Tertiary Education Commission
Te Amorangi Mātauranga Matua

Aide-Memoire: Overview of the University of Auckland

To:	Hon Dr Shane Reti, Minister for Universities
From:	Tim Fowler, Chief Executive, Tertiary Education Commission
Date:	28 February 2025
Reference:	AM-25-00189

Purpose

1. This aide-memoire provides you with a detailed overview of the University of Auckland (Auckland) and its combined operational and financial performance. It includes an overview of Auckland's educational delivery and the provision it delivers. This report is informed by information gained from regular reporting and engagements that occur across all universities.

2. This paper builds off our previous background papers on the TEC's monitoring role (AM-25-00053 refers) and infrastructure management in the university sector (AM-25-00089 refers).

Our overall assessment of Auckland

3. The TEC considers Auckland as a low-risk institution. It that has a clear strategy in place, a strong management team, and a solid understanding of its operating environment and learner markets. It is our biggest and highest ranked university and performs well on nearly all metrics. Its historical financial performance has been strong, delivering strong cash flow from operations, and its operations are well managed. 9(2)(b)(ii) [redacted] Given its position, the TEC has a 'light touch' monitoring relationship with the university.

Overview of Auckland's educational delivery model

Auckland has a single campus, multi-discipline model

4. Auckland is New Zealand's largest university and now operates from a central Auckland city campus. It had just over 9(2)(b)(ii) [redacted]) which is just under double that of the 9(2)(b)(ii) [redacted].

5. Auckland reported a record high of 36,812 total EFTS in 2024 with a campus-based to extramural split of 35,326 EFTS to 1,486 EFTS (5 percent extramural). In the same period, Auckland also saw record levels of student numbers with 48,671 learners enrolled across all delivery modes.

6. Auckland has a similar age profile to most other universities. Learners under the age of 25 years comprise 78 percent of DQ-funded EFTS, with the 4-year age band of 18 to 21 representing 60 percent of total EFTS.

7. Three-quarters (76 percent) of Auckland's delivery is to learners who are studying towards a bachelor, or bachelor with honours degree, as shown in *Table 1*. Overall, Auckland delivered 25 percent of TEC-funded EFTS in the university sector in 2024. With Auckland's mix of provision slightly weighted towards more expensive disciplines, this increases to 27 percent of all TEC-funded delivery in the university sector.

8. Auckland offers a comprehensive range of courses covering nearly all major disciplines taught within New Zealand universities. Key exceptions are agricultural disciplines (including veterinary science) and dentistry. Auckland is slightly above sector averages in its delivery of natural and physical sciences, information technology, and engineering (STEM areas) 9(2)(b)(ii) [redacted]

