



THE UNIVERSITY OF
WAIKATO
Te Whare Wānanga o Waikato



2020

ANNUAL REPORT



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FROM THE CHANCELLOR

E tēnā koutou katoa, ngā mihi nui

This contribution to the Annual Report of the University by its Chancellor, will be like none other, for a number of reasons - the challenge of survival due to the impact of the Covid-19 pandemic being paramount.

In years to come it will be no surprise to learn about pre-Covid and post-Covid years in the way that world wars of the 20th century are referred to. The growing presence of Covid-19 in many parts of the world including New Zealand, had an immediate effect, first on the numbers of overseas students available and able to be enrolled, and secondly on the way in which learning was delivered.

A 40% reduction in the stream of international students and the resulting diminution of income was a character-building exercise for the University management to absorb. It is a matter of pride to record the efforts of the Vice-Chancellor, and all of the staff at the University of Waikato, to achieve a satisfying set of results notwithstanding.

Alongside this, restrictions on travel and congregation caused by Government measures to combat spread of the virus, required lecturers to deliver courses online while at the same time preserving the quality of learning and, as much as possible, the student experience. It is a tribute to the staff that so much was achieved, and so much innovation introduced, in such a short period of time.

Other upsides include the move to working remotely in a University context, which has provided flexibility and, as surveys have shown, a maintenance of productivity and interest. Examination results have shown that the Covid-19 storm has been weathered without significant reduction in learning outcomes. We have also benefited from dramatically reduced commuting and air travel costs.

The momentum experienced by things moving forward on these items had other effects, such as the resolve that developed to continue with The Pā construction project, which will transform campus life with a multi-purpose hub at the centre of the Hamilton campus. Construction work began mid-year, with the footprint of the construction now very evident, and which will be completed mid-2022.

Controversy, which can be expected at any time in a university, arose with an employment matter about compliance with University policies turning into a social media campaign asserting that the University's actions were motivated by racism. This was a serious challenge that the Council and management took both seriously and in accordance with relevant legislation. Two senior and respected New Zealanders, Sir Harawira Gardiner and Hon Hekia Parata, were engaged to conduct an immediate inquiry and report to the Council. They applied themselves with commendable skill. Their report found that the specific allegations of racism levelled at University management could not be supported and stood to be dismissed. However, they recommended the establishment of a taskforce to more fully examine the case for structural and systemic racism present in procedures and practices. That taskforce was immediately commissioned and is in the hands of two senior staff members with a report due in March 2021.

The University ended 2020 with graduation ceremonies at Claudelands Events Centre, Te Kohinga Mārama Marae and, for the first time, December graduation ceremonies at the Tauranga campus. The Tauranga graduations were particularly well received, with the campus proudly on display for attendance of the graduating students in a number of faculties, and in many instances, their families.

Twelve months of experience working as Chancellor have shown me how fortunate the University is to have a Council with people of diverse backgrounds and capabilities. This underlined the shock and sadness of one of our number, Scott Bartlett, losing a battle with cancer in December at the age of 40. He had been a student at the University of Waikato and brought to our governance work the approach of a successful entrepreneur in the electronic and security field, whose viewpoint and skills went further than New Zealand.

His replacement and those of some other Councillors whose terms end in 2021 will provide a challenge to identify people whose background and capability fill the spaces well.

Lastly, on Council membership, Pro-Chancellor and secondary school Principal, Mrs Susan Hassall and Hamilton businessman Mr Simon Graafhuis, accepted appointment for further terms in the course of the year.

As a result of the above, the University is poised to begin a new year in 2021 which offers the danger of a possible return or reversion by the virus, but also the opportunities offered by a new era of digitally delivered education and other new developments on offer, once normal flows of goods and people are restored.



Rt Hon Sir Anand Satyanand GNZM QSO
Chancellor



VICE-CHANCELLOR'S OVERVIEW

E ngā mātāwaka o te motu, e rau rangatira mā, tēnā koutou katoa.

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

Pike mai, kake mai, whakatau mai ā te ngākau ki a koutou katoa.

New Zealand's public health and policy response to the Covid-19 pandemic resulted in 2020 being a year of extraordinary challenges, not just for the University of Waikato but for the whole of the education sector.

Our challenges began early in the New Year as we moved to support our students at our joint institute in Hangzhou with access to online learning, and quickly escalated as we moved our entire operations online in the face of New Zealand's nationwide lockdown just two months later.

We successfully transitioned more than 13,000 students and almost 1,500 staff into an entirely digital environment with only a one week break to facilitate this, supporting our students to continue learning and our staff to keep teaching online, and moving all administration operations into remote online mode.

I am proud of the way the University put students at the forefront of every decision made throughout the pandemic.

Key decisions included:

- A freeze on accommodation payments over lockdown.
- Distribution of 260 Chromebooks and 129 internet connections to students who needed access support.
- More than \$650,000 in hardship funding issued to students in need. In establishing a scheme to supplement the existing budget and government funding for student hardship, I committed to contributing the equivalent of 15% of my salary for six months, other members of the executive team agreed to contribute 7.5% of salary, and in total over 90 University staff made payroll contributions to the University Foundation.
- More than 200 staff who volunteered to call every student over lockdown to check on their welfare, raise any further support needed in the form of pastoral care, academic support or hardship grants.
- Student success and student retention during the year both validated the quality and impact of the University's response.

While 2020 Ministry-Funded EFTS were on par with 2019 (8,262 compared with 8,264 in 2019), the University's 2020 on-shore Full Cost International EFTS were significantly impacted by the closure of the border to international students (1,659 compared with 2,074 in 2019). The shortfall in international student numbers was the principal reason for the University not achieving its budgeted surplus and instead having an operating deficit. In the latter part of 2020 the University took steps to reduce costs without impacting on the provision of teaching, research and student support, as well as long-term budget planning to model a return to financial sustainability by 2026.

The University's Tauranga campus has seen further growth, with an increase of Ministry-Funded enrolments of 17.6% - up from 693 in 2019 to 815 in 2020. The launch of a new state-of-the-art algal research and aquaculture facility is a key part of our strategy to further coastal and marine research opportunities in the Bay of Plenty, and provides a point of difference in our programme offering both nationally and internationally.

Growth in our research income proved to be one of the highlights of 2020 as we set a new University of Waikato record for external research grant income received in a single year (\$36.147M). This funding is further evidence of the success of our research agenda and the quality of the research teams that we have established in recent years. In addition, much of the funding secured is for multi-year programmes, securing a strong pipeline of funding for new knowledge creation over the medium term.

Construction started on The Pā, a landmark project that will transform the on-campus experience for students, staff, visitors and the broader community. Due for completion mid-2022, The Pā will provide a new main entrance to the campus, a student

hub (including food outlets and social learning spaces) and a new University marae. While The Pā is being completed we have taken steps to increase community engagement with our campuses, including the Boon: Street Art Festival, Local Night Bites market and adding the Hamilton campus to the global public running event, parkrun.

A number of new appointments to academic leadership positions joined the University of Waikato team during 2020, including Deputy Vice-Chancellor Research, Professor Bryony James, Pro Vice-Chancellor of Waikato Management School, Matt Bolger, and Pro Vice-Chancellor Arts, Law, Psychology and Social Sciences, Professor Patrick Leman. The University also welcomed Professor Sarah Strasser as Dean, Te Huataki Waiora School of Health and Professor Roger Strasser as Professor of Rural Health to further advance the University's role in addressing key issues and shortages currently facing New Zealand's rural health sector.

During the year Hon Hekia Parata and Sir Harawira Gardiner were commissioned to investigate claims of racism from some members of the University staff. While their investigation found that the specific claims of racism made against the University were incorrect, inaccurate or matters of opinion, its recommendations have resulted in the establishment of a Taskforce to consider structural and systemic racism within the University resulting from its heritage as a European institution. I would like to thank all staff and students who participated in the consultation process as part of the review and those who have engaged with the Taskforce to share their own experiences.

On behalf of the leadership team, I acknowledge the support and guidance we have received from the University Council this year, and the dedication and engagement of all University of Waikato staff. In responding to the pandemic the University has been true to its motto 'Ko Te Tangata' in putting people first in all that we have done. Our staff and students have demonstrated incredible resilience and supported each other through a very challenging year, and everyone in the University of Waikato community should be proud of the contribution they have made.



Professor Neil Quigley
Vice-Chancellor



2020 AT A GLANCE



4,252

QUALIFICATIONS
COMPLETED

↑ 13%



1,200

STUDENTS SUPPORTED
THROUGH THE
TAURANGA CAMPUS



8,262

EQUIVALENT FULL-TIME
DOMESTIC STUDENTS
(SAME AS 2019)

3,415 ↑ 37%

STUDENTS UNDERTOOK
IN-WORK PLACEMENT



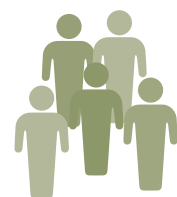
2,186

EQUIVALENT FULL-TIME
INTERNATIONAL
STUDENTS 6.5% ↓



2,527

MĀORI STUDENTS
19.3%
OF STUDENT BODY



\$286,055

TECHNOLOGY ACCESS SUPPORT
FOR STUDENTS INCLUDING
287 IT DEVICES FOR STUDENTS



CHROMEBOOKS
DISTRIBUTED TO
STUDENTS OVER
LOCKDOWN

\$653,460

HARDSHIP FUNDING
SUPPORT FOR STUDENTS



\$16M

INVESTED IN
SCHOLARSHIPS

129



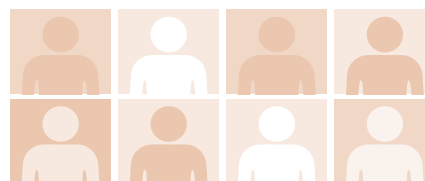
INTERNET CONNECTIONS
DISTRIBUTED TO STUDENTS
OVER LOCKDOWN

21,397

VIDEO-CONFERENCING
MEETINGS HELD IN
QUARTER 1 2020

\$70M

REVENUE FROM
RESEARCH AND
DEVELOPMENT



THE UNIVERSITY OF WAIKATO

UNIVERSITY ROLE

Consistent with its statutory role as a New Zealand university under section 268 of the Education and Training Act 2020, the University of Waikato develops graduates with intellectual independence and delivers research and teaching that are interdependent. It meets international standards of teaching and research, is a repository of knowledge and expertise, and acknowledges its role as critic and conscience of society.

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

Standards of entrance to the University are determined and monitored by an inter-university body established under the Education and Training Act 2020: Universities New Zealand, which also determines and monitors standards for the quality and accreditation of the University's qualifications. Like all other New Zealand universities, the University of Waikato is subject to regular and rigorous academic audit by the Academic Quality Agency 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

Left to right:

Dr Joan Forret (appointed by the Minister responsible for Schedule 11 of the Education and Training Act 2020), Kyla Campbell-Kamariera (2020 Waikato Students' Union President), Ngareta Timutimu (appointed after consultation with Te Rōpū Manukura), Associate Professor Eva Collins (elected by the staff of the University), Pro-Chancellor Susan Hassall (appointed directly by the Council), Simon Graafhuis (appointed by the Minister responsible for Schedule 11 of the Education and Training Act 2020), Chancellor Rt Hon Sir Anand Satyanand (appointed directly by the Council), Paki Rawiri (appointed after consultation with Te Arikiniui), Vice-Chancellor Professor Neil Quigley (ex-officio), Scott Bartlett (appointed directly by the Council).

Absent from Photo:

Margaret Devlin (appointed by the Minister responsible for Schedule 11 of the Education and Training Act 2020), Graeme Milne (appointed by the Minister responsible for Schedule 11 of the Education and Training Act 2020).

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



EXECUTIVE LEADERSHIP TEAM OF THE UNIVERSITY OF WAIKATO

As at 31 December 2020

Left to right:

Eion Hall (Chief Information Officer), Brandon McGibbon (Director, Vice-Chancellor's Office), Matt Bolger (Pro Vice-Chancellor Waikato Management School), Professor Neil Quigley (Vice-Chancellor), Mike Calvert (Director, Student Services), Professor Patrick Leman (Pro Vice-Chancellor Arts, Law, Psychology and Social Sciences), Professor Bryony James (Deputy Vice-Chancellor Research), Sharon Calvert (Director, International), Professor Don Klinger (Pro Vice-Chancellor Education), Nikki Thomas (Director, Organisational Development and Wellness), Dr Sarah-Jane Tiakiwai (Deputy Vice-Chancellor Māori), Jim Mercer (Chief Operating Officer), Professor Robyn Longhurst (Deputy Vice-Chancellor Academic), Professor Geoff Holmes (Pro Vice-Chancellor Health, Engineering, Computing and Science), Professor Alister Jones (Senior Deputy Vice-Chancellor).

Absent from photo:

Duanna Fowler (Director, Strategic Communications and Engagement), Professor Allison Kirkman (Pro Vice-Chancellor Arts, Law, Psychology and Social Sciences (Acting)), Joseph Macfarlane (Director, Tauranga Campus Operations), Wayne Morgan (Chief Financial Officer (Acting)).

PROGRESS AGAINST THE UNIVERSITY STRATEGY 2017-2021

The University of Waikato continues to deliver strong performance across its operations. In 2020, staff responded to the challenges of the Covid-19 pandemic while delivering quality teaching and undertaking research of international standing, making valuable contributions to national and international challenges and debates in many areas.

This was the fourth year of the University's 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.**

The University's primary focus in 2020 was responding to the Covid-19 pandemic and ensuring its operations, students and staff continued successfully.

There have also been a number of initiatives that have contributed to the Strategy this year.

1. An organisational culture focussed on high performance

As a direct consequence of the University's continued investment in research, 2020 was the most successful year for research funding in the University's history.

During 2020 the University invested heavily in upskilling staff for online delivery, including significant investment in technology. This enabled the whole organisation to operate remotely at the same time, with daily drop-in sessions via Zoom to help staff in best practice for online teaching.

During the nationwide Covid-19 lockdown, a suite of health and wellbeing resources were made available to staff. These included tips on maintaining mental wellbeing, balancing looking after dependants while working from home, and setting up a workstation at home safely. A home workout series through UniRec and video messages from senior leaders were very well received.

The Organisational Development & Wellness team evolved the approach to onboarding new staff to make it more accessible and included a new academic introductory session.

The team facilitated four 'People Management 101' programmes and a 'Ko Te Tangata' leadership development programme during 2020. They also created new online staff development modules, and worked with several teams across the organisation on team-specific capability development. The team drafted a comprehensive staff performance and development framework which is currently under extensive staff consultation.

At the University's joint institute at Zhejiang University City College in Hangzhou, China, an Organisational Development Coach was appointed to monitor the wellbeing of all staff based in China and to develop and enhance a positive working culture. This was particularly important due to the disruptions caused by Covid-19, but it also recognised that many of the staff are relatively new to the University, and for some, it is their first experience living in China.



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

In 2020 the University successfully developed and received approval for a new Bachelor of Nursing in partnership with Waikato DHB. The programme was developed to meet a national shortage of nurses and as a response to the Government Inquiry into Mental Health and Addiction in 2018, entitled *He Ara Oranga*. The report made a series of recommendations about improving mental health and addiction care in New Zealand. These included broadening the range of services, greater responsiveness in primary care, and collaboration between government sectors. These imperatives have taken on added urgency in the wake of Covid-19.

As part of the Tertiary Education Commission's Entrepreneurial Universities programme, the University opened New Zealand's first state-of-the-art algal research aquaculture facility in Tauranga. The facility and algae produced will support further development of the aquaculture economy in the Bay of Plenty region.

The significant research success seen this year will mean an increase in the number of nationally and internationally recognised staff members applying their expertise and research to inform their teaching.

3. A comprehensive programme of community engagement

In July 2020 building work on the University's landmark capital investment project began. Opening mid-2022, The Pā will provide a new facility for students, staff and the community in the heart of the Hamilton campus. The University continues to engage with community stakeholders and iwi on the project, which will see an \$85m investment in the wider Waikato economy and the creation of 500 jobs over the duration of the build.

This year the University has continued to roll out its work-integrated learning programme, with every student first enrolled under the new regulation of compulsory work-integrated learning now in the third year of their undergraduate degree. External engagement continues with local, regional and national organisations to ensure the programme and our graduates meet their needs.

4. Improved operational efficiency and facilities

The University has had a strong focus on reducing expenditure and ensuring any spending achieves maximum results. University leadership undertook a re-budget exercise to ensure the deficit created by the reduction in international students is as small as possible. All staff have been asked to be financially conservative in all aspects of their work.

While the University has continued with its campus renewals and upgrades programme in 2020, the programme has been scaled back in light of Covid-19.

5. A distinctive University of Waikato student experience

The University ensured students were at the heart of all decisions made as part of its response to Covid-19. This included an outbound calling programme that saw every New Zealand-based student phoned and assigned a case manager over lockdown, with more than 200 staff members volunteering to participate in this initiative.

Our approach enabled a truly personalised response for students who needed longer-term support, including referral to existing support services within the University, help to access technology, and identifying cases of hardship that could benefit from the Government's Technology Access Fund for Learners and/or its Hardship For Learners Fund.

The University continued its flexible delivery approach in B Trimester, enabling the majority of students to choose whether they undertook their learning face-to-face, online or a combination of both. The University also made an early decision to freeze accommodation payments over lockdown, which was well received by students.

University staff undertook a highly personalised response to student performance in 2020, including an extensive grade moderation process, to ensure no student would be at a disadvantage as a result of the lockdown or changes to delivery modes.

The end of 2020 saw the Boon: Street Art Festival come to Hamilton campus, creating a bolder, brighter and more inspiring place to study, visit and work. Six painted murals now adorn the concrete buildings around campus. This is part of a five year partnership, helping to transform the Hamilton campus buildings so they more accurately reflect the great work that goes on inside them every day.

