



THE UNIVERSITY OF  
**WAIKATO**  
*Te Whare Wānanga o Waikato*



ANNUAL  
REPORT  
**2013**



University of Waikato campus circa 1969. In the foreground, Oranga is being built, and behind is the Hamilton Teachers' College.

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# Chancellor's Overview



It is a privilege to provide an overview of the University of Waikato's achievements and activities over the past year.

In what has been a challenging 12 months for universities worldwide, the University of Waikato has continued to develop into what the highly-regarded Times Higher Education (THE) organisation describes as "a world leading institution with the potential to become a future global leader".

THE ranks the University of Waikato among the top 50 universities in the world under 50 years old and in the top 2% of all universities worldwide, an achievement all staff and students can be immensely proud of.

Students rightly consider rankings very carefully when deciding where to enrol and these rankings are particularly important for international students.

Along with delivering quality teaching, University of Waikato staff are also undertaking world-changing research which is delivering vital contributions to national and international challenges in areas such as climate change, sustainability, education and technology.

We continue to foster strong relationships with communities, iwi and with other nations, and I was privileged to be part of a high-level delegation to visit Samoa in 2013.

Samoa holds special memories for me. It was in the village of Falelatai that in 1997 I was conferred the chiefly title of Nanai. I was humbled by the honour and to return to the village and meet friends I had not seen for many years was a truly moving experience.

With the University of Waikato turning 50 in 2014, I expect to meet up with more of our alumni and hear how their time with us has shaped them.

In its relatively short history, the University has grown from a collection of paddocks and just 89 enrolments, to New Zealand's most picturesque campus with more than 12,000 students annually.

A range of events are planned to celebrate the 50th anniversary of the University of Waikato and as we move forward we are well-placed to fulfil its potential as a global leader.

**Rt Hon James Bolger ONZ**  
CHANCELLOR

## Vice-Chancellor's Overview



The University of Waikato has continued to deliver a strong performance in what remains an extremely difficult fiscal environment.

Reaching our agreed Equivalent Full-Time Students (EFTS) target set by government was particularly pleasing in a year when enrolments softened across the tertiary education sector.

The outlook, however, remains challenging. We expect several key developments in 2014 that are likely to impact on the University.

These include changes in governance, which may see the number of people sitting on the University Council reduced. The government's priorities for tertiary education will be outlined in the new Tertiary Education Strategy, and the financial environment will continue to be challenging.

However, one thing universities do well is cope with change. At the University of Waikato we are well-positioned to be more imaginative, innovative and entrepreneurial in our approach, and our new Strategy, developed throughout 2013, will assist with this goal.

The University's growing international reputation has been further enhanced by the results of the International Student Barometer Survey, which includes responses from 155,000 international students.

We ranked 11th in the world for careers office support, and 82% of international students surveyed at the University of Waikato would recommend the institution to others. More than 90% of those students surveyed were satisfied with their experience at the University of Waikato.

The University continues to develop its offerings to provide graduates with future-proofed degrees, and the recently launched Master of Cyber Security degree and research lab is an excellent example of this.

This new degree has already attracted wide international interest and is another example of how the University adapts quickly to a rapidly changing environment.

As always, my thanks go to staff and senior leaders of the institution for another year of hard work providing excellence in teaching and research for our students.

**Professor Roy Crawford**  
VICE-CHANCELLOR

# Then and Now



*The University of Waikato celebrates its Golden Jubilee in 2014. When the University opened in 1964, it had 89 enrolments. Since 1997 we've had more than 12,000 enrolments every year.*

The first graduation in 1967 saw 19 students capped at a single ceremony at Hamilton's Founders Theatre. In 2013 we had 12 graduation ceremonies: seven at Claudelands Events Centre, three at Te Kohinga Mārama Marae on campus, one in Tauranga and an event at Hopuhopu for graduates on the Waikato Management School–Waikato-Tainui MBA joint programme.

When it opened in 1964, the University had just two schools of studies – Humanities and Social Sciences. Today it has six faculties and one school, six research institutes and offers pre-enrolment programmes that prepare students for university study.



Our founders had a vision, that the University of Waikato would be an accessible university; that people who hadn't previously considered university study would come to study here. In its early days, our academics would go "on the road" to outlying areas to give lectures and seminars in the evenings and on weekends to stimulate interest in learning.

In its vision, the University stated that it was committed to Māori education and cultural practice. As the first Vice-Chancellor Sir Don Llewellyn said, he wanted the University "...to be a University where Māori values and knowledge, in the diversity of their tribal expressions, are valued for their own sake in acknowledgement of Treaty partnership".

Today, on what is now a truly multicultural campus, Māori still have a special place. The University of Waikato was the first university in New Zealand to have a dedicated Māori studies arm and we continue to work in partnership with iwi to meet the tertiary and research needs and aspirations of Māori communities.



From the outset, University planners wanted an integrated campus to be built piece by piece as needs arose and funds were available. Very early on, land on the east side of Hillcrest Road was bought in readiness for expansion and it is there that the new Law and Management building will be constructed. It was a university planned with the future in mind. Even the idea of shops on campus was novel when proposed for the building programme.

The campus covers 65 hectares, and the grounds were planned "for sports, pleasant walks and individual relaxation". The slopes, the water and the great Waikato growing conditions have been turned to advantage. Maintenance of the lakes and gardens is ongoing and these sites are used in many aspects of teaching, by science and engineering students in particular.

The University of Waikato was ground-breaking even in its early days – unafraid to trial new teaching methods and offer untried subjects and different degree structures. We were the first university in New Zealand to offer Women’s Studies and the first to offer a four-year Bachelor of Science (Technology) that required students to take on work experience and complete management papers. We were the first university to amalgamate with its local teachers’ college.

We are still leading the way. In 2013, the University of Waikato offered the country’s first MOOC (Massive Open Online Course), launched a Master of Cyber Security and a new Bachelor of Entrepreneurship.

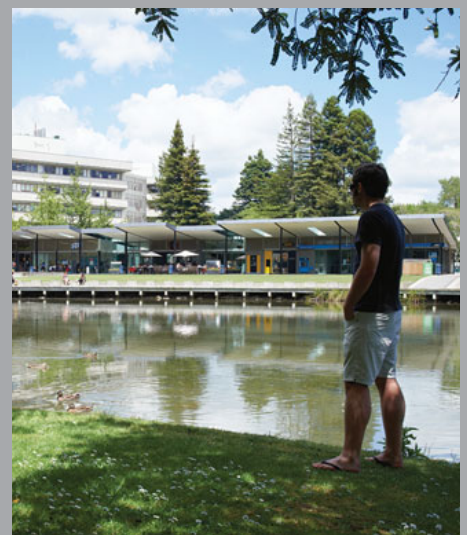
The first graduates from the Bachelor of Environmental Planning graduated in 2013. This specialist four-year degree is accredited by the New Zealand Planning Institute and provides students with knowledge and skills for careers in sustainable development of rural and urban communities, and sustainable management of natural and physical resources.

The Waikato Management School embraced sustainability in the early 2000s and since then the University has been introducing and adopting sustainable practices campus-wide and embedding sustainability into many of its programmes.

The Student Centre has a 5 Green Star Rating and the new Law and Management building will include a five-storey office tower and rooms at a below-ground level that will feature a “living lawn” roof. The tower will have vertical sunshade vanes to symbolise the tukutuku reed panels of a traditional meeting house, natural ventilation, and glazed corridor walls for natural lighting. During the design stage emphasis was put on making the building as energy efficient as possible.

The University of Waikato is ranked in the top 2% of universities worldwide and in 2013 was placed 46th in the world of universities less than 50 years old.

It is not easy to get the balance right – to be a participant on the world stage and continue to meet the needs of the local community. In all that we do, we recognise that we have a responsibility to future generations to build on the successful foundation established over our first 50 years, and continue to produce well-rounded graduates and leaders armed with the critical thinking skills to help contribute to solutions for global issues.



## 2013 At a Glance

# \$938

MILLION  
NATIONAL  
IMPACT

# 5,219 JOBS

GENERATED IN NZ



## 12,344

TOTAL STUDENTS IN  
FORMAL PROGRAMMES



## 7,763

STUDENTS UNDER 25



## 1,520

FULL-TIME  
EQUIVALENT STAFF



## 3,808

QUALIFICATIONS COMPLETED



## 81

DOCTORATES AND  
MPHILS COMPLETED



## 1,063

OTHER GRADUATE/  
POSTGRADUATE COMPLETIONS

### TOTAL STUDENTS BY GENDER

Male

5,258

Female

7,086

# 1,879

NUMBER OF STUDENTS  
WHO DID WORK PLACEMENTS  
OR PRACTICUMS

# 140

NZ AID  
SCHOLARS  
IN 2013



**\$48** MILLION  
R+D REVENUE

**2,065**  
PUBLICATIONS GENERATED



**2,290**

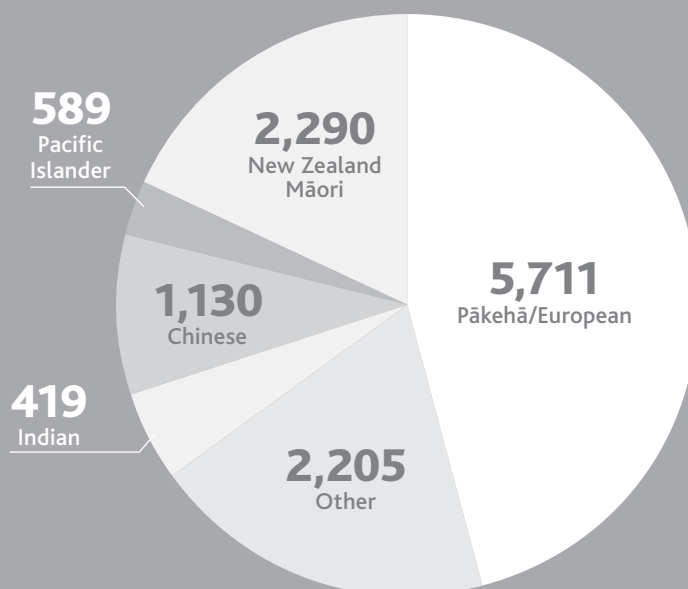
THE NUMBER OF NZ MĀORI  
STUDENTS STUDYING AT  
WAIKATO IN 2013



**1,820**

STUDENTS WHO TRANSFERRED  
TO WAIKATO IN 2013 FROM  
ANOTHER TERTIARY INSTITUTION

### TOTAL STUDENTS BY ETHNICITY



TOP **2%**  
IN THE WORLD

The University of Waikato  
is ranked in the top 2%  
of 17,000 universities  
in the world, by Times  
Higher Education.

**\$28.34**  
MILLION

Total value of the University  
library collection.

**8.9**  
MILLION

Unique page views on  
website from external  
audiences in 2013.

# Highlights



## *Honorary Doctorates*

In 2013, the University honoured Gordon Stephenson, Bernard Crosby, Dame Susan Devoy and Sir Patrick Hogan with its highest award, an Honorary Doctorate. Farmer and environmentalist Gordon Stephenson received his Honorary Doctorate for his on-going contribution to the environment. Bernie Crosby founded Prolife Foods with his wife in the 1980s and both developed the business into one of New Zealand's largest privately owned and operated food businesses. Dame Susan Devoy – Race Relations Commissioner, former world squash champion and community health advocate – received her Honorary Doctorate at a graduation ceremony in Tauranga. Sir Patrick Hogan was honoured for his contribution to the New Zealand bloodstock industry with his Honorary Doctorate in October.



## *Inaugural Professorial Lectures*

Seven new professors gave their Inaugural Professorial Lectures throughout the year. They were Professors Michael Peters and Chris Branson from the Faculty of Education, Neil Boister from Te Piringa - Faculty of Law, Debashish Munshi from Waikato Management School, and Vic Arcus, Louis Schipper and Ilanko Ilanko, all from the Faculty of Science & Engineering. The Inaugural Professorial Lecture Series introduces the University of Waikato's newest professors to the community and highlights what our people are doing and how their work is having a real impact on the world around us. All lectures are free and open to the public allowing the University to further engage with its community.



## *Distinguished Alumni Awards*

Distinguished Alumni Awards were given to three graduates of the University in 2013: Distinguished Professor Marston Conder, Judge Stephanie Milroy and Edmund Wee. Professor Conder completed a Master of Mathematics at the University in 1977 before attending Oxford University UK and finishing his doctorate in 1980. Judge Stephanie Milroy (Tūhoe and Ngāti Whakāue) is a Māori Land Court Judge and Deputy Chair of the Waitangi Tribunal, where she has presided over the Tauranga Moana and Wānanga o Aotearoa inquiries. Singaporean Edmund Wee is the Managing and Creative Director of design agency Epigram, and Publisher and CEO of Epigram Books. Mr Wee graduated in 1976 with a Master of Psychology.

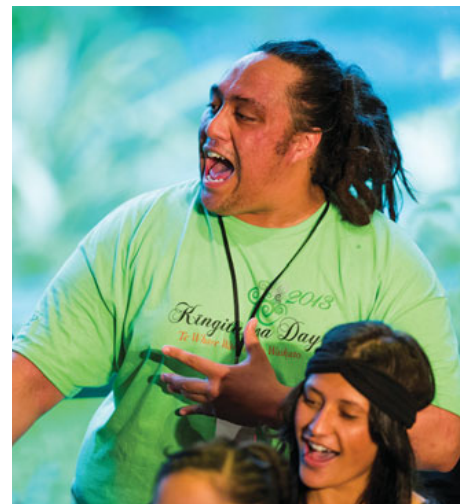
## Winter Lecture Series

August saw the University host its annual Winter Lecture Series. *An Unexpected Result: The Business of Hobbits* featured Matamata PR Association Manager Sue Whiting, University academic Dr Carolyn Michelle, and Hamilton and Waikato Tourism CEO Kiri Goulter, followed by *It's all in your Head: Understanding More about Mental Health* with WORLD fashion label CEO Denise L'Estrange-Corbet, Associate Professor Cathy Coleborne and Dr Nicola Starkey. *Class Struggles: Is our Education on Track?* featured Dr Noeline Wright, Associate Professor Deborah Fraser and Dr Bill Ussher. Speakers at the final lecture, *A Star is Born: How Hamilton's Arts Scene has come of Age*, were Sir James Wallace, Creative Waikato CE Sarah Nathan and the University's Art Collection Curator Steph Chalmers.



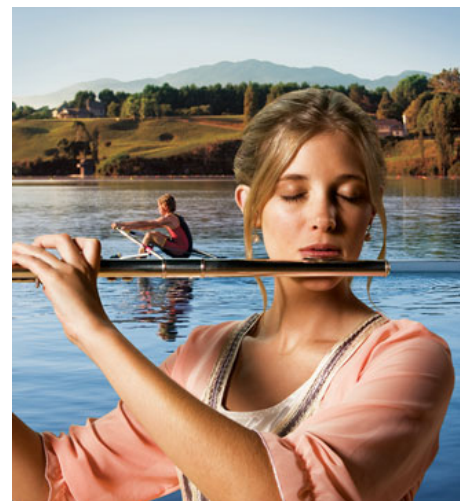
## Kīngitanga Day

The University celebrates its distinctive identity, heritage and relationships through a programme of presentations, panels, workshops, arts and crafts, displays and performances at Kīngitanga Day each year. Since its founding in 1964, the University has built strong connections with the Kīngitanga, Waikato-Tainui and many other iwi across the country. Through celebrating Kīngitanga Day, these relationships are honoured. Kīngitanga Day is also an opportunity for wider community engagement, by a University that celebrates Māori distinctiveness. The University began celebrating Kīngitanga Day in 2009, and each year the calibre of speakers is a testament to the growing importance and recognition of the day, both locally and nationally.



## Sir Edmund Hillary Scholarships

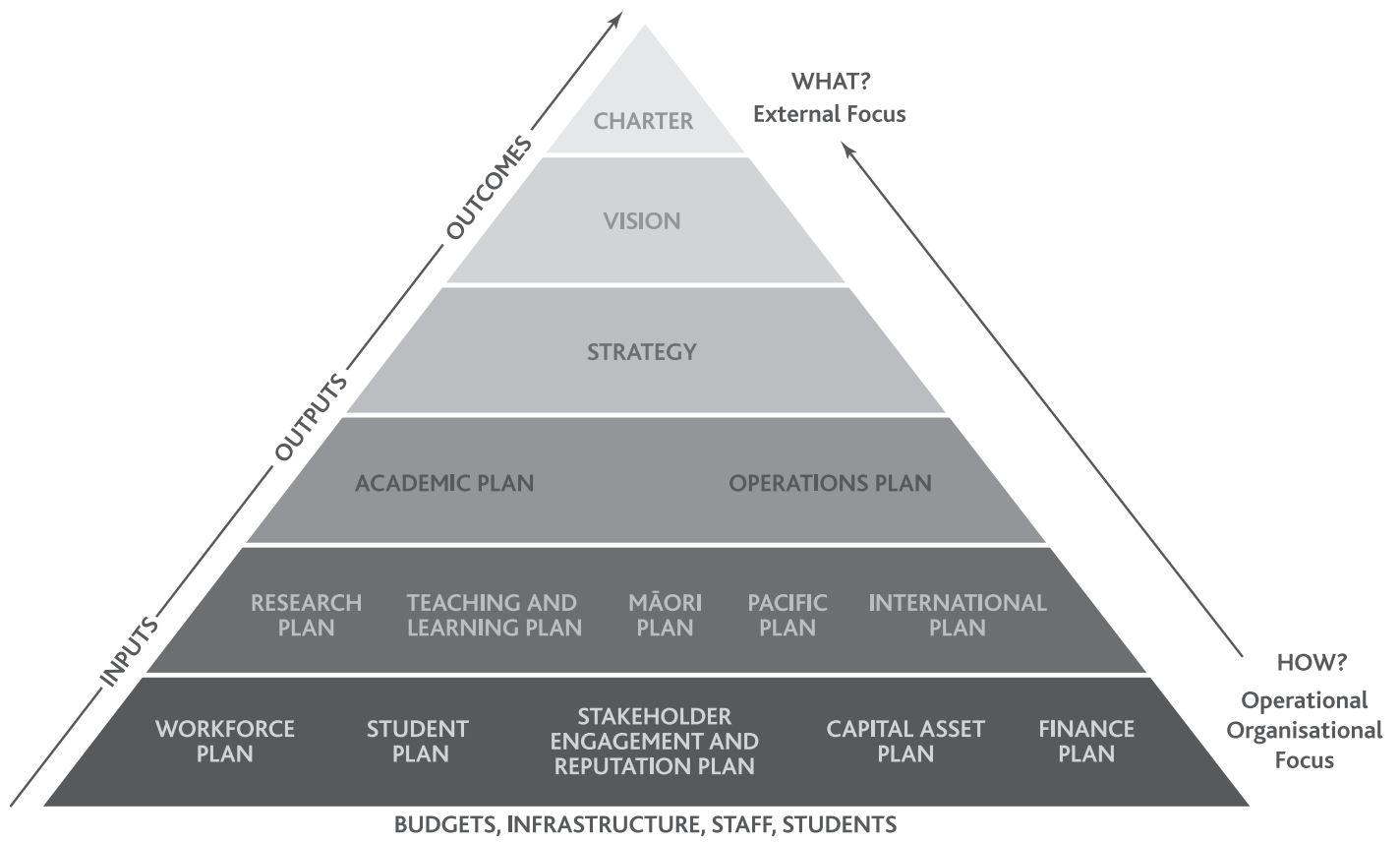
Sir Edmund Hillary Scholarships are the University of Waikato's most prestigious scholarships and are awarded to students who are high academic achievers and are also achieving in the performing arts or a sporting code. The scholars – who are viewed as future leaders – have their course fees covered, receive specialist coaching and mentoring, and take part in personal development and leadership programmes. The Sir Edmund Hillary Scholarship Programme, which started in 2005, enhances scholars' success through relationships with regional, national and international partners and sponsors. Notable alumni include TV presenter Lucas de Jong and international cellist Santiago Cañón Valencia.



# Our Path

In 2013, the University Strategy of 2014–2017 was created through wide consultation with staff, students and stakeholders and approved by Council on 12 December 2013. The new Strategy describes the ambitions, aspirations and connectedness that will provide the University’s foundations for the next 50 years through six inter-related strategic actions which will guide our decision-making over the next four years.

The Strategy takes its place amid the University’s integrated planning framework, represented below by a planning pyramid that links our Strategy to operations and inputs.



## THE ROLE OF THE UNIVERSITY OF WAIKATO

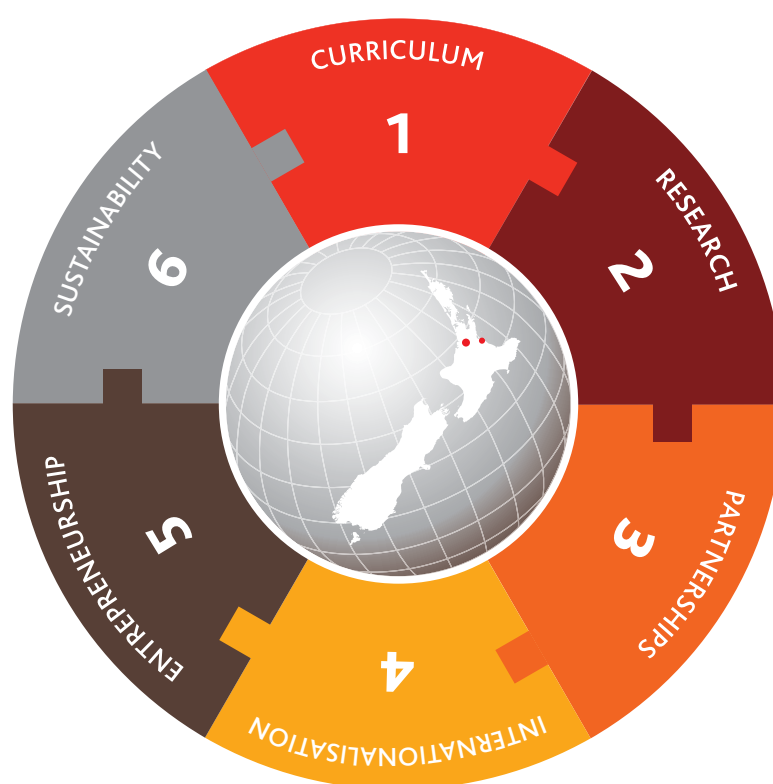
Consistent with its statutory role as a New Zealand university under section 162 of the Education Act 1989, the University of Waikato is primarily concerned with more advanced learning, the principal aim being to develop intellectual independence. The University delivers research and teaching that are closely interdependent, with most of the teaching done by people who are active in research. The University meets international standards of research and teaching, is a repository of knowledge and expertise and accepts a role as critic and “conscience of society”.

The University plans and operates in accordance with its Charter and Vision. Its Mission, as stated in its Charter, is ‘To combine the creation of knowledge through research, scholarship and creative works with the dissemination of knowledge through teaching, publication and performance’.

The University’s motto, ‘Ko Te Tangata’, symbolises our commitment to our role under the Treaty of Waitangi. It also emphasises the role of collegiality and the importance that we place on people.

The new Strategy builds on the previous strategies and is consistent with the agreed mission and values of the University. The strategic actions are:

- |  |   |
|--|---|
| <p><b>ACTION 1:</b> Provide a relevant, future focused curriculum and world-class student experience</p> <p><b>ACTION 2:</b> Conduct world-leading research and develop innovative researchers</p> <p><b>ACTION 3:</b> Strengthen engagement and partnership regionally and nationally</p> | <p><b>ACTION 4:</b> Implement a comprehensive programme of internationalisation</p> <p><b>ACTION 5:</b> Embed a culture of innovation, entrepreneurship and leadership across the University; and,</p> <p><b>ACTION 6:</b> Ensure sustainable practices in all aspects University activity.</p> |
|--|---|



We apply the following values in all our activities and operations:

- » Partnership with Māori / Tū ngātahi me te Māori
- » Acting with integrity / Mahi pono
- » Celebrating diversity / Whakanui i ngā huarahi hou
- » Promoting creativity / Whakarewa i te hiringa i te mahara.

Standards of entrance to the University are determined and monitored by an inter-university body established

under the Education Act 1989: the New Zealand Vice-Chancellors' Committee (Universities New Zealand), which also determines and monitors standards for the quality and accreditation of the University's qualifications.

Like all other New Zealand universities, the University of Waikato is subject to regular and rigorous academic audit by the New Zealand Universities Academic Audit Unit. The frameworks for these external audits support and enhance the institution's own ongoing programmes of self-review and quality assurance.

## Education, Curriculum and Student Experience



In December, Sir William Gallagher joined us to launch New Zealand's only Cyber Security Lab and first Master of Cyber Security degree. Demand for cyber security experts is growing rapidly and we're meeting that demand.



# 68,152

**TOTAL ENROLMENTS  
IN PAPERS IN 2013**

*The University of Waikato concentrates on providing a future-focused curriculum and a world-class student experience.*

*The launch of New Zealand's first masters degree in Cyber Security in 2013 reflects our ability to quickly identify and address challenging issues. It is one of many 180-point masters that are available at the University of Waikato, including Māori and Pacific Development, Business Management, Educational Leadership, Media and Creative Technologies, and Electronic Commerce. These programmes are attractive to domestic and international students who can complete the qualification in one year and move quickly into the workforce.*

*In 2012, six subject areas taught at the University of Waikato were assessed as being among the top 200 worldwide, with two – Law and Education – in the top 100. The QS Subject Rankings, released in May 2013, assess nearly 3,000 universities around the world on the quality of 30 different subject areas. Along with the University of Waikato's top 100 ranking, Geography and Computer Science and Information Systems are ranked between 101-150 while History and Economics and Econometrics are ranked between 151 and 200.*

*In early 2013, Waikato Management School and Te Piringa - Faculty of Law launched the University's new postgraduate qualification. Prime Minister John Key officially launched the qualification, which was developed in consultation with the NZ Institute of Directors. The Governance and Leadership Programme is a Postgraduate Certificate specially designed for company directors, board members, trustees and councillors.*

*The Management School followed that up later in the year with the launch of a new Bachelor of Entrepreneurship. The faculty remains in the 1% of the world's business schools that have Triple Crown accreditation, having met the strict standards of all three accreditation bodies; AMBA, EQUIS and AACSB. The accreditation runs until at least 2017.*

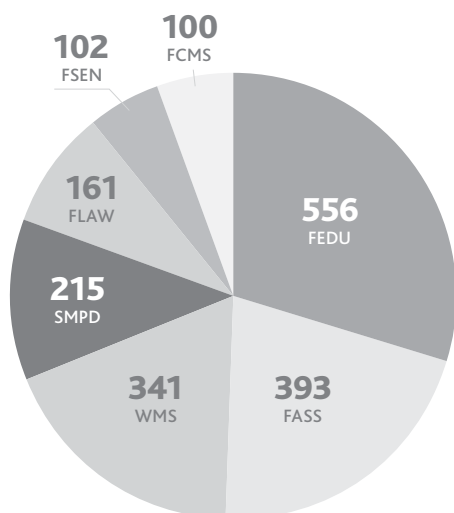
*The University of Waikato was the first to offer an online teaching degree and we continue to lead the way in using technology to connect staff, students and community. In 2013, the Faculty of Computing & Mathematical Sciences launched New Zealand's first MOOC – Massive Open Online Course – on data mining with WEKA, based on open source digital software developed here. It attracted more than 5,000 students from around the world.*



SOMETHING TO CROW ABOUT:  
Dr Ryan Ko heads CROW (Cyber  
Security Researchers of Waikato),  
New Zealand's first cyber security  
lab, launched alongside the Master  
of Cyber Security degree in 2013.

# Education, Curriculum and Student Experience *cont.*

## DISTRIBUTION OF MĀORI EFTS



## SCIENCE LEARNING HUB

The University of Waikato-hosted Science Learning Hub website was a finalist in the 2013 World Summit Awards. The awards recognise excellence in creativity and innovation in information and communication technology. The Hub was selected in the e-learning and science category.

The Science Learning Hub promotes student interest and engagement in science by providing contemporary resources for school teachers of students in Years 2-10 and demonstrates the relevance of scientific research to everyday life. It is funded by the Ministry of Business, Innovation and Employment and managed by the Wilf Malcolm Institute of Educational Research.

Our research centres and institutes are influencing policy, professional development and community empowerment.

During 2013, the Early Years Research Centre was launched in the Faculty of Education with a focus on education and children up to eight years old. Professor Margaret Carr is director of the Centre that will provide a broad platform of research and focus on three research themes: pedagogy, policy, and community connections.

In 2013, Te Kotahitanga won a major international award at the World Innovation Summit for Education (WISE). Professor Russell Bishop, who headed the Te Kotahitanga work for many years, was also presented with the national McKenzie Award for his significant contribution to educational research over a long period. Six University of Waikato staff have received the award since 1990.

Also in the Faculty of Education, the government announced late in 2013 that it was funding Building on Success, a programme that combines the best of earlier University of Waikato-led programmes Te Kotahitanga and He Kākano. The government has committed \$31 million to the programme over the next three years to deliver a more integrated package in schools to raise the success of young Māori.

