



THE UNIVERSITY OF
WAIKATO
Te Whare Wānanga o Waikato

The University of Waikato Annual Report 2011



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The University of Waikato - Annual Report 2011

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1. Chancellor's Overview

I welcome this opportunity to provide a brief overview of the University of Waikato's activities and successes over the last year. At a time when the New Zealand and world economies are financially constrained, all New Zealand universities are under pressure to deliver even stronger educational performance and research outcomes. Going forward, a key focus of the Council and senior managers will be to achieve the resources needed to meet the University's ambitions for the future. To this end we will continue to work with the Government to achieve sustainable funding so as to deliver the outcomes that are essential to the development of a healthy society and a sustainable economy.

The University has delivered its enrolment and financial targets this year, and I congratulate the many staff whose efforts have contributed to such sound results. We finished 2011 with a strong financial surplus. It is a credit to the University's planning and financial management that the surplus of 4.1% is well within the 3%-5% range recommended by the Tertiary Education Commission. The Tertiary Education Commission's assignment of a 'Low Risk' rating is an important affirmation of the Government's confidence in the management and viability of the University.

The University remains committed to the Bay of Plenty and we acknowledge and appreciate our partnership with business, civic and community groups as we develop new opportunities for the region. We have been working closely with the regional and district councils, iwi, community agencies and other stakeholder groups in the Bay, as well as our partner organisations - the Bay of Plenty Polytechnic and Te Whare Wānanga o Awanuiārangi - to advance a proposal for a new campus development in Tauranga. A new field station in the Bay provides a venue for scientists and research students, as well as a focal point for workshops and public fora based around the University's research capability in coastal science.

I am particularly proud to note that the University has made a big contribution in 2011 in the Bay of Plenty in response to the environmental crisis caused by the grounding of the *Rena* in October, not only in terms of coastal science but also in terms of the information that was disseminated so effectively in public meetings and through the media.

In July we were delighted to celebrate the renaming of the University's world-class performance venue to the Gallagher Academy of Performing Arts and to acknowledge a generous gift from the Gallagher family and Group for the establishment of an endowment fund for the University.

I had the pleasure of officiating at graduation ceremonies in April/May and in October. Graduation highlights included the conferral of the award of Honorary Doctor on James Judd and Catherine Dewes at special ceremonies in March and September respectively, and on Lynda and Jools Topp (the Topp Twins) at the main October ceremony. It was with sadness that the University noted the passing during the year of three Honorary Doctors of the University of Waikato - Roka Paora, Zena Daysh, and Brian Perry. In December we held a tribute luncheon for the late Zena Daysh in acknowledgement of her generous bequest to the University earlier in the year.

As Chancellor, I have the opportunity to meet with alumni around the world – most recently on a delegation to Kuala Lumpur and Shanghai. Waikato alumni in both cities shared an enduring fondness for this University and a genuine appreciation of the education they received here. The University also hosted events for alumni in Hamilton, Tauranga and Auckland.

At our annual celebration dinner in August, the University acknowledged four Distinguished Alumni - the Honourable Hekia Parata, Minister of Education; Dr Chris Pugsley, a military historian; and two leading businessmen - Paul Bowker from Tauranga and John Erkkila from Hamilton. All have distinguished themselves in their professions and communities.

Honorary Doctor of the University and chief executive of the Gallagher Group, Sir William Gallagher, was named a Knight Companion of the New Zealand Order of Merit in the 2011 New Year's Honours list. His brother and University Council member, Dr John Gallagher, was elevated to Knight of the Order of St John, having been involved with the organisation for many years.

Senior retiring staff were acknowledged by the University, with Emeritus Professorships bestowed in 2011 upon Warwick Silvester and Alexandra Barratt, and the title of Honorary Fellow awarded to Brian Silverstone.

1. Chancellor's Overview

I thank outgoing Council member Dr Rob Pringle for his strong contribution to the governance of the University over the last eight years. In 2011 we welcomed Dr Alison Campbell, Renee Boyer-Willisson and Mervyn Dallas as new members of Council.

The University of Waikato will celebrate 50 years in 2014. Today's leadership team is focused on bringing through the changes needed to ensure that the University will make an even bigger contribution to the regional and national communities over its second 50 years.

My sincere thanks go to the Vice-Chancellor Professor Roy Crawford and Council for a successful year. I am honoured to be Chancellor of this University and look forward to another successful year in 2012.

Rt Hon James B Bolger ONZ
Chancellor

2. Vice-Chancellor's Overview

The 2011 year was one of important connections, milestones, and recognition for the University of Waikato. It was an extremely successful year on many fronts.

The University continued to manage enrolments carefully in a capped funding environment, delivering on important strategic objectives while at the same time achieving 100% of the Ministry funding agreed with the Tertiary Education Commission.

The most tangible aspect of 2011's successes has been the opening of the new Student Centre. It is a stunning award-winning building and a visible manifestation of our commitment to delivering excellence on many levels. The new \$30 million Student Centre was officially opened in November by the Governor-General (and Waikato alumnus), Lieutenant General Sir Jeremiah Mateparae, and is fast becoming the heart of the Hamilton campus. It has been awarded five green stars for sustainable design and is a stunning facility in which to study and work.

The University of Waikato continues to cement a strong national and international reputation for being at the forefront of innovation and development. We are a comprehensive university, offering a wide range of academic programmes that are multi-disciplinary. We are also internationally connected and engaged in world-class research in many fields. Of particular importance, given the current global environment, is our research on the issue of sustainability. This research is supported and enhanced by the establishment this year of two new research institutes – the Environmental Research Institute and Te Kotahi Research Institute. Also of note, in terms of the academic thinking and research that can then be transferred into practical applications around sustainability, is a new Centre for Environmental, Resources and Energy Law, launched in November. This Centre draws together the University of Waikato's unique concentration of academic expertise in environmental, natural resources and energy law.

In order that the University can respond to the needs of learners, the labour market and the economy, the University's effective engagement with stakeholders is essential. In 2011, the University hosted breakfast seminars for regional business and community leaders in Hamilton and Tauranga. This continues to be an excellent way to connect with stakeholders and inform key regional leaders about the University of Waikato's social and economic contribution.

The University continued to engage with the Hamilton and wider Waikato community by taking part as a strategic partner in Fieldays and as an exhibitor in the premiere feature area, supporting the Gallagher Great Race and hosting the Nightglow event of 'Balloons Over Waikato'. The community continued to enjoy the Gallagher Academy of Performing Arts, where the outstanding acoustics and spaces cater for music, art and public seminars.

In acknowledgement of the University's close links with Tainui, Kīngi Tuheitia and the Kīngitanga movement, the University hosted its third Kīngitanga Day, marking Kīngi Tuheitia's birthday. The University of Waikato also hosted the Te Amorangi National Māori Academic Excellence Awards, held at Tūrangawaewae Marae. As a strategic partner in Te Matatini, I also had the pleasure of visiting Gisborne to welcome more than 1,500 performers and 30,000 spectators for the biennial kapa haka competition. The national prominence of Te Matatini and its importance to Māori makes it an ideal opportunity to strengthen our many strong linkages with iwi throughout New Zealand.

The University's teaching and research were recognised nationally and internationally in 2011 with national tertiary teaching awards won by Dr Mary Fitzpatrick and Sandy Morrison, a prestigious win for a joint MBA programme run by the Faculty of Management and Waikato Tainui College, and IPENZ re-accreditation for Engineering. I am particularly proud that the Faculty of Management has maintained the coveted Triple Crown status by gaining re-accreditation.

The University's commercialisation arm, WaikatoLink Limited, appointed a new CEO and board members during 2011 and continued to build its portfolio of spin-out companies based on the innovative work of University researchers.

Leadership continues to be a strong theme at the University; this year we have appointed a new Deputy Vice-Chancellor, a Dean and Pro Vice-Chancellors from talent residing within the University. These appointments recognise the high calibre of our staff and their willingness to take on new challenges.

2. Vice-Chancellor's Overview

We have seen many other successes this year including a variety of anniversary celebrations which build towards our major milestone of 50 years in 2014.

I thank all our staff at the University of Waikato for another productive and successful year. I also congratulate all of our graduates for the successes that they are achieving both nationally and internationally.

Professor Roy Crawford
Vice-Chancellor

3. The Role of the University of Waikato

Consistent with its statutory role as a New Zealand university under section 162 of the Education Act 1989, the University of Waikato

1. is primarily concerned with more advanced learning, the principal aim being to develop intellectual independence
2. delivers research and teaching that are closely interdependent, with most of the teaching done by people who are active in research
3. meets international standards of research and teaching
4. is a repository of knowledge and expertise
5. accepts a role as critic and conscience of society.

The University plans and operates in accordance with its Charter and Vision.

Its Mission, as stated in its Charter, is 'To combine the creation of knowledge through research, scholarship and creative works with the dissemination of knowledge through teaching, publication and performance'.

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

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

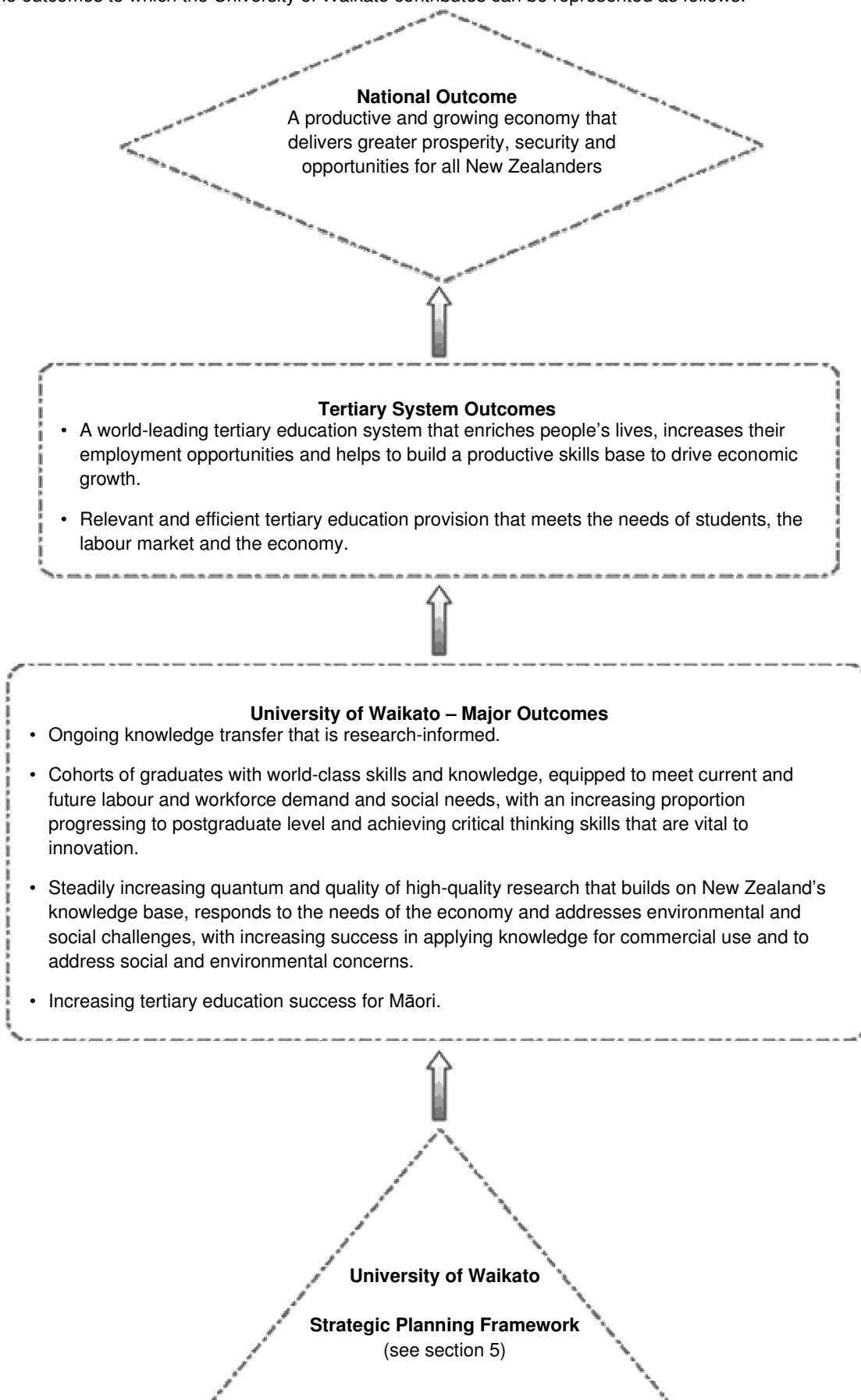
- Partnership with Māori / Tū ngātahi me te Māori
- Acting with integrity / Mahi pono
- Celebrating diversity / Whakanui i ngā huarahi hou
- Promoting creativity / Whakarewa i te hiringa i te mahara.

Standards of entrance to the University are determined and monitored by an inter-university body established under the Education Act 1989, the New Zealand Vice-Chancellors' Committee (Universities New Zealand), which also determines and monitors standards for the quality and accreditation of the University's qualifications.

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

4. Outcome Framework

The outcomes to which the University of Waikato contributes can be represented as follows:



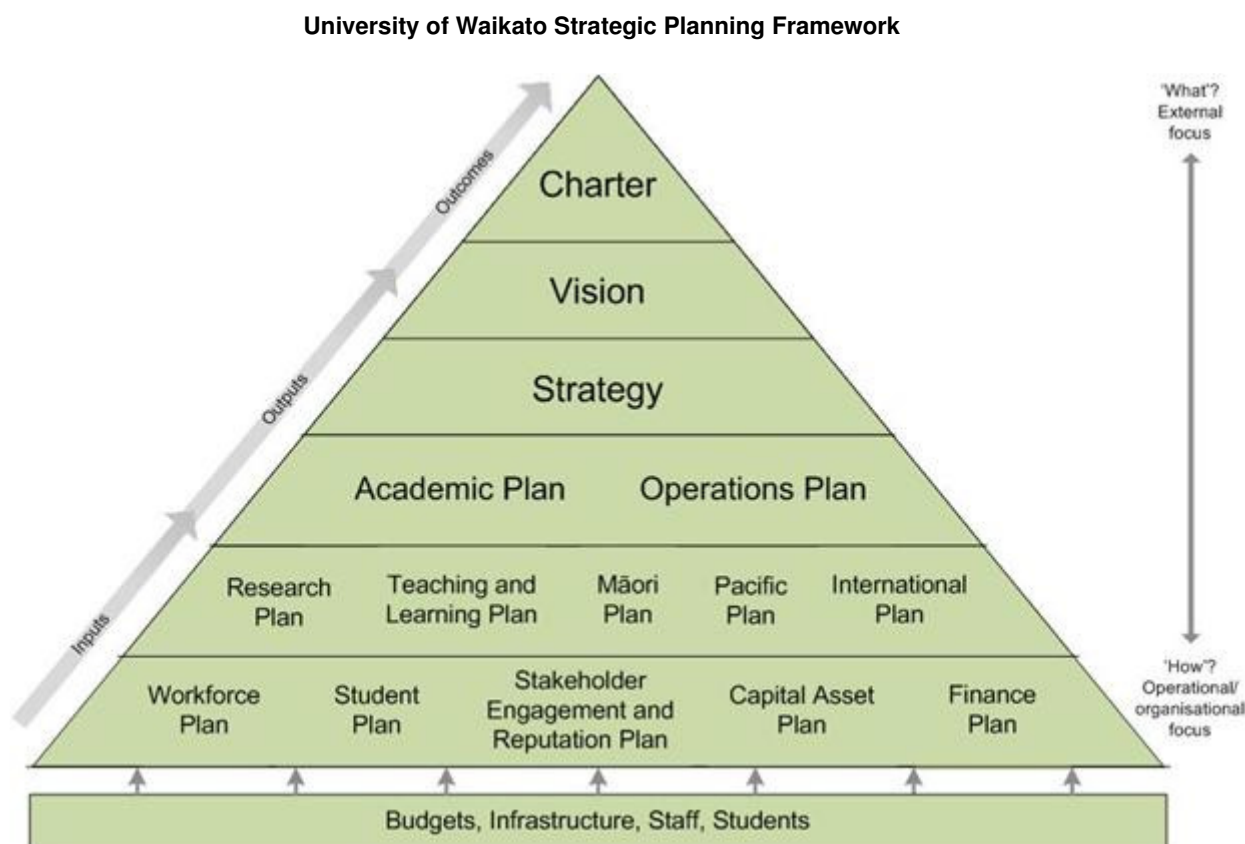
5. Strategic Planning and Performance Monitoring and Reporting

The University of Waikato Strategy identifies six inter-related strategic goals to enable it to fulfill its commitment to its Charter and Vision and achieve the outcomes represented in section 4.

- Goal 1: Provide a world-class, relevant and sustainable programme of teaching and learning
- Goal 2: Be recognised nationally and internationally as making a contribution to New Zealand's tertiary education and research sectors that is significant, distinctive and reflective of the University's values
- Goal 3: With an international perspective, contribute to the educational, social, cultural, environmental and economic development of our region and nation
- Goal 4: Be recognised nationally and internationally for research excellence in our areas of expertise
- Goal 5: Achieve management and operational excellence in support of teaching, learning, postgraduate supervision and research
- Goal 6: Apply strong leadership and best practices to ensure that governance and management activities are coordinated, complementary and effective in achieving the University's goals

5. Strategic Planning and Performance Monitoring and Reporting

The University of Waikato Strategy forms part of an integrated planning framework, represented by a 'planning pyramid' that links strategy to operations and inputs:



This pyramid represents a hierarchy of plans which are at various stages of development, implementation and review; the inputs and more operational plans at the base of the pyramid feed through to the higher-level plans that focus on educational and research outputs and, at the apex, the outcomes cited in the University Vision and Charter.

The KPIs against which universities are required to report in their Statement of Service Performance are those established and agreed through negotiation with the TEC as part of their Investment Plans. The University of Waikato Investment Plan 2011 - 2013 (including the KPIs against which it reports in its Statement of Service Performance) was written and approved in November 2010, and was derived from the University Strategy and Academic Plan. The high-level University Strategy, first adopted in 2006, had been 'refreshed' in 2009. The University's Academic Plan, which originally covered the period 2008 – 2010 is currently undergoing major review.

The strategic planning framework is now closely linked to a new risk management framework, which was developed and approved by Council in 2011.

6. Strategic Context

6.1 Economic impact

According to an independent report published by consulting economist Dr Warren Hughes in January 2012, *The University of Waikato: Regional & NZ Economic Impacts for 2011*, the University of Waikato was one of the Waikato region's main drivers of economic prosperity in 2011, as well as being a significant contributor to the New Zealand economy. More specifically

- University of Waikato operations together with the expenditure of its students generated \$770.82 million - or 4.5% - of the Core Waikato¹ region's annual sales revenue
- this revenue impact rises to \$836.50 million - or 0.3% - for the New Zealand economy as a whole
- the University directly and indirectly accounted for over 4,600 jobs in the Core Waikato economy (2.9% of total Waikato Regional Council² employment)
- the University accounted for 4.4% of economic activity in the Core Waikato economy
- every dollar generated by the University's operations resulted in another \$1.22 of flow-on revenue across the Core Waikato economy
- every job at the University generates another 0.65 jobs in the rest of New Zealand, with almost 88% of these flow-on jobs located in the Core Waikato economy
- Hamilton-based students spent an estimated \$130.16 million in personal expenditure (excluding University fees etc) in Core Waikato; a further \$4.3 million was spent by Tauranga-based students. (Hughes, 2012)

6.2 Regional demographics

Demographic changes continue to impact on New Zealand's population in both the 15-19 and 20-24 year age brackets, which are the main pools of tertiary students at entrance level.

Demand for places at universities is expected to follow a pattern of decline-growth-decline as variously sized age-waves move through the tertiary-age population over the next 10-20 years (Jackson, 2011). This pattern is expected primarily as a result of declining birth numbers over the 1990s, which were preceded by a baby blip (1989-1992) and have been followed, since 2003, by another. Despite the more recent baby blip, New Zealand continues to face the legacy of declining birth rates, occurring at a time of intermittent net migration loss across the 1970s, '80s and late '90s. The decreasing pool of young people is coupled with an increasing number of the baby boomer generation entering retirement. A picture is being painted of burgeoning skills shortages along with a growing inability to replenish lost social capital and particularly senior managerial capital.

The fabric of the region from which the University of Waikato recruits most of its students has distinctive traits. It has a high population of Māori compared with New Zealand nationally. Both the Bay of Plenty and the Waikato regions are somewhat below the New Zealand national figure in terms of the proportion of the population with University qualifications, with the Bay of Plenty at 11.2% in 2006 and the Waikato region at 13.5% compared with 17.2% for New Zealand as a whole (Statistics New Zealand, 2009).

The demographic patterns outlined above will bring competition for young people – in the tertiary education sector and in the job marketplace, between industries and regions. The University of Waikato is well placed to respond to the challenges posed by the predicted fluctuations in potential student numbers and the corresponding demands of industry for people who have relevant tertiary qualifications. The University recognises that investment in tertiary education will need to become much more sophisticated and strategically focused to ensure that New Zealand and its regions have a suitably skilled workforce to meet future needs.

6.3 A changing economic and political environment

While MF enrolments in 2011 at the University of Waikato are approximately 1.5% higher than they were in 2010, current forecasts suggest that MF enrolments across the university sector as a whole in 2011 may be lower than they were in 2010. Modelling by the Ministry of Education based on national demographics and a range of other predictors suggests a relatively stable outlook in terms of tertiary demand. This outlook is likely to influence future funding patterns, and the University's planning and decision-making are therefore based on the premise that funding caps will continue to be applied and funding levels will continue to be tightly constrained.

The University of Waikato has continued to be proactive in fostering a more dynamic interaction with the business sector at both regional and national levels. Through ongoing stakeholder engagement with other institutions, agencies and community groups, the University has continued to build the Bay of Plenty Tertiary Education Partnership (with the Bay of Plenty Polytechnic and Te Whare Wānanga o Awanuiārangī). This network of tertiary providers is unique in New Zealand and is designed to deliver research and tertiary education targeted to specific research and educational outcomes and specific regional needs.

