



THE UNIVERSITY OF
WAIKATO
Te Whare Wānanga o Waikato

The University of Waikato Annual Report 2012



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1. Chancellor's Overview

I welcome this opportunity to provide an overview of the University of Waikato's activities and successes over the last year. In particular, I think 2012 has been an excellent year for our alumni.

In this Olympic year it was exciting to see the University's top athletes performing and succeeding on the world stage in London. To name just a few, former students Nathan Cohen and Joseph Sullivan won Double Sculls gold and Juliette Haigh and Rebecca Scown won bronze in the Women's Pair.

In March, along with our Vice-Chancellor, I had the opportunity to meet with some of our overseas alumni at an event hosted by Dr Craig Nevill-Manning and his wife, Kirsten, at their New York home. Craig is a Waikato PhD graduate and Distinguished Alumnus who heads Google's engineering centre and is one of many alumni around the world who have reached the top of their fields. We know our qualifications are a springboard to interesting careers in New Zealand and overseas, but it's always good to see Waikato graduates proving this on a daily basis around the globe.

While in New York I was also a member of a delegation that celebrated the close relationship between the University of Waikato's Faculty of Education and Columbia University's Teachers College. Our collaboration with Columbia is evidence of the high regard in which our research and teaching are held.

The Vice-Chancellor and I also visited Queen's University, Belfast, to discuss the UK/Irish university systems, to make comparisons with the situation in Australasia and to tour some of the facilities. As a member of the Russell Group of the UK's 20 leading research-intensive universities, Queen's is one of the leading universities in the UK and Ireland, providing world-class education underpinned by world-class research, and is the quality of institution that the University of Waikato benchmarks itself against.

The University of Waikato has again delivered its financial targets this year with a strong financial surplus of 4.0%, well within the 3%-5% range recommended by the Tertiary Education Commission. The University continues to maintain the Tertiary Education Commission's 'Low Risk' rating. I congratulate the many staff who have contributed to this excellent result.

The UK-based Times Higher Education rankings released in June placed the University of Waikato 58th in the world of universities less than 50 years old, seventh in the southern hemisphere and top in New Zealand. There are many thousands of universities in the world under 50, which makes our ranking especially significant. The 2012-2013 UK-based Times Higher Education rankings of the world's universities, released in October, place the University of Waikato at 302 - up from 318 last year; this rise of 16 places was more than any other New Zealand university. We are on a journey to make Waikato one of the best universities in the world and these results demonstrate we are well on our way to achieving our goal.

While international enrolments continue to be a challenge for the University, and for many universities in New Zealand and around the world, the slight shortfall against target in 2012 was offset by continued growth, well beyond target, in domestic enrolments.

The University remains committed to the Bay of Plenty and we acknowledge and appreciate our partnership with business, civic and community groups as we develop new opportunities for the region. In March the Tauranga City Council agreed in principle to the use of Council-owned land for the development of a university-led partnership campus with Bay of Plenty Polytechnic and Te Whare Wānanga o Awanuiāraangi.

The Coastal Marine Field Station at Sulphur Point, opened in December 2011, has grown significantly in its first year of operations, with extended premises celebrated in October. The Field Station provides a venue for scientists and research students, as well as a focal point for workshops and public fora based around the University's research capability in coastal science. On-going environmental research emerging from the grounding of the *MV Rena* has added significantly to the growth in research demand.

In June we signed the United Nations Commitment to Sustainable Practices of Higher Education. The declaration, to which more than 200 universities around the world have pledged, was formally ratified at the recent UN Rio+20 Conference on Sustainable Development. The University of Waikato is the first university in New Zealand to make this commitment.

Scion and the University of Waikato signed a Memorandum of Understanding in July that will see the two organisations working together in research and teaching to enhance their contribution to the Waikato and Bay of Plenty regions, iwi and New Zealand. A Crown Research Institute, Scion specialises in research, science and technology development for the forestry, wood product and wood-derived materials and other biomaterial sectors.

1. Chancellor's Overview

The University is investing in another “green” building to provide students and staff with the best possible learning and research environment. The University Council has given approval for a multi-million-dollar Law-Management building on Hillcrest Rd. This will create a corridor of iconic buildings on campus – from the Gallagher Academy of Performing Arts, to the award-winning Student Centre, and then up to Hillcrest Rd.

The Association of MBAs (AMBA), the international board which governs the widely recognised management qualification, has shown its confidence in the Waikato Management School's MBA and MBM programmes by awarding it accreditation for the maximum time period of five years. This is a strong endorsement of the world-class quality of the Waikato programmes to potential MBA and MBM participants.

I had the pleasure of officiating at graduation ceremonies in April/May and in October. The October city ceremonies were held at the Claudelands Arena for the first time, rather than at Founders' Theatre. Claudelands offers a number of advantages, particularly in venue size, amenities and parking. The graduation parade across the Waikato River was a special feature of the events this year.

Graduation highlights included the conferment of Honorary Doctorates on Campbell Smith, noted artist, poet and playwright, and Dr Roger Hill, founder and managing director of Hamilton's Hill Laboratories. Both men have made substantial contributions to the community and are truly deserving of this recognition.

Honorary Doctor of the University and former professor of Māori at the University, Dr James Wharehuia Milroy QSO was made a Companion of the New Zealand Order of Merit in the 2012 New Year's Honours List for his work in revitalising te reo and tikanga Māori. Dame Kiri Te Kanawa, ONZ, DBE, AC, and Honorary Doctor of the University, was awarded the inaugural Iconic New Zealander award by KEA New Zealand in May. It was with sadness that the University noted the passing of Honorary Doctors of the University of Waikato, Sir Peter Tapsell, KNZM, MBE, in April and Margaret Mahy, ONZ, in July.

In February, the University was very fortunate to welcome Dame Malvina Major, GNZM, DBE, and Honorary Doctor of the University, back as a Senior Fellow in Music. In the June 2012 Queen's Birthday and Diamond Jubilee Honours List, Dame Malvina was made one of four Additional Members appointed to the highest honour in this country - the Order of New Zealand.

At our annual celebration dinner in August, the University acknowledged three Distinguished Alumni - Warren Gatland for his long and valued service to rugby as a player and a coach; Karen Morrison-Hume in recognition of her leadership in the field of social justice, and Murray Sherwin for his wide-ranging contribution to New Zealand's economic and agricultural growth and development.

Senior retiring staff-member Dr Ray Harlow was acknowledged by the University with the award of the title of Honorary Fellow at a special event in August 2012. Dame Jocelyn Fish, DNZM, was awarded the University of Waikato Medal at a special event in August for her long, dedicated and loyal service to women and for her contributions to the University of Waikato.

It was with sadness that the Council noted the passing of Te Rōpū Manukura chairperson and elder statesman Timoti te Heuheu in July after a long illness. Council welcomed Kingi Turner, Deputy Chairperson of Te Rōpū Manukura, to its membership, on behalf of Timoti te Heuheu.

I thank out-going student member of Council Sapphire Gillard for her contribution to the governance of the University as the first student member elected subsequent to the introduction of the Education (Freedom of Association) Amendment Act 2011.

My sincere thanks go to the Vice-Chancellor Professor Roy Crawford and Council for another successful year. I am proud to be Chancellor of this University and look forward to reporting on another year of achievement in 2013.

Rt Hon James B Bolger ONZ
Chancellor

2. Vice-Chancellor's Overview

The University of Waikato's importance to our region and nation, and our standing internationally, were very strongly highlighted in 2012. I am pleased to note that it has again been a very successful year for the University.

As our Chancellor the Rt Hon Jim Bolger highlights in this 2012 Annual Report, the University of Waikato rated extremely well in two prestigious rankings; we now sit in the top 2% of universities around the world. This is an impressive achievement and I acknowledge the planning and enthusiasm from University of Waikato staff that has helped propel us to this position.

Rankings are a strong marker of a university's success and standing in the world, and they help us attract high-quality students and academic staff to study, research and teach here.

Excellence in our teaching and research outcomes relies on the recruitment, retention and support of world-class staff and the provision of world-class facilities. Academic leadership and a culture of high performance are therefore among the highest investment priorities for the University of Waikato and I believe we are now reaping the rewards of this focus.

During 2012 we conducted another staff survey, following on from the initial survey in 2009. The results were excellent, with a higher response rate than in 2009, a positive increase in staff perceptions and responses that helped us clarify areas for further work. Some areas showed improvements of up to 17% over the 2009 results – this is impressive considering any improvement over 10% is deemed “excellent”.

In the latter part of the year, the University's Workforce Plan was adopted by Council. This is particularly important in the changing global tertiary sector and will support the delivery of the University's Strategy and associated plans. It addresses staff capability and organisational capacity and I believe it will ensure an even stronger focus on staff.

During 2012 the University of Waikato again topped the Human Rights Commission's census of women's participation in relation to senior women academics. A total of 29.59% of our staff in 2012 were senior academic women – up slightly on 2010 when we also topped these New Zealand rankings.

Also during the 2012 year we welcomed internationally renowned staff such as top opera star Dame Malvina Major, who is a Senior Fellow in Music, and also an ambassador for the University. Dame Malvina was Patron of the University of Waikato Foundation when we raised funds for the Academy of Performing Arts in the late 1990s. It is fitting that she has returned and is teaching in the performance space she was so determined to see built.

We also welcomed Professor Jacqueline Rowarth as our inaugural Professor of Agribusiness. Professor Rowarth is highly regarded in her field and has already contributed a great deal to the University in her first year.

Both women were at the forefront of our community engagement in 2012 – Professor Rowarth was heavily involved in Fieldays (at which we are a strategic partner), delivered an engaging Inaugural Professorial Lecture, spoke at alumni events and was part of a very successful Winter Lecture Series. Dame Malvina drew the crowds when delivering a master class for the first of the Winter Lecture Series, and also spoke at a very popular alumni event in Tauranga. Universities are all about sharing knowledge and expanding horizons, and I think it is something we do extremely well at Waikato.

I hosted a series of stakeholder and industry breakfasts in Hamilton and Tauranga, designed to keep us connected with our communities and inform them about our finances, student numbers and why we are so important to their region. It always pleases me to see such a strong turnout in the Waikato and Bay of Plenty communities to hear how their university is working for their region, and delivering excellence in teaching and research.

In 2012, staff on both campuses won major awards acknowledging their teaching or research work.

Sophie Nock, a senior lecturer in the School of Māori and Pacific Development, and Chris Brough from the Faculty of Education, based at the University of Waikato, Tauranga, won two of 12 national Tertiary Teaching Excellence Awards that recognise sustained excellence in two categories – general and kaupapa Māori. Later in the year Chris Brough also won the education category in the Next magazine Woman of the Year award.

2. Vice-Chancellor's Overview

University of Waikato staff Professor Cam Nelson, Professor David Hamilton, Dr Mike Duke and Rachael Goddard won four of the seven categories at the annual Kudos awards, designed to celebrate science achievement in the Waikato region. And Professor Brian Findsen and Dr Timote Vaoleti were inducted into the International Adult and Continuing Education Hall of Fame.

Professor Linda Smith, Dean of the School of Māori and Pacific Development, Pro Vice-Chancellor Māori, and the Director of Te Kotahi Research Institute, rounded off the year by receiving the prestigious Dame Joan Metge Medal from the Royal Society of New Zealand.

Some of our top researchers continued to attract government and industry funding in 2012. The University of Waikato won \$3.6 million from the highly contestable Marsden Fund; less than 10% of applications to the Fund are successful so this is testament to the University's high calibre of staff. In the 2012 Ministry of Business, Innovation and Employment round, University of Waikato researchers won another \$2.1 million in funding.

The University's research institutes continue to be the organisation of choice for major research funders such as Ngā Pae o te Māramatanga National Institute of Research Excellence which is funding important research such as Māori child-rearing and positive relationships for Māori men. This is another example of how a modern university such as Waikato is adding value for New Zealand.

Meanwhile in the Bay of Plenty, work continues at an impressive rate to clean up and research the impact of the October 2011 *MV Rena* oil spill. Professor Chris Battershill is a leading light in this work, and has reinforced the very strong connections our university has in the Bay of Plenty.

Internationally we strengthened our ties with key university partners and alumni around the world, and I believe the University of Waikato is now well positioned to embrace the challenges and opportunities of an increasingly globalised tertiary education market while continuing to serve the needs of our region and nation.

I spent time in 2012 visiting nations such as India to gain an insight into the needs of international students. I returned confident that our growing visibility through world rankings and the introduction of enhanced opportunities for postgraduate study will serve us well.

The University of Waikato has been proactive in developing postgraduate study that will suit domestic and international markets, announcing the introduction of 180-point Masters (one calendar year Masters) in areas such as education, management and creative arts.

The University's partnership with the Home of Cycling Charitable Trust, signed during 2012, will boost our position as the key provider in the region for high performance sport. Our partnership provides tertiary naming rights for the National Cycling Centre of Excellence (Avantidrome) complex, and will enhance the Waikato student experience, give staff increased access to research opportunities and will grow our regional and national sporting links.

The importance of the University to the region was again highlighted in an economic impact study, in which it was found the University of Waikato and its students generated \$770 million in the Waikato economy over one year and that spending by the University generated \$836 million in the New Zealand economy overall.

As the report pointed out, economists now consider the "communiversity" to be an important factor in town, city or regional economic well-being. Universities have direct economic impacts on their city and region where staff and students live, work and play, and university towns have always been regarded as "recession-proof".

This latest economic impact report is a tangible example of how this University benefits Hamilton, the Waikato region, and New Zealand. It is our intention to expand these benefits more significantly in the Bay of Plenty in 2013.

We were also pleased to celebrate two important milestones in 2012 - 10 years of Engineering and 25 years of Music. The Music programme will also now be branded the Conservatorium of Music, University of Waikato. All of this is, of course, building towards the 50th anniversary of the University of Waikato in 2014.

My thanks go to the Senior Leadership Team and all staff at the University of Waikato for another successful year in 2012.

Professor Roy Crawford
Vice-Chancellor

3. The Role of the University of Waikato

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

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

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

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

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

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

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

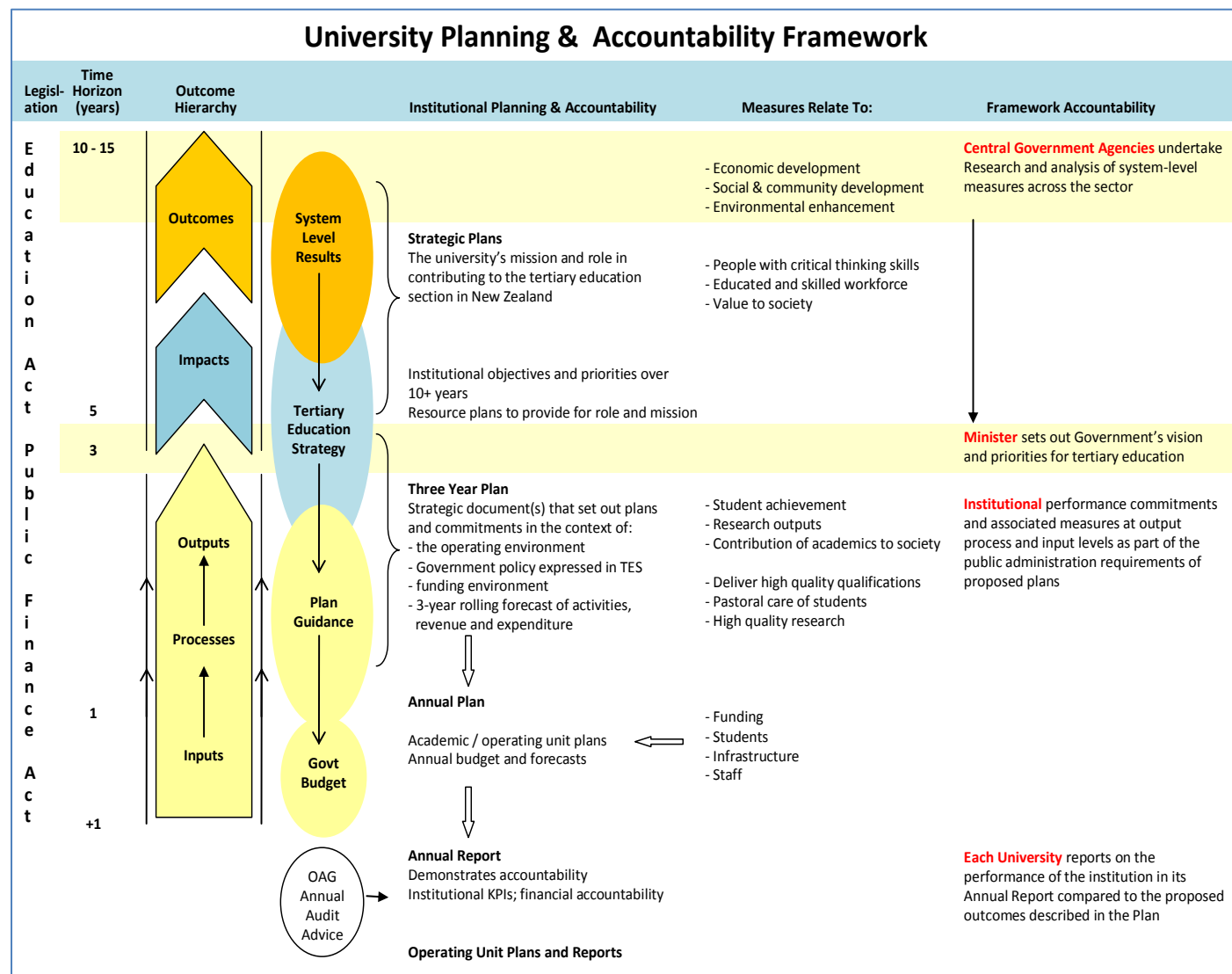
Standards of entrance to the University are determined and monitored by an inter-university body established under the Education Act 1989, the New Zealand Vice-Chancellors' Committee (Universities New Zealand), which also determines and monitors standards for the quality and accreditation of the University's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

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

4. Strategic Framework

Alongside all other universities in New Zealand, the University of Waikato operates within a planning and accountability framework focussed on outcomes, as shown in Figure 1.

Figure 1



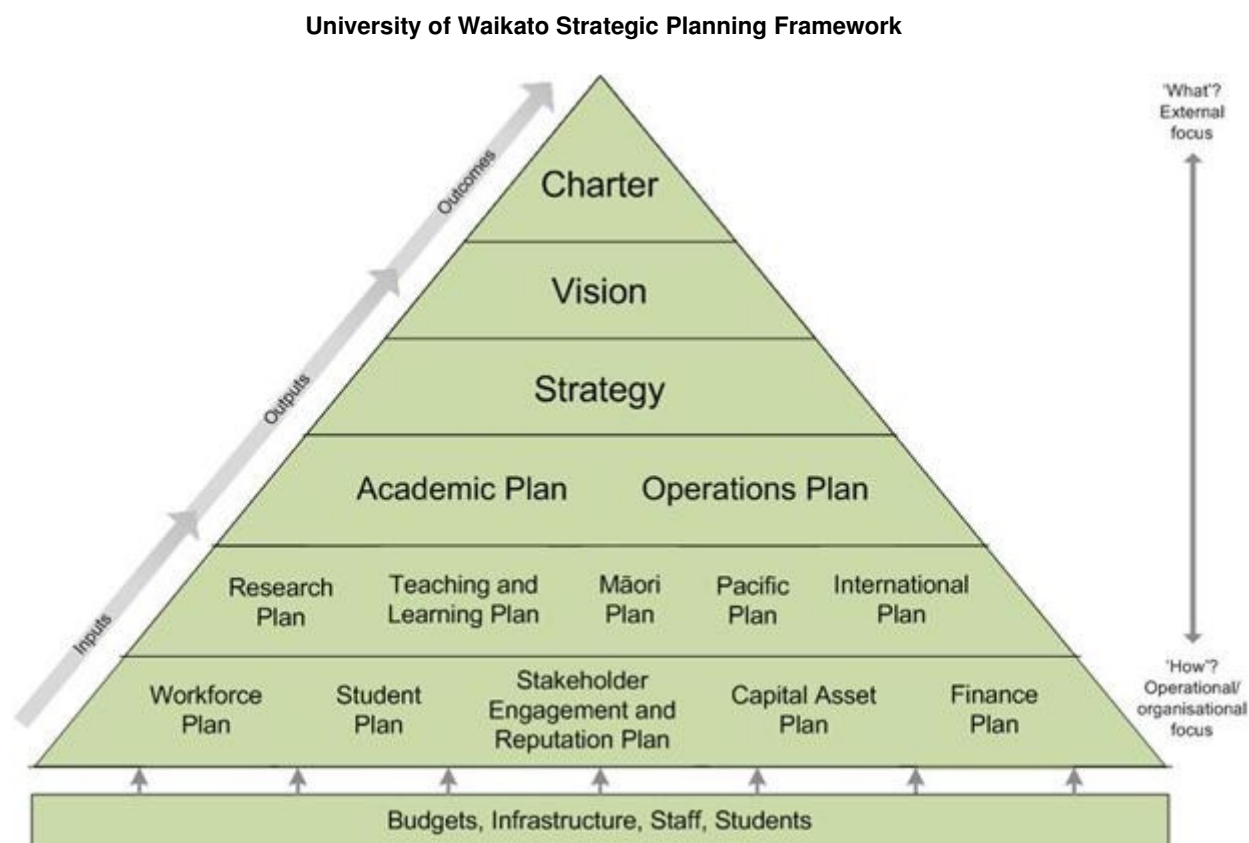
The University of Waikato Strategy identifies six inter-related strategic goals to enable it to fulfill its commitment to its Charter and Vision.

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

4. Strategic Framework

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

Figure 2



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

The University's strategic planning framework is closely linked to its risk management framework.

5. Annual Review of 2012

As a complementary document to its Annual Report, the University publishes an Annual Review, which celebrates milestones, successes and research wins during the year.

View [The University of Waikato Annual Review of 2012 \(16 pages 1.55MB pdf\)](#).

6. Performance Framework

6.1 Economic impact

According to an independent report published by consulting economist Dr Warren Hughes in January 2013, *The University of Waikato: Regional & NZ Economic Impacts for 2012*, the University of Waikato was one of the Waikato region's main drivers of economic prosperity in 2012, as well as being a significant contributor to the New Zealand economy. More specifically

- University of Waikato operations together with the expenditure of its students generated \$791.02 million - or 4.5% - of the Core Waikato region's annual sales revenue¹
- this revenue impact rises to \$860.37 million - or 0.3% - for the New Zealand economy as a whole
- the University directly and indirectly accounted for over 4,626 jobs in the Core Waikato economy (2.8% of total Waikato Regional Council employment)²
- the University accounted for 4.3% of economic activity in the Core Waikato economy
- every dollar generated by the University's operations and student expenditures resulted in another \$1.23 of flow-on revenue across the Core Waikato economy and another 16c in the rest of NZ
- every job at the University generates another 0.65 jobs in the rest of New Zealand, with almost 87% of these flow-on jobs located in the Core Waikato economy
- Hamilton-based students spent an estimated \$137.96 million in personal expenditure (excluding University fees etc) in Core Waikato; a further \$5.4 million was spent by Tauranga-based students.³

6.2 Demographic context

New trends are emerging in terms of New Zealand's national and regional demographics.

The anticipated shifts and increases in demand for suitably qualified university graduates to help meet future regional needs, as outlined below, continue to be taken into account in the University's planning.

One of the most significant demographic trends facing this and other New Zealand universities relates to school education (primary and secondary), which employed 80,724 people in 2006; it was New Zealand's largest industry and has grown a further 26% since then. Over the next five years, the number of school-leavers (15 - 19 year-olds), who are also the main cohort of university entrants, will decline by about 20,000 nationally, and by a further 8,000 in the following five years. Then, the numbers at those ages will recover, to even higher levels than at present, as the large cohort born from 2002-2010 reaches those ages. In the meantime, they are entering primary school and will progress to secondary school. However, by the time they reach secondary school, a large proportion of the teacher workforce will have retired and will continue to retire. This means that by the time this group of young people reaches university, and unless steps are taken to prevent it, a 'supply' side crisis will have occurred and the demand for trained teachers will not be able to be met.⁴

The University of Waikato also anticipates that a significant increase in competition for replacement employees will emerge within the employment marketplace more generally over the next 10 years as the distended wave of 'baby boomers' born from 1946-1965 enters the retirement zone.⁴ Skill shortages are expected to burgeon between now and 2030 and the country's ability to replenish lost social capital - particularly senior management capital - is expected to diminish.⁴

The region from which the University of Waikato recruits most of its students, namely the Waikato and Bay of Plenty, has distinctive traits, including a high population of Māori compared with New Zealand nationally. The Māori population is also much younger, with 53% aged less than 23 years compared with 33% for the overall population.⁵

The demand within the Waikato and Bay of Plenty for workers aged over 25 is expected to increase by 9.7% and 10.5% respectively over the period 2011-2016.^{6,7} This increase in demand needs to be considered in light of the fact that the Waikato and Bay of Plenty populations in the age-band 15-39 are expected to be relatively flat over the period 2006-2031. More urgently, school-leavers (15-19 year-olds) in the Waikato and Bay of Plenty are projected to decline by 3,480 over the period 2011-2031, with most of the decline occurring over the next five years.⁸ Also relevant is the fact that both the Bay of Plenty and the Waikato regions are somewhat below the New Zealand national average in terms of the proportion of the population with university qualifications (with the Bay of Plenty at 11.2% in 2006 and the Waikato region at 13.5% compared with 17.2% for New Zealand as a whole). Part of this disparity reflects the fact that a higher proportion of people in the Waikato and Bay of Plenty are yet to reach the age where they gain such qualifications - one of the realities of having such a youthful population.⁹

6. Performance Framework

The Waikato region experienced population growth of 0.7-1.4% over the period 2010-2011; most of this growth occurred in Hamilton city, one of the country's fastest growing territorial areas (at almost twice the New Zealand average) and also its youngest.¹⁰ The region acts as a transport corridor particularly between the Auckland, Bay of Plenty and Taranaki regions, is a rich provider of natural resources, generates more electricity than any other region, and has high productivity in the areas of farming (dairy, livestock and cropping) and sustainable forestry.⁶

Critical success factors for the Waikato region have been identified by the Waikato Regional Council as a high quality environment, innovation (including skilled labour), efficient supply chains and collaborative leadership.¹¹ The Regional Council has signalled its intention to invest in strategies in these areas. The University of Waikato is already collaborating with other research providers, iwi firms, industry groups, central and local government organisations, and commercialisation and economic development agencies in a range of activities that support growth and development, both directly and indirectly, in all these areas.

A key challenge identified by the Bay of Plenty region is to address its fast growing and relatively youthful Māori population, and guarantee a workforce that meets its future skill needs.¹² An important component of this is to stem the outflow of its youth and attract talented young people to the region. Areas in which demand for graduates is expected to be particularly high are business, education, law, ICT, environmental sciences, supply chain management, manufacturing management, health-related curricula, social work and agribusiness.⁷ Again, the University of Waikato is collaborating with regional development agencies in the Bay and other tertiary providers to deliver the type and scale of tertiary provision identified by that region as necessary to underpin its regional development needs.

While its primary region spans the central North Island, the University also draws a large number of students from the Hawke's Bay, Taranaki and the East Coast, and has a strong commitment to the Northland region.

The East Coast-Hawke's Bay economy is expected to grow by 3.0% per annum between 2011 and 2016.¹³ The number of positions in East Coast-Hawke's Bay requiring a degree increased by 3,790 between 2003 and 2008; by field of study, the highest demand was for management and commerce followed by society and culture, and health. Future demand is associated mainly with the need for specialist managers, health professionals and business, human resource and marketing professionals in the health and community services, business services and retail trade industries.¹³

Business services have in the recent past made a significant contribution to the Taranaki regional economy. The business services sector is likely to continue growing, and demand for a range of highly skilled professionals in the marketing, engineering and ICT fields is expected to increase as a consequence. The financial services industry is also likely to continue to grow, resulting in increased demand for a range of highly skilled financial professionals. The fields of studies that are most likely to see an increase in demand in the Taranaki region are engineering and related technologies, management and commerce, and architecture.¹⁴

Agriculture has traditionally been the mainstay in Northland and even though jobs in this industry declined in Northland between 1996-2006, it is expected to prosper in the medium-term on the back of global population growth and strong international demand for agricultural commodities. Employment opportunities for graduates with management and commerce degrees are estimated to have seen the highest increase in recent years. Given the outlook for industry and associated occupational demand for labour, the fields of studies that are most likely to see increased demand in Northland in the future are engineering and related technologies, management and commerce, and society and culture.¹⁵

6.3 World-class education and research

The University of Waikato is ranked by Times Higher Education in the top 2% of universities in the world, and is also ranked 58th in the world among new and emerging universities (i.e. universities under 50 years of age). Under the QS system it is ranked among the top 200 universities in the world for accounting and finance (51-100), economics and econometrics (101-150), education (101-150) and geography (151-200).

6. Performance Framework

The range of academic programmes offered by the University of Waikato is both comprehensive and distinctive. In the New Zealand tertiary sector, the University of Waikato is particularly strong in terms of the excellence of its educational and research performance in education, the social sciences, sustainable development, media studies, music, the biological and environmental sciences, information and communication technologies, indigenous development and management. It has continued to build on these areas of academic distinctiveness in 2012 and its priorities for investment have been aligned accordingly. Its capitalised support infrastructure has in turn been matched to its investment priorities.

Interdisciplinarity is a particular emphasis for the University as it continually develops its teaching curriculum, not only because of the flexibility that it provides to students in the design of their programmes of study, but also because it allows the University to be more readily responsive to evolving global themes and changing stakeholder and industry needs.