Education Minister Hekia Parata, a University of Waikato Distinguished Alumna, says the programme will support school leaders and teachers to develop professional leadership and schooling practices, and deliver the curriculum effectively, to increase educational success for Māori. Approximately a quarter of all secondary schools will be in the programme at any one time.

In Tauranga, the House of Science was launched. It is based at the University of Waikato's Coastal Marine Field Station at Sulphur Point and was established by former secondary school science teacher Chris Duggan to enrich science education across the community. Her aim is to get more students excited by science in the early years so they will be inspired to carry on with their studies through secondary and into tertiary education.

The Coastal Marine Field Station is playing an increasingly important role in the Bay of Plenty Tertiary Education Partnership, particularly as research continues into the impacts of the Rena spill. The Partnership brings together the University of Waikato, Te Whare Wānanga o Awanuiārangī, Bay of Plenty Polytechnic, and its most recent partner, Waiariki Institute of Technology, based in Rotorua. The partners work together to increase education and research opportunities in the region.

The Coastal Economic Symposium, called *Treasuring the Bay Whakamana te taonga o te Moana a Toi*, is now an annual event on the Bay of Plenty calendar. It is free and open to the public, and provides a chance for the community to engage with experts about



research and economic developments taking place in the Bay of Plenty as well as looking at the issues the community is facing.

The University of Waikato's Science Learning Hub was one of five winners in the e-learning and science category competing at the World Summit awards and was one of only two of the original eight New Zealand entries to make it through to the finals.

The largest graduation ceremony the University of Waikato has hosted in Tauranga took place in 2013 with 173 students graduating there. Among those capped were 20 of the first graduates of the new Tauranga-based biological sciences programme. The Bachelor of Science with a major in Biological Sciences is offered in partnership with Bay of Plenty Polytechnic and can be completed entirely in Tauranga.

More than 3,800 qualifications were completed at the University of Waikato across the year. Nearly 2,500 graduands had their

**\$288.15**  
**MILLION**

PERSONAL SPENDING BY UoW  
STUDENTS IN HAMILTON IN 2013

**119,663m<sup>2</sup>**

AREA OF BUILDINGS USED  
FOR TEACHING, RESEARCH  
AND ADMINISTRATION

## ***Recognition for highly regarded professor***

Professor Linda Tuhiwai Smith (Ngāti Awa, Ngāti Porou) wears several significant hats at the University of Waikato. The leading social scientist and Māori scholar holds the positions of Pro Vice-Chancellor Māori and Dean of the School of Māori & Pacific Development. She is also a Professor of Education and Māori Development and was the inaugural director of Te Kotahi Research Institute.

In the 2013 New Year's Honours she became a Companion of the New Zealand Order of Merit for her services to Māori and education. Professor Smith also won the Mātauranga category at the Ngā Toa Whakaihūwaka – Māori of the Year Awards, which celebrate Māori excellence and achievement and were announced on Waitangi Day, 2013.

She has worked in the field of Māori education and health for many years as an educator and researcher, is well known for her work in Kaupapa Māori research and is recognised nationally and internationally as a having inspired and mentored many Māori and non-Māori social scientists.



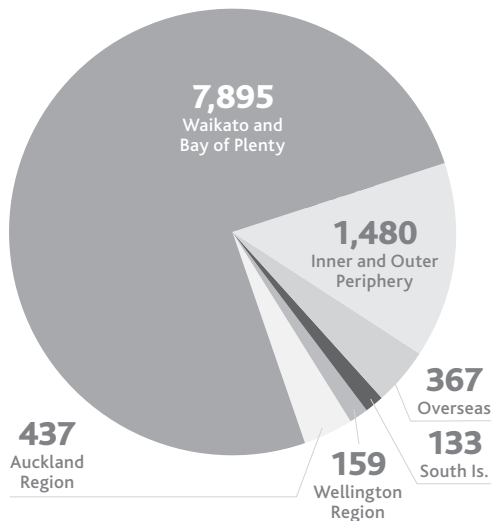
She is a member of New Zealand's Health Research Council, Chair of the Māori Health Committee, a member of the Council of the Royal Society of New Zealand, and a member of the Marsden Fund Council and Convener of the Social Sciences Assessment Panel.

Professor Smith has published widely. Her book *Decolonising Methodologies Research and Indigenous Peoples* is an international best seller in the indigenous world.

She was previously Chair of Education at Auckland University and was joint director of Nga Pae o te Maramatanga, the National Institute of Research Excellence in Māori Development and Advancement.

# Education, Curriculum and Student Experience *cont.*

## ORIGINS OF DOMESTIC STUDENTS



Three of the University's senior Sir Edmund Hillary Scholars – Alex Hitchmough, Joshua Blue and Caitlin Easter – were awarded the inaugural Step Higher Award.

The awards are sponsored by Compass Group, which provides catering services to the Halls of Residence. The Step Higher Award covers scholars' travel and accommodation, and provides a daily allowance for up to three weeks.

The trio travelled to Nepal's Khumbu Valley in 2013 where they explored the region and saw first-hand the community projects Sir Edmund Hillary started.

qualifications conferred at ceremonies during 2013, including at the Claudelands Events Centre which has become the University's venue of choice for capping students.

Many students graduated at Te Kohinga Mārama, the University marae, which is becoming more popular for Māori and non-Māori. The first graduates of the MBA joint programme between the University of Waikato and Waikato-Tainui College for Research and Development were capped at a special ceremony at Hopuhopu in late 2013.

Graduation ceremonies across the year saw the conferment of four honorary doctorates – the highest award the University of Waikato can bestow – on Dame Susan Devoy, thoroughbred breeder Sir Patrick Hogan, farmer and environmentalist Gordon Stephenson and businessman and philanthropist Bernie Crosby.

Earlier in the year, former students and Olympic gold medallists Nathan Cohen and Joseph Sullivan became Members of the New Zealand Order of Merit for their services to rowing.

One of the distinctive aspects of studying at the University of Waikato is the strong emphasis placed on work placements or practicums. In 2013, 1,879 students experienced this across a diverse range of areas including but not limited to teacher education; science; engineering; management; social work; environmental planning and accommodation management.

The University places a strong emphasis on placements through its Co-operative Education Unit, and this work is backed up with focused advice through Career Development Services.

The Sir Edmund Hillary Scholarship Programme attracts top students who are strongly focused on sport, art and leadership. The full fee-paying scholarships are awarded to students, usually school leavers, who have a high academic record and excel in a particular sport or performing art. Leadership is an important component of the programme and the University makes a special point of accommodating student requirements when they are off campus with national or international commitments.

In 2013, the Step Higher Awards were offered for the second time to Hillary Scholars. Sponsored by the Compass Group, the chosen students visit the Khumbu Valley in Nepal to work with the local communities and see first-hand the work done by Sir Edmund Hillary and the Himalayan Trust.

The University continues to recognise the hard work of secondary school students with Merit and Excellence School Leaver Scholarships. For the first-time in 2013, the University's six flagship research institutes each offered new doctoral and masters scholarships to support world-class research in environmental science, demography

and economic analysis, business and leadership, professional learning and development, education, and Māori and indigenous development. The doctoral scholarship is worth \$22,000 a year plus for three years, full-time study and the masters scholarship is worth \$12,000.

In 2013, the University achieved 8,726 Ministry-funded EFTS, the equivalent of 99.3% of our funding target agreed with the Tertiary Education Commission. The total number of students enrolled in formal programmes in 2013 was 12,344, with the bulk of them – 8,799 – coming from our core regions of the Waikato and Bay of Plenty.

The proportion of new students joining us in 2013 who were school leavers increased, and 68.6% of all Ministry-funded EFTS were in the under-25 age bracket – a figure that's risen steadily since 2009.

Students from Asia made up more than two-thirds of the 1,873 international students enrolled in 2013.

 **1,402**  
SCHOOL LEAVERS  
STARTED IN 2013

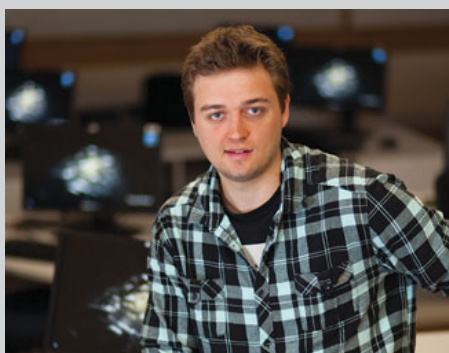
**11.2m<sup>2</sup>**  
TOTAL NET USABLE  
BUILDING AREA PER EFTS

### *Pathway provides excellent connections for Bay student*

Tauranga's Joe Honeyfield knew his way around the inside hardware of a computer from a young age, so it was a natural progression for him to move into a specialist IT course as soon as he finished Year 13 at Bethlehem College. Joe was among the first five people to graduate with the University of Waikato's new Tauranga-based computer science degree, the Bachelor of Science with a specialisation in Applied Computing.

He's now designing and implementing new services as a Network Administrator for the Bay of Plenty Polytechnic Business School in Tauranga. Joe manages a specialised, stand-alone computer network for about 200 IT students across four labs and is responsible for trouble-shooting computer and connectivity problems, providing a help-desk support service, monitoring software and deploying new programs.

In Tauranga, the University of Waikato students follow a unique pathway in computing. Joe first enrolled at the Bay of Plenty Polytechnic to complete the two-year Diploma in Applied Computing then transitioned into the University programme to complete the final year of his three-year degree.



He says the pathway programme set him up with the skills and knowledge he needed to find a sought-after position in his area of interest.

"We covered a lot of different areas of computing which meant we could move into a variety of IT roles. I was fortunate to find the ideal position to suit my interest in computer networking, while others were able to move into software development or website design positions."

In the future, Joe would like to work on bigger, more complex networks, and last year he completed network certification courses to further his knowledge in switching and networking technologies.

## Research and Excellence



Professor Peter Kamp's energy efficiency research aims to help the dairy and timber processing industries save up to \$20 million in energy costs and help maintain New Zealand's export competitiveness.

# \$12.8 MILLION

2013 INCOME FOR INSTITUTE  
OF PROFESSIONAL LEARNING

*As one of New Zealand's major research organisations, the University of Waikato makes a significant contribution to research and innovation, nationally and internationally.*

*In 2013, that contribution was recognised with \$5 million in research funding from the Ministry of Business, Innovation and Employment's science investment round and with more than \$2 million in Marsden funding for three major projects. Several young University of Waikato academics were among the recipients, reinforcing our intention to nurture the next generation of researchers.*

*The 2012 Performance-Based Research Fund exercise reflected that approach to capability development. The results, released in 2013, show 90% of our academic staff are research-active and more than half are classed as A or B researchers; A researchers are defined as world-class and B researchers are recognised for producing research of national and international significance. Ten of our A researchers have sustained their top grading over three successive evaluations.*

*Students can therefore be confident that classes at the University are underpinned by internationally-benchmarked, research-informed teaching and in particular our postgraduate students have direct access to top national and international researchers.*

*Further acknowledgement of University of Waikato academics saw them taking home a variety of accolades, including New Zealand honours and regional awards, with six staff and students receiving Fulbright awards to study and research in the USA.*

*University of Waikato Professor Chris Battershill, who is the Bay of Plenty Regional Council Chair in Coastal Science, was one of the most recognised faces in the media in 2013 in another busy year leading research into the impacts of the 2011 Rena oil spill at Astrolabe Reef near Tauranga Harbour.*

*His role has been funded by the Bay of Plenty Regional Council since 2011 and recognises the priority that the University and the regional council place on coastal science in the Bay of Plenty. The regional council also funds the Chair in Lakes Management and Restoration at the University, held by Professor David Hamilton.*



**MANAGING WATER WORKS:**  
Maui Hudson, left, and Associate Professor Kevin Collier head a \$1.84 million, four-year project examining freshwater food-gathering areas and how best to manage them.



## Research and Excellence *continued*



TOP SCIENCE ACHIEVER: Dr Daniel Laughlin won the Hamilton City Council Emerging Scientist category at the 2013 KuDos Awards.

### KUDOS FOR RESEARCHERS AT REGIONAL AWARDS

Two University of Waikato researchers claimed coveted KuDos Awards in 2013, while another was presented a lifetime achievement award for his work with manuka honey. Dr Johan Verbeek won the Hill Laboratories Science Entrepreneur category, and Dr Daniel Laughlin took out the Hamilton City Council Emerging Scientist category. Professor Peter Molan was presented the Lifetime Achievement Award.

The annual KuDos Science Excellence Awards, which were launched in 2007, recognise and celebrate scientific innovations from within the region that have an impact locally, nationally and globally. The University is a gold partner of the KuDos Awards, and sponsors the Lifetime Achievement Award.

Research results into the Rena oil spill released in December 2013 show few long-lasting impacts on maritime habitats throughout the wider Bay of Plenty. The two-year monitoring programme was led by Professor Chris Battershill and the research team included staff and students from the University of Waikato, Bay of Plenty Polytechnic, Te Whare Wānanga o Awanuiāraangi, Manaaki Taha Moana, the University of Canterbury and the University of Bremen (Germany).

Meanwhile, freshwater research was being funded at the University of Waikato during 2013. Deputy director of the University's Te Kotahi Research Institute Maui Hudson and scientist Associate Professor Kevin Collier were awarded Ministry of Business, Innovation and Employment (MBIE) funding of \$1.84 million for a four-year project to examine freshwater food gathering areas and how best to manage them through the use of both science and traditional Māori knowledge.

Director of the University's Energy Research Group, Professor Peter Kamp and his team were awarded \$2.07 million to identify energy efficiency in the dairy processing and timber drying industries and Professor Vic Arcus was awarded \$850,000 to develop a new method for designing "next generation enzymes" for commercial use. Professor Arcus was also the recipient of a Marsden grant.

University of Waikato law Professor Barry Barton received MBIE funding to study the ownership of rights to minerals found in geothermal fluids. His grant is part of a two-year \$400,000 GNS Science project.

With joint MBIE and Chinese Ministry of Science and Technology funding, Professor David Hamilton and a PhD student are working with NIWA, the Nanjing Institute of Geography and Limnology and Jinan University to improve land-use practices and restore the ecology of aquatic ecosystems in China. China has been one of the key international recipients of the research being undertaken at the University of Waikato into the restoration of lakes.

In other funding, Dr James Beattie is co-leading a Marsden-funded project to study the significance of the Rewi Alley Chinese Art Collection housed in the Canterbury Museum.

Professor Margaret Carr from our Faculty of Education was awarded nearly \$800,000 in Marsden funding to study children's information gathering and demographer Professor Natalie Jackson, who leads the National Institute of Demographic and Research Analysis at the University of Waikato, has received \$748,000 to continue her study into depopulation.

At the 2013 KuDos awards, Engineering's Dr Johan Verbeek won the Science Entrepreneur category, biologist Dr Daniel Laughlin won the Emerging Scientist category and Professor Peter Molan was presented the Lifetime Achievement Award.

Dr Verbeek was also a recipient at the University's inaugural research excellence awards. He won the Commercial research award for his ongoing research into converting biopolymers into commercial products. Dr Tahu Kukutai won the Early Career research award for her work in the field of Māori and Indigenous population research. Professor Lynda Johnston, who has spent more than 20 years researching gender, sex and sexuality, won the Community Impact award.

In Computing and Mathematical Sciences, Dr Te Taka Keegan won the Māori/Indigenous Excellence Award for his work assisting the revitalisation of Māori language.

The Research Team Award went to the Waikato Cortical Modelling Group which works with Waikato Clinical School on neuroscience research. The Lifetime Award went to computer scientist and leader in data mining and digital libraries Professor Ian Witten.

**90%**  
OF ACADEMICS  
RESEARCH-ACTIVE

**639.5**  
FTE ACADEMICS

## *Classical archaeologist digs in at University of Waikato*

The Faculty of Arts & Social Sciences welcomed its new dean in 2013. Professor Robert Hannah, a classical archaeologist, had a long career at Otago University before deciding to make the move north.

Professor Hannah is an elected Fellow of the Society of Antiquaries in London and in 2013 was elected a Fellow of the Royal Society of New Zealand, an independent body which acknowledges those who have made particular contributions in their field of research.

A Marsden-funded study led by Professor Hannah has come to the University of Waikato with him and is due to finish in 2015. It looks into myth, culture and the cosmos – astronomy in Ancient Greek religion. "It's fascinating how ancient civilization used the stars, not just for navigation, but for their own lunar and solar calendars," says Professor Hannah.

"Since coming to Waikato new doors have opened. The ASAANZ Conference in Raglan provided me with the opportunity to run a Marsden-funded session of papers, where I brought together scholars from Māori and European traditions to share ideas about the cultural uses of astronomy."

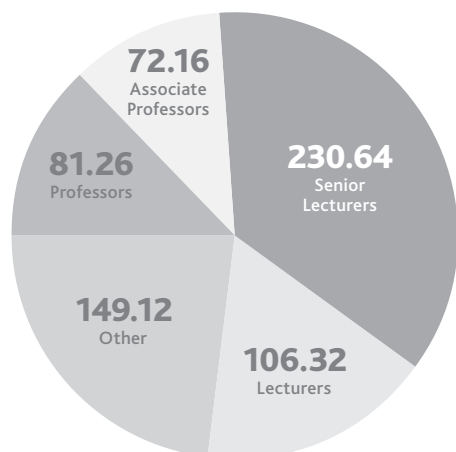


Professor Hannah is currently an auditor for the Academic Quality Agency for Universities New Zealand, and has one more year to serve as chair of the Humanities Panel for the Marsden Fund administered by the Royal Society of New Zealand.

He's currently getting to know the Waikato region and the University, and is exploring new opportunities within the Faculty of Arts & Social Sciences. "Waikato is a growing university with a young profile and frame of mind, and there is a greater flexibility in the way people think and energy that comes with that. I'm excited to be here."

# Research and Excellence *continued*

## ACADEMIC STAFF PROFILE (FTE)



The University has led the field in terrestrial biological research in Antarctica since our first expedition there in 1969-1970.

Our Antarctic Research Centre opened in 1971 and since then, teams of scientists have travelled to Antarctica annually to study subjects such as life forms living throughout the harsh landscape or the biocomplexity of the Ross Sea.

Researchers have also carried out extensive Antarctic research in areas such as geophysics, geochemistry, geology, volcanology, soil science, ecology and botany.

Leading social scientist and Māori scholar Professor Linda Tuhiwai Smith, who is also Pro Vice-Chancellor Māori and Dean of the School of Māori & Pacific Development, and internationally recognised demographer Emeritus Professor Ian Pool, were named Companions of the New Zealand Order of Merit in early 2013.

Former staff member Professor T G Allan Green was awarded the New Zealand Antarctic Medal for services to science in the 2013 Queen's Birthday Honours. Professor Green spent more than 30 years at the University of Waikato and is internationally renowned for his expertise in Antarctic terrestrial ecosystems. In 1990 he founded the New Zealand Centre for Antarctic Terrestrial Research (now ICTAR) and still works closely with us as a joint director of ICTAR, working remotely from Madrid.

Antarctic researchers Professor Craig Cary and Dr Charles Lee were funded to carry out a year-long pilot study to develop and validate tools to measure how the ecosystems in Antarctica respond to change. We have a long history of Antarctic research with several landmarks named with the University of Waikato connections – including Lake Wilson, Lake Henty, McCraw Glacier, Mount Selby and Waikato Valley.

Dr Nicola Starkey, a specialist in neuropsychology and psychological assessment in the University's School of Psychology has been part of a major study of traumatic brain injury (TBI) funded by the Health Research Council. This invisible epidemic is the leading cause of long-term disability in children and young adults, and by 2020 it is likely to be the third greatest global burden of disease. Dr Starkey's most recent research covers 1,600 cases of TBI in the space of a year in Hamilton and the Waikato, surveying sufferers at baseline, one, six and 12 months after injury.

Also during 2013, the University moved to update the way we store research information. We have introduced IRIS – an Integrated Research Information System – which is designed to simplify and streamline the management of research information.

IRIS will integrate all the research information the University stores in separate systems and in different formats from Academic Staff Portfolios to Research Commons, and takes over from the PBRF Publication Database. The goal is to provide a single, accessible and flexible system that reduces inefficiencies associated with manual manipulation and re-formatting of the same research information.



## *Indigenous futures the key for demographic researcher*

Dr Tahu Kukutai (Waikato-Tainui, Te Aupōuri) is a Senior Research Fellow with NIDEA – the National Institute for Demographic and Economic Analysis. She leads the Māori and Indigenous Futures theme (Te Para one te tū mai nei), working with iwi and other Māori organisations and with researchers in Sweden, the US and Australia.



Dr Kukutai currently leads a Marsden project investigating how governments around the world classify their populations by ethnicity. She is also a principal or named researcher on a number of other externally-funded projects and has been awarded 11 externally-funded grants since 2010.

In 2013, at the University's inaugural research excellence awards, Dr Kukutai was named winner of the Early Career research award.

Outside NIDEA, Dr Kukutai serves on the Māori Statistics Advisory Committee to the Government Statistician, is Vice-President of the New Zealand Population Association and is an appointed member of Taki Ao, a group of early-to mid-career research leaders sponsored by MBIE. She has also sat on the PBRF Expert Advisory Group (Social) and Science Assessing Committee of the Health Research Council.

## *Fulbright for doctoral student researching volunteer work*

Research into how youth volunteers communicate and organise themselves during crisis events won Tauranga doctoral student Sarah Lockwood a Fulbright New Zealand Travel Award.



After the Rena hit Astrolabe Reef in 2011, Sarah volunteered to help with the oil spill cleanup. As a GenY volunteer, she was in a unique position to find out directly from other GenY volunteers what this form of crisis volunteering meant, and how their social networking, use of technology and speed impacted the way they responded.

This made her aware of the gap in volunteer management knowledge and literature, so she signed up to do a PhD in the area of volunteer management, social enterprise and non-profit management.

Sarah has a Master of Management Studies (Distinction) in Non-Profit Management which looked at the professionalism of volunteering. Sarah also received Trust Waikato Student Community Grants in 2011 and 2012, and a Claude McCarthy Scholarship.

# Innovation and Commercialisation



Aduro Biopolymers was formed by WaikatoLink to develop and market materials and biopolymers for the manufacturing sector. It secured investment from Wallace Corporation with Sir James Wallace joining the Aduro board.

**\$1 TRILLION**  
**VALUE OF GLOBAL**  
**PLASTICS MARKET**

*In 2013, the University of Waikato sharpened its focus on research that will lead to application transfer and commercialisation. During the year, WaikatoLink, the University's commercialisation arm, was brought into the fold with staff relocated to the Hamilton campus and joining with the Research Office. This is helping us co-ordinate and maximise opportunities where we create value through innovative research and development.*

*This group is now known as the Research Innovation Commercialisation and Engagement group (RICE) and will fast-track partnerships and connections between the University and our research stakeholders, including industry, business, government and international organisations.*

*RICE is designed to support the University's position as a globally-recognised partner for sourcing research and innovation solutions. It will extend our impact on and value to industry by nurturing industry relationships and connecting our research expertise with the industry needs. Through WaikatoLink, the group is also connected into the wider innovation system via established networks such as KiwiNet.*

In 2013, WaikatoLink was central in the creation of a key investment relationship between Wallace Corporation – New Zealand's largest rendering business – and Engineering researcher Dr Johan Verbeek.

For many years Dr Verbeek and his senior students have worked with Wallace Corporation to turn bloodmeal into commercial biodegradable plastics. In 2013, Wallace Corporation formalised the relationship by investing in the spin-off company, now called Aduro Biopolymers, and Sir James Wallace took a seat on the board.

The company's first product is Novatein, a bioplastic that will be price-competitive with petrochemical plastics. The global plastics market is worth more than \$1 trillion and currently bioplastics represent 5-10% of that market, with a compounded annual growth rate of almost 20%.

Novatein has been in development since 2007 and has received investment support from KiwiNet's PreSeed Accelerator Fund from the then Ministry of Science and Innovation.

In late 2013, Dr Verbeek won the Hill Laboratories Science Entrepreneur category of the Waikato region's Kudos Science Excellence Awards.

Another example of researchers collaborating to find new and innovative ways of adding value to existing processes is the aerial photography work of geographer Dr Lars Brabyn.

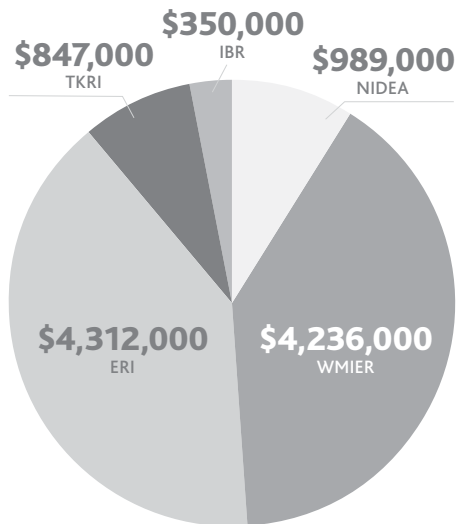


RECYCLING GETS SMART: Dr Johan Verbeek, front, and Darren Harpur, acting Chief Executive of Aduro Biopolymers, left, with students involved in the Novotein project.



# Innovation and Commercialisation *continued*

## INCOME FOR RESEARCH INSTITUTES



The University of Waikato has supported Fieldays since our first Vice-Chancellor, Sir Don Llewellyn, helped establish the agricultural showpiece in the 1960s. We have been a strategic partner for seven years. Fieldays is an important opportunity to showcase our research and expertise to the community, and to show how graduates and academics are making an impact locally, nationally and internationally. Our presence at Fieldays reinforces the University's commitment to innovative and sustainable development, and with Fieldays routinely attracting more than 100,000 visitors, it's also a good opportunity to catch up with alumni, friends and colleagues from around the world.

Dr Brabyn is working with the Waikato Regional Council on a project to map indigenous vegetation and wetlands throughout the region. Together they're aiming to pioneer the use of image analysis software to do the mapping from high resolution aerial photographs, rather than the painstaking process of a person mapping each image individually.

The University showcased Dr Brabyn's work at the National Agricultural Fieldays in June alongside other research-based solutions for problems faced by land-based industries.

These included a dibbler developed by Dr Mike Duke and senior students in the Faculty of Science & Engineering. The hole-drilling dibbler was built from scratch at University of Waikato for treestock company ArborGen, which uses it to drill holes in nursery beds for pine cuttings to be planted in.

Cuttings that don't grow perfectly straight are rejected before being planted out into forests and the machine has helped the company improve productivity by an estimated 30%. The \$110,000 project was jointly funded by the company and TechNZ.

The dibbler proved such a success, ArborGen intends developing a robotic lifter/grader system with the University's Engineering School.

The company also wants the University's third-year mechanical engineering design students to come up with a way to plant one pine seed in each compartment of a seedling tray in the shortest time.

The students involved in these types of projects benefit from direct connections with top academics – they have greater access to top facilities than in many other universities, and the chance to work alongside inspirational researchers.

Many of our qualifications also have a specific focus on work placements, allowing students the opportunity to contribute to SMEs and to increase their own employability once they have graduated.

A shining example is PhD student Michael Walmsley, who established the CodeAvengers website to teach web development skills. More than 100 New Zealand high schools and 400 international schools have now signed up to CodeAvengers and Code Camps are regularly held around the world.

In 2013, Michael was invited to take part in the global Hour of Code campaign, scheduled during the international Computer Science Education Week.

It was being overseen by code.org, a not-for-profit website and organisation which aims to get more people interested in computer science. It was founded by entrepreneur Hadi Partovi and is backed by people such as Microsoft chairman Bill Gates, Facebook founder Mark Zuckerberg, Google senior vice-president Susan Wojcicki and Twitter creator Jack Dorsey.

Another IT success story has been the work of Dr Te Taka Keegan and masters student John Cocks, who developed a software package that correctly adds macrons to Māori texts. It is now being used by the Ministry of Justice's National Transcription Service.

Engineering innovator and electrical engineering senior lecturer, Nihal Kularatna, was named New Zealand Innovator of the Year at the New Zealand Engineering Excellence awards in 2013 recognising his work in the field of electronic engineering across 35 years. He was also a finalist in the Waikato region's KuDos Science Excellence Awards.

 **500**

NUMBER OF SCHOOLS SIGNED UP TO PHD STUDENT'S WEBSITE

 **931**

STUDENTS ENROLLED IN RESEARCH-ONLY PAPERS

## *Sports science puts researcher ahead of the pack*

How fast does Aaron Cruden run? Brett Smith knows. How hard does Liam Messam tackle? Brett Smith knows. When it comes to performance stats at the back-to-back Super Rugby champion Chiefs, University of Waikato sport and leisure studies lecturer Dr Brett Smith knows pretty much all there is to know.

Dr Smith has worked with the Chiefs for the past two years after more than a decade involved with Rowing New Zealand. There he pioneered the development of analysis models that integrated physiological and performance measures to optimise performance of elite athletes. He's now introducing those same methods to the Chiefs and says it's using science and technology innovatively to ultimately improve performance.