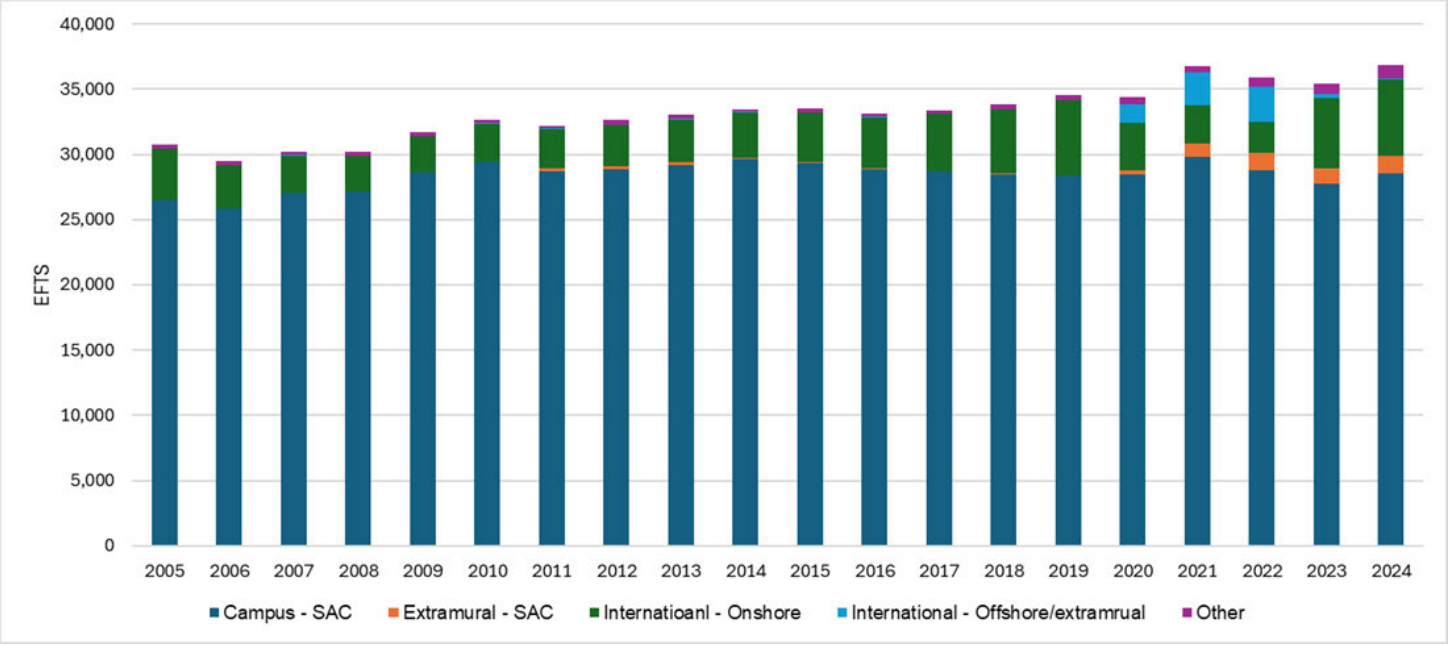
Total enrolments

Auckland has seen comparatively steady growth over time…

9. Auckland has maintained relatively stable growth in total EFTS over time and has not experienced sharp declines like 9(2)(b)(ii) [redacted]. As shown in *Figure 1*, across 2006 to 2024 Auckland has grown total EFTS at an average of 1.2 percent per annum. With delivery to 36,812 total EFTS in 2024, Auckland is delivering a total level of enrolments similar to the 2021 COVID-19 peak, driven by higher international EFTS. Domestic-DQ funded enrolments at 29,889 EFTS are 3.0 percent below the 2021 peak.

10. At 5,907 EFTS in 2024, full-fee international EFTS are the highest on record and exceed pre-COVID-19 levels by 1.5 percent (and is up 2.9 percent when offshore delivery is included) – the only university[1] that has so far achieved this.

Figure 1 – Auckland total EFTS, 2005 to 2024



[1] 9(2)(b)(ii) [redacted]

9(2)(b)(ii) [redacted]

Domestic enrolments

Auckland's mix of delivery is close to the university sector average…

12. As shown in *Table 1*, Auckland has a qualification structure very close to the university system average, with just over 75 percent of its delivery being at bachelor or bachelor with honours level. Auckland does however have slightly higher bachelor with honours than the rest of the sector, largely due to its engineering school and the primary engineering offering being a 4-year bachelor with honours qualification. Auckland also has a higher level of PhD students than the overall sector average (7.0 percent versus 5.6 percent).

Table 1 – Auckland market share by level of study

SAC/DQ all levels (2024)	Auckland (EFTS)	Auckland (%)	University sector	Uni's (%)	Auckland difference	Auckland market share
Sub-degree	670	2.2%	3,336	2.8%	-0.6%	20.1%
Bachelor	17,873	59.8%	77,717	65.7%	-5.9%	23.0%
Bachelor with Hons	4,761	15.9%	13,037	11.0%	+4.9%	36.5%
Cert of Prof	354	1.2%	1,503	1.3%	-0.1%	23.6%
Grad Cert/Dip	583	2.0%	2,122	1.8%	+0.2%	27.5%
PG Cert and Dip	1,350	4.5%	4,607	3.9%	+0.6%	29.3%
Masters	2,200	7.4%	9,349	7.9%	-0.5%	23.5%
PhD	2,098	7.0%	6,592	5.6%	+1.4%	31.8%
Total DQ-funded EFTS	**29,889**	**100.0%**	**118,263**	**100.0%**		**25.3%**

