



2005 Annual Report of The University of Waikato

Excellence Distinctiveness International Connectedness
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Our Vision

The University of Waikato will:

- Deliver a world-class education and research portfolio
- Provide a full and dynamic university experience which is distinctive in character
- Pursue strong international linkages to advance knowledge

The over-arching themes of our Vision are:

- Excellence
- Distinctiveness
- International Connectedness





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Bankers

ASB Bank Ltd
PO Box 19-281
Hamilton

Auditor

Auditor-General



Management Structure

OF THE UNIVERSITY OF WAIKATO

Council Membership 2005

Name	Appointed/nominated to serve on Council by:
Mr John Gallagher	<i>Business New Zealand, and Chancellor</i>
Mr John Jackman	<i>Minister of Education, and Pro-Chancellor</i>
Dr Brian Linehan	<i>Minister of Education</i>
Dr Rob Pringle	<i>Minister of Education</i>
Mr Graeme Weld	<i>Minister of Education</i>
Professor Roy Crawford	<i>Vice-Chancellor</i>
Professor Alexandra Barratt	<i>University of Waikato Academic Staff</i>
Ms Sally Sleigh	<i>University of Waikato General Staff</i>
Mr Robb Parton	<i>NZ Council of Trade Unions</i>
Ms Sehai Orgad	<i>President, Waikato Students' Union 2006</i>
Professor Terry Healy	<i>University of Waikato Academic Board</i>
Mr Michael Redman	<i>Mayor, Hamilton City Council</i>
Dr Alan Hampton	<i>The Tertiary Alliance</i>
Ms Maderoa Dodd	<i>Te Rōpū Manukura</i>
Ms Eleanor Barton	<i>Te Arikinui Nominee</i>
Mr Shane Solomon	<i>Co-opted Member</i>
Mr Leo Bourke	<i>Co-opted Member</i>

Vice-Chancellor's Committee Membership 2006

Name	
Professor Roy Crawford	<i>Vice-Chancellor</i>
Professor Doug Sutton	<i>Deputy Vice-Chancellor</i>
Mr Raymond McNickle	<i>Head of Corporate Services</i>
Professor Tamati Reedy	<i>Pro Vice-Chancellor (Māori)</i>
Professor Noeline Alcorn	<i>Dean, School of Education</i>
Professor Mark Apperley	<i>Dean, School of Computing and Mathematical Sciences</i>
Professor John Farrar	<i>Dean, School of Law</i>
Professor Mike Pratt	<i>Dean, Waikato Management School</i>
Professor Richard Price	<i>Dean, School of Science and Engineering</i>
Professor Dan Zirker	<i>Dean, Faculty of Arts & Social Sciences</i>
Professor Aroha Yates-Smith	<i>Dean, School of Māori & Pacific Development</i>



Chancellor's OVERVIEW



2005 was a year of transition. We welcomed a new Vice-Chancellor Professor Roy Crawford, and concluded our 40 year anniversary celebrations with a highly successful community concert on the University grounds.

The appointment of the University's fourth Vice-Chancellor gave us the opportunity to refocus. After considerable consultation with students, staff, community, iwi, business and other stakeholders, Council approved a new strategic Vision for the University in May 2005.

The Vision's themes of Excellence, Distinctiveness and International Connectedness provide us with a solid mandate for the future. In it we demonstrate a commitment to provide world-class education and research, within an experience that is distinctive in character, and one that provides strong international linkages to advance knowledge.

I am confident that we have developed a strong framework within which the University's strengths and weaknesses can be identified much more reliably, and acted on.

In anticipation of this new direction and the many opportunities and challenges ahead, the Council undertook a full calendar of activity in 2005. This included reviewing a number of processes as a basis for strengthening Council's effectiveness as a governing body. Our efforts place us in a strong position to meet the opportunities and challenges facing not just Waikato University, but the whole tertiary education sector.

The Council was pleased to note the work of the Finance Committee in 2005, which assisted the Vice-Chancellor in achieving a better financial result than forecasted.

I thank Council for their input during the first year of a new Vice-Chancellor. I would also like to personally acknowledge the contributions of Leo Burke and Sandy Pushpamangalam, who concluded their tenure as Council members in 2005.

As always, Graduation was the highlight in the University's academic year giving us the opportunity to recognise and celebrate the achievements of our many student success stories. In addition to the awarding of 3,875 degrees, diplomas and certificates, Council conferred honorary doctorates on two distinguished New Zealanders in 2005.

James Te Wharehuia Milroy was awarded an honorary doctorate in recognition of his contribution to Waikato University and the nation, through his commitment to the revitalisation and regeneration of te reo and tikanga Māori. Wharehuia joined the University's Māori Department in 1978, and over the next 23 years helped in its development.

We were also delighted to confer an honorary doctorate on esteemed New Zealand writer Margaret Mahy in recognition of her enormous contribution to literature.

As we stride confidently forward into 2006, I look forward to the challenges ahead as Council continues to fulfil its governance role effectively and, alongside the Vice-Chancellor, lead the University in a manner that enables it to build on its many strengths and successes and to realise the Vision.

John Gallagher
Chancellor



Vice-Chancellor's OVERVIEW



It is with a very positive frame of mind that I present my first Annual Report as Vice-Chancellor of the University of Waikato. I am pleased to report that 2005 was a very successful year, with some notable achievements.

Major progress was made in establishing a new strategic direction for the University. The Vision document has given us a strong sense of purpose, and the emphasis on excellence has caught the imagination of our staff, our students and our stakeholders. What's more, it is well aligned to the new government's plans for the tertiary sector in New Zealand.

The process of delivery of the Vision started soon after it was approved by Council in May 2005. We are now in a position where we have an agreed long-term goal for the University and we have put in place a strong and highly motivated leadership team to achieve it. Changes are occurring at all levels in the University to prepare for our journey in this exciting new direction.

Of course, the process of change in any large institution is challenging, but I am very proud of the determination shown by our staff to accept change as a necessary step for us to achieve success. Since coming here I have been tremendously impressed by the loyalty of our workforce and their desire to do everything they can to help the institution. This University can be justly proud of its people, and the emphasis on people will be one of our distinguishing features as we move forward.

As part of the new culture in the University, all high-level decisions are taken on a strategic basis, and are consistent with the guiding principles of Excellence, Distinctiveness and International Connectedness. These have started to permeate everything that we do. We are changing the way that we perceive ourselves and we are changing the way that the outside world perceives us.

During 2005 a lot of emphasis was placed on the new Vision, but the normal business of the University had to continue alongside the development of high level strategies. We have continued to enhance our reputation nationally and internationally. We had some very significant successes in both teaching and research. The quality of our teaching was recognised through the award of the Prime Minister's Supreme Award for Tertiary Teaching Excellence to one of our staff. The quality of our research was borne out by the fact that our research income reached a new high, and our researchers achieved many individual accolades on the international stage.

Planning for the next Performance Based Research Fund (PBRF) round of assessment of research quality is well-advanced, as are initiatives identified by the University as part of its on-going commitment to continuous improvement in teaching. These plans were endorsed by the New Zealand Universities Academic Audit Unit in its 2005 audit report.

In financial terms, 2005 was a very challenging year for all tertiary education providers, but we emerged with a very strong financial result, due to the measures implemented so effectively by the Deans and other budget holders. During 2005, major progress was also made in the development of a financial model for the University. This will allow us to assess quickly the financial implications of all strategic initiatives, and it will also be used as the basis for a faster, and more transparent, budget allocation process in the future.

Our commercial activities also had a very successful year, with our wholly-owned subsidiary WaikatoLink completing the sale of Ectus Ltd to an international leader in the field. The nurturing and sale of intellectual property is becoming ever more important to the financial well-being of the University, and is a key part of our mission to contribute to wealth creation in our region, and in New Zealand as a whole.

Excellent progress has been made on the development and establishment of alliances with other education and research providers in our region and nationally. In particular, we have made significant progress in our commitment to the community in the Western Bay of Plenty.

2005 - A Year in Review

Significant progress has been made with detailed business planning for major campus developments, which are such an important aspect of the University's focus on the creation of a more distinctive campus culture.

All in all, 2005 was a challenging but rewarding year for the University, and 2006 will be, if anything, even more challenging. I am extremely proud of those students who achieved well in their studies at Waikato in 2005, and I commend the staff who are so dedicated to high standards of excellence in their teaching, research and support services.

We are beginning 2006 on a very strong foundation. Our key focus in the first half of the year will be the development of a new strategic plan aimed at helping us achieve our vision. This will focus on teaching and supervision, research and creative work, sustaining growth in IP commercialisation, moving to seize opportunities and strengthening our risk management. With this process in place, we are very well poised to build on the excellent achievements of 2005 and lay the foundations for a bright and rewarding future.



Roy Crawford
Vice-Chancellor

- More than 10,000 people from all over the Waikato came and joined in the Finale concert celebrations marking the end of the University's 40th anniversary. The Finale was a chance to thank the wider community and everyone who has helped the University over the last four decades: all those who have contributed to where we are now and also the new generation who currently shape the University.
- Graduation was the highlight of the University's academic year giving us the opportunity to recognise and celebrate the achievements of our many student success stories. In addition to the 3,875 degrees, diplomas and certificates, we were also delighted to confer an honorary doctorate on esteemed New Zealand writer Margaret Mahy in recognition of her national and international reputation as a writer of fiction for children and young adults. Widely respected Tuhoë academic Wharehuia Milroy was also awarded an honorary doctorate, recognising his contribution and commitment to the revitalisation and regeneration of te reo and tikanga Māori.
- School of Science academics Dr Alison Campbell and Dr Penny Cooke won the New Zealand Association of Scientists Science Communicator Award for excellence in communicating science and technology to the community.
- We launched the New Biotechnology Learning Hub which allows students and teachers to access up-to-date examples of biotechnology in New Zealand. It is an exciting new initiative which promises to bring the subject of biotechnology to life and allow New Zealanders to take part in democratic decision-making on the issues surrounding biotechnology.
- Over 400 first-year students were awarded Tearaway Waikato University Scholarships, each worth \$3000. The Tearaway Scholarships were the successor to the University's 40th Anniversary Scholarships for A and B Bursary students.
- Waikato Engineering students won the 2005 Institute of Professional Engineers Student Design Award for their skateboard made of hemp composites. Both runner-up teams in the competition were also from Waikato University.
- Waikato University athletes again received the highest number of awards at the 2005 New Zealand University Blues Awards - an indication of the immense sporting and creative talent we have here at the University and in the Waikato Region.
- World Champion women's coxless pairs rower, Nicky Coles, was named Sportswoman of the Year at the Waikato University Blues Awards. NZ Golf Gold Elite Squad member and NZ Universities Golf Champion, James Gill, was named Sportsman of the Year.
- Waikato University's Computer Science Machine Learning Group won the 2005 SIGKDD Data Mining and Knowledge Discovery Service Award for their landmark product Weka.



▼ *In 2005, Dr Roger Moltzen, senior lecturer at the School of Education, won the Prime Minister's Supreme Award for Tertiary Teaching Excellence – recognizing him as the best university lecturer in the country.*

Roger achieved a perfect score from his students on numerous occasions meaning entire classes rated his teaching "excellent".

He's not alone. Waikato University has won Tertiary Teaching Awards on three other occasions since they were introduced three years ago.