He's travelled to Europe to see training systems at successful sports clubs such as Manchester United, Liverpool and the Welsh rugby team and says his methods are unique and – given the Chiefs' results in the last two years – effective. Each player trains with a GPS unit attached, producing a raft of data for Dr Smith to analyse, including how far they run, how fast, how quickly they accelerate and decelerate. "It's managing data, making sense of it and presenting it in a meaningful way," he says. "It's a lot of maths."



His team – which involves nearly 20 researchers in areas such as nutrition and body composition along with computer programming and design – has created a unique database on each of the players in the Chiefs' squad and provides real-time analysis during training sessions to ensure the drills being carried out are achieving the coaching team's goals.

Aside from data gathered on the training field, Dr Smith also feeds game data and the results of psychometric testing into his database, providing a valuable asset to the team.

# Internationalisation



Composed by the Music Programme's Michael Williams, the multi-media opera *Juniper Passion* had its world premiere at Monte Cassino, Italy, where the war-time opera is set.



## 320+

INTERNATIONAL  
STAFF AT WAIKATO

*In 2013, the prestigious Times Higher Education organisation labelled the University of Waikato "a world-leading institution with the potential to become a global leader". Our students and staff are internationally connected and in 2013 the University continued to strengthen its connections as we expanded our global presence.*

*This included high-level delegations from the University of Waikato travelling to Asia and the Pacific region to meet key government and education leaders. While in China we renewed a Memorandum of Understanding with leading university Sun Yat-Sen, the Deputy Vice-Chancellor participated in a graduation celebration for the University's joint programme with Zhejiang University City College (ZUCC) in June and in recognition of our longstanding and successful joint programme, Minister of Tertiary Education Steven Joyce visited Shanghai International Studies University (SISU) in November.*

*The University hosted delegations from around the world – including groups from Taiwan, Indonesia, China, Colombia and the Philippines. Among the visitors were Colombia's Vice-Minister of Higher Education Patricia Martinez Barrios, and from Indonesia, Embassy First Secretary Maria Renata Hutagalung, and Ridwan Anzib, the Deputy Director for Qualification Affairs, Ministry of Education and Culture.*

*As we connect with our alumni globally, we are increasingly seeing our graduates in high-level government, business and academic positions. This was evident when a University delegation visited Samoa in August where some of our alumni include senior government officials and Ministers, high court judges and a university vice-chancellor.*

*Our Intercoast relationship with Bremen University in Germany continues. It is a successful example of international science collaboration and the initiative has coincided with long-term environmental monitoring programme in the wake of the Rena grounding near Tauranga Harbour.*

*We cemented links with a variety of universities around the world with numerous academics presenting their research at international conferences and overseas academics working collaboratively with University of Waikato researchers. We also welcomed high-level academics to conferences and colloquia held on campus.*

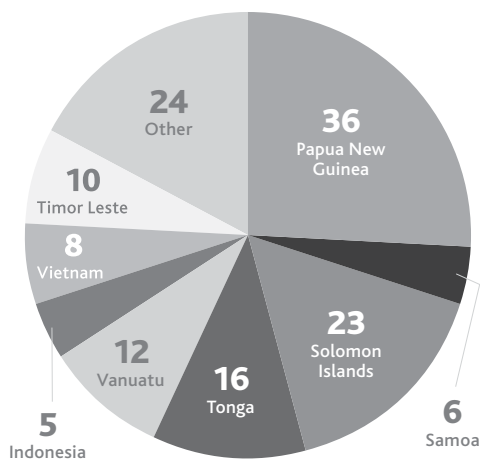


**WORKING WITH WOOD:** The University of Waikato's Radiocarbon Dating Laboratory is using Northland swamp kauri to create a timeline of climate change going back millennia.



# Internationalisation *continued*

## 2013 MFAT SCHOLARS



## INTERNATIONAL FLAVOUR

The University encourages its undergraduate students to spend at least one semester studying at an overseas university. Students remain enrolled at Waikato, pay Waikato fees and credit their completed 'overseas' papers back to their Waikato degree.

An overseas exchange can be a life-defining experience, giving students opportunities to learn about global citizenship, explore new cultures, and discover new ways of learning and perceiving the world.

The University also welcomes students from overseas who live on campus for one or two semesters while studying for their degrees. There were 81 overseas exchange students enrolled in A and B Semesters during 2013.

Internationalisation is a key theme of the University of Waikato's vision. It is the process that links the region to the international community and introduces the international community to the strengths of the region thus establishing a global reputation for the University.

The University of Waikato was the first New Zealand university to establish a partnership in China and we continued to grow relationships there in 2013.

The University is part of the New Zealand-China Tripartite Fund, sometimes known as the "three brothers programme" set up by both governments to encourage the development of strategic research relationships between the two countries. The University of Waikato is the overseas brother, working with colleagues at Fudan University in Shanghai (big brother) and the more remote and smaller Yunnan University (little brother) in China's less developed west. The programme involves Computer Science staff working with students and teachers there to learn English through FLAX, Flexible Language Acquisition, developed at the University of Waikato by the Digital Libraries Group.

In accordance with the Memorandum of Understanding between the Indian and New Zealand governments designed to promote bilateral trade, the University of Waikato followed up on the 2012 India Business Forum held on campus with a second Forum in 2013, held in Ahmedabad, Gujarat in India. The Forum brings together academics and corporate leaders from both countries to help understand the nuances of doing business in each other's territories. In 2013, the Forum provided a platform for exploring mutual and reciprocal opportunities in the areas of tourism and health, information technology, dairy and agribusiness, and trade and exports.

The University of Waikato was awarded almost \$130,000 for five India-related studies in the 2013 round of funding from the New Zealand India Education Council allocated through the New Zealand India Research Institute based at Victoria University. The University of Waikato grants were the largest amount for any New Zealand university from a total of just over \$500,000.

Indian students are the third largest contributor to New Zealand's international student population. Professor Alison McIntosh from the Management School was awarded nearly \$50,000 to lead a study into the experiences of Indian students before, during and after study in New Zealand.

Economics Professor John Gibson's research will focus on rural-to-urban land-use change and development of India's National Capital Region, and Dr Adrian Athique, senior lecturer in Screen and Media Studies, was awarded \$30,000 to run a workshop in New Zealand to consider a wide spectrum of developments (political, technological, commercial and



sociological) in the Indian media economy. Senior research fellow Dr Surya Pandey and PhD psychology student Sripriya Somasekhar both received \$5,000 travel grants to travel to India.

The 2013 International Student Barometer survey showed how popular we are with international students. The survey, in 193 universities in 16 countries, asked 155,000 current international students about their experiences studying overseas. At the University of Waikato 82% of respondents said they would recommend our University to others.

International students focus strongly on universities' world rankings and career opportunities, and the 2013 ISB survey ranked the University of Waikato 11th in the world for careers office support. As well as the social and cultural contribution, while international students study with us they also contribute to our economy, with each of 2013's 2,543 international students generating \$90,000 for the local economy.



**110**

AGREEMENTS WITH INTERNATIONAL TERTIARY PARTNERS



**10,055**

INTERNATIONAL FOLLOWERS ON FACEBOOK PAGE

### *Collaboration with community key driver for coastal scientist*

Professor Chris Battershill began with the University of Waikato in January 2011 and holds the inaugural Bay of Plenty Regional Council Chair in Coastal Science, based in Tauranga. He heads the Coastal Marine Group in the Faculty of Science & Engineering, and the Coastal Marine Field Station in Sulphur Point.

Professor Battershill has also led the high-level, collaborative tertiary institute team, Te Mauri Moana, tasked with monitoring the long-term environmental impacts of Rena. The comprehensive report into the 18-month monitoring programme was released in December 2013.

Among other national and international collaborations, Professor Battershill oversees the New Zealand operation of the INTERCOAST doctoral programme, established in 2010 by the University of Waikato and Bremen University in Germany to create a major centre of marine research excellence in the Bay of Plenty.

Professor Battershill says the programme is a successful example of international science collaboration, and the relationship had been enormously helpful during the long-term environmental monitoring programme in the wake of the Rena grounding.

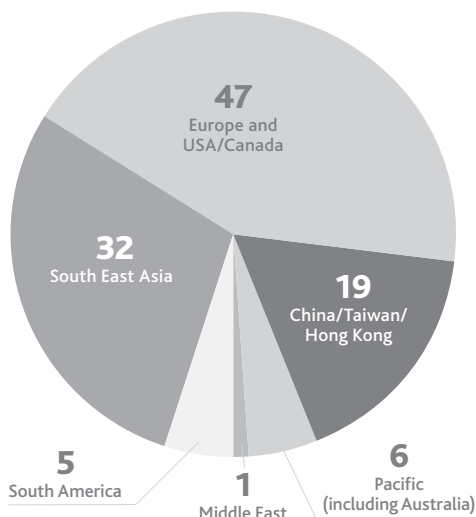


"Our collaboration with the University of Bremen allowed us to quickly harness the most sophisticated expertise and technology globally, for surveying the seabed for contaminants and debris."

The University is also linked to a US/European consortium, Pharmasea, undertaking a global biodiscovery programme over the next five years to spearhead pharmaceutical research. This will involve scientists exploring deep sea areas to look for viable bio resources which may prove extremely useful for pharmaceutical or agrichemical leads.

# Internationalisation *continued*

## AGREEMENTS WITH INTERNATIONAL TERTIARY PARTNERS



## POET-IC APPROACH

In June 2013 the University launched its Early Years Research Centre bringing together academics working on different aspects of early childhood education.

In August, a team from the centre went to Sweden to share their research on transition in education – part of an international study called Pedagogies of Educational Transitions (POET).

The Royal Society is funding the University of Waikato's participation in the four-year project that also involves universities in Sweden, Iceland the UK and Australia. In 2014, the University of Waikato will host researchers from the other institutions.

The International Student Barometer Survey also showed an increase in the number of international students saying they were satisfied with their experience at the University of Waikato – 91%, up from 88% in 2012.

We had the best response rate of students in New Zealand at 49%, well ahead of the national average response rate of 34%.

We also ranked first or second in New Zealand in several areas in the survey, including accommodation office; orientation experience; learning (includes virtual learning, the library and learning spaces); living (access to accommodation) and support (includes IT support and careers help).

For domestic students, we have 55 partner institutions world-wide for student exchange, including the University of California; Babson College; Yonsei University in Korea; Nanyang Technological University in Singapore; Kansai Gaidai University in Japan and Shanghai International Studies University (SISU) in China.

More than 320 international staff called the University of Waikato home in 2013. Dr Andreea Calude is one of a growing number of leading international academics who are choosing to join us. She was part of an international team that determined when one of the world's most ancient and celebrated texts, Homer's *Iliad*, was written. She is also part of a ground-breaking study of words that have remained in use for about 15,000 years.

Our strength in early childhood education has brought us into a select group of universities working on a four-year project looking at transition and education – called Pedagogies of Educational Transitions (POET). The other universities in the project are Mälardalen University in Sweden, Strathclyde (UK), Iceland and Charles Sturt University in Australia.

The Conservatorium of Music's reputation continues to grow. With teachers such as soprano Dame Malvina Major and cellist James Tennant, our top music graduates are leaving New Zealand to extend their study offshore and pursue international solo careers; playing their part in profiling the University of Waikato on the world stage.

Composer and staff member Michael Williams travelled to Italy to stage the world premiere of his multi-media opera *The Juniper Passion*. The staging was part-funded by a \$500,000 donation by a former Dean, Emeritus Professor Ian Graham and his wife Agi, to support the University's music programme. Michael Williams has now been commissioned by the New Zealand Symphony Orchestra to compose a work to commemorate 100 years since the Gallipoli landings in 2015.


The international cyber security market is expected to grow to US\$94 billion by 2017. In 2013 we launched a 180-point masters in cyber security – the first institution in New Zealand to offer a qualification

of this kind. It's another example of the University taking steps to address a global challenge.

The University's carbon dating area has a strong international reputation. In 2013, our scientists pinpointed the age of a skeleton found in Australia, allowing police to identify the remains of a woman found in New South Wales 45 years after she went missing.

The Waikato Radiocarbon Dating Laboratory is also using New Zealand swamp kauri to compile a timeline of changes in climate around the world going back millennia.

It's analysed to determine the amount of Carbon 14 in the atmosphere over the tree's lifespan and the research is providing an indication of the environmental conditions experienced by the trees. Kauri can live for 2,000 years and are unique in providing accurate evidence over long periods. The Northland trees have been growing for over 60,000 years and provide one of the world's best swamp wood archives.

 **82%**  
NUMBER OF UoW INTERNATIONAL STUDENTS WHO WOULD RECOMMEND WAIKATO

**\$90,000**  
WHAT EACH INTERNATIONAL STUDENT GENERATES FOR THE REGIONAL ECONOMY

## *Secret life of a software development engineer*

For a long time, all Mark Staveley's family knew was that he was working for Microsoft somewhere on the company's Seattle campus. But in May 2013, with the announcement of Microsoft's Xbox One, the University of Waikato graduate finally got to reveal he had been working as a senior software development test engineer on the new console.

"I write software that simulates behavioural actions on various software systems," the Canadian says.

"It simulates a month of a behaviour over an hour or weekend and finds performance problems or stress problems. It's a really neat discipline and requires really creative thinking and problem-solving."

Mark says working on something such as Xbox One is a once-in-a-lifetime opportunity which probably wouldn't have happened unless he'd studied at the University of Waikato.

"I came out of New Zealand a very different person. I have since taught at different universities, done research at world-class facilities, and finished a PhD. Throughout all of these things I have reflected on my time at Waikato and been thankful for how I was encouraged and pushed to excel. Professors in the Computer Science Department really made a tremendous impact on me and I've never looked back. Waikato has a really neat way of capturing that real Kiwi innovation and creative spirit," he says.



He says that 'show us what you've got' attitude is a great mindset.

"Now I'm at Microsoft we're encountering computer challenges every day which have never been done before, we're solving problems no one has ever solved before and that approach has been fantastic."

## Partnerships and Engagement



A delegation led by Chancellor Jim Bolger and Vice-Chancellor Professor Roy Crawford visited Samoa in August to build relationships. They also visited Falelatai Village, where Mr Bolger was given the title Nanai in 1997.

*During its first 50 years, the University of Waikato has grown to become an integral part of the community. In 2013 we enhanced connections with our community of stakeholders and friends regionally, nationally and internationally.*

*With community support, we took a big step towards increasing our presence in the Bay of Plenty and we entered into strategically significant partnerships with the sport, health and agriculture industries as well as with central and local government.*

*The University strengthened its Māori and Pacific connections, sending high-level delegations to regional iwi and Pacific Islands. To enhance support for and effectively respond to Pasifika students, the University established two key Pasifika roles – one in policy and one in student support.*

*We continued to fulfil our role as a critic and conscience of society, reaching out to our community with a range of engagements including the annual Winter Lecture Series, profiling of new professors and a range of public lectures, seminars and concerts.*

*We also sought new ways to engage, extending our social media presence and being the first New Zealand university to host innovative Google Hangouts – interactive online panel discussions dissecting the issues of the day.*

Ongoing local, regional and national engagement is crucial to the University's future relevance. In 2013, we continued to prioritise this engagement with our communities of interest for the benefit of our cities, region and nation.

The Bay of Plenty Tertiary Education Partnership – comprising the University, Te Whare Wānanga o Awanuiārangi, Bay of Plenty Polytechnic and now Waiariki Polytechnic – is progressing with plans for a new university-led campus in the Tauranga central business district. In August, the Bay of Plenty Regional Council approved funding of up to \$15 million towards this initiative and the partnership is now seeking further funding from the Tauranga Energy Consumer Trust. The balance of about \$37 million will be funded through EFTS growth in the Partnership, or third parties. The CBD campus is designed to be relevant to the needs of the region and will be an important facility for tertiary provision and research. These plans reinforce our long-term commitment to the area as evidenced by three decades of coastal marine work and teacher education.



# 19,500

**FOLLOWERS ON THE  
UNIVERSITY'S CENTRAL  
FACEBOOK PAGE**



TE MATATINI 2013: The University is a strategic partner of the biennial national kapa haka championships, with large numbers of staff and students involved.



## Partnerships and Engagement *continued*



WORK IN PROGRESS: DVC Professor Alister Jones and Cycling NZ CEO Geoff Balme.

### SUPPORTING HIGH PERFORMANCE SPORT

Our latest significant partnership is with the Home of Cycling Charitable Trust, which has developed a state-of-the-art National Cycling Centre of Excellence (Avantidrome) Complex and associated facilities between Hamilton and Cambridge, and which opens in early 2014.

The University will develop a range of research and consultancy services around community and high performance sport in the region. We will establish a high performance lab at the Avantidrome and look forward to seeing a range of research opportunities covering the likes of Health and Physical Education, Sport Management, Event Management, Coach Development and Engineering.

The University signed a Memorandum of Understanding with Waikato Regional Council to formalise collaborations that help us deliver meaningful outcomes for the region. This joined existing agreements and collaborations with district health boards, Scion, the Institute of Healthy Ageing and the Home of Cycling Charitable Trust.

The University continued its strategic partnership with the biennial Te Matatini National Kapa Haka Championships, held in Rotorua in 2013. Many staff and students took part as competitors or judges at this prestigious event. For an institution with the highest proportion of Māori students of any New Zealand university, supporting the festival aligns with our historic support for the revitalisation and fostering of Māori language and culture. Other initiatives include Kīngitanga Day, which acknowledges our ongoing support for the Kīngitanga, and the embracing of Te Wiki o Te Reo Māori – Māori Language Week.

Another of our longstanding commitments to the nation – particularly the agricultural sector – is the University's strategic partnership with the National Agricultural Fieldays held at Mystery Creek near Hamilton. The University's first Vice-Chancellor Sir Don Llewellyn was a strong supporter of Fieldays when it launched in the 1960s. Today the University is several years into a new strategic partnership that highlights the connection between research and industry. With more than 100,000 people attending Fieldays annually, it allows the University to showcase how our teaching prepares graduates for the industry, and how our research is providing real-world solutions to global challenges.


In the latter half of 2013, the University launched its first Google Hangout featuring Law Professor and former UN rapporteur Alexander Gillespie on the situation in Syria. This dove-tailed with a series of public lectures on the subject throughout the region. We subsequently held three other Hangouts on high-profile issues in the news: the fluoridation of the Hamilton water supply, controversial deep sea oil drilling, and the emotive Roast Busters underage sex scandal. We also collaborated on an Antarctic research Hangout with Australian news outlet Science Alert, providing the opportunity to reflect upon and highlight our long involvement with Antarctica.

On his first visit to New Zealand, the speaker of Britain's House of Commons the Rt Hon John Bercow MP, visited Auckland, Wellington and Hamilton where he gave a public lecture at the University of Waikato about parliaments of the future. Former French Minister for Equal Opportunities in the Chirac Government Dr Azouz Begag gave a public lecture at the University that touched on the importance of ethnic and/or religious identity and how it intersects with socio-economic challenges, both in practice and political debate. And former New Zealand Prime Minister and now head of the United Nations Development Programme, the Rt Hon Helen Clark, gave lectures at our Hamilton and Tauranga campuses.

We hosted 500 delegates at the Aquatic Science at the Interface Conference in August, bringing together the New Zealand Freshwater Scientists Society, the New Zealand Marine Sciences Society and the Australian Society for Fish Biology. It was one of the biggest conferences of its type to be held in the region, and helps the University connect strongly with end-users of our research.

Other major conferences hosted by the University included the inaugural He Manawa Whenua Indigenous Research Conference in July, the Threshold Concepts and Learning at Tertiary Level in November and the International Titanium Powder Processing, Consolidation and Metallurgy Conference in December. The IUCN Academy of Environmental Law Annual Colloquium was held on campus – the first time this colloquium has been held in New Zealand. Also on campus was the inaugural Kiwa's Colloquium T+10 Pacific Research Symposium, which attracted more than 100 students, researchers, academics and community members.

 **348%**  
GROWTH IN FACEBOOK  
FOLLOWERS 2011–2013

  
**9,445**  
NZ FOLLOWERS  
ON FACEBOOK

### ***Strong support for Pacific students at the University of Waikato***

The number of Pacific students attending the University of Waikato is increasing year by year. In 2013, the University appointed Elena Fa'amoe-Timoteo to the position of Senior Policy Adviser – Pacific and tasked her with developing a policy framework for the University's Pacific Plan.

"The Pacific students who go to school in New Zealand are growing up in a world that is quite different from their parents' and there are so many more learning opportunities available to them," says Ms Fa'amoe-Timoteo. "We want to get more Pacific students experiencing success and getting prepared for a world that is as yet undefined."

She says the Pacific Plan ensures the University builds on its teaching and research endeavours, to meet the aspirations, needs and priorities of Pacific peoples. "It is about harnessing the untapped potential of Pacific students to achieve and contribute to the global society as well as the University being able to contribute to addressing the needs and aspirations of Pacific communities – both domestically and internationally."



Ms Fa'amoe-Timoteo says the framework will support the development of systems and process shifts necessary to achieve the aspirations and goals within the Pacific Plan, acknowledging and incorporating the cultural and spiritual values of Pacific peoples.

"For many Pacific students, coming to Waikato will be the first time they are really on their own and, in some cases, they'll be the first in their families to attend a tertiary institution, which impacts on their roles within their families and communities. We need to be sure we meet the pastoral, social, emotional and learning needs of these students so they can meaningfully engage in their studies and experience educational success."

# Sustainability



Maintenance and enhancement of the University lakes and their surrounds is ongoing, but an extra special effort in 2013 saw 1,600m<sup>3</sup> of silt and rubbish and 1,000 pest fish removed.

# \$794 MILLION

## OUR IMPACT ON CORE WAIKATO REGION

*The University of Waikato continues to implement and prioritise sustainable practices in all aspects of its operations.*

*Sustainability is about preserving and enhancing the institution for future generations. It incorporates economic, social, cultural and environmental aspects.*

*In 2013, sustainable practices were embedded in our new Strategy. A key part of this is continuing to develop our park-like campus and facilities which feature strongly in our student experience. In addition to that ongoing investment, the University Council initiated a discussion on 'Universities of the Future', embracing the opportunities and challenges in higher education posed by technology. This became a key part of our new strategy and we marked this by launching New Zealand's first MOOC.*

*During the year, we reviewed our Environmental Sustainability policy and actions and continued to ensure that environmental sustainability is not only a key consideration for our operational activity, but that our academic programmes reflect the importance of this global challenge.*

On campus, a multimillion-dollar Law and Management building is being designed to be as energy efficient as possible. It follows in the footsteps of the University's award-winning 5 Green Star Student Centre. The successful College Hall refurbishment, part of a five-year project, incorporated sustainable practices and future-proofed the buildings to take advantage of developing technologies while providing students with a healthy and secure environment.

Economic sustainability is fundamental to the development of stable communities functioning within healthy environments. The University of Waikato brings a wealth of experience to bear in this area via research with programmes that, for example, monitor the regional economy, and measure the social and economic impacts of temporary labour migration. Our researchers also continue to survey corporate social responsibility and sustainability practices throughout the country and around the world.

Key environmental research carried out at the University of Waikato was showcased at an international conference in Madison, Wisconsin, USA in a collaborative effort with the Waikato Regional Council and other key parties.

The Madison showcase at the 5th Society for Ecological Restoration World Conference highlighted many of our leading areas of environmental research under the umbrella of our Environmental Research Institute. The conference attendance was part of a



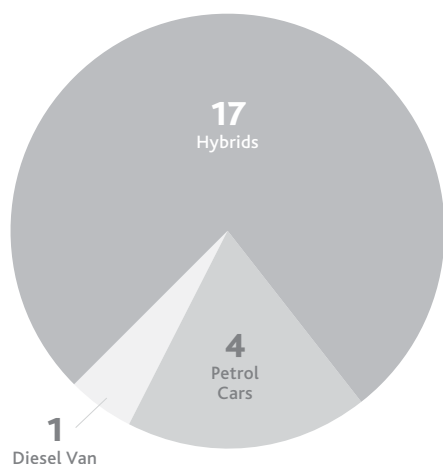


**FUTURE-FOCUSED CONSTRUCTION:**  
The new Law and Management  
building, eco-friendly and designed  
with the future in mind.



# Sustainability *continued*

## VEHICLES PURCHASED FOR UoW FLEET IN 2013



## BIG PLAYER IN LOCAL ECONOMY

The University plays a crucial role in the economic sustainability of the wider Waikato region, contributing nearly \$800 million to the regional economy – through University operations and student spending – and \$938 million nationally, with the total expected to reach \$1 billion in the next two years.

Each of the roughly 1,500 full-time equivalent employees at the University generates 0.57 of a job elsewhere in the region and a further 0.67 jobs in the rest of New Zealand.

As such, the region benefits greatly from the presence of the University, with generally higher incomes generated by the higher number of people with degrees.

collaboration between NIWA, Landcare Research, the Waikato Regional Council, the Waikato Biodiversity Forum, the Waikato River Authority and the Waikato Raupatu River Trust.

The University prioritises this collaborative work and partners with many organisations, including local government, CRIs, environmental groups and iwi across rural and urban environments, to improve and enhance the natural environment through initiatives such as reintroducing threatened species and eradicating pests.

Professor Juliet Roper, who leads a Marsden-funded sustainability project, and Associate Professor Eva Collins from Waikato Management School worked with the Sustainable Business Council on their Action 2020 for Vision 2050, an ongoing project.

Dr Collins completed a second business sustainability survey, with results to be released in 2014. The Management School hosted an awards launch, was a sponsor, and Dr Collins was a judge of the NZI Sustainable Business Network Awards. The Management School also hosted the third international PRME (Principles for Responsible Management Education) conference held at Waikato-Tainui College for Research and Development in Hopuhopu. The conference covered four themes involving indigenous business and responsible management: Māori perspectives; environmental responsiveness; social equity in stability; and ethical practices.

On campus, a newly-planted rongoa garden has further enhanced the extensive original campus plantings, which themselves were designed in the 1960s to incorporate a learning aspect.

The campus plantings, which include 6,000 trees covering 65 hectares, surround three man-made lakes which were the subject of an extensive remediation programme in 2013, helped by a \$45,000 grant from the Waikato River Authority.

The University is also a signatory to the United Nations Commitment to Sustainable Practices of Higher Education, under which we pledge to further incorporate sustainability into teaching, research, operations and community outreach. A range of significant sustainability-related plans are being developed as part of our participation in the UN project.

As a responsible corporate citizen, the Hamilton campus of the University of Waikato recycled 10 tonnes of glass, 4 tonnes of plastic, and 62 tonnes of paper and cardboard in 2013. The 'Faculty of Worms' on campus diverts up to 3 tonnes of organic waste from landfill each year and contributes valuable nutrients to the extensive University plantings.

We donated 220 computers to regional educational organisations in 2013 while an additional 850 Information and Communications Technology items were returned via the Hewlett Packard Global Recycling programme.

Other research into sustainability being carried out by the University of Waikato includes studies into climate change, electricity use, carbon dating and the second part of the Energy Futures Project, which will look at private transport use.

We are strongly involved in helping develop new laws around climate change, such as carbon capture and storage, and the extraction of minerals from geothermal fluids.

Our demographic experts in the National Institute for Demographic and Economic Analysis (NIDEA) are researching sustainable communities and advising local authorities on how to best prepare for population change – good or bad.

Professor Peter Kamp heads the University of Waikato's Energy Research Group and has been leading a team of researchers working with Fonterra milk processing plants to find ways to improve air-flow during the drying process, which in turn improves energy efficiency.

In 2013, Professor Kamp was awarded more than \$2 million from the Ministry of Business, Innovation and Employment for the project, which will run until 2016. It allows researchers to continue experiments, simulations, numerical modelling and analysis with Fonterra.

We are leaders of research in areas of environmental sustainability, economic and industrial sustainability, and in research supporting social and cultural sustainability and showing the next generation how to develop a sustainable future in a multicultural, international environment.

**3 TONNES**

ORGANIC WASTE  
PROCESSED BY  
'FACULTY OF WORMS'

**220**

COMPUTERS DONATED TO  
REGIONAL EDUCATIONAL  
ORGANISATIONS IN 2013

## *New professor turning the tide on water problems*

Floods are becoming harder to manage by holding water back behind large flood defences, so it's time to look at how to protect against them using spatial planning techniques and focusing on smaller scales. This is the view of Professor

Iain White who joined the University of Waikato's highly regarded Environment Planning Programme from the University of Manchester in July 2013.



Professor White says climate change is creating more extreme weather events, and escalating urbanisation is changing catchment behaviour so rivers and urban areas are expected to manage more water than ever before. His extensive research into the ongoing global challenge of water management looks at managing floods via more strategic land-use and the use of temporary or smart technologies at the building and community scales that can protect homes and businesses from floods of up to one metre deep.