6. Investment in growth

The University's Tauranga campus has continued to grow following its opening in early 2019. In its second year of operation the campus has seen a 17% increase in domestic student EFTS, and further architectural and building accolades. The new algal research aquaculture facility opened in November, complementing the new Aquaculture major offered at the Tauranga campus.

The University's partnership with Zhejiang University City College in Hangzhou, China, is now entering its fourth year and has continued to thrive despite the challenges of Covid-19. While the campus did physically close from February to June, the University supported its staff in China to move online within two weeks and closely monitored students to ensure their performance was not impacted by online delivery. The University has invested in a further 2 FTE staff at its joint institute in 2020. The joint institute has seen an increase of 261 EFTS in 2020 over its 2019 enrolments, just four EFTS short of the target.

INSTITUTIONAL SUSTAINABILITY

ACTIVITIES UNDERTAKEN IN 2020 WITH RESPECT TO THE DELIVERY OF THE FOLLOWING INDICATORS:

1: Volume of Ministry-Funded (MF)/ Student Achievement Component (SAC)-eligible Equivalent Full Time Students (EFTS) delivered

2: Proportion of SAC funding delivered

6: Volume of total EFTS delivered

During 2020 the University's marketing and recruitment focussed on building national awareness of what the University and wider Waikato and Bay of Plenty regions offer prospective students as a point of difference. While the engagement programmes in our catchment areas remained strong, the University recognised key opportunities for growth from outside these core regions.

As part of this, the University engaged with a new creative and media agency to launch a bold new marketing campaign to drive domestic enrolment. Drawing on the University's motto 'Ko Te Tangata', translated as 'For The People', the campaign showcased the warm, supportive culture at the University which places students at its heart.

Supported by targeted print, radio, digital advertising and social media, the campaign highlighted attributes of the University and the wider Waikato and Bay of Plenty regions that are widely known locally, but not necessarily at a national level. The impact of the campaign on domestic enrolments was expected to become apparent in 2021.

In light of Covid-19 alert level restrictions, the University did not hold a physical Open Day at its campuses in 2020, instead developing a Virtual Open Day held over two days in August. The day comprised a series of live and pre-recorded content to provide prospective students with key academic programme information. The University also participated in national career expos and hosted regional information evenings and 'Find Your Future' events throughout the year.

Complementing the Virtual Open Day was 'Experience Waikato', a residential experience where 30 year 12 and 13 secondary students from Auckland and Wellington were hosted overnight on the Hamilton campus. This gave them an insight into student life and a glimpse of the lifestyle offered by the Waikato and Bay of Plenty regions.

A number of recommendations that followed a review into student communication were implemented, including the improvement and streamlining of communication 'touch points', and the implementation of a peer to peer platform to allow prospective students to connect with existing students and share experiences of life and study at Waikato.

Targeted sponsorship opportunities included securing the rights to manage the New Zealand High School League of Legends Esports championships, in which close to 1,000 students participated from 44 secondary schools around the country, as well as a presence at the Auckland and Tauranga Armageddon Expos.

Other initiatives undertaken by different Divisions of the University to support the wider recruitment strategy, and in response to Covid-19 in 2020 included:

- A Fast Track Engineering Graduate Programme to enable existing graduates to retrain in two years.
- A new, fully online Graduate Certificate in Project Management and minor in Project Management through the Waikato Management School.
- The revision and rebranding of the Bachelor of Communication Studies as the Bachelor of Communication. Three new majors – Media Production, Creative Media, and Applied Digital Communication – were introduced.
- The establishment of new programmes in Initial Teacher Education by Te Kura Toi Tāngata School of Education in collaboration with the Teaching Council of Aotearoa New Zealand, with a focus on developing a suite of graduate and postgraduate pathways for students who wish to move into teacher education programmes.
- The active introduction of the Secondary Schools' Mooting Competition into schools by Te Piringa Faculty of Law, and the rescheduling of 500-level papers to better accommodate practicing lawyers for professional development. The Faculty also hosted a 'Law Student for a Day' initiative.
- The Division of Health, Engineering, Computing and Science held CHEMQuest and Engineering Design Show recruitment events, and a coding workshop that allowed prospective students to get a taste of the different STEM subject areas.
- Three streams of the full immersion programme Te Tohu Paetahi across Hamilton and Tauranga by Te Pua Wānanga ki te Ao Faculty of Māori and Indigenous Studies.

The University also renewed the frequency of visits to secondary schools, including having senior academic staff attend prize-giving ceremonies to personally present scholarship offers and strengthen links with schools.

ACTIVITIES UNDERTAKEN IN 2020 WITH RESPECT TO THE DELIVERY OF THE FOLLOWING INDICATORS:

3: Volume of Full-Cost International (FCI) EFTS delivered

4: Proportion of total EFTS generated by FCI students

6: Volume of total EFTS delivered

With the closure of the New Zealand border in March 2020, the University increased its recruitment activity targeting international students already located in New Zealand who were considering further study.

Specifically this was aimed at:

- Schools with international students in years 12 and 13 who would have traditionally gone overseas to undertake their tertiary study.
- Students who were completing their undergraduate study at Waikato and in other New Zealand institutions who might have been looking to complete a higher level qualification.
- International students on post-study work visas who may have been struggling to gain employment and who might be interested in further study.

To reach these students the University ran a digital advertising campaign to promote online and onshore enrolment, and provided on-campus experiences for international students as well as international directors and career counsellors from local schools. University staff participated in school visits and regional career expos, and increased communication with New Zealand-based agents.

With the majority of our offshore international students being unable to enter New Zealand, a new focus on marketing our online programmes began early in the year.

The University maintained an active presence in our main international markets, including conversations with agents, partners and other stakeholders and the exploration of additional offshore delivery programmes. This was intended to enable us to rebuild recruitment as quickly as possible in the future.

Other examples of internationally focussed initiatives undertaken by the University in 2020 include:

- The appointment of a new Associate Dean Strategic Engagement and a Director of Global Engagement and Development at Waikato Management School, to support its commitment to global engagement and responsibility for offshore partnerships.
- The design of new product offerings by the Waikato Management School with flexible options including the Master of Business and Management, the Master of Digital Business and the Master of Management (Supply Chain Management or Marketing).
- The development of a sustainable pathway for any international students wishing to undertake a Bachelor of Education by Te Wānanga Toi Tangata Division of Education.
- The formalisation of partnerships with universities in India and Indonesia to provide a future pipeline for international students by Te Piringa Faculty of Law.
- The Masters of Engineering Practice in Civil Engineering (based on existing Level 500 papers), targeted at international students.

The University's joint institute at Zhejiang University City College in Hangzhou, China, saw an increase in student numbers in 2020 despite the challenges of Covid-19.

Restrictions in China in the New Year caused there to be a delay in teaching and the campus physically closed from February to June, however the University supported its staff to move online within two weeks and closely monitored students to ensure their performance was not impacted by online delivery. Student numbers ended the year within the ambitious targets set by the University.



ACTIVITIES UNDERTAKEN IN 2020 WITH RESPECT TO THE DELIVERY OF THE FOLLOWING INDICATOR:

8: Risk rating against the Tertiary Education Commission's (TEC) Financial Monitoring Framework

The University has a well-established budgeting process and reporting systems to ensure it operates within acceptable financial limits established by the Tertiary Education Commission (TEC).

Early in 2020 when the Government raised alert levels for Covid-19, the University moved quickly to mitigate student income losses arising from the domestic lockdown and the closure of the borders to incoming international students. These actions included:

- A rapid switch to teaching online.
- With Government support, the provision of tangible assistance to many students who did not have the equipment or internet connection to operate online.
- The deployment of business continuity plans that enabled staff to work remotely while delivering all essential University services.
- The preparation of a revised budget for 2020 that significantly cut non-essential costs and capital expenditure as well as locking in savings from reduced expenditure on travel.
- The establishment of a new line of credit from the University's bankers to allow expenditure to be maintained for key strategic projects, including The Pā, a significant capital investment for the University.
- A ban on all international travel and limited domestic travel for staff.
- A reduction in staffing costs by:
 - Reducing outstanding annual leave balances.
 - Working with organisational units to identify staff who would be open to taking voluntary redundancy or enhanced retirement packages.
 - Limiting the renewal of contract positions with the exception of those that were fully funded by external research contracts.
- Where additional cost-savings were required, the University looked to voluntary redundancies and retirements and carefully considered the implications of any changes for teaching and research programmes, and on the quality of our support and infrastructure for students and staff.

With these measures and the support of students and staff, the University was able to maintain its core teaching and research activities and report a financial result in line with its revised 2020 budget. The result aligned as closely as possible to TEC and Government expectations.

ACTIVITIES UNDERTAKEN IN 2020 WITH RESPECT TO THE DELIVERY OF THE FOLLOWING INDICATOR:

18: Halls Occupancy Rate (term time)

The University took a number of measures to mitigate the reduction in halls occupancy resulting from international students being unable to reach New Zealand and where more than half of international students already in halls chose to return home when New Zealand went into lockdown.

As 2020 progressed, a number of international students reported financial hardship and were consequently offered accommodation hardship scholarships from the Accommodation Service, or significantly reduced accommodation rates over the summer period.

Similarly, domestic students who experienced housing difficulties as a consequence of Covid-19 restrictions were able to access TEC hardship funding and other financial support to move from private accommodation into the halls of residence.

Residents who chose to return home during the lockdown period were not charged for their student accommodation during that time.

The Bryant Hall student residence expanded the capacity of its Kaupapa Māori floor to accommodate more students seeking on-campus accommodation in a Kaupapa Māori setting.

Between September and October 2020 early-bird rate reductions were offered, first to existing halls residents, then to all other current students, to encourage the consideration of on-campus accommodation for 2021. These offers were made alongside ongoing promotion of halls accommodation through local and University-wide channels.

In addition, a number of open days were held for current halls residents to view the range of other on-campus accommodation options available to them, particularly self-catered accommodation.

RESEARCH PERFORMANCE AND INDUSTRY RELEVANCE

The University has continued to build on its approved University Research Plan for the period 2018-2021.

The Research Plan acts as a guide for ensuring 'a culture of research excellence is embedded in every University programme' and to substantially improve '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'. It also supports '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.**

\$36.147M in world-leading research and attracting new research revenue worth more than \$70M

ACTIVITIES UNDERTAKEN IN 2020 WITH RESPECT TO THE DELIVERY OF THE FOLLOWING INDICATORS:

9: Research and Development (R&D) revenue generated

Throughout 2020 the University's researchers, supported by Research and Enterprise staff, continued to build on the success of 2019 with another strong year, delivering \$36.147M in world-leading research and attracting new research revenue worth more than \$70M. This is a new record for the University in research funding received in a single year, securing a strong pipeline of new knowledge creation over the next one to seven years.

Research and Enterprise staff have provided 1:1 coaching for researchers applying for external research funds, supporting the development of proposals and engagement with collaborators and industry partners.

This, and initiatives over the last several years, have led to a record contract value for the University of almost \$40M from the MBIE Endeavour Fund and Strategic Science Investment Fund. The University has also made 13 successful Marsden proposals to a contract value of \$6.67M.

Successes included:

- Contracting \$12.5M to undertake a programme to reduce energy-related greenhouse gas emissions using 'digital twin' technology (through the MBIE Strategic Science Investment Fund).
- Contracting \$6M to undertake a programme to review Indigenous approaches to transforming data ecosystems (through the MBIE Endeavour Fund).
- Contracting \$10M to analyse the individual, community and economic costs of racism (through the MBIE Endeavour Fund).
- Contracting \$10.9M to explore the concept of a circular economy as a sustainable model for development and wellbeing (through the MBIE Endeavour Fund).
- Five Marsden Standard Grants and eight Marsden Fast-Start Grants covering topics across the whole disciplinary spectrum, including the natural world and the impacts of climate change and pollution, human health and psychology, and history.

- Two Rutherford Discovery Fellowships to support the development of future research leaders.
- The award of the only New Zealand L'Oréal/UNESCO For Women in Science fellowship to support the science of restoring estuaries and how they will stand up to climate change.

These programmes and others lock in long-term funding for the University and demonstrate a high level of confidence in us to deliver on programmes that are strategically vital to New Zealand.

The University continued to invest in other contestable internal research funds, including the Strategic Research Fund and the Research Trust Contestable Fund. These are designed to fund and support emerging researchers to establish their careers.

In response to the Covid-19 lockdown and the impact on staff members' research productivity, the University made grants available to provide researchers with teaching support. This meant they had more time to complete, or significantly advance, one or more PBRF-eligible research outputs.

Other initiatives to support research staff included:

- Experienced researchers providing mentoring support to refine and strengthen funding applications.
- The development of a research skills development programme, which included a module on research project management and research proposal writing to help build University researchers' skills in this area.
- An early career researcher networking group was set up to support greater connections between staff and faculties/schools.
- Drop-in sessions to support Marsden Fund and MBIE Endeavour Fund applications.
- The appointment of a new Research Developer (Māori Engagement) to work with a range of researchers across the University to build their skills in working with Māori partner organisations.
- Development of a new introductory session for academics as part of onboarding, which includes information about teaching and research strategy and support.

ACTIVITIES UNDERTAKEN IN 2020 WITH RESPECT TO THE DELIVERY OF THE FOLLOWING INDICATORS:

14: Number of industry/work placements undertaken

Through the University's Curriculum Design Framework, implemented as part of the University's Curriculum Enhancement Programme, all comprehensive undergraduate degrees require students to undertake a work-integrated learning (WIL) component at either 200 or 300-level.

In 2020, 3,415 students took WIL papers as part of their studies.

Students fulfil this requirement through a variety of work placement opportunities facilitated through the University's WIL staff across academic units and a central WIL unit. Staff ensure the effective coordination and management of employer relationships and student placements.

During 2020, WIL papers included full immersion opportunities such as summer research scholarships, internships, work placement papers, and community-based work for voluntary agencies, as well as campus-based opportunities such as project work with an external client or community partner.

The Covid-19 pandemic presented significant challenges for WIL at the University in 2020. Where possible, work placements were transitioned to 'remote WIL' where students completed work tasks from home through online communication. Where work placements could not continue, the University generated relevant online opportunities with external stakeholders to allow students to complete their required learning outcomes, or supported students to take up their WIL component in B Trimester.

In some instances, WIL students became essential workers which allowed them to complete their work placement, alongside additional support and oversight from the University. During the heightened alert levels, the University provided support and advice for WIL staff as well as resources and professional development opportunities specific to Covid-19/WIL.



New WIL initiatives

This year the WIL Unit developed two new paper offerings (WKR200/300, taught as one paper; Ready for Work: Interdisciplinary Preparation for the Workplace) offered over the summer period for international students. In the context of Covid-19 and border restrictions, this was designed to keep international students engaged over the summer period and provide these students with an opportunity to more closely engage with New Zealand work life, with a focus on preparation for work and transferable work skills.

The Unit also developed a multidisciplinary team project programme, The Impact Lab, to provide opportunities and support to students from all schools to engage in multidisciplinary teamwork. This was launched in 2020 and is intended to be offered on an ongoing basis.

Other examples of initiatives over the year include:

- Supporting academic and non-academic staff with the delivery of WIL through the WIL Working Group, coffee forums, a half day symposium (focussing on innovative WIL practice, and navigating common WIL challenges), and one-to-one interactions.
- Providing resources and access to Work-Integrated Learning New Zealand's discussion forums on managing WIL during the pandemic.
- Rolling out MyWIL, a platform to support WIL staff facilitate work placements for students.
- Developing resources to support the successful implementation of WIL across the University, including student and partner organisation guides, supervisor roles and responsibilities, a WIL agreement, and a partner organisation risk-profiling process.

Enhancing opportunities for Pacific students

Led by the Assistant Vice-Chancellor Pacific and Waikato Management School, a Memorandum of Understanding was developed with the Waikato Pacific Business Network, which represents more than 60 Pacific-owned businesses as well as strategic partners such as Deloitte. The MoU includes innovative internships and business mentoring for Pacific students, aimed at increasing the availability of work-integrated learning opportunities for students in the Pacific community.

Engaging with the employer and wider WIL community

A key focus of the WIL Unit is external engagement with local small to medium businesses, not-for-profits, regional groups (including local and regional Councils and DHBs), national organisations (including ASB and NZ Police), local iwi, and Māori trusts. This is to ensure their needs are met, specifically around graduate capabilities, and to maximise the opportunities for current students.

The University of Waikato has national and international representation in WIL forums including:

- Representation on the Universities New Zealand WIL Working Group, including input in developing a National WIL Strategy, quality evaluation guidelines for WIL and student code of conduct.
- Two executive board members on the WILNZ board.
- Board membership of WACE (the world WIL association).
- Vice-Chair (Oceania) of the WACE WIL Research Committee.
- Close connection with the ACEN (the Australian WIL association), sharing resources for good practices and networking.
- Chairing the WILNZ conference organising committee with the University providing the venue for this event (initially scheduled in 2020 and is now set for 2021).
- Editor-in-Chief of the International Journal for Work-Integrated Learning, and additional support of the journal including University sponsorship for a special edition on the impact of Covid-19 on the practice of WIL.

STUDENT PARTICIPATION AND PERFORMANCE

ACTIVITIES UNDERTAKEN IN 2020 WITH RESPECT TO THE DELIVERY OF THE FOLLOWING INDICATORS:

10: Proportion of MF/SAC-eligible EFTS generated by Māori and Pacific students

The University has continued its tradition of delivering the highest proportion of Māori students of all the New Zealand universities in 2020. As noted in the Institutional Sustainability section of this Annual Report, Waikato has a well-established student recruitment programme that undertakes the majority of the University's domestic student recruitment activity; this activity includes recruitment of Māori and Pacific students.

The University also undertakes a range of recruitment activities that are specifically targeted at increasing Māori and Pacific student enrolments. These include engaging with secondary schools in regions with very high Māori and Pacific populations, engaging specifically with Kura Kaupapa Māori, and providing community information sessions in regions with high Māori and Pacific Island populations, so that students, their families and their communities can engage with the University and gain an understanding of the support and unique student experience the University can offer.