13. Using the New Zealand Standard Classification of Education (NZSCED), Auckland delivers slightly more provision across NZSCED's 1 to 6 (other than agriculture) than the rest of the university sector (see *Table 2*). The largest favourable gap relates to engineering where both Auckland, and the University of Canterbury (UC), have particularly large engineering schools. Auckland is correspondingly lower than sector averages across NZSCED's 7 to 12 with society and culture and creative arts having the largest negative gaps. These two areas are a space which VUW has proportionally higher levels of delivery.

14. While medical studies at Auckland only represents 2.6 percent of its EFTS, the high funding rate means that this delivery represents 7.8 percent of its TEC funding. At a university sector level, medical studies represent 2.1 percent of total EFTS and 7.4 percent of system costed delivery.

Table 2 – Auckland DQ course disciplines relative to the university sector

SAC/DQ all levels (Course NZSCED)	2024	2024 (%)	University sector	Uni's (%)	Auckland difference
01: Natural and Physical Sciences	4,838	16.2%	16,308	13.8%	+2.4%
02: Information Technology	1,653	5.5%	6,588	5.6%	0.0%
03: Engineering and Related Tech	4,032	13.5%	9,819	8.3%	+5.2%
04: Architecture and Building	795	2.7%	2,753	2.3%	+0.3%
05: Agriculture, Environment & Related	247	0.8%	1,727	1.5%	-0.6%
06: Health (Medical Studies)	786	2.6%	2,504	2.1%	+0.5%
06: Health (All other disciplines)	3,604	12.1%	14,064	11.9%	+0.2%
07: Education	1,375	4.6%	6,801	5.8%	-1.1%
08: Management and Commerce	3,607	12.1%	15,751	13.3%	-1.2%

09: Society and Culture	7,603	25.4%	32,890	27.8%	-2.4%
10: Creative Arts	1,326	4.4%	8,425	7.1%	-2.7%
11: Food, Hospitality and Personal Service	1	-	141	0.1%	-0.1%
12: Mixed Field Programs	21	0.1%	457	0.4%	-0.3%
Total DQ-funded EFTS	**29,889**	**100.0%**	**118,263**	**100.0%**	

…with 95 percent of domestic delivery occurring on-campus...

15. As shown in *Table 3*, Auckland has 95 percent of its domestic delivery as Campus delivery, while distance delivery is only 5 percent of its total. Auckland holds a 28 percent market share of campus-based delivery while its distance/extramural market share is only 9 percent.

Table 3 – Auckland market share by delivery mode

SAC/DQ all levels (2024)	**Auckland (EFTS)**	**Auckland (%)**	**University sector**	**Uni's (%)**	**Auckland difference**	**Auckland market share**
Campus delivery	28,507	95.4%	102,408	86.6%	+8.8%	27.8%
Distance/Extramural	1,382	4.6%	15,855	13.4%	-8.8%	8.7%
Total DQ-funded EFTS	**29,889**	**100.0%**	**118,263**	**100.0%**		**25.3%**

…and 78 percent of its students are younger than 25 years old…

16. *Table 4* sets out the age groups of Auckland learners. It shows that Auckland's delivery to all three younger age groups is broadly in line (albeit slightly above) sector averages. These three age groups collectively account for 78 percent of Auckland's TEC funded delivery. Only 12 percent of Auckland's EFTS are aged 30 plus with PhDs making up 1,018 EFTS of that 3,690 EFTS total. While Auckland's market share is typically 25 to 28 percent across younger ages, it falls to 19 percent for students aged 30 and older.