2005 - A Year in Review

- A virtual classroom trialed at Waikato Management School won the Computer World Excellence Award for Excellence in the use of IT in Education: Tertiary and Commercial, building on the University's track record in innovative eEducation and eBusiness.
- Waikato students featured strongly in the 2005 MacDiarmid Young Scientists of the Year Awards. PhD student Priscilla McAllum's research into how Māori managed the harakeke or flax plant won her the Environmental Sciences runner-up title. Waikato masters student Karen Love's project investigating the potential of wood fibre to reinforce plastic composites was highly commended by the judges.
- Comedy, morality, and murder took centre stage in a first for New Zealand opera. *3 franks*, a new and distinctly New Zealand opera based on three short stories by the godfather of New Zealand fiction Frank Sargeson, was performed at the WEL Energy Trust Academy of Performing Arts to much acclaim. New Zealand's leading baritone and Waikato University music lecturer David Griffiths composed the music for Sargeson's works, teaming up with colleagues James Tennant and John Davies.
- Leading edge scientific research development by Waikato-based scientists was profiled in a collaborative series of community lectures at the University of Waikato. The Waikato Lecture Series combined the expertise of AgResearch, the University and NIWA.
- The Sir Edmund Hillary Scholarship Programme was launched to provide support for students to achieve a high academic standard, excellence in a sporting code or creative or performing arts, and to develop leadership qualities through a personal development programme.
- Music student and Sir Edmund Hillary Scholar, Jeremy Mayall, had his Symphony No.1 for Orchestra and Turntables performed by the Auckland Philharmonic Orchestra and New Zealand Symphony Orchestra.
- Dr Louis Schipper, from the Department of Earth Sciences received the prestigious NZ Water and Wastes Association's 2005 Ronald Hicks Memorial Sciences Award. The award is made to the author(s) of an article or paper considered significant in solving or clarifying sewage treatment or water pollution problems in NZ.
- Computer Sciences' Professor Ian Witten was awarded the prestigious 2005 Hector Medal by the Royal Society of New Zealand.
- Renowned author, archaeologist and academic leader Professor Doug Sutton joined the University as Deputy Vice-Chancellor.
- The University appointed Raymond McNickle as Head of Corporate Services, a new senior position created to help enable the University to bring its new Vision to reality.
- Postgraduate students from the Waikato University's Department of Earth Sciences, Dr Haydon Jones and Ms Rachael Standish, were awarded elite prizes by the New Zealand Society of Soil Science for their research work.
- An exciting new degree was launched – Bachelor of Management Studies/Bachelor of Science (BMS/BSc).
- Waikato Law Professor Al Gillespie was the first New Zealander to be named Rapporteur for the World Heritage Convention, a hugely prestigious position of international environmental diplomacy and trust.
- Waikato University is top dog on the river again after reclaiming the Gallagher Great Race Harry Mahon Trophy. Waikato raced to the finish line six boat lengths ahead of challengers Washington University.



Waikato Management School now wears the "Triple Crown" of world business education excellence after accreditation to AACSB International, the US based Association to Advance Collegiate Schools of Business. Triple Crown status is signified by accreditation to AACSB, EQUIS (the European Quality Improvement System) and the UK based Association of MBAs (AMBA) and is held by less than 1 percent of all business schools – to date fewer than 30 – worldwide.

2005 - A Year in Review

- We continued to develop MAI ki Waikato – a programme of monthly workshops/seminars in support of Māori PhD students. This included resourcing PhD candidates to attend writing workshops, writing retreats, doctoral conferences, and other related activities.
- The University's Treaty of Waitangi Advisory Committee, an advisory committee to the Vice-Chancellor, initiated a programme of professional development for the University's Senior Management team in te reo Māori me ōna tikanga.
- The University hosted the 2005 National Māori Academic Excellence Awards, where 28 recipients of Te Amorangi – The Māori Academic Excellence Award, were confirmed from across all New Zealand Universities.
- Two meetings of the iwi forum of Te Rōpū Manukura, a partner of the University of Waikato, which comprises of the 16 iwi of our region were held. Te Rōpū Manukura also met with the University Council to consider future collaborations with the University.
- We participated in the activities of Te Tira Takawae, the Māori reference group of the Tertiary Alliance between Waikato University, WINTEC, Bay of Plenty Polytechnic, Waiariki Institute of Technology, Tairāwhiti Polytechnic, and the Western Institute of Technology.
- The British Mammals Society awarded its highest honour, the Mammal Society Medal, to Waikato Biologist, Dr Carolyn King.
- The University supported the World Indigenous Peoples Conference on Education hosted by Te Wānanga o Aotearoa – held at the University domain in late November. Eleven staff from Te Pua Wānanga ki te Ao presented at the Conference.
- We coordinated a series of public lectures and social cultural activities on campus in celebration of Māori Language Week and Matariki – the Māori New Year.
- We were finalists in the Māori Language Commission's 2005 Māori Language Award for tertiary institutions.
- A digital repository of digitised student research theses was developed in the Library, from which metadata is harvested for inclusion in the Australasian Digital Theses Program. We were the first New Zealand University to deposit theses in this digital repository.
- University Libraries Aotearoa New Zealand, the national reciprocal borrowing scheme for students and staff of seven of the eight New Zealand University Libraries, commenced in March. In the four months to 30 June there were some 2,400 loans, including 115 from Waikato to users of other Libraries. It means wherever a student of one of these Universities goes, they can use a library.
- Waikato is already noted among libraries for its indexing work and during 2005 we launched the Fletcher Index. The index is from an unpublished manuscript compiled from 1925 by the missionary Rev. Henry James Fletcher (1868-1933). The New Zealand Collection holds a microform copy of the index which has been converted into web pages.
- This year saw the completion of WISE (Waikato Information Skills Education) - a set of web-based information literacy skills tutorials on the information cycle, search strategies, the Library Catalogue, finding journal articles, the Internet and World Wide Web, avoiding plagiarism and evaluating sources.
- The University was awarded a Certificate of Accreditation for the requirements of the Code of Practice for Tertiary Student Accommodation from the New Zealand Association of Tertiary Education Accommodation Professionals.



▼ *Ectus, an award winning IT company was purchased by TANDBERG, global leaders in interactive video communication.*

Ectus LTD was spun off from Waikato University in 2004 as a privately held company with an investment from venture capital company Endeavour-icap, one of the four managers of the Government's Venture Investment Fund.

The sale is an excellent example of how science and technology is being developed in the Waikato - with the assistance of venture capital - and then spun out into the commercial world with benefits accruing to all.

It's envisaged that TANDBERG will continue to use Waikato University as a test bed for world-leading eLearning and video conferencing software, enabling us to build on our Vision goals and to bring a new stream of revenue to the University.

2005 - A Year in Review

- Waikato Management School partnered with The Catalyst Group to supply regional economic data and analysis that will help the agency shape a Waikato economic development strategy.
- A study of Phoenix Organics by Dr Eva Collins and Dr Steve Bowden from Waikato Management School was chosen as an international case study on sustainability.
- The School of Māori and Pacific Development's Te Kahautū Maxwell was appointed to the PBRF Māori Knowledge Panel.
- Waikato Management School PhD student Halahingano Rohorua won a New Zealand Association of Economists (NZAE) research award for work on sustainable resource management in her native Tonga.
- Music Lecturer and composer Michael Williams' NZSO commissioned piece *Piercing the Vault* for oboe and orchestra was premiered at the Michael Fowler Centre.
- Music's Ian Whalley continued as a Director-at-Large for the US based International Computer Music Association. Ian and research associate Richard Nunns were recipients of the Government's Smash Palace Fund in 2005. Their project HIEMPA: Hybrid Instruments from Electroacoustic Manipulation and Models of Putorino and Aquascape saw them team with computer scientist, Bernard Pfahringler to collect sounds from the Waitomo Caves area and those of traditional Māori instruments related to water. From these they will develop software-based hybrid digital instruments.
- Eleven new professorial appointments were made: Daniel Fleming, Faculty of Arts & Social Sciences; Alister Jones and Martin Thrupp, School of Education; Alexander Frame and Michael Hahn, School of Law; William Temara, School of Māori & Pacific Development; and James Barker, Mei-Lai Lim, Philip McCann, Riccardo Scarpa and Harald van Heerde, Waikato Management School.
- Seven staff were promoted to Professor: Margaret Carr, School of Education; Mary Foster, Faculty of Arts & Social Sciences; Bill Henderson, School of Science and Engineering; and Juliet Roper, Waikato Management School.
- Ray Harlow and Robyn Longhurst, both Faculty of Arts & Social Sciences, and Karen van Peurse, Waikato Management School, were promoted in late 2005 to Professorships that took effect in early 2006.
- Following the publication of a report produced by Waikato's Population Studies Centre that scoped the need for new research on the economic impacts of immigration, the Government approved a three-year programme of research in this area. Professor Jacques Poot will chair a small committee of international experts that will advise on the selection and development of innovative new research on economic impacts of immigration.
- The University of Waikato Foundation successfully completed its fundraising campaign for the second and final stage of the refurbishment of The Don Llewellyn Sports Pavilion, named in honour of the University's inaugural Vice-Chancellor. The project, which started in 2002, has a total cost of approximately \$845,000 and work will be completed by mid-2006.
- Professor Margaret Carr was awarded the prestigious McKenzie Award which recognises NZ Association for Research in Education members who have made a significant contribution to educational research over an extended period of time. This is the fourth year in a row that School of Education staff have won the award.
- Alister Jones was appointed Director of the Wilf Malcolm Institute of Educational Research.
- Construction began on an extension to one of the major lecture theatre blocks at the University. This extension will provide 4 lecture theatres and flat floored teaching spaces. The lecture theatres will be for general use and the flat floored teaching spaces will be used by Computer Science Computer Graphic Design students.



Waikato University biologists received ten million dollars over ten years from the Foundation for Research, Science and Technology to research lake ecosystems and restoration, focusing on the Rotorua lakes. The research will lead to a framework through which high quality lakes will remain stable and important degraded lakes may be restored.

2005 - A Year in Review

- The first major internal refurbishment of an entire building was completed in 2005. This refurbishment of the main University management and administration building is the first in a gradual process across the campus of major complete building refurbishments.
- A University research team comprising Associate Professor Ruth Busch, School of Law, Dr Radha D'Souza, School of Law, Dr Neville Robertson, Department of Psychology and Roma Balzer were awarded a substantial research grant from the Ministry of Women's Affairs to conduct research on "Women's Experiences of Protection Orders Under the Domestic Violence Act 1995".
- Trevor Daya-Winterbottom, from the School of Law, presented the inaugural volume of the new annual Resource Management Theory & Practice journal. The aim of the new journal is to provide a vehicle for in-depth analysis of resource management issues relevant to the New Zealand scene.
- Work continued on the research project "Iwi Claims to Hydrocarbon Resources", funded by FRST and the Institute of Geological and Nuclear Sciences. The project involves the Law School's Huia Woods, Professor Barry Barton and Craig Coxhead. A substantial report on the recommendations of the Waitangi Tribunal on the Petroleum claim is being finalized for publication, along with a report on human capital development for the oil and gas sector.
- Sandy Morrison from the School of Māori and Pacific Development was appointed as President of the Asia and South Pacific Bureau of Adult Education.
- The Law School secured FRST funding for work in the University's OBI project "Restoring Land and Freshwater Ecosystems". Professor Barry Barton will lead research in 2006 and 2007 on the legal issues faced by community groups carrying out ecological restoration projects.
- Nigel Calder won the Early Researchers Award of the Mathematical Education Research Group of Australasia. It was the first time in several years that it had been awarded to a New Zealander.
- All the finalists for the inaugural Zonta student awards were University of Waikato at Tauranga students. The awards are open to all mature female tertiary students in the western Bay of Plenty. The University also received 2 of the 5 adult learners awards given in the western Bay of Plenty.
- Accreditation was given to begin teaching the BTchg (Early Childhood) degree in Tauranga with the first class starting in 2006.
- The Academic Audit Report commended Waikato for the way it meets its obligations under the Treaty of Waitangi. The University's Māori website Te Puna Tautoko and the national Māori Academic Excellence Awards, hosted by the University, were singled out for praise.
- The Localisation of Microsoft Windows and Microsoft Office into Māori; a co-operative effort between Computing and Mathematical Sciences, Te Taura Whiri i Te Reo Māori, Microsoft and Te Pua Wānanga ki te Ao, was launched.
- The translation of the Bahai'i text 'Hidden Words' was completed by the Translation Service with near completion on the other major Bahai'i text 'The New Era'.
- The University community was saddened by the passing of Nola Campbell, Professor Evelyn Stokes, and Professor Terry Crowley.



