Surplus \$000s	Other equity \$000s
<b>INTEREST RATE RISK</b>								
<b>Financial assets</b>								
Cash and cash equivalents	3	-	(3)	-	17	-	(17)	-
Other financial assets	45	-	(45)	-	70	-	(70)	-
<b>Financial liabilities</b>								
Interest rate swaps	-	186	-	(186)	-	186	-	(186)
Borrowings	(49)	-	49	-	(49)	-	49	-
<b>TOTAL SENSITIVITY TO INTEREST RATE RISK</b>	<b>(1)</b>	<b>186</b>	<b>1</b>	<b>(186)</b>	<b>38</b>	<b>186</b>	<b>(38)</b>	<b>(186)</b>

2020	University				Consolidated			
	+10%		-10%		+10%		-10%	
	Surplus \$000s	Other equity \$000s	Surplus \$000s	Other equity \$000s	Surplus \$000s	Other equity \$000s	Surplus \$000s	Other equity \$000s
<b>CURRENCY RISK</b>								
<b>Financial assets</b>								
Cash and cash equivalents	(24)	-	30	-	(24)	-	30	-
Receivables	-	-	-	-	-	-	-	-
<b>Financial liabilities</b>								
Payables	101	-	(124)	-	101	-	(124)	-
Forward foreign exchange contracts	(371)	-	299	-	(371)	-	299	-
<b>TOTAL SENSITIVITY TO CURRENCY RISK</b>	<b>(294)</b>	<b>-</b>	<b>205</b>	<b>-</b>	<b>(294)</b>	<b>-</b>	<b>205</b>	<b>-</b>

**NOTE 24****FINANCIAL INSTRUMENT RISKS (continued)**

2019	University				Consolidated			
	+100 bps		-100 bps		+100bps		-100 bps	
	Surplus \$000s	Other equity \$000s	Surplus \$000s	Other equity \$000s	Surplus \$000s	Other equity \$000s	Surplus \$000s	Other equity \$000s
<b>INTEREST RATE RISK</b>								
<b>Financial assets</b>								
Cash and cash equivalents	7	-	(7)	-	33	-	(33)	-
Other financial assets	109	-	(109)	-	117	-	(117)	-
<b>Financial liabilities</b>								
Interest rate swaps	-	272	-	(272)	-	272	-	(272)
Borrowings	(249)	-	249	-	(249)	-	249	-
<b>TOTAL SENSITIVITY TO INTEREST RATE RISK</b>	<b>(133)</b>	<b>272</b>	<b>133</b>	<b>(272)</b>	<b>(99)</b>	<b>272</b>	<b>99</b>	<b>(272)</b>

2019	University				Consolidated			
	+10%		-10%		+10%		-10%	
	Surplus \$000s	Other equity \$000s	Surplus \$000s	Other equity \$000s	Surplus \$000s	Other equity \$000s	Surplus \$000s	Other equity \$000s
<b>CURRENCY RISK</b>								
<b>Financial assets</b>								
Cash and cash equivalents	(30)	-	36	-	(30)	-	36	-
Receivables	(3)	-	4	-	(3)	-	4	-
<b>Financial liabilities</b>								
Payables	58	-	(71)	-	58	-	(71)	-
Forward foreign exchange contracts	(399)	-	487	-	(399)	-	487	-
<b>TOTAL SENSITIVITY TO CURRENCY RISK</b>	<b>(374)</b>	<b>-</b>	<b>456</b>	<b>-</b>	<b>(374)</b>	<b>-</b>	<b>456</b>	<b>-</b>

**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 100 bps is equivalent to a decrease in interest rates of 1.0%. The sensitivity for interest rate swaps has been calculated using a derivative valuation model based on a parallel shift in interest rates of -100bps/+100bps (2019: -100bps/+100bps).

**EXPLANATION OF CURRENCY RISK SENSITIVITY**

The currency sensitivity is based on a reasonable possible movement in foreign exchange rates, with all other variables held constant, measured as a percentage movement in the foreign exchange rate. The sensitivity for foreign exchange derivatives has been calculated using a derivative valuation model based on movement in foreign exchange rates of -10%/+10% (2019: -10%/+10%).

**EXPLANATION OF EQUITY PRICE RISK SENSITIVITY**

The sensitivity for listed shares has been calculated based on a -10%/+10% (2019: -10%/+10%) movement in the quoted bid share price at year end for the listed shares.

