



THE UNIVERSITY OF
WAIKATO
Te Whare Wānanga o Waikato



ANNUAL REPORT
2017



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FROM THE CHANCELLOR



The Council and Executive of the University of Waikato have an ambitious agenda for change and renewal. During 2017 we made considerable progress in delivering on that agenda, with projects that expand our infrastructure and physical presence in New Zealand and overseas. This work was underpinned by the release of the latest global rankings, which show that our sphere of influence is also expanding.

The University's 2017-2021 Strategy identified improved facilities and a distinctive student experience as key goals. During the year management worked with the Campus Development Committee of Council to produce a Hillcrest Campus Strategic Master Plan 2017-2037, which was adopted by Council at its December meeting. This work will ensure that campus development matches the future needs of students, staff and the communities in which we are based. The Master Plan will see prioritised construction in parallel with substantive refurbishment of existing building stock. This work will transform the University campus and the experience of all who use it.

The University Council took the first steps towards implementation of the Master Plan in December, giving the green light for detailed design of 'the Pā'. The Pā will create a welcoming and vibrant 'heart' for the Hillcrest campus, incorporating food outlets, social and formal learning spaces, and a new University marae. The Pā design will include spaces and facilities for hosting major events on campus, such as graduations, awards dinners,

community functions and international conferences, as well as new spaces for teaching, learning and executive leadership. Construction of the Pā would also begin the process of providing more modern office space for staff currently located in the buildings dating from the 1960s and 1970s.

Another key project commenced in July was the construction of the University's much-anticipated new city campus in Tauranga. By 2019, the Bay of Plenty will have a new tertiary campus in the heart of Tauranga that will consolidate and enhance the University's current range of qualifications and study options in the Bay of Plenty. While the University has been active in the Bay of Plenty since the 1990s, this state-of-the-art new campus will create a vibrant and engaging community and industry hub delivering undergraduate and postgraduate degrees, as well as applied research that creates solutions to regional issues.

During 2017 the University conferred honorary doctorates on the Rt Hon Helen Clark, former Prime Minister, former Administrator of the United Nations Development Programme and Chair of the United Nations Development Group, and on distinguished artist Max Gimblett. The University can feel privileged to be associated with these two great New Zealanders. It was also a source of some pride for the University to see one of our alumni assume the position of Prime Minister following New Zealand's 2017 general election. The Rt Hon Jacinda Ardern

graduated with a Bachelor of Communication Studies in Public Relations and Political Science in 2001, we wish her the very best in the execution of her public duties.

I wish to extend the Council's thanks to outgoing Waikato Student Union President William Lewis for his outstanding service to the University in 2017, and to long-serving Council member Ian Fitzgerald who concluded his time on the Council at the end of the year. It is also my great pleasure to welcome Ministerial appointees Margaret Devlin and Graeme Milne who both joined the Council during 2017.

Last, but by no means least, I thank my fellow Council members, the Vice-Chancellor and University staff for their loyalty and hard work over the past year. This is an institution we can all be proud of, one that truly lives up to its motto of being here 'Ko Te Tangata' ('For The People').



Rt Hon James Bolger ONZ
Chancellor

VICE-CHANCELLOR'S OVERVIEW



Ngā mātāwaka o te motu, tēnā koutou katoa.

Rarau mai ki te Whare Wānanga o Waikato, ki te ahurewa o tūmanako, o wawata, o moemoeā.

Pike mai, kake mai, whakatau mai rā.

The University of Waikato has made significant progress with implementing the Strategy approved by the University Council at the end of 2016.

The University's new Academic Plan was adopted by Council in December 2017, following an extensive consultative process that engaged staff, students, committees and other groups. The Academic Plan acts as a guide for creating academically challenging programmes that reflect the interests of students and the needs of employers and the communities with which the University is engaged. The aspiration is to provide students at the University of Waikato with an outstanding learning experience, and a sense of a distinctive academic environment. Throughout 2017 we have simplified our degree structures, aligning them with key learning principles and providing more flexible delivery options. The new curriculum will better prepare graduates for the future and, with our focus on work-integrated learning, better prepare them for work. We are confident that these changes will be well received when they are rolled out in 2018.

Our work to foster and support the success of our Pacific students also progressed in 2017, with the opening of 'The Conch', a dedicated space for Pacific students, and adoption of the University's Pacific Plan. The Pacific Plan is focussed on increasing Pacific student enrolment, completion and employment outcomes, supporting pathways to postgraduate study, providing culturally responsive curricula and teaching approaches, and increasing our staff numbers drawn from Pacific peoples.

In parallel with strengthening our academic offerings, in January 2017 the University commenced work on a

rebuild of our student learning and management systems. This programme of work will provide better management of student data and give students a seamless basis for interaction with University systems. From enquiry to enrolment, through each paper and on to graduation, students will need just one mobile-friendly portal to manage their interaction with the University. In addition, consolidating the three online learning systems currently used across our faculties will ensure that students need to access just one online learning environment for all of their coursework. The project, known as 'Te Aka Mānea' ('the sustaining vine'), will take three years to complete.

A key driver of staffing changes during 2017 was our need to match our teaching and research investment more closely with student demand and research funding opportunities. In particular, declining student numbers and uneven research performance in our Faculty of Arts and Social Sciences required that the University reassess both our staffing levels and our strategy. The University's proposals for change generated a vigorous public debate about the merits of offering programmes for which there is very low student demand, and about the view that some disciplines have an inherent value unrelated to their ability to attract students or research income. The University welcomed this debate as an opportunity to explain the importance of student demand as an expression of the public interest in what we teach, and the importance of the student tuition-fee income and the government funding that we receive being used to provide degree programmes that our students wish to take. It was also an opportunity to reinforce the University's accountability for the recruitment of students and the generation of external research income to maintain the financial viability of our programmes.

In September 2017 we opened the Zhejiang University City College (ZUCC) and University of Waikato joint institute in Hangzhou, becoming the first New Zealand university to receive Chinese Ministry of Education approval to fully deliver our degrees in China. The joint institute is a

reflection of the University's long-standing commitment to partnership and collaboration in China. Our relationship with ZUCC spans more than 15 years, and our relationship with Shanghai International Studies University (SISU), which also announced a joint University of Waikato/SISU Research Centre in May, goes back more than 20 years.

The University continued its ascent in the world university rankings in 2017, with the June release of the QS World University rankings placing the University of Waikato amongst the top 1.1% of the world's universities, and the September Times Higher Education (THE) rankings placing the University third equal in New Zealand. Both rankings represent significant improvements over the last few years, further endorsement of the strategy that the University has adopted and testament to the commitment and calibre of our staff.

The University's work to raise awareness of critical health workforce shortages in New Zealand culminated in the completion of a revised business case for a third medical school in New Zealand at the end of May 2017. In August, the government announced a decision to create a School of Rural Medicine in New Zealand, based very closely on the business case submitted by the University of Waikato in partnership with the Waikato DHB. While it remains to be seen whether the new government will continue with the implementation of that decision, I take considerable heart from the impact that our leadership has had on this policy debate. While those with a vested interest in the status quo claimed that there was no health workforce problem in 2016, during 2017 the weight of evidence in the public domain made that position untenable. There is now broad public and political awareness that cosmetic changes to our existing medical education and training programme will not be able to address the looming crisis in primary care outside the main centres in New Zealand, and that a dedicated graduate entry degree such as has been adopted in most other developed countries is needed to provide an additional pathway into careers in medicine. There is also

now an acceptance that it is inappropriate to continue our very high level of reliance on the import of foreign-trained doctors to meet our health workforce needs when so many academically able New Zealand students cannot obtain places in the existing medical degrees.

In 2017 the University celebrated the launch of Te Huataki Waiora, the Faculty of Health, Sport and Human Performance. The University's newest faculty brings together expertise from across the University and has already attracted staff with impressive records of academic and professional achievement. Areas of teaching and research within the new Faculty include sport science and high performance sport; action and lifestyle sport; clinical exercise physiology; coaching; population health, health communication, promotion and education; Māori/Pacific Island health; and neurological injury in sport.

The University has continued to make a substantial investment in expanding its scholarship programme at both undergraduate and postgraduate level. In 2017 we welcomed the first cohort of more than 40 students on our new academic excellence scholarship, Te Paewai o te Rangi. After a successful pilot in 2016, we also expanded the Te Ara ki Angitū programme that works to make university more accessible for students from the wider Waikato region. The programme includes guidance and support with the transition from high school to the University of Waikato, support and mentoring while at university, access to a portable learning device, a heavily subsidised daily Wi-Fi-enabled transport system between home and the University's Hamilton campus (from selected Waikato towns), and the Te Ara ki Angitū - Pathway to Excellence Scholarship. In 2017 we expanded the programme to cover South Waikato, North Waikato, Piopio/Te Kuiti/Otorohanga, Coromandel/Whitianga/Whangamata, Thames/Hauraki, and Matamata/Piako.

Building on its commitment to provide national leadership in cyber security and crime science teaching and research, the

University has partnered with New Zealand Police and the Institute of Environmental Science and Research Ltd (ESR) to open the Evidence Based Policing Centre in Wellington. Staff from Police, the University and ESR will use the Centre to collaborate on research projects. This partnership will allow us to support New Zealand Police with a wide range of research provided by academic experts in computer science, data analysis, strategic studies and psychology, while at the same time ensuring that our research is making a real and practical difference to frontline policing and helping to create safer communities.

The University of Waikato benefits enormously from the support of a wide range of community partners, including agencies of government, local authorities and the commercial sector. This support includes funding for professorial research positions from the Bay of Plenty and Waikato Regional Councils. I am particularly pleased to acknowledge the support that we have received in Tauranga, where we are fortunate to be part of the Bay of Plenty Tertiary Partnership, backed by key regional agencies such as Priority One, SmartGrowth, Bay of Plenty Regional Council, the Tauranga Energy Consumer Trust and Tauranga City Council. In addition, our Napier Centre opened in 2017 to link the University's research and teaching expertise with projects and education opportunities across Napier and Hawke's Bay, and is jointly funded by the Napier City Council.

This year we welcomed three new senior leaders; Deputy Vice-Chancellor Māori Dr Sarah-Jane Tiakiwai, Dean of Engineering Professor Mark Dyer, and Dean of Management Professor Tim Coltman.

Three Māori staff members of the University received special recognition of their work during the year. Professor Pou Temara, from Te Pua Wānanga ki te Ao, Faculty of Māori and Indigenous Studies was awarded a Lifetime Achievement award by Te Taura Whiri i te Reo Māori - The Māori Language Commission. One of the highest Māori language accolades, the award acknowledges

Professor Temara's ceaseless efforts to promote Māori language at a national level. Dr Te Taka Keegan, senior lecturer in Computer Science was awarded the 2017 Prime Minister's Supreme Award for Excellence in Tertiary Teaching. Among his many achievements, Dr Keegan has worked with Google on the creation of a te reo Māori web interface, and developed the translation toolkit that lead to Google Translate in te reo Māori. In acknowledgement of her work to lift Māori student achievement, Associate Professor Mere Berryman from Te Kura Toi Tangata Faculty of Education was one of three finalists for the 2017 New Zealander of the Year.

The University was successful in a number of national research funding rounds in 2017. Four staff received funding from the Health Research Council, for research in areas including Māori medicinal plants, bone regeneration, holistic approaches to Māori paediatric healthcare, cancer diagnosis and transgender health. Four researchers were also awarded Marsden funding as lead researchers, with two additional staff receiving funding as part of a joint project with another institution. Project areas include redefining indigenous literature, reconnecting with ancestral stories, traumatic memories, early childhood education for refugee resettlement, and the ecology of extreme environments. Three research projects in the areas of AI and security were awarded Endeavour funding in 2017, and three research staff were recognised by the Royal Society Te Apārangi with an award, medal or fellowship.

In 2017 University of Waikato researchers also received three major grants from the Government worth nearly \$3 million. The money was from the MBIE Endeavour Fund's Smart Ideas programme, designed to invest in promising, innovative research with high potential to benefit

New Zealand. This included work on applying principles from the human visual system to navigation technology, integrating 'The Internet of Things' with security systems, and removing motion-blur in cameras.

I wish to extend my sincere thanks to the University's staff. Successful implementation of a significant change agenda requires resilience and commitment to the strategy of building a stronger institution for the future. Preparing successive generations of students to make great contributions to our economy and society, while also advancing understanding through quality research, makes the University environment a unique and inspiring place to work. I thank all members of the University staff, and members of the community that we serve, for their contribution to the mission of the University, and I acknowledge the support that I personally have received from the University Council, my colleagues in the Vice-Chancellor's Office and the Executive Team.



Professor Neil Quigley
Vice-Chancellor

2017

AT A GLANCE



2,344
MĀORI STUDENTS
(23% OF STUDENT
BODY)

12
SUBJECT AREAS
AMONGST THE
WORLD'S TOP
250*

\$61.6M
REVENUE FROM
RESEARCH AND
DEVELOPMENT



\$13.55M
INVESTED IN
SCHOLARSHIPS



TOP
1.1%
OF THE WORLD'S
UNIVERSITIES,
UP 100 PLACES IN
FOUR YEARS*

QS STARS
5 STAR RATING*
★★★★★

*www.topuniversities.com/universities/university-waikato

THE UNIVERSITY OF WAIKATO

University Role

Consistent with its statutory role as a New Zealand university under Section 162 of the Education Act 1989, the University of Waikato develops graduates with intellectual independence and delivers research and teaching that are interdependent. It meets international standards of teaching and research, is a repository of knowledge and expertise, and acknowledges its role as critic and conscience of society.

The University of Waikato is committed to meaningful partnerships under the Treaty of Waitangi, and to providing leadership in research, scholarship and education relevant to the needs and aspirations of iwi and Māori communities.

Standards of entrance to the University are determined and monitored by an inter-university body established under the Education Act 1989: 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 Academic Quality Agency (AQA) for New Zealand Universities Te Pōkai Tara. These external audits support and enhance the institution's own ongoing programmes of self-review and quality assurance.



University of Waikato Council



Chancellor
Rt Hon James Bolger
*Appointed directly
by the Council*



Vice-Chancellor
Professor Neil Quigley
Ex-officio



Pro Chancellor
Susan Hassall
*Appointed directly
by the Council*



Paul Adams
*Appointed directly
by the Council*



Margaret Devlin
(from 1 May 2017)
*Appointed by the Minister
responsible for Part 13 of the
Education Act 1989*



Ian Fitzgerald
*Appointed by the Minister
responsible for Part 13 of the
Education Act 1989*



Simon Graffhuis
*Appointed by the Minister
responsible for Part 13 of the
Education Act 1989*



Graeme Milne
(from 12 June 2017)
*Appointed by the Minister
responsible for Part 13 of the
Education Act 1989*



Richard Jefferies
*Appointed after consultation
with Te Arikinui*



Ngareta Timutimu
*Appointed after consultation
with Te Rōpū Manukura*



William Lewis
*Appointed following an
election by the students*



Dr Alison Campbell
*Appointed on the nomination
of the Academic Board*

Secretary to Council

Brandon McGibbon

Committees of Council

- Academic Board
- Audit and Risk Committee
- Capital Development Committee
- Honours Committee
- People and Culture Committee
- Student Discipline Appeals Committee
- Te Rōpū Manukura

Senior Leadership Team of the University of Waikato

As at 31 December 2017



Vice-Chancellor
Professor Neil Quigley



Senior Deputy
Vice-Chancellor
Professor Alister Jones



Deputy Vice-
Chancellor Academic
Professor Robyn Longhurst



Deputy Vice-
Chancellor Māori
Dr Sarah-Jane Tiakiwai



Deputy Vice-
Chancellor Research
Professor Bruce Clarkson



Chief Financial Officer
Andrew McKinnon



Assistant Vice-Chancellor
Communications, Marketing
and Engagement
David Craig



Chief Adviser
Student Systems
Michelle Jordan-Tong



Director, Office of the
Vice-Chancellor
Duanna Fowler



Director, Regional
Engagement
Joseph Macfarlane



Dean of Arts and
Social Sciences (Acting)
Professor Alison Kirkman



Dean of Computing and
Mathematical Sciences
Professor Geoff Holmes



Dean of Education (Acting)
Russell Yates



Dean of Engineering
Professor Mark Dyer



Dean of Graduate Research
Professor Kay Weaver



Dean of Health, Sport and
Human Performance (Acting)
Dr Kirsten Petrie



Dean of Law
Associate Professor
Wayne Rumbles



Dean of Management
Professor Tim Coltman



**Dean of Māori and
Indigenous Studies**
Professor Brendan Hokowhitu



Dean of Science
Professor Chad Hewitt



**Pro-Vice Chancellor
Teaching and Learning**
Dr Tracy Bowell



**Director, Communications
and External Relations**
Alice Clements



**Director, Human
Resource Management**
Carole Gunn



**Director, Information and
Technology Services**
Eion Hall



**Director,
International Office**
Sharon Calvert



**Director, Marketing
and Recruitment**
Simon Bush



Director, Student Services
Mike Calvert



University Librarian
Ross Hallett



**Academic Director
Tauranga Campus**
Associate Professor
Ken Perszyk



**President of the
Waikato Students' Union**
William Lewis



INSTITUTIONAL SUSTAINABILITY

The University of Waikato continues to deliver strong performance across its operations. In 2017 staff delivered quality teaching and undertook world-changing research, making valuable contributions to national and international challenges and debates in many areas. Further, the University continued to make strong contributions towards the goals set out in the Government's Tertiary Education Strategy 2014-2019.

This was the first year of implementation of the University's Strategy 2017-2021. The Strategy was adopted by the University Council in December 2016 and frames the delivery of the University's Mission and Vision by focusing activities around six strategic goals:

1. An organisational culture focussed on high performance
2. Teaching and research programmes distinguished by academic excellence and relevance
3. A comprehensive programme of community engagement
4. Improved operational efficiency and facilities
5. A distinctive University of Waikato student experience
6. Investment in growth.

Two significant projects identified in the 2016 Annual Report and continued into 2017 were the execution and implementation of a new curriculum framework, including the review and redesign of all courses within that framework, and the development of a new student learning and management system. The University's new curriculum will roll out from the beginning of 2018 and the new student management system and associated business processes are expected to go live in June 2018. The student learning aspect of the new system will go live in February 2018. Both projects required significant investment of time and resources across the institution during 2017.

In December 2017, Council approved the University's Academic Plan for the period 2017-2021. The Plan was developed to help operationalise the Strategy, supporting delivery of academically challenging programmes that reflect the interests of students and addressing the needs of employers and communities with which the University is engaged. The Plan was developed through wide consultation and sets out four key objectives for the period:

1. To invest in high-quality, future-focused and relevant programmes delivered by excellent teachers
2. To make the University a national leader in high-quality digital teaching and learning

3. To provide opportunities within and beyond curriculum to develop work-ready graduates who can operate effectively in local, national and international contexts
4. To provide students with an outstanding learning experience and a sense of distinctive academic identity at the University of Waikato.

Through its Investment Plan 2017-2019, the University committed to a range of deliverables. Performance against these deliverables is set out in the Statement of Service Performance; the initiatives and activities undertaken in support of these deliverables are set out below.

Activities undertaken in 2017 with respect to the delivery of indicators 1, 2 and 5:

MF/SAC-eligible EFTS achievement

The University of Waikato has a well-established student recruitment programme undertaken through regional and national secondary schools. While the bulk of activity concentrates on the major catchment areas for the University (Waikato and Bay of Plenty), during 2017 the University expanded recruitment efforts outside these areas with both regional and campus-based activities.

The University has increasingly deployed its student ambassadors as part of recruitment initiatives, enabling a greater number of secondary school visits and future student counselling sessions throughout 2017. Academic staff also engaged directly with secondary schools to give potential students a taste of University life; further strengthening community linkages. In parallel with visits to secondary schools the University hosted a greater number of students and teachers at University functions and events at the University during 2017.

The University made significant changes to its processing of student applications in 2017, with all undergraduate applications now being managed centrally. This improved consistency with respect to students' experience of enrolment and has ensured more timely responses to all applications; in turn this increased the rate of offers of places the University made to students during 2017, particularly to non-school leavers.

During 2017 the University offered an increased number of information sessions in core regional markets (Northland, Auckland, Waikato, Bay of Plenty, East Coast and Central North Island) enabling potential students and their whānau

to better understand what Waikato offers and the support available to students who might be leaving their home region for the first time. These sessions proved popular and a number of prospective students went on to engage with the University through other on-campus activities available to prospective students including Open Day, the Faculty of Science and Engineering Open Week, Applicant Day and Experience Waikato sessions.

Throughout 2016 and 2017 the University undertook a comprehensive review and redevelopment of its website. As the website is often the first point of contact for prospective students, considerable attention was given to improving the experience for first-time users and making information available and clear for all.

First-year scholarships have been an integral part of the University's recruitment efforts over a number of years. Waikato, along with most other New Zealand universities, has an extensive suite of first-year student scholarships targeting students who are achieving academically, excelling in sport or performance, or who demonstrate hardship.

In 2016 the University introduced, for 2017, a new school-leaver scholarship. Te Paewai o te Rangi: University of Waikato Scholarship for Outstanding Academic Achievement was established as a flagship academic scholarship for school leavers and seeks to recognise academic excellence alongside community engagement and leadership. For the 2017 scholarships, 173 applications were received. Despite a planned quota of 20 scholarships for 2017, the standard of application meant that 53 scholarships were offered, with 45 students accepting.

The University's other first-year scholarships, including the Sir Edmund Hillary, Te Ara ki Angitu, Northland Future Leaders, Te Pua Wananga ki te Ao, Edna Money, Paul Woodford Day, and Excellence and Merit school leaver scholarships, remained well-subscribed.

The University offered a refreshed UniStart programme in 2017. This programme enables secondary school students to undertake first-year University papers as either extension or new material. The papers proved popular and provided a strong incentive for students to further their study at Waikato in 2018.

In recognition of the fact that secondary school staff are often strong influencers of students' future study directions, the University continued with, and expanded, its programme of

activities for careers advisors in 2017. This included a number of well-attended workshops at the annual CATE (Careers and Transition Education Association) conference.

Throughout 2017 the University increased marketing to its current undergraduate students with a view to encouraging enrolments at postgraduate level.