The University's new marketing campaign offered a range of promotional material in te reo Māori, and this was very well received.

Through its well-established Māori and Pacific student associations, the University has been able to seek support for its recruitment activities, and many current Māori and Pacific students have acted as ambassadors for the University during 2020.

As with all the University's recruitment activities in 2020, Covid-19 created a significant barrier to the University's traditional engagement mechanisms, and a rapid transition to online student information and experience sessions needed to be made. Many of the secondary schools in the University's wider catchment area did not allow recruiters onsite until the Covid-19 Alert Level had been reduced to 1.

The Assistant Vice-Chancellor Pacific has continued to build relationships with intermediate and secondary school stakeholders, including sponsorship of events which bring Pacific students, families and educators into the University space.

The University also hosted three virtual Waikato Pacific Education Seminars, attended by primary and secondary school educators, other tertiary providers and Pacific community

organisations. Topics included Covid-19, digital inclusion and a path forward, and received positive feedback.

The University continues to provide an extensive range of scholarships for Māori and Pacific students and these were well subscribed in 2020.

ACTIVITIES UNDERTAKEN IN 2020 WITH RESPECT TO THE DELIVERY OF THE FOLLOWING INDICATORS:

11: Paper completion rates (Level 4 and above) for:

MF/SAC-eligible students

Ensuring meaningful student success without compromising academic quality under the restrictions posed by Covid-19 was a key focus of the University of Waikato in 2020.

An additional teaching period - Autumn School - was established early in the year, with extra paper occurrences offered online. Among the target markets for Autumn School were students unable to come on campus to study, with the online papers enabling them to remain enrolled and engage with learning. It was also an opportunity for those in the workforce suddenly facing reduced job security to enrol in a University paper and trial returning to or beginning study.

As circumstances became more serious and New Zealand went into Alert Level 4 lockdown, the University brought together a large team of staff to individually contact every student to check on welfare, workload and access to support services for both academic and personal needs. This helped to identify students struggling to access and engage with their learning, whether this be due to lack of resources, external factors or the impact of lockdown on mental health.

The University's Information Technology Services (ITS) team managed a much larger workload, increasing infrastructure capacity across all teaching technology platforms to facilitate the new, flexible online learning approach necessitated by lockdown. ITS also sourced devices and internet connections for students identified by the outbound calling project as being without these essential resources.

With some students requiring access to specialised software on campus, ITS implemented a remote computer lab solution, allowing students to access around 150 software applications from home that were previously only available on campus.

The University of Waikato did not opt for across-the-board grade increases in 2020, instead taking a more student-centred approach to moderating and assessing individual student grades based on both student engagement with learning, and patterns identified in individual papers. The overarching philosophy of this approach was to ensure capable and engaged students would not fail a paper unnecessarily due to the disruption caused by Covid-19.

As a consequence, overall student pass rates were comparable with those in previous years. This approach was also very well received by students, who provided positive feedback and were highly appreciative of the efforts the University made in association with the Waikato Students' Union on an approach that made the best of a very difficult situation for many students.

MF/SAC-eligible students who are Māori

Alongside growth in Māori EFTS, the University has ensured strong development opportunities are available for Māori students, including the established leadership forum for Māori students, Te Kāhuinga Tumuaki (which has been detailed in previous Annual Reports).

An additional Māori student leadership initiative, Te Āhurutanga, is designed to enable Māori students opportunities to develop their leadership potential and act as role models while at University. Students on this programme are supported by tuakana or participants from previous cohorts.

Each Division and Faculty provides a tailored approach to mentoring for Māori students that is reflective of the specific needs and requirements of the academic programmes offered.

For example, Te Aka Mātutua School of Science taura gave a panel presentation at a four-day Te Ahu o Rehua wānanga about their Masters and PhD research topics. Their presentation included discussion of how they were integrating mātauranga Māori and kaupapa Māori research methodologies with Western science research methods. This was supported by senior Māori academic staff from across the University.

Te Puna Tautoko is a University-wide forum bringing together staff and student leaders who work across all areas that engage with Māori students. These areas include academic support, scholarships, recruitment, accommodation, student health and student leadership. The purpose of the forum is to discuss matters pertaining to Māori students and their success.

Before New Zealand entered Alert Level 4, a survey was sent to all Māori students to assess their digital needs in preparation for the shift to online learning. From this survey, individual calls were made to Māori students. During lockdown a regular forum was established between the Deputy Vice-Chancellor Māori (DVCM) Office and Te Kāhuinga Tumuaki, to check on Māori student welfare as well as any academic issues. This forum checked that Māori students were able to access the support services they needed, aligned the provision of support services so there wasn't duplication and provided opportunities for escalation of issues either to the relevant Divisions and Faculty or to the central University Covid-19 response group. The forum also checked back with students to ensure they were receiving the support they needed.

Independently of issues raised by Covid-19, Te Kāhuinga Tumuaki and the DVCM Office had a regular schedule of meetings where matters specific to Māori students could be raised.

Te Pokapū, a fortnightly open day at Te Kohinga Mārama, the University marae, was a new initiative that began in the latter part of 2020. Staff from the Divisions, Faculty and DCVM Office were made available to engage with and provide quality referrals to Māori students across the University for academic, pastoral and procedural advice.

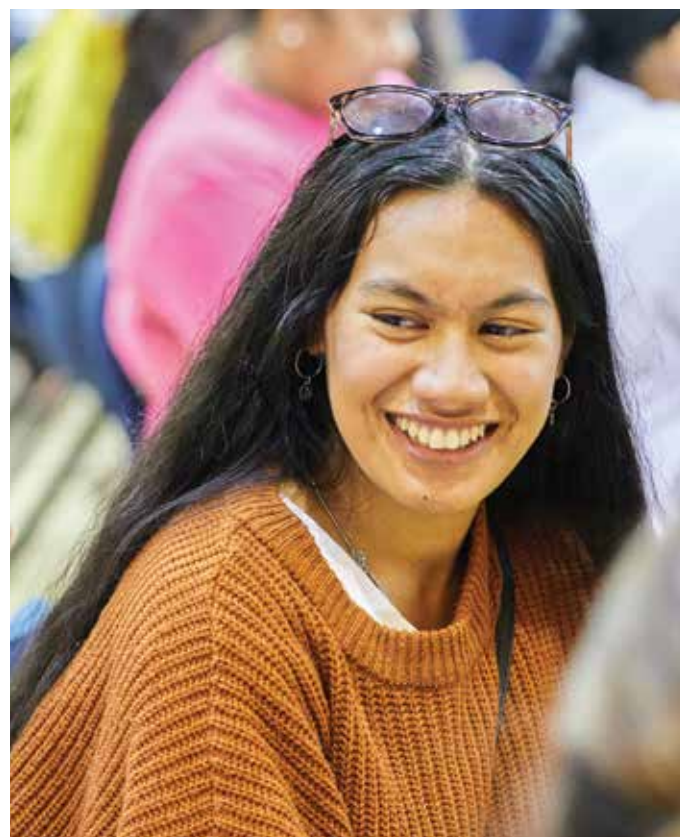
Pūtikitiki, the Māori student space, was opened on the Hamilton campus in October 2020. This is a central dedicated space for Māori students from across the University to gather.

MF/SAC-eligible students who are Pacific

The Imua Learner Leader Initiative, a learning support programme, was launched mid-way through 2020. Imua is a Hawaiian phrase, sometimes written as imua, which means to go forward or lead from the front. It readily translates into many of the languages of the Pacific. This programme is informed by research, data, and student voice. It builds on the initial findings of the Ako Aotearoa project, as well as the University's TEC Ōritetanga Learner Success Project. It is especially aimed at Pacific learners who are new to university study, including those in the first year of an undergraduate qualification.

In 2020, the Imua Learner Leader Initiative had 29 participants and was aimed in B Trimester at helping students cross the finish line during a challenging year.

Digital inclusion initiatives have also been in development in 2020, with a view to being trialled for first-year Pacific students in 2021.



Digital inclusion became a focus during the Covid-19 lockdown, when a Pacific student advisement model was created within the University-wide case management model. This model ensured all Pacific students were contacted by phone and their needs addressed. For needs outside the University's scope and resources, staff connected students with external Pacific community groups.

FCI students

With many international students unable to enter New Zealand to study on campus, the University's blended delivery approach has been crucial in enabling them to commence or continue study. Among the University's earliest responses to the Covid-19 threat was making content available online to students likely to have to remain in China. This involved investigating a range of options to accommodate offshore security protocols that precluded the use of some common teaching technologies.

The University's student-centred approach to ensuring the best outcomes for students was also rolled out to its international student cohort, with students being individually contacted to ascertain their welfare, workload and access to student support services. The overall paper completion rate for international students remained very high and feedback from international students suggested that they felt well supported by the University during a very difficult time.

12: First year student retention rates (Level 3 and above) for (cohort-based approach):

MF/SAC-eligible students

The University's provision of Chromebooks and internet connections as part of the TEC Technology Assisted Fund assisted students in need of digital resources to access content and complete coursework during lockdown. With the blended learning approach continuing in B Trimester due to uncertainty over potential further shifts between alert levels, students now provided with the tools they needed to study were able to remain enrolled and engaged in learning.

MF/SAC-eligible students who are Māori

Te Kāhui Pīreke focuses on supporting first-year Māori students and their transition into the University. It is a personalised programme consisting of phone contact with all first year Māori students prior to Orientation, to make them aware of student support services as well as inviting them to visit mentoring units within the Divisions/Faculties they are enrolled in. A Māori Orientation event was also run as part of Orientation week to showcase what the University offers Māori students.

During the year, a programme of workshops covered different aspects of student life to provide a more holistic support model. The programme was modified to an online format in response to the Covid-19 lockdown and was recorded, so students could have ongoing access to the resources discussed. A coordinator for this programme ensured each student had individualised follow up to support student retention and academic progress.

MF/SAC-eligible students who are Pacific

The University adopted a new cultural legacy-informed model, 'Beginning the Voyage', for Pacific student Orientation in 2020. This approach covered not only services for Pacific students and the Pacific ohana on campus, but also the services of external Pacific community stakeholders such as K'aute Pasifika (health and social services) and Le Va (mental health and wellbeing).

As mentioned earlier a cultural legacy and leadership-based initiative for first-year students, the Imua Learner Leader Initiative, was launched mid-year.

As part of ensuring Pacific students feel welcomed and recognised in the University environment, workshops, events and social media activity celebrated nine Pacific language weeks as well as Kamehameha Day.

FCI students

International Office staff were among the hundreds of University staff engaged in outbound calling during lockdown, specifically reaching out to international students. International students have had access through this campaign to pastoral care and any relevant learning support services needed for their ongoing study.

This level of contact was maintained through B Trimester, providing further support and advice around border restrictions, immigration and continued study. Efforts have also been made to explore the potential for offshore students unable to return to New Zealand to engage in face-to-face study with the University's partners in offshore locations.

The ITS team also continued to investigate technology solutions to support continued study for offshore students, particularly those in China.

13: Qualification completion rates (Level 4 and above) for (cohort-based approach):

MF/SAC-eligible students

With Covid-19 and the ensuing restrictions playing a huge part in the way the University operated in 2020, focussing student support at an individual level was key to ensuring student success.

Since 2019, the University has been developing a Student Success Dashboard as part of a wider project titled the Ōritetanga Learner Success Project, co-funded by the TEC. The Dashboard uses data and analytics to identify when a student may be at risk of disengaging with their study and require intervention and support.

The Dashboard was set to be piloted in April 2020 with selected groups but when New Zealand went into lockdown and all teaching and learning shifted online, it was immediately rolled out across the whole University. It enabled the University to track all undergraduate student engagement in our learning management system, Moodle, flagging students who were not engaging so they could be provided with appropriate support.

Along with the insights gained from the Ōritetanga Learner Success Project, the outbound calling campaign to each student during lockdown enabled the University to quickly identify issues and students at risk of disengaging.

MF/SAC-eligible students who are Māori

Each Division and Faculty provides a tailored approach reflective of the specific needs and requirements of the academic programmes offered.

Te Toi o Matariki is a support programme catering to different stages of the Māori graduate and postgraduate cohort and includes workshops, an annual symposium and writing retreats for those in the writing phase of their Masters.

MAI ki Waikato supports Māori Doctoral candidates as part of the national MAI Doctoral support programme run through Ngā Pae o te Māramatanga. Similar to Te Toi o Matariki, MAI ki Waikato reflects the different stages of the Doctoral cohort with workshops and writing retreats.

MF/SAC-eligible students who are Pacific

In July the Pacific Academic Staff Forum was established. This is a forum where new and emerging Pacific academics and researchers can be nurtured in various ways, including research and funding opportunities.

FCI students

The Autumn School offered additional online occurrences for international students unable to return to New Zealand, in some cases maximising their potential to graduate on time despite border restrictions and the disruptions of Covid-19. The University also increased its online offerings for B Trimester, providing further opportunities for students unable to return from overseas to continue with their studies.

19: Number of students undertaking study abroad and exchange

The International Plan (2017-2021) outlines a commitment to ensuring all students have an opportunity to develop their global competency. One mechanism for achieving this is the option for students to immerse themselves in another culture as part of the University's Study Abroad and Exchange programmes.

Although 2020 was set to be a highly successful year in terms of incoming Study Abroad students, from March a new programme of work was created to recognise the difficulties posed by the closure of New Zealand's borders, with the majority of activity moving online. As a result of this work, more than 96% of A Trimester's Study Abroad students were retained.

With New Zealand's management of the Covid-19 pandemic gaining positive global attention, interest in inbound Study Abroad programmes remains high despite the long term prospects of borders reopening remaining limited.

In light of continued border restrictions, much of late 2020 was focussed on maintaining and building relationships with global partners and ensuring the University of Waikato brand remains visible. This activity included:

- Increased engagement with key Study Abroad partner universities, particularly in the US.
- Gaining The Education Abroad Network (TEAN) as a new key partner. TEAN is a major international education provider based in the US and offering study programmes in the Asia Pacific region.

- Developing a new Study Abroad and Exchange partner newsletter to be launched in 2021.
- Attending partner fairs online.
- Establishing new social media channels.

In 2020 a number of new initiatives were also introduced to address the disparity in the number of Māori students taking up the opportunity to study overseas as part of the University's Exchange programme. Encouraging more Māori students to participate included:

- Increased student exchange scholarships for Māori students.
- New partners with an Indigenous focus.
- Identification of short-term opportunities, in recognition of longer programmes not always being suitable for students with family commitments or who have never travelled abroad.

Following participation in 2019 in the International Cultural and Educational Exchange with Arizona Universities, Thompson Rivers University, the University of Sydney and the University of Tasmania, in early 2020 a small group of Māori students from the University of Waikato visited the US.

They joined Aboriginal students from the University of Sydney and University of Tasmania, visiting Arizona Universities and Thompson Rivers University. It was fortunate this visit was able to be completed before border restrictions were put in place.

Additional initiatives undertaken in 2020 to support the uptake of study abroad and exchange programmes included:

- New Academic Planning section added to the Waikato OE website, giving students a better array of tools and information to help them map a Waikato OE Programme.
- Greater engagement with key Division staff through Waikato OE information sessions.
- International Virtual Open Day, used as an engagement tool with prospective students.
- Launch of a new online platform, TerraDotta, which streamlines our application and placement process.



ORGANISATIONAL CULTURE: STAFF AND STUDENTS

ACTIVITIES UNDERTAKEN IN 2020 WITH RESPECT TO THE DELIVERY OF THE FOLLOWING INDICATORS:

15: Staff survey results

The University facilitated a full staff engagement survey in February which showed a positive shift in perceptions since 2018, particularly in the following areas:

- Strategic vision and alignment
- Leadership
- Development
- Diversity and inclusion.

Staff were also invited to complete a pulse survey on Health, Safety and Wellness, with responses being used to inform the programme of work for 2021. Areas that staff found helpful for their wellbeing during 2020 included:

- Support from colleagues, line managers and senior leaders
- Flexible working
- Team and organisational communication
- Access to resources including the Employee Assistance Programme, technology support from ITS and teaching support from the Centre for Tertiary Teaching and Learning (CeTTL).

Areas staff identified where they would like further support included:

- Workload management and administrative support
- Supporting the mental health of both colleagues and students
- Social and exercise spaces and opportunities
- Cultural awareness development.

The University also ran surveys related to staff experiences working under the impact of Covid-19. These consisted of a check-in survey at the beginning of lockdown to assess staff experiences through the changes in alert levels and their feelings on the University's decision-making and communications, and a transitioning back to work survey to understand staff feelings and areas of concern around returning to campus. A third survey focussed specifically on teaching and learning in the Covid-19 environment, to inform the approach to delivery in 2021.

The University carried out a range of actions in response to each of these surveys, including:

- Supporting staff with online resources relevant to each Covid-19 alert level
- Extensive consultation with staff on professional goal setting, with ongoing work on a new draft performance review framework
- Refining organisational values
- Consultation on the draft Diversity and Inclusion strategy
- Developed and implemented a staff flexible working policy and associated guidance
- Delivering Professional Development programmes
- Working closely with Divisions, teams and individuals to develop programmes based on specific needs, to help embed new and more effective ways of working and reach specific goals for teams and individuals.

The Health, Safety and Wellness team focused on clarifying expectations for individuals, teams, divisions and leadership in 2020. Examples included:

- Reviewing the University's operational health and safety system
- Reviewing and redesigning employee participation in Health, Safety and Wellness, including establishing committees across all Divisions and teams and reviewing the number and role of Health, Safety and Wellness representatives
- Overhauling the Health, Safety and Wellness website to make it informative and user-centric
- Providing clarity on roles, responsibilities and expectations of the Vice-Chancellor's Executive Committee in terms of Health, Safety and Wellness.