# Statistical Information

## Total Students by Origin

	2005	2006	2007	2008	2009	2010	2011	2012	2013
Core Region	8,406	8,714	8,338	8,341	9,234	8,845	8,760	8,863	8,799
Inner Periphery	545	483	512	626	794	843	927	930	971
Outer Periphery	516	519	527	521	585	551	557	506	537
Auckland	1,059	953	899	790	754	679	614	587	489
Wellington	197	168	142	131	188	169	181	156	165
South Island	172	143	131	157	137	134	125	129	137
Overseas	2,173	1,581	1,482	1,448	1,397	1,421	1,364	1,350	1,246
<b>Total</b>	<b>13,068</b>	<b>12,561</b>	<b>12,031</b>	<b>12,014</b>	<b>13,089</b>	<b>12,642</b>	<b>12,563</b>	<b>12,521</b>	<b>12,344</b>

## Total Qualifications Completed by Level

	2005	2006	2007	2008	2009	2010	2011	2012	2013
Foundation certificates	511	530	613	880	1,097	838	549	533	508
Degree	1,772	2,284	2,120	1,884	1,994	1,843	1,931	2,038	2,156
Graduate/Postgraduate (excluding MPhil and doctorates)	951	1,071	937	996	1,114	1,208	1,295	1,297	1,063
MPhil and Doctoral	38	50	73	53	54	71	105	73	81
<b>Total</b>	<b>3,272</b>	<b>3,935</b>	<b>3,743</b>	<b>3,813</b>	<b>4,259</b>	<b>3,960</b>	<b>3,880</b>	<b>3,941</b>	<b>3,808</b>

### Total EFTS by Level

	2005	2006	2007	2008	2009	2010	2011	2012	2013
Sub-degree	577	585	647	748	872	575	453	406	345
Degree	8,286	7,891	7,357	7,237	7,851	7,874	8,008	8,123	8,075
Taught Postgraduate	1,178	1,018	1,032	1,028	1,149	1,205	1,159	1,117	1,161
Research Postgraduate	432	459	477	498	545	593	620	620	577
ACE	167	181	196	176	189	168	108	104	2
<b>Total</b>	<b>10,641</b>	<b>10,134</b>	<b>9,708</b>	<b>9,685</b>	<b>10,606</b>	<b>10,415</b>	<b>10,348</b>	<b>10,371</b>	<b>10,159</b>

### Total EFTS by Source of Funding

	2005	2006	2007	2008	2009	2010	2011	2012	2013
Ministry-Funded (excluding ACE)	7,689	7,549	7,709	7,859	8,700	8,546	8,660	8,776	8,726
Full-Cost International	2,759	2,370	1,764	1,615	1,669	1,664	1,543	1,461	1,408
Full-Cost Other	26	34	41	36	49	37	37	30	23
ACE	167	181	196	176	189	168	108	104	2
<b>Total</b>	<b>10,641</b>	<b>10,134</b>	<b>9,708</b>	<b>9,685</b>	<b>10,606</b>	<b>10,415</b>	<b>10,348</b>	<b>10,371</b>	<b>10,159</b>

## Statistical Information *continued*

### Total EFTS by Organisational Unit

	2005	2006	2007	2008	2009	2010	2011	2012	2013
Arts & Social Sciences	2,134	2,043	1,932	1,849	2,054	2,091	2,060	2,185	2,227
Computing & Mathematical Sciences	921	851	790	706	759	804	878	950	993
Education	1,923	1,832	1,792	1,932	2,256	3,052	2,897	2,863	2,567
Law	532	562	573	589	608	626	649	622	646
Māori & Pacific Development	319	306	299	274	278	274	302	283	263
Science & Engineering	886	895	883	875	925	926	982	1,011	1,047
Waikato Management School	3,184	2,880	2,597	2,536	2,664	2,641	2,580	2,455	2,416
Other Organisational Unit	741	765	843	924	1,062	-	-	-	-
<b>Total</b>	<b>10,641</b>	<b>10,134</b>	<b>9,708</b>	<b>9,685</b>	<b>10,606</b>	<b>10,415</b>	<b>10,348</b>	<b>10,371</b>	<b>10,159</b>

### Ratio of EFTS to Academic FTE (counting all Academic FTEs and EFTS)

	2005	2006	2007	2008	2009	2010	2011	2012	2013
Total Academic FTE	705	648	625	643	633	654	646	637	640
Total EFTS	10,641	10,134	9,708	9,685	10,606	10,415	10,348	10,371	10,159
<b>Total</b>	<b>15.1</b>	<b>15.6</b>	<b>15.5</b>	<b>15.1</b>	<b>16.8</b>	<b>15.9</b>	<b>16.0</b>	<b>16.3</b>	<b>15.9</b>

## Research Revenue

	2006	2007	2008	2009	2010	2011	2012	2013
Annual Research Revenue	\$20.805 million	\$23.295 million	\$21.894 million	\$27.838 million	\$27.464 million	\$31.077 million	\$29.693 million	\$28.666 million
Academic FTE (Research)	466	465	492	450	449	441	442	448
Research Revenue per Academic FTE (Research)	\$44,646	\$50,097	\$44,500	\$60,862	\$61,111	\$70,395	\$67,179	\$63,986

## University of Waikato Research Publication Count by Type

	Books	Chapters	Conference Contributions	Creative Works	Journals	Other	Total
FASS	13	55	185	44	98	148	543
FCMS	1	4	58	-	44	5	112
FEDU	17	63	116	4	126	47	373
FLAW	3	4	5	-	18	10	40
WMS	11	32	163	-	205	91	502
FSEN	1	18	202	-	193	18	432
ODVC	2	2	-	-	3	-	7
OTHER	-	-	2	-	-	-	2
SMPD	3	7	22	-	3	19	54
<b>Total</b>	<b>51</b>	<b>185</b>	<b>753</b>	<b>48</b>	<b>690</b>	<b>338</b>	<b>2,065</b>

## Independent Auditor's Report

To the readers of  
the University of Waikato and group's  
financial statements and non-financial performance information  
for the year ended 31 December 2013

The Auditor-General is the auditor of the University of Waikato (the University) and group. The Auditor-General has appointed me, Clarence Susan, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements and non-financial performance information of the University and group on her behalf.

We have audited:

- the financial statements of the University and group on pages 65 to 121, that comprise the balance sheet as at 31 December 2013, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information; and
- the non-financial performance information of the University and group in the statement of service performance on pages 50 to 58.

### Opinion

In our opinion:

- the financial statements of the University and group on pages 65 to 121:
  - comply with generally accepted accounting practice in New Zealand; and
  - fairly reflect the University and group's:
    - financial position as at 31 December 2013; and



- financial performance and cash flows for the year ended on that date;
- the non-financial performance information of the University and group on pages 50 to 58 fairly reflects the University and group's service performance achievements measured against the performance targets adopted in the investment plan for the year ended 31 December 2013.

Our audit was completed on 19 March 2014. This is the date at which our opinion is expressed.

The basis of our opinion is explained below. In addition, we outline the responsibilities of the Council and our responsibilities, and we explain our independence.

### **Basis of opinion**

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and carry out our audit to obtain reasonable assurance about whether the financial statements and non-financial performance information are free from material misstatement.

Material misstatements are differences or omissions of amounts and disclosures that, in our judgement, are likely to influence readers' overall understanding of the financial statements and non-financial performance information. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

An audit involves carrying out procedures to obtain audit evidence about the amounts and disclosures in the financial statements and non-financial performance information. The procedures selected depend on our judgement, including our assessment of risks of material misstatement of the financial statements and non-financial performance information, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the [Entity Type] and group's preparation of the financial statements and non-financial performance information that fairly reflect the matters to which they relate. We consider internal control 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.

An audit also involves evaluating:

# Auditor General Opinion *continued*

- the appropriateness of accounting policies used and whether they have been consistently applied;
- the reasonableness of the significant accounting estimates and judgements made by the Council;
- the adequacy of all disclosures in the financial statements and non-financial performance information; and
- the overall presentation of the financial statements and non-financial performance information.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements and non-financial performance information. Also we did not evaluate the security and controls over the electronic publication of the financial statements and non-financial performance information.

We have obtained all the information and explanations we have required and we believe we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

## **Responsibilities of the Council**

The Council is responsible for preparing financial statements that:

- comply with generally accepted accounting practice in New Zealand; and
- fairly reflect the University and group's financial position, financial performance and cash flows.

The Council is also responsible for preparing non-financial performance information that fairly reflects the University and group's service performance achievements measured against the performance targets adopted in the investment plan.

The Council is responsible for such internal control as it determines is necessary to enable the preparation of financial statements and non-financial performance information that are free from material misstatement, whether due to fraud or error. The Council is also responsible for the publication of the financial statements and non-financial performance information, whether in printed or electronic form.

The Council's responsibilities arise from the Education Act 1989 and the Crown Entities Act 2004.

## Responsibilities of the Auditor

We are responsible for expressing an independent opinion on the financial statements and non-financial performance information and reporting that opinion to you based on our audit. Our responsibility arises from section 15 of the Public Audit Act 2001 and the Crown Entities Act 2004.

## Independence

When carrying out the audit, we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the External Reporting Board.

In addition to audit we have carried out an assurance engagement with respect to the University's Performance-based Research Fund external research income, which is compatible with those independence requirements. Other than the audit and that, we have no relationship with or interests in the University or any of its subsidiaries.



Clarence Susan  
Audit New Zealand  
On behalf of the Auditor-General  
Tauranga, New Zealand

# Statement of Service Performance

## *Institutional Sustainability*

	2009 Actual	2010 Actual	2011 Actual	2012 Actual	2013 Target	2013 Actual
1. Deliver MF EFTS within 100%-105% of the University's approved Investment Plan funding	106.1%	101.7%	99.1%	101.6%	100-105%	99.3%

The University's Mix of Provision for 2013 was matched to its SAC funding allocation and comprised 8,802 MF EFTS. In MF EFTS terms, the University achieved 99.1% of target (a shortfall of 72 EFTS). In funding terms, the University achieved 99.3% of target; the variation between the funding and EFTS results reflected the fact that larger numbers of higher value EFTS (primarily in science and engineering) were generated than originally projected in the Mix of Provision.

The University exceeded the TEC's 99% threshold, and therefore retained its full SAC funding allocation.

Returning enrolments in Semester A of 2013 were slower than usual; however the issue was identified very early in the year and, as a consequence of a range of interventions at the time and into Semester B, the impact of the initial shortfall was effectively mitigated and resulted in a very steep trajectory of growth in the second half of the year.

By the end of the year, numbers of new enrolments had increased over the previous year. The increase was positive, because of its contribution to healthy pipelines into 2014 and beyond. The proportion of new students in 2013 who were school-leavers also increased. This was also very positive because students under the age of 25 are a priority group in the context of Government's Tertiary Education Strategy.

A decline of 165 MF EFTS generated by returners (-2.6%) between 2012 and 2013 reversed the pattern of growth in returners between 2011 and 2012 and offset entirely the gains in 2013 MF EFTS from new students. The decline in returners is likely to have been due in part to the fact that a large spike in MF enrolments in 2009 would have flowed through the system by the end of 2012.

It is interesting to note that the number of returners into 2013 directly from 2012 was higher than the number of returners into 2012 directly from 2011. In other words, the decline in returners in 2013 was caused by a drop in returners from earlier years (ie students who had taken 'gap' years).

A review of the T semester (the November/December Summer School programme) to ensure it met student demand saw a significant expansion of the course offerings and enrolments doubled those of previous years. Enrolments in a number of the Government's identified priority areas, including science, computer science and engineering qualifications, were strong and exceeded target.

Shortfalls against MF EFTS targets were most evident in teacher education programmes and undergraduate management programmes.

	2009 Actual	2010 Actual	2011 Actual	2012 Actual	2013 Target	2013 Actual
2. Achieve targets for FCI EFTS	1,669 EFTS	1,664 EFTS	1,543 EFTS	1,461 EFTS	1,501 EFTS	1,408 EFTS

FCI EFTS at degree level were steady in 2013.

It is very positive to note that despite the highly competitive international environment, the University has grown its TPG FCI EFTS to its highest level since 2010.

Increased enrolments in 2013 by new international students in qualifications at degree-level and higher, combined with continued strong retention rates, are expected to deliver strong pipelines into 2014. Also, enrolments from international partnership programmes are expected to increase in 2014.

FCI EFTS declined by 3.6% (52 FCI EFTS) between 2012 and 2013, primarily as a result of declining sub-degree level EFTS, which decreased by 15.5%. Factors contributing to this decline included the high value of the New Zealand dollar, the lingering effects of the global financial slow-down, increased English language opportunities in countries such as China and the expansion of English language teaching in primary and secondary schools in countries such as South Korea, China and Indonesia. A different, more integrated approach to the marketing of sub-degree English language programmes is designed to reverse the decline in 2014 and will focus on the role of these programmes as pathways into higher level study.

	2009 Actual	2010 Actual	2011 Actual	2012 Actual	2013 Target	2013 Actual
3. Increase the proportion of revenue generated by the University from non-student and non-New Zealand Government sources	12.8%	12.7%	13.3%	13.0%	> 14.0%	14.4%

This KPI relates to revenue from all sources other than teaching (ie other than student tuition fees and the SAC of the Government Grant) and other than New Zealand Government-funded research activity. It includes revenue generated from student accommodation as well as commercial activities across the University group. In times of tight fiscal constraint, the commitment to increase the proportion of this type of revenue stems from the need to diversify income sources, and to decrease reliance on teaching and research funding from Government.

While it is positive that the University achieved its 2013 target against this indicator, it is even more positive to note the scale of the increase from 13.0% cent in 2012 to 14.4% in 2013.

# Statement of Service Performance

	2009 Actual	2010 Actual	2011 Actual	2012 Actual	2013 Target	2013 Actual
4. Maintain a low risk rating ( $\geq 3$ ) against the TEC's Financial Monitoring Framework	N/A	3.0	4.0	4.3	$\geq 3$	4.0

The University of Waikato again received a low risk rating overall in 2013 against the TEC's Financial Monitoring Framework, which reflects the continuing financial strength of the University's operations.

## Participation and Performance

Proportion MF TPG and above overall	2009 Actual	2010 Actual	2011 Actual	2012 Actual	2013 Target	2013 Actual
5. Increase proportion of MF EFTS enrolled at TPG level and above	17.2%	18.0%	17.7%	16.9%	16.9%	16.9%

The University's target for MF EFTS at TPG level and above in 2013 was achieved.

However the balance of TPG and RPG enrolments shifted in 2013. In 2013, 10.3% of MF EFTS were TPG EFTS compared with 9.8% in 2012, and 6.6% of MF EFTS were RPG EFTS, compared with 7.0% in 2012. This decline in both the number and proportion of RPG EFTS is concerning, not only because RPG EFTS are higher value EFTS (ie attract higher levels of funding), but also because of the University's long-standing overall strategic intent to increase RPG enrolments.

MF under 25s participation	2009 Actual	2010 Actual	2011 Actual	2012 Actual	2013 Target	2013 Actual
6. Increase volume of MF EFTS generated by students aged under 25	5,759 EFTS	5,657 EFTS	5,734 EFTS	5,882 EFTS	5,887 EFTS	5,985 EFTS

The 2013 target to increase MF EFTS generated by students aged under 25 was achieved.

68.6% of all MF EFTS were generated by students under the age of 25, compared with 67.0% in 2012. The fact that numbers of students under 25 years of age increased, both as a headcount and also as a proportion of overall MF EFTS, is very positive given Government's emphasis on ensuring that more young people have access and incentives to gain tertiary qualifications.

Numbers of MF EFTS generated by school leavers reached their highest level since 2009.

<b>MF Māori student participation</b>	<b>2009 Actual</b>	<b>2010 Actual</b>	<b>2011 Actual</b>	<b>2012 Actual</b>	<b>2013 Target</b>	<b>2013 Actual</b>
7. Increase volume of MF EFTS generated by Māori students	1,851 EFTS	1,773 EFTS	1,846 EFTS	1,925 EFTS	1,950 EFTS	<b>1,867 EFTS</b>
8. Increase proportion of MF Māori EFTS enrolled at TPG level and above	12.9%	13.8%	15.1%	15.1%	15.3%	<b>13.4%</b>

Students self-report their ethnicity each year, and the figures reported from one year to the next are therefore a snapshot in time.

The drop in the number of MF EFTS generated by students who self-reported as Māori in 2013 was in contrast to the very positive growth in 2011 and 2012.

The declines occurred primarily in teacher education, management and Māori and Pacific development programmes. A key factor that is thought to have contributed to the decline in MF EFTS generated by Māori students in teacher education programmes is the media attention in late 2012/early 2013 on teacher oversupply and the consequent difficulties experienced by graduates in gaining permanent teaching positions. Enrolments by Māori students in management were affected by the University's decision to shift from an annual to a two-yearly intake into the Waikato-Tainui MBA programmes (thus maintaining a minimum cohort size of 20 students), which meant that there was no intake into the programme in 2013.

MF EFTS generated by Māori students at TPG level and above declined significantly in both number and proportion in 2013 in all Faculties except Science and Engineering. While media releases from the Ministry of Education suggested that changes to eligibility for student allowances (impacting on postgraduate students) had not had an impact on enrolments overall in the sector, information from student focus groups conducted by the University suggested that the policy changes had a particular impact on Māori students and had discouraged those who might otherwise have undertaken postgraduate study.

<b>MF Pacific student participation</b>	<b>2009 Actual</b>	<b>2010 Actual</b>	<b>2011 Actual</b>	<b>2012 Actual</b>	<b>2013 Target</b>	<b>2013 Actual</b>
9. Increase volume of MF EFTS generated by Pacific students	479 EFTS	427 EFTS	425 EFTS	489 EFTS	530 EFTS	<b>530 EFTS</b>
10. Increase proportion of MF Pacific EFTS enrolled at TPG level and above	12.9%	13.8%	12.1%	13.1%	12.5%	<b>11.4%</b>

Students self-report their ethnicity each year, and the figures reported from one year to the next are therefore a snapshot in time.

The University achieved its 2013 target to increase the number of MF EFTS generated by students who self-reported as Pacific, but fell short of the target to increase the proportion of MF Pacific EFTS enrolled at TPG level and above.

Following a relatively flat pattern of enrolments over recent years, growth in Pacific MF EFTS in 2013 was strong and was most likely an early benefit of the new Pacific infrastructure being put in place to support delivery of the University's Pacific Plan.

Typically, approximately 86% (measured in EFTS terms) of the University's students who report their ethnicity as Pacific are Ministry-Funded. The remaining 14% are Full-Cost International EFTS and are not represented in these data. (EFTS by Pacific students who are Full-Cost International students have increased steadily each year and more than doubled since 2009.)

Although the University has in place a sound strategy to grow its MF Pacific EFTS, it is at its early stages of implementation and the largest proportion of recent growth has inevitably been at degree level. The Pacific Plan also includes initiatives to encourage current Pacific students to progress to postgraduate programmes and to attract new Pacific graduates from other institutions.

# Statement of Service Performance

	2009 Actual	2010 Actual	2011 Actual	2012 Actual	2013 Target	2013 Interim
<b>MF educational performance overall</b>						
11. Maintain successful course (paper) completion rates for MF students overall	84.1%	87.4%	87.1%	86.4%	86.0%	84.2%
12. Improve qualification completion rates for MF students overall	73.1%	71.3%	77.9%	81.5%	72.0%	83.0%
13. Maintain retention rates for MF students overall	80.6%	82.5%	84.4%	86.0%	84.0%	86.3%
<b>MF under 25s educational performance</b>						
14. Maintain successful course (paper) completion rates for MF students aged under 25	83.3%	86.5%	86.3%	85.7%	86.0%	83.4%
15. Improve qualification completion rates for MF students aged under 25	64.1%	63.3%	65.9%	71.9%	63.0%	72.5%
16. Maintain retention rates for MF students aged under 25	84.6%	83.8%	86.2%	88.2%	86.0%	87.8%
<b>MF Māori student educational performance</b>						
17. Improve successful course (paper) completion rates for MF Māori students	74.5%	80.7%	81.8%	81.4%	83.0%	79.2%
18. Improve qualification completion rates for MF Māori students	61.5%	60.4%	61.5%	67.7%	71.0%	78.0%
19. Improve retention rates for MF Māori students	73.2%	72.7%	77.5%	79.4%	81.0%	80.4%
<b>MF Pacific student educational performance</b>						
20. Improve successful course (paper) completion rates for MF Pacific students	67.3%	72.7%	73.2%	71.1%	78.0%	64.0%
21. Improve qualification completion rates for MF Pacific students	62.1%	48.3%	59.9%	69.7%	65.0%	44.5%
22. Improve retention rates for MF Pacific students	75.4%	75.1%	76.5%	81.8%	80.0%	82.2%

2013 results against these educational performance indicators are subject to confirmation by the TEC following the submission of the April 2014 Single Data Return; final results will be reported in subsequent Statements of Service Performance.

Data below relating to qualification completions are as at 31 December 2013 and may be subject to change.

The University's results against these indicators in 2013, while variable, were generally strong overall.

Paper completion rates, particularly among new domestic students, were lower than normal. However qualification completion rates were high across all student groups, with the exception of MF Pacific.



A particular factor contributing to lower paper completion rates in 2013 across all categories of students associated with these educational performance indicators was an increase in the number of IC (Incomplete) and WD (Withdrawn) grades, especially by new students. While the numbers of students involved were small, a fall in the paper completion rate of students progressing to degree-level study from the Certificate in University Preparation also had an effect.

The wide variations in qualification completion rates from year to year can be attributed in part to the methodology for calculating those rates, the nature of which means that increases or decreases in cohort size for small groups can have a statistically significant impact, leading to potentially misleading results. The significant fall in the qualification completion rate for MF Pacific students is particularly misleading because of distortions caused by the significant increase in the cohort size in 2013. When measured in actual terms (rather than as a rate), qualification completions by MF Pacific students in 2013 were actually comparable with the number in 2012 (2012 – 133 completions; 2013: 113 completions). A pattern of increasing enrolments by new Māori students from 2009 flowed through to a corresponding increase in qualification completions in 2013; total completions by Māori students increased from 572 in 2012, to 620 in 2013. Of particular note was a decrease in the number of postgraduate diploma completions compared with 2012 (2012 – 78, 2013: 24), a pattern which reflected a downturn in postgraduate enrolments by Māori students as noted under KPI 8. However this decrease was more than offset by a significant increase in the number of bachelors degree completions generated by Māori students (up from 329 in 2012, to 421 in 2013). Also of note was the significant increase in MBA completions generated by Māori students, up from 4 in 2012 to 23 in 2013, primarily as a result of the University's MBA programme offered in conjunction with the Tainui Endowed College.

Retention rates across all student groups showed positive increases in 2013, and with the exception of MF Māori students, all groups exceeded target. The University's Māori student retention rate in 2013 was just slightly below target. While media releases from the Ministry of Education suggested that changes to eligibility for student allowances (impacting on postgraduate students) had not had an impact on enrolments overall in the sector, information from student focus groups conducted by the University suggests that the policy changes had a particular impact on Māori students and had discouraged those who might otherwise have undertaken postgraduate study.

<b>Full-Cost International student educational performance</b>	<b>2009 Actual</b>	<b>2010 Actual</b>	<b>2011 Actual</b>	<b>2012 Actual</b>	<b>2013 Target</b>	<b>2013 Interim</b>
23. Maintain successful course (paper) completion rates for FCI students	84.0%	85.1%	85.0%	86.5%	86.0%	86.8%
24. Improve qualification completion rates for FCI students	90.9%	78.9%	69.9%	72.6%	74.0%	90.6%
25. Maintain retention rates for FCI students	91.9%	90.9%	90.6%	87.6%	84.0%	90.3%

2013 results against these educational performance indicators are subject to confirmation following the submission of the April 2014 Single Data Return; final results will be reported in subsequent Statements of Service Performance.

Data below relating to qualification completions are as at 31 December 2013 and may be subject to change.

FCI student results against these educational performance indicators remained strong in 2013.

As explained above, qualification completion rates can be skewed by changes in cohort size from one year to the next. In the case of FCI students, the considerable increase in the qualification completion rate in 2013 can be attributed largely to the continued fall in cohort size over recent years. It will also have been influenced by the decline in 2013 in the number of EFTS generated by enrolments in sub-degree qualifications (namely the Certificate of Attainment in Academic English, the Certificate of Attainment in English Language and the Certificate of Attainment in Foundation Studies), which typically have lower completion rates. When measured in actual terms, rather than as a rate, the volume of qualification completions by FCI students in 2013 was comparable with the number generated in 2012 (2012 – 760; 2013: 795).

# Statement of Service Performance

## Research Performance

	2009 Interim	2010 Interim	2011 Interim	2012 Interim	2013 Target	2013 Interim
26. Increase research degree completions	563	684	676	717	715	708

All the historic results against this KPI have been updated since previous Annual Reports to take account of additional completions recorded since then.

The 2013 result against this KPI is also subject to change.

International PhD students count in research degree completion (RDC) calculations and changes in the enrolment and completion patterns of this particular group of students have had a particular impact on the University's results against this KPI in recent years.

In 2006, when Government first introduced the policy making international PhD students eligible for domestic fees, a spike in enrolments and subsequent completions occurred, generating an increase in RDCs. International PhD enrolments and completions have remained relatively steady since 2006; PhD enrolments and completions by domestic students have also remained relatively steady.

Adding to the challenges in relation to the achievement of this particular KPI are Government's changes to student eligibility for allowances (which are no longer available for students enrolled in qualifications above honours level), and the introduction of 180-point taught masters programmes which are expected to lead to a reduction in student enrolments in RDC-eligible masters theses.

	2009 Actual	2010 Actual	2011 Actual	2012 Actual	2013 Target	2013 Actual
27. Increase the University's research and development (R&D) revenue	\$44.4M	\$41.6M	\$49.7M	\$45.5M	\$50.3M	\$48.6M

Research and development (R&D) revenue in the context of this KPI:

### Counts

- » Research revenue (the sum of both 'PBRF-eligible external research income' and 'non-PBRF eligible research revenue' (these terms are defined in detail by the TEC for PBRF purposes))
- » Professional development contract revenue
- » 'Other income' (as defined in the University's Statement of Comprehensive Income) generated by Faculties
- » Donations made directly to Faculties.

### Excludes

- » 'On Plan' Investment Plan funding (comprising Student Achievement Component, Performance Based Research Fund, Equity Loading and Adult Literacy Educator Grants)
- » Student fees
- » Donations other than those made directly to Faculties
- » Interest income.

While the University did not achieve its R&D target of \$50.3M, the increase of \$3.1M (6.6%) over the 2012 result is positive. R&D revenue also increased as a proportion of total revenue from 20.7% in 2012 to 21.5% in 2013. With the pipeline of contracts currently in place, it is anticipated that R&D revenue will continue to increase in 2014.

	2009 Actual	2010 Actual	2011 Actual	2012 Actual	2014 Target
28. Increase the proportion of the University's academic staff who are internationally recognised for their research (equivalent to A and B quality scores against PBRF criteria), assessed through a two-yearly internal formative process using Academic Staff Portfolios	34% (PBRF)	44% (PBRF)	46.5% (FRE)	54.4% (PBRF)	55% (internal formative process)

No assessment of staff research performance was scheduled to be undertaken in 2013.

Planning is underway for an internal formative assessment in 2014.

### Organisational Culture: Staff and Students

	2009 Actual	2012 Actual	2014 Target
29. Maintain the overall response rate in the University's three-yearly staff engagement survey and:	66%	67%	67%
a. improve the result in the 'Progress' index and	48%	57%	> 57%
b. maintain the result in the 'Job Satisfaction' scale	82%	83%	83%

A staff engagement survey was not scheduled to be undertaken in 2013.

It has been decided that the survey will be undertaken in future at 2½ yearly intervals; the next staff engagement survey will be conducted in August 2014.

# Statement of Service Performance

	2008 Actual	2010 Actual	2012 Actual	2014 Target
30. In the two-yearly AUSSE and POSSE survey				
a. improve results in the 'Overall Satisfaction' scale	AUSSE: 72%	AUSSE: 71%	AUSSE: > 71%	AUSSE: > 2012 result
	-	POSSE: 74%	POSSE: > 74%	POSSE: > 2012 result
b. improve results in the 'Career Readiness' scale	-	AUSSE: 37%	AUSSE: > 37%	AUSSE: > 2012 result
	-	POSSE: 41%	POSSE: > 41%	POSSE: > 2012 result

The AUSSE (Australasian Survey of Student Engagement) and POSSE (Postgraduate Survey of Student Engagement) were not scheduled to be undertaken in 2013.

The next AUSSE and POSSE surveys will be undertaken in 2014.

## Reputation

	2009 Actual	2010 Actual	2011 Actual	2012 Actual	2013 Target	2013 Actual
31. Improve the University's annual ranking in the QS World University Ranking and THE World University Ranking exercises	314=	QS: 316=	QS: 357	QS: 374	QS: < 374	QS: 401-410
		THE: Only top 200 published	THE: 318	THE: 302	THE: < 302	THE: 311

While the University's performance in both the QS (Quacquarelli Symonds) and THE (Times Higher Education) rankings fell in 2013, its results are considered to have been sound when judged in light of the strides being made by other universities globally, especially in Asian countries.

A major achievement in 2013 was the University of Waikato's upward movement in the THE World Ranking of universities under 50 years old. We are currently ranked at 46, up from 58 in 2012. The University of Waikato is the only New Zealand university in the top 50 in this ranking based on an assessment of over 5,000 young universities worldwide.

