



THE UNIVERSITY OF
WAIKATO
Te Whare Wānanga o Waikato

ANNUAL REPORT
2018





TABLE OF CONTENTS

Section 1: From the Chancellor	2
Section 2: Vice-Chancellor's Overview	4
Section 3: 2018 at a Glance	6
Section 4: The University of Waikato	10
Section 5: Institutional Sustainability	16
Section 6: Research Performance and Industry Relevance	19
Section 7: Student Participation and Performance	22
Section 8: Organisational Culture: Staff and Students	26
Section 9: Reputation	29
Section 10: Other Commitments - CEP and Tauranga	31
Section 11: Statistical Information	34
Section 12: Auditor General Opinion	38
Section 13: Statement of Service Performance	42
Section 14: Sustainability	52
Section 15: EEO Statement	53
Section 16: Student Services Levy	54
Section 17: Financial Overview 2018	57
Section 18: Statement of Responsibility	59
Section 19: Financial Statements	61
Section 20: Glossary of Abbreviations and Terms	114
Section 21: Notes	116

FROM THE CHANCELLOR



It has been my privilege to serve as Chancellor of the University of Waikato in 2018, and to support the progress that the University is making on many fronts.

Progress is particularly notable in the advancement of three very important infrastructure projects. The largest of these projects is The Pā complex, which was approved to proceed to final design and consenting at the end of 2018. This project will create a new primary entrance to the University and a new marae, be a focal point for large-scale University and community activities, and improve the quality and accessibility of the route along the main spine of the campus. The vision for The Pā has been strongly supported by students, and is based around their desire for more social learning spaces and a visible heart for the campus that will be attractive in all weather conditions.

A second infrastructure project is the construction of our new Tauranga campus, which will mark a milestone in the University's history when it opens in early 2019. The construction of this campus has been generously supported by TECT, Tauranga City, Tauranga City Council, Bay of Plenty Regional Council and the iwi of Tauranga Moana. The University of Waikato's investment in the campus provides a strong signal of our commitment to enhancing social outcomes and economic growth in the Bay of Plenty, building on two decades of programmes offered in the region and our engagement with the Bay of Plenty Tertiary Education Partnership – comprising the University, Toi Ohomai Institute of Technology and Te Whare Wānanga o Awanuiārangi.

The new campus has a unique cultural narrative and identity – a multi-purpose space where students, researchers, the community and industry will all work together in the heart of one of the fastest-growing regions in New Zealand.

The Council has also approved the development of a new 53-bed block of student accommodation on University-owned land in Hamilton. Council supports the view of management that, if we are to continue to increase the number of students studying at the University of Waikato, then additional accommodation will be needed.

During 2018 the University conferred six Distinguished Alumni Awards to an outstanding group of people: the Honourable Dame Annette King, Clinical Psychologist Dr Sarah Calvert, archaeological scientist and radiocarbon dating specialist Professor Tom Higham, international business leader Jan Zijderveld, Miriam Dean QC and Dr Shane Legg, co-founder of DeepMind Technologies. Through their career achievements and engagement with the University and community, the success stories of our alumni set a standard to which our current students can aspire.

I wish to extend my thanks to the outgoing Waikato Students' Union President Candra Pullon for her outstanding service to the University in 2018, and to Paul Adams whose term on Council ended during the year. Paul continues to support the University in a range of ways, including as Chair of the University's Campus Development Committee, which focusses on University infrastructure and our maintenance, refurbishment and new building programme. During the year we also welcomed a new Council member, Scott Bartlett, CEO of State-owned Enterprise Kordia Group Limited, for a four-year term.

Over the last few years the University of Waikato has undergone a transformation in its strategy, infrastructure planning, investment in quality research and teaching, and engagement with students. I accept that some may have found the changes challenging, but to remain relevant to contemporary New Zealand society and the interests of our students, changes were necessary.

It has been my pleasure to work with the Vice-Chancellor, Professor Neil Quigley, and the senior leadership team of the University to develop and implement this process of change. I have appreciated the guidance and oversight provided by my fellow Council members, as well as their support for an organisation-wide aspiration for greatness in the service of our students and New Zealand as a whole. The University of Waikato has had a year of growth and new developments, with more exciting opportunities apparent for the year ahead.



Rt Hon James Bolger ONZ
Chancellor

VICE-CHANCELLOR'S OVERVIEW



It has been a very positive year for the University of Waikato, with growth in student enrolments and progress on a range of major projects.

Student numbers in 2018 increased by 3.5% over 2017 enrolments. Total EFTS in 2018 were 10,257, made up of 1,791 international EFTS (an increase of 12% on 2017) and 8,455 domestic EFTS (an increase of 1.9%). This growth reflects our investment in new programmes, our commitment to enhancing the quality of our existing programmes, teaching, facilities and student services, and the hard work of academic and general staff across the University. The growth in international students is a result of our strategic partnerships with quality universities outside New Zealand and increased student recruitment efforts in our priority markets, as well as new and emerging markets. Domestic student increases reflect our efforts to build greater national awareness of the quality of the academic programmes and student experience at the University of Waikato.

The University also adopted a major change to its organisational structure in 2018, with the decision to implement a divisional leadership structure, comprising four new divisions, each led by a Pro Vice-Chancellor. The new structure includes a Division of Education; Division of Management; Division of Health, Engineering, Computing and Science; and a Division of Arts, Law, Psychology and Social Sciences. Previously the University was organised into numerous faculties of widely varying sizes, headed by a Dean who reported directly to the Vice-Chancellor. Moving to a divisional structure will provide the University with the strategic leadership capability necessary for it to survive and prosper in today's highly competitive and rapidly changing tertiary education environment, as well as providing a greater level of transparency of operational performance across academic units of a similar size. Implementation of the leadership and administrative structure within each of the divisions will continue during 2019.

One of the great strengths of the University of Waikato is the open and collegial relationship between the Waikato Students' Union (WSU) and the senior leadership team of the University. The President and Executive of the WSU are key contributors to University strategy on all fronts. This

year the WSU led a consultation process on the areas in which students wanted increases in funding to be applied. As a result, the University has increased its investment in support for student health and wellbeing, including the appointment of a Mental Health Nurse, Violence Prevention Coordinator and a Health Promotion Coordinator.

Following an extensive process of curriculum review in 2016 and 2017 led by Professor Robyn Longhurst (Deputy Vice-Chancellor, Academic) and Professor Alister Jones (Senior Deputy Vice-Chancellor), the University's new curricula at 100 and 200 level were offered for the first time in 2018. The redesigned curriculum will help the University to deliver on its ambition for a distinctive student experience by requiring Waikato undergraduate students to complete a cultural perspectives component, a disciplinary foundations component, and a work-integrated learning component. This new curriculum has required that we strengthen relationships with local employers to ensure meaningful work-integrated learning opportunities are available for students.

The research performance of the University of Waikato, under the leadership of Deputy Vice-Chancellor, Research, Professor Bruce Clarkson, was also substantially improved in 2018. The University was successful in a number of national research funding rounds, many of which provide funding that extends beyond 2019 to provide a strong pipeline of future research funding. The University was awarded funding from the TEC through its Entrepreneurial Universities fund, the Marsden Fund, the Ministry of Education, MBIE, other government agencies and many private sector organisations. We also undertake collaborative research with a wide range of Crown Research Institutes, universities and Centres of Research Excellence. There has been a notable improvement in the success rates of research funding applications during 2018 and the University's new research revenue contracted in 2018 (\$41.7m) greatly exceeded the \$28.9m contracted in 2017.

This year we welcomed new members of the Executive team, Jim Mercer, Chief Operating Officer, and Nikki Thomas, Director, Organisational Development and Wellness. Ms Thomas has responsibility for organisational performance and staff training, for aligning workplace culture with the University strategy, as well as for staff satisfaction and

wellness. Mr Mercer has responsibility for financial services and reporting, internal audit, risk and assurance, facilities and technology, marketing, communications and legal services. Also during the year Professor Don Klinger joined the University of Waikato as Dean (and, from 1 January 2019, Pro Vice-Chancellor) of Education.

Since my arrival at the University of Waikato four years ago, a great deal of attention has been placed on planning investment in the physical and technological infrastructure of the University. The first phase of our project to replace our core student administration system was for Semester B 2018 enrolments, and is in use for the summer 2018-19 enrolment period. The construction of our new campus in Tauranga, and the investments we have made in anticipation of phase two of our development there have all proceeded on time and on budget. I am extremely grateful for the leadership that Professor Alister Jones has shown in both projects, as well as to Director of Regional Engagement, Joseph Macfarlane, for his leadership with iwi engagement and the cultural narrative for the Tauranga campus building.

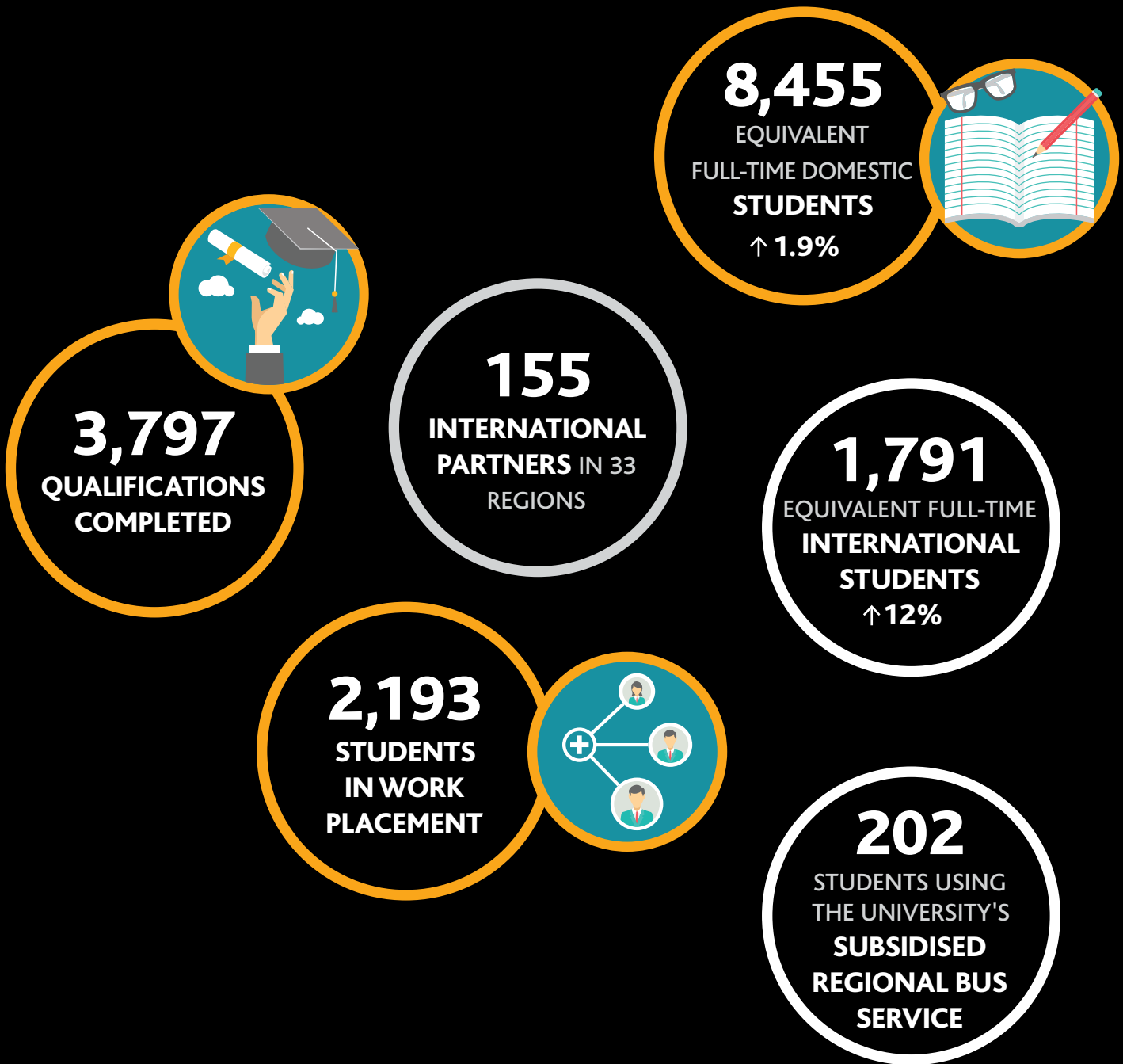
I wish to extend my thanks to all University staff for their support of the aspirations and advancement of the University, and their commitment to the success of our students. In addition, I acknowledge the support of the Chancellor, the University Council, my colleagues in the Vice-Chancellor's office and the Executive Team for their commitment in what has been a very busy, exciting and successful year for the University.



Professor Neil Quigley
Vice-Chancellor


2018

AT A GLANCE



2,398
MĀORI STUDENTS
19.02% OF
STUDENT BODY

\$67.2M
REVENUE FROM
RESEARCH AND
DEVELOPMENT



12
SUBJECT AREAS
AMONGST THE
WORLD'S TOP
250*

\$13.5M
INVESTED IN
SCHOLARSHIPS



274
IN THE QS WORLD
UNIVERSITY
RANKINGS





THE UNIVERSITY OF WAIKATO

University Role

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

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

Standards of entrance to the University are determined and monitored by an inter-university body established under the Education Act 1989: Universities New Zealand - Te Pōkai Tara, which also determines and monitors standards for the quality and accreditation of the University's qualifications. Like all other New Zealand universities, the University of Waikato is subject to regular and rigorous academic audit by the Academic Quality Agency for New Zealand Universities (AQA). These external audits support and enhance the institution's own ongoing programmes of self-review and quality assurance.

University of Waikato Council



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



Vice-Chancellor
Professor Neil Quigley
Ex-officio



Pro Chancellor
Susan Hassall
*Appointed directly
by the Council*



Scott Bartlett
(from 16 October 2018)
*Appointed directly by
the Council*



Margaret Devlin
*Appointed by the Minister
responsible for Part 13 of the
Education Act 1989*



Dr Joan Forret
(from 10 April 2018)
*Appointed by the Minister
responsible for Part 13 of the
Education Act 1989*



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



Graeme Milne
*Appointed by the Minister
responsible for Part 13 of the
Education Act 1989*



Richard Jefferies
*Appointed after consultation
with Te Arikinui*



Ngareta Timutimu
*Appointed after consultation
with Te Rōpū Manukura*



Candra Pullon
*Appointed following an
election by the students*



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

Secretary to Council

- Brandon McGibbon

Committees of Council

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

Senior Leadership Team of the University of Waikato

As at 31 December 2018



Vice-Chancellor
Professor Neil Quigley



Senior Deputy
Vice-Chancellor
Professor Alister Jones



Deputy Vice-
Chancellor Academic
Professor Robyn Longhurst



Deputy Vice-
Chancellor Māori
Dr Sarah-Jane Tiakiwai



Deputy Vice-
Chancellor Research
Professor Bruce Clarkson



Chief Operating Officer
Jim Mercer



Chief Financial Officer
Andrew McKinnon



Director, Organisational
Development and Wellness
Nikki Thomas



Director, Office of the
Vice-Chancellor
Duanna Fowler



Director, Regional
Engagement
Joseph Macfarlane



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



Dean of Computing and
Mathematical Sciences
Professor Geoff Holmes



Dean of Education
Don Klinger



Dean of Engineering
Professor Mark Dyer



Dean of Graduate Research
Professor Kay Weaver



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



Dean of Law
Associate Professor
Wayne Rumbles



Dean of Management
Professor Tim Coltman



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



Dean of Science (Acting)
Emeritus Professor Janis Swan



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



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



**Director, Human
Resource Management**
Carole Gunn



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



**Director,
International Office**
Sharon Calvert



**Director, Marketing and
Recruitment (Acting)**
Catherine Downes



Director, Student Services
Mike Calvert



University Librarian
Ross Hallett



**Chief Adviser
Student Systems**
Michelle Jordan-Tong



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



**President of the
Waikato Students' Union**
Candra Pullon

The University of Waikato continues to deliver strong performance across its operations. In 2018, staff delivered quality teaching and undertook world-changing research, making valuable contributions to national and international challenges and debates in many areas. The University embraced its role as critic and conscience of society, contributing a number of media opinion pieces and research stories that helped to challenge and shape public discourse.

In 2018, the University completed the second year of its Strategy 2017-2021. The Strategy frames the delivery of the University's Mission and Vision by focussing activities around six strategic goals:

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

While the University has undertaken a significant programme of work in 2018 that will contribute to the delivery of its Strategy over time, particular standouts under each goal are set out below:

1. An organisational culture focussed on high performance

The University created a new Director of Organisational Development and Wellness role and undertook an international recruitment search to fill this position. The role, reporting directly to the Vice-Chancellor, is charged with clarifying the University's organisational values and enabling the organisation to deliver on them. The role will look at the University's policies, processes, behaviours and culture, and how these should be developed to realise the University's vision for the future.

2. Teaching and research programmes distinguished by academic excellence and relevance

The University launched its new undergraduate curriculum in 2018. Following a comprehensive curriculum review, a substantial redesign of every paper, extensive consultation with employers, and a new curriculum design framework, the University is confident that its redesigned offerings are relevant and provide an academically excellent foundation for life-long learning.

3. A comprehensive programme of community engagement

A very extensive programme of engagement has been undertaken with iwi and other community groups to ensure that the proposed concept and design for the University's new Pā campus development project meets the needs of both the University and its many communities. The project proposal that was considered by Council at its meeting in December 2018 was supported by students, staff, user and stakeholder groups, Te Rōpū Manukura, the office of King Tūheitia, Waikato Tainui and the (local hapū) representatives of Ngāti Haua and Ngāti Wairere.

4. Improved operational efficiency and facilities

The first stage of the University's Student Learning and Management System project, Te Aka Mānea, went live in 2018. The new system delivered significant functionality improvements for students and provides a central point for students to perform a wide variety of student management tasks. The system enables the University to message students more effectively and, being web-based, enables increased flexibility for both staff and students.

5. A distinctive University of Waikato student experience

The University's new curriculum offers students a distinctly Waikato experience. As part of the Curriculum Design Framework, all comprehensive undergraduate degrees now include a disciplinary foundations paper, a cultural perspectives paper, and a work-integrated learning paper. These components truly differentiate Waikato's comprehensive undergraduate degrees from those of other tertiary institutions and, combined with Waikato's student-focussed delivery and extensive student support and wellness programmes, the University is confident that its students will have a distinctive University of Waikato student experience; one where they feel supported to succeed.

6. Investment in growth

The University's new Tauranga CBD tertiary campus will open in early 2019, providing students with a comprehensive University experience in the Bay of Plenty. Through its strong partnership with Toi Ohomai and other tertiary providers in the region, the University is working hard to provide high-quality local university study options for students from across the wider Bay of Plenty, many of whom have historically left the region for university study. The Bay of Plenty is one of the fastest-growing regions in New Zealand; by ensuring that the University's programmes deliver learning outcomes desired by local employers, the University sees significant potential for growth associated with expanded delivery in the Bay of Plenty.

The University's increased investment in international recruitment activity, many aspects of which were noted in the 2017 Annual Report, along with the introduction of a range of new academic programmes has led to a substantial increase in international EFTS in 2018.

The joint institute in Hangzhou, China, which opened in 2017, is further evidence of the University's investment in growth. The purpose-built institute was designed with New Zealand design principles, teaching approaches and standards in mind. Staffed by University of Waikato academics, it is delivering degrees in Finance, Computer Graphic Design and Design Media. The joint institute uses the most advanced learning technologies, and encourages social interaction, as well as making students feel like they are really part of the University of Waikato. An aspect of that unique experience comes from the University's commitment to Māori, and the distinct cultural and historical perspective that brings with it. In 2018, 223 students completed their first year of study at the institute, and a second cohort of 230 students commenced their studies.



INSTITUTIONAL SUSTAINABILITY

Activities undertaken in 2018 with respect to the delivery of indicators 1, 2 and 5

MF/SAC-eligible EFTS achievement

The University has a well-established future students programme which includes significant recruitment activities across the University's core Waikato/Bay of Plenty region, and activities extending across New Zealand. Secondary schools are a key recruitment focus, with regular visits to schools and information sessions about the wide range of programmes and opportunities available. All information sessions, drop-in sessions and on-campus events are supported by targeted print/radio/digital advertising and social media.

A pool of Student Ambassadors support the University's Future Students Team and provide an 'at the coal face' connection for potential students, helping to bridge the gap between secondary and tertiary study. The Faculties are also actively involved in the University's recruitment activities, with academic staff engaging with students in secondary schools and at key recruitment events.