In support of its wider engagement strategy, examples of initiatives undertaken by the University in 2017 included:

- A Social Science day for secondary school students
- Scholarship preparation sessions for the Social Sciences
- An Engineering design show for secondary students
- ChemQuest for top secondary Chemistry students
- Law information sessions that enabled students to experience being a Law student
- Secondary school mooting championships, with scholarships awarded to the winners of the competition
- A Cyber Security Challenge and a number of other Computer Science events including Gov Hack and Global Game Jam
- A young leaders programme providing development opportunities for secondary school Head Boys and Head Girls.

Activities undertaken in 2017 with respect to the delivery of indicators 3, 4 and 5:

FCI EFTS achievement

The University's international student recruitment activities are primarily coordinated through its International Office. The Office has a primary focus of supporting student recruitment, partnerships and outward student mobility.

While not directly contributing to the University's New Zealand-based international EFTS, the May 2017 opening of the University's joint institute with Zhejiang University City College (ZUCC) in Hangzhou, China represented a significant milestone. The University of Waikato Joint Institute at Zhejiang University City College builds on a long association with ZUCC and the University's China-based degree programmes are the first to be delivered in China by a New Zealand university with Chinese Government approval. The joint institute will enable Chinese students to earn New Zealand-certified degrees in a uniquely New Zealand learning environment, while also being able to stay close to home, family and local career opportunities. The first intake into the programme in 2017 was fully subscribed.

Alongside changes made to domestic student application processing, the University made changes to its international application processing to ensure that students receive a timely response to their enquiries.

The University's long-established 2+2 partnership agreements continued to provide a strong source of international students in 2017, and the University continued to work with partner institutions to ensure that programmes meet student demands and expectations. Throughout 2017 the University continued to develop new partnership programmes and focussed on increasing the diversity of its international student body.

New marketing initiatives, including marketing through Study International and targeted digital marketing campaigns promoting new programmes, succeeded in increasing the proportion of the University's international students studying in New Zealand who had not taken a pathway from one of the University's international partner institutions.

The University significantly increased the number of students undertaking study abroad and exchange in 2017. The number of Waikato students participating in exchange programmes increased 68% over 2016 and the number of incoming study abroad students increased by 14%, growing revenue, diversifying the University's international student body and offering domestic students more global experiences.

Examples of internationally focussed initiatives undertaken by the University in 2017 included:

- Market-specific initiatives (Materials Engineering teaching at HEBUST; Intercoast Germany PhD; Development of MoUs with Indian institutions for PhDs; Guaranteed Credit Agreements with institutions in Malaysia; early stages of development of strategic partnership with Lancaster University; development of student and staff mobility programmes with University of California institutions)
- An international moot competition between the University of Waikato, Hanoi Law University and Ho Chi Minh City University of Law
- Alumni events overseas in conjunction with other visits
- Launching the University's dedicated WeChat channel for China
- Increasing the number of sponsored students – new agreements with Oman, Pakistan and Malaysia.

Activities undertaken in 2017 with respect to the delivery of indicator 6:

Financial performance

The University of Waikato has a well-established financial monitoring and reporting system that provides for regular review of financial activity to ensure that expenditure and revenue remains on track with budget. Each month, actual financial performance is compared to the budget for the month and year-to-date and budget holders are required to prepare monthly variance reports and update their year-end forecast.

The University Budget for 2017, approved by Council in late 2016, provided for the achievement of a minimum of 3.4% return on operating surplus (prior to interest and donations), within the range specified by TEC for institutions with low financial risk.

The University's Financial Services Division monitors actual results and forecasts and works with budget holders to ensure that the key financial performance indicators are met (i.e. as revenue moves up and down there are corresponding movements in the University's expenditure to compensate); the University recognises that the vast majority of activities that generate additional revenue for the University have associated costs. The monthly results and forecasts are reported to the University's Audit and Risk Committee and Council.

It was noted in the 2016 Annual Report that the University would need to make changes to staffing levels in order to meet budget targets by the beginning of 2018. During 2017 the University continued the resizing process it commenced in 2016 to prepare the University for the future and allow for investment in areas of growth and new initiatives. This process supports the University's goal of increasing the sustainability of staff/student ratios within faculties and ensuring the number of general staff is in alignment with academic staff numbers and patterns in other universities. In 2017 this process took the form of retirements, natural attrition and redundancies. The resizing process will lead to savings in both general and academic salary costs.

The University continued to invest in new areas and made a range of strategic senior appointments during 2017. These included recruiting nationally and internationally in Engineering to develop mechanical and civil engineering capacity, and Arts and Social Sciences appointments in creative writing, psychology, environmental planning, sociology and social policy.

RESEARCH PERFORMANCE AND INDUSTRY RELEVANCE

Activities undertaken in 2017 with respect to the delivery of indicator 7:

Research & Development revenue

The University has continued to clarify its expectations of academic staff in terms of increasing the quality and quantity of research outputs. This also extended beyond research outputs and into the expectation that staff play a central role in generating the University's research and development revenue.

Patterns of research and development revenue generation across the faculties were mixed in 2017, much like in previous years. Some faculties, particularly the Faculty of Science and Engineering and the Faculty of Education have strong patterns of generating research and development revenue where other faculties have a lower rate of success. The imbalance largely stems from the available funding pools. While the University's budget model recognises and reflects this imbalance, staff across the institution are still encouraged to pursue options for research and development revenue generation.

During 2017 the University continued to demonstrate strong success in applied research. This was evidenced through the high success rate for MBIE funding – where the University performed beyond expectations given its size. The majority of the University's Marsden funding was generated by areas that typically struggle to attract research funding – the Arts and Social Sciences and Māori and Indigenous Studies.

Alongside preparations for the forthcoming PBRF round, the University has been encouraging its academic and research staff to seek research and commercialisation revenue. In support of this initiative the University established a contestable funding pool as part of its 2017 Strategic Investment Fund (SIF). This funding pool provides for the investment of amounts of between \$20,000 and \$40,000 to grow initial research ideas in preparation for applications for external research funding. Funds can also be used to build collaborations in New Zealand and internationally and to build research capability. Some of the 2017 SIF-funded applications have already delivered successful funding outcomes, and a number of other proposals developed in 2017 are expected to be submitted in 2018.

The University also established a support grant for staff applying for Marsden research funding; about \$40,000 was

spent in 2017 to assist researchers who had reached the second round in 2017 to take their proposals to fruition. Through the University's Research and Enterprise Office, focussed applicant coaching and peer review services were available to staff who sought to apply for research funding, and a number of workshops were held throughout 2017 to enable staff to pitch research ideas within a supportive environment. Feedback was provided to staff as to how their proposals might be enhanced.

Feedback from staff on the University's support for research funding applications has been overwhelmingly positive.

Activities undertaken in 2017 with respect to the delivery of indicator 12:

Work placements

As part of its Curriculum Enhancement Programme the University has ambitious plans for growth in student work placement opportunities. While the majority of growth is expected to take place from 2019, the University has undertaken a significant amount of preparatory work, including refinements to current offerings. Work placements across all faculties increased in 2017.

In combination with the planned growth for work placements and new health and safety legislation, the University has reviewed its health and safety obligations and responsibilities with respect to students entering the workplace.

The University has also focussed considerable effort on understanding the needs of employers who have signed up to be part of the University's work placement programme both now and in the future. Work undertaken in 2017 has helped to ensure mutual benefit for students and employers.

In 2017 the University identified a number of fundamental principles for its engagement with those who will host students during work placements, including the establishment of one central point of contact with employers, rather than employers having to engage with a number of different University staff to the same end.

As noted in the 2016 Annual Report, the University has continued to build relationships with employers in the Bay of Plenty with a view to providing a full suite of work-placement options for Tauranga students.

STUDENT PARTICIPATION AND PERFORMANCE

Activities undertaken in 2017 with respect to the delivery of indicator 8:

Māori student recruitment

The University of Waikato has a very strong and proud history of delivering outcomes for Māori, once again attracting the highest proportion of Māori students of any New Zealand university in 2017.

As noted above, the University has a well-established student recruitment programme and the majority of the initiatives undertaken for all students also recruit Māori students. However, the University also undertakes a number of additional activities targeted specifically at the recruitment of Māori students.

In 2017 such activities included targeted recruitment activity in areas with higher Māori populations (Northland, North Waikato, South Waikato, Te Kuiti/Otorohanga, Rotorua, Eastern Bay of Plenty, Gisborne/East Coast); attendance at prestigious cultural events and festivals including secondary school kapa haka regionals and Te Matatini; raising the profile of the University's academic programmes and student support through Te Rōpū Manukura (the University's iwi engagement forum) ; and increasing the number of Māori student ambassadors working alongside the student recruitment/future students staff.

Faculty-specific initiatives undertaken in 2017 included offering a Code Avengers computer science camp targeted at Māori secondary school students; faculty-based information sessions for students and whānau at a range of venues; involvement in the Māori Law Society conference; offering extension Te Reo Māori papers through the University's UniStart programme; and offering scholarships directly targeting Māori students.

Pacific student recruitment

Over many years the University has achieved a proportion of Pacific students that is equal to, or higher, than the proportion of the Waikato/Bay of Plenty population that self-identify as Pacific. The coordination of targeted Pacific student recruitment remains a relatively new area of recruitment focus.

As noted above, the University has a well-established student recruitment programme and the majority of the

initiatives undertaken for all students also recruit Pacific students. However, the University also undertakes a number of additional activities that are targeted specifically at the recruitment of Pacific students.

In 2017, Pacific student recruitment activities included scholarship and halls application sessions specifically for Pacific students; profiling the University at community cultural events including Fijian Independence Day and the Auckland City Council Pasifika festival; participation in the Pasifika PowerUp programme; working with the University's Pacific student associations and utilising the influence that these groups have on their communities; and regular engagement with South Auckland communities. All provided opportunities for the University to reaffirm its commitment to providing quality education in a supportive environment.

Faculty-specific initiatives undertaken in 2017 included Faculty Pacific student fono; advice and support for incoming MFAT scholars; faculty staff visiting specific secondary schools with high proportions of Pacific students; and holding a Pacific-focused 'law student for a night' information session in Manukau for students and families.

Activities undertaken in 2017 with respect to the delivery of indicators 9, 10 and 11:

Learning support for students

The University has entered into a range of performance commitments with the Tertiary Education Commission around student achievement; these concentrate on paper completion rates, student retention and qualification completion. In all cases achievement of these commitments is dependent on strong student achievement in individual papers. The vast majority of students who successfully complete papers are likely to re-enrol and continue their progress towards completing a qualification. In recognition of this fact, the University continues to concentrate its activity at the individual paper level and target support to students in this way.

The University has a long-established system of student support services that operate both centrally and through faculties. While students have traditionally self-directed to these support services, increasingly the University is directing students to these services where specific needs have been identified.

In 2017 the University reviewed best practice with respect to student support in several overseas institutions and implemented a number of new retention and success initiatives as a result. These initiatives included enhanced student orientation including digital orientation, summer bridging programmes, peer success coaching, and engagement analysis.

The University also considered the implementation of an engagement analysis tool. To this end, and as part of the development of the new Student Management System – Te Aka Mānea, the University has been working to identify data sources that will serve as a proxy for student engagement in the future. The tool under development will use data held in Moodle, the library system and the Campus WiFi system to determine a student's weekly engagement with those systems and to help identify those students who have not engaged and are therefore potentially at risk. While this tool was not in place in 2017, its development has been a major piece of work in the University's programme of student support during the year.

In 2017 the University established a Student Success Forum, which brings together a wide range of staff who play a role in student success and meet quarterly. The forum provides a more holistic approach to student support and increases the web of support available for students by sharing new patterns and emerging trends. It also provides a critical assessment of the University's support structures to ensure these continue to meet student needs and expectations in a sustainable way.

In 2016 the University introduced the requirement that all students in 100-level papers would be assessed within the first three weeks of each paper. This early assessment has helped identify students who are potentially 'at risk' at an early stage and, during 2017, the University strengthened its process around follow-up with those students and the utilisation of the range of support services available to help them succeed. The number of students who engaged with the University Centre of Tertiary Teaching and Learning in 2017, both in terms of one-on-one appointments and attending workshops offered by the Centre, was up on 2016.

The University's comprehensive programme of central student support services is complemented by those offered through the University's faculties. Examples of student support activities undertaken by the faculties during 2017 included:

- Monitoring and intervention in all papers with a history of low performance

- Increased sessional assistance support for large classes
- Recognition of high-performing students through Deans' lists and faculty scholarships
- Fortnightly Graduate Student Forums to provide support and information
- Faculty-specific mentoring programmes.

Māori student achievement

While central student support services are available to all students, the University offers a range of support services specifically targeted at Māori students. Many of these services are funded, at least in part, through the Māori student equity funding provided by Government.

The University continued its programme of faculty-specific Māori student mentoring, with an increased focus on 100-level papers with low pass rates for Māori students in each faculty. During 2017 most faculties tracked the achievement of Māori students enrolled in these papers and extended offers of support services to those students identified as being 'at risk'.

The University increased networking opportunities across the faculties for Māori student mentors with monthly meetings held to discuss activities being undertaken in each faculty with a view to sharing best practice and ensuring consistency of Māori student experience across the University.

The student mentoring programme is not limited to academic activities. During 2017 cross-faculty initiatives included whakawhanaungatanga-related activities aimed at connecting Māori students through activities such as kaitahi and combined sports events.

While the University's Māori student mentoring programme has been in place for a number of years and has proven effective, a comprehensive review of the programme was undertaken in 2017 to ensure that it still represents the best way of supporting Māori student achievement. As a consequence of the review a number of changes will be made to the programme for 2018.

With a view to improving Māori student retention, in 2017 the University set aside a small pool of funding for scholarships for Māori students who were achieving academically but were potentially at risk of withdrawing from study due to financial hardship. All students who

received funding from this scholarship successfully completed their 2017 papers.

The University also continued with and enhanced its Te Āhurutanga Māori student leadership programme, its Te Toi o Matariki support programme for Masters students, and its MAI ki Waikato PhD support programme. All changes to the respective programmes were well received and student feedback on each programme remains strong.

As an example of the Faculty-based Māori student mentoring programme, activities undertaken within the Faculty of Arts and Social Sciences in 2017 included:

- Induction sessions for Māori sessional assistants
- An orientation programme for Māori students
- Time management workshops
- Study packs and study sessions
- 'Show us your A grade sessions'
- FASS Māori student photo shoot
- Mentors contacted all first-year Māori students
- Māori Student Services Coordinator meeting with students who failed automatic re-entry criteria at the beginning of each semester
- A graduating student brunch and celebrating success dinner.

During 2017 the University also secured Ako Aotearoa funding for a collaborative project across the Faculty of Arts and Social Sciences and the Faculty of Māori and Indigenous Studies for the development of a resource to support the academic writing capacity of Māori students. Work on this project is continuing.

Pacific student achievement

The University's Academic Board approved a new Pacific Plan in June of 2017. The Pacific Plan 2017-2020 aims to ensure the University builds on its teaching and research endeavours to meet the aspirations, needs and priorities of Pacific peoples. Through the commitments made through the Plan the University has committed to ongoing improvement of Pacific student outcomes.

The University also established a Pacific Plan Advisory Group charged with making the Pacific Plan more specific and with prioritising objectives. This includes evaluating the effectiveness of initiatives, and identifying entities and roles across the University with relevant responsibilities

and interests. The group will advise the University's senior management on the best way to achieve the objectives set out in the Pacific Plan.

As previously noted, central support services are available to all students. The University offers additional support for Pacific students, with many of the initiatives being funded, at least in part, through the Pacific student equity funding provided by Government.

The University offered a comprehensive programme of student support initiatives for Pacific students in 2017. These included:

Initiatives to support a successful transition for first-year Pacific students

- UniPrep - a comprehensive three-day University induction programme for Pacific students
- Pacific orientation lecture
- Official kava ceremony and welcome
- Pacific peer mentoring – faculty-specific programmes based on the tuakana-teina relationship as a buddy system for Pacific students throughout their time at the University.

Activities to increase Pacific student engagement and retention

- Pacific Support Staff Forum
- Pacific Study Sessions/Groups
- Breakfast Club in The Conch
- Promotion of Pacific Awards and Scholarships
- Pacific Celebrating Success Ceremony
- Facebook/email engagement
- Student engagement events – including visits by the Deputy-Prime Minister of Tonga and the Vice-Chancellor of the National University of Samoa
- Bi-weekly Pacific Club events: academic, cultural and social.

In addition, faculties offer their own Pacific support initiatives in 2017 including:

- faculty Pacific student support drop-in sessions
- additional sessional support for papers with high Pacific enrolments – especially in Anthropology
- faculty-specific Pacific students' associations
- assignment and exam preparation workshops.

Of particular note in 2017 was the opening of 'The Conch', the first dedicated Pacific student space on Campus. The Conch was blessed and opened in May 2017, and the space is managed by the University's Pacific Student Success Coordinator. The Conch space was well-used during 2017 and has become a central point for liaison with the University's Pacific students.

International student achievement

As with all other students, international students are equally catered to by the University's central student support services. In addition, the University provides support services through its International Office, as well as student support opportunities specifically targeted at international students.

In 2017 the University continued with the International Buddy programme, which is informed by the Study Abroad Network and seeks to increase the levels of pastoral support during the 'settling in' stage for the University's new international students. The programme uses the skills and expertise of high-achieving and culturally competent mentors to oversee new international students during their first semester of study. Throughout 2017 the University recruited and trained mentors for the programme and saw strong uptake from new international students. Feedback on the 2017 programme was very positive.

During 2017 the University organised a range of trips and activities for international students to ensure they experienced New Zealand more widely as part of their studies. The University also assisted international students to connect with the many international student clubs supported by the Waikato Students' Union.

Many faculties also offer particular activities to support international students. In 2017 the majority of these activities focussed on building a community of learners within each faculty and providing information about the support services available for students, both at faculty and central levels.



ORGANISATIONAL CULTURE: STAFF AND STUDENTS

Activities undertaken in 2017 with respect to the delivery of indicator 13:

Responding to the 2016 staff survey

As noted in the Statement of Service Performance, the University did not conduct a staff survey in 2017. This delay allowed time to develop questions that would elicit more substantive staff inputs on ways to improve organisational performance. This revised staff survey will be conducted in the first half of 2018.

In addition, during 2017 the University undertook a number of actions to address the issues raised through the 2016 survey, some of which are detailed below.

A key focus during 2017 was strengthening communication with staff; the Vice-Chancellor, Deans and other senior leaders made regular contributions to the University's Community newsletter which is circulated to all staff and Council members; a leadership forum involving middle management staff (led by the Vice-Chancellor) was revitalised with a view to providing an open forum for middle management staff to raise issues and identify potential improvements for the future; Senior Leadership Team members were actively encouraged to share information with staff; and more comprehensive reporting from Council has been published on the University website since May 2017.

The University of Waikato has been undergoing considerable change over the past few years, and the University's Vice-Chancellor has undertaken a significant communication programme aimed at placing these changes in context for staff and stakeholders. Tertiary education institutions in New Zealand and most other developed countries are responding to significant changes in their funding environments that challenge them to improve learning, research and commercialisation outcomes while at the same time achieving substantial operating efficiencies.

To support higher levels of achievement in research, the University increased its internal funding to support the development of research proposals at both central and faculty levels. And to support investment in those areas where student numbers or research opportunities are increasing, the University improved the transparency of its budget model and increased the strategic investment funding available to support new initiatives across the University.

To improve student and staff experience of the learning, research and social environment, the University undertook a major scoping project around the future development of its Hillcrest campus. The University of Waikato Hillcrest Campus Strategic Master Plan 2017-2037 was endorsed by Council at its meeting on 5 December as the basis for the University's future campus development and refurbishment over the next 20 years. As part of the Strategic Master Plan the University Council has committed to a deferred maintenance programme which will include the improvement of current spaces and the refurbishment, redevelopment and repurposing of the current building stock with a view to transforming staff and student experience of the campus.

Activities undertaken in 2017 with respect to the delivery of indicator 14:

Increasing the proportion of Professorial and Associate Professorial staff who are female

The University of Waikato has a well-established network of support for female staff and actively encourages women to step into leadership positions such as Associate Professor and Professor.

On 3 October 2017 the University of Waikato hosted its ninth annual Women in Leadership event. Speakers included Her Excellency, the Governor-General Dame Patsy Reddy. The 2017 themes included embracing diversity in workplace teams, unconscious gender bias, and encouraging women staff in a variety of roles, including in academic roles, to step up into leadership positions.

The Waikato Women Professors' Network, established in 2002, provides peer support for women professors in their leadership roles within the University and beyond. The Waikato Women Professors' Network includes staff from a wide range of disciplines who demonstrate experience in significant academic and professional leadership roles. The objectives of the network are to:

1. provide mentoring and a peer support network for women professors from all faculties
2. provide a forum for discussion of academic, professional and University issues, including research and equity

3. facilitate leadership in academic disciplines, within the University, as well as in the wider community in New Zealand and internationally.

The overall University ambition to increase the proportion of female Associate Professorial and Professorial staff is shared by the faculties. For example, in 2017 the Faculty of Science and Engineering sought to promote female academics through the Professional Goal Setting process and encouraged and supported them to apply for promotion. While female Professorial and Associate Professorial staff numbers remain low in the Faculty, a number of recent female academic appointments across the Faculty have been identified as strong candidates for future promotion to Associate Professor and Professorial positions; mentoring programmes have been put in place to help these staff reach their potential.

Activities undertaken in 2017 with respect to the delivery of indicator 15:

Responding to the student survey

The University's results in both the 2015 and 2017 iGraduate student surveys compared very favourably with universities nationally and internationally but the University remains committed to improving experiences for its students.

As reported in the 2016 University of Waikato Annual Report, the University has undertaken a significant number of initiatives with a view to improving student satisfaction, which should be reflected in future surveys. Some of these initiatives are summarised below:

- In response to student feedback about transport costs to University, the University introduced a student subsidy for Hamilton buses reducing the cost to only \$1.70 per trip, and expanded the bus service through the Te Ara ki Angitu programme from five regions at a cost of \$1 per trip to and from the University's Hillcrest campus
- In response to student feedback about employment opportunities post-graduation, the University introduced the Employability Plus Programme which enables students to engage in workshops and volunteering opportunities, and implemented MyCareer which is a software system for students to create CVs and cover letters, find graduate and volunteering opportunities and more

- In response to student feedback about more work experience opportunities through their programmes, the University redesigned its curriculum and introduced a work-integrated learning component as part of all of its undergraduate degrees as well as increasing the flexibility for students to move between majors throughout their programmes of study
- In response to student feedback from international students about more assistance on arrival, the University introduced the International Buddy Programme. Through this programme students are buddied up with existing Waikato students who can help with the process of settling in to life in New Zealand and study at Waikato.