# Student Services Levy and Output Costs

## Compulsory Students Services Fees for 2013

	Advocacy and legal advice	Careers information, advice and guidance, employment information	Counselling services and pastoral care	Financial support and advice	Health services	Media	Childcare services	Clubs and societies	Sports, recreation and cultural activities	Total
<i>Revenue</i>										
Compulsory Student Services fees	182,929	277,758	1,138,400	413,283	1,077,852	78,070	151,787	69,926	375,211	<b>3,765,216</b>
Income from other sources	-	9,896	315,118	337	625,004	-	-	-	-	<b>950,354</b>
<b>Total Income</b>	<b>182,929</b>	<b>287,654</b>	<b>1,453,518</b>	<b>413,619</b>	<b>1,702,856</b>	<b>78,070</b>	<b>151,787</b>	<b>69,926</b>	<b>375,211</b>	<b>4,715,570</b>
<b>Total Costs</b>	<b>260,556</b>	<b>395,628</b>	<b>1,621,492</b>	<b>588,664</b>	<b>1,535,251</b>	<b>111,200</b>	<b>216,200</b>	<b>99,600</b>	<b>534,437</b>	<b>5,363,027</b>
<b>Net Cost</b>	<b>77,628</b>	<b>107,974</b>	<b>167,975</b>	<b>175,045</b>	<b>(167,605)</b>	<b>33,130</b>	<b>64,413</b>	<b>29,674</b>	<b>159,225</b>	<b>647,458</b>
									(Over)/Under Recovery	<b>647,458</b>

### Advocacy and legal advice

A professional, independent, free and confidential service is provided to assist students with university related issues such as administrative problems, disciplinary proceedings and complaints; and personal issues such as landlord disputes, budgeting, legal problems, sudden and unexpected financial difficulty.

### Careers information, advice and guidance

Students are provided with:

- » Career advice and guidance that will assist them to transition into employment
- » Interview and CV workshops
- » Course and degree guidance that supports students in their pathway towards good career and employment outcomes.

The University establishes and maintains:

- » Relevant student destination data and industry trends information
- » A range of career specific events that contribute to graduate career outcomes
- » A broad range of relationships with external stakeholders to enhance career outcome opportunities for students.

### Employment information

Services include:

- » Management of online vacancies that provide Waikato students and graduates with 24/7 access to job vacancies, career articles, events and news
- » Provision of staff to organise career fairs, expos and other graduate recruitment programmes
- » Access to Student Job Search
- » Management of internships and other opportunities for work experience
- » Management of employer relationships that enable students to have opportunities to engage with prospective employers.

### Counselling services and pastoral care

Students are provided with access to free counselling services that creates a safe and healthy campus environment and enhance the student experience and contribute to academic achievement.

A broad range of pastoral care services are available that are culturally appropriate and that recognises the diversity of the scholarly community.

The University provides emergency responses to incidents that impact the welfare of students and the provision of recovery and crisis resolution functions.

# Student Services Levy and Output Costs

## Financial support and advice

Services include:

- » Provision of budgeting, financial planning and tuition fee management advice to students
- » Providing comprehensive support on all student allowance and loan matters
- » Provision of financial advice to prospective students and their parents
- » Administration of the Student Assistance (Hardship) Fund, Equity grants and awards
- » Provision of advice in relation to the preparation of budgets and financial statements for scholarship applicants.

## Health services

Services include:

- » Provision of a full general practice medical care service
- » Provision of specialist advice and services to students with impairments to enable them to fully participate in the student experience and succeed in their studies
- » Advice for staff on creating an inclusive education environment for students with a disability or medical condition.

## Media

Student media contract with WSU – ensuring University of Waikato students are provided with information and news by and for students. This is provided via print and internet-based media.

## Childcare services

The University provides the physical facilities for the early childhood provision on campus at no cost.

## Clubs and societies

The University, in close partnership with WSU, U Leisure and the Waikato University Combined Sports Clubs (WUCS), provides:

- » Support to all clubs (political, cultural, faith-based, ethnic, sports and academic) and club hubs
- » Meeting rooms, activity spaces and resources for clubs to book and use
- » A range of communication mechanisms to regularly inform students and clubs of opportunities, services and support.

## Sports, recreation and cultural activities

The University, in close partnership with WSU, U Leisure and the Waikato University Combined Sports Clubs (WUCS), provides:

- » Co-ordinating and running of sports leagues
- » Organising and supervising a range of sport, recreation and cultural activities
- » Establishing links to other community activities for students
- » Initiating other activities identified through recreational forums or suggestions from students
- » Providing recreational facilities including security, cleaning, bookings, maintenance, onsite support and improvement of the facilities
- » Providing venues for, hosting and supporting student events
- » Providing student common rooms
- » Sponsorship for student initiatives
- » Recognition of student sporting and cultural achievements.

## Statement of the Cost of Outputs

The University recognises four broad classes of output that result from its activities. These outputs are teaching and learning, external research, services and products (other than teaching and learning) provided to students and all other services and products provided. The following table provides an analysis of the cost of providing these outputs.

	This Year \$000	Budget \$000	Last Year \$000
<b>Outputs</b>			
Teaching and Learning	149,280	147,151	148,038
Research	47,150	33,391	44,734
Student Services and Products	11,093	10,808	10,124
Other Services and Products	8,687	15,538	8,216
<b>Total</b>	<b>216,210</b>	<b>206,888</b>	<b>211,112</b>

# EEO Statement

During 2013, the University of Waikato became a signatory to the Women's Empowerment Principles. The Principles are the result of a collaboration between UN Women and the United Nations Global Compact. They offer guidance for businesses on how they can empower women whether it's in the workplace or community.

Also during 2013, the University conducted an EEO assessment, including interviewing with senior leaders and staff and providing an online career progression survey.

The survey investigated the opportunities, perceptions, barriers, supports, systems and flexibility relating to career progression – and how these differ between genders and ethnicities. This data will provide ongoing indicators for Equal Employment Opportunities at the University of Waikato.

For the fifth year running, a strong committee of representatives from around the University organised the popular Women in Leadership Day. The 2013 theme was *Preparing for the Future: The University and You* and included speakers, networking opportunities, and workshops about developing an online profile, preparing for interviews, mentoring and change, developing authentic leadership. Organisations from around the Waikato are also invited to send staff, with many such as Wintec taking up the offer.

The University supported another four University of Waikato women (professional staff and academics) to attend the NZ WIL programme in Wellington.

The EEO story continued to be spread throughout the organisation and region in 2013 via the Equality Matters newsletter, and through a variety of items in the staff magazine, regional publications, and presentations to on-campus groups such as the Gender Research Network which considers academic research on gender issues.

More than 160 people during the year attended in-house EEO workshops that touched on communications, CV preparation, and applications for promotions for academic staff.

At the end of 2013, a group of parents on the Hamilton campus formed the Working Parents on Campus group aimed at providing support for those with children.



## LEADERSHIP DAY STILL POPULAR

The University's annual Women in Leadership Day continues to go from strength to strength, attracting excellent speakers and a wide range of University staff plus employees from other Waikato organisations.

Dr Helen Anderson, a Chair or Director on a wide variety of boards, was the 2013 keynote speaker with a talk titled: *Leadership – is it magic?* Her impressive background and pragmatic approach to carving out her career were well received by the more than 300 people taking part in the day.

The University's Women in Leadership Day was inspired by the Universities New Zealand NZWIL course, and has been running since 2009.

# 160+

PEOPLE ATTENDED IN-HOUSE  
EEO WORKSHOPS

# 300+

STAFF AND GUESTS AT  
WOMEN IN LEADERSHIP DAY

# Financial Overview 2013

As the University of Waikato heads into its 50th celebrations in 2014, it is in good financial heart. The University group recorded revenue in excess of \$230 million for the first time in 2013 and achieved a solid surplus of \$9.69 million or 4.20% of revenue. However 2013 continued to be challenging for the University, with constraints around revenue growth and greater pressures of competition and external influences outside of its control. For 2013, the University prepared a conservative budget and had anticipated a small decrease in revenue particularly around government sourced funding, research and commercial activities. However the University budgeted to maintain its surplus at 4% of revenue – consistent with previous years and necessary in order for the University to fund its on-going capital requirements. As the year progressed, the largest challenge the University faced was meeting its student enrolment targets – both ministry funded and full cost international students – and considerable additional resources were employed during the year to ensure that the targets were achieved.

The University only surplus of \$9.35 million is \$0.34 million less than budget but is slightly ahead of the previous year by \$0.54 million. This represents a return of 4.14% on total revenue (consistent with 4.01% achieved in 2012) and is well inside the guidelines of 3.0-5.0% promulgated by the Tertiary Education Commission. It is pleasing to see that the University continues to consistently achieve its financial targets results year on year.

The University recorded total revenue of \$225.56 million in 2013, which was an increase of \$5.64 million or 2.56% on 2012, significantly up on budgeted revenue of \$216.38 million (a \$9.18 million or 4.24% increase). The largest source of increase in revenue was in the advisory services grants and other commercial contracts within the Faculty of Education, up a total of \$6.11 million on budget and \$3.40 million on 2012.

Teaching related income was slightly up on both budget and on 2012, even though the number of equivalent full time students (EFTS) decreased by 2.04% between 2012 and 2013. The University received additional Student Achievement Funding from Government of \$1.59 million from what was budgeted. It enrolled the required additional EFTS, enrolling a total of 8,726 Ministry Funded EFTS, or 99.3% of its investment plan target (2012 – 8,776 Ministry Funded EFTS). The University also earned higher levels of fee income per EFTS as a result of fee increases and changes in the mix of programmes that students enrolled in, thus offsetting the fall in Ministry funded EFTS enrolled and increasing tuition fees by \$1.57 million over 2012.

Full cost international EFTS continued to fall for the fourth straight year, decreasing by 52 EFTS in 2013, or 3.56%, to 1,409. However, the University budgeted for lower Full Cost EFTS in 2013 and enrolled 99.23% of its budgeted target. This resulted in a slight decrease in revenue of \$0.37 million compared to budget. Since 2004, full cost international EFTS have fallen by 1,479 or 51.21%.

Research revenue was 6.92% or \$1.86 million higher than budget, however it was 3.46% down on 2012. This was the second year of declining research revenue and reflects the limited pool of research funding available in New Zealand plus the pressure of competition between Universities and Crown Research Institutes for funds. There is also a shift in the nature of research funding with funding agencies requiring a higher level of collaboration between institutions in order to win research contracts. This is resulting in more partnerships, shared income and sub-contracting activity. The most significant growth in research income was in the Faculty of Science & Engineering – up \$3.95 million on budget. Most other Faculties experienced challenges in securing new externally funded research contracts for 2013. However the outlook for 2014 appears brighter with the pipeline for new contracts won starting to flow.

Other revenue was also up in 2013 by \$1.29 million primarily due to an increase of \$1.27 million in the student services levies collected. Growth in commercial contracts within the Faculty of Education mentioned above were offset by falls in the international group enrolments in sub-degree programmes and Faculties' commercial consultancies.

The University put in significant effort in controlling costs during 2013. However where revenue grew in research and commercial contracts, there was a corresponding increase in expenditure as the University increased its activities to meet its contractual commitments. The University also increased its marketing and recruitment expenditure in 2013 by \$1.0 million to ensure it met its student enrolment targets. However, while personnel and other costs increased 2.75% in 2013, total revenue increased by 2.56%.



The University Group recorded a consolidated operating surplus of \$9.69 million in the year to 31 December 2013, compared with a surplus of \$5.83 million in the previous year. This significant improvement in the surplus is largely due to growth in revenue (Government Funding and Grants and Commercial income) and 2012 recording a write down of \$2.27 million in the value of capitalised development projects held for commercialisation.

The consolidated revenue for 2013 of the University Group was up by 3.6% to \$230.90 million on the previous year of \$222.92 million, reflecting the hard work that the University has put in over the last few years to grow revenue in difficult financial conditions. 2012 saw the first decline in revenue for the Group for over twenty two years and it is very pleasing to see that reversed in 2013.

University subsidiary, WaikatoLink Limited recorded a deficit of \$0.58 million, a significant improvement from the \$3.19 million deficit recorded in 2012. That deficit was largely a result of impairing a number of technologies held for commercialisation (\$2.27 million). The University of Waikato Research Trust also recorded a small deficit of \$0.72 million as researchers utilized funds for further research initiatives. Offsetting these results was the University of Waikato Foundation Trust which recorded a surplus of \$1.24 million in 2013. Within the Foundation, an endowment fund has been established in 2013 which has investments of \$1.76 million at year end.

The University Group again generated strong operating cash flows, recording net cash flows from operations of \$25.42 million, down on the previous year by \$4.01 million (or 13.8%). These cash flows were reinvested back into the University's campus and resources, with the University spending \$25.25 million on capital expenditure. Capital expenditure is down on budget due to the timing of the completion of projects slipping into 2014. During 2013, the \$15.0 million refurbishment of College Hall (student accommodation) was completed. The planning and design for new facilities (\$27 million project) for the Faculty of Law and Faculty of Management were completed with construction due to start in early 2014.

2014 is shaping up to be a challenging year for the University as Government is funding fewer Ministry Funded EFTS than in 2013 and the international student market continues to be extremely competitive. The University will need to develop its research and commercial revenue streams in order to maintain existing income levels. This will mean adapting to the changing funding environment and growing the level of collaboration with other institutions as well as continuing to control the cost base.

**Andrew McKinnon**

CHIEF FINANCIAL OFFICER

# Statement of Responsibility

In the financial year ended 31 December 2013, the Council and management of the University of Waikato were responsible for:

1. The preparation of the annual financial statements and statement of service performance, and the judgements used in them;
2. Establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting; and
3. In the opinion of Council and management of the University of Waikato, the annual financial statements and statement of service performance of the financial year ended 31 December 2013 fairly reflect the financial position and operations of The University of Waikato and group.



CHANCELLOR  
**Rt Hon Jim Bolger**  
19 March 2014



VICE-CHANCELLOR  
**Professor Roy Crawford**  
19 March 2014



THE UNIVERSITY OF  
**WAIKATO**  
*Te Whare Wānanga o Waikato*

# Finance Section

## Statement of Comprehensive Income

For the year ended 31 December 2013

	Notes	CONSOLIDATED		UNIVERSITY		
		This Year	Last Year	This Year	Budget	Last Year
		\$000	\$000	\$000	\$000	\$000
<b>REVENUE</b>						
Government Funding and Grants	2	101,623	98,005	101,623	97,492	98,005
Tuition Fees	3	70,379	68,814	70,379	70,095	68,814
Research		28,666	29,693	28,666	26,810	29,693
Investment Income	12	1,654	1,693	1,690	1,300	1,512
Other Income	4	27,077	23,160	22,727	20,651	21,434
Donations		1,467	1,550	475	30	463
<b>Total Revenue</b>		<b>230,866</b>	<b>222,915</b>	<b>225,560</b>	<b>216,378</b>	<b>219,921</b>
<b>COSTS</b>						
Personnel Costs	5	128,287	126,518	125,481	126,204	123,700
Other Costs	6	72,772	68,152	70,958	61,484	67,478
Finance		290	301	161	-	161
Depreciation, Amortisation and Impairment	15,16	19,970	22,077	19,610	19,000	19,773
<b>Total Costs</b>		<b>221,319</b>	<b>217,048</b>	<b>216,210</b>	<b>206,688</b>	<b>211,112</b>
Share of Surplus/(Deficit) from Associates	7	147	(36)	-	-	-
<b>Surplus</b>		<b>9,694</b>	<b>5,831</b>	<b>9,350</b>	<b>9,690</b>	<b>8,809</b>
<b>Surplus Attributable to:</b>						
University of Waikato		9,418	6,210	9,350	9,690	8,809
Non-Controlling Interest		276	(379)	-	-	-
<b>Surplus</b>		<b>9,694</b>	<b>5,831</b>	<b>9,350</b>	<b>9,690</b>	<b>8,809</b>
<b>Total Comprehensive Income</b>		<b>9,694</b>	<b>5,831</b>	<b>9,350</b>	<b>9,690</b>	<b>8,809</b>
<b>Comprehensive Income Attributable to:</b>						
University of Waikato		9,418	6,210	9,350	9,690	8,809
Non-Controlling Interest		276	(379)	-	-	-
<b>Total Comprehensive Income for the Year</b>		<b>9,694</b>	<b>5,831</b>	<b>9,350</b>	<b>9,690</b>	<b>8,809</b>

Explanations of major variances against budget are provided in note 29.

The accompanying notes form an integral part of, and should be read in conjunction with, this statement.

# Finance Section

## Statement of Changes in Equity

For the year ended 31 December 2013

	CONSOLIDATED			UNIVERSITY		
	Notes	This Year	Last Year	This Year	Budget	Last Year
		\$000	\$000	\$000	\$000	\$000
Opening Equity at 1 January		342,947	337,109	325,993	327,756	317,184
<b>Comprehensive Income</b>						
Surplus		9,694	5,831	9,350	9,690	8,809
Other Comprehensive Income		-	-	-	-	-
Total Comprehensive Income		9,694	5,831	9,350	9,690	8,809
Staff Share Options and Capital Issued		724	7	-	-	-
Minority Interest Repurchase		(80)	-	-	-	-
Loss on sale of subsidiary		-	-	-	-	-
<b>Closing Equity at 31 December</b>		<b>353,285</b>	<b>342,947</b>	<b>335,343</b>	<b>337,446</b>	<b>325,993</b>
<b>Attributable to:</b>						
University of Waikato	8	352,550	342,488	335,343	337,446	325,993
Minority interest		735	459	-	-	-
		<b>353,285</b>	<b>342,947</b>	<b>335,343</b>	<b>337,446</b>	<b>325,993</b>

The accompanying notes form an integral part of, and should be read in conjunction with, this statement.

## Balance Sheet

As at 31 December 2013

	Notes	CONSOLIDATED		UNIVERSITY		
		This Year	Last Year	This Year	Budget	Last Year
		\$000	\$000	\$000	\$000	\$000
<b>ASSETS</b>						
<b>Current Assets</b>						
Cash and Cash Equivalents	9	5,252	8,173	4,652	19,184	7,804
Trade and Other Receivables	10	24,483	20,552	21,969	17,768	18,329
Inter Company Balances	11	-	-	7,028	7,785	7,513
Prepayments		5,111	5,358	5,111	196	5,358
Other Financial Assets	12	16,117	12,515	14,000	-	11,045
Inventories	13	1,070	1,020	1,070	977	1,020
<b>Total Current Assets</b>		<b>52,033</b>	<b>47,618</b>	<b>53,830</b>	<b>45,910</b>	<b>51,069</b>
<b>NON CURRENT ASSETS</b>						
Investments in Associates	7	1,887	2,173	467	850	875
Investments	14	403	657	2,198	2,348	2,198
Loans and Receivables	10	30	60	-	-	-
Intangible Assets	15	12,803	12,283	6,170	5,799	5,659
Property, Plant and Equipment	16	355,880	352,066	355,836	364,521	351,984
<b>Total Non Current Assets</b>		<b>371,003</b>	<b>367,239</b>	<b>364,671</b>	<b>373,518</b>	<b>360,716</b>
<b>Total Assets</b>		<b>423,036</b>	<b>414,857</b>	<b>418,501</b>	<b>419,428</b>	<b>411,785</b>
<b>LIABILITIES</b>						
<b>Current Liabilities</b>						
Income in Advance	17	26,708	27,323	26,689	25,762	27,252
Trade and Other Payables	18	17,516	18,623	17,099	11,594	17,996
Derivative Financial Instruments	19	-	3	-	14,675	3
Employee Entitlements	5	12,659	12,733	12,272	-	12,364
Borrowings	20	3	3	3	3	3
<b>Total Current Liabilities</b>		<b>56,886</b>	<b>58,685</b>	<b>56,063</b>	<b>52,034</b>	<b>57,618</b>

# Finance Section

## *Balance Sheet continued*

As at 31 December 2013

	Notes	CONSOLIDATED		UNIVERSITY		
		This Year	Last Year	This Year	Budget	Last Year
		\$000	\$000	\$000	\$000	\$000
<b>LIABILITIES</b>						
<b>Non Current Liabilities</b>						
Employee Entitlements	5	11,539	11,895	11,539	13,682	11,895
Borrowings	20	1,326	1,330	1,326	1,221	1,330
University of Waikato Research Trust Payable	11	-	-	14,230	15,045	14,949
<b>Total Non Current Liabilities</b>		<b>12,865</b>	<b>13,225</b>	<b>27,095</b>	<b>29,948</b>	<b>28,174</b>
<b>EQUITY</b>						
General Equity	8	218,204	208,031	200,997	203,466	191,536
Other Reserves	8	134,346	134,457	134,346	133,980	134,457
Equity – Parent		352,550	342,488	335,343	337,446	325,993
Non-Controlling Interest		735	459	-	-	-
<b>Total Equity</b>		<b>353,285</b>	<b>342,947</b>	<b>335,343</b>	<b>337,446</b>	<b>325,993</b>
<b>Total Liabilities and Equity</b>		<b>423,036</b>	<b>414,857</b>	<b>418,501</b>	<b>419,428</b>	<b>411,785</b>

The accompanying notes form an integral part of, and should be read in conjunction with, this statement.

## Statement of Cash Flows

For the year ended 31 December 2013

	CONSOLIDATED			UNIVERSITY		
	Notes	This Year	Last Year	This Year	Budget	Last Year
		\$000	\$000	\$000	\$000	\$000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
<b>Cash was provided from:</b>						
Government Funding and Grants		101,789	97,961	101,789	96,438	97,961
Revenues from Tuition Fees		69,953	68,363	69,953	64,095	68,363
Other Revenue		52,186	50,675	47,746	48,817	47,427
Interest Received		1,773	1,531	1,690	1,319	1,472
Goods and Services Tax (net)		499	471	499	(729)	471
		<b>226,200</b>	<b>219,001</b>	<b>221,677</b>	<b>209,940</b>	<b>215,694</b>
<b>Cash was applied to:</b>						
Interest Paid		(178)	(301)	(161)	(168)	(161)
Suppliers		(73,109)	(62,170)	(71,264)	(61,500)	(62,657)
Employees		(128,755)	(127,495)	(126,670)	(124,990)	(125,351)
		<b>(202,042)</b>	<b>(189,966)</b>	<b>(198,095)</b>	<b>(186,658)</b>	<b>(188,169)</b>
<b>Net Cash Flows from Operating Activities</b>	21	<b>24,158</b>	<b>29,035</b>	<b>23,582</b>	<b>23,282</b>	<b>27,525</b>

### CASH FLOWS FROM INVESTING ACTIVITIES

<b>Cash was provided from:</b>						
Issue of Share Capital		679	-	-	-	-
Cash Dividends		25	-	142	-	40
Property, Plant and Equipment Sales		11	229	-	-	229
Investment in Associates		408	(161)	408	-	-
Short Term Investments		1,112	34,000	-	-	34,000
		<b>2,235</b>	<b>34,068</b>	<b>550</b>	<b>-</b>	<b>34,269</b>
<b>Cash was applied to:</b>						
Advance to Investment Entity		(248)	-	-	-	-
Short Term Investments		(4,759)	(39,905)	(2,955)	-	(38,045)
Intangibles		(1,888)	(2,552)	(1,567)	-	(1,604)
Property Plant & Equipment		(22,413)	(26,516)	(22,406)	(25,869)	(26,498)
		<b>(29,308)</b>	<b>(68,973)</b>	<b>(26,928)</b>	<b>(25,869)</b>	<b>(66,147)</b>
<b>Net Cash Flows from Investing Activities</b>		<b>(27,073)</b>	<b>(34,905)</b>	<b>(26,378)</b>	<b>(25,869)</b>	<b>(31,878)</b>

# Finance Section

## Statement of Cash Flows continued

For the year ended 31 December 2013

	CONSOLIDATED			UNIVERSITY		
	Notes	This Year	Last Year	This Year	Budget	Last Year
CASH FLOWS FROM FINANCING ACTIVITIES		\$000	\$000	\$000	\$000	\$000
<b>Cash was applied to:</b>						
Term Investments				(350)		
Repayment of Finance Lease Liabilities		(6)	-	(6)	-	-
Dividends Paid		-	-	-	-	-
Loans Repaid		-	-	-	(80)	-
		(6)	-	(356)	(80)	-
<b>Net Cash Flows from Financing Activities</b>		<b>(6)</b>	<b>-</b>	<b>(356)</b>	<b>(80)</b>	<b>-</b>
<b>Net Cash Flows From All Activities</b>		<b>(2,921)</b>	<b>(5,870)</b>	<b>(3,152)</b>	<b>(2,667)</b>	<b>(4,353)</b>
Opening Cash and Cash Equivalents		8,173	14,043	7,804	21,851	12,157
<b>Closing Cash and Cash Equivalents</b>		<b>5,252</b>	<b>8,173</b>	<b>4,652</b>	<b>19,184</b>	<b>7,804</b>

The Goods and Services Tax (GST) (net) component of operating activities reflects the net GST paid to and received from the Inland Revenue Department. The GST (net) component has been presented on a net basis, as the gross amounts do not provide meaningful information for financial statement purposes.

The accompanying notes form an integral part of, and should be read in conjunction with, this statement.



# Notes to the Financial Statements

## *Note 1: Statement of accounting policies for the year ended 31 December 2013*

### **The Reporting Entity**

The University of Waikato (the University) is a public benefit entity, domiciled in New Zealand, constituted as a university under the University of Waikato Act 1963 for the advancement of knowledge and the dissemination and maintenance thereof by teaching and research.

The financial statements were authorised for issue by Council on 19 March 2014.

The financial statements cover all the activities of the University and Group including those of:

- » WaikatoLink Limited and Group, a wholly owned subsidiary company, and the results for the year ended 31 December 2013 have been fully consolidated into the University group results.
- » The University of Waikato Foundation, incorporated as a Charitable Trust in 1992, and the results for the year ended 31 December 2013 have been fully consolidated into the University group results.
- » The University of Waikato Alumni Association, incorporated in 1990, and the results for the year ended 31 December 2013 have been fully consolidated into the University group results.
- » The Student Campus Building Fund Trust, incorporated as a Charitable Trust in 1971, and the results for the year ended 31 December 2013 have been fully consolidated into the University group results.
- » The University of Waikato Research Trust, incorporated as a Charitable Trust in 2007, and the results for the year ended 31 December 2013 have been fully incorporated into the University group results.
- » iEngagEd Limited, a wholly owned subsidiary company, and the results for the year ended 31 December 2013 have been fully consolidated into the University group results.
- » U Leisure Limited is 50% owned by the University. The remaining 50% is owned by the Waikato Students' Union (Incorporated). U Leisure Limited commenced operations from 1 August 1996, replacing the Student Union Services Management Board. Equity Accounting methods have been used to report the results of U Leisure Limited which has a balance date of 31 December.
- » LCo New Zealand Limited is 24% owned by the University. The remaining 76% is owned by three other New Zealand universities. LCo New Zealand Limited was incorporated December 2003. Equity Accounting methods have been used to report the results of LCo New Zealand Limited which has a balance date of 31 December.

All of the University's subsidiaries and associates are incorporated in New Zealand.

### **Basis of Preparation**

#### **Statement of Compliance**

These accompanying financial statements are presented in accordance with Section 203 of the Education Act 1989 which refers to the provisions of the Crown Entities Act 2004, and Generally Accepted Accounting Practice in New Zealand (NZ GAAP). They comply with the New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS) and other applicable financial reporting standards as appropriate for public benefit entities.

The accounting policies set out below have been applied in preparing the financial statements for the year ended 31 December 2013 and the comparative information presented in these financial statements for the year ended 31 December 2012.

#### **Measurement Basis**

The financial statements have been prepared on an historical cost basis, adjusted by the revaluation of certain property, plant and equipment.

# Notes to the Financial Statements

## Functional and Presentation Currency

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$'000). The functional currency of the University is New Zealand dollars. Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in the statement of comprehensive income.

## Changes in Accounting Policies

There have been no changes in accounting policies for the year ended 31 December 2013.

The University has adopted the following revisions to accounting standards during the financial year, which have had only a presentational or disclosure effect:

- » FRS-44 New Zealand Additional Disclosures and Amendments to NZ IFRS to harmonise with IFRS and Australian Accounting Standards (Harmonisation Amendments) – The purpose of the new standard and amendments is to harmonise Australian and New Zealand accounting standards with source IFRS and to eliminate many of the differences between the accounting standards in each jurisdiction. The main effect of the amendments on the University is that donations are no longer required to be separately disclosed and certain information about property valuations is no longer required to be disclosed. Note 6 has been updated for these changes, however note 16 has not been updated, while disclosing valuer's details is no longer required, we consider it good practice to continue.

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

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

- » NZ IFRS 9 Financial Instruments will eventually replace NZ IAS 39 Financial Instruments: Recognition and Measurement. NZ IAS 39 is being replaced through the following 3 main phases: Phase 1 Classification and Measurement, Phase 2 Impairment Methodology, and Phase 3 Hedge Accounting. Phase 1 on the classification and measurement of financial assets has been completed and has been published in the new financial instrument standard NZ IFRS 9. NZ IFRS 9 uses a single approach to determine whether a financial asset is measured at amortised cost or fair value, replacing the many different rules in NZ IAS 39. The approach in NZ IFRS 9 is based on how an entity manages its financial instruments (its business model) and the contractual cash flow characteristics of the financial assets. The financial liability requirements are the same as those of NZ IAS 39, except for when an entity elects to designate a financial liability at fair value through the surplus or deficit. The new standard is required to be adopted for the year ended 31 December 2015. However, as a new Accounting Standards Framework will apply before this date, there is certainly no certainty when an equivalent standard to NZ IFRS 9 will be applied by public benefit entities.