Due to the nature of these projects and the volume of work in designing, implementing and embedding practices such as performance management and values, many of these efforts are ongoing.

16: i-Graduate student survey

Actions undertaken in 2020 in response to outcomes from the 2019 i-Graduate student survey included:

Student Finance

A change in the Student Management System prior to the 2019 survey resulted in some legacy issues delivering lower satisfaction scores in this area. In 2020 these were reviewed and refined so students could more readily understand and engage with their accounts online. Process improvements included automated receipts, the discontinuation of refunds by cheque, and improvements to invoicing and debt collection processes.

Enrolment

The rollout of an enquiry management system and associated adjustments improved response and resolution times. An outbound calling team was introduced, providing a personalised approach to reduce peaks in enrolment activity and early identification of any difficulties students might face during the enrolment process.

Through leveraging the capabilities of the Student Management System, several processes were brought online, including credit application, application deferral, enrolment reminder communications and alerts, and reference capture. The introduction of recommended and prescribed paper selection better supported students through the paper selection process. These aspects were additionally simplified by enhancements to the agent portal and paper/qualification transfer processes.

Accessibility

Registration for Accessibility Services was moved online and related processes streamlined. This team made a significant number of changes to the way the service operates and what it provides. This included new processes for providing reader-writers and note takers, as well as improvements to the facilities provided for special exam arrangements.

The Accessibility team on the Hamilton campus physically relocated to a central location in the Student Centre in 2020.

Counselling

Since the 2019 i-Graduate survey, the Student Health counselling service has changed its approach and made changes to the appointment booking system. The service now also works closely with two mental health nurses. As a result of these actions there is now a considerably reduced waiting time for counselling appointments and students who need urgent support are able to access same-day appointments.

Teaching and learning experiences

The University surveyed students on their study experiences in B Trimester to inform the teaching approach for 2021 and beyond. Students said the main areas that supported their learning included:

- Online support – e.g. pre-recorded lectures and resources provided online
- Staff support – particularly teaching staff and library staff
- Flexibility – being able to manage their own time, controlling the pace of learning, and accessing learning when and where they want.

These and other themes identified will be used to inform how the University maximises the opportunities that have arisen out of flexible learning in 2020 for 2021 and beyond.

REPUTATION

ACTIVITIES UNDERTAKEN IN 2020 WITH RESPECT TO THE DELIVERY OF THE FOLLOWING INDICATOR:

17: Ranking

In an increasingly competitive global environment, rankings continue to be an important measure of the reputation of an institution as viewed by its prospective students, collaborators and potential research partners. They also provide the University with a benchmark to measure performance and celebrate success.

The reputation and ranking of the University of Waikato have been a key focus of the work of the Global Engagement and Partnerships team within the International Office in 2020. The team has been leading and supporting work across three main rankings: QS World University Rankings, Times Higher Education World University Rankings and Times Higher Education Impact Rankings. The team has worked with each rankings organisation to develop a better understanding of the University's performance, informing both a review of our data submissions and our overall rankings strategy.

Analysis of the University's performance in the various rankings exercises has shown that while the University is producing excellent research, we need to grow our reputation within the global academic and employer communities.

To this end, the University launched a number of new initiatives in 2020 to support this work plan, including:

- An enhanced study leave programme that encourages and supports international collaboration and provides sufficient funding and time to focus on high quality research.
- Development of a global communications strategy with a view to raising the reputation and knowledge of the University's research internationally.

The University has also embarked on a number of other initiatives in 2020 that are expected to lead to improvements in future rankings exercises. These have included:

- Working with academic units across the University to raise awareness and understanding of the rankings processes. This has involved tailored reports and workshops on subject rankings specific to individual schools and faculties.
- A reputation toolkit for staff has been developed and will be released in early 2021.
- Working with the employers of University of Waikato graduates to understand what makes our graduates unique and encouraging employers to share their experiences.

These initiatives are expected to deliver positive outcomes over time.

A relatively new rankings exercise, but one that is garnering increasing international attention, is the Times Higher Education (THE) Impact Rankings. This ranking focuses on the contributions tertiary institutions are making against the United Nations Sustainable Development Goals.

In 2020, the University ranked in the 201-300 bracket internationally.

Throughout 2020, the University has focussed its attention on better telling its story about its contribution to the UN SDGs, linking research activities with the relevant SDGs; as a result there is confidence the University should improve its performance in the 2021 ranking exercise.

Supporting the University's reputation and perception is its engagement with the wider community. During 2020, this has been underpinned by engagement with staff, students and the wider community at events, as well as with a range of new on-campus activations.

In 2020 the University adapted its programme of public lectures, seminars and performing arts activities to ensure compliance with restrictions on mass gatherings and the subsequent changes in alert levels. Where events were able to proceed as planned, the University ensured as much as possible there was an online/ livestream component to widen participation.

Highlights of the year are detailed below:

- In early March, a special lecture series was launched, bringing together conversations with New Zealand and internationally acclaimed authors as part of a new partnership between the University and the New Zealand Festival of the Arts. The University hosted local writers Alan Duff and Alison Whittaker before the lockdown came into effect.
- Also in early March the University celebrated the conferral of an Honorary Doctorate on Dr Lisa Feldman-Barrett, a Canadian writer and psychologist, and one of the world's most respected scientists in the field of human emotion. Dr Feldman-Barrett gave a guest lecture as part of the event.
- In early July a new lecture series, Kaupapa Kōrero, was introduced, pitched as 'little talks on big topics'. Talks in the series focus on topical issues and aim to showcase the University's research and expertise. The first Kaupapa Kōrero was held on the topic of 'People, Place and Politics', and was a panel discussion inspired by the Black Lives Matter movement, within a Waikato and Aotearoa context. A second event was held in November on the topic 'Cutting Edge Community Care - how healthcare training can benefit from Waikato's world-leading medical research'.

- The University also launched 'Local Night Bites' in July, a weekly night market of local food retailers held on the Hamilton campus. The event allows halls residents and the surrounding community to enjoy the campus outside of teaching times.
- Each year in September the University honours its unique history and relationship with the Kīngitanga through Kīngitanga Day. Following the precedent set by Koroneihana, 2020's programme was a blend of face-to-face and predominantly online/live streamed events at both campuses. The programme included keynote speaker Andrew Judd, an activist and former Mayor of New Plymouth, interviews, competitions and performances, and Te Ara Piko Taniwha – a guided tour of significant Māori artworks.
- At the end of September the University welcomed a partnership with Loop Carshare on the Hamilton campus. The carshare service allows staff, students and the public to access Loop vehicles stationed on campus via an app and pay only for the minutes the vehicle is in use.
- In October, the University held its first full opera production in five years, 'The Tales of Hoffman'. The production was performed for four days and was held in the Gallagher Academy of Performing Arts.
- In November, Race Relations Commissioner Meng Foon visited the Hamilton campus to meet with members of the Taskforce created following the Parata Gardiner Review. During his visit he gave a presentation to staff, students and the community on recognising and responding to casual and systemic racism.
- In November, to coincide with the launch of Boon: Street Art Festival at the Hamilton campus, the University launched a self-guided walking tour of sculptures around the campus. Visitors can download a mobile app which guides them on the art trail, providing a narration of the history and concepts behind some of the campus's prominent artworks.
- November also saw the introduction of parkrun, a free, weekly, 5km community walk/run event held in locations around the world. The new Hamilton campus parkrun has attracted participants from around New Zealand.
- In December, the University hosted the New Zealand Universities Women in Leadership online symposium over two days in December. The event was held for NZUWIL alumni around the country and the content was also made available to University of Waikato staff.

Other regular events were held throughout the year within Covid-19 alert level requirements as part of the University calendar. These included the Hamilton Public Lecture Series where new professors are introduced to the wider community, the 3 Minute Thesis competition, the Blues Awards, the Distinguished Alumni Awards, and regular installations at the Calder & Lawson Gallery.

Academic staff also contributed to and presented at a number of external conferences early in the year before travel restrictions came into effect, and thereafter at online events and conferences over the course of the year. Many of our expert academic staff were active commentators in the mainstream New Zealand media on issues including the Covid-19 pandemic, New Zealand and overseas government policy, the New Zealand and United States elections, climate change and more.

OTHER COMMITMENTS

THE PĀ

Construction work began mid-2020 on the University of Waikato's innovative and versatile new facility, The Pā, which will transform the on-campus experience for students, staff, visitors and the broader community.

The Pā is the result of extensive consultation with students, staff, local iwi and other stakeholders. It is a landmark project for the University and the Waikato region in its provision of a strong cultural campus centre and a modern learning environment; it is core to the University's strategic direction.

The Pā will include a new main entrance to the campus, a student hub (including food outlets and social learning spaces), and a new University marae. Following the impacts of Covid-19 and the nationwide lockdown, completion of the The Pā has been shifted from early-2022 to mid-2022.

The concept for The Pā was based on the vision of an on-campus experience for future students involving greater emphasis on social learning and collaboration. The construction of The Pā has been made even more important by the major changes in teaching

and learning that are rapidly occurring, both at the University of Waikato and at universities around the world, as a result of Covid-19. It will also serve as an important mechanism to attract students from other parts of the country with a unique proposition that enhances the student experience.

Throughout 2020 work has continued with the design team to refine the interior of the building, including furniture choices informed by a student survey, and building on the University's development and use of its Tauranga campus. Staff have also refined the brief for the carving team from Waikato-Tainui, who will be delivering a suite of major cultural installations to support the overall cultural narrative of the building.

The Pā comes at a total cost of \$85M which is being funded largely by borrowing, to spread the cost over the generations of students that will benefit from it. Following the University's re-budget process mid-2020 and resulting financial modelling, the University Council agreed the project remains crucial to the future direction of the University, and the University is able to sustain servicing the level of debt required.



ŌRITETANGA LEARNER SUCCESS PROJECT

Throughout 2020 the University has continued to develop the Ōritetanga learner success prototype following funding support from the Tertiary Education Commission in 2019.

The project is a multi-year programme of work aimed at radically improving learner success and retention. It does this by enhancing the University's understanding of students who are identified as being 'at risk' of not achieving, and informing the development of initiatives for early intervention. The creation of a data framework will also help the University identify successes and areas for improvement within papers and qualifications, as well as specific student cohorts. Once complete, the prototype will be rolled out across the tertiary education sector.

Stage one of the project ran through to mid-2020 and focussed on building the University's data capabilities and developing a student success dashboard. The University's Information Technology Services team utilised data and a model borrowed from Georgia State University to form solutions for institutional improvement.

The team worked with a cross-section of University stakeholders to source data through the student voice, machine learning insights and student interactions with learning management systems. This extensive level of engagement across the University took six months to analyse, enabled in part by new machine

learning capability used to identify at-risk learners. It provided the University with reliable information to focus its change initiatives within teaching, learning, and student support.

This quality of this work was recognised in October with an award from the Council of Australasian University Directors of Information Technology (CAUDIT). The CAUDIT Awards recognise, celebrate and promote the achievements and innovation of IT staff applying digital solutions to transform the student and staff experience in higher learning institutions across Australasia. The University of Waikato was the only New Zealand university recognised in these awards.

Drawing on successful overseas models, 2021 will see the implementation of a study advising programme, providing timely support informed by up-to-date data. Each first year undergraduate student in 2021 will be allocated a Study Advisor who will make regular contact, monitor their progress, and intervene and provide support when needed. By using the dashboard to monitor students' progress and intervene early when a student is identified as not engaging, we aim to improve student success and retention, reducing the number of 'incomplete' and 'fail' grades.



THE TASKFORCE

In May, a group of staff wrote to the Secretary for Education outlining both specific and broad concerns about racism at the University of Waikato; the issues they raised generated significant public and media attention.

PARATA GARDINER REVIEW

The University Council responded by commissioning an independent review led by Hon Hekia Parata and Sir Harawira Gardiner during which they met with around 80 people and received 96 submissions.

Their investigation found the specific claims of racism made against the University were incorrect, inaccurate or matters of opinion. However it did find that, because it is founded in settlement history and adheres to western university traditions and cultures, there was structural, systemic and casual discrimination at the University of Waikato.

The Parata Gardiner Report established that, although a number of positive initiatives had been undertaken and continued to be undertaken by the University, these were insufficient to redress a number of issues. The Report recommended urgent action in pursuit of greater transformation. The University Council unanimously accepted the Report's recommendations and developed Terms of Reference for a taskforce.

THE TASKFORCE

The transformation process began with the establishment of a Taskforce to develop a plan of action to address the issues raised during the review.

The Taskforce is co-chaired by Professor Linda Tuhiwai Smith and Senior Deputy Vice-Chancellor Professor Alister Jones. Professor Tuhiwai Smith is an international leader and authority in Indigenous Studies and kaupapa Māori education. Professor Jones is an internationally recognised university leader with a deep understanding and experience of the University of Waikato.

Taskforce members include student and staff representatives from across the University community, and an appointee of King Tūheitia. The Taskforce is supported by an external Advisory Group, bringing together national and international race relations and tertiary sector expertise.

The Taskforce is expected to provide a report including a programme of work to be considered by the University Council in the first quarter of 2021.



Race Relations Commissioner Meng Foon and Taskforce Co-Chair Professor Alister Jones

STATISTICAL INFORMATION

TOTAL QUALIFICATION COMPLETIONS BY LEVEL

	2012	2013	2014	2015	2016	2017	2018 ⁽¹⁾	2019 ⁽²⁾	2020
FOUNDATION CERTIFICATES	546	484	523	473	476	513	823	562	570
DEGREE	2,037	2,167	1,937	1,891	2,015	2,235	2,268	2,360	2,570
GRADUATE/ POSTGRADUATE	1,284	1,071	968	918	956	798	880	846	1,028
HIGHER DEGREE	73	83	92	74	86	75	114	94	84
TOTAL	3,940	3,805	3,520	3,356	3,533	3,621	4,085	3,862	4,252

NOTES:

⁽¹⁾ From 2017 the University's four year Honours degrees were reclassified from Graduate/Postgraduate level qualifications to Degree level qualifications.

⁽²⁾ Results previously reported in the 2019 Annual Report have been updated to include those 2019 completions entered post 31 December 2019.

TOTAL EFTS BY LEVEL

	2012	2013	2014	2015	2016	2017	2018	2019	2020
SUB-DEGREE	406	345	335	393	321	428	493	484	339
DEGREE	8,123	8,075	7,824	7,881	7,710	7,680	7,934	8,112	8,254
TAUGHT POSTGRADUATE	1,117	1,161	1,168	1,192	1,238	1,232	1,264	1,437	1,285
RESEARCH POSTGRADUATE	620	576	576	551	536	552	567	585	594
ACE	104	2	-	-	-	-	-	-	-
TOTAL	10,371	10,159	9,904	10,018	9,805	9,892	10,257	10,617	10,472

TOTAL EFTS BY SOURCE OF FUNDING

	2012	2013	2014	2015	2016	2017	2018	2019	2020
MINISTRY-FUNDED (EXCLUDING ACE)	8,776	8,726	8,473	8,451	8,250	8,256	8,409 ⁽²⁾	8,264	8,262
FULL-COST INTERNATIONAL	1,461	1,408	1,401	1,535	1,510	1,599	1,873	2,339	2,186
ON-SHORE	1,461	1,408	1,401	1,535	1,510	1,599	1,791	2,074	1,659
OFF-SHORE ⁽¹⁾	-	-	-	-	-	-	-	264	526
FULL-COST OTHER	30	24	29	32	46	37	57 ⁽²⁾	15	24
ACE	104	2	-	-	-	-	-	-	-
TOTAL	10,371	10,159	9,904	10,018	9,805	9,892	10,257	10,617	10,472

NOTES

⁽¹⁾ Off-shore EFTS count those generated through the University's joint institute with Zhejiang University City College in China, these EFTS have been recorded in the University student management system from 2019.

⁽²⁾ While the University delivered 8,455 MF EFTS in 2018, due to a funding cap on EFTS in the University's Certificate of University Preparation programme that applied in 2018, the University was unable to claim funding for 46 EFTS delivered that year – these EFTS were been categorised as Full-Cost Other.

TOTAL EFTS BY ORGANISATIONAL UNIT

	2020
DIVISION OF ARTS, LAW, PSYCHOLOGY AND SOCIAL SCIENCES	2,820
DIVISION OF EDUCATION	1,624
DIVISION OF HEALTH, ENGINEERING, COMPUTING AND SCIENCE	2,580
DIVISION OF MANAGEMENT	2,590
PVC TEACHING AND LEARNING	53
TE PUA WANANGA KI TE AO	466
PATHWAYS COLLEGE	339
TOTAL	10,472

NOTE: From 2019 the University implemented a new divisional structure across the organisation, comparison of data with previous organisational units is not meaningful.

RATIO OF EFTS TO ACADEMIC FTE (COUNTING ALL ACADEMIC FTES AND EFTS)

	2012	2013	2014	2015	2016	2017	2018	2019	2020
TOTAL ACADEMIC FTE	637	640	636	647	628	599	598	622	649
TOTAL EFTS	10,371	10,159	9,904	10,018	9,805	9,892	10,257	10,617	10,472
RATIO	16.3	15.9	15.6	15.5	15.6	16.5	17.2	17.1	16.1

NOTES

(1) 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 from 2018 onwards excludes those staff employed by Study Group New Zealand.

(2) The Total EFTS from 2018 onwards includes those EFTS delivered by Study Group New Zealand under a sub-contracting arrangement with the University.