Specific activity was taken in 2018 to publicise University offerings available through the new Tauranga CBD Campus from 2019. A key driver behind the activity was the idea that every school-leaver in the Bay of Plenty should know what programmes the University would be offering through its new campus, and when the campus would be opening. The University has also used every opportunity to engage the wider community in the new campus development. A number of public information sessions have been held alongside a significant presence at the Tauranga Careers Expo, and a pop-up stand in Bayfair mall shared information about programmes and gave visitors the opportunity to undertake virtual tours of the campus through VR headsets.

As reported in the University's 2016 and 2017 Annual Reports, the institution has undertaken a comprehensive curriculum redesign project. As a consequence of this project, a number of new and revitalised undergraduate programmes were offered in 2018. New degrees or qualifications first offered in 2018 included the Bachelor of Business and Bachelor of Business with Honours, the Bachelor of Design and Bachelor of Design with Honours, a Certificate in Science, Technology, Engineering and Mathematics, and a 150-point Diploma in Law. A range of new subjects were also offered in 2018, including Ecology and Biodiversity, Molecular and Cellular Biology, Materials Science, Data Analytics, Digital Learning, Community Health, Sport Development and Coaching, and Digital Business.

Announcement of Government's Fees-Free policy came late in 2017, at a time when the majority of school leavers, the main group who would benefit from the policy, had already decided on their study or work plans for 2018. As a consequence, the policy did not seem to affect the number of school leavers enrolling at Waikato in 2018, with the small increase in new school leavers seen in 2017 continuing over into 2018. As the policy has been socialised during 2018 and potential students have had an opportunity to consider the opportunities that the Fees-Free policy will offer them, it is possible that the University may see a consequential increase in enrolments in 2019. What has been evident is that increased numbers of students have enrolled in full-time programmes of study at the beginning of the year, rather than adding papers mid-year.

In response to the Government's Fees-Free policy, the University has comprehensively redesigned its scholarship programme to ensure maximum benefit for students. Those students who received school-leaver scholarships in 2018 (and were subsequently deemed eligible for Fees-Free) were given the opportunity to either use their scholarship towards University-provided student accommodation, or to transfer the scholarship to fund year two of their programme of study; the majority of students took the opportunity to transfer their scholarship towards their second year of study. The University's revised school-leaver scholarships take effect from 2019.

Activities undertaken in 2018 with respect to the delivery of indicators 3, 4 and 5

Full-Cost International EFTS achievement

The University invested heavily in its internationalisation agenda in 2018, with increased effort to ensure that the University makes progress towards the international ambitions set out in the University of Waikato Strategy 2017-2021.

During 2018 the majority of the University's international student recruitment activity focussed on priority markets: China, India, Malaysia, US and Vietnam. With a view to increasing diversity across the University's international student population, recruitment has also been undertaken in new and emerging markets for the University including Pakistan, Mauritius, Kenya and Thailand.

For some time the University has been considering a partnership with an external provider to expand the University's reach overseas, and to increase the number of

students progressing to degree-level programmes from the sub-degree and foundation programmes offered through the Waikato Pathways College. Following a comprehensive due-diligence process the University chose, in 2018, to partner with Study Group, a global pathway provider, to help meet its ambitions for international sub-degree and foundation programmes. Study Group successfully took over operations of the Waikato Pathways College on 2 July 2018. The increased reach of Study Group has been evidenced in the November 2018 intake into the international foundation programme, with a more diverse cohort of nationalities, including representation from Vietnam, Thailand and Indonesia.

The University undertook a comprehensive review of its international agent arrangements, with a view to strengthening agent relationships and increasing the number of students coming through international agents. To this end, the University hosted 14 agents from six countries, increased its in-market visits to key agents, reviewed and revised agent contracts, and introduced an agent management process. As a consequence of these activities, the number of students referred to the University through agents has increased by 14% over 2017.

The University's partnership programmes with international institutions are a significant contributor to international student enrolments. These partnerships enable students to undertake study at an institution in their home country and then complete their qualification at the University of Waikato. The University's long-established partnerships with Shanghai International Studies University and Zhejiang University City College provide pathways into a number of University of Waikato degrees. While these partnerships continue to provide a strong source of high-quality international students, the recent establishment of the University's Joint Institute with Zhejiang University City College (see Section 10) and the consequential impact on student numbers flowing through to New Zealand, has meant that the University is looking for ways to supplement these partnerships. One strategy explored in 2018 has been the establishment of new Guaranteed Credit arrangements with high-quality international partner

institutions. During 2018, the University has added four new Guaranteed Credit arrangements with international partners and increased enrolments through its Guaranteed Credit arrangements by 16%.

The Strategy 2017-2021 aimed to increase the number of students undertaking study abroad at Waikato. In 2018 the University experienced a 25% increase over 2017 in the numbers of students it hosted for study abroad. The majority of growth came from US students (70%), with an increased number of students from Europe also undertaking study at Waikato. During 2018, the University added eight new study abroad partnerships and increased the number of students coming through existing partnerships. The University also increased its social media marketing of study abroad opportunities and revised its study abroad website, in parallel with introducing an online application form for study abroad students. In response to increasing student demand from the US market, the University has developed new short-duration study abroad programmes that will be offered in 2019 and beyond; the success of these programmes will be reported on in the University's 2019 Annual Report.

A number of the new and revitalised undergraduate programmes introduced as part of the University's curriculum redesign project proved particularly attractive to international students. These programmes included the Bachelor of Business Analysis, Bachelor of Business and Bachelor of Engineering with Honours; at the graduate level, the Master of Business and Management was by far the most popular programme with international students in 2018.

The University was successful in its bid to continue to be a preferred supplier of the New Zealand Scholarship Programmes run by the Ministry of Foreign Affairs and Trade. This programme enables students from developing countries to study in New Zealand, and a number of the University's international Pacific students come through this prestigious scholarship programme.

Activities undertaken in 2018 with respect to the delivery of indicator 6

Institutional financial performance

The University has a well-established financial monitoring and reporting system that provides for regular review of financial activity to ensure that expenditure and revenue remain on track with budget, and in order that the University achieves the relevant financial performance measures to maintain a low financial risk rating. Each month actual financial performance is compared to the budget for the month and year-to-date and budget holders are required to prepare monthly variance reports and update year-end forecasts. The University's Financial Services Division works alongside budget holders to ensure that significant variances from budget are accounted for and reported appropriately.

Key financial performance measures are also reviewed and reported on monthly to assess the University's on-going financial risk, and to determine financial sustainability and viability. These measures are the same used in the Tertiary Education Commission's financial risk assessment and Financial Monitoring Framework (FMF). By regularly monitoring performance against these measures, the University has the opportunity to intervene if current financial behaviour has the potential to impact on the University's low financial risk rating under the TEC's methodology; no such interventions were required in 2018.

The University Budget for 2018, which was approved by Council in late 2017, provided for the achievement of a minimum of 3.5% return on revenue, which is within the range specified by Government for low-risk tertiary education institutions.

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

The University continued to invest in new areas throughout 2018 and made a range of strategic senior appointments, including the establishment of, and appointment to, three new roles: Chief Operating Officer, Director of Organisational Development and Wellness, and Assistant Vice-Chancellor Pacific. New professorial appointments were made in the areas of Health, Sport and Human Performance; Sociology; Management and Marketing; and Geography.

RESEARCH PERFORMANCE AND INDUSTRY RELEVANCE

In August 2018, the University of Waikato Council approved a University Research Plan for the period 2018-2021. The Research Plan aims to act as a guide to achieving the following aspirations outlined within the University of Waikato Strategy 2017-2021:

- Ensuring 'a culture of research excellence is embedded in every University programme'
- Substantially improving 'research quality and impact across the University as measured by articles in refereed international journals, monographs with academic publishers, competitive research grants won, and domestic and international university rankings'
- Supporting 'academic staff to develop aspirational research plans that create a pathway to distinction in research performance'.

The Research Plan includes four objectives for the period:

1. Improved quality and quantum of University research
2. Increased income from Research and Development activities
3. Mātauranga Māori in Waikato research
4. Research excellence embedded in academic programmes

Each Faculty within the University is required to develop a plan to demonstrate how they will contribute to the Research Plan and its objectives.

The University continued to invest in the preparedness of its staff for PBRF 2018, offering in-house assessment of PBRF portfolios and support and advice for staff leading up to the PBRF submission date.

Growing relationships with a range of private companies raised the University's industry research revenue to \$1.8m in 2018, up from \$1.4m in 2017.

The University's close collaboration with eight innovative Bay of Plenty businesses and the Western Bay of Plenty economic development organisation Priority One over the last several years led to the PlantTech Research Institute being formed in mid-2018. PlantTech aims to transform plant-based value chains and regional economic performance through technology and innovation, and it is supported by the Ministry of Business, Innovation and Employment through the Regional Research Institutes Fund. PlantTech's key research themes are data integration and analytics, autonomous devices and vehicles, and point of use decision-support tools.

The University's technology commercialisation company, WaikatoLink, became a shareholder with three former University researchers in Chronoptics Ltd, which has been formed to commercialise high quality 3D vision solutions that allow electronic devices to perceive depth and experience the world in three-dimensions, as humans do. During the year, WaikatoLink also formally evaluated 23 different opportunities to take University technologies to end-users, added eight of those opportunities to its innovation pipeline for commercial development and dropped five opportunities that had been assessed as having low potential, following initial investment. WaikatoLink received 14 enquiries seeking commercial licenses for the University's data mining software suite, Weka, which enjoys widespread global usage and has continued to evolve since its release in 1997.

The University has significantly increased its activities in terms of student career services. It has also increased its engagement with industry, both as employers of current graduates, and as employers of future graduates who will meet their future needs. As a consequence, a number of the Faculties have active industry advisory boards who provide input into academic programmes and articulate their requirements for future graduates. Each faculty also had a representative on the Work-Integrated Learning group; this enables us to leverage off relationships between academic staff and a variety of external partners and employers.

Activities undertaken in 2018 with respect to the delivery of indicator 7

Research & Development revenue

The University won a number of significant research grants through 2018, many of which extend beyond 2019 to provide a strong pipeline of research funding in the future. The University was awarded funding from the TEC (through its Entrepreneurial Universities fund), the Ministry of Education, MBIE, as well as research funding from a wide range of Crown Research Institutes, universities and Centres of Research Excellence, and Central Government agencies and ministries. In addition, the University has attracted research funding from private sector companies and international organisations in 2018. There has been a notable improvement in the success rates of research funding applications during 2018. The University's new research revenue contracted in 2018 (\$41.7m) greatly exceeded the \$28.9m contracted in 2017.

Some of the MBIE research projects led by University of Waikato researchers that were contracted in 2018 included:

- He Waka Eke Noa: Māori Cultural Frameworks for Violence Prevention and Intervention, led by Associate Professor Leonie Pihama
- New approaches to detect invasive fish, led by Dr Clare Browne
- Omnidirectional earthquake isolation system, led by Professor Ilanko and Professor Brian Mace.

The University's success in attracting research funding has been enhanced through the work of the University's Research and Enterprise Office. The Research and Enterprise Office provides advice to researchers on public and private funding sources, assistance with the development of research proposals and business cases and, through its Contracts and IP team, provides advice and support in drafting, negotiating and reviewing legal agreements and contracts.

As part of the Strategy 2017-2021 the University signalled its ambition to improve performance in the Marsden Fund grants. In 2018 the University submitted 68 proposals for funding, had 18 reach the second round and received funding for seven proposals; a result second only to the nine Marsden grants won in 2010, and representing a 10.3% success rate, compared to 6.6% in 2017. The University's 2018 result was a significant improvement over the previous three years (2015-2017) but the University maintains its ambitions for further improvement in the future.

Some of the Marsden research projects that were contracted in 2018 and led by University of Waikato researchers included:

- Te Kāpaukura a Kupe: The Ocean in the Sky - Māori Navigation Knowledge, led by Dr Haki Tuaupiki
- Melanesia Burning: The Explosion of Pentecostalism in the Western Pacific, led by Dr Fraser Macdonald
- The Embrace of our Ancestors: Reimagining and Recontextualising Mātauranga Māori in Psychology, led by Dr Waikaremoana Waitoki.

To support improved performance in future research funding rounds, the University has established an internal contestable fund to assist staff in developing proposals for external research funds such as the MBIE Smart Ideas and Research Programmes, and Marsden Grants. In 2018 the University awarded 15 full grants and a further five partial grants to individuals and groups to support the development of their research proposals.

The University has been successful in attracting external funding for research positions at the University. New positions attracting funding 2018 included:

- Hawkes Bay Regional Council Chair of Integrated Catchment Management
- Mātauranga Wai Chair, Waikato River Authority
- Senior Research Fellow, Energy Efficiency and Conservation Authority.

University staff continued to contribute to New Zealand's National Science Challenges, attracting a further \$218,000 of top-up funding in 2018; bringing total funding for the University through the Challenges to \$10.07m. The University continues to build relationships with the National Science Challenges as preparation continues for the release of a second tranche of funding from 2019 onwards.

Investments in University of Waikato research continued to produce valuable research outputs during 2018. For example, University researchers published 892 Scopus-indexed research publications in 2018, up from 814 in 2017 and 742 in 2016. The increase in research outputs was expected to have a continued benefit for the performance in the University's global rankings as noted in Section 9 below.

Activities undertaken in 2018 with respect to the delivery of indicator 12

Student work placements

Through the University's Curriculum Design Framework implemented as part of the University's Curriculum Enhancement Programme, all comprehensive undergraduate degrees will require students to undertake a work-integrated learning component at either 200-300-level. Opportunities to fulfil this requirement might include summer research scholarships, internships and work placement papers; community-based work (e.g. volunteering with not-for-profit organisations); papers built around a community-engagement project, and/or the design and delivery of a paper in such a way that its content, tasks and assessments are properly aligned with the rationale and learning objectives that drive this requirement. As the Curriculum Enhancement Programme is rolled out, the first students will start completing this requirement in 2019 or 2020. As a consequence, 2018 was an important foundation year with each Faculty developing papers that will fulfil this requirement and satisfy student expectations.

A Work-Integrated Learning group was established in 2016 and, in 2018, had an increased focus on the establishment of a central coordination unit. This unit will ensure the effective coordination and management of employer relationships and student placements. The University has given significant consideration to the management of health and safety for students undertaking work placements and internships, and to establishing mechanisms to ensure that students are fully aware of their obligations when participating in work-integrated learning.

During 2018 the University has progressed the implementation of Work-Integrated Learning as a core component of the undergraduate curriculum. This has included the establishment of WIL administrator and manager roles, investigation of WIL management software, continued relationship-building with external parties, and approval of new courses for 2019 and beyond that will meet the work-integrated learning component of all comprehensive undergraduate degrees under the University's curriculum design framework.

During 2018, the University has also explored a number of options with international internship providers with a view to sending more students on overseas internships, building on its commitment to exposing students to a wider range of cultures and international perspectives.



STUDENT PARTICIPATION AND PERFORMANCE

Activities undertaken in 2018 with respect to the delivery of indicator 8

Māori student recruitment

The University of Waikato has continued its strong and proud history of delivering outcomes for Māori, once again attracting the highest proportion of Māori students of any New Zealand university in 2018.

As noted in Section 5 above, the University has a well-established student recruitment programme and the majority of the initiatives undertaken for domestic students also recruit Māori students. However, the University also undertakes a number of additional activities targeted at recruiting Māori students.

In 2018 the University continued its engagement and recruitment in areas with higher Māori populations (Northland, North Waikato, South Waikato, Te Kuiti/Otorohanga, Rotorua, Eastern Bay of Plenty, Gisborne/East Coast), including the promotion of the University's extensive Te Ara ki Angitū programme, which provides scholarships and transport for students in targeted areas within an hour of the University's Hillcrest campus. Te Ara ki Angitū will be expanded to encompass areas within one hour of the University's Tauranga CBD campus from 2019. Other activities included attendance at, and engagement through, iwi festivals and national Māori events such as the Manu Kōrero competition, and increased engagement in the Bay of Plenty through whānau information evenings and engagement in community/iwi health and education expos.

Te Pua Wānanga ki te Ao – the University's Faculty of Māori and Indigenous Studies – created Te Tohu Paetahi as a stand-alone Diploma programme. Previously, the Faculty's highly regarded total immersion reo programme had only been available as a major under the Bachelor of Arts. The Faculty also extended the offering of Te Tohu Paetahi to the Tauranga campus.

The University also established a new Te Ara Whānui Scholarship to attract high-calibre Māori secondary school students. The scholarship has been put in place for the 2019 academic year and a high number of applications for the scholarship were received in 2018.

During 2018 the University's Future Students team developed a Māori Student Recruitment Plan to better coordinate activities being undertaken across the University.

This included a decision to provide an increased quantum of University recruitment using both English and te reo Māori.

Pacific student recruitment

Over many years the University has achieved a proportion of Pacific students that is equal to, or higher than, the proportion of the Waikato/Bay of Plenty population that self-identify as Pacific. Specific focus on, and coordination of, the recruitment of Pacific students is a relatively recent recruitment initiative.

As noted in Section 5 above, the University has a well-established student recruitment programme and the majority of the initiatives undertaken for domestic students also recruit Pacific students. However, the University also undertakes a number of additional activities targeted at recruiting Pacific students.

In 2018 the University developed a Pacific Student Recruitment Plan which was endorsed by the University's Pacific Advisory Group. For example, activities delivered under this Plan during 2018 included the University's sponsorship of the annual 'Pasifika by Nature' Waikato/Bay of Plenty secondary school Polynesian festival, support for the Pasifika PowerUP programme that aims to actively support Pacific parents, families and communities to champion their children's learning, while also providing academic support for primary and secondary school students, and regular engagement with Pacific communities in the Waikato, Bay of Plenty and South Auckland.

The University offers specific scholarships for Pacific students; in 2018 these included the inaugural Pacific Excellence Scholarship, the Edna Money Future Pacific Leaders' Scholarship and the TAPA (Tertiary Achievement in Pacific Ako) Awards. All were well subscribed in 2018; applications received in 2018 for 2019 were also strong.

Many of the University's long-established Pacific student associations assisted the University in Pacific student recruitment activities in 2018, with students acting as ambassadors for members of their community that might be considering tertiary study.

Te Pua Wānanga ki te Ao – the University's Faculty of Māori and Indigenous Studies – introduced a new Pacific and Indigenous Studies major for the Bachelor of Arts as part of the Curriculum Enhancement programme in 2018. The major is unique within tertiary studies worldwide, embracing and

celebrating a critical and outward-looking focus, as opposed to the typical anthropological gaze commonly associated with Pacific Studies majors. The major seeks to teach students about the region while developing critical thinking, communication and analytical skills that draw on a range of diverse perspectives.

Activities undertaken in 2018 with respect to the delivery of indicators 9, 10 and 11

Learning support for all students

The University has entered into a range of student achievement-linked performance commitments with the Tertiary Education Commission, focused on paper completion, student retention and qualification completion. In all cases achievement of these commitments is highly dependent on student achievement in individual papers. The vast majority of students who successfully complete papers are also likely to re-enrol and continue their progress towards completion of a qualification. In recognition of this, the University primarily coordinates its support for students through individual papers.

The University offers a very comprehensive package of learning support for all its students, delivered centrally, and through Faculty-specific programmes. While many of the University's learning support initiatives have been in place for a number of years and have proven effective, the University is constantly seeking ways to enhance learning support for its students. To this end, a number of new initiatives and changes to existing initiatives are regularly explored. In 2018 these included:

- New initiatives led through the University Library, including support for Te Ara ki Angitū students, workshops focusing on the development of research skills, revision of online resources, and increased use of social media to promote student learning opportunities
- Working with the Waikato Students' Union to strengthen the class representative system, with a view to improving feedback and dialogue between students and lecturers during the delivery of a course. Initiatives have focused on increased training for class representatives and strong communication at department, Faculty and University levels
- The establishment of a new role, the Associate Director Student Retention Projects, and the appointment of an experienced staff member to this role. The role largely involves implementing and project managing new

retention and success initiatives that have been identified from international best-practice and adapted to work within a New Zealand and University of Waikato context

- Undertaking the Jump Start pilot, a bridging programme designed for students who have achieved University Entrance but have minimal credits in numeracy or literacy. On the basis of student satisfaction and grades in later papers the programme, which comprised a 15-point paper over summer school, together with a full-time programme of support and development activities, proved highly successful and will be expanded to include four papers in 2019
- The successful pilot of Studiosity, an online service that offers personal 24/7 help on assessment writing. The Faculty of Management was the focus of the 2018 pilot and will continue its use in 2019, while other online academic services are being investigated by the Centre for Tertiary Teaching and Learning
- Implementation of the new SITS student management system, which has enabled the University to automatically identify students who may be at risk of failing on the basis of their grades to date, and to message those students to link them with the University's various student support services
- Increasing the number of learning development drop-in sessions. Over the past couple of years drop-in sessions for student learning support have proven increasingly popular. In 2018, student learning developers in the Centre for Tertiary Teaching and Learning reoriented their face-to-face work with students towards drop-in sessions that require no appointments to be made. This change has proven very popular with students and complements the one-to-one appointments that have remained in demand
- A fundamental change in the curriculum through the University's Curriculum Enhancement Programme, with the establishment of discipline-specific foundation papers at 100-level as part of all comprehensive undergraduate degrees. Offered for the first time in 2018, these papers have often been developed alongside student learning developers; many also focus on discipline-specific research skills as a key component, developed with the expert inputs of library staff.