The Minister of Commerce has approved a new Accounting Standards Framework (incorporating a Tier Strategy) developed by the External Reporting Board (XRB). Under this Accounting Standards Framework, the University is classified as a Tier 1 reporting entity and it will be required to apply full public sector Public Benefit Entity Accounting Standards (PAS). These standards are being developed by the XRB are mainly based on current International Public Sector Accounting Standards. The effective date for the new standards for public sector entities is expected to be for reporting periods beginning on or after 1 July 2014. This means that the University expects to transition to the new standards in preparing its 31 December 2015 financial statements. As the PAS are still under development, the University is unable to assess the implications of the new Accounting Standards Framework at this time.

Due to the change in the Accounting Standards Framework for public benefit entities, it is expected that all new NZ IFRS and amendments to existing NZ IFRS will not be applicable to public benefit entities. Therefore the XRB has effectively frozen the financial reporting requirements for public benefit entities up until the new Accounting Standard Framework is effective. Accordingly, no disclosure has been made about new or amended NZ IFRS that exclude public benefit entities from their scope.

## Significant Accounting Policies

### Basis of Consolidation

The purchase method is used to prepare the consolidated financial statements, which involves adding together like items of assets, liabilities, equity, income, expenses and cash flows on a line-by-line basis. All significant intragroup balances, transactions, income and expenses are eliminated on consolidation.

The University's investments in its subsidiaries are carried at cost in the University's own "parent entity" financial statements.

### Subsidiaries

The University consolidates as subsidiaries in the group financial statements all entities where the University has the capacity to control their financing and operating policies so as to obtain benefits from the activities of the entity. This power exists where the University controls the majority voting power on the governing body or where such policies have been irreversibly predetermined by the University or where the determination of such policies is unable to materially impact the level of potential ownership benefits that arise from the activities of the subsidiary.

The University measures the cost of a business combination as the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, in exchange for control of the subsidiary plus any costs directly attributable to the business combination.

Any excess of the cost of the business combination over the University's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities is recognised as goodwill. If the University's interest in the net fair value of the identifiable assets liabilities and contingent liabilities recognised exceeds the cost of the business combination, the difference will be recognised immediately in the statement of comprehensive income.

### Associates

The University accounts for an investment in an associate in the group financial statements using the equity method. 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. The investment in an associate is initially recognised at cost and the carrying amount is increased or decreased to recognise the University's share of the surplus or deficit of the associate after the date of acquisition. The University's share of the surplus or deficit of the associate is recognised in the University's statement of comprehensive income. Distributions received from an associate reduce the carrying amount of the investment.

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

The University's share in the associate's surplus or deficits resulting from unrealised gains on transactions between the University and its associates is eliminated.

The University's investments in associates are carried at cost in the University's own "parent entity" financial statements.

# Notes to the Financial Statements

## **Budget Figures**

Budget figures are those approved by the Finance Committee per minutes of 26 September 2012 for the University entity. However some line items have been subsequently re-classified to align with the annual reporting format and to reflect opening balances following completion of the 2012 financial statements. The budget figures have been prepared in accordance with NZ GAAP and are consistent with the accounting policies adopted by the Council for the preparation of the financial statements.

## **Cash Flow Statement**

### ***Cash and cash equivalents***

Cash means cash balances on hand, held in bank accounts, demand deposits and other highly liquid investments in which the University invests as part of its day-to-day cash management. Cash equivalents are not subject to a significant risk of change in value, and have a short maturity of three months or less.

### ***Operating activities***

Operating activities include cash received from all income sources of the University and record the cash payments made for the supply of goods and services.

### ***Investing activities***

Investing activities are those activities relating to the acquisition and disposal of non current assets.

### ***Financing activities***

Financing activities comprise the change in equity and debt capital structure of the University.

## **Revenue**

Revenue is measured at the fair value of consideration received or receivable. Donations and Bequests to the University are recognised as income when money is received, or entitlement to receive money is established; except where fulfilment of any restrictions attached to these monies is not probable.

Research revenue derived from research contracts is recognised in the statement of comprehensive income based on the stage of completion of the research project at balance sheet date. The unearned revenue is recorded as a liability in the Balance Sheet to recognise the future obligation to complete the research project.

Surpluses, generated from externally funded research projects and which are committed to fund continuing research, are transferred to the University of Waikato Research Trust as a grant. The University of Waikato Research Trust accounts for these grants as revenue.

Government Grants and student tuition fees are recognised as revenue on a course percentage of completion basis.

Interest income is recognised using the effective interest method.

Dividends are recognised when the right to receive payment has been established.

## **Borrowing Costs**

The University has elected to defer the adoption of the revised NZ IAS 23 Borrowing Costs (Revised 2007) in accordance with the transitional provisions of NZ IAS 23 that are applicable to public benefit entities. Consequently, all borrowing costs are recognised as an expense in the period in which they are incurred.

## Trade and Other Receivables

Trade and other receivables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

A provision for impairment of receivables is established when there is objective evidence that the University will not be able to collect all amounts according to the original term of the receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted using the effective interest method.

## Employee Entitlements

Provision is made for benefits accruing to staff in respect of the University's liability for wages and salaries, and annual and sick leave where it is probable that settlement will be made and they are capable of being measured reliably. These provisions are calculated using the current rates of pay.

The University recognises a liability for sick leave to the extent that absences in the coming year are expected to be greater than the sick leave entitlements earned in the coming year. The amount is calculated based on the unused sick leave entitlement that can be carried forward at balance date, to the extent that the University anticipates it will be used by staff to cover those future absences. The sick leave provision is only calculated for those staff with a fixed sick leave provision in their employment contracts. The majority of University staff have an unlimited sick leave entitlement.

Additionally provision has been made, where applicable, using an actuarial valuation for retirement gratuities and long service leave. This valuation, as at 31 December 2013, was undertaken by Mercer (NZ) Limited (Actuaries). The calculations are based on:

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

Expected future payments are discounted using market yields on government bonds at balance date with terms to maturity that match, as closely as possible, the estimated future cash outflows for entitlements. The inflation factor is based on the expected long-term increase in remuneration for employees.

Obligations for contributions to defined contribution superannuation schemes are recognised as an expense in the statement of comprehensive income as incurred.

Insufficient information is available to use defined benefit accounting, as it is not possible to determine from the terms of the schemes (Kiwisaver, NZ Universities' Superannuation Scheme, National Provident Fund and the Government Superannuation Fund) the extent to which the surplus/deficit will affect future contributions by individual employers, as there is no prescribed basis for allocation. The schemes are therefore accounted for as defined contribution schemes. Further information on these schemes is disclosed in note 5.

To the extent that it is anticipated that the liability will arise during the following year the entitlements are recorded as current liabilities. The remainder of the anticipated entitlements are recorded as non-current liabilities.

## Equity

Equity is the community's interest in the University and Group and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into a number of reserves to enable clearer identification of the specified uses that Council and Group make of its accumulated surpluses. The components of equity are:

- » General Equity
- » Asset Revaluation Reserve
- » Restricted Reserves

# Notes to the Financial Statements

## **Accounting for derivative financial instruments, hedging activities and foreign currency transactions**

The University uses derivative financial instruments to manage its exposure to foreign exchange risk arising from its operational activities. The University does not hold or issue these financial instruments for trading purposes. The University has not adopted hedge accounting.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at each balance date. Movements in the fair value of derivative financial instruments are recognised in the statement of comprehensive income.

Foreign currency transactions (including those for which forward exchange contracts are held) are translated into New Zealand dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

## **Income Tax**

Income Tax has not been provided for in these accounts as the University has been recognised as a charitable organisation by the IRD and is therefore exempt from income tax.

## **Goods and Services Tax**

Goods and Services Tax (GST) is excluded from these financial statements, with the exception of accounts receivable and accounts payable. Where GST is not recoverable as 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 (IRD) is included as part of receivables or payables in the balance sheet.

The net GST paid to, or received from the IRD, including the GST relating to investing and financing activities, is classified as a net operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

## **Inventories**

Inventories held for distribution or consumption in the provision of services that are not supplied on a commercial basis are measured at cost (determined on a weighted average basis) adjusted when applicable for any loss of service potential. This valuation includes allowances for slow moving and obsolete inventories. No account is taken of other minor stocks in academic schools and administrative departments, which are expensed as issued.

Inventories held for use in the production of goods and services on a commercial basis are valued at the lower of cost and net realisable value. The cost of purchased inventory is determined using the FIFO method.

The write down from cost to net realisable value is recognised in the statement of comprehensive income.

## **Financial Assets**

The University classifies its financial assets into the following four categories: financial assets at fair value through surplus or deficit, held-to-maturity investments, loans and receivables and financial assets at fair value through other comprehensive income. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at every reporting date.

Financial assets are initially measured 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 surplus or deficit.

Purchases and sales of investments are recognised on trade-date, the day on which the University commits to purchase or sell the asset. Financial assets are de-recognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the University has transferred substantially all the risks and rewards of ownership.

The fair value of financial assets traded in active markets is based on quoted market prices at the balance sheet date. The quoted market price used is the current bid price.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The University uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments.

The four categories of financial assets are:

Financial assets at fair value through surplus or deficit.

- » This category has two sub-categories: financial assets held for trading, and those designated at fair value through surplus or deficit at inception. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as non-current assets unless the University intends to dispose of these investments within 12 months of the balance sheet date.

After initial recognition they are measured at their fair values. Gains or losses on re-measurement are recognised through surplus or deficit.

Assets in this category for the group include listed securities.

- » Loans and receivables

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

After initial recognition they are measured at amortised cost using the effective interest method. Gains and losses when the asset is impaired or derecognised are recognised in the statement of comprehensive income. The University includes in loans and receivables, cash and cash equivalents, other financial assets, trade and other receivables, loans to U Leisure Ltd and LCoNZ, and prepayments.

- » Held to Maturity Investments

Held to maturity investments are assets with fixed or determinable payments and fixed maturities that the University has the positive intention and ability to hold to maturity.

After initial recognition they are measured at amortised cost using the effective interest method. Gains and losses when the asset is impaired or derecognised are recognised in the statement of comprehensive income.

Derivatives held by the University are classified as held to maturity.

- » Financial assets at fair value through other comprehensive income.

Financial assets at fair value through other comprehensive income are those that are designated as fair value through other comprehensive income or are not classified in any of the other categories above.

This category encompasses:

- Investments that the University intends to hold long-term but which may be realised before maturity; and
- Shareholdings that the University holds for strategic purposes.
- The University's investments in its subsidiary and associate companies are not included in this category as they are held at cost (as allowed by NZ IAS 27 Consolidated and Separate Financial Statements and NZ IAS 28 Investments in Associates) whereas this category is to be measured at fair value.

After initial recognition, these investments are held at their fair value with gains and losses recognised directly in other comprehensive income except for impairment losses, which are recognised in the surplus or deficit. On de-recognition the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to the surplus or deficit.

# Notes to the Financial Statements

## **Impairment of Financial Assets**

At each balance sheet date the University assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired. Any impairment losses are recognised through surplus or deficit.

## **Leases**

Finance leases, which effectively transfer to the University substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the lower of fair value or present value of the minimum lease payments. The leased assets and corresponding liabilities are disclosed and the leased assets are depreciated over the period the University is expected to benefit from their use.

Operating lease payments, where the lessors effectively retain substantially all the risks and benefits of ownership of the leased items, are included in the determination of the operating profit in equal instalments over the lease term.

## **Property, Plant and Equipment:**

### ***Land***

In 1996 the land occupied by the University campus was transferred by the Crown to Waikato-Tainui, as part of the Crown's settlement of the Raupatu claim. The University leases back the land from Waikato-Tainui. Compensation was paid to the University in 1996 by the Crown to fund the University's financial obligations under the lease.

### ***Buildings***

The majority of buildings recognised in the financial statements, including the previous Hamilton Teachers' College buildings, are still subject to the legal transfer of ownership from the Ministry of Education. The University is of the opinion that as at 31 December 2012 it is in substance the owner of these Buildings and assumes all the normal risks and rewards of ownership.

Land and buildings are revalued when there has been a significant movement in the fair value. The fair values are recognised in the financial statements and are reviewed at the end of each reporting period to ensure the carrying value of land and buildings is not materially different from their fair value. Land and buildings were revalued as at 31 December 2011 by Darroch Valuations (registered valuers), on a fair value basis. The value of land and non specialised buildings was determined using market based evidence. All other buildings were valued at optimised depreciated replacement cost.

### ***Infrastructural assets***

University owned infrastructural assets are revalued when there has been a significant movement in the fair value. The fair values are recognised in the financial statements and are reviewed at the end of each reporting period to ensure the carrying value of Infrastructural assets are not materially different from their fair value. Infrastructural assets were revalued as at 31 December 2011 by Opus International Consultants Limited on a fair value basis using the optimised depreciated replacement cost method.

### ***Library***

The Library collection is valued on the basis of historical cost less accumulated depreciation.

### ***Assets Under Construction/Work in Progress***

Assets under construction/work in progress is valued on the basis of expenditure incurred and certified gross progress claim certificates up to 31 December. Work in Progress is not depreciated. The total cost of a project is transferred to the relevant asset class on its completion and then it is depreciated.

### ***Other Property, Plant and Equipment***

All other property, plant and equipment are valued at historical cost less accumulated depreciation.



### *Depreciation*

Property plant and equipment is depreciated on either a straight line (SL) or diminishing value (DV) basis as follows:

<b>Asset Class</b>	<b>Basis</b>	<b>Useful Life/Rate</b>
Land	N/A	N/A
Buildings		
– Structure	SL	22-100 years
– Services	SL	21-48 years
– Fitout	SL	18-37 years
Infrastructure	SL	25-80 years
Library		
– Books	SL	35 years
– Periodicals	SL	15 years
Teaching/Research Equipment	DV	15%
Computer Equipment (excluding servers)	SL	3-4 years
Computer Servers	SL	5 years
Other Property Plant and Equipment	DV	5-20%

### *Revaluations*

Revaluation of plant, property and equipment is carried out on a class of assets basis. The net revaluation results are credited or debited to other comprehensive income 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 not recognised in other comprehensive income but 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 income.

### *Disposals*

Gains and losses on disposals are determined by comparing the disposal 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 property revaluation reserves in respect of those assets are transferred to general funds.

## **Intangible assets**

### *Patents, trademarks and licences*

Patents, trademarks and licences are finite life intangibles and are recorded at cost less accumulated amortisation and impairment. Amortisation is charged on a straight line basis over their estimated useful lives which range between seven and twenty years. The estimated useful life and amortisation method is reviewed at the end of each annual reporting period.

# Notes to the Financial Statements

Computer software is amortised on a straight line basis that will write off the cost within three to four years. Computer software for the financial, student enrolment and library systems are amortised on a straight line basis that will write off the cost within ten years.

Internally generated intangible assets for finite life intangibles are stated at cost less accumulated amortisation and impairment, and are amortised on a straight-line basis over their useful lives as follows:

## **Research**

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

## **Intellectual Property Development**

Development costs incurred on development projects (relating to the design and testing of new or improved products) are recognised as intangible assets when the following criteria have been fulfilled:

- » It is technically feasible to complete the intangible asset and use or sell it;
- » Management intends to complete the intangible asset and use or sell it;
- » There is an ability to use or sell the intangible asset;
- » It can be demonstrated how the intangible asset will generate probable future economic benefits;
- » Adequate technical, financial and other resources to complete the development and to use or sell the intangible asset are available; and
- » The expenditure attributable to the intangible asset during its development can be reliably measured.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period. Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use on a straight-line basis over its useful life.

## **Impairment of non-current assets**

At each reporting date, the University reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the University estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an assets (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised in the statement of comprehensive income immediately, unless the relevant asset is carried at fair value, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised in the statement of comprehensive income immediately, unless the relevant asset is carried at fair value, in which case the reversal of the impairment loss is treated as a revaluation increase.

## Provisions

Provisions are recognised when the University has a present obligation as a result of a past event, the future sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cashflows estimated to settle the present obligation, its carrying amount is the present value of those cashflows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that recovery will be received and the amount of the receivable can be measured reliably.

## *Restructuring*

Provisions for restructuring are recognised when the University has developed a detailed formal plan for the restructuring and has raised a value expectation in those affected that it will carry out the restructuring by:

- » Starting to implement the plan – OR
- » Announcing its main features to those affected by it

## Trade and Other Payables

Trade and other payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method.

## Borrowings

Borrowings are initially recognised at their fair value. After initial recognition, all borrowings are measured at amortised cost using the effective interest method.

## Critical accounting estimates and assumptions

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

- » Actuarial valuations have been obtained in order to determine the value of Long Service Leave and Retirement Leave provisions.
- » Estimates have been made as to the completed portion of external research projects in determining the value of income in advance.
- » At each balance date the University reviews the useful lives of those assets that are subject to revaluation.
- » Note 16 provides information about the estimates and assumptions exercised in the measurement of revalued land, buildings, and infrastructure.

## Critical judgements in applying the University's accounting policies

Management has exercised the following critical judgements in applying the University's accounting policies for the period ended 31 December 2013:

- » Most Crown funding received is operational in nature and is provided by the Crown under the authority of an expense appropriation and is recognised as revenue. Where funding is received from the Crown under the authority of a capital appropriation, the University accounts for the funding as a capital contribution directly in equity.

# Notes to the Financial Statements

## Note 2: Government Funding and Grants

	CONSOLIDATED		UNIVERSITY	
	This Year	Last Year	This Year	Last Year
	\$000	\$000	\$000	\$000
Block Grants	86,792	85,713	86,792	85,713
Advisory Services Grants	13,839	10,843	13,839	10,843
Other Grants	992	1,449	992	1,449
<b>Total Government Funding and Grants</b>	<b>101,623</b>	<b>98,005</b>	<b>101,623</b>	<b>98,005</b>

There are no unfulfilled conditions or contingencies relating to the above Government grants.

## Note 3: Tuition Fees

	CONSOLIDATED		UNIVERSITY	
	This Year	Last Year	This Year	Last Year
	\$000	\$000	\$000	\$000
Government Funded Students	44,182	42,714	44,182	42,714
Full Cost International Students	26,197	26,100	26,197	26,100
<b>Total Fees</b>	<b>70,379</b>	<b>68,814</b>	<b>70,379</b>	<b>68,814</b>

## Note 4: Other Income

	CONSOLIDATED		UNIVERSITY	
	This Year	Last Year	This Year	Last Year
	\$000	\$000	\$000	\$000
Student Accommodation and Other Services	10,473	8,620	10,473	8,620
Rental	878	966	901	971
Carbon Dating	674	860	674	860
Printing and Copying Services	970	1,020	970	1,020
Teaching Resource Sales	632	623	632	623
Other Income	13,450	11,071	9,077	9,340
<b>Total Other Income</b>	<b>27,077</b>	<b>23,160</b>	<b>22,727</b>	<b>21,434</b>

# Notes to the Financial Statements

## Note 5: Employee Entitlements

	CONSOLIDATED		UNIVERSITY	
	This Year	Last Year	This Year	Last Year
PERSONNEL COSTS	\$000	\$000	\$000	\$000
Employee Benefit Expenses – Academic	78,734	77,036	78,533	76,670
Employee Benefit Expenses – General	50,294	49,239	47,689	46,787
Movement in Actuarial Valuation	(741)	243	(741)	243
<b>Total Personnel Costs</b>	<b>128,287</b>	<b>126,518</b>	<b>125,481</b>	<b>123,700</b>

	CONSOLIDATED		UNIVERSITY	
	This Year	Last Year	This Year	Last Year
EMPLOYEE ENTITLEMENTS	\$000	\$000	\$000	\$000
Staff Annual and Long Service Leave Vested	9,164	8,827	9,164	8,827
Sick Leave	7	5	7	5
Other Employee Entitlements	1,473	1,501	1,086	1,132
Actuarial Valuation of Anticipated Retirement Gratuities and Long Service Leave	13,554	14,295	13,554	14,295
<b>Total Employee Entitlements</b>	<b>24,198</b>	<b>24,628</b>	<b>23,811</b>	<b>24,259</b>

Current Portion	12,659	12,733	12,272	12,364
Non Current Portion	11,539	11,895	11,539	11,895
<b>Total Employee Entitlements</b>	<b>24,198</b>	<b>24,628</b>	<b>23,811</b>	<b>24,259</b>

The present value of the retirement obligations depends on 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 and the salary inflation factor. Any changes in these assumptions will impact on the carrying amount of the liability.

Expected future payments are discounted using forward discount rates derived from the yield curve of NZ government bonds. The discount rates used match, as closely as possible the estimated future cash outflows. The salary inflation factor has been determined after considering historical salary inflation patterns and after obtaining advice from an independent actuary.

If the salary inflation factor were to increase or decrease by 1% from that used, with all other factors held constant, the carrying amount of the gratuity liability would be an estimated \$844,000 higher/lower (2012 – \$949,000).

If the discount rates were to increase or decrease by 1% from that used, with all other factors held constant, the carrying amount of the gratuity liability would be an estimated \$832,000 lower/higher (2012 – \$946,000).

The University makes contributions to defined contribution plans which include contributions to Kiwisaver, NZ Universities' Superannuation Scheme, National Provident Fund and the Government Superannuation Fund. The following is included in the Employee Benefit Expenses – Academic and Employee Benefit Expenses General:

	CONSOLIDATED		UNIVERSITY	
	This Year	Last Year	This Year	Last Year
	\$000	\$000	\$000	\$000
Defined Contribution Plan Employer Contributions	4,593	4,355	4,593	4,355

Employee Benefit Expenses – Academic and Employee Benefit Expenses – General also includes \$452,230 in restructuring costs for the year ended 31 December 2013 (2012 – \$254,077).

# Notes to the Financial Statements

## Note 6: Other Costs

	CONSOLIDATED		UNIVERSITY	
	This Year	Last Year	This Year	Last Year
	\$000	\$000	\$000	\$000
<b>Fees to principal auditor</b>				
Audit Fees for Financial Statement Audit	196	184	194	187
Audit Fees for Assurance Services	10	10	10	10
Loss on Disposal of Property Plant and Equipment	38	(185)	38	(185)
Foreign Exchange (Gain)/Loss	69	80	69	80
Impairment of Receivables	(195)	(421)	(51)	(421)
Impairment of Investments	946	-	946	-
Travel and Accommodation	5,886	5,686	5,111	5,053
Operating Leases	4,048	3,942	4,048	3,942
Scholarships	9,803	10,343	9,622	10,240
Hirage	995	1,545	1,011	1,544
Repairs and Maintenance	2,557	2,425	2,550	2,425
Teaching and Research Materials	2,911	2,590	2,691	2,505
Utilities	4,114	4,341	4,101	4,333
Other operating expenses	41,394	37,612	40,618	37,765
<b>Total Other Costs</b>	<b>72,772</b>	<b>68,152</b>	<b>70,958</b>	<b>67,478</b>

Audit fees for assurance services were for the audit of the University's declaration to the Ministry of Education on the Performance-based Research Fund external research income.



## Note 7: Investments in Associates

	CONSOLIDATED		UNIVERSITY	
	This Year	Last Year	This Year	Last Year
INVESTMENTS IN ASSOCIATES	\$000	\$000	\$000	\$000
U Leisure Limited Investment	1,717	1,557	374	374
LCo New Zealand Limited Investment	170	616	93	501
<b>Total Investments in Associates</b>	<b>1,887</b>	<b>2,173</b>	<b>467</b>	<b>875</b>

ASSOCIATES	Ownership	Balance Date
U Leisure Limited (previously known as Campus Services Limited)	50%	31 December

Principal Activity: Provision of sport and recreation facilities and food and entertainment outlets for the University students and staff.

	CONSOLIDATED	
	This Year	Last Year
	\$000	\$000
The University's share of the results of U Leisure Limited is as follows:		
Share of retained surplus/(loss)	160	(45)

Investment in Associate		
	This Year	Last Year
	\$000	\$000
Opening Balance	1,557	1,602
Share of retained surplus/(loss)	160	(45)
<b>Closing Balance</b>	<b>1,717</b>	<b>1,557</b>

Represented by		
	This Year	Last Year
	\$000	\$000
Share of increase in net assets of associate (Carrying Value)	1,717	1,557

# Notes to the Financial Statements

## Note 7: Investments in Associates continued

ASSOCIATES	Ownership	Balance Date
LCo New Zealand Limited (LCoNZ)	24%	31 December

Principal Activity: A consortium of four New Zealand universities providing library solutions to those universities.

	CONSOLIDATED	
	This Year	Last Year
	\$000	\$000
The University's share of the results of LCoNZ is as follows		
Share of retained surplus/(loss)	(13)	9

Investment in Associate		
Opening Balance	616	631
Share of retained surplus/(loss)	(13)	9
Dividend paid	(25)	(24)
Return of Capital	(408)	-
Closing Balance	170	616

Represented by		
Share of increase in net assets of associate (Carrying Value)	170	616

Summarised Financial Information of Associates		
Assets	5,287	7,514
Liabilities	1,161	1,834
Net Assets	4,126	5,679
Revenue	4,639	4,533
Net Surplus/(Loss)	267	25
Share of Associates' surplus/(loss)	147	(36)

The Group's associates are unlisted entities, accordingly there is no published price quotations to determine the fair value of the investments.

Details of contingent liabilities arising from the group involvement in the associates are disclosed separately in note 26.

## Note 8: Equity

	CONSOLIDATED		UNIVERSITY		
	Ref	This Year	Last Year	This Year	Last Year
GENERAL EQUITY		\$000	\$000	\$000	\$000
Opening Balance		208,031	201,561	191,536	182,474
Net Surplus/(Deficit)		9,694	5,831	9,350	8,809
Staff Share Options Issued	i	724	7	-	-
Minority Interest Share Repurchase		(80)	-	-	-
Surplus attributable to Non-Controlling Interest		(276)	379	-	-
<i>Less appropriations of net surplus to:</i>					
Restricted Reserves					
Prizes, Scholarships and Trust Funds		(749)	(682)	(749)	(682)
<i>Plus transfers from</i>					
Prizes, Scholarships and Trust Funds		860	935	860	935
<b>Closing Balance</b>		<b>218,204</b>	<b>208,031</b>	<b>200,997</b>	<b>191,536</b>

	CONSOLIDATED		UNIVERSITY		
	Ref	This Year	Last Year	This Year	Last Year
OTHER RESERVES		\$000	\$000	\$000	\$000
Asset Revaluation Reserve	ii	131,557	131,557	131,557	131,557
Restricted Reserves	iii	2,789	2,900	2,789	2,900
<b>Total Other Reserves</b>		<b>134,346</b>	<b>134,457</b>	<b>134,346</b>	<b>134,457</b>
<b>Total Equity</b>		<b>352,550</b>	<b>342,488</b>	<b>335,343</b>	<b>325,993</b>

### i) Staff Share Options Issued

During 2013, 11 Ants Ltd, a subsidiary of WaikatoLink, terminated their share option programme and replaced it with a new programme that entitles key personnel to purchase shares in the company. In accordance with this programme options are exercisable at the market price of the shares at the date of grant. All previously recognised expenses relating to the prior share option programme were reversed in 2013 and are included in Employee Benefit costs (note 5).

During 2013, Obodies Ltd, a subsidiary of WaikatoLink, established a share option programme that entitled the company's key scientist to purchase shares in the company. In accordance with this programme options are exercisable at the market price of the shares at the date of grant. During the year \$44,193 of options were exercised.

# Notes to the Financial Statements

## Note 8: Equity continued

### ii) Asset Revaluation Reserve

	CONSOLIDATED		UNIVERSITY	
	This Year	Last Year	This Year	Last Year
	\$000	\$000	\$000	\$000
Opening Balance	131,557	131,557	131,557	131,557
Revaluation	-	-	-	-
Transfer on disposal of assets	-	-	-	-
Net Increase in Asset Revaluation Reserve	-	-	-	-
<b>Closing Balance</b>	<b>131,557</b>	<b>131,557</b>	<b>131,557</b>	<b>131,557</b>

Represented by:				
Land				
Opening Balance	730	730	730	730
Revaluation	-	-	-	-
<b>Closing Balance</b>	<b>730</b>	<b>730</b>	<b>730</b>	<b>730</b>

Buildings				
Opening Balance	115,766	115,766	115,766	115,766
Revaluation	-	-	-	-
Transfer on disposal of assets	-	-	-	-
<b>Closing Balance</b>	<b>115,766</b>	<b>115,766</b>	<b>115,766</b>	<b>115,766</b>

Infrastructural Assets				
Opening Balance	15,061	15,061	15,061	15,061
Revaluation	-	-	-	-
<b>Closing Balance</b>	<b>15,061</b>	<b>15,061</b>	<b>15,061</b>	<b>15,061</b>

### iii) Restricted Reserves

The Prizes, Scholarships and Trust Funds Reserves represent funds held by the University on behalf of others and funds provided to the University by various people for specific purposes. Revenue received for these items and disbursements to authorised recipients are recorded in the Statement of Comprehensive Income Fund balances remaining are shown as restricted reserves.