During 2017 the University continued to act on feedback received through the 2015 student survey.

Additional appointments were made in the University's Counselling Service to respond to increasing student demand for mental health support. In parallel, the University is reconfiguring its student health services to provide better integration of the University's medical, disability and mental health services and provide for a more holistic approach to student health and support.

The University offered a much more comprehensive student orientation programme in 2017 and, as in 2016, this commenced the week before A semester classes started, allowing students to gain a better understanding of the University and support services available to them before they began their programmes of study. On the basis of feedback from students in 2017 further changes will be made for the 2018 new student orientation programme including an enhanced academic orientation programme.

Changes to the University's curriculum and undergraduate degree structure from 2018 will further enhance students' work readiness, an issue that was raised by students in both the 2015 and 2017 student surveys.

REPUTATION

Activities undertaken in 2017 with respect to the delivery of indicator 16:

University rankings

As noted in the University's 2016 Annual Report, university rankings are a highly competitive activity with significant efforts being made each year by institutions globally to retain or improve their places in the face of competition by institutions from emerging international markets in Asia and the Middle East.

It was also noted in last year's Annual Report that there are significant time lags associated with initiatives around rankings. An example of this is an initiative undertaken by the University since 2014 to encourage staff to register an ORCID ID, a persistent digital identifier that distinguishes researchers and ensures that work is recognised. The gradual increase in use of ORCID has led to an increase in the number of research outputs associated with staff and has correspondingly increased performance against this indicator in both the THE and QS rankings exercises.

In combination with efforts around ORCID IDs the University has had a clear focus over recent years on clarifying its expectations of academic staff in terms of increasing the quality and quantity of research outputs. Staff responses to these expectations and improvements in both the number and quality of research outputs has meant the University has demonstrated significant improvements in the number of citations per paper in both rankings exercises. As a result, the University's performance in both the THE and QS rankings exercises has improved over time.

Examples of initiatives undertaken by the University in 2017 to improve its performance in future rankings exercises included:

- promoting the University's success in both THE and QS rankings, and targeting academics and industry (through targeted digital activity) with the intention of raising awareness of the strengths of the University of Waikato, creating a virtuous cycle in rankings' reputation surveys
- undertaking a programme of targeted communications and marketing work to promote awareness of research themes where the University of Waikato can authoritatively claim national and international expertise; this is a longitudinal and iterative process that aims to promote and raise awareness of these academic strengths in public and sector-specific settings
- continuing to encourage staff to undertake research collaborations with international scholars
- continuing to facilitate a focus on research and research training, with a high focus on research that has clear applied outcomes. To this end in 2017 the University hosted development workshops to encourage and aid staff to develop Ministry of Business, Innovation and Employment Smart Ideas and Targeted Research Programmes, Marsden, and Health Research Council grant applications
- encouraging staff to undertake Open Access publication with a view to expanding the reach of research outputs
- encouraging staff to take study leave with a clear focus on enhancing research outputs and further developing international collaborations
- targeting research funding to direct staff towards publishing in high-impact, often open-access journals, as opposed to conference proceedings.

Activities undertaken in 2017 with respect to the delivery of indicator 17:

Public lectures, seminars and performing arts activities

The University of Waikato has an extensive programme of public engagement through public lectures, seminars and performing arts activities. These include both centrally managed and coordinated activities, and those conducted through faculties and departments/schools.

The majority of faculties have clear expectations of staff with respect to their contribution to the University's public engagement programme; in most cases these relate to the dissemination of research findings and engagement on topical issues.

As part of the University's campaign to raise its profile in Tauranga prior to the opening of the new CBD campus in 2019, the University conducted a programme of monthly public lectures throughout 2017. These covered a wide range of topics and subject areas, from psychopathy to election campaigns. The 2017 Tauranga lecture series included staff from the University of Waikato and invited experts from other New Zealand universities. The series proved

exceptionally popular with residents from the Bay of Plenty and helped raise the University's profile in the Bay.

The Conservatorium of Music of the University's Faculty of Arts and Social Sciences continued its popular lunchtime concert series throughout 2017, with the majority of performances taking place at the Gallagher Academy of Performing Arts on the Hamilton campus. Students from the Conservatorium also held regular public performances across the Waikato region.

It is common practice for the University to ask visiting academics to contribute to the University's public engagement programme. In 2017, through the Faculty of Management alone, 20 visiting academics delivered public lectures about their research.

The University continued with its inaugural Professorial Lecture Series throughout 2017. This series allows the University to introduce newly appointed or promoted professorial staff to the community and gives them an opportunity to demonstrate how their work is having a real impact on the world around us. Seven inaugural professorial lectures were delivered in 2017 across Engineering, Law and Psychology.

OTHER COMMITMENTS

In its Investment Plan 2017-2019 the University of Waikato signalled that it had in train a range of specific initiatives. For 2017, these included:

- The University's Curriculum Enhancement Programme
- Tauranga, and
- Te Ara ki Angitū

Relevant activities and initiatives undertaken in 2017 against each of these initiatives are set out below:

Curriculum Enhancement Programme (CEP)

In reflecting on its first 50 years (celebrated in 2014) the University also considered its future. Over the years, like many other universities, Waikato had tended to add more papers and programmes than it deleted. Some were outdated, ineffective and had few enrolments. Also, the many additions over the years meant that the rules and regulations governing different programmes of study had become overly complicated making it difficult for students, and, in some cases, staff, to operationalise. Bearing this in mind, the University decided to undertake a curriculum renewal process to ensure that all of its programmes and qualifications were providing an education that prepared the University's students for their working lives, to participate fully in their communities and for lifelong learning.

The aim of the CEP was to develop and deliver coherently structured curricula that were highly relevant to existing student, employment and societal needs, and flexible enough to respond quickly and appropriately to changing needs. The goals and processes of the CEP, however, were broadly cast, going beyond curricula to address the learning structures in place in contemporary universities. The CEP had curricula at its core, but it also provided the context for examining and spearheading initiatives around teaching approaches, delivery modes, students' transition to university, orientation programmes and early assessment.

The University has implemented a number of these initiatives over the past few years. Some worthy of mention were the change of timing of the University's academic orientation and O' Week so that by the first week of teaching students were ready to fully engage in lectures, laboratories and tutorials. In 2016, all students in Level 100 papers were assessed within the first three weeks of semester; early identification of need being an important way for the University to help students make a successful transition

into tertiary study. Also in 2016, Waikato's grading scale (which was out of alignment with the other New Zealand universities) changed, ensuring that Waikato graduates were not disadvantaged when applying to other universities for scholarships or places in graduate programmes with limited entry.

In order to review, develop and deliver a new curricula, a Curriculum Design Framework (CDF) was proposed. This framework was approved by Academic Board on 1 March 2016 and included curriculum design principles and graduate attributes, as well as the University-wide requirements for undergraduate degrees.

The CDF laid out that all undergraduate comprehensive degrees (but not necessarily those professional degrees approved by external bodies) as part of their architecture must have the same structure for a major – two papers at Level 100, three papers at Level 200 and four papers at Level 300. The framework also dictated that all undergraduate comprehensive degrees would contain three components: Disciplinary Foundations; Cultural Perspectives; and Industry, Employer and Community Engagement. This aim of this, in part, was to help the University of Waikato distinguish itself from other universities and to ensure that its students received a comprehensive foundation for their academic learning and the ability to apply their learning to their future employment. These three components that formed part of a new degree architecture also aimed to provide a coherent and consistent approach to curricula across facilities. In addition to this, a decision was taken to make all of the University's undergraduate papers worth 15 points instead of a mixture of different points, improving alignment with other universities and enabling students to more easily transfer, with credit, between institutions.

The CEP came to a close at the end of 2017, transitioning to 'business as usual' as the University delivers the new curricula, via the CDF, from 2018. As a result, compared to 2015, in 2018 the University of Waikato will offer four fewer undergraduate degrees, six fewer subjects and nearly 300 fewer papers. The number of papers offered will reduce further in the immediate future as many have been retained for the purposes of grand-parenting students into the new course architecture. Faculties, with the oversight of a newly formed Senior Leaders' Curriculum and Teaching Group, will continue to consider their offerings to ensure they are coherently structured and relevant to existing student, employment and societal needs. Any new papers, subjects,

programmes or qualifications will only be approved by the Curriculum Committee if they meet the principles and criteria set out in the CDF.

Rethinking the curricula from the ground up provided the University of Waikato with a valuable opportunity for very real improvement. The CEP has been a major undertaking. Every facilitator, tutor, teacher, paper convenor, programme convenor, Chair of School, Associate Dean Academic and Dean had to work through curriculum changes to ensure they are able to maximise the desired benefits of the new degree architecture. It has taken the University three years to put in place the practical steps required to change curricula (e.g. preparing documentation, setting up committees and working groups), and also for teachers to reflect on their own practices. An advantage of this timeframe was that it provided an opportunity to sensitively teach out and transition students into new programmes, work through complex administrative arrangements and approvals processes, and discuss with external stakeholders what the new degrees offered. In next year's Annual Report, the University of Waikato looks forward to being able to evaluate more fully some of the downstream effects of the CEP having had our first cohort of students enrolled in the new degrees.

Tauranga

During 2017 the University of Waikato has made considerable progress with respect to its Tauranga Campus development. Scheduled to open in February 2019, the University-led Tauranga CBD Tertiary Campus will provide Tauranga students with even greater study options in the region.

Detailed design was agreed for the University-led Tauranga CBD Tertiary Campus in early 2017 with the contracting being let to Hawkins, and construction on the \$55 million project commencing in July 2017. At the end of 2017, construction was on time and on budget.

A significant milestone for the 2019 Campus was achieved in October 2017 when Council received a presentation about the academic programmes that would be offered at the campus from 2019. The academic portfolio was developed by the Faculty Deans in conjunction with the Senior Deputy Vice-Chancellor, the Deputy Vice-Chancellor Academic and the Academic Director Tauranga. The University's tertiary education partners in the Bay of Plenty, Toi Ohomai and Te Whare Wānanga o Awanuiārangī, have been consulted through the development of the University's 2019 programmes and the University has negotiated with



Toi Ohomai the necessary changes to the existing pathway programmes. The CBD Campus project funders, Tauranga Energy Consumer Trust, Bay of Plenty Regional Council and Tauranga City Council, have supported the approach taken by the University.

The University has sought applications through its Strategic Investment Fund to support the growth in staffing required to deliver programmes in the Bay of Plenty until these come to scale. Additional resource is also being invested in student recruitment activity in the Bay of Plenty, with a view to ensuring that all potential students have full awareness of the University's offerings in Tauranga from 2019.

In late 2017 the Tauranga City Council reinforced its support for the CBD Campus Development by announcing a plan to turn Durham Street into a green, pedestrian-friendly student hub in a joint project between the Tauranga City Council, the University of Waikato and the New Zealand Transport Agency.

Also announced in late 2017 was the Tauranga City Council's intention to lease land to the University of Waikato at Sulphur Point for the development of a Marine Research Centre, which will work in parallel with the Campus development and provide lab and research space for the University in Tauranga.

Te Ara ki Angitū

The University's Te Ara ki Angitū programme, which commenced in 2016, focusses on making the University more accessible to students from regional secondary schools and communities in the wider Waikato region. Based on the success of the pilot programme developed with schools and communities in the South Waikato and Northern King Country, the University undertook a major extension of the programme for 2017.

In partnership with 25 regional high schools in the Waikato, the programme brings together a number of essential support services to assist students with their transition from high school to university, making university study more accessible. Included as part of the programme in 2017 were the following:

- Guidance and support with the transition from high school to the University of Waikato

- Access to a full-time dedicated academic and pastoral support person
- Intensive monitoring and tracking of students' academic achievements
- Peer support and mentoring through a dedicated Tuakana/Teina programme
- A heavily subsidised, daily transport service between home and the University (from selected Waikato towns) (the cost for the bus service was set at \$1 a ride)
- A dedicated space on campus equipped with a kitchenette, computer lab, and social space specifically for students from the Te Ara ki Angitū programme (The Whānau Room)
- Te Ara ki Angitū – Pathway to Excellence Scholarship – with special thanks to the D.V. Bryant Trust for its generous sponsorship of this scholarship.

In 2017 there were 99 scholarships offered and accepted by students in the programme. The Scholarship was awarded on the basis of evidence of financial need, personal circumstances, leadership and community roles, academic ability and the student's commitment to succeed in university study. A key differentiator of this programme and scholarship from others targeted at school leavers is the focus on personal or family circumstances and financial need. The scholarship panel heard many cases of students who lived in severe financial hardship or/and with personal and family circumstances that would normally make it untenable to attend and to achieve at University.

The average pass rate for students in this programme was 80% in 2017, slightly higher than the average for all 100-level students, which is a strong indicator of the success of the programme overall. It is noted that there is still work to be done and a future key to enhancing the success of the programme is to improve student retention rates in the face of external pressures and personal situations.

The University will continue with the programme for 2018 while also making some changes to enhance support initiatives for students in Te Ara ki Angitū. Consideration is being given to running a parallel programme for the Bay of Plenty in time for the opening of the University-led Tauranga CBD Tertiary Campus in 2019.

STATISTICAL INFORMATION

Total Students by Origin

	2009	2010	2011	2012	2013	2014	2015	2016	2017
Core Region	9,234	8,845	8,732	8,863	8,799	8,523	8,429	8,460	8,403
Inner Periphery	794	843	961	930	971	1,002	1,054	1,004	1,101
Outer Periphery	585	551	561	506	537	525	500	495	495
Auckland	754	679	614	587	489	488	541	490	540
Wellington	188	169	181	156	165	153	142	142	146
South Island	137	134	128	129	137	124	141	118	100
Overseas	1,397	1,421	1,386	1,350	1,246	1,417	1,471	1,307	1,444
Total	13,089	12,642	12,563	12,521	12,344	12,232	12,278	12,016	12,229

Total Qualification Completions by Level*

	2009	2010	2011	2012	2013	2014	2015	2016	2017*
Foundation Certificates	1,098	827	548	546	484	523	473	476	513
Degree	1,993	1,843	1,929	2,037	2,167	1,937	1,891	2,015	2,235
Graduate/Postgraduate	1,111	1,208	1,289	1,284	1,071	968	918	956	798
Higher Degree	54	71	105	73	83	92	74	86	75
Total	4,256	3,949	3,871	3,940	3,805	3,520	3,356	3,533	3,621

*in 2017 the University's four-year Honours degrees were reclassified from Graduate/Postgraduate level qualifications to Degree level qualifications

Total EFTS by Level

	2009	2010	2011	2012	2013	2014	2015	2016	2017
Sub-degree	872	575	453	406	345	335	393	321	428
Degree	7,851	7,874	8,009	8,123	8,075	7,824	7,881	7,710	7,680
Taught Postgraduate	1,149	1,205	1,159	1,117	1,161	1,168	1,192	1,238	1,232
Research Postgraduate	545	593	620	620	576	576	551	536	552
ACE	189	168	108	104	2	-	-	-	-
Total	10,606	10,415	10,349	10,371	10,159	9,904	10,018	9,805	9,892

Total EFTS by Source of Funding

	2009	2010	2011	2012	2013	2014	2015	2016	2017
Ministry-Funded (excluding ACE)	8,700	8,546	8,660	8,776	8,726	8,473	8,451	8,250	8,256
Full-Cost International	1,669	1,664	1,543	1,461	1,408	1,401	1,535	1,510	1,599
Full-Cost other	49	38	37	30	24	29	32	46	37
ACE	189	168	108	104	2	-	-	-	-
Total	10,606	10,415	10,349	10,371	10,159	9,904	10,018	9,805	9,892

Total EFTS by Organisational Unit

	2009	2010	2011	2012	2013	2014	2015	2016	2017
Arts & Social Sciences	2,054	2,091	2,060	2,185	2,227	2,143	2,092	2,054	2,035
Computing & Mathematical Sciences	759	804	878	950	993	964	998	993	977
Education	2,266	3,061	2,905	2,871	2,568	2,322	2,200	2,042	2,143
Law	608	626	650	622	646	635	643	637	640
Management	2,664	2,641	2,580	2,455	2,416	2,512	2,673	2,671	2,665
Māori & Pacific Development/ Māori & Indigenous Studies	278	274	302	283	263	226	247	230	256
Science & Engineering	916	918	974	1,003	1,047	1,103	1,165	1,178	1,175
Other Organisational Unit	1,062	-	-	-	-	-	-	-	-
Total	10,606	10,415	10,349	10,371	10,159	9,904	10,018	9,805	9,892

Ratio of EFTS to Academic FTE (Counting All Academic FTEs and EFTS)

	2009	2010	2011	2012	2013	2014	2015	2016	2017
Total Academic FTE	633	654	646	637	640	636	647	628	599
Total EFTS	10,606	10,415	10,349	10,371	10,159	9,904	10,018	9,805	9,892
Ratio	16.8	15.9	16.0	16.3	15.9	15.6	15.5	15.6	16.5

Research Revenue per Academic FTE (Research)

	2009	2010	2011	2012	2013	2014	2015	2016	2017
Annual Research Revenue	\$27.838 million	\$27.464 million	\$31.077 million	\$29.693 million	\$28.666 million	\$27.969 million	\$32.824 million	\$34.574 million	\$28.894 million
Academic FTE (Research)	450	449	441	442	448	451	449	423	387
Research Revenue per Academic FTE (Research)	\$60,862	\$61,111	\$70,395	\$67,169	\$63,986	\$62,015	\$73,095	\$81,735	\$74,661

Research Publication Count by Type

	Books	Chapters	Conference Contributions	Creative Works	Journals	Other	Total
Arts & Social Sciences	18	49	118	20	183	77	465
Computing & Mathematical Sciences	4	9	43	1	45	7	109
Education	19	103	55		170	21	368
Law	4	6	8		47	13	78
Management	4	9	38		140	35	226
Māori & Indigenous Studies	1	5	33	1	8	33	81
Science & Engineering	1	14	127	1	247	13	403
Office of the Vice-Chancellor	2	12	12	1	22	6	55
Non Faculty Staff		1	6		7	2	16
Total	53	208	440	24	869	207	1,801

Total Students by Ethnicity

	2009	2010	2011	2012	2013	2014	2015	2016	2017
Pākeha/European	6,061	5,841	5,775	5,778	5,711	5,472	5,331	5,066	5,026
NZ Māori	2,451	2,300	2,339	2,343	2,290	2,254	2,249	2,261	2,344
Pacific Islander	525	470	491	557	589	570	624	631	616
Chinese	1,383	1,301	1,182	1,181	1,130	1,252	1,368	1,395	1,461
Indian	402	416	428	456	419	447	470	444	512
Other	2,267	2,314	2,348	2,206	2,205	2,237	2,236	2,219	2,270
Total	13,089	12,642	12,563	12,521	12,344	12,232	12,278	12,016	12,229

Total Staff FTE

	2009	2010	2011	2012	2013	2014	2015	2016	2017
Academic	633	654	646	637	640	636	647	628	599
Other	895	882	897	876	880	847	863	870	863
Total	1,528	1,537	1,543	1,513	1,520	1,483	1,510	1,498	1,463

Seniority of Total Academic Staff FTE

	2009	2010	2011	2012	2013	2014	2015	2016	2017
Professors	84	82	81	86	81	82	82	84	84
Associate Professors	78	77	78	73	72	74	77	82	80
Senior Lecturers	224	229	230	234	231	234	226	206	188
Lecturers	120	126	125	123	106	95	92	88	81
Other	128	140	131	122	150	151	170	168	165
Total	633	654	646	637	640	636	647	628	599

Total Staff FTE by Organisational Unit

	2009	2010	2011	2012	2013	2014	2015	2016	2017
Arts & Social Sciences	173	174	170	173	179	178	179	175	163
Computing & Mathematical Sciences	74	80	78	74	78	77	78	84	76
Education	292	381	386	363	367	342	319	256	194
Law	35	36	38	38	42	40	38	36	35
Management	186	188	186	177	171	167	175	165	136
Faculty of Māori & Indigenous Studies*	29	24	21	41	44	38	37	21	24
Science & Engineering	188	189	193	195	187	186	195	201	204
Other Organisational Unit	551	465	471	452	452	455	489	562	632
Total	1,528	1,537	1,543	1,513	1,520	1,483	1,510	1,498	1,463

*Until 2016 staff numbers included staff in the Office of the Pro Vice-Chancellor (Māori), from 2016 these staff have been included under the category 'Other Organisational Unit'



AUDITOR GENERAL OPINION

AUDIT NEW ZEALAND
Mana Arotake Aotearoa

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 2017

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

Opinion

We have audited:

- the financial statements of the University and group on pages 61 to 113, that comprise the balance sheet as at 31 December 2017, the statement of comprehensive revenue and expense, 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 40 to 50.

In our opinion:

- the financial statements of the University and group on pages 61 to 113:
 - present fairly, in all material respects:
 - the balance sheet as at 31 December 2017; and
 - the statement of comprehensive revenue and expense and cash flows for the year then ended; and
 - comply with generally accepted accounting practice in New Zealand in accordance with the Public Benefit Entity Standards; and
- the statement of service performance of the University and group on pages 40 to 50 presents fairly, in all material respects, the University and group's service performance achievements measured against the proposed outcomes described in the investment plan for the year ended 31 December 2017.

Our audit was completed on 26 March 2018. This is the date at which our opinion is expressed.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Council and our responsibilities relating to the financial statements and the statement of service performance, we comment on other information, and we explain our independence.

Basis for our opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Council for the financial statements and the statement of service performance

The Council is responsible on behalf of the University and group for preparing financial statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand.

The Council is also responsible on behalf of the University and group for preparing a statement of service performance that is fairly presented.

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

In preparing the financial statements and the statement of service performance, the Council is responsible on behalf of the University and group for assessing the University and group's ability to continue as a going concern. The Council is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the Council intends to liquidate the University and group or to cease operations, or has no realistic alternative but to do so.