Table 4 – Auckland delivery relative to the university sector by age

SAC/DQ all levels (2024)	**Auckland (EFTS)**	**Auckland (%)**	**University sector**	**Uni's (%)**	**Auckland difference**	**Auckland market share**
Age 19 and younger	9,227	30.9%	35,675	30.2%	+0.7%	25.9%
Age 20 to 21	8,901	29.8%	33,421	28.3%	+1.5%	26.6%
Age 22 to 24	5,271	17.6%	18,906	16.0%	+1.6%	27.9%
Age 25 to 29	2,799	9.4%	11,212	9.5%	-0.1%	25.0%
Age 30 plus	3,690	12.3%	19,049	16.1%	-3.8%	19.4%
Total DQ-funded EFTS	**29,889**	**100.0%**	**118,263**	**100.0%**		**25.3%**

…with a high number of younger learners coming from the Auckland region…

17. While Auckland draws some of its youth student base from around the country, in recent years roughly 81 percent of its 18-to-21-year-old EFTS (which is just over 60 percent of its total EFTS volume) attended a last high school from the Auckland region. This means that Auckland's future DQ-funded EFTS are likely to be strongly influenced by the size of the Auckland school roll, which saw age 17 learners increase by 8.8 percent in 2024. This is a strong indicator of a healthy student pipeline for Auckland to increase its enrolments.

…with almost all delivery occurring from its central city campus…

18. Over the past 10 years, Auckland has been progressively consolidating its delivery onto its main central Auckland campus, along and around Symonds Street, which accommodated 45,524 students in 2024. 9(2)(b)(ii), 9(2)(i) [redacted]

19. While Auckland made use of offshore delivery sites to address COVID-19 related closed borders, by 2024 Auckland had merged its domestic and international delivery back onto its Auckland main campus. *Table 5* provides an overview of delivery site volumes since 2019.

Table 5 – Auckland total EFTS by delivery location

Auckland Total EFTS	2019	2020	2021	2022	2023	2024
Main campus	31,783	30,493	31,567	31,121	33,763	36,638
Epsom campus	1,792	1,663	1,922	1,325	1,080	67
Tamaki campus	701	41	15	7	2	0
Overseas delivery	0	1,839	2,689	3,028	388	18
Other locations (all <200 EFTS pa)	246	219	470	265	50	27
Total EFTS	**34,521**	**34,388**	**36,799**	**35,859**	**35,383**	**36,812**
Extramural EFTS within the totals above	*45*	*1,686*	*3,717*	*4,427*	*1,668*	*1,486*

International EFTS and international comparisons

International students are incredibly important to Auckland…

20. In the 2024 year, Auckland received 9(2)(b)(ii) of the university sector total) and is 9(2)(b)(ii). International tuition fees are a key revenue source for the university.

…and Auckland has a firm grasp on the Auckland market…

21. Across the university sector, Te Pūkenga, and TEC-funded private training establishments (PTEs), there were 16,538 international EFTS delivered in the Auckland region in 2024. Auckland is the largest provider within the Auckland market, holding a 36 percent market share. AUT and Massey collectively hold 26 percent market share, Te Pūkenga has 15 percent, and PTE's hold 24 percent. Auckland's international delivery is clearly diversified across multiple disciplines as shown by *Table 6*.

Table 6 – Auckland region full-fee international EFTS summary by course NZSCED

International EFTS (course NZSCED)	Auckland	AUT	Massey	TP	PTE's	Total
01: Natural and Physical Sciences	934	190	56	36	5	1,221
02: Information Technology	691	287	157	459	886	2,479
03: Engineering and Related Tech	505	568	73	120	43	1,309
04: Architecture and Building	112	18	113	329	14	587
05: Agriculture, Environment & Related	80	3	0	3	6	91
06: Health	266	228	4	317	413	1,228
07: Education	291	305	6	11	279	893
08: Management and Commerce	1,340	804	731	932	995	4,801
09: Society and Culture	1,245	179	191	136	1,063	2,814
10: Creative Arts	436	202	40	38	121	837
11: Food, Hospitality & Personal Service	4	34	0	3	143	184
12: Mixed Field Programs	3	29	0	44	17	93
Total full-fee international EFTS	**5,906**	**2,848**	**1,371**	**2,428**	**3,984**	**16,538**