**NOTE 25****CAPITAL MANAGEMENT**

The University's capital is its equity, which comprises retained surpluses and reserves. Equity is represented by net assets. The University manages its revenue, expenses, assets, liabilities, and general financial dealings prudently. The University's equity is largely managed as a result of managing revenue, expenses, assets and liabilities.

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

**NOTE 26****SEGMENTAL INFORMATION**

Auckland University of Technology operates predominantly in one industry, tertiary education, and in one geographical area, Auckland, New Zealand.

**NOTE 27****EXCEPTIONAL RISKS OF OPERATING**

There are a number of factors that could adversely affect Auckland University of Technology's operating surplus. Most notably, international student revenue could be affected by a

significant change to New Zealand's, or foreign governments', immigration or visitors' permits policies. 21% (2019: 22%) of total revenue is derived from International student fees.

**NOTE 28****CONTINGENCIES****CONTINGENT ASSETS**

There are no contingent assets as at 31 December 2020 (2019: Nil).

**CONTINGENT LIABILITIES**

There are no contingent liabilities as at 31 December 2020 (2019: Nil).

## NOTE 29

### EVENTS AFTER THE REPORTING PERIOD

There are no material non-adjusting events after the reporting date.

## NOTE 30

### COMPARATIVE YEAR FINANCIAL STATEMENTS

Certain comparative figures in the prior year have been reclassified to conform with this year's presentation.

## NOTE 31

### EXPLANATION OF VARIANCES AGAINST BUDGET

Explanations for major variances against the consolidated group budget are as follows. Please note the 2020 budget was prepared prior to the COVID-19 pandemic and closure of New Zealand borders.

#### STATEMENT OF FINANCIAL PERFORMANCE

##### Government grants

Government grants were \$5.2 million above budget. This was mainly due to the additional \$3.2 million Hardship Fund and Technology Access Fund for Learners received.

##### Student-derived revenue

Student-derived revenue was \$6.9 million below budget. This was mainly due to reduced international student numbers, as a result of the pandemic-related disruption and closure of the New Zealand border. International EFTS were 323 lower than budget.

##### Research revenue

Research grants recognised in 2020 were \$2.6 million above budget, driven by higher external research revenue being generated.

##### Other revenue

Other revenue was \$13.8 million below budget. This was mostly a result of fewer revenue-generating activities and reduced commercial activities, including student accommodation, cafeterias and gymnasiums.

##### Personnel costs

Personnel costs were \$1.9 million above budget driven by the Voluntary Enhanced Leaving Programme (VELP), and an increase in annual leave provision during the year, which offset savings from a recruitment freeze.

##### Supplies and other costs

Supplies and other costs were \$6.9 million below budget, as a result of the expenditure reduction programme implemented to mitigate the impact of Covid-19 on the University. Travel, facility, marketing, and administration expenses were all reduced.

##### Depreciation, amortisation and impairment

Depreciation, amortisation and impairment were \$3.6 million below budget, mainly as a result of the freeze on capital expenditure and the delay of a major capital project (A1 Building at North Campus).

##### Finance costs

Finance costs were \$1.2 million below budget, mainly due to minimised cash spending (both for operating and capital expenditure) and lower interest rates.

**Receivables**

Receivables were \$1.3 million above budget. This was mainly due to the timing of receipts compared to budget.

**Other financial assets**

Other financial assets were \$6.1 million below budget. This was largely a result of the maturing of short-term bank deposits during the year.

**Investments accounted for using the equity method**

Investments accounted for using the equity method were \$7.9 million above budget. This was mainly due to the share of the joint venture's asset revaluation reserve in 2019 that was not reflected in the budget.

**Property, plant and equipment**

Property, plant and equipment were \$34.7 million above budget. This was mainly due to an unbudgeted \$81.6 million increase in the revaluation of land and buildings in 2019. It was offset by lower capital expenditure during the year.

**Intangible assets**

Intangible assets were \$2.7 million below budget. This was mainly due to the delayed investment in software-related capital expenditure projects during the year.

**Deferred revenue**

Deferred revenue was \$6.7 million above budget, mainly due to the timing of student fee invoices compared to budget.

**Employee entitlements**

Total employee entitlements were \$31.3 million. This was \$4.3 million above budget, mostly as a result of higher-than-budgeted annual leave accruals.

**Bank borrowings**

Bank borrowings were \$63.9 million below budget at year-end. This was mainly due to minimised cash spending and lower-than-budgeted capital expenditure during the year.