A significant number of Faculty-level learning initiatives have also been implemented during 2018. These have included a greater emphasis on project-based learning in the School of Engineering, an increased tutorial/workshop approach

to delivery in the Faculty of Health, Sport and Human Performance, and the provision of student mentoring services for all students in the Faculty of Law.

Māori student achievement

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

During 2018 the University continued its established Māori student mentoring programme, Te Āhurutanga Māori student leadership programme, Te Toi o Matariki postgraduate Māori student support programme and MAI ki Waikato Māori PhD student support programme.

Specific initiatives undertaken in 2018 in support of Māori student achievement included:

- Increased input from the Māori liaison librarians into the Māori student mentors forum to highlight student support opportunities through the library
- Increased celebration of Māori student success across and within Faculties, with a view to building a culture of achievement
- Increased monitoring of student progress, with a view to directing students to support services at the earliest stage possible
- Encouraging students to engage with staff outside lectures, with a view to breaking down boundaries and establishing a community of learners
- Coordinating a Māori student orientation stream as part of Orientation, including an introduction to key Māori student support staff.

Through the Curriculum Enhancement Programme, and particularly through the Cultural Perspectives requirement of this programme, there has been an increased understanding of the need for academic staff to take account of culturally responsive pedagogies. Many Faculties have required staff to undertake culturally responsive pedagogy workshops, supporting ongoing efforts to ensure that academic offerings enable the success of all students.

A number of initiatives are also undertaken in individual Faculties to offer specific support for Māori students. In 2018 these have included motivational speakers, alumni

symposium and other events in the Faculty of Management, a pre-requisite 100-level paper in the Faculty of Computing and Mathematical Sciences that included Māori student tutorials, paper-specific workshops in the Faculty of Law, the appointment of a Māori/Pacific student success coordinator in the Faculty of Science and Engineering, and an alumni speaker series in the Faculty of Arts and Social Sciences.

Pacific student achievement

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

While the number of Pacific students enrolled at Waikato is significantly lower than the number of Māori students, and correspondingly a much smaller volume of equity is received for Pacific students, the University still provides a comprehensive programme of support for Pacific learners.

In 2018, the University offered the following support specifically targeted at Pacific students:

- Pacific Orientation. A full-day programme where students meet Pacific student support staff, leaders of the Pacific Cultural and Academic Student Associations, and Pacific academic staff
- Pacific Co-Connect. Meetings scheduled at key dates where support staff help to ensure that students remain on track.
- Pacific Support Staff Forum. A network of more than 20 staff across the University who have a role, either formal or informal, in supporting Pacific students. The network is often used for sharing knowledge and best practice and provides an opportunity for a coordinated approach to supporting Pacific student success at the University
- Pacific Language Week. Sponsoring the celebrations of our Pacific student communities, which vary by community but often include academic workshops, social gatherings, talanoa with kava, and student performances on the University's Village Green
- Pacific PhD and Postgraduate Student Meet and Greet. Hosting sessions for Pacific PhD and Postgraduate students to meet and engage with other Pacific students across the University, reducing isolation and supporting peers' student journeys
- TAPA Awards Celebrating Success Ceremony. Bringing together Pacific students, their family and members of

the wider Pacific community to recognise and celebrate Pacific student success. In 2018, 28 TAPA scholarships were awarded to high-achieving Pacific students.

The University also provided a number of opportunities for Pacific student groups to get together and celebrate their common Pacific heritage and aspirations.

A number of Faculty-specific initiatives are also offered in support of Pacific student achievement. In 2018 these included the appointment of a staff champion for Pacific students in the Faculty of Māori and Indigenous Studies, study sessions facilitated by the Faculty of Management's Pacific student association, the appointment of a Māori/Pacific student success coordinator in the Faculty of Science and Engineering, the appointment of a Pacific student adviser in the Faculty of Arts and Social Sciences, and targeted academic skills workshops alongside Faculty support for at-risk students in the Faculty of Law.

Full-cost international student achievement

Typically, the University's international students are a very high-achieving cohort; their achievement results are often several percentage points higher than those of other student cohorts.

While central- and Faculty-based student support services are available to all students, the University offers a selection of support services specifically targeted to international students.

The University offers a comprehensive orientation and induction programme for new international students, which highlights the wide range of student support services available to all students, and key contacts for when additional support is required.

Many international students who have met the University's English language entry requirements still benefit from further English language support during their programme of study. Given the time pressures and expense often associated with international study, most students do not want to undertake additional programmes during their primary qualification. In 2018, the University introduced a free in-session English language programme for international students where English is not their first language.

Many Faculties also offer targeted support for international students, with many offering international buddy programmes for new students to aid their transition to Waikato.



ORGANISATIONAL CULTURE: STAFF AND STUDENTS

Activities undertaken in 2018 with respect to the delivery of indicator 13

2018 staff engagement survey

In 2018 the University created a new role of Director of Organisational Development and Wellness. A key first task for the new Director was undertaking a staff engagement survey.

The University had previously resolved to undertake an in-house staff engagement survey in 2018, replacing the survey that had been conducted by Voice. An in-house survey increases the University's ability to create more meaningful survey questions and undertake pulse- and unit specific employee engagement surveys in the future.

The in-house survey was conducted in September/October 2018 and received the highest-ever staff response rate – 71%.

Some key themes emerged through the staff survey at an organisational level, and further analysis and focus groups are being undertaken to add context and narrative and to highlight issues specific to particular areas.

At an overall level, the 2018 University of Waikato staff engagement survey identified that the vast majority of staff are very proud of what they do here, find their work rewarding and are proud to be associated with the University of Waikato. Staff, both academic and general, are incredibly passionate about supporting students.

It was evident through the staff engagement survey that staff in different areas have different experiences within the organisation and that there is a need for a work programme to ensure better consistency of staff experience and to ensure a high-quality baseline for this experience.

The staff engagement survey has highlighted some areas for future focus and improvement. These primarily relate to communication across the institution, along with the development of clear and agreed values and brand for the organisation. A comprehensive work plan for 2019 has been planned to progress these areas.

The Director of Organisational Development and Wellness has undertaken a programme of activities post the survey to delve deeper into the results and feedback to senior staff as appropriate. A communications plan is in place for 2019 to

provide feedback to staff on actions being taken to address the key issues raised through the survey.

Activities undertaken in 2018 with respect to the delivery of indicator 14

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

While the University does not have in place any preferential employment practices to prioritise the appointment of female academic staff, it has a well-established network of support for female staff and actively encourages women to step into leadership positions such as Associate Professor and Professor. Additionally, through the University's Human Resource Management division, reminders of the University's ambitions in this space are provided to the Faculty Deans through the internal academic promotions exercise, and during selection processes for relevant positions.

The activities of the University's Human Resources Management division have been supported by Faculty-level workshops on promotion for existing female staff, career-planning discussions undertaken by many line managers across the institution, and strong role modelling by the many female senior academic staff across the institution.

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

1. Provide mentoring and a network of peer support for women professors from all Faculties
2. Provide a forum for discussion of academic, professional and University issues, including research and equity
3. Facilitate leadership in academic disciplines within the University, as well as in the wider community in New Zealand and internationally.

Several senior women staff were selected this year to take part on the one-week residential New Zealand Women in Leadership programme sponsored by the New Zealand Vice-Chancellors.

Activities undertaken in 2018 with respect to the delivery of indicator 15

Responding to the student survey

As noted in the Statement of Service Performance, the iGraduate student surveys are undertaken every two years, with the next surveys scheduled for 2019.

As noted in the 2017 University of Waikato Annual Report, a work programme was developed to address those areas flagged by students. These include living costs and transport, employment opportunities after graduation, programme changes and work experience opportunities, international student support on arrival in NZ, wellbeing, orientation, and social study spaces.

Work undertaken against these areas in 2018 is set out below:

- Living costs and transport
 - The University has continued to work with Waikato Regional Council to broaden the programme of subsidised bus fares for students and staff in Hamilton, and in the development of services that better meet students' needs; work is underway to ensure that the same benefits are extended to Tauranga students from 2019
 - Through Te Ara ki Angitū : Pathways to Excellence Programme the University has enhanced its commitment to the greater Waikato and Coromandel regions. A benefit of this is heavily subsidised buses available to all enrolled students living in the five target regions; buses cost just \$1 each way
 - The University has doubled the hardship fund available through the Waikato Students' Union advocacy service
- Enhanced employment opportunities after graduation
 - Continued development of the Employability Plus Programme which creates opportunities for students to experience community volunteering, supporting the development of transferable skills required for employment
 - Enhancement of the MyCareer software system to enable students to create CVs and cover letters, find graduate and volunteering opportunities, and more
 - Increased employer/recruiter visits to campus to enable students to speak directly with employers
- A number of Faculty-specific initiatives have also been implemented to support students into employment. This includes personal branding and CV workshops for students in teacher education programmes in the Faculty of Education, Human Resource Management students delivering career development sessions to other Waikato students through the Faculty of Management, and career-specific preparation sessions for those qualifications with typical career pathways, including social work, law, clinical psychology and engineering
- Programme changes and work experience opportunities
 - As an outcome of the University's Curriculum Enhancement Programme, comprehensive undergraduate degrees were redesigned to conform with a model that makes it easier to understand paper requirements, and to have more flexibility to move between majors. The new structure was implemented in 2018 and incorporates work-integrated learning opportunities as part of the comprehensive undergraduate degree programme
- International student support on arrival in NZ
 - Continuation and expansion of the International Buddy Programme
 - Airport transport provided free of charge to most international students
- Wellbeing
 - The University's Student Health Services have been restructured. Accessibility (formerly Disability) services and the Counselling Service have been combined under one shared-health service. The internal operational changes are aimed at better supporting the connected, but varied, needs of students, with an emphasis on improving wellbeing and more proactive engagement with the University community outside of the Health Centre. With the recognised need for more Mental Health support, this new service now has a dedicated Mental Health nurse
 - In 2018 a new Mental Health Wellbeing Project was initiated. The aim of the project is to ensure that the University of Waikato is a healthy campus community where the people, programme, practices, policies and spaces foster wellbeing and support campus members to thrive and succeed

at Waikato and beyond. The steering group for the project met regularly during the second half of the year

- A Wellfit programme was successfully delivered again in 2018. Wellfit is an eight-week programme available to students and delivered by Health and Exercise Professionals at the UniRec. The programme offers a combination of mentorship through weekly one-on-one sessions, and the option to take part in exclusive wellness seminars and group physical activities. Students can be referred by the staff in the Student Health Service, including the Accessibility Service

- Orientation

- A revised 2018 new student Orientation programme was run over three full days prior to classes starting. Students were given individual timetables outlining the sessions they should attend, including a range of transition support options, enhanced academic orientation sessions and fun activities

- More social and study spaces.

- In December 2018, Council agreed to move forward to detailed design for a new multi-function facility that will provide significant new high-quality social learning space (the Pā Project)
-

REPUTATION

While not specifically linked to either KPI 16 or KPI 17, a reasonably new activity that will impact on the University's reputation is the University's offering of free, open online courses internationally through the FutureLearn platform. One 'run' of the paper Data Mining with Weka in April 2018 attracted 5,091 joiners; a second 'run' of the same paper in October attracted a further 1,937 joiners. Two other courses offered by the University, More Data Mining with Weka, and Advanced Data Mining with Weka, attracted similar numbers during 2018. These courses showcased the University's deep experience in data mining with Weka. Some students chose to pay a fee to 'upgrade' their enrolment in order to receive a Statement of Participation and Certificate of Achievement. The University has a partnership agreement with FutureLearn to share generated revenue from upgrades; while this revenue was not significant in 2018, it did represent an increase over the revenue generated in 2017. During 2018 the University progressed the development of a suite of FutureLearn courses that reflect the University's distinctiveness and will serve to enhance our reputation.

Activities undertaken in 2018 with respect to the delivery of indicator 16

University rankings

University rankings remain a highly competitive activity, with significant efforts and investments being made by institutions globally to retain or improve their positioning despite increased competition from new and emerging markets, and despite changing methodologies by rankings organisations that have the potential to significantly alter results between years and across rankings platforms.

The University's sustained improvement in the QS Rankings is largely attributable to ongoing efforts to ensure that staff are correctly claiming their own work through ORCID researcher IDs, and are meeting expectations with respect to quantum academic publications and where these are published (see also Section 6 above).

While publications by University academic staff have increased in the lead up to the 2018 PBRF census date, the impact of these increased publications and corresponding citations is unlikely to be evident until the 2020 rankings cycle – highlighting the significant time lags associated with initiatives around rankings.

There are currently two key areas where the University has the most scope to improve its performance in the

University rankings: the academic peer review component and the employer review component. While University academic staff have extensive international connections and associations with international researchers, it is evident from the data underpinning the rankings that further work is required to ensure that these relationships translate to recognition in the academic peer components of the rankings.

A number of Faculty-led initiatives are being undertaken in support of the University's rankings performance. In 2018 these included the development of a new publication incentive system in the Faculty of Management to encourage publications in highly ranked journals, exploration of the role of social media platforms in encouraging citations in the Faculty of Health, Sport and Human Performance, and supporting staff presentations at international conferences through the Faculty of Arts and Social Sciences. All Faculties encourage staff to include an international component in study leave.

While feedback from employers of Waikato graduates has been very positive, very few employers have completed the employer surveys that contribute to the rankings. Through the development of the University's Work-Integrated Learning initiative under the Curriculum Enhancement Programme, the University has been strengthening its links with local employers. It is hoped that these relationships will support greater employer survey completion rates in future years.

The University is considering a range of future activities that may further contribute to a strengthened rankings performance.

Activities undertaken in 2018 with respect to the delivery of indicator 17

Public lectures, seminars and performing arts activities

The University offered a comprehensive programme of public lectures, seminars and performing arts activities throughout 2018. These included presentations by University staff and students, along with external experts and guest presenters.

The University's 2018 programme included both centrally managed and coordinated activities, and those conducted through research centres, institutes, Faculties and departments/Schools.

Alongside an extensive programme of public lectures, seminars and performing arts activities through its Hamilton campus in 2018, the University also continued with its programme of Tauranga lectures. The Tauranga series again proved exceptionally popular with residents from the Bay of Plenty.

The Conservatorium of Music of the University's Faculty of Arts and Social Sciences continued its popular lunchtime recital series, with performances by staff and students throughout 2018. A number of free master classes were open to the public and regular concert performances were held at the Waikato Museum, alongside a range of other performances across the Waikato.

It is common practice for visiting academics to contribute to the University's public engagement programme. In 2018, through the Faculty of Management alone, 22 academics from across the world gave public lectures about their research.

The University continued with its inaugural Professorial Lecture series throughout 2018. This series allows the University to introduce newly appointed or promoted professorial staff to the community and gives them an opportunity to demonstrate how their work is having a real impact on the world around us.

In support of its community engagement objective, the University also redesigned its News and Opinion webpage with a view to better promoting the news and successes of the University, as well as providing an opportunity to publicise the University's contribution to its role of critic and conscience of society. University academics are also regular contributors to The Conversation, an independent, non-profit media outlet that develops and shares academic content edited by professional journalists under creative commons license.



OTHER COMMITMENTS

Tauranga

In late 2018 the University's Tauranga CBD campus construction project was nearing completion with handover expected at the end of February 2019. The campus will enable flexible, modern undergraduate and postgraduate teaching with features including customisable teaching spaces, a 200-seat lecture theatre, a multi-function space, computer labs, and common areas for studying and socialising. The campus development has been made possible through the support and drive of the region, especially the key funders: Tauranga City Council, Bay of Plenty Regional Council and TECT.

In November 2018, Toi Ohomai announced its intention to move all Tauranga delivery to its Windermere Campus. The decision allows the University to take up the opportunity to shift its current teaching and staff to the CBD, using the Bongard Centre to support a smooth transition to the new partnership building being constructed in Durham Street. The University values its strong relationship with Toi Ohomai and is very happy to be working in partnership with the institution to ensure the best experience for all our students, and delivery of quality education options for the Bay of Plenty through a true network of provision.

A comprehensive marketing campaign has been undertaken in 2018 to raise awareness about the University in Tauranga; this campaign ran alongside specific marketing of programmes for the new campus with a particular focus on secondary school students across the wider Bay of Plenty region. The University also established a number of Bay of Plenty scholarships for 2019, all of which received strong applications, reflecting demand for university provision in the Bay.

During 2018 the University has secured some initial student accommodation for students at the Tauranga CBD campus and is taking a phased approach to student accommodation in Tauranga as it tests the market to determine the appropriate mechanism for the provision of student accommodation over the longer term.

The University has been working with the Tauranga City Council with a view to securing land for the development of an interdisciplinary coastal and marine research centre. At the end of 2018, the Tauranga City Council was undertaking public consultation with respect to the release of a section of land at Sulphur Point for this future development.

Following liaison with Bay of Plenty employers and the project funders, a comprehensive suite of academic programmes have been agreed for delivery in Tauranga in 2019, and during 2018 a number of academic staff were recruited to enable the delivery of these programmes. The University strategy for delivery in Tauranga is to offer comprehensive undergraduate degrees that reflect Bay of Plenty regional activities and context throughout the content and case studies used, with regionally based work integrated learning components in every degree and cultural perspective papers reflective of and informed by local iwi. We will also develop specialised postgraduate programmes that focus on in-depth studies in specific areas of regional activity.

A significant milestone for the University of Waikato Adam's Centre for High Performance in 2018, was the establishment of a Founders Agreement to replace the previous Strategic Partnership. This provides the University with an enduring presence and is more financially beneficial through reduced lease costs over the long term. The Founders Agreement was approved by the Tauranga City Council in late 2018.

During 2018 the University has been working to establish a Bay of Plenty Te Ara ki Angitū programme that will provide a combination of transport, scholarship and learning support opportunities for students from the wider Bay of Plenty region. It is anticipated that, like the programme in the Waikato region, the programme will open the option of university study for a cohort of students who may not have previously considered studying at university. From early 2019 a bus service will operate from Katikati to the Tauranga CBD campus. Additionally, shuttle buses will operate several times a day between the Hamilton campus and the Tauranga CBD campus to provide further study options for students who may want to undertake particular papers being offered through a specific campus; the shuttle bus will also be available for those staff needing to travel between the campuses.

Joint Institute with Zhejiang University City College

The first cohort of students started at the University's Joint Institute with Zhejiang University City College (ZUCC) in September 2017. 223 students, enrolled across three University of Waikato degree programmes, successfully completed their first year study in 2018.

As reported in the University's 2017 Annual Report, the University became the first New Zealand university to receive Chinese Ministry of Education approval to fully deliver our degrees in China. The ZUCC/University of Waikato Joint Institute at Hangzhou is a reflection of the University's long-standing commitment to partnership and collaboration in China. Our relationship with ZUCC spans more than 15 years.

In September 2018, a second cohort of 230 students commenced at the Institute, with an increased number of students being taken with Band 1 scores from the Gao Kao, reflecting the high regard that the University's programmes are given and the high quality of provision through the Institute.

During 2018 the University appointed eight new staff to the Joint Institute.

Curriculum Enhancement Programme

2018 was the first year of the University's new curricula being offered at 100 and 200 levels.

Students in their second year of study who chose to do so have been successfully transitioned to the new degree structure. All 100 and 200 level papers are now 15 point papers, with the majority of 300 level papers having also been redesigned as 15 point papers (200 and 300 level papers were previously 20 points); a small number of 300 level and 400 level 20 point papers have been retained to enable grand-parented students to complete their programmes in 2019.

In alignment with the Curriculum Design Framework, the University has established a comprehensive suite of disciplinary foundation papers. These papers include:

- Fundamental undergraduate-level academic skills (including, but not limited to: information gathering and analysis, communication in a variety of relevant formats, digital literacy, and collaborative work)
- An introduction to the nature of the discipline(s) and its fundamental concepts and methods
- An introduction to academic integrity and to professional ethics.

A compulsory part of all comprehensive undergraduate degrees, many of these papers have been developed with the input of the subject librarians and student support staff to identify and develop those fundamental skills that often pose the biggest challenge for new students.

During 2018, the intended cohort of cultural perspectives papers were scrutinised by the University's Curriculum Committee with a view to ensuring that the proposed papers satisfied the requirement set out in the Curriculum Design Framework that these papers provide the opportunity for students to become competent and confident in culturally and linguistically diverse contexts both locally and globally. The Committee paid particular attention to ensuring that the design and delivery of papers was such that their content, tasks and assessments were properly aligned with the rationale and learning objectives that underpinned the intention of the cultural perspectives component of the curriculum. Several papers required reworking before the Committee was confident that they would provide the intended outcomes for students.

As noted under Section 6 of this Annual Report, the University invested considerable time and resources in 2018 to ensuring that an appropriate framework is in place to ensure the success of work-integrated learning as a core component of the University's undergraduate curriculum. These investments included establishment of WIL administrator and manager roles, investigation of WIL management software, the continuation of building relationships with external parties, and the establishment

of new courses for 2019 and beyond that will meet the work integrated learning component of all comprehensive undergraduate degrees under the University's curriculum design framework.

SLMS – Te Aka Mānea Project

In early 2018, the University went live with the Learning Management component of its SLMS – Te Aka Mānea project. The new Moodle system was in place for A Semester 2018 and feedback from staff and students has been positive, with one of the key benefits being that students across the institution have a consistent experience with online learning and support. Previously a number of different systems were used across the institution creating some confusion, particularly for those students studying papers across Faculties. The Learning Management component of Te Aka Mānea was closed in April 2018 as a completed project and management of the system became business as usual.

The University delivered the first stage of its Student Management System component of its SLMS – Te Aka Mānea project during 2018. The new SMS systems (MyWaikato, SITS Client and SID) went live to replace the former Jade Student Management System as planned on 5 June 2018. The new system, delivered on time and on budget has resulted in:

- An enquiry management system for the purpose of capturing enquiries and communicating with enquirers. This is all new functionality, as Jade SMS did not support the management of enquiries and responses. SID is a web-based system that records enquiries and their responses centrally, for greater visibility. It also hosts FAQs, pulls ('harvests') email contents into SITS:Vision, automatically assigns enquiries to specific teams, and provides reporting on enquiries and response times. SID will interact directly with enquiries captured on the website, which were previously manually entered into Jade
- A new student and staff portal called My Waikato – one place where students can go to perform student management tasks, including apply, enrol, change enrolment, update personal and contact details, view

account details (for fees), apply to graduate, and view and apply for an academic record. Improvements include an intray for messages from the University, viewing a personalised timetable, and tutorial signup. Staff also have access to the portal and can manage a number of processes and are also able to perform many administration functions and processes on behalf of students

- An improved application process that can be better tailored to specific cohorts of students based on their citizenship, previous study and the qualification they're applying for. Applicants no longer need to download additional PDF forms (eg. for PhD), as the appropriate questions can be included in the electronic form. It also allows students to accept their offer online; this is new functionality which provides us with greater certainty as to who will enrol
- An improved enrolment process. Previously the only paper selection guidance provided (apart from consultation with staff) was in the Catalogue of Papers or Faculty handbooks. SITS:Vision provides guidance during the online enrolment process, showing students which papers fit particular degree/major regulations. Paper rules such as prerequisites are validated automatically
- The Waikato Operational Data Store (WODS) to support integration and enhanced reporting capabilities through Microsoft's PowerBI business intelligence tool
- My eEquals – A free online system for providing students and employers with digitally certified copies of transcripts and award certificates
- An exam management and scheduling facility.

While some initial functionality deficits were identified post 'go-live', work-arounds for these functionality gaps were quickly created and subsequent system upgrades have addressed the vast majority of these.

The University has moved into the 'Learn and Improve' stage of the SMS project and is working through a range of technical requirements to enable new and enhanced system functionality and to increase processing automation.

STATISTICAL INFORMATION

Total Qualification Completions by Level

	2010	2011	2012	2013	2014	2015	2016	2017	2018
Foundation Certificates	827	548	546	484	523	473	476	513	635
Degree	1,843	1,929	2,037	2,167	1,937	1,891	2,015	2,235	2,194
Graduate/Postgraduate	1,208	1,289	1,284	1,071	968	918	956	798	863
Higher Degree	71	105	73	83	92	74	86	75	105
Total	3,949	3,871	3,940	3,805	3,520	3,356	3,533	3,621	3,797

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

Total EFTS by Level

	2010	2011	2012	2013	2014	2015	2016	2017	2018
Sub-degree	575	453	406	345	335	393	321	428	493
Degree	7,874	8,009	8,123	8,075	7,824	7,881	7,710	7,680	7,934
Taught Postgraduate	1,205	1,159	1,117	1,161	1,168	1,192	1,238	1,232	1,264
Research Postgraduate	593	620	620	576	576	551	536	552	567
ACE	168	108	104	2	-	-	-	-	-
Total	10,415	10,349	10,371	10,159	9,904	10,018	9,805	9,892	10,257

Total EFTS by Source of Funding

	2010	2011	2012	2013	2014	2015	2016	2017	2018
Ministry-Funded (excluding ACE)	8,546	8,660	8,776	8,726	8,473	8,451	8,250	8,256	8,409
Full-Cost International	1,664	1,543	1,461	1,408	1,401	1,535	1,510	1,599	1,791
Full-Cost other	38	37	30	24	29	32	46	37	57
ACE	168	108	104	2	-	-	-	-	-
Total	10,415	10,349	10,371	10,159	9,904	10,018	9,805	9,892	10,257

Total EFTS by Organisational Unit

	2010	2011	2012	2013	2014	2015	2016	2017	2018
Arts & Social Sciences	2,091	2,060	2,185	2,227	2,143	2,092	2,054	2,035	1,996
Computing & Mathematical Sciences	804	878	950	993	964	998	993	977	949
Education	3,061	2,905	2,871	2,568	2,322	2,200	2,042	1,714	1,621
Health, Sport and Human Performance	-	-	-	-	-	-	-	-	216
Law	626	650	622	646	635	643	637	640	704
Māori & Pacific Development	274	302	283	263	226	247	230	256	310
Science & Engineering	918	974	1,003	1,047	1,103	1,165	1,178	1,175	1,228
Waikato Management School	2,641	2,580	2,455	2,416	2,512	2,673	2,671	2,665	2,728
Pathways College	-	-	-	-	-	-	-	430	509
Total	10,415	10,349	10,371	10,159	9,904	10,018	9,805	9,892	10,258

1 NOTE: From 2017, EFTS for the Pathways College have been recorded under a separate organisational unit, prior to 2017 these EFTS were included as part of the Faculty of Education.

2 NOTE: From 2018, EFTS for the Faculty of Health Sport and Human Performance have been recorded under a separate organisational unit, prior to 2018 these EFTS were included as part of the Faculty of Education.

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018
Total Academic FTE	654	646	637	640	636	647	628	599	598 ¹
Total EFTS	10,415	10,349	10,371	10,159	9,904	10,018	9,805	9,892	10,257 ²
Ratio	15.9	16.0	16.3	15.9	15.6	15.5	15.6	16.5	17.2

1 NOTE: In July 2018 the University entered into a partnership with Study Group New Zealand for the delivery of sub-degree EFTS; the Total Academic FTE reported for 2018 excludes those staff employed by Study Group NZ.

2 NOTE: The Total EFTS for 2018 includes those EFTS delivered by Study Group NZ under sub-contracting arrangement with the University.

Research Revenue per Academic FTE (Research)

	2010	2011	2012	2013	2014	2015	2016	2017	2018
Annual Research Revenue	\$27.464 million	\$31.077 million	\$29.693 million	\$28.666 million	\$27.969 million	\$32.824 million	\$34.574 million	\$28.894 million	\$33.192 million
Academic FTE (Research)	449	441	442	448	451	449	423	387	387
Research Revenue per Academic FTE (Research)	\$61,111	\$70,395	\$67,169	\$63,986	\$62,015	\$73,095	\$81,735	\$74,661	\$85,767

Research Publication Count by Type

	Books	Chapters	Conference Contributions	Creative Works	Journals	Other	Total
Arts, Social Sciences and Law	18	41	156	30	179	130	554
Computing & Mathematical Sciences	3	7	64	2	38	7	121
Education	9	24	46	1	79	15	174
Health, Sport and Human Performance	1	7	11		61	4	84
Management	2	13	62		140	24	241
Māori & Indigenous Studies			21		5	17	43
Science & Engineering		8	104		263	24	399
Office of the Vice-Chancellor	5	2	14		26	2	49
Non Faculty Staff		1	1		6		8
Total	38	103	479	33	797	223	1,673

NOTE: 2018 research publication snapshot as at 18 February 2019

Total Students by Ethnicity

	2010	2011	2012	2013	2014	2015	2016	2017	2018
Pākeha/European	5,841	5,775	5,778	5,711	5,472	5,331	5,066	5,026	5,290
NZ Māori	2,300	2,339	2,343	2,290	2,254	2,249	2,261	2,344	2,398
Pacific Islander	470	491	557	589	570	624	631	616	699
Chinese	1,301	1,182	1,181	1,130	1,252	1,368	1,395	1,461	1,582
Indian	416	428	456	419	447	470	444	512	547
Other	2,314	2,348	2,206	2,205	2,237	2,236	2,219	2,270	2,087
Total	12,642	12,563	12,521	12,344	12,232	12,278	12,016	12,229	12,603

Total Students by Gender

	2010	2011	2012	2013	2014	2015	2016	2017	2018
Female	7,241	7,147	7,184	7,086	7,002	6,959	6,845	7,040	7,354
Male	5,401	5,416	5,337	5,258	5,230	5,319	5,171	5,189	5,249
Total	12,642	12,563	12,521	12,344	12,232	12,278	12,016	12,229	12,603

Total Staff FTE

	2010	2011	2012	2013	2014	2015	2016	2017	2018 ¹
Academic	654	646	637	640	636	647	628	599	598
Other	882	897	876	880	847	863	870	863	843
Total	1,537	1,543	1,513	1,520	1,483	1,510	1,498	1,463	1,441

¹ NOTE: In July 2018 the University entered into a partnership with Study Group New Zealand for the delivery of sub-degree EFTS; the Total Staff FTE reported for 2018 excludes those staff employed by Study Group New Zealand.

Seniority of Total Academic Staff FTE

	2010	2011	2012	2013	2014	2015	2016	2017	2018 ¹
Professors	82	81	86	81	82	82	84	84	87
Associate Professors	77	78	73	72	74	77	82	80	78
Senior Lecturers	229	230	234	231	234	226	206	188	185
Lecturers	126	125	123	106	95	92	88	81	88
Other	140	131	122	150	151	170	168	165	160
Total	654	646	637	640	636	647	628	599	598

¹ NOTE: In July 2018 the University entered into a partnership with Study Group New Zealand for the delivery of sub-degree EFTS; the Total Academic Staff FTE reported for 2018 excludes those staff employed by Study Group New Zealand.

Total Staff FTE by Organisational Unit

	2010	2011	2012	2013	2014	2015	2016	2017	2018 ³
Arts & Social Sciences	174	170	173	179	178	179	175	163	151
Computing & Mathematical Sciences	80	78	74	78	77	78	84	76	79
Education	381	386	363	367	342	319	256	194	162
Health, Sport and Human Performance ¹									25
Law	36	38	38	42	40	38	36	35	39
Management	188	186	177	171	167	175	165	136	141
Faculty of Māori & Indigenous Studies ²	24	21	41	44	38	37	21	24	30
Science & Engineering	189	193	195	187	186	195	201	204	200
Other Organisational Unit	465	471	452	452	455	489	562	632	614
Total	1,537	1,543	1,513	1,520	1,483	1,510	1,498	1,463	1,441

NOTES:

(1) From 2018, Staff FTE in the Faculty of Health, Sport and Human Performance have been recorded under a separate organisational unit, prior to 2018 these FTE were included as part of the Faculty of Education

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

(3) In July 2018 the University entered into a partnership with Study Group New Zealand for the delivery of sub-degree EFTS; the Total Staff FTE reported for 2018 excludes those staff employed by Study Group New Zealand.

AUDITOR GENERAL OPINION

JDIT NEW ZEALAND
Mana Arotake Aotearoa

Independent Auditor's Report

To the readers of the University of Waikato and group's financial statements and statement of service performance for the year ended 31 December 2018

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 statement of service performance of the University and group on his behalf.

Opinion

We have audited:

- the financial statements of the University and group on pages 61 to 113, that comprise the balance sheet as at 31 December 2018, the statement of comprehensive revenue and expense, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information; and
- the statement of service performance of the University and group on pages 42 to 51.

In our opinion:

- the financial statements of the University and group on pages 61 to 113:
 - present fairly, in all material respects:
 - the financial position as at 31 December 2018; and
 - the financial performance and cash flows for the year then ended; and
 - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards; and
- the statement of service performance of the University and group on pages 42 to 51 presents fairly, in all material respects, the University and group's service performance achievements measured against the proposed outcomes described in the investment plan for the year ended 31 December 2018.

Our audit was completed on 25 March 2019. This is the date at which our opinion is expressed.

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

Basis for our opinion

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

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

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

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

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

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

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

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

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

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

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

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of these financial statements and statement of service performance.

For the budget information reported in the financial statements and the statement of service performance, our procedures were limited to checking that the information agreed to the University and group's investment plan.

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

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

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

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

Our responsibilities arise from the Public Audit Act 2001.

Other information

The Council is responsible for the other information. The other information comprises the information included on pages 1 to 41 and 52 to 60, but does not include the financial statements and the statement of service performance, and our auditor's report thereon.

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

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

Independence

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

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



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

STATEMENT OF SERVICE PERFORMANCE

Sub-Category	2015 Actual	2016 Actual	2017 Actual	2018 Target	2018 Actual
1. Volume of MF/SAC-eligible EFTS delivered	8,451 EFTS	8,250 EFTS	8,256 EFTS	8,800 EFTS	8,409 EFTS

The University achieved an increase in MF/SAC EFTS over its 2017 volume, and delivered over and above its 100% funding by the Tertiary Education Commission. It did not, however, achieve its own target set out in its Investment Plan 2017-2019 for 2018.

EFTS in Tauranga increased by 5% in 2018, up to 533 EFTS from 508 EFTS in 2017. While Tauranga EFTS were slightly below target, the University is confident with respect to its ambitions for growth with the opening of the new campus and introduction of additional programmes from 2019.

A pattern of movement toward higher-cost funding categories, particularly Science and Engineering, noted in the 2017 Annual Report continued in 2018, with continued strong growth in civil and mechanical engineering programmes. The University in 2018 also saw significant growth in initial teacher education programmes, primarily in response to continued media reporting about teacher shortages.

In 2018, 1,690 students were deemed eligible for enrolment under Government's fees free policy in 2018 and these students generated 1,524 EFTS.

The University continued with delivery of its sub-degree Certificate of University Preparation programme, which provides a pathway for students who narrowly failed to achieve University Entrance to undertake degree-level study. While the University delivered 151 EFTS in the programme in 2018, SAC funding for the programme was capped at 105 EFTS by the Tertiary Education Commission.

Ministry-Funded taught postgraduate EFTS declined in 2018, reflecting the strong job market which meant that a significant proportion of students completing undergraduate degrees sought employment rather than continuing with postgraduate study. The University continued its pattern of EFTS growth in undergraduate programmes (up 2.8% over 2017) and research postgraduate programmes (up 8% over 2017).

The University is still confident that it will achieve its longer-term growth ambitions set out in its Strategy 2017-2021.

	2015 Actual	2016 Actual	2017 Actual	2018 Target	2018 Actual
2. Proportion of SAC-funding delivered	99.8%	99.1%	99.2%	102%	100.9%

During 2018, on the basis of strong performance reported through its Single Data Return, the Tertiary Education Commission allocated the University an additional \$67,000 in SAC funding. The University achieved 100.9% of this revised SAC funding figure.

The University exceeded the 99% funding threshold set by the Tertiary Education Commission and achieved all of its allocated Student Achievement Component (SAC) funding for 2018.

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

The University's confidence around the success of its new Tauranga CBD campus alongside a range of new programmes under development mean that the institution's longer-term ambitions remain realistic.

	2015 Actual	2016 Actual	2017 Actual	2018 Target	2018 Actual
3. Volume of Full-Cost International EFTS delivered	1,535 EFTS	1,510 EFTS	1,599 EFTS	1,700 EFTS	1,791 EFTS

This indicator counts only students enrolled in New Zealand; an additional 82 EFTS were generated by students enrolled at the Joint Institute in China in 2018.

The University exceeded its Full-Cost International EFTS target in 2018, increasing its Full-Cost International EFTS by 12% over 2017.

International student enrolments in taught postgraduate programmes increased significantly in 2018 (up by 23%), reflecting the popularity of the University's 180-point taught Masters programmes. Degree-level enrolments increased by approximately 6% in 2018, which, when combined with the strong retention rates for international students, should deliver strong enrolment pipelines for future enrolments.

As reported in Section 5 of this Annual Report, the University chose to partner with Study Group for the delivery of its sub-degree and foundation programmes. International student enrolments in the University's sub-degree and foundation programmes increased by 16% in 2018.

The Faculty of Management attracted almost 50% of international student enrolments in 2018, with strong enrolments also in the Faculty of Arts and Social Sciences, Faculty of Computing and Mathematical Sciences and increasing enrolments in the Faculty of Science and Engineering.

The majority of international students were from the Peoples' Republic of China, India, Malaysia and Vietnam with increasing numbers of students from new and emerging markets including Pakistan, Mauritius, Kenya and Thailand.

	2015 Actual	2016 Actual	2017 Actual	2018 Target	2018 Actual
4. Proportion of total EFTS generated by FCI students	15.3%	15.4%	16.2%	16.2%	17.5%

This indicator counts only students enrolled in New Zealand; an additional 82 EFTS were generated by students enrolled at the Joint Institute in China in 2018.

The University exceeded its planned increase in the proportion of its total EFTS generated by FCI students.

While the University increased both Ministry-Funded and Full-Cost International student enrolments in 2018, the growth in Full-Cost International students outpaced that of Ministry-Funded students and as a consequence the proportion of total EFTS generated by FCI students increased.

	2015 Actual	2016 Actual	2017 Actual	2018 Target	2018 Actual
5. Volume of total EFTS delivered	10,018 EFTS	9,805 EFTS	9,892 EFTS	10,500 EFTS	10,257 EFTS

This indicator counts only students enrolled in New Zealand, an additional 82 EFTS were generated by students enrolled at the Joint Institute in China in 2018.

The University grew its total EFTS in 2018. While growth was below target, both MF/SAC EFTS and Full-Cost International EFTS increased in 2018.

In addition to Ministry-Funded and Full-Cost International students, the University also enrolls a small number of Full-Cost Other students. These students include those enrolled through the ICT Graduate School (10.2 EFTS) and those domestic student enrolments in the Certificate of University Preparation programme that exceeded the funding cap imposed by the Tertiary Education Commission (46 EFTS).

The University's longer-term ambitions for EFTS growth, as set out in the University Strategy 2017-2021, will not be affected by the 2018 target not being achieved.

	2015 Actual	2016 Actual	2017 Actual	2018 Target	2018 Actual
6. Risk rating against the TEC's Financial Monitoring Framework	'Low Risk'	'Low Risk'	'Low Risk'	'Low Risk'	'Low Risk'

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

Based on the University's audited results for 2017 and the three-year forecasts provided to the TEC in February 2018, the FMF model indicated no change to the 'low risk' rating achieved in previous years.

	2015 Actual	2016 Actual	2017 Actual	2018 Target	2018 Actual
7. Research and Development (R&D) revenue generated	\$73.5M	\$73.3M	\$61.6M	\$58.3M	\$67.2M

The University exceeded its 2018 target for Research and Development Revenue, and the 2018 result represented a 9% increase over 2017.

Particularly strong performance from the Faculty of Science and Engineering stood out in a year where the University attracted a number of new, multi-year, research contracts that will provide a strong pipeline for the future.

As noted in Section 6, the University won two Entrepreneurial Universities contracts from the Tertiary Education Commission and increased its success in terms of MBIE grants, which contributed to the University's strong R&D result in 2018.

	Sub-Category	2015 Actual	2016 Actual	2017 Actual	2018 Target	2018 Actual
8. Proportion of MF/SAC-eligible EFTS	who are Māori	22%	23%	23%	21%	23%
	who are Pacific	6.7%	6.8%	6.9%	6%	7.4%

The University's proportion of Ministry-Funded EFTS generated by Māori students continued to be considerably higher than that of any other New Zealand university.

The University continued to deliver very strong results against this indicator and increased its proportion of Ministry-Funded EFTS generated by Māori students from 22.8% in 2017 to 23.1% in 2018, with a small increase in volume from 1,888 EFTS in 2017 to 1,945 EFTS in 2018.

The University's result remained consistent with the proportion of the Waikato/Bay of Plenty population who identified as Māori in the 2013 census; at the time of writing results from the 2018 census had not yet been published by Statistics NZ.

The Faculties of Education, Arts and Social Sciences and Management attracted the most Māori student enrolments in 2018, accounting for nearly 60% of Māori student enrolments.

The University's proportion of Pacific students continued to increase. The 2018 proportion was the highest achievement on record for the University and the proportion was significantly higher than the 2013 census proportions for both the Waikato/Bay of Plenty region (3.5%) and the national population average (7.0%).

Enrolments by Pacific students aged under 25 continued to increase with the biggest growth in Pacific students in 2018 being among the school-leaver cohort.

The Faculties of Arts and Social Sciences and Management attracted the most significant proportions of Pacific students (24% and 23% respectively), with strong Pacific representation also in both the Faculties of Law and Education.

	Sub-Category	2015 Actual	2016 Actual	2017 Actual	2018 Target	2018 Actual
9. Paper completion rates (Level 4 and above) for	MF/SAC-eligible students	84.4%	85.2%	85.7%	85%	84.2%
	MF/SAC-eligible students who are Māori	78.4%	78.8%	79.1%	81%	76.1%
	MF/SAC-eligible students who are Pacific	67.1%	70.8%	72.0%	72%	69.6%
	FCI students	90.4%	92.2%	93.4%	85%	93.8%

This indicator replicates the TEC paper completion rate educational performance indicator methodology and measures successful paper completion rates for papers that concluded within the academic year.

While the introduction of Government’s fees free policy did not have a noticeable effect on the University’s enrolments in 2018, there was a change in student behaviour which is evident through first year paper completion rates.

A significant proportion of students eligible for fees-free enrolment in 2018 enrolled in the maximum number of papers that they could enrol in their programme of study under this entitlement in 2018. This is evident from a near 10% increase in 100-level paper enrolments for MF/SAC eligible students overall; this level of increase was also experienced for Māori and Pacific students within this group. The same increase was not evident at other levels. Paper completion rates for all MF students at 100-level were noticeably lower than over the previous few years, in some cases down by more than 5% over the previous year. Paper completion rates at other levels remained similar to the previous year.

Interrogation of student results suggests that while Ministry-Funded students enrolled in higher workloads at 100-level than in previous years, the number of withdrawals decreased, suggesting that where students did not have a financial stake in their enrolment they felt less incentive to withdraw from papers as opposed to failing to complete these – the fact that 100-level paper completion rates in the second half of the year were lower again than those in the first half is a further signal of a change in behaviour.

Paper level	2017			2018		
	All Ministry-Funded students	Ministry-Funded Māori students	Ministry-Funded Pacific students	All Ministry-Funded students	Ministry-Funded Māori students	Ministry-Funded Pacific students
100	77.5%	69.2%	59.5%	75.1%	64.9%	57.3%
200	85.7%	79.6%	73.9%	84.4%	79.1%	72.4%
300	90.2%	85.0%	82.7%	89.3%	83.9%	79.0%

The University of Waikato will be undertaking further analysis of fees-free student behaviours with a view to reinforcing student achievement and ensuring that students gain the maximum benefit from the policy.

Paper completion rates by Full-Cost International students remained exceptionally strong.

T Semester (December summer school) results had not been finalised at the time the University submitted its December Single Data Return to the Tertiary Education Commission. Final 2018 paper completion results will be published in the University’s 2019 Annual Report.

	Sub-Category	2015 Actual	2016 Actual	2017 Actual	2018 Target	2018 Interim
10. First year student retention rates (Level 3 and above) for (cohort based approach)	MF/SAC-eligible students	72.1%	72.4%	74.3%	72%	70.9%
	MF/SAC-eligible students who are Māori	64.8%	66.0%	65.2%	67%	63.3%
	MF/SAC-eligible students who are Pacific	71.4%	71.0%	69.0%	68%	67.7%
	FCI students	86.9%	90.4%	89.8%	80%	94.4%

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

While the University's 2018 first year student retention rates were slightly below target, the University is unable to fully replicate the Tertiary Education Commission's methodology for this indicator which takes account of students who have previously studied at the University of Waikato and have continued their studies at another Tertiary Education Institution.

Māori student retention was behind target and consideration is being given to mechanisms to further improve Māori student first to second year retention rates in future.

The final TEC results for 2018 will be published as part of the 2019 Annual Report of the University of Waikato.

	Sub-Category	2015 Actual	2016 Actual	2017 Actual	2018 Target	2018 Interim
11. Qualification completion rates (Level 4 and above) for (cohort based approach)	MF/SAC-eligible students	62.9%	64.0%	60.2%	63%	59.5%
	MF/SAC-eligible students who are Māori	53.2%	54.9%	50.6%	56%	47.1%
	MF/SAC-eligible students who are Pacific	44.6%	47.1%	51.0%	50%	37.2%
	FCI students	78.6%	76.1%	78.4%	73%	79.5%

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

The methodology of this indicator means that each cohort needs to be considered as a discrete group of students; the performance of the 2017 cohort of students, which counts mainly students first enrolled in 2011, is independent of the performance of students in the 2018 cohort. A number of different factors that may have applied at the time, including

university entrance requirements, job market conditions, and media reports about tertiary education may impact one cohort in a significantly different way to another.

A key determinant of performance against this indicator for each cohort of students is the first to second year retention rate that applied at the relevant time. For the 2018 results, this would have been the 2013 rate. Significant efforts have been made to improve student retention rates over the past several years and this is expected to positively impact on qualification completion rates into the future.

2018 Interim results do not include all expected qualification completions from 2018; finalised results for 2018 will be published as part of the University's 2019 Annual Report.

	2015 Actual	2016 Actual	2017 Actual	2018 Target	2018 Actual
12. Number of industry/work placements undertaken	2,131	2,278	2,293	2,000	2,777

2,193 students undertook 2,777 industry/work placements in 2018. While there has been relatively consistent growth across all subject areas over the past few years, the largest growth in industry/work placements in 2018 were in initial teacher education programmes and engineering, reflecting the growth experienced in those programmes in 2018.

	Sub-Category	2015 Actual	2016 Actual	2017 Actual	2018 Target	2018 Actual
13. Voice staff survey results	staff engagement scale	77%	74%	Survey not conducted	>2016 result	See note below
	organisational progress scale	47%	45%		>2016 result	

As noted in Section 8, the University elected to conduct its own staff engagement survey in 2018. The questions for the internal survey were developed in-house and increased the focus on key areas of interest, building on the results of the previous Voice staff surveys, and relating the questions more to staff experience at the University of Waikato.

While the change in approach to the staff engagement survey has meant that the previous Voice scale results are no longer applicable, for each of the questions in the new survey that had a similar question in the previous Voice survey the results were more positive than in the 2016 staff survey. See below for examples:

2016: The Vice-Chancellor keeps people informed about what is going on (61% favourable)
 2018: Communication from the Vice-Chancellor keeps me informed about key information across the University (66% favourable)

2016: There is good communication across all sections of the University of Waikato (19% favourable)
 2018: I receive enough communication from senior leaders about what is happening in the University (48.1% favourable)

2016: There is a commitment to ongoing training and development of staff at the University of Waikato (54% favourable)
 2018: I have access to learning and development that I need to fulfil my role (65.9% favourable)

2016: The rewards and recognition I receive from my job at the University of Waikato are fair (42% favourable)
 2018: I receive appropriate recognition (46.6% favourable)

2016: I feel a sense of loyalty and commitment to the University of Waikato (69% favourable)
 2018: I feel proud to tell people that I work at the University of Waikato (80.3% favourable)

2016: At the University of Waikato staff are aware of their occupational health and safety responsibilities (67% favourable)
 2018: I have the information I need to work safely (80.1% favourable)

In general the University received a higher amount of 'favourable' responses organisationally across the survey in 2018 than it had in 2016 (acknowledging that many of the questions are different).

At an overall level, the 2018 University of Waikato staff engagement survey identified that the vast majority of staff are very proud of what they do at the University, they find their work rewarding and there is a lot of pride in being associated with the University of Waikato. Staff, both academic and general, are incredibly passionate about supporting students.

	2015 Actual	2016 Actual	2017 Actual	2018 Target	2018 Actual
14. Proportion of Professorial/Associate Professorial staff who are female	28% Prof	30% Prof	28% Prof	≥25% Prof	29% Prof
	40% A.Prof	39% A.Prof	39% A.Prof	≥35% A.Prof	40% A.Prof

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

	Sub-Category	2015 Actual	2016 Actual	2017 Actual	2018 Target	2018 Actual
15. i-Graduate student survey	(domestic) student satisfaction with overall university experience	95%	-	93.1%	-	-
	(domestic) student satisfaction with learning experience	93%	-	90.2%	-	-
	(domestic) student satisfaction with student support services	92%	-	88.5%	-	-
	(international) student satisfaction with overall university experience	91%	-	92.6%	-	-
	(international) student satisfaction with learning experience	88%	-	89.4%	-	-
	(international) student satisfaction with student support services	89%	-	91.3%	-	-

i-Graduate student surveys are conducted every two years. The next i-Graduate surveys are scheduled to be conducted in 2019.

	Sub-Category	2015 Actual	2016 Actual	2017 Actual	2018 Target	2018 Actual
16. Ranking	in the annual World THE University Ranking	401-500	401-500	351-400	<500	401-500
	in the annual QS World University Ranking	338	324	292	<500	274

While the University achieved its target of remaining in the top 500 of ranked institutions in both the THE and QS University Rankings, the University's position in the World THE University Ranking fell. The rankings of a number of New Zealand universities fell in the latest World THE University Ranking, with Auckland, Waikato and Massey falling from their previous bands. Stand out performers in the 2018 assessment were AUT (up from 401-500 in 2017 to 301-350 in 2018) and Canterbury (up from 351-400 in 2017 to 301-350 in 2018). Under the THE ranking, Waikato is ranked fifth equal alongside Victoria University of Wellington, down from equal fourth in 2017.

Since 2014 the University of Waikato has moved up 127 places in the QS World University Ranking, its 2018 ranking placing it within the top 27% of ranked institutions, and up 18 places from 2017. For the first time, the University's performance in Citations per Faculty (where it was ranked 92 of all institutions in the QS Ranking) was the strongest indicator – previously this had been International Faculty. International Faculty, while still highly ranked (at 102 of all institutions in the QS Ranking), is no longer the top performing indicator for the University of Waikato.

The QS ranked 13 Waikato subjects in the top 300 in 2018, including Hospitality & Leisure Management which was ranked 27 in the world:

Subject	2018 QS Subject Ranking
Accounting & Finance	151-200
Business & Management	151-200
Communication & Media Studies	151-200
Computer Sciences & Information Systems	201-250
Development Studies	51-100
Economics & Econometrics	251-300
Education	101-150
English Language & Literature	201-250
Geography	101-150
Hospitality & Leisure Management	27
Law	201-250
Linguistics	201-250
Sociology	151-200

As noted in previous University of Waikato Annual Reports, the QS World University Rankings by Subject uses a methodology that takes account of:

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

The weightings attributed to each of the components varies by subject – full details of the various subject weightings that applied in the 2018 assessment are available at <http://www.iu.qs.com/university-rankings/subject-tables/>

The methodology of the QS World University Rankings by subject assessment in 2018 was unchanged from the previous year.

	2015 Actual	2016 Actual	2017 Actual	2018 Target	2018 Actual
17. Number of public lectures, seminars and performing arts activities delivered	202	235	221	>200	200

The University was exceptionally close to achieving its target for the number of public lectures, seminars and performing arts activities delivered in 2018.

During 2018 the University offered a wide range of public lectures, seminars and performing arts activities and these included inaugural professorial lecturers from University staff who had recently been appointed to Professorial positions, presentations by visiting fellows, and lectures by high-profile visitors to the University.

The University's programme of public lectures, seminars and performing arts activities were well attended and received, with particularly strong engagement shown by the Bay of Plenty community for the University's Tauranga lecture series.

Note: Previous year results for KPIs 9, 10 and 11 have been updated from those previously published in University of Waikato Annual Reports to reflect the Tertiary Education Commission's published data for those indicators. The TEC first published results using its new KPI methodology in 2018.

SUSTAINABILITY SNAPSHOT 2018



ENERGY & WATER

13,719,420 kWh OF ELECTRICITY | **7,312 TONNES CO₂e** CARBON EMISSIONS

13,312 kl OF WATER | **62% INCREASE** DUE TO NEW PIPELINE BEING BILLED FOR | **37,159 GJ** GAS USED

ENERGY AUDITS CONDUCTED TO DEVELOP ENERGY MANAGEMENT PLAN AND SAVINGS



TRAVEL

WE HAVE ONE OF THE **LARGEST LOW-EMISSION-FLEETS** IN THE HIGHER EDUCATION TERTIARY SECTOR: **73 HYBRIDS, 14EVS**

7 ELECTRIC VANS
9 ELECTRIC VEHICLE CHARGERS ON CAMPUS

WE FLEW **27,579,914 KM**

WE DROVE 1,763,852 KM IN OUR FLEET CARS LAST YEAR

WE STAYED 12,462 NIGHTS IN HOTELS WHILST TRAVELING

WE DROVE 19,154KM IN HIRE CARS



ENGAGEMENT

GREENBITES NEWSLETTER AND SUSTAINABILITY WEBSITE WAIKATO.AC.NZ/SUSTAINABILITY/

500 PEOPLE ATTENDED SUSTAINABILITY EVENTS AND ENGAGED WITH THE **ECO EMPORIUM**

24 SUSTAINABILITY EVENTS AND WORKSHOPS

20 BIKES REPAIRED & **5 BIKES** GIFTED TO **RED CROSS**

FOR NEW MIGRANTS, THROUGH ECO EMPORIUM



WASTE

APPROX 510 TONNES WASTE TO LANDFILL (INCREASE)

56 TONNES GLASS RECYCLED (INCREASE)

OVER 16 TONNES CARDBOARD RECYCLED (INCREASE)

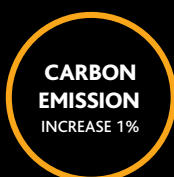
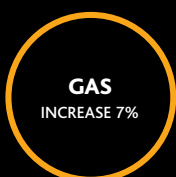
1.6 TONNES OF FLUORESCENT LIGHTS (INCREASE)

20 TONNES OF METAL (INCREASE)

OVER 30 TONNES PAPER RECYCLED (DECREASE)

WE REDEPLOYED AND GIFTED MORE THAN 320 ITEMS OF FURNITURE (INCREASE)

COMPARED TO 2017



EEO STATEMENT

The goals of the University's Diversity and Inclusion programme for 2016 – 2018 were to:

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

Specific activities in support of the University's diversity and inclusion goals in 2018 included:

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

- continued strong support for the UNZ-supported NZ Women in Leadership Programme and related Professional Organisational Development (POD) Programmes
- A strong Women Professors' Network providing mentoring and peer support
- An active Gender Research Network, a cross-discipline collective of staff and students with shared research interests in gender-related issues
- The Ko te Tangata Leadership Programme for New and Emerging Leaders with women making up 75% of participants in 2018
- Establishment of the Rainbow Staff/Student Alliance, a forum for networking, discussion and progression of takatāpui and LGBTIQ+ issues.

There were no significant changes to the University's gender profile over 2018, (60% female and 40% male) nor in the proportion of women professors (30%). Women now make up 39% of associate professors.

During 2018 the University increased its proportion of Māori Professorial staff (up from 4% in 2015 to 5% in 2016 to 7% in 2017 to 8% in 2018). Representation of Māori staff varies considerably across the University with the majority of Māori academic staff located in Te Pua Wānanga ki te Ao Faculty of Māori and Indigenous Studies (38%), the Faculty of Arts and Social Sciences (20%) and Te Kura Toi Tangata Faculty of Education (15%).

STUDENT SERVICES LEVY

Compulsory Student Services Fees for 2018

Service Category	Compulsory Student Services fees	Income from other sources	Total Income	Total Costs	Net Cost
Advocacy and Legal Advice	186,712	-	186,712	237,540	50,827
Careers information, advice and guidance	266,409	13,255	279,664	338,932	59,268
Counselling Services and Pastoral Care	1,363,526	289,942	1,653,468	1,734,709	81,241
Employment Information	12,421	-	12,421	15,803	3,381
Financial Support and Advice	321,444	-	321,444	408,948	87,504
Health Services	1,237,696	827,222	2,064,918	1,574,626	-490,293
Media	163,327	-	163,327	207,789	44,463
Childcare Services	174,444	-	174,444	221,932	47,489
Clubs and Societies	162,717	-	162,717	207,012	44,295
Sports, Recreation and Cultural Activities	919,760	154,779	1,074,539	1,170,140	95,601
Total	4,808,456	1,285,197	6,093,653	6,117,430	23,776
				(Over)/Under Recovery	23,776

Compulsory Student Services Levy

The University in conjunction with Waikato Students' Union has established a Student Services Governance Committee (SSGC), which has enabled the students to have a stronger voice in the allocation of the Student Services Levy funds. The 2018 compulsory student services levy charged by University of Waikato per EFTS was \$519.

Accounting Requirements for Compulsory Student Services Levy Fees and Expenditure

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

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

Advocacy and legal advice

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

Careers information, advice and guidance

Students are provided with:

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

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

Counselling services and pastoral care

Access to free counselling services is available to create a safe and healthy campus environment, enhance

the student experience, and contribute to academic achievement.

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

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

Employment information

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

Financial support and advice

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

Health services

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

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

Media

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

Childcare services

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

Clubs and societies

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

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

Sports, recreation and cultural activities

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

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

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

Statement of the Cost of Outputs

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

Outputs	This Year \$000	Budget \$000	Last Year \$000
Teaching and Learning	170,855	160,481	165,782
Research	46,686	42,470	37,429
Student Services and Products	14,966	12,982	13,459
Other Services and Products	16,080	15,597	17,357
Total	248,587	231,530	234,027

FINANCIAL OVERVIEW 2018

The University of Waikato achieved a strong financial performance in 2018, with both revenue and surpluses exceeding budget and 2017 results. Total revenue in 2018 increased by 8 percent over 2017 to \$278.3 million, primarily due to the receipt of large one-off donations, as well as significant increases in student enrolments. These flowed through to the University Group surplus of \$30.2 million – up \$7.9 million on that recorded in 2017.

The University received \$19.5 million in donations in 2018 from the Tauranga Tertiary Campus Charitable Trust – the last contributions towards the completion of the capital investment in the University's \$55.0 million campus development in Tauranga. This new campus is due to open for Semester A in 2019.

Overall, student enrolments grew by 3.1 percent in 2018 to 12,603 in terms of headcount or, converting these to equivalent full time students (EFTS), grew 3.7 percent to 10,257 EFTS. These increases exceeded the University's targets and saw tuition related revenue (government funding plus tuition fees) grow to \$178.9 million or 5.2 percent, reflecting increases in volume and rates. The most significant area of student increase was in Full Cost International (FCI) students which grew 11.9 percent to 1,794 EFTS. FCI EFTS now make up 17.5 percent of the total student population (2016: 16.2 percent) and are a key component to the University achieving continued revenue growth in future years.

The University Group's 2018 surplus of \$30.2 million represents an 11.0 percent return on revenue, up on the previous year's 8.8 percent return. If however, the effects of the Tauranga donations are removed, the University Group surplus is \$11.2 million or 4.3 percent – still very well placed within the University's guidelines of 3.0 - 5.0 percent promulgated by the Tertiary Education Commission.

The University had great success in achieving its revenue targets in 2018. Excluding donation revenue, it had budgeted for no overall revenue growth in 2018 with small increases in budgeted tuition fees and research revenue offset by decreases in government grants. The University reduced its budgeted surplus from 4 percent of revenue to 3.6 percent to allow the University to continue to invest in new initiatives, and to manage increasing cost pressures while operating with expected flat revenue growth. However the University achieved solid growth in tuition as mentioned above and actual research income was \$3.7 million above budget at \$33.2 million, well up on 2017 and recovering to close to

the record income level of 2016. Significant new research contracts were won in 2018 and the research revenue pipeline looks healthy for the next few years to come. Other revenue also had significant growth with student accommodation at capacity during 2018 and commercial teaching activities trebling its revenue – mainly through offshore partnerships.

Along with a budgeted flat revenue growth, the University budgeted a decrease in costs. However, the University recorded expenses of \$247.2 million, up on 2017 by \$12.7 million. This does reflect in part the costs associated with an increase in student-related revenue and the increase in external research revenue earned. However also driving costs up was an increase in depreciation of \$3.5 million, largely due to an asset revaluation gain of \$47.8 million at the end of 2017, together with a \$3.6 million impairment of software and intellectual property assets held for commercialisation. Overall personnel costs were 0.5 percent up on the previous year, though staff numbers continued to decline for the third year in a row – falling by 1.5 percent or 22 full time equivalent (FTE) staff to 1,441 FTE.

The University Group again generated very strong operating cash flows, recording net cash flows from operations of \$73.2 million, allowing the University to reinvest back into the University's campus infrastructure capital spend of \$68.4 million. The key strategic investment projects were the campus in Tauranga, and a new student and learning management system which successfully went live in 2018. The University also launched its new capital renewals programme, with plans to invest at least \$150 million over the next 10 years to enhance the University's physical infrastructure.

Overall the University achieved a sound financial result which will enable it to continue to invest in its long-term capital development programme and new strategic initiatives.

Andrew McKinnon
Chief Financial Officer



STATEMENT OF RESPONSIBILITY

In the financial year ended 31 December 2018, 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 2018 fairly reflect the financial position and operations of The University of Waikato and group.



Chancellor
Rt Hon James Bolger
25 March 2019



Vice-Chancellor
Professor Neil Quigley
25 March 2019



THE UNIVERSITY OF
WAIKATO
Te Whare Wānanga o Waikato



FINANCIAL STATEMENTS

Statement of Comprehensive Revenue and Expense

For the Year Ended 31 December 2018

	Notes	Group		University		
		This Year Actual \$000	Last Year Actual \$000	This Year Actual \$000	Budget \$000	Last Year Actual \$000
Revenue						
Government Funding and Grants	2	108,627	98,559	108,627	95,593	98,559
Tuition Fees	3	79,647	81,615	79,647	83,301	81,615
Research Revenue		33,192	28,895	33,192	29,480	28,895
Investment Revenue	14	2,368	2,392	2,410	1,500	2,069
Other Revenue	4	32,801	28,331	32,781	30,083	28,100
Donations		21,629	17,867	20,017	100	15,969
Total Revenue	5	278,264	257,659	276,674	240,057	255,207
Expenses						
Personnel Costs	6	136,044	135,460	134,275	132,083	133,565
Other Expenses	7	81,576	75,854	87,421	77,132	77,716
Finance Costs		170	179	164	164	159
Depreciation, Amortisation and Impairment	17,18	29,456	23,093	26,727	22,151	22,587
Total Expenses		247,246	234,586	248,587	231,530	234,027
Share of Surplus/(Deficit) from Associates and Joint Ventures	8	(299)	(282)	-	-	-
Surplus		30,719	22,791	28,087	8,527	21,180
Surplus Attributable to						
University of Waikato		30,724	23,039	28,087	8,527	21,180
Non-Controlling Interest		(5)	(248)	-	-	-
Surplus		30,719	22,791	28,087	8,527	21,180
Other Comprehensive Revenue and Expense						
Gains on Property Revaluations	9	-	47,845	-	-	47,845
Total Other Comprehensive Revenue and Expense		-	47,845	-	-	47,845
Total Comprehensive Revenue and Expense		30,719	70,636	28,087	8,527	69,025
Comprehensive Revenue and Expense Attributable to						
University of Waikato		30,724	70,884	28,087	8,527	69,025
Non-Controlling Interest		(5)	(248)	-	-	-
Total Comprehensive Revenue and Expense for the Year		30,719	70,636	28,087	8,527	69,025

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

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

Statement of Changes in Equity

For the Year Ended 31 December 2018

	Notes	Group		University		
		This Year Actual \$000	Last Year Actual \$000	This Year Actual \$000	Budget \$000	Last Year Actual \$000
Balance at 1 January		478,499	407,845	458,699	458,698	388,426
Comprehensive Revenue and Expense Surplus		30,719	22,791	28,087	8,527	21,180
Other Comprehensive Revenue and Expense	9	-	47,845	-	-	47,845
Total Comprehensive Revenue and Expense		30,719	70,636	28,087	8,527	69,025
Capital Distribution from Subsidiary		-	-	-	-	1,248
Minority Interest Repurchased		-	18	-	-	-
Balance at 31 December		509,218	478,499	486,786	467,225	458,699
Attributable to						
University of Waikato	9	509,214	478,490	486,786	467,225	458,699
Minority Interest		4	9	-	-	-
		509,218	478,499	486,786	467,225	458,699

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

Balance Sheet: Assets

As at 31 December 2018

	Notes	Group		University		
		This Year Actual \$000	Last Year Actual \$000	This Year Actual \$000	Budget \$000	Last Year Actual \$000
Assets						
Current Assets						
Cash and Cash Equivalents	10	35,297	30,521	33,193	11,180	28,088
Receivables	11	25,099	22,184	24,879	20,300	20,284
Derivative Financial Instruments	12	-	7	-	-	7
Inter Company Balances	13	-	-	1,662	2,951	5,250
Prepayments		4,690	3,845	4,689	3,199	3,845
Other Financial Assets	14	31,176	26,793	24,025	21,000	21,000
Inventories	15	908	914	908	898	914
Total Current Assets		97,170	84,264	89,356	59,528	79,388
Non Current Assets						
Investments in Associates and Joint Ventures	8	1,266	580	-	-	-
Investments	16	316	316	2,316	2,316	2,316
Other Financial Assets	14	1,000	1,000	1,000	1,000	1,000
Intangible Assets	17	24,759	20,816	24,416	24,632	18,196
Property, Plant and Equipment	18	490,110	458,797	490,093	476,113	458,781
Total Non Current Assets		517,451	481,509	517,825	504,061	480,293
Total Assets		614,621	565,773	607,181	563,589	559,681

Balance Sheet: Liabilities

As at 31 December 2018

	Notes	Group		University		
		This Year Actual \$000	Last Year Actual \$000	This Year Actual \$000	Budget \$000	Last Year Actual \$000
Liabilities						
Current Liabilities						
Revenue in Advance	19	52,919	40,914	52,896	41,199	40,843
Inter Company Balances	13	-	-	15,122	12,017	14,316
Payables	20	24,117	18,873	24,081	15,738	18,413
Employee Entitlements	6	14,214	13,195	14,143	13,118	13,118
Borrowings	21	5	5	5	5	5
Total Current Liabilities		91,255	72,987	106,247	82,077	86,695
Non Current Liabilities						
Employee Entitlements	6	12,845	12,979	12,845	12,979	12,979
Borrowings	21	1,303	1,308	1,303	1,308	1,308
Total Non Current Liabilities		14,148	14,287	14,148	14,287	14,287
Equity						
General Equity	9	306,965	275,911	284,537	264,635	256,120
Other Reserves	9	202,249	202,579	202,249	202,590	202,579
Equity – Parent		509,214	478,490	486,786	467,225	458,699
Non-Controlling Interest		4	9	-	-	-
Total Equity		509,218	478,499	486,786	467,225	458,699
Total Liabilities and Equity		614,621	565,773	607,181	563,589	559,681

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

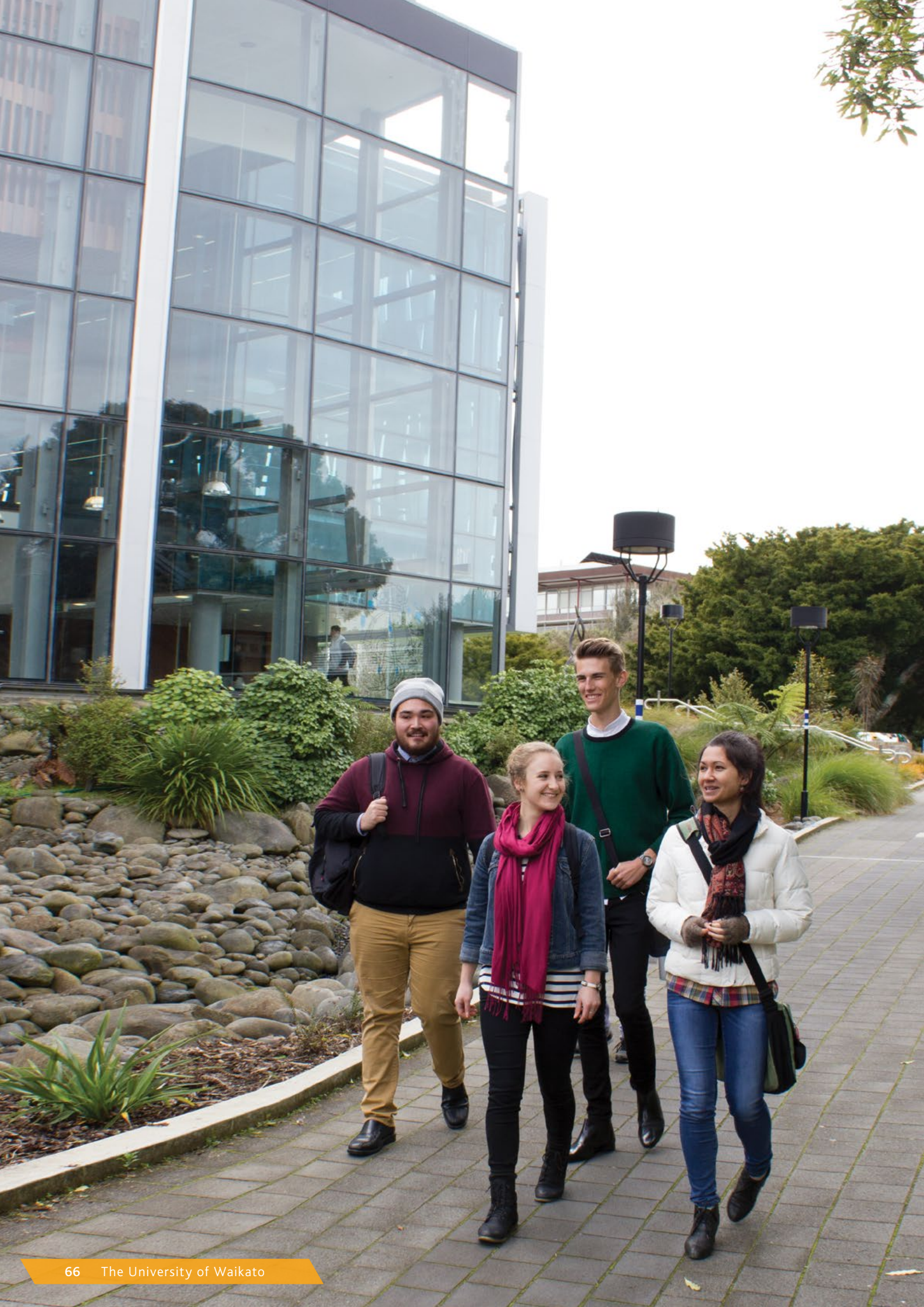
Statement of Cash Flows

For the Year Ended 31 December 2018

	Notes	Group		University		
		This Year \$000	Last Year \$000	This Year \$000	Budget \$000	Last Year \$000
Cash Flows from Operating Activities						
Receipts from Government Funding and Grants		108,612	98,546	108,612	98,158	98,546
Receipts from Tuition Fees		82,541	85,087	82,541	83,662	85,035
Receipts from Other Revenue		92,951	73,333	90,273	57,098	72,416
Interest Revenue Received		2,532	2,194	2,410	1,500	2,069
Dividend Revenue		-	-	283	-	345
Goods and Services Tax (net)		(830)	(487)	(832)	(2,674)	(478)
Interest Paid		(170)	(179)	(164)	(168)	(159)
Payments to Suppliers		(77,360)	(72,597)	(76,987)	(76,982)	(73,538)
Payments to Employees		(134,436)	(135,094)	(133,383)	(131,583)	(133,856)
Net Cash Flows from Operating Activities	22	73,840	50,803	72,753	29,011	50,380
Cash Flows from Investing Activities						
Receipts from Sale of Property, Plant and Equipment		279	345	279	-	345
Receipts from Sale or Maturity of Investments		-	-	-	-	2,174
Acquisition of Investments		(4,337)	(6,010)	(3,019)	-	(5,837)
Purchase of Intangible Assets		(9,641)	(9,539)	(9,554)	(6,408)	(9,296)
Purchase of Property, Plant and Equipment		(55,360)	(31,183)	(55,349)	(39,511)	(33,192)
Net Cash Flows from Investing Activities		(69,059)	(46,387)	(67,643)	(45,919)	(45,806)
Cash Flows from Financing Activities						
Payment of Finance Leases		(5)	(5)	(5)	-	(5)
Net Cash Flows from Financing Activities		(5)	(5)	(5)	-	(5)
Net Cash Flows from All Activities		4,776	4,411	5,105	(16,908)	4,569
Opening Cash and Cash Equivalents		30,521	26,110	28,088	28,088	23,519
Closing Cash and Cash Equivalents		35,297	30,521	33,193	11,180	28,088

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

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



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

Note 1: Statement of Accounting Policies

The Reporting Entity

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

The financial statements of the University and Group are for the year ended 31 December 2018.

The financial statements were authorised for issue by Council on 25 March 2019.

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 2018 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 2018 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 2018 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 2018 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 2018 have been fully consolidated into the University group results.

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

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

Basis of Preparation

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

Statement of Compliance

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

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

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

Presentation Currency and Rounding

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

Standards issued and not yet effective and not early adopted

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

Interests in other entities

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

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

Financial instruments

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

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

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

Impairment of Revalued Assets

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

This amendment is effective for annual periods beginning on or after 1 January 2019, with early application permitted.

Once adopted, the University is required to assess at each reporting date whether there is any indication that an asset may be impaired. If any indication exists, the University is required to assess the recoverable amount of that asset and recognise an impairment loss if the recoverable amount is less than the carrying amount. The University can therefore be able to impair a revalued asset without having to revalue the entire class-of-asset to which the asset belongs.

Significant Accounting Policies

Basis of Consolidation

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

Subsidiaries

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

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

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

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

Associates

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

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

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

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

Joint Venture

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

The University's jointly controlled entity interest is accounted for by proportionate consolidation in the group financial statements. The group combines its share of the joint venture's individual revenue and expenses, assets and liabilities, and cash flows on a line-by-line basis with similar items in the group's financial statements. The group recognises the portion of gains or losses on the sale of assets by the group to the joint venture that is attributable to the other ventures.

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

Budget Figures

Budget figures are those approved by the Council per minutes of 5 December 2017 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 2017 financial statements. The budget figures have been prepared in accordance with NZ GAAP and are consistent with the accounting policies adopted by the Council for the preparation of the financial statements.

Cash and Cash Equivalents

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

Revenue

Revenue is measured at fair value.

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

Student Achievement Component (SAC) Funding

SAC funding is the University's main source of operational funding from the Tertiary Education Commission (TEC). The University considers SAC funding to be non-exchange. The University has a guaranteed amount of SAC funding agreed with TEC. The University's SAC funding is specifically identified by the TEC as being for a funding period as required by section 159YA of the Education Act 1989. The University recognises its SAC funding when earned and is reported in the financial period it relates to.

Fees Free Funding

Fees free funding is a source of operational funding from the Tertiary Education Commission (TEC). The University considers fees free funding to be non-exchange. The University has a guaranteed amount of fees free funding agreed with TEC. The University's fees free funding is specifically identified by the TEC as being for a funding period as required by section 159YA of the Education Act 1989. The University recognises its fees free funding when earned and is reported in the financial period it relates to.

Student Tuition Fees

Domestic student tuition fees are subsidised by government funding and are considered non-exchange. Revenue is recognised when the course withdrawal date has passed, which is when a student is no longer entitled to a refund for withdrawing from the course.

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

Performance-Based Research Fund (PBRF)

The University considers PBRF funding to be non-exchange in nature. PBRF funding is specifically identified by the TEC as being for a funding period as required by section 159YA of the Education Act 1989. The University recognises its confirmed allocation of PBRF funding at the commencement

of the specified funding period, which is the same as the University's financial year. PBRF revenue is measured based on the University's funding entitlement adjusted for any expected adjustments as part of the final wash-up process. Indicative funding for future periods is not recognised until confirmed for that future period

Research Revenue

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

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

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

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

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

Other Grants Received

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

Donations, Bequests and Pledges

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

Sales of Goods

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

Accommodation Services

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

Interest and Dividends

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

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

Borrowing Costs

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

Scholarships

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

Receivable

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

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

Employee Entitlements

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

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

Additionally, provision has been made, where applicable, using an actuarial valuation for retirement gratuities and long service leave. This valuation, as at 31 December 2018, was undertaken by Mercer (NZ) Limited (Actuaries). The calculations are based on:

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

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

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

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

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

Equity

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

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

Property Revaluation Reserve

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

Trusts and Bequests Reserve

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

Derivative financial instruments, hedging activities and foreign currency transactions

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

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

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

Income tax

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

Goods and services tax

Goods and Services Tax (GST) is excluded from these financial statements, with the exception of receivables and payables which are presented on a GST-inclusive basis. Where GST is not recoverable as input tax, it is recognised as part of the related asset or expense.

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

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

Commitments and contingencies are disclosed exclusive of GST.

Inventories

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

Inventories acquired through non-exchange transactions are measured at fair value at the date of acquisition.

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

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

Other Financial Assets

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

Term Deposits and Loans to Subsidiaries

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

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

New Zealand Government Bonds

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

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

Managed Fund

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

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

Listed and Unlisted Shares

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

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

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

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

Leases

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

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

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

Property, Plant and Equipment

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

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

Land

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

Buildings

The majority of buildings recognised in the financial statements, including the previous Hamilton Teachers' College buildings, are still subject to the legal transfer of ownership from the Ministry of Education. The University is of the opinion that as at 31 December 2018 it is in substance the owner of these buildings and assumes all the normal risks and rewards of ownership.

Depreciation

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

Asset Class	Useful Life/Rate	Depreciation Rate
Buildings	9-100 years	1-11%
Infrastructure	25-67 years	1.5-4%
Leasehold Improvements	5-25 years	4-20%
Library		
• Books	35 years	3%
• Periodicals	15 years	7%
Computer Equipment (excluding servers)	3-5 years	20-33%
Computer Servers	5 years	20%
Plant and Equipment	5-15 years	7 -20%
Artworks	Unlimited	0%

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

Revaluations

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

Revaluation of plant, property and equipment is carried out on a class of assets basis.

The net revaluation results are credited or debited to other comprehensive revenue and expense and are accumulated to an asset revaluation reserve in equity for that class of asset. Where this would result in a debit balance in the asset revaluation reserve, this balance is recognised in the surplus or deficit. Any subsequent increase on revaluation that reverses a previous decrease in value recognised in the surplus or deficit will be recognised first in the surplus or deficit up to the amount previously expensed, and then recognised in other comprehensive revenue and expense.

Additions

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

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

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

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

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

Disposals

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

Intangible assets

Patents, Trademarks and Licences

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

Computer Software

Computer software is amortised on a straight line basis that will write off the cost within three to four years. Computer software for the financial, student enrolment and library systems are amortised on a 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 expensed as incurred in the surplus or deficit.

Intellectual Property Development

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

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

Other development expenses that do not meet these criteria are recognised as an expense as incurred in the surplus or deficit. Development costs previously recognised as an expense cannot be recognised as an asset in a subsequent period.

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use on a straight-line basis over its useful life.

Impairment of property, plant, and equipment and intangible assets

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

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

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

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

Value in Use for Non-Cash-Generating Assets

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

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

Value in Use for Cash-Generating Assets

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

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

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

Provisions

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

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

Restructuring

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

Payables

Short-term payables are recorded at the amount payable.

Borrowings

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

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

Critical accounting estimates and assumptions

In preparing these financial statements the University has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances.

The estimates and assumptions that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

- Note 6 provides information about the estimates and assumptions exercised in the measurement of retirement gratuities.
- Note 18 provides information about the estimates and assumptions exercised in the measurement of revalued land, buildings, and infrastructure.

Critical judgements in applying the University's accounting policies

Management has exercised the following critical judgements in applying the University's accounting policies for the period ended 31 December 2018:

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

Note 2: Government Funding and Grants

	Group		University	
	This Year \$000	Last Year \$000	This Year \$000	Last Year \$000
Student Achievement Component (SAC) Grant	73,414	72,598	73,414	72,598
Fees Free Funding	9,248	-	9,248	-
Performance-Based Research Funding	16,604	15,848	16,604	15,848
Advisory Services Grants	8,354	9,103	8,354	9,103
Other Grants	1,007	1,010	1,007	1,010
Total Government Funding and Grants	108,627	98,559	108,627	98,559

All Government funding and grants are non-exchange transactions.

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

Note 3: Tuition Fees

	Group		University	
	This Year \$000	Last Year \$000	This Year \$000	Last Year \$000
Government Funded Students	40,627	48,169	40,627	48,169
Full Cost International Students	39,020	33,446	39,020	33,446
Total Fees	79,647	81,615	79,647	81,615

Government Funded tuition fee revenue results from non-exchange transactions as well as \$655,327 (2017 \$372,782) of Full Cost International tuition fees.

Note 4: Other Revenue

	Group		University	
	This Year \$000	Last Year \$000	This Year \$000	Last Year \$000
Student Accommodation and Other Student Services	14,532	12,809	14,532	12,809
Commercial Teaching	3,574	1,150	3,574	1,150
Gym Membership and Hire	1,572	1,529	1,572	1,529
Rental	1,020	1,007	1,020	1,007
Carbon Dating Services	441	503	441	503
Printing and Copying Services	245	645	245	645
Other Revenue	11,417	10,688	11,397	10,457
Total Other Revenue	32,801	28,331	32,781	28,100

Note 5: Total Revenue

	Group		University	
	This Year \$000	Last Year \$000	This Year \$000	Last Year \$000
Revenue from Exchange Transactions				
Tuition Fees	38,365	33,446	38,365	33,446
Research	10,766	9,125	10,766	9,125
Investment Revenue	2,368	2,392	2,410	2,069
Other Revenue	20,965	20,284	20,320	19,159
Total Revenue from Exchange Transactions	72,464	65,247	71,861	63,799
Revenue from Non-Exchange Transactions				
Government Funding and Grants	108,627	98,559	108,627	98,559
Tuition Fees	41,282	48,169	41,282	48,169
Research	22,426	19,770	22,426	19,770
Other Income	11,836	8,047	12,461	8,941
Donations	21,629	17,867	20,017	15,969
Total Revenue from Non-Exchange Transactions	205,800	192,412	204,813	191,408
Total Revenue	278,264	257,659	276,674	255,207

Note 6: Employee Entitlements

Personnel Costs

	Group		University	
	This Year \$000	Last Year \$000	This Year \$000	Last Year \$000
Employee Benefit Expenses – Academic	77,720	78,480	77,248	78,072
Employee Benefit Expenses – General	57,778	57,182	56,481	55,695
Movement in Actuarial Valuation	546	(202)	546	(202)
Total Personnel Costs	136,044	135,460	134,275	133,565

Personnel Costs also includes \$919,135 in restructuring costs for the year ended 31 December 2018 (2017 : \$2,558,421).

Employee Entitlements

	Group		University	
	This Year \$000	Last Year \$000	This Year \$000	Last Year \$000
Staff Annual and Long Service Leave Vested	9,029	8,890	9,029	8,890
Sick Leave	5	5	5	5
Other Employee Entitlements	2,583	2,235	2,512	2,158
Actuarial Valuation of Anticipated Retirement Gratuities and Long Service Leave	15,442	15,044	15,442	15,044
Total Employee Entitlements	27,059	26,174	26,988	26,097
Current Portion	14,214	13,195	14,143	13,118
Non Current Portion	12,845	12,979	12,845	12,979
Total Employee Entitlements	27,059	26,174	26,988	26,097

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

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

If the salary inflation factor were to increase or decrease by 1% from that used, with all other factors held constant, the carrying amount of the gratuity liability would be an estimated \$1,126,000 higher/lower (2017 - \$1,075,000).

If the discount rates were to increase or decrease by 1% from that used, with all other factors held constant, the carrying amount of the gratuity liability would be an estimated \$1,135,000 lower/higher (2017 - \$1,079,000).

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

The following is included in the Personnel Costs:

	Group		University	
	This Year \$000	Last Year \$000	This Year \$000	Last Year \$000
Defined Contribution Plan Employer Contributions	5,397	5,293	5,397	5,281

Note 7: Other Expenses

	Group		University	
	This Year \$000	Last Year \$000	This Year \$000	Last Year \$000
Audit Fees to Audit New Zealand for Financial Statement Audit	244	256	186	197
Audit Fees to KPMG	-	14	-	2
Audit Fees to Staples Rodway	2	2	-	-
Audit Fees to Audit New Zealand for Assurance Services	7	7	7	7
Net (Gain)/Loss on Disposal of Property Plant & Equipment	366	346	366	346
Net Foreign Exchange (Gain)/Loss	(19)	(107)	(19)	(106)
Impairment of Receivables	29	12	29	12
Inventories Consumed	310	290	310	290
Teacher Release Days	193	78	193	78
Professional Services	18,458	16,047	18,426	15,652
Travel and Accommodation	6,536	5,108	5,770	5,108
Operating Leases	5,323	4,259	5,323	4,259
Scholarships	13,654	13,553	13,528	13,553
Hirage	1,360	1,505	1,358	1,492
Repairs and Maintenance	3,380	3,074	3,363	3,074
Teaching and Research Materials	2,678	2,126	2,514	2,678
Utilities	3,915	4,055	3,907	4,054
Other operating expenses	25,140	25,229	32,160	27,572
Total other expenses	81,576	75,854	87,421	77,716

Audit Fees to Audit New Zealand include \$ Nil (2017: \$11,779) for the University of Waikato Foundation.

From 2018, the University of Waikato Foundation is no longer required to be audited.

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

Note 8: Investments in Associates and Joint Ventures

	Group		University	
	This Year \$000	Last Year \$000	This Year \$000	Last Year \$000
Ligar Polymers Limited	-	340	-	-
Ligar Limited Partnership	-	-	-	-
Chronoptics Limited	1,201	-	-	-
Aduro Biopolymers Limited Partnership	65	240	-	-
Total Investments in Associates and Joint Ventures	1,266	580	-	-

Associates

Ligar Polymers Limited

	Ownership	Balance Date
Ligar Polymers Limited	40%	31 December

Principal Activity

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

	Group	
	This Year \$000	Last Year \$000
WaikatoLink's share of the results of Ligar Polymers Limited is as follows:		
Investment in Associate		
Opening Balance	340	350
Share of retained surplus/(loss)	24	(10)
Share of Capital Distribution	(364)	-
Closing Balance	-	340
Represented by:		
Share of Increase in Net Assets of Associate (Carrying Value)	-	340

Ligar Limited Partnership

	Ownership	Balance Date
Ligar Limited Partnership	17%	30 September

Principal Activity

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

	Group	
	This Year \$000	Last Year \$000
WaikatoLink's share of the results of Ligar Limited Partnership is as follows:		
Investment in Associate		
Opening Balance	-	90
Investment	150	-
Share of Retained Surplus/(Loss)	(150)	(90)
Closing Balance	-	-
Represented by:		
Share of Increase in Net Assets of Associate (Carrying Value)	-	-

Chronoptics Limited

	Ownership	Balance Date
Chronoptics Limited	20%	31 March

Principal Activity

Principal Activity: to develop time-of-flight (TOF) solutions.

	Group	
	This Year \$000	Last Year \$000
WaikatoLink's share of the results of Chronoptics Limited is as follows:		
Investment in Associate		
Opening Balance	-	-
Investment	1,200	-
Share of Retained Surplus/(Loss)	1	-
Closing Balance	1,201	-
Represented by:		
Share of Increase in Net Assets of Associate (Carrying Value)	1,201	-

There is a convertible loan agreement between WaikatoLink Limited and Chronoptics Limited. The loan cap is \$120,000 and there are terms and conditions in place for WaikatoLink to elect to convert the loans into equity.

Jointly Controlled Entity

Aduro Biopolymers Limited Partnership

	Ownership	Balance Date
Aduro Biopolymers Limited Partnership	30%	31 March

Principal Activity

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

	Group	
	This Year \$000	Last Year \$000
WaikatoLink's share of the results of Aduro Biopolymers Limited Partnership is as follows:		
Investment in Joint Venture		
Opening Balance	240	422
Share of Retained Surplus/(Loss)	(175)	(182)
Closing Balance	65	240
Represented by:		
Share of Increase in Net Assets of Joint Venture (Carrying Value)	65	240

Summarised Financial Information of Associates and Joint Ventures

	Group	
	This Year \$000	Last Year \$000
Assets	4,163	4,885
Liabilities	4,589	2,982
Revenue	678	163
Net Surplus/(Loss)	(2,085)	(1,968)
Share of Associates' and Joint Venture's Surplus/(Loss)	(299)	(282)

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

Details of contingent liabilities arising from the group involvement in the associates and joint ventures are disclosed separately in note 27.

Note 9: Equity

	Ref	Group		University	
		This Year \$000	Last Year \$000	This Year \$000	Last Year \$000
General Equity					
Opening Balance		275,911	252,845	256,120	233,683
Surplus/(Deficit)		30,719	22,791	28,087	21,180
Capital distribution from Uleisure		-	-	-	1,248
Minority Interest Repurchased		-	18	-	-
Property revaluation reserve transfer on disposal		236	-	236	-
Surplus attributable to Non-Controlling Interest		5	248	-	-
Transfers to Trusts and Bequests Reserve		(403)	(691)	(403)	(691)
Transfers from Trusts and Bequests Reserve		497	700	497	700
Closing Balance		306,965	275,911	284,537	256,120
Other Reserves					
Property Revaluation Reserve	i	199,467	199,703	199,467	199,703
Trusts and Bequests Reserve	ii	2,782	2,876	2,782	2,876
Total Other Reserves		202,249	202,579	202,249	202,579
Total Equity Before Non-Controlling Interest		509,214	478,490	486,786	458,699

i) Property Revaluation Reserve

	Ref	Group		University	
		This Year \$000	Last Year \$000	This Year \$000	Last Year \$000
Opening Balance		199,703	151,858	199,703	151,858
Land net revaluation gains		-	1,895	-	1,895
Buildings net revaluation gains		-	41,096	-	41,096
Infrastructure net revaluation gains		-	4,854	-	4,854
Transfers to general funds on disposal of property		(236)	-	(236)	-
Closing balance		199,467	199,703	199,467	199,703

The property revaluation reserve consists of:

	Ref	Group		University	
		This Year \$000	Last Year \$000	This Year \$000	Last Year \$000
Land		2,810	2,810	2,810	2,810
Buildings		177,897	178,133	177,897	178,133
Infrastructural Assets		18,760	18,760	18,760	18,760
Total property revaluation reserve		199,467	199,703	199,467	199,703

ii) Trusts and Bequests Reserve

The Trusts and Bequests Reserve represent funds held by the University on behalf of others and funds provided to the University by various people for specific purposes. Revenue received for these items and disbursements to authorised recipients are recorded in the Statement of Comprehensive Revenue and Expense. Fund balances remaining are shown as restricted reserves.

	Group		University	
	This Year \$000	Last Year \$000	This Year \$000	Last Year \$000
Prizes, Scholarships and Trust Funds				
Opening Balance	2,876	2,885	2,876	2,885
Add Appropriation of Net Surplus	403	691	403	691
Less Application to Prizes, Scholarships and Trust Funds	(497)	(700)	(497)	(700)
Closing balance	2,782	2,876	2,782	2,876

Note 10: Cash and Cash Equivalents

	Group		University	
	This Year \$000	Last Year \$000	This Year \$000	Last Year \$000
Cash at Bank and in Hand	3,405	4,742	1,701	2,709
Term Deposits Maturing Three Months or Less from Date of Acquisition	31,892	25,779	31,492	25,379
	35,297	30,521	33,193	28,088

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

Note 11: Receivables

	Group		University	
	This Year \$000	Last Year \$000	This Year \$000	Last Year \$000
Trade Receivables	14,863	10,239	14,435	9,779
Student Fee Receivables	10,568	10,485	10,568	10,485
Receivables from Subsidiaries	-	-	127	186
Receivables from Related Parties	184	1,891	-	-
Impairment of Debtors	(516)	(431)	(251)	(166)
Total Receivables	25,099	22,184	24,879	20,284

Receivables are Comprised of

Receivables from exchange transactions – this includes outstanding amounts for research revenue classified as exchange, international tuition fees and revenue from other direct transactions.	7,612	6,573	7,392	4,673
Receivables from non-exchange transactions – this includes outstanding amount for research revenue classified as non-exchange, government funded tuition fees and revenue from other non-direct transactions.	17,487	15,611	17,487	15,611
Total Receivables	25,099	22,184	24,879	20,284

Fair Value

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

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

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

Impairment

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

	University					
	This Year			Last Year		
	Gross \$000	Impairment \$000	Net \$000	Gross \$000	Impairment \$000	Net \$000
Not Past Due	20,061	-	20,061	14,074	-	14,074
Past Due 1-30 Days	1,691	-	1,691	4,683	-	4,683
Past Due 31-60 Days	935	-	935	845	-	845
Past Due 61+ Days	2,443	(251)	2,192	848	(166)	682
Total	25,130	(251)	24,879	20,450	(166)	20,284

	Group					
	This Year			Last Year		
	Gross \$000	Impairment \$000	Net \$000	Gross \$000	Impairment \$000	Net \$000
Not Past Due	20,546	-	20,546	15,965	-	15,965
Past Due 1-30 Days	1,691	-	1,691	4,683	-	4,683
Past Due 31-60 Days	935	-	935	848	-	848
Past Due 61+ Days	2,443	(516)	1,927	1,119	(431)	688
Total	25,615	(516)	25,099	22,615	(431)	22,184

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

	Group		University	
	This Year \$000	Last Year \$000	This Year \$000	Last Year \$000
Opening Balance	431	419	166	154
Provisions Made During the Year	77	11	77	11
Receivables Written Off During the Year	8	1	8	1
Closing balance	516	431	251	166

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

Note 12: Derivative Financial Instruments

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

Fair Value

The fair values of forward foreign exchange contracts have been determined using a discounted cash flows valuation technique based on quoted market prices. The inputs into the valuation model are from independently sourced 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 \$Nil (2017 \$850,467). The foreign currency principal amount was AUD Nil (2017 AUD 780,000)

Note 13: Intercompany Balances

	Group		University	
	This Year \$000	Last Year \$000	This Year \$000	Last Year \$000
Current Assets				
iEngagEd Limited	-	-	131	131
University of Waikato Foundation Trust	-	-	81	102
WaikatoLink Limited	-	-	1,450	5,017
Intercompany Current Asset Balances	-	-	1,662	5,250
Current Liabilities				
University of Waikato Foundation Trust	-	-	-	-
Student Campus Building Fund Trust	-	-	(2,564)	(2,299)
University of Waikato Research Trust	-	-	(12,558)	(12,017)
Intercompany Current Liability Balances	-	-	(15,122)	(14,316)

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

All intercompany current accounts are classified as current.

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

As at 31 December 2018 the University had advanced to WaikatoLink Limited a total of \$1,450,000 (2017 \$5,017,215) by way of shareholder loan. An impairment of \$3,567,215 was applied in 2018, this amount reflects the impairments made to investments in WaikatoLink Limited's Balance Sheet. The loan is interest free and repayable on demand. The University has undertaken not to demand repayment until WaikatoLink Limited has sufficient free cash available to make repayments.

Note 14: Other Financial Assets

	Group		University	
	This Year \$000	Last Year \$000	This Year \$000	Last Year \$000
Current Portion				
Term Deposits with Maturities of 4-12 Months	26,830	22,910	24,025	21,000
Endowment Portfolio (CIP)	4,346	3,883	-	-
Total Current Other Financial Assets	31,176	26,793	24,025	21,000
Non Current Portion				
Bay Venues Limited	1,000	1,000	1,000	1,000
Term Deposits with Maturities of 12-24 Months	-	-	-	-
Total Non Current Other Financial Assets	1,000	1,000	1,000	1,000
Total Other Financial Assets	32,176	27,793	25,025	22,000
Investment Revenue				
Interest	2,329	1,889	2,127	1,724
Dividends	84	71	283	345
Gains/(Losses) on Equity Investments	(45)	432	-	-
Total Investment Revenue	2,368	2,392	2,410	2,069

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

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

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

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

Note 15: Inventories

	Group		University	
	This Year \$000	Last Year \$000	This Year \$000	Last Year \$000
Held for Sale	141	128	141	128
Held for Distribution/Use	767	786	767	786
	908	914	908	914

No inventories are pledged as security for liabilities or subject to retention of title clauses. (2017 \$Nil).

No stock held for sale was written down for obsolescence in 2018 (2017 \$Nil).

Note 16: Investments

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

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

Note 17: Intangible Assets

	Group				University		
	Software Purchased \$000	Software Internally Generated \$000	Non Software Development Costs \$000	Group Total \$000	Software Purchased \$000	Software Internally Generated \$000	University Total \$000
This Year							
Balance at 1 January 2018							
Cost	35,751	925	5,170	41,846	35,750	925	36,675
Accumulated Amortisation and Impairment	(17,555)	(925)	(2,550)	(21,030)	(17,554)	(925)	(18,479)
Opening Carrying Amount	18,196	-	2,620	20,816	18,196	-	18,196
Year Ended 31 December 2018							
Additions	9,542	-	89	9,631	9,542	-	9,542
Disposals	(815)	-	(1,200)	(2,015)	(815)	-	(815)
Reclassifications	198	-	-	198	198	-	198
Amortisation and Impairment Charge	(3,335)	-	(1,166)	(4,501)	(3,335)	-	(3,335)
Disposals Amortisation and Impairment	768	-	-	768	768	-	768
Reclassifications Amortisation and Impairment	(138)	-	-	(138)	(138)	-	(138)
Closing Carrying Amount	24,416	-	343	24,759	24,416	-	24,416
Balance at 31 December 2018							
Cost	44,676	925	4,059	49,660	44,675	925	45,600
Accumulated Amortisation and Impairment	(20,260)	(925)	(3,716)	(24,901)	(20,259)	(925)	(21,184)
Closing Carrying Amount	24,416	-	343	24,759	24,416	-	24,416

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

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 Nil (2017 \$Nil)

The amount of intangible assets that are work in progress for software purchased is \$2,057,270 (2017 \$12,872,000)

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

Note 18: Property, Plant and Equipment

This Year University

	Cost/ Valuation 1 Jan 18	Accumulated Depreciation and Impairment Charges 1 Jan 18	Carrying Amount 1 Jan 18	Current Year Additions	Current Year Disposals	Current Year Reclassifications
	\$000	\$000	\$000	\$000	\$000	\$000
Land	14,010	-	14,010	1,620	-	-
Infrastructural Assets	31,164	-	31,164	1,571	-	-
Buildings	353,913	-	353,913	37,574	(195)	-
Leasehold Building Improvements	1,527	(1,114)	413	10	(171)	-
Library Collection	82,513	(49,855)	32,658	4,525	-	-
Plant and Equipment	50,859	(36,805)	14,054	5,460	(1,128)	6,101
Computer Equipment	26,375	(17,283)	9,092	3,458	(632)	(6,993)
Art Collection	1,186	-	1,186	159	-	-
Motor Vehicles	4,496	(2,205)	2,291	983	(882)	694
Total	566,043	(107,262)	458,781	55,360	(3,008)	(198)

Last Year University

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

Current Year Impairment Charges	Current Year Depreciation	Accumulated Depreciation on Disposal	Accumulated Depreciation on Reclassifications	Revaluation Movement	Cost/ Revaluation 31 Dec 18	Accumulated Depreciation and Impairment Charges 31 Dec 18	Carrying Amount 31 Dec 18
\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
-	-	-	-	-	15,630	-	15,630
-	(858)	-	-	-	32,735	(858)	31,877
-	(13,254)	24	-	-	391,292	(13,230)	378,062
-	(52)	51	-	-	1,366	(1,115)	251
-	(3,080)	-	-	-	87,038	(52,935)	34,103
-	(3,352)	1,050	(3,930)	-	61,292	(43,037)	18,255
-	(2,483)	601	4,595	-	22,208	(14,570)	7,638
-	-	-	-	-	1,345	-	1,345
-	(313)	685	(526)	-	5,291	(2,359)	2,932
-	(23,392)	2,411	139	-	618,197	(128,104)	490,093

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

This Year Group

	Cost/ Valuation 1 Jan 18	Accumulated Depreciation and Impairment Charges 1 Jan 18	Carrying Amount 1 Jan 18	Current Year Additions	Current Year Disposals	Current Year Reclassifications
	\$000	\$000	\$000	\$000	\$000	\$000
Land	14,010	-	14,010	1,620	-	-
Infrastructural Assets	31,164	-	31,164	1,571	-	-
Buildings	353,913	-	353,913	37,574	(195)	-
Leasehold Building Improvements	1,527	(1,114)	413	10	(171)	-
Library Collection	82,513	(49,855)	32,658	4,525	-	-
Plant and Equipment	51,111	(37,040)	14,071	5,471	(1,337)	6,101
Computer Equipment	26,374	(17,282)	9,092	3,459	(632)	(6,993)
Art Collection	1,186	-	1,186	159	-	-
Motor Vehicles	4,494	(2,204)	2,290	984	(882)	694
Total	566,292	(107,495)	458,797	55,373	(3,217)	(198)

Last Year Group

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

Current Year Impairment Charges	Current Year Depreciation	Accumulated Depreciation on Disposal / Addition	Accumulated Depreciation on Reclassifications	Revaluation Movement	Cost/ Revaluation 31 Dec 18	Accumulated Depreciation and Impairment Charges 31 Dec 18	Carrying Amount 31 Dec 18
\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
-	-	-	-	-	15,630	-	15,630
-	(858)	-	-	-	32,735	(858)	31,877
-	(13,254)	24	-	-	391,292	(13,230)	378,062
-	(52)	51	-	-	1,366	(1,115)	251
-	(3,080)	-	-	-	87,038	(52,935)	34,103
-	(3,361)	1,259	(3,930)	-	61,345	(43,072)	18,273
-	(2,485)	601	4,595	-	22,208	(14,571)	7,637
-	-	-	-	-	1,345	-	1,345
-	(313)	685	(526)	-	5,290	(2,358)	2,932
-	(23,403)	2,620	139	-	618,249	(128,139)	490,110

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

Land and Buildings

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

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

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

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

Land and Buildings were revalued as at 31 December 2017 by Darroch Valuations Limited (Registered Valuers), on a fair value basis. The total fair value of Land and Buildings valued by Darroch Valuations Ltd at 31 December 2017 was \$355,565,794.

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

Infrastructure

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

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

Tauranga Campus Construction

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

Land

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

Construction

The Trust provided contributions towards the cost of construction during 2017 and 2018. The construction costs have been recognised as building work in progress in the University's Property Plant and Equipment balance in the Balance Sheet. The funding agreement between the Trust and the University places many conditions on the University, the most significant of which are;

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

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

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

The University has employed personnel and designed strategies to ensure that these conditions are met. It is the University's assessment that it is very likely that the conditions will be complied with, therefore a repayment liability has not been recognised in the Balance Sheet. The amount of \$19.5M (2017 - \$7.14M), being funding received for construction in 2017, has been recognised as revenue in the Statement of Comprehensive Revenue and Expense.

Finance Leases

The net carrying amount of Property, Plant and equipment held under finance leases is \$1,916,370, (2017 - \$1,987,099)

Restrictions on title

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

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

Work in Progress

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

	Group		University	
	This Year \$000	Last Year \$000	This Year \$000	Last Year \$000
Land	-	-	-	-
Infrastructural Assets	1,729	160	1,729	160
Buildings	46,600	12,358	46,600	12,358
Leasehold Building Improvements	10	2	10	2
Plant and Equipment	1,849	605	1,849	605
Computer Equipment	135	181	135	181
Art Collection	158	-	158	-
Motor Vehicles	130	-	130	-
	50,611	13,306	50,611	13,306

Note 19: Revenue in Advance

	Group		University	
	This Year \$000	Last Year \$000	This Year \$000	Last Year \$000
Research Revenue	16,662	10,919	16,662	10,919
Commercial	6,121	2,778	6,098	2,707
Tuition Fees	30,136	27,217	30,136	27,217
Total Revenue in Advance	52,919	40,914	52,896	40,843
Total Revenue in Advance Comprise				
Revenue in Advance from Exchange Transactions	29,592	29,421	29,569	29,350
Revenue in Advance from Non-Exchange Transactions	23,327	11,493	23,327	11,493
Total Revenue in Advance	52,919	40,914	52,896	40,843

Note 20: Payables

	Group		University	
	This Year \$000	Last Year \$000	This Year \$000	Last Year \$000
Payables Under Exchange Transactions				
Trade Payables	6,897	6,756	7,101	6,723
Payables to Related Parties (See Note 26)	-	-	11	26
Accrued Expenses	14,049	8,295	13,808	7,844
Total Payables Under Exchange Transactions	20,946	15,051	20,920	14,593
Payables Under Non-Exchange Transactions				
Taxes Payable	3,171	3,822	3,161	3,820
Total Payables	24,117	18,873	24,081	18,413

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

Note 21: Borrowings

	Group		University	
	This Year \$000	Last Year \$000	This Year \$000	Last Year \$000
Opening Balance	1,313	1,318	1,313	1,318
Less Borrowings Repaid	(5)	(5)	(5)	(5)
Closing Balance	1,308	1,313	1,308	1,313
Current Portion - Financial Lease	5	5	5	5
Non Current Portion - Finance Lease	1,303	1,308	1,303	1,308
	1,308	1,313	1,308	1,313

The finance lease is currently recognised at fair value using a discount rate of 12.89% (2017 12.07%). The increase in the discount rate has arisen due to an increase in the lease amount payable from 2018. The Finance lease was fair valued at inception using a discount rate of 12.07%.

Finance Lease

(a) Leasing arrangements

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

(b) Finance lease liabilities

	Minimum Future Lease Payments				Present Value of Minimum Future Lease Payments			
	Group		University		Group		University	
	This Year \$000	Last Year \$000	This Year \$000	Last Year \$000	This Year \$000	Last Year \$000	This Year \$000	Last Year \$000
No Later Than One Year	174	164	174	164	162	154	162	154
Between One and Five Years	694	655	694	655	475	459	475	459
Later Than Five Years	3,937	3,879	3,937	3,879	671	700	671	700
Minimum Lease Payments	4,805	4,698	4,805	4,698	1,308	1,313	1,308	1,313
Less Future Finance Charges	(3,497)	(3,385)	(3,497)	(3,385)				
Present Value of Minimum Lease Payments	1,308	1,313	1,308	1,313	1,308	1,313	1,308	1,313

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

	Group		University	
	This Year \$000	Last Year \$000	This Year \$000	Last Year \$000
Surplus/(Deficit)	30,719	22,791	28,087	21,180
Add/(Less) Non Cash Items				
Depreciation and Amortisation	27,900	22,928	26,727	22,587
Increase/(Decrease) in Non-Current Employee Entitlements	(134)	157	(134)	157
Other	110	(274)	(1)	(217)
	27,876	22,811	26,592	22,527
Add/(Less) Movements In Other Working Capital Items				
(Increase)/Decrease in Receivables	(2,915)	(2,120)	(4,503)	(3,217)
Increase/(Decrease) in Payables	5,560	1,608	5,669	3,842
(Increase)/Decrease in Inventories	6	85	(85)	81
Increase/(Decrease) in Revenue In Advance	12,052	5,776	12,052	5,924
Increase/(Decrease) in Employee Entitlements	1,020	(262)	1,026	(246)
(Increase)/Decrease in Prepayments	(844)	459	(844)	459
Increase/(Decrease) in Intercompany Balances	-	-	4,393	174
	14,879	5,546	17,708	7,017
Add/(Less) Items Classified As Investing And Financing Activities				
(Gains)/Losses on Disposal of Property, Plant and Equipment	366	(345)	366	(344)
	366	(345)	366	(344)
Net Cash Flow from Operating Activities	73,840	50,803	72,753	50,380

Note 23: Key Management Personnel Compensation

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

	This Year	Last Year
Council members		
Full-Time Equivalent Members ¹	0.91	0.91
Remuneration	231,503	228,339
Executive Committee and Deans' Committee		
Full-Time Equivalent Members	20.26	21.12
Remuneration	5,756,961	5,672,227
Total Full-Time Equivalent Members	21.17	22.03
Total Key Management Personnel Compensation	5,988,464	5,900,566

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

Note 24: Leases

Operating Leases as Lessee

(a) Leasing arrangements

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

The University leases the land for the Hamilton campus from Tainui Group Holdings Limited in perpetuity. The use of this land is restricted to tertiary education, research or any other activity permitted by the rules of the Regional and District plans or by a Resource Consent. The University may sublet up to 25% of the land for periods of no longer than 10 years without seeking agreement from Tainui Group Holdings Limited.

(b) Non-cancellable operating lease payments

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

	Group		University	
	This Year \$000	Last Year \$000	This Year \$000	Last Year \$000
Not Longer than One Year	4,223	3,248	4,223	3,248
Longer than One Year and Not Longer than Five Years	12,319	10,795	12,319	10,795
Longer than Five Years	48,711	50,833	48,711	50,833
	65,253	64,876	65,253	64,876

(c) Sub-leases

The total minimum future receipts that the University expects to receive from its tenants on leased land is \$6,691,406 (2017 \$6,923,466). The minimum renewal periods range from 1 to 27 years.

Lessor Disclosures

Operating Leases as Lessor

(a) Leasing arrangements (Receivables)

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

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

(b) Non-cancellable operating lease payments

	Group		University	
	This Year \$000	Last Year \$000	This Year \$000	Last Year \$000
Not Longer than One Year	752	622	752	622
Longer than One Year and Not Longer than Five Years	1,752	1,117	1,752	1,117
Longer than Five Years	5,287	5,519	5,287	5,519
	7,791	7,258	7,791	7,258

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

Note 25: Financial Instruments

25A: Financial Instrument Categories

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

	Group		University	
	This Year \$000	Last Year \$000	This Year \$000	Last Year \$000
Financial Assets				
Fair Value Through Surplus or Deficit				
Held for Trading				
Forward Foreign Exchange Contracts	-	7	-	7
New Zealand Equities	1,174	1,046	-	-
Australian Equities	783	810	-	-
Other Offshore Equities	1,243	1,148	-	-
Fixed Interest Instruments	852	748	-	-
Total Held for Trading	4,052	3,759	-	7
Loans and Receivables				
Cash and Cash Equivalents	35,297	30,521	33,193	28,088
Receivables	25,099	22,184	24,879	20,284
Inter Company Asset Balances	-	-	1,662	5,250
Other Financial Assets	28,124	24,041	25,025	22,000
Receivables	88,520	76,746	84,759	75,622
Financial Assets at Cost				
Investments	316	316	2,316	2,316
Total Financial Assets at Cost	316	316	2,316	2,316
Financial liabilities				
Financial Liabilities at Amortised Cost				
Payables	20,946	15,051	20,920	14,593
Inter Company Liability Balances	-	-	15,122	14,316
Total Financial Liabilities at Amortised Cost	20,946	15,051	36,042	28,909

25B: Fair Value Hierarchy Disclosures

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

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

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

	Valuation Technique			
	Total \$000	Quoted Market Price \$000	Observable Inputs \$000	Significant Non- Observable Inputs \$000
31 December 2018 – University and Group				
Financial Assets				
Derivatives	-	-	-	-
31 December 2018 – Group				
Financial Assets				
Fixed Interest Instruments	852	573	-	-
Listed Shares	3,200	2,319	-	-
31 December 2017 – University and Group				
Financial Assets				
Derivatives	7	-	7	-
31 December 2017 – Group				
Financial Assets				
Fixed Interest Investments	748	573	-	-
Listed Shares	3,004	2,319	-	-

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

25C: Financial Instrument Risks

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

Market Risk

Fair Value Interest Rate Risk

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

Cash Flow Interest Rate Risk

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

The University holds a mixture of fixed rate and floating call rate deposits. At 31 December the University had \$9,888,001 (2017 \$16,893,437) invested in variable rate deposits and the balance in fixed rate deposits.

Sensitivity analysis

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

Interest Rate Risk	This Year		Last Year	
	\$000	\$000	\$000	\$000
University				
Instrument	+100bps	-100bps	+100bps	-100bps
Variable Rate Deposits	99	(99)	169	(169)
Group				
Instrument	+100bps	-100bps	+100bps	-100bps
Variable Rate Deposits	119	(119)	187	(187)

Explanation of Interest Rate Risk Sensitivity

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

Currency Risk	This Year		Last Year	
	\$000	\$000	\$000	\$000
University				
Instruments Held in USD	+10%	-10%	+10%	-10%
Creditors	31	(38)	1	(1)
Debtors	(5)	6	(1)	2
US Dollar Account	(139)	170	(106)	130
Group				
Instruments Held in USD	+10%	-10%	+10%	-10%
Creditors	31	(38)	1	(1)
Debtors	(5)	6	(1)	2
US Dollar Account	(140)	171	(111)	136
Equities	(102)	125	(94)	114
University				
Instruments Held in AUD	+10%	-10%	+10%	-10%
Creditors	17	(21)	9	(11)
Debtors	-	-	(5)	6
AUD Dollar Account	(31)	38	(2)	2
Group				
Instruments Held in AUD	+10%	-10%	+10%	-10%
Creditors	17	(21)	9	(11)
Debtors	-	-	(5)	6
AUD Dollar Account	(31)	38	(2)	2
Equities	(72)	88	(72)	87
University and Group				
Instruments Held in EUR	+10%	-10%	+10%	-10%
Creditors	-	-	-	-
Debtors	(1)	2	-	-
Euro Account	-	-	-	-
University and Group				
Instruments Held in GBP	+10%	-10%	+10%	-10%
Creditors	1	(2)	-	-
GBP Account	-	-	(1)	-
Equities	(12)	14	(12)	14
University and Group				
Instruments Held in CNY	+10%	-10%	+10%	-10%
Creditors	1	(1)	14	(17)
Debtors	-	-	(16)	19

Explanation of Currency Risk Sensitivity

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

Credit Risk

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

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

Credit risk in respect of bank and short-term deposits, is reduced by spreading deposits over major New Zealand registered trading banks with minimum Standard & Poors 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 S&P's credit ratings (if available) or to historical information about counterparty default rates:

	Group		University	
	This Year \$000	Last Year \$000	This Year \$000	Last Year \$000
Counterparties with Credit Ratings				
Cash at Bank and Term Deposits				
AA-	66,473	57,314	57,218	49,088
Derivative Financial Instruments				
AA-	-	7	-	7
Counterparties without Credit Ratings				
Debtors and Other Receivables				
Existing Counterparty with No Defaults in the Past	25,099	22,184	24,879	20,284
Existing Counterparty with Defaults in the Past	-	-	-	-
Total debtors and other receivables	25,099	22,184	24,879	20,284
Loans to Related Parties				
Existing Counterparty with No Defaults in the Past	-	-	1,662	5,250
Existing Counterparty with Defaults in the Past	-	-	-	-
Total loans to related parties	-	-	1,662	5,250

Liquidity Risk

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

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

Contractual Maturity Analysis of Financial Liabilities

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

	Carrying Amount \$000	Contractual Cash Flows \$000	Less than Six Months \$000	Between Six Months and One Year \$000	Between One and Five Years \$000	More than Five Years \$000
University						
This Year						
Payables	24,081	24,081	24,081	-	-	-
Borrowings	1,308	4,805	87	87	694	3,937
Inter Company Balances	15,122	15,122	-	15,122	-	-
Last Year						
Payables	18,413	18,413	18,413	-	-	-
Borrowings	1,313	4,698	82	82	655	3,879
Inter Company Balances	14,316	14,316	-	14,316	-	-
Group						
This Year						
Payables	24,117	24,117	24,117	-	-	-
Borrowings	1,308	4,805	87	87	694	3,937
Last Year						
Payables	18,873	18,873	18,873	-	-	-
Borrowings	1,313	4,698	82	82	655	3,879

Note 26: Related Party Transactions

The following related party transactions occurred between the University and WaikatoLink Limited, U Leisure Limited (ULL), The University of Waikato Foundation (Foundation), The Students' Campus Building Fund Trust (SCBFT), University of Waikato Research Trust (UoW RT) and iEngagEd Limited, during the year:

	WaikatoLink \$	ULL \$	Foundation \$	SCBFT \$	UoW RT \$	iEngagEd \$
Payments in 2018 to:	1,003,000	-	-	2,414	2,797,000	527,547
- 2017	1,200,492	889	-	2,115	2,129,000	462,472
Receipts in 2018 from:	302,067	-	638,240	267,488	44,897	-
- 2017	803,546	-	892,601	279,884	36,878	-
Accounts Receivable at 31 December 2018 owing from:	1,577,397	-	81,442	-	-	131,028
- 2017	5,202,766	-	101,552	-	-	131,299
Accounts Payable at 31 December 2018 owing to:	-	-	-	2,564,277	12,558,000	10,939
- 2017	-	-	90	2,298,903	12,017,000	25,684

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

The payable amount owing to the University of Waikato Research Trust is the intercompany balance (see note 13) and represents the funds available to the Trust for future research activity.

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

During 2018 the Group received \$5,000 from Kordia to be used as a scholarship for "Women in Technology". A council member is CEO of Kordia Limited. There was no amount outstanding as at 31 December 2018.

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

Note 27: Contingencies

University Contingent Liabilities

A guarantee has been given to the Bank of New Zealand for an overdraft facility of \$53,000 (2017 \$53,000) on a continuing basis to the Campus Creche Trust. The University routinely monitors the financial performance of Campus Creche Trust. The likelihood of the guarantee being called upon is considered to be very low.

The University is aware of potential payments for employee disputes up to a maximum of \$125,000. There are no other known contingent liabilities.

Share of Subsidiaries' and Associates' Contingent Liabilities

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

Note 28: Capital Management

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

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

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

The University's planning process includes the development of the University Strategy, Academic Plan, Investment Plan and budgets. These plans set out the University's activities for the next one to three years. The University's operational budget is set annually and ensures that the planned

activities are appropriately funded and that expenditure requirements of the planned activities have been identified. The University's budget is set at a level to ensure that the University's operating activities are funded from operating cash flows and also that the University's operating activities generate sufficient cash flows to fund the capital expenditure requirements of the University.

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

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

Note 29: Commitments

Capital Commitments

The University has the following capital expenditure contracted:

	Group		University	
	This Year \$000	Last Year \$000	This Year \$000	Last Year \$000
Land	-	-	-	-
Buildings	11,184	30,446	11,184	30,446
Infrastructural Assets	1,359	8,949	1,359	8,949
Library Collection	1,652	2,593	1,652	2,593
Plant and Equipment	801	767	801	767
Computer Equipment	366	220	366	220
Motor Vehicles	-	94	-	94
Intangibles	357	4,921	357	4,921
	15,719	47,990	15,719	47,990

Note 30: Explanations of Major Variances Against Budget

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

Statement of Comprehensive Income

Government Funding and Grants

The University exceeded its budget for Government funding and grants by \$13.0 million. This is largely due to \$9.2 million in Free Fees Funding being received from the Government, this scheme wasn't announced until after the University's budget was set. The Institute for Professional Learning also received more than budgeted in Ministry of Education contracts, and the University was awarded additional Performance Based Research Funding (PBRF) after the budget was set.

Tuition Fees

The University received \$3.7 million less than budget in tuition fees, this was mainly due to treating revenue received as Free Fees Funding as Government Grant. Previously this revenue would have been included in Tuition Fees. The \$9.2 million transfer to Government Funding has been offset by international enrolments exceeding budget by 191 EFTS and domestic enrolments exceeding budget by 153 EFTS.

Research Revenue

Research revenue exceeded budget by \$3.7 million, while most faculties exceeded their budget targets, the Faculty of Science and Engineering generated \$2.4 million more research revenue than budget.

Other Revenue

Other revenue received by the University was \$2.7 million more than budget. The significant revenue streams making up this variance were an increase in student accommodation revenue, unbudgeted revenue relating to Centres of Asia Pacific Excellence (CAPES) and settlement of the claim in relation to an infrastructural asset mentioned last year in Note 27: Contingencies.

Donations

The University received \$19.9 million more than budget in donations during 2018; once again most of this was from the Tauranga Tertiary Campus Building Trust, contributing towards the cost of building a Tauranga campus.

Personnel Costs

Personnel costs were \$2.2 million more than budgeted. A significant portion of this is research related and has resulted in additional research revenue for the University.

Other Costs

The University spent \$10.3 million more than budgeted in other costs. The University forgave a portion of WaikatoLink Limited's advance; details are in Note 13: Intercompany Balances. Increased research activity resulted in additional expenses, and more was spent to repair buildings, and on advertising costs. During 2018 the University entered into an agreement with Study Group NZ Limited to teach students previously taught in the Pathways College. The arrangement requires the University to treat the transferred income relating to these students as an expense.

Depreciation, Amortisation and Impairment

The depreciation charge for the University was \$4.6 million more than budget. The increase in building and infrastructural assets resulting from the 2017 revaluation had a greater impact on depreciation than anticipated.

Note 31: Events after Balance Sheet Date

There were no significant events after balance date.

GLOSSARY OF ABBREVIATIONS AND TERMS

Glossary of Abbreviations

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

Glossary of Terms

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

NOTES

Statistical Information

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

Total students by ethnicity

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

Total students by gender

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

Total qualifications completion by level

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

Foundation Certificate

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

Degree

Comprises undergraduate degrees, certificates (undergraduate and graduate) and diplomas (undergraduate and graduate).

Graduate/Postgraduate

Comprises graduate degrees (including one-year and four-year honours degrees and masters degrees), postgraduate certificates and postgraduate diplomas.

Higher Degrees

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

Total EFTS by organisational unit

Counts EFTS by the organisational unit that 'owns' the relevant papers.

Research Revenue

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

Research publication by type

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

Statement of Service Performance

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





THE UNIVERSITY OF
WAIKATO
Te Whare Wānanga o Waikato

WHERE THE WORLD IS GOING
TE AHUNGA O TE AO

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