The University's approach to the development of research centres and institutes aligns with its areas of academic distinctiveness and supports a substantial and growing portfolio of interdisciplinary research that is funded through an increasingly diverse range of external sources.

The University's current institutes and centres are as follows:

- Institute for Business Research
- National Institute for Demographic and Economic Analysis
- Environmental Research Institute
- Te Kotahi Institute for Innovation, Well-being and Inspiration
- Institute of Professional Learning
- Wilf Malcolm Institute of Educational Research
- Waikato Centre for Advanced Materials
- Centre for Biodiversity and Ecology Research
- Early Years Research Centre
- Centre for Environmental, Resources and Energy Law
- Centre for Global Studies in Education
- National Centre of Literacy and Numeracy for Adults
- Māori and Indigenous Governance Centre
- Mediarena Centre for Research
- Centre for Open Software Innovation
- Technology, Environmental, Mathematics and Science Education Research Centre
- International Centre for Terrestrial Antarctic Research
- Centre for Tertiary Teaching and Learning.

These research institutes and centres are in most cases financially self-sustaining, primarily through research and development activities undertaken in collaboration with public research organisations, Government, businesses and industries. These types of research collaborations are particularly extensive with scientists in AgResearch, IRL, Landcare Research, NIWA and the Cawthron Institute and involve an increasing number of subcontracts with public and private institutions both nationally and internationally. The University has pursued opportunities to create strong links with the new Advanced Technologies Institute (ATI), a high-tech HQ for innovative New Zealand businesses established by Government in 2012. Despite the fiscally constrained environment, it is expected that the University's institutes and centres will increase the external research and commercial revenue of the University to over \$54 million per annum by 2015.

Under a memorandum of understanding with Scion signed in July 2012, the two institutions established a formal framework for the development of shared capability, collaboration in teaching and research, and the acceleration of knowledge transfer and relationships with end-users and commercial partners, primarily in the areas of forestry and natural materials, renewable energy and Māori development. The partnership promises to be a major contribution to the social and environmental development of the Bay of Plenty region.

The University's Intercoast partnership with the University of Bremen in Germany has progressed well since it was established in 2009. Its primary objectives are the joint supervision of doctoral students from both universities and the exchange of research staff and findings in the field of coastal science and also in related aspects of other disciplines including law and the social sciences. The synergies in teaching and research generated by this partnership have continued to grow in 2012. The international profile and funding associated with the partnership have provided leverage for further funding from a range of government and industry sources in New Zealand and overseas. This is now one of New Zealand's strongest NZ-German research partnerships. It has been of particular and direct benefit to the University in terms of its relationship with the Port of Tauranga, bringing to bear state-of-the-art geotechnical equipment and expertise to assist in strategic Port development issues of major significance to the region and New Zealand.

6. Performance Framework

Researchers in the University's research institutes and centres also collaborate extensively through formal links with a number of other top world-ranked centres of teaching and research excellence overseas, including Columbia, York and Melbourne universities.

Innovative employment and management practices are being introduced to support and incentivise the formation of the best possible research teams for specific research projects and programmes. Initiatives to enhance research capability and reach, such as an international distinguished research professorial programme, were developed in 2012. Nodes of cross-institutional research and commercial activity are being constructed to share infrastructure and resources and so increase the quality, value and cost-effectiveness of research outcomes. A re-alignment of the University's support infrastructure for researchers and postgraduate students has been planned to improve responsiveness and congruency with shifting external funding strategies and opportunities.

As part of a new strategy to enhance its connections with, and relevance to, industry and other stakeholders, the University has recently changed its approach to research collaborations and adopted the principle of 'partnership intellectual property'. This more recent approach incorporates elements of open intellectual property, licensing and full commercialisation. It involves engaging industries in the financial support of postgraduate research students for projects relevant to their growth and productivity. The students work directly in the industries that have helped fund them, and the IP developed as part of their research projects is shared with those industries; the commercialisation, if and when the time comes, is shared between the relevant industry and the University. Not only does this approach help cement links between the University and industry, but it also means that from the outset, the research undertaken by students involved in these arrangements, and the new IP developed as a result, are of direct relevance and benefit to industry.

WaikatoLink, which plays a key role in developing this process, is a wholly-owned subsidiary of the University of Waikato and has recently adopted a new strategy - *To develop, facilitate and grow a fast-track to partnering with the University for the creation of value*. WaikatoLink no longer attempts to focus solely on working with ideas that originate from researchers ('technology push'), but is building on its success to date in working collaboratively with industry and researchers in order to develop ideas that meet market demands ('technology pull'). The move to being a partnership facilitator, rather than solely a commercialisation office, is expected to increase long-term revenue to the University through the deep long-lasting relationships it creates. The new approach will achieve beneficial outcomes for all parties and impact on research investment. These benefits already issuing from the new approach include the increase in supply of masters and PhD students working on industrially driven projects, the application of University know-how to solve specific industry problems and the identification of partners on research grant applications. To achieve these objectives, the University is more closely aligning many of the activities of WaikatoLink and the University's Research Office in order to remove any barriers to effective engagement with industry and help increase the University's positive impact on the local and national economy.

2012 Highlights

- The University was named 58th in the world of universities under 50 years old – first in New Zealand and seventh in the southern hemisphere – in the Times Higher Education One Hundred Under Fifty Rankings.
- The University rose 16 places to sit at 302 out of 17,000 universities in the world in the Times Higher Education World Education Rankings.
- The University won six new Marsden Fund research grants:
 - Dr Daniel Laughlin was awarded \$345,000 to work on a model to predict where plant species grow and how they react to climate change.
 - Professor David Hamilton was awarded \$920,000 to study toxin production found in blue-green algae in lakes, some species of which can produce potent toxins which affect humans through drinking water or contact recreation, as well as other organisms that live in the water.
 - Dr Pawel Olszewski was awarded a \$760,000 grant to undertake a series of experiments involving the application of oxytocin and its influence on the willingness to share food. Most animals share food, but to date there has been little research exploring the role of oxytocin on what is seen as entirely social behaviour.
 - Dr Joseph Lane was awarded a grant of \$345,000 to develop a theoretical model to ascertain how nitrous oxide is broken down in the atmosphere and predict the amount of nitrous oxide being released to the atmosphere. Nitrous oxide emission from agricultural soils is believed to contribute to climate change.
 - Associate Professor Shiv Ganesh was awarded a grant of \$890,000 to investigate the impact of technology on collective action in New Zealand.

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- Dr Hemi Whaanga was awarded \$345,000 to lead an investigation into traditional Māori ecological knowledge, as expressed through whakataukī or proverbs, to uncover the past relationships that Māori have with the environment.
- The University won three new Ministry of Business, Innovation and Employment research grants:
 - The Computer Network Infrastructure project, led by Dr Richard Nelson, was awarded almost \$1.5 million over four years to develop models and tools to monitor the performance of internet networks across New Zealand.
 - The National Institute of Demographic and Economic Analysis 'Making Active Ageing a Reality' project, led by Professor Peggy Koopman-Boyden, was awarded \$687,000 over two years to investigate ways to keep older people in our communities more independent, productive and 'digitally connected'.
 - Director of the University of Waikato Centre for Environmental, Resources and Energy Law (CEREL), Professor Barry Barton was awarded a \$245,000 grant to work with government and industry insiders from Australia, Canada, the United States, the European Union and Norway to develop a legal and regulatory framework for carbon capture and storage.
- The University won four new research grants to investigate different aspects of Māori health and well-being:
 - Dr Leonie Pihama won a grant to lead a two year study by the Te Kotahi Research Institute into traditional forms of child rearing and how they might be applied in a contemporary context. The project was funded by Ngā Pae o te Māramatanga (New Zealand's Indigenous Centre of Research Excellence).
 - Ngā Pae o te Māramatanga also funded a study by the Māori and Psychology Research Unit based at the University. Mr Mohi Rua and Professor Darrin Hodgetts began a two year study to extend understanding of wellness-promoting practices among Māori men.
 - Mr Maui Hudson began a \$1.1 million three year study by the Te Kotahi Research Institute funded by the Health Research Council to better understand what ethical cultural and scientific policies and practices are necessary to address Māori issues and protect Māori interests in these areas of biobanking and genomic research.
 - Professor Linda Tuhiwai Smith was awarded \$424,000 over two years to lead a study into indigenous well-being by Ngā Pae o te Māramatanga. This project was aimed to create a new tool, namely an internationally comparative model of indigenous well-being. Professor Smith initiated an international comparative study of the conditions, strategies, catalysts and meanings that indigenous people employ to realise their aspirations for well-being.
- A new centre for research excellence, Te Mata Hautū Taketake – the Centre for Māori and Indigenous Governance, was launched, aimed at improving Māori governance, among Māori trusts and corporations, asset holding companies, iwi organisations, post-settlement governance entities, marae and hapu committees, and Indigenous peoples' organisations globally.
- A new Early Years Research Centre was established. The centre aims to make a difference for young children, early years teachers, families and whānau in New Zealand, undertaking robust research that influences policy and informs scholars worldwide.
- The University won two out of six 2012 Teaching and Learning Research Initiative projects administered by the New Zealand Council for Education Research (NZCER), and is collaborating on a third, worth more than \$400,000:
 - Dr Brenda Bicknell and Associate Professor Jenny Young-Loveridge were awarded \$130,000 over two years to investigate the use of multiplication and division to help young children develop a greater appreciation of the properties of numbers.
 - Dr Elaine Khoo was awarded \$130,000 over two years to investigate software literacy, and how it develops and impacts on the teaching, learning and knowledge understanding in engineering and media studies.
 - Dr Margaret Franken began a collaboration with the NZCER and three New Zealand schools, looking at conditions teachers need for on-the-job transformational learning to meet the needs of 21st Century learners. The project is worth \$200,000 over two years.
- The University of Waikato joined in the formation of Te Mauri Moana, a high-level team set up to investigate the long-term effects of the *MV Rena* grounding. The group was set up to develop a detailed assessment of the impact the Rena incident has had on the Bay of Plenty's coastal environment. Professor Chris Battershill, University of Waikato Chair of Coastal Science, led the research team that included academics and students from the University, Bay of Plenty Polytechnic, Te Whare Wānanga o Awanuiārangī and the University of Canterbury. The research was based at the University's Coastal Marine Field Station at Sulphur Point, Tauranga.

6. Performance Framework

6.4 Global connections and perspectives

Internationalisation is a central theme of the University's Vision. The quality and scale of its research profile on the global stage is demonstrated through a range of measures, including world rankings and also its performance in the Performance-Based Research Fund.

Opportunities for new research collaborations with high-quality partners internationally continue to be pursued. The University of Waikato has recently embarked on new research collaborations, initially in the fields of management and law, under formal agreements signed in 2012 with top institutions in China, including Renmin, Wuhan and Tongji universities.

Major new collaborative research projects, faculty exchanges and student exchanges were launched in 2012 in the field of education as part of a major new agreement with Teachers College Columbia University, expanding on existing international collaborations in the field with Monash University and the University of London Institute of Education.

Government's objective to double the annual economic value of New Zealand's educational services delivered in New Zealand over the next 15 years is acknowledged, and the University has strategies in place to increase Full-Cost International enrolments.

The University of Waikato has a reputation for very high standards of pastoral care for its international students. In 2012, the University participated in the *i-Graduate* International Student Barometer survey and scored above the benchmark scores in all four categories of the survey, namely Learning, Living, Support and Arrival.

Almost 30% of the University's Full-Cost International EFTS are currently generated at sub-degree level. A review of the curriculum of its foundation and English language education programmes led to a number of improvements in 2012 to ensure that they continued to meet the changing needs of international students preparing for degree-level study at the University of Waikato or offshore. The maintenance of the University's reputation for high-quality English language education programmes has been an important factor in its planning in relation to internationalisation and international student recruitment.

International student recruitment activities have been segmented into the following regions: China, India, South-East Asia, the Middle East, the Pacific Islands and Pacific Rim, Europe and North America, and a specific strategy has been identified for each region.

A number of programmes are in place allowing international students to complete qualifications between New Zealand and their home country. International institutions with reciprocal arrangements with the University of Waikato include Shanghai International Studies University and Zhejiang University City College. Students from these institutions can complete dual degrees with the University of Waikato in management, arts and social sciences; planning for a dual degree in law is underway. The University is exploring opportunities with other high-quality international institutions to establish further arrangements of this type aimed at doubling over the next three years the number of enrolments by international students from China, South-East Asia and Europe in dual degrees with the University of Waikato.

The University's teaching takes account of the latest international trends and is delivered within a campus environment that provides opportunities for all students to establish multicultural networks and gain an international experience as part of their study. Student exchange programmes, which allow students to undertake study at other universities internationally as part of their undergraduate programmes at Waikato, are growing. Strategies are in place aimed at increasing by 30% over the next five years the number of domestic students at Waikato participating in international student exchanges.

Building on its research collaborations with Monash University and Columbia University New York, opportunities are being pursued for reciprocal arrangements with those universities that will allow their students to undertake University of Waikato papers on-line, and University of Waikato students to undertake their papers on-line. It is the University's intention to develop these types of programmes even more widely across the whole University over time.

2012 Highlights

- An alumni event was held in New York, hosted by Distinguished Alumnus Dr Craig Nevill-Manning of Google and his wife, Kirsten.
- The University also participated in a combined universities alumni event in Taiwan.

6. Performance Framework

- The University signed the United Nations Commitment to Sustainable Practices of Higher Education. This commitment aims at enabling everyone to acquire the values, competencies, skills and knowledge necessary to contribute to building a more sustainable society. It implies revising teaching content to respond to global and local challenges and the promotion of teaching methods that enable students to acquire skills such as interdisciplinary thinking, integrated planning, understanding complexity, cooperating with others in decision-making processes, and participating in local, national and global processes towards sustainable development. The University of Waikato was the first university in New Zealand to make this commitment.
- The Association of MBAs (AMBA), the international board which governs the widely recognised management MBA qualification, showed its confidence in the Waikato Management School's MBA and MBM programmes by renewing its accreditation for the maximum time period of five years.
- In the 2012 i-Graduate International Student Barometer Survey the University scored above the benchmark scores in the Learning section and in 24 of the 26 sub-categories in this section. The University's average score for Learning improved from 84.8% to 87.4% on the previous year's results.
- The University participated in the New Zealand Universities Benchmarking of International Operations questionnaire. The University scored at the median or better compared to all New Zealand universities in relation to target and actual turnaround times for the processing of international applications.
- The University engaged Hobsons, an education resources, services and technology company, to deliver the specific services of enquiry and offer follow-up to prospective international students, with a view to increasing the University's international student numbers. Hobsons will assist the University to manage communication with international students from initial enquiry to application, and from offer of place through to enrolment.
- A new scholarship was set up to encourage high-performing international students to study at the University of Waikato. The High Achievement Scholarship for International Students will be open to all new international students enrolling in a full-time undergraduate programme and is equivalent to a 15% discount on full international student fees for the second year of undergraduate study.
- 101 overseas students studied at the University of Waikato through study abroad arrangements in 2012; the University also welcomed 54 international student exchange students while 30 of its own students undertook a reciprocal student exchange at an overseas institution.

6.5 Partnerships within a regional network of provision

For more than a decade, the University of Waikato and the Bay of Plenty Polytechnic have adopted a strategy of collaboration as an effective means of enhancing tertiary provision in the Western Bay of Plenty. The inclusion of Te Whare Wānanga o Awanuiārangī in 2010 expanded the scale and scope of the partnership, which now represents approximately 16,000 EFTS in total. A particular focus of the relationship with Te Whare Wānanga o Awanuiārangī is the need to improve the participation and achievement rates of Māori in the region. Discussions are underway to extend the Bay of Plenty Tertiary Education Partnership even further, to include Waiariki Institute of Technology.

The University continued in 2012 to work closely with its partner institutions in the Bay of Plenty in support of the region's goal of increasing the number of degree-qualified workers and, in turn, the proportion of its workforce employed in high skilled occupations.

While cooperation and collaboration within the Bay of Plenty Tertiary Education Partnership is extensive in teaching and research terms, the partnership also fosters operational and administrative collaborations. For example, the partnership institutions agreed in 2012 to develop a common approach to the design and regulatory framework for their qualifications, to make it easier for students to transfer between them. Another initiative among the partnership institutions in 2012 was the development of a shared academic quality assurance system, being led by the University of Waikato.

Because demand for places in degree programmes in the region is expected to increase, the University is planning to expand its physical infrastructure accordingly. In March 2012, the Tauranga City Council agreed in principle to the use of Council-owned land for the development of a partnership campus, subject to funding being secured to enable the project to proceed. Regional funding is being sought from the Bay of Plenty Regional Council and the Tauranga Energy Consumer Trust to contribute to the construction of the new tertiary education partnership facility.

6. Performance Framework

2012 Highlights

- Plans progressed for a Bay of Plenty Tertiary Education Partnership – the University, Bay of Plenty Polytechnic and Te Whare Wānanga o Awanuiārangi – campus in the Tauranga CBD.
- The University partnered with the Home of Cycling Charitable Trust to develop a range of research and consultancy services around community and high-performance sport in the Waikato region and to become the Tertiary Education Partner with the National Cycling Centre of Excellence (Avantidrome).
- Scion, the CRI focused on forestry, wood products and biomaterials, and the University signed a Memorandum of Understanding that will see the two organisations working together in research and teaching to enhance their contribution to the Waikato and Bay of Plenty regions, iwi and New Zealand through collaborative research programmes, student projects and internships and executive education programmes.
- The University's Environmental Research Institute joined 19 of New Zealand's environmental leaders to sign an historic accord – the Taranaki Biodiversity Forum Accord – which is a regional response to the protection of native plants, animals and habitats. Signatories included the Department of Conservation, Forest and Bird, Tiaki Te Mauri O Parininihi Trust, Ngā Motu Marine Reserve Society, the Taranaki Kiwi Trust, and regional and district councils. The University of Waikato's Environmental Research Institute was the only research provider to sign the accord.
- The first cohort of Tauranga-based students completed the Bachelor of Science with a major in Computer Science and a specialisation in Applied Computing, delivered in partnership with the Bay of Plenty Polytechnic. Students can pathway from the Polytechnic's two-year Diploma in Applied Computing into the third year of the University's Bachelor of Science and complete this degree entirely in Tauranga.
- 876 students studied towards University of Waikato programmes delivered in Tauranga.
- 186 students transferred to the University of Waikato from its regional partner institutions Te Whare Wānanga o Awanuiārangi and the Bay of Plenty Polytechnic.

6.6 Learner pathways

In 2012, 42% of the University's new domestic students were school-leavers (1,222 students). These students came from approximately 200 schools across New Zealand, with the majority from the North Island. 75% of the University's new domestic school-leavers in 2012 came from schools in the Waikato and Bay of Plenty, with the top 10 of those secondary schools contributing 39% of total new domestic school-leavers. Hamilton and Tauranga high schools have been the largest contributors over the last five years, contributing between 44% and 50% of total new school-leavers; they provided 50% in 2012.

The University of Waikato provided a range of orientation programmes for new students in 2012. They included information sessions at secondary schools, secondary school visits to campus and sessions on campus targeted at students from outside the Waikato region to give them an opportunity to meet other students from their region before commencing study. Orientation programmes also included faculty-based subject-specific sessions for potential students wishing to explore subject areas and offerings.

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

As well as the 2012 University of Waikato Open Day in May, the University hosted a Year 10 Whānau Day for students from selected schools and also a Year 10 Experience Waikato Day in November, which was attended by more than 350 students from 12 invited secondary schools.

A well-established Secondary Tertiary Alignment Resource (STAR) programme offered secondary school students the opportunity, while still at school, either to advance beyond the secondary school curriculum in particular subjects, or to undertake study in a subject that was not offered as part of the secondary school curriculum. 98 secondary school students successfully completed a STAR paper delivered by the University of Waikato in 2012. In 2012, STAR papers were offered in Biological Sciences, Chemistry, Computer Science, Economics, Mathematics, Music, Philosophy, Physics, Statistics and Tourism Management.

The Faculty of Education delivered educational leadership and teacher development programmes across its region. The Institute for Professional Learning and Development facilitated teacher development in schools throughout the Waikato, Hauraki, Coromandel, King Country, Bay of Plenty, Gisborne, Wairoa and East Coast regions. The Educational Leadership Centre catered for the diverse needs of many groups of educational leaders through activities based on sound research and development practices developed in consultation with the client group so that their specific needs are met.

6. Performance Framework

Academic staff of the University served as judges of a number of secondary school competitions, including national kapa haka and speech competitions.

The University continued with its prestigious Hillary Scholarships programme. These scholarships, offered since 2005, are awarded each year to high achievers who show leadership qualities and also excel in sport or in the creative and performing arts. The programme includes comprehensive support for the recipients' academic, sporting and/or arts activities, and additional support in leadership and personal development. Out of 135 Hillary scholars in 2012, 42 Hillary Scholarships were awarded to new students, bringing the total number of Hillary Scholars to 362 students since 2005.

In addition to the University of Waikato Academic Merit School Leaver Scholarships, which in 2012 were awarded to 216 recipients, the University also continued to offer a programme of other scholarships and prizes, including the high-profile Vice-Chancellor's Prize for Academic Excellence, which in 2012 was awarded to 44 secondary school students nominated by their principals.

2012 Highlights

- Ten new scholarships recognising strong leadership and good citizenship among Northland students were launched. Each scholarship is worth \$5000 a year to Year 13 students nominated from 35 eligible Northland schools.
- A very successful Open Day for secondary school students was held in May. Open Day is an opportunity for prospective students to find out about the University's wide range of qualifications, meet staff members and students, explore our beautiful campus, and get a sense of our welcoming and supportive student environment. The 2012 Open Day was attended by approximately 3,000 secondary school students, teachers, parents and visitors from across the North Island.
- The Faculty of Law held its annual secondary schools moot competition which was well subscribed by secondary schools across the greater North Island region. Just as in a law court, this competition pits teams of 'lawyers' against one another to argue a legal case before a judge. The winning team in 2012 was from Tauranga Girls' College.

6.7 Advancing participation and achievement by Māori and Pacific learners

Significant investment continues to be devoted to building the University's reputation for making a unique and major contribution to the educational success of Māori and Pacific learners.

The University's commitment to partnerships with Māori is a key element of its identity, and a feature for which it has become renowned locally, nationally and internationally. The University's objective is to be regarded by iwi and communities as a trusted and effective partner in advancing research and scholarship that will enhance Māori development and the perpetuation of Māori culture and language.

The University's iwi forum of Te Rōpū Manukura is unique in New Zealand and unparalleled globally. It ensures strong iwi engagement at both an executive and governance level within the University, and provides a platform for promoting and profiling the University's research institutes to iwi within the University catchment.

This is just one of many positive platforms for iwi engagement. Innovative University programmes reflecting Māori and indigenous issues, development priorities and aspirations are offered across the University. Māori students engage in these curricula and return to their communities and tribal organisations as Waikato alumni, providing capacity and leadership within their communities and creating lasting linkages and associations with the University.

Partnerships with iwi are particularly important and, locally, the University has excellent relationships with Waikato-Tainui, the Kīngitanga and the various iwi of the central North Island. However, in the complex Treaty settlement context where iwi structures are evolving and iwi are emerging with renewed economic, educational and research aspirations, and with a capacity to engage as major stakeholders, the University recognises the need to continue to work diligently to realise the opportunities.

Through its links with kura kaupapa, wharekura and bilingual and mainstream schools, the University ensures that students are fully aware of the opportunities that it offers. It has direct connections with 20 iwi in its region, and works closely with them on the development of iwi education plans.

The University's physical landscape and architecture, and the prominence of te reo Māori and Māori culture on campus, combined with signature events such as marae graduation, Kīngitanga Day, the National Māori Academic Excellence Awards and community-based ceremonies for the conferment of Honorary Doctorates, all reflect the University's partnerships with, and commitment to, Māori. Major on-going sponsorship of Te Matatini, the national kapa haka festival, further reinforces the University's commitment to having a strong presence in Māori events and communities.

6. Performance Framework

Central to improving educational outcomes for Māori is improving the progression rate from secondary to tertiary study. The University of Waikato has led the development of Te Kotahitanga, a research and professional development programme for secondary schools that supports teachers to improve Māori students' learning and achievement. Te Kotahitanga was initially implemented in 2004 in 12 mainstream schools, and by 2012 the programme was being offered in 49 schools and will be expanded over the next few years to an even wider range of secondary schools in New Zealand. It has become a core component of teacher education at the University, meaning that all its graduates will be uniquely equipped to make a direct and positive contribution to the achievement of Māori students in secondary schools.

The University has a number of other initiatives through which it engages with secondary schools nationally. These include He Kakano, which is a leadership programme based in Tauranga and offered in collaboration with Te Whare Wānanga o Awanuiārangī, to raise levels of Māori achievement.

Over 20% of the University's teacher education graduates in 2012 were Māori. A range of Māori medium programmes in teacher education and professional development is offered by the University of Waikato. They include the Bachelor of Teaching Ki Taiao early-childhood programme, the Bachelor of Teaching Kākano Rua primary teaching programme, and Te Rōpū Tohu Paerua which is a PGDipEd (Māori Medium Teaching) qualification for qualified teachers.

The University's National Centre of Literacy and Numeracy for Adults involves collaboration with Te Whare Wānanga o Awanuiārangī and other strategic partners. Its 2012 programme focussed on improving the teaching of literacy and numeracy skills to Māori and Pacific students in innovative ways and included

- developing sector educators to teach and engage Māori and Pacific learner audiences effectively
- engaging Māori tutors and kaiako in the delivery of embedded literacy and numeracy practices
- supporting the organisation of opportunities for practitioners to come together in wānanga, including a Māori caucus at the National Centre of Literacy and Numeracy for Adults Symposium 2012, and the Pasifika Literacy and Numeracy Symposium.

The University is also a partner in Te Toi Tupu, an initiative where consortium partners work together to provide professional learning and development opportunities for kura kaupapa, wharekura and bilingual schools that enhance student outcomes and accelerate the progress of Māori students in both primary and secondary schools, and also in mainstream schools.

In collaboration with Ngā Pae o te Māramatanga, the University delivers an academic mentoring and support programme each year, designed for current and prospective Māori doctoral students.

The University's commitment to enhancing the Pacific dimensions of the institution and improving the participation and educational achievement of Pacific learners is consistent with the Government's Pasifika Education Plan and Tertiary Education Strategy. It has a long history of educational provision for, and about, Pacific peoples and their aspirations, including a supporting subject in Pacific Studies.

The University's strategy for building on its teaching and research endeavours to meet the aspirations, needs and priorities of Pacific peoples is underpinned by Pacific cultural and spiritual values. A distinctive feature of the University is that it represents a welcoming environment for Pacific students. It recognises that many Pacific students are the first in their family to enrol at university, and often have significant cultural and family commitments, meaning they require flexible learning options. The University provides comprehensive learning support, monitoring and mentoring services to support Pacific students, and is committed to developing them further over time. The University has been recognised for the high level of support and pastoral care that it provides to its Pacific students studying under NZAID scholarships.

Steps were taken in 2012 to enhance and extend opportunities for strategic engagement with the local Pacific community. Other specific initiatives tailored to improving the levels of participation and achievement of Pacific students include the development of staircasing relationships with PTEs, ITPs and other types of tertiary providers to encourage the transfer of Pacific students from other tertiary sectors to degree and postgraduate programmes at this University.

The University's programme of scholarships was expanded in 2012 to include scholarships targeted at Pacific students progressing from undergraduate to postgraduate study.

The University invested in a number of new Pacific staff positions, which represent a step-change in Pacific student recruitment and support at the University of Waikato.

6. Performance Framework

2012 Highlights

- The University hosted the 10th annual Te Amorangi National Māori Academic Excellence Awards, recognising Māori doctoral graduates who had their degrees conferred in the past calendar year. 39 awards were given out to graduates from universities in New Zealand and around the world, including five from the University of Waikato.
- Dr Korohere Ngāpō became the first Waikato student to complete and defend his PhD in te reo Māori.
- Professor Pou Temara was acknowledged for his mastery of te reo at the national Te Waka Toi Awards. The awards celebrate excellence in Māori oratory, literature, music, performance, object and visual arts. Professor Temara's extensive knowledge of whaikōrero (oratory), whakapapa (genealogy) and karakia (prayers and incantations) has made him a cultural authority.
- The supreme award at the national 2012 Te Waka Toi Awards was awarded to Dr Timoti Kāretu QSO (Ngāti Kahungunu, Ngāi Tūhoe). Dr Kāretu is a past staff member of the University and has an honorary doctorate from the University of Waikato. Dr Kāretu was the inaugural Māori Language Commissioner, is a director of Te Panekiretanga o Te Reo and is Chair of Te Kōhanga Reo National Trust.
- Professor Linda Tuhiwai Smith, Pro Vice-Chancellor (Māori) and Dean of the School of Māori and Pacific Development, was awarded the Dame Joan Metge Medal by the Royal Society of New Zealand for her outstanding contribution in inspiring, mentoring and developing the capacity of Māori researchers through teaching and research. Professor Smith is nationally and internationally recognised as a scholar who has inspired and mentored many Māori and non-Māori social scientists.
- Students Adrienne Paul and Kiriana Waru received Dame Te Atairangi Kaahu 2012 Scholarships at a ceremony at the Waikato Regional Council in Hamilton, which co-funds the scholarships with Waikato-Tainui. The scholarships honour the late Māori queen Dame Te Atairangi Kaahu who worked hard for the good of the community and strongly encouraged people to develop their talents.
- The annual Te Toi o Matariki Māori Graduate Excellence Conference provided opportunities for Māori graduate students to promote their research and to gain experience presenting in a supportive and encouraging academic forum. The conference encouraged whakawhanaungatanga amongst Māori students and provided opportunities for them to establish their own peer-support networks, to raise the profile of graduate and postgraduate study, and to encourage Māori students to enter into graduate and postgraduate studies in future years.
- Kīngitanga Day, an annual opportunity for students, staff and the wider community to celebrate the University's distinctive identity, heritage and relationships, was held in May 2012. Various activities focused on the relationships with the Kīngitanga and Māori communities; however, the 2012 programme embraced the University's cultural diversity and its various expressions of excellence across all areas.
- The University of Waikato continued as a proud strategic partner of the Te Matatini International Māori Performing Arts Festival held in Gisborne. Te Matatini is a biennial competition that fosters, develops and protects traditional Māori performing arts in the pursuit of excellence.
- The University supported a government and private sector initiative to boost Māori saving and financial literacy. The University's National Centre of Literacy and Numeracy for Adults, Tukua Kia Rere, joined Russell Investments, the Federation of Māori Authorities, the National Urban Māori Authority, the Māori Trustee and Ngāi Tahu to help create new plans and strategies and to complement existing work in designing Māori-specific savings schemes and delivering financial education programmes to Māori.

6.8 Enhanced educational and societal outcomes

A wide range of initiatives and programmes are designed and delivered by the University of Waikato to continually improve students' educational success rates and also optimise the value of the student experience in terms of both employment and wider societal outcomes.

A new committee framework was put in place in 2012 and signals a more comprehensive and structured approach to education innovation, oversight and quality assurance that will strengthen educational performance into the future.

A number of research programmes, including those undertaken by staff of the University's new Centre for Tertiary Teaching and Learning, are the focus of important research into learning and teaching that informs the educational and professional development of teachers at all levels of New Zealand's education sector.

The University of Waikato continues to implement a coordinated university-wide strategy that includes significant targeted investment in stakeholder engagement activities, recruitment and scholarship programmes, learning support and pastoral care, all of which support the delivery of ambitious targets against educational performance indicators.

6. Performance Framework

A new Student Plan was adopted, one of the key goals of which is to develop an excellent and distinctive Waikato student experience that responds to the needs of our diverse student profile and stakeholders.

Students' expectations with respect to learning support and related services are identified and managed through a variety of mechanisms, including regular AUSSE (Australasian Survey of Student Engagement) and POSSE (Postgraduate Survey of Student Engagement) surveys. 2012 AUSSE results across all scales have improved over those achieved in 2010. Particularly significant improvements were achieved in the 'departure intention' scale (down to 22% from 30%) and 'general learning outcome' scale. Results were broadly consistent across all the University's demographic sub-groups within the survey. In the 2012 POSSE survey, a significant improvement was achieved in the 'general development outcomes' scale (up from 48% to 52%) and the 'overall satisfaction' scale remained higher than the Australasian average (72% compared with 67%).

Along with all other New Zealand universities, the University of Waikato participated in the Graduate Longitudinal Study New Zealand (GLSNZ) in 2012. This important new longitudinal survey is designed to help determine the 'added value' of a tertiary education in 21st Century New Zealand. The information derived from the study will be useful not only to Government and policy makers, but also to the University itself in informing decisions about programme planning, teaching and student support. With similar ends in mind a University-wide framework of internal surveys was established by the University in 2012 to help monitor progress against strategic planning goals, for quality assurance and benchmarking purposes and to help the University evaluate the success of students in gaining suitable and relevant employment.

Plans were put in place in 2012 to broaden considerably the University's integrated work placement programme and practice-based components of its curriculum, in order to increase mechanisms for industry engagement in curriculum development and also to ensure that its graduates are well-equipped and prepared for employment in their chosen careers. The work of the Cooperative Education Unit in assigning more than 200 Science and Engineering students annually to industry work placements is a model for similar initiatives in other faculties. For students, the benefits are many and varied: they

- gain practical experience in their field of study, often solving real problems in the workplace
- understand how course material is applied and its relevance under practical situations, which can help increase motivation
- build contacts with professionals in their area, which increases their chances of being offered a full-time job
- develop interpersonal and communication skills and a professional outlook
- gain valuable career information to make better decisions about future employment.

The benefits for the University are also extensive and include

- constructive liaison with, and input from, a range of employers, with potentially large spin-offs for research and teaching
- increased motivation for students to learn and to appreciate the value of education and its place in their future
- promotion of the University's profile, students and degrees.

A programme of 'enterprise scholarships' has been established from 2012, funded jointly by industry and the University, and providing Year 3 bachelors and masters students with industry internships during their studies, particularly in the areas of science, technology and engineering.

2012 Highlights

- The University awarded two Honorary Doctorates:
 - Campbell Smith, artist, poet and playwright, received an Honorary Doctorate in recognition of his influence in shaping Hamilton's cultural identity.
 - Dr Roger Hill, founder and managing director of Hill Laboratories, received an Honorary Doctorate in recognition of his development of New Zealand's internationally respected analytical testing industry and support for the sciences in the Waikato.
- Dame Jocelyn Fish CBE, was presented with a University of Waikato Medal in recognition of her leadership and community endeavour, particularly in support of women.
- Three graduates of the University were honoured with Distinguished Alumni Awards:
 - Murray Sherwin CNZM, Head of the Productivity Commission, was recognised for his wide-ranging contribution to New Zealand's economic and agricultural growth and development.
 - Warren Gatland, Coach of the Welsh national rugby team, was recognised for his long and valued service to rugby as a player and a coach.
 - Karen Morrison, Director of Anglican Action, was recognised for her leadership in the field of social justice.

6. Performance Framework

- Four students received prestigious Fulbright awards:
 - Master of Management Studies student Kenny Bell was awarded a US\$25,000 Fulbright Ministry of Science and Innovation Graduate Award to study at the University of California, Berkeley.
 - Tanya O'Neill was awarded a Fulbright Travel Award to present her research on the effects of human activity on Antarctica internationally.
 - Masters student Lora Vaioleti received a US\$15,000 Fulbright Scholarship. Her research towards a Masters of Management and Sustainability involved using dialogue and futures thinking to help increase resilience to climate change in the Pacific, a region that is particularly vulnerable to climate change.
 - University of Waikato post-doctoral fellow Dr Te Raukura Roa was awarded a position as Fulbright Scholar-in-Residence at the University of Hawai'i to teach classes in Māori language and Māori performing arts and traditional song poetry.
- The University held its most successful winter public lecture series yet, with each of the five lectures attended by record numbers:
 - Dame Malvina Major presented a mini-master class on improving vocal technique.
 - Hamilton Mayor Julie Hardaker talked about her vision for Hamilton's future and Mike Pohio, CEO of Tainui Group Holdings discussed plans for the Ruakura Inland Port.
 - Professor Bob Evans, an expert in sustainable cities, discussed what's important for Christchurch and its rebuild and what Hamilton needs to do to enhance urban design, while University Environmental and Sustainability Coordinator Rachael Goddard showed how to be more environmentally friendly close to home.
 - Distinguished Alumni Warren Gatland talked about high performance and the highs and lows of life as a rugby player and coach at an international level.
 - Professor Jacqueline Rowarth and Professor Darrin Hodgetts provided insight into agribusiness, food production and food security, while local chef and restaurateur David Kerr talked about trends in the industry.
- Staff, students and alumni marked 25 years of Music programmes at the University. In 1987 programmes began with performance courses in piano and teaching. Now the Music programme offers teaching in many other instruments and full streams of music history, composition and digital technology, including Māori song and music in traditional and contemporary contexts.
- Staff, students and alumni also marked 10 years of the School of Engineering at the University and of the Bachelor of Engineering degree. All programmes in the degree have full accreditation from the Institute of Professional Engineers New Zealand, making our engineering qualifications professionally recognised in 13 countries and regions, including Australia, the UK and the USA.
- The Centre for Tertiary Teaching and Learning was established to coordinate the University's work in the areas of Student Learning, Teaching Development and eLearning.
- A bequest of \$500,000 to the University by Dr Zena Daysh was used to fund Dr Zena Daysh Doctoral Fellowships in Sustainability, available to postgraduate students across a wide range of subject areas. Dr Daysh was awarded an honorary doctorate in 2009 in recognition of her international contribution to human ecology and sustainable communities.
- The University received the first baseline report of the Graduate Longitudinal Study New Zealand which involves a survey of university graduates, exploring how they fare in the years following university in terms of their lifestyles, employment, career development and their health and well-being. Survey participants will be approached for follow-up surveys in two, five, and 10 years' time.

6.9 Enhanced workforce capability and capacity

A new Workforce Plan was developed and adopted in 2012 as part of the University's strategic planning framework. Most of the existing plans in the wider strategic planning framework have workforce implications and consequences, the most critical of which were used to identify the following objectives:

- Build academic programmes that take account of the University's academic commitments to be flexible, interdisciplinary, sustainable, collaborative and employment-focused.
- Optimise research and development opportunities.
- Achieve excellence through academic scholarship, specialisation and distinctiveness.
- Continuously improve academic organisational structures to align with strategic priorities.
- Organise central and faculty structures to work seamlessly to deliver excellent service.
- Plan for workforce succession and renewal.
- Provide mechanisms to recognise staff success.
- Develop and apply effective leadership and management.

6. Performance Framework

- Encourage workforce diversity and support equal employment opportunity for all staff.
- Enable community engagement.
- Foster technological literacy and advancement.

A staff engagement survey was conducted in 2012, three years after the first survey of that kind. The overall response rate improved, and the scores in two key categories 'Leadership' and 'Job Satisfaction' also improved. The results were used to inform the development of an integrated annual staff development programme for 2013, the University's EEO programme and also a review of the University's professional goal-setting process and continual professional development framework.

An Equal Employment Opportunity (EEO) Programme 2012-2015 was approved by Council in August 2012 and will provide a framework for future reporting on EEO activities and progress.

The five objectives of the EEO programme are

- to improve the representation and participation of women, Māori and Pacific peoples across all sectors of the University
- to provide a work environment where Māori staff are well represented, valued and included, particularly in senior leadership roles
- to be a 'Good Employer' in the Waikato Region by providing flexible working opportunities, better access to employment, and on-going support for family care-givers at the University of Waikato
- to increase the number of female and Māori professors and associate professors to then provide research leadership and development for women and Māori within their disciplines
- to increase the number of women in senior leadership roles.

The key indicators in the EEO programme include the percentage of women, Māori and Pacific peoples in senior positions, the percentage of Māori and Pacific peoples on staff, and responses to work-life balance in the two-yearly staff engagement survey. The aims of the first phase of the programme are

- to improve the representation of women, Māori and Pacific peoples
- to move Māori representation from 9% to 21% of the total staff FTE and Pacific peoples' representation from 1% to 3.5%, in order to be consistent with regional demographics by 2015
- to continue to increase the number of women professors and associate professors; in 2012 Waikato had the highest percentage of all New Zealand universities.

The staff engagement survey provides information on perceptions of work-life balance by gender. Data are available for 2009 and 2012 and show that, against three of the four indicators, women have more positive perceptions of work-life balance than their male colleagues. These perceptions have improved since 2012. Women's emotional wellness at work has also improved - up 2% since 2009 - but is still lower than that of their male counterparts.

In 2012 the University supported a range of activities to strengthen performance against the key indicators:

- The fourth annual Women in Leadership Day had a theme of 'Leadership in Action'. Over 200 women from the University and partner organisations attended. Speakers and workshops provided motivation and skills for taking action in areas including goal setting, mental mapping, developing networks and harnessing strengths and passions.
- Support continued for the Universities New Zealand Women in Leadership programme; three academic and two general staff attended the programme.
- The University's quarterly EEO newsletter *Equality Matters* was launched. It provides a forum to discuss EEO activities, report progress against the programme and address EEO questions.
- The Gender Research Network and the Women Professors' Network met throughout 2012. Both groups assisted with the development of the EEO programme. The Network provided valuable assistance to those investigating issues of gender, sexuality, race, class, identities, feminism difference, exclusion and social justice.

2012 Highlights

- Two staff won national Ako Aotearoa Tertiary Teaching Excellence Awards. Chris Brough was the recipient of an award for Sustained Excellence in Tertiary Teaching and Sophie Nock received an award for Sustained Excellence in Tertiary Teaching in a Kaupapa Māori context.
- Chris Brough also won the 2012 Next Magazine Woman of the Year award in the Education category.

6. Performance Framework

- Four staff won Kudos Hamilton Science Education Awards, awards that recognise the significance of Hamilton and its wider region as a hothouse of science innovation:
 - Professor Cam Nelson won the University of Waikato Lifetime Achievement award.
 - Professor David Hamilton won the Environmental Science award.
 - Dr Mike Duke won the Hill Laboratories Science Entrepreneur award.
 - Ms Rachael Goddard won the Wintec Secondary Science Teacher/Communicator/Educator award.
- Two staff were admitted to the International Adult and Continuing Education Hall of Fame:
 - Professor Brian Findsen's research focuses on older learners - 50-80 year olds. He has worked in the adult and continuing education sector for more than 30 years in New Zealand and overseas.
 - Dr Timote Vaoleti is the first Pacific Islander to be admitted into the Hall of Fame. Dr Vaoleti is Tongan and alongside his teaching and research serves on numerous public and private advisory groups and panels on Pacific development.
- Dr Ray Harlow received an award of the title of Honorary Fellow of the University of Waikato. Dr Harlow was central to the establishment of linguistics as a subject area during his 20-year career at Waikato. He developed a specialisation in Polynesian languages, and was instrumental in establishing the University of Waikato as a centre of study in te reo Māori. He was a founding member of the Māori Language Commission, and is the author of a number of Māori language reference works.
- The University welcomed Dame Malvina Major, GNZM, DBE, and Honorary Doctor of the University, to the staff as a Senior Fellow in Music. In the June 2012 Queen's Birthday and Diamond Jubilee Honours List, Dame Malvina was made one of four Additional Members appointed to the highest honour in this country - the Order of New Zealand.
- Plans progressed for a multi-million dollar building to house the Faculty of Law, Waikato Management School's Centre for Corporate and Executive Education and student services. Tendering is expected to take place during 2013 and it is anticipated construction will be completed in early 2015.
- A comprehensive review of the University's committee framework was undertaken, resulting in a new structure intended to better facilitate and enhance communications, understanding and focus, and foster a constructive and collegial culture and effective leadership.
- A Staff Engagement Survey, following on from a similar survey held in 2009, was conducted in 2012, with 1126 of the University's 1670 staff participating. The University scored equal to or better than other universities in 19 areas out of the 35 that could be benchmarked against and received scales of excellent for Job Satisfaction, Position Clarity and Teamwork.
- The annual General Staff Professional Development Day was held in October and focused on career development. This was a topic identified in the Staff Engagement Survey as an area of interest to many staff.
- The University recognised the value of its staff through its annual Staff Excellence Awards:
 - Associate Professor Priya Kurian was awarded the Research Postgraduate Supervision Excellence award.
 - Dr Kirstie McAllum received the award for Early Career Teaching Excellence and Dr Daniel Laughlin the Early Career Research Excellence award.
 - David Vega Morales, Mary Dalbeth, Alison Saunders and Ray Hayward were presented with awards for Administrative Excellence; Janice Campen, Helen Nicol and Helena Wang received a team award for Administrative Excellence.
 - Ms Karleen Purchase received the Health and Safety award.
 - Gemma Piercy and Dr Kirstine Moffatt received awards for Teaching Excellence.
 - Dr Garry Falloon received the Nola Campbell Memorial eLearning Excellence Award.
 - Milo Roth was posthumously awarded the Vice-Chancellor's Special Award.
 - Ray Hayward was awarded the Vice-Chancellor's Medal for Staff Excellence.
- Eight new professors were appointed.

6.10 Effective risk management

A new approach to risk management was adopted by the University in 2011 and became fully integrated as a core dimension of strategic planning and monitoring processes in 2012. As part of the 'strategic' component of the risk management framework, high-level strategic risks are identified, mitigated and monitored. The second component of the framework involves a register of risks associated with individual plans in the University's strategic planning framework, which are also identified, mitigated and monitored; 'owners' of major change projects assess and identify risks as part of their project development and reporting. The third component of the framework relates to 'business as usual', and involves the following main components:

6. Performance Framework

- regular reviews and surveys of policies and policy compliance
- regular updates and surveys of legislative compliance
- an annual programme of internal audits (which also take account of external audit findings and recommendations)
- academic quality assurance processes undertaken internally and regular academic audits conducted by the Universities New Zealand Academic Audit Unit.

In 2012, internal audits were completed and risk mitigations identified across a variety of the University's activities and processes.

Three major new projects were initiated to address particular areas of risk, namely Business Continuity Planning and Management, IT Security and ICT Disaster Recovery.

6.11 Effective financial and capital asset management

The financial management framework within which the University of Waikato operates is robust. It is underpinned by a high-level Finance Plan, the purpose of which is to guide the management of the University's finances in a manner that ensures financial growth, diversity, security, resilience and sustainability. The four key goals of the Plan are to

- ensure that the University is financially sustainable through the effective and efficient use of all resources
- apply a budget model and financial planning processes that are transparent, relevant, efficient, realistic and effective in supporting the achievement of the University's short, medium and long-term strategic goals
- ensure that financial management information is consistently accurate and timely and facilitates operational and strategic decision-making
- identify, evaluate, mitigate and manage financial risks associated with University strategy.

Financial models and systems are maintained to enable the University to forecast future revenue and expenditure streams, cashflows and capital expenditure for the short, medium and long-term. The University maintained its 'Low Risk' rating against the Tertiary Education Commission's Financial Monitoring Framework in 2012.

As part of the University's capital planning framework, a Hamilton Campus Development Plan has been developed and serves as its key building, infrastructure and urban design planning tool. This Plan is lodged with both the University's landlord, Tainui Group Holdings, and the Hamilton City Council, and forms the basis of forward capital planning under the Major Facilities Zone of the Hamilton City Council District Plan.

The objectives defined in the Hamilton Campus Development Plan are the framework for the University's capital development. Those objectives relate to

- sustainable development
- sense of place
- built environment
- landscape environment
- transportation and parking
- town and gown integration
- development and process.

The University's capital development planning takes account of a number of diverse factors, including building condition audit data, enrolment projections, space-to-EFTS ratios and student numbers-to-EFTS ratios. It also takes account of trends and projections - both within this University as well as nationally and globally - associated with research, modes of teaching delivery and technology.

A number of major capital development projects were set in train in 2012 and include

- the refurbishment of the College Halls of Residence
- the construction of a new entrance to the Faculties of Computing and Mathematical Sciences and Science and Engineering, which will include a permanent location for the University's Environmental Research Institute
- the construction of a new Law/Management building to replace Faculty of Law's existing pre-fabricated accommodations.

The University is working closely with the regional and district councils, iwi, community agencies and other stakeholder groups in the Bay of Plenty, as well as its partner organisations – the Bay of Plenty Polytechnic and Te Whare Wānanga o Awanuiārangi – to advance a proposal for a new research-led campus development in Tauranga.

6. Performance Framework

6.12 Effective governance

The membership of the University of Waikato Council is listed in section 10.

Collectively with other members of Universities New Zealand, the Chancellor and Vice-Chancellor engaged with the Minister for Tertiary Education, Skills and Employment throughout 2012 about governance structures and ideas for improving university governance, whether with or without regulatory change. The discussions with the Minister are on-going.

The University of Waikato Council evaluates its performance annually, not only in terms of Government's expectations and its functions and duties set down in the Education Act 1989, but also in terms of the way in which it conducts its business. Across all aspects of the 2012 self-evaluation, the results were very positive; examples of where Council was considered to have added particular value were identified, together with suggestions for enhancing Council's effectiveness even further.

6.13 Compulsory Student Services Fees for 2012

Under the *Ministerial Direction on Compulsory Student Services Fees for 2012*, the University is required to disclose the services funded out of the compulsory student services fee and provide a statement of the fee income and expenditure for each type of student service. A breakdown of 2012 actual costs and income by service category is set out below:

Service Category	Total Costs	Total Income	Net Cost
Advocacy and legal advice	\$191,112	-	\$191,112
Careers information, advice and guidance. Employment information	\$93,998	\$11,660	\$82,338
Counselling services and pastoral care	\$1,377,977	\$344,489	\$1,033,488
Financial support and advice	\$567,176	-	\$567,176
Health services	\$1,383,491	\$604,139	\$779,352
Media	\$50,000	-	\$50,000
Childcare services	\$216,200	-	\$216,200
Clubs and societies	\$124,000	-	\$124,000
Sports, recreation and cultural activities	\$301,500	-	\$301,500
Total	\$4,305,454	\$960,288	\$3,345,166
		<i>Less Student Services Levy</i>	<i>\$2,575,093</i>
		(Over)/Under Recovery	\$770,073

1. Core Waikato means the area within the boundaries of Hamilton City Council, Waikato District Council and Waipa District Council.
2. Waikato Regional Council is based on nine District Councils (Thames-Coromandel, Hauraki, Waikato, Matamata-Piako, Waipa, Otorohanga, South Waikato, Waitomo, Taupo) and Hamilton City Council.
3. Hughes, W. (2013).
4. Jackson, N. (2011).
5. Statistics New Zealand. (2009).
6. Infometrics Limited. (2011e).
7. Infometrics Limited. (2011a).
8. Department of Labour. (2011).
9. Tertiary Education Commission. (2012).
10. Statistics New Zealand. (2011).
11. Waikato Regional Council. (2012).
12. Priority1. (2010).
13. Infometrics Limited. (2011b).
14. Infometrics Limited. (2011d).
15. Infometrics Limited. (2011c). *Labour Market and Economic Profile - Northland*.

7. 2012 Student and Enrolment Profile

7.1 Subjects and qualifications

In 2012, approximately 80 qualifications were offered, including 20 undergraduate degrees, 38 graduate degrees, eight postgraduate degrees and a wide range of specialist certificates and graduate and postgraduate diplomas. Students were able to choose from over 200 different subjects, delivered in a variety of classroom, mixed media, distance and e-learning modes.

7.2 2012 student profile ¹

Contribution to national university provision

Based on the most recently published data on tertiary participation nationally (TEC, 2012) the University of Waikato enrolls:

- approximately 7% of New Zealand's domestic university students
- approximately 15% of New Zealand's Māori university students
- approximately 6% of New Zealand's Pacific university students.

Chart 1: EFTS by funding source

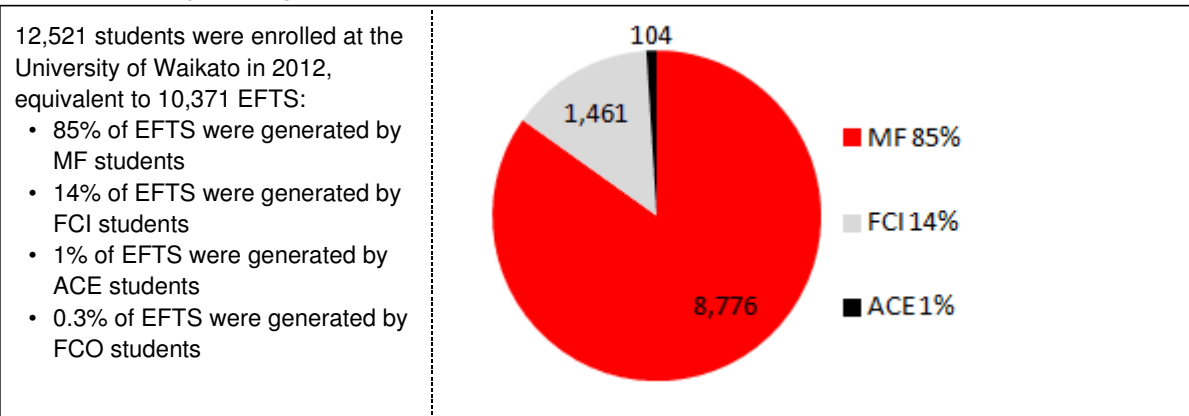


Chart 2: EFTS by level

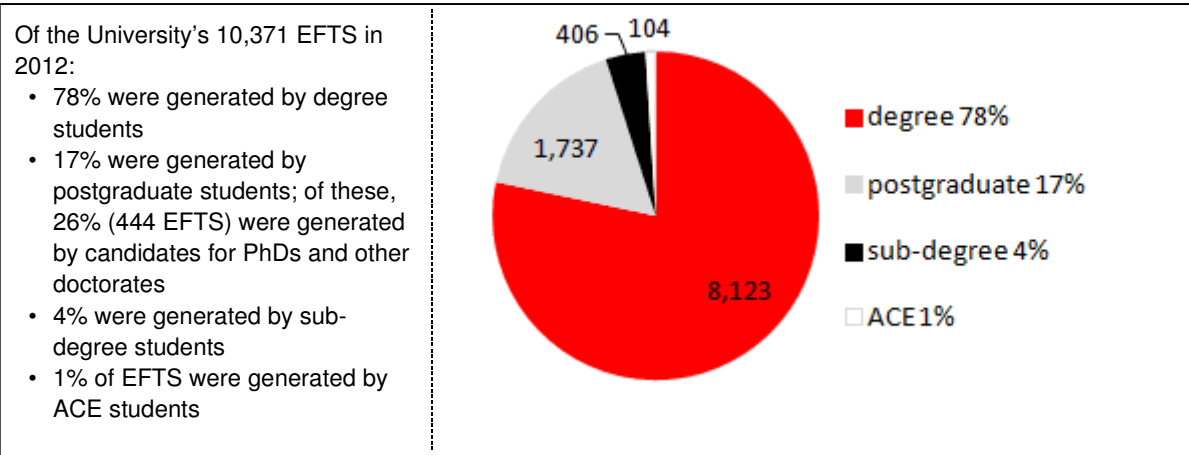
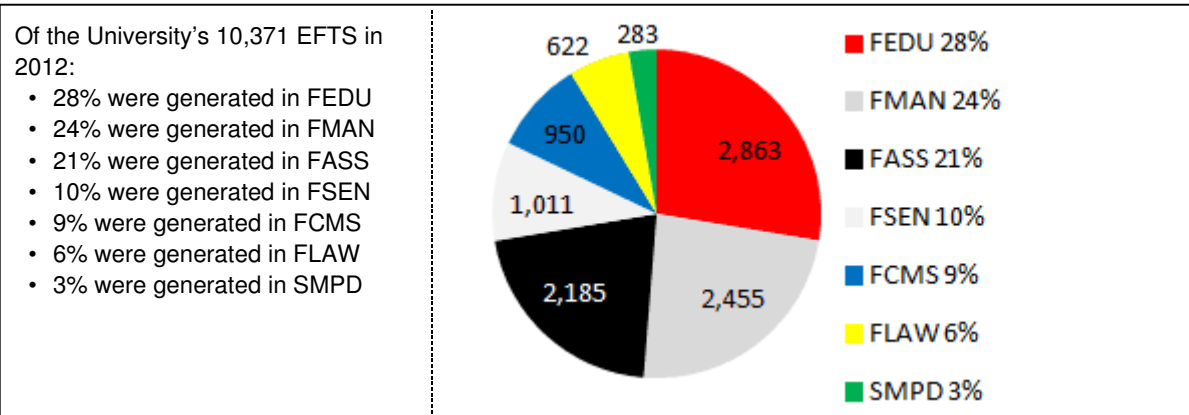


Chart 3: EFTS by faculty



7. 2012 Student and Enrolment Profile

Chart 4: Qualification completions

3,570 students completed 3,766 qualifications in 2012, of which:

- 56% were degree-level qualifications
- 30% were postgraduate qualifications (excluding MPhil and doctorates)
- 15% were foundation certificates
- 2% were MPhil and doctorates

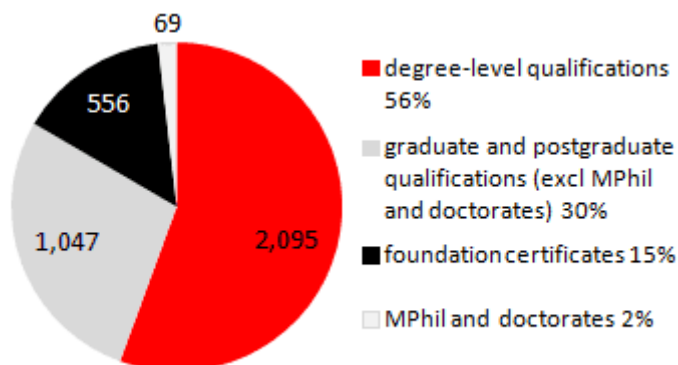


Chart 5: New and returning students

Of the University's 12,521 students in 2012:

- 71% were returners
- 29% were new to the University of Waikato

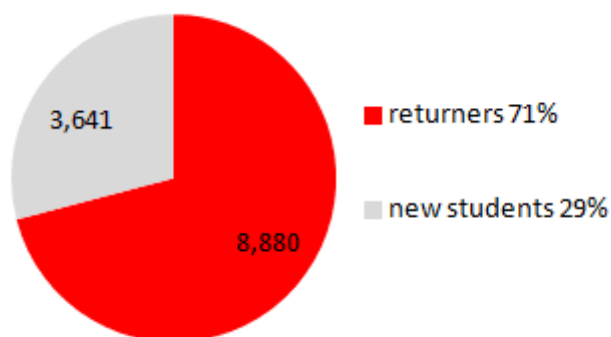


Chart 6: Transition to University of Waikato

Of the University's 3,641 new students in 2012:

- 48% had previously studied at another tertiary organisation
- 38% were school-leavers
- 15% were new to tertiary study (and not school-leavers)

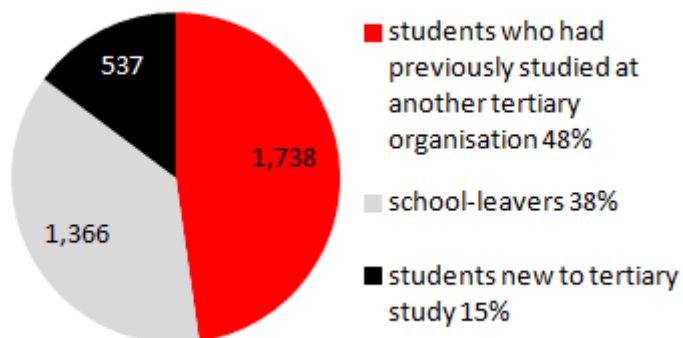
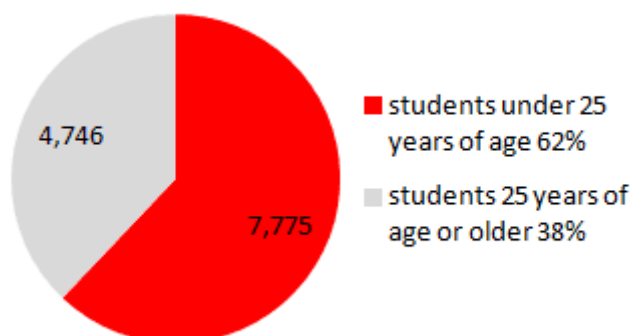


Chart 7: Age profile ²

Of the University's 12,521 students in 2012:

- 62% were under 25 years of age
- 38% were 25 years of age or older



7. 2012 Student and Enrolment Profile

Chart 8: Citizenship

Of the University's 12,521 students in 2012:

- 85% had domestic citizenship
- 15% had international citizenship (and not domestic citizenship)

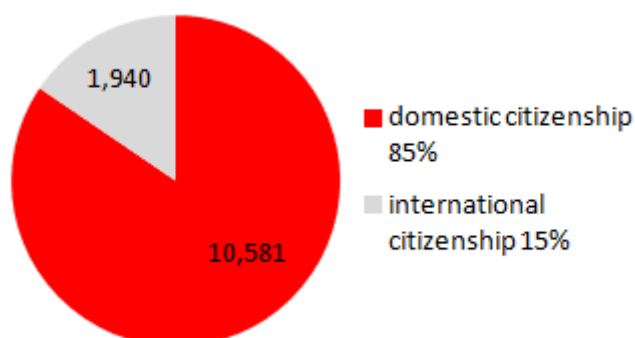


Chart 9: Origins of domestic students³

Of the University's 10,581 domestic students in 2012:

- 75% came from the Waikato and Bay of Plenty regions
- 14% came from the University's inner and outer peripheries
- 5% came from the Auckland region
- 1% came from the Wellington region
- 1% came from the South Island
- 4% came from overseas

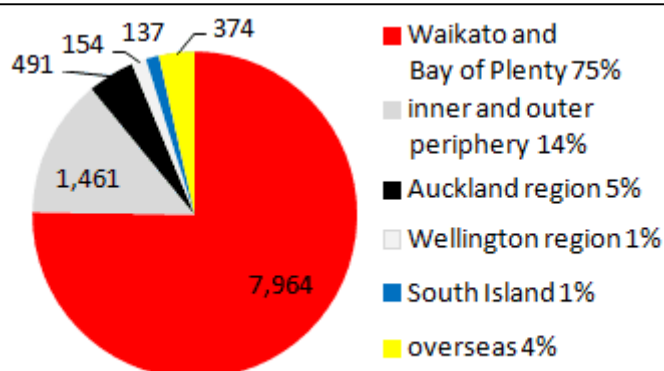


Chart 10: Origins of international students⁴

Of the University's 1,940 international students in 2012:

- 46% came from China
- 23% came from other parts of Asia
- 13% came from the Middle East
- 5% came from Europe
- 6% came from America
- 6% came from the Pacific Islands
- 1% came from other parts of the world

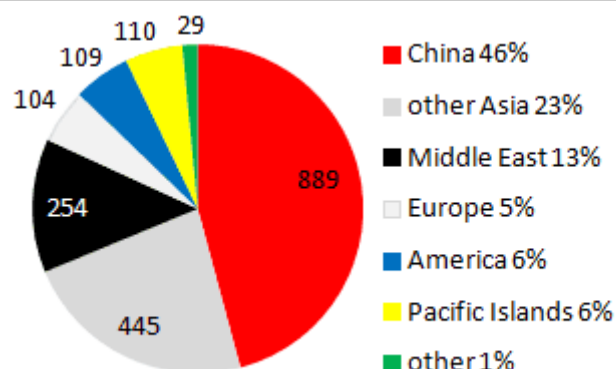
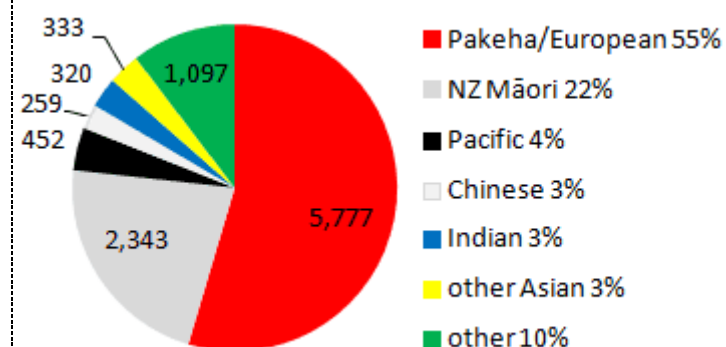


Chart 11: Ethnicity of domestic students

Of the University's 10,581 domestic students in 2012:

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



7. 2012 Student and Enrolment Profile

Chart 12: Distribution of Māori EFTS

Of the 1,945 EFTS generated by Māori students in the University in 2012:

- 31% were generated in FEDU
- 20% were generated in FASS
- 19% were generated in FMAN
- 12% were generated in SMPD
- 7% were generated in FLAW
- 5% were generated in FCMS
- 5% were generated in FSEN

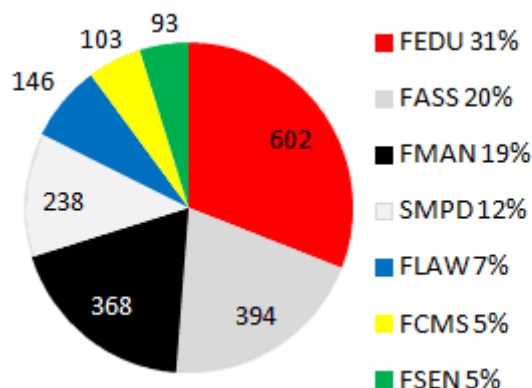
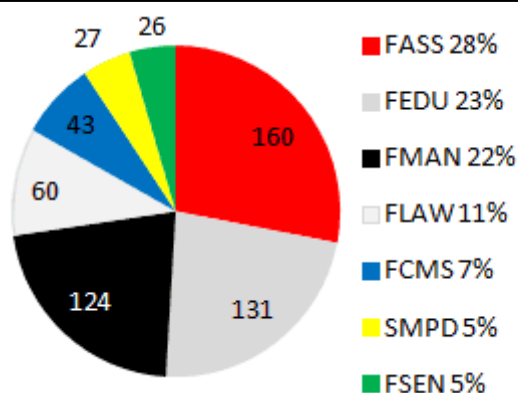


Chart 13: Distribution of Pacific EFTS

Of the 571 EFTS generated by Pacific students in the University in 2012:

- 28% were generated in FASS
- 23% were generated in FEDU
- 22% were generated in FMAN
- 11% were generated in FLAW
- 7% were generated in FCMS
- 5% were generated in FSEN
- 5% were generated in SMPD



Tauranga enrolments

6% (614 EFTS) of the University's EFTS in 2012 were generated by students enrolled in papers delivered in Tauranga. Of those

- 99% (610 EFTS) were MF EFTS and
- 1% (4 EFTS) were FCI EFTS.

Adult and Community Education enrolments

1% (104 EFTS) of the University's EFTS in 2012 were generated by students enrolled in ACE courses.

7. 2012 Student and Enrolment Profile

7.3 FCI student trends

The University's FCI EFTS peaked in 2003 (at 2,893 EFTS), at which time they made up almost 25% of total EFTS, and remained at approximately that level through to 2006. However, like most other New Zealand tertiary providers, the University experienced a severe downturn in the international student market in 2007 and has yet to recover those numbers.

In 2012, FCI EFTS (1,461 EFTS) were 14% of total EFTS and represented a shortfall of almost 7% against budgeted target (1,570).

FCI students from 68 countries were enrolled at the University in 2012, although only 20 of those countries contributed 5 or more FCI EFTS.

Students from these 20 countries generated 95% of the University's FCI EFTS (1,380 FCI EFTS) in 2012.

Six of these top 20 countries generated more FCI EFTS in 2012 than in 2011. Students from China generated 771 FCI EFTS (53% of total FCI EFTS); this was 33 more (4% higher) than the number generated by students from China in 2011. Other increases were from Solomon Islands (+7); Malaysia (+3); Kuwait (+14); Tonga (+6); Timor-Leste (+3).

Students from Saudi Arabia generated 174 FCI EFTS (12% of total FCI EFTS) in 2012, 20% less than in 2011 (217 FCI EFTS).

The export education market is extremely competitive, with the unfavourable exchange rate continuing to make New Zealand a less desirable destination for tertiary education. The University has therefore taken a more strategic approach to international collaborations and partnerships in recent years, and adopted a regional approach to recruitment as well as other dimensions of internationalisation. A lifting of the institution's performance and profile in international benchmarking surveys, the introduction of postgraduate programmes that are more attractive to international students, including 180-point Masters qualifications, and the introduction in 2012 of High Performance Scholarships for international students are positive steps towards increasing our international enrolments.

7.4 Māori student trends

2,343 Māori students enrolled in formal programmes at the University of Waikato in 2012. This number was very similar to the number enrolled in 2011 (2,339). The proportion of Māori students as a proportion of all students was also stable.

EFTS generated by Māori students made up 19% of the University's overall EFTS in 2012. When measured as a proportion of MF EFTS, the proportion has fluctuated between 21-23% (22% in 2012) over the last decade. In its Investment Plan for 2013-2015, the University has reaffirmed its commitment both to increasing the number of Māori students (in EFTS terms) and improving performance outcomes (as measured by the TEC through the Educational Performance Indicators).

7.5 Pacific student trends

668 Pacific students (both MF and FCI) enrolled in assessed programmes at the University in 2012, 79 more than in 2011. As EFTS and as a proportion, these were the highest numbers ever enrolled at the University of Waikato.

Pacific students generated 571 EFTS and made up 5.5% of the University's total EFTS, an increase from 4.8% in 2011.

The majority of Pacific student EFTS were generated in the University's three largest faculties, namely Arts and Social Sciences, Education and Management; the growth in 2012 was largely in the Faculty of Education and the Faculty of Arts and Social Sciences (over a wide range of subjects).

Of the 571 EFTS generated by Pacific students in 2012, 489 were generated by MF students and 79 by FCI students; the remainder were generated by FCO students. In line with the Government's Tertiary Education Strategy, the University has made a strong commitment to further increases in MF Pacific EFTS over the next three years.

7. 2012 Student and Enrolment Profile

7.6 Enrolment trends in the faculties

Faculty of Arts and Social Sciences

In 2012, the Faculty of Arts and Social Sciences (FASS) generated 6% more EFTS than in 2011, due primarily to on-going strong MF demand at undergraduate level. The Faculty's MF EFTS at undergraduate level have grown steadily since 2008, and in 2012 the Faculty exceeded its MF undergraduate target by 13%. Its MF TPG and RPG numbers remained steady.

The 1,951 MF EFTS generated by FASS in 2012 were the highest number since 2003 (1,936 MF EFTS in 2003) and represented 23% growth since 2008. FASS contributed 22% of the University's total MF EFTS.

FASS was one of only two faculties to achieve their FCI targets and one of only three faculties to increase their FCI EFTS in 2012. Its FCI EFTS grew by 11%, from 206 FCI EFTS in 2011 to 228 FCI EFTS in 2012. The FCI growth (+20 EFTS) was mainly at degree-level. FCI TPG EFTS grew by 2 to 25. The Faculty contributed 16% of the University's total FCI EFTS.

87% of total EFTS in the Faculty in 2012 were generated by domestic students. International students generated 13% of its EFTS. Of EFTS generated by international students in 2012, the largest number was generated by students from China (139 EFTS, 50%) and USA (22 EFTS, 8%).

In 2012, more EFTS were generated by Māori students in FASS than in any other Faculty except the Faculty of Education. 394 EFTS were generated by Māori students in FASS in 2012, 12% higher than the 351 EFTS generated in the Faculty in 2011. Māori EFTS made up 18% of all FASS EFTS.

FASS had more EFTS generated by Pacific students than any other Faculty in the University. In 2012, Pacific students generated 146 MF EFTS and 14 FCI EFTS, 26% higher than the 127 EFTS (115 MF, 12 FCI) generated in 2011. Pacific EFTS made up 7% of all EFTS in FASS.

The Faculty is structured into three schools. The biggest school in 2012 was the School of Social Sciences with 970 EFTS; the largest subjects in this school were Political Science and Public Policy (173 EFTS) and Philosophy (166 EFTS). The School of Psychology generated 445 EFTS in 2012 and was the largest subject in the Faculty. The School of Arts generated 738 EFTS in 2012 with its largest subjects being Screen and Media Studies (223 EFTS), English (147 EFTS) and General and Applied Linguistics (133 EFTS).

Chart 14: FASS – 2012 MF EFTS

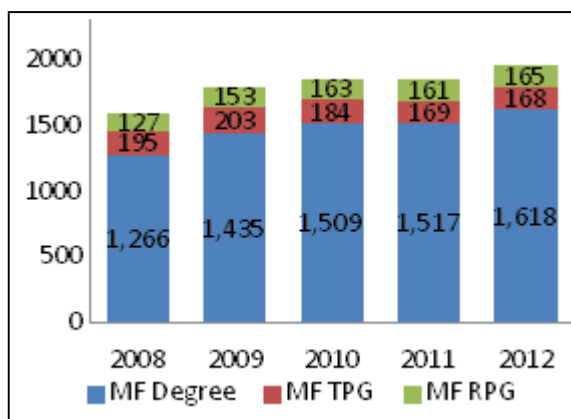


Chart 15: FASS – 2012 FCI EFTS

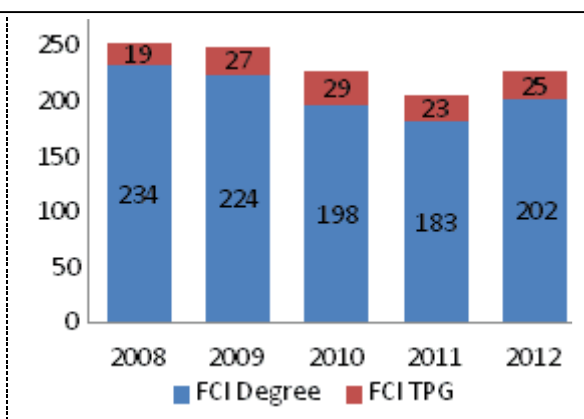
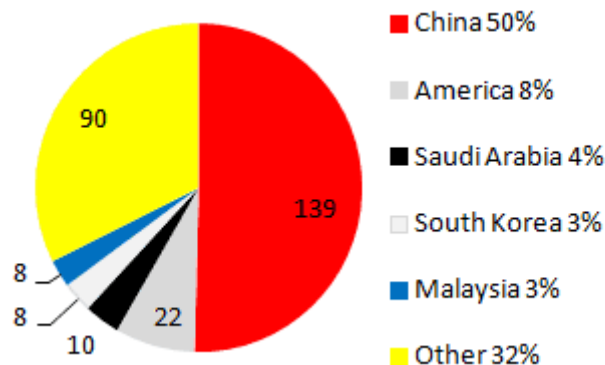


Chart 16: Origins of international students (FASS) ⁵

Of the Faculty's 277 EFTS generated by international students in FASS in 2012:

- 50% came from China
- 8% came from America
- 4% came from Saudi Arabia
- 3% came from South Korea
- 3% came from Malaysia
- 32% came from other countries



7. 2012 Student and Enrolment Profile

Faculty of Computing and Mathematical Sciences

Enrolments in 2012 in the Faculty of Computing and Mathematical Sciences (FCMS) increased for the fourth consecutive year, and exceeded both MF and FCI targets. FCMS contributed 9% of the University's total MF EFTS in 2012.

Its MF EFTS were 9% higher than in 2011 and have grown 29% since 2008. Degree-level EFTS increased from 647 EFTS in 2011 to 695 EFTS in 2012, an increase of 7%. While the Faculty's RPG EFTS declined by 2 EFTS (5%), its TPG MF EFTS increased by 21 EFTS (59%).

The Faculty's FCI EFTS grew 5%, from 147 FCI EFTS in 2011 to 154 FCI EFTS in 2012, with the growth generated almost entirely in the Department of Computer Science. FCI TPG EFTS increased slightly from 21 to 24 EFTS. The Faculty contributed 16% of the University's total FCI EFTS in 2012.

83% of total EFTS in the Faculty in 2012 were generated by domestic students. International students generated 17% of its EFTS. Of EFTS generated by international students in 2012, the largest numbers were generated by students from China (63 EFTS, 38%) and Saudi Arabia (59 EFTS, 35%). The number of EFTS generated by students from China in 2012 remained steady (2011: 63, 2012: 63). EFTS generated by students from Saudi Arabia increased from 48 EFTS in 2011 to 59 EFTS in 2012, an increase of 23%. (FCMS had only 2 EFTS in 2008.)

In 2012, 103 EFTS were generated by Māori students in FCMS, 7% fewer than the 111 EFTS generated in 2011. Māori EFTS made up 13% of total FCMS EFTS and were primarily (91%) at degree-level.

In 2012, Pacific students in FCMS generated 36 MF EFTS and 7 FCI EFTS, 30% higher than the 33 EFTS (29 MF, 4 FCI) generated in 2011. Pacific EFTS made up 5% of total EFTS in FCMS. 90% of Pacific EFTS in the Faculty were at degree-level.

The Department of Computer Science saw more growth over 2011 than any of the Faculty's other departments and contributed approximately 65% of overall EFTS for the Faculty.

Chart 17: FCMS – 2012 MF EFTS

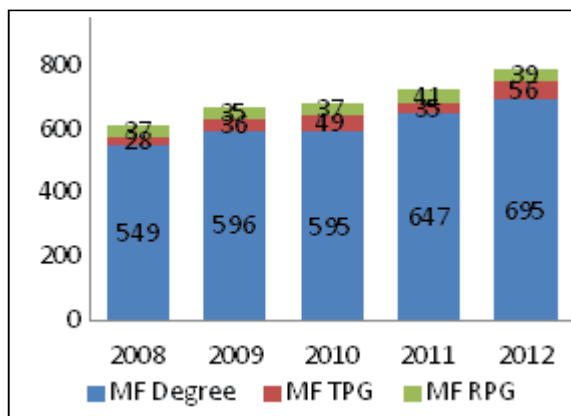


Chart 18: FCMS – 2012 FCI EFTS

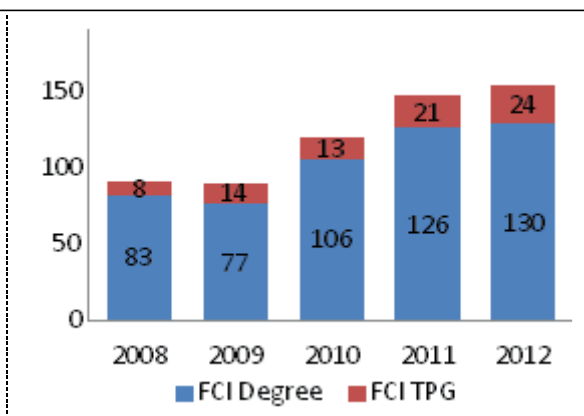
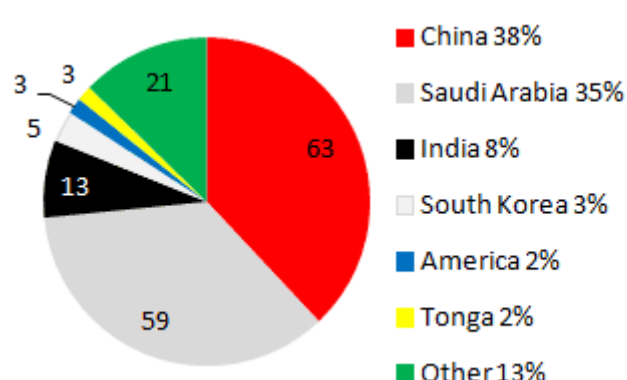


Chart 19: Origins of international students (FCMS) ⁶

Of the Faculty's 166 EFTS generated by international students in FCMS in 2012:

- 38% came from China
- 35% came from Saudi Arabia
- 8% came from India
- 3% came from South Korea
- 2% came from America
- 2% came from Tonga
- 13% came from other countries



7. 2012 Student and Enrolment Profile

Faculty of Education

In line with its intention to maintain MF enrolments at a stable level following a period of significant growth in 2009-2010, the Faculty of Education (FEDU) increased its EFTS in 2012 by just 1% over 2011 (its MF EFTS have increased by 22% since 2008). The 2,298 MF EFTS achieved by the Faculty in 2012 are the highest number of MF EFTS ever generated by FEDU. While MF TPG EFTS were steady between 2011 and 2012, RPG EFTS (related primarily to PhD and Master of Education enrolments) increased by 13 EFTS (17%). FEDU contributed 26% of the University's total MF EFTS in 2012.

Excluding the Pathways College, FCI EFTS in FEDU made up only a small part of its mix (55 FCI EFTS, 2% of total FEDU EFTS in 2012), 5 EFTS fewer than in 2011. The Pathways College offers assessed and non-assessed English Language programmes almost exclusively to FCI students. In 2012, the Pathways College generated 405 FCI EFTS, 48 EFTS (12%) fewer than in 2011. The lower number of FCI EFTS in 2012 was caused by a large decline in foundation students from Saudi Arabia - 41 EFTS (36%) fewer were generated by these students in 2012 than 2011.

The Faculty contributed 32% of the University's total FCI EFTS in 2012, with the Pathways College contributing 28% of the University's FCI EFTS by itself.

FEDU generated the most Māori EFTS of any Faculty in 2012. 602 EFTS were generated by Māori students in FEDU in 2012, 2% higher than the 588 EFTS generated in 2011. Māori EFTS made up 21% of all FEDU EFTS.

Of all faculties, FEDU (including the Pathways College) had the second largest number of EFTS generated by Pacific students in 2012. Pacific students generated 104 MF EFTS and 27 FCI EFTS, 22% higher than the 108 EFTS (83 MF, 25 FCI) that were generated in 2011. Pacific EFTS made up 5% of total EFTS in FEDU.

The Faculty delivered 104 ACE EFTS in 2012. From 2013, ACE funding will no longer be available and any non-assessed programmes of that type will be self-funding.

Chart 20: FEDU – 2012 MF EFTS

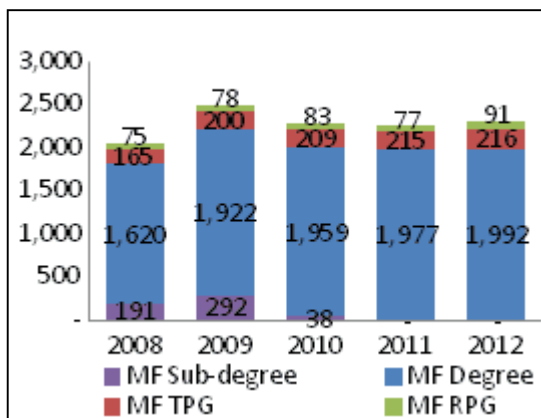


Chart 21: FEDU – 2012 FCI EFTS

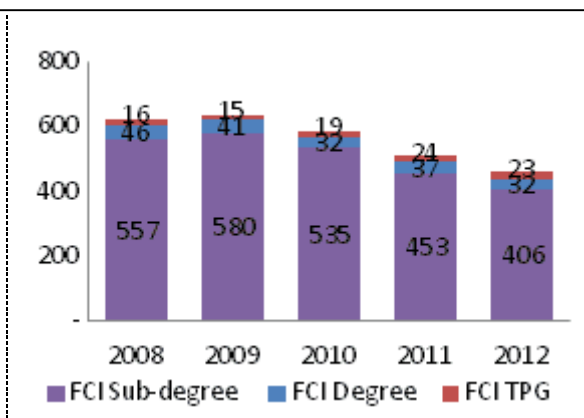
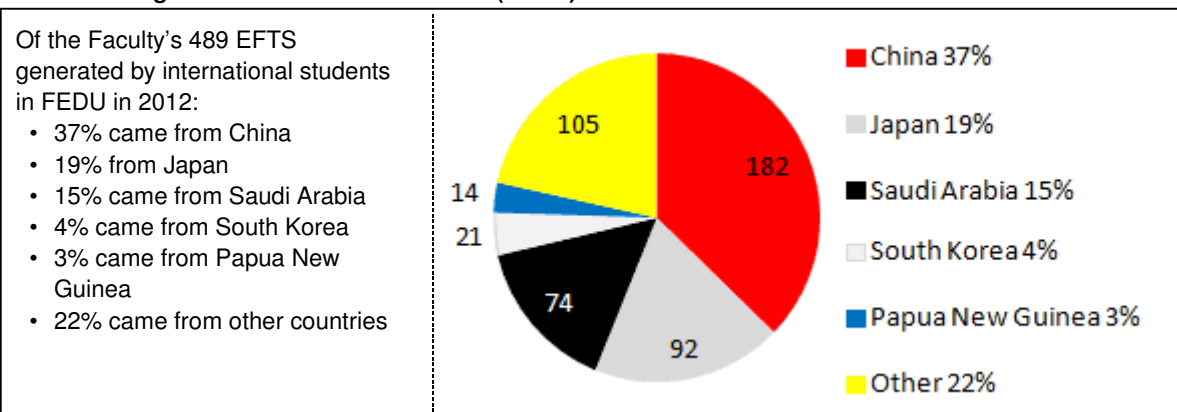


Chart 22: Origins of international students (FEDU) ⁷



7. 2012 Student and Enrolment Profile

Faculty of Law

After seven years of annual growth, MF EFTS in the Faculty of Law (FLAW) fell slightly, by 23 EFTS (4%) from 620 MF EFTS in 2011 to 597 MF EFTS in 2012. RPG EFTS remained steady at 2011 levels but MF degree-level EFTS dropped by 18 EFTS. Most of the decline was in the conjoint law programmes, while EFTS from the LLB increased, from 294 EFTS in 2011 to 308 MF EFTS in 2012.

While FCI EFTS in FLAW fell from 29 in 2011 to 25 in 2012, they still remain well above 2007-2009 levels and are 108% higher than in 2009.

95% of all EFTS in FLAW in 2012 were generated by domestic students. International students generated 5% (32 EFTS) of all EFTS in FLAW in 2012. Of EFTS generated by international students in 2012, the largest numbers were generated by students from Saudi Arabia (4.6 EFTS, 14%), Bangladesh (4.2 EFTS, 13%), and Germany (3.5 EFTS, 11%). The number of international students declined by 6 EFTS between 2011 and 2012. Numbers from Bangladesh increased (+3 EFTS); those from Canada (-3.5 EFTS), Germany (-1.5 EFTS), and Fiji (-3 EFTS) declined.

In 2012, 146 EFTS were generated by Māori students in FLAW, similar to the 144 EFTS generated in the Faculty in 2011. Māori EFTS made up 23% of all FLAW EFTS and 91% of those EFTS were at degree-level.

Pacific students generated 56 MF EFTS and 5 FCI EFTS in 2012, 7% fewer than the 66 EFTS (59 MF, 7 FCI) that were generated in 2011. Pacific EFTS made up 10% of total EFTS in FLAW, and 96% of those EFTS were at degree-level.

FLAW contributed 7% of the University's total MF EFTS in 2012 and 2% of the University's total FCI EFTS.

Chart 23: FLAW – 2012 MF EFTS

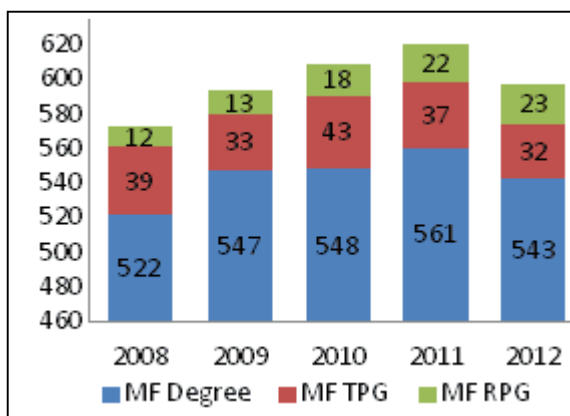


Chart 24: FLAW – 2012 FCI EFTS

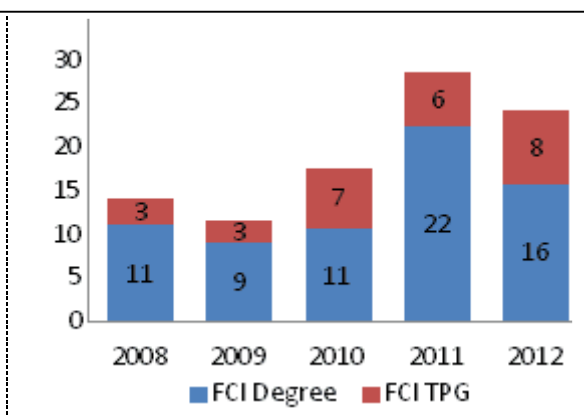
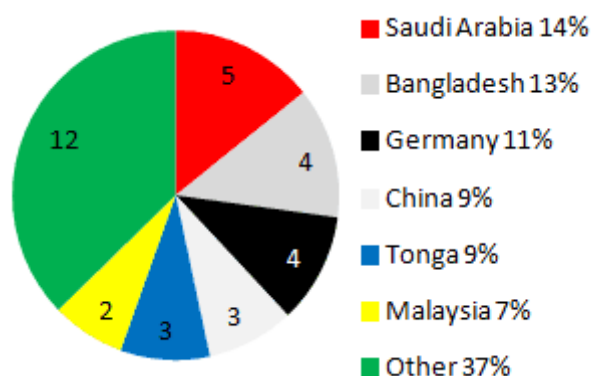


Chart 25: Origins of international students (FLAW) ⁸

Of the Faculty's 32 EFTS generated by international students in FLAW in 2012:

- 14% came from Saudi Arabia
- 13% came from Bangladesh
- 11% came from Germany
- 9% came from China
- 9% came from Tonga
- 7% came from Malaysia
- 37% came from other countries



7. 2012 Student and Enrolment Profile

Faculty of Management

The Faculty of Management (FMAN) contributed 24% of the University's total MF EFTS in 2012 and 36% of the University's total FCI EFTS.

Enrolments in FMAN in 2012 were lower than in 2011. MF EFTS in the Faculty peaked in 2009 at 2,042, and have declined slightly each year since then, to 1,914 in 2012. RPG EFTS remained steady between 2011 and 2012, with 98 RPG EFTS generated in the Faculty in 2012. A significant decline in MF TPG EFTS occurred in 2012. The 288 MF TPG EFTS generated in 2012 were 50 EFTS (15%) lower than in 2011.

The severe downturn in international enrolments had a major impact on FMAN, where FCI EFTS have declined from a 2005 high of 1,313 to 526 FCI EFTS in 2012. FCI degree-level EFTS in 2012 were 42 (10%) lower than in 2011. FCI TPG EFTS in 2012 were 15 EFTS (10%) lower than in 2011. New agreements with partner institutions in China and the approval of 180 point Masters programmes are just two initiatives that are expected to have a positive effect on enrolments, by international students in particular, from 2013.

76% of all EFTS in FMAN in 2012 were generated by domestic students. International students generated 24% of EFTS in FMAN in 2012. Of EFTS generated by international students in 2012, the largest number was generated by students from China (378 EFTS, 65%), a decline of 10 EFTS since 2011. Other countries that contributed a high number of EFTS from international students were India (45 EFTS, 8%) and Saudi Arabia (27 EFTS, 5%). International students from China generated 15% of total FMAN EFTS in 2012.

In 2012, 368 EFTS were generated in FMAN by Māori students, 24 EFTS (7%) higher than the 344 EFTS generated in 2011. Māori EFTS made up 15% of all FMAN EFTS. 78% of these EFTS were at degree-level, and 21% were at TPG level (a higher proportion at TPG level than in any other faculty).

In 2012, Pacific students generated 98 MF EFTS and 25 FCI EFTS, 4% more than the 119 EFTS (98 MF, 21 FCI) that were generated in 2011. Pacific EFTS made up 5% of total EFTS in FMAN. As with Māori students, a high proportion of Pacific students (20%) were enrolled at postgraduate level.

The Department of Accounting contributed 18% of the Faculty's overall EFTS and 20% of its MF EFTS in 2012, and continued to be the largest department in the Faculty even though, due largely to a relaxing of the requirements for professional accounting accreditation and a shift in demand from the BMS to the shorter BBA programme, its numbers fell by 22 MF EFTS (6%) and 24 FCI EFTS (24%) since 2011. The Department of Finance contributed 24% of the Faculty's FCI EFTS in 2012, and was one of two departments in the Faculty (the other being the Centre for Corporate and Executive Education) to increase its FCI EFTS in 2012.

Chart 26: FMAN – 2012 MF EFTS

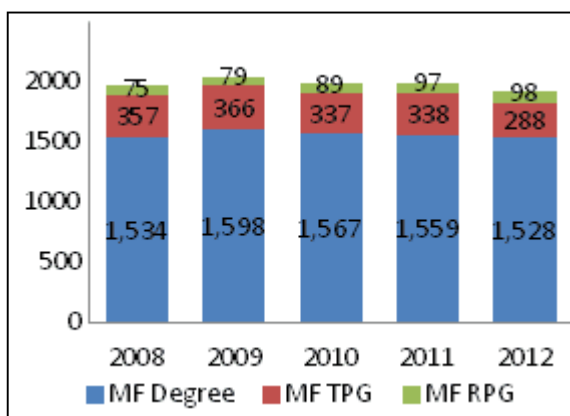


Chart 27: FMAN – 2012 FCI EFTS

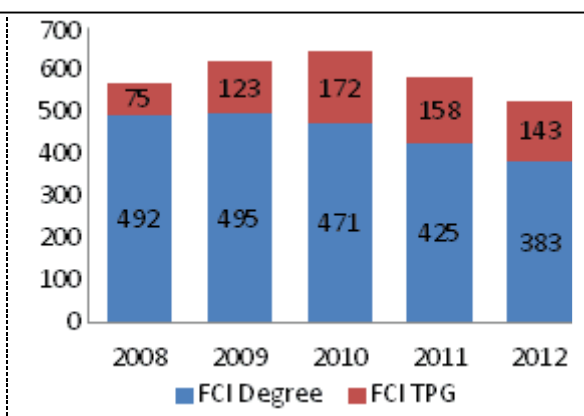
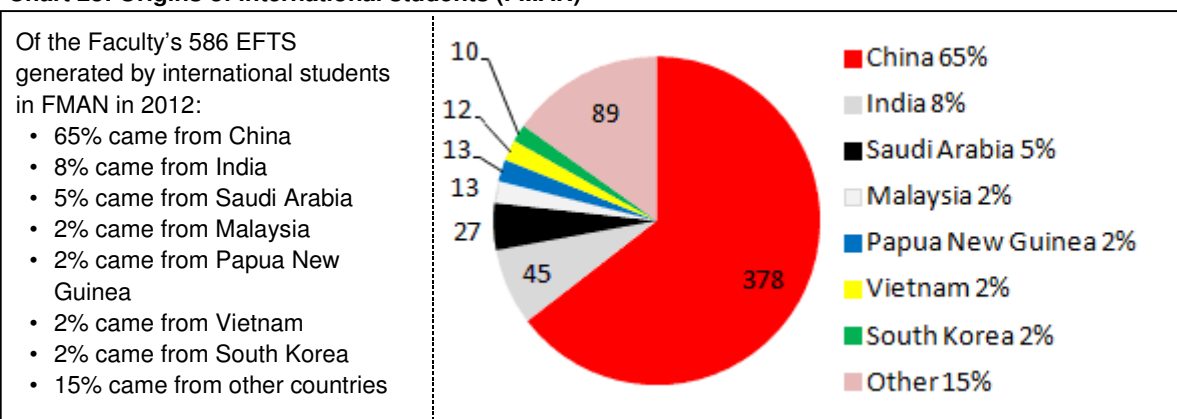


Chart 28: Origins of international students (FMAN) ⁹



7. 2012 Student and Enrolment Profile

Faculty of Science and Engineering

The Faculty of Science and Engineering (FSEN) contributed 11% of the University's total MF EFTS and 4% of the University's total FCI EFTS in 2012.

In 2012, 949 MF EFTS were generated in the FSEN, the highest ever number of MF EFTS for the Faculty, and a 3% increase over 2011. The BSc was offered by the Faculty for the first time in Tauranga in 2012 and generated 42 MF EFTS in FSEN. RPG EFTS declined by 9% from a historic high in 2011 of 199 to 180 RPG EFTS in 2012. However, the Faculty generated the most RPG EFTS of any Faculty in 2012 and contributed 29% of the University's total RPG EFTS. MF TPG EFTS also declined by 10% between 2011 and 2012; 65 MF TPG EFTS were generated by FSEN in 2012.

FCI EFTS have been stable at 55 - 60 EFTS between 2008 and 2012. In 2012, 60 FCI EFTS were generated in the Faculty, 3 EFTS (6%) more than in 2011.

87% of total EFTS in the Faculty in 2012 were generated by domestic students. International students generated 13% of its total EFTS. Of EFTS generated by international students in 2012, the largest numbers were generated by students from China (29 EFTS, 21%), India (19 EFTS, 14%) and Malaysia (14 EFTS, 10%). EFTS from China increased by 4 EFTS to 29 EFTS, which offset a 5 EFTS drop from the USA.

In 2012, 93 EFTS were generated in FSEN by Māori students, 3 EFTS (3%) higher than the 91 EFTS generated in 2011. Māori EFTS made up 9% of total FSEN EFTS, and 86% of those EFTS were at degree-level.

In 2012, Pacific students generated 23 MF EFTS and 2 FCI EFTS, 23% more than the 21 EFTS (19 MF, 2 FCI) that were generated in 2011. Pacific EFTS made up 3% of total EFTS in FSEN. 23% (6 EFTS) of MF Pacific EFTS were at RPG level.

Government is seeking a significant increase in the number of work-ready engineering graduates. In 2012, the School of Engineering grew by 5 EFTS (1%) to 342 EFTS (306 MF EFTS, 34 FCI EFTS). Engineering EFTS are split across many departments within FSEN and FCMS. In 2012, 348 EFTS were generated by students enrolled in engineering qualifications (BE, BE(Hons), ME, PhD).

The School of Engineering is the largest unit in FSEN, making up 34% of all its EFTS. The Department of Biological Sciences (308 EFTS, 30% of all Faculty EFTS) and Department of Earth and Ocean Sciences (194 EFTS, 19% of all Faculty EFTS) were the next largest units. Mainly due to the introduction of the BSc in Tauranga, the Department of Biological Sciences grew by 26 MF EFTS overall (growth of 36 MF EFTS in Tauranga offset declines in other locations) and the Department of Earth and Ocean Sciences grew by 9 MF EFTS (7 MF EFTS of which were in Tauranga). MF EFTS in other departments remained steady. An increase of 9 FCI EFTS in the School of Engineering was offset by a decline of 6 FCI EFTS in the Department of Biological Sciences.

Chart 29: FSEN – 2012 MF EFTS

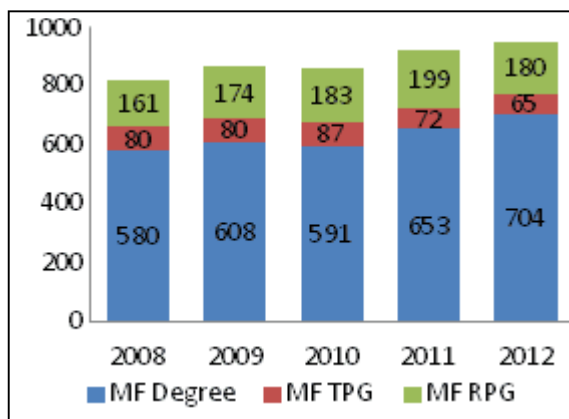
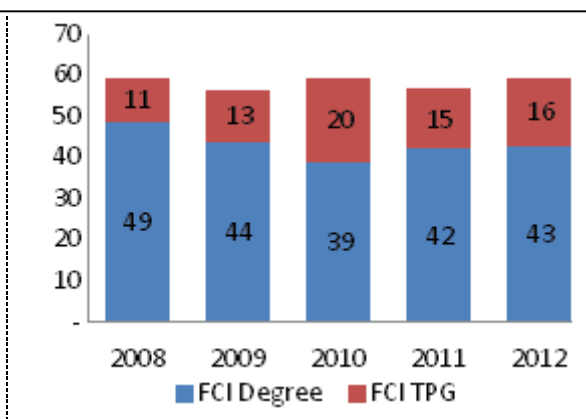
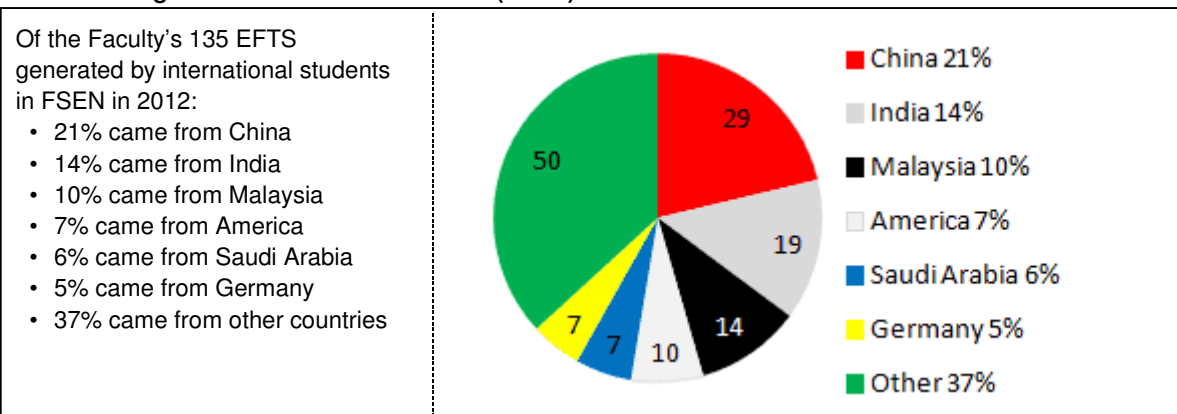


Chart 30: FSEN – 2012 FCI EFTS



7. 2012 Student and Enrolment Profile

Chart 31: Origins of international students (FSEN) ¹⁰



School of Māori and Pacific Development

The School of Māori and Pacific Development (SMPD) contributed 3% of the University's total MF EFTS and just under 1% of the University's total FCI EFTS in 2012.

In 2012, the School generated 283 EFTS, 19 EFTS (6%) fewer than in 2011. The decline was due largely to the discontinuation of the School's STAR offerings for 2012, which had generated 16 FCO EFTS in 2011. Discounting the drop in FCO EFTS, EFTS in the School were very similar to 2011 levels. MF EFTS declined, only slightly, by 3 EFTS (1%) and FCI EFTS declined by less than 1 EFTS. MF TPG were 8 EFTS lower than in 2011, but this drop was offset by a 4 EFTS increase at MF degree level and a 1 EFTS increase at RPG level.

FCI EFTS are a small component of the School's overall EFTS and numbers have remained steady between 6 - 11 FCI EFTS since 2008. FCI EFTS made up only 3% of the School's total EFTS in 2012.

97% of total EFTS in the School were generated by domestic students. 3% (10 EFTS) of all EFTS in the School were generated by international students. 4 EFTS were generated by international students from the USA and 2.5 EFTS generated by international students from Germany.

SMPD has the highest proportion of Māori students of any Faculty at the University. In 2012, Māori students in SMPD generated 238 EFTS, 84% of its total EFTS. 14% of its Māori EFTS were at TPG level, 7% were at RPG level. SMPD and FASS combined generated 55% of total Māori RPG EFTS at the University.

In 2012, Pacific students in SMPD generated 27 MF EFTS and just under 1 FCI EFTS, 2% less than the 25 EFTS (24 MF, 1 FCI) that were generated in 2011. Pacific EFTS made up 10% of all EFTS in SMPD. 13% (4 EFTS) of Pacific EFTS in the School were at postgraduate level.

EFTS in the School were relatively evenly split between Te Aka Reo (143 EFTS) and Te Aka Tikanga (131 EFTS) in 2012.

Chart 32: SMPD – 2012 MF EFTS

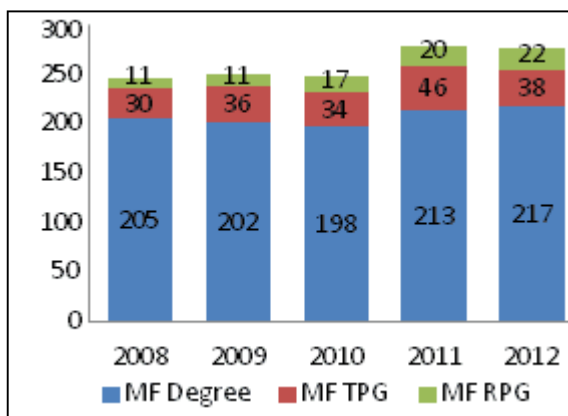
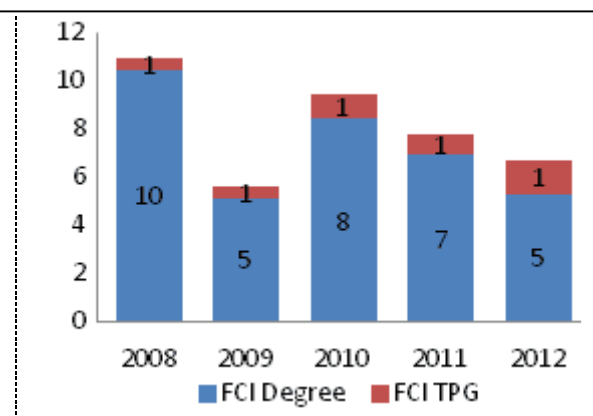
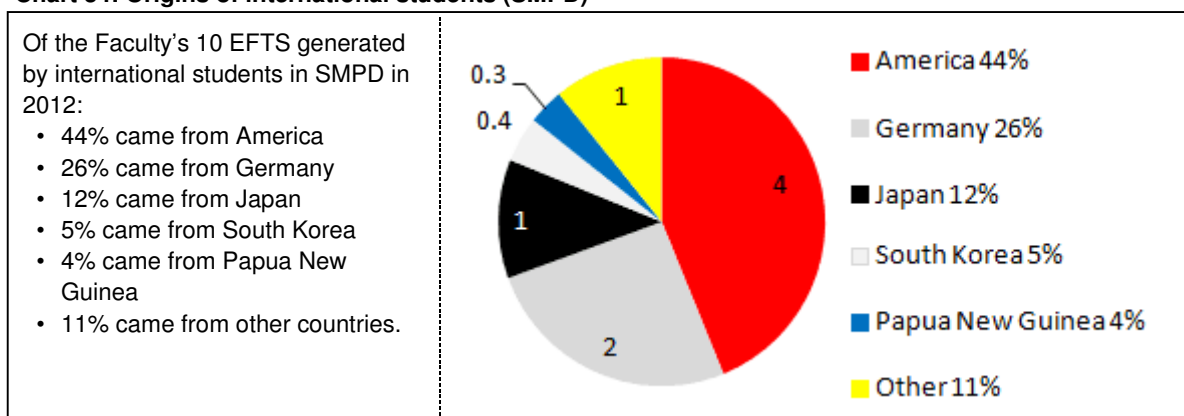


Chart 33: SMPD – 2012 FCI EFTS



7. 2012 Student and Enrolment Profile

Chart 34: Origins of international students (SMPD) ¹¹



7.7 Enrolment trends in the Bay of Plenty

With on-going steady growth in existing programmes and the introduction of science papers for the first time, EFTS generated in Tauranga grew to their highest ever level in 2012. Total EFTS reached 614, 16% growth over 2011. Tauranga MF EFTS were 7% of the University's total MF EFTS.

MF EFTS made up 99% of all Tauranga EFTS. The remaining 1% (4 FCI EFTS) were generated in English language programmes.

MF EFTS generated by the FASS in Tauranga grew by 31% (33 MF EFTS) over 2011. The principal source of the growth was the Bachelor of Social Work programme, which grew by 16 MF EFTS. A number of new social sciences papers were offered in Tauranga in 2012 and accounted for the bulk of the remaining growth.

The BSc (Applied Computing) programme was introduced by FCMS in Tauranga in 2011 and has experienced strong demand, with enrolments growing from 7 MF EFTS in 2011 to 16 MF EFTS in 2012.

FSEN offered papers in Tauranga for the first time in 2012. Biological Sciences papers offered as part of a marine/coastal science theme generated 42 MF EFTS and contributed significantly to the Faculty's success in meeting its enrolment targets.

Enrolments in the Diploma of Law, taught in Tauranga by FLAW, remained steady (24 EFTS in 2012). The EFTS generated by SMPD and FMAN were steady (10 and 80 EFTS respectively).

The University continues to plan for steady growth in enrolments in Tauranga over the medium-term.

1. Numbers in this section may not add due to rounding

2. **Chart 7: Age Profile** - Age is calculated as at 1 July in the relevant year.

3. **Chart 9: Origins of domestic students** - Origins are determined from the student's first recorded postcode

- **Inner periphery:** comprises Counties Manukau, Gisborne and Taranaki

- **Outer periphery:** comprises Hawke's Bay and Northland.

4. **Chart 10: Origins of international students** - International student origin is determined from the student's recorded citizenship.

5. **Chart 16: Origins of international students (FASS)** - International student origin is determined from the student's recorded citizenship.

6. **Chart 19: Origins of international students (FCMS)** - International student origin is determined from the student's recorded citizenship.

7. **Chart 22: Origins of international students (FEDU)** - International student origin is determined from the student's recorded citizenship.

8. **Chart 25: Origins of international students (FLAW)** - International student origin is determined from the student's recorded citizenship.

9. **Chart 28: Origins of international students (FMAN)** - International student origin is determined from the student's recorded citizenship.

10. **Chart 31: Origins of international students (FSEN)** - International student origin is determined from the student's recorded citizenship.

11. **Chart 34: Origins of international students (SMPD)** - International student origin is determined from the student's recorded citizenship.

8. Statement of Service Performance

8.1 Overview

The key performance indicators and targets in this 2012 Statement of Service Performance were identified and agreed with the TEC in 2010 as part of the University's Investment Plan 2011-2013. The Auditor-General's standard AG-4 (revised) has been applied since then and brings with it new expectations with regard to service performance reporting; results against the performance commitments agreed with the TEC in 2010 as part of the current Investment Plan have therefore been supplemented in this Statement of Service Performance by additional information and data relating to Full-Cost International students, research, organisational culture (student and staff satisfaction) and reputation. These additional indicators are just a selection of those used and monitored by the University as part of its strategic planning and risk management frameworks.

In some cases, the original 2012 targets agreed with the TEC as part of the negotiation and approval of the Investment Plan (as shown against the relevant indicators below) are inconsistent with the Mix of Provision that was finally agreed, because they were set before a round of supplementary funding for additional undergraduate EFTS. The fact that a new 're-configured' Mix of Provision was approved after the performance commitments for that year had been agreed resulted in a number of discrepancies between the two sets of figures and targets. Explanations associated with the discrepancies are provided where appropriate.

As planned and expected in line with increased MF EFTS funding, the University's total MF EFTS increased in 2012 by 1.3% (116 EFTS) over 2011. Disappointingly, FCI EFTS decreased by 5.3% (82 EFTS) in 2012, continuing a general pattern of declining FCI EFTS since 2006. Reversing this pattern remains an important goal for the University.

In all areas covered by these key indicators, the University's main interest is in trends that demonstrate incremental but sustained progress over the medium to long-term, despite the inevitable changes in the external environment demographically, politically and economically.

The 2012 results that count enrolments, EFTS and educational performance indicators (EPIs) are based on data as at 3 January 2013 and are likely to change in some cases following submission of the University's April 2013 Single Data Return (which will include any new data after 3 January) and, in the case of MF EPIs, validation by the TEC at that time. The 2012 results published in the 2013 Annual Report will be the final, validated results.

8.2 Investment Plan performance commitments

Participation - Ministry-Funded students

	2010 Actual	2011 Actual	2012 Target	2012 Actual
1. Increase proportion of EFTS enrolled at taught postgraduate level and above	18.0% (1,536 EFTS)	17.7% (1,530 EFTS)	19.6%	16.9% (1,480 EFTS)

The original 2012 target of 19.6% against this indicator was based on the initial Mix of Provision prepared in 2010 for the 2011-2013 Investment Plan (8,444 EFTS).

A revised Mix of Provision for 2012, taking account of supplementary undergraduate EFTS funding, provided for a lower proportion of EFTS, 18.6%, at taught postgraduate level and above

While MF enrolments grew overall, and RPG enrolments remained relatively strong, all the MF growth in 2012 was at undergraduate level and the pattern of declining TPG enrolments in the majority of Faculties continued, leading to a reduction in the overall proportion of EFTS at taught postgraduate level and above.

8. Statement of Service Performance

	2010 Actual	2011 Actual	2012 Target	2012 Actual
2. Maintain proportion of EFTS generated by Māori students	20.7% (1,773 EFTS)	21.3% (1,846 EFTS)	21.0%	21.9% (1,925 EFTS)

EFTS generated by Māori students increased by more than 4% in 2012, an achievement that reflects a more structured and coordinated approach to improving Māori student recruitment and retention rates. The University has a long history of strong Māori enrolments, and plays a key role in supporting the Government's goal of increased participation by Māori students.

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

The proportion of EFTS generated by Māori students at the University of Waikato in both 2010 and 2011 was well above the sub-sector average for New Zealand universities (2011: 10%) and also the tertiary sector as a whole (2011: 20%) (TEC, 2012). It also compares favourably with the New Zealand demographic nationally (the 2006 Census indicated that 15% of New Zealand's population were Māori), and is only slightly lower than the figure for the University's main catchment (24%), namely the Waikato and Bay of Plenty (Statistics New Zealand, 2009).

Māori student enrolments in the University's Certificate of University Preparation programme, which is delivered through an articulation arrangement with Wintec, remain high, and it provides an important means of admission to degree-level study at the University. Rates of completion and subsequent progression to degree-level study by Māori students in that programme have increased steadily and significantly over the last four years.

	2010 Actual	2011 Actual	2012 Target	2012 Actual
3. Increase proportion of Māori EFTS enrolled at taught postgraduate level and above	13.8% (245 EFTS)	15.1% (279 EFTS)	14.0%	15.1% (290 EFTS)

The proportion of Māori EFTS enrolled at taught postgraduate level and above exceeded target in 2011, and exceeded target again in 2012. Māori EFTS at taught postgraduate level and above increased for the fourth consecutive year in 2012. EFTS overall generated by Māori students have increased by 11% since 2005; the number of those EFTS generated at taught postgraduate level and higher has increased by 48% over the same period.

A number of well-established initiatives and programmes have supported the successful delivery of this KPI, including the graduate support programme To Toi o Matariki Māori, which was in its sixth year of operation in 2012, along with the MAI ki Waikato PhD programme which was in its ninth year of operation.

A new Māori scholarship was introduced in 2010 and has been effective in encouraging high-performing Māori graduates to progress to postgraduate study. More than 60 students were awarded this scholarship in 2012.

8. Statement of Service Performance

	2010 Actual	2011 Actual	2012 Target	2012 Actual
4. Increase proportion of EFTS generated by Pacific students	5.0% (427 EFTS)	4.9% (425 EFTS)	6.0%	5.6% (489 EFTS)

Typically, approximately 86% (measured in EFTS terms) of the University's students who report their ethnicity as Pacific are Ministry-Funded. The remaining 14% are Full-Cost International EFTS, and are not represented in these data. (EFTS by Pacific students who are Full-Cost International students have increased steadily each year and grown by 87% since 2009.)

A pattern of declining EFTS by MF Pacific students in past years was a direct consequence of the articulation of the University's Certificate of University Preparation programme with Wintec, at a time when about 50 of the students in that programme were Pacific students. However that pattern of declining EFTS was reversed in 2012, with an increase of 64 EFTS (15%). Even though the target against this indicator was not reached in proportional terms, this level of increase in EFTS terms is a significant achievement. The Certificate of University Preparation continues to serve as an important means of admission to degree-level programmes at the University for Pacific students. Completion rates by Pacific students in that programme have increased steadily and significantly over the years and progression rates are strong.

	2010 Actual	2011 Actual	2012 Target	2012 Actual
5. Increase proportion of Pacific EFTS enrolled at taught postgraduate level and above	13.8% (59 EFTS)	12.1% (51 EFTS)	14.0%	13.1% (64 EFTS)

Although the 2012 target against this indicator was not achieved in proportional terms, the number of MF EFTS generated at taught postgraduate level and above by Pacific students increased significantly (by more than 25%), which is a very positive reflection of the University's commitment to supporting Government's goals with respect to Pacific students. The design of a formal infrastructure as part of the implementation of the Pacific Plan was agreed in 2012 and its full implementation will be a key factor in the delivery of on-going growth.

	2010 Actual	2011 Actual	2012 Target	2012 Actual
6. Increase proportion of EFTS generated by students aged under 25	66.2% (5,657 EFTS)	66.2% (5,734 EFTS)	70.0%	67.0% (5,882 EFTS)

The original targets against this indicator were set in light of high enrolments in 2009 and the expectation that enrolments would need to be managed much more tightly from 2010; this would have involved giving priority to school-leavers over more mature students.

While pressure on enrolments was not as heavy in 2011 or 2012 and demand from school-leavers was not as high as anticipated, the University is aware that increased participation by students aged under 25 is identified as a priority in the Government's Tertiary Education Strategy and the number of EFTS generated by students aged under 25 years increased in 2012 in both proportional and EFTS terms.

The student profile at the University of Waikato has always included a relatively high proportion of students aged over 25 (the third highest of all New Zealand universities in 2011). While the age profile of students at the University of Waikato shifted slightly towards the younger age group in 2012, this long-standing feature of the University's demographic is not expected to change significantly in the foreseeable future.

8. Statement of Service Performance

Educational Performance - Ministry-Funded students				
Total MF students	2010 Actual	2011 Actual	2012 Target	2012 Interim
7. Improve successful course (paper) completion rates	87.4%	87.1%	85.5%	85.5%
8. Improve qualification completion rates	71.3%	77.9%	74.0%	76.7%
9. Improve retention rates	82.5%	84.4%	82.0%	83.2%
Māori students	2010 Actual	2011 Actual	2012 Target	2012 Interim
10. Improve successful course (paper) completion rates for Māori students	80.7%	81.8%	82.0%	80.8%
11. Improve qualification completion rates for Māori students	60.4%	61.5%	70.0%	61.4%
12. Improve retention rates for Māori students	72.7%	77.5%	78.0%	76.2%
Pacific students	2010 Actual	2011 Actual	2012 Target	2012 Interim
13. Improve successful course (paper) completion rates for Pacific students	72.7%	73.2%	75.0%	70.1%
14. Improve qualification completion rates for Pacific students	48.3%	59.9%	70.0%	66.4%
15. Improve retention rates for Pacific students	75.1%	76.5%	78.0%	79.4%

8. Statement of Service Performance

Students aged under 25	2010 Actual	2011 Actual	2012 Target	2012 Interim
16. Improve successful course (paper) completion rates for students aged under 25	86.5%	86.3%	84.5%	85.0%
17. Improve qualification completion rates for students aged under 25	63.3%	65.9%	66.0%	69.3%
18. Improve retention rates for students aged under 25	83.8%	86.2%	85.5%	87.6%

Total MF students

Course completion, qualification completion and retention rates of MF students at the University of Waikato in 2011 all exceeded the university-subsector medians for those indicators. Sector-wide comparative data for 2012 will not be available until nearer September 2013.

Results against each of these indicators either matched or exceeded targets for 2012. The rate of successful course completions for MF students in 2010 was particularly strong, but was inconsistent with historic patterns and was most likely linked to the steps taken by the University to restrict and manage enrolments down to the funding cap that applied that year. The course completion rate for MF students overall remained relatively high in 2011; while down on 2010 and 2011 results, the 2012 result matched the target and represents an improvement over pre-2010 levels. As explained above, the University's main interest is in trends that, despite the inevitable fluctuations from one year to the next, demonstrate incremental but sustained progress over the medium to long-term.

Māori students

Course completion and retention rates for Māori students in 2012 were close to 2011 rates.

Even though the number of course completions by Māori students increased in 2012, the rate (taking account of a higher volume of EFTS) decreased slightly.

While the qualification completion rate for Māori students fell slightly in 2012, this drop is attributable to the methodology used for this EPI and is misleading. In fact, the number of qualifications completed by Māori students had increased in 2011 by 5% overall and by 7% at degree-level and higher, and increased again in 2012 by a further 2% overall. However the overall EFTS generated by Māori students, which is a factor in the methodology for this EPI, increased in both 2011 and 2012 at a greater rate than qualification completions.

The high intake of enrolments by new Māori students in 2011 and 2012, most of whom will have enrolled in undergraduate degree programmes, will not have a positive impact on qualification completion rates until future years.

Pacific students

The pattern of steadily improving retention rates and qualification completion rates for MF Pacific students continued in 2012.

The number of qualifications completed by MF Pacific students increased by over 17%, from 115 in 2010 to 135 in 2011, building on a pattern of consistent growth since 2008. However the overall number of Pacific student EFTS has varied during this period leading to more variable results when measured as a rate. In 2012, MF Pacific students completed 117 qualifications, a result that is consistent with lower intakes in previous years.

It is of interest that results against each of these indicators are significantly higher for FCI Pacific students than for MF Pacific students.

Students aged under 25

Results for students aged under 25 were all close to, or above, target and continued a steady upward trend in most cases.

8. Statement of Service Performance

Research Performance

	2010 Actual	2011 Actual	2012 Target	2012 Actual
19. Increase research revenue	\$27.5M	\$31.1M	\$29.0M	\$29.7M

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

Even though research revenue in 2012 was less than in 2011, the University exceeded its target and the 2012 result is consistent with a steady upward trend over recent years.

	2010 Actual	2011 Actual	2012 Target	2012 Interim
20. Increase weighted research degree completions	689	747	515	604

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

Targets for this KPI were set in 2010 as part of the development of the University's Investment Plan for 2011-2013, before 2009 and 2010 results were available, and so the 2012 target is lower than it would otherwise have been.

The 2012 result against this KPI is as at 3 January 2013 and will be updated following submission of the University's April 2013 Single Data Return (which will report any further completions after 3 January) and validation of the final result by the TEC. The 2012 result published in the 2013 Annual Report will be the validated result.

The 2010 and 2011 results against this KPI have been updated since the publication of the 2011 Annual Report following their validation by the TEC.

While the numbers of research degree completions in 2010, 2011 and 2012 were similar, the results against this indicator over that period reflect the fact that more of the completions in 2010, and particularly 2011, were more highly weighted.

A key factor in the University's continued strong performance against targets for this indicator has been the large number of international students who have completed PhDs within the minimum time period (a pattern that is not typical of domestic students).

Institutional Sustainability

	2010 Actual	2011 Actual	2012 Target	2012 Actual
21. Maintain low risk rating against the Financial Monitoring Framework	3.0	4.0	3.0	4.3

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

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

8. Statement of Service Performance

8.3 Other University of Waikato performance commitments

Institutional Sustainability				
	2010 Actual	2011 Actual	2012 Target	2012 Actual
22. Achieve targets for EFTS generated by Full-Cost International students	1,664	1,543	1,570	1,461

Internationalisation is an important dimension of the University Strategy, and the recruitment of international students is a key element.

The year end result of 1,461 FCI EFTS represents a shortfall of 109 FCI EFTS against the budget target and a financial shortfall of approximately \$1.45M.

28% of the University's FCI EFTS in 2012 were at sub-degree level (compared with 29% in 2011 and 32% in 2010). FCI enrolments in taught postgraduate papers increased slightly in 2012 over 2011. (RPG EFTS generated by international students are included in the MF data in KPI 1.)

While it is positive to note that FCI EFTS generated by students from China, the University's main international market, grew in 2012 by 16%, the overall shortfall in 2012 can be attributed primarily to small declines in EFTS generated by students from a number of smaller markets including Saudi Arabia, the USA, Taiwan, Germany and Thailand.

	2010 Actual	2011 Actual	2012 Target	2012 Actual
23. Increase proportion of revenue from non-student and non-Government sources	12.7% of total revenue (\$26.7m)	13.3% of total revenue (\$29.8m)	12.7% of total revenue (\$27.6m)	13.0% of total revenue (\$28.8m)

This KPI reflects the need to diversify revenue streams and reduce reliance on Government funding, and counts revenue from all sources other than teaching (i.e. student tuition fees and the student achievement component of the Government Grant) and other than Government-funded research activity. It includes revenue generated from student accommodation as well as commercial activities across the University group.

The 2012 target against this indicator was set in relation to the 2011 target in September 2011, four months before the 2011 actual balances were finalised. The 2012 target was lower than the 2011 actual result, because when the 2011 actual balances were finalised, they were higher than forecast.

The target for 2012 took account of four major factors:

- Revenue from student accommodation was budgeted to reduce by \$800,000 as a result of the closure of part of College Halls for refurbishment.
- Commercial income in the Pathways College was budgeted to reduce by \$360,000 due to reduced bookings in its group programmes.
- Commercial revenue in the Faculties of Management and Science and Engineering was budgeted to reduce by \$1,500,000 to more realistic levels to allow them to adjust to falling revenue streams in those areas.

8. Statement of Service Performance

Educational Performance - Full-Cost International students				
	2010 Actual ¹	2011 Actual	2012 Target	2012 Interim
24. Improve successful course (paper) completion rates for Full-Cost International students	85.1%	85.0%	85.5%	86.5%
25. Improve qualification completion rates for Full-Cost International students	78.9%	69.9%	74.0%	72.6%
26. Improve retention rates for Full-Cost International students	90.9%	90.6%	82.0%	87.6%

The University has chosen to set the same targets for both MF students overall and FCI students against these EPIs. FCI students have performed comparably with MF students in previous years, although retention rates for FCI students have typically been much stronger.

Course completion rates for FCI students exceeded target for 2012.

A decline in the number of FCI enrolments in the Faculty of Management was a key factor in the lower number of qualification completions generated in 2012. A significant decline in the number of FCI enrolments in sub-degree programmes in 2012 was also a key factor in the failure to reach the target for qualification completions for 2012. However, while the qualification completion rate did not meet target for 2012, it was higher than in 2011.

The 3% decline in the retention rate for FCI students in 2012 is due largely to a combination of two main factors:

- The largest group of the University's FCI students is from China, and the retention rate for that group was 2% lower than in 2011.
- The retention rates for students from Saudi Arabia are typically lower than for other groups of FCI students, and Saudi Arabian students represented a higher proportion of the University's FCI students in 2012 than in 2011.

As with all educational performance indicators, the University's primary focus is on positive medium to long-term trends, and the annual results will continue to be monitored with this in mind.

As part of the University's programme of compliance with the Ministry of Education's Code of Practice for the Pastoral Care of International Students, the University closely monitors the progress and educational performance of international students; those who are at risk are identified and offered additional learning support and mentoring.

8. Statement of Service Performance

Research Performance

27. Improve the University's overall ranking (i.e. achieve 4 th or better) in the 2012 PBRF assessment (2012)	2012 Actual PBRF results anticipated April 2013
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The University's own internal assessment of the state of its 2012 PBRF Evidence Portfolios is positive. An overall improvement in Average Quality Scores for the University is anticipated.

Organisational Culture - Staff and Students

	2009 Actual	2012 Target	2012 Actual
28. In the staff survey, improve the overall response rate and the score for each of the 'Leadership' and 'Job Satisfaction' categories	Response Rate: 66% Leadership: 33% Job Satisfaction: 82%	Response Rate: >66% Leadership: >33% Job Satisfaction: >82%	Response Rate: 67% Leadership: 43% Job Satisfaction: 83%

When compared to the previous staff survey, conducted in 2009, the overall response rate improved in 2012 and the scores in the two key categories 'Leadership' and 'Job Satisfaction' also improved. These results were used to inform the development of an integrated annual staff development programme, the University's EEO programme and also a review of the University's professional goal-setting process and continual professional development framework.

Surveys will take place on a two year cycle in future.

29. Achieve improved results in the two-yearly AUSSE (Australasian Survey of Student Engagement) and POSSE (Postgraduate Survey of Student Engagement)
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In comparison with 2010, scores in the 2012 AUSSE improved across all scales, with significant improvements in the 'Departure Intention' scale (down to 22% from 30% in 2010) and in the 'General Learning Outcome' scale (up from 62% to 67%). 2012 AUSSE results are broadly consistent across all the University's demographic sub-groups.

Scores in the 2012 POSSE survey improved across six of the 13 scales. A significant improvement was achieved in the 'General Development Outcomes' scale (up from 48% in 2010 to 52%) and while the University's score in the 'Overall Satisfaction' scale dropped slightly, it remained higher than the Australasian average (72% compared with 67%).

8. Statement of Service Performance

Reputation				
	2010 Actual	2011 Actual	2012 Target	2012 Actual
30. Maintain or improve the University's ranking in the QS World University Rankings	316=	357	<357	374

Results for the 2012 QS World University Rankings were released in September and the University ranked 374 (down from 357 in 2011). Although the University achieved a higher overall score in 2012 (32.84 cf 32.20 in 2011), its position in relation to other universities fell slightly.

Particularly strong gains were made in 2012 against the 'employer reputation' and the 'citations per faculty' indices. These gains were offset slightly by a decline in the 'international student index', which was due to the decline in international student numbers.

While the University is engaged in a number of activities that served to improve its overall score in 2012, other universities have also invested significant resources to the same end. Regardless of the University's success in improving its own performance from year to year, its place in the rankings will always be subject to the performance of other universities.

It is very positive to note in this context that results for the 2012 Times Higher World University Rankings were released in October and the University ranked 302 (up from 318 in 2011). Also, in June 2012, Times Higher Education released the results of a ranking of the top 100 universities under 50 years of age. The University of Waikato was ranked 58th - the top ranked New Zealand university.

1. The University's methodology for calculating FCI EPIs was revised in 2012 to align more closely with the methodology used by the TEC to calculate the equivalent EPIs for MF students. The 2010 Actual results have been updated accordingly since the publication of the University's 2011 Annual Report.

9. Financial Overview

The operating environment continues to be challenging for the University, with its ability to grow revenue – including tuition, research and commercial revenue streams - limited and subject to greater pressures of competition and external influences outside of its control. As a result, the University prepared a conservative budget and had anticipated a fall in revenue particularly around government sourced funding, research and commercial activities. However the University budgeted to maintain its surplus at 4 percent of revenue – consistent with previous years.

The University only surplus of \$8.81 million is \$1.75 million less than budget and \$0.25 million less than the previous year. This represents a return of 4.0 percent on total revenue (compared with 4.1 percent in 2011) and is well inside the guidelines of 3.0 – 5.0 percent promulgated by the Tertiary Education Commission. It is pleasing to see that the University has achieved its targets and is now consistently producing solid financial results year after year. However there is still work to do to ensure that the University has the mechanisms in place to consistently produce sufficient surpluses to ensure its long term financial health.

The University recorded revenue of \$219.92 million in 2012, which was only a slight decrease of 0.5 percent on 2011. However this is notably up (\$6.44 million or 3.02 percent) on the budgeted revenue of \$213.48 million. Research revenue was slightly higher than budget, and only 4.45 percent down on 2011, due to new research contracts won in Faculty of Science and Engineering and PVC Maori. Commercial revenue was also up on budget by 5.75 percent but only 3.73 percent down on 2011. However the largest gain on budget occurred in Government grants (5.52 percent increase) as a result of additional government funding received for new professional development contracts of \$4 million which had thought to be at risk.

Overall tuition fees were on budget with growth in domestic students offsetting a fall in international student enrolments. The University exceeded its investment plan targets for Ministry funded student enrolments, enrolling 8,776 equivalent full time students (EFTS), or 102.7percent of its investment plan targets. However these additional EFTS were not funded by the Government. The increase in Ministry funded enrolment numbers plus increases in fees resulted in 5.23percent growth in income or \$2.12 million. Full cost international EFTS decreased by 82, or 5.31percent, to 1,461. This resulted in decrease in revenue of \$1.38 million compared to budget. This trend of falling full cost international student continues on from 2011 where there was a 7.27 percent decrease in numbers. Since 2004, full cost international EFTS have fallen by 1,427 or 49.41 percent.

The University put in significant effort in controlling costs with personnel and other operating costs 1.1 percent less than 2011. Staff numbers have decreased over 2012 with 30 less full time equivalent staff employed in 2012 compared with 2011 (nearly 2 percent decrease resulting in approximate savings of \$2.4 million). However costs are higher than budget by \$6.65 million, or 3.60 percent, reflecting the increased level of activity required to be undertaken to earn increased revenue noted above, together with increased marketing and recruitment costs as the University strove to reach its enrolment targets. Depreciation expense is \$1.37 million up on budget due to a large capital development programme bringing increased assets into use and a reduction in the useful lives of certain assets arising from 2011 revaluation.

The University Group recorded a consolidated operating surplus of \$5.83 million in the year to 31 December 2012, compared with a surplus of \$8.81 million in the previous year. This fall in surplus is largely due to a write down of \$2.27 million in the value of capitalised development projects held for commercialisation.

On a comprehensive income basis the University Group recorded a surplus of \$5.83 million compared with deficit of \$1.84 million in 2011. This deficit was largely a result of revaluation downwards of the University's buildings of \$10.65 million in 2011. The primary reason for the revaluation downwards was a fall in the replacement costs of certain key buildings. The University reviewed its fair value of its building and infrastructure assets again in 2012 however it was considered that there was no significant movement in the valuations of these assets and as a result there was no change to the carrying value of these assets.

9. Financial Overview

The consolidated revenue for 2012 of the University Group was down slightly by 0.6 percent to \$222.92 million on the previous year of \$224.26 million, reflecting the difficult financial conditions that the University Group was operating in. 2012 saw the first decline in revenue for the Group for over twenty two years. Notably, there was a decline in research grants received of 4.5 percent to \$29.69 million, particularly from Government agencies as well as a decline in earnings from commercial activities of 5.0 percent to \$23.16 million. Operating costs across the University Group were tightly controlled and were 0.8 percent less than 2011 at \$194.97 million. However depreciation, amortisation and impairment increased by 16 percent or \$3.05 million mainly due to the impairment in the value of capitalized development projects held for commercialization, as noted above.

University subsidiary, WaikatoLink Limited recorded a deficit of \$3.19 million, largely as a result of impairing a number of technologies held for commercialisation (\$2.27 million). The University of Waikato Research Trust also recorded a small deficit of \$0.59 million as researchers utilized funds for further research initiatives. Offsetting these results was the University of Waikato Foundation Trust which recorded a surplus of \$1.34 million in 2012 on the back of donations to \$1.16 million compared with \$1.38 million in 2011.

The University Group again generated strong operating cash flows, recording net cash flows from operations of \$29.04 million, slightly up on the previous year by \$2.39 million (or 8.97 percent). These cash flows were reinvested back into the University's campus and resources, with the University spending \$26.50 million on capital expenditure.

Andrew McKinnon
Chief Financial Officer

10. Statement of Responsibility

In the financial year ended 31 December 2012, 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 2012 fairly reflect the financial position and operations of The University of Waikato and group.



Chancellor
Rt Hon Jim Bolger
13 March 2013



Vice-Chancellor
Professor Roy Crawford
13 March 2013

Statement of Comprehensive Income

For the Year Ended 31 December 2012

	Notes	Consolidated		University		
		This Year \$000	Last Year \$000	This Year \$000	Budget \$000	Last Year \$000
Revenue						
Government Funding and Grants	2	98,005	97,989	98,005	92,879	97,989
Tuition Fees	3	68,814	67,253	68,814	69,115	67,253
Research		29,693	31,077	29,693	29,010	31,077
Interest		1,693	1,735	1,472	1,500	1,647
Other Income	4	23,160	24,390	21,474	20,305	22,305
Donations		1,550	1,813	463	673	718
Total Revenue		222,915	224,257	219,921	213,482	220,989
Costs						
Personnel Costs	5	126,518	128,656	123,700	122,910	125,682
Other Costs	6	68,152	67,570	67,478	61,616	67,618
Finance		301	263	161	-	206
Depreciation, Amortisation and Impairment	15,16	22,077	19,029	19,773	18,400	18,429
Total Costs		217,048	215,518	211,112	202,926	211,935
Share of Surplus/(Deficit) from Associates	7	(36)	66	-	-	-
Surplus		5,831	8,805	8,809	10,556	9,054
Surplus Attributable to:						
University of Waikato		6,210	9,196	8,809	10,556	9,054
Non-Controlling Interest		(379)	(391)	-	-	-
Surplus		5,831	8,805	8,809	10,556	9,054
Other Comprehensive Income						
Gains on Property revaluations	8	-	(10,652)	-		(10,652)
Share of Other Comprehensive Income of Associates						
Total Comprehensive Income		5,831	(1,847)	8,809	10,556	(1,598)
Comprehensive Income Attributable to:						
University of Waikato		6,210	(1,456)	8,809	10,556	(1,598)
Non-Controlling Interest		(379)	(391)	-	-	-
Total Comprehensive Income for the Year		5,831	(1,847)	8,809	10,556	(1,598)

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 2012

	Notes	Consolidated		University		
		This Year \$000	Last Year \$000	This Year \$000	Budget \$000	Last Year \$000
Opening Equity at 1 January		337,109	338,927	317,184	330,002	318,782
Comprehensive Income						
Surplus		5,831	8,805	8,809	10,556	9,054
Other Comprehensive Income		-	(10,652)	-	-	(10,652)
Total Comprehensive Income		5,831	(1,847)	8,809	10,556	(1,598)
Staff Share Options and Capital Issued		7	29	-	-	-
Non-Controlling Interest Arising on Share Buy Back				-	-	-
Loss on sale of subsidiary		-	-	-	-	-
Closing Equity at 31 December		342,947	337,109	325,993	340,558	317,184
Attributable to:						
University of Waikato	8	342,488	336,271	325,993	340,558	317,184
Minority interest		459	838	-	-	-
		342,947	337,109	325,993	340,558	317,184

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

Balance Sheet

As at 31 December 2012

	Notes	Consolidated		University		
		This Year	Last Year	This Year	Budget	Last Year
		\$000	\$000	\$000	\$000	\$000
Assets						
Current Assets						
Cash and Cash Equivalents	9	8,173	14,043	7,804	28,245	12,157
Trade and Other Receivables	10	20,552	17,714	18,329	14,686	15,005
Inter Company Balances	11	-	-	7,513	6,197	6,762
Prepayments		5,358	4,303	5,358	2,134	4,303
Other Financial Assets	12	12,515	7,000	11,045	-	7,000
Inventories	13	1,020	1,297	1,020	1,091	1,297
Total Current Assets		47,618	44,357	51,069	52,353	46,524
Non Current Assets						
Investments in Associates	7	2,173	2,233	875	875	875
Investments	14	657	392	2,198	2,868	2,198
Loans and Receivables	10	60	-	-	-	-
Intangible Assets	15	12,283	14,598	5,659	6,181	6,111
Property, Plant and Equipment	16	352,066	343,349	351,984	361,194	343,248
Total Non Current Assets		367,239	360,572	360,716	371,118	352,432
Total Assets		414,857	404,929	411,785	423,471	398,956

Balance Sheet

As at 31 December 2012

	Notes	Consolidated		University		
		This Year \$000	Last Year \$000	This Year \$000	Budget \$000	Last Year \$000
Liabilities						
Current Liabilities						
Income in Advance	17	27,323	26,368	27,252	30,645	26,368
Trade and Other Payables	18	18,623	13,612	17,996	8,861	12,375
Derivative Financial Instruments	19	3	-	3	-	-
Employee Entitlements	5	12,733	14,227	12,364	16,226	13,877
Borrowings	20	3	3	3	3	3
Total Current Liabilities		58,685	54,210	57,618	55,735	52,623
Non Current Liabilities						
Employee Entitlements	5	11,895	12,277	11,895	10,822	12,277
Borrowings	20	1,330	1,333	1,330	1,224	1,333
University of Waikato Research Trust Payable	11	-	-	14,949	15,132	15,539
Total Non Current Liabilities		13,225	13,610	28,174	27,178	29,149
Equity						
General Equity	8	208,031	201,561	191,536	198,349	182,474
Other Reserves	8	134,457	134,710	134,457	142,209	134,710
Equity - Parent		342,488	336,271	325,993	340,558	317,184
Non-Controlling Interest		459	838	-	-	-
Total Equity		342,947	337,109	325,993	340,558	317,184
Total Liabilities and Equity		414,857	404,929	411,785	423,471	398,956

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 2012

	Notes	Consolidated		University		
		This Year	Last Year	This Year	Budget	Last Year
		\$000	\$000	\$000	\$000	\$000
Cash Flows from Operating Activities						
Cash was provided from:						
Government Funding and Grants		97,961	97,989	97,961	93,662	97,989
Revenues from Tuition Fees		68,363	66,370	68,363	69,115	66,370
Other Revenue		50,675	56,077	47,427	51,018	52,429
Interest Received		1,531	1,684	1,472	1,533	1,647
Goods and Services Tax (net)		471	(1,932)	471	122	(1,932)
		219,001	220,188	215,694	215,450	216,503
Cash was applied to:						
Interest Paid		(301)	(308)	(161)	(168)	(206)
Suppliers		(62,170)	(71,439)	(62,657)	(63,126)	(71,380)
Employees		(127,495)	(121,795)	(125,351)	(122,522)	(119,292)
		(189,966)	(193,542)	(188,169)	(185,816)	(190,878)
Net Cash Flows from Operating Activities	21	29,035	26,646	27,525	29,634	25,625
Cash Flows from Investing Activities						
Cash was provided from:						
Cash Dividends		-	-	40	-	31
Property, Plant and Equipment Sales		229	235	229	-	235
Investment in Associates		(161)	-	-	-	-
Short Term Investments		34,000	12,115	34,000	-	12,115
		34,068	12,350	34,269	-	12,381
Cash was applied to:						
Term Investments		-	-	-	(650)	(1,929)
Short Term Investments		(39,905)	(7,458)	(38,045)	-	(7,000)
Intangibles		(2,552)	(1,834)	(1,604)	-	(71)
Property Plant & Equipment		(26,516)	(27,251)	(26,498)	(24,336)	(27,226)
		(68,973)	(36,543)	(66,147)	(24,986)	(36,226)
Net Cash Flows from Investing Activities		(34,905)	(24,193)	(31,878)	(24,986)	(23,845)

**Statement of
Cash Flows**
For the Year Ended 31 December 2012

	Notes	Consolidated		University		
		This Year \$000	Last Year \$000	This Year \$000	Budget \$000	Last Year \$000
Cash Flows from Financing Activities						
Distribution from Foundation		-	-	-	-	-
Issue of Share Capital		-	29	-	-	-
		-	29	-	-	-
Cash was applied to:						
Repayment of Finance Lease Liabilities		-	(3)	-	-	(3)
Dividends Paid		-	-	-	-	-
Loans Repaid		-	-	-	(80)	-
		-	(3)	-	(80)	(3)
Net Cash Flows from Financing Activities		-	26	-	(80)	(3)
Net Cash Flows From All Activities		(5,870)	2,479	(4,353)	4,568	1,777
Opening Cash and Cash Equivalents		14,043	11,564	12,157	23,583	10,380
Closing Cash and Cash Equivalents		8,173	14,043	7,804	28,151	12,157

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

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

Notes to the Financial Statements

Note 1: Statement of accounting policies for the year ended 31 December 2012

The Reporting Entity

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

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

The financial statements were authorised for issue by Council on 13 March 2013.

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

- WaikatoLink Limited and Group, a wholly owned subsidiary company, and the results for the year ended 31 December 2012 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 2012 have been fully consolidated into the University group results.
- The University of Waikato Alumni Association, incorporated in 1990, and the results for the year ended 31 December 2012 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 2012 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 2012 have been fully incorporated into the University group results.
- U Leisure Limited is 50% owned by the University. The remaining 50% is owned by the Waikato Students' Union (Incorporated). U Leisure Limited commenced operations from 1 August 1996, replacing the Student Union Services Management Board. Equity Accounting methods have been used to report the results of U Leisure Limited which has a balance date of 31 December.
- LCo New Zealand Limited is 24% owned by the University. The remaining 76% is owned by three other New Zealand universities. LCo New Zealand Limited was incorporated December 2003. Equity Accounting methods have been used to report the results of LCo New Zealand Limited which has a balance date of 31 December.

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

Basis of Preparation

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

The accounting policies set out below have been applied in preparing the financial statements for the year ended 31 December 2012 and the comparative information presented in these financial statements for the year ended 31 December 2011.

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

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

Basis of Consolidation

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

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

Notes to the Financial Statements

Subsidiaries

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

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

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

Associates

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

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

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

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

Budget Figures

Budget figures are those approved by the Finance Committee per minutes of 31 August 2011 for the University entity. The budget figures have been prepared in accordance with NZ GAAP and are consistent with the accounting policies adopted by the Council for the preparation of the financial statements.

Cash flow Statement

Cash and cash equivalents

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

Operating activities

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

Investing activities

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

Financing activities

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

Notes to the Financial Statements

Revenue

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

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

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

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

Interest income is recognised using the effective interest method.

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

Borrowing Costs

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

Trade and Other Receivables

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

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

Employee entitlements

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

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

Additionally provision has been made, where applicable, using an actuarial valuation for retirement gratuities and long service leave. This valuation, as at 31 December 2012, was undertaken by Mercer (NZ) Limited (Actuaries). The calculations are based on:

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

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

Notes to the Financial Statements

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

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

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

Equity

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

- General Equity
- Asset Revaluation Reserve
- Restricted Reserves

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

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

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

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

Income tax

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

Goods and services tax

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

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

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

Commitments and contingencies are disclosed exclusive of GST.

Notes to the Financial Statements

Inventories

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

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

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

Financial Assets

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

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

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

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

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

The four categories of financial assets are:

Financial assets at fair value through surplus or deficit.

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

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

Assets in this category for the group include listed securities.

- Loans and receivables

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

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

Notes to the Financial Statements

- Held to Maturity Investments

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

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

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

- Financial assets at fair value through other comprehensive income.

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

This category encompasses:

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

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

Impairment of Financial Assets

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

Leases

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

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

Property, Plant and Equipment:

Land

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

Buildings

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

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

Notes to the Financial Statements

Infrastructural assets

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

Library

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

Assets Under Construction/Work in Progress

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

Other Property, Plant and Equipment

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

Depreciation

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

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

Revaluations

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

Disposals

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

Notes to the Financial Statements

Intangible assets

Patents, trademarks and licences

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

Computer Software

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

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

Research

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

Intellectual Property Development

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

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

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

Impairment of non current assets

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

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

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

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

Notes to the Financial Statements

Provisions

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

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

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

Restructuring

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

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

Trade and Other Payables

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

Borrowings

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

Changes in Accounting Policies

There have been no changes in accounting policies for the year ended 31 December 2012.

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

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

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

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

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

Notes to the Financial Statements

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

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

Critical accounting estimates and assumptions

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

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

Critical judgements in applying the University's accounting policies

Management has exercised the following critical judgements in applying the University's accounting policies for the period ended 31 December 2012:

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

Notes to the Financial Statements

Note 2: Government Funding and Grants

	Consolidated		University	
	This Year	Last Year	This Year	Last Year
	<i>\$000</i>	<i>\$000</i>	<i>\$000</i>	<i>\$000</i>
Block Grants	85,713	85,894	85,713	85,894
Advisory Services Grants	10,843	10,318	10,843	10,318
Other Grants	1,449	1,777	1,449	1,777
Total Government Funding and Grants	98,005	97,989	98,005	97,988

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

Notes to the Financial Statements

Note 3: Tuition Fees

	Consolidated		University	
	This Year	Last Year	This Year	Last Year
	<i>\$000</i>	<i>\$000</i>	<i>\$000</i>	<i>\$000</i>
Government Funded Students	42,714	40,590	42,714	40,590
Full Cost International Students	26,100	26,663	26,100	26,663
Total Fees	68,814	67,253	68,814	67,253

Notes to the Financial Statements

Note 4: Other Income

	Consolidated		University	
	This Year	Last Year	This Year	Last Year
	<i>\$000</i>	<i>\$000</i>	<i>\$000</i>	<i>\$000</i>
Student Accommodation and Other Services	8,620	8,980	8,620	8,980
Rental	966	766	971	819
Carbon Dating	860	1,205	860	1,205
Printing and Copying Services	1,020	1,391	1,020	1,391
Teaching Resource Sales	623	648	623	648
Other Income	11,071	11,400	9,380	9,262
Total Other Income	23,160	24,390	21,474	22,305

Notes to the Financial Statements

Note 5: Employee Entitlements

	Consolidated		University	
	This Year	Last Year	This Year	Last Year
Personnel Costs	\$000	\$000	\$000	\$000
Employee Benefit Expenses - Academic	77,036	77,462	76,670	77,245
Employee Benefit Expenses - General	49,239	49,040	46,787	46,283
Movement in Actuarial Valuation	243	2,154	243	2,154
Total Personnel Costs	126,518	128,656	123,700	125,682

	Consolidated		University	
	This Year	Last Year	This Year	Last Year
Employee Entitlements	\$000	\$000	\$000	\$000
Staff Annual and Long Service Leave vested	8,827	8,686	8,827	8,686
Sick Leave	5	22	5	22
Other Employee Entitlements	1,501	3,744	1,132	3,394
Actuarial Valuation of Anticipated Retirement Gratuities and Long Service Leave	14,295	14,052	14,295	14,052
Total Employee Entitlements	24,628	26,504	24,259	26,154
Current Portion	12,733	14,227	12,364	13,877
Non Current Portion	11,895	12,277	11,895	12,277
Total Employee Entitlements	24,628	26,504	24,259	26,154

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 \$949,000 higher/lower.

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

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

General:	Consolidated		University	
	This Year	Last Year	This Year	Last Year
	\$000	\$000	\$000	\$000
Defined contribution plan employer contributions	4,355	4,293	4,355	4,293

Employee Benefit Expenses - Academic and Employee Benefit Expenses - General also includes \$254,077 in restructuring costs for the year ended 31 December 2012 (2011 : \$680,313).

Notes to the Financial Statements

Note 6: Other Costs

	Consolidated		University	
	This Year	Last Year	This Year	Last Year
	\$000	\$000	\$000	\$000
<i>Fees to principal auditor</i>				
Audit fees for financial statement audit	184	228	187	180
Audit fees for assurance services	10	10	10	10
Loss on Disposal of Property Plant & Equipment	(185)	(36)	(185)	(36)
Foreign Exchange (Gain)/Loss	80	84	80	84
Impairment of Receivables	(421)	(409)	(421)	(409)
Travel and Accommodation	5,686	5,819	5,053	5,201
Operating Leases	3,942	3,378	3,942	3,378
Scholarships	10,343	10,344	10,240	10,188
Hirage	1,545	2,210	1,544	2,209
Repairs and Maintenance	2,425	3,206	2,425	3,201
Teaching and Research Materials	2,590	2,052	2,505	1,953
Utilities	4,341	3,718	4,333	3,706
Other operating expenses	37,612	36,966	37,765	37,953
Total other costs	68,152	67,570	67,478	67,618

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

Notes to the Financial Statements

Note 7: Investments in Associates

	Consolidated		University	
	This Year	Last Year	This Year	Last Year
	\$000	\$000	\$000	\$000
Investments in Associates				
U Leisure Limited Investment	1,557	1,602	374	374
LCo New Zealand Limited Investment	616	631	501	501
Total Investments in Associates	2,173	2,233	875	875

Associates

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

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

	Consolidated	
	This Year	Last Year
	\$000	\$000
The University's share of the results of U Leisure Limited is as follows:		
Share of retained surplus/(loss)	(45)	49
Investment in Associate		
Opening Balance	1,602	1,553
Share of retained surplus/(loss)	(45)	49
Closing Balance	1,557	1,602
Represented by:		
Share of increase in net assets of associate (Carrying Value)	1,557	1,602

Notes to the Financial Statements

	Ownership	Balance Date
LCo New Zealand Limited (LCoNZ)	24%	31 December
Principal Activity: A consortium of four New Zealand universities providing library solutions to those universities.		
	Consolidated	
	This Year	Last Year
The University's share of the results of LCoNZ is as follows:	\$000	\$000
Share of retained surplus/(loss)	9	17
Investment in Associate		
Opening Balance	631	638
Share of retained surplus/(loss)	9	17
Dividend paid	(24)	(24)
Closing Balance	616	631
Represented by:		
Share of increase in net assets of associate (Carrying Value)	616	631
Summarised Financial Information of Associates		
Assets	7,514	7,825
Liabilities	1,834	1,990
Net Assets	5,679	5,835
Revenue	4,533	4,638
Net Surplus/(Loss)	25	187
Share of Associates' surplus/(loss)	(36)	66

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

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

Notes to the Financial Statements

Note 8: Equity General Equity

	Ref	Consolidated		University	
		This Year	Last Year	This Year	Last Year
		\$000	\$000	\$000	\$000
Opening Balance		201,561	192,349	182,474	173,433
Net Surplus/(Deficit)		5,831	8,805	8,809	9,054
Staff Share Options Issued	i	7	29	-	-
Associate prior year gains/losses reversed on share buy back		-	-	-	-
Surplus attributable to Non-Controlling Interest		379	391	-	-
<i>less appropriations of net surplus to:</i>					
Restricted Reserves					
Prizes, Scholarships and Trust Funds		(682)	(913)	(682)	(913)
<i>plus transfers from</i>					
Prizes, Scholarships and Trust Funds		935	900	935	900
Closing Balance		208,031	201,561	191,536	182,474

Other Reserves

	Ref	Consolidated		University	
		This Year	Last Year	This Year	Last Year
		\$000	\$000	\$000	\$000
Asset Revaluation Reserve	ii	131,557	131,557	131,557	131,557
Restricted Reserves	iii	2,900	3,153	2,900	3,153
Total Other Reserves		134,457	134,710	134,457	134,710
Total Equity		342,488	336,271	325,993	317,184

i) Staff Share Options Issued

During 2008, 11 Ants Ltd, a subsidiary of WaikatoLink, established a share option programme that entitles key personnel to purchase shares in the company. In accordance with this programme options are exercisable at the market price of the shares at the date of grant. During the 2012 year \$6,886 of options were exercised (2011 : \$28,985).

Notes to the Financial Statements

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

Represented by:

Land

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

Buildings

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

Infrastructural Assets

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

iii) Restricted Reserves

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

	Consolidated		University	
	This Year	Last Year	This Year	Last Year
	\$000	\$000	\$000	\$000
Prizes, Scholarships and Trust Funds				
Opening Balance	3,153	3,140	3,153	3,140
add appropriation of Net Surplus	682	913	682	913
less application to Prizes, Scholarships and Trust Funds	(935)	(900)	(935)	(900)
Closing Balance	2,900	3,153	2,900	3,153

Notes to the Financial Statements

Note 9: Cash and Cash Equivalents

	Consolidated		University	
	This Year	Last Year	This Year	Last Year
	<i>\$000</i>	<i>\$000</i>	<i>\$000</i>	<i>\$000</i>
Cash at bank and in hand	1,162	1,833	1,004	1,119
Term deposits maturing three months or less from date of acquisition	7,011	12,210	6,800	11,038
	8,173	14,043	7,804	12,157

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

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

Notes to the Financial Statements

Note 10: Trade and Other Receivables

	Consolidated		University	
	This Year	Last Year	This Year	Last Year
	\$000	\$000	\$000	\$000
Trade Receivables	9,311	9,091	7,077	6,946
Student Fee Receivables	10,554	8,264	10,554	8,264
Receivables from Subsidiaries	-	-	187	272
Receivables from Related Parties	956	1,049	760	193
Impairment of Debtors	(269)	(690)	(249)	(670)
	20,552	17,714	18,329	15,005

Included in Student Fee Receivables is \$10.0M (2011 : \$7.8M) of 2013 fees which have been invoiced but are not due for for payment until 2013. Also refer note 17.

The carrying value of receivables approximates their fair value.

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

The movement for impairment is recognised in the Statement of Comprehensive Income for the current year (refer note 6).

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

Notes to the Financial Statements

As at 31 December 2012 and 2011, all overdue receivables have been assessed for impairment and appropriate provisions applied, as detailed below:

	University					
	This Year			Last Year		
	Gross \$000	Impairment \$000	Net \$000	Gross \$000	Impairment \$000	Net \$000
Not past due	10,901	-	10,901	7,477	(33)	7,444
Past due 1-30 days	6,644	-	6,644	5,861	-	5,861
Past due 31-60 days	471	-	471	1,510	-	1,510
Past due 61+ days	562	(249)	313	827	(637)	190
Total	18,578	(249)	18,329	15,675	(670)	15,005

	Consolidated					
	This Year			Last Year		
	Gross \$000	Impairment \$000	Net \$000	Gross \$000	Impairment \$000	Net \$000
Not past due	12,161	-	12,161	9,137	(33)	9,104
Past due 1-30 days	6,644	-	6,644	5,885	-	5,885
Past due 31-60 days	472	-	472	1,518	-	1,518
Past due 61+ days	1,544	(269)	1,275	1,864	(657)	1,207
Total	20,821	(269)	20,552	18,404	(690)	17,714

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

	Consolidated		University	
	This Year \$000	Last Year \$000	This Year \$000	Last Year \$000
	At 1 January	690	1,099	670
Provisions made during the year	(391)	(137)	(391)	(137)
Receivables written off during the year	(30)	(272)	(30)	(272)
At 31 December	269	690	249	670

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

Loans and Other Receivables

This \$60,000 relates to the Non Current Receivable held by WaikatoLink Ltd.

Notes to the Financial Statements

Note 11: Intercompany Balances

	Consolidated		University	
	This Year	Last Year	This Year	Last Year
	\$000	\$000	\$000	\$000
University of Waikato Foundation Trust	-	-	(266)	(141)
University of Waikato Alumni Association	-	-	(5)	(5)
Student Campus Building Fund Trust	-	-	(1,106)	(908)
LCo New Zealand Limited Investment	-	-	(110)	(85)
WaikatoLink Limited	-	-	9,000	7,901
University of Waikato Research Trust	-	-	(14,949)	(15,539)
Total Intercompany Balances	-	-	(7,436)	(8,777)
Current Portion	-	-	7,513	6,762
Non Current Portion	-	-	(14,949)	(15,539)
Total Intercompany Balances	-	-	(7,436)	(8,777)

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

All current accounts with the exception of the University of Waikato Research Trust are classified as current. The University of Waikato Research Trust is classified as non-current as the Research Trust trustees are unable to determine the repayment amount, if any, that will be required during the 12 months to December 2013.

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 2012 the University had advanced to WaikatoLink Ltd a total of \$8,999,656 by way of shareholder loan. \$400,000 of this loan is subject to an interest rate equal to the interest rate that the University receives on deposits, and an additional \$210,000 advanced during 2009, \$1,500,000 advanced during 2010, \$1,940,000 advanced during 2011, and \$1,099,116 advanced during 2012 is subject to a 3% pa interest rate. The balance of the loan is interest free and repayable on demand. The University has undertaken not to demand repayment until WaikatoLink has sufficient free cash available to make repayments.

Notes to the Financial Statements

Note 12: Other Financial Assets

	Consolidated		University	
	This Year	Last Year	This Year	Last Year
	<i>\$000</i>	<i>\$000</i>	<i>\$000</i>	<i>\$000</i>
Other Financial Assets				
Term Deposits with maturities of 4-12 months	12,515	7,000	11,045	7,000
Total Other Financial Assets	12,515	7,000	11,045	7,000

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

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

There was no impairment provision for investments.

Notes to the Financial Statements

Note 13: Inventories

	Consolidated		University	
	This Year	Last Year	This Year	Last Year
	<i>\$000</i>	<i>\$000</i>	<i>\$000</i>	<i>\$000</i>
Held for Sale	282	289	282	289
Held for Distribution/Use	738	1,008	738	1,008
	1,020	1,297	1,020	1,297

No inventories are pledged as security for liabilities or subject to retention of title clauses. (2011 \$nil).

There were no writedowns for obsolescence in 2012 (2011 \$nil).

Notes to the Financial Statements

Note 14: Investments

	Consolidated		University	
	This Year	Last Year	This Year	Last Year
	\$000	\$000	\$000	\$000
Strategic Investments				
NZ Synchrotron Group Limited	198	198	198	198
Titanox Development Limited	205	194	-	-
ZyGEM NZ Limited Partnership	254			
Investments in Subsidiaries				
WaikatoLink Limited	-	-	2,000	2,000
	657	392	2,198	2,198

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.

Notes to the Financial Statements

Note 15: Intangible Assets

	Consolidated				University		
	Software - Purchased	Software - Internally Generated	Non Software Development Costs	Consolidated Total	Software - Purchased	Software - Internally Generated	University Total
<i>This Year</i>	<i>\$000</i>	<i>\$000</i>	<i>\$000</i>	<i>\$000</i>	<i>\$000</i>	<i>\$000</i>	<i>\$000</i>
Opening Balance at 1 January 2012							
Cost	16,010	925	11,162	28,097	15,995	925	16,920
Accumulated Amortisation and Impairment	(10,129)	(693)	(2,677)	(13,499)	(10,116)	(693)	(10,809)
Opening Carrying Amount	5,881	232	8,485	14,598	5,879	232	6,111
Year Ended 31 December 2012							
Additions	1,604	-	948	2,552	1,604	-	1,604
Disposals	-	-	(573)	(573)	-	-	-
Amortisation and Impairment Charge	(1,981)	(77)	(2,236)	(4,294)	(1,979)	(77)	(2,056)
Closing Carrying Amount	5,504	155	6,624	12,283	5,504	155	5,659
Closing Balance at 31 December 2012							
Cost	17,614	925	11,537	30,076	17,599	925	18,524
Accumulated Amortisation and Impairment	(12,110)	(770)	(4,913)	(17,793)	(12,095)	(770)	(12,865)
Closing Carrying Amount	5,504	155	6,624	12,283	5,504	155	5,659

Notes to the Financial Statements

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

Notes to the Financial Statements

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 \$3,166,000 (2011 \$4,811,000)

The amount of intangible assets that are work in progress for software purchased is \$609,000 (2011 \$192,000)

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

Notes to the Financial Statements

Note 16: Property, Plant and Equipment

This Year Consolidated	Cost/ Revaluation 1 Jan 12	Accumulated Depreciation and Impairment Charges 1 Jan 12	Carrying Amount 1 Jan 12	Current Year Additions	Current Year Disposals	Current Year Impairment Charges	Current Year Depreciation	Revaluation Movement	Cost/ Revaluation 31 Dec 12	Accumulated Depreciation and Impairment Charges 31 Dec 12	Carrying Amount 31 Dec 12
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Land	1,765	-	1,765	-	-	-	-	-	1,765	-	1,765
Infrastructural Assets	24,106	-	24,106	630	-	-	(702)	-	24,736	(702)	24,034
Buildings	265,963	-	265,963	4,022	-	-	(9,056)	-	269,985	(9,056)	260,929
Leasehold Building Improvements	2,578	(1,890)	688	14	-	-	(86)	-	2,592	(1,977)	615
Library Collection	60,464	(33,702)	26,762	3,193	-	-	(2,462)	-	63,657	(36,164)	27,493
Plant and Equipment	40,582	(28,276)	12,305	3,908	(167)	-	(2,287)	-	43,095	(29,335)	13,760
Computer Equipment	26,248	(20,249)	5,999	3,738	(24)	-	(2,691)	-	28,547	(21,525)	7,022
Art Collection	457	-	457	8	-	-	-	-	465	-	465
Motor Vehicles	3,987	(1,983)	2,004	872	(168)	-	(470)	-	4,188	(1,950)	2,238
Work in Progress	3,300	-	3,300	10,445	-	-	-	-	13,745	-	13,745
Total	429,450	(86,100)	343,349	26,830	(359)	-	(17,754)	-	452,775	(100,709)	352,066

**Notes to the
Financial Statements**

Last Year Consolidated	Cost/ Revaluation 1 Jan 11	Accumulated Depreciation and Impairment Charges 1 Jan 11	Carrying Amount 1 Jan 11	Current Year Additions	Current Year Disposals	Current Year Impairment Charges	Current Year Depreciation	Revaluation Movement	Cost/ Revaluation 31 Dec 11	Accumulated Depreciation and Impairment Charges 31 Dec 11	Carrying Amount 31 Dec 11
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Land	1,825	-	1,825	-	-	-	-	(60)	1,765	-	1,765
Infrastructural Assets	18,270	(772)	17,497	3,320	-	-	(812)	4,100	24,106	-	24,106
Buildings	259,510	(8,370)	251,140	38,167	-	-	(8,649)	(14,692)	265,963	-	265,963
Leasehold Building Improvements	2,548	(1,797)	751	31	-	-	(93)	-	2,578	(1,890)	688
Library Collection	57,352	(31,317)	26,035	3,111	-	-	(2,384)	-	60,464	(33,702)	26,762
Plant and Equipment	37,178	(26,004)	11,173	3,172	(22)	-	(2,024)	-	40,582	(28,276)	12,305
Computer Equipment	25,012	(19,072)	5,940	2,411	-	-	(2,346)	-	26,248	(20,249)	5,999
Art Collection	335	(6)	329	122	-	-	6	-	457	-	457
Motor Vehicles	3,795	(1,956)	1,839	755	(125)	-	(465)	-	3,987	(1,983)	2,004
Work in Progress	28,686	-	28,686	(25,388)	-	-	-	-	3,300	-	3,300
Total	434,510	(89,294)	345,215	25,701	(147)	-	(16,767)	(10,651)	429,450	(86,100)	343,349

Notes to the Financial Statements

The \$82,000 (2011 - \$101,000) difference between the Property, Plant and Equipment Carrying amount, represented in the Balance Sheet for the University as compared to the value under Consolidated, is the Property, Plant and Equipment held by The University of Waikato Foundation of \$0 (2011 - \$200) and WaikatoLink Limited of \$82,000 (2011 - \$101,000).

Land and Buildings

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

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

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

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

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

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

Infrastructure

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

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

The net carrying amount of Property, Plant and equipment held under finance leases is \$1,864,224 (2011- \$1,915,211)

Restrictions on title

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

Notes to the Financial Statements

Note 17: Income in Advance

	Consolidated		University	
	This Year	Last Year	This Year	Last Year
	<i>\$000</i>	<i>\$000</i>	<i>\$000</i>	<i>\$000</i>
Research Income	7,787	8,826	7,787	8,826
Commercial	528	382	457	382
Tuition Fees	19,008	17,160	19,008	17,160
Total Income in Advance	27,323	26,368	27,252	26,368

Included in tuition fees is \$10.0M (2011 : \$7.8M) of 2013 fees which have been invoiced but are not due for payment until 2013. Also refer note 10.

Notes to the Financial Statements

Note 18: Trade and Other Payables

	Consolidated		University	
	This Year	Last Year	This Year	Last Year
	<i>\$000</i>	<i>\$000</i>	<i>\$000</i>	<i>\$000</i>
Trade Payables	5,494	6,156	6,326	6,384
Payables to Related Parties (see note 25)	1,014	1,051	453	273
GST Payable	3,349	2,876	3,306	2,835
Accruals	8,766	3,529	7,911	2,883
Trade and Other Payables	18,623	13,612	17,996	12,375

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

Notes to the Financial Statements

Note 19: Derivative Financial Instruments

	Consolidated		University	
	This Year	Last Year	This Year	Last Year
	\$000	\$000	\$000	\$000
Current liability portion				
Forward foreign exchange contracts	3	-	3	-
Total derivative financial instrument liabilities	3		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 amounts of outstanding forward foreign exchange contracts in NZD were \$257,318 (2011 \$0). The foreign currency principal amounts were GBP38,000 and EUR115,000.

Notes to the Financial Statements

Note 20: Borrowings

	Consolidated		University	
	This Year	Last Year	This Year	Last Year
	\$000	\$000	\$000	\$000
Opening Balance	1,336	1,338	1,336	1,338
less Borrowings Repaid	(3)	(2)	(3)	(2)
Closing Balance	1,333	1,336	1,333	1,336
Current Portion - Finance Lease	3	3	3	3
Non Current Portion - Finance Lease	1,330	1,333	1,330	1,333
	1,333	1,336	1,333	1,336

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

Finance lease

(a) Leasing arrangements

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

(b) Finance lease liabilities

	Minimum Future Lease Payments				Present Value of minimum future lease payments			
	Consolidated		University		Consolidated		University	
	This Year	Last Year	This Year	Last Year	This Year	Last Year	This Year	Last Year
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
No later than 1 year	164	164	164	164	154	154	154	154
Between 1 and 5 years	655	655	655	655	459	459	459	459
Later than five years	4,697	4,860	4,697	4,860	720	723	720	723
Minimum Lease Payments	5,516	5,679	5,516	5,679	1,333	1,336	1,333	1,336
Less future finance charges	(4,183)	(4,343)	(4,183)	(4,343)				
Present value of minimum lease payments	1,333	1,336	1,333	1,336	1,333	1,336	1,333	1,336

Notes to the Financial Statements

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

	Consolidated		University	
	This Year	Last Year	This Year	Last Year
	\$000	\$000	\$000	\$000
Net Surplus/(Deficit)	5,831	8,805	8,809	9,054
Add/(Less) Non Cash Items:				
Depreciation and Amortisation	22,077	19,029	19,773	18,429
Increase/(Decrease) in Term Portion of Employee Entitlements	(382)	2,055	(382)	2,055
Intercompany Accounts	-	-	(1,341)	(331)
Share of Surplus/(Deficit) from Associates	-	(42)	-	-
Issue of Employee Share Options	7	-	-	-
Non Cash Disposal of Assets	44	199	44	199
Loss on Sale of Subsidiary	90	-	-	-
Cost of Sale Recognised	576	-	-	-
Interest Received	(67)	-	-	-
Associates	(182)	-	-	-
Other	-	-	-	-
	22,163	21,241	18,094	20,352
Add/(Less) Movements in Other Working Capital Items:				
(Increase)/Decrease in Trade and Other Receivables	(3,315)	(3,444)	(3,324)	(3,374)
Increase/(Decrease) in Trade and Other Payables	5,140	1,358	5,621	840
(Increase)/Decrease in Inventories	277	(314)	277	(314)
Increase/(Decrease) in Income in Advance	955	(1,464)	884	(1,428)
Increase/(Decrease) in Employee Entitlements	(1,494)	358	(1,513)	421
(Increase)/Decrease in Prepayments	(1,055)	92	(1,055)	92
	508	(3,413)	890	(3,763)
Add/(Less) Items Classified as Investing and Financing Activities:				
Long Term Investment	-	248	-	248
(Gain) / Loss on Disposal of Property, Plant & Equipment	(229)	(235)	(229)	(235)
Cash investment to Waikato Link	-	-	-	-
Equity Distribution from Subsidiary	241	-	-	-
Derecognition of Subsidiary on Sale	106	-	-	-
Associate Losses Recognised	415	-	-	-
WaikatoLink Equity Adjustment	-	-	-	-
Cash Dividend from Subsidiary	-	-	(39)	(31)
	533	13	(268)	(18)
Net Cash Flow from Operating Activities	29,035	26,646	27,525	25,625

Notes to the Financial Statements

Note 22: Key Management Personnel Compensation

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

	University	
	This Year	Last Year
	\$	\$
Short-term employee benefits	4,196,804	4,084,154
Councillor Remuneration	73,990	76,102
Post-employment benefits	161,010	127,705
Termination Payments	0	92,650
Total	4,431,804	4,380,611

Notes to the Financial Statements

Note 23: Leases

Operating Leases as Lessee

(a) Leasing Arrangements

	Final Expiry	2012 Actual	Commentary
Property Leases		\$000	
Waikato-Tainui Campus Land	In perpetuity	1,512	Subject to lease condition
Tauranga Campus	2013 to 2025	593	5 Separate Leases
Ruakura Satellite Campus	2013 to 2013	373	4 Separate Leases
Other Hamilton Leases	2013 to 2023	237	5 Leases
Other	2013 -2017	127	5 Leases
Equipment Leases	2013 to 2016	1,100	3 Leases
Total		3,942	

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

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

The University has entered into a prepaid lease agreement. The future aggregate minimum lease payments under the non-cancellable operating lease are \$150,000 not longer than 1 year, \$562,500 longer than 1 year and not longer than 5 years, and nil longer than 5 years. These amounts will be expensed through the Statement of Comprehensive Income in the relevant periods.

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

	Consolidated		University	
	This Year	Last Year	This Year	Last Year
	\$000	\$000	\$000	\$000
(b) Non-cancellable operating lease payments				
Not longer than 1 year	3,065	3,613	3,065	3,613
Longer than 1 year and not longer than 5 years	7,589	9,984	7,589	9,984
Longer than five years	46,358	59,871	46,358	59,871
	57,012	73,468	57,012	73,468

Notes to the Financial Statements

(c) Sub-leases

The total minimum future receipts that the university expects to receive from its tenants on leased land is \$8.5M, (2011 \$8.8M). The minimum renewal periods range from 1 to 34 years.

Lessor Disclosures

Operating Leases as Lessor

(a) Leasing Arrangements (Receivables)

Operating leases relate to shops on campus, campus land and residential premises adjacent to the University. Lease terms are for terms of between 5 months 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:

	Consolidated		University	
	This Year	Last Year	This Year	Last Year
	\$000	\$000	\$000	\$000
(b) Non-cancellable operating lease receivables				
Not longer than 1 year	665	586	665	586
Longer than 1 year and not longer than 5 years	1,560	1,667	1,560	1,667
Longer than five years	6,617	6,930	6,617	6,930
	8,842	9,183	8,842	9,183

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

Notes to the Financial Statements

Note 24: Financial Instruments

24A: Financial Instrument Categories

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

	Consolidated		University	
	This year	Last year	This year	Last year
	\$000	\$000	\$000	\$000
FINANCIAL ASSETS				
Fair value through surplus or deficit				
Held for trading				
Forward foreign exchange contracts	3	0	3	0
Total held for trading	3	0	3	0
Loans and Receivables				
Cash and Cash Equivalents	8,173	14,043	7,804	12,157
Trade and Other Receivables	20,552	17,714	18,329	15,005
Inter Company Balances	0	0	7,513	6,762
Prepayments	5,358	4,303	5,358	4,303
Other Financial Assets	12,515	7,000	11,045	7,000
Investments in Associates	2,173	2,233	875	875
Investments	657	392	2,198	2,198
Total Loans and Receivables	49,428	45,685	53,122	48,300
FINANCIAL LIABILITIES				
Fair value through surplus or deficit				
Financial Liabilities at Amortised Cost				
Income in Advance	27,323	26,368	27,252	26,368
Trade and Other Payables	18,623	13,612	17,996	12,375
University of Waikato Research Trust Payable	0	0	14,949	15,539
Total Financial Liabilities at Amortised Cost	45,946	39,980	60,197	54,282

24B: Fair Value Hierarchy Disclosures

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

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

The University and Group currently has \$3K (2011 \$0) of forward foreign exchange contracts measured at fair value on the balance sheet. (see note 19)

Notes to the Financial Statements

24C: Financial Instrument Risks

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

Market risk

The effective interest rates on investments range from 3.60% to 4.34% (2011 - 3.62% to 4.63%).

There was a finance lease recognised in 2006 with an effective interest rate of 12.07% in 2012. (2011 - 12.07%).

There were no term loans for 2012 (2011 - none).

Fair Value Interest Rate Risk

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

Cash Flow Interest Rate Risk

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

The University holds a mixture of fixed rate and floating call rate deposits. At 31 December the University had \$6.8M (2011 \$6.0M) invested in variable rate deposits and the balance in fixed rate deposits.

Sensitivity analysis

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

INTEREST RATE RISK

University	This Year		Last Year	
	+100bps	-100bps	+100bps	-100bps
	\$000	\$000	\$000	\$000
Instrument				
Variable rate deposits	68	(68)	60	(60)

Consolidated	This Year		Last Year	
	+100bps	-100bps	+100bps	-100bps
	\$000	\$000	\$000	\$000
Instrument				
Variable rate deposits	69	(69)	61	(61)

Notes to the Financial Statements

CURRENCY RISK

University	This Year		Last Year	
Instruments held in USD	+10%	-10%	+10%	-10%
	\$000	\$000	\$000	\$000
Creditors	13	(16)	4	(5)
Debtors	(2)	3	(7)	8
US dollar account	(13)	16	(4)	5

Consolidated	This Year		Last Year	
Instruments held in USD	+10%	-10%	+10%	-10%
	\$000	\$000	\$000	\$000
Creditors	14	(17)	7	(5)
Debtors	(2)	3	(7)	9
US dollar account	(13)	16	(4)	5

University	This Year		Last Year	
Instruments held in AUD	+10%	-10%	+10%	-10%
	\$000	\$000	\$000	\$000
Creditors	5	(6)	3	(4)
Debtors	0	0	(5)	7
AUD dollar account	(8)	10	(30)	36

Consolidated	This Year		Last Year	
Instruments held in AUD	+10%	-10%	+10%	-10%
	\$000	\$000	\$000	\$000
Creditors	9	(11)	3	(4)
Debtors	0	0	(5)	7
AUD dollar account	(8)	10	(30)	36

Notes to the Financial Statements

University and Consolidated	This Year		Last Year	
Instruments held in EUR	+10%	-10%	+10%	-10%
	\$000	\$000	\$000	\$000
Creditors	4	5	0	0
Debtors	(1)	1	(2)	2

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

The instruments held in SBD had minimal values, accordingly no analysis is provided.

Explanation of interest rate risk sensitivity

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

Notes to the Financial Statements

Explanation of currency risk sensitivity

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

Credit Risk

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

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

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

No collateral is held.

Credit quality of financial assets

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

	Consolidated		University	
	2010	2009	2010	2009
	\$000	\$000	\$000	\$000
Counterparties with credit ratings				
Cash at bank and term deposits				
AA-	20,688	21,043	18,849	19,157
Counterparties without credit ratings				
Debtors and other receivables				
Existing counterparty with no defaults in the past	20,552	17,714	18,329	15,005
Existing counterparty with defaults in the past	0	0	0	0
Total debtors and other receivables	20,552	17,714	18,329	15,005
Loans to related parties				
Existing counterparty with no defaults in the past	0	0	7,513	6,762
Existing counterparty with defaults in the past	0	0	0	0
Total loans to related parties	0	0	7,513	6,762

Liquidity Risk

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

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

Notes to the Financial Statements

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

University	Less than 6 months	Between 6 months and 1 year	Between 1 and 5 years
2012	\$000	\$000	\$000
Creditors and other payables	17,996	0	0
Borrowings	82	82	655
Current Employee Entitlements	2,084	1,200	0
2011			
Creditors and other payables	12,375	0	0
Borrowings	82	82	655
Current Employee Entitlements	4,201	888	0
Consolidated	Less than 6 months	Between 6 months and 1 year	Between 1 and 5 years
2012	\$000	\$000	\$000
Creditors and other payables	18,623	0	0
Borrowings	82	82	655
Current Employee Entitlements	2,412	1,200	0
2011			
Creditors and other payables	13,612	0	0
Borrowings	82	82	655
Current Employee Entitlements	4,551	888	0

Notes to the Financial Statements

Note 25: Related Party Transactions

The following related party transactions occurred between the University and WaikatoLink Limited, U Leisure Limited (ULL), The University of Waikato Foundation (Foundation), The Student Campus Building Fund Trust (SCBFT), LCo New Zealand Limited (LCoNZ), The University of Waikato Alumni Association Incorporated (Alumni) (No related party transactions for 2011 or 2012), University of Waikato Research Trust

	WaikatoLink \$	ULL \$	Foundation \$	SCBFT \$	LCoNZ \$	UoW RT \$	Lightwire \$
Payments in 2012 to:	2,846,071	770,656	-	1,844	254,063	1,711,000	192,165
(2011)	3,082,251	755,890	-	283,794	272,589	2,436,000	265,520
Receipts in 2012 from:	316,177	358,629	615,447	231,784	163,590	257,444	25,177
(2011)	296,261	369,572	759,097	233,385	23,164	595,901	53,034
Accounts Receivable at 31 December 2012 owing from:	9,192,679	78,743	-	-	302	-	-
(2011)	8,172,482	38,145	-	-	-	-	17,571
Accounts Payable at 31 December 2012 owing to:	123,931	59,253	270,829	1,105,699	327	14,949,000	-1,472
(2011)	125,586	89	145,486	907,759	180	15,539,000	-

Significant Transactions with Government-related Entities

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

The University has received funding and grants from the Tertiary Education Commission totalling \$88.49M (2011 \$90.22M) to provide education and research services for the year ended 31 December 2012.

The University also receives research funding from the Ministry of Science and Innovation totalling \$8.28M (2011 \$6.65M).

The University received funding from the Ministry of Education totalling \$20.6M (2011 \$23.2M) to provide school support services.

The University purchased domestic and international travel from Air New Zealand totalling \$1.78M (2011 \$1.74M).

The University received income from WINTEC totalling \$0.96M (2011 \$0.84M) for the provision of teaching services.

The University made payments to Bay of Plenty Polytechnic (BOPP) totalling \$1.57M (2011 \$1.26M) to facilitate University teaching in the Bay of Plenty. The University also supplied services totalling \$211K (2011 \$146K) to BOPP.

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

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

Notes to the Financial Statements

The University purchases goods and services from entities related to the Crown and it also provides services to entities related to the Crown.

The purchase and provision of goods and services to government-related entities for the year ended 31 December 2012 are small when compared to the University's total expenditure and revenue and have all been conducted on an arms' length basis. The purchase of goods and services included the purchase of electricity from Mercury Energy, air travel from Air New Zealand, and postal services from New Zealand Post. The provision of services to government-related entities mainly related to the provision of educational courses.

Key Management Personnel

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

1. The University receives various donations, research revenue and consultancy fees from Gallagher Group Ltd and Gallagher Charitable Trust, in which a member of Council is a director. These totaled \$159,348 (2011 : \$473,635). The balance outstanding at year end was \$5,000 (2011 : \$0).
2. A member of Council is a director of Landcare Research NZ Ltd. The University provided services totalling \$560,245 (2011 : \$675,622) to Landcare Research Ltd and the balance owing at year end was \$425,067 (2011 : \$137,288). The University also purchased services from Landcare Research Ltd during the year totalling \$82,444 (2011 : \$77,450), the balance outstanding at year end was \$0 (2011: \$0).
3. The wife of a direct report of the Vice Chancellor is a director of Hamilton East Medical Centre. The University purchased services from Hamilton East Medical Centre during the year totalling \$438 (2011 : \$133), the balance outstanding at year end was \$0 (2011: \$0).
4. A member of Council is a director of Te Runanganui O Ngati Porou. During the year the University provided services totalling \$62 (2011: \$0) and the balance owing at year end was \$0 (2011: \$0). The University also purchased services from Te Runanganui O Ngati Porou totalling \$251 (2011: \$2,939), the balance outstanding at year end was \$0 (2011: \$0).
5. A member of Council is a director of The New Zealand Institute for Plant and Food Research Ltd. During the year the University provided services totalling \$73,162 (2011: \$0) and the balance owing at year end was \$2,898 (2011: \$0).
6. The member of Council is the vice-president of NZ National Agricultural Fieldays. During the year the University provided sponsorship to the Fieldays of \$133,946 (2011: \$130,506) and the balance owing at year end was \$0 (2011: \$0). The University also received scholarships from NZ Fieldays totalling \$22,000 (2011: \$0), the balance outstanding at year end was \$0 (2011: \$0).
7. The spouse of a member of Council is a director of Nexus Publications. During the year the University provided services totalling \$35 (2011: \$0) to Nexus and the balance owing at year end was \$0 (2011: \$0). The University also purchased advertising from Nexus totalling \$2,400 (2011: \$18,390), the balance outstanding at year end was \$0 (2011: \$1,840).
8. A direct report of the Vice Chancellor is a director of NZ Tertiary Education Consortium Ltd. The University received \$0 (2011: \$186,625) during the year from NZTEC Ltd. There was no outstanding balance at year end.
9. A member of Council is a director of Tatua Co-operative Dairy Co. During the year the University provided services totalling \$7,984 (2011: \$15,857) to Tatua Co-op and the balance owing at year end was \$0 (2011: \$0).
10. During 2012 a direct report of the Vice Chancellor was appointed as a director of Cognition Education Ltd. During the year the University provided services to Cognition for \$1,352,226 and the balance owing at year end was \$331,898. The University also purchased services totalling \$1,169,454 from Cognition Education Ltd and the balance owing at year end was \$209,307.
11. A direct report of the Vice Chancellor is a director of Hamilton & Waikato Tourism Limited. The University purchased services totalling \$0 (2011: \$800) during the year from Hamilton & Waikato Tourism Limited. There was no outstanding balance at year end.
12. The daughter of a direct report of the Vice Chancellor provided lecturing services totalling \$0 (2011 \$217) during the year. There was no outstanding balance at year end.
13. The University also has key management personnel serving on the board of WaikatoLink Limited and ULeisure. The University's dealings with WaikatoLink Limited and ULeisure Ltd are disclosed above.

No provision has been required, nor any expense recognised for impairment of receivables for any loans or other receivables to related parties (2011: \$0).

Notes to the Financial Statements

Note 26: Contingent Liabilities

University Contingent Liabilities

A guarantee has been given to the Bank of New Zealand for an overdraft facility of \$53,000. (2011 - \$53,000) on a continuing basis to the Campus Creche Trust.

The University routinely monitors the financial performance of Campus Creche Trust.

The likelihood of the guarantee being called upon is estimated to be very low.

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

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

There are no other known contingent liabilities.

Share of Subsidiaries' and Associates' Contingent Liabilities

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

Notes to the Financial Statements

Note 27: Capital Management

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

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

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

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

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

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

Notes to the Financial Statements

Note 28: Commitments

Capital Commitments

The University has the following capital expenditure contracted:

	Consolidated		University	
	This Year	Last Year	This Year	Last Year
	\$000	\$000	\$000	\$000
Capital Commitments	4,778	11,818	4,778	11,818

Notes to the Financial Statements

Note 29: Events after Balance Sheet Date

There were no significant events after balance date.

12. Report of the Auditor-General



Independent Auditor's Report

To the readers of University of Waikato and group's financial statements and non-financial performance information for the year ended 31 December 2012

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

We have audited:

- the financial statements of the University and group on pages 54 to 111, that comprise the statement of financial position as at 31 December 2012, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information; and
- the non-financial performance information of the University and group in the statement of service performance on pages 41 to 50.

Opinion

In our opinion:

- the financial statements of the University and group on pages 54 to 111:
 - comply with generally accepted accounting practice in New Zealand; and
 - fairly reflect the University and group's:
 - financial position as at 31 December 2012; and
 - financial performance and cash flows for the year ended on that date; and
- the non-financial performance information of the University and group on pages 41 to 50 fairly reflects the University and group's service performance achievements and outcomes measured against the performance targets adopted in the investment plan for the year ended 31 December 2012

The audit was completed on 13 March 2013. This is the date at which our opinion is expressed.

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

Basis of opinion

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

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

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

An audit also involves evaluating:

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

12. Report of the Auditor-General

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

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

Responsibilities of the Council

The Council is responsible for preparing financial statements that:

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

The Council is also responsible for preparing non-financial performance information that fairly reflects the University and group's service performance achievements and outcomes.

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

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

Responsibilities of the Auditor

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

Independence

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

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



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

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

This audit report relates to the financial statements and performance information of the University of Waikato and group for the year ended 31 December 2012 included on the University of Waikato and group's web-site. The University of Waikato and group's Council is responsible for the maintenance and integrity of the University of Waikato and group's web site. We have not been engaged to report on the integrity of the University of Waikato and group's web site. We accept no responsibility for any changes that may have occurred to the financial statements, performance information and other requirements since they were initially presented on the web site.

The audit report refers only to the financial statements and performance information named above. It does not provide an opinion on any other information which may have been hyperlinked to or from the financial statements and performance information. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the hard copy of the audited financial statements and performance information as well as the related audit report dated 13 March 2013 to confirm the information included in the audited financial statements and performance information presented on this web site.

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

13. Statistical Information ^{1, 2, 3}

Table 1: Total Students in Formal Programmes ⁴

	2005	2006	2007	2008	2009	2010	2011	2012
Total Students	13,068	12,561	12,031	12,014	13,089	12,642	12,563	12,521

Table 2: Total Students by Gender ⁴

	2005	2006	2007	2008	2009	2010	2011	2012
Female	7,462	7,274	7,024	7,007	7,577	7,241	7,147	7,184
Male	5,606	5,287	5,007	5,007	5,512	5,401	5,416	5,337
Total	13,068	12,561	12,031	12,014	13,089	12,642	12,563	12,521

Table 3: Total Students by Ethnicity ⁴

	2005	2006	2007	2008	2009	2010	2011	2012
Pakeha/European	5,964	5,962	5,737	5,631	6,061	5,841	5,775	5,778
New Zealand Māori	2,259	2,225	2,307	2,232	2,451	2,300	2,339	2,343
Pacific Islander	396	433	453	501	525	470	491	557
Chinese	2,633	2,242	1,675	1,407	1,383	1,301	1,182	1,181
Indian	299	290	294	322	402	416	428	456
Other	1,517	1,409	1,565	1,921	2,267	2,314	2,348	2,206
Total	13,068	12,561	12,031	12,014	13,089	12,642	12,563	12,521

Table 4: Total Students by Origin ⁴

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

Table 5: Total Qualification Enrolments by Level ⁴

	2005	2006	2007	2008	2009	2010	2011	2012
Foundation certificates	871	788	991	1,309	1,490	690	492	433
Degree	9,817	9,440	8,949	8,729	9,314	9,804	9,858	9,473
Graduate/Postgraduate (excl.MPhil& Doctorates)	2,776	2,583	2,465	2,609	2,918	2,182	2,169	2,367
MPhil and Doctoral	440	480	488	513	542	617	626	603
Total	13,904	13,291	12,893	13,160	14,264	13,293	13,145	12,876

13. Statistical Information

Table 6: Total Qualification Completions by Level ⁴

	2005	2006	2007	2008	2009	2010	2011	2012
Foundation certificates	512	528	609	870	1,088	869	506	556
Degree	1,696	2,030	1,814	1,608	2,040	2,070	2,086	2,005
Graduate/Postgraduate (excl.MPhil& Doctorates)	1,026	1,334	1,260	1,310	1,032	995	1,077	1,136
MPhil and Doctoral	38	50	72	53	54	71	103	69
Total	3,272	3,942	3,755	3,841	4,214	4,005	3,772	3,766

Table 7: Total Enrolments in Papers ⁴

	2005	2006	2007	2008	2009	2010	2011	2012
Total enrolments	65,982	60,205	60,932	61,838	67,325	68,031	68,416	64,400
% completed ⁵	91%	91%	89%	88%	91%	90%	91%	92%
% passed ⁶	84%	84%	80%	81%	83%	84%	84%	86%

Table 8: Total EFTS in Assessed and Non-Assessed Papers

	2005	2006	2007	2008	2009	2010	2011	2012
Total EFTS	10,641	10,134	9,708	9,685	10,606	10,415	10,348	10,371

Table 9: Total EFTS by Level

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

Table 10: Total EFTS by Source of Funding

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

13. Statistical Information

Table 11: Total EFTS by Ethnicity

	2005	2006	2007	2008	2009	2010	2011	2012
Pakeha/European	4,683	4,634	4,596	4,544	4,855	4,802	4,754	4,747
New Zealand Māori	1,781	1,714	1,782	1,707	1,912	1,823	1,882	1,945
Pacific Islander	330	355	368	412	431	391	419	476
Chinese	2,418	2,016	1,413	1,140	1,180	1,119	1,016	1,024
Indian	243	234	251	257	328	343	355	367
Other Asian	498	514	541	641	700	673	594	551
Other	686	668	758	984	1,199	1,266	1,328	1,261
Total	10,641	10,134	9,708	9,685	10,606	10,415	10,348	10,371

Table 12: Total EFTS by Organisational Unit ⁷

	2005	2006	2007	2008	2009	2010	2011	2012
Arts and Social Sciences	2,134	2,043	1,932	1,849	2,054	2,091	2,060	2,185
Computing and Mathematical Sciences	921	851	790	706	759	804	878	950
Education	1,923	1,832	1,792	1,932	2,256	3,052 ⁸	2,897 ¹¹	2,863 ¹¹
Law	532	562	573	589	608	626	649	622
Māori and Pacific Development	319	306	299	274	278	274	302	283
Science and Engineering	886	895	883	875	925	926	982	1,011
Waikato Management School	3,184	2,880	2,597	2,536	2,664	2,641	2,580	2,455
Pathways College	741	765	843	924	1,062	- ¹¹	- ¹¹	- ¹¹
Total	10,641	10,134	9,708	9,685	10,606	10,415	10,348	10,371

Table 13: Total Staff FTE

	2005	2006	2007	2008	2009	2010	2011	2012
Academic	705	648	625	643	633	654	646	637
Other Staff	973	929	917	916	895	882	897	876
Total	1,678	1,577	1,542	1,560	1,528	1,537	1,543	1,513

Table 14: Seniority of Total Academic Staff FTE ⁹

	2005	2006	2007	2008	2009	2010	2011	2012
Professors	81	88	87	84	84	82	81	86
Associate Professors	65	68	75	78	78	77	78	73
Senior Lecturers	234	220	212	212	224	229	230	234
Lecturers	154	134	119	113	120	126	125	123
Other	171	139	132	156	128	140	131	122
Total	705	648	625	643	633	654	646	637

13. Statistical Information

Table 15: Total Staff FTE by Organisational Unit ¹⁰

	2005	2006	2007	2008	2009	2010	2011	2012
Arts and Social Sciences	196	178	174	179	173	174	170	173
Computing and Mathematical Sciences	87	77	78	75	74	80	78	74
Education	305	302	300	285	292	381 ¹¹	386 ¹⁴	363 ¹⁴
Law	43	37	35	37	35	36	38	38
Māori and Pacific Development	51	40	38	34	29	24	21	41
Science and Engineering	174	176	185	193	188	189	193	195
Waikato Management School	232	222	212	196	186	188	186	177
Other organisational units	590	544	519	561	551	465 ¹⁴	471 ¹⁴	452 ¹⁴
Total	1,678	1,577	1,542	1560	1,528	1,537	1,543	1,513

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

	2005	2006	2007	2008	2009	2010	2011	2012
Total Academic FTE	705	648	625	643	633	654	646	637
Total EFTS	10,641	10,134	9,708	9,685	10,606	10,415	10,348	10,371
EFTS to Academic FTE ratio	15.1:1	15.6:1	15.5:1	15.1:1	16.7:1	15.9:1	16.0:1	16.3:1

Table 17: Ratio of EFTS to Academic FTE (excluding specific categories of staff and students) ¹²

	2006	2007	2008	2009	2010	2011	2012
Academic FTE	496	494	483	480	479	450	448
EFTS	9,369	8,866	8,761	9,544	9,665	9,781	9,880
EFTS to Academic FTE ratio	18.9:1	17.9:1	18.1:1	19.9:1	20.2:1	21.7:1	22.0:1

Table 18: Ratio of EFTS to Other Staff FTE

	2005	2006	2007	2008	2009	2010	2011	2012
Total Other Staff FTE	973	929	917	916	895	882	897	876
Total EFTS	10,641	10,134	9,708	9,685	10,606	10,415	10,348	10,371
EFTS to Other Staff FTE ratio	10.9:1	10.9:1	10.6:1	10.6:1	11.9:1	11.8:1	11.5:1	11.8:1

13. Statistical Information

Table 19: Research Revenue ¹³

	2005	2006	2007	2008	2009	2010	2011	2012
Annual Research Revenue	\$20.805M	\$23.295M	\$21.894M	\$27.838M	\$27.464M	\$31.077M	\$29.693M	
Academic FTE (Research)	466	465	492	450	449	441	442	
Research Revenue per Academic FTE (Research)	\$44,646	\$50,097	\$44,500	\$60,862	\$61,111	\$70,395	\$67,179	

Table 20: 2012 Staff Publications by Organisational Unit ¹⁴

	Books	Chapters	Journals	Conference Contributions	Creative Works	Other	Total
Arts and Social Sciences	8	33	76	101	19	89	326
Computing and Mathematical Sciences	-	1	27	48	-	1	77
Education	5	22	125	157	1	60	370
Law	5	2	16	5	-	1	29
Māori and Pacific Development	1	2	1	10	-	9	23
Science and Engineering	1	9	163	179	-	21	373
Management	6	16	182	132	-	57	393
Other organisational units	-	3	2	1	1	2	9
Total	26	88	592	633	21	240	1,600

Table 21: Buildings ¹⁵

	2005	2006	2007	2008	2009	2010	2011	2012
Total gross area of buildings (m ²)	153,991	157,077	153,791	154,525	155,648	156,709	156,068	156,372
Total net area of buildings utilised for teaching research and administration (m ²)	110,308	113,799	110,513	114,744	115,565	118,329	117,186	112,490
Total number of buildings owned and leased	199	199	194	196	207	204	206	210
Total net useable area per EFTS (m²)	10.37	11.23	11.38	11.85	10.90	11.36	11.32	10.85

13. Statistical Information

Table 22: Library ¹⁶

	2005	2006	2007	2008	2009	2010	2011	2012
Total value of collections	\$20.789M	\$21.974M	\$23.214M	\$24.048M	\$25.109M	\$26.035M	\$26.762M	\$27.493M
Bibliographic resources:								
Books and other non-serials (volumes)	850,580	860,520	857,540	861,670	865,885	873,472	878,295	877,727
Serials (print volumes)	203,201	206,252	201,566	183,436	184,918	185,597	187,032	189,046
Total volumes held	1,053,781	1,066,772	1,059,106	1,045,106	1,050,803	1,509,069	1,065,957	1,066,700
Electronic titles	72,991	76,202	80,575	90,514	112,027	150,842	161,786	186,392

1. Numbers in this section may not add due to rounding
2. EFTS counts those generated in both assessed and non-assessed papers unless specified otherwise.
3. FTE counts continuing, fixed-term and contract staff unless specified otherwise.
4. **Tables 1-7** - the data in these tables count students enrolled in formal programmes only.
5. **Table 7: Total Enrolments in Papers** - counts papers for which students received with a Pass or Fail grade. Papers for which students received Incomplete, Withdrawn, No Credit or Continuing grades are excluded from this count.
6. **Table 7: Total Enrolments in Papers** - counts papers for which students received a passing grade, including a Restricted Pass.
7. **Table 12: Total EFTS by Organisational Unit** - counts EFTS by the organisational unit that 'owns' the relevant papers.
8. **Table 12: Total EFTS by Organisational Unit**-up until 2009 the Pathways College was separate from the Faculty of Education. From 2010 the Pathways College was part of the Faculty of Education.
9. **Table 14: Seniority of Academic Staff FTE** - counts FTE generated by all academic staff by seniority; academic staff fall into the following categories: Professor, Associate Professor, Senior Lecturer, Lecturer, Other Academic (duties may include either teaching and/or research, but the level of seniority does not fit within the other specified categories, e.g. Research Officer or Senior Tutor).
10. **Table 15: Total Staff FTE by Organisational Unit** - counts FTE generated by all staff (academic and other) by organisational unit.
11. **Table 15: Total Staff FTE by Organisational Unit** - up until 2009 the Pathways College was separate from the Faculty of Education and recorded under 'other organisational unit'. From 2010 the Pathways College was part of the Faculty of Education.
12. **Table 17: Ratio of EFTS to Academic FTE (excluding specific categories of staff and students)** - counts FTE generated by 'Teaching and Research' and 'Teaching Only' academic staff and excludes:
 - 'Research Only' staff
 - Casual and fixed-term staff
 - Academic staff not attached to EFTS generating organisational units
 - Academic staff attached to the Pathways College within the Faculty of Education (a significant proportion of Pathways College staff are fixed-term or casual and therefore excluded under this methodology; to avoid skewing the ratio, the associated Pathways College EFTS are also excluded).
13. **Table 19: Ratio of Research Revenue to Academic FTE**
 - **Annual Research Revenue**: counts both PBRF-eligible and non-PBRF eligible research revenue
 - **Academic Staff 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).
14. **Table 20: 2012 Staff Publications by Organisational Unit** - for publications that have more than one University of Waikato author, the publication has been counted once only, in the organisational unit of the first author.
15. **Table 21: Buildings** - counts all EFTS generated by students in both assessed and non-assessed papers.
16. **Table 22: Library** - library statistics are provided using agreed Council of Australian University Librarians (CAUL)/Council of New Zealand University Librarians (CONZUL) conventions.

14. University of Waikato Council and Senior Leadership Team

Council - 2012 membership

Four members appointed by the Minister responsible for Part 13A of the Education Act 1989

Mr Merv Dallas
Dr Brian Linehan (Pro-Chancellor)
Mr Peter Schuyt
Mrs Jenni Vernon

The Vice-Chancellor of the University of Waikato

Professor Roy Crawford

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

Professor Barry Barton

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

Dr Alison Campbell

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

Ms Renee Boyer-Willisson

One student member appointed following an election by the students of the University conducted in accordance with the University of Waikato Election of Members of the Council Statute

Ms Sapphire Gillard

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

Dr John Gallagher

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

Ms Jeanette Clarkin-Phillips

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

Mr Timoti te Heuheu (to 12.7.2012)

Mr Kingi Turner (*attended as Acting Chair of Te Rōpū Manukura, on behalf of Mr te Heuheu*)

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

Mr Maharaiā Paki

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

Rt Hon Jim Bolger (Chancellor)

Ms Jan Jameson

Dr Apirana Mahuika

Mr Todd Muller

Mr Tony Whittaker

14. University of Waikato Council and Senior Leadership Team

Senior Leadership Team - 2012 membership

Vice-Chancellor	Professor Roy Crawford
Deputy Vice-Chancellor	Professor Alister Jones
Pro Vice-Chancellor (International)	Associate Professor Ed Weymes
Pro Vice-Chancellor (Māori)	Professor Linda Smith
Pro Vice-Chancellor (Postgraduate)	Professor Kay Weaver
Pro Vice-Chancellor (Research) (to 8.7.2012)	Professor Mark Apperley
Pro Vice-Chancellor (Research) (from 9.7.2012)	Professor Al Gillespie
Pro Vice-Chancellor (Teaching and Learning)	Professor Richard Coll
Assistant Vice-Chancellor (Executive)	Ms Helen Pridmore
Assistant Vice-Chancellor (Operations)	Ms Anna Bounds
Chief Financial Officer	Mr Andrew McKinnon
Acting Dean of the Faculty of Arts and Social Sciences	Dr David Lumsden
Dean of the Faculty of Computing and Mathematical Sciences	Professor Geoff Holmes
Dean of the Faculty of Education	Professor Roger Moltzen
Dean of the Faculty of Law	Professor Bradford Morse
Dean of the Faculty of Management	Professor Frank Scrimgeour
Dean of the School of Māori and Pacific Development	Professor Linda Smith
Dean of the Faculty of Science and Engineering	Professor Bruce Clarkson
Director of Development (to 16.11.2012)	Ms Christine Brabender
Head of the Communications and External Relations Division	Ms Lisa Finucane
Head of the Facilities Management Division	Mr John Cameron
Head of the Human Resource Management Division	Ms Carole Gunn
Head of the Information Technology Services Division	Mr Kevin Adamson
Head of the Student and Academic Services Division	Ms Michelle Jordan-Tong
Tauranga Liaison and Partnership Manager	Dr Nigel Calder
University Librarian	Mr Ross Hallett

15. Glossaries

15.1 Glossary of Abbreviations

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

15.2 Glossary of Terms

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

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

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

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

Domestic students: students who are

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

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

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

Faculty: includes the School of Māori and Pacific Development.

15. Glossaries

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

FCI (Full-Cost International): associated with international students, does not attract SAC funding from Government.

FCO (Full-Cost Other): does not attract SAC funding from Government because the student concerned

- is undertaking full-time study in another part of the sector (e.g. secondary school student), or
- is undertaking a full-fee domestic programme of study (e.g. some Corporate and Executive Education programmes).

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

Graduate/postgraduate qualifications: qualifications that consist of papers that fit the MOE criteria for RS3, RS4 or RS5 funding (whether MF or FCI); includes graduate degrees (including both one-year and four-year honours degrees and masters degrees), postgraduate certificates and postgraduate diplomas.

International students: students who do not satisfy the criteria for domestic citizenship.

MF (Ministry-Funded): attracts SAC funding from Government.

New students: students enrolled for the first time in a formal qualification at the University of Waikato.

Non-assessed papers: papers that are not assessed and do not result in the award of a formal grade or credit.

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

Other tertiary organisation: another tertiary organisation whether in New Zealand or overseas.

RPG (Research Postgraduate): comprising papers that fit the MOE criteria for RS4 or RS5 funding, whether MF or FCI.

Research Revenue: the sum of both 'PBRF-eligible external research income' and 'non-PBRF eligible research revenue' (these terms are defined in detail by the TEC for PBRF purposes).

Returns: students who have at any time in the past been enrolled in a formal qualification at the University of Waikato.

School-leavers: students who were enrolled at a secondary school in New Zealand or overseas in the year prior to, or same year as, enrolling at the University of Waikato.

SAC (Student Achievement Component) funding: Government's contribution to the direct costs of teaching, learning, and other costs driven by domestic (and some international PhD) student learner numbers.

Sub-degree: comprising papers that fit the MOE criteria for RS1 funding, whether MF or FCI, excluding papers that are eligible for ACE funding.

TPG (Taught Postgraduate): comprising papers that fit the MOE criteria for RS3 funding, whether MF or FCI.

Weighted research degree completions: count of qualification completions with an externally assessed research component of greater than or equal to 0.75 EFTS, and which attract weightings determined by the TEC for subject, student ethnicity and the volume of research within the qualification.

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