6. Strategic Context

The University of Waikato joined other universities this year in engaging with the Government about how the sector, collectively, can sustain quality and access over the coming years when significant additional government funding is unlikely to be forthcoming. The dialogue has focussed on how existing revenue streams can be used more effectively and efficiently, and on the trade-offs that might need to be made in terms of where expenditure is allocated.

The University of Waikato already generates approximately 14% of its total revenue from non-student and non-Government sources. The Government has signalled that it supports efforts by universities to generate significant proportions of their revenue from non-government sources, including international education, and the sector continues to promote broad discussions with the Government on ways in which institutions can be assisted to leverage funding from these other sources.

The University's strategic planning framework takes account of the Government's current priorities concerning access, the improvement of transition from school to tertiary education, institutional differentiation and distinctiveness, and the maximisation of positive outcomes not only for students but also for the national economy.

Government policy has become more focussed in recent years on the links between tertiary funding and performance and on associated issues such as student decision-making, tuition subsidies, eligibility for student loans and allowances and better links between spending on students and educational outcomes. However, limits to fee increases continue to be applied by the Government and this has put pressure on all New Zealand universities in terms of covering the costs of a world-class education.

6.4 The secondary/tertiary interface

In 2011, 45% of the University's new domestic students were school-leavers (1,339 students). These students came from approximately 200 schools across New Zealand, with the majority from the North Island. 67% of the University's new domestic school-leavers in 2011 came from schools in the Waikato and Bay of Plenty, with the top 10 of those secondary schools contributing 30% of total new domestic school-leavers. Hamilton and Tauranga high schools have been the largest contributors over the last five years, contributing between 41% and 45% of total new school-leavers; they provided 43% in 2011.

The University of Waikato provides a range of orientation programmes for new students. These include information sessions at secondary schools, secondary school visits to campus and sessions on campus targeted at students from outside the Waikato region to give them an opportunity to meet other students from their region before commencing study. Orientation programmes also include faculty-based subject-specific sessions for potential students wishing to explore subject areas and offerings.

The University continued to have a high profile in secondary schools in its wider region and regularly visited schools to give presentations to Year 11, 12 and 13 students (including some presentations in te reo Māori). It hosted regional information evenings, including a Whānau Information Evening, and attended careers expos throughout the North Island.

The 2011 University of Waikato Open Day was held in April and was attended by approximately 4,000 secondary school students, teachers, parents and visitors from across the North Island. The University hosted a Year 10 Whānau Day for students from selected schools and also a Year 10 Experience Waikato Day in November, which was attended by almost 400 students from 12 invited secondary schools.

The University of Waikato offers a number of programmes to teachers to promote and foster the successful transition of secondary school students to tertiary study.

A well-established Secondary Tertiary Alignment Resource (STAR) programme offered secondary school students the opportunity, while still at school, either to advance beyond the secondary school curriculum in particular subjects, or to undertake study in a subject that was not offered as part of the secondary school curriculum. Students who have successfully completed a STAR paper at secondary school receive credit towards their university studies.

6. Strategic Context

The Faculty of Education has been successful in securing funding for professional development contracts, and delivers educational leadership and teacher development programmes across its region. The Institute for Professional Learning and Development, for example, provides teacher support and guidance by facilitating teacher development in schools throughout the Waikato, Hauraki, Coromandel, King Country, Bay of Plenty, Gisborne, Wairoa and East Coast regions. The Educational Leadership Centre caters for the diverse needs of many groups of educational leaders through activities based on sound research and development practices that are developed in consultation with the client group so that specific needs are met.

Academic staff of the University serve as judges of a number of secondary school competitions, including national kapa haka and speech competitions. In addition, the Faculty of Law holds an annual secondary schools mooted competition, which is well subscribed by secondary schools across the greater North Island region.

The University continued with its prestigious Hillary Scholarships programme. These scholarships, offered since 2005, are awarded to high achievers who show leadership qualities and also excel in sport or in the creative and performing arts. The programme includes comprehensive support for the recipients' academic, sporting and/or arts activities, and additional support in leadership and personal development. 49 new Hillary Scholarships were awarded in 2011, bringing the total to 320 students since 2005.

In addition to the University's School Leaver Scholarships, which in 2011 were awarded to 391 recipients, the University also continued to offer a programme of other scholarships and prizes, including the high-profile Vice-Chancellor's Prize for Academic Excellence, which in 2011 was awarded to 20 secondary school students nominated by their principals.

6.5 University of Waikato relationships within a regional network of provision

The University of Waikato recognises the benefits of a differentiated system of tertiary education in New Zealand, in which universities and polytechnics have distinctive but complementary contributions to make to the delivery and support of relevant, quality, tertiary provision.

The University of Waikato has long-established partnerships with both the Bay of Plenty Polytechnic and Wintec, and has negotiated with both polytechnics a variety of contract teaching, articulation and other types of arrangements for staircasing into higher-level tertiary qualifications.

In 2011, 77 students transferred from the Bay of Plenty Polytechnic into higher-level qualifications at the University of Waikato, and 87 students transferred to the University from Wintec. In addition, 138 students progressed to University of Waikato qualifications in 2011 having completed the Certificate of University Preparation, which is taught at Wintec under an articulation agreement with the University.

In 2010, the Bay of Plenty Tertiary Education Partnership deed of cooperation between the Bay of Plenty Polytechnic and the University was extended to include Te Whare Wānanga o Awanuiāraangi. 2011 has seen initial discussions with other organisations, including iwi, crown research institutes and other tertiary providers, to further strengthen the capability and breadth of the Partnership.

The Bay of Plenty Tertiary Education Partnership proposes building a new tertiary education and research facility in the Tauranga CBD to increase its capacity to deliver research and educational outcomes required by the Bay of Plenty region. This facility would be the first in New Zealand designed in close partnership with regional agencies in order to deliver a university experience in specific response to a regional need. A considerable amount of analysis has been commissioned and undertaken by the University to ensure rigorous and robust review of the viability of the Partnership's expansion strategy.

6.6 The Bay of Plenty

University of Waikato numbers in the Bay of Plenty have grown from 244 EFTS in 2005, to 537 EFTS in 2011.

The continued development of integrated and seamless training pathways built on the Bay of Plenty Polytechnic diploma programmes has enabled the joint delivery of a range of 12 full degree programmes in Tauranga, including Business Management, Applied Computer Science, Social Work, Tourism, Marine and Environmental Science, Early Childhood Education and Primary and Secondary Teacher Education.

The May graduation in Tauranga saw the first graduates of the Bachelor of Social Work. (The University's Bachelor of Social Work is only offered at the Tauranga Windermere campus.)

6. Strategic Context

In 2012, the third year of the Bachelor of Science (Biological Sciences) will be offered in Tauranga. The pathway from the Bay of Plenty Polytechnic's New Zealand Diploma in Engineering into the University's Bachelor of Engineering was developed in 2011 and is currently pending final approval.

He Kākano, a national professional development programme based in the Bay of Plenty, is a collaboration between the University and Te Whare Wānanga o Awanuiārangī, and focuses on improving culturally responsive leadership and teaching practices to ensure Māori learners enjoy educational success as Māori.

The University of Waikato is also in partnership with Te Whare Wānanga o Awanuiārangī in the National Centre of Literacy and Numeracy for Adults, which brings together specialist skills in Māori language, culture, knowledge and pedagogy with literacy and numeracy skills. The National Centre is a direct response to the Government's vision of a world-leading education system that equips all New Zealanders with the knowledge, skills and values to be successful citizens in the 21st century.

The University is a major research and teaching partner with the Titanium Industry Development Association (TiDA), which provides \$1.2 million per annum in research grants. The Bay of Plenty Polytechnic's Windermere campus is home to TiDA and includes over \$6 million worth of equipment and facilities.

The University's leading researchers in lake ecosystem restoration play a critical role in the research that underpins the Rotorua lakes strategy, which aims to ensure the lakes of the Rotorua district and their catchments are preserved and protected for the use and enjoyment of present and future generations, while recognising and providing for the traditional relationship of Te Arawa with the Rotorua lakes. In 2011, the inaugural Bay of Plenty Regional Chair in Coastal Science was established, and the University opened a coastal research field station at Sulphur Point in Tauranga as part of its recently launched Environmental Research Institute. Research had been conducted in the Bay for a number of years and the establishment of the field station was made possible by the support of the Regional Council, the Port of Tauranga, Priority One and SmartGrowth. The University has a leadership role in Te Mauri Moana Research group, a cross-institutional programme set up in response to the grounding of the ship *Rena*. The programme includes representatives not only from the Bay of Plenty Tertiary Education Partnership, but also local iwi and the Bay of Plenty Regional Council.

6.7 Relevance of qualifications and graduate outcomes

A report published by the Ministry of Education, *Outcomes of the New Zealand tertiary education system*, provides evidence of the pivotal role played by the New Zealand tertiary education system in the economic growth of New Zealand (Smart, 2006). Economic growth depends on labour productivity; labour productivity depends on high employment. Tertiary qualifications enhance the employment prospects of New Zealanders; attainment of tertiary qualifications also results in higher incomes and, in turn, healthier lifestyles.

The University undertakes regular reviews of existing qualifications and programmes to ensure that they continue to meet the needs of industry and maintain their relevance for students. Quality improvement initiatives are based on the analysis of data and information supplemented by occasional reports from internal and external participants as part of a series of institutional programme reviews, institutional organisational reviews and other periodic evaluations conducted by the University or, in some cases, by professional bodies for the purpose of accreditation.

In 2011, the University implemented seven significant academic programmes that had been approved by the UNZ CUAP. Four of these involved the introduction of new majors, and three involved the amendment of existing regulations. In addition, a range of further significant academic developments were developed and put forward for consideration by the UNZ CUAP for implementation in 2012; these included the introduction of one new major, amendments to the regulations of eleven existing qualifications and the deletion of two subjects.

The University of Waikato is participating in the UNZ Graduate Longitudinal Study of New Zealand, the objective of which is to develop a better understanding of the economic and developmental benefits of a university education in New Zealand. The study will survey graduates at completion and will then track them over time, surveying them again at two, five and 10 year intervals. The results of the first survey are expected to be released early in 2012, and will help the University develop its understanding of how outcomes are changing for graduates over time and better inform future direction and recruitment activities.

6. Strategic Context

6.8 The University budget and capped funding

In budgeting for a 2011 surplus, the University took careful account of the likely challenges ahead in terms of increasing revenue in a capped funding environment and ensuring its costs matched the available revenue.

The University's 2011 budget was prepared on the basis of 8,444 MF EFTS which, although a reduction from the 8,546 EFTS achieved in 2010, was in line with the University's Investment Plan agreed with the TEC.

2009 had seen the first increase in FCI EFTS since the decline from the 2003 high of 2,893. 2010 was stable in relation to 2009 with the University achieving 1,664 FCI EFTS. In line with University FCI growth aspirations, the 2011 budget targeted an increase of 87 FCI EFTS to 1,752.

It was announced in the 2008 Government Budget that the Tripartite Fund would be disestablished from 2011 and that Adult and Community Education funding would be reduced significantly. The effect of these cuts was a reduction in funding of \$2.5 million which was incorporated into the 2011 budget.

Subsequent to Council approval and finalisation of the 2011 budget, the TEC increased the University's MF EFTS allocation by 250 to 8,694, which resulted in a potential \$3 million increase in the Government Grant and domestic tuition fees, the flow-on effect of which was to ease the pressure on the budgeted surplus.

Consistent with the terms of its Investment Plan funding and the TEC's expectations, the University took a number of steps in 2011 to manage its MF enrolments very carefully. The University's final MF EFTS result represented 99.1% of its approved SAC funding for 2011.

2011 FCI EFTS were lower than those achieved in 2010. While efforts continue to be made to increase the University's revenue stream related to international enrolments, especially given the capped funding environment, the University did not achieve its FCI enrolment target, which resulted in a revenue shortfall of approximately \$2.09 million in 2011.

Overall, the shortfall in FCI revenue was more than offset by gains in domestic tuition fees, Government grant and external research revenue, resulting in a healthy surplus in line with budget expectations.

The whole tertiary sector faces the prospect of ongoing constraints in government funding and so the University will continue with an approach that involves managing costs, constantly seeking efficiency gains and exploring additional sources of revenue, while ensuring that its investments in future capability are well-informed, prioritised and targeted.

6.9 Research

Innovation has been identified as a key to future growth, sustainable development and a healthy society. The University of Waikato is committed to strengthening its research leadership and research platforms to meet the challenges that face our nation.

In 2011, the University of Waikato attracted \$16.3 million through new research contracts (to be realised over the life of the contracts), bringing the number of active contracts, including ancillary contracts, to 834. The Faculty of Education generated the most research income followed by the Faculties of Science and Engineering, Computing and Mathematical Sciences, and Arts and Social Sciences.

2011 saw new appointments made to the positions of Deputy Vice-Chancellor, Pro Vice-Chancellor (Research), and Pro Vice-Chancellor (Postgraduate) and to the positions of Chairman and Chief Executive of WaikatoLink, the University's commercialisation arm, bringing fresh energy to its research and commercialisation functions.

Work continued to identify new Institutes, Centres, Groups and Units where inter-institutional research collaborations can be supported, and two new Institutes were launched. The Environmental Research Institute will encompass the University's internationally-recognised expertise in ecosystems, and Te Kotahi Research Institute will develop research relevant to Māori economic development and well-being in consultation with iwi. Working together with these flagship institutes, a new Centre for Environmental, Resources and Energy Law will add depth to the University's research platforms in environment and natural resources in matters requiring legal analysis and research.

6. Strategic Context

Preparations were also made for the establishment of a new Institute of Educational Professional Learning and Development with a focus on connecting professional educational practice to research and qualifications. A significant portion of the Institute's activities will involve partnerships with iwi and other educational providers.

The University has continued to strengthen its national and international relationships in other ways to provide research collaborations. A new consortium of educational providers called Te Toi Tupu: The Leading Learning Network - comprising the University, the Waikato-Tainui College for Research and Development, Cognition Education, CORE Education and New Zealand Council of Educational Research - provides a solid partnership for professional learning development work with schools both regionally and nationally over many years. The University also signed an agreement with Teachers College, Columbia University, New York, to explore new ways of working in areas of mutual interest.

The first cohort of doctoral students enrolled under the Intercoast collaboration with Germany's University of Bremen continued with marine research in Tauranga Harbour in 2011, leading to the opening of a new coastal research field centre in Tauranga, and providing an invaluable resource for guiding recovery from the *Rena* oil spill.

Work continued on upgrading other research facilities. The University's Radiocarbon Dating Unit, a national facility, celebrated its new Accelerator Mass Spectrometry Dating Laboratory by achieving the milestone of processing over 30,000 samples since opening in 1974.

Research grants, postgraduate scholarships and research-related donations were received from a total of 93 organisations external to the University in 2011. This represents further progress in the ongoing diversification of sources of research support, and a further increase in inter-institutional and international research collaborations.

New research wins of particular note included \$2.5 million of Marsden funding for four separate projects in the fields of computer science, economics, engineering, and linguistics.

The University also continued to spearhead research commercialisation through the ongoing activities of WaikatoLink, which in 2011 launched Kiwinet, a national collaboration of universities and crown research institutes to increase the scale and economic impact of science and technology commercialisation in New Zealand. WaikatoLink secured \$350,000 of external funding for IP development in 2011 and continued to grow a future royalty pipeline of more than \$1.2 million per annum. It represented the University at a number of outreach events and hosted two major UCONZ (University Commercialisation Offices of New Zealand) events on Māori business and agribusiness. It secured international relationships with Kauffman Foundation and Texas A&M in the United States, Flinders Partners in Australia, and NIPMO and ARC in South Africa, and oversaw a large increase in the number of technologies transferred to industry.

2011 saw the University hosting a number of national and international conferences, notably in the fields of history, chemistry and Antarctic research.

The University has continued to support initiatives aimed at increasing the proportion of research postgraduate students and supervision-active staff, and enhancing postgraduate outcomes. Over 600 candidates are currently enrolled for higher degrees, slightly more than a third of whom are international students. 2011 saw 103 higher degree completions (99 doctorates and four MPhils). The University ran its third successive Postgraduate Research Month in October which included postgraduate conferences in several faculties, as well as the annual University-wide 'Thesis in Three' competition. A wide variety of workshops (including workshops on commercialisation of research opportunities) were held throughout the year for doctoral students and also for newly appointed chief supervisors of doctoral theses as well as less experienced academic staff embarking on higher degree supervision. The University now has approximately 628 registered doctoral supervisors, of whom 389 are University of Waikato academic staff, and 239 are external to the University.

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1. Core Waikato means the area within the boundaries of Hamilton City Council, Waikato District Council and Waipa District Council
 2. Waikato Regional Council is based on nine District Councils (Thames-Coromandel, Hauraki, Waikato, Matamata-Piako, Waipa, Otorohanga, South Waikato, Waitomo, Taupo) and Hamilton City Council

7. 2011 Student and Academic Profile

In 2011, approximately 80 qualifications were offered, including 20 undergraduate degrees, 38 graduate degrees, six postgraduate degrees and a wide range of specialist certificates and graduate and postgraduate diplomas. Students were able to choose from over 200 different subjects, delivered in a variety of classroom, mixed media, distance and e-learning modes.

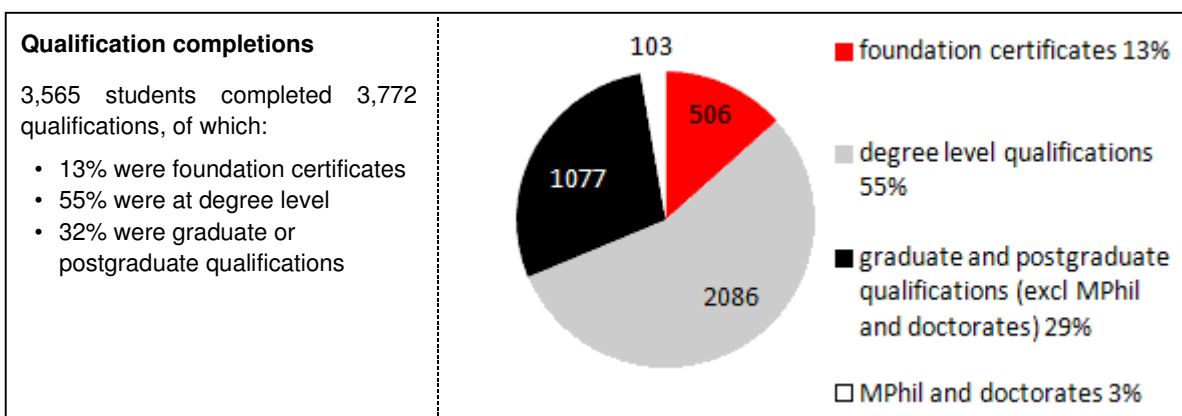
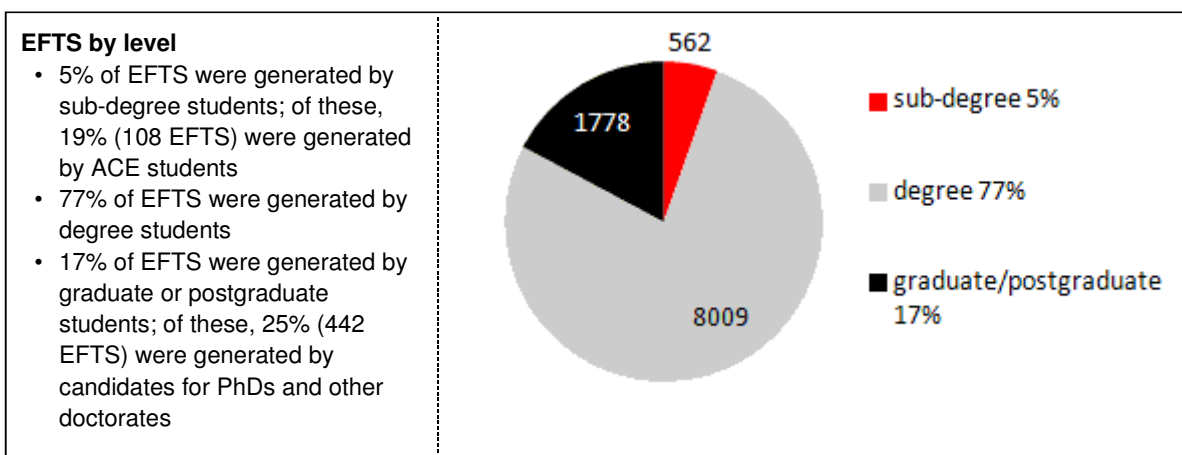
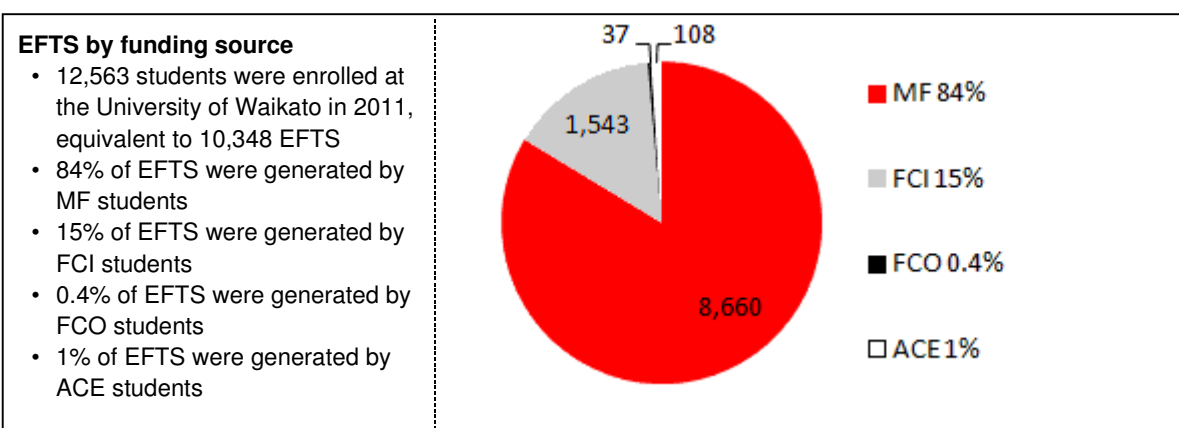
7.1 2011 student profile (see Glossary and Definitions)

All data in this section relate to student numbers as a headcount, unless stated otherwise as EFTS.

Contribution to national university provision

Based on the most recently published data on tertiary participation nationally (TEC, 2011) the University of Waikato enrolls

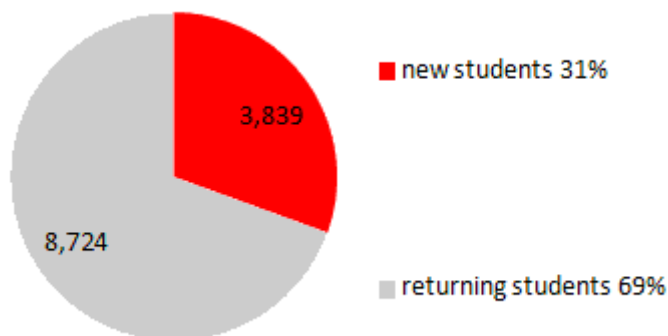
- approximately 7% of New Zealand's domestic university students
- approximately 7% of New Zealand's total university EFTS (domestic and international)
- approximately 15% of New Zealand's Māori university students.



7. 2011 Student and Academic Profile

New v. returning students

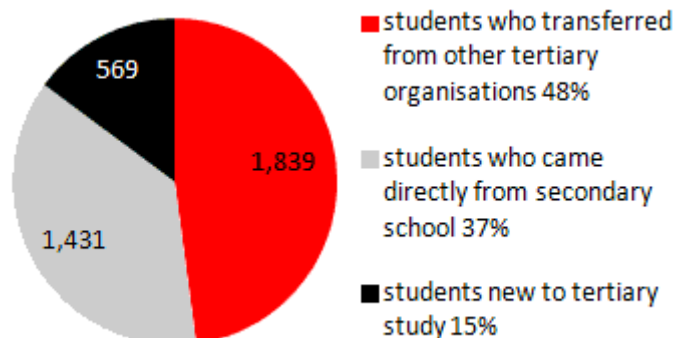
- 31% of students were new to the University of Waikato
- 69% of students were returners



Transition to University of Waikato

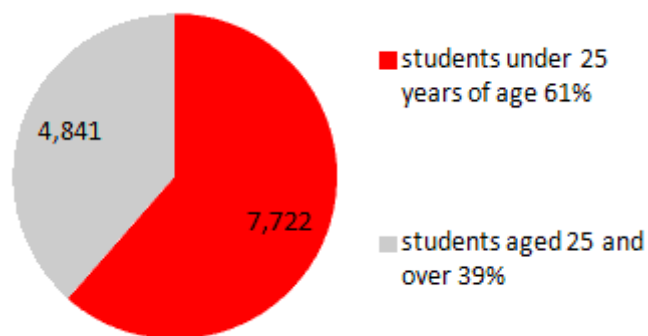
Of new students:

- 48% had transferred from other tertiary organisations
- 37% were school-leavers
- 15% were new to tertiary study (and not school-leavers)



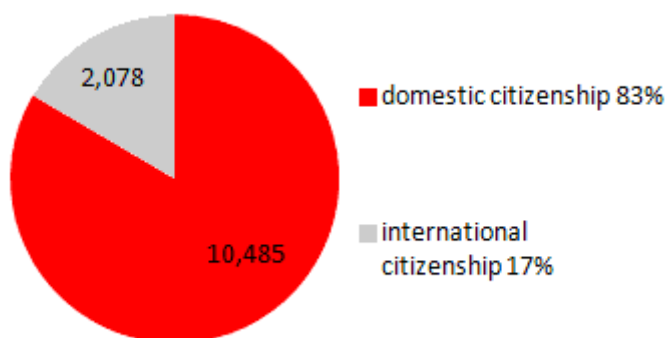
Age profile

- 61% of students were under 25 years of age
- 39% of students were 25 years of age or older



Citizenship

- 83% of students had domestic citizenship
- 17% of students had international citizenship (and not domestic citizenship)

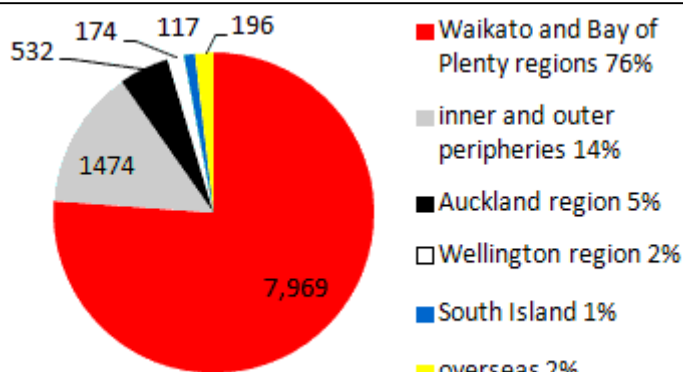


7. 2011 Student and Academic Profile

Origins of domestic students

Of domestic students:

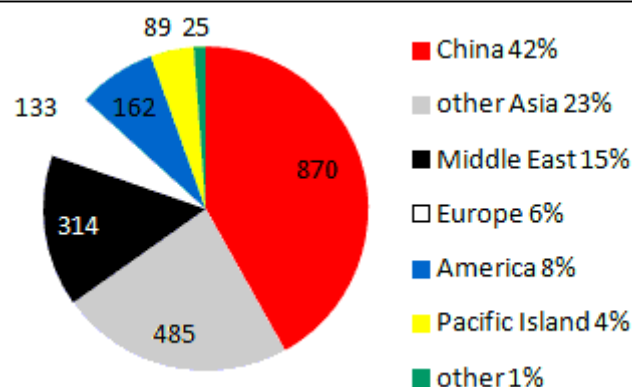
- 76% came from the Waikato and Bay of Plenty regions
- 14% came from the University's inner and outer peripheries
- 5% came from the Auckland region
- 2% came from the Wellington region
- 1% came from the South Island
- 2% came from overseas



Origins of international students

Of international students:

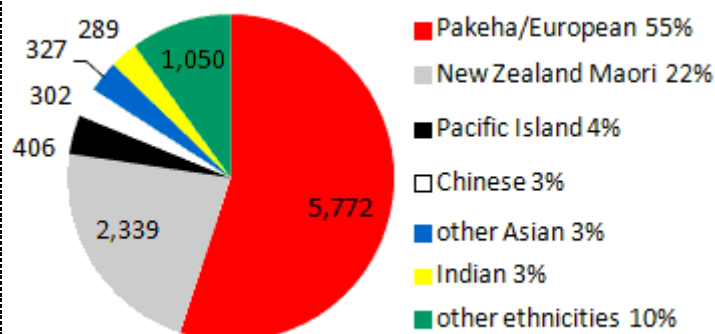
- 42% came from China
- 23% came from other parts of Asia
- 15% came from the Middle East
- 6% came from Europe
- 8% came from America
- 4% came from the Pacific Islands
- 1% came from other parts of the world



Ethnicity of domestic students

Of domestic students:

- 55% were Pakeha/European
- 22% were Māori
- 4% were Pacific Islanders
- 3% were Chinese
- 3% were of other Asian ethnicities
- 3% were Indian
- 10% were of other ethnicities



Tauranga enrolments

- 5% of the University's total EFTS were generated by students enrolled in papers delivered in Tauranga.
- 99.5% of Tauranga EFTS were generated by MF students.
- 0.5% of Tauranga EFTS were generated by FCI students.

Adult and community education enrolments

- 108 EFTS (excluding notional EFTS) were generated by students enrolled for ACE courses.

7. 2011 Student and Academic Profile

7.2 International student trends

The University's FCI EFTS peaked in 2003 (at 2,893 EFTS), representing almost 25% of its total EFTS, and remained at approximately that level through to 2006. Like most other tertiary providers, the University experienced a severe downturn in the international student market in 2007.

In 2011, FCI EFTS (1,543 EFTS) were 15% of total EFTS and represented a shortfall of almost 12% against the budgeted target (1,752 EFTS).

The shortfall in FCI EFTS in 2011 is thought to reflect the unfavourable exchange rate and the impact of the Canterbury earthquake on the attractiveness of New Zealand as a destination for tertiary education. The international student market continues to be both volatile and extremely competitive, and proactive steps are being taken to achieve a more geographically diversified international student profile into the future.

7.3 Māori student trends

Although the number of Māori students enrolled at the University of Waikato decreased from a peak of 2,707 in 1999 to 2,300 in 2010, the trend reversed in 2011 and the number increased to 2,824. However, student numbers overall also increased and as a proportion of total students, Māori student numbers as a headcount dropped from 18% in 2010 to 16% in 2011.

17% of total EFTS (as opposed to headcount) in 2011 were generated by students who reported as Māori. When measured as a proportion of MF EFTS, the number of Māori EFTS over the last decade has fluctuated only slightly, between 21% - 23% (21% in 2011). The main focus for the University into the future with regard to Māori academic success is on enhancing the teaching and research capacity of Māori academic staff, leadership in research relevant to the needs and aspirations of iwi and Māori communities, improving Māori student retention and pass rates and lifting progression rates through to postgraduate level.

The levels of Māori enrolments at the University are consistent with regional demographics.

7.4 Enrolment trends in the faculties

In 2011, the **Faculty of Arts and Social Sciences** generated 1.5% fewer EFTS than in 2010. While demand for places at undergraduate level was strong at the beginning of the 2011 academic year, the entry of new students into undergraduate papers was restricted in line with the University's funding cap and planning goals. While the Faculty exceeded its MF undergraduate target by 2.7%, it achieved only 99.7% of its overall MF target due to shortfalls at TPG (81.2% achieved) and RPG (93.6%) levels. FCI EFTS in 2011 were 9% down on 2010 levels (73.9% of target).

Since 2007, the Faculty's MF teaching in Tauranga has increased from 19 to 105 EFTS. The 105 EFTS achieved in 2011 represent 20% of the University's MF teaching at Tauranga.

While MF undergraduate numbers in the Faculty of Arts and Social Sciences were constrained in 2011 in line with the University's funding cap, it continues to have the capacity to achieve strong growth depending on trends in other faculties and demand for places overall within the University's 2012 funding cap. MF undergraduate numbers in Tauranga in particular are likely to rise on account of pipeline growth in the Social Work programme. The Faculty is confident of achieving relatively ambitious targets for TPG and RPG growth in 2012.

After growing 6% in 2010, the **Faculty of Computing and Mathematical Sciences** grew by a further 9% in 2011, exceeding both its MF and FCI targets. It was one of just two faculties to exceed their FCI targets in 2011. The Department of Computer Science continued to be the largest department within the Faculty, contributing nearly 60% of the Faculty's total 2011 EFTS.

Growth in 2011 was consistent with what was planned for the Faculty in terms of MF enrolments. FCI enrolments increased significantly and this accounts, in large part, for the 9% overall growth. The Faculty is working towards increased TPG and RPG numbers in both MF and FCI categories and will be carefully planning 180 point Masters qualifications accordingly.

After 17% growth in the **Faculty of Education** in 2009 and a further 2% growth in 2010, a strategic decision was made to contain any further growth in that Faculty in 2011 and EFTS were therefore stabilised at their current level. MF EFTS were 2,277, 0.8% less than in 2010. While only a small proportion of total EFTS, FCI EFTS at degree level and above in the Faculty of Education increased from 50 in 2010 to 60 in 2011.

7. 2011 Student and Academic Profile

EFTS in the Faculty's early childhood education programmes declined in 2011 by 5.8%, reversing a 3% gain in 2010. The strong demand for primary teacher education continued in 2011, with 926 EFTS being generated by these programmes, 3% growth on 2010. Demand for secondary teacher education programmes dipped by 8%.

The Faculty's MF EFTS in Tauranga fell slightly to 297 EFTS in 2011, 3% lower than in 2010. In 2011, the Faculty of Education generated 57% of the University's total MF EFTS in Tauranga.

The University continued in its arrangement with Wintec for the delivery of its Certificate of University Preparation. In 2011, 362 students were enrolled in this programme, 121 of whom subsequently progressed to higher study at the University of Waikato. FCI sub-degree EFTS were 15% lower than in 2010, and only 81% of the 2011 target.

The Faculty of Education delivered the University's target of 103 ACE EFTS in 2011.

The **Faculty of Law** has experienced year-on-year growth in total EFTS since 2005, a trend that continued in 2011 with a 3.9% increase over 2010. While FCI numbers in the Faculty remain relatively small, it experienced significant positive growth in 2011 (growing from 18 to 29 FCI EFTS). It was one of just two faculties to surpass their FCI targets in 2011. The increase in FCI enrolments in 2011, particularly in the LLB degree, will have a noticeable pipeline effect for the Faculty of Law and some benefit for other faculties in non-Law papers in 2012 and subsequently.

In 2011, the Faculty of Law delivered 23 EFTS in Tauranga (down from 29 in 2010), and generated 4% of the University's total MF EFTS in Tauranga. While its EFTS in Tauranga declined, the number of students as a headcount remained the same, with a shift towards more part-time enrolments. The pipeline effect from the Diploma in Law at Tauranga becomes evident as almost all of these students, having completed seven papers there, transfer to the Hamilton campus to complete their final two years of the LLB.

Total EFTS in the **Faculty of Management** decreased from 2,661 EFTS in 2010 to 2,580 EFTS in 2011; while MF EFTS were stable, FCI EFTS dropped by 59 (9%). As explained in section 7.2, the drop in FCI EFTS in 2011 is thought to reflect the unfavourable exchange rate and the impact of the Canterbury earthquake on the attractiveness of New Zealand as a destination for tertiary education. In response to the tight domestic market, the Faculty is increasing the professional orientation of its programmes, particularly at the postgraduate level, and plans to expand the regional coverage of Corporate and Executive Education programmes.

The Department of Accounting continued to be the Faculty's largest department, and delivered 19% of the Faculty's total EFTS. The Department of Finance continued to attract the largest proportion of FCI EFTS (20%), followed closely by the Departments of Accounting (17%) and Strategy and Human Resource Management (15%). Changes to joint programme arrangements that will increase the attractiveness of the Bachelor of Business Analysis (Financial) are expected to result in further FCI EFTS in Finance. This is part of a strategy of offering programmes that are more attractive to international students, both in programme structure and through the use of summer school.

The Faculty of Management's MF EFTS at Tauranga increased to 84 in 2011 from 73 in 2010, and it achieved 98.4% of its MF target for Tauranga. The Faculty generated 16% of the University's total MF EFTS in Tauranga.

Both MF and FCI EFTS in the **Faculty of Science and Engineering** in 2011 were steady in relation to 2010 levels. MF EFTS were only slightly (4%) lower than its 2011 target but FCI EFTS were 12 EFTS (17%) below target.

EFTS in the School of Engineering grew by 6.5% over 2010, and generated 34% of the Faculty's total EFTS. Student numbers in the Department of Chemistry were steady in relation to 2010, while both the Department of Biological Sciences and Department of Earth and Ocean Sciences grew against their 2010 EFTS, by 11.6% and 10.2% respectively.

7. 2011 Student and Academic Profile

Overall, the rate of EFTS growth in the Faculty of Science and Engineering in 2011 was below target; both external factors and internal factors are considered to be responsible for some areas of science in particular falling behind. National and international numbers of students specialising in sciences such as physics and chemistry continue to decline. The redevelopment by the Faculty of Arts and Social Sciences of its environmental planning programme appears to have led to a reduction in the number of students taking environmental or ecology papers in the Faculty of Science and Engineering. To counter these trends some repackaging of environmental science programmes may be required as well as more targeted marketing. Attempts to increase the number of international students from Malaysia and China are in their early stages of development and are expected to have an impact from 2013.

The **School of Māori and Pacific Development** delivered 302 EFTS in 2011, 10% more than in 2010. It continues to attract very small numbers of FCI EFTS (10 EFTS in 2011). Numbers in the School's STAR programme, which gives secondary school students the opportunity to undertake degree-level study as part of their secondary school programme, remained steady (16 EFTS in 2011). EFTS at postgraduate level increased from 52 in 2010, to 66 (a 26% increase) in 2011.

The slight rise in School of Māori and Pacific Development EFTS was the result of a range of deliberate strategic initiatives and has turned around a steady decline in enrolments over the previous few years. In 2010 and 2011 the School put in place strategies to grow postgraduate and research EFTS with adjunct staff supporting supervision and a strategy of improving the numbers of students who undertake their dissertation work in te reo Māori.

More detailed enrolment statistics are provided in section 14.

8. Equal Opportunities

The University of Waikato is firmly committed to the principle of equal opportunity for all and recognises the need to give practical effect to such responsibilities both as an employer and as an educational provider. The University expects that all members of staff and the student community will observe the highest ethical standards in the pursuit of this commitment.

The University believes that staff and students should be selected in an open and non-discriminatory manner. Strenuous efforts are made to identify and remove practices that place any group at a disadvantage or act as obstacles to equal opportunity.

The University actively encourages participation from under-represented groups through staff and student recruitment policies, student support services and staff development initiatives. In particular, the University seeks a higher proportion of Māori, Pacific Islanders, and people with disabilities in all areas of University life, and improved representation of women and Māori on committees and in positions of influence.

The University of Waikato is currently reviewing and extending its Equal Employment Opportunity programme to better align terminology, indicators and monitoring with national programmes such as 'Good Employer' and 'Top 20 Indicators' as advocated by the Human Rights Commission.

Equal employment opportunities

The University has identified the need to increase the number of

- women and Māori in senior roles
- Māori academics
- women in areas where they have historically been under-represented (i.e. Information Technology Services Division, the Faculty of Science and Engineering, the Faculty of Computing and Mathematical Sciences and the Facilities Management Division).

The Equal Opportunities Programme in 2011 comprised the following on-going practices and key initiatives:

- *A family-friendly work environment*: this included flexible working hours, sick leave for dependent care and work-from-home options on a case-by-case basis. The University also sponsored childcare services by providing premises and other operating costs.
- *Māori staff development*: the Pro-Vice Chancellor (Māori) Office coordinated the local (Waikato) ManuAo which is a programme (ManuAo Academy) that extends across all New Zealand universities and is supported by UNZ. The three main objects of the ManuAo Academy are to accelerate Māori leadership, to strengthen the links between Māori academics and Māori professionals and to advance Māori scholarship.
- *Women's Leadership programme* which included
 - the annual Women in Leadership Day entitled 'Resilience and Personal Well-being'. The Rt Hon Helen Clark gave the keynote speech.
 - strong commitment to the New Zealand Women in Leadership programme, a UNZ-supported programme; four University of Waikato women participated in 2011
 - the Waikato Women Professors' Network
- University support for staff to study included establishing the Postgraduate Certificate in Education or Management with a specialisation in Leadership in Higher Education. 58% of the University participants were women in 2011.

8. Equal Opportunities

Staff profile 2011

As outlined above, the University is committed to increasing the representation of women and Māori in the University, especially at senior levels.

Table 1 profiles the representation of women and Māori from 2008-2011 and selected areas of the University where women have historically been either under-represented or strongly represented.

Table 1: Staff Profile ^{1 2}	2008	2009	2010	2011
Total Staff (FTE) excluding Causal	1,560	1,438	1,430	1,460
% Women of total staff	59%	59%	59%	60%
% Women of academic staff	46%	46%	47%	49%
% Women of general staff	67%	68%	68%	66%
% Women in Faculty of Computing & Mathematical Sciences	25%	27%	23%	29%
% Women in Facilities Management Division	33%	31%	31%	31%
% Women in Information Technology Services Division	38%	36%	36%	35%
% Women in Faculty of Science and Engineering	39%	36%	36%	37%
% Women in Faculty of Education	86%	77%	77%	85%
% Women in Student and Academic Services	84%	86%	86%	86%
% Women in Human Resource Management	79%	73%	81%	81%
% European/pakeha of total staff	74%	75%	75%	75%
% Māori of total staff	10%	10%	10%	10%
% Women who are in senior positions	38%	39%	41%	42%
% Māori who are in senior positions	21%	20%	24%	25%
% Female Professors	22%	23%	25%	24%
% Female Associate Professors	25%	31%	33%	37%

Although the proportions of women and Māori have remained relatively unchanged over the past four years, there has been a slight increase in the representation of women and Māori in senior roles and in academic positions.

Other areas, such as the number of Māori academic staff, have remained unchanged; and better representation of women in a number of Faculties is still an objective, see Table 1 above.

In 2011 4.8% of staff declared disabilities. These disabilities included vision, hearing, mobility and respiratory problems and medical conditions such as epilepsy and diabetes.

The University is currently developing a Pacific Plan which has a goal of increasing the number of Pacific Island staff to teach and support Pacific students.

8. Equal Opportunities

Equal opportunities in education

The University of Waikato student profile for 2011 given in Table 2 shows 19% of the student population reported their ethnicity as Māori and 4% as Pacific Island. These proportions have remained static for the past four years.

	2008	2009	2010	2011
Total number of students	12,014	13,089	12,642	12,563
% of students who are women	58%	58%	57%	57%
% of students who are of European/Pakeha ethnicity	47%	46%	46%	46%
% of students who are of Māori ethnicity	19%	19%	18%	19%
% of students who are of Chinese ethnicity	12%	11%	10%	9%
% of students who are of Pacific Island ethnicity	4%	4%	4%	4%
% of students who are of Indian ethnicity	3%	3%	3%	3%
% of students who are of other ethnic groups	16%	17%	18%	19%

The University has identified goals and strategies for improving academic success rates for Māori and Pacific Island students, which are outlined in sections 6 and 13.

Current equal opportunity goals relating to people with disabilities

The number of students with declared disabilities in 2011 was 736. The 2011 programme to support these students included

- a comprehensive disability support service including a Disability Coordinator
- Gemini Trust Disability Scholarships
- an on-line Disability Training and Awareness programme
- a satisfaction survey for students with disabilities.

At the end of 2010, 638 students with declared disabilities were asked to take part in a student satisfaction survey regarding disability support in the University. 45 students responded, which is a response rate of just 7%. 95% of survey respondents reported being satisfied or very satisfied with the Disability Support Service, with 80% quantifying their level of satisfaction as very satisfied. The need for better mobility parking was identified in the survey. From 2012 the new Student Centre will include a designated service and space for students with disabilities and students with disabilities will be provided with a rest room at a mid-point on campus.

Equal opportunities in the halls of residence

To successfully accommodate students from a wide range of needs, cultures and backgrounds, in 2011 the halls of residence provided

- a kaupapa area to provide personal, social and academic assistance for students wanting to embrace traditional Māori values and support systems, and to foster fluency in te reo Māori
- women and men-only floors, flats and cottages for Muslim and other students who prefer single gender accommodation
- a dedicated floor in Bryant Hall for Pacific Island students
- a specific academic study skills programme for Chinese students.

Each year the University offers Bryant Residential Scholarships for accommodation in the halls of residence to provide students with financial hardships the opportunity to attend the University; 15 scholarships were granted in 2011.

In addition, there are multi-service systems and a team in place to provide support and pastoral care for any students with disabilities in the halls.

1. Senior positions comprise academic appointments at senior lecturer level and above and general staff appointments at level 6 and above
2. Ethnicity is self-reported

9. Financial Overview

The University Group recorded a consolidated operating surplus of \$8.81 million in the year to 31 December, 2011, compared with a surplus of \$8.85 million in the previous year. This excellent result is consistent with the financial performance achieved in 2010.

On a comprehensive income basis the University Group recorded a deficit of \$1.84 million for the year as a result of revaluation downwards of the University's buildings of \$10.65 million. The primary reason for the revaluation downwards was a fall in the replacement costs of certain key buildings. The University also reviewed its fair value of its building and infrastructure assets in 2010 however it was considered that there were no significant movement in the valuations of these assets and as a result there was no change the carrying value of these assets.

The continued strong financial performance of the University Group operations this year was achieved through solid revenue growth of 6 percent over the previous year and control over expenditure. This growth rate is significantly up on the 2.3 percent revenue growth achieved in 2010 with the University recording total revenue of \$224.26 million, up \$12.65 million from \$211.61 million in 2010. The University Group has now recorded continuous revenue growth for over twenty one years.

The University achieved its investment plan targets for Ministry funded student enrolments, enrolling 8,660 equivalent full time students (EFTS), by actively managing enrolments throughout the year. In 2009 and 2010, the University exceeded the investment plan targets by 6 percent and 2 percent respectively, however these additional EFTS were not funded by the Government. 2011 ministry funded EFTS is 114 more than the previous year and were all fully funded by Government as part of negotiated increases in the capped funding. The increase in Ministry funded enrolment numbers plus increases in fees resulted in 2.62 percent growth in income or \$3.28 million.

The University recorded growth in research income of 13 percent to \$31.08 million and growth in commercial income (other income plus advisory grants) of 19 percent. Fees from international fees were static year on year due to fee increases and effect of the removal of grandparenting of international tuition fees offsetting a 7.27 percent fall in full cost international student enrolments.

University subsidiary, WaikatoLink Limited improved its financial performance through tighter budget control and cost cutting measures and reduced its deficit by 53 percent to \$0.74 million. The University of Waikato Research Trust also recorded a small deficit of \$0.26 million, in spite of increased revenue of \$0.82 million (or 63 percent), as researchers utilised funds for further research initiatives. In comparison the Research Trust recorded a surplus of \$0.20 million in 2010. Offsetting these results was the University of Waikato Foundation Trust which recorded a surplus of \$1.52 million in 2011 on the back of a 37 percent increase in donations to \$1.38 million compared with \$1.01 million in 2010.

The University's revenue of \$220.99 million was \$13.06 million or 6.3 percent higher than last year. It exceeded budget by \$10.75 million or 5.1 percent, primarily driven by increased research income and Government advisory services grants as mentioned above.

The operating environment continues to be challenging, and the University has put in significant effort to control costs. However, while the University grew revenue by 6.3 percent expenditure increased by 6.7 percent. This is largely due to the areas of increased revenue – research and advisory services grant – require specific new activities to be undertaken resulting in increased direct costs. Thus the largest cost increase was in operating costs, with these costs increasing \$7.42 million as well as academic salaries increasing by \$3.59 million.

The University only surplus of \$9.05 million is \$1.35 million less than budget and \$0.32 million less than the previous year. This represents a return of 3.9 percent on total revenue (compared with 4.51 percent in 2010) and is well inside the guidelines of 3.0 – 5.0 percent promulgated by the Tertiary Education Commission. The University is at the end of its three year programme to reprioritise its activities and to review its operations to ensure the University's cost structures match its revenue streams. It is pleasing to see that the University has achieved its targets and is now consistently producing solid financial results year after year. However there is still work to do to ensure that the University has the mechanisms in place to consistently produce sufficient surpluses to ensure its long term financial health.

9. Financial Overview

The University Group again generated strong operating cash flows, recording net cash flows from operations of \$26.65 million, but slightly down on the previous year by \$4.26 million (or 13.78 percent) from 2010. These cash flows were reinvested back into the University's campus and resources, with the University spending \$27.25 million on capital expenditure.

In 2007, the University launched a significant capital works programme, beginning with the redevelopment of the University's retail area and construction of a new student centre, located at the centre of the campus. In March 2009, the retail development was completed on time and within budget. Construction for the entire project was completed in 2011, on time and within budget.

Andrew McKinnon
Chief Financial Officer

10. Report of the Auditor-General



Independent Auditor's Report

To the readers of University of Waikato and group's financial statements and statement of service performance for the year ended 31 December 2011

The Auditor-General is the auditor of University of Waikato (the University) and group. The Auditor-General has appointed me, B H Halford, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements and statement of service performance of the University and group on her behalf.

We have audited:

- the financial statements of the University and group on pages 31 to 90, that comprise balance sheet as at 31 December 2011, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information; and
- the statement of service performance of the University and group on pages 91 to 98.

Opinion

In our opinion:

- the financial statements of the University and group on pages 31 to 90:
 - comply with generally accepted accounting practice in New Zealand; and
 - fairly reflect the University and group's :
 - financial position as at 31 December 2011; and
 - financial performance and cash flows for the year ended on that date; and
- the statement of service performance of the University and group on pages 91 to 98 fairly reflects the University and group's service performance achievements measured against the performance targets adopted for the year ended 31 December 2011

The audit was completed on 14 March 2012. This is the date at which our opinion is expressed.

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

Basis of opinion

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

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

An audit involves carrying out procedures to obtain audit evidence about the amounts and disclosures in the financial statements and statement of service performance. The procedures selected depend on our judgement, including our assessment of risks of material misstatement of the financial statements and statement of service performance, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the University and group's preparation of the financial statements and statement of service performance that fairly reflect the matters to which they relate. We consider internal control in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the University and group's internal control.

An audit also involves evaluating:

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

10. Report of the Auditor-General

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements and statement of service performance. We have obtained all the information and explanations we have required and we believe we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

Responsibilities of the Council

The Council is responsible for preparing financial statements that:

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

The Council is also responsible for preparing a statement of service performance that fairly reflects the University and group's service performance achievements.

The Council is responsible for such internal control as it determines is necessary to enable the preparation of financial statements and a statement of service performance that are free from material misstatement, whether due to fraud or error.

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

Responsibilities of the Auditor

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

Independence

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

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



B H Halford
Audit New Zealand
On behalf of the Auditor-General
Tauanga, New Zealand

Matters Relating to the Electronic Presentation of the Audited Financial Statements, Performance Information

This audit report relates to the financial statements and performance information of the University of Waikato and group for the year ended 31 December 2011 included on the University of Waikato and group's web-site. The University of Waikato and group's Council is responsible for the maintenance and integrity of the University of Waikato and group's web site. We have not been engaged to report on the integrity of the University of Waikato and group's web site. We accept no responsibility for any changes that may have occurred to the financial statements, performance information and other requirements since they were initially presented on the web site.

The audit report refers only to the financial statements and performance information named above. It does not provide an opinion on any other information which may have been hyperlinked to or from the financial statements and performance information. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the hard copy of the audited financial statements and performance information as well as the related audit report dated 14 March 2012 to confirm the information included in the audited financial statements and performance information presented on this web site.

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

11. Statement of Responsibility

In the financial year ended 31 December 2011, the Council and management of The University of Waikato were responsible for:

1. The preparation of the annual financial statements and statement of service performance, and the judgements used in them;
2. Establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting; and
3. In the opinion of Council and management of The University of Waikato, the annual financial statements and statement of service performance of the financial year ended 31 December 2011 fairly reflect the financial position and operations of The University of Waikato and group.



Chancellor

Rt Hon Jim Bolger
14 March 2012



Vice-Chancellor

Professor Roy Crawford
14 March 2012

Statement of Comprehensive Income

For the Year Ended 31 December 2011

	Notes	Consolidated		University		
		This Year	Last Year	This Year	Budget	Last Year
		\$000	\$000	\$000	\$000	\$000
Revenue						
Government Funding and Grants	2	97,989	93,641	97,989	89,372	93,641
Tuition Fees	3	67,253	65,037	67,253	68,353	65,037
Research		31,077	27,459	31,077	27,938	27,464
Interest		1,735	1,560	1,647	1,541	1,428
Other Income	4	24,390	22,581	22,305	22,367	20,030
Donations		1,813	1,328	718	666	332
Total Revenue		224,257	211,606	220,989	210,237	207,932
Costs						
Personnel Costs	19	128,656	123,349	125,682	121,849	120,625
Other Costs	5	67,570	60,513	67,618	60,736	60,196
Finance		263	215	206	-	162
Depreciation, Amortisation and Impairment	15,16	19,029	18,804	18,429	17,250	17,578
Total Costs		215,518	202,881	211,935	199,835	198,561
Share of Surplus/(Deficit) from Associates	6	66	129	-	-	-
Surplus		8,805	8,854	9,054	10,402	9,371
Surplus Attributable to:						
University of Waikato		9,196	9,015	9,054	10,402	9,371
Non-Controlling Interest		(391)	(161)	-	-	-
Surplus		8,805	8,854	9,054	10,402	9,371
Other Comprehensive Income						
Gains on Property revaluations	7	(10,652)	-	(10,652)	-	-
Share of Other Comprehensive Income of Associates						
Total Comprehensive Income		(1,847)	8,854	(1,598)	10,402	9,371
Comprehensive Income Attributable to:						
University of Waikato		(1,456)	9,015	(1,598)	10,402	9,371
Non-Controlling Interest		(391)	(161)	-	-	-
Total Comprehensive Income for the Year		(1,847)	8,854	(1,598)	10,402	9,371

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

**Statement of
Changes in Equity**
For the Year Ended 31 December 2011

	Notes	Consolidated		University		
		This Year \$000	Last Year \$000	This Year \$000	Budget \$000	Last Year \$000
Opening Equity at 1 January		338,927	329,880	318,782	319,859	309,411
Comprehensive Income						
Surplus		8,805	8,854	9,054	10,402	9,371
Other Comprehensive Income		(10,652)	-	(10,652)	-	-
Total Comprehensive Income		(1,847)	8,854	(1,598)	10,402	9,371
Staff Share Options and Capital Issued		29	308	-	-	-
Non-Controlling Interest Arising on Share Buy Back		-	-	-	-	-
Associate Prior Year Gains/Losses Reversed on Share Buy Back		-	(115)	-	-	-
Closing Equity at 31 December		337,109	338,927	317,184	330,261	318,782
Attributable to:						
University of Waikato	7	336,271	337,698	317,184	330,261	318,782
Minority interest		838	1,229	-	-	-
		337,109	338,927	317,184	330,261	318,782

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

Balance Sheet

As at 31 December 2011

	Notes	Consolidated		University		
		This Year \$000	Last Year \$000	This Year \$000	Budget \$000	Last Year \$000
Assets						
Current Assets						
Cash and Cash Equivalents	8	14,043	11,564	12,157	22,435	10,381
Trade and Other Receivables	9	17,714	13,811	15,005	11,301	11,630
Inter Company Balances	10	-	-	6,762	4,814	4,759
Prepayments		4,303	4,395	4,303	1,458	4,395
Other Financial Assets	11	7,000	12,000	7,000	-	12,000
Inventories	12	1,297	983	1,297	974	983
Total Current Assets		44,357	42,753	46,524	40,982	44,148
Non Current Assets						
Investments in Associates	6	2,233	2,191	875	875	875
Investments	13	392	609	2,198	4,192	2,414
Loans and Receivables	14	-	146	-	146	146
Intangible Assets	15	14,598	13,525	6,111	5,966	6,259
Property, Plant and Equipment	16	343,349	345,217	343,248	357,570	345,083
Total Non Current Assets		360,572	361,688	352,432	368,749	354,777
Total Assets		404,929	404,441	398,956	409,731	398,925

Balance Sheet

As at 31 December 2011

	Notes	Consolidated		University		
		This Year \$000	Last Year \$000	This Year \$000	Budget \$000	Last Year \$000
Liabilities						
Current Liabilities						
Income in Advance	17	26,368	27,830	26,368	32,904	27,796
Trade and Other Payables	18	13,612	12,256	12,375	5,788	11,535
Employee Entitlements	19	14,227	13,868	13,877	14,180	13,456
Borrowings	20	3	2	3	22	2
Total Current Liabilities		54,210	53,956	52,623	52,894	52,789
Non Current Liabilities						
Employee Entitlements	19	12,277	10,222	12,277	10,515	10,222
Borrowings	20	1,333	1,336	1,333	1,227	1,336
University of Waikato Research Trust Payable	10	-	-	15,539	15,834	15,796
Total Non Current Liabilities		13,610	11,558	29,149	27,576	27,354
Equity						
General Equity	7	201,561	192,349	182,474	188,052	173,433
Other Reserves	7	134,710	145,349	134,710	142,209	145,349
Equity - Parent		336,271	337,698	317,184	330,261	318,782
Non-Controlling Interest		838	1,229	-	-	-
Total Equity		337,109	338,927	317,184	330,261	318,782
Total Liabilities and Equity		404,929	404,441	398,956	410,731	398,925

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

**Statement of
Cash Flows**
For the Year Ended 31 December 2011

	Notes	Consolidated		University		
		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		97,989	93,641	97,989	90,917	93,641
Revenues from Tuition Fees		66,370	64,869	66,370	67,189	64,869
Other Revenue		56,077	56,704	52,429	49,219	51,768
Interest Received		1,684	1,683	1,647	1,545	1,428
Goods and Services Tax (net)		(1,932)	(141)	(1,932)	(498)	(141)
		220,188	216,756	216,503	208,372	211,565
Cash was applied to:						
Interest Paid		(308)	(215)	(206)	(168)	(162)
Suppliers		(71,439)	(65,597)	(71,380)	(58,057)	(63,820)
Employees		(121,795)	(120,041)	(119,292)	(121,557)	(117,799)
		(193,542)	(185,853)	(190,878)	(179,782)	(181,781)
Net Cash Flows from Operating Activities	21	26,646	30,903	25,625	28,590	29,784
Cash Flows from Investing Activities						
Cash was provided from:						
Cash Dividends		-	-	31	-	116
Property, Plant and Equipment Sales		235	166	235	-	166
Short Term Investments		12,115	-	12,115	-	-
		12,350	166	12,381	-	282
Cash was applied to:						
Term Investments		-	-	(1,929)	-	(1,455)
Purchase of Investments		-	-	-	-	-
Short Term Investments		(7,458)	(3,195)	(7,000)	(1,750)	(2,942)
Intangibles		(1,834)	(2,360)	(71)	-	(1,047)
Property Plant & Equipment		(27,251)	(24,669)	(27,226)	(29,913)	(24,644)
		(36,543)	(30,224)	(36,226)	(31,663)	(30,088)
Net Cash Flows from Investing Activities		(24,193)	(30,058)	(23,845)	(31,663)	(29,806)

**Statement of
Cash Flows**
For the Year Ended 31 December 2011

	Notes	Consolidated		University		
		This Year \$000	Last Year \$000	This Year \$000	Budget \$000	Last Year \$000
Cash Flows from Financing Activities						
Distribution from Foundation		-	-	-	-	294
Issue of Share Capital		29	303	-	-	-
		29	303	-	-	294
Cash was applied to:						
Repayment of Finance Lease Liabilities		(3)	(2)	(3)	-	(2)
Dividends Paid		-	-	-	-	-
Loans Repaid		-	(82)	-	(80)	(82)
		(3)	(84)	(3)	(80)	(84)
Net Cash Flows from Financing Activities		26	219	(3)	(80)	210
Net Cash Flows From All Activities		2,479	1,064	1,777	(3,153)	188
Opening Cash and Cash Equivalents		11,564	10,500	10,380	25,588	10,193
Closing Cash and Cash Equivalents		14,043	11,564	12,157	22,435	10,381

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

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

Notes to the Financial Statements

Note 1: Statement of accounting policies for the year ended 31 December 2011

The Reporting Entity

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

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

The financial statements were authorised for issue by Council on 14 March 2012.

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 2011 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 2011 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 2011 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 2011 have been fully consolidated into the University group results.
- The University of Waikato Research Trust, incorporated as a Charitable Trust in 2007, and the results for the year ended 31 December 2011 have been fully incorporated into the University group results.
- U Leisure Limited is 50% owned by the University. The remaining 50% is owned by the Waikato Students' Union (Incorporated). U Leisure Limited commenced operations from 1 August 1996, replacing the Student Union Services Management Board. Equity Accounting methods have been used to report the results of U Leisure Limited which has a balance date of 31 December.
- LCo New Zealand Limited is 24% owned by the University. The remaining 76% is owned by three other New Zealand universities. LCo New Zealand Limited was incorporated December 2003. Equity Accounting methods have been used to report the results of LCo New Zealand Limited which has a balance date of 31 December.

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

Basis of Preparation

These financial statements have been prepared in accordance with NZ GAAP. They comply with NZ IFRS, and other applicable Financial Reporting Standards, as appropriate for Public Benefit entities.

The accounting policies set out below have been applied in preparing the financial statements for the year ended 31 December 2011 and the comparative information presented in these financial statements for the year ended 31 December 2010.

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

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

Basis of Consolidation

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

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

Notes to the Financial Statements

Subsidiaries

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

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

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

Associates

The University accounts for an investment in an associate in the group financial statements using the equity method. An associate is an entity over which the University has significant influence and that is neither a subsidiary nor an interest in a joint venture. The investment in an associate is initially recognised at cost and the carrying amount is increased or decreased to recognise the University's share of the surplus or deficit of the associate after the date of acquisition. The University's share of the surplus or deficit of the associate is recognised in the University's statement of comprehensive income. Distributions received from an associate reduce the carrying amount of the investment.

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

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

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

Budget Figures

Budget figures are those approved by the Finance Committee per minutes of 31 August 2010 for the University entity. The budget figures have been prepared in accordance with NZ GAAP and are consistent with the accounting policies adopted by the Council for the preparation of the financial statements.

Cash flow Statement

Cash and cash equivalents

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

Operating activities

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

Investing activities

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

Financing activities

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

Notes to the Financial Statements

Revenue

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

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

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

Government Grants are recognised as revenue on entitlement.

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

Interest income is recognised using the effective interest method.

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

Borrowing Costs

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

Trade and Other Receivables

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

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

Employee entitlements

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

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

Additionally provision has been made, where applicable, using an actuarial valuation for retirement gratuities and long service leave. This valuation, as at 31 December 2011, was undertaken by Mercer (NZ) Limited (Actuaries). The calculations are based on:

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

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

Notes to the Financial Statements

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

Insufficient information is available to use defined benefit accounting, as it is not possible to determine from the terms of the schemes (Kiwisaver, NZ Universities' Superannuation Scheme, National Provident Fund and the Government Superannuation Fund) the extent to which the surplus/deficit will affect future contributions by individual employers, as there is no prescribed basis for allocation. The schemes are therefore accounted for as defined contribution schemes. Further information on these schemes is disclosed in note 19.

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

Equity

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

- General Equity
- Asset Revaluation Reserve
- Restricted Reserves

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

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

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

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

Income tax

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

Goods and services tax

Goods and Services Tax (GST) is excluded from these financial statements, with the exception of accounts receivable and accounts payable. Where GST is not recoverable as input tax then it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the balance sheet.

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

Commitments and contingencies are disclosed exclusive of GST.

Notes to the Financial Statements

Inventories

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

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

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

Financial Assets

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

Financial assets are initially measured at fair value plus transaction costs unless they are carried at fair value through surplus or deficit in which case the transaction costs are recognised in surplus or deficit.

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

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

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

The four categories of financial assets are:

Financial assets at fair value through surplus or deficit.

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

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

Assets in this category for the group include listed securities.

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

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

Notes to the Financial Statements

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

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

The University does not have any financial assets classified as held to maturity.

- Financial assets at fair value through other comprehensive income.

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

This category encompasses:

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

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

Impairment of Financial Assets

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

Leases

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

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

Property, Plant and Equipment:

Land

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

Buildings

The majority of buildings recognised in the financial statements, including the previous Hamilton Teachers' College buildings, are still subject to the legal transfer of ownership from the Ministry of Education. The University is of the opinion that as at 31 December 2011 it is in substance the owner of these Buildings and assumes all the normal risks and rewards of ownership.

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

Notes to the Financial Statements

Infrastructural assets

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

Library

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

Assets Under Construction/Work in Progress

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

Other Property, Plant and Equipment

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

Depreciation

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

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

Revaluations

Revaluation of plant, property and equipment is carried out on a class of assets basis. The net revaluation results are credited or debited to other comprehensive income and are accumulated to an asset revaluation reserve in equity for that class of asset. Where this would result in a debit balance in the asset revaluation reserve, this balance is not recognised in other comprehensive income but is recognised in the surplus or deficit. Any subsequent increase on revaluation that reverses a previous decrease in value recognised in the surplus or deficit will be recognised first in the surplus or deficit up to the amount previously expensed, and then recognised in other comprehensive income.

Disposals

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

Notes to the Financial Statements

Intangible assets

Patents, trademarks and licences

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

Computer Software

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

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

Research

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

Intellectual Property Development

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

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

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

Impairment of non current assets

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

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

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

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

Notes to the Financial Statements

Provisions

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

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

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

Restructuring

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

- starting to implement the plan – OR
- announcing its main features to those affected by it

Trade and Other Payables

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

Borrowings

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

Changes in Accounting Policies

There have been no changes in accounting policies for the year ended 31 December 2011.

Adoption of the revised NZ IAS 24 Related Party disclosures

The revised NZ IAS 24 Related Party Disclosures (Revised 2009) has been adopted for the year ended 31 December 2011. The effect of adopting the revised NZ IAS is;

- more information is required to be disclosed about transactions between the University and government-related entities; and
- commitments with related parties now require disclosure.

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

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

- NZ IFRS 9 *Financial Instruments* will eventually replace NZ IAS 39 *Financial Instruments: Recognition and Measurement*. NZ IAS 39 is being replaced through the following 3 main phases: Phase 1 Classification and Measurement, Phase 2 Impairment Methodology, and Phase 3 Hedge Accounting. Phase 1 has been completed and has been published in the new financial instrument standard NZ IFRS 9. NZ IFRS 9 uses a single approach to determine whether a financial asset is measured at amortised cost or fair value, replacing the many different rules in NZ IAS 39. The approach in NZ IFRS 9 is based on how an entity manages its financial instruments (its business model) and the contractual cash flow characteristics of the financial assets. The financial liability requirements are the same as those of NZ IAS 39, except for when an entity elects to designate a financial liability at fair value through the surplus or deficit. The new standard is required to be adopted for the year ended 31 December 2013. The University has not yet assessed the impact of the new standard and expects it will not be early adopted.
- FRS-44 *New Zealand Additional Disclosures and Amendments to NZ IFRS to harmonise with IFRS and Australian Accounting Standards (Harmonisation Amendments)* – These were issued in May 2011 with the purpose of harmonising Australia and New Zealand's accounting standards in each jurisdiction. The amendments must first be adopted for the year ended 31 December 2012. The University has not yet assessed the effects of FRS-44 and the Harmonisation amendments.

Notes to the Financial Statements

As the External Reporting Board is consulting on a new accounting standards framework for public benefit entities, it is expected that all new IFRS and amendments to existing NZ IFRS with a mandatory effective date for annual reporting periods commencing on or after 1 January 2012 will not be applicable to public benefit entities. This means that the financial reporting requirements for public benefit entities are expected to be effectively frozen in the short term. Accordingly, no disclosure has been made about new or amended NZ IFRS that exclude public benefit entities from their scope.

Critical accounting estimates and assumptions

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

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

Critical judgements in applying the University's accounting policies

Management has exercised the following critical judgements in applying the University's accounting policies for the period ended 31 December 2011:

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

Notes to the Financial Statements

Note 2: Government Funding and Grants

	Consolidated		University	
	This Year	Last Year	This Year	Last Year
	\$000	\$000	\$000	\$000
Block Grants	85,894	84,639	85,894	84,639
Advisory Services Grants	10,318	7,076	10,318	7,076
Other Grants	1,777	1,926	1,777	1,926
Total Government Funding and Grants	97,989	93,641	97,989	93,641

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

Notes to the Financial Statements

Note 3: Tuition Fees

	Consolidated		University	
	This Year	Last Year	This Year	Last Year
	<i>\$000</i>	<i>\$000</i>	<i>\$000</i>	<i>\$000</i>
Government Funded Students	40,590	38,618	40,590	38,618
Full Cost International Students	26,663	26,419	26,663	26,419
Total Fees	67,253	65,037	67,253	65,037

Notes to the Financial Statements

Note 4: Other Income

	Consolidated		University	
	This Year	Last Year	This Year	Last Year
	\$000	\$000	\$000	\$000
Student Accommodation and Other Services	8,980	7,710	8,980	7,710
Rental	766	735	819	823
Carbon Dating	1,205	1,104	1,205	1,104
Printing and Copying Services	1,391	1,444	1,391	1,444
Teaching Resource Sales	648	719	648	719
Other Income	11,400	10,869	9,262	8,230
Total Other Income	24,390	22,581	22,305	20,030

Notes to the Financial Statements

Note 5: Other Costs

	Consolidated		University	
	This Year	Last Year	This Year	Last Year
	\$000	\$000	\$000	\$000
<i>Fees to principal auditor</i>				
Audit fees for financial statement audit	228	248	180	152
Audit fees for assurance services	10	-	10	6
Loss on Disposal of Property Plant & Equipment	(36)	105	(36)	105
Foreign Exchange (Gain)/Loss	84	(21)	84	(21)
Impairment of Receivables	(409)	(802)	(409)	(375)
Travel and Accommodation	5,819	5,446	5,201	4,730
Operating Leases	3,378	3,373	3,378	3,373
Scholarships	10,344	10,033	10,188	9,835
Hirage	2,210	1,472	2,209	1,471
Repairs and Maintenance	3,206	3,304	3,201	3,304
Teaching and Research Materials	2,052	1,960	1,953	1,795
Utilities	3,718	3,538	3,706	3,538
Koha Payments	16	12	16	12
Other operating expenses	36,950	31,844	37,937	32,271
Total other costs	67,570	60,513	67,618	60,196

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

Notes to the Financial Statements

Note 6: Investments in Associates

	Consolidated		University	
	This Year	Last Year	This Year	Last Year
	\$000	\$000	\$000	\$000
Investments in Associates				
U Leisure Limited Investment	1,602	1,553	374	374
LCo New Zealand Limited Investment	631	638	501	501
Total Investments in Associates	2,233	2,191	875	875

Associates

	Ownership	Balance Date
U Leisure Limited (previously known as 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	Last Year
	\$000	\$000
The University's share of the results of U Leisure Limited is as follows:		
Share of retained surplus/(loss)	49	75
Investment in Associate		
Opening Balance	1,553	1,478
Share of retained surplus/(loss)	49	75
Closing Balance	1,602	1,553
Represented by:		
Share of increase in net assets of associate (Carrying Value)	1,602	1,553

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
The University's share of the results of LCoNZ is as follows:	\$000	\$000
Share of retained surplus/(loss)	17	54
Investment in Associate		
Opening Balance	638	606
Share of retained surplus/(loss)	17	54
Dividend paid	(24)	(22)
Closing Balance	631	638
Represented by:		
Share of increase in net assets of associate (Carrying Value)	631	638
Summarised Financial Information of Associates		
Assets	7,825	6,697
Liabilities	1,990	928
Net Assets	5,835	5,769
Revenue	4,638	4,630
Net Surplus/(Loss)	187	388
Share of Associates' surplus/(loss)	66	129

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

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

Notes to the Financial Statements

Note 7: Equity General Equity

	Ref	Consolidated		University	
		This Year	Last Year	This Year	Last Year
		\$000	\$000	\$000	\$000
Opening Balance		192,349	183,659	173,433	164,330
Net Surplus/(Deficit)		8,805	8,854	9,054	9,371
Staff Share Options Issued	i	29	56	-	-
Associate prior year gains/losses reversed on share buy back		-	(113)	-	-
<i>less appropriations of net surplus to:</i>					
Restricted Reserves					
Prizes, Scholarships and Trust Funds		(913)	(1,195)	(913)	(1,195)
Surplus attributable to Non-Controlling Interest		391	161	-	-
<i>plus transfers from</i>					
Prizes, Scholarships and Trust Funds		900	927	900	927
Closing Balance		201,561	192,349	182,474	173,433

Other Reserves

	Ref	Consolidated		University	
		This Year	Last Year	This Year	Last Year
		\$000	\$000	\$000	\$000
Asset Revaluation Reserve	ii	131,557	142,209	131,557	142,209
Restricted Reserves	iii	3,153	3,140	3,153	3,140
Total Other Reserves		134,710	145,349	134,710	145,349
Total Equity		336,271	337,698	317,184	318,782

i) Staff Share Options Issued

During 2008, 11 Ants Ltd, a subsidiary of WaikatoLink, established a share option programme that entitles key personnel to purchase shares in the company. In accordance with this programme options are exercisable at the market price of the shares at the date of grant. During the 2011 year \$28,985 of options were exercised (2010 : \$56,180).

Notes to the Financial Statements

ii) Asset Revaluation Reserve

	Consolidated		University	
	This Year	Last Year	This Year	Last Year
	\$000	\$000	\$000	\$000
Opening Balance	142,209	142,209	142,209	142,209
Revaluation	(10,652)	-	(10,652)	-
Transfer on disposal of assets	-	-	-	-
Net Increase in Asset Revaluation Reserve	(10,652)	-	(10,652)	-
Closing Balance	131,557	142,209	131,557	142,209

Represented by:

Land

Opening Balance	790	790	790	790
Revaluation	(60)	-	(60)	-
Closing Balance	730	790	730	790

Buildings

Opening Balance	130,458	130,458	130,458	130,458
Revaluation	(14,692)	-	(14,692)	-
Transfer on disposal of assets	-	-	-	-
Closing Balance	115,766	130,458	115,766	130,458

Infrastructural Assets

Opening Balance	10,961	10,961	10,961	10,961
Revaluation	4,100	-	4,100	-
Closing Balance	15,061	10,961	15,061	10,961

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 recorded in the Statement of Comprehensive Income Fund balances remaining are shown as restricted reserves.

	Consolidated		University	
	This Year	Last Year	This Year	Last Year
	\$000	\$000	\$000	\$000
Prizes, Scholarships and Trust Funds				
Opening Balance	3,140	2,872	3,140	2,872
add appropriation of Net Surplus	913	1,195	913	1,195
less application to Prizes, Scholarships and Trust Funds	(900)	(927)	(900)	(927)
Closing Balance	3,153	3,140	3,153	3,140

Notes to the Financial Statements

Note 8: Cash and Cash Equivalents

	Consolidated		University	
	This Year	Last Year	This Year	Last Year
	<i>\$000</i>	<i>\$000</i>	<i>\$000</i>	<i>\$000</i>
Cash at bank and in hand	1,833	1,436	1,119	617
Term deposits maturing three months or less from date of acquisition	12,210	10,128	11,038	9,764
	14,043	11,564	12,157	10,381

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

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

Notes to the Financial Statements

Note 9: Trade and Other Receivables

	Consolidated		University	
	This Year	Last Year	This Year	Last Year
	\$000	\$000	\$000	\$000
Trade Receivables	9,091	5,452	6,946	3,471
Student Fee Receivables	8,264	8,867	8,264	8,867
Receivables from Subsidiaries	-	-	272	208
Receivables from Related Parties	1,049	592	193	163
Impairment of Debtors	(690)	(1,099)	(670)	(1,079)
	17,714	13,811	15,005	11,630

Included in Student Fee Receivables is \$7.8M (2010 : \$8.2M) of 2012 fees which have been invoiced but are not due for payment until 2012. Also refer note 17.

The carrying value of receivables approximates their fair value.

No interest is charged on trade receivables. An allowance has been made for estimated irrecoverable amounts from debtors, determined by reference to individual debtors, past default experience and the age of the debt.

The movement for impairment is recognised in the Statement of Comprehensive Income for the current year (refer note 5).

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

Notes to the Financial Statements

As at 31 December 2011 and 2010, all overdue receivables have been assessed for impairment and appropriate provisions applied, as detailed below:

	University					
	This Year			Last Year		
	Gross \$000	Impairment \$000	Net \$000	Gross \$000	Impairment \$000	Net \$000
Not past due	7,477	(33)	7,444	9,154	(321)	8,833
Past due 1-30 days	5,861	-	5,861	2,319	-	2,319
Past due 31-60 days	1,510	-	1,510	331	-	331
Past due 61+ days	827	(637)	190	905	(758)	147
Total	15,675	(670)	15,005	12,709	(1,079)	11,630

	Consolidated					
	This Year			Last Year		
	Gross \$000	Impairment \$000	Net \$000	Gross \$000	Impairment \$000	Net \$000
Not past due	9,137	(33)	9,104	10,240	(321)	9,919
Past due 1-30 days	5,885	-	5,885	2,321	-	2,321
Past due 31-60 days	1,518	-	1,518	331	-	331
Past due 61+ days	1,864	(657)	1,207	2,018	1,163	1,240
Total	18,404	(690)	17,714	14,910	(1,099)	13,811

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

	Consolidated		University	
	This Year \$000	Last Year \$000	This Year \$000	Last Year \$000
	At 1 January	1,099	3,040	1,079
Provisions made during the year	(137)	(802)	(137)	(375)
Receivables written off during the year	(272)	(1,139)	(272)	(139)
At 31 December	690	1,099	670	1,079

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

Notes to the Financial Statements

Note 10: Intercompany Balances

	Consolidated		University	
	This Year	Last Year	This Year	Last Year
	\$000	\$000	\$000	\$000
University of Waikato Foundation Trust	-	-	(141)	(221)
University of Waikato Alumni Association	-	-	(5)	(5)
Student Campus Building Fund Trust	-	-	(908)	(926)
LCo New Zealand Limited Investment	-	-	(85)	(61)
WaikatoLink Limited	-	-	7,901	5,972
University of Waikato Research Trust	-	-	(15,539)	(15,796)
Total Intercompany Balances	-	-	(8,777)	(11,037)
Current Portion	-	-	6,762	4,759
Non Current Portion	-	-	(15,539)	(15,796)
Total Intercompany Balances	-	-	(8,777)	(11,037)

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

All current accounts with the exception of the University of Waikato Research Trust are classified as current. The University of Waikato Research Trust is classified as non-current as the Research Trust trustees are unable to determine the repayment amount, if any, that will be required during the 12 months to December 2012.

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

As at 31 December 2011 the University had advanced to WaikatoLink Ltd a total of \$7,900,540 by way of shareholder loan. \$400,000 of this loan is subject to an interest rate equal to the interest rate that the University receives on deposits, and an additional \$210,000 advanced during 2009, \$1,500,000 advanced during 2010, and \$1,940,000 advanced during 2011 is subject to a 3% pa interest rate. The balance of the loan is interest free and repayable on demand. The University has undertaken not to demand repayment until WaikatoLink has sufficient free cash available to make repayments.

Notes to the Financial Statements

Note 11: Other Financial Assets

	Consolidated		University	
	This Year	Last Year	This Year	Last Year
	\$000	\$000	\$000	\$000
Other Financial Assets				
Term Deposits with maturities of 4-12 months	7,000	12,000	7,000	12,000
Total Other Financial Assets	7,000	12,000	7,000	12,000

The weighted average effective interest rates on term deposits are disclosed in Note 24: Financial Instruments.

These deposits are valued at amortised cost using the effective interest method.

There was no impairment provision for investments.

Notes to the Financial Statements

Note 12: Inventories

	Consolidated		University	
	This Year	Last Year	This Year	Last Year
	\$000	\$000	\$000	\$000
Held for Sale	289	267	289	267
Held for Distribution/Use	1,008	716	1,008	716
	1,297	983	1,297	983

No inventories are pledged as security for liabilities or subject to retention of title clauses. (2010 \$nil).

There were no writedowns for obsolescence in 2011 (2010 \$nil).

Notes to the Financial Statements

Note 13: Investments

	Consolidated		University	
	This Year	Last Year	This Year	Last Year
	\$000	\$000	\$000	\$000
Strategic Investments				
NZ Tec Consortium Limited	-	20	-	20
NZ Synchrotron Group Limited	198	198	198	198
Hamilton Fibre Network (HFN) Limited	-	196	-	196
Titanox Development Limited	194	195	-	-
Investments in Subsidiaries				
WaikatoLink Limited	-	-	2,000	2,000
	392	609	2,198	2,414

Investments in unlisted entities, and subsidiaries above are carried at cost less impairment as either the fair value of the investment cannot be reliably determined using a standardised valuation technique or due to cost not being materially different to fair value.

During 2011 the shareholders of Hamilton Fibre Network Limited resolved to sell the company to WEL Networks. At the time of sale the University held 4.79% of the shares in Hamilton Fibre Network Limited.

During 2011 NZ Tec Consortium capital of \$20,000 was repaid to the University. The University still retains a shareholding in NZ Tec Consortium.

Notes to the Financial Statements

Note 14: Loans and Receivables

	Consolidated		University	
	This Year	Last Year	This Year	Last Year
	\$000	\$000	\$000	\$000
Hamilton Fibre Network Limited	-	146	-	146
	-	146	-	146

As part of its shareholder contribution to the company the University loaned Hamilton Fibre Network Limited \$146,152. As part of the agreement to sell Hamilton Fibre Network Limited to WEL Networks the balance of the loan was converted to share capital, which was included in the purchase by WEL Networks. (Refer note 13)

After initial recognition the loans are measured at amortised cost using the effective interest method.

Gains and losses when the asset is impaired or derecognised are recognised in the Statement of Comprehensive Income.

Notes to the Financial Statements

Note 15: Intangible Assets

	Consolidated				University		
	Software - Purchased	Software - Internally Generated	Non Software Development Costs	Consolidated Total	Software - Purchased	Software - Internally Generated	University Total
<i>This Year</i>	<i>\$000</i>	<i>\$000</i>	<i>\$000</i>	<i>\$000</i>	<i>\$000</i>	<i>\$000</i>	<i>\$000</i>
Opening Balance at 1 January 2011							
Cost	14,437	925	9,400	24,762	14,422	925	15,347
Accumulated Amortisation and Impairment	(8,480)	(617)	(2,140)	(11,237)	(8,471)	(617)	(9,088)
Opening Carrying Amount	5,957	308	7,260	13,525	5,951	308	6,259
Year Ended 31 December 2011							
Additions	1,573	-	2,090	3,663	1,573	-	1,573
Disposals	-	-	(328)	(328)	-	-	-
Amortisation and Impairment Charge	(1,649)	(76)	(537)	(2,262)	(1,645)	(76)	(1,721)
Closing Carrying Amount	5,881	232	8,485	14,598	5,879	232	6,111
Closing Balance at 31 December 2011							
Cost	16,010	925	11,162	28,097	15,995	925	16,920
Accumulated Amortisation and Impairment	(10,129)	(693)	(2,677)	(13,499)	(10,116)	(693)	(10,809)
Closing Carrying Amount	5,881	232	8,485	14,598	5,879	232	6,111

Notes to the Financial Statements

	Consolidated				University		
	Software - Purchased	Software - Internally Generated	Non Software Development Costs	Consolidated Total	Software - Purchased	Software - Internally Generated	University Total
<i>Last Year</i>	<i>\$000</i>	<i>\$000</i>	<i>\$000</i>	<i>\$000</i>	<i>\$000</i>	<i>\$000</i>	<i>\$000</i>
Opening Balance at 1 January 2010							
Cost	12,930	925	8,339	22,194	12,915	925	13,840
Accumulated Amortisation and Impairment	(7,238)	(541)	(980)	(8,759)	(7,233)	(541)	(7,774)
Opening Carrying Amount	5,692	384	7,359	13,435	5,682	384	6,066
Year Ended 31 December 2010							
Additions	1,507	-	1,741	3,248	1,507	-	1,507
Disposals	-	-	(680)	(680)	-	-	-
Amortisation Charge	(1,242)	(76)	(1,160)	(2,478)	(1,238)	(76)	(1,314)
Closing Carrying Amount	5,957	308	7,260	13,525	5,951	308	6,259
Closing Balance at 31 December 2010							
Cost	14,437	925	9,400	24,762	14,422	925	15,347
Accumulated Amortisation and Impairment	(8,480)	(617)	(2,140)	(11,237)	(8,471)	(617)	(9,088)
Closing Carrying Amount	5,957	308	7,260	13,525	5,951	308	6,259

Notes to the Financial Statements

Non Software Development Costs

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

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

The amount of intangible assets that are work in progress for non software development is \$4,811,000 (2010 \$3,701,000)

The amount of intangible assets that are work in progress for software purchased is \$192,000 (2010 \$459,000)

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

Notes to the Financial Statements

Note 16: Property, Plant and Equipment

This Year Consolidated	Cost/ Revaluation 1 Jan 11	Accumulated Depreciation and Impairment Charges 1 Jan 11	Carrying Amount 1 Jan 11	Current Year Additions	Current Year Disposals	Current Year Impairment Charges	Current Year Depreciation	Revaluation Movement	Cost/ Revaluation 31 Dec 11	Accumulated Depreciation and Impairment Charges 31 Dec 11	Carrying Amount 31 Dec 11
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Land	1,825	-	1,825	-	-	-	-	(60)	1,765	-	1,765
Infrastructural Assets	18,270	(772)	17,497	3,320	-	-	(812)	4,100	24,106	-	24,106
Buildings	259,510	(8,370)	251,140	38,167	-	-	(8,649)	(14,692)	265,963	-	265,963
Leasehold Building Improvements	2,548	(1,797)	751	31	-	-	(93)	-	2,578	(1,890)	688
Library Collection	57,352	(31,317)	26,035	3,111	-	-	(2,384)	-	60,464	(33,702)	26,762
Teaching & Research Equipment	61,570	(44,631)	16,938	4,746	(22)	-	(4,260)	-	65,372	(47,971)	17,401
Art Collection	335	(6)	329	122	-	-	6	-	457	-	457
Administration, Plant and Furniture	622	(444)	177	837	-	-	(110)	-	1,457	(554)	903
Motor Vehicles	3,795	(1,956)	1,839	755	(125)	-	(465)	-	3,987	(1,983)	2,004
Work in Progress	28,686	-	28,686	(25,388)	-	-	-	-	3,300	-	3,300
Total	434,512	(89,294)	345,217	25,701	(147)	-	(16,767)	(10,652)	429,449	(86,100)	343,349

Notes to the Financial Statements

Last Year Consolidated	Cost/ Revaluation 1 Jan 10	Accumulated Depreciation and Impairment Charges 1 Jan 10	Carrying Amount 1 Jan 10	Current Year Additions	Current Year Disposals	Current Year Impairment Charges	Current Year Depreciation	Revaluation Movement	Cost/ Revaluation 31 Dec 10	Accumulated Depreciation and Impairment Charges 31 Dec 10	Carrying Amount 31 Dec 10
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Land	1,825	-	1,825	-	-	-	-	-	1,825	-	1,825
Infrastructural Assets	17,894	-	17,894	376	-	-	(772)	-	18,270	(772)	17,497
Buildings	256,085	-	256,085	3,425	-	-	(8,370)	-	259,510	(8,370)	251,140
Leasehold Building Improvements	2,251	(1,699)	552	297	-	-	(98)	-	2,548	(1,797)	751
Library Collection	54,139	(29,030)	25,109	3,213	-	-	(2,287)	-	57,352	(31,317)	26,035
Teaching & Research Equipment	60,257	(43,726)	16,531	4,814	(83)	-	(4,324)	-	61,570	(44,631)	16,938
Art Collection	325	(6)	319	10	-	-	()	-	335	(6)	329
Administration, Plant and Furniture	614	(390)	223	26	-	-	(73)	-	622	(444)	177
Motor Vehicles	3,586	(1,851)	1,735	634	(127)	-	(402)	-	3,795	(1,956)	1,839
Work in Progress	18,276	-	18,276	10,410	-	-	-	-	28,686	-	28,686
Total	415,250	(76,701)	338,549	23,207	(210)	-	(16,326)	-	434,512	(89,294)	345,217

Notes to the Financial Statements

The \$101,000 (2010 - \$134,000) difference between the Property, Plant and Equipment Carrying amount, represented in the Balance Sheet for the University as compared to the value under Consolidated, is the Property, Plant and Equipment held by The University of Waikato Foundation of \$200 (2010 - \$1,000) and WaikatoLink Limited of \$101,000 (2010 - \$133,000).