The diversity of the University's staff profile reflects our commitment to equal opportunities, and our commitment to respond to the needs of a changing student population.

The University of Waikato maintains an ongoing commitment to equal opportunities in education and employment. The University provides a wide variety of University-wide and School/Faculty-specific systems to enable and maintain student access and success. Support is available to all students, and additional support is targeted to individual groups according to their specific needs.

Some details are:

- Over half the total staff of 1,678 (full-time equivalent) at the University of Waikato were women (58%). Women comprised 45% of the academic staff and 68% of the general staff. The highest percentages of female staff were in the Financial Services Division (84%); Student and Academic Services (82%); Library (81%), Human Resources Management (77%) and School of Education (76%). The lowest percentages of female staff continue to be in the School of Computing and Mathematical Sciences (27%); Facilities Management Division (34%); and Information Technology Services (36%).
- Almost three quarters of the total staff at the University of Waikato were European/Pakeha (73%) and 11% were Māori.
- The total student population at the University of Waikato in 2005 was 13,068, 43% (5,606) of whom were male and 57% (7,462) were female.
- The ethnic composition of the student population comprised: European/Pakeha 46% (5,964), Asian 24% (3,145), Māori 17% (2,259), Pacific Islanders 3% (396), Indian 2% (299), and 'other' ethnic groups 8% (1,005). This compares with 2004 where 45% (6,335) were European/Pakeha, 25% (3,467) were Asian, 18% (2,480) were Māori, 3% (411) were of Pacific Island ethnicity, 2% (314) were Indian, 7% (1,016) were of 'other' ethnic origin.
- Students aged less than 20 years comprised 17% of the entire student population. Students aged between 20 and 24 years – for whom parents are still responsible for living costs - comprised 43%, whilst students aged 25 years or over (those who may be entitled to a government-funded living allowance) comprised 39% of the student population.
- The University had 465 students with disabilities. Of these students, 176 accessed support services - largely for physical/mobility, medical or specific learning difficulties.
- 5% of University staff had disabilities. These included: vision difficulties (.125%); mobility problems (.75%); diabetes (.75%); breathing problems (.5%); hearing difficulties (.75%); epilepsy (.25%); medical (.25%) and other (.5%).

The University of Waikato prides itself on the diversity of its existing Equal Opportunity programmes, and in 2005 the University continued to support several programmes and initiatives for staff and students including:

- Strategies such as family-friendly environments, flexible hours and work from home options, considered on a case-by-case basis by Managers.
- Support for staff to undertake further studies to enhance their career paths and contribution to the University.
- The provision of an annual staff scholarship for support staff to attend a relevant Australasian conference for professional development and networking.
- Each School/Faculty and Division has its own EEO liaison representative who assists Senior Management in the planning and reporting of EEO initiatives.
- The University continued to offer a number of STAR (Secondary Tertiary Alignment Resource) papers to provide gifted and talented secondary school students extension learning and preparation for University study.

In 2005, the University of Waikato also undertook several new programmes for staff and students, including:

- The coordination of a University-wide pōwhiri and orientation at the beginning of the academic year to welcome and induct new Māori students of the University.
- Te Puna Tautoko – a forum of student support specialists in collaboration with School/Faculty-based Māori student mentors.
- The Achieving Success Pilot programme for students with disabilities deemed at risk of failure.
- 'Wise-up Week' – an orientation for first year students with students and their families being looked after by student volunteers.



HEAD OF *Corporate Services*

FINANCIAL OVERVIEW



The University achieved a consolidated net surplus of \$8.5M for the year ended 31 December 2005, compared with the consolidated net surplus of \$1.3M reported for 2004.

Major factors impacting on the 2005 result were:

- Depreciation – change of useful life ICT equipment/revaluation of buildings.
- Salaries – reduction due to disestablished and delayed employment positions.
- Research Revenue – increase in research revenue, including income received in advance of expenditure on research projects which has been recognised as revenue, in line with the University's accounting policy.
- Interest Revenue – increase due to a rise in interest rates and increased cash deposits/investments.
- EFTS Revenue – decrease in domestic EFTS.
- One-off expenditure savings and expenditure delays.

The total revenue of \$179.8M in 2005 was ahead of the \$176.4M in 2004. The major areas of increased revenue were international fees (\$2.3M), commercialisation (\$2.8M) and research income (\$1.7M).

Total costs compared with 2004 decreased by \$3.8M. The major areas of decreased costs were salaries (\$1.2M), other costs (\$1.2M) and depreciation (\$1.4M). The University continues to work to reduce costs and increase efficiencies.

In the previous five years the University's annual operating surplus has steadily reduced. The 2005 operating surplus is now above the guidelines set down by the Ministry of Education's Tertiary Advisory Monitoring Unit (TAMU) and also the level required by the University's Council.

However, this is due to one-off expenditure savings and delayed expenditure. Excluding these, the University's sustainable surplus is in a break-even position which is below the University's Council and TAMU requirements.

The University is aware of the need to address a decline in domestic student numbers, reduce dependence on international student revenue and associated risks, and increase returns from non-teaching activities.

Raymond McNickle
Head of Corporate Services



Audit New Zealand

TO THE READERS OF UNIVERSITY OF WAIKATO AND GROUP'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2005

The Auditor-General is the auditor of the University of Waikato (the University) and group. The Auditor-General has appointed me, M G Taris using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements of the University and group, on his behalf, for the year ended 31 December 2005.

Unqualified opinion

In our opinion the financial statements of the University and group on pages 19 to 44:

- ▲ comply with generally accepted accounting practice in New Zealand; and
- ▲ fairly reflect:
 - the University and group's financial position as at 31 December 2005;
 - the results of operations and cash flows for the year ended on that date; and
 - the service performance achievements measured against the performance targets adopted for the year ended on that date.

The audit was completed on 6 March 2006, and 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 the Auditor, and explain our independence.

Basis of opinion

We carried out the audit in accordance with the Auditor-General's Auditing Standards, which incorporate the New Zealand Auditing Standards.

We planned and performed the audit to obtain all the information and explanations we considered necessary in order to obtain reasonable assurance that the financial statements did not have material misstatements whether caused by fraud or error.

Material misstatements are differences or omissions of amounts and disclosures that would affect a reader's overall understanding of the financial statements. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

The audit involved performing procedures to test the information presented in the financial statements. We assessed the results of those procedures in forming our opinion.

Audit procedures generally include:

- ▲ determining whether significant financial and management controls are working and can be relied on to produce complete and accurate data;
- ▲ verifying samples of transactions and account balances;
- ▲ performing analyses to identify anomalies in the reported data;
- ▲ reviewing significant estimates and judgements made by the Council;
- ▲ confirming year-end balances;



REPORT OF THE *Auditor-General*

- ▲ determining whether accounting policies are appropriate and consistently applied; and
- ▲ determining whether all financial statement disclosures are adequate.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements.

We evaluated the overall adequacy of the presentation of information in the financial statements. We obtained all the information and explanations we required to support our opinion above.

Responsibilities of the Council and the Auditor

The Council is responsible for preparing financial statements in accordance with generally accepted accounting practice in New Zealand. Those financial statements must fairly reflect the financial position of the University and group as at 31 December 2005. They must also fairly reflect the results of operations and cash flows and service performance achievements for the year ended on that date. The Council's responsibilities arise from the Public Finance Act 1989.

We are responsible for expressing an independent opinion on the financial statements and reporting that opinion to you. This responsibility arises from section 15 of the Public Audit Act 2001 and the Public Finance Act 1989.

Independence

When carrying out the audit we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the Institute of Chartered Accountants of New Zealand.

Other than the audit, we have no relationship with or interests in the University or any of its subsidiaries.

M G Taris
Audit New Zealand
On behalf of the Auditor-General
Tauranga, New Zealand



Matters relating to the electronic presentation of the audited financial statements

This audit report relates to the financial statements of the University of Waikato (the University) and group for the year ended 31 December 2005 included on the University of Waikato's web-site. The University's Council is responsible for the maintenance and integrity of the University's web site. We have not been engaged to report on the integrity of the University's web site. We accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the web site.

The audit report refers only to the financial statements named above. It does not provide an opinion on any other information, which may have been hyperlinked to/from, these financial statements. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the audited financial statements and related audit report dated 6 March 2006 to confirm the information included in the audited financial statements presented on this web site.

Legislation in New Zealand governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement of Responsibility

In the financial year ended 31 December 2005, the Council and management of The University of Waikato were responsible for:

1. The preparation of the annual financial statements 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 of the financial year ended 31 December 2005 fairly reflect the financial position and operations of The University of Waikato.



Chairperson of Council
Mr John Gallagher
28 February 2006



Vice-Chancellor
Professor R. Crawford
28 February 2006

STATEMENT OF *Accounting Policies*

FOR THE YEAR ENDED 31 DECEMBER 2005

1. The Reporting Entity

The University of Waikato (the University) is 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.

These accompanying financial statements are presented in accordance with Section 203 of the Education Act 1989 which refers to the provisions of Section 41(2) of the Public Finance Act 1989, and Generally Accepted Accounting Practice as adopted by the Institute of Chartered Accountants of New Zealand.

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

- WaikatoLink Limited and Group, a wholly owned subsidiary company, and the results for the year ended 31 December 2005 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 2005 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 2005 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 2005 have been fully consolidated into the University group results.
- Campus Services Limited is 50% owned by the University. The remaining 50% is owned by the Waikato Students' Union (Incorporated). Campus Services 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 Campus Services 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.

2. Measurement System

The general accounting principles recognised as appropriate for the measurement and reporting of financial performance and position on an historical cost basis, adjusted by the revaluation of certain property, plant and equipment, are followed by the University.

3. Accounting Policies

a Basis of Consolidation

The consolidated financial statements include the University and its subsidiaries and associates.

In the consolidated financial statements, subsidiaries have been included by aggregating like items of assets, liabilities, revenues, expenses and cashflows on a line by line basis. All inter-entity transactions are eliminated on consolidation.

Associates are those entities over which the University has the capacity to affect substantially, but not unilaterally determine, the financial and/or operating policies. The University's share of surplus is included in the consolidated Statement of Financial Performance and the share of post acquisition increase in net assets is included in the consolidated Investments in the Statement of Financial Position.

- b Budget Figures** are the Revised Budget approved by the Council on 8 June 2005. The revised budget results from the revision of the enrolment predictions for the year based on the first quarter.

The budget figures have been prepared in accordance with generally accepted accounting practice and are consistent with the accounting policies adopted by the Council for the preparation of the financial statements.