RESEARCH REVENUE PER ACADEMIC FTE (RESEARCH)

	2012	2013	2014	2015	2016	2017	2018	2019	2020
ANNUAL RESEARCH REVENUE	\$29.693 million	\$28.666 million	\$27.969 million	\$32.824 million	\$34.574 million	\$28.894 million	\$33.192 million	\$34.273 million	\$36.147 million
ACADEMIC FTE (RESEARCH)	442	448	451	449	423	387	387	400	422
RESEARCH REVENUE PER ACADEMIC FTE (RESEARCH)	\$67,169	\$63,986	\$62,015	\$73,095	\$81,735	\$74,661	\$85,767	\$85,683	\$85,656

RESEARCH PUBLICATION COUNT BY TYPE

	BOOKS	CHAPTERS	CONFERENCE CONTRIBUTIONS	CREATIVE WORKS	JOURNALS	OTHER	TOTAL
DIVISION OF ARTS, LAW, PSYCHOLOGY AND SOCIAL SCIENCES	19	51	41	9	214	80	414
DIVISION OF EDUCATION	3	17	20	-	89	21	150
DIVISION OF HEALTH, ENGINEERING, COMPUTING AND SCIENCE	6	12	79	-	392	17	506
DIVISION OF MANAGEMENT	5	15	33	-	205	21	279
OFFICE OF THE VICE-CHANCELLOR	1	9	17	-	47	59	133
NON FACULTY STAFF	-	1	1	-	4	2	8
TOTAL	34	105	191	9	951	200	1,490

NOTES

(1) 2019 research publication snapshot as at 27 January 2021.

(2) From 2019 the University implemented a new divisional structure across the organisation, comparison of data with previous organisational units is not meaningful.

(3) The Office of the Vice-Chancellor includes staff from Te Pua Wānanga ki te Ao.

TOTAL STUDENTS BY ETHNICITY

	2012	2013	2014	2015	2016	2017	2018	2019	2020
PĀKEHA/EUROPEAN	5,778	5,711	5,472	5,331	5,066	5,026	5,290	5,197	5,129
NZ MĀORI	2,343	2,290	2,254	2,249	2,261	2,344	2,398	2,405	2,527
PACIFIC ISLANDER	557	589	570	624	631	616	699	732	721
CHINESE	1,181	1,130	1,252	1,368	1,395	1,461	1,582	2,167	2,106
INDIAN	456	419	447	470	444	512	547	628	616
OTHER	2,206	2,205	2,237	2,236	2,219	2,270	2,087	2,103	1,977
TOTAL	12,521	12,344	12,232	12,278	12,016	12,229	12,603	13,232	13,076

TOTAL STUDENTS BY GENDER

	2012	2013	2014	2015	2016	2017	2018	2019	2020
FEMALE	7,184	7,086	7,002	6,959	6,845	7,040	7,354	7,699	7,675
GENDER DIVERSE	-	-	-	-	-	-	-	2	13
MALE	5,337	5,258	5,230	5,319	5,171	5,189	5,249	5,531	5,388
TOTAL	12,521	12,344	12,232	12,278	12,016	12,229	12,603	13,232	13,076

NOTE: The opportunity for students to record gender diversity was introduced in 2019.

TOTAL STAFF FTE

	2012	2013	2014	2015	2016	2017	2018	2019	2020
ACADEMIC	637	640	636	647	628	599	598	622	649
OTHER	876	880	847	863	870	863	843	862	851
TOTAL	1,513	1,520	1,483	1,510	1,498	1,463	1,441	1,484	1,499

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 from 2018 onwards excludes those staff employed by Study Group New Zealand.

SENIORITY OF TOTAL ACADEMIC STAFF FTE

	2012	2013	2014	2015	2016	2017	2018	2019	2020
PROFESSORS	86	81	82	82	84	84	87	89	96
ASSOCIATE PROFESSORS	73	72	74	77	82	80	78	76	77
SENIOR LECTURERS	234	231	234	226	206	188	185	190	195
LECTURERS	123	106	95	92	88	81	88	107	122
OTHER	122	150	151	170	168	165	160	161	157
TOTAL	637	640	636	647	628	599	598	622	649

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 from 2018 onwards excludes those staff employed by Study Group New Zealand.

TOTAL STAFF FTE BY ORGANISATIONAL UNIT

	2019	2020
DIVISION OF ARTS, LAW, PSYCHOLOGY AND SOCIAL SCIENCES	200	202
DIVISION OF EDUCATION	170	163
DIVISION OF HEALTH, ENGINEERING, COMPUTING AND SCIENCE	320	342
DIVISION OF MANAGEMENT	149	147
DEPUTY VICE-CHANCELLOR MĀORI/TE PUA WĀNANGA KI TE AO	33	33
OTHER	612	612
TOTAL	1,484	1,499

NOTES

(1) From 2019 the University implemented a new divisional structure across the organisation, comparison of data with previous organisational units is not meaningful.

(2) 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 from 2018 onwards excludes those staff employed by Study Group New Zealand.

AUDITOR GENERAL OPINION



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 2020

The Auditor-General is the auditor of the University of Waikato (the University) and group. The Auditor-General has appointed me, Leon Pieterse, 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 54 to 98, that comprise the statement of financial position as at 31 December 2020, 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 36 to 43.

In our opinion:

- the financial statements of the University and group on pages 54 to 98:
 - present fairly, in all material respects:
 - the financial position as at 31 December 2020; 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 on pages 36 to 43:
 - presents fairly, in all material respects, the University and group's service performance achievements as compared with the forecast outcomes included in the investment plan for the year ended 31 December 2020; and
 - complies with generally accepted accounting practice in New Zealand.

Our audit was completed on 30 March 2021. This is the date at which our opinion is expressed.

The basis for our opinion is explained below and we draw attention to the impact of Covid-19 on the University and group. 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.

Emphasis of matter – Impact of Covid-19

Without modifying our opinion, we draw attention to the disclosures about the impact of Covid-19 on the University and group as set out in note 30 to the financial statements and pages 36 to 43 of the statement of service performance information.

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 and that complies with generally accepted accounting practice in New Zealand.

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 Education and Training Act 2020 and the Crown Entities Act 2004.

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 equivalent forecast document.

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 32, 45 to 53 and 99 to 100, 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: International 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 the assurance engagement, we have no relationship with or interests in the University or any of its subsidiaries.



Leon Pieterse
Audit New Zealand
On behalf of the Auditor-General
Tauranga, New Zealand

STATEMENT OF SERVICE PERFORMANCE

	SUB-CATEGORY	2016 ACTUAL	2017 ACTUAL	2018 ACTUAL	2019 ACTUAL	2020 TARGET	2020 FINAL
1. VOLUME OF MF/SAC FUNDED EFTS	TOTAL	8,250	8,256	8,409	8,264	8,591	8,262
	TAURANGA	516	508	533	693	≥860	815

2020 began on a trajectory to exceed the University's 2019 result and was expected to exceed the 2020 MF/SAC Funded EFTS target. As a consequence of Covid-19 the University experienced a much higher incidence of withdrawals than normal, with students either reducing their study load or withdrawing from study entirely.

The University's student-centred approach to Covid-19 meant that students had the ability to withdraw from papers with a full refund (meaning that they are excluded from the reportable EFTS count and Single Data Return to Government) over a much longer period than normal.

The University's 2020 Ministry-Funded EFTS delivery was very much on par with that of 2019 (8,262 compared with 8,264).

The most popular qualifications were the Bachelor of Business (generating just over 11% of MF EFTS), the Bachelor of Teaching (generating approximately 10.5% of MF EFTS), followed by the Bachelor of Arts, Bachelor of Engineering with Honours, Bachelor of Laws, Bachelor of Science and Bachelor of Social Sciences which each generated between 540 and 580 MF EFTS in 2020 – each representing just under 7% of the University Ministry Funded EFTS.

The University delivered very strong Ministry-Funded enrolments in Tauranga, with an increase of 17.6% over 2019 – up from 693 in 2019 to 815 in 2020.

The Bachelor of Teaching remained the most popular qualification in Tauranga for Ministry-Funded students with this programme generating 19% of MF EFTS delivered through the Tauranga campus, this was closely followed by the Bachelor of Business. Ministry-Funded enrolments in the Bachelor of Social Sciences increased by 31% between 2019 and 2020, with a 21% growth in Bachelor of Science enrolments over the same period.

While the University's 2020 Tauranga enrolments were short of target, they were substantially above 2019 enrolments and the University remains confident about achieving its longer term ambitions for enrolment growth at its Tauranga campus.

	2016 ACTUAL	2017 ACTUAL	2018 ACTUAL	2019 ACTUAL	2020 TARGET	2020 FINAL
2. PROPORTION OF SAC FUNDING ACHIEVED	99.1%	99.2%	100.9%	97.6%	≥100%	97.8%

The University achieved 97.9% of its SAC funding target in 2020, slightly below the Tertiary Education Commission (TEC)'s normal requirement for institutions to achieve 99-102% of target to achieve their full SAC funding.

In an attempt to limit the impact of Covid-19 on tertiary institutions, Government, through the TEC advised that institutions would receive their full 2020 SAC funding regardless of its achievement.

This advice from the TEC meant that the University was able to increase its flexibility when considering individual students' situations and to allow students to withdraw from papers with a full refund over a much longer period than normal.

The number of incidences of SAC eligible Ministry-Funded students withdrawing from papers (and receiving a full refund) in 2020 was 2.5 times the same measure in 2018 – up from 4,094 incidences to 10,244 in 2020. As noted above, these withdrawals are excluded from the Single Data Return reporting to the TEC and the corresponding Student Achievement Component funding claim.

	2016 ACTUAL	2017 ACTUAL	2018 ACTUAL	2019 ACTUAL	2020 TARGET	2020 FINAL
3. VOLUME OF FCI EFTS (NZ)	1,510	1,599	1,791	2,074	1,850	1,659

The University's 2020 Full Cost International EFTS were significantly impacted by the border closures resulting from Government's response to Covid-19. This impact was felt in terms of both new and returning students.

The early closure of the border to travellers from Mainland China had a marked impact on the University's returning international student cohort. With students from China making up 56% of the University's international student cohort, this early closure had a significant impact on students who had returned home between the 2019 and 2020 academic years, as well as those who were due to commence their studies in A Trimester through the University's long-established 2+2 arrangements. A considerable proportion of the University's new international students typically commence their studies in July and November – the border closures had a significant impact on the University's ability to attract new international students in 2020.

The University experienced very strong retention of those international students already in New Zealand, and a number of completing students chose to stay on and undertake further study in New Zealand.

The continued closure of New Zealand borders means that it will be difficult for the University to maintain a pipeline of international students for the future with numbers of international students forecast to decline significantly over the next two years as current students complete their studies.

	2016 ACTUAL	2017 ACTUAL	2018 ACTUAL	2019 ACTUAL	2020 TARGET	2020 FINAL
4. PROPORTION OF TOTAL EFTS (NZ) GENERATED BY FCI STUDENTS	15.4%	16.2%	17.5%	20.0%	17.7%	16.7%

As noted under indicator 3 above, the University's Full Cost International EFTS have been markedly impacted by the border closures in place as part of Government's response to Covid-19.

	SUB-CATEGORY	2016 ACTUAL	2017 ACTUAL	2018 ACTUAL	2019 ACTUAL	2020 TARGET	2020 FINAL
5. PROPORTION OF FCI EFTS (NZ) GENERATED BY STUDENTS	Top 3 Countries	62.4%	63.4%	69.0%	67.4%	69%	71.8%
	Rest of the World	37.6%	36.6%	31.0%	32.6%	31%	28.2%

The diversity of the University's international students was impacted by the border closures in place as part of Government's response to Covid-19. The top three countries in 2020 also changed from 2019 with China, India and the United States of America, to China (56%), India (12%) and Oman (4%) in 2020. The drop in numbers of students from the United States was primarily due to the impact of border closures and global student movements limiting the ability of students from the United States to undertake study abroad and exchange programmes (see indicator 19 below).

As noted in the Institutional Sustainability section of this Annual Report, the University has undertaken to engage remotely with its partner institutions across the world with a view to being able to maintain students where possible and also to re-establish its international enrolments and international diversity once borders are open to international students.

	2016 ACTUAL	2017 ACTUAL	2018 ACTUAL	2019 ACTUAL	2020 TARGET	2020 FINAL
6. VOLUME OF TOTAL EFTS (NZ)	9,805	9,892	10,257	10,353	10,441	9,946

The University's total EFTS delivery has been impacted by Covid-19, both in terms of the ability for international students to enter the country, and the impact on individual students within New Zealand that has seen a higher incidence of withdrawals and students taking a break from tertiary study.

This impact is anticipated to affect delivery of the University's growth ambitions set out in its Strategy 2017-2021, which had planned for the achievement of 11,500 EFTS by 2021 (including off-shore EFTS).

	SUB-CATEGORY	2016 ACTUAL	2017 ACTUAL	2018 ACTUAL	2019 ACTUAL	2020 TARGET	2020 FINAL
7. VOLUME OF OFF-SHORE EFTS DELIVERED	ZUCC	-	28	82	264	529	526

Enrolments through the University's Joint Institute in China (ZUCC) remained generally on target despite the institute being closed from January to July (526 vs target of 529). 930 students are now studying through the Joint Institute, across three years of University of Waikato academic programmes. The University's staff returned to the Joint Institute in September to ensure that the institute was fully operational in time for the new cohort of commencing students.

While the Joint Institute was closed during the first half of the year, courses and programmes were delivered online from New Zealand.

In addition to delivery through its Joint Institute, the University offered international students the ability to enrol in papers online from their home countries.

	2016 ACTUAL	2017 ACTUAL	2018 ACTUAL	2019 ACTUAL	2020 TARGET	2020 FINAL
8. RISK RATING AGAINST THE TEC'S FINANCIAL MONITORING FRAMEWORK	Low Risk	Low Risk	Low Risk	Low Risk	Low Risk	Medium Risk

While the TEC advised that it would not require tertiary organisations to meet normal financial requirements, the University has managed its activities to minimise the impact on its Financial Monitoring Framework assessment. Details of these actions are set out in the Institutional Sustainability section of this Annual Report.

The University has undertaken long-term budget planning and has modelled a return to financial sustainability by 2026.

	2016 ACTUAL	2017 ACTUAL	2018 ACTUAL	2019 ACTUAL	2020 TARGET	2020 FINAL
9. RESEARCH AND DEVELOPMENT (R&D) REVENUE GENERATED	\$73.3M	\$61.6M	\$67.2M	\$72.0M	≥\$70M	\$69.6M

Despite being slightly short of its Research and Development (R&D) revenue target in 2020, the University had a very successful year in terms of R&D revenue generation with many high value, multi-year contracts being won during 2020.

The University's 2020 R&D result was impacted by a decline in revenue generated by the Institute of Professional Learning and Development which experienced a downturn in professional development for teachers contract work over the Covid-19 lockdown. The University also experienced some delays in delivering contracted research outputs as a result of Covid-19, in many cases this meant that as a result of extensions being granted by funders, revenue budgeted for 2020 will now not be recognised until 2021.

A number of the University's 2020 successes are set out in the Research Performance and Industry Relevance section of this Annual Report, but stand outs include the award of 13 Marsden Fund research contracts, \$26.9M of new funding through the MBIE Endeavour Fund – including \$10.9M for research into the circular economy, and a \$12.5M research project into the reduction of energy-related greenhouse gas emissions – funded by the MBIE Advanced Energy Technologies Strategic Science Investment Fund. These multi-year research contracts lock in a strong pipeline of research revenue for the future.

In spite of the budget challenges placed on the institution as a consequence of Covid-19, the University has maintained its commitment to future internal funding rounds as these are seen as being critical for seeding external funding success.

	SUB-CATEGORY	2016 ACTUAL	2017 ACTUAL	2018 ACTUAL	2019 ACTUAL	2020 TARGET	2020 FINAL
10. PROPORTION OF MF/SAC-ELIGIBLE EFTS WHO ARE:	Māori	23%	23%	23%	23%	≥21%	24.6%
	Pacific	6.8%	6.9%	7.4%	7.9%	≥7%	8.4%

The University continued to increase its proportion of Ministry-Funded EFTS generated by Māori and Pacific students, with Māori EFTS up 5.2% over 2019 volumes and Pacific EFTS up 7.3% over the same period.

As noted under indicator 11 below, student performance remained at least consistent with 2019 despite additional challenges presented by Covid-19.

Student enrolment patterns for both Māori and Pacific students remained relatively consistent with those reported in the 2019 Annual Report, but of significant note for both student groups has been the growth over time in enrolments in the Bachelor of Engineering with Honours.

Withdrawal rates for Māori and Pacific students in 2020 were slightly higher than those of other student groups, potentially highlighting the impact that financial implications have had on particular groups within the wider New Zealand community. Māori and Pacific students received a higher proportion of the University's Technology Access Fund and Hardship Funding allocations than other ethnicity groups.

	SUB-CATEGORY	2016 ACTUAL	2017 ACTUAL	2018 ACTUAL	2019 ACTUAL	2020 TARGET	2020 INTERIM
11. PAPER COMPLETION RATES (LEVEL 4 AND ABOVE) FOR:	MF/SAC-ELIGIBLE STUDENTS	85.2%	85.7%	83.8%	85.5%	≥85%	85%
	MF/SAC ELIGIBLE STUDENTS WHO ARE MĀORI	78.8%	79.1%	75.5%	78.7%	≥78%	79%
	MF/SAC ELIGIBLE STUDENTS WHO ARE PACIFIC	70.8%	72.0%	69.0%	70.5%	≥72%	73%
	FCI STUDENTS	92.2%	93.4%	93.8%	93.7%	≥85%	94%

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

Despite the challenges presented to students through Covid-19 including rapid changes to paper delivery modes and student support services, the approaches taken by the University (see the Student Participation and Performance section of this Annual Report) would appear to have ensured paper completion rates at all levels remained consistent with 2019:

	MF 2019 PAPER COMPLETION RATES	MF 2020 PAPER COMPLETION RATES	FCI 2019 PAPER COMPLETION RATES	FCI 2020 PAPER COMPLETION RATES
100-LEVEL	78.7%	78.9%	89.2%	90.9%
200-LEVEL	86.4%	86.0%	93.6%	94.1%
300-LEVEL	90.2%	90.7%	94.9%	96.3%

Paper completion rates for Māori and Pacific students continued to trend behind those of all Ministry-Funded students but the improvements demonstrated in 2019 were at least maintained – with continued improvements demonstrated at 100-level, in spite of the additional challenges that students faced in 2020:

	2019		2020	
	MF MĀORI	MF PACIFIC	MF MĀORI	MF PACIFIC
100-LEVEL	71.9%	62.6%	72.0%	65.3%
200-LEVEL	80.5%	73.0%	80.0%	73.0%
300-LEVEL	87.0%	79.3%	85.2%	81.1%

The fall in Ministry-Funded student performance in 2017 that coincided with the introduction of Government's fees free policy was again not in evidence in 2020, suggesting that this was a single year reaction to the policy.