Work in Progress was significantly reduced during 2011 due to the completion of the Student Centre and the capitalisation of the costs into Land and Buildings and Infrastructure Assets

Land and Buildings

Specialised buildings (e.g. campuses) are valued at fair value using optimised depreciated replacement cost because no reliable market data is available for buildings designed for education delivery purposes.

Depreciated replacement cost is determined using a number of significant assumptions. Significant assumptions include:

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

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

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

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

Infrastructure

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

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

The net carrying amount of Property, Plant and equipment held under finance leases is \$1,915,211 (2010 - \$2,042,000).

Restrictions on title

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

Notes to the Financial Statements

Note 17: Income in Advance

	Consolidated		University	
	This Year	Last Year	This Year	Last Year
	\$000	\$000	\$000	\$000
Research Income	8,826	7,549	8,826	7,549
Commercial	382	1,430	382	1,430
Tuition Fees	17,160	18,851	17,160	18,817
Total Income in Advance	26,368	27,830	26,368	27,796

Included in tuition fees is \$7.8M (2010 : \$8.2M) of 2012 fees which have been invoiced but are not due for payment until 2012. Also refer note 9.

Notes to the Financial Statements

Note 18: Trade and Other Payables

	Consolidated		University	
	This Year	Last Year	This Year	Last Year
	<i>\$000</i>	<i>\$000</i>	<i>\$000</i>	<i>\$000</i>
Trade Payables	6,156	7,643	6,384	7,497
Payables to Related Parties (see note 25)	1,051	389	273	389
GST Payable	2,876	2,457	2,835	2,453
Accruals	3,529	1,767	2,883	1,196
Trade and Other Payables	13,612	12,256	12,375	11,535

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

Notes to the Financial Statements

Note 19: Employee Entitlements

	Consolidated		University	
	This Year	Last Year	This Year	Last Year
Personnel Costs	\$000	\$000	\$000	\$000
Employee Benefit Expenses - Academic	77,462	73,776	77,245	73,656
Employee Benefit Expenses - General	49,040	48,845	46,283	46,241
Movement in Actuarial Valuation	2,154	728	2,154	728
Total Personnel Costs	128,656	123,349	125,682	120,625

	Consolidated		University	
	This Year	Last Year	This Year	Last Year
Employee Entitlements	\$000	\$000	\$000	\$000
Staff Annual and Long Service Leave vested	8,686	8,257	8,686	8,257
Sick Leave	22	38	22	38
Other Employee Entitlements	3,744	3,897	3,394	3,485
Actuarial Valuation of Anticipated Retirement Gratuities and Long Service Leave	14,052	11,898	14,052	11,898
Total Employee Entitlements	26,504	24,090	26,154	23,678
Current Portion	14,227	13,868	13,877	13,456
Non Current Portion	12,277	10,222	12,277	10,222
Total Employee Entitlements	26,504	24,090	26,154	23,678

The present value of the retirement obligations depends on factors that are determined on an actuarial basis using a number of assumptions. Two key assumptions used in calculating this liability include the discount rate and the salary inflation factor. Any changes in these assumptions will impact on the carrying amount of the liability.

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

If the salary inflation factor were to increase or decrease by 1% from that used, with all other factors held constant, the carrying amount of the gratuity liability would be an estimated \$746,000 higher/lower.

If the discount rates were to increase or decrease by 1% from that used, with all other factors held constant, the carrying amount of the gratuity liability would be an estimated \$740,000 lower/higher.

The University makes contributions to defined contribution plans which include contributions to Kiwisaver, NZ Universities' Superannuation Scheme, National Provident Fund and the Government Superannuation Fund.

Notes to the Financial Statements

The following is included in the Employee Benefit Expenses - Academic and Employee Benefit Expenses General:

	Consolidated		University	
	This Year	Last Year	This Year	Last Year
	\$000	\$000	\$000	\$000
Defined contribution plan employer contributions.	4,293	4,129	4,293	4,129

Employee Benefit Expenses - Academic and Employee Benefit Expenses - General also includes \$680,313 in restructuring costs for the year ended 31 December 2011 (2010 : \$1,107,943).

Notes to the Financial Statements

Note 20: Borrowings

	Consolidated		University	
	This Year	Last Year	This Year	Last Year
	\$000	\$000	\$000	\$000
Opening Balance	1,338	1,400	1,338	1,400
less Borrowings Repaid	(2)	(62)	(2)	(62)
Closing Balance	1,336	1,338	1,336	1,338
Current Portion - Finance Lease	3	2	3	2
Current Portion - Loan	-	-	-	-
Non Current Portion - Finance Lease	1,333	1,336	1,333	1,336
Non Current Portion – Loan	-	-	-	-
	1,336	1,338	1,336	1,338

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

Finance lease

(a) Leasing arrangements

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

(b) Finance lease liabilities

	Minimum Future Lease Payments				Present Value of minimum future lease payments			
	Consolidated		University		Consolidated		University	
	This Year	Last Year	This Year	Last Year	This Year	Last Year	This Year	Last Year
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
No later than 1 year	164	164	164	164	154	154	154	154
Between 1 and 5 years	655	655	655	655	459	459	459	459
Later than five years	4,860	5,024	4,860	5,024	723	725	723	725
Minimum Lease Payments	5,679	5,843	5,679	5,843	1,336	1,338	1,336	1,338
Less future finance charges	(4,343)	(4,505)	(4,343)	(4,505)				
Present value of minimum lease payments	1,336	1,338	1,336	1,338	1,336	1,338	1,336	1,338

Notes to the Financial Statements

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

	Consolidated		University	
	This Year	Last Year	This Year	Last Year
	\$000	\$000	\$000	\$000
Net Surplus/(Deficit)	8,805	8,854	9,054	9,371
Add/(Less) Non Cash Items:				
Depreciation and Amortisation	19,029	18,804	18,429	17,578
Increase/(Decrease) in Term Portion of Employee Entitlements	2,055	707	2,055	707
Intercompany Accounts	-	-	(331)	390
Share of Surplus/(Deficit) from Associates	(42)	-	-	-
Loss on Disposal of Property, Plant & Equipment	(36)	105	(36)	105
Other	-	357	-	-
	21,006	19,973	20,117	18,780
Add/(Less) Movements in Other Working Capital Items:				
(Increase)/Decrease in Trade and Other Receivables	(3,444)	(1,900)	(3,374)	(1,784)
Increase/(Decrease) in Trade and Other Payables	1,358	1,366	840	1,242
(Increase)/Decrease in Inventories	(314)	15	(314)	15
Increase/(Decrease) in Income in Advance	(1,464)	1,669	(1,428)	1,669
Increase/(Decrease) in Employee Entitlements	358	1,521	421	1,391
(Increase)/Decrease in Prepayments	92	(1,705)	92	(1,705)
	(3,413)	966	(3,763)	828
Add/(Less) Items Classified as Investing and Financing Activities:				
Long Term Investment	248	167	248	(22)
(Increase)/Decrease in Property Plant & Equipment Payables	-	943	-	943
Cash investment to Waikato Link	-	-	-	-
Equity Distribution from Subsidiary	-	-	-	-
Cash Dividend from Subsidiary	-	-	(31)	(116)
	248	1,110	217	805
Net Cash Flow from Operating Activities	26,646	30,903	25,625	29,784

Notes to the Financial Statements

Note 22: Key Management Personnel Compensation

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

	University	
	This Year	Last Year
	\$	\$
Short-term employee benefits	4,084,154	4,525,795
Councillor Remuneration	76,102	83,557
Post-employment benefits	127,705	200,527
Termination Payments	92,650	0
Total	4,380,611	4,809,879

In 2011 the University has changed its interpretation of "key management personnel", including only members of Council and employees who report directly to the Vice Chancellor. Previously the University included members of Council, Senior Leadership Team, Finance Committee and Risk management Committee. Using the new interpretation the previous year comparative figures would be;

Short-term employee benefits	3,534,581
Councillor Remuneration	83,557
Post-employment benefits	126,267
Total	3,744,405

Notes to the Financial Statements

Note 23: Leases

Operating Leases as Lessee

(a) Leasing Arrangements

	Final Expiry	2010 Actual	Commentary
Property Leases		\$000	
Waikato-Tainui Campus Land	In perpetuity	2,012	Subject to lease condition
Tauranga Campus	2012 to 2025	537	5 Separate Leases
Ruakura Satellite Campus	2012 to 2013	375	4 Separate Leases
Other Hamilton Leases	2012 to 2023	232	5 Leases
Other	2012 -2017	115	5 Leases
Equipment Leases	2012 to 2016	1,360	3 Leases
Total		4,631	

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

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

The University has entered into a prepaid lease agreement. The future aggregate minimum lease payments under the non-cancellable operating lease are \$150,000 not longer than 1 year, \$600,000 longer than 1 year and not longer than 5 years, and \$112,500 longer than 5 years. These amounts will be expensed through the Statement of Comprehensive Income in the relevant periods.

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

	Consolidated		University	
	This Year	Last Year	This Year	Last Year
	\$000	\$000	\$000	\$000
(b) Non-cancellable operating lease payments				
Not longer than 1 year	3,613	3,798	3,613	3,798
Longer than 1 year and not longer than 5 years	9,984	9,803	9,984	9,803
Longer than five years	59,871	61,883	59,871	61,883
	73,468	75,484	73,468	75,484

Notes to the Financial Statements

(c) Sub-leases

The total minimum future receipts that the university expects to receive from its tenants on leased land is \$8.8M, (2010 \$8.98M). The minimum renewal periods range from 1 to 35 years.

Lessor Disclosures

Operating Leases as Lessor

(a) Leasing Arrangements (Receivables)

Operating leases relate to shops on campus, campus land and residential premises adjacent to the University. Lease terms are for terms of between 2 & 49 years with various options to renew. The lessees do not have the option to purchase at the expiry of the lease period.

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

	Consolidated		University	
	This Year	Last Year	This Year	Last Year
	\$000	\$000	\$000	\$000
(b) Non-cancellable operating lease receivables				
Not longer than 1 year	586	568	586	568
Longer than 1 year and not longer than 5 years	1,667	1,605	1,667	1,605
Longer than five years	6,930	7,243	6,930	7,243
	9,183	9,416	9,183	9,416

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

Notes to the Financial Statements

Note 24: Financial Instruments

24A: Financial Instrument Categories

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

	Consolidated		University	
	This year	Last year	This year	Last year
	\$000	\$000	\$000	\$000
FINANCIAL ASSETS				
Fair value through surplus or deficit				
Loans and Receivables				
Cash and Cash Equivalents	14,043	11,564	12,157	10,381
Trade and Other Receivables	17,714	13,811	15,005	11,630
Inter Company Balances	0	0	6,762	4,759
Prepayments	4,303	4,395	4,303	4,395
Other Financial Assets	7,000	12,000	7,000	12,000
Investments in Associates	2,233	2,191	875	875
Investments	392	609	2,198	2,414
Loans and Receivables	-	146	-	146
Total Loans and Receivables	45,685	44,716	48,300	46,600
FINANCIAL LIABILITIES				
Fair value through surplus or deficit				
Financial Liabilities at Amortised Cost				
Income in Advance	26,368	27,830	26,368	27,796
Trade and Other Payables	13,612	12,256	12,375	11,535
University of Waikato Research Trust Payable	0	0	15,539	15,796
Total Financial Liabilities at Amortised Cost	39,980	40,086	54,282	55,127

24B: Fair Value Hierarchy Disclosures

For those instruments recognised at fair value on the balance sheet, fair values are determined according to the following hierarchy:

- Quoted market price - Financial instruments with quoted prices for identical instruments in active markets.
- Valuation technique using observable inputs - Financial instruments with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable.
- Valuation techniques with significant non-observable inputs - Financial instruments valued using models where one or more significant inputs are not observable.

The University currently holds no financial instruments measured at fair value on the balance sheet

Notes to the Financial Statements

24C: Financial Instrument Risks

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

Market risk

The effective interest rates on investments range from 3.62% to 4.63% (2010 - 3.53% to 4.79%).

There was a finance lease recognised in 2006 with an effective interest rate of 12.07% in 2011 (2010 - 12.07%).

There were no term loans for 2011 (2010 - none).

Fair Value Interest Rate Risk

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

Cash Flow Interest Rate Risk

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

The University holds a mixture of fixed rate and floating call rate deposits. At 31 December the University had \$6.0m (2010 \$7.8m) invested in variable rate deposits and the balance in fixed rate deposits.

Sensitivity analysis

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

INTEREST RATE RISK

University	This Year		Last Year	
	+100bps	-100bps	+100bps	-100bps
	\$000	\$000	\$000	\$000
Variable rate deposits	60	(60)	78	(78)

Consolidated	This Year		Last Year	
	+100bps	-100bps	+100bps	-100bps
	\$000	\$000	\$000	\$000
Variable rate deposits	61	(61)	84	(84)

Notes to the Financial Statements

CURRENCY RISK

University	This Year		Last Year	
Instruments held in USD	+10%	-10%	+10%	-10%
	\$000	\$000	\$000	\$000
Creditors	4	(5)	9	(11)
Debtors	(7)	8	(3)	4
US dollar account	(4)	5	(13)	16

Consolidated	This Year		Last Year	
Instruments held in USD	+10%	-10%	+10%	-10%
	\$000	\$000	\$000	\$000
Creditors	7	(5)	13	(16)
Debtors	(7)	9	(8)	10
US dollar account	(4)	5	(33)	41

University and Consolidated	This Year		Last Year	
Instruments held in EUR	+10%	-10%	+10%	-10%
	\$000	\$000	\$000	\$000
Creditors	0	0	3	(4)
Debtors	(2)	2	-	-

University and Consolidated	This Year		Last Year	
Instruments held in AUD	+10%	-10%	+10%	-10%
	\$000	\$000	\$000	\$000
Creditors	3	(4)	9	(11)
Debtors	(5)	7	-	-
AUD dollar account	(30)	36	-	-

University and Consolidated	This Year		Last Year	
Instruments held in GBP	+10%	-10%	+10%	-10%
	\$000	\$000	\$000	\$000
Creditors	2	(3)	9	(12)
Debtors	0	0	2	3

The instruments held in CHF and CNY had minimal values, accordingly no analysis is provided.

Explanation of interest rate risk sensitivity

The interest rate sensitivity is based on a reasonable possible movement in interest rate, with all other variables held constant, measured as a basis points (BPS) movement. For example a decrease in 100 bps is equivalent to a decrease in interest rates of 1%.

Notes to the Financial Statements

Explanation of currency risk sensitivity

The foreign exchange sensitivity is based on a reasonable possible movement in foreign exchange rates, with all other variables held constant, measured as a percentage movement in the foreign exchange rate.

Credit Risk

Credit risk is the risk that a third party will default on its obligation to the University causing the University to incur a loss.

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

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

No collateral is held.

Credit quality of financial assets

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

	Consolidated		University	
	2010	2009	2010	2009
	\$000	\$000	\$000	\$000
Counterparties with credit ratings				
Cash at bank and term deposits				
AA-	21,043	23,564	19,157	22,381
Counterparties without credit ratings				
Debtors and other receivables				
Existing counterparty with no defaults in the past	17,714	13,811	15,005	11,630
Existing counterparty with defaults in the past	-	-	-	-
Total debtors and other receivables	17,714	13,811	15,005	11,630
Loans to related parties				
Existing counterparty with no defaults in the past	-	-	6,762	4,759
Existing counterparty with defaults in the past	-	-	-	-
Total loans to related parties	-	-	6,762	4,759

Liquidity Risk

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

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

Notes to the Financial Statements

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

University	Less than 6 months	Between 6 months and 1 year	Between 1 and 5 years
2011	\$000	\$000	\$000
Creditors and other payables	12,375	0	0
Borrowings	82	82	655
Current Employee Entitlements	4,201	888	0
2010			
Creditors and other payables	11,535	0	0
Borrowings	82	82	655
Current Employee Entitlements	4,017	838	0
Consolidated	Less than 6 months	Between 6 months and 1 year	Between 1 and 5 years
2011	\$000	\$000	\$000
Creditors and other payables	13,612	0	0
Borrowings	82	82	655
Current Employee Entitlements	4,551	888	0
2010			
Creditors and other payables	12,256	0	0
Borrowings	82	82	655
Current Employee Entitlements	4,409	838	0

Notes to the Financial Statements

Note 25: Related Party Transactions

The following related party transactions occurred between the University and WaikatoLink Limited, U Leisure Limited (ULL), The University of Waikato Foundation (Foundation), The Student Campus Building Fund Trust (SCBFT), LCo New Zealand Limited (LCoNZ), The University of Waikato Alumni Association Incorporated (Alumni) (No related party transactions for 2010 or 2011), University of Waikato Research Trust (UoW RT) and WaikatoLink Limited's associate company, RuralLink Limited, during the year:

	WaikatoLink \$	ULL \$	Foundation \$	SCBFT \$	LCoNZ \$	UoW RT \$	RuralLink \$
Payments in 2011 to:	3,082,251	755,890	-	283,794	272,589	2,436,000	265,520
(2010)	1,594,394	684,183	-	-	251,566	2,249,000	35,116
Receipts in 2011 from:	296,261	369,572	759,097	233,385	23,164	595,901	53,034
(2010)	238,316	399,069	612,788	205,911	176,865	348,982	39,437
Accounts Receivable at 31 December 2011 owing from:	8,172,482	38,145	-	-	-	-	17,571
(2010)	6,180,180	63,259	-	-	-	-	27,877
Accounts Payable at 31 December 2011 owing to:	125,586	89	145,486	907,759	180	15,539,000	0
(2010)	125,198	89	225,323	925,968	16,342	15,796,000	59

Significant Transactions with Government-related Entities

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

The University has received funding and grants from the Tertiary Education Commission totalling \$90.22M (2010 \$89.07M) to provide education and research services for the year ended 31 December 2011.

The University also receives research funding from the Ministry of Science and Innovation totalling \$6.65M (2010 \$7.94M).

The University received funding from the Ministry of Education totalling \$23.2M (2010 \$26.5M) to provide school support services.

The University purchased domestic and international travel from Air New Zealand totalling \$1.74M (2010 \$1.61M).

The University received income from WINTEC totalling \$0.84M (2010 \$0.45M) for the provision of teaching services.

The University made payments to Bay of Plenty Polytechnic (BOPP) totalling \$1.26M (2010 \$1.34M) to facilitate University teaching in the Bay of Plenty. The University also supplied services totalling \$146K (\$203K) to BOPP.

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

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

Notes to the Financial Statements

The University purchases goods and services from entities related to the Crown and it also provides services to entities related to the Crown. The purchase and provision of goods and services to government related entities for the year ended 31 December 2011 are small when compared to the University's total expenditure and revenue and have all been conducted on an arms' length basis. The purchase of goods and services included the purchase of electricity from Mercury Energy, air travel from Air New Zealand, and postal services from New Zealand Post. The provision of services to government-related entities mainly related to the provision of educational courses.

Key Management Personnel

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

Key Management Personnel, and their close family members, have also had the following specific transactions with the University:

1. The University receives various donations, research revenue and consultancy fees from Gallagher Group Ltd and Gallagher Charitable Trust, in which a member of Council is a director. These totalled \$473,635 (2010 : \$55,225). The balance outstanding at year end was \$0 (2010 : \$5,000).
2. A member of Council is a director of Landcare Research NZ Ltd. The University provided services totalling \$675,622 (2010 : \$401,908) to Landcare Research Ltd and the balance owing at year end was \$137,288 (2010 : \$50,914). The University also purchased services from Landcare Research Ltd during the year totalling \$77,450 (2010 : \$44,375), the balance outstanding at year end was \$0 (2010: \$1,748).
3. The wife of a direct report of the Vice Chancellor is a director of Hamilton East Medical Centre. The University purchased services from Hamilton East Medical Centre during the year totalling \$133 (2010 : \$316), the balance outstanding at year end was \$0 (2010: \$0).
4. A direct report of the Vice Chancellor is a director of Te Runanganui O Ngati Porou. During the year the University provided services totalling \$0 (2010: \$3,097) and the balance owing at year end was \$0 (2010: \$0). The University also purchased services from Te Runanganui O Ngati Porou totalling \$2,939 (2010: \$78), the balance outstanding at year end was \$0 (2010: \$0).
5. A member of Council is a director of Nexus Publications. During the year the University provided services totalling \$0 (2010: \$906) to Nexus and the balance owing at year end was \$0 (2010: \$129). The University also purchased advertising from Nexus totalling \$18,390 (2010: \$21,540), the balance outstanding at year end was \$1,840 (2010: \$0).
6. A direct report of the Vice Chancellor is a director of NZ Tertiary Education Consortium Ltd. The University received \$186,625 (2010: \$8,721) during the year from NZTEC Ltd. There was no outstanding balance at year end.
7. A member of Council is a director of Tatua Co-operative Dairy Co. During the year the University provided services totalling \$15,857 (2010: \$9,910) to Tatua Co-op and the balance owing at year end was \$0 (2010: \$978). The University also purchased services totalling \$0 (2010: \$1,053), the balance outstanding at year end was \$0 (2010: \$0).
8. A member of Council is a director of Apata Limited. During the year the University purchased services totalling \$0 (2010: \$787) from Apata Ltd and the balance owing at year end was \$0 (2010: \$0).
9. A member of Council is a director of Habitat for Humanity. During the year the University purchased services totalling \$0 (2010: \$89) from Habitat for Humanity and the balance owing at year end was \$0 (2010: \$0).
10. A direct report of the Vice Chancellor is a director of Hamilton & Waikato Tourism Limited. The University purchased services totalling \$800 (2010: \$0) during the year from Hamilton & Waikato Tourism Limited. There was no outstanding balance at year end.
11. The daughter of a direct report of the Vice Chancellor provided lecturing services totalling \$217 (\$0) during the year. There was no outstanding balance at year end.
12. The University also has key management personnel serving on the board of WaikatoLink Limited and U Leisure. The University's dealings with WaikatoLink Limited and U Leisure Ltd are disclosed above.