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

Responsibilities of the auditor for the audit of the financial statements and the statement of service performance

Our objectives are to obtain reasonable assurance about whether the financial statements and the statement of service performance, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could

reasonably be expected to influence the decisions of readers taken on the basis of these financial statements and statement of service performance.

For the budget information reported in the financial statements and the statement of service performance, our procedures were limited to checking that the information agreed to:

- the University and group's Council approved budget for the financial statements; and
- the investment plan for the statement of service performance.

We did not evaluate the security and controls over the electronic publication of the financial statements and the statement of service performance.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the financial statements and the statement of service performance, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit 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.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Council and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the University and group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements and the statement of service performance or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the University and group to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements and the statement of service performance, including the disclosures, and whether the financial statements and the statement of service performance represent the underlying transactions and events in a manner that achieves fair presentation.
- We obtain sufficient appropriate audit evidence regarding the financial statements and the statement of service performance of the entities or business activities within the group to express an opinion on the consolidated financial statements and the consolidated statement

of service performance. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

Other information

The Council is responsible for the other information. The other information comprises the information included on pages 1 to 35 and pages 51 to 60, but does not include the financial statements and the statement of service performance, and our auditor's report thereon.

Our opinion on the financial statements and the statement of service performance does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements and the statement of service performance, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements and the statement of service performance or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independence

We are independent of the University and group in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1 (Revised): Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board.

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



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

STATEMENT OF SERVICE PERFORMANCE

Sub-Category	2014 Actual	2015 Actual	2016 Actual	2017 Target	2017 Actual
1. Volume of MF/SAC-eligible EFTS delivered	8,473 EFTS	8,451 EFTS	8,250 EFTS	8,600 EFTS	8,256 EFTS

The University achieved a small increase in MF/SAC EFTS over its 2016 volume but did not achieve its target for the year.

While new student EFTS were up slightly on 2016 (4%), this was offset by a continued decline in EFTS by returning students. Tauranga EFTS were also down slightly (7 EFTS) on 2016 volumes.

Delivery in 2017 was characterised by changing patterns with a continued movement towards higher funding categories, in particular declining enrolments in the arts and social sciences and increases in civil and mechanical engineering programmes. The University also noted a decline in EFTS in its science programmes in 2017, most likely a consequence of increasing enrolments in engineering. Teacher education enrolments stabilised in 2017, ending a pattern of decline that had been evident over the previous four years.

The University received approval from the Tertiary Education Commission to re-introduce its sub-degree Certificate of University Preparation programme in 2017; during the period 2010-2016 the programme had been delivered for the University through Wintec. While the University delivered 108 EFTS in this programme in 2017, SAC funding for the programme was capped at 105 EFTS by the Tertiary Education Commission.

Undergraduate MF/SAC EFTS remained relatively consistent with those delivered in 2016 and the University experienced a small (4%) increase in Research Postgraduate MF/SAC EFTS in 2017. However, MF/SAC taught postgraduate EFTS were down on 2016 and offset the majority of gains made in other areas.

While the University did not achieve its planned growth target for 2017, it is still confident that it will achieve its longer-term ambitions set out in its Strategy 2017-2021.

	2014 Actual	2015 Actual	2016 Actual	2017 Target	2017 Actual
2. Proportion of SAC-funding delivered	98.8%	99.8%	99.1%	102%	99.2%

The University exceeded the 99% funding threshold set by the Tertiary Education Commission and achieved all of its allocated Student Achievement Component (SAC) funding for 2017.

As noted above, the University's achievement of its target was aided by the continued movement of student enrolments towards higher funding categories, and in particular programmes in civil and mechanical engineering.

While the University had planned to deliver in excess of 100% of its SAC funding in 2017, a downturn in taught postgraduate enrolments – primarily as a consequence of Government's policy to remove eligibility for student allowances for those students undertaking Masters programmes – and a relatively small growth in new student EFTS meant this ambition was not achieved.

Changes to application processing, a redesign of its undergraduate curriculum and changes to Government policies around tertiary education (including reintroducing eligibility for student allowances for those students undertaking Masters programmes) give the University confidence that its longer term growth ambitions remain realistic.

	2014 Actual	2015 Actual	2016 Actual	2017 Target	2017 Actual
3. Volume of Full-Cost International EFTS delivered*	1,401 EFTS	1,535 EFTS	1,510 EFTS	1,600 EFTS	1,599 EFTS

The University delivered a 6% increase in FCI EFTS over 2016. While returner numbers were down slightly (4.3%) on 2016, this was more than offset by an increase of 24% in EFTS generated by FCI students new to the University. The University was one EFTS short of delivering its target of 1,600 FCI EFTS in 2017.

FCI student EFTS from two key markets were up in 2017: EFTS from India were up by 68% and EFTS from the Peoples' Republic of China increased by 5%; the Peoples Republic of China remained the largest source of FCI EFTS in 2017. Enrolments from Saudi Arabia continued to decline with EFTS down by 34% from 2016 volumes.

Taught postgraduate programmes remained popular with FCI students in 2017 with EFTS in these programmes up by 20% over 2016; the University's 180-point Masters programmes delivered the majority of this increase.

The change in patterns evident among domestic (MF/SAC) students – increased demand for engineering and a decline in science – were not evident among FCI students, and enrolments across the majority of programmes remained relatively consistent with 2016.

As noted in the front section of the Annual Report, a key milestone for the University in 2017 was the launch of the University joint institute with Zhejiang University City College in China. While the programme was fully subscribed in 2017, EFTS for the programme are not included in the University's full-cost international EFTS delivery as these are outside the University's TEC Investment Plan and represent offshore delivery.

The University's very strong growth in new student EFTS provides a solid pipeline for future growth in Full-Cost International EFTS.

	2014 Actual	2015 Actual	2016 Actual	2017 Target	2017 Actual
4. Proportion of total EFTS generated by FCI students*	14.1%	15.3%	15.4%	15.7%	16.2%

The University achieved its planned increase in proportion of total EFTS generated by FCI students in 2017.

Achievement beyond target resulted from increases in FCI EFTS while MF/SAC EFTS remained relatively flat in comparison with 2016.

	2014 Actual	2015 Actual	2016 Actual	2017 Target	2017 Actual
5. Volume of total EFTS delivered*	9,904 EFTS	10,018 EFTS	9,805 EFTS	10,200 EFTS	9,892 EFTS

The University grew its total EFTS in 2017. While growth was below target, the University experienced strong growth in international EFTS in 2017.

The University's longer-term ambitions for EFTS growth, as set out in the University Strategy 2017-2021, will not be affected by the 2017 target not being achieved.

	2014 Actual	2015 Actual	2016 Actual	2017 Target	2017 Actual
6. Risk rating against the TEC's Financial Monitoring Framework	'Low Risk'	'Low Risk'	'Low Risk'	'Low Risk'	'Low Risk'

The Tertiary Education Commission discontinued its annual assessment of TEI financial performance against its Financial Monitoring Framework (FMF) in 2013 but advised that it supported the University continuing to use the FMF model to assess its own performance against the framework.

Based on the University's audited results for 2016 and the three-year forecasts provided to the TEC in February 2017, the FMF model indicated no change to the 'low risk' rating achieved in previous years.

	2014 Actual	2015 Actual	2016 Actual	2017 Target	2017 Actual
7. Research and Development (R&D) revenue generated	\$66.5M	\$73.5M	\$73.3M	\$57.6M	\$61.6M

Given the Ministry of Education's changes to professional learning provision in education for 2017 the University anticipated a decrease in R&D revenue for 2017; this change meant that the University's R&D revenue generated through professional learning contacts decreased by \$6.7M from the 2016 result. The University's result, while higher than target was also impacted due to the end of the 'Building on Success' programme that attracted Government funding of more than \$31M for the sector since 2013; in 2016 the University attracted \$9M of funding from this programme.

The University made strong gains across other areas of its Research and Development portfolio including new research contracts funded through MBIE and Marsden grants.

	Sub-Category	2014 Actual	2015 Actual	2016 Actual	2017 Target	2017 Actual
8. Proportion of MF/SAC-eligible EFTS	who are Māori	22%	22%	23%	21%	23%
	who are Pacific	6.0%	6.7%	6.8%	6.0%	6.9%

The University's proportion of Ministry-Funded EFTS generated by Māori students continued to be considerably higher than any other New Zealand university; when tertiary contribution targets were agreed with the Tertiary Education Commission, the University was asked to maintain its level of provision at least 21%.

The University continued to deliver very strong results against this indicator and increased its proportion of Ministry-Funded EFTS generated by Māori students from 22.6% in 2016 to 22.8% in 2017, with a small increase in volume from 1,860 EFTS in 2016 to 1,888 EFTS in 2017.

The University's result remained consistent with the proportion of Waikato/Bay of Plenty population who identified as Māori in the 2013 census.

The University continued to attract an increasing proportion of its Māori students from the school leaver cohort – school leavers among this group have increased from 22.8% in 2014 to 25.7% in 2017.

The University's proportion of Pacific students continued to increase with 2017 representing the highest proportion ever recorded of Ministry-Funded EFTS being generated by Pacific students, was again significantly higher than the Waikato/Bay of Plenty population who identified as Pacific in the 2013 census (3.5%) and was very close to the national population average of the census (7.0%).

Enrolments by Pacific students aged under 25 continued to increase with the biggest growth in Pacific students in 2017 being among the school-leaver cohort.

Pacific student enrolments in the Faculty of Science and Engineering continued to increase and Law programmes remained popular with Ministry-Funded Pacific students (13% of Pacific students were enrolled in Law programmes compared with 7.3% of Ministry-Funded students overall).

	Sub-Category	2014 Actual	2015 Actual	2016 Actual	2017 Target	2017 Interim*
9. Paper completion rates (Level 4 and above) for	MF/SAC-eligible students	85%	84%	85%	85%	86%
	MF/SAC-eligible students who are Māori	79%	78%	79%	80%	79%
	MF/SAC-eligible students who are Pacific	69%	67%	71%	71%	72%
	FCI students	89%	89%	91%	85%	93%

The University's paper completion rates were generally on target in 2017. With the single exception of Māori student paper completion rates which were slightly below target at 79.1%, all other student groups demonstrated an improvement in paper completion rates over those achieved in 2016:

Paper completion rate	All MF/SAC eligible students	MF/SAC eligible students who are Pacific	FCI students
2016	85.2%	70.7%	91.0%
2017	85.7%	71.8%	93.4%

As noted in the 2016 Annual Report, the University has improved paper completion rates at 100 level over the past few years. This pattern continued in 2017 with 100-level paper completion rates increasing over 2016 rates for MF/SAC eligible students, Māori students and Pacific students:

Paper completion rate at 100 level	All MF/SAC eligible students	MF/SAC eligible students who are Māori	MF/SAC eligible students who are Pacific
2016	76.9%	68.5%	57.5%
2017	77.5%	69.2%	59.5%

Paper completion rates for students at higher levels remained strong, with the majority of student groups demonstrating pass rates of 90% and higher at 400 level and above.

Of significant note in 2017 was the very strong improvement in paper completion rates at sub-degree level.

Paper completion rate at sub-degree level	All MF/SAC eligible students	MF/SAC eligible students who are Māori	MF/SAC eligible students who are Pacific
2016	69.6%	53.4%	53.3%
2017	89.5%	88.7%	82.1%

These results demonstrate the effectiveness of the University's new approach to the delivery of its Certificate of University Preparation (CUP) programme and the academies of learning that were implemented as part of this programme in 2017.

T semester (December summer school) results had not been finalised at the time the University submitted its December Single Data Return to the Tertiary Education Commission. Final 2017 paper completion results will be published in the University's 2018 Annual Report.

	Sub-Category	2014 Actual	2015 Actual	2016 Actual	2017 Target	2017 Actual
10. Student retention rates (Level 3 and above) for (cohort based approach)	MF/SAC-eligible students	71%	72%	72%	72%	74%
	MF/SAC-eligible students who are Māori	64%	65%	66%	66%	65%
	MF/SAC-eligible students who are Pacific	61%	72%	71%	65%	68%
	FCI students	79%	86%	88%	80%	92%

This indicator replicates the new TEC student retention rate educational performance indicator methodology and measures retention from first year to second year.

As a consequence of improving paper completion rates, the University is planning to increase its student retention rates; students who are achieving their study objectives are more likely to return to study.

The University exceeded its retention rate targets for three of the four student groups (MF/SAC eligible students, Pacific students and Full-Cost International students); Māori student performance was just below target at 65.0%.

Student retention rates for students aged under 25 were slightly higher than students overall in all categories, indicating that mature students (which make up a higher proportion of Waikato's student body than most other NZ universities) are less likely to return to study between first year and second year. The results published above do not reflect those students who have transferred between institutions between their first and second years of study.

	Sub-Category	2014 Actual	2015 Actual	2016 Actual	2017 Target	2017 Interim*
11. Qualification completion rates (Level 4 and above) for (cohort based approach)	MF/SAC-eligible students	60%	63%	63%	63%	59%
	MF/SAC-eligible students who are Māori	48%	52%	53%	54%	49%
	MF/SAC-eligible students who are Pacific	48%	47%	47%	48%	49%
	FCI students	73%	74%	82%	73%	82%

This indicator replicates the new TEC qualification completion rate educational performance indicator methodology and measures qualification completions by cohorts of students (for example, of the students first enrolled in 2012, what proportion of those students have completed their qualification within five years of commencing).

2017 Interim results do not include all expected qualification completions for 2017; finalised results for 2017 will be published as part of the 2018 Annual Report.

While additional 2017 completions are anticipated, the University has already exceeded its targets for Pacific and Full-Cost International student qualification completion rates; results to date suggest that qualification completion rates for both MF/SAC Eligible and Māori students will exceed target once all 2017 qualification completions have been finalised. Final 2017 qualification completion results will be published in the University's 2018 Annual Report.

	2014 Actual	2015 Actual	2016 Actual	2017 Target	2017 Actual
12. Number of industry/work placements undertaken	2,134	2,131	2,278	1,900	2,293

This indicator counts the number of industry/work placements undertaken by students as part of their programme of study and includes teaching practicums, industry experience papers, intern projects, social work and psychology placements and a number of other papers that require students to undertake and report on in-depth engagement with employers in their respective area of study.

Over the past few years the University has significantly increased the number and proportion of students who are undertaking industry/work placements outside those enrolled in teacher education programmes (where teaching practicums are a compulsory part of their programme of study); in 2014 34.2% of work placements were undertaken by students outside teacher education programmes, by 2017 this had increased to 40.2%.

As reported in the front section of this Annual Report, the University is establishing a work-integrated learning programme as part of the redesign of its curriculum and a significant increase in enrolments in these types of papers is expected over the next two years.

Results published against this indicator in the University's Investment Plan 2017-2019 excluded placements undertaken in Engineering, which are not EFTS generating; these placements have been included in the revised totals published above.

	Sub-Category	2014 Actual	2015 Actual	2016 Actual	2017 Target	2017 Actual
13. Voice staff survey results	staff engagement scale	78%	77%	74%	>77%	See note below
	organisational progress scale	55%	47%	45%	>47%	

As reported in the front section of this Annual Report, following a comprehensive review of the University's 2016 staff survey results, the University has elected to change both the content and timing of future staff surveys to improve connections with the University Strategy 2017-2021 and to target, in-depth, issues identified from previous staff surveys.

At the end of 2017, work was underway to finalise the suite of questions for the 2018 staff survey. It is planned that the first survey under the new survey design and methodology will be undertaken in the first half of 2018.

	2014 Actual	2015 Actual	2016 Actual	2017 Target	2017 Actual
14. Proportion of Professorial/Associate Professorial staff who are female	27% Prof	28% Prof	30% Prof	≥25% Prof	28% Prof
	35% A.Prof	40% A.Prof	39% A.Prof	≥35% A.Prof	39% A.Prof

The University exceeded its targets for the proportion of both Professorial and Associate Professorial staff who are female.

	Sub-Category	2014 Actual	2015 Actual	2016 Actual	2017 Target	2017 Interim*
15. i-Graduate student survey	(domestic) student satisfaction with overall university experience	93%	95%	-	>90%	93.1%
	(domestic) student satisfaction with learning experience	91%	93%	-	>90%	90.2%
	(domestic) student satisfaction with student support services	93%	92%	-	>90%	88.5%
	(international) student satisfaction with overall university experience	-	91%	-	>90%	92.6%
	(international) student satisfaction with learning experience	-	88%	-	>90%	89.4%
	(international) student satisfaction with student support services	-	89%	-	>90%	91.3%

The bi-annual student satisfaction surveys were conducted in May 2017.

The University's overall performance in these surveys remained strong, and even those measures that returned results below the University's targets were higher than the global averages for these categories:

	Waikato result	Global average
(domestic) student satisfaction with overall university experience	93.1%	90.1%
(domestic) student satisfaction with learning experience	90.2%	86.9%
(domestic) student satisfaction with student support services	88.5%	88.1%
(international) student satisfaction with overall university experience	92.6%	89.1%
(international) student satisfaction with learning experience	89.4%	86.5%
(international) student satisfaction with student support services	91.3%	88.6%

The International Student Barometer survey is carried out by the majority of New Zealand universities and the University's 2017 results were higher than the New Zealand average against each of these categories; additionally i-Graduate ranked NZ universities, and Waikato again performed very strongly in these rankings:

	Waikato result	NZ University average	Waikato ranking among NZ universities
(international) student satisfaction with overall university experience	92.6%	90.4%	2
(international) student satisfaction with learning experience	89.4%	88.8%	2
(international) student satisfaction with student support services	91.3%	90.6%	3

As a consequence of the 2017 i-Graduate student surveys, a work programme has been developed to address areas that students have identified as needing additional work. While some of these (including employability, career development and assessment) will be addressed through the University's Curriculum Design Framework, which will be implemented from 2018, others will require a separate programme of work targeted on more specific aspects of the student experience.

	Sub-Category	2014 Actual	2015 Actual	2016 Actual	2017 Target	2017 Actual
16. Ranking	in the annual World THE University Ranking	391	401-500	401-500	<500	351-400
	in the annual QS World University Ranking	401-410	338	324	<500	292

The University's improved performance in both the World THE University Ranking and the QS World University Ranking in 2017 primarily resulted from improvements in the 'citations per paper' aspect of both methodologies. These improvements reflected efforts made by the University over the past few years to ensure that University staff are registered with ORCID ID numbers with a view to ensuring that their research outputs are correctly associated with the University, along with clarifying expectations of academic staff with respect to research outputs which has resulted in increased publications associated with the University over time. The citations per paper element of the methodology reflects the number of times academic staff reference a paper in their own publications. The increase in citations per paper for research outputs produced by Waikato staff in both rankings exercises reflects the improved quality of the University's research outputs.

The University's improvements in the rankings see it placed, under the THE ranking, as the third-equal ranked NZ university (with Canterbury in the band 351-400); QS placed Waikato in fifth place among NZ universities.

The QS, which publishes more detailed subject-level performance than THE, ranked 12 Waikato subjects in the top 250 in 2017; including Hospitality & Leisure Management which was ranked 24 in the world:

Subject	2017 QS Subject Ranking
Accounting & Finance	101-150
Art & Design	151-200
Business & Management Studies	201-250
Computer Science & Information Systems	201-250
Economics & Econometrics	201-250
Education	51-100
English Language & Literature	201-250
Geography	101-150
Hospitality & Leisure Management	24
Law	201-250
Linguistics	151-200
Sociology	151-200

As noted in the 2016 University of Waikato Annual Report, the QS World University Rankings by Subject use a methodology that takes account of:

- Academic reputation – sourced from the QS Academic Peer survey
- Employer reputation – sourced from the QS Employer survey
- H index scores, and
- Citations per paper.

The weighting attributed to each of the components varies by subject – full details of the various subject weightings that applied in 2017 are available at www.iu.qs.com/university-rankings/subject-tables/

The methodology for the 2017 QS World University Rankings by subject was unchanged from the previous year.

	2014 Actual	2015 Actual	2016 Actual	2017 Target	2017 Actual
17. Number of public lectures, seminars and performing arts activities delivered	217	202	235	>200	221

The University exceeded its 2017 target for the number of public lectures, seminars and performing arts activities delivered.

The University offered a wide range of public lectures, seminars and performing arts activities throughout 2017 and these included inaugural professor lectures from University staff who had recently been appointed to Professorial positions, presentations by visiting fellows, and lectures by high-profile New Zealanders. A particular stand-out of the 2017 programme was a public lecture by Dame Silvia Cartwright entitled 'The Role of the Victim in the International Criminal Trial'.

The University's public lecture series in Tauranga was particularly well attended during 2017 and reflects the University's rising profile in the region.

*Counts only students and EFTS delivered in New Zealand.



EEO STATEMENT

The goals of the University's Diversity and Inclusion Programme for 2016-2018 are to:

- Strengthen the University's commitment to equal opportunity by ensuring that diversity and inclusion principles are incorporated into organisational development, recruitment, retention, promotion/ advancement, succession planning and professional development
- Strengthen the University of Waikato as an inclusive workplace that fosters and supports equity, diversity and inclusion in the University community
- Provide learning development across ethnicities, linguistic/religious/socio-cultural groups and genders to improve career opportunities and a diversity of representation in leadership positions
- Provide support for target groups.

Specific activities in support of the University's diversity and inclusion goals in 2017 included:

- The twice-yearly Kanohi ki te Kanohi programme, which provides an opportunity for staff to encounter Māori protocols and culture and to develop a better understanding of important issues for an organisation committed to the Treaty of Waitangi
- Development of an online guide to the pronunciation of te reo Māori
- Inclusion of diversity and inclusion as a topic in the centrally provided Introductory Session which all new staff are expected to attend
- Continued strong support for the UNZ-supported NZ Women in Leadership Programme.

- A successful University Women in Leadership event with Governor-General Dame Patsy Reddy as guest speaker
- A strong Women Professors Network providing mentoring and peer support
- An active Gender Research Network, a cross-discipline collective of staff and students with shared research interests in gender-related issues
- The Ko te Tangata Leadership Programme for New and Emerging Leaders with women making up 64% of participants
- 65% of recipients of 2017 Staff Excellence Awards were female.

There were no significant changes to the University's gender profile over 2017, (58% female and 42% male) nor in the proportion of women professors (30%).

During 2017 the University increased its proportion of Māori Professorial staff (up from 4% in 2015 to 5% in 2016 to 7% in 2017) and Associate Professorial staff (up from 8% in 2015 to 11% in 2016 to 15% in 2017). Representation of Māori staff varies considerably across the University with the majority of Māori academic staff located in Te Pua Wānanga ki te Ao (32%), the Faculty of Arts and Social Sciences (24%) and Te Kura Toi Tangata (21%).

STUDENT SERVICES LEVY

Compulsory Student Services Fees for 2017

Service Category	Compulsory Student Services fees	Income from other sources	Total Income	Total Costs	Net Cost
Advocacy and Legal Advice	132,854	-	132,854	174,316	41,462
Careers information, advice and guidance, Employment Information	276,248	9,828	286,076	362,461	76,385
Counselling Services and Pastoral Care	1,290,674	298,348	1,589,022	1,693,478	104,456
Employment Information	11,911	-	11,911	15,628	3,717
Financial Support and Advice	499,713	-	499,713	655,667	155,954
Health Services	1,092,173	798,540	1,890,713	1,433,027	(457,686)
Media	90,465	-	90,465	118,699	28,234
Childcare Services	170,751	-	170,751	224,041	53,290
Clubs and Societies	111,222	-	111,222	145,933	34,711
Sports, Recreation and Cultural Activities	554,684	-	554,684	727,794	173,110
Total	4,230,695	1,106,716	5,337,411	5,551,044	213,633
				(Over)/Under Recovery	213,633

Compulsory Student Services Levy per EFTS

The 2017 compulsory student services levy charged by University of Waikato per EFTS was \$479.00.

Accounting Requirements for Compulsory Student Services Levy Fees and Expenditure

University of Waikato accounts separately in the accounting system for all revenue and expenditure relating to the student services levy and building services levy.

Description of Services Funded Out of the Compulsory Student Services Levy and Building Levy

Advocacy and legal advice

Free professional and confidential independent service is provided to assist students with University-related problems. Such problems might include administrative problems, disciplinary proceedings and complaints. Personal issues such as landlord disputes, legal problems, budgeting, and sudden unexpected financial difficulty could also be included.

Careers information, advice and guidance

Students are provided with:

- Career advice and guidance to assist with their transition into employment
- Interview and CV workshops
- Course and degree guidance to support students on their pathway toward employment and careers.

The University establishes and maintains a relationship with a range of external stakeholders to enhance career opportunities for students and to supply industry trends information. A range of career-specific events are also available to contribute to graduate career outcomes.

Counselling services and pastoral care

Access to free counselling services are available to create a safe and healthy campus environment, enhance the student experience, and contribute to academic achievement.

The University also offers a broad range of pastoral care services that recognise the diversity of the scholarly community.

Emergency response is also provided to incidents that impact the welfare of students, along with recovery and crisis resolution functions.

Employment information

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

Financial support and advice

- Budgeting, financial planning and tuition-fee management advice
- Support on all matters relating to student loans and allowance
- Financial advice for prospective students and their parents
- Administration of the Student Assistance fund, equity grants and awards
- Advice about the preparation of budgets and financial statements for scholarship applicants.

Health services

The University offers a full general practice medical care centre for students. Specialist advice and services are also available for students with impairments to ensure they can fully participate in the student experience and succeed in their studies.

Advice for staff is also provided on creating an inclusive education environment for students with a disability or medical condition.

Media

A student media contract with Waikato Students Union ensures that students are provided with information and news created by and for students via print- and internet-based media.

Childcare services

Physical early childhood facilities are available on campus for no extra cost.

Clubs and societies

The University provides support to all clubs and club hubs in the form of meeting rooms, activity spaces and resources for clubs to use, along with a range of communication means to regularly inform students and clubs of opportunities, services and support.

All of this is done in close partnership with WSU and the Waikato University Combined Sports Clubs (WUCS).

Sports, recreation and cultural activities

Also in partnership with the previously mentioned groups, the University also provides means of co-ordinating and running sports leagues, organising and supervising a range of sport, recreation, and cultural activities, and establishing links to other community activities for students.

Facilities for recreational activities are also provided in the form of venues for hosting and supporting student events, student common rooms, providing security, cleaning, bookings, maintenance, onsite support and improvement of the facilities are also provided.

The University also offers sponsorship for student initiatives, recognition of student sporting and cultural achievements, and the initiation of other activities identified through recreational forums or student suggestion.

Statement of the Cost of Outputs

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

Outputs	This Year \$000	Budget \$000	Last Year \$000
Teaching and Learning	165,782	159,911	158,921
Research	37,429	39,409	42,302
Student Services and Products	13,459	12,921	11,109
Other Services and Products	17,357	14,214	22,388
Total	234,027	226,455	234,720



FINANCIAL OVERVIEW 2017

The University Group earned for the third year running, an historical high in total revenue of \$257.7 million in 2017, up \$4.2 million or 1.6 percent on 2016's revenue of \$253.5 million. However, boosting this record revenue is donation income of \$15.3 million received as contributions towards capital investment in the University's campus development in Tauranga.

This donation income flows through to the surplus of \$22.8 million which is up by \$10.5 million on 2016's surplus of \$12.3 million. The University Group's 2017 surplus represents an 8.8 percent return on revenue, up on the previous year's 4.8 percent return. If however, the effects of the donations are removed, the University Group surplus is \$7.5 million or 3.0 percent of revenue, and still within the University's guidelines of 3.0 - 5.0 percent promulgated by the Tertiary Education Commission. The University Group's total comprehensive revenue and expense for 2017 is \$70.6 million which is an increase of \$58.4 million over 2016. As well as the increase noted above in donations received, the University Group revalued its buildings and infrastructure assets at the end of 2017 leading to a revaluation gain of \$47.8 million.

The University had mixed success in achieving its revenue targets in 2017. It had budgeted for an overall reduction of \$9.5 million (excluding donations) in revenue in 2017 with known decreases in research income as large contracts came to an end and significant changes made to the funding of professional development services in the education sector. The University also budgeted to maintain its surplus at 4 percent of revenue or \$9.2 million – consistent with previous years and necessary in order for the University to fund its on-going capital requirements.

Actual research income was slightly below budget at \$28.9 million but well down on the 2016 record of \$34.6 million. But income from Government was up by \$4.0 million on budget as a result of the Institute of Professional Learning and Faculty of Education receiving additional Ministry of Education contracts. Thus adding in the donations of \$15.3 million not included in the budgeted revenue, the University achieve total revenue of \$255.2 million.

Tuition fees were \$2.0 million down on budget, largely due to the University not achieving its budgeted enrolments of domestic tuition-fee-only students and differences in the budgeted mix of provision in full cost international EFTS versus actual enrolments. So while there was a short-fall of 300 domestic tuition-fee-only EFTS from budget, actual domestic tuition fees were only \$1.0 million below budget. The University achieved its target of 1600 full cost international EFTS, however the actual mix of provision resulted in a \$1.1 million decrease in revenue from budget.

In 2017, tuition fees increased by \$3.7 million to \$81.6 from 2016. 2017 Domestic EFTS enrolments of 8256 EFTS were in line with 2016 numbers of 8,250 EFTS. Total domestic tuition fees were up by \$1.3 million on 2016 largely due to 2 percent rate increase. The University did meet its Government funded enrolment target achieving enrolments of 99.2 percent of its investment plan SAC target. But the 1600 FCI EFTS enrolled in 2017 was well up on the 1,510 FCI EFTS enrolled in the previous year. As a result FCI tuition fees were up \$2.4 million on 2016. FCI EFTS now make up 16.2 percent of the total student population (2016: 15.5 percent).

Along with a budgeted reduction in revenue, the University budgeted an \$8.3 million decrease in costs to \$226.5 million. The University recorded expenses of \$234.0 million, while up on budget, was consistent with 2016 expenses. The Institute of Professional Learning had increased costs due to the additional contracts with the Ministry of Education mentioned above. The Faculty of Education was unable to reduce personnel costs to the level required to offset its reduction in tuition fees and research income. Overall personnel costs were down on the previous year, even after covering \$2.6 million of restructuring costs. The restructuring, along with tight management of staff replacements, has resulted in a decrease of 35 full time equivalent staff.

WaikatoLink Limited recorded a small deficit of \$0.02 million in 2017 compared to a deficit of \$1.5 million in previous year. The 2016 result was significantly affected by an impairment of \$1.2 million in the carrying value of its investment in Intellectual Property development costs, whereas in 2017 the impairment to development costs was only \$0.3 million. The other significant result in the University Group was recorded by the University of Waikato Foundation Trust with a surplus of \$2.5 million, (2016: \$2.5 million surplus), as result of donations received and growth in investment income. The University of Waikato Research Trust recorded a small surplus of \$0.07 million as it continued to invest in research projects across the University.

The University Group again generated strong operating cash flows, recording net cash flows from operations of \$50.8 million, up \$13.0 million as compared to 2016, largely due to donations received for the Tauranga Campus development. These cash flows were reinvested back into the University's campus and resources, with the University spending \$40.7 million on capital expenditure which is up on the \$27.8 million spent in 2016. During 2017, the construction of the Campus in Tauranga (\$55 million project) was well underway with the project due for completion in early 2019. The University commenced in 2016 its \$27 million capital project to replace its Student Management System over the next three years.

Even after the increase in capital spend in 2017, the strong operating cash flows resulting from a very sound financial performance for the year, have resulted in the University's cash balances and other financial assets growing to \$57.3 million in 2017, compared with \$46.4 million in 2016.

Overall the University achieved a good financial result while continuing to reorganise itself and to invest in new initiatives. The University is well placed to face the financial challenges ahead but will continue to need to review its allocation of resources and to drive efficiencies in its processes to generate sufficient cash in the years to come to make the necessary planned changes and improvements to the University's infrastructure and services. This must be done while maintaining high quality services to students and other stakeholders.

Andrew McKinnon
Chief Financial Officer

STATEMENT OF RESPONSIBILITY

In the financial year ended 31 December 2017, 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 2017 fairly reflect the financial position and operations of The University of Waikato and group.



Chancellor
Rt Hon James Bolger
26 March 2018



Vice-Chancellor
Professor Neil Quigley
26 March 2018





FINANCIAL STATEMENTS

Statement of Comprehensive Revenue and Expense

For the Year Ended 31 December 2017

	Notes	Group		University		
		This Year Actual \$000	Last Year Actual \$000	This Year Actual \$000	Budget \$000	Last Year Actual \$000
Revenue						
Government Funding and Grants	2	98,559	103,129	98,559	94,524	103,129
Tuition Fees	3	81,615	77,965	81,615	83,662	77,965
Research Revenue		28,895	34,574	28,895	29,680	34,574
Investment Revenue	14	2,392	1,920	2,069	1,249	1,558
Other Revenue	4	28,331	30,564	28,100	26,404	27,786
Donations		17,867	5,394	15,969	105	3,152
Total Revenue	5	257,659	253,546	255,207	235,624	248,164
Expenses						
Personnel Costs	6	135,460	138,435	133,565	128,716	134,830
Other Expenses	7	75,854	79,271	77,716	75,426	78,476
Finance Costs		179	199	159	162	161
Depreciation, Amortisation and Impairment	17,18	23,093	22,867	22,587	22,151	21,253
Total Expenses		234,586	240,772	234,027	226,455	234,720
Share of Surplus/(Deficit) from Associates and Joint Ventures	8	(282)	(508)	-	-	-
Surplus		22,791	12,266	21,180	9,169	13,444
Surplus Attributable to						
University of Waikato		23,039	12,779	21,180	9,169	13,444
Non-Controlling Interest		(248)	(513)	-	-	-
Surplus		22,791	12,266	21,180	9,169	13,444
Other Comprehensive Revenue and Expense						
Gains on Property Revaluations	9	47,845	-	47,845	-	-
Total Other Comprehensive Revenue and Expense		47,845	-	47,845	-	-
Total Comprehensive Revenue and Expense		70,636	12,266	69,025	9,169	13,444
Comprehensive Revenue and Expense Attributable to						
University of Waikato		70,884	12,779	69,025	9,169	13,444
Non-Controlling Interest		(248)	(513)	-	-	-
Total Comprehensive Revenue and Expense for the Year		70,636	12,266	69,025	9,169	13,444

Explanations of major variances against budget are provided in note 30.

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 2017

	Notes	Group		University		
		This Year Actual \$000	Last Year Actual \$000	This Year Actual \$000	Budget \$000	Last Year Actual \$000
Balance at 1 January		407,845	395,890	388,426	388,426	374,982
Comprehensive Revenue and Expense Surplus		22,791	12,266	21,180	9,169	13,444
Other Comprehensive Revenue and Expense	9	47,845	-	47,845	-	-
Total Comprehensive Revenue and Expense		70,636	12,266	69,025	9,169	13,444
Capital Distribution from Subsidiary		-	-	1,248	-	-
Minority Interest Repurchased		18	(311)	-	-	-
Balance at 31 December		478,499	407,845	458,699	397,595	388,426
Attributable to						
University of Waikato	9	478,490	407,588	458,699	397,595	388,426
Minority Interest		9	257	-	-	-
		478,499	407,845	458,699	397,595	388,426

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

Balance Sheet: Assets

As at 31 December 2017

	Notes	Group		University		
		This Year Actual \$000	Last Year Actual \$000	This Year Actual \$000	Budget \$000	Last Year Actual \$000
Assets						
Current Assets						
Cash and Cash Equivalents	10	30,521	26,110	28,088	21,598	23,519
Receivables	11	22,184	19,669	20,284	17,083	17,171
Derivative Financial Instruments	12	7	3	7	-	3
Inter Company Balances	13	-	-	5,250	3,047	5,232
Prepayments		3,845	4,304	3,845	3,658	4,304
Other Financial Assets	14	26,793	20,276	21,000	15,167	15,167
Inventories	15	914	895	914	979	891
Total Current Assets		84,264	71,257	79,388	61,532	66,287
Non Current Assets						
Investments in Associates and Joint Ventures	8	580	861	-	-	-
Investments	16	316	198	2,316	4,372	4,372
Other Financial Assets	14	1,000	1,000	1,000	1,000	1,000
Intangible Assets	17	20,816	12,921	18,196	17,409	10,210
Property, Plant and Equipment	18	458,797	399,708	458,781	400,082	397,676
Total Non Current Assets		481,509	414,688	480,293	422,863	413,258
Total Assets		565,773	485,945	559,681	484,395	479,545

Balance Sheet: Liabilities

As at 31 December 2017

	Notes	Group		University		
		This Year Actual \$000	Last Year Actual \$000	This Year Actual \$000	Budget \$000	Last Year Actual \$000
Liabilities						
Current Liabilities						
Revenue in Advance	19	40,914	35,183	40,843	34,916	34,919
Inter Company Balances	13	-	-	14,316	11,940	14,125
Payables	20	18,873	15,320	18,413	12,440	14,571
Employee Entitlements	6	13,195	13,457	13,118	13,364	13,364
Borrowings	21	5	5	5	5	5
Total Current Liabilities		72,987	63,965	86,695	72,665	76,984
Non Current Liabilities						
Employee Entitlements	6	12,979	12,822	12,979	12,822	12,822
Borrowings	21	1,308	1,313	1,308	1,313	1,313
Total Non Current Liabilities		14,287	14,135	14,287	14,135	14,135
Equity						
General Equity	9	275,911	252,845	256,120	242,852	233,683
Other Reserves	9	202,579	154,743	202,579	154,743	154,743
Equity – Parent		478,490	407,588	458,699	397,595	388,426
Non-Controlling Interest		9	257	-	-	-
Total Equity		478,499	407,845	458,699	397,595	388,426
Total Liabilities and Equity		565,773	485,945	559,681	484,395	479,545

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 2017

	Notes	Group		University		
		This Year \$000	Last Year \$000	This Year \$000	Budget \$000	Last Year \$000
Cash Flows from Operating Activities						
Receipts from Government Funding and Grants		98,546	103,099	98,546	95,456	103,099
Receipts from Tuition Fees		85,087	78,208	85,035	83,662	78,260
Receipts from Other Revenue		73,333	74,038	72,416	55,256	68,689
Interest Revenue Received		2,194	1,705	2,069	1,249	1,558
Dividend Revenue		-	-	345	-	23
Goods and Services Tax (net)		(487)	268	(478)	(2,130)	274
Interest Paid		(179)	(217)	(159)	(168)	(161)
Payments to Suppliers		(72,597)	(81,416)	(73,538)	(75,674)	(80,090)
Payments to Employees		(135,094)	(137,909)	(133,856)	(127,816)	(134,833)
Net Cash Flows from Operating Activities	22	50,803	37,776	50,380	29,835	36,819
Cash Flows from Investing Activities						
Receipts from Sale of Property, Plant and Equipment		345	292	345	-	293
Receipts from Sale or Maturity of Investments		-	1,791	2,174	-	-
Acquisition of Investments		(6,010)	1,642	(5,837)		2,100
Purchase of Intangible Assets		(9,539)	(4,833)	(9,296)	(8,835)	(4,570)
Purchase of Property, Plant and Equipment		(31,183)	(22,962)	(33,192)	(22,921)	(22,796)
Net Cash Flows from Investing Activities		(46,387)	(24,070)	(45,806)	(31,756)	(24,973)
Cash Flows from Financing Activities						
Payment of Finance Leases		(5)	(4)	(5)	-	(4)
Net Cash Flows from Financing Activities		(5)	(4)	(5)	-	(4)
Net Cash Flows from All Activities		4,411	13,702	4,569	(1,921)	11,842
Opening Cash and Cash Equivalents		26,110	12,408	23,519	23,519	11,677
Closing Cash and Cash Equivalents		30,521	26,110	28,088	21,598	23,519

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 FOR THE YEAR ENDED 31 DECEMBER 2017

Note 1: Statement of Accounting Policies

The Reporting Entity

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

The financial statements of the University and Group are for the year ended 31 December 2017.

The financial statements were authorised for issue by Council on 26 March 2018.

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

- WaikatoLink Limited and Group, a wholly owned subsidiary company, and the results for the year ended 31 December 2017 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 2017 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 2017 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 2017 have been fully incorporated into the University group results.
- iEngagEd Limited, a wholly owned subsidiary company, and the results for the year ended 31 December 2017 have been fully consolidated into the University group results.
- U Leisure Limited and Group, a wholly owned subsidiary company, ULeisure Limited did not trade in 2017, however the results for the year ended 31 December 2016 were fully consolidated into the University group last year results.

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

As the primary objective of the University and Group is to provide goods or services for community and social benefit, rather than for making a financial return, the University and Group are public benefit entities for the purpose of financial reporting.

Basis of Preparation

The financial statements have been prepared on a going concern basis, and the accounting policies have been applied consistently throughout the period.

Statement of Compliance

These accompanying financial statements are presented in accordance with Section 203 of the Education Act 1989 which refers to the provisions of the Crown Entities Act 2004, which include the requirement to comply with New Zealand generally accepted accounting practice (NZ GAAP).

The financial statements of the University and Group comply with Public Benefit Entity (PBE) accounting standards.

The financial statements have been prepared in accordance with Tier 1 PBE standards.

Presentation Currency and Rounding

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$000), other than the key management personnel remuneration disclosures in note 23 and the related party transactions in note 26 that are rounded to the nearest dollar.

Standards issued and not yet effective and not early adopted

Standards and amendments issued but not yet effective that have not been early adopted, and which are relevant to the Council and group are:

Interests in other entities

In January 2017, the XRB issued new standards for interests in other entities (PBE IPSAS 34- 38). These new standards replace the existing standards for interests in other entities (PBE PSAS 6 - 8). The new standards are effective for annual periods beginning on or after 1 January 2019, with early application permitted.

The University plans to apply the new standards in preparing the 31 December 2019 financial statements. The University and group has not yet assessed the effects of these new standards.

Financial instruments

In January 2017, the XRB issued PBE IFRS 9 Financial Instruments. PBE IFRS 9 replaces PBE IPSAS 29 Financial Instruments: Recognition and Measurement. PBE IFRS 9 is effective for annual periods beginning on or after 1 January 2021, with early application permitted. The main changes under PBE IFRS 9 are:

- New financial asset classification requirements for determining whether an asset is measured at fair value or amortised cost.
- A new impairment model for financial assets based on expected losses, which may result in the earlier recognition of impairment losses.
- Revised hedge accounting requirements to better reflect the management of risks.

The University plans to apply this standard in preparing its 31 December 2021 financial statements. The University and group has not yet assessed the effects of the new standard.

Impairment of Revalued Assets

In April 2017, the XRB issued Impairment of Revalued Assets, which now scopes in revalued property, plant, and equipment into the impairment accounting standards. Previously, only property, plant, and equipment assets measured at cost were scoped into the impairment accounting standards.

This amendment is effective for annual periods beginning on or after 1 January 2019, with early application permitted. Once adopted, the University is required to assess at each reporting date whether there is any indication that an asset may be impaired. If any indication exists, the University is required to assess the recoverable amount of that asset and recognise an impairment loss if the recoverable amount is less than the carrying amount. The University can therefore be able to impair a revalued asset without having to revalue the entire class-of-asset to which the asset belongs.

Significant Accounting Policies

Basis of Consolidation

The group financial statements are prepared by adding together like items of assets, liabilities, equity, revenue, expenses and cash flows on a line-by-line basis. All significant intragroup balances, transactions, revenue and expenses are eliminated on consolidation.

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 subsidiary. This power exists where the University controls the majority voting power on the governing body or where financing and operating policies have been irreversibly predetermined by the University or where the determination of such policies is unable to materially affect 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.

The University will recognise goodwill where there is an excess of the consideration transferred over the net identifiable assets acquired and liabilities assumed. This difference reflects the goodwill to be recognised by the University. If the consideration transferred is lower than the net fair value of the University's interest in the identifiable assets acquired and liabilities assumed, the difference will be recognised immediately in the surplus or deficit.

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

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 group's share of the surplus or deficit of the associate is recognised in the group's surplus or deficit. Distributions received from an associate reduce the carrying amount of the investment in the group financial statements.

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

Where the group transacts with an associate, surpluses or deficits are eliminated to the extent of the group's interest in the relevant associate.

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

Joint Venture

A joint venture is a binding arrangement whereby two or more parties are committed to undertake an activity that is subject to joint control. Joint control is the agreed sharing of control over an activity.