…and a high number of international PhD students contribute to its overall research efforts…

22. Funding rules provide domestic fee status to international PhD students and international exchange students. Auckland had 2,098 PhD EFTS in 2024 (*refer Table 2*) with 1,065 of these EFTS (or just over half) being international onshore PhD students.

…with its high international rankings helping to attract and retain international students…

23. While several international rating agencies exist, the two systems that New Zealand universities report most frequently are the Times Higher Education (THE) rankings and the Quacquarelli Symonds (QS) rankings.

24. *Table 7* shows New Zealand's university rankings for the last three years through both scoring systems. Auckland has the highest consecutive ranking of any New Zealand university on both rating scales[2].

Table 7 – THE and QS international rankings 2023 to 2025

International Ranking	QS 2023 Ranking	SQ 2024 Ranking	QS 2025 Ranking	THE 2023 Ranking	THE 2024 Ranking	THE 2025 Ranking
Auckland	87 (1)	68 (1)	65 (1)	139 (1)	150 (1)	152 (1)
AUT	486 (8)	407 (8)	412 (8)	251-300 (2)	401-500 (6)	401-500 (5)
Waikato	331 (6)	250 (5)	235 (3)	401-500 (3)	401-500 (3)	401-500 (3)
Massey	292 (5)	239 (3)	239 (4)	601-800 (8)	501-600 (8)	501-600 (6)
VUW	275 (3)	241 (4)	244 (5)	401-500 (4)	401-500 (4)	401-500 (4)
UC	284 (4)	256 (6)	261 (6)	601-800 (7)	501-600 (7)	501-600 (8)
Lincoln	368 (7)	362 (7)	371 (7)	401-500 (5)	401-500 (5)	501-600 (6)
Otago	217 (2)	206 (2)	214 (2)	301-350 (3)	301-350 (2)	351-400 (2)

…however, despite Auckland's size, it still ranks behind many Australian G8 universities

25. Given its size, Auckland often compares its performance to Australian counterparts, particularly the Group of 8 (G8) research intensive Australian universities. Auckland currently has QS rankings that are higher than two G8 universities. *Table 8* lists the Oceania universities with a QS ranking in the top 100 and key metrics of those universities.

Table 8 – Oceania university scale metrics and QS ranking

	G8	*QS international ranking*	*Total revenue 2023*	*Net assets 2023*	*FTE levels*
University of Melbourne	✓	13	A$3.31b	A$8.3b	10,514 FTE
University of Sydney	✓	18	A$3.42b	A$6.9n	9,051 staff
The University of New South Wales	✓	19	A$2.69b	A$3.5b	6,936 FTE
Australian National University	✓	30	A$1.62b	A$3.7b	~4,000 FTE
Monash University	✓	37	A$3.28b	A$4.4b	8,828 FTE
The University of Queensland	✓	=40	A$2.57b	A$4.1b	8,509 FTE
The University of Auckland		65	NZ$1.55b	NZ$4.4b	6,330 FTE
The University of Western Australia	✓	77	A$1.13b	A$2.4b	3,240 FTE
The University of Adelaide	✓	=82	A$1.13b	A$2.2b	3,853 FTE
University of Technology Sydney		88	A$1.19b	A$2.2b	4,183 FTE

[2] THE published rankings involve banded scores. The within-band ranking presented below was established by using published individual category scores, and the TEC simply ordering these scores to determine overall rank.