Full-Cost International paper completion rates remained exceptionally strong.

C Trimester results had not been finalised at the time the University submitted its December Single Data Return to the Tertiary Education Commission. Final 2020 paper completion rates will be published in the University's 2021 Annual Report.

	SUB-CATEGORY	2016 ACTUAL	2017 ACTUAL	2018 ACTUAL	2019 ACTUAL	2020 TARGET	2020 INTERIM
12. FIRST YEAR STUDENT RETENTION RATES (LEVEL 3 AND ABOVE) FOR:	MF/SAC-ELIGIBLE STUDENTS	72.4%	74.3%	70.8%	69.8%	≥75%	75%
	MF/SAC ELIGIBLE STUDENTS WHO ARE MĀORI	66.0%	65.2%	63.2%	60.1%	≥68%	71%
	MF/SAC ELIGIBLE STUDENTS WHO ARE PACIFIC	71.0%	69.0%	68.2%	68.9%	≥70%	70%
	FCI STUDENTS	90.4%	89.8%	94.4%	93.4%	≥75%	91%

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

First year student retention rates (with the exception of those for Full-Cost International students) were ahead of the 2019 result and at or ahead of target for all sub-categories.

The impact of Covid-19 was evident among returning international students with a smaller proportion of the 2019 cohort of students returning to study in 2020.

It is anticipated that Covid-19 may have a negative impact on student retention rates among Ministry-Funded students in 2021 with some students who had commenced and then abandoned study in 2020 not returning in 2021 as a result of financial and other hardships created by Covid-19.

The final Tertiary Education Commission results for 2020 will be published as part of the University's 2021 Annual Report.

	SUB-CATEGORY	2016 ACTUAL	2017 ACTUAL	2018 ACTUAL	2019 ACTUAL	2020 TARGET	2020 INTERIM
13. QUALIFICATION COMPLETION RATES (LEVEL 4 AND ABOVE) FOR:	MF/SAC-ELIGIBLE STUDENTS	64.0%	60.2%	61.0%	59.4%	≥62%	62%
	MF/SAC ELIGIBLE STUDENTS WHO ARE MĀORI	54.9%	50.6%	49.0%	50.1%	≥50%	48%
	MF/SAC ELIGIBLE STUDENTS WHO ARE PACIFIC	47.1%	51.0%	39.4%	42.7%	≥50%	53%
	FCI STUDENTS	76.1%	78.4%	79.5%	86.3%	≥75%	89%

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 2014, what proportion of those actual students have completed their desired qualification within six 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 2019 cohort of students, which counts mainly students first enrolled in 2013, is independent of the performance of students in the 2020 cohort. A number of different factors may have applied at the time, including University Entrance requirements, job market conditions, Government policy changes and media reports about tertiary education and other factors that may impact one cohort in a noticeably 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 2020 result, the retention rates impacting the majority of students would have been those from 2015 which, overall, were slightly lower than the 2016 rates. The University has been focussing on improving its student retention rates over time and these improvements will positively impact on qualification completion rates in the future.

2020 interim results do not include all expected qualification completions from 2020; finalised results for 2020 will be published as part of the University's 2021 Annual Report.

	2016 ACTUAL	2017 ACTUAL	2018 ACTUAL	2019 ACTUAL	2020 TARGET	2020 FINAL
14. NUMBER OF WORK-INTEGRATED LEARNING EXPERIENCES UNDERTAKEN	-	-	-	3,285	2,850	4,469

Despite a very positive result in 2020, the University's work-integrated learning programme was significantly affected by Covid-19. The University worked very closely with local businesses and employers to develop work experiences that could be utilised instead of placements during 2020.

Feedback from students on these alternative experiences was generally very positive and the University took significant steps to ensure that these experiences delivered the expected learning outcomes for students.

In some cases, particularly teacher education, national bodies worked to ensure that students would be able to either make up practicums missed as a consequence of Covid-19 or to implement alternative registration requirements for graduates who had been unable to make up missed practicums before gaining employment.

	SUB-CATEGORY	2016 ACTUAL	2017 ACTUAL	2018 ACTUAL	2019 ACTUAL	2020 TARGET	2020 FINAL
15. STAFF SURVEY RESULTS	STAFF SURVEY COMPLETION RATE	Questions not included in 2016 survey	Staff survey not conducted in 2017	71%	Full staff survey not conducted in 2019	≥70%	74%
	'I FEEL PROUD TO TELL PEOPLE THAT I WORK AT THE UNIVERSITY OF WAIKATO'			80.3%		≥81%	80.2%
	'I WOULD RECOMMEND THE UNIVERSITY OF WAIKATO AS A GREAT PLACE TO WORK'			60.3%		≥62%	58.9%

The University undertook a Staff Engagement Survey during February 2020.

The responses from this survey highlighted:

- Overall, respondents were marginally more likely to give a favourable or neutral response to the survey statements than an unfavourable response, compared with responses received in 2018.
- The University's most favourable result areas remained largely consistent between 2018 and 2020.
- While there were no dramatic changes in the least favourable result areas between 2018 and 2020, there were positive shifts in perception in four of the five least favourable response areas of 2018.
- There were substantial positive shifts in perception (over 5% increase in favourable responses) in six statements across the survey.
- There were substantial negative shifts in perception (over 5% decrease in favourable responses) in two statements across the survey.

While the results against these indicators were below target, the University has undertaken a number of initiatives during 2020 aimed, in part, to address specific responses to the staff engagement survey; these initiatives are detailed in the Organisational Culture: Staff and Students section of this Annual Report.

The University also undertook two check-in surveys during April and June 2020. These surveys were focussed on Covid-19 preparedness and staff wellness. Both surveys received strong response rates and positive staff feedback. The responses were used to inform the University's actions going forward and specific interventions were developed to address common challenges. As a consequence of these check-in surveys the University created a common approach to supporting staff as they transitioned back to the workplace, along with an organisational approach to flexible working arrangements.

	SUB-CATEGORY	2016 ACTUAL	2017 ACTUAL	2018 ACTUAL	2019 ACTUAL	2020 TARGET	2020 FINAL
16. STUDENT SURVEY RESULTS (I-GRADUATE)	(DOMESTIC) STUDENT SATISFACTION WITH OVERALL UNIVERSITY EXPERIENCE	-	93%	-	93%	Survey not scheduled to be conducted in 2020	Survey not scheduled to be conducted in 2020
	(DOMESTIC) STUDENT SATISFACTION WITH LEARNING EXPERIENCE	-	90%	-	92%		
	(DOMESTIC) STUDENT SATISFACTION WITH STUDENT SUPPORT SERVICES	-	89%	-	88%		
	(INTERNATIONAL) STUDENT SATISFACTION WITH OVERALL UNIVERSITY EXPERIENCE	-	93%	-	90%		
	(INTERNATIONAL) STUDENT SATISFACTION WITH LEARNING EXPERIENCE	-	89%	-	90%		
	(INTERNATIONAL) STUDENT SATISFACTION WITH STUDENT SUPPORT SERVICES	-	91%	-	91%		

i-Graduate student surveys are conducted every two years. The next i-Graduate student surveys are scheduled to be conducted in 2021.

	SUB-CATEGORY	2016 ACTUAL	2017 ACTUAL	2018 ACTUAL	2019 ACTUAL	2020 TARGET	2020 FINAL
17. RANKING	IN THE ANNUAL QS WORLD UNIVERSITY RANKING	324	292	274	266=	<500	375=
	IN THE ANNUAL WORLD THE UNIVERSITY RANKING	401-500	351-400	401-500	501-600	<500	501-600

While the University exceeded its target against the annual QS World University Ranking, the University experienced a decline in its QS University Ranking during 2020. The 2021 QS rankings (published in 2020) placed the University of Waikato at 375=, down from 266= the previous year.

The University's decline in the ranking was primarily due to one very highly cited paper falling outside the time window for the 2021 ranking. This paper, relating to the methodology of carbon dating, continued to be very highly cited but was no longer included in the QS assessment. The impact of this dropped the University's Citations per Faculty from 72 in the world to 309. The University's performance against other elements of the QS University Ranking remained relatively consistent with previous years.

The University's Times Higher Education World University Ranking remained consistent with previous years at 501-600.

	SUB-CATEGORY	2016 ACTUAL	2017 ACTUAL	2018 ACTUAL	2019 ACTUAL	2020 TARGET	2020 FINAL
18. HALLS OCCUPANCY RATE (TERM TIME)	HAMILTON FULLY-CATERED	95%	95%	99%	94%	98%	86%
	HAMILTON SELF-CATERED	99%	99%	99%	95%	99%	71%
	TAURANGA	-	-	-	95%	98%	92%

Covid-19 and the national response to the virus had a marked impact on the University's expected achievement in terms of halls occupancy. Achievement was impacted by both international students unable to enter the country, and students choosing to leave the halls of residence during lockdown.

The announcement in early 2020 that the New Zealand border was closed to persons arriving from China had a significant impact on the University's Chinese students who were planning on returning to Halls accommodation, with many of these students unable to take up their accommodation in 2020. In addition, the announcement in late March 2020 that the New Zealand would be entering a lockdown under Covid-19 Alert Level 4 meant that a significant number of international students chose to return to their home countries at this point.

During Covid-19 national Alert Levels 3 and 4, the University had approximately 250 students remain in Halls of Residence, spread across the University's four Hamilton facilities and the University's student accommodation facility in Tauranga. For those students who elected to leave the accommodation for the duration of national Alert Level 3 and 4, the University suspended their halls rental.

Through the TEC Hardship Fund and through other funding mechanisms the University extended, on a case by case basis, support for students who were having accommodation difficulties as a consequence of Covid-19. Through this support some students chose to move from private accommodation into the Halls of Residence. Students experiencing hardship who were already resident in the Halls of Residence were given full or partial scholarships to enable them to continuing residing in the Halls.

	SUB-CATEGORY	2016 ACTUAL	2017 ACTUAL	2018 ACTUAL	2019 ACTUAL	2020 TARGET	2020 FINAL
19. NUMBER OF STUDENTS UNDERTAKING STUDY ABROAD AND EXCHANGE	OUTBOUND EXCHANGE	44	74	71	55	75	28
	INBOUND STUDY ABROAD	56	64	79	78	85	61
	INBOUND EXCHANGE	71	68	70	87	75	40

Performance against this indicator started very strongly in 2020, with a significant number of study abroad students commencing study in A Trimester. B Trimester was also looking positive but students were unable to enter the country as a consequence of the Covid-19 border closures.

The University led an exchange programme for Māori students in early 2020, prior to the issues relating to Covid-19 becoming globally known. Māori students have traditionally been under-represented among students undertaking exchange; the University has implemented new scholarships directed at Māori students undertaking exchanges, new partnerships with global institutions with a strong Indigenous focus, and identification of short-term study options for those students who do not wish to commit to a 6-12 month programme.

Interest in study abroad for 2020/2021 has remained very high. This has been in part due to the strong foundation work that the University has undertaken over the past several years, and in part due to the way that the New Zealand Government has handled the Covid-19 pandemic. The continued closure of New Zealand borders has meant it will be difficult for the University to maintain the pipeline of exchange applications for the future.



EEO STATEMENT

The goals of the University's current Diversity and Inclusion programme are to:

- Strengthen the University's commitment to equal opportunity by ensuring that diversity and inclusion principles are incorporated into organisational development, recruitment, retention, promotion/advancement, succession planning and professional development.
- Strengthen the University of Waikato as an inclusive workplace that fosters and supports equity, diversity and inclusion in the University community.
- Provide learning across ethnicities, linguistic/religious/socio-cultural groups and genders to improve career opportunities and a diversity of representation in leadership positions.
- Provide additional support for specific groups.
- Continued strong support for Te Manahua - NZUWiL Programme and related Professional and Organisational Development (POD) programmes or initiatives.
- 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 participant cohort of the 2020 Ko te Tangata Leadership Programme for New and Emerging Leaders included women (59%) Māori (12%) and Pacific (24%) staff members.
- The Rainbow Staff/Student Alliance, a forum for networking, discussion and progression of takatāpui and LGBTIQ+ issues.
- Full participation and support of the independent review into public claims of racism.

Specific activities in support of the University's diversity and inclusion goals undertaken in 2020 included:

- The Kanohi ki te Kanohi programme, which provides an opportunity for staff to learn about Māori protocols and culture and to develop a better understanding of important issues for an organisation committed to Te Tiriti o Waitangi.
- Availability of an online guide to enable accurate pronunciation of te reo Māori.
- Inclusion of diversity and inclusion as a topic in the People Management 101 professional development programme aimed at line managers throughout the University.
- Te Manahua - New Zealand Universities Women in Leadership (NZUWiL) Symposium shared with all University staff.

There were no significant changes to the University's gender profile over 2020, (56.89% female and 42.92% male) nor in the proportion of women professors (28.26%). Women now make up 38.21% of Associate Professors.

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 (17.78%), Te Wānanga o Ngā Kete - Division of Arts, Law, Psychology and Social Sciences (15.08%) and Te Kura Toi Tangata - Division of Education (20.98%).

SUSTAINABILITY SNAPSHOT

ENERGY & WATER

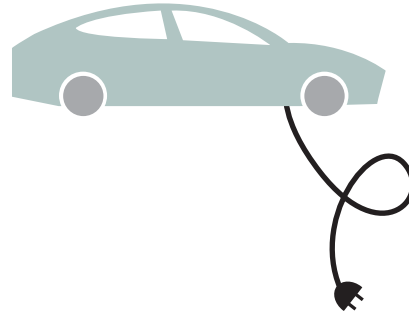
12,839,064 kWh
OF ELECTRICITY (DECREASE)

30,434 GJ
GAS USED (DECREASE)

132,695 KL
OF WATER (DECREASE)

3,928.72 TONNES
CO₂E CARBON EMISSIONS
(DECREASE)

CARBON EMISSIONS
REDUCED BY 45.8%



TRAVEL

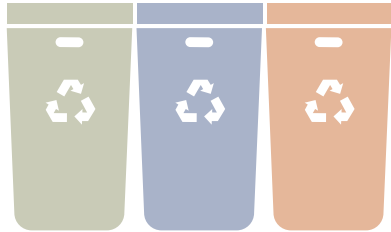
30.25%
OF OUR FLEET CAR USE WAS IN
HYBRID OR ELECTRIC VEHICLES

WE DROVE **1,253,145 KM**
IN OUR FLEET CARS LAST YEAR
(DECREASE)

WE STAYED **4,813**
NIGHTS IN HOTELS WHILST
TRAVELLING (DECREASE)

WE DROVE **108,288 KM**
IN HIRE CARS (DECREASE)

WE FLEW **4,782,608 KM**
(DECREASE)



WASTE

APPROX **296 TONNES**
WASTE TO LANDFILL (DECREASE)

OVER **36 TONNES**
OF GLASS RECYCLED (DECREASE)

OVER **32 TONNES**
CARDBOARD RECYCLED (DECREASE)

220KG FLUORESCENT LIGHTS
AND TUBES RECYCLED (DECREASE)

OVER **10 TONNES**
PAPER RECYCLED (DECREASE)

WE REDEPLOYED AND GIFTED OVER
600 ITEMS
OF FURNITURE VIA OUR FURNICYCLE
PROGRAMME (INCREASE)

COMPARED TO 2019

- ↓ **GAS**
DECREASE 16.66%
- ↓ **ELECTRICITY**
DECREASE 10.79%
- ↓ **WASTE**
DECREASE 20%
- ↓ **WATER**
DECREASE 13.28%
- ↓ **FLEET CAR TRAVEL**
DECREASE 30.15%
- ↓ **FLYING**
DECREASE 83%
- ↑ **FURNITURE
REDEPLOYED
& RECYCLED**
INCREASE 50%
- ↓ **CARBON EMISSIONS**
DECREASE 45.8%

COMPULSORY STUDENT SERVICES FEES

COMPULSORY STUDENTS SERVICES FEES FOR 2020

SERVICE CATEGORY	COMPULSORY STUDENT SERVICES FEES	INCOME FROM OTHER SOURCES	TOTAL INCOME	TOTAL COSTS	NET COST
ADVOCACY AND LEGAL ADVICE	231,659	-	231,659	274,053	42,394
CAREERS INFORMATION, ADVICE AND GUIDANCE, EMPLOYMENT INFORMATION	561,281	359	561,640	663,997	102,357
COUNSELLING SERVICES AND PASTORAL CARE	1,405,877	324,471	1,730,348	1,663,156	-67,192
EMPLOYMENT INFORMATION	20,851	-	20,851	24,667	3,816
FINANCIAL SUPPORT AND ADVICE	390,500	-	390,500	461,962	71,463
HEALTH SERVICES	1,856,403	711,343	2,567,746	2,196,130	-371,617
MEDIA	244,896	-	244,896	289,712	44,818
CHILDCARE SERVICES	218,617	-	218,617	258,625	40,009
CLUBS AND SOCIETIES	214,613	114,224	328,837	253,887	-74,950
SPORTS, RECREATION AND CULTURAL ACTIVITIES	1,204,993	-	1,204,993	1,425,509	220,517
TOTAL	6,349,689	1,150,397	7,500,086	7,511,700	11,612
				(OVER)/UNDER RECOVERY	11,612

COMPULSORY STUDENT SERVICES FEE

The Compulsory Student Services Fee (CSSF) is a compulsory fee, which provides a range of services to our students. Certain services are eligible to be funded through the levy as directed by the Ministry of Education. Each year, the fee is reviewed and allocated as required. Students form part of the decision-making process through the University's Student Services Governance Committee (SSGC). The SSGC ensures that the student services fee funds are directed to where they can deliver the best possible services to our students.