The University's jointly controlled entity interest is accounted for by proportionate consolidation in the group financial statements. The group combines its share of the joint venture's individual revenue and expenses, assets and liabilities, and cash

flows on a line-by-line basis with similar items in the group's financial statements. The group recognises the portion of gains or losses on the sale of assets by the group to the joint venture that is attributable to the other venturers.

Investments in jointly controlled entities are carried at cost in the University's "parent entity" financial statements.

Budget Figures

Budget figures are those approved by the Council per minutes of 7 December 2016 for the University entity. However some line items have been subsequently re-classified to align with the annual reporting format and to reflect opening balances following completion of the 2016 financial statements. The budget figures have been prepared in accordance with NZ GAAP and are consistent with the accounting policies adopted by the Council for the preparation of the financial statements.

Cash 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.

Revenue

Revenue is measured at fair value.

The specific accounting policies for significant revenue items are explained below;

Student Achievement Component (SAC) Funding

SAC funding is the University's main source of operational funding from the Tertiary Education Commission (TEC). The University considers SAC funding to be non-exchange. The University has a guaranteed amount of SAC funding agreed with TEC. The University's SAC funding is specifically identified by the TEC as being for a funding period as required by section 159YA of the Education Act 1989. The University recognises its SAC funding at the commencement of the specified funding period, which is the same as the University's financial year.

Student Tuition Fees

Domestic student tuition fees are subsidised by government funding and are considered non-exchange. Revenue is

recognised when the course withdrawal date has passed, which is when a student is no longer entitled to a refund for withdrawing from the course.

International student tuition fees are accounted for as exchange transactions and recognised as revenue on a course percentage of completion basis. The percentage of completion is measured by reference to the days of the course completed as a proportion of the total course days.

Performance-Based Research Fund (PBRF)

The University considers PBRF funding to be non-exchange in nature. PBRF funding is specifically identified by the TEC as being for a funding period as required by section 159YA of the Education Act 1989. The University recognises its confirmed allocation of PBRF funding at the commencement of the specified funding period, which is the same as the University's financial year. PBRF revenue is measured based on the University's funding entitlement adjusted for any expected adjustments as part of the final wash-up process. Indicative funding for future periods is not recognised until confirmed for that future period.

Research Revenue

The University exercises its judgement in determining whether funding received under a research contract is received in an exchange or non-exchange transaction. In determining whether a research contract is exchange or non-exchange, the University considers factors such as the following:

- Whether the funder has substantive rights to the research output. This is a persuasive indicator of exchange or non-exchange.
- How the research funds were obtained. For example, whether through a commercial tender process for specified work or from applying to a more general research funding pool.
- Nature of the funder.
- Specificity of the research brief or contract.

For an exchange research contract, revenue is recognised on a percentage completion basis. The percentage of completion is measured by reference to the actual research expenditure incurred as a proportion to total expenditure expected to be incurred.

For a non-exchange research contract, the total funding receivable under the contract is recognised as revenue immediately, unless there are substantive conditions in the contract. If there are substantive conditions, revenue is

recognised when the conditions are satisfied. A condition could include the requirement to complete research to the satisfaction of the funder to retain funding or return unspent funds. Revenue for future periods is not recognised where the contract contains substantive termination provisions for failure to comply with the requirements of the contract. Conditions and termination provisions need to be substantive, which is assessed by considering factors such as contract monitoring mechanisms of the funder and the past practice of the funder.

Judgement is often required in determining the timing of revenue recognition for contracts that span a balance date and multi-year research contracts.

Other Grants Received

Other grants are recognised as revenue when they become receivable unless there is an obligation in substance to return the funds if conditions of the grant are not met. If there is such an obligation, the grants are initially recorded as grants received in advance when received and recognised as revenue when the conditions of the grant are satisfied.

Donations, Bequests and Pledges

Donations and bequests are recognised as revenue when the right to receive the fund or asset has been established, unless there is an obligation in substance to return the funds if conditions of the donation or bequest are not met. If there is such an obligation, they are initially recorded as revenue in advance when received and recognised as revenue when the conditions are satisfied. Pledges are not recognised as assets or revenue until the pledged item is received.

Sales of Goods

Revenue from sales of goods is recognised when the product is sold to the customer.

Accommodation Services

Revenue from the provision of accommodation services is recognised on a percentage completion basis. This is determined by reference to the number of accommodation days used up till balance date as a proportion of the total accommodation days contracted for with the individual.

Interest and Dividends

Interest revenue is recognised by accruing on a time proportion basis the interest due for the investment.

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

Borrowing Costs

Borrowing costs are expensed in the financial year in which they are incurred.

Scholarships

Scholarships awarded by the University that reduce the amount of tuition fees payable by the student are accounted for as an expense and not offset against student tuition fees revenue.

Receivable

Short-term receivables are recorded at the amount due, less any provision for uncollectability.

A receivable is considered uncollectable when there is evidence that the amount due will not be fully collected. The amount that is uncollectable is the difference between the amount due and the present value of the amount expected to be collected.

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 2017, was undertaken by Mercer (NZ) Limited (Actuaries). The calculations are based on:

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

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

Obligations for contributions to defined contribution superannuation schemes are recognised as an expense in the surplus or deficit as incurred.

Insufficient information is available to use defined benefit accounting, as it is not possible to determine from the terms of the National Provident Fund scheme the extent to which the surplus/deficit will affect future contributions by individual employers, as there is no prescribed basis for allocation. The scheme is therefore accounted for as a defined contribution scheme. Further information on these schemes is disclosed in note 6.

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 University and Group make of its accumulated surpluses. The components of equity are:

- General Equity,
- Property Revaluation Reserve, and
- Trusts and Bequests Reserve.

Property Revaluation Reserve

This reserve relates to the revaluation of land, buildings, and infrastructure assets to fair value.

Trusts and Bequests Reserve

Restricted reserves are a component of equity generally representing a particular use to which various parts of equity have been assigned. Reserves may be legally restricted or created by the University. Transfers from these reserves may be made only for certain specified purposes or when certain conditions are met.

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 surplus or deficit.

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 surplus or deficit.

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 receivables and payables which are presented on a GST-inclusive basis. Where GST is not recoverable as input tax, it is recognised as part of the related asset or expense.

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

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

Commitments and contingencies are disclosed exclusive of GST.

Inventories

Inventories held for distribution or for use 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 acquired through non-exchange transactions are measured at fair value at the date of acquisition.

Inventories held for use in the production of goods and services on a commercial basis are valued at the lower of cost (using the FIFO method) and net realisable value.

The write down from cost to net realisable value is recognised in the surplus or deficit in the year of the write down.

Other Financial Assets

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.

Term Deposits and Loans to Subsidiaries

Term deposits and loans to subsidiaries are initially measured at the amount invested. Where applicable, interest is subsequently accrued and added to the investment balance.

At year end, term deposits and loans to subsidiaries are assessed for indicators of impairment. If they are impaired, the amount not expected to be collected is recognised in the surplus or deficit.

New Zealand Government Bonds

New Zealand Government bonds are designated at fair value through other comprehensive revenue and expense.

After initial recognition, the bonds are measured at their fair value, with gains and losses recognised in other comprehensive revenue and expense.

Managed Fund

The managed fund is a portfolio of financial assets that are actively traded with the intention of making profits. Therefore, the managed fund is classified as held for trading.

After initial recognition, the managed fund is measured at fair value, with gains and losses recognised in the surplus or deficit.

Listed and Unlisted Shares

Equity investments are designated at fair value through other comprehensive revenue and expense.

After initial recognition the shares are measured at their fair value, with gains and losses recognised in other comprehensive revenue and expense, except for impairment losses, which are recognised in the surplus or deficit. When sold, the cumulative gain or loss previously recognised in other comprehensive revenue and expense is transferred to the surplus or deficit.

A significant or prolonged decline in the fair value of the investment below its cost is considered objective evidence of impairment. If impairment evidence exists, the cumulative loss recognised in other comprehensive revenue and expense is transferred from equity to the surplus or deficit.

Impairment losses on equity investments recognised in the surplus or deficit are not reversed through the surplus or deficit.

Leases

A finance lease transfers to the lessee substantially all the risks and rewards incidental to the ownership of an asset, whether or not title is eventually transferred. At the start of the lease term, finance leases are recognised as assets and liabilities in the balance sheet at the lower of the fair value of the leased item or the present value of the minimum lease payments. The finance charge is charged to the surplus or deficit over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability. The amount recognised as an asset is depreciated over its useful life. If there is no reasonable certainty as to whether the University and group will obtain ownership at the end of the lease term, the asset is fully depreciated over the shorter of the lease term and its useful life.

An operating lease is one where the lessors effectively retain substantially all the risks and benefits of ownership of the leased asset. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term.

Lease incentives received are recognised in the surplus or deficit as a reduction of rental expense over the lease term.

Property, Plant and Equipment

Property, plant, and equipment consists of the following asset classes: land, buildings, infrastructure, leasehold improvements, computer hardware, furniture and equipment, motor vehicles, and library collection.

Land is measured at fair value, and buildings and infrastructure are measured at fair value less accumulated depreciation. All other asset classes are measured at cost, less accumulated depreciation and impairment losses.

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 2017 it is in substance the owner of these Buildings and assumes all the normal risks and rewards of ownership.

Depreciation

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

Asset Class	Useful Life/Rate	Depreciation Rate
Buildings		
• Structure	4-83 years	1-25%
• Services	4-38 years	3-25%
• Fit out	4-34 years	3-25%
Infrastructure	9-52 years	2-11%
Leasehold Improvements	5-35 years	3-20%
Library		
• Books	35 years	3%
• Periodicals	15 years	7%
Teaching/Research Equipment	14 years	15%
Computer Equipment (excluding servers)	3-4 years	25-33%
Computer Servers	5 years	20%
Other Property Plant and Equipment	10-40 years	5-20%
Artworks	Unlimited	0%

Leasehold improvements are depreciated over the shorter of the unexpired period of the lease or the estimated remaining useful lives of the improvements, whichever is the shorter.

Revaluations

Land, buildings, and infrastructure are revalued with sufficient regularity to ensure that their carrying amount does not differ materially from fair value.

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 revenue and expense 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 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 revenue and expense.

Additions

The cost of an item of property, plant, and equipment is recognised as an asset only when it is probable that future economic benefits or service potential associated with the item will flow to the University and group and the cost of the item can be measured reliably.

Work in progress is recognised at cost less impairment and is not depreciated.

In most instances, an item of property, plant, and equipment is initially recognised at its cost. Where an asset is acquired through a non-exchange transaction, it is recognised at its fair value as at the date of acquisition.

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to the University and group and the cost of the item can be measured reliably.

The costs of day-to-day servicing of property, plant, and equipment are initially recognised in the surplus or deficit as they are incurred.

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 revaluation reserves in respect of those assets are transferred to general funds within equity.

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 three to four years. Computer software for the financial, student enrolment and library systems are amortised on a straightline 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 expensed as incurred in the surplus or deficit.

Intellectual Property Development

Development costs that are directly attributable to the design, construction, and testing of pre-production or pre-use prototypes and models associated with intellectual property development are recognised as an intangible asset if all the following can be demonstrated:

- 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 expenses that do not meet these criteria are recognised as an expense as incurred in the surplus or deficit. Development costs previously recognised as an expense can not be 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 property, plant, and equipment and intangible assets

Intangible assets subsequently measured at cost that have an indefinite useful life, or are not yet available for use, are not subject to amortisation and are tested annually for impairment.

Property, plant, and equipment and intangible assets subsequently measured at cost that have a finite useful life are reviewed for impairment at each balance date and whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

If an asset's carrying amount exceeds its recoverable amount, the asset is considered to be impaired and the carrying amount is written-down to the recoverable amount. The total impairment loss is recognised in the surplus or deficit.

Value in Use for Non-Cash-Generating Assets

Non-cash-generating assets are those assets that are not held with the primary objective of generating a commercial return.

For non-cash generating assets, value in use is determined using an approach based on either a depreciated replacement cost approach, a restoration cost approach, or a service units approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information.

Value in Use for Cash-Generating Assets

Cash-generating assets are those assets that are held with the primary objective of generating a commercial return.

The value in use for cash-generating assets and cash-generating units is the present value of expected future cash flows.

The University and group does not currently hold any cash-generating assets.

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.

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as an interest expense and is included in "finance costs".

Restructuring

A provision for restructuring is recognised when either an approved detailed formal plan for the restructuring has been announced publicly to those affected, or implementation of it has already started.

Payables

Short-term payables are recorded at the amount payable.

Borrowings

Borrowings on normal commercial terms are initially recognised at the amount borrowed plus transaction costs. Interest due on the borrowings is subsequently accrued and added to the borrowings balance.

Borrowings are classified as current liabilities unless the University or group has an unconditional right to defer settlement of the liability for at least 12 months after the balance date.

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:

- Note 6 provides information about the estimates and assumptions exercised in the measurement of retirement gratuities.
- Note 18 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 2017:

- 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.
- The University has entered into a funding agreement with Tauranga Tertiary Campus Charitable Trust to support the construction of new campus buildings in Tauranga. The construction project is due to be completed in 2019. Accounting for the revenue from these transactions under PBE IPSAS 23 Revenue from Non-Exchange Transactions requires judgement. The donations received from the Trust are accounted for as revenue when they are invoiced as a contribution to construction costs already incurred. Under the funding agreement with the Trust, the University has agreed to meet certain operating conditions, considered normal and typical for any University undertaking tertiary teaching and research activity. Should the University not meet those conditions, then it may be required to repay some or all of the funding to the Trust, at which time a liability will be recognised.



Note 2: Government Funding and Grants

	Group		University	
	This Year \$000	Last Year \$000	This Year \$000	Last Year \$000
Block Grants	88,446	87,493	88,446	87,493
Advisory Services Grants	9,103	14,634	9,103	14,634
Other Grants	1,010	1,002	1,010	1,002
Total Government Funding and Grants	98,559	103,129	98,559	103,129

All Government funding and grants are non-exchange transactions.

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

Note 3: Tuition Fees

	Group		University	
	This Year \$000	Last Year \$000	This Year \$000	Last Year \$000
Government Funded Students	48,169	46,881	48,169	46,881
Full Cost International Students	33,446	31,084	33,446	31,084
Total Fees	81,615	77,965	81,615	77,965

Government Funded tuition fee revenue results from non-exchange transactions as well as \$372,782 (2016 \$475,293) of Full Cost International tuition fees.

Note 4: Other Revenue

	Group		University	
	This Year \$000	Last Year \$000	This Year \$000	Last Year \$000
Student Accommodation and Other Student Services	12,809	12,354	12,809	12,354
Gym Membership and Hire	1,529	2,218	1,529	-
Rental	1,007	1,053	1,007	725
Carbon Dating Services	503	669	503	669
Printing and Copying Services	645	802	645	802
Teaching Resource Sales	69	360	69	360
Other Revenue	11,769	13,108	11,538	12,876
Total Other Revenue	28,331	30,564	28,100	27,786

Note 5: Total Revenue

	Group		University	
	This Year \$000	Last Year \$000	This Year \$000	Last Year \$000
Revenue from Exchange Transactions				
Tuition Fees	33,446	30,608	33,446	30,608
Research	9,125	8,292	9,125	8,292
Investment Revenue	2,392	1,920	2,069	1,558
Other Revenue	20,284	22,251	19,159	17,406
Total Revenue from Exchange Transactions	65,247	63,071	63,799	57,864
Revenue from Non-Exchange Transactions				
Government Funding and Grants	98,559	103,129	98,559	103,129
Tuition Fees	48,169	47,357	48,169	47,357
Research	19,770	26,282	19,770	26,282
Other Income	8,047	8,313	8,941	10,380
Donations	17,867	5,394	15,969	3,152
Total Revenue from Non-Exchange Transactions	192,412	190,475	191,408	190,300
Total Revenue	257,659	253,546	255,207	248,164

Note 6: Employee Entitlements

Personnel Costs

	Group		University	
	This Year \$000	Last Year \$000	This Year \$000	Last Year \$000
Employee Benefit Expenses – Academic	78,480	82,261	78,072	81,819
Employee Benefit Expenses – General	57,182	56,145	55,695	52,982
Movement in Actuarial Valuation	(202)	29	(202)	29
Total Personnel Costs	135,460	138,435	133,565	134,830

Personnel Costs also includes \$2,558,421 in restructuring costs for the year ended 31 December 2017 (2016 : \$2,578,638).

Employee Entitlements

	Group		University	
	This Year \$000	Last Year \$000	This Year \$000	Last Year \$000
Staff Annual and Long Service Leave Vested	8,890	8,743	8,890	8,743
Sick Leave	5	5	5	5
Other Employee Entitlements	2,235	2,285	2,158	2,192
Actuarial Valuation of Anticipated Retirement Gratuities and Long Service Leave	15,044	15,246	15,044	15,246
Total Employee Entitlements	26,174	26,279	26,097	26,186
Current Portion	13,195	13,457	13,118	13,364
Non Current Portion	12,979	12,822	12,979	12,822
Total Employee Entitlements	26,174	26,279	26,097	26,186

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 \$1,075,000 higher/lower (2016 - \$1,019,000).

If the discount rates were to increase or decrease by 1% from that used, with all other factors held constant, the carrying amount of the gratuity liability would be an estimated \$1,079,000 lower/higher (2016 - \$1,018,000).

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

The following is included in the Personnel Costs:

	Group		University	
	This Year \$000	Last Year \$000	This Year \$000	Last Year \$000
Defined Contribution Plan Employer Contributions	5,293	5,175	5,281	5,167

Note 7: Other Expenses

	Group		University	
	This Year \$000	Last Year \$000	This Year \$000	Last Year \$000
Audit Fees to Audit New Zealand for Financial Statement Audit	256	277	197	210
Audit Fees to KPMG	14	14	2	-
Audit Fees to Staples Rodway	2	3	-	-
Audit Fees to Audit New Zealand for Assurance Services	7	7	7	7
Net Loss on Disposal of Property Plant & Equipment	346	6	346	6
Net Foreign Exchange (Gain)/Loss	(107)	16	(106)	7
Impairment of Receivables	12	46	12	46
Inventories Consumed	290	623	290	623
Teacher Release Days	78	3,137	78	3,137
Professional Services	16,047	20,550	15,652	20,108
Travel and Accommodation	5,108	4,599	5,108	4,599
Operating Leases	4,259	3,777	4,259	3,777
Scholarships	13,553	11,277	13,553	11,277
Hirage	1,505	1,462	1,492	1,347
Repairs and Maintenance	3,074	2,689	3,074	2,689
Teaching and Research Materials	2,126	2,338	2,126	2,338
Utilities	4,055	4,054	4,054	4,053
Other Operating Expenses	25,229	24,396	27,572	24,252
Total Other Expenses	75,854	79,271	77,716	78,476

Audit Fees to Audit New Zealand include \$11,779 (2016: \$11,514) for the University of Waikato Foundation, \$nil (2016: \$7,162) for iEngaged Limited, and \$nil (2016: \$10,188) for the University of Waikato Research Trust

iEngaged Limited and University of Waikato Research Trust are no longer required to be audited for 2017.

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

Note 8: Investments in Associates and Joint Ventures

	Group		University	
	This Year \$000	Last Year \$000	This Year \$000	Last Year \$000
Ligar Polymers Limited	340	349	-	-
Ligar Limited Partnership	-	91	-	-
Aduro Biopolymers Limited Partnership	240	421	-	-
Total Investments in Associates and Joint Ventures	580	861	-	-

In January 2016 the University obtained full control of U Leisure Limited, investment in the subsidiary is disclosed in Note 16: Investments.

Associates

U Leisure Limited

	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.

	Group	
	This Year \$000	Last Year \$000
The University's share of the results of U Leisure is as follows		
Investment in Associate		
Opening Balance	-	1,816
Transfer to Subsidiary Investment	-	(1,816)
Closing Balance	-	-
Represented by:		
Share of Increase in Net Assets of Associate (Carrying Value)	-	-

Ligar Polymers Limited

	Ownership	Balance Date
Ligar Polymers Limited	40%	31 December

Principal Activity

To develop molecularly imprinted polymers to filter, extract or detect specific molecules of interest.

	Group	
	This Year \$000	Last Year \$000
WaikatoLink's share of the results of Ligar Polymers Limited is as follows		
Investment in Associate		
Opening Balance	350	331
Share of Retained Surplus/(Loss)	(10)	19
Closing Balance	340	350
Represented by:		
Share of Increase in Net Assets of Associate (Carrying Value)	340	350

Ligar Limited Partnership

	Ownership	Balance Date
Ligar Limited Partnership	17%	30 September

Principal Activity

To develop molecularly imprinted polymers to filter, extract or detect specific molecules of interest.

	Group	
	This Year \$000	Last Year \$000
WaikatoLink's share of the results of Ligar Limited Partnership is as follows		
Investment in Associate		
Opening Balance	90	130
Investment	-	120
Share of Retained Surplus/(Loss)	(90)	(160)
Closing Balance	-	90
Represented by:		
Share of Increase in Net Assets of Associate (Carrying Value)	-	90

Jointly Controlled Entity

Aduro Biopolymers Limited Partnership

	Ownership	Balance Date
Aduro Biopolymers Limited Partnership	30%	31 March

Principal Activity

To develop and commercialise a range of biopolymer materials for use in plastics, composites, agriculture, horticulture, manufacturing and construction.

	Group	
	This Year \$000	Last Year \$000
WaikatoLink's share of the results of Aduro Biopolymers Limited Partnership is as follows		
Investment in Joint Venture		
Opening Balance	422	725
Additions	-	64
Share of Retained Surplus/(Loss)	(182)	(367)
Closing Balance	240	422
Represented by:		
Share of Increase in Net Assets of Joint Venture (Carrying Value)	240	422

Summarised Financial Information of Associates and Joint Ventures

	Group	
	This Year \$000	Last Year \$000
Assets	4,885	4,611
Liabilities	2,982	1,625
Revenue	163	563
Net Surplus/(Loss)	(1,968)	(1,607)
Share of Associates' and Joint Venture's Surplus/(Loss)	(282)	(508)

The Group's associates and joint ventures 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 and joint ventures are disclosed separately in note 27.