- c Goods and Services Tax (GST)** is excluded from these financial statements, with the exception of accounts receivable and accounts payable.

- d 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.

- e Research Grants and Subsidies, 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.

- f Government Grants** to the University are recognised as income on entitlement.

STATEMENT OF *Accounting Policies*

FOR THE YEAR ENDED 31 DECEMBER 2005

g Student tuition fees are recognised as revenue on a course percentage of completion basis.

h Foreign currency transactions throughout the year have been converted into New Zealand currency at the ruling rate of exchange at the dates of the transactions. Foreign currency balances, as at 31 December 2005, are valued at the exchange rates prevailing on that date. Foreign Exchange gains/losses are recognised in the Statement of Financial Performance.

i 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
- University Created Reserves
- Restricted Reserves

j Accounts Receivable are shown at estimated realisable value after providing for bad and doubtful debts.

k Investments are valued at cost except for Local Authority Stock, Government Stock, and Transferable Certificates of Deposit, which are valued at face value, which is not materially different from cost.

l Inventories are valued at the lower of cost (determined on a weighted average basis) and net realisable value. 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.

m Employee Entitlements

Provision is made in respect of the University's liability for staff annual and long service leave where the employee is entitled to that leave as at 31 December 2005.

Additionally provision has been made, where applicable, using an actuarial valuation for retirement gratuities and long service leave. This valuation, as at 31 December 2005, was undertaken by Mercer Human Resource Consulting Limited (Actuaries). The actuarial valuation determines the extent of anticipated entitlements payable under employment contracts and brings to account a liability using the present value measurement basis, which discounts expected future cash outflows.

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.

n Property, Plant and Equipment:

1 Valuation

i Land and Buildings

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 2005 it is in substance the owner of these Buildings and assumes all the normal risks and rewards of ownership.

Land and Buildings are revalued every three years. Land and Buildings were revalued as at 1 January 2005 by Attewell Gerbich Havill Limited in conjunction with DTZ New Zealand (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.

ii University Owned Infrastructural Assets are revalued every three years. Infrastructural Assets were revalued as at 1 January 2005 by Opus International Consultants Limited on a fair value basis using the Optimised Depreciated Replacement Cost method.

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

iv Additions between valuations are recorded at cost less accumulated depreciation.

STATEMENT OF Accounting Policies

FOR THE YEAR ENDED 31 DECEMBER 2005

v **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.

vi **All Other Property, Plant and Equipment** are valued at historical cost less accumulated depreciation.

2 Depreciation

Land is not depreciated.

Buildings are depreciated on a straight line basis that will write off the cost or valuation of Buildings over their estimated total useful life.

The useful lives and associated depreciation rates for Buildings are estimated as follows:

	Useful Lives:	Residual Values as a percentage of Replacement Cost:
– Structure	35–100 Years	0-15%
– Services	25-35 Years	5%
– Fitout	20-25 Years	0%

Infrastructural Assets are depreciated on a straight line basis that will write off the cost or valuation of the Infrastructural Assets over their estimated total useful life.

	Useful Lives:	Residual Values:
– Infrastructure	25–80 Years	0%

The Library Collection is depreciated on a straight line basis that will write off the cost over its useful life. The useful lives are estimated at 35 years for books and 15 years for periodicals.

Teaching and research equipment is depreciated at 15% per annum (2004 – 20%) on a diminishing value basis.

Computer equipment excluding servers is depreciated on a straight line basis that will write off the cost within four years (2004 – three years).

Computer servers are depreciated on a straight line basis that will write off the cost within five years (2004 – three years).

Computer software is depreciated on a straight line basis that will write off the cost within four years.

Computer software for the student enrolment and library systems are depreciated on a straight line basis that will write off the cost within ten years.

Other Property, Plant and Equipment are depreciated on a diminishing value basis dependent on their assessed useful life and at rates which vary from 5 to 20%.

o 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 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.

p Statement of Cashflows

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.

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

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

q **Financial Instruments** form part of the University's everyday operations. These financial instruments include Bank Accounts, Short Term Deposits, Trade and Accounts Receivable, Trade and Accounts Payable and Term Borrowings, all of which are recognised in the Statement of Financial Position.

Revenue and expenses in relation to all financial instruments are recognised in the Statement of Financial Performance.

4. Changes in Accounting Policies

All policies are unchanged and have been applied in a manner consistent with the previous year.

STATEMENT OF *Financial Performance*

FOR THE YEAR ENDED 31 DECEMBER 2005

	Notes	CONSOLIDATED		UNIVERSITY		
		This Year \$000	Last Year \$000	This Year \$000	Budget \$000	Last Year \$000
Revenue						
Government Funding and Grants	1	67,887	68,373	67,887	68,808	68,373
Fees Income	2	65,659	64,660	65,659	66,648	64,660
Research Income		20,137	18,398	20,137	19,085	18,398
Interest Received		2,449	2,073	2,274	1,825	1,968
Other Revenue		22,882	22,237	19,526	19,537	19,746
Donations		795	704	1,037	506	761
Total Revenue		179,809	176,445	176,520	176,409	173,906
Costs						
Academic Salaries		63,392	62,368	63,392	62,765	62,368
General Salaries		39,457	41,637	39,456	41,020	41,646
Other Costs		54,597	55,824	53,754	56,428	55,838
Depreciation	6	13,867	15,276	13,850	17,000	15,268
Total Costs		171,313	175,105	170,452	177,213	175,120
Net Surplus/(Deficit)		8,496	1,340	6,068	(804)	(1,214)

The accompanying accounting policies and notes form an integral part of this statement.

STATEMENT OF *Movements in Equity*

FOR THE YEAR ENDED 31 DECEMBER 2005

	Notes	CONSOLIDATED		UNIVERSITY		
		This Year \$000	Last Year \$000	This Year \$000	Budget \$000	Last Year \$000
Net Surplus/(Deficit)		8,496	1,340	6,068	(804)	(1,214)
Increase in Asset Revaluation Reserve	8	27,969	-	27,969	-	-
Total Recognised Revenues and Expenses		36,465	1,340	34,037	(804)	(1,214)
Movements in Equity		36,465	1,340	34,037	(804)	(1,214)
Opening Equity		198,519	197,179	195,142	195,142	196,356
Closing Equity		234,984	198,519	229,179	194,338	195,142

The accompanying accounting policies and notes form an integral part of this statement.

STATEMENT OF Financial Position

AS AT 31 DECEMBER 2005

	CONSOLIDATED			UNIVERSITY		
	Notes	This Year \$000	Last Year \$000	This Year \$000	Budget \$000	Last Year \$000
Assets						
Current Assets						
Cash and Bank		403	1,001	188	500	925
Accounts Receivable		4,003	6,312	3,956	5,815	6,166
Prepayments		2,973	2,312	2,973	2,312	2,312
Short Term Investments	4	26,690	19,706	23,182	12,282	17,646
Inventories		1,045	1,355	1,012	1,355	1,322
Total Current Assets		35,114	30,686	31,311	22,264	28,371
Non Current Assets						
Investments	4	2,431	1,512	887	911	901
Property, Plant and Equipment	6	242,687	210,528	242,625	212,941	210,482
Total Non Current Assets		245,118	212,040	243,512	213,852	211,383
Total Assets		280,232	242,726	274,823	236,116	239,754
Liabilities						
Current Liabilities						
Income in Advance		7,551	10,039	7,551	8,039	10,039
Accounts Payable		11,334	10,929	11,736	10,929	11,337
Current Portion of Employee Entitlements	3	11,411	9,389	11,405	9,040	9,386
Current Portion of Term Liabilities	5	80	80	80	80	80
Total Current Liabilities		30,376	30,437	30,772	28,088	30,842
Non Current Liabilities						
Term Portion of Employee Entitlements	3	7,055	6,253	7,055	6,253	6,253
Term Liabilities	5	7,817	7,517	7,817	7,437	7,517
Total Non Current Liabilities		14,872	13,770	14,872	13,690	13,770
Equity						
General Equity	7	161,678	153,676	155,873	149,554	150,299
Asset Revaluation Reserve	8	63,934	35,965	63,934	35,965	35,965
University Created Reserves	7	6,574	6,392	6,574	6,325	6,392
Restricted Reserves	7	2,798	2,486	2,798	2,494	2,486
Total Equity		234,984	198,519	229,179	194,338	195,142
Total Liabilities and Equity		280,232	242,726	274,823	236,116	239,754

The accompanying accounting policies and notes form an integral part of this statement.

STATEMENT OF Cash Flows

FOR THE YEAR ENDED 31 DECEMBER 2005

	CONSOLIDATED		UNIVERSITY			
	Notes	This Year \$000	Last Year \$000	This Year \$000	Budget \$000	Last Year \$000
Cash Flows from Operating Activities						
Cash was provided from:						
Government Funding and Grants		68,486	68,265	68,486	68,808	68,265
Revenues from Fees		68,165	65,074	68,165	66,648	65,074
Other Revenue		36,343	41,313	35,689	38,904	41,230
Receipts for Capital Investment		396	509	396	886	509
Interest Received		2,432	2,053	2,235	1,837	1,991
		175,822	177,214	174,971	177,083	177,069
Cash was applied to:						
Interest Paid		(49)	(36)	(49)	(47)	(36)
Suppliers		(48,915)	(50,545)	(47,621)	(48,221)	(50,376)
Employees		(106,075)	(114,514)	(106,047)	(114,673)	(114,501)
		(155,039)	(165,095)	(153,717)	(162,941)	(164,913)
Net Cash Flows from Operating Activities*		20,783	12,119	21,254	14,142	12,156
Cash Flows from Investing Activities						
Cash was provided from:						
Share Sales		2,710	2,000	-	-	-
Asset Sales		709	169	709	213	169
Term Investments		14	37	14	-	37
		3,433	2,206	723	213	206
Cash was applied to:						
Term Investments		(799)	(271)	-	-	(271)
Asset Purchases		(17,489)	(20,803)	(17,456)	(19,563)	(20,754)
		(18,288)	(21,074)	(17,456)	(19,563)	(21,025)
Net Cash Flows from Investing Activities		(14,855)	(18,868)	(16,733)	(19,350)	(20,819)
Cash Flows from Financing Activities						
Cash was provided from:						
Loans Raised		7,950	7,300	7,700	7,300	7,300
		7,950	7,300	7,700	7,300	7,300
Cash was applied to:						
Loans Repaid		(7,400)	(7,380)	(7,400)	(7,380)	(7,380)
		(7,400)	(7,380)	(7,400)	(7,380)	(7,380)
Net Cash Flows from Financing Activities		550	(80)	300	(80)	(80)
Net Cash Flows From All Activities		6,478	(6,829)	4,821	(5,288)	(8,743)
Plus Opening Balance		20,607	27,471	18,425	18,425	27,203
Less Non Cash Currency Loss		(8)	(35)	(8)	-	(35)
Closing Cash Balance		27,077	20,607	23,238	13,137	18,425
Cash and Bank		403	1,001	188	500	925
Short Term Investments	4	26,674	19,606	23,050	12,637	17,500
		27,077	20,607	23,238	13,137	18,425

* Refer to the Reconciliation of the Net Surplus with the Net Cash Flows from Operating Activities. The accompanying accounting policies and notes form an integral part of this statement.

RECONCILIATION OF THE NET SURPLUS WITH THE NET CASH FLOWS FROM OPERATING ACTIVITIES

FOR THE YEAR ENDED 31 DECEMBER 2005

	CONSOLIDATED		UNIVERSITY	
	This Year \$000	Last Year \$000	This Year \$000	Last Year \$000
Net Surplus/(Deficit)	8,496	1,340	6,068	(1,214)
Add/(Less) Non Cash Items:				
Depreciation	13,867	15,276	13,850	15,268
Increase in Term Portion of Employee Entitlements	802	423	802	423
Net Loss on Foreign Currency	8	35	8	35
Share of Associates' Post Acquisition Profits	(317)	(239)	-	-
Other	(140)	(100)	(61)	(48)
	14,220	15,395	14,599	15,678
Add/(Less) Movements in Other Working Capital Items:				
(Increase)/Decrease in Accounts Receivable	2,309	(862)	2,210	(765)
Increase/(Decrease) in Accounts Payable	405	710	399	1,050
(Increase)/Decrease in Inventories	310	(14)	310	19
Increase/(Decrease) in Income in Advance	(2,488)	(562)	(2,488)	(562)
Increase/(Decrease) in Employee Entitlements	2,022	(1,827)	2,019	(1,824)
(Increase)/Decrease in Prepayments	(661)	(553)	(661)	(553)
	1,897	(3,108)	1,789	(2,635)
Add/(Less) Items Classified as Investing and Financing Activities:				
Increase/(Decrease) in Capital Prepayments	(169)	(200)	(169)	(200)
(Increase)/Decrease in Capital Accounts Payable	(974)	457	(974)	457
Net (Gain)/Loss on Share Sales	(2,869)	(1,882)	-	-
Net (Gain)/Loss on Disposal of Assets	(69)	44	(69)	45
	(4,081)	(1,581)	(1,212)	302
Other Adjustments:				
Agency Adjustments	251	73	10	25
	251	73	10	25
Net Cash Flow from Operating Activities	20,783	12,119	21,254	12,156



STATEMENT OF *Commitments*

AS AT 31 DECEMBER 2005

Capital Commitments

The University has the following estimated capital expenditure contracted for as at 31 December 2005:

	UNIVERSITY	
	This Year	Last Year
	\$000	\$000
Facilities Management Capital Projects	2,445	408
Total Capital Commitments	2,445	408

Operating Lease Commitments

The University has leased various properties and items of equipment. There are no future commitments in the form of finance leases. The total future commitments under operating leases are:

	Current Portion	1-2 years	2-5 years	5+ years
	\$000	\$000	\$000	\$000
31 December 2005	1,901	1,686	3,302	30,702
31 December 2004	2,186	1,495	2,969	31,559

These commitments include the lease with Waikato-Tainui for the Campus land.

The initial term of the lease is 50 years with 40 years remaining with future rights of perpetual renewal provided the University continues to use the Campus wholly or primarily for the purpose of tertiary education or research.

Annual rental payments are \$780,338 (2004 - \$780,338) including GST.

The lease rental is due for review in 2006.

Consolidated Commitments

For the subsidiaries and associates included in the consolidated financial statements there are no material commitments.



STATEMENT OF *Contingent Liabilities*

AS AT 31 DECEMBER 2005

University Contingent Liabilities

A guarantee has been given to the Bank of New Zealand for a loan of \$48,000 (2004 - \$35,000) on a continuing basis to the Campus Creche Trust.

The University is involved in personal grievance claims taken against it by staff members. The liability the University may incur is estimated at \$20,000 (2004 - \$15,000).

There are contingencies of \$100,000 for building fitout subject to lease negotiations expected to be finalised in 2006.

There are no other known contingent liabilities.

Consolidated Contingent Liabilities

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

NOTES TO THE Financial Statements

Note 1: Government Funding and Grants

	CONSOLIDATED		UNIVERSITY		
	This Year \$000	Last Year \$000	This Year \$000	Budget \$000	Last Year \$000
Block Grants	59,861	61,089	59,861	61,073	61,089
Advisory Services Grants	6,669	6,005	6,669	6,760	6,005
Other Grants	1,357	1,279	1,357	975	1,279
Total Government Funding and Grants	67,887	68,373	67,887	68,808	68,373

Note 2: Fees Income

	CONSOLIDATED		UNIVERSITY		
	This Year \$000	Last Year \$000	This Year \$000	Budget \$000	Last Year \$000
Domestic	27,470	28,768	27,470	28,438	28,768
International	38,189	35,892	38,189	38,210	35,892
Total Fees Income	65,659	64,660	65,659	66,648	64,660

Note 3: Employee Entitlements

	CONSOLIDATED		UNIVERSITY	
	This Year \$000	Last Year \$000	This Year \$000	Last Year \$000
Staff Annual and Long Service Leave vested	7,891	7,444	7,885	7,441
Other Employee Entitlements	2,788	1,249	2,788	1,249
Actuarial Valuation of Anticipated Retirement Gratuities and Long Service Leave	7,787	6,949	7,787	6,949
Total Employee Entitlements	18,466	15,642	18,460	15,639
Current Portion	11,411	9,389	11,405	9,386
Non Current Portion	7,055	6,253	7,055	6,253
	18,466	15,642	18,460	15,639

NOTES TO THE Financial Statements

Note 4: Investments

	CONSOLIDATED		UNIVERSITY	
	This Year \$000	Last Year \$000	This Year \$000	Last Year \$000
Short Term Investments				
Bank Term Deposits	26,674	19,606	23,050	17,500
The University of Waikato Foundation Loan	-	-	83	97
The University of Waikato Alumni Association Inc. Loan	-	-	33	33
Campus Services Limited Loan	16	16	16	16
WaikatoLink Limited Investments	-	84	-	-
Total Short Term Investments	26,690	19,706	23,182	17,646
Investments				
Campus Services Limited Loan	12	26	12	26
Campus Services Limited Investment	1,221	951	374	374
LCo New Zealand Limited Investment	570	523	501	501
WaikatoLink Limited Investments	628	12	-	-
Total Term Investments	2,431	1,512	887	901

The weighted average effective interest rates on bank term deposits are disclosed in Note 11: Financial Instruments. As the maturities for the bank term deposits are all for a period of less than six months they have not been repriced.

Investment in Associates

	OWNERSHIP	BALANCE DATE
Campus Services Limited	50%	31 December

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

	CONSOLIDATED	
	This Year \$000	Last Year \$000
The University's share of the results of Campus Services Limited is as follows:		
Share of retained surplus	270	217
Investment in Associate		
Opening Balance	951	734
Share of retained surplus	270	217
Closing Balance	1,221	951
Represented by:		
Share of increase in net assets of associate (Carrying Value)	1,221	951

NOTES TO THE Financial Statements

	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	47	22
Investment in Associate		
Opening Balance	523	-
Equity Invested	-	501
Share of retained surplus	47	22
Closing Balance	570	523

Represented by:

Share of increase in net assets of associate (Carrying Value)	570	523
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Investment in Subsidiaries

	OWNERSHIP	BALANCE DATE	NET ASSETS (approx fair value) as at 31 December	
			This Year	Last Year
			\$000	\$000
Student Campus Building Fund Trust	Controlling	31 December	560	263
Principal Activity: Charitable Trust, finances facilities for the students of the University				
WaikatoLink Limited	100%	31 December	4,415	2,343
Principal Activity: Commercialisation holding company				
The University of Waikato Foundation	Controlling	31 December	(83)	169
Principal Activity: Charitable Trust, raises funds for the University				
The University of Waikato Alumni Association Incorporated	Controlling	31 December	-	-
Principal Activity: To foster, develop and maintain an ongoing relationship with past, present and future students of The University of Waikato				

NOTES TO THE Financial Statements

Note 5: Term Liabilities

	CONSOLIDATED AND UNIVERSITY	
	This Year	Last Year
	\$000	\$000
Opening Balance	7,597	7,677
less Loans Repaid	(7,400)	(7,380)
plus Loans Raised	7,700	7,300
Closing Balance	7,897	7,597
Current Portion - Loans	80	80
Non Current Portion - Loans*	7,817	7,517
	7,897	7,597

The weighted average interest rate of the term liabilities is 6.96% (2004 - 6.8%).

*The University has a term loan funding facility with the ASB Bank. This facility, which has a maximum of \$7.3M, is without time constraint but subject to annual review. The loan was secured by way of a Negative Pledge.

Note 6: Property, Plant and Equipment

	CONSOLIDATED				
	Cost	Valuation	Accumulated	Net	Depreciation
This Year	\$000	\$000	\$000	\$000	for Year
					\$000
Land	-	1,140	-	1,140	-
Infrastructural Assets	416	9,231	359	9,288	354
Buildings	4,748	179,242	6,113	177,877	6,115
Leasehold Building Improvements	3,124	-	2,313	811	233
Library Collection	41,616	-	20,827	20,789	1,755
Teaching & Research Equipment	70,262	-	53,127	17,135	4,064
Software	10,236	-	3,345	6,891	1,013
Other	3,471	-	1,631	1,840	333
Work in Progress	6,916	-	-	6,916	-
Total	140,789	189,613	87,715	242,687	13,867
Last Year					
Land	-	695	-	695	-
Infrastructural Assets	1,801	9,072	853	10,020	301
Buildings	23,054	144,957	16,458	151,553	5,822
Leasehold Building Improvements	2,569	-	2,055	514	325
Library Collection	39,940	-	19,072	20,868	1,714
Teaching & Research Equipment	66,727	-	50,153	16,574	6,163
Software	7,844	-	2,332	5,512	649
Other	3,133	-	1,429	1,704	302
Work in Progress	3,088	-	-	3,088	-
Total	148,156	154,724	92,352	210,528	15,276

NOTES TO THE Financial Statements

Other Assets are made up as follows:

	This Year	Last Year
	\$000	\$000
Art Collection	279	270
Administration, Plant and Furniture	203	173
Motor Vehicles	2,989	2,690
Total	3,471	3,133

The \$62,000 (2004 - \$46,000) difference between the Property, Plant and Equipment represented in the Statement of Financial Position for the University as compared to the value under Consolidated is the Property, Plant and Equipment held by The University of Waikato Foundation of \$4,000 (2004 - \$6,000) and WaikatoLink Limited of \$58,000 (2004 - \$40,000).

Land and Buildings were revalued as at 1 January 2005 by Attewell Gerbich Havill Limited in conjunction with DTZ New Zealand (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 were revalued as at 1 January 2005 by Opus International Consultants Limited on a fair value basis using the Optimised Depreciated Replacement Cost method.

Note 7: Equity

i) General Equity

	CONSOLIDATED		UNIVERSITY	
	This Year	Last Year	This Year	Last Year
	\$000	\$000	\$000	\$000
Opening Balance	153,676	151,696	150,299	150,873
Net Surplus/(Deficit)	8,496	1,340	6,068	(1,214)
less appropriations of net surplus to				
Restricted Trusts				
Prizes, Scholarships and Trust Funds	(495)	(343)	(495)	(343)
University Created Reserves				
External Research	(21,498)	(19,297)	(21,498)	(19,297)
plus transfers from				
Restricted Trusts				
Prizes, Scholarships and Trust Funds	183	284	183	284
University Created Reserves				
External Research	21,316	19,996	21,316	19,996
Closing Balance	161,678	153,676	155,873	150,299

ii) University Created Reserves

These are reserves established for an external research purpose and for which conditions have been imposed.

	CONSOLIDATED AND UNIVERSITY	
	This Year	Last Year
	\$000	\$000
External Research		
Opening Balance	6,392	7,091
add appropriation of Net Surplus	21,498	19,297
less transfer to Accumulated Surplus	(21,316)	(19,996)
Closing Balance	6,574	6,392

NOTES TO THE *Financial Statements*

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 shown in the Statement of Financial Performance. Fund balances remaining are shown as restricted reserves.