**Revaluation reserves**

Revaluation reserves were \$88.1 million above budget. This was mainly due to unbudgeted increases in the revaluation of land and buildings in 2019 (\$81.6 million), and the share of the joint venture's asset revaluation reserve in 2019 (\$8.1 million).

**STATEMENT OF CASH FLOWS****Operating activities**

Cash flows from operating activities are significantly lower than budget. This was driven by reduced operating expenditure and lower interest costs.

**Investing activities**

Cash flows from investing activities are lower than budget, reflecting the deferral of capital expenditure on software and the A1 development.

**Financing activities**

Cash flows from financing activities are higher than budget reflecting the repayment of bank borrowings.



## NOTE 32

### THE EFFECTS OF COVID-19 ON THE UNIVERSITY

On 11 March 2020, the World Health Organisation declared the outbreak of COVID-19 a pandemic, and two weeks later the New Zealand Government declared a State of National Emergency, moving the country up to COVID-19 Alert Level 3 (Restrict). Midday on 25 March 2020, New Zealand moved to COVID-19 Alert Level 4 (Eliminate), and the entire nation went into self-isolation (lockdown). The country moved to COVID-19 Alert Level 3 on 27 April 2020 until COVID-19 Alert Level 2 on 13 May 2020, whereby the State of National Emergency expired.

During this period, the University closed all delivery sites and brought forward the mid-semester break to align with the new timing of the school holidays in New Zealand. Most staff worked from home and teaching was delivered online after the mid-semester break. After 13 May, when New Zealand moved to lower Alert Levels, students were able to attend classes on-site or continue to access classes remotely.

The effect of COVID on our operations is based on information available at the date these financial statements are approved. These are explained below.

#### Revenue

Tertiary institutions were advised by the Minister of Education that Government SAC and fees-free funding would not need to be repaid regardless of student enrolments and performance in 2020. Student-derived revenue was slightly higher than 2019 but down 3.5% on budget expectations, reflecting the impact of lower international student enrolments. This decrease was primarily attributed to the disruption caused by the pandemic and resulting closure of New Zealand's borders to non-New Zealand citizens.

Student accommodation, conference events, and other commercial activities such as the University's cafes and restaurants were also affected by the campus closures. Once the campuses re-opened, activity remained below usual levels due to the initial hesitancy of staff and students to return to usual activities.

Overall revenue of \$425 million was \$3.4 million less than 2019, and lower than the 2020 budget by \$12.1 million.

#### Operating expenses

COVID caused additional unplanned expenditure which included, but was not limited to, increased cost of delivery reflecting the transition to online delivery, and the subsequent duplication of delivery post-lockdown for those students enrolled off-shore or reluctant to initially return to campus. In addition, the University rolled out a digital access programme to support students who did not have access to a computer and/or access to the internet from home. The University also established additional hardship funds to support students with necessities during and after lockdown as a result of the economic impact of COVID. The University also directly incurred costs for increased health and safety compliance in support of staff and students returning to campus.

To respond to the impact of reduced revenue and higher costs caused by COVID, the University implemented steps to deliver cost savings to mitigate the financial shortfall. This included implementing a freeze on both staff recruitment and University travel from April 2020. There were some cost benefits from the campus closures such as reduced utilities, property rental rebates and cleaning costs. The cost savings related to accommodation were passed directly to students. The University also halted major capital projects such as the A1 Facility and the fit-out of WZ levels 9-12. This was initially designed to reduce the University's debt requirements but subsequently delivered cost savings in the form of reduced interest expense and depreciation.

COVID is projected to have an ongoing impact on the University's finances. Some of the savings described above were redeployed to fund staff restructuring where demand for services was forecast to be significantly affected in the foreseeable future and to enable a Voluntary Enhanced Leaving programme (VELP) to help manage the financial impacts of the projected reduction in international enrolments.

Overall operating expenditure was \$1.5 million more than 2019 and \$9.1 million lower than budget, reflecting the overall effects of the above actions taken by the University to mitigate COVID in 2020.

#### Other

Except for the impact on several key performance indicators, as outlined in the Statement of Service Performance, there are no other items in the Annual Report that were significantly affected by COVID during 2020, reflecting the robust strength of the University's balance sheet, and the considered and agile manner University management and staff responded to the pandemic.











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April 2021  
AR-04/2021-250  
ISSN 2537-8643