	CONSOLIDATED		UNIVERSITY	
	This Year	Last Year	This Year	Last Year
<b>PRIZES, SCHOLARSHIPS AND TRUST FUNDS</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
Opening Balance	2,900	3,153	2,900	3,153
Add appropriation of Net Surplus	749	682	749	682
Less application to Prizes, Scholarships and Trust Funds	(860)	(935)	(860)	(935)
<b>Closing Balance</b>	<b>2,789</b>	<b>2,900</b>	<b>2,789</b>	<b>2,900</b>

### Note 9: Cash and Cash Equivalents

	CONSOLIDATED		UNIVERSITY	
	This Year	Last Year	This Year	Last Year
	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
Cash at bank and in hand	883	1,162	652	1,004
Term deposits maturing three months or less from date of acquisition	4,369	7,011	4,000	6,800
	<b>5,252</b>	<b>8,173</b>	<b>4,652</b>	<b>7,804</b>

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

Refer to note 24 for weighted average effective interest rate for cash and cash equivalents.

# Notes to the Financial Statements

## Note 10: Trade and Other Receivables

	CONSOLIDATED		UNIVERSITY	
	This Year	Last Year	This Year	Last Year
	\$000	\$000	\$000	\$000
Trade Receivables	11,296	9,311	9,636	7,077
Student Fee Receivables	12,216	10,554	12,216	10,554
Receivables from Subsidiaries	-	-	243	187
Receivables from Related Parties	1,435	956	72	760
Impairment of Debtors	(464)	(269)	(198)	(249)
	<b>24,483</b>	<b>20,552</b>	<b>21,969</b>	<b>18,329</b>

Included in Student Fee Receivables is \$11.5M (2012 – \$10.0M) of 2014 fees which have been invoiced but are not due for payment until 2014. Also refer note 17.

The carrying value of receivables approximates their fair value. No interest is charged on trade receivables. An allowance has been made for estimated irrecoverable amounts from debtors, determined by reference to individual debtors, past default experience and the age of the debt. The movement for impairment is recognised in the Statement of Comprehensive Income for the current year (refer note 6).

The University of Waikato does not have any receivables that would otherwise be past due, but not impaired, whose terms have been renegotiated.

As at 31 December 2013 and 2012, all overdue receivables have been assessed for impairment and appropriate provisions applied, as detailed below:

	UNIVERSITY					
	This Year			Last Year		
	Gross	Impairment	Net	Gross	Impairment	Net
	\$000	\$000	\$000	\$000	\$000	\$000
Not past due	13,203	-	13,203	10,901	-	10,901
Past due 1-30 days	6,322	-	6,322	6,644	-	6,644
Past due 31-60 days	545	-	545	471	-	471
Past due 61+ days	2,097	(198)	1,899	562	(249)	313
<b>Total</b>	<b>22,167</b>	<b>(198)</b>	<b>21,969</b>	<b>18,578</b>	<b>(249)</b>	<b>18,329</b>

### CONSOLIDATED

	This Year			Last Year		
	Gross	Impairment	Net	Gross	Impairment	Net
	\$000	\$000	\$000	\$000	\$000	\$000
Not past due	14,587	-	14,587	12,161	-	12,161
Past due 1-30 days	6,322	-	6,322	6,644	-	6,644
Past due 31-60 days	566	-	566	472	-	472
Past due 61+ days	3,472	(464)	3,008	1,544	(269)	1,275
<b>Total</b>	<b>24,947</b>	<b>(464)</b>	<b>24,483</b>	<b>20,821</b>	<b>(269)</b>	<b>20,552</b>

Movements in the provision for impairment of receivables are as follows:

	CONSOLIDATED		UNIVERSITY	
	2013	2012	2013	2012
	\$000	\$000	\$000	\$000
At 1 January	269	690	249	670
Provisions made during the year	225	(391)	(21)	(391)
Receivables written off during the year	(30)	(30)	(30)	(30)
<b>At 31 December</b>	<b>464</b>	<b>269</b>	<b>198</b>	<b>249</b>

The University holds no collateral as security or other credit enhancements over receivables that are either past due or impaired.

### Loans and Other Receivables

This \$30,000 (2012 – \$60,000) relates to the Non Current Receivable held by WaikatoLink Ltd.

# Notes to the Financial Statements

## Note 11: Intercompany Balances

	CONSOLIDATED		UNIVERSITY	
	This Year	Last Year	This Year	Last Year
	\$000	\$000	\$000	\$000
University of Waikato Foundation Trust	-	-	(7)	(266)
University of Waikato Alumni Association	-	-	(5)	(5)
Student Campus Building Fund Trust	-	-	(1,341)	(1,106)
LCo New Zealand Limited Investment	-	-	(110)	(110)
iEngagEd Limited	-	-	(25)	-
WaikatoLink Limited	-	-	8,516	9,000
University of Waikato Research Trust	-	-	(14,230)	(14,949)
<b>Total Intercompany Balances</b>	-	-	<b>(7,202)</b>	<b>(7,436)</b>
Current Portion	-	-	7,028	7,513
Non Current Portion	-	-	(14,230)	(14,949)
<b>Total Intercompany Balances</b>	-	-	<b>(7,202)</b>	<b>(7,436)</b>

The intercompany balances are a cumulative record of the transactions between the University and its subsidiaries.

All current accounts with the exception of the University of Waikato Research Trust are classified as current. The University of Waikato Research Trust is classified as non-current as the Research Trust trustees are unable to determine the repayment amount, if any, that will be required during the 12 months to December 2014.

Intercompany balances are unsecured, non-interest bearing, and are repayable on demand. The fair value of the on demand accounts cannot be less than the amount repayable on demand. Therefore, the carrying value of the accounts on demand reflects their fair value.

As at 31 December 2013 the University had advanced to WaikatoLink Ltd a total of \$9,462,461 by way of shareholder loan. \$400,000 of this loan is subject to an interest rate equal to the interest rate that the University receives on deposits, and an additional \$210,000 advanced during 2009, \$1,500,000 advanced during 2010, \$1,940,000 advanced during 2011, and \$1,099,116 advanced during 2012 is subject to a 3% pa interest rate. The charging of interest on the advance was suspended after the third quarter in 2013. An impairment of 10% (\$946,246) of the total advance was applied in 2013. The balance of the loan is interest free and repayable on demand. The University has undertaken not to demand repayment until WaikatoLink has sufficient free cash available to make repayments.



## Note 12: Other Financial Assets

	CONSOLIDATED		UNIVERSITY	
	This Year	Last Year	This Year	Last Year
<b>OTHER FINANCIAL ASSETS – CURRENT</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
Term Deposits with maturities of 4-12 months	14,357	12,515	14,000	11,045
Endowment Portfolio (CIP)	1,760	-	-	-
<b>Total Other Financial Assets</b>	<b>16,117</b>	<b>12,515</b>	<b>14,000</b>	<b>11,045</b>

### INVESTMENT INCOME

Interest	1,667	1,693	1,549	1,472
Dividends	3	-	142	40
Gains/(Losses) on Equity Investments	(16)	-	-	-
<b>Total Investment Income</b>	<b>1,654</b>	<b>1,693</b>	<b>1,690</b>	<b>1,512</b>

The weighted average effective interest rates on term deposits are disclosed in Note 24: Financial Instruments. Term deposits are valued at amortised cost using the effective interest method. The endowment portfolio is managed by Craigs Investment Partners (CIP), equities and fixed interest investments within the portfolio are valued using quoted market price, the balance of the portfolio is valued at amortised cost using the effective interest method. See note 24.

There was no impairment provision for investments.

# Notes to the Financial Statements

## Note 13: Inventories

	CONSOLIDATED		UNIVERSITY	
	This Year	Last Year	This Year	Last Year
	\$000	\$000	\$000	\$000
Held for Sale	293	282	293	282
Held for Distribution/Use	777	738	777	738
	<b>1,070</b>	<b>1,020</b>	<b>1,070</b>	<b>1,020</b>

No inventories are pledged as security for liabilities or subject to retention of title clauses (2012 – \$nil).

There were no writedowns for obsolescence in 2013 (2012 – \$nil).

## Note 14: Investments

STRATEGIC INVESTMENTS	CONSOLIDATED		UNIVERSITY	
	This Year	Last Year	This Year	Last Year
	\$000	\$000	\$000	\$000
NZ Synchrotron Group Limited	198	198	198	198
Titanox Development Limited	205	205	-	-
ZyGEM NZ Limited Partnership	-	254	-	-
<b>INVESTMENTS IN SUBSIDIARIES</b>				
WaikatoLink Limited	-	-	2,000	2,000
	<b>403</b>	<b>657</b>	<b>2,198</b>	<b>2,198</b>

Investments in unlisted entities, and subsidiaries above are carried at cost less impairment as either the fair value of the investment cannot be reliably determined using a standardised valuation technique or due to cost not being materially different to fair value. During the year WaikatoLink's investment in ZyGEM NZ was fully impaired.

## Note 15: Intangible Assets

	CONSOLIDATED				UNIVERSITY		
	Software Purchased	Software Internally Generated	Non Software Development Costs	Consolidated Total	Software Purchased	Software Internally Generated	University Total
THIS YEAR	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>Opening Balance at 1 January 2013</b>							
Cost	17,614	925	11,537	30,076	17,599	925	18,524
Accumulated Amortisation and Impairment	(12,110)	(770)	(4,913)	(17,793)	(12,095)	(770)	(12,865)
<b>Opening Carrying Amount</b>	<b>5,504</b>	<b>155</b>	<b>6,624</b>	<b>12,283</b>	<b>5,504</b>	<b>155</b>	<b>5,659</b>
<b>Year Ended 31 December 2013</b>							
Additions	1,567	-	321	1,888	1,567	-	1,567
Disposals	-	-	-	-	-	-	-
Amortisation and Impairment Charge	(980)	(76)	(312)	(1,368)	(980)	(76)	(1,056)
<b>Closing Carrying Amount</b>	<b>6,091</b>	<b>79</b>	<b>6,633</b>	<b>12,803</b>	<b>6,091</b>	<b>79</b>	<b>6,170</b>
<b>Closing Balance at 31 December 2013</b>							
Cost	19,181	925	11,858	31,964	19,166	925	20,091
Accumulated Amortisation and Impairment	(13,090)	(846)	(5,225)	(19,161)	(13,075)	(846)	(13,921)
<b>Closing Carrying Amount</b>	<b>6,091</b>	<b>79</b>	<b>6,633</b>	<b>12,803</b>	<b>6,091</b>	<b>79</b>	<b>6,170</b>
<b>LAST YEAR</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
<b>Opening Balance at 1 January 2012</b>							
Cost	16,010	925	11,162	28,097	15,995	925	16,920
Accumulated Amortisation and Impairment	(10,129)	(693)	(2,677)	(13,499)	(10,116)	(693)	(10,809)
<b>Opening Carrying Amount</b>	<b>5,881</b>	<b>232</b>	<b>8,485</b>	<b>14,598</b>	<b>5,879</b>	<b>232</b>	<b>6,111</b>

# Notes to the Financial Statements

## Note 15: Intangible Assets continued

LAST YEAR	CONSOLIDATED				UNIVERSITY		
	Software Purchased	Software Internally Generated	Non Software Development Costs	Consolidated Total	Software Purchased	Software Internally Generated	University Total
	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>Year Ended 31 December 2012</b>							
Additions	1,604	-	948	2,552	1,604	-	1,604
Disposals	-	-	(573)	(573)	-	-	-
Amortisation and Impairment Charge	(1,981)	(77)	(2,236)	(4,294)	(1,979)	(77)	(2,056)
<b>Closing Carrying Amount</b>	<b>5,504</b>	<b>155</b>	<b>6,624</b>	<b>12,283</b>	<b>5,504</b>	<b>155</b>	<b>5,659</b>

<b>Closing Balance at 31 December 2012</b>							
Cost	17,614	925	11,537	30,076	17,599	925	18,524
Accumulated Amortisation and Impairment	(12,110)	(770)	(4,913)	(17,793)	(12,095)	(770)	(12,865)
<b>Closing Carrying Amount</b>	<b>5,504</b>	<b>155</b>	<b>6,624</b>	<b>12,283</b>	<b>5,504</b>	<b>155</b>	<b>5,659</b>

### Non Software Development Costs

Cost incurred on development of projects (relating to the design and testing of new or improved products) are recognised as assets when the following criteria have been fulfilled:

- » It is technically feasible to complete the intangible asset and use or sell it;
- » Management intends to complete the intangible asset and use or sell it;
- » There is an ability to use or sell the intangible asset;
- » It can be demonstrated how the intangible asset will generate probable future economic benefit;
- » Adequate technical, financial and other resources to complete the development and to use or sell the intangible asset are available; and
- » The expenditure attributable to the intangible asset during its development can be reliably measured.

The amount of intangible assets that are work in progress for non software development is \$2,574,000 (2012 – \$3,166,000)

The amount of intangible assets that are work in progress for software purchased is \$1,381,000 (2012 – \$609,000)

There are no restrictions over the title of the University's intangible assets, nor are any intangible assets pledged as security for liabilities.

## Note 16: Property, Plant and Equipment for University and Consolidated

### CONSOLIDATED

THIS YEAR	Cost/Valuation 1 Jan 13	Accumulated Depreciation and Impairment Charges 1 Jan 13	Carrying Amount 1 Jan 13	Current Year Additions	Current Year Disposals	Current Year Impairment Charges	Current Year Depreciation	Revaluation Movement	Cost/ Revaluation 31 Dec 13	Accumulated Depreciation and Impairment Charges 31 Dec 13	Carrying Amount 31 Dec 13
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Land	1,765	-	1,765	-	-	-	-	-	1,765	-	1,765
Infrastructural Assets	24,736	(702)	24,034	1,264	-	-	(725)	-	26,000	(1,427)	24,573
Buildings	269,985	(9,056)	260,929	20,162	-	-	(9,551)	-	290,147	(18,607)	271,540
Leasehold Building Improvements	2,592	(1,977)	615	926	(923)	-	(73)	-	1,704	(1,158)	546
Library Collection	63,657	(36,164)	27,493	3,397	-	-	(2,550)	-	67,054	(38,714)	28,340
Plant and Equipment	43,095	(29,335)	13,760	2,888	(127)	-	(2,543)	-	45,827	(31,850)	13,977
Computer Equipment	28,547	(21,525)	7,022	3,653	(1,038)	-	(2,577)	-	30,131	(23,071)	7,060
Art Collection	465	-	465	178	-	-	-	-	643	-	643
Motor Vehicles	4,188	(1,950)	2,238	930	(380)	-	(531)	-	4,437	(2,181)	2,256
Work in Progress	13,745	-	13,745	(8,565)	-	-	-	-	5,180	-	5,180
<b>Total</b>	<b>452,775</b>	<b>(100,709)</b>	<b>352,066</b>	<b>24,833</b>	<b>(2,468)</b>	<b>-</b>	<b>(18,550)</b>	<b>-</b>	<b>472,888</b>	<b>(117,008)</b>	<b>355,880</b>

# Notes to the Financial Statements

## Note 16: Property, Plant and Equipment for University and Consolidated continued

### CONSOLIDATED

LAST YEAR	Cost/Valuation 1 Jan 12	Accumulated Depreciation and Impairment Charges 1 Jan 12	Carrying Amount 1 Jan 12	Current Year Additions	Current Year Disposals	Current Year Impairment Charges	Current Year Depreciation	Revaluation Movement	Cost/ Revaluation 31 Dec 12	Accumulated Depreciation and Impairment Charges 31 Dec 12	Carrying Amount 31 Dec 12
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Land	1,765	-	1,765	-	-	-	-	-	1,765	-	1,765
Infrastructural Assets	24,106	-	24,106	630	-	-	(702)	-	24,736	(702)	24,034
Buildings	265,963	-	265,963	4,022	-	-	(9,056)	-	269,985	(9,056)	260,929
Leasehold Building Improvements	2,578	(1,890)	688	14	-	-	(86)	-	2,592	(1,977)	615
Library Collection	60,464	(33,702)	26,762	3,193	-	-	(2,462)	-	63,657	(36,164)	27,493
Plant and Equipment	40,582	(28,276)	12,305	5,135	(1,393)	-	(2,287)	-	43,095	(29,335)	13,760
Computer Equipment	26,248	(20,249)	5,999	5,154	(1,441)	-	(2,691)	-	28,547	(21,525)	7,022
Art Collection	457	-	457	8	-	-	-	-	465	-	465
Motor Vehicles	3,987	(1,983)	2,004	1,375	(671)	-	(470)	-	4,188	(1,950)	2,238
Work in Progress	3,300	-	3,300	10,445	-	-	-	-	13,745	-	13,745
<b>Total</b>	<b>429,450</b>	<b>(86,100)</b>	<b>343,349</b>	<b>29,976</b>	<b>(3,505)</b>	<b>-</b>	<b>(17,754)</b>	<b>-</b>	<b>452,775</b>	<b>(100,709)</b>	<b>352,066</b>

Current Year Disposals for 2012 and 2013 have been disclosed at cost instead of net present value as previous disclosed in the 2012 annual accounts.

The \$43,000 (2012 – \$83,000) difference between the Property, Plant and Equipment Carrying amount, represented in the Balance Sheet for the University as compared to the value under Consolidated, is the Property, Plant and Equipment held by the University of Waikato Foundation of \$0 (2012 – \$0) and WaikatoLink Limited of \$43,000 (2012 – \$83,000).

### Land and Buildings

Specialised buildings (eg campuses) are valued at fair value using optimised depreciated replacement cost because no reliable market data is available for buildings designed for education delivery purposes. Depreciated replacement cost is determined using a number of significant assumptions. Significant assumptions include:

- » The replacement asset is based on the reproduction cost of the specific assets with adjustments where appropriate for obsolescence due to over-design or surplus capacity.
- » The replacement costs is derived from recent construction contracts of similar assets and Property Institute of New Zealand cost information.
- » The remaining useful life of assets is estimated.
- » Straight-line depreciation has been applied in determining the depreciated replacement cost value of the asset.

Non-specialised building and land are valued at fair value using market-based evidence. Market rents and capitalisation rates were applied to reflect market value.

Land and Buildings were revalued as at 31 December 2011 by Darroch Valuations Limited (Registered Valuers), on a fair value basis. The total fair value of Land and Buildings valued by Darroch Valuations Ltd at 31 December 2011 was \$267,733,479.

In accordance with the land lease agreement with Tainui Group Holdings Limited the University is able to sublet up to 25% of the gross floor area of the buildings.

## Infrastructure

Infrastructure assets such as roads, car parks, footpaths, underground utilities (eg water supply and sewerage systems), and site drainage have been independently valued at Optimised depreciated replacement cost. The valuations have been performed in accordance with the New Zealand Valuation and Depreciation Guidelines issued by the NAMS Group. The significant assumptions applied in determining the depreciated replacement cost of infrastructure assets are similar to those described above for specialised buildings.

Infrastructural Assets were revalued as at 31 December 2011 by Opus International Consultants Limited on a fair value basis. The total fair value of infrastructure valued by Opus at 31 December 2011 was \$24,106,000.

The net carrying amount of Property, Plant and equipment held under finance leases is \$1,813,238 (2012 – \$1,864,224)

## Restrictions on title

Under the Education Act 1989, the University and group is required to obtain the consent from the Ministry of Education to dispose or sell of property where the value of the property exceeds an amount determined by the Minister.

## Note 17: Income in Advance

	CONSOLIDATED		UNIVERSITY	
	This Year	Last Year	This Year	Last Year
	\$000	\$000	\$000	\$000
Research Income	5,766	7,787	5,766	7,787
Commercial	443	528	424	457
Tuition Fees	20,499	19,008	20,499	19,008
<b>Total Income in Advance</b>	<b>26,708</b>	<b>27,323</b>	<b>26,689</b>	<b>27,252</b>

Included in tuition fees is \$11.4M (2012 – \$10.0M) of 2014 fees which have been invoiced but are not due for payment until 2014. Also refer note 10.

# Notes to the Financial Statements

## Note 18: Trade and Other Payables

	CONSOLIDATED		UNIVERSITY	
	This Year	Last Year	This Year	Last Year
	\$000	\$000	\$000	\$000
Trade Payables	5,021	5,494	6,588	6,326
Payables to Related Parties (see note 25)	1,669	1,014	334	453
GST Payable	3,923	3,349	3,806	3,306
Accruals	6,903	8,766	6,371	7,911
<b>Trade and Other Payables</b>	<b>17,516</b>	<b>18,623</b>	<b>17,099</b>	<b>17,996</b>

Trade payables and other payables are non-interest bearing and are normally settled on 30-day terms, therefore the carrying value of trade payables and other payables approximates their fair value.

## Note 19: Derivative Financial Instruments

	CONSOLIDATED		UNIVERSITY	
	This Year	Last Year	This Year	Last Year
	\$000	\$000	\$000	\$000
Current liability portion				
Forward foreign exchange contracts	-	3	-	3
<b>Total Derivative Financial Instrument Liabilities</b>	<b>-</b>	<b>3</b>	<b>-</b>	<b>3</b>

### Fair Value

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 sources market parameters such as currency rates. Most market parameters are implied from instrument prices.

The notional principal amounts of outstanding forward foreign exchange contracts in NZD were \$0 (2012 – \$257,318). The foreign currency principal amounts were GBP38,000 and EUR115,000.



## Note 20: Borrowings

	CONSOLIDATED		UNIVERSITY	
	This Year	Last Year	This Year	Last Year
	\$000	\$000	\$000	\$000
Opening Balance	1,333	1,336	1,333	1,336
Less Borrowings Repaid	(4)	(3)	(4)	(3)
<b>Closing Balance</b>	<b>1,329</b>	<b>1,333</b>	<b>1,329</b>	<b>1,333</b>
Current Portion – Finance Lease	3	3	3	3
Non Current Portion – Finance Lease	1,326	1,330	1,326	1,330
	<b>1,329</b>	<b>1,333</b>	<b>1,329</b>	<b>1,333</b>

The Finance lease was fair valued at inception using a discount rate of 12.07%.

### Finance lease

#### (a) Leasing arrangements

The Finance lease relates to University buildings which become the property of the University at the conclusion of the lease term in 2046.

#### (b) Finance lease liabilities

	Minimum Future Lease Payments				Present Value of Minimum Future Lease Payments			
	CONSOLIDATED		UNIVERSITY		CONSOLIDATED		UNIVERSITY	
	This Year	Last Year	This Year	Last Year	This Year	Last Year	This Year	Last Year
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
No later than 1 year	164	164	164	164	154	154	154	154
Between 1 and 5 years	655	655	655	655	459	459	459	459
Later than five years	4,534	4,697	4,534	4,697	716	720	716	720
Minimum Lease Payments	5,353	5,516	5,353	5,516	1,329	1,333	1,329	1,333
Less future finance charges	(4,024)	(4,183)	(4,024)	(4,183)	-	-	-	-
<b>Present value of minimum lease payments</b>	<b>1,329</b>	<b>1,333</b>	<b>1,329</b>	<b>1,333</b>	<b>1,329</b>	<b>1,333</b>	<b>1,329</b>	<b>1,333</b>

# Notes to the Financial Statements

## Note 21: Reconciliation of the Net Surplus/(Deficit) to the Net Cash Flows from Operating Activities

	CONSOLIDATED		UNIVERSITY	
	This Year	Last Year	This Year	Last Year
	\$000	\$000	\$000	\$000
Net Surplus/(Deficit)	9,694	5,831	9,350	8,809
<b>Add/(Less) Non Cash Items:</b>				
Depreciation and Amortisation	20,193	22,077	19,610	19,773
Increase/(Decrease) in Term Portion of Employee Entitlements	(356)	(382)	(356)	(382)
Loss on Disposal of PPE	19			
Intercompany Accounts	-	-	115	(1,341)
Share of Surplus/(Deficit) from Associates	-	-	-	-
Issue of Employee Share Options	44	7	-	-
Non Cash Disposal of Assets	-	44	-	44
Loss on Sale of Subsidiary	-	90	-	-
Cost of Sale Recognised	-	576	-	-
Interest Received	-	(67)	-	-
Associates	(147)	(182)	-	-
Other	3		-	-
	<b>19,756</b>	<b>22,163</b>	<b>19,369</b>	<b>18,094</b>

<b>Add/(Less) Movements in Other Working Capital Items:</b>				
(Increase)/Decrease in Trade and Other Receivables	(3,900)	(3,315)	(3,640)	(3,324)
Increase/(Decrease) in Trade and Other Payables	(1,109)	5,140	(897)	5,621
(Increase)/Decrease in Inventories	(50)	277	(50)	277
Increase/(Decrease) in Income in Advance	(615)	955	(563)	884
Increase/(Decrease) in Employee Entitlements	(74)	(1,494)	(92)	(1,513)
(Increase)/Decrease in Prepayments	247	(1,055)	247	(1,055)
	<b>(5,501)</b>	<b>508</b>	<b>(4,995)</b>	<b>890</b>

	CONSOLIDATED		UNIVERSITY	
	This Year	Last Year	This Year	Last Year
	\$000	\$000	\$000	\$000
<b>Add/(Less) Items Classified as Investing and Financing Activities:</b>				
Long Term Investment				
(Gain)/Loss on Disposal of Property, Plant and Equipment	-	(229)	-	(229)
Equity Distribution from Subsidiary	248	241	-	-
Derecognition of Subsidiary on Sale	-	106	-	-
Associate Losses Recognised	41	415	-	-
WaikatoLink Equity Adjustment	(80)	-	-	-
Cash Dividend from Subsidiary	-	-	(142)	(39)
	209	533	(142)	(268)
<b>Net Cash Flow from Operating Activities</b>	<b>24,158</b>	<b>29,035</b>	<b>23,582</b>	<b>27,525</b>

# Notes to the Financial Statements

## *Note 22: Key Management Personnel Compensation*

The compensation of the members of Council, and employees reporting directly to the Vice-Chancellor, being the key management personnel of the entity, is set out below:

	UNIVERSITY	
	This Year	Last Year
	\$	\$
Short-Term Employee Benefits	3,741,659	4,196,804
Councillor Remuneration	71,950	73,990
Post-Employment Benefits	157,287	161,010
Termination Payments	-	-
<b>Total</b>	<b>3,970,896</b>	<b>4,431,804</b>

## Note 23: Leases

### Operating Leases as Lessee

#### (a) Leasing Arrangements

	FINAL EXPIRY	2013 ACTUAL	COMMENTARY
PROPERTY LEASES		\$000	
Waikato-Tainui Campus Land	In perpetuity	1,562	Subject to lease condition
Tauranga Campus	2014 to 2025	578	7 Separate Leases
Ruakura Satellite Campus	2014 to 2014	327	2 Separate Leases
Other Hamilton Leases	2014 to 2023	274	4 Leases
Other	2014 to 2022	147	7 Leases
<b>EQUIPMENT LEASES</b>	2013 to 2016	1,160	3 Leases
<b>Total</b>		<b>4,048</b>	

The University leases the land for the Hamilton campus from Tainui Group Holdings Limited. The use of this land is restricted to tertiary education, research or any other activity permitted by the rules of the Regional and District plans or by a Resource Consent. The University may sublet up to 25% of the land for periods of no longer than 10 years.

The University has entered into a Master Lease agreement with a Financier for the financing of individual student technology equipment. The University is indemnified against any default payments or any breach of any covenant by a student to repair or to return the Equipment to the Lessor.

The University has entered into a prepaid lease agreement. The future aggregate minimum lease payments under the non-cancellable operating lease are \$150,000 not longer than 1 year, \$412,500 longer than 1 year and not longer than 5 years, and nil longer than 5 years. These amounts will be expensed through the Statement of Comprehensive Income in the relevant periods.

The future aggregate minimum lease payments payable under non-cancellable operating lease are as follows:

#### (b) Non-Cancellable Operating Lease Payments

	CONSOLIDATED		UNIVERSITY	
	This Year	Last Year	This Year	Last Year
	\$000	\$000	\$000	\$000
Not longer than 1 year	2,805	3,065	2,805	3,065
Longer than 1 year and not longer than 5 years	7,043	7,589	7,043	7,589
Longer than five years	43,358	46,358	43,358	46,358
	<b>53,206</b>	<b>57,012</b>	<b>53,206</b>	<b>57,012</b>

# Notes to the Financial Statements

## Note 23: Leases continued

### (c) Sub-leases

The total minimum future receipts that the university expects to receive from its tenants on leased land is \$7.9M, (2012 – \$8.5M). The minimum renewal periods range from 1 to 34 years.

## Operating Leases as Lessor

### (a) Leasing Arrangements (Receivables)

Operating leases relate to shops on campus, campus land and residential premises adjacent to the University. Lease terms are for terms of between 5 months and 48 years with various options to renew. The lessees do not have the option to purchase at the expiry of the lease period.