	CONSOLIDATED AND UNIVERSITY	
	This Year \$000	Last Year \$000
Prizes, Scholarships and Trust Funds		
Opening Balance	2,486	2,427
add appropriation of Net Surplus	495	343
less application to Prizes, Scholarships and Trust Funds	(183)	(284)
Closing Balance	2,798	2,486

Note 8: Asset Revaluation Reserve

	CONSOLIDATED AND UNIVERSITY	
	This Year \$000	Last Year \$000
Opening Balance	35,965	35,965
Revaluation	27,982	-
Transfer on disposal of assets	(13)	-
Decrease in Asset Revaluation Reserve	27,969	-
Closing Balance	63,934	35,965
Represented by:		
Land		
Opening Balance	-	-
Revaluation	655	-
Closing Balance	655	-
Buildings		
Opening Balance	27,925	27,925
Revaluation	27,821	-
Transfer on disposal of assets	(13)	-
Closing Balance	55,733	27,925
Infrastructural Assets		
Opening Balance	8,040	8,040
Revaluation	(494)	-
Closing Balance	7,546	8,040

NOTES TO THE Financial Statements

Note 9: Other Disclosures

	CONSOLIDATED		UNIVERSITY	
	This Year	Last Year	This Year	Last Year
	\$000	\$000	\$000	\$000
Interest Expense	52	39	52	39
Audit Fees - Principal Auditor	82	73	70	60
Other Fees - Principal Auditor *	7	20	7	20
Audit Fees - Other Auditors	-	1	-	-
Bad Debts	31	87	31	87
(Gain)/Loss on Disposal of Assets	(69)	45	(69)	45
Decrease in Provision for Doubtful Debts	(61)	(50)	(61)	(50)
Rental Expense on Operating Leases	2,425	2,944	2,425	2,944

* These fees were for assurance or audit related engagements.

Note 10: Councillors' Remuneration

Fees to Council members for their contributions to the work of the Council, paid in accordance with Section 179 of the Education Act 1989, totalled \$43,250 (2004 - \$76,520).

	UNIVERSITY	
	This Year	Last Year
	\$	\$
Mr J. Gallagher (Chair)	-	19,500
Mrs A. Annan	-	4,845
Professor A. Barrett	3,315	2,805
Ms E. Barton	1,785	2,295
Mr L. Bourke	3,315	4,080
Ms M. Dodd	1,530	2,040
Dr A. Hampton	1,530	1,530
Professor T. Healy	1,785	3,060
Mr J. Jackman	5,610	7,140
Dr B. Linehan	1,785	1,785
Mr R. Parton	1,785	-
Mr D. Philpott	-	4,845
Dr R. Pringle *	8,825	8,060
Mr S. Pushpamangalam	4,590	5,100
Ms S. Sleigh	3,570	4,590
Mr S. Solomon	1,785	3,060
Mr G. Weld	2,040	1,785
Total	43,250	76,520

* Includes director fee for WaikatoLink Limited.

NOTES TO THE *Financial Statements*

Note 11: Financial Instruments

Fair Value

The estimated fair value of the University's financial instruments are equivalent to their carrying amounts in the financial statements.

Credit Risk

Financial instruments which potentially subject the University to credit risk principally consist of bank balances and accounts receivable.

Credit risk in respect of Bank and Short Term Deposits is reduced by spreading deposits over major trading banks. Receivables are unsecured, but are subject to credit control.

No collateral is held.

Currency Risk

The University holds cash in foreign currencies. Fluctuations in foreign currency exchange rates give rise to currency risk.

Interest Rate Risk

The effective interest rates on Term Borrowings range from 6.02% to 8.40% (2004 - 6.02% to 7.58%).

The effective interest rates on Investments range from 6.72% to 7.59% (2004 - 5.17% to 6.76%).

Note 12: Segmental Information

The University operates predominantly in one industry (tertiary education) and in one geographical area (Hamilton, New Zealand).

Note 13: Related Party Transactions

The following related party transactions with WaikatoLink Limited, Campus Services Limited (CSL), The University of Waikato Foundation (Foundation), The Student Campus Building Fund Trust (SCBFT), LCo New Zealand Limited (LCoNZ) and The University of Waikato Alumni Association Incorporated (Alumni) occurred during the year:

	WaikatoLink	CSL	Foundation	SCBFT	LCoNZ	Alumni
	\$	\$	\$	\$	\$	\$
Payments in 2005 to:	693,750	597,516	148,498	2,540	35,048	175,715
(2004)	-	496,050	177,460	261,548	164,810	161,749
Receipts in 2005 from:	338,025	341,532	810,499	562,135	76	-
(2004)	146,733	266,217	528,967	341	229,429	-
Accounts Receivable at 31 December 2005						
owing from:	250,000	29,249	83,346	-	-	32,501
(2004)	-	37,433	97,334	-	19,935	33,411
Accounts Payable at 31 December 2005						
owing to:	158,499	23,264	5,088	559,721	75,081	-
(2004)	126,616	14,175	51,551	262,796	-	-

NOTES TO THE *Financial Statements*

WaikatoLink Limited has an associate company, Ectus Limited, with which the University has had the following transactions :

	This Year	Last Year
	\$	\$
Total payments to Ectus Limited	827,160	353,164
Total receipts from Ectus Limited	0	273,280
Accounts Receivable at 31 December from Ectus Limited	28,482	30,000
Accounts Payable at 31 December to Ectus Limited	38,147	54,880

There were no related party transactions with Council Members during 2005 (2004 - nil).

The University enters into transactions with government departments and Crown agencies.

These are not separately disclosed because they are conducted on an arms length basis in the normal course of business.

The government influences the roles of the University as well as being a major source of revenue.

Note 14: FRS 41

Impact of the Adoption of International Financial Reporting Standards

In December 2002 the Accounting Standards Review Board ("ASRB") announced that New Zealand reporting entities would be required to apply New Zealand equivalents to International Financial Reporting Standards ("NZ IFRS") for reporting periods commencing on or after 1 January 2007. The ASRB also allowed the option of adopting NZ IFRS earlier to the mandatory adoption date, allowing adoption from 1 January 2005.

The University of Waikato has determined that the University and group are public benefit entities as defined by NZ IFRS as the focus of the University is to provide educational and research services to the community. The University has also determined that it will not early adopt NZ IFRS. As a consequence of this decision the University will report in compliance with NZ IFRS (with Public Benefit Entity exemptions) for the first time for the year ended 31 December 2007.

The University is working jointly with six other Universities in New Zealand to identify specific issues arising from the transition to NZ IFRS that will impact the sector. The Audit Committee of the University is provided with progress reports from this working group and will be involved in all key decisions in regards to Accounting Policies.

The sector working group has completed its initial impact assessment. This has resulted in a number of areas requiring further examination and discussion with the Office of the Auditor-General. Specific areas of focus relate to disclosures, impairment and employee entitlements, however the University has not completed work to determine how these areas will specifically impact the accounting policies of the University. Therefore no reliable estimate can be made of the consequence of the transition to NZ IFRS on the financial statements at this time.

Future developments of the currently adopted NZ IFRS may take place prior to the University's adoption in 2007. Therefore the actual impact of adopting NZ IFRS may vary from the information presented.

Note 15: Provisions

	CONSOLIDATED AND UNIVERSITY	
	This Year	Last Year
	\$000	\$000
Change Management Provision		
Opening Balance	-	-
Provision created	650	-
Closing Balance	650	-

The University has experienced significant changes to its operations including reduced student numbers.

To address these changes costs have been incurred as part of the change management. Relevant University employees have been kept fully informed at all times during the year ended 31 December 2005.

The current changes are expected to be completed by March 2006.

STATEMENT OF Service Performance

OUR RESEARCH CAPABILITY

Objective 1

Increase proportion of postgraduate EFTS

INDICATOR	TARGET	RESULT	ACHIEVEMENT
Proportion of 'research postgraduate' ¹ EFTS as a proportion of total EFTS	5%	4.1%	Not achieved
Proportion of 'research postgraduate' and 'taught postgraduate' EFTS as a proportion of total EFTS	16%	15.1%	Not achieved

Objective 2

Increase levels of research output

INDICATOR	TARGET	RESULT	ACHIEVEMENT
Number of doctoral and MPhil theses completed	60	38	Not achieved
Number of new enrolments in doctoral and MPhil theses	80	89	Achieved
Number of quality assured research outputs	700	765	Achieved

Objective 3

Develop our research capability by investing in research capacity and infrastructure

INDICATOR	TARGET	RESULT	ACHIEVEMENT	COMMENTS
Number of new senior research positions	3	3	Achieved	Appointments were made to three senior research positions (associate professorial and professorial level) to further strengthen the capability of research areas which had demonstrated excellence through the PBRF
Delivery of staff training to improve research productivity	4 workshops	4 workshops held	Achieved	Two workshops related to the commercialisation of intellectual property, and two related to the PBRF

Objective 4

Enhance knowledge and technology transfer through a balanced portfolio of research contracts with end-users

INDICATOR	TARGET	RESULT	ACHIEVEMENT
Value of research projects funded by external contract	\$70M	\$80.5M	Achieved
Annual income from research contracts funded by external contract	\$19M	\$20.1M	Achieved
Number of new research contracts with private sector end-users	30	28	Not achieved
Number of new research contracts with public sector end-users	50	80	Achieved

¹ EFTS claimed for wholly research-based programmes of study in which a student's work is supervised and results in the production of a substantial research output. To qualify for this higher level of postgraduate funding, the research component of the programme of study must be equivalent to at least 1.0 EFTS.

STATEMENT OF Service Performance

Objective 5

Increase commercialisation activity

INDICATOR	TARGET	RESULT	ACHIEVEMENT
Number of new invention disclosures	15	18	Achieved
Number of license / assignment agreements executed	3	6	Achieved

EXCELLENCE

Objective 6

Demonstrate the University's commitment to academic quality

INDICATOR	TARGET	RESULT	ACHIEVEMENT	COMMENTS
Active engagement in NZUAAU Cycle 3 academic audit	Academic audit completed	Academic audit completed	Achieved	The University of Waikato's Cycle 3 audit report is available from the NZUAAU website http://www.aau.ac.nz/
Improved coordination and integration of quality processes	Teaching Quality Advisory Committee's quality initiatives: 1: Teaching and Learning Plan 2: Appraisal Policy approved by the Academic Board and fully implemented	<i>Initiative 1 –</i> The Teaching and Learning Framework was formally adopted by the Academic Board on 16 August 2005. In 2005, the Framework was fully implemented, with the development of Faculty and Schools' Teaching and Learning Plans	Achieved	
		<i>Initiative 2 –</i> The development of the Appraisal Policy is pending the review of the University's extended 2005 trial of a revised paper appraisal system	Not achieved	The University trialed a revised paper appraisal system in the S and A semesters of 2005, and then extended this trial to include the B semester. The outcomes of the trial are currently being reviewed. The Appraisal Policy will be developed in 2006, informed by the results of the 2005 trial

Objective 7

Achieve high levels of academic achievement and completion

INDICATOR	TARGET	RESULT	ACHIEVEMENT	COMMENTS
Number of papers passed as a percentage of paper enrolments	83%	84%	Achieved	
Number of degrees, diplomas and certificates completed	5,200	4,378	Not achieved	Refer to the number of qualifications completed, as set out in the 'Statistical Information' section of this Annual Report