Note 9: Equity

	Ref	Group		University	
		This Year \$000	Last Year \$000	This Year \$000	Last Year \$000
General Equity					
Opening Balance		252,845	239,732	233,683	219,594
Surplus/(Deficit)		22,791	12,266	21,180	13,444
Capital distribution from Uleisure		-	-	1,248	-
Minority Interest Repurchased		18	(311)	-	-
Property revaluation reserve transfer on disposal		-	571	-	571
Surplus attributable to Non-Controlling Interest		248	513	-	-
Transfers to Trusts and Bequests Reserve		(691)	(565)	(691)	(565)
Transfers from Trusts and Bequests Reserve		700	639	700	639
Closing Balance		275,911	252,845	256,120	233,683
Other Reserves					
Property Revaluation Reserve	i	199,703	151,858	199,703	151,858
Trusts and Bequests Reserve	ii	2,876	2,885	2,876	2,885
Total Other Reserves		202,579	154,743	202,579	154,743
Total Equity Before Non-Controlling Interest		478,490	407,588	458,699	388,426

i) Property Revaluation Reserve

	Ref	Group		University	
		This Year \$000	Last Year \$000	This Year \$000	Last Year \$000
Opening Balance		151,858	152,429	151,858	152,429
Land net revaluation gains		1,895	-	1,895	-
Buildings net revaluation gains		41,096	-	41,096	-
Infrastructure net revaluation gains		4,854	-	4,854	-
Transfers to general funds on disposal of property		-	(571)	-	(571)
Closing balance		199,703	151,858	199,703	151,858

The property revaluation reserve consists of:

	Ref	Group		University	
		This Year \$000	Last Year \$000	This Year \$000	Last Year \$000
Land		2,810	915	2,810	915
Buildings		178,133	137,037	178,133	137,037
Infrastructural Assets		18,760	13,906	18,760	13,906
Total property revaluation reserve		199,703	151,858	199,703	151,858

ii) Trusts and Bequests Reserve

The Trusts and Bequests Reserve 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 Revenue and Expense. Fund balances remaining are shown as restricted reserves.

	Group		University	
	This Year \$000	Last Year \$000	This Year \$000	Last Year \$000
Prizes, Scholarships and Trust Funds				
Opening Balance	2,885	2,959	2,885	2,959
Add Appropriation of Net Surplus	691	565	691	565
Less Application to Prizes, Scholarships and Trust Funds	(700)	(639)	(700)	(639)
Closing balance	2,876	2,885	2,876	2,885



Note 10: Cash and Cash Equivalents

	Group		University	
	This Year \$000	Last Year \$000	This Year \$000	Last Year \$000
Cash at Bank and in Hand	4,742	4,951	2,709	2,433
Term Deposits Maturing Three Months or Less from Date of Acquisition	25,779	21,159	25,379	21,086
	30,521	26,110	28,088	23,519

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

Note 11: Receivables

	Group		University	
	This Year \$000	Last Year \$000	This Year \$000	Last Year \$000
Trade Receivables	10,239	7,614	9,779	6,871
Student Fee Receivables	10,485	10,429	10,485	10,429
Receivables from Subsidiaries	-	-	186	25
Receivables from Related Parties	1,891	2,045	-	-
Impairment of Debtors	(431)	(419)	(166)	(154)
Total Receivables	22,184	19,669	20,284	17,171

Receivables are Comprised of

Receivables from exchange transactions – this includes outstanding amounts for research revenue classified as exchange, international tuition fees and revenue from other direct transactions.	6,573	5,879	4,673	3,422
Receivables from non-exchange transactions – this includes outstanding amount for research revenue classified as non-exchange, government funded tuition fees and revenue from other non-direct transactions.	15,611	13,790	15,611	13,749
Total Receivables	22,184	19,669	20,284	17,171

Fair Value

Student fees are due before a course begins or are due upon enrolment if the course has already begun. For courses that span more than one trimester, domestic students can arrange for fees to be paid in instalments. Student fee receivables are non-interest bearing and are generally paid in full by the course start date. Therefore, their carrying value approximates their fair value.

Other receivables are non-interest bearing and are generally settled on 30-day terms. Therefore, the carrying value of other receivables approximates their fair value.

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

Impairment

The aging profile of receivables at year end is detailed below:

	University					
	This Year			Last Year		
	Gross \$000	Impairment \$000	Net \$000	Gross \$000	Impairment \$000	Net \$000
Not Past Due	14,074	-	14,074	10,966	-	10,966
Past Due 1-30 Days	4,683	-	4,683	4,924	-	4,924
Past Due 31-60 Days	845	-	845	843	-	843
Past Due 61+ Days	848	(166)	682	592	(154)	438
Total	20,450	(166)	20,284	17,325	(154)	17,171

	Group					
	This Year			Last Year		
	Gross \$000	Impairment \$000	Net \$000	Gross \$000	Impairment \$000	Net \$000
Not Past Due	15,965	-	15,965	13,700	-	13,700
Past Due 1-30 Days	4,683	-	4,683	4,924	-	4,924
Past Due 31-60 Days	848	-	848	845	-	845
Past Due 61+ Days	1,119	(431)	688	619	(419)	200
Total	22,615	(431)	22,184	20,088	(419)	19,669

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

	Group		University	
	This Year \$000	Last Year \$000	This Year \$000	Last Year \$000
Opening Balance	419	374	154	108
Provisions Made During the Year	11	16	11	17
Receivables Written Off During the Year	1	29	1	29
Closing balance	431	419	166	154

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

Note 12: Derivative Financial Instruments

	Group		University	
	This Year \$000	Last Year \$000	This Year \$000	Last Year \$000
Current Asset Portion				
Forward Foreign Exchange Contracts	7	3	7	3
Total Derivative Financial Instrument Assets	7	3	7	3

Fair Value

The fair values of forward foreign exchange contracts have been determined using a discounted cash flows valuation technique based on quoted market prices. The inputs into the valuation model are from independently sources market parameters such as currency rates. Most market parameters are implied from instrument prices.

The notional principal amount of outstanding forward foreign exchange contracts in NZD was \$850,467 (2016 \$193,029). The foreign currency principal amount was AUD780,000 (2016 AUD Nil) and GBP Nil (2016 GBP108,000).

Note 13: Intercompany Balances

	Group		University	
	This Year \$000	Last Year \$000	This Year \$000	Last Year \$000
Current Assets				
iEngagEd Limited	-	-	131	215
University of Waikato Foundation Trust	-	-	102	-
WaikatoLink Limited	-	-	5,017	5,017
Intercompany Current Asset Balances	-	-	5,250	5,232
Current Liabilities				
University of Waikato Foundation Trust	-	-	-	(164)
Student Campus Building Fund Trust	-	-	(2,299)	(2,021)
University of Waikato Research Trust	-	-	(12,017)	(11,940)
Intercompany Current Liability Balances	-	-	(14,316)	(14,125)

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

All intercompany current accounts are classified as current.

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 2017 the University had advanced to WaikatoLink Limited a total of \$5,017,215 (2016 \$5,017,215) by way of shareholder loan. The loan is interest free and repayable on demand. The University has undertaken not to demand repayment until WaikatoLink Limited has sufficient free cash available to make repayments.

Note 14: Other Financial Assets

	Group		University	
	This Year \$000	Last Year \$000	This Year \$000	Last Year \$000
Current Portion				
Term Deposits with Maturities of 4-12 Months	22,910	17,219	21,000	15,167
Endowment Portfolio (CIP)	3,883	3,057	-	-
Total Current Other Financial Assets	26,793	20,276	21,000	15,167
Non Current Portion				
Bay Venues Limited	1,000	1,000	1,000	1,000
Term Deposits with Maturities of 12-24 Months	-	-	-	-
Total Non Current Other Financial Assets	1,000	1,000	1,000	1,000
Total Other Financial Assets	27,793	21,276	22,000	16,167
Investment Revenue				
Interest	1,889	1,746	1,724	1,536
Dividends	71	71	345	22
Gains/(Losses) on Equity Investments	432	103	-	-
Total Investment Revenue	2,392	1,920	2,069	1,558

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

The endowment portfolio is managed by Craigs Investment Partners (CIP), equities and fixed interest investments within the portfolio are valued using quoted market price, the balance of the portfolio is valued at amortised cost using the effective interest method. See Note 25.

On 1 November 2016, the University signed a Strategic Partnership Agreement with Bay Venues Limited. Bay Venues Limited has developed a high performance sports training centre at Blake Park, Mount Maunganui. The agreement documents the ongoing relationship between Bay Venues Limited and the University, a sponsorship arrangement, facility sublease arrangements and a \$1,000,000 loan from the University to Bay Venues Limited. The loan is interest free and repayable upon expiry of the strategic partnership agreement on 30 April 2031.

There was no impairment provision for investments. None of the financial assets are either past due or impaired.

Note 15: Inventories

	Group		University	
	This Year \$000	Last Year \$000	This Year \$000	Last Year \$000
Held for Sale	128	125	128	121
Held for Distribution/Use	786	770	786	770
	914	895	914	891

No inventories are pledged as security for liabilities or subject to retention of title clauses. (2016 \$Nil).

No stock held for sale was written down for obsolescence in 2017 (2016 \$Nil).

Note 16: Investments

	Group		University	
	This Year \$000	Last Year \$000	This Year \$000	Last Year \$000
Strategic Investments				
NZ Synchrotron Group Limited	198	198	198	198
eDrive Solutions Ltd	118	-	118	-
Investment in Subsidiaries				
Uleisure Limited	-	-	-	2,174
WaikatoLink Limited	-	-	2,000	2,000
	316	198	2,316	4,372

On 13 January 2016, the University purchased 50% of the shares and control of Uleisure Limited. The purchase price was \$1,800,000. The activities of Uleisure Limited are now being managed within the University and, as at 31 December 2017, Uleisure is in the process of being wound up.

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.

Note 17: Intangible Assets

This Year	Group				University		
	Software Purchased \$000	Software Internally Generated \$000	Non Software Development Costs	Group Total \$000	Software Purchased \$000	Software Internally Generated \$000	University Total \$000
Balance at 1 January 2017							
Cost	26,456	925	4,980	32,361	26,455	925	27,380
Accumulated Amortisation and Impairment	(16,246)	(925)	(2,269)	(19,440)	(16,245)	(925)	(17,170)
Opening Carrying Amount	10,210	-	2,711	12,921	10,210	-	10,210
Year Ended 31 December 2017							
Additions	9,295	-	190	9,485	9,295	-	9,295
Disposals	-	-	-	-	-	-	-
Amortisation and Impairment Charge	(1,309)	-	(281)	(1,590)	(1,309)	-	(1,309)
Disposals Amortisation and Impairment	-	-	-	-	-	-	-
Closing Carrying Amount	18,196	-	2,620	20,816	18,196	-	18,196
Balance at 31 December 2017							
Cost	35,751	925	5,170	41,846	35,750	925	36,675
Accumulated Amortisation and Impairment	(17,555)	(925)	(2,550)	(21,030)	(17,554)	(925)	(18,479)
Closing Carrying Amount	18,196	-	2,620	20,816	18,196	-	18,196

Last Year	Group				University		
	Software Purchased \$000	Software Internally Generated \$000	Non Software Development Costs	Group Total \$000	Software Purchased \$000	Software Internally Generated \$000	University Total \$000
Balance as at 1 January 2016							
Cost	21,886	925	4,765	27,576	21,885	925	22,810
Accumulated Amortisation and Impairment	(14,985)	(925)	(962)	(16,872)	(14,984)	(925)	(15,909)
Opening Carrying Amount	6,901	-	3,803	10,704	6,901	-	6,901
Year Ended 31 December 2016							
Additions	4,570	-	263	4,833	4,570	-	4,570
Disposals	-	-	(48)	(48)	-	-	-
Amortisation and Impairment Charge	(1,261)	-	(1,355)	(2,616)	(1,261)	-	(1,261)
Disposals Amortisation and Impairment	-	-	48	48	-	-	-
Closing Carrying Amount	10,210	-	2,711	12,921	10,210	-	10,210
Balance as at 31 December 2016							
Cost	26,456	925	4,980	32,361	26,455	925	27,380
Accumulated Amortisation and Impairment	(16,246)	(925)	(2,269)	(19,440)	(16,245)	(925)	(17,170)
Closing Carrying Amount	10,210	-	2,711	12,921	10,210	-	10,210

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 \$0 (2016 \$2,289,900). The amount of intangible assets that are work in progress for software purchased is \$12,872,000 (2016 \$4,611,147). There are no restrictions over the title of the University's intangible assets, nor are any intangible assets pledged as security for liabilities.

Note 18: Property, Plant and Equipment

This Year University

	Cost/Valuation 1 Jan 17	Accumulated Depreciation and Impairment Charges 1 Jan 17	Carrying Amount 1 Jan 17	Current Year Additions	Current Year Disposals
	\$000	\$000	\$000	\$000	\$000
Land	3,700	-	3,700	8,415	-
Infrastructural Assets	27,753	(1,341)	26,412	623	-
Buildings	329,991	(20,986)	309,005	14,928	(1)
Leasehold Building Improvements	1,902	(1,334)	568	2	(377)
Library Collection	78,526	(46,925)	31,601	3,987	-
Plant and Equipment	50,182	(36,114)	14,068	2,643	(1,966)
Computer Equipment	36,395	(27,558)	8,837	3,787	(13,807)
Art Collection	1,186	-	1,186	-	-
Motor Vehicles	4,598	(2,299)	2,299	799	(901)
Total	534,233	(136,557)	397,676	35,184	(17,052)

Last Year University

	Cost/Valuation 1 Jan 16	Accumulated Depreciation and Impairment Charges 1 Jan 16	Carrying Amount 1 Jan 16	Current Year Additions	Current Year Disposals
	\$000	\$000	\$000	\$000	\$000
Land	2,200	-	2,200	1,500	-
Infrastructural Assets	26,508	(653)	25,855	1,245	-
Buildings	320,592	(10,293)	310,299	9,424	(25)
Leasehold Building Improvements	1,880	(1,282)	598	22	-
Library Collection	74,647	(44,090)	30,557	3,879	-
Plant and Equipment	47,325	(33,850)	13,475	3,066	(209)
Computer Equipment	34,920	(26,490)	8,430	3,226	(1,751)
Art Collection	1,186	-	1,186	-	-
Motor Vehicles	4,539	(2,267)	2,272	763	(704)
Total	513,797	(118,925)	394,872	23,125	(2,689)

Current Year Impairment Charges	Current Year Depreciation	Accumulated Depreciation on Disposal	Revaluation Movement	Cost/ Revaluation 31 Dec 17	Accumulated Depreciation and Impairment Charges 31 Dec 17	Carrying Amount 31 Dec 17
\$000	\$000	\$000	\$000	\$000	\$000	\$000
-	-	-	1,895	14,010	-	14,010
-	(724)	-	4,853	31,164	-	31,164
-	(11,116)	-	41,097	353,913	-	353,913
-	(67)	287	-	1,527	(1,114)	413
-	(2,930)	-	-	82,513	(49,855)	32,658
-	(2,408)	1,717	-	50,859	(36,805)	14,054
-	(3,499)	13,774	-	26,375	(17,283)	9,092
-	-	-	-	1,186	-	1,186
-	(534)	628	-	4,496	(2,205)	2,291
-	(21,278)	16,406	47,845	566,043	(107,262)	458,781

Current Year Impairment Charges	Current Year Depreciation	Accumulated Depreciation on Disposal	Revaluation Movement	Cost/ Revaluation 31 Dec 16	Accumulated Depreciation and Impairment Charges 31 Dec 16	Carrying Amount 31 Dec 16
\$000	\$000	\$000	\$000	\$000	\$000	\$000
-	-	-	-	3,700	-	3,700
-	(688)	-	-	27,753	(1,341)	26,412
-	(10,713)	20	-	329,991	(20,986)	309,005
-	(52)	-	-	1,902	(1,334)	568
-	(2,835)	-	-	78,526	(46,925)	31,601
-	(2,434)	170	-	50,182	(36,114)	14,068
-	(2,750)	1,682	-	36,395	(27,558)	8,837
-	-	-	-	1,186	-	1,186
-	(520)	488	-	4,598	(2,299)	2,299
-	(19,992)	2,360	-	534,233	(136,557)	397,676

This Year Group

	Cost/Valuation 1 Jan 17	Accumulated Depreciation and Impairment Charges 1 Jan 17	Carrying Amount 1 Jan 17	Current Year Additions	Current Year Disposals
	\$000	\$000	\$000	\$000	\$000
Land	3,700	-	3,700	8,415	-
Infrastructural Assets	27,753	(1,341)	26,412	623	-
Buildings	329,991	(20,986)	309,005	14,928	(1)
Leasehold Building Improvements	4,684	(2,422)	2,262	2	(3,159)
Library Collection	78,526	(46,925)	31,601	3,987	-
Plant and Equipment	51,154	(36,748)	14,406	2,649	(2,692)
Computer Equipment	36,394	(27,557)	8,837	3,787	(13,807)
Art Collection	1,186	-	1,186	-	-
Motor Vehicles	4,600	(2,301)	2,299	798	(904)
Total	537,988	(138,280)	399,708	35,189	(20,563)

Last Year Group

	Cost/Valuation 1 Jan 16	Accumulated Depreciation and Impairment Charges 1 Jan 16	Carrying Amount 1 Jan 16	Current Year Additions	Current Year Disposals
	\$000	\$000	\$000	\$000	\$000
Land	2,200	-	2,200	1,500	-
Infrastructural Assets	26,508	(653)	25,855	1,245	-
Buildings	320,592	(10,293)	310,299	9,424	(25)
Leasehold Building Improvements	1,880	(1,282)	598	2,804	-
Library Collection	74,647	(44,090)	30,557	3,879	-
Plant and Equipment	47,557	(34,073)	13,484	3,909	(312)
Computer Equipment	34,920	(26,490)	8,430	3,225	(1,751)
Art Collection	1,186	-	1,186	-	-
Motor Vehicles	4,539	(2,267)	2,272	765	(704)
Total	514,029	(119,148)	394,881	26,751	(2,792)

Current Year Impairment Charges	Current Year Depreciation	Accumulated Depreciation on Disposal/ Addition	Revaluation Movement	Cost/ Revaluation 31 Dec 17	Accumulated Depreciation and Impairment Charges 31 Dec 17	Carrying Amount 31 Dec 17
\$000	\$000	\$000	\$000	\$000	\$000	\$000
-	-	-	1,895	14,010	-	14,010
-	(724)	-	4,853	31,164	-	31,164
-	(11,116)	-	41,097	353,913	-	353,913
-	(66)	1,374	-	1,527	(1,114)	413
-	(2,930)	-	-	82,513	(49,855)	32,658
-	(2,414)	2,122	-	51,111	(37,040)	14,071
-	(3,499)	13,774	-	26,374	(17,282)	9,092
-	-	-	-	1,186	-	1,186
-	(534)	631	-	4,494	(2,204)	2,290
-	(21,283)	17,901	47,845	566,292	(107,495)	458,797

Current Year Impairment Charges	Current Year Depreciation	Accumulated Depreciation on Disposal/ Addition	Revaluation Movement	Cost/ Revaluation 31 Dec 16	Accumulated Depreciation and Impairment Charges 31 Dec 16	Carrying Amount 31 Dec 16
\$000	\$000	\$000	\$000	\$000	\$000	\$000
-	-	-	-	3,700	-	3,700
-	(688)	-	-	27,753	(1,341)	26,412
-	(10,713)	20	-	329,991	(20,986)	309,005
-	(173)	(967)	-	4,684	(2,422)	2,262
-	(2,835)	-	-	78,526	(46,925)	31,601
-	(2,574)	(101)	-	51,154	(36,748)	14,406
-	(2,749)	1,682	-	36,394	(27,557)	8,837
-	-	-	-	1,186	-	1,186
-	(519)	485	-	4,600	(2,301)	2,299
-	(20,251)	1,119	-	537,988	(138,280)	399,708

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 2017 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 2017 was \$355,565,794.

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 2017 by Opus International Consultants Limited on a fair value basis. The total fair value of infrastructure valued by Opus at 31 December 2017 was \$31,004,013.

Tauranga Campus Construction

The University is constructing a new campus in Tauranga. Assistance with the cost of the new campus is being provided by a charitable trust (Trust) formed by Tauranga City Council, Bay of Plenty Regional Council and Tauranga Energy Consumer Trust. The Trust has gifted the University the campus land and pledged up to \$30M towards the cost of construction.

Land

The value of the land has been recognised as land in the University's Property Plant and Equipment balance in the Balance Sheet as at 31 December 2017. The University has also recognised \$8.20M as revenue in the Statement of Comprehensive Revenue and Expense, being the donation of the land, at valuation, from Tauranga City Council. The University was required to register an encumbrance against the title of the land, the encumbrance requires the land to be used primarily for tertiary education and research. Should the University no longer wish to carry out teaching and research at the site, then the land is to be returned to the Tauranga City Council (or the market value of the land at the time).

Construction

The Trust provided contributions towards the cost of construction during 2017. The construction costs have been recognised as building work in progress in the University's Property Plant and Equipment balance in the Balance Sheet. The funding agreement between the Trust and the University places many conditions on the University, the most significant of which are:

- Completion of the current construction of the Tauranga campus building by 31/12/19, with teaching to commence by semester 1, 2020.
- Provision to the Trust of an educational delivery plan every 3 years.
- Provision to the Trust of an annual performance report.

- Achievement of at least 171 additional EFTS by 2025.
- Provision of facilities for an additional 500 EFTS by 31/12/2039.

Failure to comply with these conditions may result in the requirement to repay some, or all of the funding received from the Trust.

The University has employed personnel and designed strategies to ensure that these conditions are met. It is the University's assessment that it is very likely that the conditions will be complied with, therefore a repayment liability has not been recognised in the Balance Sheet. The amount of \$7.14M, being funding received for construction in 2017, has been recognised as revenue in the Statement of Comprehensive Revenue and Expense.

Finance Leases

The net carrying amount of Property, Plant and equipment held under finance leases is \$1,987,099, (2016 - \$1,852,751).

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.

The Tauranga land on which the University is building a campus has an encumbrance registered on the title requiring the land to be used for tertiary education.