No provision has been required, nor any expense recognised for impairment of receivables for any loans or other receivables to related parties (2010: \$0).

Notes to the Financial Statements

Note 26: Contingent Liabilities

University Contingent Liabilities

A guarantee has been given to the Bank of New Zealand for an overdraft facility of \$53,000 (2010 - \$53,000) on a continuing basis to the Campus Creche Trust.

The University routinely monitors the financial performance of Campus Creche Trust. The likelihood of the guarantee being called upon is estimated to be very low.

The University entered into a new employment arrangement with a small group of employees during 2011 that gives these employees the ability to elect to accept redundancy in December 2013. The potential maximum payment is approximately \$1m.

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

The University is participating in a disputes tribunal resulting from a cancelled event, which could potentially result in a charge of up to \$15,000.

The University is aware of a potential liability to a former student.

There are no other known contingent liabilities.

Share of Subsidiaries' and Associates' Contingent Liabilities

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

Notes to the Financial Statements

Note 27: Capital Management

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

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

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

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

The University has in place asset management plans for major classes of assets including maintenance and renewal programmes. A budget for capital expenditure is set annually and is funded from cash generated from the University's operating activities.

The University has created a reserve within equity, for Prizes, scholarships and Trust Funds. This reserve represents funds held by the University on behalf of others and funds provided to the University by various people and are restricted for specific purposes.

Notes to the Financial Statements

Note 28: Commitments

Capital Commitments

The University has the following capital expenditure contracted:

	Consolidated		University	
	This Year	Last Year	This Year	Last Year
	<i>\$000</i>	<i>\$000</i>	<i>\$000</i>	<i>\$000</i>
Capital Commitments	11,818	6,178	11,818	6,178

Notes to the Financial Statements

Note 29: Explanations of Major Variances against Budget

The University achieved an increase in revenue of \$10.8 million over budget. This increase was primarily achieved through increases in Government Funding and Grants and Research income. Government Funding and Grants was \$8.6 million higher than budget as subsequent to the University budget for 2011 being approved by Council, TEC agreed to fund an additional 250 EFTS, thus giving the University an additional \$1.9 million in Government funding and \$1.0 million in tuition fees. The University was very successful in the new competitive funding regime for supporting professional development in New Zealand schools. Funding received from these advisory services grants was \$5.7 million more than was budgeted.

Research income was \$3.1 million higher than budget on the back of new research contracts won during 2011.

With the increase in revenue from advisory services grants and research contracts, there was a corresponding increase in costs - particularly the cost of academic salaries that were \$4.2 million and other operating costs \$5.7 million more than budget. This increase is normally expected as new specific activities are required under these new contracts result in an increase in direct costs.

In addition to the above, other significant increases in other costs over budget were

1. increase in actuarial valuation of leave entitlements of \$1.2 million due to fall in discount rates (based on 10 year bond rates);
2. increase in depreciation of \$1.2 million due to significant projects being transferred from work in progress to assets and the depreciation back dated to the date they were actually brought into use;
3. increase in communication and external relations costs of \$1.3 million as a result of increased recruitment activities and sponsored events.

Notes to the Financial Statements

Note 30: Events after Balance Sheet Date

There were no significant events after balance date.

13. Statement of Service Performance

13.1 Overview

The key performance indicators in this 2011 Statement of Service Performance (SSP) were identified and agreed with the TEC as part of ongoing discussions, which also include the Office of the Auditor-General, related to performance-linked funding, outcomes and non-financial reporting. The suite of indicators currently used by the University of Waikato for the purposes of external reporting will therefore evolve, with a view to simplifying the University's overall planning and reporting framework, and also to ensure that it covers more broadly and holistically all dimensions of the University's activities, not just those that are funded by the Government in association with the University's Investment Plan. The intention is, over time, to convey a more complete picture of the University's contribution to national outcomes as part of the New Zealand tertiary system.

With a view to this more comprehensive approach to annual reporting, results against the performance commitments agreed with the TEC as part of the current Investment Plan have been supplemented in this Statement of Service Performance by additional information relating to Full-Cost International students and research. These additional indicators are just a selection of those used and monitored by the University as part of its strategic planning and risk management frameworks.

In some cases, the original 2011 EFTS targets agreed with the TEC as part of the negotiation and approval of the Investment Plan (as shown against the relevant indicators below) are inconsistent with the Mix of Provision that was finally agreed, because they were set before a round of supplementary funding for additional undergraduate EFTS in 2011. The fact that additional funded EFTS were approved after the performance commitments had been agreed meant that both undergraduate and overall MF EFTS targets changed, and proportional targets across the various categories of EFTS also changed. Although the timeline did not allow for the necessary adjustments to the SSP targets, the discrepancies were not sufficient in any cases to impact on whether the original targets were achieved or not.

As planned and expected in line with increased MF EFTS funding, total MF EFTS increased in 2011 by 1.3% (114 EFTS) over 2010. Disappointingly, FCI EFTS decreased by 7% (121 EFTS) in 2011, continuing a general pattern of declining FCI EFTS since 2006. Reversing this pattern remains an important goal for the University.

Positive trends are evident this year in relation to educational performance outcomes. The recent improvements in relation to Māori students in particular are very encouraging, and reflect the University's leadership and distinctiveness over a long period of time in terms of learning and pastoral support for Māori students. Another important factor is the University's unique network of relationships with providers in the Waikato and Bay of Plenty, through which pathways are built from other tertiary providers and sub-sectors into university programmes at both undergraduate and postgraduate level.

In all areas covered by these key indicators, the University's main interest is in trends that demonstrate incremental but sustained progress over the medium to long-term, despite the inevitable changes in the external environment demographically, politically and economically. Future targets will be reviewed in light of 2011 performance and the reduced funding cap for MF EFTS in 2012.

13.2 Investment Plan performance commitments

PARTICIPATION – Ministry-Funded students

	2009 Actual	2010 Actual	2011 Target	2011 Actual
1. Increase proportion of EFTS enrolled at taught postgraduate level and above	17.2% (1,499 EFTS)	18.0% (1,536 EFTS)	18.8% (1,588 EFTS)	17.7% (1,530 EFTS)

The target against this KPI was set before the University was allocated supplementary undergraduate EFTS funding. The revised Mix of Provision, including the additional undergraduate EFTS, comprised 18.3% EFTS at taught postgraduate level and above.

13. Statement of Service Performance

Taught postgraduate EFTS decreased in 2011, both as a number as well as a proportion of total MF EFTS. However research postgraduate EFTS continued to increase in 2011, both as a number and a proportion, though the increase was not sufficient to offset the decrease in taught postgraduate EFTS.

(Details of initiatives, trends and plans associated with postgraduate students are provided in sections 6.9 and 7.4.)

	2009 Actual	2010 Actual	2011 Target	2011 Actual
2. Maintain proportion of EFTS generated by Māori students	21.3% (1,851 EFTS)	20.7% (1,773 EFTS)	21.0% (1,826 EFTS)	21.3% (1,846 EFTS)

The University's achievement against this KPI reflects its commitment, as set out in its Strategy and Māori Plan, to taking a more structured and coordinated approach to improving Māori student recruitment and retention rates. The University has a long history of strong Māori enrolments, and in this regard continues to deliver on the Government's goal of increased participation by Māori students as outlined in its Tertiary Education Strategy.

As part of its strategy to lift retention rates of Māori students, the University has continued to invest in a comprehensive Māori student support and scholarships programme (funded in large part through the TEC's Equity funding for Māori students); this programme supports students from undergraduate through to PhD level.

The proportion of EFTS generated by Māori students at the University of Waikato in both 2010 and 2011 is well above the sub-sector average for New Zealand universities (2010: 9%) and also the tertiary sector as a whole (2010: 20%). It also compares favourably with the New Zealand demographic nationally (the 2006 Census indicated that 15% of New Zealand's population were Māori), and is only slightly lower than the figure for the University's main catchment (24%) (Statistics New Zealand, 2009).

It is particularly significant to note that the number and proportion of EFTS generated by Māori students increased in 2011 and is very similar to 2009 levels. This is because from 2010 the Certificate of University Preparation programme, which included a large number of Māori students, was transferred to Wintec. This means that there has been significant growth in Māori EFTS at degree level and higher in the last two years. Most of the students who complete the Certificate of University Preparation at Wintec transfer into degree programmes at Waikato.

(Details of initiatives, trends and plans associated with Māori students are outlined in sections 6.4-6.6 and 7.3.)

	2009 Actual	2010 Actual	2011 Target	2011 Actual
3. Increase proportion of Māori EFTS enrolled at taught postgraduate level and above	12.9% (239 EFTS)	13.8% (245 EFTS)	13.0% (237 EFTS)	15.1% (279 EFTS)

Even though the target against this KPI was set before the University was allocated supplementary undergraduate EFTS funding, and the revised Mix of Provision comprised a lower proportion of postgraduate EFTS as a consequence, the University still exceeded its original target.

Māori EFTS enrolled at taught postgraduate level and above, both as a number and as a proportion of total MF EFTS, increased for the fourth consecutive year in 2011.

A number of well-established initiatives and programmes have supported the delivery of this KPI, including the graduate support programme To Toi o Matariki Māori, which is in its fifth year of operation, along with the MAI ki Waikato PhD programme which is in its eighth year of operation.

13. Statement of Service Performance

A new Māori scholarship was introduced in 2010 to encourage high-performing Māori graduates to progress to postgraduate study. More than 30 students were awarded this scholarship in 2011.

	2009 Actual	2010 Actual	2011 Target	2011 Actual
4. Increase proportion of EFTS generated by Pacific students	5.5% (479 EFTS)	5.0% (427 EFTS)	5.5% (478 EFTS)	4.9% (425 EFTS)

Pacific EFTS at the University of Waikato have decreased each year since 2009, both as a number and as a proportion of total MF EFTS. However, it is important to note that the proportion of Pacific students at the University of Waikato is higher than the demographic for the Waikato/Bay of Plenty region (2.9%) (Statistics New Zealand, 2009).

Although the University has continued with a range of initiatives and programmes to lift participation and retention rates of Pacific students, funded in large part through the TEC's Equity funding for Pacific students, a formal infrastructure with the relevant responsibilities and accountabilities has yet to be established. However, a Pacific Plan has been developed as part of the University's strategic planning framework, and the establishment of the formal infrastructure as part of its implementation in 2012 will be a key factor in the delivery of future targets.

	2009 Actual	2010 Actual	2011 Target	2011 Actual
5. Increase proportion of Pacific EFTS enrolled at taught postgraduate level and above	12.9% (62 EFTS)	13.8% (59 EFTS)	13.0% (62 EFTS)	12.1% (51 EFTS)

Total Pacific student EFTS at the University of Waikato are relatively small. Though the number of Pacific EFTS at taught postgraduate level and above declined slightly in 2011, they remained relatively steady as a proportion of total MF Pacific EFTS.

The University of Waikato remains committed to supporting Government's goals with respect to Pacific students. As explained above, the establishment of a formal infrastructure as part of the implementation of the new Pacific Plan will be a key factor in the delivery of future targets.

	2009 Actual	2010 Actual	2011 Target	2011 Actual
6. Increase proportion of EFTS generated by students aged under 25	66.2% (5,759 EFTS)	66.2% (5,657 EFTS)	68.0% (5,912 EFTS)	66.2% (5,734 EFTS)

As a proportion, EFTS at the University of Waikato generated by students aged under 25 have remained relatively constant in recent years. However, in line with Government's Tertiary Education Strategy, the University targeted an increase in the proportion for 2011 and identified them in its managed entry policy as a priority group.

While the number of EFTS generated by students aged under 25 increased quite significantly in 2011 over 2010, the level of demand from school-leavers was lower than anticipated, and because of the overall increase in MF EFTS the proportion remained consistent with figures for previous years.

The University of Waikato continues to support the Government's goals with respect to under 25 year olds, and invests in a wide range of initiatives designed to attract school-leavers and to support efforts by secondary schools to increase the number of students qualified and motivated to progress to tertiary level study.

13. Statement of Service Performance

EDUCATIONAL PERFORMANCE – Ministry-Funded students

Total MF students	2009 Actual	2010 Actual	2011 Target	2011 Interim
7. Improve successful course (paper) completion rates	84.1%	87.4%	85.0%	86.4%
8. Improve qualification completion rates	73.1%	71.3%	73.0%	74.7%
9. Improve retention rates	80.6%	82.5%	81.0%	84.4%

Māori students	2009 Actual	2010 Actual	2011 Target	2011 Interim
10. Improve successful course (paper) completion rates for Māori students	74.5%	80.7%	78.0%	81.1%
11. Improve qualification completion rates for Māori students	61.5%	60.4%	65.0%	59.1%
12. Improve retention rates for Māori students	73.2%	72.7%	75.0%	77.4%

Pacific students	2009 Actual	2010 Actual	2011 Target	2011 Interim
13. Improve successful course (paper) completion rates for Pacific students	67.3%	72.7%	70.0%	71.8%
14. Improve qualification completion rates for Pacific students	62.1%	48.3%	65.0%	60.4%
15. Improve retention rates for Pacific students	75.4%	75.1%	75.0%	76.4%

Students aged under 25	2009 Actual	2010 Actual	2011 Target	2011 Interim
16. Improve successful course (paper) completion rates for students aged under 25	83.3%	86.5%	84.0%	85.7%
17. Improve qualification completion rates for students aged under 25	64.1%	63.3%	65.0%	65.2%
18. Improve retention rates for students aged under 25	84.6%	83.8%	85.0%	86.1%

The 2011 results against these educational performance indicators (EPs) are subject to validation by the TEC following submission of the University's April 2012 Single Data Return (which will report any outstanding 2011 results). The 2011 results published in the 2012 Annual Report will be the validated results.

13. Statement of Service Performance

The rate of successful course completions for MF students in 2010 was particularly strong, compared with the previous year's results. However, 2010 results were inconsistent with historic patterns and are thought to reflect steps taken by the University in 2009 and 2010 to restrict and manage enrolments down to the funding cap that applied in 2010. 2010 results were not expected to be sustained in 2011, although course completion targets for 2011 were in fact exceeded in each case and trends remain strong.

In all but one case (Māori students) qualification completion rates increased in 2011. Qualification completion rates would have been even higher still in 2011 if the University had achieved its taught postgraduate EFTS targets; however enrolments in one-year taught postgraduate programmes were lower than in previous years, and completions of one-year taught postgraduate programmes were therefore correspondingly lower. It is very positive to note that the number of qualifications completed at degree level and higher, even taking account of the decline at taught postgraduate level, increased in 2011 by over 7%.

The qualification completion rate for Māori students fell slightly in 2011, although this result is due to the methodology used for this EPI and is misleading. In fact, the number of qualifications completed by Māori students increased in 2011, by 5% overall, and by 7% at degree level and higher. However the overall EFTS generated by Māori students, which is a factor in the methodology for this EPI, increased in 2011 at a greater rate than qualification completions. The high intake of enrolments by new Māori students in 2011, most of whom will have enrolled in undergraduate degree programmes, will not have a positive impact on qualification completion rates until future years.

The qualification completion rates of Pacific students have varied over the last three years. This is largely because the numbers of Pacific students are so small, and the nature of the KPI is such that small shifts in participation or performance tend to be exaggerated and can cause what appear to be significant fluctuations in results from year to year.

2011 saw the highest ever number of completions in MPhil and doctoral programmes. This result is most likely attributable to the introduction of domestic fees for international PhD students in 2006 (at which point intakes in international PhD students increased significantly). International students typically complete their doctorates more quickly than domestic students, and steps have been taken in recent years to encourage and support all higher degree candidates to complete their qualifications in shorter timeframes.

Future targets against all three educational performance indicators (successful course (paper) completion rates, qualification completion rates and retention rates) take account of a range of programmes and initiatives designed to deliver consistent and incremental improvements over the medium-term, for MF students overall and also for each priority group (Māori, Pacific and students aged under 25). The University is aiming to close current gaps in success rates and achieve the same level of educational performance across each category of students by 2014.

Initiatives in support of these targets include a new Student Centre, a well-established and comprehensive student learning support service, a range of scholarships and prizes for high-achieving students and a variety of specifically targeted initiatives in the Faculties. The University is confident that the more recent rates of improvement in relation to the educational performance of Māori students will continue steadily over the medium-term. Performance targets for Pacific students are underpinned by plans to establish formal infrastructure of associated responsibilities and accountabilities early in 2012.

RESEARCH

	2009 Actual	2010 Actual	2011 Target	2011 Actual
19. Increase research revenue	\$27.8M	\$27.5M	\$27.0M	\$31.1M

Growth in the University's research revenue stream reduces the University's reliance on teaching-related funding and is critical to its ongoing financial strength.

13. Statement of Service Performance

The University continues to explore opportunities for external research income in a very dynamic, yet tight fiscal environment.

	2009 Actual	2010 Actual	2011 Target	2011 Actual
20. Increase weighted research degree completions	578	679	510	753

The 2011 result against this KPI is subject to validation by the TEC following submission of the University's April 2012 Single Data Return (which will report any outstanding 2011 completions). The 2011 result published in the 2012 Annual Report will be the validated result.

Weighted research degree completions contribute to the University's funding through the PBRF.

Targets for this KPI were set in 2010 as part of the development of the University's Investment Plan for 2011 – 2013, before 2009 and 2010 results were available, and so the 2011 target is lower than it would otherwise have been.

The University's strong performance against this KPI in 2011 reflects the fact that the number of doctoral degree completions in the Sciences (which carry a higher weighting) was higher than anticipated. The number of PhD completions by international students was also higher than anticipated, with a large number completing within the minimum time period (a pattern that is not typical of domestic students).

The patterns that have emerged in recent years with respect to research degree completions will inform the University's review of its future targets against this KPI.

FINANCIAL

	2010 Actual	2011 Target	2011 Actual
21. Maintain low risk rating against the Financial Monitoring Framework	3	3	4

The TEC's current Financial Monitoring Framework was introduced in 2010. Under this Framework, an average score of 3 or more is necessary for an overall rating of low risk.

The University of Waikato continues to deliver financial performance above the TEC's minimum guideline.

13.3 Other University of Waikato performance commitments

PARTICIPATION - Full-Cost International students

	2009 Actual	2010 Actual	2011 Target	2011 Actual
22. Achieve targets for EFTS generated by Full-Cost International students	1,669	1,664	1,752	1,543

Internationalisation is an important dimension of the University Strategy. (Details of international student trends are outlined in section 7.2.)

Most of the shortfall against the University's FCI target for 2011 was in relation to the University's main international market, China, and in the areas in which, historically, the majority of these students have enrolled i.e. the Faculty of Arts and Social Sciences and the Faculty of Management.

13. Statement of Service Performance

One of the main initiatives in 2011 to support the delivery of future FCI enrolment targets was the University's appointment of a number of new in-market representatives to work with preferred agents in their markets.

EDUCATIONAL PERFORMANCE - Full-Cost International students

	2009 Actual	2010 Actual	2011 Target	2011 Interim
23. Improve successful course (paper) completion rates for Full-Cost International students	84.0%	85.0%	85.0%	84.1%
24. Improve qualification completion rates for Full-Cost International students	90.9%	90.7%	73.0%	81.8%
25. Improve retention rates for Full-Cost International students	91.9%	89.4%	81.0%	89.9%

The 2011 results against these educational performance indicators are subject to change following submission of the University's April 2012 Single Data Return, at which time any outstanding 2011 results will also be taken into account. The 2011 results published in the 2012 Annual Report will be the final results.

Even though FCI students typically perform more strongly than MF students against the majority of these educational performance indicators, the same targets are set for both groups.

Although the target for qualification completion rates for FCI students was exceeded in 2011, results were lower than in 2009 and 2010. There were two main factors that contributed to the lower results in 2011. Firstly, FCI enrolments in the Certificate of Attainment in English Language and the Certificate of Attainment in Foundation Studies sub-degree programmes fell sharply in 2011; completions fell at an even greater rate, by 50% (compared with 2010). Secondly, FCI enrolments at degree level have fallen in recent years. However, in 2011, qualification completions by FCI students at degree level fell at a greater rate than enrolments. The methodology for this KPI is such that this sort of pattern has a negative impact.

As part of the University's programme of compliance with the Ministry of Education's Code of Practice for international students, the University closely monitors the progress and educational performance of international students. At-risk students are identified and provided with additional learning support and mentoring.