STATEMENT OF Service Performance

RELEVANCE

Objective 8

Ensure the on-going relevance of the University's teaching programmes

INDICATOR	TARGET	RESULT	ACHIEVEMENT	COMMENTS
Active participation by Vice-Chancellor and senior management in a planned programme of external stakeholder meetings	Programme of stakeholder meetings	Substantial and comprehensive schedule of stakeholder engagements undertaken in relation to the development of the new Vision and enhancement of the University's profile	Achieved	
Improved processes for monitoring the relevance of our programmes to graduates	Methodology developed for Graduate Experience Questionnaires to evaluate students' opinions of their learning experience, subject to the TEC decisions (currently pending) about a performance element in student component funding	Subsequent decisions by the TEC about the implementation of the performance element made this objective obsolete	Not achieved	The TEC is developing the methodology for a sector-wide learner experience survey, currently planned for implementation in 2007

Objective 9

Continue to strengthen links between graduates and employers in our region

INDICATOR	TARGET	RESULT	ACHIEVEMENT
Sustained high ratings in employer satisfaction surveys about student preparation for job interviews	90% of employers in 2005 employer satisfaction survey consider students to be well-prepared for their job interview (2004 : 90%)	98%	Achieved
Improved ratings in student satisfaction surveys about Careers Fairs and other careers services and support	90% of students in 2005 student satisfaction survey consider they have benefited from the 2005 Careers Fair and other careers services and support (2004 : 86%)	95%	Achieved
Increased success rate through Jobs4Grads	70% success rate (2004 : 62% mid-year)	Jobs4grads is administered by the University of Auckland. At the time of printing, the 2005 jobs4grads reports had not been produced. 972 Waikato students were registered with jobs4grads in 2005	Unknown

Objective 10

Increase our effectiveness in serving the interests of our region

INDICATOR	TARGET	RESULT	ACHIEVEMENT
Increased participation by new domestic school-leavers whose last secondary school is in the Waikato, Bay of Plenty, Gisborne/East Coast and Counties/ Manukau region [measured in EFTS]	761	727	Not achieved

STATEMENT OF Service Performance

ACCESS

Objective 11

Manage levels of participation in sub-degree² and bridging programmes³, and increase levels of progression to degree-level study through bridging programmes.

INDICATOR	TARGET	RESULT	ACHIEVEMENT
Sub-degree EFTS as a proportion of total EFTS	5.5%	3.8%	Not achieved
Bridging programme EFTS as a proportion of total EFTS	2.7%	1.9%	Not achieved
Number and proportion of students from bridging programmes who proceed to the first year of degree-level programmes	285 (63%)	290 (64%)	Achieved

Objective 12

Reinforce and enhance the University's reputation for providing a learning environment that supports the diverse learning needs of students

INDICATOR	TARGET	RESULT	ACHIEVEMENT	COMMENTS
Improved induction of new domestic students	New students' induction programme coordinated and implemented by the Office of Student Life and its effectiveness monitored through participant questionnaires	New students' induction successfully implemented and effective	Achieved	
Improved access to physical environment for students with disabilities in accordance with ongoing schedule	Access audit of Waikato Management School (WMS) completed in 2005	WMS access audit undertaken in 2005	Achieved	The final report of this audit is due for completion in May 2006
Improved support for 'high risk' students with disabilities to enhance their educational success and retention	Specialised case management programme developed by SASD for ten high-risk students	The 'Achieving Success' programme was piloted in 2005	Achieved	The outcomes of the pilot have been analysed with a view to refining the programme for future offerings
Achievement of other objectives as listed in the University's 2005 application for the Special Supplementary Grant to Support Tertiary Students with Disabilities	Objectives achieved	<p><i>Objective 1 Participation:</i> Targets 1.1, 1.2, 1.3 – achieved</p> <p><i>Objective 2 Retention:</i> Targets 2.2, 2.3 – achieved</p> <p><i>Objective 3 Success:</i> Target 3.2 – partly achieved Targets 3.3, 3.4 – achieved</p>	Partly achieved	Analysis of achievement and final reporting is still in preparation for targets 1.4, 2.1, 3.1. This exercise will be completed in accordance with the 28 April SSG reporting timeline. It is expected that these targets will be successfully achieved

² Sub-degree EFTS include the three bridging programmes listed under footnote 3 below, as well as other Level 0 papers, the Certificate of Attainment in English Language and the Diploma in Legal Executive Studies.

³ Bridging programmes are defined as the Certificate of University Preparation, Te Timatanga Hou and the Certificate of Attainment in Foundation Studies.

STATEMENT OF Service Performance

Objective 13

Continue to develop and expand web-based teaching

INDICATOR	TARGET	RESULT	ACHIEVEMENT	COMMENTS
Increased number of papers available fully online at all levels	180	180 occurrences of a wide range of papers were taught fully online in 2005	Achieved	
Increased EFTS generated by papers delivered fully online	434	417	Not achieved	
Strategy developed for the improvement of the University's capability to deliver eLearning	University eEducation strategy developed by the eEducation Committee and recommended to the Academic Board for approval after consultation with Faculty and Schools' eLearning committees	eEducation Strategy adopted in April 2005	Achieved	eEducation Strategy to be reviewed in 2006 in light of WaikatoLink's sale of ECTUS

Objective 14

Develop a robust approach to governance

INDICATOR	TARGET	RESULT	ACHIEVEMENT	COMMENTS
Development of a Governance Charter based on current Council Handbook policies, but also including a better balance of the 'soft' governance practices (such as culture and how people work together)	Development and adoption of Governance Charter by the end of 2005	The development of a Governance Charter was deferred pending the extended development of Council's governance skills with the assistance of TAMU	Not achieved	A TAMU-facilitated workshop on governance was held on 8 February 2006. This will establish the underlying principles for the Governance Charter and the project will be completed in 2006
Improved Vice-Chancellor performance monitoring processes incorporating 360 degree feedback processes	Adoption of improved processes with a view to implementation in 2006		Not achieved	The new Vice-Chancellor's performance has been evaluated by our longstanding process. A 360 degree process was considered premature as the management team was in transition

STATEMENT OF Service Performance

Objective 15

Develop a more robust and integrated strategic planning model

INDICATOR	TARGET	RESULT	ACHIEVEMENT	COMMENTS
Improved strategic planning processes, with tighter integration across various levels of planning (academic, operational, financial, capital etc) and more systematic monitoring and reporting processes	Review undertaken by Council in close collaboration with new Vice-Chancellor and senior management to achieve an improved strategic planning model, including a more integrated budget allocation model and associated outcomes, with a view to implementation by early 2006	In progress	Partly achieved	This process is ongoing in 2006 with the involvement of the new senior management team

Objective 16

Demonstrate a strong commitment to Equal Employment Opportunities (EEO) and Equal Educational Opportunities (EEoO)

INDICATOR	TARGET	RESULT	ACHIEVEMENT	COMMENTS
Objectives in 2004 EEoO and EEO plans achieved and reported to Council	Report against 2004 EEoO and EEO plans provided to Council early in 2005 along with a coordinated 2005 EO Plan	Report against 2004 EEoO and EEO plans provided to Council in May 2005	Partly achieved	Work on the coordination of devolved EO planning processes is continuing. A report on the achievement of the 2005 Equal Opportunity objectives is provided on page 14 of this Annual Report
Improved targeting of Māori EO programmes offered by the Schools of Studies	Development of pilot Māori Capacity-Building strategies by two Schools of Studies through the Office of the Pro Vice-Chancellor (Māori)	Two Māori capacity-building strategies were implemented in 2005, one in a School of Studies (Waikato Management School), the other for the University's senior management group	Achieved	
Improved staff understanding of Te Tiriti o Waitangi and its application to particular staff roles in the University	Systematic evaluation of the usefulness and effectiveness of the University's staff induction and professional development programmes on Te Tiriti o Waitangi and implementation of improvements	Evaluation undertaken	Achieved	

STATEMENT OF Service Performance

MĀORI DEVELOPMENT ASPIRATIONS

Objective 17

Increase levels of participation, retention and achievement by Māori students

INDICATOR	TARGET	RESULT	ACHIEVEMENT
Increased number of government-funded EFTS generated by Māori	1,900	1,762	Not achieved
Increased number of students who are Māori as a percentage of all domestic students	25%	23%	Not achieved
Increased participation by Māori students in disciplines where they are currently under-represented (<i>as listed below</i>)			
Faculty of Arts and Social Sciences	> [2004: 21%]	2005: 22%	Achieved
School of Computing and Mathematical Sciences	> [2004: 12%]	2005: 12%	Not achieved
School of Science and Engineering	> [2004: 12%]	2005: 12%	Not achieved
Waikato Management School	> [2004: 14%]	2005: 15%	Achieved
Improved retention rate of Māori students ⁴ [<i>retention rate of non-Māori domestic students provided for comparison</i>]	59%	55% [62%]	Not achieved
Improved pass rate of Māori students [<i>pass rate of non-Māori domestic students provided for comparison</i>]	77%	74% [86%]	Not achieved
Increased number of Māori students who complete qualifications as a proportion of all domestic students	19%	18%	Not achieved
Increased number of doctoral enrolments by Māori students as a proportion of all doctoral students	14.5%	12%	Not achieved

Objective 18

Actively contribute to regional and national Māori development initiatives in accordance with iwi aspirations

INDICATOR	TARGET	RESULT	ACHIEVEMENT	COMMENTS
Active contribution by Te Rōpū Manukura in the development of tertiary action plans for iwi in our region	Tertiary action plans for iwi developed	Collaboration between Te Rōpū Manukura and the Office of the Pro Vice-Chancellor (Māori) is ongoing in relation to this target, with tertiary action plans now expected to be submitted by the end of 2006	Not achieved	The timeframe for this target has been extended in recognition of the ongoing development by iwi of relevant infrastructure, as required to give full effect to this process

⁴ For the purposes of this indicator, retention means enrolment by students in consecutive years.

