

Finance Committee MINUTES | PART A
 18 September 2024
 HYBRID | Council Meeting Room and via Zoom
 8 am to 10 am



<p>Present: Rob McDonald (Chair), Cecilia Tarrant, Professor Dawn Freshwater, Cathy Quinn, John Paitai, Gemma Skipper, Professor Julia Tolmie and Hala Barakat</p> <p>In Attendance: Adrienne Cleland, Tim Bluett, Helen Cattnach, Pamela Moss, Cameron Thomas, Patricia Yap, and Ruwani Dharmawardana</p>		
<p>1. Apologies</p>	<p>Apology for absence was received from J Arnott-Neenee.</p>	
<p>2. Disclosures of Interest</p>	<p>The attention of Members was drawn to the Conflicts of Interest Policy and the need to disclose any interest in an item on the agenda of the meeting as set out in Schedule 11, Clause 8 of the Education and Training Act 2020.</p> <p>No further disclosures were made.</p>	
<p>3. Minutes of Finance Committee of 12.08.2024</p>	<p>Item No 3.1: Minutes, Part A 12.08.2024</p> <p>Item No 3.2: Matters Arising from the Minutes, Part A, not elsewhere on the agenda.</p> <p>No matters were discussed that needed further attention, as part of the follow-up from the previous meeting.</p>	<p>RESOLVED (Chair Professor Julia Tolmie) that the Minutes, Part A, of the Finance Committee held on 12.08.2024 be taken as read and confirmed.</p>
<p>4. Other Matters for Decision or Noting</p>	<p>None</p>	

Other Matters for Decision or Noting

The following section has been approved for insertion into Part A of the minutes. It contains the 2024 Forecast Performance summary for the Finance Committee.

University and UniServices	2022	2023	2024		
	Actual	Actual	Forecast	Budget	var
EFTS					
Domestic	30,291	29,072	30,051	29,112	939
International	4,999	5,607	5,695	5,782	(87)
Other	537	658	785	549	236
	35,827	35,337	36,531	35,443	1,088
Income & Expenditure (\$m)					
TEC funding	380.8	375.2	420.7	413.3	7.4
Fees	382.2	411.8	436.5	434.5	1.9
PBRF/Other	118.8	123.7	127.8	119.5	8.4
	881.8	910.7	985.0	967.3	17.7
People Costs	317.9	337.2	367.9	361.4	(6.5)
Opex & depreciation	67.0	70.3	77.3	70.9	(6.4)
T&R Contribution	496.9	503.2	539.8	535.0	4.8
Research Revenue	346.7	351.1	361.8	370.3	(8.5)
Research Expenditure	308.9	319.5	330.7	340.2	9.5
Research Contribution	37.7	31.5	31.1	30.1	1.0
Other revenue	161.9	196.5	209.2	200.9	8.3
People Costs & Opex	428.3	522.1	570.3	549.2	(21.1)
Depreciation	176.8	178.3	186.5	193.9	7.4
Other contribution	(443.1)	(503.8)	(547.7)	(542.2)	(5.5)
Operating Surplus	91.5	30.9	23.2	22.9	0.3
Fair value adjustments	31.5	80.6	(17.7)	(6.2)	(11.5)
Net Surplus	123.0	111.4	5.6	16.7	(11.2)

A refresh of the May forecast has been undertaken, reflecting actual enrolments and results to 31 July 2024. Forecasts and comparatives in the table to the left show the consolidation of the University and UniServices excluding the Foundation.

The forecast Operating Surplus is \$23.3m, now close to budget and improving on the previous forecast primarily due to improved enrolment expectations, changes to the timing of property project expenses, the revision of 2024 scholarship numbers and some initial financial improvement savings.

Enrolment numbers are 1,088 EFTS higher than budget, growing by 3.3% over last year especially among new domestic undergraduates and postgraduate taught students. With the second semester enrolments now secure, undergraduate retention has improved and returning domestic undergraduates are much of the forecast improvement, but with 42 additional international EFTS also.

TEC funding reflects the 5% inflationary increase and the additional 4% temporary funding increment from the previous Government. Teaching costs are ahead of budget.

The improved research contribution reflects improved project margins at UniServices.

Other costs are forecast above budget, reflecting the progress of key strategic projects, including the implementation of a new software-as-a-service enterprise system.

Amortisation charges from the non-cash fair value gains recognised in previous years relating to an interest-free loan and asset gifts will amount to nearly \$18m in 2024.

TEC risk ratios remain at lower risk levels.

<p>5. Leave of Absence</p>	<p>No leave of absence was received for the meeting scheduled for 20.11.2024.</p>	
<p>6. Public Exclusions</p>	<p>The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:</p> <p>General subject of each matter to be considered:</p> <p>Item No 7.1: Finance Committee Meeting 12 August 2024, Minutes Part B</p> <p>Item No 7.2: Finance Committee Meeting 12 August 2024, Matters Arising from Minutes, Part B</p> <p>Item No 8.0: Financial Performance 2024 to 2026</p> <p>Item No 9.0: TEC risk assessment of University of Auckland</p> <p>Item No. 10.0: Treasury Management, Compliance and Cash Flow Report</p> <p>Item No. 11.0: Domestic Student Fees 2025 and International Student Fees 2026</p> <p>Reason for passing this resolution in relation to each matter: The protection of the interests mentioned below.</p> <p>Grounds under section 48(1) for the passing of this resolution: Those in Section 9 of the Official Information Act 1982 namely:</p> <ul style="list-style-type: none"> i) To protect the privacy of the persons referred to in the recommendations and to maintain the confidentiality of those recommendations; and ii) To enable the University to carry on without prejudice or disadvantage negotiations; and iii) To prevent the disclosure or use of Official Information for improper gain or advantage. 	<p>RESOLVED (Chair Professor Dawn Freshwater) that the public be excluded from Part B of this meeting AND THAT Ms Cleland, Mr Bluett, Ms Cattanach, Ms Moss, Mr Thomas, Ms Yap, and Ms Dharmawardanabe be permitted to remain for this part of the meeting, after the public be excluded, because of their knowledge of the matters to be discussed.</p> <p>This knowledge, which will be of assistance in relation to the matters to be discussed, is relevant to those matters because they relate to aspects of the administration of the University of Auckland for which those persons are responsible.</p>

The meeting moved into a Public Excluded session at 08.05 am.

The meeting closed at 9.20 am.

Approved as a true and correct record.

Rob McDonald, Chair

Date: