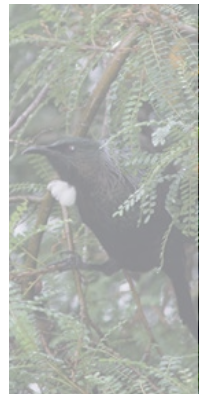




THE UNIVERSITY OF
WAIKATO
Te Whare Wānanga o Waikato

→ ANNUAL REPORT 2014





ICE MEN: The University of Waikato has been sending teams to Antarctica since the 1960s. Here are Mike Selby, Peter Kamp and the late Craig Law on a 1979 expedition.

Contents

Contents	1
Chancellor's Overview	2
Vice-Chancellor's Overview	3
2014 At a Glance	4
Highlights	6
50th Celebrations	8
Our Path	10
Education, Curriculum and Student Experience	12
Research and Excellence	16
Innovation and Commercialisation	20
Internationalisation	24
Partnerships and Engagement	28
Sustainability	32
Staff	36
Students	40
Statistical Information	44
Auditor General Opinion	50
Statement of Service Performance	54
EEO Statement	63
Student Services Levy	64
Financial Overview 2014	66
Statement of Responsibility	68
Financial Statements	69
Notes to the Financial Statements	75
Council and Senior Staff	126
Glossary of Abbreviations and Terms	128
Notes	130

Chancellor's Overview



It has been a significant year for the University of Waikato; one of celebration, construction and consolidation.

Celebrations centred on the University's golden jubilee, giving us an opportunity to reflect on how far we've come and how we can continue to improve in what remains a challenging tertiary environment.

Construction began on the Law and Management building in this year and we anticipate that staff and students will be making good daily use of it beginning 2016.

In world rankings, 2014 is the last time we will appear in the Times Higher Education (THE) Top 100 'Under 50' list. That ranks us 44 out of 5,000 eligible universities, two positions better than when the rankings were last issued in 2013 and 14 places higher than the 2012 ranking.

We continue to impress in subjects, with five disciplines sitting within the top 150 world-wide, but our overall position in both the THE and QS rankings has slipped slightly. This, in part, is due to the rise and rise of universities in Asia.

This situation is affecting all New Zealand universities and I hope that current and future governments make investing in tertiary education a top priority, to enhance the country's research and development, keep us competitive on the world stage, and ensure our graduates are prepared for careers at home and overseas.

Financially, the University is very sound, and rates low-risk under the Tertiary Education Commission's Monitoring Framework. We have met the challenge to increase the number of postgraduate students studying with us, retention rates continue to improve and in the 2014 global satisfaction student survey, University of Waikato students ranked their university higher than the global average for overall university experience, learning experience and student support.

Finally, on behalf of the University of Waikato Council, let me acknowledge the work of our retiring Vice-Chancellor Professor Roy Crawford who is leaving us after 10 years. Professor Crawford has guided the University through some challenging times and has had to make some tough decisions, but his dedication to the University's future well-being has been constant. We wish him well.

Rt Hon James Bolger ONZ
CHANCELLOR

Vice-Chancellor's Overview



In a challenging and rapidly changing tertiary environment, the University of Waikato continues to deliver sound results. Changes in the tertiary environment internationally are increasing the pressure on universities financially and the University of Waikato recognises the need to generate more revenue from non-government sources, including through philanthropy and the commercialisation of intellectual property. There is also an increased emphasis on the Science, Technology, Engineering and Mathematics subjects and a clear motivation from this University to produce skilled graduates to meet the nation's social and economic outcomes.

The University of Waikato is responding to all these challenges. We are asking key questions of ourselves, including: how will our University identify and shape innovation into the future; how will it sustain and build staff who are experts in research and teaching; what does it mean to have a strong regional presence; and what international links ought to be sustained and enhanced and how will this be supported?

Our three-year Curriculum Enhancement Programme (CEP) is working with each of the six faculties and the School of Māori & Pacific Development to review what is being offered – why, how, when and where. A major objective of the CEP is to design a more future-focused curriculum that is responsive to the changing needs of our students and stakeholders.

During the course of 2014, there have been several major staff changes at the University of Waikato, including my decision to retire at the end of 2014. Professor Neil Quigley has been appointed as the new Vice-Chancellor and he will take up the position in February 2015. David Craig commenced as Head of Communications and External Relations in mid-2014, Sharon Calvert joined us as Director International Business, and Professor Don Ross was appointed to take over as Dean of Waikato Management School in 2015. The Dean of Te Piringa - Faculty of Law, Professor Brad Morse, returned to his native Canada at the end of 2014; his replacement is due to be announced early in 2015. During the year the Dean of Science and Engineering, Professor Bruce Clarkson, was seconded to the role of interim director for New Zealand's Biological Heritage Science Challenge, one of 10 National Science Challenges.

After a slow start the new Law and Management building is progressing well. We continue to keep a close eye on finances throughout the organisation and will again sit comfortably within the government-prescribed 3-5% surplus threshold, maintaining our low-risk status with TEC.

While all New Zealand universities experienced the impact of a burgeoning Asian tertiary education provision with a fall in rankings in 2014, the University of Waikato has five subject areas ranked among the world's best, with Education leading the way, ranked 46 in the QS Subject Rankings.

Finally, it has been a privilege to lead the University of Waikato for 10 years. I thank all staff for their support and look forward to the University's continued success in the years to come.

Professor Roy Crawford
VICE-CHANCELLOR

2014 At a Glance

228 AGREEMENTS WITH
INTERNATIONAL
PARTNERS

93% OVERALL
DOMESTIC STUDENT
SATISFACTION



12,232 TOTAL STUDENTS IN
FORMAL PROGRAMMES



7,796 STUDENTS UNDER 25



1,483 FULL-TIME
EQUIVALENT STAFF



3,520
QUALIFICATIONS COMPLETED



92
HIGHER DEGREES COMPLETED



968
OTHER GRADUATE/
POSTGRADUATE COMPLETIONS

TOTAL STUDENTS BY GENDER

Male

5,230

Female

7,002

1,905

NUMBER OF STUDENTS
WHO DID WORK PLACEMENTS
OR PRACTICUMS



335
INTERNATIONAL STAFF

\$46.9 MILLION
R+D REVENUE

\$8.89 MILLION TOTAL
INCOME FROM
RESEARCH INSTITUTES



2,254

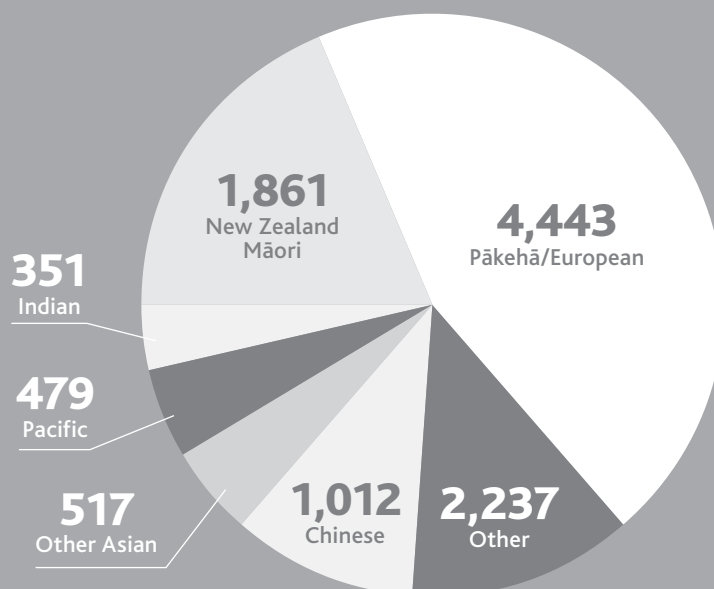
THE NUMBER OF NZ MĀORI
STUDENTS STUDYING AT
WAIKATO IN 2014



76,491

USERS REFERRED FROM
FACEBOOK TO WEBSITE

TOTAL EFTS BY ETHNICITY



44th

IN THE WORLD
OF UNIVERSITIES
UNDER 50
– THE rankings

5

NUMBER OF
SUBJECT AREAS IN TOP
150 IN THE WORLD
– QS rankings

\$29.2
MILLION

TOTAL VALUE OF
THE UNIVERSITY
LIBRARY COLLECTION

Highlights



Recognition at graduation ceremonies

Businessman Sir Dryden Spring and litigation lawyer Warren Scotter, pictured, were recipients of honorary doctorates in 2014. Sir Dryden drove major industry reform in the agricultural sector and helped build international relations. He chaired numerous boards during his long career and served on the APEC Business Advisory Council for a decade. Senior partner at Harkness Henry, Warren Scotter is known for his dedication to the legal profession. He has contributed much to the administration of law in the region and has been an unfailing supporter of the Faculty of Law. Sir Grant Hammond, judge of the New Zealand Court of Appeal and President of the New Zealand Law Commission had his Doctor of Laws conferred in recognition of his legal scholarship on the law of remedies and in the area of the role of the judiciary and judicial boundaries.



Distinguished Alumni Awards

The Distinguished Alumni Awards celebrate and honour Waikato alumni who have made outstanding contributions in their careers and communities, taking into account excellence in the professional, cultural, creative and voluntary sectors. The University presented four awards in 2014 – to Waikato-Tainui CEO Parekawhia McLean; one of the University's first Pacific graduates, education advocate Le Mamea Taulapapa Sefulu Ioane QSO who made the trip from Samoa to receive his award; economist Dr Arthur Grimes and adventurer Jamie Fitzgerald. DAA from previous years include New Zealand Governor-General Sir Jerry Mateparae QSO, Wales rugby coach Warren Gatland OBE, former Telecom CEO Theresa Gattung and Google engineer Dr Craig Nevill-Manning.



Making the right connections

A plaque was unveiled on campus during the year to mark New Zealand's first connection to the internet and the University's involvement in that historic event. The man who made that initial connection in April 1989, John Houlker, was among the guests. He told guests at the gathering to mark the occasion that the University of Waikato's innovative outlook had given him the confidence to press ahead with the ambitious plan. It was a risky business, and while things didn't go exactly to plan, he and others were able to pull it off with some innovative and unconventional last-minute reconfiguration of the modem.

Kīngitanga Day

New Zealander of the Year Dr Lance O'Sullivan was the keynote speaker at the University's 2014 Kīngitanga Day, which had leadership as its theme. The Kaitaia-based GP and father of seven drew a capacity crowd to the Gallagher Academy of Performing Arts as he outlined the changes he has instigated in the Far North to raise the level of health care for Māori. Dr O'Sullivan said it was important that Māori youth have a designed pathway to leadership, rather than have it happen by chance and to that end he has set up the Hawea Vercoe Leadership Scholarship for students in the Far North. Hawea Vercoe, a Waikato University alumnus, died in 2009.



Scholarships

Ten high-achieving school leavers were awarded Golden Jubilee Scholarships for 2015, part of the University's anniversary year. The scholarships, worth up to \$40,000, were awarded for high academic achievement, leadership potential and community citizenship. The University also introduced a scholarship aimed at high achieving international students from selected Asian countries. The University of Waikato Excellence Scholarship for Asia programme will provide up to \$10,000 for selected students. The six Research Institutes on campus awarded a total of seven doctoral scholarships and six masters scholarships for students beginning study in 2014 or early 2015 to a mix of domestic and international students. Mei Cooper, pictured, is the recipient of a TKRI doctoral scholarship to study sustainable tourism.



Golden Jubilee Visiting Professor

As part of the University's 50th celebrations, visiting Professor David Bloom from the Harvard School of Public Health spent a month on campus as Golden Jubilee Visiting Distinguished Professor. A specialist in economics and demography, Professor Bloom consults internationally to public and private sector organisations, including divisions of the UN, the World Bank, the Asian Development Bank and the Bill and Melinda Gates Foundation. He gave two public lectures, one in Wellington, the other at the University, and another for the Waikato District Health Board, covering issues around the economics of ageing populations and the interplay between demographics and economic well-being. He also met politicians, including Finance Minister Bill English. Professor Bloom has accepted an adjunct professor position at Waikato Management School.



50th Celebrations



The University of Waikato's motto is Ko Te Tangata – For the People. It was perhaps more appropriate in 2014 than ever before as staff, students, alumni and friends came on campus for a variety of events, staged to celebrate the University of Waikato's first 50 years.

Celebrations included the launch of *Ko Te Tangata, a History of the University of Waikato*, written by Emeritus Professor Noeline Alcorn.

More than 400 people turned up at the beginning of the jubilee year to hear Emeritus Professor Alcorn give an abridged history of the University and its notable achievements. She touched on the number of "firsts" the University had achieved, leading the way with Women's Studies, the teaching of law in context and being the first university to amalgamate with its local teachers' college. It was at this event that the Vice-Chancellor announced that 10 Golden Jubilee Scholarships worth up to \$40,000 would be offered to school leavers for study commencing in 2015.

In March, Prime Minister John Key unveiled a commemorative plaque to celebrate 50 years, at a function attended by special guests, including Hamilton mayor and law alumna Julie Hardaker. She emphasised the strong connection between the University and Hamilton city, which celebrated 150 years in 2014.



Professor Crawford highlighted many of the areas – such as agriculture, marine science, law, management and Māori – to which the University of Waikato has contributed in significant ways. He said true success came from the graduates and staff, and that while the University celebrated its history, it was also looking to the future and the opportunities ahead. Professor Crawford also announced that Fletcher Construction had been awarded the contract for the new Law and Management building. Work began on the new building later in 2014.



The Prime Minister said universities were a place to challenge ideas, come up with new perspectives and push the boundaries through research, saying these were the things that would make us more developed as a nation. Mr Key acknowledged the priority Waikato had placed in fostering opportunities for Māori and Pacific students and stressed the importance of this for the region and New Zealand overall.

Economists talk about 'communiversity' – the partnership activity between universities and their home cities – where they work together to maximise economic benefits in addition to the teaching and research benefits that a university and other tertiary institutes bring. Waikato University founders were committed to addressing the needs and priorities of the region. This has continued, and even though some people choose to leave the region for tertiary study, they are not forced to – there is a world-class university on their doorstep.

In its first 50 years, the University has become a major employer in the Waikato region and every job at the University generates another 1.26 jobs either in the region or beyond, according to the latest economic impact report. With staff and students joining us from all over the world, the expertise of the region is greatly increased and the cultural diversity enhanced, making Hamilton a more complex and vibrant city. The facilities on campus, including the Gallagher Academy of Performing Arts, diverse teaching and learning spaces and well-maintained sports grounds, make the University a magnet for external conferences, tournaments and public events.

The University held its first Community Open Day in May as part of its jubilee celebrations, opening up the campus for people to wander around the grounds, walk through buildings, get an idea of the some of the subjects available and participate in hands-on experiments and active displays.

The day concluded with an afternoon tea for alumni and friends. Among the attendees was Peter Allen, a foundation student who was the first graduate – simply by virtue of his surname starting with the letter 'A'. He was one of 19 who graduated in 1967. In 2014 nearly 4000 qualifications were conferred on more than 3600 students in April and October ceremonies at Claudelands, Te Kohinga Mārama Marae and in Tauranga.

Our presence in the Bay of Plenty and the tertiary partnership was also celebrated in 2014. Although the University has been in the Bay for just 25 years it has made a telling impression and will lead the development of a tertiary campus in downtown Tauranga in the years ahead. The Tauranga anniversary event was attended by many University senior leadership staff and key stakeholders from the Waikato and Bay of Plenty communities.

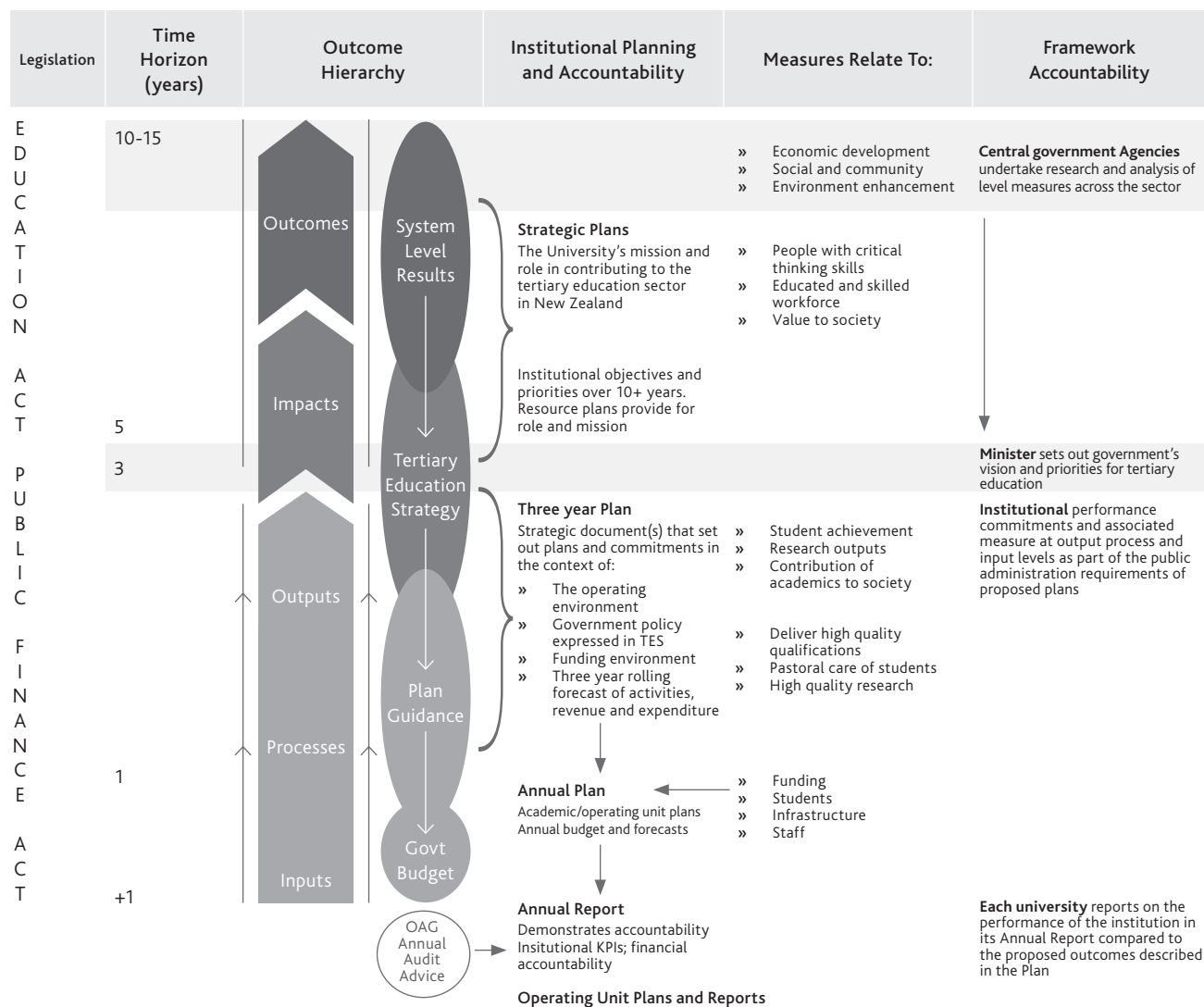
So while a permanent Tauranga campus is being planned, people who had not visited the Hamilton campus for a long time couldn't fail to be impressed by the development of the grounds. Among the returnees was the University's first grounds supervisor Ron Lycette, who arrived on campus in 1965 and was somewhat disheartened to find paddocks and cows, but who set the stage for what is arguably the most beautiful tertiary campus in New Zealand today. As part of the 50th celebrations, Mr Lycette ran historical tours of the grounds, beginning each tour with a slideshow presentation showing the development of the grounds over the past 50 years, early plantings, development of the lakes, and some before-and-after photos.

A sculpture was commissioned to celebrate the golden jubilee and sits between L Block and the Student Centre. It's called "L Blocks" (L being the Roman numeral for 50) and comprises six red and black L-shaped pieces, five to acknowledge the first five decades, with the sixth a symbol for the future. The artist Sophie Hermann says the work represents "what was here before, where we've come from and where we are going".



Our Path

University Planning and Accountability Framework



THE ROLE OF THE UNIVERSITY OF WAIKATO

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

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

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

University of Waikato Strategy 2014-2017

The University of Waikato deploys six inter-related strategic goals to support its high-level outcomes associated with its contribution to the nation's social, economic, environmental and cultural well-being.

The Strategy compels the University to invest in the best people for roles, the best facilities for students and staff and the best systems in order to operate in a sustainable way. This enables the organisation to produce future-focused graduates with the skills needed to make a difference in tomorrow's society, and to conduct research that has the power to change the world for the better.

This forms the foundation of the Strategy with the six actions noted below.

ACTION 1: Provide a relevant, future-focused curriculum and world-class student experience

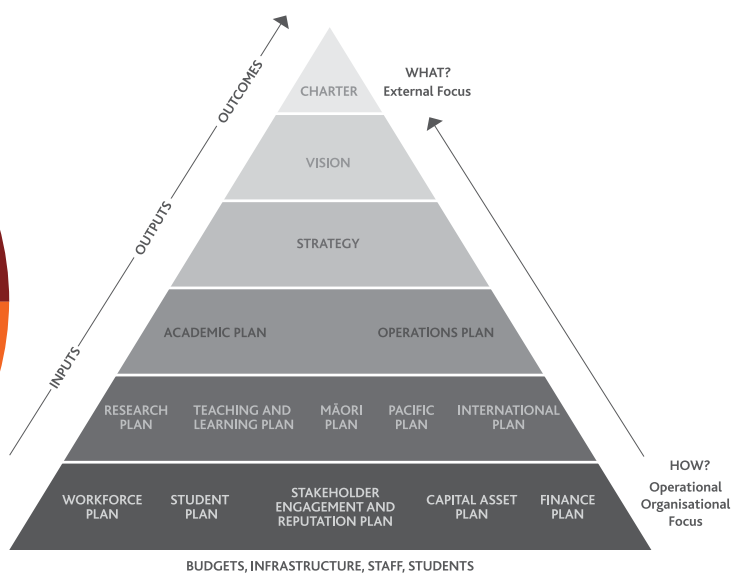
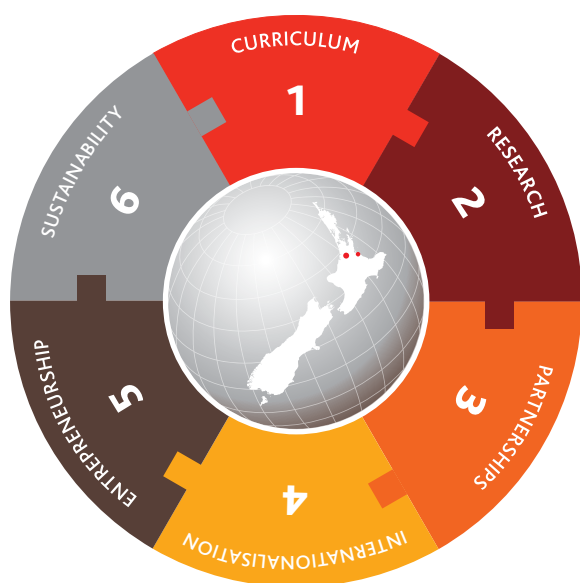
ACTION 2: Conduct world-leading research and develop innovative researchers

ACTION 3: Strengthen engagement and partnership regionally and nationally

ACTION 4: Implement a comprehensive programme of internationalisation

ACTION 5: Embed a culture of innovation, entrepreneurship and leadership across the University

ACTION 6: Ensure sustainable practices in all aspects University activity.



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

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

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

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

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

Education, Curriculum and Student Experience



The University has New Zealand's leading traffic and road safety (TARS) research group. In 2014 TARS moved into new premises, a purpose-built lab that now houses the Applied Cognitive Psychology group's psychophysiology lab, the eye-tracking lab and the country's most advanced driving simulator. It was TARS research that informed the 2014 government decision to reduce the blood alcohol limits.



9,904

TOTAL EFTS IN 2014

The University is committed to ongoing improvements to its curriculum so it continues to meet the needs of its students at all levels, meet employer demand and contribute to research that is relevant to the economic growth and well-being of all New Zealanders.

A high-level team is currently reviewing Waikato's curriculum with a view to renewing programmes where necessary to ensure we remain forward looking and provide what our students, staff and stakeholders need, while also enhancing the student experience. The group is also reviewing how the University delivers its courses, including blended and fully online delivery, and how that might free up more time for research.

The reviewers will look at programme demand and work with staff to find ways to make some of our offerings distinctive from programmes available in other universities. Work is being led by Programme Director Robyn Baker under the guidance of Deputy Vice-Chancellor Professor Alister Jones and Pro Vice-Chancellor Education Professor Robyn Longhurst.

The Strategy pledges that we will promote our international profile by contributing to issues of global importance and celebrating our teaching and research programmes. In 2014, Professor Longhurst and the new Director of International Business, Sharon Calvert, were New Zealand's representatives at an international tertiary conference in Brazil. Professor Longhurst represented all New Zealand universities and led a discussion on the internationalising of curricula.

Alongside our work reviewing the curriculum in 2014, we prepared for the Cycle 5 Academic Audit site visit which will take place in August 2015.

We have also continued to introduce new and innovative programmes that are relevant to today's society. As an example, the Master of Teaching and Learning, being delivered with the University of Otago, is an intensive, one-year programme for those wanting to teach at primary or secondary level.

The Postgraduate Certificate in Management (Emergent Business Technologies), approved during 2014, is the first of its kind from a New Zealand university. When launched, it will be delivered in conjunction with the Executive Subsidiary of Westfälische Wilhelms-Universität Münster in Germany, and looks at today's technology and technological advancements and what that means for business and managers.

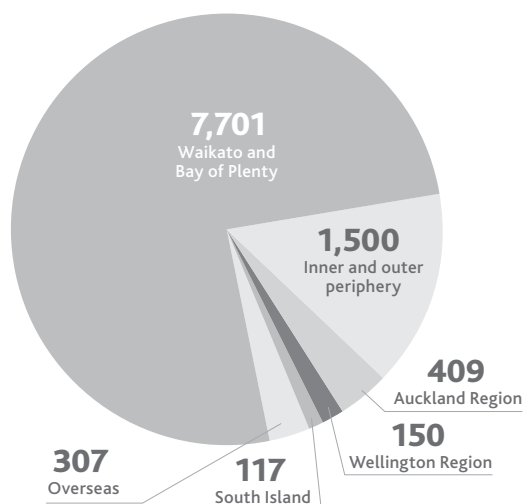
The School of Psychology launched a suite of online postgraduate qualifications focussing on clinical animal behaviour. Accessible to students all over the world and the only programme of its kind in



DEGREES FOR GOOD BEHAVIOUR: The University of Waikato launched new postgraduate qualifications in clinical animal behaviour in 2014, the only offerings of their kind in Australasia.

Education, Curriculum and Student Experience *cont.*

ORIGINS OF DOMESTIC STUDENTS

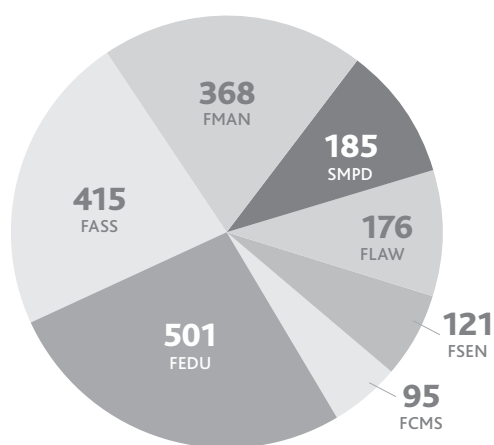


the southern hemisphere, the qualifications will align with the British Animal Behaviour and Training Council standards.

The second cohort of students to complete the MBA programme delivered by the Waikato-Tainui College for Research and Development and Waikato Management School, graduated in 2014. Designed for Māori leaders, it combines academic teaching with traditional Māori ways of learning and is another example of the University helping society adapt to changes. The 2014 graduates came from a range of roles, from an HR manager at a large regional secondary school, to a co-ordinator at an organisation promoting youth health, to a finance manager for a marae society.

The University's Strategy promises to work in partnership with Māori and Pacific peoples to contribute to their educational aspirations. Examples of this are weekend science programmes run specifically for groups of Māori schools students – exposing them to the benefits of science, while starting their engagement with the campus.

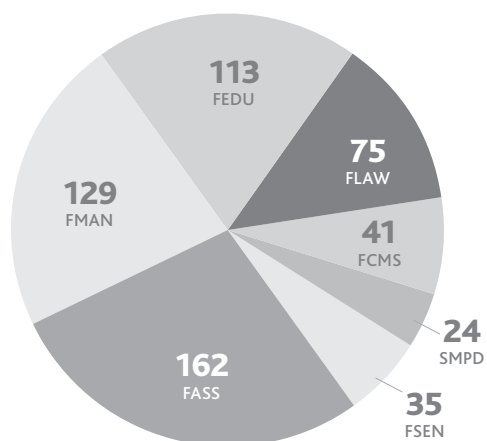
DISTRIBUTION OF MĀORI EFTS (EQUIVALENT FULL-TIME STUDENTS)



The University has a strong Māori student profile, and the proportion of EFTS generated by Māori students has consistently been between 20-22% of the University's total domestic student enrolments. In terms of participation and achievement there is still a difference in pass rates and completion rates between Māori students and all other domestic students, although in the past three years Māori pass rates have improved across some faculties.

The University has a comprehensive programme for supporting Māori students and Māori student achievement continues to be a priority. From 2015, student recruiters will focus on a broader Māori student market of mature students and those studying at other institutions.

DISTRIBUTION OF PACIFIC EFTS



There was a strong focus in 2014 on pan-University collaboration to renew the Māori Plan and the Council approved the new Māori Advancement Plan in December 2014. The University aspires to be a place where Māori students excel academically, and are also prepared for their roles as future leaders in their communities, professions, and in society. The plan signals the University's commitment to raising the achievements of Māori students for the benefit of New Zealand society as a whole.

The University has been focusing on higher levels of engagement, and long-term relationships with the Pacific community. It aims to increase the number of Ministry-Funded Pacific students studying at undergraduate and postgraduate levels, targeting South Auckland and the immediate University catchment areas of Waikato, Bay of Plenty and Gisborne.

The University remains committed to students getting as many opportunities as possible to take part in practicums, placements or internships. In 2014, a total of 1,905 students gained practical experience in their area of study, helped solve problems, and

understood how the theory of course material is relevant in the working world. Employers gain motivated students and an opportunity to work closely with a university that cares about industry feedback.

In 2014, the University decided to discontinue its use of the AUSSE and POSSE surveys and adopt the i-graduate Domestic Student Barometer survey in its place.

In the 2014 survey of 3,257 domestic students, Waikato scored highly in learning, living, support and arrival on campus. The response rate of 37% was much higher than the international average of 21% for these surveys. The survey found 93% of Waikato's domestic students were either satisfied or very satisfied overall with the University. A similar survey of international students in 2013 found a 94% overall satisfaction rate.

The University is also taking a longer view on campus teaching and learning spaces. The Strategic Buildings and Infrastructure Subgroup, which advises the Capital Asset Committee, is considering what the campus of the future needs to look like.

91% 
DOMESTIC STUDENTS
SATISFIED WITH
LEARNING EXPERIENCE

141 
NEW ZEALAND AID
SCHOLARS IN 2014



New PVC taking the lead on key University review

It's been a busy year for Professor Robyn Longhurst, coming to grips with her new position as Pro Vice-Chancellor Education. "Essentially PVC Education was a new position, replacing PVC Teaching and Learning, and when you think about it, education basically covers everything the University does. There was a lot to get my head around during the first few months, but I'm feeling quite comfortable in the role now."

Professor Longhurst is leading, with the Deputy Vice-Chancellor Professor Alister Jones, the University's three-year Curriculum Enhancement Programme (CEP) which involves an innovative rethink of all the University's offerings.

"The CEP is an opportunity for people to consider what the University needs in the future – students, staff and stakeholders," she says. She is working closely with many staff to collect information about the University's offerings, which will also be useful for the upcoming Cycle five Audit. "It's not often you get an opportunity like this, to look at programmes campus-wide, and every person on staff has the opportunity to comment or ask questions through a specially designated website."

Professor Longhurst's PVC job has an internal and external focus, as along with building University capacity and capability, she has to link that to the needs of the wider community, seeking out and establishing productive relationships, locally, nationally and internationally.

Her own teaching and research in cultural/social geography is world-renowned. She has served as Chair of the Commission on Gender and Geography of the International Geographical Union and Editor-in-Chief of the journal *Gender, Place and Culture*. In 2010 she was presented with the Distinguished New Zealand Geographer Award and she was a member of the New Zealand PBRF Peer Review Panel 'Social Sciences and Other Cultural/Social Studies' in the 2006 and 2012 Quality Evaluations.

Research and Excellence



'Will 'sin' taxes reduce consumption?' Professor John Gibson, an economist at Waikato Management School, has been awarded \$805,000 in Marsden funding to investigate whether taxing unhealthy items, such as fizzy drink and cigarettes, will stop people buying them so often.

\$26 MILLION

MBIE FUNDING FOR
TWO SIX-YEAR PROJECTS

The University of Waikato is focused on bringing an interdisciplinary approach to research, particularly in our partnerships and collaborations. It is important that an innovative research organisation such as Waikato applies an integrated approach to its areas of research strength, pulling together many related disciplines.

New and exciting developments in 2014 include two six-year projects worth a combined \$26 million – they were among several large research grants awarded to University of Waikato researchers. Both involve new technologies and wide-ranging collaboration with other tertiary and industry partners, in line with the University Strategy.

The STRATUS project received \$12,223,770 from the Ministry of Business, Innovation and Employment (MBIE) and will create a suite of novel security tools, techniques and capabilities to return control of data to Cloud computing users. This project is headed by Dr Ryan Ko.

Titanium Technologies New Zealand (TiTeNZ) was awarded \$14,490,000 for titanium research and the development of titanium products. This project is led by Professor Ian Brown, the science leader from Callaghan Innovation, in conjunction with Waikato's Professor Brian Gabbitas.

In total, the University received more than \$35 million in the 2014 round of MBIE new science research funding – nearly a quarter of the overall MBIE funding and the second highest amount of any university. Waikato staff are also involved in a further \$3.5 million in subcontracts.

In November the University also received \$2.8 million in Marsden Funding and the Faculty of Education will receive more than \$31 million over the next three years after elements of its successful Te Kotahitanga and He Kākano programmes were included in a new Building on Success programme.

The University received \$46.9 million in research and development revenue but did not meet its ambitious target of \$52 million. Changes in government priorities, such as the reallocation of \$2.3 million in Science Learning Hub funding, have impacted on the final figure. However, the University's major successes in research funding, with MBIE and other grants, have produced a significant pipeline for future growth in these areas.

We have long-recognised that we are working in changing funding environments and have chosen to drive partnerships and collaborations that we believe are the pathway to a stronger New Zealand.



STORIES IN THE STARS: Dr Rangi Matamua (SMPD) is part of a group of Māori researchers from around New Zealand involved with SMART – the Society for Māori Astronomy Research and Traditions, and Dr Matamua is putting together a comprehensive book on the subject.

Research and Excellence *cont.*



RESTORING INDIGENOUS DIVERSITY

Professor Bruce Clarkson, pictured, is leading efforts to reverse the decline of New Zealand's biological heritage through the New Zealand Biological Heritage Science Challenge, Ngā koiora Tuku Iho, one of 10 National Science Challenges.

A total of \$25.8 million was committed to the challenge to cover research over the next five years. Professor Clarkson was seconded as a full-time interim director for New Zealand's Biological Heritage Science Challenge until December 2014.

Professor Clarkson is one of New Zealand's foremost authorities on ecological restoration, and between 2005 and 2012 led a government-funded research programme looking at the best methods to restore indigenous biodiversity in cities. Research results from that programme had a direct impact on restoration approaches in several North Island cities.

As articulated in the Strategy, Waikato wants to enhance research collaborations and partnerships; to this end we have been working with other organisations to provide graduate schools. These are important for the University's strategy as they match up graduates with organisations and allow them to work together to solve real problems.

Waikato is also committed to doing more in health-related research. Throughout 2014 the University worked towards developing partnerships with the Waikato District Health Board, the University of Auckland's Waikato Clinical School and the Waikato Medical Research Foundation.

The University is a founding partner of the Institute of Healthy Ageing, a collaboration with the Waikato District Health Board and University of Auckland. This led to another MBIE-funded project for the University of Waikato, researching the needs of an ageing population.

During 2014 we continued to build on key research strengths, and as part of showcasing research and collaboration to relevant parties and end-users, hosted a freshwater symposium in Wellington. It provided an opportunity to discuss water issues from legal, iwi, economic, planning, agricultural and environmental perspectives.

The University has also put forward a strong business case for a freshwater Centre of Research Excellence, and continued its long-standing work in the Lake Ecosystem Restoration New Zealand (LERNZ) project, which will identify and help remediate threats to lake ecosystems.

We also continued our integration of the University's wholly owned subsidiary WaikatoLink and the Research Office to increase the proportion of revenue generated by the University from non-student and non-New Zealand government sources and to increase our research and development (R&D) revenue.

When this integration work is completed in early 2015, the structure will:

- » Provide a centralised group for the University's external research, commercialisation and industry engagement needs
- » Boost the organisation's R&D outputs and profiles, while also supporting student innovation
- » Accelerate research, innovation and commercialisation activities
- » Establish partnership programmes and sector opportunities, and engage more with key stakeholders.

Increasing the proportion of University of Waikato academic staff who are engaged in research activity at nationally or internationally recognised levels is important and is assessed through a two-yearly formative research process. The process also assists in the

introduction of the next generation of researchers, and therefore workforce and succession planning benefit.

The proportion of University of Waikato staff ranked A or B in the PBRF assessment increased from 43% in 2006 to 54.4% in 2012. The University has a target of 55% for 2014, and 60% for 2016 – the internal formative process took place in 2014 and results are expected by early 2015.

The introduction of 180-point taught masters programmes means there were fewer enrolments in masters theses in 2014 that were eligible for Research Degree Completions, but the final figures are expected to exceed the target set. It is worth noting the figure is much higher than the 681 completions in 2013, making 2014 one of the best years in the University's history. Also of note was the fact the University had three theses completed in Te Reo Māori in 2014.

1,092 
NUMBER OF RESEARCH
ENROLMENTS

636 
FTE ACADEMICS

Sporting skills move from Hong Kong to Hamilton

After more than a decade overseas, it was something of a homecoming for Professor Rich Masters when he started work in the Department of Sport and Leisure Studies in the Faculty of Education.

Professor Masters spent 13 years in Hong Kong, where he was Assistant Director then Director of the Institute of Human Performance at the University of Hong Kong. Before that he lectured at the University of Birmingham. He holds bachelor and masters degrees in psychology from Otago University and completed his PhD in experimental psychology from the University of York in the UK.

He is an expert in the ways people learn and perform skills, with his research focusing on implicit motor learning, the acquisition of skills without conscious awareness of the knowledge that underpins their performance. Think how it's possible to hit a golf ball perfectly, until you start thinking about it. Sure as eggs, the next shot will be a shocker. "That is caused by having too much access to explicit knowledge about your movements," he says.



Professor Masters is the acknowledged leader in implicit motor learning and says it's a far more diverse field than simply sports. His is an important appointment at the University of Waikato which is starting to make an impact in the high performance sport area.

His work crosses boundaries from sports sciences to rehabilitation, surgery, speech sciences, movement disorders, ageing, psychology and developmental disorders. "I design experiments based on psychological principles to examine the way people learn and perform skills."

Professor Masters is impressed with the University of Waikato. "The department wants to go places, it's interested in research, and wants to strengthen its appeal to undergraduates by offering something unique in New Zealand," he says.

Innovation and Commercialisation



An innovative digital app designed to provide mobile, location-based information at specific events was on show at the 2014 Fieldays at Mystery Creek. The app was designed by Dr Annika Hinze, pictured, and Associate Professor David Bainbridge from the Faculty of Computing & Mathematical Science. It runs on small tablets, and can also include audio content and run on mobile phones. It will also be able to switch to a photo viewer, providing 360-degree immersion into featured content.

The University of Waikato believes research is central to innovation and to the health of a robust society. Much of our research addresses regional, national and international challenges, and we are focused on investing in the best staff and infrastructure to conduct this research.

The University of Waikato is committed to increasing the proportion of revenue we generate from non-student and non-New Zealand government sources, and to increasing research and development (R&D) revenue.

To that end, a decision was made in 2014 to integrate the functions of the Research Office and Waikatolink Ltd – the University's wholly-owned research subsidiary – to form the Research, Internationalisation, Commercialisation and Engagement Group.

This integrated group will have accountability for University-wide operational and strategic initiatives for the achievement of external research, commercialisation and related industry engagement revenue targets. Waikatolink will be retained and used when research, development, commercialisation and internationalisation business opportunities necessitate the University to use a company structure.

A plan is in place to deal with the resolution of Waikatolink loan and legacy issues; this plan includes the sale of a small number of companies.

As part of the integrated Group's strategy, the University has implemented a new model for engagement between University research clusters, research nodes (supporting the clusters) and industry. This brings together entrepreneurial researchers and commercialisation expertise to increase sustained engagement with industry both nationally and internationally.

Alongside that, in 2014 the University approved the establishment of an Industry-Business Advisory Board (IBAB). Its purpose is to provide strategic guidance and practical assistance to the University to better engage with industry and business by leveraging their expertise, capability and networks.

The benefits include increased research and research funding, increased commercialisation of intellectual property, industry and business input into the design and review of academic programmes, more opportunity for work placements and practice-based components for students, alignment with economic need, support for product development and commercialisation, more engagement with Māori and iwi business and for open innovation and partnerships with Intellectual Property.



SUPER WORK: Senior Lecturer Nihal Kularatna with an early prototype of his supercapacitor-based surge protector that is now being commercialised.

Innovation and Commercialisation *cont.*



Computer scientist Associate Professor Masood Masoodian is part of an international project to stem the spread of diseases such as Leishmaniasis, an infectious disease found in the southwest Amazon. He and his colleagues are developing apps for mobile devices which will allow doctors and researchers working in the field to collect and visualise disease data, to monitor and track the spread of neglected diseases. They are also developing games to inform the local population about these diseases.

The University recently appointed a Director of International Business, Sharon Calvert, to increase international partnerships, international students, and international business opportunities. We are also investing in key business engagement roles in Auckland and Wellington.

The need for more graduates in the agricultural sector has been much discussed and the University is one of nine organisations that have come together to form a Waikato AgriHub, a platform to attract investment to the region, and to deliver innovation, productivity and sustainability across the agri-sector. The other partner organisations are Lincoln University, DairyNZ, Wintec, Hamilton City Council, Waikato Innovation Park, NIWA, AgResearch and Landcare Research.

Waikato University's focus in the agriculture sector is sustainable farm systems, international marketing, the management of complex and extended value chains, agricultural economics, soils science, big data and ICT solutions, fresh water management and engineering solutions, high-tech systems, waste recycling, biochemistry analysis, energy efficiency and renewable energy.

In 2014 the University announced plans for a dedicated Agritech Innovation Manager to improve the University's connectedness with the sector, and a dedicated Agritech Seed Fund will assist with IP commercialisation and transfer. An Agritech Entrepreneurial Fellowship is planned to help build capability focused on industry innovation.

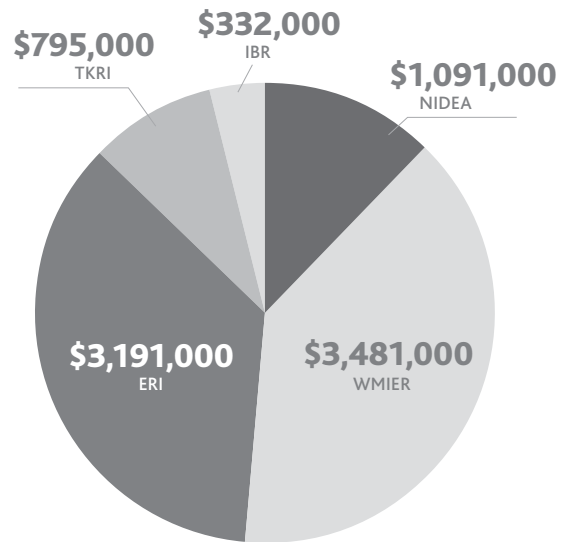
Also during 2014, the University opened New Zealand's first university-based Integrated Data Infrastructure (IDI) hub. The hub provides approved researchers with access to a large range of data on education, tax, families, households, sentencing and charges, health and safety, student loans, migration, and more. It is hosted by the National Institute of Demographic and Economic Analysis (NIDEA), making data available that was once only accessed by approved researchers in Statistics New Zealand's secure data labs in Auckland, Wellington and Christchurch.

Individual academics and students at the University of Waikato have spent the year working on a variety of projects with commercial potential, or that can advance existing products, for example: A supercapacitor-based surge protector invented by Electrical Engineering Senior Lecturer Nihal Kularatna is well on its way to commercialisation. Following a three-year research and development partnership, a licence agreement has been negotiated with Thor Technologies, an Australian manufacturer of power protection and management products. In 2013, Mr Kularatna was named New Zealand Engineering Innovator of the Year at the New Zealand Engineering Excellence Awards.

Engineering masters student Pinwei Jim has designed and built a remote control robotic snake, anticipating that it could be developed and used in emergency situations, reaching places inaccessible to humans.

The Chronoptics Research Group at Waikato, including Dr Adrian Dorrington, Dr Lee Streeter and Refael Whyte, is working with the influential private research university, Massachusetts Institute of Technology (MIT), to develop a \$500 prototype camera that is so fast it can track movement through a screen and then use this information to build up accurate three-dimensional images. It has great potential for use in medical imaging and collision avoidance detectors for cars, and to improve the accuracy of motion tracking and gesture-recognition devices used in interactive gaming.

INCOME FOR RESEARCH INSTITUTES



Waikato Professor's work will make MRI scans easier

Engineering Professor Jonathan Scott is searching for new and safer designs for electrodes that are implanted in the human body.

It's a grand challenge he says. With colleagues in the Faculty of Science & Engineering he's got two projects on the go; the first is to increase the battery life of electrodes and the second is to develop an electrode that will withstand magnetic resonance imaging (MRI) scanning.

"If the effective area of electrodes was increased, batteries would last longer," says Professor Scott. He says surface roughening technology exists, but is not used in implants, because the body's defence system acts on the pores of the electrodes' metal surface to reduce the effectiveness over time. The Waikato team has developed a method to characterise electrode impedance through a newly-developed fractional-capacitor model of the electrolyte interface. The researchers hope to find out exactly how electrode impedance is affected by various biological events.



In another lab, Professor Scott is working with PhD candidate Chris McCabe to find a way that people with medical implants, to which electrodes are connected, can have MRI scans, something that can't be done at present because of the risk of the body 'overheating' when the electrode heats up in the scanner and 'cooks' the area surrounding it.

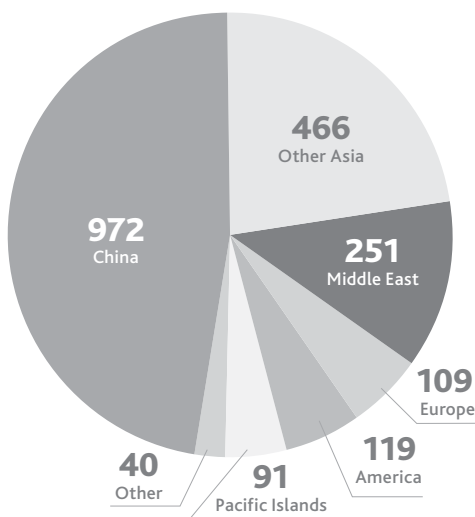
Waikato technicians have built a 'human case', a clear acrylic box which can be filled with a saline jelly into which electrodes can be inserted before the case is run through the MRI scanner. "The MRI machine has 10 times the radio-frequency heating power of a microwave oven. Our goal is to find a non-magnetic design for the electrode that won't be affected by RF fields," says Professor Scott.