Educational Performance Indicators (EPIs)

Auckland continues to deliver good outcomes to students who enrol there…

26. Auckland continually performs within the top half of university educational performance and as such, the TEC has very few quality concerns with Auckland's delivery. *Table 9* presents Auckland's three primary EPIs, with *Table 10* outlining the parity gap that exists across Māori and Pacific peoples. Whilst Auckland has a strong focus on improving educational outcomes for all learners, the data highlights that there is still a significant amount of change required to support outcomes which will better drive the economy going forward.

Table 9 – Auckland EPIs for DQ-funded delivery for the 2023 year

SAC/DQ funded EFTS only (2023 year)	***Course completion***	***Qualification completion***	***1st year retention***
Auckland result	89.3%	68.2%	80.4%
Sector ranking	Rank 3	Rank 2	Rank 2
Sector Average	87.8%	63.3%	76.5%
Sector median (of the other 7 universities)	86.9%	64.9%	74.9%

Table 10 – Auckland course completion EPIs for students identifying as Māori and Pacific

Auckland SAC/DQ-funded EFTS	***2018***	***2019***	***2020***	***2021***	***2022***	***2023***
Course completion rate – All	88.9%	89.1%	91.6%	89.4%	87.9%	89.3%
Course completion rate – Māori	85.3%	85.7%	87.4%	84.7%	81.6%	85.0%
Course completion rate – Pacific Peoples	75.2%	75.0%	80.3%	76.6%	72.3%	76.2%
Parity Gap - Māori	*-3.6%*	*-3.4%*	*-4.2%*	*-4.7%*	*-6.3%*	*-4.3%*
Parity Gap – Pacific Peoples	*-13.7%*	*-14.1%*	*-11.3%*	*-12.8%*	*-15.6%*	*-13.1%*

Financial performance

Auckland is considered a low-risk institution…

27. In the context of a sector that reports small profitability margins, Auckland's historical financial performance has been very strong. However, its recent results have been supported by one-off transactions and net trust investment returns, which has meant Auckland is reporting higher levels of profitability than what its core business is delivering. Nevertheless, the TEC consider Auckland a low-risk institution that has a strong management team that proactively reviews and adjusts its organisational structure and expenditure to maintain this level of high performance. Auckland is therefore considered 'low touch' from an overall risk monitoring perspective. ***Appendix 1*** provides the TEC's latest risk assessment letter dated 29 August 2024.

…and it received a $200 million interest free loan from the Crown…

28. The previous Government fast tracked funding for 'shovel-ready projects' as part of its COVID-19 recovery package. Several university projects were identified as suitable for funding, but it was only Auckland that ultimately secured funding. The $200 million, 10-year interest free loan was provided through Crown Infrastructure Partners (CIP) to assist with Auckland's B201 refurbishment project (which ultimately housed the faculties of Education and Social Work, Arts, and Creative Arts and Industries). This loan is now fully drawn down.

9(2)(b)(ii)

9(2)(b)(ii) [redacted]

…and a large software donation occurred in 2023…

30. Auckland's 2023 accounts included an "other revenue" item of $57.5 million of sponsorship. This was a result of gifted software assets as part of a sponsorship agreement resulting in a one-off gain (as a fair value estimate of the software), before being amortised over a 5-year period. This transaction occurred mid-way through 2023 so the net benefit into the 2023 accounts was approximately $50 million. Until amortised back down to zero, each subsequent period will have $11.5 million of additional amortisation expenses.

…and has high net trust income that supports its overall group results…

31. Since 2018, the University of Auckland Foundation and the University of Auckland Medical and Health Sciences Foundation have been consolidated into the University of Auckland group accounts. With over $400 million of investment assets, weak investment returns can negatively impact overall financial performance while strong market returns benefit Auckland's group result. Auckland also uses the Foundation to receive donations and bequests. Variability between the timing of these bequests and grants provided from the Foundation also impact financial performance. The net financial impact of the Foundation in the group accounts decreased the 2022 result by $18 million while it increased the 2023 result by $48 million, 9(2)(b)(ii) [redacted]

…meaning the underlying 2023 result was much weaker than it appears…

32. While the reported 2023 result was a surplus of $152 million, this result includes favourable accounting gains of $36 million from the CIP loan, roughly $50 million from the software donation and $48 million from net trust gains. With Auckland also receiving $14 million in interest in 2023, the combination of any profits on student accommodation plus all teaching and research activities (including to international students) resulted in an underlying net surplus of only $4 million.