The SSGC is comprised of four members from the University including Vice-Chancellor, Senior Deputy Vice-Chancellor, Chief Financial Officer, and Director of Student Services, and four from Waikato Students' Union (WSU) including the President, both Vice-Presidents and the General Manager.

The 2020 CSSF charged by the University of Waikato was based on location and enrolment duration as follows:

	\$
ALL STUDENTS STUDYING IN HAMILTON, TAURANGA AND BLOCK COURSES:	
Full Year	700
One Semester (up to 26 weeks)	448
Teaching period of less than 7 weeks	173
ALL NET AND DISTANCE STUDENTS	
Full Year	257
One Semester (up to 26 weeks)	164

ACCOUNTING REQUIREMENTS FOR COMPULSORY STUDENT SERVICES FEES AND EXPENDITURE

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

DESCRIPTION OF SERVICES FUNDED OUT OF THE COMPULSORY STUDENT SERVICES FEE AND BUILDING FEE

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 good employment and careers
- Access to volunteering opportunities through our Employability Plus Programme, which is then captured on a supplementary transcript they receive upon graduation

The University establishes and maintains a relationship with a range of external stakeholders to enhance career opportunities for students, along with 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 for incidents that impact the welfare of students, along with recovery and crisis resolution functions.

A wellbeing space is available on the Hamilton campus providing a relaxed, quiet space for students to de-stress and connect with each other. The space provides workshops and seminars related to wellbeing as well as offering a small kitchenette facility for students to heat food or grab tea and coffee.

Employment information

- Management of online information to provide students with 24/7 access to job vacancies, career articles, events and news
- Staff members who 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 that 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.

Additional roles in the Student Health Centre at the Hamilton campus include two mental health nurses, a Violence Prevention Coordinator and a Health Promotion Coordinator. Tauranga campus has a dedicated nurse on-site and partnerships with local health providers to refer students to additional pastoral care services as required.

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 at the Hamilton 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, club grants for student-led activities 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 Waikato Students' Union, and the Waikato University Combined Sports Clubs (WUCS).

Sports, recreation and cultural activities

Also in partnership with the previously mentioned groups, the University also provides means of 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 also provided in the form of venues for hosting and supporting student events, student common rooms, providing security, cleaning, bookings, maintenance, onsite support and improvement of the facilities are also provided.

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

An additional space for eSports activities has recently opened which supports a competitive eSports club and other recreational eSporting activities.



STATEMENT OF THE COST OF OUTPUTS

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

	THIS YEAR \$000	BUDGET \$000	LAST YEAR \$000
OUTPUTS			
TEACHING AND LEARNING	192,377	192,071	188,973
RESEARCH	46,336	42,334	45,971
STUDENT SERVICES AND PRODUCTS	16,467	16,734	17,559
OTHER SERVICES AND PRODUCTS	16,982	18,826	18,368
TOTAL	272,162	269,965	270,871

FINANCIAL OVERVIEW 2020

The operations and financial results of the University were significantly impacted by Covid-19 in 2020. The University of Waikato Parent recorded an operating deficit of \$8.5M, a significant reduction from the original budgeted surplus of \$8.3M. Earnings before interest, depreciation and tax (EBITDA) for the Parent at \$23.2M for 2020 was \$12.5M below Budget, reducing future funds available for strategic and capital expenditure.

Government revenues were guaranteed and were close to Budget, but tuition fees, particularly international, and student accommodation revenues were \$8.5M below Budget, mainly as a result of Covid-19 related border controls and the nationwide lockdown. The University responded with cost savings, holding Other Expenses to \$7.2M below budget. The Group result includes an estimated \$1.8M of direct costs incurred in responding to Covid-19 and moving all activities online over the lockdown. Also included are additional staff costs incurred due to restructuring and the implementation of a voluntary retirement programme.

With border closures in response to Covid-19, it was immediately clear that University revenues for 2020 would be severely impacted due to primarily a drop in international students. The University rapidly prepared revised EBITDA targets for 2020 which targeted large cost savings, prioritising areas that would have minimal impact on our students. Scheduled salary increases were deferred and University staff collectively donated over \$90k from salaries towards a student hardship fund. The University exceeded its revised 2020 EBITDA target of \$21.9M, by \$4.9M, and incurred \$4.8M in voluntary enhanced retirement packages and other restructuring.

Taking a longer-term strategic decision, the University Council approved the progression of the largest University capital building project to date, the \$85M project for The Pā. The Pā will provide a social, cultural and learning hub on the Hamilton campus with food outlets, offices, a space for community events and a new University marae. This development, along with the award-winning new Tauranga campus, will transform the on-campus experience for students, staff, and visitors through the provision of modern facilities for collaborative study. Additionally, the University continued to expand its suite of student accommodation, with the opening of a new development of 53 student apartments on Silverdale Road in early 2020.

The University received Government approval for a \$80M borrowing programme in 2019 and in 2020 arranged an interim \$30M debt facility. In 2021 it is intended to establish a medium-term facility, in line with borrowing approvals, to provide overall funding cover for The Pā project and other prioritised programmes to refurbish existing buildings built in the 1960s and to add new capacity for expanding academic programmes.

Covid-19 has certainly been a challenge for the University financially in 2020 and the cost in 2021 will be higher as a second year of new international student intake is lost. There have been positives, students and staff have shown great resolve and resiliency adapting to new models of online teaching, assessment and research, as well as staff working remotely. Information systems have been stress-tested and have operated well. Lessons learned have helped the University transition more quickly to non-paper based digital solutions faster and the resulting efficiencies will help fund necessary strategic investments.

The University acknowledges that Government targeted some financial assistance in 2020 to the University sector and to students to assist with technology access and financial hardship. However, with the border effectively closed to international students for at least the 2021 academic year, the financial challenges for the sector will be much greater in 2021 than 2020. The University of Waikato has financial reserves, but these reserves are primarily targeted at essential infrastructure rather than covering operational losses. The University will seek to match revenue losses with continued savings and some financial support from Government would help reduce the inevitable impact these savings will have on staff resources.



Wayne Morgan
Acting Chief Financial Officer (2020)

STATEMENT OF RESPONSIBILITY

In the financial year ended 31 December 2020, 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 2020 fairly reflect the financial position and operations of the University of Waikato and group.



Rt Hon Sir Anand Satyanand GNZM QSO
Chancellor



Professor Neil Quigley
Vice-Chancellor

Statement of Comprehensive Revenue and Expense

For the Year Ended 31 December 2020

	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	113,150	111,823	113,150	112,651	111,823
Tuition Fees	3	80,013	87,293	80,013	86,396	87,293
Research Revenue		36,147	34,273	36,147	36,500	34,273
Investment Revenue	13	1,356	2,948	668	2,000	1,805
Other Revenue	4	33,765	40,850	33,249	39,494	40,573
Donations		1,369	2,415	390	1,200	1,370
TOTAL REVENUE	5	265,800	279,602	263,617	278,241	277,137
EXPENSES						
Personnel Costs	6	153,235	145,536	150,659	148,544	143,540
Other Expenses	7	82,813	95,558	84,957	92,192	97,139
Finance Costs		169	168	168	174	168
Depreciation, Amortisation and Impairment	16,17	31,573	28,559	31,561	28,555	28,454
TOTAL EXPENSES		267,790	269,821	267,345	269,465	269,301
(Deficit)/Surplus before Restructuring Costs		(1,990)	9,781	(3,728)	8,776	7,836
Restructuring Costs	6	(4,817)	(1,570)	(4,817)	(500)	(1,570)
(Deficit)/Surplus after Restructuring Costs		(6,807)	8,211	(8,545)	8,276	6,266
Share of (Deficit)/Surplus from Associates and Joint Ventures	8	(606)	(59)	-	-	-
(DEFICIT)/SURPLUS		(7,413)	8,152	(8,545)	8,276	6,266
SURPLUS ATTRIBUTABLE TO:						
University of Waikato		(7,409)	8,152	(8,545)	8,276	6,266
Non-Controlling Interest		(4)	-	-	-	-
SURPLUS		(7,413)	8,152	(8,545)	8,276	6,266
OTHER COMPREHENSIVE REVENUE AND EXPENSE						
Gains on Property revaluations	9	117,285	-	117,285	-	-
TOTAL OTHER COMPREHENSIVE REVENUE AND EXPENSE		117,285	-	117,285	-	-
TOTAL COMPREHENSIVE REVENUE AND EXPENSE		109,872	8,152	108,740	8,276	6,266
COMPREHENSIVE REVENUE AND EXPENSE ATTRIBUTABLE TO:						
University of Waikato		109,876	8,152	108,740	8,276	6,266
Non-Controlling Interest		(4)	-	-	-	-
TOTAL COMPREHENSIVE REVENUE AND EXPENSE FOR THE YEAR		109,872	8,152	108,740	8,276	6,266

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

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

Statement of Changes in Equity

For the Year Ended 31 December 2020

	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		517,608	509,218	493,290	493,289	486,786
Adjustment to accumulated surplus/deficit from the adoption of PBE IFRS 9		-	238	-	-	238
Adjusted Balance at 1 January		517,608	509,456	493,290	493,289	487,024
COMPREHENSIVE REVENUE AND EXPENSE						
Surplus/(Deficit)		(7,413)	8,152	(8,545)	8,276	6,266
Other Comprehensive Revenue and Expense	9	117,285	-	117,285	-	-
Total Comprehensive Revenue and Expense		109,872	8,152	108,740	8,276	6,266
Minority Interest Repurchased		(12)	-	-	-	-
BALANCE AT 31 DECEMBER		627,468	517,608	602,030	501,565	493,290
ATTRIBUTABLE TO:						
University of Waikato	9	627,468	517,604	602,030	501,565	493,290
Minority interest		-	4	-	-	-
		627,468	517,608	602,030	501,565	493,290

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

Balance Sheet

For the Year Ended 31 December 2020

	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	12,871	11,138	10,816	15,386	8,267
Receivables	11	40,269	36,255	39,977	35,788	35,917
Inter Company Balances	12	-	-	1,673	1,659	1,659
Prepayments		8,452	8,021	8,452	7,375	8,021
Other Financial Assets	13	9,676	28,521	-	-	21,000
Inventories	14	713	922	713	1,049	922
TOTAL CURRENT ASSETS		71,981	84,857	61,631	61,257	75,786
NON CURRENT ASSETS						
Investments in Associates and Joint Ventures	8	1,201	1,207	-	-	-
Investments	15	316	316	2,316	2,316	2,316
Other Financial Assets	13	1,000	1,000	1,000	1,000	1,000
Intangible Assets	16	25,437	26,122	24,988	31,391	25,669
Property, Plant and Equipment	17	644,752	516,354	644,734	541,461	516,338
TOTAL NON CURRENT ASSETS		672,706	544,999	673,038	576,168	545,323
TOTAL ASSETS		744,687	629,856	734,669	637,425	621,109
LIABILITIES						
CURRENT LIABILITIES						
Revenue in Advance	18	58,108	60,661	58,083	55,758	60,583
Inter Company Balances	12	-	-	15,511	15,694	15,694
Payables	19	25,702	18,943	25,746	17,369	19,003
Employee Entitlements	6	16,858	16,822	16,748	16,217	16,717
Borrowings	20	7	6	7	6	6
TOTAL CURRENT LIABILITIES		100,675	96,432	116,095	105,044	112,003
NON CURRENT LIABILITIES						
Employee Entitlements	6	15,254	14,519	15,254	14,519	14,519
Borrowings	20	1,290	1,297	1,290	16,297	1,297
TOTAL NON CURRENT LIABILITIES		16,544	15,816	16,544	30,816	15,816
EQUITY						
General Equity	9	307,874	315,295	282,436	299,275	290,981
Other Reserves	9	319,594	202,309	319,594	202,290	202,309
Equity - Parent		627,468	517,604	602,030	501,565	493,290
Non-Controlling Interest		-	4	-	-	-
TOTAL EQUITY		627,468	517,608	602,030	501,565	493,290
TOTAL LIABILITIES AND EQUITY		744,687	629,856	734,669	637,425	621,109

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 2020

	GROUP		UNIVERSITY			
	NOTES	THIS YEAR ACTUAL \$000	LAST YEAR ACTUAL \$000	THIS YEAR ACTUAL \$000	BUDGET \$000	LAST YEAR ACTUAL \$000
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from Government funding and grants		113,215	111,793	113,215	94,525	111,793
Receipts from tuition fees		70,812	88,974	70,812	91,244	88,974
Receipts from other revenue		71,982	73,975	72,373	85,649	71,926
Interest revenue received		668	1,951	555	2,000	1,805
Dividend Revenue		-	-	113	-	88
Goods and Services Tax (net)		360	647	360	(2,134)	667
Interest Paid		(167)	(168)	(168)	(168)	(168)
Payments to suppliers		(75,999)	(105,964)	(78,562)	(92,052)	(105,418)
Payments to employees		(156,110)	(142,513)	(154,710)	(148,545)	(141,362)
NET CASH FLOWS FROM OPERATING ACTIVITIES	21	24,761	28,695	23,988	30,519	28,305
CASH FLOWS FROM INVESTING ACTIVITIES						
Receipts from sale of property, plant and equipment		242	149	242	-	149
Receipts from sale or maturity of investments		21,000	-	21,000	21,000	-
Acquisition of investments		(1,562)	3,617	-	-	3,025
Purchase of intangible assets		(3,441)	(4,265)	(3,441)	(3,060)	(4,059)
Purchase of property, plant and equipment		(39,261)	(52,350)	(39,234)	(56,340)	(52,341)
NET CASH FLOWS FROM INVESTING ACTIVITIES		(23,022)	(52,849)	(21,433)	(38,400)	(53,226)
CASH FLOWS FROM FINANCING ACTIVITIES						
Loans		-	-	-	15,000	-
Payment of finance leases		(6)	(5)	(6)	-	(5)
Net Cash Flows from Financing Activities		(6)	(5)	(6)	15,000	(5)
Net Cash Flows From All Activities		1,733	(24,159)	2,549	7,119	(24,926)
Opening Cash and Cash Equivalents		11,138	35,297	8,267	8,267	33,193
CLOSING CASH AND CASH EQUIVALENTS		12,871	11,138	10,816	15,386	8,267

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

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

NOTES TO THE FINANCIAL STATEMENTS



Note 1: Statement of accounting policies

The Reporting Entity

The University of Waikato (the University) is a public benefit entity, domiciled and operating 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 2020.

The financial statements were authorised for issue by Council on 30 March 2021.

The financial statements cover all the activities of the University and Group including the following which have been fully consolidated into the University Group results:

- WaikatoLink Limited and Group, a wholly owned subsidiary company.
- The University of Waikato Foundation, incorporated as a Charitable Trust in 1992.
- The Student Campus Building Fund Trust, incorporated as a Charitable Trust in 1971.
- The University of Waikato Research Trust, incorporated as a Charitable Trust in 2007.
- iEngagEd Limited, a wholly owned subsidiary company.

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 425 of the Education and Training Act 2020 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:

Amendment to PBE IPSAS 2 Statement of Cash Flows

An amendment to PBE IPSAS 2 Statement of Cash Flows requires entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financial activities, including both changes arising from cash flows and non-cash changes. This amendment is effective for annual periods beginning on or after 1 January 2021, with early application permitted. The University does not plan to early adopt the amendment.

PBE FRS 48 Service Performance Reporting

PBE FRS 48 replaces the service performance reporting requirements of PBE IPSAS 1 and is effective for reporting periods beginning on or after 1 January 2021. The University has not yet determined how application of PBE FRS 48 will affect its statement of service performance. It does not plan to adopt the standard early.

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.

The group financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. The consolidation of an entity begins from the date the University obtains control of the entity and ceases when the University loses control of the entity.

Subsidiaries

The University consolidates as subsidiaries in the group financial statements all entities where the University has control. Control exists where the University is exposed, or has rights, to variable benefits (either financial or non-financial) and has the ability to affect the nature and amount of those benefits from its power over the entity. Power can exist over an entity if, by virtue of its purpose and design, the relevant activities and the way the relevant activities of the entity can be directed has been predetermined by the University.

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

Associates

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. Investments in associates are accounted for in the group financial statements using the equity method of accounting.

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 joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Joint control is the agreed sharing of control of an arrangement by way of a binding arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

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

Equity method of accounting in group financial statements

Investments in associates and joint ventures are accounted for in the group financial statements using the equity method of accounting.

Under the equity method of accounting, the investment is initially recognised at cost and the carrying amount is increased or decreased to recognise the group's share of the change in net assets of the entity after the date of acquisition. The group's share of the surplus or deficit is recognised in the group's surplus or deficit. Distributions received from the investee reduce the carrying amount of the investment in the group financial statements.

If the share of deficits of the entity equals or exceeds the interest in the entity, 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 entity. If the entity 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.

Budget figures

Budget figures are those approved by the Council per minutes of 1 October 2019 for the University entity. Some line items were subsequently re-classified to align with the annual reporting format and to reflect opening balances following completion of the 2019 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. This original budget showed an expected year end surplus of 8.276M.

Due to the significant financial impact of Covid-19 in early 2020 (see note 30), the University decided to revise its 2020 budget to incorporate known and anticipated changes. The most significant of these changes are detailed in the Financial Overview section. The revised budget was approved by the Council per minutes of 19 May 2020. The University reported against this revised budget for the remainder of the year, however it is the original budget that the University reports against in these 2020 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 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 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 425(5) of the Education and Training Act 2020. 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 credit losses. The University applies the simplified expected credit loss model of recognising lifetime expected losses for receivables.