Internationalisation



In Indonesia, the University signed an MOU with Airlangga University plus a government agreement which opens the door for up to 20 Indonesian postgraduate and doctoral students to study at Waikato. This is a significant partnership that should attract top quality Indonesian students.

ORIGINS OF INTERNATIONAL STUDENTS



The University of Waikato Strategy 2014-2017 outlines our commitment to implement a comprehensive programme of internationalisation, and in response to several years of declining Full-Cost International (FCI) enrolments the University is now focussing on a more coherent and collaborative approach to international student recruitment across the institution.

There is also a continued focus on the development of partnerships, with off-shore delivery designed to grow both profile and revenue.

One of the key objectives of internationalisation is to enhance the reputation of the University; however it is imperative the outcomes also deliver increased and more diversified revenue streams, especially in an increasingly competitive and price-conscious international student recruitment market.

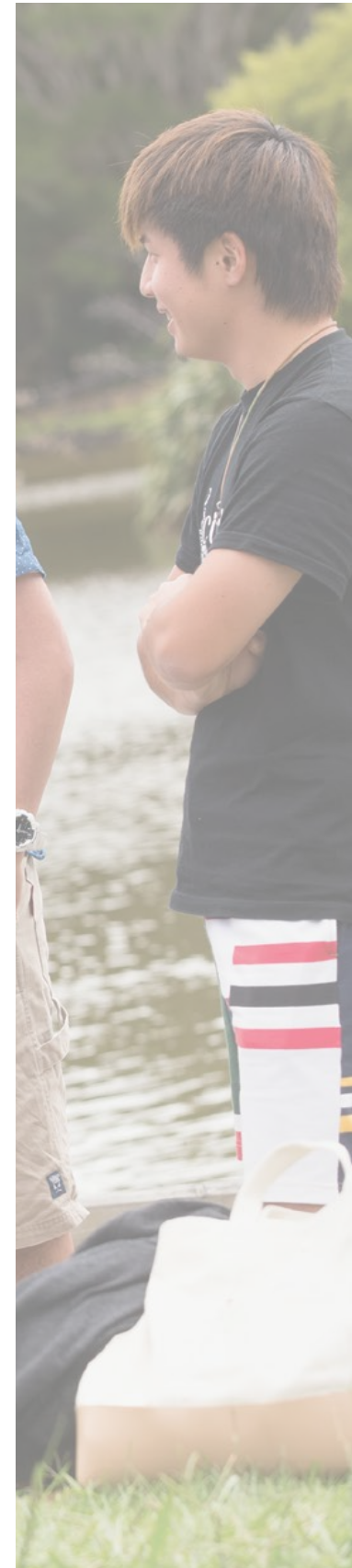
While the majority of international activity to date has been focused on student recruitment and retention, the University intends to give greater emphasis in future to commercialisation of teaching programmes and off-shore delivery.

The University committed to a target of 1,647 Full Cost International (FCI) EFTS for 2014 as part of the Investment Plan 2013-2015 developed and approved in 2012. This target reflected the University's plans to reverse the medium-term trend of declining FCI EFTS. For budget purposes a lower 2014 target of 1,505 FCI EFTS was agreed to internally in late 2013. In 2014, the University enrolled 1,401 FCI EFTS.

The shortfall in FCI enrolments is primarily at sub-degree level; and while enrolments at degree level were higher than in 2013, postgraduate enrolments were down on 2013. Targets for international student course and qualification rates, along with international student retention rates, were exceeded in 2014.

In its anniversary year, the University of Waikato was confirmed as one of the best universities under 50 years old when it was ranked 44 in the influential Times Higher Education Top 100 Under 50, two positions better than in 2013 and 14 places higher than in 2012.

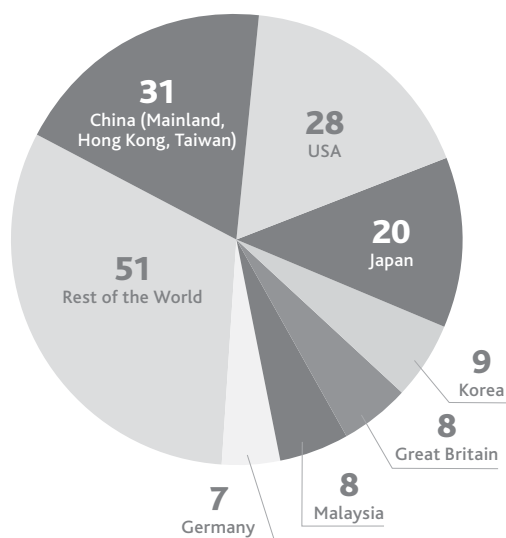
In the overall THE rankings a variety of factors, including a relative drop in citation rates, saw the University struggle to maintain its ranking, placing in the 351-400 band. However, it maintained or improved its rankings in the teaching and industry income categories. Like all New Zealand tertiary institutions, Waikato faces competition from the high numbers of universities opening around the globe and developing countries' increasing investment in tertiary education.



INTERNATIONAL AT WAIKATO: The 2013 International Student Barometer survey of 193 universities in 16 countries revealed 90% of Waikato respondents were satisfied with their experience at the University of Waikato and 82% of respondents said they would recommend Waikato to others.

Internationalisation *cont.*

COUNTRIES WHERE WAIKATO HAS INTERNATIONAL TERTIARY PARTNERS



WAIKATO'S INTERNATIONAL OUTLOOK

Looking beyond national boundaries and sustaining an international outlook is a top priority for the University and in 2014 our efforts were rewarded with the Times Higher Education ranking Waikato 44th in the world for internationalisation.

A fundamental part of our strategy is about developing and supporting a small number of mutually beneficial relationships with overseas institutions that have the same drive and ambition as Waikato.

We are always looking at new and innovative ways to collaborate. A key strand to our strategy is continuing our work delivering our programmes off shore and proactively looking for new ventures to explore that will complement our current offering.

In the QS (Quacquarelli Symonds Limited) world rankings in 2014 the University maintained its ranking in the 401-410 band. However, we lifted our ranking 26 places in the 'Employer Reputation' category and also improved in the 'Arts and Humanities' subject area (up from 311 to 244+) and the 'Social Sciences and Management' category (125+, up from 210+ last year).

We had five subjects ranked in top 150 worldwide by QS with one – Education – ranked 46th in the world. The other four, all ranked from 101-150, are Modern Languages, Economics and Econometrics, Law and Computer Science and Info Systems. It is the first time Modern Languages has appeared in the rankings while Education and Economics/Econometrics both improved their rankings.

We plan further work to better manage and leverage the University's international academic networks however, as a university, we ensure our academics appreciate the benefits to the organisation of publishing in particular areas and also to informing external audiences about the success of important University research.

Website improvement projects due to take place in 2015 and 2016 will further raise the profile of Waikato research and should also contribute to an internal culture of research aspiration and celebrating success.

As part of our 50th anniversary celebrations, we welcomed Harvard Professor David Bloom as our Golden Jubilee Distinguished Visiting Professor.

Professor Bloom is a specialist in economics and demography and is based at the Harvard School of Public Health. He consults internationally to organisations, including divisions of the UN, the World Bank, the Asian Development Bank and the Bill and Melinda Gates Foundation. He spent a month in New Zealand, giving public lectures, meeting politicians and health sector workers and working with Waikato academics. Since returning home, Professor Bloom has continued to collaborate with Waikato academics on initiatives which will lead to enhanced relations between Waikato and Harvard.

Early in 2014 the University signed an agreement with the Bay of Plenty Polytechnic and China's Yantai University to provide an improved pathway for access to business and accounting qualifications. It was signed during a visit to China by a powerful trade and education delegation from Tauranga, including Mayor Stuart Crosby, University of Waikato Deputy Vice-Chancellor Professor Alister Jones, Bay of Plenty Polytechnic Chief Executive Alan Hampton, Education Tauranga chairman Graeme Lind and others from the education sector. It builds on the longstanding and strong relationship between Tauranga and Yantai and forms another important connection for the University in the Bay of Plenty region.

Yantai already has strong links to the University and these were strengthened further when the two law schools signed a letter of intent which sets out ways in which they will explore opportunities for cooperation and allow students to study at each other's law school.

The University is now working more closely with the Chinese Academy of Sciences, and the impact of work from the likes of Professors David Hamilton (lakes) and Chris Battershill (coastal science) in China has paved the way for that.

The Yantai Institute of Coastal Zone Research, Chinese Academy of Sciences, and Waikato will work together to establish the China-New Zealand Coastal Biotechnology Joint Research Centre, to integrate China and New Zealand's coastal biotechnology research experts. It will have bases in Tauranga and China.

 **1,401**
FULL COST INTERNATIONAL
EFTS IN 2014

 **16,100**
INTERNATIONAL FOLLOWERS
ON FACEBOOK PAGE

New director has international pedigree

Sharon Calvert knows the role of Director of International Business isn't all departure lounges and passport stamps.

Mrs Calvert was appointed to the position in 2014 and one of her first tasks was to accompany Pro Vice-Chancellor (Education) Professor Robyn Longhurst to a conference in Brazil on internationalising that country's curriculum.

Mrs Calvert says it was good fact-finding mission. "We went to get a sense of whether Brazil was a country that we should be deepening our links with," she says. "A number of academics already have links there and Brazil has a good scholarship programme." She says the University will keep a "watching brief" on Brazil, which was "very keen to internationalise".

Mrs Calvert has a strong background in international tertiary relations. She completed an undergraduate degree in marketing and a masters in public relations at Stirling University before working at Lancaster University recruiting and marketing in South East Asia, China and Korea.



That was followed by deputy director international roles at York and Durham universities.

She then took up a consultancy role with international graduate insight group (i-graduate) in Australia and New Zealand, where she was involved in the University of Waikato's international student barometer survey in 2013.

Mrs Calvert moved to Hamilton permanently at the end of 2014 and says there are great things happening at the University of Waikato in the international space.

"My role is to see how we can bring them all together and work together to support the University's overarching strategy. I'm looking forward to developing the role and identifying innovative opportunities for Waikato."

Partnerships and Engagement



The Chiefs Rugby Club and the University signed an MoU in early 2014 to formalise what was already a strong relationship and to work on key priorities such as education and research, student projects and internships. The University also sponsored the Waikato Juniors in a new national competition, with many players either students and/or players of the University Rugby Club.



3,700

SECONDARY SCHOOL STUDENTS AT OPEN DAY

The University of Waikato was founded by the people for the people, and relationships with the wider regional, national and international communities are vital to the University.

It is the University's commitment to the Bay of Plenty region that has led to the Bay of Plenty Regional Council and the Tauranga Energy Consumer Trust each agreeing in principle to fund up to \$15 million for a new University-led campus in Tauranga City. This will accommodate the Bay of Plenty Tertiary Education Partnership, made up of the University, Te Whare Wānanga o Awanuiārangi, Bay of Plenty Polytechnic and Waiariki Institute of Technology. The four partners have 20,000 EFTS between them.

The contributions are subject to satisfactory funding conditions and a Heads of Agreement for a new campus is likely to be signed in early 2015.

This is an important step for the University. The population of the Bay of Plenty region has grown steadily and is expected to reach approximately 320,000 by 2031 (14.5% above 2011). The region performs above the national average in key secondary school qualifications but it understands it needs a strong university presence to help fulfil the region's future skill needs, to stem the outflow of the Bay of Plenty's youth and to address issues relating to the fast growing and relatively youthful Māori population.

The University has strong links with the tertiary education sector, and offers a number of well-defined pathways for students from other tertiary sectors and providers. Specific pathways are offered from national and institute-specific diploma programmes delivered through other providers across the region including the four institutions in the Bay of Plenty Tertiary Education Partnership.

In Hamilton, Wintec offers the University's Certificate of University Preparation as a pathway to degree-level study at the University. It has proven to be a particularly important pathway for Māori students since its introduction in the 1990s and continues to support many first-in-family Māori students into degree-level study.

The University is committed to contributing to the social, environmental, cultural, sporting and intellectual capability of the communities it serves.

During 2014 the University signed memorandums of understanding to assist students, usually Sir Edmund Hillary Scholars, to do their best academically and in their chosen sport or performing art.

Agreements were signed with the national bodies of cycling and triathlon. Both organisations have their head offices in the Waikato at the Avantidrome, where the University is the tertiary partner and



TIGERS OF INDIA: This work by New York-based New Zealand artist Max Gimblett was one of 22 works on paper he donated to the University during its jubilee year.

Partnerships and Engagement *cont.*



PARTNERSHIP IN THE BAY

The Bay of Plenty Tertiary Education Partnership is made up of the University, Te Whare Wānanga o Awanuiārangī, Bay of Plenty Polytechnic and Waiariki Institute of Technology. The partnership is working with the region to draw up a Heads of Agreement for the delivery of a University-led campus in the Tauranga CBD.

\$34
MILLION
COMMUNITY FUNDING
AND LAND PLEDGED FOR
TAURANGA CAMPUS

where University sports scientists have been working with the world champion track cyclists and the national junior cycling team. Waikato students have also been making use of the lab facilities as part of their degree studies.

Midlands Hockey, partner to five hockey associations in the central North Island, has also signed an MoU, as have the Chiefs. The collaborative approach with the Chiefs in particular is aimed at making a real difference to player support and performance, bringing in relevant University teaching and research expertise. University students also benefit from these relationships with internship and summer scholarship opportunities.

Sport and Leisure Studies staff have worked with the Waikato Bay of Plenty Magic netball team on aspects of training and recovery, and the University will offer a KIA Waikato Bay of Plenty Magic Doctoral Scholarship worth \$22,000 a year for three years from 2015 to support a doctoral candidate in research into 'Enhancing performance and recovery in elite netball players'.

The University is already working more closely with groups in the Waikato region involved in the agricultural sector. On the eve of the 2014 Fieldays, the University hosted a launch of the Waikato AgriHub – a group of nine organisations who are forming a platform for attracting investment to the region and delivering innovation, productivity and sustainability across the agri-sector.

The foundation of the Waikato AgriHub followed months of discussion between nine organisations, including Crown Research Institutes, universities and agricultural sector organisations that are forming the core of the hub. The University has a non-traditional focus in this space and will offer the agricultural sector the knowledge it needs to operate sustainable farm systems and complex value chains to compete in today's global markets.

As part of the University of Waikato's 50th jubilee, internationally acclaimed New Zealand artist Max Gimblett donated to the University 22 works on paper and two hand-made books making up a collection titled *The Universe*. While visiting the University, the New York-based artist gave a public lecture and ran a series of Sumi-e workshops.

The University holds a variety of lectures for our communities as part of our role as critic and conscience of society.

Our annual Winter Lecture Series brings together University experts and research with key members of the community, some of whom are alumni, to discuss topics vital to the region and nation. In 2014, the series looked at what the future holds for a variety of issues such as entertainment, business and cyber security, and for Hamilton City itself.

The regular Inaugural Professorial Lectures are the University's way of introducing new and recently promoted professors to the community, allowing them insights into their research.

Other public lectures of note in 2014 were New Zealander of the Year, Dr Lance O'Sullivan, who gave the keynote speech at Kīngitanga Day about the importance of Māori youth having a pathway to leadership, and the US Consul General in Auckland, James Donegan, who spoke at the annual law Kinrock Lecture, saying New Zealand-US relations were better than they have ever been.

31,000

 FOLLOWERS
ON FACEBOOK

New head brings new marketing direction



David Craig was appointed Head of Communications and External Relations CER mid-2014, coming from Australian Catholic University where he was Director of Marketing and External Relations.

In his first six months at Waikato, Mr Craig worked with recently appointed advertising agency King St to develop a new recruitment and positioning campaign for the University. The new creative presented a fresh look for the University, playing to our strengths and positioning us for the future as the New Zealand university that confronts global challenges, is innovative in its approach, solves problems relevant to today's world and is welcoming and respectful to all. For the first time in more than a decade the campaign has included television advertising.

Feedback for the new campaign, from staff, prospective students and more generally from people outside the University, has been overwhelmingly positive.

The integrated marketing campaign has had greater emphasis on digital marketing channels including social media, TV on demand video and mobile advertising. A number of engagement opportunities have been developed as part of the campaign including an experiential marketing promotion which involved a student-led road trip to summer hotspots to interact with target audiences, and as well as the face-to-face components, the promotion used a wide range of social media platforms.

Traditional media such as outdoor, radio and print has continued to be a part of the media mix. Alongside the University-wide campaign, individual faculties actively pursued specific advertising using the new campaign style as they promoted T Semester 2014 and for A Semester 2015 students.

Mr Craig has also restructured the CER Division, to be renamed Marketing and Communications, and changes will be introduced during the early part of 2015. They include the recruitment of an in-house creative team, greater emphasis on digital and international marketing, a new focus on external engagement and two new additional communication specialists.

Mr Craig is currently working on his PhD studying the impacts of brand on the traditional character of a university.

Sustainability



The University hosted the man largely responsible for the transformation of the Malaysian state of Penang into one of the most eco-conscious parts of South East Asia. Malaysian politician Boon Poh Phee, pictured, gave a public lecture and explained how initiatives such as charging for plastic bags, banning Styrofoam containers, having car-free days in the CBD and community-led recycling schemes helped Penang become a leader in environmentally sustainable transformations.

29 

**HYBRID CARS IN
149-VEHICLE FLEET**

The University of Waikato generated \$988 million of sales revenue in 2014, a \$50 million increase on the year before, and it contributes nearly \$500 million to national GDP annually.

The University's 2014 economic impact report, prepared by Economics Honorary Fellow Dr Warren Hughes, shows the University's revenue impact sits at just under \$1 billion annually. Together with the employment impact of more than 5,500 jobs sustained throughout New Zealand, the University of Waikato is a significant factor in the New Zealand economy.

The report shows University operations amounted to about \$587 million in revenue while student expenditure totalled \$401 million.

Most of the economic impact – \$822.8 million – was felt in the Waikato Core region, comprising Hamilton City and the neighbouring Waipa and Waikato districts, with the rest spread through the rest of New Zealand.

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

The University significantly increased its revenue from government sources in 2014. The institution also increased the proportion of revenue it received from non-government and non-student sources.

The increase in revenue from government sources came via significant increases in Ministry of Education-competitive and Ministry for Business, Innovation and Employment-competitive grants, all of which contain external researchers and staff. These have allowed the University to offer professional development for teachers, and conduct research that will benefit end users, such as the major MBIE-funded research to create a suite of cyber-security tools to ensure security in the Cloud.

Overall, we fell short of our target for Ministry-funded EFTS but enrolments in the STEM subjects (Science, Technology, Engineering, Mathematics) continue to grow. The University experienced higher enrolments in Science in particular, and Engineering and Computer Science enrolments were also higher in 2014. The growth in enrolments in STEM subjects is consistent with government priorities and expectations.

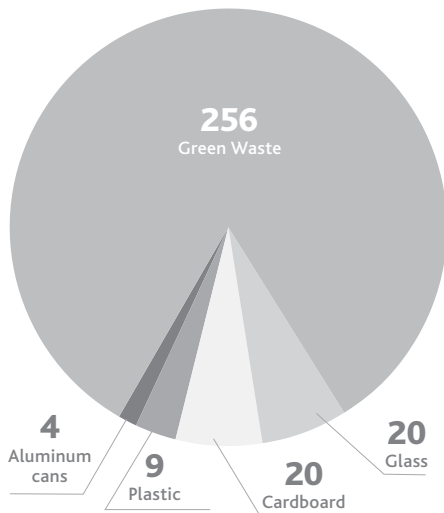
The financial management framework within which the University of Waikato operates is robust. It is underpinned by a high-level Finance Plan, the purpose of which is to guide the management of the



VIEW FROM THE TOP: Construction of the Law and Management building is well underway and scheduled for completion in late 2015.

Sustainability *cont.*

RECYCLING IN 2014 (TONNES)



MAJOR ECONOMIC IMPACT

Every dollar spent by the University or our students generates another 99 cents for Core Waikato (Hamilton city, Waipa and Waikato districts) business units and a further 34 cents for business units outside this region.

Every job at the University generates another 0.56 of a job in the Core Waikato economy and another 0.7 of a job in the rest of New Zealand.

Every international student at the University generates \$90,000 in sales revenue somewhere in the New Zealand economy, with \$77,000 of this figure realised within the Core Waikato area.

University's finances in a manner that ensures financial growth, diversity, security, resilience and sustainability. The Plan ensures the University:

- » Is financially sustainable through the effective and efficient use of all resources
- » Applies 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
- » Financial management information is consistently accurate and timely and facilitates operational and strategic decision-making
- » Identifies, evaluates, mitigates and manages financial risks associated with university strategy.

Sustainability also plays a key role in the University's capital asset management. A Hamilton Campus Development Plan has been developed and serves as a key building, infrastructure and urban design planning tool.

The objectives defined in the plan are the framework for the University's capital development and its 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 several 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.

The major capital development currently underway is the new Law and Management building, reflecting the University's strategy to invest in high-quality facilities for the benefit of staff and students. The building is still expected to be completed late in 2015, despite delays early in the process. It will be ready for A Semester 2016 and will provide another strong connection between the University and the wider community.

The University has ensured the building will have accessible community spaces, and work continues to establish professional linkages, particularly between the Law Faculty, which is rising in international rankings, and the regional law community.

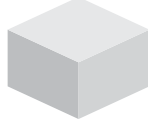
Alongside this, the University is also taking a longer view on campus spaces in general. In 2014, the Strategic Buildings and Infrastructure Subgroup advised the Capital Asset Committee about what the

campus of the future might need to look like. The group considered factors such as how many students do we think we will be catering to in 20 years and what will their needs be? Are more staff expected to work from home by 2040? What does that mean for spaces, support services and accommodation?

Throughout 2014 we have maintained our focus on environmental sustainability, adding another 16 hybrid cars to the fleet, recycling 265 tonnes of green waste, and introducing subsidised refillable thermal mugs – cutting down the number of takeaway cups, and giving staff and students discount on hot drinks.

We also began to phase out polystyrene cups and packaging by working with outlets on campus and with suppliers and continued rolling out indoor recycling across the Hamilton campus.

The University's sustainability efforts were recognised internationally in 2014 when it was a finalist in the Australasian Green Gown Awards Best Newcomer category. The awards were established to recognise sustainability best practice within the tertiary education sector in Australasia and recognise institutions' sustainability actions and initiatives.

 **11**
TOTAL NET USABLE
AREA PER EFTS (M²)

 **370**
ITEMS OF FURNITURE,
EQUIPMENT AND CARPET
GIVEN TO COMMUNITY

It's all smiles in Science and Engineering

It's not all down to her, but as manager of the University of Waikato's Faculty of Science & Engineering, Shelley Catlin is entitled to a satisfied smile.

"We had quite a lot of success in 2014," she says. "We reached our EFTS, exceeded our research targets. We've got some really good collaborations with other universities, CRIs and local government."



The Faculty also received Marsden and MBIE research grants and is involved in the National Science Challenges.

"We've broadened the research profile of the Faculty," she says.

The Faculty's research profile is one of its strengths, ranging from areas such as bio-medical research and biology to water quality, ecological restoration and the development of titanium products.

The Faculty also successfully launched the School of Science in 2014. It brings together the former Departments of Biological Sciences, Chemistry and Earth Sciences into a cohesive cross-disciplinary unit providing greater opportunities for teaching and research.

Staff



Pro Vice-Chancellor Māori Professor Linda Tuhiwai Smith was made a fellow of the American Educational Research Association (AERA). The prestigious award acknowledges her notable and sustained research achievements.

STAFF GENDER PROFILE

Male academic FTEs

51%

Female academic FTEs

49%

Male other FTEs

32%

Female other FTEs

68%

Staff farewelled Vice-Chancellor Professor Roy Crawford at the end of 2014; he was just the fourth Vice-Chancellor since the University was founded 50 years ago.

Professor Crawford provided a platform of stable leadership during a period of significant change in the New Zealand tertiary sector. Despite the constant challenges, he remained focused on the student experience, ensuring major facilities were upgraded and new amenities were planned and developed for students' benefit.