STATEMENT OF Service Performance

OUR REGIONAL AND INTERNATIONAL LINKS

Objective 19

Build on the effectiveness of our relationships with other tertiary institutions in the region and internationally

INDICATOR	TARGET	RESULT	ACHIEVEMENT	COMMENTS
Effectiveness of existing domestic pathway arrangements evaluated in 2005 on the basis of documented monitoring and tracking of the transfer of students from Tertiary Education Alliance partner institutions to University programmes	Effectiveness of domestic pathway arrangements evaluated by SASD and reported to Academic Board	Evaluation of domestic pathway arrangements undertaken in 2005 and reported to the March meeting of the Academic Programmes Committee on behalf of the Academic Board	Achieved	Regular reporting systems have been implemented for the ongoing monitoring of the effectiveness of domestic pathway arrangements
Effectiveness of existing international pathway arrangements evaluated in 2005 on the basis of documented monitoring and tracking of the transfer of students from international partner institutions to University programmes	Effectiveness of international pathway arrangements evaluated by SASD and reported to Academic Board	The methodology for this exercise has been explored. However, detailed work is on hold due to the University's development of a new approach to internationalisation	Not achieved	In 2005, the University undertook a comprehensive strategic planning process which culminated in the development of a new Vision 2005-2015. The new Vision has significant implications for the University's approach to international agreements. The targets developed in 2004 needed to be put on hold in this context
Establishment of a documented institutional framework for the development and approval of contractual arrangements with other institutions	Policy governing the development and approval of contractual arrangements with other institutions, both international and domestic, approved by Council by the end of 2005	In progress	Not achieved	A draft International Strategy is currently under consideration in the context of the University's re-defined approach to internationalisation. The Strategy provides the high level framework for the development and approval of contractual arrangements with other institutions

STATEMENT OF Service Performance

OUR INTERNATIONAL STUDENTS

Objective 20

Continue to develop and diversify our international student market while maintaining our 'special character'

INDICATOR	TARGET	RESULT	ACHIEVEMENT
Increased proportion of international students who are enrolled in 'taught postgraduate' and 'research postgraduate' papers <i>[measured in EFTS]</i>	15%	12%	Not achieved
More balanced participation by international students at degree level and above across the full range of disciplines <i>[measured in student numbers]</i>	A well balanced participation by international students at degree level and above across the full range of disciplines	Faculty of Arts and Social Sciences: 26%	Participation by international students has been maintained at a level consistent to 2004
		School of Computing and Mathematical Sciences: 34%	
		School of Education: 6%	
		School of Law: 4%	
		School of Māori and Pacific Development: 2%	
		School of Science and Engineering: 13%	
Waikato Management School: 36%			
Manage overall international student numbers within a maximum ratio of 26% international: 74% domestic	26%	24%	Achieved
Manage international student numbers at degree level and above within a maximum ratio of 23% international: 77% domestic	23%	23%	Achieved

ASSET MANAGEMENT

Objective 21

Achieve the fiscal targets set out below

INDICATOR	2005 ACTUAL	2005 TARGET	2006 TARGET	2007 TARGET
Return on income	4.7%	2.5% to 3.5%	3.5% to 4.5%	3.5% to 4.5%
Return on assets	3.0%	1.5% to 2.5%	1.5% to 2.5%	1.5% to 2.5%
Net operating cash flows	113%	At least 105%	At least 105%	At least 105%
Liquid assets as a percentage of cash out	19.4%	At least 9%	At least 9%	At least 9%
Liquidity (working capital %)	116%	100%	100%	100%
Debt management (borrowing as a percentage of total assets)	2.8%	10%	10%	10%
Interest expense as a percentage of operating surplus	0.6%	Less than 33%	Less than 33%	Less than 33%

Statistical Information

	2001	2002	2003	2004	2005
Number of Students in Formal Programmes	13,260	14,044	14,405	14,023	13,068
Gender					
Female	7,702	8,115	8,258	8,040	7,462
Male	5,558	5,929	6,147	5,983	5,606
Total	13,260	14,044	14,405	14,023	13,068
Ethnicity					
Pakeha/European	6,951	6,753	6,467	6,335	5,964
New Zealand Māori	2,548	2,507	2,460	2,480	2,259
Pacific Islander	410	406	405	411	396
Chinese	1,815	2,723	3,211	2,963	2,633
Indian	186	249	314	314	299
Other	1,350	1,406	1,548	1,520	1,517
Total	13,260	14,044	14,405	14,023	13,068
Origin (Home address)					
Core Region	8,788	8,471	8,301	8,025	8,406
Inner Periphery	743	679	633	597	545
Outer Periphery	594	560	553	550	516
Auckland	685	719	819	885	1,059
Wellington	107	108	116	161	197
South Island	78	115	125	159	172
Overseas	2,265	3,392	3,858	3,646	2,173
Total	13,260	14,044	14,405	14,023	13,068
Levels of study (Number of enrolments by qualification)					
Foundation	2,107	3,135	2,643	1,473	871
Undergraduate	9,344	9,277	9,861	10,190	9,817
Graduate/Postgraduate (exl.MPhil & Doctoral)	2,585	2,883	3,166	3,168	2,776
MPhil and Doctoral	459	472	446	436	440
Total	14,495	15,767	16,116	15,267	13,904
Student Performance					
	2001	2002	2003	2004	2005
Number of qualifications completed					
Foundation	889	1,347	2,230	1,824	1,073
Undergraduate	2,011	2,100	1,792	1,717	1,869
Graduate/Postgraduate (exl.MPhil & Doctoral)	1,217	1,128	1,164	1,224	1,380
MPhil and Doctoral	56	70	70	59	56
Total	4,173	4,645	5,256	4,824	4,378
Number of papers undertaken	69,784	72,282	72,137	70,847	65,982
% completed	89%	89%	88%	91%	91%
% passed	83%	83%	81%	83%	84%

Equivalent Full-Time Students (EFTS)

	2001	2002	2003	2004	2005
Total EFTS	10,884	11,543	11,595	11,418	10,657

Source of funding

Government-funded	8,989	8,787	8,613	8,441	7,839
Full-cost international	1,823	2,715	2,919	2,920	2,750
Other full-cost	72	41	64	57	68
Total	10,884	11,543	11,595	11,418	10,657

Ethnicity

Pakeha/European	5,639	5,454	5,400	5,038	4,683
New Zealand Māori	2,066	2,014	1,738	1,929	1,781
Pacific Islander	354	341	313	337	330
Chinese	1,478	2,292	2,575	2,650	2,418
Indian	162	207	254	257	243
Other	1,185	1,235	1,315	1,208	1,202
Total	10,884	11,543	11,595	11,418	10,657

Level of Study

Foundation	1,457	2,005	1,622	1,060	758
Undergraduate	7,541	7,423	7,819	8,238	7,744
Graduate/Postgraduate (excl.MPhil & Doctoral)	1,629	1,848	1,837	1,827	1,876
MPhil and Doctoral	257	267	317	293	280
Total	10,884	11,543	11,595	11,418	10,657

Schools of Studies

Arts & Social Sciences	3,319	3,862	3,462	3,005	2,166
Computing and Mathematical Sciences	939	905	946	978	921
Education	2,338	2,306	2,302	2,276	2,136
Law	523	526	538	542	532
Management	2,410	2,650	3,032	3,235	3,184
Māori & Pacific Development	383	376	408	400	372
Science & Engineering	948	893	876	953	914
Other	23	25	30	29	431
Total	10,884	11,543	11,595	11,418	10,657

Corporate structure changes in 2005 involved the transfer of University of Waikato Language Institute and Foundation Studies Centre to the Vice-Chancellor's Office, reported as Other. This change involved 425 EFTS which had been reported under Arts & Social Sciences in previous years. The International Global Change Institute, previously reported under Arts & Social Sciences, is now reported under Other. This change involves 6 EFTS.

Statistical Information

Staff Profile (Full time equivalent staff numbers (FTE))

	2001	2002	2003	2004	2005
Total FTE	1,650	1,732	1,788	1,795	1,678
Academic	723	739	756	754	705
Other	927	993	1,032	1,041	973
Total Staff	1,650	1,732	1,788	1,795	1,678

Seniority of Academic Staff

Professors	52	55	61	72	81
Associate Professors	62	60	62	65	65
Senior Lecturers	199	207	222	233	234
Lecturers	216	181	191	174	154
Other	193	236	220	210	171
Total	723	739	756	754	705

Schools of Studies

Arts & Social Sciences	355	381	369	329	196
Computing & Mathematical Sciences	84	85	92	93	87
Education	263	279	291	297	305
Law	45	47	46	49	43
Management	165	178	197	231	232
Māori & Pacific Development	47	44	46	51	51
Science & Engineering	175	171	177	184	174
Other	516	546	570	560	590
Total	1,650	1,731	1,788	1,795	1,678

Corporate structure changes in 2005 involved the transfer of University of Waikato Language institute and Foundation Studies Centre to the Vice-Chancellors's Office. This change involved 76 FTE which had been reported under Arts & Social Sciences in previous years.

Staff Ratios

	2001	2002	2003	2004	2005
FTE (Academic Staff)	723	739	756	754	705
EFTS	10,884	11,527	11,595	11,418	10,657
EFTS to FTE (Academic staff) ratio	15.1:1	15.6:1	15.3:1	15.2:1	15.1:1
FTE (Other Staff)	928	993	1,032	1,042	973
Other Staff to Academic Staff ratio	1.3:1	1.3:1	1.4:1	1.4:1	1.4:1
EFTS to FTE (Other staff) ratio	11.7:1	11.6:1	11.2:1	11.0:1	11.0:1

Statistical Information

Research Profile

	2001	2002	2003	2004	2005
Research Grants					
Annual income from research contracts	\$16.137M	\$16.469M	\$17.934M	\$18.398M	\$20.137M
Total number of FTE (Research staff)	506	531	512	529	530
Average research grant per FTE (Research staff)	\$30,276	\$31,105	\$34,930	\$34,808	\$37,971

2005 Research Publications	Conference		Creative		Total
	Journals	Contributions	Works	Other	
Arts and Social Sciences	84	141	53	76	398
Computing and Mathematical Sciences	20	64	-	11	103
Education	60	48	1	28	160
Law	22	23	-	2	53
Māori and Pacific Development	8	23	2	1	36
Science and Engineering	115	144	2	16	284
Management	170	194	-	82	483
Other (incl all staff not based in a school/faculty)	12	17	-	9	49
Total	491	654	58	225	1,566

Other resources

	2001	2002	2003	2004	2005
Buildings					
Total gross area of buildings (m ²)	160,375	161,649	171,155	155,015	153,991
Total net area of buildings utilised for teaching research and administration (m ²)	104,572	107,379	108,007	113,550	110,308
Total number of buildings owned and leased	179	184	195	203	203
Total net useable area per EFTS (m²)	9.61	9.30	9.31	9.94	10.35

Number of buildings in 2004 adjusted from 192 to 203 in line with revised calculation method.

	2001	2002	2003	2004	2005
Library					
Total value of collections	\$18.886M	\$19.966M	\$20.513M	\$20.868M	\$20.789M
Bibliographic resources:					
Books and other non-serials (volumes)	810,380	796,635	813,654	835,111	850,580
Serials (print volumes)	201,252	201,395	197,535	199,962	203,201
Total volumes held	1,011,632	998,030	1,011,189	1,035,073	1,053,781
Electronic resources (titles)	26,205	25,167	29,448	68,923*	72,991*

*includes eBooks

Glossary

Academic

Staff whose terms of employment require teaching and/or research to be undertaken.

Domestic

Students who are citizens or permanent residents of New Zealand. (Most domestic students qualify for the Ministry of Education EFTS-based funding tuition subsidy).

EFTS

Equivalent Full Time Student – the measure applied to all tertiary education organisations for reporting student numbers. At the University of Waikato, 1 EFTS equates to a student workload of 120 points.

Foundation

Enrolments at the non-degree level that count toward a foundation or bridging qualification. At Waikato typically at level 0.

FRST

Foundation for Research, Science and Technology.

FTE

Full-Time Equivalent – the measure applied for reporting staff numbers.

Full Cost International

EFTS generated by international students paying full-fees.

General

Staff who are not academic staff (eg administrative staff).

Government Funded

EFTS generated by enrolments that qualify for Government EFTS-based tuition subsidy.

Graduate/Postgraduate

Enrolments that count toward an honours or masters degree or a graduate/postgraduate diploma or certificate. At Waikato typically at levels 5 and 7.

International

Students who are not citizens or permanent residents of New Zealand. (Most international students generate Full Cost International Fees EFTS).

IP

Intellectual Property.

MPhil and Doctoral

Enrolments that count toward a research degree ie EdD, PhD or MPhil. At Waikato typically at levels 6 and 9.

Other Full-Cost

EFTS generated by domestic students in Programmes that are funded by means other than the EFTS-based tuition subsidy (eg contracts with secondary schools).

PBRF

Performance Based Research Fund.

TEC

Tertiary Education Commission.

Undergraduate

Enrolments that count toward a bachelors degree. At Waikato typically at levels 1, 2, 3 and 4.

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