RESEARCH

	2009 Actual (as at 23/01/2012)	2010 Actual (as at 23/01/2012)	2011 Target	2011 Actual (as at 23/01/2012)
26. Increase the number of quality -assured research publications recorded in the University's PBRF database by at least 50 each year	1,331	1,362	850	1,436

The University's quality-assured research publications are recorded against the year in which they are published. Because of inevitable delays between publication and the recording of the relevant data in the institutional repository, historic data are constantly being updated; figures are also updated to take account of the publication records of new staff. As a result, figures listed in the table above are subject to on-going change.

13. Statement of Service Performance

The number of quality-assured research publications produced by its staff is a key indicator of a university's overall research performance. It is also one of the measures in the PBRF assessment both for academic staff individually and the University as a whole. (Other aspects of the University's research activity are outlined in section 6.9.)

The forthcoming 2012 PBRF assessment has served as a strong incentive for staff to ensure that their research publications have been peer-reviewed, published before the census date and recorded on the University's institutional repository.

The University has exceeded its targets for quality-assured research publications in each of the last three years, with an exceptionally strong performance in 2011. At an equivalent point in time for 2009 and 2010, the University had recorded 905 and 1005 quality-assured research publications respectively.

	2009 Actual	2010 Actual	2011 Target	2011 Estimate
27. Increase research revenue from non-New Zealand government sources by 5% per annum by 2012	\$1.5M	\$1.4M	\$1.8M	\$1.5M

The figure for 2011 against this target is an estimate only and is subject to validation as part of the PBRF audit in March 2012.

Since 2006, the University has increased its research revenue from non-New Zealand government sources by 25%, although this revenue stream has decreased slightly as a proportion of overall research revenue. While growth in research revenue from non-New Zealand government sources is an important goal for the University, because it reduces its reliance on New Zealand government funding and student revenue, the University also recognises that its achievement is particularly difficult at a time when the New Zealand and world economies are so financially constrained.

The targets for out-years for this KPI were set in 2009 and were based on a goal of 5% growth per annum. The targets for 2009 and 2010 were not achieved. However, even though it represented an increase of almost 30% over the 2010 result, the decision was made to retain the \$1.8 million target for 2011. If the result of \$1.5 million is confirmed for 2011, it will represent an increase of 7% over 2010, and will be a very positive outcome.

14. Statistical Information

Table 1: Total Students in Formal Programmes

	2005	2006	2007	2008	2009	2010	2011
Total Students	13,068	12,561	12,031	12,014	13,089	12,642	12,563

Table 2: Total Students by Gender

	2005	2006	2007	2008	2009	2010	2011
Female	7,462	7,274	7,024	7,007	7,577	7,241	7,147
Male	5,606	5,287	5,007	5,007	5,512	5,401	5,416
Total	13,068	12,561	12,031	12,014	13,089	12,642	12,563

Table 3: Total Students by Ethnicity

	2005	2006	2007	2008	2009	2010	2011
Pakeha/European	5,964	5,962	5,737	5,631	6,061	5,841	5,775
New Zealand Maori	2,259	2,225	2,307	2,232	2,451	2,300	2,339
Pacific Islander	396	433	453	501	525	470	491
Chinese	2,633	2,242	1,675	1,407	1,383	1,301	1,182
Indian	299	290	294	322	402	416	428
Other	1,517	1,409	1,565	1,921	2,267	2,314	2,348
Total	13,068	12,561	12,031	12,014	13,089	12,642	12,563

Table 4: Total Students by Origin

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

Table 5: Total Qualification Enrolments by Level

	2005	2006	2007	2008	2009	2010	2011
Foundation certificates	871	788	991	1,309	1,490	690	492
Degree	9,817	9,440	8,949	8,729	9,314	9,804	9,858
Graduate/Postgraduate (excl.MPhil & Doctorates)	2,776	2,583	2,465	2,609	2,918	2,182	2,169
MPhil and Doctoral	440	480	488	513	542	617	626
Total	13,904	13,291	12,893	13,160	14,264	13,293	13,145

14. Statistical Information

Table 6: Total Qualification Completions by Level

	2005	2006	2007	2008	2009	2010	2011
Foundation certificates	512	528	609	870	1,088	869	506
Degree	1,696	2,030	1,814	1,608	2,040	2,070	2,086
Graduate/Postgraduate (excl.MPhil & Doctorates)	1,026	1,334	1,260	1,310	1,032	995	1,077
MPhil and Doctoral	38	50	72	53	54	71	103
Total	3,272	3,942	3,755	3,841	4,214	4,005	3,772

Table 7: Total Enrolments in Papers

	2005	2006	2007	2008	2009	2010	2011
Total enrolments	65,982	60,205	60,932	61,838	67,325	68,031	68,416
% completed	91%	91%	89%	88%	91%	90%	91%
% passed	84%	84%	80%	81%	83%	84%	84%

Table 8: Total EFTS in Formal and Non-Assessed Programmes

	2005	2006	2007	2008	2009	2010	2011
Total EFTS	10,641	10,134	9,708	9,685	10,606	10,415	10,348

Table 9: Total EFTS by Level

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

Table 10: Total EFTS by Source of Funding

	2005	2006	2007	2008	2009	2010	2011
Ministry-Funded (excl. ACE)	7,689	7,549	7,709	7,859	8,700	8,546	8,660
Full-Cost International	2,759	2,370	1,764	1,615	1,669	1,664	1,543
Full-Cost Other	26	34	41	36	49	37	37
ACE	167	181	196	176	189	168	108
Total	10,641	10,134	9,708	9,685	10,606	10,415	10,348

14. Statistical Information

Table 11: Total EFTS by Ethnicity

	2005	2006	2007	2008	2009	2010	2011
Pakeha/European	4,683	4,634	4,596	4,544	4,855	4,802	4,754
New Zealand Māori	1,781	1,714	1,782	1,707	1,912	1,823	1,882
Pacific Islander	330	355	368	412	431	391	419
Chinese	2,418	2,016	1,413	1,140	1,180	1,119	1,016
Indian	243	234	251	257	328	343	355
Other Asian	498	514	541	641	700	673	594
Other	686	668	758	984	1,199	1,266	1,328
Total	10,641	10,134	9,708	9,685	10,606	10,415	10,348

Table 12: Total EFTS by Organisational Unit

	2005	2006	2007	2008	2009	2010	2011
Arts and Social Sciences	2,134	2,043	1,932	1,849	2,054	2,091	2,060
Computing and Mathematical Sciences	921	851	790	706	759	804	878
Education	1,923	1,832	1,792	1,932	2,256	3,052 ¹	2,897 ¹
Law	532	562	573	589	608	626	649
Māori and Pacific Development	319	306	299	274	278	274	302
Science and Engineering	886	895	883	875	925	926	982
Waikato Management School	3,184	2,880	2,597	2,536	2,664	2,641	2,580
Pathways College	741	765	843	924	1,062	- ¹	- ¹
Total	10,641	10,134	9,708	9,685	10,606	10,415	10,348

Table 13: Total Staff FTE

	2005	2006	2007	2008	2009	2010	2011
Academic	705	648	625	643	633	654	646
Other	973	929	917	916	895	882	897
Total	1,678	1,577	1,542	1,560	1,528	1,537	1,543

Table 14: Seniority of Total Academic Staff FTE

	2005	2006	2007	2008	2009	2010	2011
Professors	81	88	87	84	84	82	81
Associate Professors	65	68	75	78	78	77	78
Senior Lecturers	234	220	212	212	224	229	230
Lecturers	154	134	119	113	120	126	125
Other	171	139	132	156	128	140	131
Total	705	648	625	643	633	654	646

14. Statistical Information

Table 15: Total Staff FTE by Organisational Unit

	2005	2006	2007	2008	2009	2010	2011
Arts and Social Sciences	196	178	174	179	173	174	170
Computing and Mathematical Sciences	87	77	78	75	74	80	78
Education	305	302	300	285	292	381 ²	386 ²
Law	43	37	35	37	35	36	38
Maori and Pacific Development	51	40	38	34	29	24	21
Science and Engineering	174	176	185	193	188	189	193
Waikato Management School	232	222	212	196	186	188	186
Other organisational units	590	544	519	561	551	465 ²	471 ²
Total	1,678	1,577	1,542	1560	1,528	1,537	1,543

Table 16: Ratio of EFTS to Academic FTE - counting all Academic FTEs and EFTS

	2005	2006	2007	2008	2009	2010	2011
Total Academic FTE	705	648	625	643	633	654	646
Total EFTS	10,641	10,134	9,708	9,685	10,606	10,415	10,348
EFTS to Academic FTE ratio	15.1:1	15.6:1	15.5:1	15.1:1	16.7:1	15.9:1	16.0:1

Table 17: Ratio of EFTS to Academic FTE - excluding specific categories of staff and students (see Glossary and Definitions)

	2005	2006	2007	2008	2009	2010	2011
Academic FTE		496	494	483	480	479	450
EFTS		9,369	8,866	8,761	9,544	9,665	9,781
EFTS to Academic FTE ratio		18.9:1	17.9:1	18.1:1	19.9:1	20.2:1	21.7:1

Table 18: Ratio of EFTS to Other FTE

	2005	2006	2007	2008	2009	2010	2011
Total Other FTE	973	929	917	916	895	882	897
Total EFTS	10,641	10,134	9,708	9,685	10,606	10,415	10,348
EFTS to Other FTE ratio	10.9:1	10.9:1	10.6:1	10.6:1	11.9:1	11.8:1	11.5:1

Table 19: Research Revenue

	2005	2006	2007	2008	2009	2010	2011
Annual Research Revenue	\$20.137M	\$20.317M	\$23.296M	\$21.894M	\$27.838M	\$27.464M	\$31.1M
Academic FTE (Research)	530	507	508	505	500	450	535
Research Revenue per Academic FTE (Research)	\$37,971	\$40,074	\$45,897	\$43,355	\$55,676	\$61,078	\$58,131

14. Statistical Information

Table 20: 2011 Staff Publications by Organisational Unit

	Books	Chapters	Journals	Conference Contributions	Creative Works	Other	Total
Arts and Social Sciences	10	41	125	171	43	116	506
Computing and Mathematical Sciences	1	3	30	54	2	8	98
Education	15	81	182	189	15	71	553
Law	6	11	47	37	-	8	109
Maori and Pacific Development	1	-	1	-	-	-	2
Science and Engineering	3	27	292	284	-	33	639
Management	7	27	174	192	1	105	506
Other organisational units	1	1	7	4	-	1	14
Total	44	191	858	931	61	342	2,427

Table 21: Buildings

	2005	2006	2007	2008	2009	2010	2011
Total gross area of buildings (m ²)	153,991	157,077	153,791	154,525	155,648	156,709	156,068
Total net area of buildings utilised for teaching research and administration (m ²)	110,308	113,799	110,513	114,744	115,565	118,329	117,186
Total number of buildings owned and leased	199	199	194	196	207	204	206
Total net useable area per EFTS (m²)	10.37	11.23	11.38	11.85	10.90	11.36	11.32

Table 22: Library

	2005	2006	2007	2008	2009	2010	2011
Total value of collections	\$20.789M	\$21.974M	\$23.214M	\$24.048M	\$25.109M	\$26.035	\$26.762
Bibliographic resources:							
Books and other non-serials (volumes)	850,580	860,520	857,540	861,670	865,885	873,472	878,295
Serials (print volumes)	203,201	206,252	201,566	183,436	184,918	185,597	187,032
Total volumes held	1,053,781	1,066,772	1,059,106	1,045,106	1,050,803	1,509,069	1,065,957
Electronic titles	72,991	76,202	80,575	90,514	112,027	150,842	161,786

1. As part of the University's Organisational Restructure in 2010, the former Pathways College became part of the Faculty of Education and EFTS have been recorded under this Faculty from 2010
2. As part of the University's Organisational Restructure in 2010, the former Pathways College became part of the Faculty of Education and staff were transferred to this Organisational Unit – prior to 2010, Pathways College staff were recorded under 'Other organisational units'

15. University of Waikato Council and Senior Leadership Team

Council - 2011 membership

Four members appointed by the Minister for Tertiary Education

Mr Merv Dallas (from 29.8.2011)

Dr Brian Linehan (Pro-Chancellor)

Dr Rob Pringle (to 28.8.2011)

Mr Peter Schuyt

Mrs Jenni Vernon

The Vice-Chancellor of the University of Waikato

Professor Roy Crawford

One permanent member of the academic staff of the University of Waikato elected by the permanent members of that staff

Professor Barry Barton

One academic staff member elected by and from the members of the Academic Board of the University of Waikato

Dr Alison Campbell

One permanent member of the general staff of the University of Waikato elected by the permanent members of that staff

Ms Renee Boyer-Willisson

One student member appointed

- a. *if membership of the Waikato Students' Union Inc. is compulsory, in the capacity as President of the Waikato Students' Union*
- b. *in any other case, following an election conducted in accordance with the University of Waikato Election of Members of the Council Statute*

Mr Deni Tokunai

One member appointed by the Council after consultation with Business New Zealand

Dr John Gallagher

One member appointed by the Council after consultation with the New Zealand Council of Trade Unions

Ms Jeanette Clarkin-Phillips

One member appointed by the Council after consultation with Te Rōpū Manukura

Mr Timoti te Heuheu

One member appointed by the Council on the nomination of Te Arikinui

Mr Maharaia Paki

Up to five members who may be co-opted by Council

Rt Hon Jim Bolger (Chancellor)

Ms Jan Jameson

Dr Apirana Mahuika

Mr Todd Muller

Mr Tony Whittaker

15. University of Waikato Council and Senior Leadership Team

Senior Leadership Team

Vice-Chancellor	Professor Roy Crawford
Deputy Vice-Chancellor (to 1.5.2011)	Professor Doug Sutton
Deputy Vice-Chancellor (from 4.7.2011)	Professor Alister Jones
Pro Vice-Chancellor (Māori)	Professor Linda Smith
Pro Vice-Chancellor (Research) (to 30.6.2011)	Professor Al Gillespie
Pro Vice-Chancellor (Research) (from 11.7.2011)	Professor Mark Apperley
Pro Vice-Chancellor (Teaching and Learning)	Professor Richard Coll
Pro Vice-Chancellor (Postgraduate) (to 5.8.2011)	Professor Giselle Byrnes
Pro Vice-Chancellor (Postgraduate) (from 1.8.2011)	Professor Kay Weaver
Pro Vice-Chancellor (International)	Associate Professor Ed Weymes
Dean of the Faculty of Arts and Social Sciences (to 24.6.2011)	Professor Dan Zirker
Acting Dean of the Faculty of Arts and Social Sciences (from 25.6.2011)	Dr David Lumsden
Dean of the Faculty of Computing and Mathematical Sciences	Professor Geoff Holmes
Dean of the Faculty of Education (to 3.7.2011)	Professor Alister Jones
Acting Dean of the Faculty of Education (from 4.7.2011)	Professor Roger Moltzen
Dean of the Faculty of Education (from 8.9.2011)	Professor Roger Moltzen
Dean of the Faculty of Law	Professor Bradford Morse
Dean of the Faculty of Management	Professor Frank Scrimgeour
Dean of the Faculty of Science and Engineering	Professor Bruce Clarkson
Dean of the School of Māori and Pacific Development	Professor Linda Smith
Chief Financial Officer	Mr Andrew McKinnon
Assistant Vice-Chancellor (Operations)	Ms Anna Bounds
Assistant Vice-Chancellor (Executive)	Ms Helen Pridmore
Director of Development	Ms Christine Brabender
Head of Communications and External Relations	Ms Lisa Finucane
Head of Facilities Management	Mr John Cameron
Head of Human Resource Management	Ms Carole Gunn
Head of Information Technology Services	Mr Kevin Adamson
Head of Student and Academic Services Division	Michelle Jordan-Tong
University Librarian	Mr Ross Hallett
Tauranga Liaison and Partnership Manager	Dr Nigel Calder

16. Glossary and Definitions

ACE	Adult and Community Education
CIE	Cambridge International Examinations
CUAP	Committee on University Academic Programmes
ECE	Early Childhood Education
EFTS	Equivalent Full-Time Student
FCI	Full-Cost International
FCO	Full-Cost Other
IB	International Baccalaureate
ICT	Information and Communication Technology
IP	Intellectual Property
IPENZ	Institution of Professional Engineers New Zealand
IT	Information Technology
KPI	Key Performance Indicator
MF	Ministry-Funded
NCEA	National Certificate of Educational Achievement
PBRF	Performance-Based Research Fund
RPG	Research Postgraduate
RS	Research Supplement
SAC	Student Achievement Component
STAR	Secondary Tertiary Alignment Resource
TEC	Tertiary Education Commission
TEI	Tertiary Education Institution
TPG	Taught Postgraduate
UNZ	Universities New Zealand

General Notes

Rounding

Numbers may not add due to rounding.

Faculties

Faculties includes the School of Māori and Pacific Development.

Ethnicity

Ethnicity is self-reported.

16. Glossary and Definitions

Notes for Section 7.1: 2011 Student Profile

EFTS by level

- **Sub-degree students:** students enrolled in papers that fit the MOE criteria for RS1 funding, whether MF or FCI.
- **Degree students:** students enrolled in papers that fit the MOE criteria for RS2 funding, whether MF or FCI.
- **Graduate or postgraduate students:** students enrolled in papers that fit the MOE criteria for RS3, RS4 or RS5 funding, whether MF or FCI.

Qualification completions

- **Foundation certificates:** Certificates of Attainment in English Language and Certificate of Attainment in Foundation Studies.
- **Degree level:** undergraduate degrees, certificates (undergraduate and graduate) and diplomas (undergraduate and graduate).
- **Graduate or postgraduate qualifications:** graduate degrees (including both one-year and four-year honours degrees and masters degrees), higher degrees (MPhil and doctorates), postgraduate certificates and postgraduate diplomas.

New v. returning students

- **New:** students who have enrolled for the first time in a formal qualification at the University of Waikato.
- **Returners:** students who have previously, at any time in the past, been enrolled in a formal qualification at the University of Waikato.

Transition to University of Waikato

- **Other tertiary organisations:** includes tertiary organisations whether in New Zealand or overseas.
- **School-leavers:** had been enrolled at a secondary school in New Zealand or overseas in the year prior to, or same year as, enrolling at the University of Waikato.
- **New to tertiary study:** those who do not fall into either of the other two categories.

Age Profile

Student age is calculated as at 1 July in the relevant year.

Origins of domestic students

Origins are determined from the first recorded address. The regions were originally defined in accordance with the regional council boundaries as they were at the time. Those original regional boundaries have continued to be used, regardless of whether the boundaries have since changed, to allow comparison of data across time.

- **Inner periphery:** comprises Counties Manukau, Gisborne and Taranaki.
- **Outer periphery:** comprises Hawke's Bay and Northland.

Origins of international students

Origins are determined from citizenship.

Notes for Section 14: Statistical Information

Tables 1 - 7

The data in these tables take account of students enrolled in formal programmes only. They exclude 5,386 students enrolled solely in non-assessed programmes because each one represents only a very small fraction of an EFTS count.

16. Glossary and Definitions

Tables 5 and 6

- **Foundation certificates:** Certificates of Attainment in English Language and Certificate of Attainment in Foundation Studies.
- **Degree level:** undergraduate degrees, certificates (undergraduate and graduate) and diplomas (undergraduate and graduate).
- **Graduate or postgraduate qualifications:** graduate degrees (including both one-year and four-year honours degrees and masters degrees), higher degrees (MPhil and doctorates), postgraduate certificates and postgraduate diplomas.

Table 7

- **Completed:** refers to papers for which students received either a Pass or Fail grade. (Papers for which students received Incomplete, Withdrawn, No Credit and Continuing grades are excluded from this count.)
- **Passed:** refers to papers for which students received a passing grade, including a Restricted Pass.

Table 8

Table 8 counts all EFTS in both formal and non-assessed programmes, but does not include notional ACE EFTS.

Table 9

- **Sub-degree students:** students enrolled in papers that fit the MOE criteria for RS1 funding, whether MF or FCI.
- **Degree students:** students enrolled in papers that fit the MOE criteria for RS2 funding, whether MF or FCI.
- **Taught Postgraduate:** students enrolled in papers that fit the MOE criteria for RS3 funding, whether MF or FCI.
- **Research Postgraduate:** students enrolled in papers that fit the MOE criteria for RS4 or RS5 funding, whether MF or FCI.

Table 10

- ACE EFTS in Table 10 do not include notional ACE EFTS.

Table 13

- **Academic:** refers to staff whose conditions of employment require teaching and/or research to be undertaken.
- **Other:** refers to staff whose conditions of employment do not require teaching and/or research to be undertaken.

Both categories comprise continuing, fixed-term and casual staff.

Tables 16

Table 16 has been derived counting **all** Academic Staff FTEs (including fixed-term and casual staff), and **all** EFTS.

Table 17

Table 17 has been derived using a different methodology (which is also used for the University's internal planning processes). Data for this methodology are available only from 2006. Academic Staff FTE in this table refers to 'Teaching and Research' and 'Teaching Only' staff, and excludes:

- 'Research Only' staff
- Casual and fixed-term staff
- Academic staff not attached to EFTS generating organisational units
- Academic staff and student EFTS attached to the Pathways College. (A significant proportion of Pathways College staff are fixed-term or casual and therefore excluded under this methodology; to avoid skewing the ratio, the associated Pathways College EFTS are also excluded.)

16. Glossary and Definitions

Table 18

Table 18 has been derived counting **all** EFTS and **all** 'Other' staff, ('Other' staff refer to staff whose conditions of employment do not require teaching and/or research to be undertaken, including fixed-term and casual staff).

Table 19

- **Annual Research Revenue:** counts both PBRF-eligible and non-PBRF-eligible research revenue.
- **Academic Staff FTE (Research):** refers to 'Teaching and Research' and 'Research Only' staff on continuing appointments.

Table 20

For publications that have more than one University of Waikato author, the publication has been counted once only, in the Unit of the first author.

Table 22

Library statistics are provided by the Library using agreed CAUL/CONZUL conventions. The significant growth in electronic titles between 2003 and 2004 is attributable to the fact that the University joined several large services in 2004 including JSTOR, Springer, Cambridge University Press and EPIC. Growth between 2008 and 2009 can be attributed primarily to the University acquiring access to the Westlaw service which provides approximately 17,000 titles.

17. References

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