The future aggregate minimum lease payments to be collected under non-cancellable operating leases are as follows:

### (b) Non-Cancellable Operating Lease Receivables

	CONSOLIDATED		UNIVERSITY	
	This Year	Last Year	This Year	Last Year
	\$000	\$000	\$000	\$000
Not longer than 1 year	634	665	634	665
Longer than 1 year and not longer than 5 years	1,513	1,560	1,513	1,560
Longer than five years	6,304	6,617	6,304	6,617
	<b>8,451</b>	<b>8,842</b>	<b>8,451</b>	<b>8,842</b>

No contingent rents have been recognised in the Statement of Comprehensive Income.

## Note 24: Financial Instruments

### 24A: Financial Instrument Categories

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

	CONSOLIDATED		UNIVERSITY	
	This Year \$000	Last Year \$000	This Year \$000	Last Year \$000
<b>FINANCIAL ASSETS</b>				
Fair value through surplus or deficit				
Held for trading				
Forward foreign exchange contracts	-	3	-	3
New Zealand Equities	398	-	-	-
Australian Equities	228	-	-	-
Other Offshore Equities	249	-	-	-
Fixed Interest Instruments	46	3	-	3
<b>Total held for trading</b>	<b>921</b>	<b>3</b>	<b>-</b>	<b>3</b>
<b>Loans and Receivables</b>				
Cash and Cash Equivalents	5,252	8,173	4,652	7,804
Trade and Other Receivables	24,483	20,552	21,969	18,329
Inter Company Balances	-	-	7,028	7,513
Other Financial Assets	16,025	12,515	14,000	11,045
Investments in Associates	1,887	2,173	467	875
Investments	403	657	2,198	2,198
<b>Total Loans and Receivables</b>	<b>48,050</b>	<b>44,070</b>	<b>50,314</b>	<b>53,122</b>
<b>FINANCIAL LIABILITIES</b>				
Fair value through surplus or deficit				
Financial Liabilities at Amortised Cost				
Trade and Other Payables	13,593	18,623	13,293	17,996
University of Waikato Research Trust Payable	-	-	14,230	14,949
<b>Total Financial Liabilities at Amortised Cost</b>	<b>13,593</b>	<b>18,623</b>	<b>27,523</b>	<b>32,945</b>

# Notes to the Financial Statements

## *Note 24: Financial Instruments continued*

### **24B: Fair Value Hierarchy Disclosures**

For those instruments recognised at fair value on the balance sheet, 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 University and Group currently has \$0 (2012 – \$3K) of forward foreign exchange contracts, \$875K (2012 – \$0) of equities and \$46K (2012 – \$0) of fixed interest instruments measured at fair value on the balance sheet (see notes 12 and 19).

### **24C: Financial Instrument Risks**

The University's activities expose it to a variety of financial instrument risks, including market risk, credit risk and liquidity risk. The University has a series of policies to manage the risks associated with financial instruments and seeks to minimise exposure from financial instruments. These policies do not allow any transactions that are speculative in nature to be entered into.

#### **Market Risk**

The effective interest rates on investments range from 3.60% to 4.30% (2012 – 3.60% to 4.34%). There was a finance lease recognised in 2006 with an effective interest rate of 12.07% in 2013. (2012 – 12.07%). There were no term loans for 2013 (2012 – none).

#### ***Fair Value Interest Rate Risk***

The estimated fair value of the University's financial instruments are equivalent to their carrying amounts in the financial statements. The University's exposure to fair value interest rate risk is limited to its bank deposits which are held at fixed rates of interest, and a finance lease.

#### ***Cash Flow Interest Rate Risk***

Cash flow interest rate risk is the risk that the cash flows from a financial instrument will fluctuate because of changes in market interest rates. Investments issued at variable interest rates expose the University to cash flow interest rate risk.

The University holds a mixture of fixed rate and floating call rate deposits. At 31 December the University had \$4.0M (2012 – \$6.8M) invested in variable rate deposits and the balance in fixed rate deposits.

#### ***Sensitivity Analysis***

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



## INTEREST RATE RISK

University	This Year		Last Year	
	+100bps	-100bps	+100bps	-100bps
Instrument	\$000	\$000	\$000	\$000
Variable rate deposits	4	(4)	68	(68)

Consolidated	This Year		Last Year	
	+100bps	-100bps	+100bps	-100bps
Instrument	\$000	\$000	\$000	\$000
Variable rate deposits	4	(4)	69	(69)

## CURRENCY RISK

University	This Year		Last Year	
	+10%	-10%	+10%	-10%
Instruments held in USD	\$000	\$000	\$000	\$000
Creditors	3	(4)	13	(16)
Debtors	(2)	2	(2)	3
US dollar account	(29)	35	(13)	16

Consolidated	This Year		Last Year	
	+10%	-10%	+10%	-10%
Instruments held in USD	\$000	\$000	\$000	\$000
Creditors	4	(5)	14	(17)
Debtors	(5)	6	(2)	3
US dollar account	(29)	35	(13)	16
Equities	12	14	-	-

# Notes to the Financial Statements

## Note 24: Financial Instruments continued

### CURRENCY RISK continued

University	This Year		Last Year	
Instruments held in AUD	+10%	-10%	+10%	-10%
	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
Creditors	-	-	5	(6)
Debtors	-	-	-	-
AUD dollar account	(7)	8	(8)	10

Consolidated	This Year		Last Year	
Instruments held in AUD	+10%	-10%	+10%	-10%
	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
Creditors	-	-	9	(11)
Debtors	(1)	2	-	-
AUD dollar account	(7)	8	(8)	10
Equities	(21)	26	-	-

University and Consolidated	This Year		Last Year	
Instruments held in EUR	+10%	-10%	+10%	-10%
	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
Creditors	-	-	4	5
Debtors	-	-	(1)	1

University and Consolidated	This Year		Last Year	
Instruments held in GBP	+10%	-10%	+10%	-10%
	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
Creditors	2	(2)	3	(4)
GBP Account	(1)	2	-	-
Equities	(19)	24	-	-

#### *Explanation of interest rate risk sensitivity*

The interest rate sensitivity is based on a reasonable possible movement in interest rate, 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%.

#### *Explanation of currency risk sensitivity*

The foreign exchange 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.

### **Credit Risk**

Credit risk is the risk that a third party will default on its obligation to the University causing the University to incur a loss. Financial instruments which potentially subject the University to credit risk principally consist of bank balances, intercompany balances and accounts receivable.

Credit risk in respect of bank and short term deposits is reduced by spreading deposits over major New Zealand registered trading banks with minimum S&P long term credit rating of A+ or minimum Moody's Investors long term credit rating of A. Receivables are unsecured, but are subject to credit control.

No collateral is held.

#### *Credit quality of financial assets*

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

# Notes to the Financial Statements

## Note 24: Financial Instruments continued

	CONSOLIDATED		UNIVERSITY	
	This Year	Last Year	This Year	Last Year
COUNTERPARTIES WITH CREDIT RATINGS	\$000	\$000	\$000	\$000
<b>Cash at Bank and Term Deposits</b>				
AA-	21,370	20,688	18,652	18,849

COUNTERPARTIES WITHOUT CREDIT RATINGS				
<b>Debtors and Other Receivables</b>				
Existing counterparty with no defaults in the past	24,483	20,552	21,969	18,329
Existing counterparty with defaults in the past	-	-	-	-
<b>Total debtors and other receivables</b>	<b>24,483</b>	<b>20,552</b>	<b>21,969</b>	<b>18,329</b>

LOANS TO RELATED PARTIES				
Existing counterparty with no defaults in the past	-	-	7,028	7,513
Existing counterparty with defaults in the past	-	-	-	-
<b>Total loans to related parties</b>	<b>-</b>	<b>-</b>	<b>7,028</b>	<b>7,513</b>

### 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, the availability of funding through an adequate amount of committed credit facilities.

The University is expected to maintain combined cash reserves and committed credit lines available to a minimum of 120% of the forecast peak funding requirements at any one point of time in the following 12 month period.

The table below analyses the University's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed are the contractual undiscounted cash flows.

<b>UNIVERSITY</b>	<b>Less than 6 months</b>	<b>Between 6 months and 1 year</b>	<b>Between 1 and 5 years</b>
2013	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
Creditors and other payables	13,293	-	-
Borrowings	82	82	655
Current Employee Entitlements	2,094	1,008	-

2012	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
Creditors and other payables	17,996	-	-
Borrowings	82	82	655
Current Employee Entitlements	2,084	1,200	-

<b>CONSOLIDATED</b>	<b>Less than 6 months</b>	<b>Between 6 months and 1 year</b>	<b>Between 1 and 5 years</b>
2013	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
Creditors and other payables	13,593	-	-
Borrowings	82	82	655
Current Employee Entitlements	2,441	1,008	-

2012	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
Creditors and other payables	18,623	-	-
Borrowings	82	82	655
Current Employee Entitlements	2,412	1,200	-

# Notes to the Financial Statements

## Note 25: Related Party Transactions continued

The following related party transactions occurred between the University and WaikatoLink Limited, U Leisure Limited (ULL), The University of Waikato Foundation (Foundation), The Student Campus Building Fund Trust (SCBFT), LCo New Zealand Limited (LCoNZ), The University of Waikato Alumni Association Incorporated (Alumni) (No related party transactions for 2012 or 2013), University of Waikato Research Trust (UoW RT) and WaikatoLink Limited's associate company, iEngagEd Limited and Lightwire Limited, during the year:

	WaikatoLink	ULL	Foundation	SCBFT	LCoNZ	UoW RT	iEngagEd	Lightwire
	\$	\$	\$	\$	\$	\$	\$	\$
Payments in 2013 to:	2,245,368	713,466	-	1,844	419,727	1,349,000	105,870	236,829
(2012)	2,846,071	770,656	-	1,844	254,063	1,711,000	-	192,165
Receipts in 2013 from:	280,220	268,117	783,775	237,328	433,031	83,452	-	44,123
(2012)	316,177	358,629	615,447	231,784	163,590	257,444	-	25,177
Accounts Receivable at 31 December 2013 owing from:	8,686,851	47,399	-	-	17,000	-	-	14,411
(2012)	9,192,679	78,743	-	-	302	-	-	-
Accounts Payable at 31 December 2013 owing to:	63,405	-	11,308	1,341,182	233,574	14,229,000	25,491	-
(2012)	123,931	59,253	270,829	1,105,699	327	14,949,000	-	-1,472

## Significant Transactions with Government-related Entities

The government influences the roles of the University as well as being a major source of revenue. The University has received funding and grants from the Tertiary Education Commission totalling \$87,822M (2012 – \$88.49M) to provide education and research services for the year ended 31 December 2013. The University also receives research funding from the Ministry of Business, Innovation and Employment totalling \$11.18M (2012 – \$8.28M). The University received funding from the Ministry of Education totalling \$15.2M (2012 – \$20.6M) to provide school support services. The University purchased domestic and international travel from Air New Zealand totalling \$1.80M (2012 \$1.78M). The University received income from WINTEC totalling \$1.16M (2012 – \$0.96M) for the provision of teaching services. The University made payments to Bay of Plenty Polytechnic (BOPP) totalling \$1.61M (2012 – \$1.57M) to facilitate University teaching in the Bay of Plenty. The University also supplied services totalling \$149K (2012 – \$211K) to BOPP.

## Collectively, but not individually, significant transactions with Government-related Entities.

In conducting its activities, the University is required to pay various taxes and levies (such as GST, PAYE and ACC levies) to the Crown and entities related to the Crown. The payment of these taxes and levies is based on the standard terms and conditions that apply to all tax and levy payers. The University is exempt from paying income tax.

The University purchases good and services from entities related to the Crown and it also provides services to entities related to the Crown. The purchase and provision of goods and services to government related entities for the year ended 31 December 2013 are small when compared to the University's total expenditure and revenue and have all been conducted on an arms' length basis. The purchase of goods and services included the purchase of electricity from Mercury Energy, air travel from Air New Zealand, and postal services from New Zealand Post. The provision of services to government-related entities mainly related to the provision of educational courses.

## Key Management Personnel

The University has defined key management personnel as all direct reports to the Vice Chancellor, and members of Council. There are some close family members of key management personnel employed by the University and some enrolled as students. The terms and conditions of those arrangements are no more favourable than the University would have adopted if there were no relationship to key management personnel. Key Management Personnel, and their close family members, have also had the following specific transactions with the University:

1. A member of Council is a director of Aduro GP Ltd. During the year the University provided services totalling \$2,701 and the balance owing at year end was \$0.
2. The University receives various donations, research revenue and consultancy fees from Gallagher Group Ltd and Gallagher Charitable Trust, in which a member of Council is a director. These totaled \$164,172 (2012 – \$159,348). The balance outstanding at year end was \$0 (2012 – \$5,000).
3. A member of Council is a director of The New Zealand Institute for Plant and Food Research Ltd. During the year the University provided services totalling \$22,538 (2012 – \$73,162) and the balance owing at year end was \$0 (2012 – \$2,898).
4. A member of Council is a director of New Zealand Veterinary Pathology Ltd. During the year the University provided services totalling \$431 (2012 – \$0) and the balance owing at year end was \$0.
5. A member of Council is CEO of Tainui Group Holdings. During the year the University leased property from Tainui Holdings totalling \$1,565,401 and the balance owing at year end was \$0.
6. A member of Council is a director of Te Runanganui O Ngati Porou. During the year the University provided services totalling \$2,430 (2012: \$62) and the balance owing at year end was \$0 (2012 – \$0). The University also purchased services from Te Runanganui O Ngati Porou totalling \$1,122 (2012 – \$251), the balance outstanding at year end was \$0 (2012 – \$0).
7. A direct report of the Vice-Chancellor is a director of Cognition Education Ltd. During the year the University provided services to Cognition for \$1,665,704 (2012 – \$1,352,226) and the balance owing at year end was \$0 (2012 – \$331,898). The University also purchased services totalling \$332,613 (2012 – \$1,169,454) from Cognition Education Ltd and the balance owing at year end was \$99,465 (2012 – \$209,307).
8. A direct report of the Vice-Chancellor is a director of Hamilton & Waikato Tourism Limited. The University purchased services totalling \$690 (2012 – \$200) during the year from Hamilton & Waikato Tourism Limited and supplied services totalling \$200 (2012 – \$0). There were no outstanding balances at year end.

# Notes to the Financial Statements

## *Note 25: Related Party Transactions*

9. The wife of a direct report of the Vice-Chancellor is a director of Hamilton East Medical Centre. The University purchased services from Hamilton East Medical Centre during the year totalling \$240 (2012 – \$438), the balance outstanding at year end was \$0 (2012– \$0).
10. A direct report of the Vice-Chancellor is a director of Priority One. During the year the University provided services to Priority One for \$10,331 and the balance owing at year end was \$7,331. The University also purchased services totalling \$10,000 from Priority One and the balance owing at year end was \$0.
11. A direct report of the Vice-Chancellor has a spouse who is CEO of Te Whare Wānanga O Awanuiārangi. During the year the University provided services to Te Whare Wānanga O Awanuiārangi for \$12,327 and the balance owing at year end was \$0. The University also purchased services totalling \$421,517 from Te Whare Wānanga O Awanuiārangi and the balance owing at year end was \$0.
12. A member of Council is CFO of Zespri International Ltd. During the year the University provided services totalling \$9,450 and the balance owing at year end was \$0.
13. A direct report of the Vice-Chancellor rented a house from the University during 2013, total received \$9,147, amount outstanding at year end was \$0.
14. The University also has key management personnel serving on the board of WaikatoLink Limited and U Leisure. The University's dealings with WaikatoLink Limited and U Leisure Ltd are disclosed above.

An expense has been recognised in 2013 for a 10% impairment (\$946,246) of the advance from WaikatoLink. No other provision has been required nor expense recognised for impairment of receivables for any other loans or other receivables to related parties (2012 – \$0).



## ***Note 26: Contingent Liabilities***

### **University Contingent Liabilities**

A guarantee has been given to the Bank of New Zealand for an overdraft facility of \$53,000 (2012 – \$53,000) on a continuing basis to the Campus Creche Trust. The University routinely monitors the financial performance of Campus Creche Trust. The likelihood of the guarantee being called upon is estimated to be very low.

The University is aware of potential payments to four staff members of approximately \$20,000.

There are no other known contingent liabilities.

### **Share of Subsidiaries' and Associates' Contingent Liabilities**

For the subsidiaries and associates included in the consolidated financial statements there are no other known contingent liabilities.

## ***Note 27: Capital Management***

The University's capital is its equity, which comprises retained earnings and reserves. Equity is represented by net assets.

The University is subject to the financial management and accountability provisions of the Education Act 1989, which includes restrictions in relation to disposing of assets and interests in assets, ability to mortgage or otherwise charge assets or interests in assets, granting leases of land or buildings or parts of buildings, and borrowings.

The University manages its revenues, expenses, assets, liabilities, investments and general financial transactions prudently to ensure the responsible use of, and accountability for public resources.

The University's planning process includes the development of the University Strategy, Academic Plan, Investment Plan and budgets. These plans set out the University's activities for the next one to three years. The University's operational budget is set annually and ensures that the planned activities are appropriately funded and that expenditure requirements of the planned activities have been identified. The University's budget is set at a level to ensure that the University's operating activities are funded from operating cash flows and also that the University's operating activities generate sufficient cash flows to fund the capital expenditure requirements of the University.

The University has in place asset management plans for major classes of assets including maintenance and renewal programmes. A budget for capital expenditure is set annually and is funded from cash generated from the University's operating activities. The University has created a reserve within equity, for Prizes, scholarships and Trust Funds. This reserve represents funds held by the University on behalf of others and funds provided to the University by various people and are restricted for specific purposes.

# Notes to the Financial Statements

## *Note 28: Commitments*

### **Capital Commitments**

The University has the following capital expenditure contracted:

	CONSOLIDATED		UNIVERSITY	
	This Year	Last Year	This Year	Last Year
	\$000	\$000	\$000	\$000
Capital Commitments	2,552	4,778	2,552	4,778

## ***Note 29: Explanations of Major Variances against Budget***

Explanations for major variations against the budget information at the start of the financial year are as follows:

### **Statement of Comprehensive Income**

#### **Government Funding and Grants**

Government funding and grants received by the University were \$4.1 million more than budget. This favourable variance was largely due to the Institute of Professional Learning and Development (IPLD) receiving \$3 million more than expected in contracts. The University was also granted additional Student Achievement Funding (SAC) after the 2013 budget was set.

#### ***Research Revenue***

The University's research income was \$1.9 million more than budget. This favourable variance arose as the University was awarded more research contracts than expected, most notably in the Faculty of Science & Engineering.

#### ***Other Income***

The University received \$2.1 million more than budgeted in other income. Although this is the result of many variances, both favourable and unfavourable, the most significant variance was IPLD winning \$2.2 million more in contracts than expected. For a breakdown of the significant items comprising other income see note 4.

#### ***Other Costs***

The University spent \$8.7 million more than budgeted on other costs. There were unfavourable variances of \$3.2 million in IPLD and \$2.5 million in the Faculty of Science & Engineering, both of these variances were the result of extra revenue generation. The University also spent an extra \$1.8 million in advertising in order to attract students to the University of Waikato. There has also been a change in the nature of some research contracts awarded to the University which has resulted in \$1.7 million more costs than expected in the Faculty of Education. For a breakdown of the significant items comprising other costs see note 6.

## ***Note 30: Events after Balance Sheet Date***

There were no significant events after balance date.

# Council and Senior Leadership

## *Council Members*

Rt Hon Jim Bolger ONZ, Chancellor  
Dr Brian Linehan, Pro-Chancellor  
Professor Roy Crawford, Vice-Chancellor  
Professor Barry Barton  
Ms Renee Boyer-Willisson  
Dr Alison Campbell  
Ms Jeanette Clarkin-Phillips  
Mr Mervyn Dallas  
Mr Ian Fitzgerald

Dr John Gallagher  
Ms Jan Jameson  
Mr Aaron Letcher  
Dr Apirana Mahuika  
Mr Todd Muller  
Mr Trevor Moeke  
Mr Mike Pohio  
Mr Kingi Turner  
Mr Tony Whittaker

## *Senior Leadership Team*

### Vice-Chancellor



Professor Roy Crawford

### Deputy Vice-Chancellor



Professor Alister Jones

### Pro Vice-Chancellors



**Pro Vice-Chancellor  
(Māori)**  
Professor Linda Smith



**Pro Vice-Chancellor  
(Postgraduate)**  
Professor Kay Weaver



**Pro Vice-Chancellor  
(International)**  
Associate Professor  
Ed Weymes



**Pro Vice-Chancellor  
(Research)**  
Professor Al Gillespie

### Assistant Vice-Chancellors



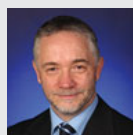
**Assistant Vice-  
Chancellor (Executive)**  
Helen Pridmore



**Assistant Vice-  
Chancellor (Operations)**  
Anna Bounds

## Senior Leadership Team *continued*

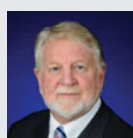
### Deans



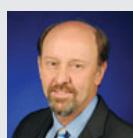
**Dean of Arts & Social Sciences**  
Professor Robert Hannah



**Dean of Computing & Mathematical Sciences**  
Professor Geoff Holmes



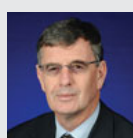
**Dean of Education**  
Professor Roger Moltzen



**Dean of Law**  
Professor Brad Morse



**Acting Dean of Management**  
Associate Professor John Tressler



**Dean of Science & Engineering**  
Professor Bruce Clarkson



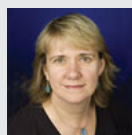
**Dean of Māori & Pacific Development**  
Professor Linda Smith

### Tauranga

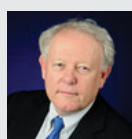


**Tauranga Partnership Liaison Manager**  
Dr Nigel Calder

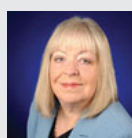
### Heads



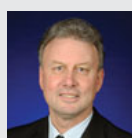
**Acting Head of Communication and External Relations**  
Anna Bounds



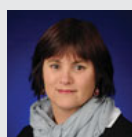
**Head of Facilities Management**  
John Cameron



**Head of Human Resource Management**  
Carole Gunn

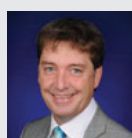


**Head of Information Technology Services**  
Kevin Adamson



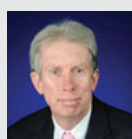
**Head of Student and Academic Services**  
Michelle Jordan-Tong

### CFO



**Chief Financial Officer**  
Andrew McKinnon

### Librarian



**University Librarian**  
Ross Hallett

# Glossary

## *Glossary of Abbreviations*

ACE	Adult and Community Education
EEO	Equal Employment Opportunity
EFTS	Equivalent Full-Time Student
EPI	Educational Performance Indicator
FASS	Faculty of Arts & Social Sciences
FCI	Full-Cost International
FCMS	Faculty of Computing & Mathematical Sciences
FCO	Full-Cost Other
FEDU	Faculty of Education
FLAW	Faculty of Law
FRE	Formative Research Exercise
FSEN	Faculty of Science & Engineering
FTE	Full-Time Equivalent
ICT	Information and Communication Technology
IP	Intellectual Property
IT	Information Technology
KPI	Key Performance Indicator
MF	Ministry-Funded
MOE	Ministry of Education
PBRF	Performance-Based Research Fund
RDC	Research Degree Completion
RPG	Research Postgraduate
RS	Research Supplement
SAC	Student Achievement Component
SMPD	School of Māori & Pacific Development
STAR	Secondary Tertiary Alignment Resource
TEC	Tertiary Education Commission
TEI	Tertiary Education Institution
TPG	Taught Postgraduate
WMS	Waikato Management School

## *Glossary of Terms*

**Academic staff:** Staff whose conditions of employment require teaching and/or research to be undertaken.

**ACE (Adult and Community Education):** Non-assessed and attracts ACE funding from Government (until 2013).

**Assessed papers:** Papers that include internal assessment and, if one is offered, an examination that a student must undertake in order to be awarded a formal grade and credit.

**Degree-level:** Comprising papers that fit the MOE criteria for RS2 funding (whether MF or FCI), undergraduate degrees, certificates (undergraduate and graduate) and diplomas (undergraduate and graduate).

**Domestic students:** Students who are New Zealand citizens, which include citizens of the Cook Islands, Niue and Tokelau, or New Zealand permanent residents currently living in New Zealand, or Australian citizens currently living in New Zealand, or Australian permanent residents who have a returning resident's visa and are currently living in New Zealand.

**EFTS (Equivalent Full-Time Student):** The measure used by all tertiary education organisations for reporting student numbers. At the University of Waikato, 1 EFTS equates to a student workload of 120 points (1200 total learning hours).

**Ethnicity:** Students can self-report up to three ethnicities; results generated by students against the 'first' ethnicity are reported.

**Faculty:** Includes the School of Māori & Pacific Development.

**Foundation certificates:** Certificates of Attainment in English Language, Certificates of Attainment in Academic English and the Certificate of Attainment in Foundation Studies.

**FCI (Full-Cost International):** Associated with international students, does not attract SAC funding.

**FCO (Full-Cost Other):** Does not attract SAC funding from Government because the student concerned is undertaking full-time study in another part of the sector (eg secondary school student), or is undertaking a full-fee domestic programme of study (eg some Corporate and Executive Education programmes).

**FTE (Full-Time Equivalent):** The measure used for reporting employee numbers. 1.0 FTE is equivalent to a full-time employee for a whole calendar year. A value of less than 1.0 FTE represents either a part-time employee, or an employee working full-time for less than one calendar year.

**Graduate/postgraduate qualifications:** Qualifications that consist of papers that fit the MOE criteria for RS3, RS4 or RS5 funding (whether MF or FCI); includes graduate degrees (including both one-year and four-year honours degrees and masters degrees), postgraduate certificates and postgraduate diplomas.

**Interim:** Results subject to confirmation by the TEC following submission of the April 2014 SDR (or in the case of RDC's, subsequent SDRs); final results will be reported in subsequent Statements of Service Performance.

**International students:** Students who do not satisfy the criteria for domestic citizenship.

**MF (Ministry-Funded):** Attracts SAC funding.

**New students:** Students enrolled for the first time in a formal qualification at the University of Waikato.

**Non-assessed papers:** Papers that are not assessed and do not result in the award of a formal grade or credit.

**Other staff:** Staff whose conditions of employment do not require teaching and/or research to be undertaken.

# Glossary

**Other tertiary organisation:** Another tertiary organisation whether in New Zealand or overseas.

**RDC (Research Degree Completion):** Count of qualification completions with an externally assessed research component of greater than or equal to 0.75 EFTS, and which attract weightings determined by the TEC for subject, student ethnicity and the volume of research within the qualification.

**RPG (Research Postgraduate):** Comprising papers that fit the MOE criteria for RS4 or RS5 funding, whether MF or FCI.

**Research Revenue:** The sum of both 'PBRF-eligible external research income' and 'non-PBRF eligible research revenue' (these terms are defined in detail by the TEC for PBRF purposes).

**Returners:** Students who have at any time in the past been enrolled in a formal qualification at the University of Waikato.

**School leavers:** Students who were enrolled at a secondary school in New Zealand or overseas in the year prior to, or same year as, enrolling at the University of Waikato.

**SAC (Student Achievement Component) funding:** Government's contribution to the direct costs of teaching, learning, and other costs driven by domestic (and some international PhD) student learner numbers.

**Sub-degree:** Comprising papers that fit the MOE criteria for RS1 funding, whether MF or FCI, excluding papers that are eligible for ACE funding.

**TPG (Taught Postgraduate):** Comprising papers that fit the MOE criteria for RS3 funding, whether MF or FCI.

**Weighted research degree completions:** Count of qualification completions with an externally assessed research component of greater than or equal to 0.75 EFTS, and which attract weightings determined by the TEC for subject, student ethnicity and the volume of research within the qualification.



# References and Notes

Dr Warren Hughes: *The University of Waikato: Regional and NZ Economic impacts for 2013*

Statistical information section, pages 42-45.

Numbers in this section may not add due to rounding.

Page 42:

Total students by origin and Total qualifications completed by level – the data in these tables count students enrolled in formal programmes only.

Page 44:

Total EFTS by organisational unit – counts EFTS by the organisational unit that 'owns' the relevant papers. Until 2009 the Pathways College was separate from the Faculty of Education and counted in "Other Organisational Unit". From 2010 the Pathways College was part of the Faculty of Education.

Page 45:

Research revenue – Annual research revenue counts both PBRF-eligible and non PBRF-eligible research revenue. Academic FTE research counts FTE generated by "Teaching and Research" and "Research only" academic staff on continuing appointments (ie fixed term and casual staff are excluded).





THE UNIVERSITY OF  
**WAIKATO**  
*Te Whare Wānanga o Waikato*



The University of Waikato campus as it is today with the Oranga building in the middle of the picture. Careful planning and planting has produced an impressive 65-hectare campus.



THE UNIVERSITY OF  
**WAIKATO**  
*Te Whare Wānanga o Waikato*

**AT THE UNIVERSITY OF WAIKATO,  
THE POSSIBILITIES ARE ENDLESS.**  
TŌ TE WHARE WĀNANGA O WAIKATO,  
HE KURA TOI E KORE E MIMITI.

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