9(2)(b)(ii), 9(2)(i) [redacted]

9(2)(b)(ii), 9(2)(i), 9(2)(j), 9(2)(ba)(i) [redacted]

37. Auckland also has a $300 million borrowing consent from the Secretary for Education. This consent has allowed Auckland to arrange a $200 million committed line of credit with commercial banks. As of 31 December 2024, this was undrawn. These funding options position Auckland well to implement its large capital expenditure plan and mean that liquidity is not an issue.

Table 11 – Auckland actual and projected financials 2022 to 2026

$m	***2022 actual***	***2023 actual***	9(2)(b)(ii) [redacted]
Domestic tuition revenues (SAC, Fees free, tuition fees)	$588	$582	
International Tuition revenues	$178	$203	
Research Revenues (inc PBRF)	$421	$423	
Other revenue (excluding net trust)	$198	$293	
Abnormal (Income tax gain)	-	-	
Interest income	$6	$14	
Net trust income	($18)	$48	
Total Revenue	**$1,372**	**$1,564**	
Personnel Costs	$661	$727	
Abnormal – Taxation	$0	$0	
Other operating Costs	$451	$508	
Interest expenses	-	$5	
Total Expenses excluding depreciation	**$1,112**	**$1,140**	
Depreciation and Amortisation expense	$162	$172	
Total expenses	**$1,274**	**$1,412**	
Net Surplus (Deficit)	**$98**	**$152**	
Analysis Metrics			
Net surplus before abnormal items	**$98**	**$152**	
Earnings before interest and depreciation, income tax and abnormal items (EBITDA)	**$255**	**$315**	
EBITDA (excluding Trusts)	**$273**	**$267**	
Net cash flow from operations	**$307**	**$202**	

9(2)(b)(ii) [redacted]

9(2)(b)(ii), 9(2)(i)

Governance

43. *Table 12* shows Auckland's current council membership, which has remained relatively stable in recent years. Chancellor Cecilia Tarrant and Pro-Chancellor Cathy Quinn have each held these roles since 2021.

44. In June 2024, Minister Simmonds reappointed Ms Quinn for a further term and appointed Candace Kinser as a new member to the council. Ms Kinser brings extensive experience in commercialisation and technology. The term of one ministerial appointee, Jonathan Mason, expires in February 2026. We will provide you with advice on his reappointment or replacement before the end of the year.

Table 12 – University of Auckland council: current membership

Name	*Date of original appointment*	*Expiry date of present term*
Ministerial appointees		
Jonathan Mason	1 March 2022	28 February 2026
Cathy Quinn *(Pro Chancellor)*	26 February 2020	17 June 2028
Julia Arnott-Neenee	28 May 2023	27 May 2027
Candace Kinser	18 June 2024	17 June 2028
Council appointees		
Prof Dawn Freshwater *(Vice Chancellor)*	16 March 2020	*Ex-officio*
Cecilia Tarrant *(Chancellor)*	1 January 2014	31 December 2028
Robert McDonald	3 June 2021	2 June 2025
Matua John Paitai	1 January 2020	31 December 2025
Professor Julia Tolmie	1 January 2024	31 December 2027
Gemma Skipper	1 January 2024	31 December 2027
FaAfuhia Fia	1 November 2024	31 October 2025
[*Vacancy*]	-	-

Appendices

Appendix 1 - TEC Risk Assessment Letter

9(2)(b)(ii) [redacted]

Tim Fowler

Chief Executive

Tertiary Education Commission

28 February 2025

Hon Dr Shane Reti

Minister for Universities

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Appendix 1: TEC risk assessment letter dated 29 August 2024

9(2)(b)(ii), 9(2)(i), 9(2)(j)