Under Professor Crawford's leadership, the University introduced the Distinguished Alumni Awards, enhanced the relationship with the National Agricultural Fieldays, established multi-disciplinary research institutes and strengthened major international partnerships.

Professor Neil Quigley takes up the reins as Vice-Chancellor from February 2015.

In line with our commitment to people and strategy, we conducted the third of our University-wide staff surveys in 2014 in which 68% of staff participated. Overall the response was favourable with the University scoring equal to or better in 22 of the 37 areas that could be benchmarked against the 39 other universities that also used the survey. The staff survey results showed Job Satisfaction, Position Clarity, and Team Work all rated excellent (80% or higher) again, and in 2014, Postgraduate Supervision joined the list of excellent scales.

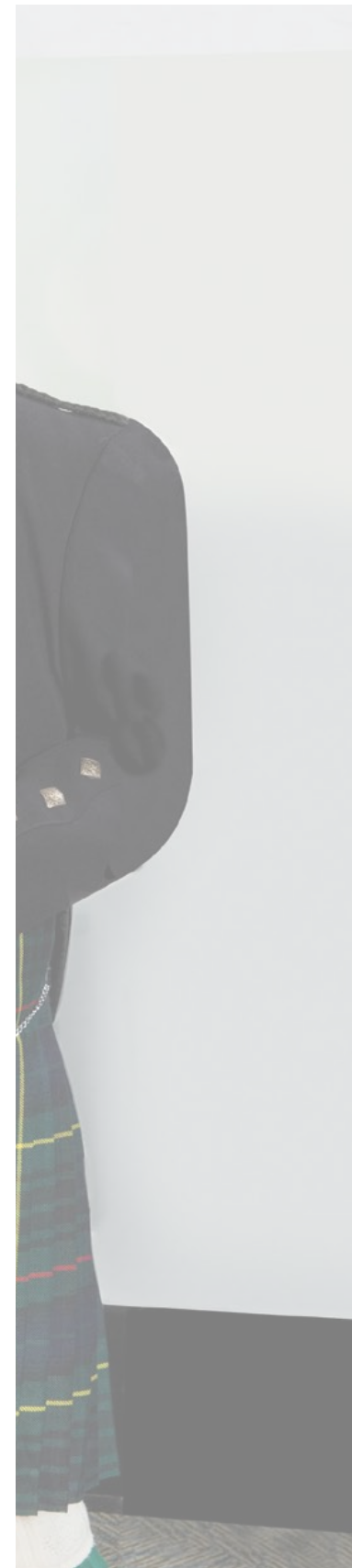
The feedback received through the survey provides important information for planning and continuous improvement. Detailed analysis and reports are provided to managers of portfolio areas covered by the survey, helping them to better understand and manage their operational areas.

The University has a three-year Equal Employment Opportunity (EEO) programme which is focused on increasing representation and opportunities for women, Māori and Pacific peoples. In the past few years, we have increased the number of female professors to 27% of the total number of professors, and associate professors to 37% of the total number.

The staff engagement survey indicated that work remains to be done on the provision of opportunities for career enhancement.

An assessment has also been carried out to provide a clearer understanding of the EEO situation and career development issues, and to develop a set of indicators for measuring progress.

The University again supported five staff to attend the Universities New Zealand Women in Leadership programmes. The goal of the



LIFETIME ACHIEVEMENT: Emeritus Professor Roy Daniel's long career in science was acknowledged at the 2014 KuDos Awards. Emeritus Professor Daniel received his award from University of Waikato Pro Vice-Chancellor Research Professor Al Gillespie.



AKO AWARDS

Many University of Waikato staff received external acknowledgement during 2014, but most notably Te Reo Māori and Tikanga lecturer Enoka Murphy from the School of Māori & Pacific Development was awarded a Sustained Excellence award for teaching in a kaupapa Māori context at the 2014 Ako Aotearoa Tertiary Teaching Awards. The awards aim to recognise and encourage excellence in tertiary education, at a national level. The University of Waikato has a strong history in winning these awards.

119,852m²

TOTAL NET AREA OF BUILDINGS
FOR TEACHING RESEARCH AND
ADMINISTRATION

programme is to increase women's leadership capabilities and influence in the tertiary sector by enhancing their personal, professional and national-level skills and networks.

Sharyn Heaton and Associate Professors Nicola Starkey and Anna Strutt attended the 2014 academic programme; Meshweyla Macdonald and Sonya Saunders were part of the general staff programme.

All participants of the programme, which the University has supported for many years, report an increased understanding of the challenges of the tertiary sector and how they can help address them. The University has a strong group of NZWIL alumnae, and also runs a popular annual Women in Leadership Day, open to members of other Waikato and Bay of Plenty organisations.

Waikato's academic workforce is ageing – a recent case study showed Waikato has the oldest academic workforce of all New Zealand universities, with 23% of its academics over 60. Faculties and divisions manage succession planning and the case study recommended developing a practical framework, with supporting guidelines to help manage the transition into retirement.

The 2014 General Staff Day focused on customer service, with panellists discussing how to ensure customer service is a University of Waikato point of difference, how staff become effective advocates for the institution and what can be done to ensure general staff are appropriately appreciated for their work efforts.

To enhance internationalisation at the University, a new position of Director of International Business was created in 2014 and Sharon Calvert was appointed to this role from a background in international tertiary relations. She's responsible for enhancing and leveraging the University's international academic networks and for consolidating the organisation's diverse activities in the international space.

David Craig, previously Acting Pro Vice-Chancellor and Director Marketing and External Relations at Australian Catholic University began as the University of Waikato's Head of Communications and External Relations Division in mid-2014. Since then the Division has worked with a newly appointed advertising agency to develop and launch a new brand strategy and 2015 student recruitment campaigns.

In 2014, University of Waikato staff won three categories in the KuDos Science Awards, which celebrate scientific achievement in the Waikato region. Professor Craig Cary won the Environmental Science Award, Advanced Technical Officer Chris McBride won the Hill Laboratories Lab Technician Award and Emeritus Professor Roy

Daniel won the Lifetime Achievement Award. His career spanned 38 years during which he established an international reputation for his research on thermostable enzymes and their commercial implications.

Professor Neil Boister from Te Piringa - Faculty of law was awarded a Freidrich Wilhelm Bessel Research Award (worth €45,000) by the German-based Alexander von Humboldt Foundation in recognition of his achievement in international criminal law research.

Professor of Population Economics at the National Institute of Demographic and Economic Analysis (NIDEA) Jacques Poot was selected to be a NZ-UK Link Foundation Visiting Professor to the UK for 2015. These visiting professorships were established in 2010, and the first one was awarded to Professor of Law and Public Policy Margaret Wilson, from Waikato University.

Making a difference the focus for Director of Māori Advancement



For Joseph Macfarlane a cup of tea made all the difference.

It was over a cup of tea in 2001 that he landed a job at the University of Waikato, and even then it wasn't the job he applied for. "I applied to the School of Māori & Pacific Development for a job teaching the Treaty of Waitangi," he says.

"Following my interview for that position, I received a phone call from the Dean, matua Tamati Reedy – now Sir Tamati – and matua Hirini Melbourne. They asked me to consider an alternative position, as a support person for matua Tamati, who was just starting in his role as the founding PVCM (Pro Vice-Chancellor Māori). I got invited back to the University for a cup of tea and got the job, so I was a founding staff member of PVCM."

Aside from working with Te Wānanga o Aotearoa in 2013, Mr Macfarlane has been here ever since and is now the University's Director of Māori Advancement, a role he says is "really about supporting the University to uphold the Māori dimensions of its distinctiveness".

Mr Macfarlane is the main architect of the just-adopted University Māori Advancement Plan and says the new version has more teeth than the previous one. "The strength of this is in its development," he says. "We had really wide engagement with senior staff and got buy-in from them and sign-off on what they could contribute. All the Deans, the Pro Vice-Chancellors, division heads, and other senior leaders of the University."

The plan, he says, "sets out my work for the next three years, delivering and nurturing it".

It's only part of his job, of course, with other aspects including supporting PVCM and SMPD Dean Professor Linda Smith. "Supporting our community of staff, supporting student participation and success and the student experience, and strengthening community engagement and partnerships, those are the major priorities," he says.

"Being inclusive is the key. Māori students, staff and communities are priority areas, yes, but supporting our wider student and staff community to uphold and to celebrate the University's Māori distinctiveness is also a key consideration."

Along with being a long-serving staff member, Mr Macfarlane is also a University alumnus, studying law to masters level in the 1990s.

Students



Edna Money bequeathed a sizeable amount of money to the University of Waikato. The subsequent Edna Money Future Pacific Leaders Scholarships are worth \$6,000 a year for up to three years.



462

MERIT AND EXCELLENCE
SCHOLARSHIPS AWARDED

The University of Waikato is committed to delivering its students a curriculum that exceeds their needs, and prepares them to work and lead in a new global marketplace.

To mark its 50th anniversary, in 2014 the University of Waikato presented 10 Golden Jubilee School Leaver Scholarships, each worth \$10,000 a year for up to four years.

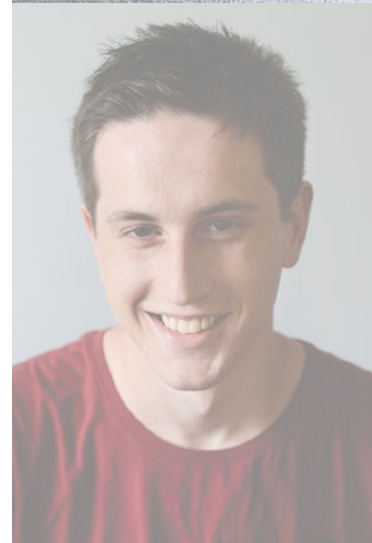
More than 200 students from across New Zealand applied for the scholarship, with applicants having to demonstrate a high level of academic excellence, leadership potential and community citizenship. As part of the scholarship, the students will develop leadership skills through a tailored personal development programme and will be encouraged to put these skills into practice.

In 2014, 165 students took part in the Sir Edmund Hillary Scholarship programme. This flagship programme educates future leaders according to the values of New Zealand's greatest adventurer, Sir Edmund Hillary. Sir Edmund Hillary scholars must excel in academia, leadership, sports or the creative and performing arts.

Several Hillary scholars achieved outstanding results in their chosen fields in 2014. These include Nicole van der Kaay being selected for Triathlon New Zealand's high performance squad, Kristie Baillie being selected for the 4x400m relay squad at the Glasgow Commonwealth Games, Felicity Leydon-Davis securing an annual contract with New Zealand Cricket and rowers Zoe Stevenson and Caleb Shepherd both being crowned world champions.

Late in 2014, accomplished pianist, music student Andrew Leathwick was accepted into the Australian National Academy of Music on a full scholarship covering fees and living costs. It's one of the few musical institutions in the world that fully funds students. During his time at Waikato, Andrew won many awards and competitions, including the 46th National Concerto Competition, the University of Waikato 2013 Cultural and Arts Person of the Year Award, and the Sir Edmund Hillary Medal.

Meanwhile engineering student Lindi Engelbrecht reaped the benefits of her hard work in 2014, winning two scholarships and two awards in close proximity. She won a \$6000 Freemasons University Scholarship; a \$5,000 Energy Education Trust Scholarship; the New Zealand Federation of Graduate Women (NZFGW) Waikato Graduate Women Engineering Prize for the most outstanding female student in her third year of study towards an engineering degree; and also received the Institute of Chemical Engineer's (IChemE) Society of Chemical Engineers New Zealand (SCENZ) Award of Excellence for the top 2013 student at Waikato University studying chemical and process engineering.



CELEBRATING SUCCESS: 10 secondary school students were awarded Golden Jubilee Scholarships worth up to \$40,000 to begin their studies at Waikato in 2015.

Students cont.



STUDENT SUCCESS

Rower Zoe Stevenson, pictured right with Teresa Connors and Tupuria King, was named Sportswoman of the Year at the Wallace Corporation University of Waikato Blues Awards while surf lifesaver Sam Shergold was Sportsman of the Year.

Tupuria King won the Pou Ahurea Award for Māori Person of the Year and received a Blue for waka ama. Creative and Performing Arts Person of the Year was Teresa Connors, who also received a Blue for music composition. She was invited to feature work at the Toronto International Electroacoustic Symposium in 2014.

PhD chemistry student Onyekachi Raymond won October's Three Minute Thesis (3MT) final with his presentation: "The Beauty Without the Beast: A Chemical Search for Beryllium's Partner". Beryllium is an indispensable but toxic metal used in high-tech devices such as smartphones and computers. Raymond's research looks at finding chemical agents that help remove beryllium from these products when they are disposed of. The Nigerian student also won the People's Choice Award, and will represent the University of Waikato at the Trans-Tasman 3MT in Australia in 2015.

First-year music student Paul Newton-Jackson, a Sir Edmund Hillary scholar, became the 50th New Zealander to be awarded the Girdlers' Scholarship to study at Cambridge University's Corpus Christi College. He hopes the £25,000 a year scholarship to study Music Composition will enable him to bring the music of young New Zealand composers to international audiences.

Several other significant strategic scholarships were launched by the University during 2014.

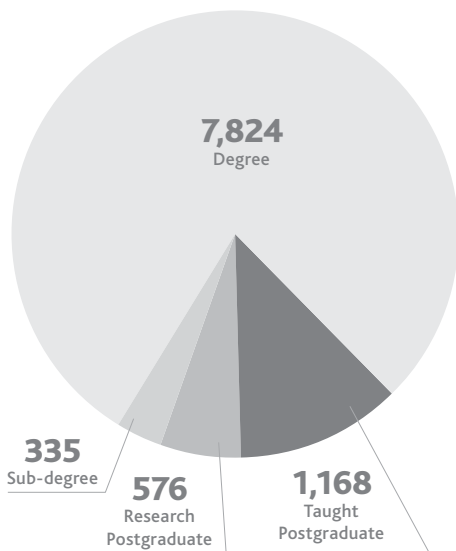
The University of Waikato Excellence Scholarship for Asia programme is specifically aimed at high achieving international students from China, Hong Kong, Japan, India, Indonesia, Malaysia, Vietnam, Singapore, the Philippines, South Korea, Taiwan and Thailand. It provides financial aid of up to \$10,000 for pre-degree, undergraduate or postgraduate programmes.

The University also launched the Edna Money Future Pacific Leaders Scholarships, funded by a large bequest from the estate of the late Morrinsville accountant and farmer Edna Money. These scholarships will provide support for students to achieve academically and develop leadership skills through a tailored leadership and personal development programme. Three scholarships will be offered each year for full-time students. They're worth \$6,000 a year for up to three years.

The University of Waikato's six flagship Research Institutes offer doctoral and masters scholarships to support world-class research in environmental science, demography and economic analysis, business and leadership, professional learning and development, education, and Māori and indigenous development. Each institute offers a doctoral scholarship worth \$22,000 a year plus fees for three years' full-time study, and a masters scholarship worth \$12,000 that includes a fees component of \$3,500.

The Northland Future Leaders Scholarships, which were established in 2012, recognise the long-standing relationship and strong ties the University has with secondary schools in that region. Selection is made on the basis of leadership, community involvement,

EFTS BY LEVEL



contribution to cultural and sporting activities and other factors including character, academic ability and commitment to succeed. The annual \$5,000 scholarships are awarded to candidates who can be nominated by their school principals.

A satisfaction survey of domestic students in 2014 found students were overwhelmingly happy with the University, scoring it highly in terms of learning, living, support and arrival on campus.

The survey of 3,257 domestic students included those who study on campus, and distance learners. Of the 3,257 cohort, 37% took part in the survey. This is an excellent response rate – the average global response rate for this survey is 21%.

The survey found 93% of students were either satisfied or very satisfied overall with the University. This compares favourably with a similar survey of international students in 2013 which recorded a 94% overall satisfaction rate.

Teaching quality scored highly, as did the campus environment, accommodation and overall support. Other notable highlights included the expertise of the lecturers, class sizes, an eco-friendly attitude, disability support, enrolment office support and faculty support.

The student satisfaction survey will be repeated in 2015 for international and domestic students, giving students further opportunities to provide feedback.

Waikato graduate selected for Imperial College London doctoral programme

University of Waikato chemistry graduate Sophie Sim joined 12 top young scientists from around the world at Imperial College London in 2014, when she was selected to participate in the NexGenAgriChem Innovative Doctoral Programme.

The programme is funded by Syngenta, one of the world's largest crop protection companies, and brings together talented science graduates to investigate ways to improve crop protection.

"I'll be using a novel form of a technique called 2D Infra-red Electron-Vibration-Vibration Spectroscopy to better understand the mode of action of herbicides on plant protein systems, which will improve herbicide design and contribute to the agrochemical industry," says Sophie.

The objective of the three-year PhD programme is to nurture early-stage researchers in a way that creates a new generation of multidisciplinary researchers.



Along with the PhD research, the programme includes lectures, a transferable skills course in science communication and professional internship placements. Networking opportunities will take place during industry visits to Syngenta in Switzerland and Bayer CropScience in Germany.

"I'm really excited to have this opportunity to research at one of the top 10 universities in the world, and in such a vibrant city as London," Sophie says. Her interest in chemistry was sparked by her Year 10 Science teacher and fostered by her University lecturers.

"The skills and passion instilled in me by the exceptional chemistry and biochemistry staff during my Bachelor of Science and Master of Science degrees at the University of Waikato have allowed me to pursue my ideal career path."

Statistical Information

Total Students by Origin

	2006	2007	2008	2009	2010	2011	2012	2013	2014
Core Region	8,714	8,347	8,333	9,234	8,845	8,732	8,863	8,799	8,523
Inner Periphery	483	512	626	794	843	961	930	971	1,002
Outer Periphery	519	527	521	585	551	561	506	537	525
Auckland	953	899	790	754	679	614	587	489	488
Wellington	168	142	131	188	169	181	156	165	153
South Island	143	131	157	137	134	128	129	137	124
Overseas	1,581	1,482	1,448	1,397	1,421	1,386	1,350	1,246	1,417
Total	12,561	12,040	12,006	13,089	12,642	12,563	12,521	12,344	12,232

Total Qualifications Completed by Level

	2006	2007	2008	2009	2010	2011	2012	2013	2014
Foundation certificate	532	611	879	1,098	827	548	546	484	523
Degree-level	2,285	2,120	1,884	1,993	1,843	1,929	2,037	2,167	1,937
Graduate/Postgraduate	1,069	933	995	1,111	1,208	1,289	1,284	1,071	968
Higher Degree	50	73	53	54	71	105	73	83	92
Total	3,936	3,737	3,811	4,256	3,949	3,871	3,940	3,805	3,520

Total EFTS by Level

	2006	2007	2008	2009	2010	2011	2012	2013	2014
Sub-degree	588	648	749	872	575	453	406	345	335
Degree	7,888	7,356	7,236	7,851	7,874	8,009	8,123	8,075	7,824
Taught Postgraduate	1,018	1,033	1,028	1,149	1,205	1,159	1,117	1,161	1,168
Research Postgraduate	459	477	497	545	593	620	620	576	576
ACE	181	195	176	189	168	108	104	2	-
Total	10,134	9,708	9,685	10,606	10,415	10,349	10,371	10,159	9,904

Total EFTS by Source of Funding

	2006	2007	2008	2009	2010	2011	2012	2013	2014
Ministry-Funded (excluding ACE)	7,549	7,705	7,859	8,700	8,546	8,660	8,776	8,726	8,473
Full-Cost International	2,370	1,767	1,615	1,669	1,664	1,543	1,461	1,408	1,401
Full-Cost Other	34	40	36	49	38	37	30	24	29
ACE	181	195	176	189	168	108	104	2	-
Total	10,134	9,708	9,685	10,606	10,415	10,349	10,371	10,159	9,904

Statistical Information *cont.*

Total EFTS by Organisational Unit

	2006	2007	2008	2009	2010	2011	2012	2013	2014
Arts & Social Sciences	2,043	1,931	1,849	2,054	2,091	2,060	2,185	2,227	2,143
Computing & Mathematical Sciences	851	790	706	759	804	878	950	993	964
Education	1,832	1,792	1,932	2,266	3,061	2,905	2,871	2,568	2,322
Law	562	573	589	608	626	650	622	646	635
Māori & Pacific Development	307	298	274	278	274	302	283	263	226
Science & Engineering	898	887	875	916	918	974	1,003	1,047	1,103
Waikato Management School	2,878	2,597	2,536	2,664	2,641	2,580	2,455	2,416	2,512
Other Organisational Unit	763	840	925	1,062	-	-	-	-	-
Total	10,134	9,708	9,685	10,606	10,415	10,349	10,371	10,159	9,904

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014
Total Academic FTE	648	625	643	633	654	646	637	640	636
Total EFTS	10,134	9,708	9,685	10,606	10,415	10,349	10,371	10,159	9,904
Total	15.6	15.5	15.1	16.8	15.9	16.0	16.3	15.9	15.6

Research Revenue

	2006	2007	2008	2009	2010	2011	2012	2013	2014
Annual Research Revenue	\$20.805 million	\$23.295 million	\$21.894 million	\$27.838 million	\$27.464 million	\$31.077 million	\$29.693 million	\$28.666 million	\$27.969 million
Academic FTE (Research)	466	465	492	450	449	441	442	448	451
Research Revenue per Academic FTE (Research)	\$44,646	\$50,097	\$44,500	\$60,862	\$61,111	\$70,395	\$67,179	\$63,986	\$62,015

Research Publication Count by Type

	Books	Chapters	Conference Contributions	Creative Works	Journals	Other	Total
Arts & Social Sciences	14	50	181	31	144	117	537
Computing & Mathematical Sciences	2	5	65	4	56	11	143
Education	12	55	118	3	164	62	484
Law	2	8	9	2	17	6	44
Waikato Management School	13	61	96	-	163	42	375
Science & Engineering	1	9	157	-	174	34	375
Office of DVC	-	1	4	1	4	2	12
Office of PVCM (includes SMPD)	2	5	4	-	1	9	21
Total	46	194	704	41	723	283	1,991

Statistical Information *cont.*

Total Students by Ethnicity

	2006	2007	2008	2009	2010	2011	2012	2013	2014
Pākehā/European	5,938	5,727	5,631	6,061	5,841	5,775	5,778	5,711	5,472
New Zealand Māori	2,239	3,217	2,230	2,451	2,300	2,339	2,343	2,290	2,254
Pacific Islander	433	454	500	525	470	491	557	589	570
Chinese	2,242	1,674	1,405	1,383	1,301	1,182	1,181	1,130	1,252
Indian	288	293	320	402	416	428	456	419	447
Other	1,421	1,575	1,920	2,267	2,314	2,348	2,206	2,205	2,237
Total	12,561	12,040	12,006	13,089	12,642	12,563	12,521	12,344	12,232

Total Staff FTE

	2006	2007	2008	2009	2010	2011	2012	2013	2014
Academic	648	625	643	633	654	646	637	640	636
Other Staff	929	917	916	895	882	897	876	880	847
Total	1,577	1,542	1,560	1,528	1,537	1,543	1,513	1,520	1,483

Seniority of Total Academic Staff FTE

	2006	2007	2008	2009	2010	2011	2012	2013	2014
Professors	88	87	84	84	82	81	86	81	82
Associate Professors	68	75	78	78	77	78	73	72	74
Senior Lecturers	220	212	212	224	229	230	234	231	234
Lecturers	134	119	113	120	126	125	123	106	95
Other	139	132	156	128	140	131	122	150	151
Total	648	625	643	633	654	646	637	640	636

Total Staff FTE by Organisational Unit

	2006	2007	2008	2009	2010	2011	2012	2013	2014
Arts & Social Sciences	178	174	1079	173	174	170	173	179	178
Computing & Mathematical Sciences	77	78	75	74	80	78	74	78	77
Education	302	300	285	292	381	386	363	367	342
Law	37	35	37	35	36	38	38	42	40
Office of PVCM (includes SMPD)	40	38	34	29	24	21	41	44	38
Science & Engineering	176	185	193	188	189	193	195	187	186
Waikato Management School	222	212	196	186	188	186	177	171	167
Other Organisational Unit	544	519	561	551	465	471	452	452	455
Total	1,577	1,542	1,560	1,528	1,537	1,543	1,513	1,520	1,483

Auditor General Opinion

AUDIT NEW ZEALAND
Mana Arotake Aotearoa

Independent Auditor's Report

To the readers of the University of Waikato and group's financial statements and non-financial performance information for the year ended 31 December 2014

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

We have audited:

- the financial statements of the University and group on pages 69 to 125, that comprise the balance sheet as at 31 December 2014, 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 54 to 62.

Opinion

In our opinion:

- the financial statements of the University and group on pages 69 to 125:
 - comply with generally accepted accounting practice in New Zealand; and
 - fairly reflect the University and group's:
 - financial position as at 31 December 2014; and
 - financial performance and cash flows for the year ended on that date;

- o fairly reflect the University and group's:
 - financial position as at 31 December 2014; and
 - financial performance and cash flows for the year ended on that date;
- the non-financial performance information of the University and group on pages 54 to 62 fairly reflects the University and group's service performance achievements measured against the performance targets adopted in the investment plan for the year ended 31 December 2014.

Our audit was completed on 18 March 2015. This is the date at which our opinion is expressed.

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

Basis of opinion

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

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

An audit involves carrying out procedures to obtain audit evidence about the amounts and disclosures in the financial statements and non-financial performance information. The procedures selected depend on our judgement, including our assessment of risks of material misstatement of the financial statements and non-financial performance information, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the 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:

Auditor General Opinion *cont.*

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

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

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

Responsibilities of the Council

The Council is responsible for preparing financial statements that:

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

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

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

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

Responsibilities of the Auditor

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

Independence

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

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



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

Statement of Service Performance

Institutional Sustainability

	2010 Actual	2011 Actual	2012 Actual	2013 Actual	2014 Target	2014 Actual
1. Deliver MF EFTS within 100%-105% of the University's approved Investment Plan funding	101.7%	99.1%	101.6%	99.3%	100-105%	98.8%

The University's Mix of Provision for 2014 was matched to its SAC funding allocation and comprised 8,538 MF EFTS. In MF EFTS terms the University achieved 99.2% of target (a shortfall of 65 EFTS). In funding terms, the University achieved 98.8% of target. The value of the EFTS shortfall against TEC's 99% threshold was approximately \$140,000.

Teacher education enrolments declined significantly in 2014, although the decline was partially offset by an increase in enrolments in the Faculty of Management. Enrolments in engineering qualifications also increased in 2014, for the sixth successive year. MF enrolments in the Faculties of Arts & Social Sciences, Computing & Mathematical Sciences, Law, and Māori & Pacific Development were steady in comparison with 2013.

MF EFTS across the University's two Summer School semesters (S semester – January/February, and T semester – November/December) have grown steadily since 2010. T semester enrolments have grown significantly over the past three years (2012: 109 MF EFTS; 2013: 203 MF EFTS; 2014: 224 MF EFTS). The T semester growth in 2014 was mainly attributable to the Faculties of Arts & Social Sciences (up 22 EFTS over 2013), Computing & Mathematical Sciences (up 9 EFTS over 2013) and Management (up 16 EFTS over 2013). While T semester growth has been positive, it has been offset to an extent by a decline in enrolments in S semester since 2011; T semester now generates significantly more EFTS than S semester.

	2010 Actual	2011 Actual	2012 Actual	2013 Actual	2014 Target	2014 Actual
2. Achieve targets for FCI EFTS	1,664 EFTS	1,543 EFTS	1,461 EFTS	1,408 EFTS	1,647 EFTS	1,401 EFTS

The target of 1,647 FCI EFTS in 2014 was set by the University in 2012 as part of the development of its Investment Plan for 2013-2015. This target reflected the University's plans and goals to reverse the medium-term trend of declining FCI EFTS. However, once 2013 FCI enrolments were finalised, that target for 2014 was regarded as unrealistic, and a lower target was set for budget purposes in order to mitigate the financial consequences of the anticipated shortfall.

The shortfall in FCI enrolments in 2014 was primarily at sub-degree level ie in foundation and English language programmes. A lower sub-degree target has been set for 2015 and reflects the University's increased focus on international student recruitment into qualifications at undergraduate level and higher.

FCI enrolments increased at undergraduate level in 2014, primarily as a result of a larger intake of Shanghai International Studies University (SISU) partnership programme students. The larger intake of SISU students in 2014 will provide a strong pipeline of FCI enrolments into 2015.

The University had anticipated a significant increase in FCI postgraduate enrolments in 2014 as a consequence of the introduction of a range of 180-point (one year) masters programmes during 2013. While FCI enrolments in masters programmes did increase in 2014, they were offset by a consequential decline in enrolments in postgraduate diplomas, meaning that overall, FCI postgraduate enrolments were lower than in 2013.

Late in 2014, the largest cohort of FCI students yet enrolled in the Master of Business Management qualification; these students will create a positive pipeline of postgraduate enrolments into 2015.

China continued to be the University's main international student market, and in 2014 both the number and proportion of FCI EFTS generated by students from China increased. Of particular note was the increase in the number of students from Malaysia in 2014, up from 32 EFTS in 2013 to 50 EFTS in 2014.

Most FCI enrolments in 2014 were in bachelors degrees, with significant growth in the Bachelor of Business Analysis (+15% over 2013), Bachelor of Engineering with Honours (+26% over 2013) and Bachelor of Tourism (+45% over 2013).

	2010 Actual	2011 Actual	2012 Actual	2013 Actual	2014 Target	2014 Actual
3. Increase the proportion of revenue generated by the University from non-student and non-New Zealand government sources	12.7%	13.3%	13.0%	14.4%	>14.4%	14.6%

This KPI relates to revenue from all sources other than teaching (ie other than 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 achievement of this target was predominately through increases in donations and interest income.

	2010 Actual	2011 Actual	2012 Actual	2013 Actual	2014 Target	2014 Actual
4. Maintain a low risk rating (≥ 3) against the TEC's Financial Monitoring Framework	3.0	4.0	4.3	4.0	≥ 3.0	Low Risk

The Tertiary Education Commission discontinued its annual assessment of TEI financial performance against its Financial Monitoring Framework from 2014, but has advised that based on the University's audited results for the previous year and three-year forecasts provided in May 2014, the FMF model indicated no change to the risk level of "low" achieved in 2013.

Participation and Performance

Proportion MF TPG and above overall	2010 Actual	2011 Actual	2012 Actual	2013 Actual	2014 Target	2014 Actual
5. Increase proportion of MF EFTS enrolled at TPG level and above	18.0%	17.7%	16.9%	16.9%	17.3%	17.7%

The University's target for MF EFTS at taught postgraduate level and above in 2014 was achieved, with particularly strong growth in taught postgraduate programmes.

It is particularly positive to note that while the proportion of MF EFTS generated at taught postgraduate level grew in 2014 (10.9% compared with 10.3% in 2013), the number also increased (923 EFTS compared with 900 EFTS in 2013). Masters programmes in the Faculty of Education and the Bachelor of Engineering with Honours were the largest contributors to growth at taught postgraduate level in 2014.

Statement of Service Performance

Research postgraduate EFTS remained steady in comparison with 2013 both as a proportion of MF EFTS (6.8% in 2014 compared with 6.6% in 2013) and in number (576 EFTS in each of 2013 and 2014).

In its 2013 Annual Report, the University reported a spike in bachelors with honours enrolments, most likely linked to changes to Student Allowance policies in 2012; but the pattern has not continued in 2014. MF taught postgraduate EFTS generated in bachelors with honours qualifications overall were down in 2014 but were offset by a significant increase (18%) in taught postgraduate EFTS in masters qualifications (predominately in 180-point masters degrees).

MF under 25s participation	2010 Actual	2011 Actual	2012 Actual	2013 Actual	2014 Target	2014 Actual
6. Increase volume of MF EFTS generated by students aged under 25	5,657 EFTS	5,734 EFTS	5,882 EFTS	5,985 EFTS	5,993 EFTS	5,835 EFTS

While the target against this KPI was not achieved in real terms, the number of MF EFTS generated by students aged under 25 did increase for the second consecutive year as a proportion of total MF EFTS (68.9% compared with 68.6% in 2013 and 67.0% in 2012).

Numbers of school-leavers increased in 2014 both as a head-count and in terms of EFTS, and were the highest by both measures since 2009.

Of particular note was the increase in both the number (77 EFTS compared with 72 EFTS in 2013) and proportion (15.0% compared with 13.6% in 2013) of MF EFTS generated by Pacific school-leavers in 2014.

MF Māori student participation	2010 Actual	2011 Actual	2012 Actual	2013 Actual	2014 Target	2014 Actual
7. Increase volume of MF EFTS generated by Māori students	1,773 EFTS	1,846 EFTS	1,925 EFTS	1,867 EFTS	2,000 EFTS	1,859 EFTS
8. Increase proportion of MF Māori EFTS enrolled at TPG level and above	13.8%	15.1%	15.1%	13.4%	15.5%	15.4%

Students self-report their ethnicity each year, and the figures reported from one year to the next are therefore a snapshot in time and may vary from data published in previous Annual Reports. Students may report up to three ethnicities.

The number of MF EFTS generated by students who self-reported as Māori in 2014 was very similar to the number in 2013 and was consistent with a general upward trend since 2008; the proportion of MF EFTS generated by Māori students increased from 21.4% in 2013 to 21.9% in 2014.

The proportion of MF EFTS generated by Māori school-leavers in 2014 remained steady compared with previous years at around 13%.

MF EFTS generated by Māori students at taught postgraduate level and above increased significantly in 2014 (285 EFTS compared with 250 EFTS in 2013), with the most significant growth in masters degrees, particularly in the Master of Education, Master of Educational Leadership and the new Master of Teaching and Learning (in which Māori students made up 28% of all EFTS).

In 2011 the University introduced a new stream for its Master of Business Administration (MBA) in conjunction with the Tainui Endowed College; a third intake into this stream commenced in 2014, leading to a significant increase in Māori EFTS in the MBA in 2014. Māori student EFTS in other postgraduate qualifications, including PhDs, remained steady in comparison with 2013.

MF Pacific student participation	2010 Actual	2011 Actual	2012 Actual	2013 Actual	2014 Target	2014 Actual
9. Increase volume of MF EFTS generated by Pacific students	427 EFTS	425 EFTS	489 EFTS	530 EFTS	550 EFTS	509 EFTS
10. Increase proportion of MF Pacific EFTS enrolled at TPG level and above	13.8%	12.7%	13.1%	11.4%	13.0%	11.9%

Students self-report their ethnicity each year, and the figures reported from one year to the next are therefore a snapshot in time and may vary from data published in previous Annual Reports. Students may report up to three ethnicities.

While the number of MF EFTS generated by Pacific students fell slightly in 2014, it remained steady as a proportion of MF EFTS overall (6.0% compared with 6.1% in 2013).

It is also positive to note that as a proportion of Pacific MF EFTS overall, those generated by Pacific students at taught postgraduate level and above increased from 11.4% in 2013 to 11.9% in 2014.

As noted in relation to KPI 6 above, the increase in both the number (77 EFTS compared with 72 EFTS in 2013) and proportion (15.0% compared with 13.6% in 2013) of MF EFTS generated by Pacific school-leavers in 2014 was particularly positive.

The considerable growth in the headcount of Pacific students from South Auckland generated in 2013 was sustained in 2014 (2012: 89 students; 2013: 118 students; 2014: 113 students).

Typically, over 85% (measured in EFTS terms) of the University's students who report their ethnicity as Pacific are Ministry-Funded. The remainder are FCI EFTS and are not represented in these data. (FCI EFTS generated by Pacific students have increased steadily each year and almost doubled between 2007 (38 EFTS) and 2014 (70 EFTS).)

MF educational performance overall	2010 Actual	2011 Actual	2012 Actual	2013 Actual	2014 Target	2014 Interim
11. Maintain successful course (paper) completion rates for MF students overall	87.4%	87.1%	86.4%	85.2%	86.0%	84.1%
12. Improve qualification completion rates for MF students overall	71.3%	77.9%	81.5%	83.8%	73.0%	77.6%
13. Maintain retention rates for MF students overall	82.5%	84.4%	86.0%	85.4%	84.0%	86.0%

MF under 25s educational performance

14. Maintain successful course (paper) completion rates for MF students aged under 25	86.5%	86.3%	85.7%	84.1%	86.0%	83.6%
15. Improve qualification completion rates for MF students aged under 25	63.3%	65.9%	71.9%	73.0%	64.0%	68.8%
16. Maintain retention rates for MF students aged under 25	83.8%	86.2%	88.2%	87.5%	86.0%	86.8%

Statement of Service Performance

MF Māori student educational performance	2010 Actual	2011 Actual	2012 Actual	2013 Actual	2014 Target	2014 Interim
17. Improve successful course (paper) completion rates for MF Māori students	80.7%	81.8%	81.4%	80.2%	84.5%	78.1%
18. Improve qualification completion rates for MF Māori students	60.4%	61.5%	67.7%	80.7%	72.0%	59.5%
19. Improve retention rates for MF Māori students	72.7%	77.5%	79.4%	79.7%	82.5%	81.3%
MF Pacific student educational performance						
20. Improve successful course (paper) completion rates for MF Pacific students	72.7%	73.2%	71.1%	65.1%	79.0%	68.2%
21. Improve qualification completion rates for MF Pacific students	48.3%	59.9%	69.7%	44.6%	68.0%	49.1%
22. Improve retention rates for MF Pacific students	75.1%	76.5%	81.8%	80.9%	81.0%	77.2%

2014 results against these educational performance indicators are subject to confirmation by the Tertiary Education Commission following the submission of the April 2015 Single Data Return; final results will be reported in subsequent Statements of Service Performance.

The wide variations in qualification completion rates from year to year can be attributed in part to the methodology for calculating those rates, the nature of which means that increases or decreases in cohort size can have a statistically significant impact; this is especially evident in small student groups (eg among Māori and Pacific students). The decline in qualification completion rates in 2014 can be attributed largely to an increasing proportion of new students in conjunction with a decreasing number and proportion of returning students over the past two years; this pattern has been evident across all MF student groups.

A key factor in the drop in paper completion rates in 2014 for all groups identified in the education performance data above (MF students overall, MF under 25s, MF Māori, and MF Pacific) was the larger proportion of students receiving IC (Incomplete), WD (Withdrawn) and graded fails in 2014. The proportion of students receiving IC and WD grades and graded fails has increased each year since 2010. As a consequence processes and policies associated with the admission and re-enrolment of students, especially those who have not met the normal criteria for admission and re-entry, are being monitored very carefully. Criteria for enrolment in papers with patterns of relatively high fail rates are also regularly reviewed, along with the learning support provision for at-risk students.

Full-Cost International student educational performance	2010 Actual	2011 Actual	2012 Actual	2013 Actual	2014 Target	2014 Actual
23. Maintain successful course (paper) completion rates for FCI students	85.1%	85.0%	86.5%	87.5%	86.0%	88.1%
24. Improve qualification completion rates for FCI students	78.9%	69.9%	72.6%	86.9%	71.0%	96.4%
25. Maintain retention rates for FCI students	90.9%	90.6%	87.6%	90.9%	84.0%	91.6%

2014 results against these educational performance indicators are subject to confirmation following the finalisation of 2014 data in April 2015; final results will be reported in subsequent Statements of Service Performance.

FCI student results against these educational performance indicators remained strong in 2014.

When measured in actual terms, rather than as a rate, the volume of qualification completions by FCI students in 2014 was higher than in 2013 (845 compared with 784 in 2013). When measured as a rate, qualification completions can be skewed by changes in cohort size from one year to the next. In the case of FCI students, the continued increase in the qualification completion rate in 2014 can be attributed largely to the fall in cohort size over recent years. It will also have been influenced by the continued decline in the number and proportion of EFTS generated by enrolments in sub-degree qualifications (namely the Certificate of Attainment in Academic English, the Certificate of Attainment in English Language and the Certificate of Attainment in Foundation Studies), which typically have lower completion rates.

Research Performance

	2010 Interim	2011 Interim	2012 Interim	2013 Interim	2014 Target	2014 Interim
26. Increase research degree completions (RDCs)	690	739	691	681	735	729

Historic results against this KPI have been updated since previous Annual Reports to take account of additional completions recorded since then. The 2014 result against this indicator is also subject to change over time.

The University's RDC volumes were bolstered in 2014 by the completion of three RDC-eligible masters theses in Te Reo Māori, each of which generated an ethnicity weighting of four times the normal rate.

Enrolments in RDC-eligible masters theses have declined in 2014 as a consequence of the introduction of 180-point taught masters qualifications, which are not eligible for RDC funding. It is anticipated that the number of RDC-eligible masters enrolments will continue to decline in correlation with the increasing trend in favour of 180-point masters qualifications, with a consequential impact on the University's RDC funding.

	2010 Actual	2011 Actual	2012 Actual	2013 Actual	2014 Target	2014 Actual
27. Increase the University's research and development (R&D) revenue	\$41.6M	\$49.7M	\$45.5M	\$48.6M	\$52.M	\$46.9M

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

Counts

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

Statement of Service Performance

Excludes

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

The University did not achieve its research and development target of \$52M in 2014, mainly due to lower research revenue (\$0.7M below the volume achieved in 2013) and professional development contract revenue (\$0.9M below the volume achieved in 2013).

	2003 Actual	2006 Actual	2009 Actual	2012 Actual	2014 Target
28. Increase the proportion of the University's academic staff who are internationally recognised for their research (equivalent to A and B quality scores against PBRF criteria), assessed through a two-yearly internal formative process using Academic Staff Portfolios	34% (PBRF)	44% (PBRF)	46.5% (FRE)	54.4% (PBRF)	55% (internal formative process)

The internal formative process undertaken in 2014 was modelled on the processes and criteria that apply in the national PBRF assessment. Results are expected by mid-2015, and will be used to help the University prepare for the 2018 PBRF round.

Organisational Culture: Staff and Students

	2009 Actual	2012 Actual	2014 Target	2014 Actual
29. Maintain the overall response rate in the University's three-yearly staff engagement survey and	66%	67%	67%	68%
a. improve the result in the 'Progress' index and	48%	57%	>57%	58%
b. maintain the result in the 'Job Satisfaction' scale	82%	83%	83%	83%

The University achieved or exceeded its targets related to the 2014 staff survey.

The 'Progress' index in the University's staff engagement survey is made up of three scales:

- » Organisation Objectives
- » Change and Innovation
- » Customer/Stakeholder Satisfaction.

The results from the survey will be used to:

1. build engagement with management and staff through the communication of results and demonstrating that the University will take action on the basis of staff feedback through the survey
2. identify where change is needed and to work with senior managers to develop plans to address those areas
3. identify sites of good practice and use these as models to springboard change across the institution
4. identify staff perceptions with respect to projects currently underway and use these perceptions as a benchmark for measuring change in future surveys.

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

A decision was made in early 2014 to adopt the i-graduate Domestic Student Barometer (SB) survey in place of the AUSSE (Australasian Survey of Student Engagement) and POSSE (Postgraduate Survey of Student Engagement) surveys; many New Zealand universities, including the University of Waikato, have been using the i-graduate International Student Barometer (ISB) survey for a number of years.

A trial SB survey was undertaken during the year. While the University of Waikato is currently the only New Zealand university using the SB survey, the University's results against international institutional benchmarks for both the SB and ISB in 2014 have been strong, as follows:

2014 Student Survey Results	UoW SB Result	Global SB Average	UoW ISB Result	Global ISB Average
Student satisfaction rating with overall university experience	93%	90%	91%	87%
Student satisfaction rating with learning experience	91%	87%	88%	86%
Student satisfaction rating with student support services	93%	90%	91%	88%

Statement of Service Performance

Reputation

	2010 Actual	2011 Actual	2012 Actual	2013 Actual	2014 Target	2014 Actual
31. Improve the University's annual ranking in the QS World University Ranking and THE World University Ranking exercises	QS: 316=	QS: 357	QS: 374	QS: 401-410	QS: <401-410	QS: 401-410
	THE: Only top 200 published	THE: 318	THE: 302	THE: 311	THE: <311	THE: 391

In the 2014 QS World University Rankings, the University of Waikato maintained its ranking of 401-410; in the 2014 THE University Rankings the University fell to 391 (from 311 in 2013); the fall can be attributed primarily to decreases in the University's international student enrolments, lower volumes of staff publications and lower citation rates.

In 2014, the University of Waikato was ranked 44th in the THE top 100 universities under 50 years of age and was the top ranked New Zealand university, from 46th the previous year, and 58th in 2012. (The other New Zealand universities who met the criteria for this ranking were Massey, AUT and Lincoln.) The University of Waikato will not qualify for the under 50 years of age category after 2014.

EEO Statement

The University of Waikato is a signatory to the Women Empowerment Principles which are a result of a collaboration between UN Women and the UN Global Compact. The principles offer guidance for businesses on how they can empower women in the workplace and community.

The University of Waikato is committed to the principle of equal opportunity for all staff and students in both education and employment. Its EEO Programme is focused on increasing representation and opportunities for women, Māori and Pacific staff, particularly in senior positions and in some occupational areas.

Overall staff composition is 40% male, 60% female, 10% Māori and 4.1% Pasifika.

An EEO assessment in 2013 helped identify career development issues and has led to the development of a set of indicators to measure progress. The 2014 staff engagement survey revealed the majority believe there is a commitment to gender equity.

A mentoring programme is in place that includes one-to-one mentoring, mentoring groups and peer conversations and the University is keen to develop a database of mentoring staff across the University and plans to run some mentoring workshops to develop staff with suitable expertise to become capable mentors.

Developed by the Faculties of Education and Management with the support of the School of Māori & Pacific Development, the University now offers a Postgraduate Certificate in Leadership in Higher Education. It has been designed to develop the skills required to lead and manage strategy and operations with diverse groups or teams within a university, polytechnic or wānanga.

The sixth Women in Leadership Day was held on campus in 2014, bringing together more than 300 women academics and general staff reps from all divisions and faculties. The theme was Leading from a place of knowing – that is, once we understand ourselves we can then successfully work with and lead others. Topics included work-life balance, creative thinking, working successfully as an individual, and together in organisations and communities.

Meanwhile five University of Waikato staff attended the New Zealand Women in Leadership Programme in 2014.

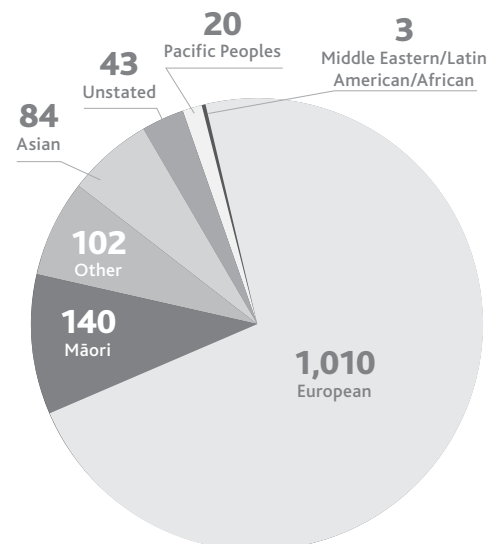


ALUMNA RETURNS

University of Waikato alumna Paula Southgate, chair of the Waikato Regional Council, has successfully contested five elections since 1991. As keynote speaker at the 2014 Women in Leadership day she talked about collaboration – working with people and sharing the decision-making, enabling organisations to be driven further in the fastest time frame.

Women in Leadership Day attracts a good mix of academic and general staff from across the Hamilton and Tauranga campuses and is also open to staff from other tertiary institutions.

STAFF ETHNICITY AT UOW 2014



Student Services Levy

Compulsory Students Services Fees for 2014

	Compulsory Student Services fees	Income from other sources	Total Income	Total Costs	Net Cost
Advocacy and legal advice	157,741	-	157,741	239,296	81,555
Careers information, advice and guidance, employment information	374,930	12,763	387,694	568,778	181,084
Counselling services and pastoral care	1,056,509	319,901	1,376,410	1,602,746	226,337
Employment information	9,888	-	9,888	15,000	5,112
Financial support and advice	399,631	-	399,631	606,249	206,618
Health services	1,006,334	633,857	1,640,192	1,526,631	(113,561)
Media	73,302	-	73,302	111,200	37,898
Childcare services	142,516	-	142,516	216,200	73,684
Clubs and societies	69,215	-	69,215	105,000	35,785
Sports, recreation and cultural activities	373,710	-	373,710	566,926	193,216
Total	3,663,775	966,521	4,630,297	5,558,026	927,729
(Over)/Under Recovery					927,729

Advocacy and legal advice

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

Careers information, advice and guidance

Students are provided with:

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

The University establishes and maintains:

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

Employment information

Services include:

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

Counselling services and pastoral care

Students are provided with access to free counselling services which helps to create a safe and healthy campus environment and enhances the student experience and contributes to academic achievement.

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

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

Financial support and advice

Services include:

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

Health services

Services include:

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

Media

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

Childcare services

The University provides the early childcare buildings and outdoor areas on campus at no cost.

Clubs and societies

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

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

Sports, recreation and cultural activities

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

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

Statement of the Cost of Outputs

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

	This Year	Budget	Last Year
	\$000	\$000	\$000
Outputs			
Teaching and Learning	150,570	149,967	149,280
Research	34,534	34,455	47,150
Student Services and Products	10,616	10,190	11,093
Other Services and Products	20,433	17,202	8,687
Total	216,153	211,814	216,210

Financial Overview 2014

The University of Waikato celebrated its first 50 years in 2014 and now looks forward to the next 50 years in a sound financial position. 2014 continued to be challenging for the University, with constraints around revenue growth and subject to greater pressures of competition and external influences outside of its control. For 2014, the University had anticipated a decrease 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 and necessary in order for the University to fund its on-going capital requirements. As the year progressed, the greatest challenge the University faced was meeting its student enrolment targets – both ministry funded and full cost international students – and considerable additional resources were employed during the year to ensure that the targets were achieved.

The University Group recorded a surplus of \$11.59 million, up 19.5 percent on 2013's surplus of \$9.69 million. The 2014 surplus represents a 5.0 percent return on revenue. This significant improvement in the surplus is largely due to the improved financial performance of University subsidiary WaikatoLink Limited, and the donations earned through the University of Waikato Foundation Trust. The financial performance of the University's core activities (ie teaching and research) is largely in line with the previous year.


WaikatoLink Limited recorded a surplus of \$2.30 million, a significant improvement from the deficit of \$0.58 million recorded in 2013 and the \$3.19 million deficit recorded in 2012. The improvement in performance is largely due to a change in consolidation treatment of an associate company (previously treated as a subsidiary) resulting in a \$1.2 million lift in value. WaikatoLink also sold down its equity stake in subsidiaries recording a gain of \$0.3 million. The other significant result in the University Group was recorded by the University of Waikato Foundation Trust with a surplus of \$2.31 million in 2014, up \$1.07 million on 2013 as a result of increased donations received. Within the Foundation, an endowment fund established in 2013 now has investments of \$2.13 million at year end (2013 – \$1.7 million). The University only surplus of \$9.19 million is \$0.77 million less than budget and is marginally less (\$0.16 million) than the previous year. This represents a return of 4.1 percent on total revenue (2013 – 4.1 percent) and is well inside the guidelines of 3.0 – 5.0 percent promulgated by the Tertiary Education Commission.

The consolidated revenue for 2014 of the University Group was \$230.06 million, similar to the previous year of \$230.87 million. The University total revenue of \$225.34 million in 2014 was also largely unchanged from 2013 revenue of \$225.56 million, but was significantly up on budgeted revenue of \$221.77 million. The major increases in revenue on budget was research revenue, with the Faculty of Science & Engineering exceeding its budget targets by \$2.7 million, advisory services grants and other commercial contracts within the Faculty of Education up a total of \$4.33 million on budget.

While total revenue was largely unchanged, Government grants received for ministry funded EFTS in 2014 were down \$0.93 million due to less students being funded, as well as 2014 research income being down \$0.70 million compared to 2013. Offsetting these falls, was an increase in tuition fee income of \$1.62 million which, in spite of the number of equivalent full-time students (EFTS) decreasing by 2.9 percent between 2013 and 2014, tuition fee rate increases meant that overall tuition fee income increased by 2.3 percent. The University enrolled a total of 8,473 Ministry Funded EFTS, or 98.8 percent of its investment plan target (2013 – 8,726 Ministry Funded EFTS).

Full cost international EFTS were consistent with the prior year, with the University enrolling 1,401 EFTS in 2014 (2013 – 1,408). However, the University budgeted for growth in Full Cost EFTS in 2014 and only enrolled 93.1 percent of its budgeted target. This resulted in a shortfall in revenue of \$1.81 million compared to budget. Since 2004, full cost international EFTS have fallen by 1,486 or 51.5 percent.

Research revenue was 7.9 percent or \$2.06 million higher than budget, however it was 2.4 percent down on 2013. This was the third successive year of declining research revenue and reflects the limited pool of research funding available in New Zealand plus the pressure of competition between Universities as well as Crown Research Institutes for funds. There is also a shift in research funding with funding agencies requiring a higher level of collaboration between institutions in order to win research contracts. This is resulting in more collaborations, shared income and sub-contracting activity.



The University put in significant effort to control costs during 2014. Where revenue grew in research and commercial contracts, there was a corresponding increase in expenditure as the University increased its activities to meet its contractual commitments. The University also increased its marketing and recruitment expenditure in 2014 by \$1.2 million in striving to meet its student enrolment targets. However, the University was able to reduce costs in its teaching activities and support services. As a result, while total revenue decreased by \$0.22 million or 0.1 percent, personnel and other costs reduced by \$0.49 million or 0.3 percent.

The University Group again generated strong operating cash flows, recording net cash flows from operations of \$39.58 million, significantly up on the previous year by \$15.42 million (or 63.8 percent). These cash flows were reinvested back into the University's campus and resources, with the University spending \$22.18 million on capital expenditure. Capital expenditure is down on budget due to the timing of the completion of projects slipping into 2015. During 2014, the construction of the new facilities (\$27 million project) for the Faculty of Law and Faculty of Management were started with construction due to be completed by the end of 2015.

The strong cash flows and the delay in the timing of capital projects has meant that the University's cash balances and other financial assets have grown to \$35.92 million, up \$14.55 million or 68.1 percent on 2013 balances of \$21.37 million.

The University revalued its land, buildings and infrastructure assets as at 31 December 2014 resulting in a \$20.87 million or 7.1 percent increase in value. This revaluation is recorded in the Statement of Comprehensive income and gives rise to the total comprehensive income for the year of \$32.46 million. No revaluation was completed in 2013.

Overall the University achieved a pleasing financial result in what was difficult operating conditions. The University is well placed to face the financial challenges ahead, but its ability to achieve revenue growth in the years to come in a tightly controlled and highly competitive market while building on its international reputation remains its biggest challenge.

Andrew McKinnon
CHIEF FINANCIAL OFFICER

Statement of Responsibility

In the financial year ended 31 December 2014, 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 2014 fairly reflect the financial position and operations of The University of Waikato and group.



CHANCELLOR
Rt Hon Jim Bolger
18 March 2015



VICE-CHANCELLOR
Professor Neil Quigley
18 March 2015



THE UNIVERSITY OF
WAIKATO
Te Whare Wānanga o Waikato

Financial Statements

Statement of Comprehensive Income

For the year ended 31 December 2014

	Notes	CONSOLIDATED		UNIVERSITY		
		This Year	Last Year	This Year	Budget	Last Year
		\$000	\$000	\$000	\$000	\$000
REVENUE						
Government Funding and Grants	2	99,819	101,623	99,819	96,265	101,623
Tuition Fees	3	72,000	70,379	72,000	73,857	70,379
Research		27,969	28,666	27,969	25,910	28,666
Investment Income	13	2,114	1,654	1,807	1,300	1,690
Other Income	4	25,459	27,077	23,114	24,409	22,727
Donations		2,699	1,467	632	30	475
Total Revenue		230,060	230,866	225,341	221,771	225,560
COSTS						
Personnel Costs	5	129,341	128,287	126,585	124,842	125,481
Other Costs	6	68,390	72,772	69,362	65,812	70,958
Finance		162	290	161	160	161
Depreciation, Amortisation and Impairment	16,17	20,727	19,970	20,045	21,000	19,610
Total Costs		218,620	221,319	216,153	211,814	216,210
Share of Surplus/(Deficit) from Associates and Joint Ventures	7	147	147	-	-	-
Surplus		11,587	9,694	9,188	9,957	9,350
Surplus Attributable to:						
University of Waikato		12,337	9,418	9,188	9,957	9,350
Non-Controlling Interest		(750)	276	-	-	-
Surplus		11,587	9,694	9,188	9,957	9,350
Other Comprehensive Income:						
Gains on Property Revaluations	8	20,872	-	20,872	-	-
Total Other Comprehensive Income		20,872	-	20,872	-	-
Total Comprehensive Income		32,459	9,694	30,060	9,957	9,350

Financial Statements

Statement of Comprehensive Income continued

	CONSOLIDATED			UNIVERSITY		
	Notes	This Year	Last Year	This Year	Budget	Last Year
		\$000	\$000	\$000	\$000	\$000
Comprehensive Income Attributable to:						
University of Waikato		33,209	9,418	30,060	9,957	9,350
Non-Controlling Interest		(750)	276	-	-	-
Total Comprehensive Income for the Year		32,459	9,694	30,060	9,957	9,350

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

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

Statement of Changes in Equity

For the year ended 31 December 2014

	CONSOLIDATED			UNIVERSITY		
	Notes	This Year	Last Year	This Year	Budget	Last Year
		\$000	\$000	\$000	\$000	\$000
Opening Equity at 1 January		353,285	342,947	335,343	335,343	325,993
Comprehensive Income						
Surplus		11,587	9,694	9,188	9,957	9,350
Other Comprehensive Income	8	20,872	-	20,872	-	-
Total Comprehensive Income		32,459	9,694	30,060	9,957	9,350
Staff Share Options and Capital Issued		(667)	724	-	-	-
Minority Interest Repurchase		-	(80)	-	-	-
Closing Equity at 31 December		385,077	353,285	365,403	345,300	335,343
Attributable to:						
University of Waikato	8	385,092	352,550	365,403	345,300	335,343
Minority interest		(15)	735	-	-	-
		385,077	353,285	365,403	345,300	335,343

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

Balance Sheet

As at 31 December 2014

	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	10,577	5,252	9,767	4,112	4,652
Trade and Other Receivables	10	20,865	24,483	18,156	12,032	21,969
Derivative Financial Instruments	11	2	-	2	-	-
Inter Company Balances	12	-	-	6,896	7,028	7,028
Prepayments		4,171	5,111	4,171	5,111	5,111
Other Financial Assets	13	25,342	16,117	22,014	14,000	14,000
Inventories	14	1,014	1,070	1,014	1,070	1,070
Total Current Assets		61,971	52,033	62,020	43,353	53,830
NON CURRENT ASSETS						
Investments in Associates and Joint Ventures	7	3,481	1,887	467	467	467
Investments	15	403	403	2,198	2,598	2,198
Loans and Receivables	10	-	30	-	-	-
Intangible Assets	16	11,471	12,803	5,670	6,170	6,170
Property, Plant and Equipment	17	380,182	355,880	380,171	368,366	355,836
Total Non Current Assets		395,537	371,003	388,506	377,601	364,671
Total Assets		457,508	423,036	450,526	420,954	418,501
LIABILITIES						
Current Liabilities						
Income in Advance	18	30,467	26,708	30,460	26,952	26,689
University of Waikato Research Trust Payable	12	-	-	13,511	14,230	14,230
Trade and other Payables	19	15,072	17,516	14,560	8,933	17,099
Employee Entitlements	5	13,318	12,659	13,018	12,272	12,272
Borrowings	20	4	3	4	3	3
Total Current Liabilities		58,861	56,886	71,553	62,390	70,293

Financial Statements

Balance Sheet continued

As at 31 December 2014

	Notes	CONSOLIDATED		UNIVERSITY		
		This Year	Last Year	This Year	Budget	Last Year
		\$000	\$000	\$000	\$000	\$000
LIABILITIES						
Non Current Liabilities						
Employee Entitlements	5	12,248	11,539	12,248	11,938	11,539
Borrowings	20	1,322	1,326	1,322	1,326	1,326
Total Non Current Liabilities		13,570	12,865	13,570	13,264	12,865
EQUITY						
General Equity	8	229,756	218,204	210,067	210,954	200,997
Other Reserves	8	155,336	134,346	155,336	134,346	134,346
Equity – Parent		385,092	352,550	365,403	345,300	335,343
Non-Controlling Interest		(15)	735	-	-	-
Total Equity		385,077	353,285	365,403	345,300	335,343
Total Liabilities and Equity		457,508	423,036	450,526	420,954	418,501

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 2014

	CONSOLIDATED			UNIVERSITY		
	Notes	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		99,701	101,789	99,701	86,198	101,789
Revenues from Tuition Fees		75,861	69,953	75,861	73,856	69,953
Other Revenue		58,498	52,186	55,935	62,450	47,746
Interest Received		1,849	1,773	1,807	1,300	1,690
Goods and Services Tax (net)		(316)	499	(306)	-	499
		235,593	226,200	232,998	223,804	221,677
Cash was applied to:						
Interest Paid		(170)	(178)	(161)	(168)	(161)
Suppliers		(70,160)	(73,109)	(72,853)	(65,804)	(71,264)
Employees		(125,688)	(128,755)	(123,809)	(124,442)	(126,670)
		(196,018)	(202,042)	(196,823)	(190,414)	(198,095)
Net Cash Flows from Operating Activities	21	39,575	24,158	36,175	33,390	23,582

CASH FLOWS FROM INVESTING ACTIVITIES

Cash was provided from:						
Issue of Share Capital		(666)	679	-	-	-
Cash Dividends		-	25	32	-	142
Property, Plant and Equipment Sales		303	11	303	-	-
Investment in Associates		-	408	-	-	408
Repayments from Investment Entities		111	-	-	-	-
Short Term Investments		(1,009)	1,112	-	-	-
		(1,261)	2,235	335	-	550
Cash was applied to:						
Advance to Investment Entity		(410)	(248)	(2)	-	-
Short Term Investments		(9,364)	(4,759)	(8,014)	(400)	(2,955)
Intangibles		(742)	(1,888)	(904)	-	(1,567)
Property Plant & Equipment		(22,470)	(22,413)	(22,472)	(33,530)	(22,406)
		(32,986)	(29,308)	(31,392)	(33,930)	(26,928)
Net Cash Flows from Investing Activities		(34,247)	(27,073)	(31,057)	(33,930)	(26,378)

Financial Statements

Statement of Cash Flows continued

For the year ended 31 December 2014

	CONSOLIDATED			UNIVERSITY		
	Notes	This Year	Last Year	This Year	Budget	Last Year
		\$000	\$000	\$000	\$000	\$000
CASH FLOWS FROM FINANCING ACTIVITIES						
Cash was applied to:						
Term Investments		-	-	-	-	(350)
Repayments of Finance Lease Liabilities		(3)	(6)	(3)	-	(6)
Net Cash Flows from Financing Activities		(3)	(6)	(3)	-	(356)
Net Cash Flows From All Activities		5,325	(2,921)	5,115	(540)	(3,152)
Opening Cash and Cash Equivalents		5,252	8,173	4,652	4,652	7,804
Closing Cash and Cash Equivalents		10,577	5,252	9,767	4,112	4,652

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.

Note 1: Statement of accounting policies for the year ended 31 December 2014

The Reporting Entity

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

The financial statements were authorised for issue by Council on 18 March 2015.

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

- » WaikatoLink Limited and Group, a wholly owned subsidiary company, and the results for the year ended 31 December 2014 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 2014 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 2014 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 2014 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 2014 have been fully incorporated into the University group results.
- » iEngagEd Limited, a wholly owned subsidiary company, and the results for the year ended 31 December 2014 have been fully consolidated into the University group results.
- » U Leisure Limited is 50% owned by the University. The remaining 50% is owned by the Waikato Students' Union (Incorporated). U Leisure Limited commenced operations from 1 August 1996, replacing the Student Union Services Management Board. Equity Accounting methods have been used to report the results of U Leisure Limited which has a balance date of 31 December.
- » LCo New Zealand Limited is 25% owned by the University. The remaining 75% is owned by three other New Zealand universities. LCo New Zealand Limited was incorporated December 2003. Equity Accounting methods have been used to report the results of LCo New Zealand Limited which has a balance date of 31 December.

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

Basis of Preparation

Statement of Compliance

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

The accounting policies set out below have been applied in preparing the financial statements for the year ended 31 December 2014 and the comparative information presented in these financial statements for the year ended 31 December 2013.

Measurement Basis

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

Notes to the Financial Statements for the year ended 31 December 2014

Functional and Presentation Currency

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

Changes in Accounting Policies

There have been no changes in accounting policies for the year ended 31 December 2014. The University has not adopted any revisions to accounting standards during the financial year.

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 2017. However, as a new Accounting Standards Framework will apply before this date, there is currently no certainty when an equivalent standard to NZ IFRS 9 will be applied by public benefit entities.

The Minister of Commerce has approved a new Accounting Standards Framework (incorporating a Tier Strategy) developed by the External Reporting Board (XRB). Under this Accounting Standards Framework, the University is classified as a Tier 1 reporting entity and it will be required to apply full public sector Public Benefit Entity Accounting Standards (PAS). These standards 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 for reporting periods beginning on or after 1 July 2014. This means that the University will transition to the new standards in preparing its 31 December 2015 financial statements. The University is in the process of assessing the implications of the new Accounting Standards Framework.

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.

Notes to the Financial Statements for the year ended 31 December 2014

Significant Accounting Policies

Basis of Consolidation

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

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

Subsidiaries

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

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

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

Associates

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

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

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

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

Joint venture

Investments in jointly controlled entities are accounted for by the Group by using the equity method of accounting and are initially recognised at cost.

Notes to the Financial Statements for the year ended 31 December 2014

Budget Figures

Budget figures are those approved by the Finance Committee per minutes of 24 September 2013 for the University entity. However some line items have been subsequently re-classified to align with the annual reporting format and to reflect opening balances following completion of the 2013 financial statements. The budget figures have been prepared in accordance with NZ GAAP and are consistent with the accounting policies adopted by the Council for the preparation of the financial statements.

Cash flow Statement

Cash and Cash Equivalents

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

Operating activities

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

Investing activities

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

Financing activities

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

Revenue

Revenue is measured at the fair value of consideration received or receivable. Donations and Bequests to the University are recognised as income when money is received, or entitlement to receive money is established; except where fulfillment 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.

Notes to the Financial Statements for the year ended 31 December 2014

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 2014, was undertaken by Mercer (NZ) Limited (Actuaries). The calculations are based on:

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

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

Obligations for contributions to defined contribution superannuation schemes are recognised as an expense in the Statement of Comprehensive Income as incurred.

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

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

Equity

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

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

Notes to the Financial Statements for the year ended 31 December 2014

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

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

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

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

Income tax

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

Goods and services tax

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

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

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

Commitments and contingencies are disclosed exclusive of GST.

Inventories

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

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

The write down from cost to net realisable value is recognised in the Statement of Comprehensive Income.

Financial Assets

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

Notes to the Financial Statements for the year ended 31 December 2014

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, and loans to U Leisure Ltd and LCoNZ.

» 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 and Group's investments in its subsidiaries, associate companies and joint ventures are not included in this category as they are held at cost (as allowed by NZ IAS 27 Consolidated and Separate Financial Statements and NZ IAS 28 Investments in Associates) whereas this category is to be measured at fair value.

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

Notes to the Financial Statements for the year ended 31 December 2014

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 2014 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 2014 by Darroch Valuations (registered valuers), on a fair value basis. The value of land and non specialised buildings was determined using market based evidence. All other buildings were valued at optimised depreciated replacement cost.

Infrastructural assets

University owned infrastructural assets are revalued when there has been a significant movement in the fair value. The fair values are recognised in the financial statements and are reviewed at the end of each reporting period to ensure the carrying value of Infrastructural assets are not materially different from their fair value. Infrastructural assets were revalued as at 31 December 2014 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.

Notes to the Financial Statements for the year ended 31 December 2014

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	1-82 years
– Services	SL	1-39 years
– Fitout	SL	1-31 years
Infrastructure	SL	2-80 years
Library		
– Books	SL	35 years
– Periodicals	SL	15 years
Teaching/Research Equipment	DV	15%
Computer Equipment (excluding servers)	SL	3-4 years
Computer Servers	SL	5 years
Other Property Plant and Equipment	DV	5-20%

Revaluations

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

Disposals

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

Intangible assets

Patents, trademarks and licences

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

Notes to the Financial Statements for the year ended 31 December 2014

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 asset (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 for the year ended 31 December 2014

Provisions

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

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

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

Restructuring

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

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

Trade and Other Payables

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

Borrowings

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

Critical accounting estimates and assumptions

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

- » Actuarial valuations have been obtained in order to determine the value of Long Service Leave and Retirement Leave provisions.
- » Estimates have been made as to the completed portion of external research projects in determining the value of income in advance.
- » At each balance date the University reviews the useful lives of those assets that are subject to revaluation.
- » Note 17 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 2014:

- » 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 for the year ended 31 December 2014

Note 2: Government Funding and Grants

	CONSOLIDATED		UNIVERSITY	
	This Year	Last Year	This Year	Last Year
	\$000	\$000	\$000	\$000
Block Grants	85,862	86,792	85,862	86,792
Advisory Services Grants	12,928	13,839	12,928	13,839
Other Grants	1,029	992	1,029	992
Total Government Funding and Grants	99,819	101,623	99,819	101,623

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

Note 3: Tuition Fees

	CONSOLIDATED		UNIVERSITY	
	This Year	Last Year	This Year	Last Year
	\$000	\$000	\$000	\$000
Government Funded Students	44,628	44,182	44,628	44,182
Full Cost International Students	27,372	26,197	27,372	26,197
Total Fees	72,000	70,379	72,000	70,379

Notes to the Financial Statements for the year ended 31 December 2014

Note 4: Other Income

	CONSOLIDATED		UNIVERSITY	
	This Year	Last Year	This Year	Last Year
	\$000	\$000	\$000	\$000
Student Accommodation and Other Services	11,300	10,473	11,300	10,473
Rental	767	878	767	901
Carbon Dating	595	674	595	674
Printing and Copying Services	837	970	837	970
Teaching Resource Sales	570	632	570	632
Other Income	11,390	13,450	9,045	9,077
Total Other Income	25,459	27,077	23,114	22,727

Notes to the Financial Statements for the year ended 31 December 2014

Note 5: Employee Entitlements

	CONSOLIDATED		UNIVERSITY	
	This Year	Last Year	This Year	Last Year
PERSONNEL COSTS	\$000	\$000	\$000	\$000
Employee Benefit Expenses – Academic	76,854	78,734	76,190	78,533
Employee Benefit Expenses – General	51,166	50,294	49,074	47,689
Movement in Actuarial Valuation	1,321	(741)	1,321	(741)
Total Personnel Costs	129,341	128,287	126,585	125,481

	CONSOLIDATED		UNIVERSITY	
	This Year	Last Year	This Year	Last Year
EMPLOYEE ENTITLEMENTS	\$000	\$000	\$000	\$000
Staff Annual and Long Service Leave Vested	9,048	9,164	9,048	9,164
Sick Leave	7	7	7	7
Other Employee Entitlements	1,636	1,473	1,336	1,086
Actuarial Valuation of Anticipated Retirement Gratuities and Long Service Leave	14,875	13,554	14,875	13,554
Total Employee Entitlements	25,566	24,198	25,266	23,811

Current Portion	13,318	12,659	13,018	12,272
Non Current Portion	12,248	11,539	12,248	11,539
Total Employee Entitlements	25,566	24,198	25,266	23,811

Notes to the Financial Statements for the year ended 31 December 2014

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 \$941,000 higher/lower (2013 – \$844,000).

If the discount rates were to increase or decrease by 1% from that used, with all other factors held constant, the carrying amount of the gratuity liability would be an estimated \$934,000 lower/higher (2013 – \$832,000).

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

	CONSOLIDATED		UNIVERSITY	
	This Year	Last Year	This Year	Last Year
	\$000	\$000	\$000	\$000
Defined Contribution Plan Employer Contributions	4,778	4,593	4,778	4,593

Employee Benefit Expenses – Academic and Employee Benefit Expenses – General also includes \$403,971 in restructuring costs for the year ended 31 December 2014 (2013 – \$452,230).

Notes to the Financial Statements for the year ended 31 December 2014

Note 6: Other Costs

	CONSOLIDATED		UNIVERSITY	
	This Year	Last Year	This Year	Last Year
	\$000	\$000	\$000	\$000
Audit Fees for Financial Statement Audit	194	196	194	194
Audit Fees for Assurance Services	10	10	10	10
Loss on Disposal of Property Plant and Equipment	62	38	62	38
Foreign Exchange (Gain)/Loss	(71)	69	(68)	69
Impairment of Receivables	44	(195)	(45)	(51)
Impairment of Investments	-	946	-	946
Travel and Accommodation	4,967	5,886	4,966	5,111
Operating Leases	3,822	4,048	3,799	4,048
Scholarships	9,583	9,803	9,583	9,622
Hirage	1,129	995	1,129	1,011
Repairs and Maintenance	2,503	2,557	2,503	2,550
Teaching and Research Materials	2,608	2,911	2,608	2,691
Utilities	3,869	4,114	3,854	4,101
Other operating expenses	39,670	41,394	40,767	40,618
Total Other Costs	68,390	72,772	69,362,	70,958

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 for the year ended 31 December 2014

Note 7: Investments in Associates and Joint Ventures

	CONSOLIDATED		UNIVERSITY	
	This Year	Last Year	This Year	Last Year
	\$000	\$000	\$000	\$000
U Leisure Limited	1,816	1,717	374	374
LCo New Zealand Limited	162	170	93	93
Ligar Polymers Limited	304	-	-	-
Ligar Limited Partnership	300	-	-	-
Ligar GP Limited	-	-	-	-
Aduro Biopolymers Limited Partnership	899	-	-	-
Total Investments in Associates and Joint Ventures	3,481	1,887	467	467

Ligar Polymers Limited, Ligar Limited Partnership and Ligar GP Limited are associates of WaikatoLink Ltd. 2014 is the first year that these investments of WaikatoLink Ltd have been classified as associates in the University's consolidated accounts. Aduro Biopolymers Limited Partnership is a jointly controlled entity of WaikatoLink Ltd. 2014 is the first year that this investment of WaikatoLink Ltd has been classified as a jointly controlled entity in the University's consolidated accounts.

Associates

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

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

	CONSOLIDATED	
	This Year	Last Year
	\$000	\$000
The University's share of the results of U Leisure Limited is as follows:		
Investment in Associate		
Opening Balance	1,717	1,557
Share of retained surplus/(loss)	99	160
Closing Balance	1,816	1,717

Represented by		
Share of increase in net assets of associate (Carrying Value)	1,816	1,717

Notes to the Financial Statements for the year ended 31 December 2014

Note 7: Investments in Associates and Joint Ventures continued

	Ownership	Balance Date
LCo New Zealand Limited (LCoNZ)	25%	31 December

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

	CONSOLIDATED	
	This Year	Last Year
	\$000	\$000
The University's share of the results of LCoNZ is as follows:		
Investment in Associate		
Opening Balance	170	616
Share of retained surplus/(loss)	(8)	(13)
Dividend paid	-	(25)
Return of Capital	-	(408)
Closing Balance	162	170
Represented by		
Share of increase in net assets of associate (Carrying Value)	162	170

Notes to the Financial Statements for the year ended 31 December 2014

	Ownership	Balance Date
Ligar Polymers Limited	40%	31 December

Principal Activity: to develop molecularly imprinted polymers to filter, extract or detect specific molecules of interest.

	CONSOLIDATED	
	This Year	Last Year
	\$000	\$000
WaikatoLink's share of the results of Ligar Polymers is as follows		
Investment in Associate		
Opening Balance	(4)	-
Share of retained surplus/(loss)	308	(4)
Closing Balance	304	(4)

Represented by		
Share of increase in net assets of associate (Carrying Value)	304	(4)

	Ownership	Balance Date
Ligar Limited Partnership	20%	30 September

Principal Activity: to develop molecularly imprinted polymers to filter, extract or detect specific molecules of interest.

	CONSOLIDATED	
	This Year	Last Year
	\$000	\$000
WaikatoLink's share of the results of Ligar Limited Partnership is as follows:		
Investment in Associate		
Opening Balance	-	-
Investment	300	-
Share of retained surplus/(loss)	-	-
Closing Balance	300	-

Represented by		
Share of increase in net assets of associate (Carrying Value)	300	-

Notes to the Financial Statements for the year ended 31 December 2014

Note 7: Investments in Associates and Joint Ventures continued

Joint Venture

	Ownership	Balance Date
Aduro Biopolymers Limited Partnership	55%	31 March

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

	CONSOLIDATED	
	This Year	Last Year
	\$000	\$000
WaikatoLink's share of the results of Aduro Biopolymers Limited Partnership as follows:		
Investment in Joint Venture		
Opening Balance	1,151	1,351
Share of retained surplus/(loss)	(252)	(200)
Closing Balance	899	1,151

Represented by		
Share of increase in net assets of Joint Venture (Carrying Value)	899	1,151

Summarised Financial Information of Associates and Joint Ventures.		
Assets	9,161	5,287
Liabilities	1,963	1,161
Net Assets	7,198	4,126
Revenue	2,170	4,639
Net Surplus/(Loss)	471	267
Share of Associates' and Joint Ventures surplus/(loss)	147	147

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

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

Notes to the Financial Statements for the year ended 31 December 2014

Note 8: Equity

	Ref	CONSOLIDATED		UNIVERSITY	
		This Year	Last Year	This Year	Last Year
GENERAL EQUITY		\$000	\$000	\$000	\$000
Opening Balance		218,204	208,031	200,997	191,536
Net Surplus/(Deficit)		11,587	9,694	9,188	9,350
Staff Share Options Issued	i	(667)	724	-	-
Minority Interest Share Repurchase		-	(80)	-	-
Surplus attributable to Non-Controlling Interest		750	(276)	-	-
<i>Less appropriations of net surplus to:</i>					
Restricted Reserves					
Prizes, Scholarships and Trust Funds		(585)	(749)	(585)	(749)
<i>Plus transfers from</i>					
Prizes, Scholarships and Trust Funds		467	860	467	860
Closing Balance		229,756	218,204	210,067	200,997

	Ref	CONSOLIDATED		UNIVERSITY	
		This Year	Last Year	This Year	Last Year
OTHER RESERVES		\$000	\$000	\$000	\$000
Asset Revaluation Reserve	ii	152,429	131,557	152,429	131,557
Restricted Reserves	iii	2,907	2,789	2,907	2,789
Total Other Reserves		155,336	134,346	155,336	134,346
Total Equity before Non-Controlling Interest		385,092	352,550	365,403	335,343

i) Staff Share Options Issued

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

During 2013, Obodies Limited, a subsidiary of WaikatoLink, established a share option programme that entitled the company's key scientist to purchase shares in the company. In 2014 the key scientist ceased his employment with Obodies Ltd. In response the employee share scheme was terminated effective from 4 July 2014.

Notes to the Financial Statements for the year ended 31 December 2014

Note 8: Equity continued

ii) Asset Revaluation Reserve

	CONSOLIDATED		UNIVERSITY	
	This Year	Last Year	This Year	Last Year
	\$000	\$000	\$000	\$000
Opening Balance	131,557	131,557	131,557	131,557
Revaluation	20,872	-	20,872	-
Transfer on disposal of assets	-	-	-	-
Net Increase in Asset Revaluation Reserve	20,872	-	20,872	-
Closing Balance	152,429	131,557	152,429	131,557

Represented by:				
Land				
Opening Balance	730	730	730	730
Revaluation	185	-	185	-
Closing Balance	915	730	915	730

Buildings				
Opening Balance	115,766	115,766	115,766	115,766
Revaluation	21,842	-	21,842	-
Transfer on disposal of assets	-	-	-	-
Closing Balance	137,608	115,766	137,608	115,766

Infrastructural Assets				
Opening Balance	15,061	15,061	15,061	15,061
Revaluation	(1,155)	-	(1,155)	-
Closing Balance	13,906	15,061	13,096	15,061

Notes to the Financial Statements for the year ended 31 December 2014

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
PRIZES, SCHOLARSHIPS AND TRUST FUNDS	\$000	\$000	\$000	\$000
Opening Balance	2,789	2,900	2,789	2,900
Add appropriation of Net Surplus	585	749	585	749
Less application to Prizes, Scholarships and Trust Funds	(467)	(860)	(467)	(860)
Closing Balance	2,907	2,789	2,907	2,789

Note 9: Cash and Cash Equivalents

	CONSOLIDATED		UNIVERSITY	
	This Year	Last Year	This Year	Last Year
	\$000	\$000	\$000	\$000
Cash at bank and in hand	1,407	883	667	652
Term deposits maturing three months or less from date of acquisition	9,170	4,369	9,100	4,000
	10,577	5,252	9,767	4,652

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 for the year ended 31 December 2014

Note 10: Trade and Other Receivables

	CONSOLIDATED		UNIVERSITY	
	This Year	Last Year	This Year	Last Year
	\$000	\$000	\$000	\$000
Trade Receivables	7,841	11,296	6,463	9,636
Student Fee Receivables	11,535	12,216	11,535	12,216
Receivables from Subsidiaries	-	-	72	243
Receivables from Related Parties	1,908	1,435	239	72
Impairment of Debtors	(419)	(464)	(153)	(198)
Total	20,865	24,483	18,156	21,969

Included in Student Fee Receivables is \$10.8M (2013 – \$11.5M) of 2015 fees which have been invoiced but are not due for payment until 2015. Also refer note 18.

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

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

As at 31 December 2014 and 2013, all overdue receivables have been assessed for impairment and appropriate provisions applied, as detailed below:

	UNIVERSITY					
	This Year			Last Year		
	Gross	Impairment	Net	Gross	Impairment	Net
	\$000	\$000	\$000	\$000	\$000	\$000
Not past due	11,585	-	11,585	13,203	-	13,203
Past due 1-30 days	5,573	-	5,573	6,322	-	6,322
Past due 31-60 days	624	-	624	545	-	545
Past due 61+ days	527	(153)	374	2,097	(198)	1,899
Total	18,309	(153)	18,156	22,167	(198)	21,969

Notes to the Financial Statements for the year ended 31 December 2014

CONSOLIDATED

	This Year			Last Year		
	Gross	Impairment	Net	Gross	Impairment	Net
	\$000	\$000	\$000	\$000	\$000	\$000
Not past due	13,363	-	13,363	14,587	-	14,587
Past due 1-30 days	5,574	-	5,574	6,322	-	6,322
Past due 31-60 days	624	-	624	566	-	566
Past due 61+ days	1,723	(419)	1,304	3,472	(464)	3,008
Total	21,284	(419)	20,865	24,947	(464)	24,483

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

	CONSOLIDATED		UNIVERSITY	
	2014	2013	2014	2013
	\$000	\$000	\$000	\$000
At 1 January	464	269	198	249
Provisions made during the year	(25)	225	(25)	(21)
Receivables written off during the year	(20)	(30)	(20)	(30)
At 31 December	419	464	153	198

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

Loans and Other Receivables

In 2013 WaikatoLink Ltd held a non current receivable of \$30,000.

Notes to the Financial Statements for the year ended 31 December 2014

Note 11: Derivative Financial Instruments

	CONSOLIDATED		UNIVERSITY	
	This Year	Last Year	This Year	Last Year
	\$000	\$000	\$000	\$000
Current Asset Portion				
Forward foreign exchange contracts	2	-	2	-
Total derivative financial instrument assets	2	-	2	-

Fair Value

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

The notional principal amount of outstanding forward foreign exchange contracts in NZD was \$168,394 (2013 – \$0). The foreign currency principal amount was USD \$130,000.

Note 12: Intercompany Balances

	CONSOLIDATED		UNIVERSITY	
	This Year	Last Year	This Year	Last Year
	\$000	\$000	\$000	\$000
University of Waikato Foundation Trust	-	-	(50)	(7)
University of Waikato Alumni Association	-	-	-	(5)
Student Campus Building Fund Trust	-	-	(1,559)	(1,341)
LCo New Zealand Limited	-	-	(110)	(110)
iEngagEd Limited	-	-	99	(25)
WaikatoLink Limited	-	-	8,516	8,516
University of Waikato Research Trust	-	-	(13,511)	(14,230)
Total Intercompany Balances	-	-	(6,615)	(7,202)

Notes to the Financial Statements for the year ended 31 December 2014

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

All intercompany current accounts are classified as current. The University of Waikato Research Trust loan has been reclassified from non-current to current in the 2014 accounts as it is deemed appropriate in line with the nature of the arrangements of the Trust. This reclassification is supported by advice received from PwC, Chartered Accountants.

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 2014 the University had advanced to Waikatolink Ltd a total of \$8,516,215 by way of shareholder loan. The loan is interest free and repayable on demand. The University has undertaken not to demand repayment until Waikatolink has sufficient free cash available to make repayments.

Note 13: Other Financial Assets

	CONSOLIDATED		UNIVERSITY	
	This Year	Last Year	This Year	Last Year
OTHER FINANCIAL ASSETS – CURRENT	\$000	\$000	\$000	\$000
Term Deposits with maturities of 4-12 months	23,213	14,357	22,014	14,000
Endowment Portfolio (CIP)	2,129	1,760	-	-
Total Other Financial Assets	25,342	16,117	22,014	14,000
INVESTMENT INCOME				
Interest	1,931	1,667	1,775	1,549
Dividends	91	3	32	142
Gains/(Losses) on Equity Investments	92	(16)	-	-
Total Investment Income	2,114	1,654	1,807	1,690

The weighted average effective interest rates on term deposits are disclosed in Note 24: Financial Instruments. Term deposits are valued at amortised cost using the effective interest method.

The endowment portfolio is managed by Craigs Investment Partners (CIP), equities and fixed interest investments within the portfolio are valued using quoted market price, the balance of the portfolio is valued at amortised cost using the effective interest method. See note 24.

There was no impairment provision for investments.

Notes to the Financial Statements for the year ended 31 December 2014

Note 14: Inventories

	CONSOLIDATED		UNIVERSITY	
	This Year	Last Year	This Year	Last Year
	\$000	\$000	\$000	\$000
Held for Sale	257	293	257	293
Held for Distribution/Use	757	777	757	777
	1,014	1,070	1,014	1,070

No inventories are pledged as security for liabilities or subject to retention of title clauses (2013 – \$nil).

\$1k of stock held for sale was written down for obsolescence in 2014 (2013 – \$nil).

Note 15: 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	205	-	-
INVESTMENTS IN SUBSIDIARIES				
WaikatoLink Limited	-	-	2,000	2,000
	403	403	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 for the year ended 31 December 2014

Note 16: Intangible Assets

	CONSOLIDATED				UNIVERSITY		
	Software Purchased	Software Internally Generated	Non Software Development Costs	Consolidated Total	Software Purchased	Software Internally Generated	University Total
THIS YEAR	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Opening Balance at 1 January 2014							
Cost	19,181	925	11,858	31,964	19,166	925	20,091
Accumulated Amortisation and Impairment	(13,090)	(846)	(5,225)	(19,161)	(13,075)	(846)	(13,921)
Opening Carrying Amount	6,091	79	6,633	12,803	6,091	79	6,170
Year Ended 31 December 2014							
Additions	904	-	464	1,368	904	-	904
Disposals	-	-	(625)	(625)	-	-	-
Amortisation and Impairment Charge	(1,344)	(60)	(671)	(2,075)	(1,344)	(60)	(1,404)
Closing Carrying Amount	5,651	19	5,801	11,471	5,651	19	5,670
Closing Balance at 31 December 2014							
Cost	20,085	925	11,697	32,707	20,070	925	20,995
Accumulated Amortisation and Impairment	(14,434)	(906)	(5,896)	(21,236)	(14,419)	(906)	(15,325)
Closing Carrying Amount	5,651	19	5,801	11,471	5,651	19	5,670
LAST YEAR	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Opening Balance at 1 January 2013							
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)
Opening Carrying Amount	5,504	155	6,624	12,283	5,504	155	5,659

Notes to the Financial Statements for the year ended 31 December 2014

Note 16: Intangible Assets continued

LAST YEAR	CONSOLIDATED				UNIVERSITY		
	Software Purchased	Software Internally Generated	Non Software Development Costs	Consolidated Total	Software Purchased	Software Internally Generated	University Total
	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Year Ended 31 December 2013							
Additions	1,567	-	321	1,888	1,567	-	1,567
Disposals	-	-	-	-	-	-	-
Amortisation and Impairment Charge	(980)	(76)	(312)	(1,368)	(980)	(76)	(1,056)
Closing Carrying Amount	6,091	79	6,633	12,803	6,091	79	6,170

Closing Balance at 31 December 2013							
Cost	19,181	925	11,858	31,964	19,166	925	20,091
Accumulated Amortisation and Impairment	(13,090)	(846)	(5,225)	(19,161)	(13,075)	(846)	(13,921)
Closing Carrying Amount	6,091	79	6,633	12,803	6,091	79	6,170

Non Software Development Costs

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

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

The amount of intangible assets that are work in progress for non software development is \$2,924,000 (2013 – \$2,574,000)

The amount of intangible assets that are work in progress for software purchased is \$1,597,000 (2013 – \$1,381,000)

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 for the year ended 31 December 2014

Note 17: Property, Plant and Equipment for University and Consolidated

CONSOLIDATED

THIS YEAR	Cost/Valuation 1 Jan 14	Accumulated Depreciation and Impairment Charges 1 Jan 14	Carrying Amount 1 Jan 14	Current Year Additions	Current Year Disposals	Current Year Impairment Charges	Current Year Depreciation	Revaluation Movement	Cost/ Revaluation 31 Dec 14	Accumulated Depreciation and Impairment Charges 31 Dec 14	Carrying Amount 31 Dec 14
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Land	1,765	-	1,765	-	-	-	-	185	1,950	-	1,950
Infrastructural Assets	26,000	(1,427)	24,573	1,587	-	-	(753)	(1,155)	24,252	-	24,252
Buildings	290,147	(18,607)	271,540	6,004	-	-	(9,830)	21,842	289,556	-	289,556
Leasehold Building Improvements	1,704	(1,158)	546	17	-	-	(66)	-	1,721	(1,224)	497
Library Collection	67,054	(38,714)	28,340	3,512	-	-	(2,641)	-	70,565	(41,354)	29,211
Plant and Equipment	45,827	(31,850)	13,977	3,429	(1,366)	-	(2,378)	-	46,695	(33,033)	13,662
Computer Equipment	30,131	(23,071)	7,060	2,711	(779)	-	(2,488)	-	31,287	(24,783)	6,504
Art Collection	643	-	643	461	-	-	-	-	1,104	-	1,104
Motor Vehicles	4,437	(2,181)	2,256	1,142	(852)	-	(497)	-	4,125	(2,076)	2,049
Work in Progress	5,180	-	5,180	6,217	-	-	-	-	11,397	-	11,397
Total	472,888	(117,008)	355,880	25,080	(2,997)	-	(18,653)	20,872	482,652	(102,470)	380,182

Notes to the Financial Statements for the year ended 31 December 2014

Note 17: Property, Plant and Equipment for University and Consolidated continued

CONSOLIDATED

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

The \$11,000 (2013 – \$43,000) 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 (2013 – \$0) and WaikatoLink Limited of \$11,000 (2013– \$43,000).

Land and Buildings

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

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

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

Notes to the Financial Statements for the year ended 31 December 2014

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 2014 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 2014 was \$291,506,471.

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

Infrastructure

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

Infrastructural Assets were revalued as at 31 December 2014 by Opus International Consultants Limited on a fair value basis. The total fair value of infrastructure valued by Opus at 31 December 2014 was \$24,252,000.

The net carrying amount of Property, Plant and equipment held under finance leases is \$1,762,251 (2013 – \$1,813,238).

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.

Note 18: Income in Advance

	CONSOLIDATED		UNIVERSITY	
	This Year	Last Year	This Year	Last Year
	\$000	\$000	\$000	\$000
Research Income	6,787	5,766	6,787	5,766
Commercial	497	443	490	424
Tuition Fees	23,183	20,499	23,183	20,499
Total Income in Advance	30,467	26,708	30,460	26,689

Included in tuition fees is \$10.8M (2013 – \$11.4M) of 2015 fees which have been invoiced but are not due for payment until 2015. Also refer note 10.

Notes to the Financial Statements for the year ended 31 December 2014

Note 19: Trade and Other Payables

	CONSOLIDATED		UNIVERSITY	
	This Year	Last Year	This Year	Last Year
	\$000	\$000	\$000	\$000
Trade Payables	5,582	5,021	7,696	6,588
Payables to Related Parties (see note 25)	1,734	1,669	50	334
GST Payable	3,909	3,923	3,499	3,806
Accruals	3,847	6,903	3,315	6,371
Trade and Other Payables	15,072	17,516	14,560	17,099

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

Note 20: Borrowings

	CONSOLIDATED		UNIVERSITY	
	This Year	Last Year	This Year	Last Year
	\$000	\$000	\$000	\$000
Opening Balance	1,329	1,333	1,329	1,333
Less Borrowings Repaid	(3)	(4)	(3)	(4)
Closing Balance	1,326	1,329	1,326	1,329
Current Portion – Finance Lease	4	3	4	3
Non Current Portion – Finance Lease	1,322	1,326	1,322	1,326
	1,326	1,329	1,326	1,329

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

Notes to the Financial Statements for the year ended 31 December 2014

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 5 years	4,370	4,534	4,370	4,534	713	716	713	716
Minimum Lease Payments	5,189	5,353	5,189	5,353	1,326	1,329	1,326	1,329
Less future finance charges	(3,863)	(4,024)	(3,863)	(4,024)	-	-	-	-
Present value of minimum lease payments	1,326	1,329	1,326	1,329	1,326	1,329	1,326	1,329

Notes to the Financial Statements for the year ended 31 December 2014

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)	11,587	9,694	9,188	9,350
Add/(Less) Non Cash Items:				
Depreciation and Amortisation	20,727	20,193	20,045	19,610
Increase/(Decrease) in Term Portion of Employee Entitlements	708	(356)	708	(356)
Loss on Disposal of PPE	62	19	62	-
Intercompany Accounts	-	-	(584)	115
Non Cash Advance from Associates	(300)	-	-	-
Movement in Deferred Income	12	-	-	-
Issue of Employee Share Options	(2)	44	-	-
Interest Accrued	(23)	-	-	-
Associates	(91)	(147)	-	-
Other	(159)	3	-	-
	20,934	19,756	20,231	19,369

Add/(Less) Movements in Other Working Capital Items:				
(Increase)/Decrease in Trade and Other Receivables	3,648	(3,900)	3,813	(3,640)
Increase/(Decrease) in Trade and Other Payables	(2,455)	(1,109)	(2,539)	(897)
(Increase)/Decrease in Inventories	56	(50)	57	(50)
Increase/(Decrease) in Income in Advance	3,771	(615)	3,771	(563)
Increase/(Decrease) in Employee Entitlements	659	(74)	746	(92)
(Increase)/Decrease in Prepayments	940	247	940	247
	6,619	(5,501)	6,788	(4,995)

Notes to the Financial Statements for the year ended 31 December 2014

	CONSOLIDATED		UNIVERSITY	
	This Year	Last Year	This Year	Last Year
	\$000	\$000	\$000	\$000
Add/(Less) Items Classified as Investing and Financing Activities:				
Long Term Investment	474	-	-	-
Capital Gain on Sale of Investment	(186)	-	-	-
Equity Distribution from Subsidiary	-	248	-	-
Associate Losses Recognised	147	41	-	-
WaikatoLink Equity Adjustment	-	(80)	-	-
Cash Dividend from Subsidiary	-	-	(32)	(142)
	435	209	(32)	(142)
Net Cash Flow from Operating Activities	39,575	24,158	36,175	23,582

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	4,217,502	3,741,659
Councillor Remuneration	78,892	71,950
Post-Employment Benefits	153,684	157,287
Termination Payments	-	-
Total	4,450,078	3,970,896

Notes to the Financial Statements for the year ended 31 December 2014

Note 23: Leases

Operating Leases as Lessee

(a) Leasing Arrangements

PROPERTY LEASES	FINAL EXPIRY	2014 ACTUAL	COMMENTARY
		\$000	
Waikato-Tainui Campus Land	In perpetuity	1,462	Subject to lease condition
Tauranga Campus	2015 to 2025	596	8 Separate Leases
Ruakura Satellite Campus	2015 to 2029	212	2 Separate Leases
Other Hamilton Leases	2015 to 2034	302	5 Leases
Other	2015 to 2022	127	6 Leases
EQUIPMENT LEASES			
	2015 to 2017	1,099	3 Leases
Total		3,799	

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, \$262,500 longer than 1 year and not longer than 5 years, and nil longer than 5 years. These amounts will be expensed through the Statement of Comprehensive Income in the relevant periods.

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

(b) Non-Cancellable Operating Lease Payments

	CONSOLIDATED		UNIVERSITY	
	This Year	Last Year	This Year	Last Year
	\$000	\$000	\$000	\$000
Not longer than 1 year	3,245	2,805	3,245	2,805
Longer than 1 year and not longer than 5 years	8,469	7,043	8,469	7,043
Longer than 5 years	42,552	43,358	42,552	43,358
	54,266	53,206	54,266	53,206

Notes to the Financial Statements for the year ended 31 December 2014

(c) Sub-leases

The total minimum future receipts that the university expects to receive from its tenants on leased land is \$7.6M, (2013 \$7.9M). The minimum renewal periods range from 1 to 32 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:

(b) Non-Cancellable Operating Lease Receivables

	CONSOLIDATED		UNIVERSITY	
	This Year	Last Year	This Year	Last Year
	\$000	\$000	\$000	\$000
Not longer than 1 year	475	634	475	634
Longer than 1 year and not longer than 5 years	1,533	1,513	1,533	1,513
Longer than five years	5,992	6,304	5,992	6,304
	8,000	8,451	8,000	8,451

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

Notes to the Financial Statements for the year ended 31 December 2014

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
FINANCIAL ASSETS	\$000	\$000	\$000	\$000
Fair value through surplus or deficit				
Held for trading				
Forward Foreign Exchange Contracts	2	-	2	-
New Zealand Equities	571	398	-	-
Australian Equities	424	228	-	-
Other Offshore Equities	456	249	-	-
Fixed Interest Instruments	162	46	-	-
Total held for trading	1615	921	2	-
Loans and Receivables				
Cash and Cash Equivalents	10,577	5,252	9,767	4,652
Trade and Other Receivables	20,865	24,483	18,156	21,969
Inter Company Balances	-	-	6,896	7,028
Other Financial Assets	23,729	16,025	22,014	14,000
Investments in Associates and Joint Ventures	3,481	1,887	467	467
Investments	403	403	2,198	2,198
Total Loans and Receivables	59,055	48,050	59,498	50,314
FINANCIAL LIABILITIES				
Fair value through surplus or deficit				
Financial Liabilities at Amortised Cost				
Trade and Other Payables	11,163	13,593	11,061	13,293
University of Waikato Research Trust Payable	-	-	13,511	14,230
Total Financial Liabilities at Amortised Cost	11,163	13,593	24,572	27,523

Notes to the Financial Statements for the year ended 31 December 2014

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 \$2K (2013 – \$0K) of forward foreign exchange contracts, \$1,451K (2013 – \$875K) of equities and \$162K (2013 – \$46K) of fixed interest instruments measured at fair value on the Balance Sheet. (see notes 11 and 13).

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 3.53% to 4.70% (2013 – 3.60% to 4.30%). There was a finance lease recognised in 2006 with an effective interest rate of 12.07% in 2014. (2013 – 12.07%). There were no term loans for 2014 (2013 – 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 \$9.1M (2013 – \$4.0M) invested in variable rate deposits and the balance in fixed rate deposits.

Sensitivity analysis

The tables opposite 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.

Notes to the Financial Statements for the year ended 31 December 2014

Note 24: Financial Instruments continued

INTEREST RATE RISK

University	This Year		Last Year	
	+100bps	-100bps	+100bps	-100bps
Instrument	\$000	\$000	\$000	\$000
Variable rate deposits	91	(91)	40	(40)

Consolidated	This Year		Last Year	
	+100bps	-100bps	+100bps	-100bps
Instrument	\$000	\$000	\$000	\$000
Variable rate deposits	99	(99)	43	(43)

CURRENCY RISK

University	This Year		Last Year	
	+10%	-10%	+10%	-10%
Instruments held in USD	\$000	\$000	\$000	\$000
Creditors	93	(113)	3	(4)
Debtors	-	-	(2)	2
US dollar account	(59)	69	(29)	35

Consolidated	This Year		Last Year	
	+10%	-10%	+10%	-10%
Instruments held in USD	\$000	\$000	\$000	\$000
Creditors	95	(116)	4	(5)
Debtors	(2)	3	(5)	6
US dollar account	(59)	73	(29)	35
Equities	(28)	35	(12)	14

Notes to the Financial Statements for the year ended 31 December 2014

CURRENCY RISK continued

University	This Year		Last Year	
Instruments held in AUD	+10%	-10%	+10%	-10%
	\$000	\$000	\$000	\$000
Creditors	17	21	-	-
Debtors	-	-	-	-
AUD dollar account	(2)	2	(7)	8

Consolidated	This Year		Last Year	
Instruments held in AUD	+10%	-10%	+10%	-10%
	\$000	\$000	\$000	\$000
Creditors	17	(21)	-	-
Debtors	-	-	(1)	2
AUD dollar account	(2)	2	(7)	8
Equities	(39)	48	(21)	26

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

University and Consolidated	This Year		Last Year	
Instruments held in GBP	+10%	-10%	+10%	-10%
	\$000	\$000	\$000	\$000
Creditors	6	(8)	2	(2)
GBP Account	(1)	2	(1)	2
Equities	(32)	39	(19)	24

Explanation of interest rate risk sensitivity

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

Explanation of currency risk sensitivity

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

Notes to the Financial Statements for the year ended 31 December 2014

Note 24: Financial Instruments continued

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	
	This Year	Last Year	This Year	Last Year
COUNTERPARTIES WITH CREDIT RATINGS	\$000	\$000	\$000	\$000
Cash at Bank and Term Deposits				
AA-	35,919	21,370	31,781	18,652

COUNTERPARTIES WITHOUT CREDIT RATINGS

Debtors and Other Receivables				
Existing counterparty with no defaults in the past	20,865	24,483	18,156	21,969
Existing counterparty with defaults in the past	-	-	-	-
Total debtors and other receivables	20,865	24,483	18,156	21,969

LOANS TO RELATED PARTIES

Existing counterparty with no defaults in the past	-	-	6,896	7,028
Existing counterparty with defaults in the past	-	-	-	-
Total loans to related parties	-	-	6,896	7,028

Liquidity Risk

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

The University is expected to maintain combined cash reserves and committed credit lines available to a minimum of 120% of the forecast peak funding requirements at any one point of time in the following 12 month period. The table below analyses the University's financial liabilities into relevant maturity groupings based on the remaining period at the Balance Sheet date to the contractual maturity date. The amounts disclosed are the contractual undiscounted cash flows.

Notes to the Financial Statements for the year ended 31 December 2014

UNIVERSITY	Less than 6 months	Between 6 months and 1 year	Between 1 and 5 years
This Year	\$000	\$000	\$000
Creditors and other payables	11,061	-	-
Borrowings	82	82	655
Current Employee Entitlements	2,649	1,314	-

Last Year	\$000	\$000	\$000
Creditors and other payables	13,293	-	-
Borrowings	82	82	655
Current Employee Entitlements	2,094	1,008	0

CONSOLIDATED	Less than 6 months	Between 6 months and 1 year	Between 1 and 5 years
This Year	\$000	\$000	\$000
Creditors and other payables	11,163	-	-
Borrowings	82	82	655
Current Employee Entitlements	2,999	1,314	-

Last Year	\$000	\$000	\$000
Creditors and other payables	13,593	-	-
Borrowings	82	82	655
Current Employee Entitlements	2,441	1,008	-

Notes to the Financial Statements for the year ended 31 December 2014

Note 25: Related Party Transactions

The following related party transactions occurred between the University and WaikatoLink Limited, U Leisure Limited (ULL) and their subsidiary Boathouse Events Limited (Boathouse), The University of Waikato Foundation (Foundation), The Students' Campus Building Fund Trust (SCBFT), LCo New Zealand Limited (LCoNZ), The University of Waikato Alumni Association Incorporated (Alumni) (No related party transactions for 2013 or 2014), University of Waikato Research Trust (UoW RT) and iEngagEd Limited, during the year:

	WaikatoLink	ULL	Boathouse	Foundation	SCBFT	LCoNZ	UoW RT	iEngagEd
	\$	\$	\$	\$	\$	\$	\$	\$
Payments in 2014 to:	1,750,000	752,016	96,500	-	28,339	31,203	1,393,000	752,699
(2013)	2,245,368	713,466	75,000	-	1,844	419,727	1,349,000	105,870
Receipts in 2014 from:	117,459	281,768	3,418	726,894	246,309	-	19,857	-
(2013)	280,220	268,117	798	783,775	237,328	433,031	83,452	-
Accounts Receivable at 31 December 2014 owing from:	8,587,825	31,010	-	-	-	-	-	98,645
(2013)	8,686,851	47,399	-	-	-	17,000	-	-
Accounts Payable at 31 December 2014 owing to:	-	-	-	49,824	1,559,153	-	13,467,000	-
(2013)	63,405	-	-	11,308	1,341,182	233,574	14,229,000	25,491

Significant Transactions with Government-related Entities

The government influences the roles of the University as well as being a major source of revenue. The University has received funding and grants from the Tertiary Education Commission totalling \$87.082M (2013 – \$87,822M) to provide education and research services for the year ended 31 December 2014. The University also receives research funding from the Ministry of Business, Innovation and Employment totalling \$10.1M (2013 – \$11.18M). The University received funding from the Ministry of Education totalling \$21.7M (2013 – \$15.2M) to provide school support services. The University purchased domestic and international travel from Air New Zealand totalling \$1.68M (2013 – \$1.80M). The University received income from WINTEC totalling \$1.29M (2013 – \$1.16M) for the provision of teaching services. The University made payments to Bay of Plenty Polytechnic (BOPP) totalling \$1.53M (2013 – \$1.61M) to facilitate University teaching in the Bay of Plenty. The University also supplied services totalling \$127K (2013 – \$149K) to BOPP.

Notes to the Financial Statements for the year ended 31 December 2014

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

In conducting its activities, the University is required to pay various taxes and levies (such as GST, PAYE and ACC levies) to the Crown and entities related to the Crown. The payment of these taxes and levies is based on the standard terms and conditions that apply to all tax and levy payers. The University is exempt from paying income tax. The University purchases good and services from entities related to the Crown and it also provides services to entities related to the Crown. The purchase and provision of goods and services to government related entities for the year ended 31 December 2014 are small when compared to the University's total expenditure and revenue and have all been conducted on an arms' length basis. The purchase of goods and services included the purchase of electricity from Mercury Energy, air travel from Air New Zealand, and postal services from New Zealand Post. The provision of services to government-related entities mainly related to the provision of educational courses.

Key Management Personnel

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

1. A member of Council is a director of Aduro GP Ltd. During the year the University provided services totalling \$51,642 (2013 – \$2,701) and the balance owing at year end was \$5,195 (2013 – \$0).
2. The University receives various donations, research revenue and consultancy fees from Gallagher Group Ltd and Gallagher Charitable Trust, in which a member of Council is a director. These totalled \$172,656 (2013 – \$164,172). The balance outstanding at year end was \$0 (2013 – \$0).
3. A member of Council is a director of The New Zealand Institute for Plant and Food Research Ltd. During the year the University provided services totalling \$24,327 (2013 – \$22,538) and the balance owing at year end was \$1,840 (2013 – \$0).
4. A member of Council is a director of New Zealand Veterinary Pathology Ltd. During the year the University received services totalling \$592 (2013 – \$431) and the balance owing at year end was \$0 (2013 – \$0).
5. A member of Council is CEO of Tainui Group Holdings. During the year the University leased property from Tainui Holdings totalling \$1,452,459 (2013 – \$1,565,401) and the balance owing at year end was \$0 (2013 – \$0). During the year the University also received \$1,167,001 (2013 – \$0) and the balance owing at year end was \$0 (2013 – \$0).
6. A member of Council is a director of Te Runanganui O Ngati Porou. During the year the University provided services totalling \$0 (2013 – \$2,430) and the balance owing at year end was \$0 (2013 – \$0). The University also purchased services from Te Runanganui O Ngati Porou totalling \$1,822 (2013 – \$1,122), the balance outstanding at year end was \$0 (2013 – \$0).
7. A member of Council is adviser to the CEO of Te Wānanga o Aotearoa. During the year the University provided services totalling \$17,643 (2013: \$81,944) and the balance outstanding at year end was \$0. The University also purchased services totalling \$800 (2013 – \$2,317), the balance outstanding at year end was \$0.
8. A direct report of the Vice-Chancellor is a director of Cognition Education Ltd. During the year the University provided services to Cognition for \$1,881,440 (2013 – \$1,665,704) and the balance owing at year end was \$200,888 (2013 – \$0). The University also purchased services totalling \$1,478,986 (2013 – \$332,613) from Cognition Education Ltd and the balance owing at year end was \$133,939 (2013 – \$99,465).
9. A direct report of the Vice-Chancellor is a director of Hamilton & Waikato Tourism Limited. The University purchased services totalling \$600 (2013 – \$690) during the year from Hamilton & Waikato Tourism Limited and supplied services totalling \$1,511 (2013 – \$200). There were no outstanding balances at year end.

Notes to the Financial Statements for the year ended 31 December 2014

Note 25: Related Party Transactions continued

10. A direct report of the Vice-Chancellor is a director of Priority One. During the year the University provided services to Priority One for \$5,200 (2013 – \$10,331) and the balance owing at year end was \$0 (2013 – \$7,331). The University also purchased services totalling \$25,000 (2013 – \$10,000) from Priority One and the balance owing at year end was \$0 (2013 – \$0).
11. A direct report of the Vice-Chancellor has a spouse who is CEO of Te Whare Wānanga O Awanuiarangi. During the year the University provided services to Te Whare Wānanga O Awanuiarangi for \$217 (2013 – \$12,327) and the balance owing at year end was \$0 (2013 – \$0). The University also purchased services totalling \$1,139,410 (2013 – \$421,517) from Te Whare Wānanga O Awanuiarangi and the balance owing at year end was \$0 (2013 – \$0).
12. A member of Council resigned as CFO of Zespri International Ltd in 2013. During 2013 the University provided services totalling \$9,450 and the balance owing at year end was \$0.
13. A direct report of the Vice-Chancellor rented a house from the University during 2013, total received \$9,147, amount outstanding at year end was \$0.
14. The University also has key management personnel serving on the board of WaikatoLink Limited and ULeisure. The University's dealings with WaikatoLink Limited and ULeisure Ltd are disclosed above.

No provisions have been required, nor expense recognised for impairment of receivables for any other loans or other receivables to related parties (2013 – \$946,246).

Notes to the Financial Statements for the year ended 31 December 2014

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.

(2013 – \$53,000) on a continuing basis to the Campus Creche Trust.

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

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

The University is aware of potential payments to two staff members of approximately \$30,000.

There are no other known contingent liabilities.

Share of Subsidiaries', Associates' and Joint Ventures Contingent Liabilities

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

Note 27: Capital Management

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

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

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

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

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

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

Notes to the Financial Statements for the year ended 31 December 2014

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	19,882	2,552	19,882	2,552

Notes to the Financial Statements for the year ended 31 December 2014

Note 29: Explanations of Major Variances against Budget

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

Statement of Comprehensive Income

Government Funding and Grants

Government funding and grants received by the University were \$3.6 million more than budget. This favourable variance was largely due to the Institute of Professional Learning and Development (IPLD) receiving \$3 million more than expected in contracts. The University was also granted additional Student Achievement Funding (SAC) after the 2014 budget was set.

Tuition Fees

Tuition fees were \$1.8 million less than budget due to disappointing international enrolments in 2014. The University enrolled 104 less equivalent full-time international students than was hoped.

Research Revenue

Once again the University received more research revenue than budget. The additional \$2.1 million received was predominantly in the areas of Education and Science.

Investment income

Due to the slower than expected start to construction of the Law/Management building the University held higher bank deposits than expected, this resulted in \$0.5 million more interest than budgeted.

Other Income

Many areas fell short of their other income budget in 2014, some examples were Pathways college, student accommodation and carbon dating analysis. For a breakdown of the significant items comprising other income see note 4.

Personnel Costs

University personnel costs were \$1.7 million more than budget, \$0.9 million of this was the actuarial valuation (see note 5) being higher than expected, and \$0.8 million being retirement costs, due to the unpredictable nature of these costs the University doesn't budget for them.

Other Costs

The University spent \$3.6 million more than budgeted in other costs, the additional income brought in by IPLD, Faculty of Education and Faculty of Science & Engineering resulted in an increase in the costs in these areas. The University also spent \$1.2 million more than budget on advertising as part of an ongoing campaign to attract new students to the University of Waikato. For a breakdown of the significant items comprising other costs see note 6.

Note 30: Events after Balance Sheet Date

11 Ants Analytics Limited, a subsidiary of WaikatoLink Limited, has executed a sale and purchase agreement for the sale of its physical and intangible assets.

Council and Senior Staff

Council Members

Rt Hon Jim Bolger (Chancellor)
Dr Brian Linehan (Pro-Chancellor)
Professor Roy Crawford
Professor Barry Barton
Ms Renee Boyer
Dr Alison Campbell

Ms Jeanette Clarkin-Phillips
Mr Mervyn Dallas
Mr Ian Fitzgerald
Dr John Gallagher
Ms Jan Jameson
Dr Apirana Mahuika

Mr Todd Muller (to 9 June 2014)
Mr Trevor Moeke
Mr Wei Cheng Phee
Mr Mike Pohio
Mr Kingi Turner
Mr Tony Whittaker

Senior Leadership Team

Vice-Chancellor



Professor Roy Crawford

Deputy Vice-Chancellor

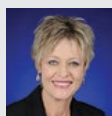


Professor Alister Jones

Pro Vice-Chancellors



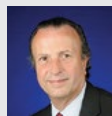
**Pro Vice-Chancellor
(Māori)**
Professor Linda Smith



**Pro Vice-Chancellor
(Education)**
Professor Robyn Longhurst



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



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

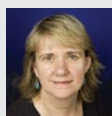


**Pro Vice-Chancellor
(Postgraduate)**
Professor Kay Weaver

Assistant Vice-Chancellors



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

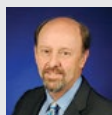


**Assistant Vice-Chancellor
(Operations)**
Anna Bounds

Deans



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



Dean of Law
Professor Brad Morse



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



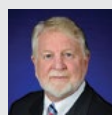
**Dean of Computing &
Mathematical Sciences**
Professor Geoff Holmes



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



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



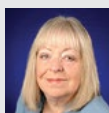
Dean of Education
Professor Roger Moltzen

Senior Leadership Team continued

Heads



Head of Communication and External Relations
David Craig



Head of Human Resource Management
Carole Gunn



Head of Student and Academic Services
Michelle Jordan-Tong



Head of Facilities Management
John Cameron



Head of Information Technology Services
Kevin Adamson

Tauranga



Tauranga Partnership Liaison Manager
Dr Nigel Calder

CFO



Chief Financial Officer
Andrew McKinnon

Librarian



University Librarian
Ross Hallett

Development



Director of Development
Brad Weekly

Staff promoted to professor in 2014

Faculty of Arts & Social Sciences
Cathy Coleborne

Faculty of Science & Engineering
Brendan Hicks

Faculty of Science & Engineering
Kim Pickering

Faculty of Education
John Williams

Faculty of Science & Engineering
Brian Gabbitas

Waikato Management School
Kathryn Pavlovich

New professorial appointments in 2014

Faculty of Education
Richard Masters

Faculty of Science & Engineering
Chad Hewitt

Faculty of Science & Engineering
Marnie Campbell

Glossary of Abbreviations

Glossary of Abbreviations

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

Glossary of Terms

Glossary of Terms

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

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

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

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

Faculty: Includes the School of Māori & Pacific Development.

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

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

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

Interim: Results subject to confirmation by the TEC following submission of the April 2014 SDR (or in the case of RDC's, subsequent SDRs); final results will be reported in subsequent Statements of Service Performance.

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

MF (Ministry-Funded): Attracts SAC funding.

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

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

RDC (Research Degree Completion): Count of qualification completions with an externally assessed research component of greater than or equal to 0.75 EFTS, and which attract weightings determined by the TEC for subject, student ethnicity and the volume of research within the qualification.

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).

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.

Notes

Page 5 – Total EFTS by ethnicity:

This counts EFTS by a student's first recorded ethnicity. Students may select up to three ethnicities.

Page 19 – Research enrolments:

The number of students who were enrolled in papers that were eligible to be counted for RDC purposes.

Page 32 – Sustainability chapter:

Economic impact information from Dr Warren Hughes' The University of Waikato: Regional and NZ economic impacts for 2014.

Page 44-49 – Statistical information:

Numbers in this section may not add due to rounding.

EFTS counts those generated in both assessed and non-assessed papers unless specified otherwise.

Page 44 – Total students by origin:

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

Core Region: Waikato and Bay of Plenty (includes Coromandel).

Inner Periphery: Auckland City (Southern), Gisborne, Taranaki, Manawatu, Wanganui.

Outer Periphery: Hawke's Bay, Northland.

Page 44 – Total qualifications completed by level:

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

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

Degree-level: Undergraduate degrees, certificates (undergraduate and graduate) and diplomas (undergraduate and graduate).

Graduate/Postgraduate: Graduate degrees (including both one-year and four-year honours degrees and masters degrees), postgraduate certificates and postgraduate diplomas.

Higher Degree: Masters of Philosophy and Doctorates (PhD, EdD, SJD, DMA).



Page 45 – Total EFTS by Level:

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

Degree: Comprising papers that fit the MOE criteria for RS2 funding (whether MF or FCI).

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

Research Postgraduate (RPG): Comprising papers that fit the MOE criteria for RS4 or RS5 funding.

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

Page 46 – Total EFTS by Organisational Unit:

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

Page 47 – Research Revenue:

Annual research revenue counts both PBRF-eligible and non PBRF-eligible research revenue. Academic FTE research counts FTE generated by "teaching and research" and "research only" academic staff on continuing appointments (ie fixed-term and casual staff are excluded).

Page 47 – Research Publication Count by Type:

This differs from data provided in previous years due to the change in the University's publication software.

Research outputs have been counted once in a faculty. If a publication is co-authored by staff located in different faculties it will be counted once in each of these faculties. This could result in a research output being counted multiple times within the University but unlike previous years, does not understate a faculties count.

In previous years research outputs were counted once in a faculty based on their first recorded University of Waikato contributor. eg research co-authored by staff located in FASS and FEDU was only counted in ONE faculty, not both faculties and so understated the count in one of the faculties.

Page 49 – Total Staff FTE by Organisational Unit:

Until 2012, only SMPD staff numbers were counted in this data.



THE UNIVERSITY OF
WAIKATO
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COLD AS ICE: Jason Watson lowers Professor Craig Cary down an ice chimney where he and other Waikato scientists characterise the microbial communities residing in the thermal soils of Mt Erebus to study aspects of endemism and global biogeography.



THE UNIVERSITY OF
WAIKATO
Te Whare Wānanga o Waikato

WHERE THE WORLD IS GOING
TE AHUNGA O TE AO

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