Work in Progress

Property, plant and equipment in the course of construction by class of asset is detailed below:

	Group		University	
	This Year \$000	Last Year \$000	This Year \$000	Last Year \$000
Land	-	-	-	-
Buildings	12,358	5,110	12,358	5,110
Infrastructural Assets	160	490	160	490
Leasehold Building Improvements	2	176	2	176
Plant and Equipment	605	713	605	713
Computer Equipment	181	1,338	181	1,338
	13,306	7,827	13,306	7,827

Note 19: Revenue in Advance

	Group		University	
	This Year \$000	Last Year \$000	This Year \$000	Last Year \$000
Research Revenue	10,919	8,792	10,919	8,792
Commercial	2,778	3,208	2,707	2,373
Tuition Fees	27,217	23,183	27,217	23,754
Total Revenue in Advance	40,914	35,183	40,843	34,919
Total Revenue in Advance Comprise				
Revenue in Advance from Exchange Transactions	29,421	25,373	29,350	25,225
Revenue in Advance from Non-Exchange Transactions	11,493	9,810	11,493	9,694
Total Revenue in Advance	40,914	35,183	40,843	34,919

Included in tuition fees is \$10,174,263 (2016 : \$10,219,994) of 2018 fees which have been invoiced but are not due for payment until 2018.

Note 20: Payables

	Group		University	
	This Year \$000	Last Year \$000	This Year \$000	Last Year \$000
Payables Under Exchange Transactions				
Trade Payables	6,756	7,859	6,723	7,022
Payables to Related Parties (See Note 26)	-	-	26	153
Accrued Expenses	8,295	3,227	7,844	3,202
Total Payables Under Exchange Transactions	15,051	11,086	14,593	10,377
Payables Under Non-Exchange Transactions				
Taxes Payable (GST)	3,822	4,234	3,820	4,194
Total Payables	18,873	15,320	18,413	14,571

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

Note 21: Borrowings

	Group		University	
	This Year \$000	Last Year \$000	This Year \$000	Last Year \$000
Opening Balance	1,318	1,323	1,318	1,323
Less Borrowings Repaid	(5)	(5)	(5)	(5)
Closing Balance	1,313	1,318	1,313	1,318
Current Portion - Financial Lease	5	5	5	5
Non Current Portion - Finance Lease	1,308	1,313	1,308	1,313
	1,313	1,318	1,313	1,318

The Financial lease was fair valued at inception using a discount rate of 12.07% (2016 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			
	Group		University		Group		University	
	This Year \$000	Last Year \$000	This Year \$000	Last Year \$000	This Year \$000	Last Year \$000	This Year \$000	Last Year \$000
No Later Than One Year	164	164	164	164	154	154	154	154
Between One and Five Years	655	655	655	655	459	459	459	459
Later Than Five Years	3,879	4,042	3,879	4,042	700	705	700	705
Minimum Lease Payments	4,698	4,861	4,698	4,861	1,313	1,318	1,313	1,318
Less Future Finance Charges	(3,385)	(3,543)	(3,385)	(3,543)				
Present Value of Minimum Lease Payments	1,313	1,318	1,313	1,318	1,313	1,318	1,313	1,318

Note 22: Reconciliation of Surplus/(Deficit) to the Net Cash Flows from Operating Activities

	Group		University	
	This Year \$000	Last Year \$000	This Year \$000	Last Year \$000
Surplus/(Deficit)	22,791	12,266	21,180	13,444
Add/(Less) Non Cash Items				
Share of Associate's Surplus/Deficit	-	508	-	-
Depreciation and Amortisation	22,928	22,867	22,587	21,252
Increase/(Decrease) in Non-Current Employee Entitlements	157	(192)	157	(192)
Increase/(Decrease) Working Capital Through Acquisition of Associate	-	(385)	-	-
Other	(274)	(506)	(217)	-
	22,811	22,292	22,527	21,060
Add/(Less) Movements In Other Working Capital Items				
(Increase)/Decrease in Receivables	(2,120)	3,347	(3,217)	2,983
Increase/(Decrease) in Payables	1,608	(703)	3,842	(1,019)
(Increase)/Decrease in Inventories	85	32	81	36
Increase/(Decrease) in Revenue In Advance	5,776	896	5,924	749
Increase/(Decrease) in Employee Entitlements	(262)	73	(246)	160
(Increase)/Decrease in Prepayments	459	(135)	459	(135)
Increase/(Decrease) in Intercompany Balances	-	-	174	(167)
	5,546	3,510	7,017	2,607
Add/(Less) Items Classified As Investing And Financing Activities				
(Gains)/Losses on Disposal of Property, Plant and Equipment	(345)	(292)	(344)	(292)
	(345)	(292)	(344)	(292)
Net Cash Flow from Operating Activities	50,803	37,776	50,380	36,819

Note 23: Key Management Personnel Compensation

The compensation of the members of Council, Executive Committee and Deans' Committee being the key management personnel of the University, is set out below:

	This Year	Last Year
Council members		
Full-Time Equivalent Members ¹	0.91	0.80
Remuneration	228,339	224,932
Executive Committee and Deans' Committee		
Full-Time Equivalent Members	21.12	20.53
Remuneration	5,672,227	4,891,965
Total Full-Time Equivalent Members	22.03	21.33
Total Key Management Personnel Compensation	5,900,566	5,116,897

¹The full-time equivalent for council members has been calculated based on the frequency and length of Council meetings and the estimated time for members to prepare for meetings.

Note 24: Leases

Operating Leases as Lessee

(a) Leasing arrangements

The University leases property, plant, and equipment (see note 7) in the normal course of its business. The majority of these leases have a non-cancellable term of 2 to 5 years.

The University leases the land for the Hamilton campus from Tainui Group Holdings Limited in perpetuity. 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.



(b) Non-cancellable operating lease payments

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

	Group		University	
	This Year \$000	Last Year \$000	This Year \$000	Last Year \$000
Not Longer than One Year	3,248	3,010	3,248	3,010
Longer than One Year and Not Longer than Five Years	10,795	7,203	10,795	7,203
Longer than Five Years	50,833	39,024	50,833	39,024
	64,876	49,237	64,876	49,237

(c) Sub-leases

The total minimum future receipts that the university expects to receive from its tenants on leased land is \$6,923,466, (2016 \$7,231,770). The minimum renewal periods range from 1 to 29 years.

Lessor Disclosures

Operating Leases as Lessor

(a) Leasing arrangements (Receivables)

Operating leases relate to shops on campus, campus land and residential/commercial premises adjacent to the University campuses. Lease terms are for terms of between one month and 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:

(b) Non-cancellable operating lease payments

	Group		University	
	This Year \$000	Last Year \$000	This Year \$000	Last Year \$000
Not Longer than One Year	622	638	622	638
Longer than One Year and Not Longer than Five Years	1,117	1,319	1,117	1,319
Longer than Five Years	5,519	5,751	5,519	5,751
	7,258	7,708	7,258	7,708

No contingent rents have been recognised in the Statement of Comprehensive Revenue and Expense.

Note 25: Financial Instruments

25A: Financial Instrument Categories

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

	Group		University	
	This Year \$000	Last Year \$000	This Year \$000	Last Year \$000
Financial Assets				
Fair Value Through Surplus or Deficit				
Held for Trading				
Forward Foreign Exchange Contracts	7	3	7	3
New Zealand Equities	1,046	811	-	-
Australian Equities	810	674	-	-
Other Offshore Equities	1,148	834	-	-
Fixed Interest Instruments	748	573	-	-
Total Held for Trading	3,759	2,895	7	3
Loans and Receivables				
Cash and Cash Equivalents	30,521	26,110	28,088	23,519
Receivables	22,184	19,669	20,284	17,171
Inter Company Asset Balances	-	-	5,250	5,232
Other Financial Assets	24,041	18,384	22,000	16,167
Receivables	76,746	64,163	75,622	62,089
Financial Assets at Cost				
Investments	316	198	2,316	4,372
Total Financial Assets at Cost	316	198	2,316	4,372
Financial liabilities				
Financial Liabilities at Amortised Cost				
Payables	15,051	11,086	14,593	10,376
Inter Company Liability Balances	-	-	14,316	14,125
Total Financial Liabilities at Amortised Cost	15,051	11,086	28,909	24,501

25B: 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 following table analyses the basis of the valuation of classes of financial instruments measured at fair value in the statement of financial position.

	Valuation Technique			
	Total \$000	Quoted Market Price \$000	Observable Inputs \$000	Significant Non- Observable Inputs \$000
31 December 2017 – University and Group				
Financial Assets				
Derivatives	7	-	7	-
31 December 2017 – Group				
Financial Assets				
Fixed Interest Instruments	748	573	-	-
Listed Shares	3,004	2,319	-	-
31 December 2016 – University and Group				
Financial Assets				
Derivatives	3	-	3	-
31 December 2016 – Group				
Financial Assets				
Government Bonds	573	573	-	-
Listed Shares	2,319	2,319	-	-

There were no transfers between the different levels of the fair value hierarchy.

25C: 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

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 \$16,893,437 (2016 \$16,794,392) 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	This Year		Last Year	
	\$000	\$000	\$000	\$000
University				
Instrument	+100bps	-100bps	+100bps	-100bps
Variable Rate Deposits	169	(169)	168	(168)
Group				
Instrument	+100bps	-100bps	+100bps	-100bps
Variable Rate Deposits	187	(187)	191	(191)

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%.

Currency Risk	This Year		Last Year	
	\$000	\$000	\$000	\$000
University				
Instruments Held in USD	+10%	-10%	+10%	-10%
Creditors	1	(1)	6	(7)
Debtors	(1)	2	(23)	28
US Dollar Account	(106)	130	(58)	70
Group				
Instruments Held in USD	+10%	-10%	+10%	-10%
Creditors	1	(1)	6	(7)
Debtors	(1)	2	(23)	28
US Dollar Account	(111)	136	(58)	70
Equities	(94)	114	(66)	80
University				
Instruments Held in AUD	+10%	-10%	+10%	-10%
Creditors	9	(11)	5	(3)
Debtors	(5)	6	-	-
AUD Dollar Account	(2)	2	(3)	4
Group				
Instruments Held in AUD	+10%	-10%	+10%	-10%
Creditors	9	(11)	5	(6)
Debtors	(5)	6	-	-
AUD Dollar Account	(2)	2	(3)	4
Equities	(72)	87	(62)	75
University and Group				
Instruments Held in EUR	+10%	-10%	+10%	-10%
Creditors	-	-	-	-
Debtors	-	-	-	1
Euro Account	-	-	-	-
University and Group				
Instruments Held in GBP	+10%	-10%	+10%	-10%
Creditors	-	-	-	-
GBP Account	(1)	-	(1)	1
Equities	(12)	14	(10)	13
University and Group				
Instruments Held in CNY	+10%	-10%	+10%	-10%
Creditors	14	(17)	-	-
Debtors	(16)	19	-	-

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:

	Group		University	
	This Year \$000	Last Year \$000	This Year \$000	Last Year \$000
Counterparties with Credit Ratings				
Cash at Bank and Term Deposits				
AA-	57,314	46,386	49,088	38,686
Derivative Financial Instruments				
AA-	7	3	7	3
Counterparties without Credit Ratings				
Debtors and Other Receivables				
Existing Counterparty with No Defaults in the Past	22,184	19,669	20,284	17,171
Existing Counterparty with Defaults in the Past	-	-	-	-
Total debtors and other receivables	22,184	19,669	20,284	17,171
Loans to Related Parties				
Existing Counterparty with No Defaults in the Past	-	-	5,250	5,232
Existing Counterparty with Defaults in the Past	-	-	-	-
Total loans to related parties	-	-	5,250	5,232

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.

Contractual Maturity Analysis of Financial Liabilities

The following table 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.

	Carrying Amount \$000	Contractual Cash Flows \$000	Less than Six Months \$000	Between Six Months and One Year \$000	Between One and Five Years \$000	More than Five Years \$000
University						
This Year						
Payables	18,413	18,413	18,413	-	-	-
Finance Leases	1,313	4,698	82	82	655	3,879
Inter Company Balances	14,316	14,316	-	14,316	-	-
Last Year						
Payables	14,571	14,571	14,571	-	-	-
Borrowings	1,318	4,861	82	82	655	4,042
Inter Company Balances	14,125	14,125	-	14,125	-	-
Group						
This Year						
Payables	18,873	18,873	18,873	-	-	-
Borrowings	1,313	4,698	82	82	655	3,879
Last Year						
Payables	15,320	15,320	15,320	-	-	-
Borrowings	1,318	4,861	82	82	655	4,042

Note 26: 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 Students' Campus Building Fund Trust (SCBFT), University of Waikato Research Trust (UoW RT) and iEngagEd Limited, during the year:

	WaikatoLink \$	ULL \$	Foundation \$	SCBFT \$	UoW RT \$	iEngagEd \$
Payments in 2017 to:	1,200,492	889	-	2,115	2,129,000	462,472
- 2016	1,487,848	610,852	-	2,632	1,756,000	556,293
Receipts in 2017 from:	803,546	-	892,601	279,884	36,878	-
- 2016	380,941	388,083	1,679,579	240,001	38,742	-
Accounts Receivable at 31 December 2017 owing from:	5,202,766	-	101,552	-	-	131,299
- 2016	5,062,851	25,284	1	-	-	215,073
Accounts Payable at 31 December 2017 owing to:	-	-	90	2,298,903	12,017,000	25,684
- 2016	-	1,128	163,773	2,021,090	11,940,000	151,482

These transactions within the University group are consistent with the normal operating relationships between the entities and are on normal terms and conditions' for such group transactions. Although there is no requirement to do so, the University has chosen to disclose these transactions.

Related party disclosures have not been made for transactions with related parties that are within a normal supplier or client/recipient relationship on terms and conditions no more or less favourable than those that it is reasonable to expect the University and Group would have adopted in dealing with the party at arm's length in the same circumstances.

No provisions have been required, nor expense recognised for impairment of receivables for any other loans or other receivables to related parties.

Note 27: Contingencies

University Contingent Liabilities

A guarantee has been given to the Bank of New Zealand for an overdraft facility of \$53,000 (2016 \$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 considered to be very low.

The University is aware of potential payments for employee disputes up to a maximum of \$65,000. There are no other known contingent liabilities.

Share of Subsidiaries' and Associates' Contingent Liabilities

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

Contingent Assets

The University is considering lodging a claim in relation to an infrastructural asset.

Note 28: Capital Management

The University's capital is its equity, which comprises general equity 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.

Note 29: Commitments

Capital Commitments

The University has the following capital expenditure contracted:

	Group		University	
	This Year \$000	Last Year \$000	This Year \$000	Last Year \$000
Land	-	-	-	-
Buildings	30,446	1,713	30,446	1,713
Infrastructural Assets	8,949	52	8,949	52
Library Collection	2,593	3,219	2,593	3,219
Plant and Equipment	767	199	767	199
Computer Equipment	220	-	220	-
Motor Vehicles	94	-	94	-
Intangibles	4,921	-	4,921	-
	47,990	5,183	47,990	5,183

Note 30: Explanations of Major Variances Against Budget

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

Statement of Comprehensive Income

Government Funding and Grants

The University exceeded its budget for Government funding and Grants by \$4.0 million. This is due to the Institute for Professional Learning and the Faculty of Education receiving more than budgeted in Ministry of Education contracts.

Tuition Fees

The University received \$2.0 million less than budget in tuition fees, this was the result of shortfalls in both domestic and international fees. Domestic enrolments were 341 EFTS short of budget, and while international enrolments met budget, discounts offered in some areas resulted in a shortfall in tuition revenue.

Other Revenue

Other revenue received by the University was \$1.7 million more than budget. Part of this variance are contributions from University Foundation Trust and the University Research Trust. The other part is unbudgeted commercial teaching revenue from activities in China.

Donations

The University received \$15.9 million more than budget in donations during 2017, most of this was from the Tauranga Tertiary Campus Building Trust, contributing towards the cost of building a Tauranga campus.

Personnel Costs

Personnel costs were \$4.8 million more than budgeted. While general salary spend was close to budget, academic salaries exceeded budget by \$6.0 million, this was partially offset by a reduction in the actuarial leave liability. A large portion of this relates to the extra personnel required to complete the Ministry of Education contracts mentioned above. The cost of restructuring the teaching units within the University also resulted in higher costs than budgeted.

Other Costs

The University spent \$2.3 million more than budgeted in other costs. The Facilities Management Division has incurred additional expenses with the commissioning of a campus master plan, as well as an increase in professional services fees as part of a divisional restructure. A large portion of the variance also relates to a capital asset management project being undertaken by the University.

Note 31: Events after Balance Sheet Date

There were no significant events after balance date.

GLOSSARY OF ABBREVIATIONS AND TERMS

Glossary of Abbreviations

ACE	Adult and Community Education	MF	Ministry-Funded
CEP	Curriculum Enhancement Programme	MOE	Ministry of Education
EEO	Equal Employment Opportunity	OAG	Office of the Auditor General
EFTS	Equivalent Full Time Student	PBRF	Performance-Based Research Fund
FASS	Faculty of Arts and Social Sciences	PCOL	Pathways College
FCI	Full-Cost International	QS	Quacquarelli Symonds
FCMS	Faculty of Computing and Mathematical Sciences	RDC	Research Degree Completion
FCO	Full-Cost Other	RPG	Research Postgraduate
FEDU	Faculty of Education	SAC	Student Achievement Component
FLAW	Faculty of Law	SLMS	Student and Learning Management System
FMAN	Faculty of Management/Waikato Management School	SMPD	School of Māori and Pacific Development (now Faculty of Māori and Indigenous Studies)
FMIS	Faculty of Māori and Indigenous Studies (formerly School of Māori and Pacific Development)	TEC	Tertiary Education Commission
FSEN	Faculty of Science and Engineering	TEI	Tertiary Education Institution
FTE	Full-Time Equivalent	THE	Times Higher Education
ICT	Information and Communication Technology	TPG	Taught Postgraduate
IP	Intellectual Property	WMS	Waikato Management School/Faculty of Management
IT	Information Technology		
KPI	Key Performance Indicator		

Glossary of Terms

Academic Staff	Staff whose conditions of employment require teaching and/or research to be undertaken
Domestic Students	Students who are New Zealand citizens, who include citizens of the Cook Islands, Niue and Tokelau, or New Zealand permanent residents currently living in New Zealand, or Australian citizens currently living in New Zealand, or Australian permanent residents who have a returning resident's visa and are currently living in New Zealand
EFTS (Equivalent Full Time Students)	The measure used by all tertiary education organisations for reporting student numbers. At the University of Waikato 1 EFTS equates to a student workload of 120 points (1,200 total learning hours)
Ethnicity	Students can self-report up to three ethnicities; results generated by students against the 'first' ethnicity are reported
FCI (Full-Cost International)	Associated with international students; students do not attract SAC funding
FCO (Full-Cost Other)	Does not attract SAC funding from Government because the student concerned is undertaking study in another part of the education sector (e.g. a secondary school student), or is undertaking a full-fee domestic programme of study (e.g. some specific Corporate and Executive Education programmes)
FTE (Full-Time Equivalent)	The measure use for reporting staff numbers. 1.0 FTE is equivalent to a full-time employee for a whole calendar year. A value of less than 1.0 FTE represents either a part-time staff member, or a staff member working full-time for less than one calendar year.
Interim	Results subject to confirmation by the TEC following submission of the April 2018 SDR
International Students	Students who do not satisfy the criteria for domestic citizenship
MF (Ministry-Funded)	Students who attract SAC funding
New Students	Students enrolled for the first time in a formal qualification at the University of Waikato
Other Staff	Staff whose conditions of employment do not require teaching and/or research to be undertaken
Research Revenue	The sum on both 'PBRF-eligible external research income' and 'non-PBRF eligible research revenue' (these terms are defined in detail by the TEC for PBRF purposes)
School Leavers	Students who were enrolled at a secondary school in New Zealand or overseas in the year prior to, or the same year as, enrolling at the University of Waikato
SAC (Student Achievement Component) Funding	Government's contribution to the direct costs of teaching, learning and other costs driven by domestic (and some international PhD) student learner numbers

NOTES

Statistical Information

Numbers in this section may not add due to rounding. EFTS counts those generated in both assessed and non-assessed papers unless specified otherwise.

Total students by origin

The data in these tables count students enrolled in formal programmes only.

Total students by ethnicity

The data in these tables count students enrolled in formal programmes only.

Total qualifications completion by level

The data in these tables count students completing formal qualifications only.

Foundation Certificate

Comprises the Certificate of Attainment in English Language, the Certificate of Attainment in Academic English, the Certificate of Attainment in Foundation Studies, and the Certificate of University Preparation.

Degree

Comprises undergraduate degrees, certificates (undergraduate and graduate) and diplomas (undergraduate and graduate). From 2017 the University's four-year honours degrees were reclassified as degree programmes.

Graduate/Postgraduate

Comprises graduates degrees (including one-year and four-year honours degrees and masters degrees), postgraduate certificates and postgraduate diplomas. From 2017 the University's four-year honours degrees were reclassified as degree programmes.

Higher Degrees

Comprises Masters of Philosophy and Doctorates (PhD, EdD, SJD and DMA).

Total EFTS by organisational unit

Counts EFTS by the organisational unit that 'owns' the relevant papers. Until 2009 the Pathways College was separate from the Faculty of Education, from 2010 the Pathways College was part of the Faculty of Education.

Research Revenue

Annual research revenue counts both PBRF eligible and non-PBRF eligible research revenue. Academic FTE research counts FTE generated by 'teaching and research' and 'research only' academic staff on continuing appointments (i.e. fixed-term and casual staff are excluded from this count).

Research publication by type

The snapshot of verified information is from 17 January 2018. Research outputs have been counted once in an organisational unit. If a publication is co-authored by staff located in different organisational units it will be counted once in each of the relevant units; this could result in a research output being counted multiple times within the University. 'Other' publication types include, for example, reports, discussion papers, oral presentations not delivered within a conference setting, patents, theses and dissertations.

Total students by origin

Identified student origin by address at time of application.

Core Region

Waikato and Bay of Plenty

Inner Periphery

Auckland City (Southern), Gisborne, Taranaki, Manawatu, Whanganui

Outer Periphery

Hawke's Bay, Northland

Auckland Region

Auckland region excluding Auckland City (Southern)

Wellington Region

Wellington region

South Island

Entire South Island

Statement of Service Performance

KPI results and targets for percentages greater than 20% have been rounded to the nearest whole number.





THE UNIVERSITY OF
WAIKATO
Te Whare Wānanga o Waikato

WHERE THE WORLD IS GOING
TE AHUNGA O TE AO

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