In measuring expected credit losses, short-term receivables have been assessed on a collective basis as they possess shared credit risk characteristics. They have been grouped based on the days past due.

Short-term receivables are written off when there is no reasonable expectation of recovery.

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 2020, 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 the following components:

- General Funds
- Property Revaluation Reserves; 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. In accordance with its Treasury Policy, 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.

A forward exchange derivative is classified as current if the contract is due for settlement within 12 months of balance date. Otherwise, the full fair value of forward exchange derivatives is classified as non-current.

Foreign currency transactions (including those subject to forward exchange contracts) 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 measured 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. Interest is subsequently accrued and added to the investment and loan balance. A loss allowance for expected credit losses is recognised if the estimated loss allowance is not trivial.

New Zealand Government bonds

Surplus funds may be invested in New Zealand Government bonds and might be sold prior 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 at fair value through surplus/deficit.

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

Unlisted shares

Unlisted shares are irrevocably designated at fair value through other comprehensive revenue and expense at initial recognition.

After initial recognition, the shares are measured at their fair value, with gains and losses recognised in other comprehensive revenue and expense. When sold, the cumulative gain or loss previously recognised in other comprehensive revenue and expense is transferred within equity to general funds.

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 2020 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	25-100 years	1-100%
Infrastructure	50-80 years	1-7%
Leasehold improvements	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%
Motor vehicles	5-10 years	10-20%
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 three 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.

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 market yields on Government bonds at balance date with terms to maturity that match, as closely as possible, the estimated future cash outflows. 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 17 provides information about the estimates and assumptions exercised in the measurement of revalued land, buildings, and infrastructure.

Critical judgements in applying the University's accounting policies

Management has exercised the following critical judgements in applying the University's accounting policies for the period ended 31 December 2020:

- 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 was completed in early 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	78,030	75,549	78,030	75,549
Fees Free Funding	9,673	9,317	9,673	9,317
Performance-Based Research Funding	15,772	15,365	15,772	15,365
Advisory Services Grants	7,794	10,581	7,794	10,581
Other Grants	1,881	1,011	1,881	1,011
TOTAL GOVERNMENT FUNDING AND GRANTS	113,150	111,823	113,150	111,823

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	40,249	39,661	40,249	39,661
Full Cost International Students	39,764	47,632	39,764	47,632
TOTAL FEES	80,013	87,293	80,013	87,293

Government funded tuition fee revenue results from non-exchange transactions as well as \$2,780,964 (2019 \$3,399,986) 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	14,315	17,067	14,315	17,067
Commercial Teaching	6,368	6,612	6,368	6,612
Gym Membership and Hire	1,250	1,621	1,250	1,621
Rental	913	1,037	913	1,037
Carbon Dating Services	449	558	449	558
Printing and Copying Services	97	147	97	147
Other Revenue	10,373	13,808	9,857	13,531
TOTAL OTHER REVENUE	33,765	40,850	33,249	40,573

Note 5: Total Revenue

	GROUP		UNIVERSITY	
	THIS YEAR \$000	LAST YEAR \$000	THIS YEAR \$000	LAST YEAR \$000
REVENUE FROM EXCHANGE TRANSACTIONS				
Tuition Fees	36,983	44,232	36,983	44,232
Research	9,675	10,147	9,675	10,147
Investment Revenue	1,356	2,948	668	1,805
Other Revenue	24,434	28,940	22,870	27,903
TOTAL REVENUE FROM EXCHANGE TRANSACTIONS	72,448	86,267	70,196	84,087
REVENUE FROM NON-EXCHANGE TRANSACTIONS				
Government Funding and Grants	113,150	111,823	113,150	111,823
Tuition Fees	43,030	43,061	43,030	43,061
Research	26,472	24,126	26,472	24,126
Other Income	9,331	11,910	10,379	12,670
Donations	1,369	2,415	390	1,370
TOTAL REVENUE FROM NON-EXCHANGE TRANSACTIONS	193,352	193,335	193,421	193,050
TOTAL REVENUE	265,800	279,602	263,617	277,137

Note 6: Employee Entitlements

	GROUP		UNIVERSITY	
	THIS YEAR \$000	LAST YEAR \$000	THIS YEAR \$000	LAST YEAR \$000
PERSONNEL COSTS				
Employee Benefit Expenses - Academic	89,375	80,891	88,883	80,437
Employee Benefit Expenses - General	68,653	64,428	66,569	62,886
Movement in Actuarial Valuation	24	1,787	24	1,787
TOTAL PERSONNEL COSTS	158,052	147,106	155,476	145,110
Less Restructuring Costs	(4,817)	(1,570)	(4,817)	(1,570)
PERSONNEL COSTS	153,235	145,536	150,659	143,540

Restructuring costs of \$4,816,522 relates to 94 employees receiving compensation for cessation (this includes redundancy payments, retirement payments and other severance payments) for the year ended 31 December 2020 (2019 : \$1,570,427).

	GROUP		UNIVERSITY	
	THIS YEAR \$000	LAST YEAR \$000	THIS YEAR \$000	LAST YEAR \$000
EMPLOYEE ENTITLEMENTS				
Staff Annual and Long Service Leave vested	9,532	10,324	9,532	10,324
Sick Leave	5	4	5	4
Other Employee Entitlements	5,322	3,784	5,212	3,679
Actuarial Valuation of Anticipated Retirement Gratuities and Long Service Leave	17,253	17,229	17,253	17,229
TOTAL EMPLOYEE ENTITLEMENTS	32,112	31,341	32,002	31,236
Current Portion	16,858	16,822	16,748	16,717
Non Current Portion	15,254	14,519	15,254	14,519
TOTAL EMPLOYEE ENTITLEMENTS	32,112	31,341	32,002	31,236

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 \$1,475,000 higher/lower (2019 – \$1,315,000).

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 \$1,509,000 lower/higher (2019 – \$1,338,000).

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	6,041	5,593	6,041	5,593

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 Annual Report Audit	251	253	199	195
Audit Fees to Audit New Zealand for Assurance Services	9	9	9	9
Audit Fees for Previous Years Audit	2	-	2	-
Audit Fees for previous years PBRF Audit	14	-	14	-
Audit Fees to Staples Rodway	3	2	-	-
Net Loss on Disposal of Property Plant & Equipment	478	300	478	300
Net Foreign Exchange Loss	32	109	32	109
Impairment of Receivables	17	2	17	2
Inventories Consumed	512	315	512	315
Teacher Release Days	124	233	124	228
Professional Services	23,459	23,629	23,331	23,586
Travel and Accommodation	2,246	7,138	2,216	6,327
Operating Leases	4,512	3,540	4,512	3,540
Scholarships	15,929	14,996	15,910	15,095
Hirage	715	1,231	720	1,243
Repairs and Maintenance	2,683	3,592	2,683	3,592
Teaching and Research Materials	2,833	2,857	2,416	2,687
Utilities	3,458	3,815	3,455	3,806
Other Operating Expenses	25,536	33,537	28,328	36,105
TOTAL OTHER EXPENSES	82,813	95,558	84,957	97,139

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	
	THIS YEAR \$000	LAST YEAR \$000
First Watch Limited	-	-
Ligar Limited Partnership	-	-
Chronoptics Limited	1,201	1,207
Aduro Biopolymers Limited Partnership	-	-
TOTAL INVESTMENTS IN ASSOCIATES AND JOINT VENTURES	1,201	1,207

Associates

	OWNERSHIP	BALANCE DATE
FIRST WATCH LIMITED	16%	31 MARCH

Principal Activity: to develop software for Industrial Control Systems.

	GROUP	
	THIS YEAR \$000	LAST YEAR \$000
WAIKATOLINK'S SHARE OF THE RESULTS OF FIRST WATCH LIMITED IS AS FOLLOWS:		
INVESTMENT IN ASSOCIATE		
Opening Balance	-	-
Investment	450	-
Share of Retained Surplus/(loss)	(450)	-
Share of Capital Distribution	-	-
CLOSING BALANCE	-	-
REPRESENTED BY:		
SHARE OF INCREASE IN NET ASSETS OF ASSOCIATE (CARRYING VALUE)	-	-

	OWNERSHIP	BALANCE DATE
LIGAR LIMITED PARTNERSHIP	9%	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	-	-
Investment	150	-
Share of Retained Surplus/(loss)	(150)	-
CLOSING BALANCE	-	-
REPRESENTED BY:		
SHARE OF INCREASE IN NET ASSETS OF ASSOCIATE (CARRYING VALUE)	-	-

	OWNERSHIP	BALANCE DATE
CHRONOPTICS LIMITED	20%	31 MARCH

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

WAIKATOLINK'S SHARE OF THE RESULTS OF CHRONOPTICS LIMITED IS AS FOLLOWS:	GROUP	
	THIS YEAR \$000	LAST YEAR \$000
INVESTMENT IN ASSOCIATE		
Opening Balance	1,207	1,201
Share of retained surplus/(loss)	(6)	6
CLOSING BALANCE	1,201	1,207
REPRESENTED BY:		
SHARE OF INCREASE IN NET ASSETS OF ASSOCIATE (CARRYING VALUE)	1,201	1,207

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

	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.

WAIKATOLINK'S SHARE OF THE RESULTS OF ADURO BIOPOLYMERS LIMITED PARTNERSHIP IS AS FOLLOWS:	GROUP	
	THIS YEAR \$000	LAST YEAR \$000
INVESTMENT IN JOINT VENTURE		
Opening Balance	-	65
Share of retained surplus/(loss)	-	(65)
CLOSING BALANCE	-	-
REPRESENTED BY:		
SHARE OF INCREASE IN NET ASSETS OF JOINT VENTURE (CARRYING VALUE)	-	-

SUMMARISED FINANCIAL INFORMATION OF ASSOCIATES AND JOINT VENTURES

Assets	4,197	3,820
Liabilities	4,161	4,214
Revenue	1,366	1,042
NET SURPLUS/(LOSS)	(3,653)	(3,817)
Share of Associates' and Joint Venture's surplus/(loss)	(606)	(59)

The Group's associates and joint ventures are unlisted entities, accordingly there are 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 22.

Note 9: Equity

General Equity

REF	GROUP		UNIVERSITY	
	THIS YEAR \$000	LAST YEAR \$000	THIS YEAR \$000	LAST YEAR \$000
Opening Balance	315,295	306,965	290,981	284,537
Adjustment from the adoption of PBE IFRS 9	-	238		238
Adjusted opening balance	315,295	307,203	290,981	284,775
(Deficit)/Surplus	(7,413)	8,152	(8,545)	6,266
Minority Interest Repurchased	(12)	-	-	-
Property revaluation reserve transfer on disposal	-	27	-	27
Surplus attributable to Non-Controlling Interest	4	-	-	-
Transfers to Trusts and Bequests Reserve	(484)	(518)	(484)	(518)
Transfers from Trusts and Bequests Reserve	484	431	484	431
CLOSING BALANCE	307,874	315,295	282,436	290,981

Other Reserves

REF	GROUP		UNIVERSITY	
	THIS YEAR \$000	LAST YEAR \$000	THIS YEAR \$000	LAST YEAR \$000
Property Revaluation Reserve	i 316,725	199,440	316,725	199,440
Trusts and Bequests Reserve	ii 2,869	2,869	2,869	2,869
Total Other Reserves	319,594	202,309	319,594	202,309
TOTAL EQUITY BEFORE NON-CONTROLLING INTEREST	627,468	517,604	602,030	493,290

i) Property Revaluation Reserve

	GROUP		UNIVERSITY	
	THIS YEAR \$000	LAST YEAR \$000	THIS YEAR \$000	LAST YEAR \$000
Opening balance	199,440	199,467	199,440	199,467
Land net revaluation gains	2,423	-	2,423	-
Buildings net revaluation gains	114,862	-	114,862	-
Infrastructure net revaluation gains	-	-	-	-
Transfers to general funds on disposal of property	-	(27)	-	(27)
CLOSING BALANCE	316,725	199,440	316,725	199,440

The property revaluation reserve consists of:

	GROUP		UNIVERSITY	
	THIS YEAR \$000	LAST YEAR \$000	THIS YEAR \$000	LAST YEAR \$000
Land	5,233	2,810	5,233	2,810
Buildings	292,732	177,870	292,732	177,870
Infrastructural Assets	18,760	18,760	18,760	18,760
TOTAL PROPERTY REVALUATION RESERVE	316,725	199,440	316,725	199,440

ii) Trusts and Bequests Reserve

The Trusts and Bequests Reserve represents 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	2,869	2,782	2,869	2,782
add appropriation of Net Surplus	484	518	484	518
less application to Prizes, Scholarships and Trust Funds	(484)	(431)	(484)	(431)
CLOSING BALANCE	2,869	2,869	2,869	2,869

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	12,871	1,697	10,816	772
Term deposits maturing three months or less from date of acquisition	-	9,441	-	7,495
	12,871	11,138	10,816	8,267

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

While cash and cash equivalents at 31 December 2020 are subject to the expected credit loss requirements of PBE IFRS 9, no loss allowance has been recognised because the estimated credit loss allowance for credit losses is trivial.

Note 11: Receivables

	GROUP		UNIVERSITY	
	THIS YEAR \$000	LAST YEAR \$000	THIS YEAR \$000	LAST YEAR \$000
Trade Receivables	23,167	20,670	23,103	20,560
Less Allowance for credit losses	(32)	(15)	(32)	(15)
Net trade receivables	23,135	20,655	23,071	20,545
OTHER RECEIVABLES				
Student Fee Receivables	16,904	15,370	16,904	15,370
Receivables from Subsidiaries	-	-	2	2
Receivables from Related Parties	230	230	-	-
TOTAL RECEIVABLES	40,269	36,255	39,977	35,917
RECEIVABLES ARE COMPRISED OF:				
Receivables from exchange transactions	17,291	15,824	16,998	15,486
Receivables from non-exchange transactions	22,978	20,431	22,979	20,431
TOTAL RECEIVABLES	40,269	36,255	39,977	35,917

Receivables from exchange transactions include outstanding amounts for research revenue classified as exchange, international tuition fees and revenue from other direct transactions.

Receivables from non-exchange transactions include outstanding amounts for research revenue classified as non-exchange, government funded tuition fees and revenue from other non-direct transactions.

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.

Expected credit losses

The allowance for credit losses on trade receivables as 31 December 2019 and 31 December 2020 was determined as follows:

31 DECEMBER 2020	UNIVERSITY				
	TRADE RECEIVABLE DAYS PAST DUE				
	CURRENT	1 TO 30 DAYS	31 TO 60 DAYS	MORE THAN 60 DAYS	TOTAL
Expected credit loss rate	0.07%	0.55%	0.65%	0.65%	-
Gross carrying amount (\$000)	20,185	411	44	2,463	23,103
Lifetime expected credit loss (\$000)	14	2		16	32
31 DECEMBER 2019	TRADE RECEIVABLE DAYS PAST DUE				
	Current	1 to 30 days	31 to 60 days	More than 60 days	TOTAL
Expected credit loss rate	0.02%	0.10%	0.20%	0.45%	-
Gross carrying amount (\$000)	16,546	1,071	979	1,964	20,560
Lifetime expected credit loss (\$000)	3	1	2	9	15

The expected credit loss rates for receivables at 31 December 2020 and 31 December 2019 are based on the payment profile of revenue on credit over the previous two years at the measurement date and the corresponding historical credit losses experienced for that period. The historical loss rates are adjusted for current and forward looking macroeconomic factors that might affect the recoverability of receivables. Given the short period of credit risk exposure, the impact of macroeconomic factors is not considered significant, however in light of the Covid-19 impact, the loss rates for 2020 have been increased.

There have been no changes during the reporting period in the estimation techniques or significant assumptions used in measuring the loss allowance.

Movements in the allowance for credit losses is as follows:

	GROUP		UNIVERSITY	
	THIS YEAR \$000	LAST YEAR \$000	THIS YEAR \$000	LAST YEAR \$000
Allowance for credit losses as at 31 December 2019 calculated under PBE IPSAS 29	15	516	15	251
PBE IFRS 9 expected credit loss adjustment - through opening accumulated surplus/deficit	-	(238)	-	(238)
Opening allowance for credit losses as at 31 December 2019	15	278	15	13
Revision in loss allowance made during the year	83	(242)	83	23
Receivables written off during the year	(66)	(21)	(66)	(21)
CLOSING BALANCE	32	15	32	15

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

Note 12: Intercompany balances

	GROUP		UNIVERSITY	
	THIS YEAR \$000	LAST YEAR \$000	THIS YEAR \$000	LAST YEAR \$000
CURRENT ASSETS				
iEngagEd Limited	-	-	140	140
University of Waikato Foundation Trust	-	-	83	69
WaikatoLink Limited	-	-	1,450	1,450
INTERCOMPANY CURRENT ASSET BALANCES			1,673	1,659
CURRENT LIABILITIES				
Student Campus Building Fund Trust	-	-	(3,060)	(2,829)
University of Waikato Research Trust	-	-	(12,451)	(12,865)
INTERCOMPANY CURRENT LIABILITY BALANCES	-	-	(15,511)	(15,694)

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 2020 the University had advanced to WaikatoLink Limited a total of \$1,450,000 (2019 \$1,450,000) by way of shareholder loan. The loan is interest free and repayable on demand. The University has undertaken not to demand repayment until WaikatoLink Limited has sufficient free cash available to make repayments.

Note 13: 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	840	23,228	-	21,000
Endowment Portfolio	8,836	5,293	-	-
TOTAL CURRENT OTHER FINANCIAL ASSETS	9,676	28,521	-	21,000
NON CURRENT PORTION				
Bay Venues Limited	1,000	1,000	1,000	1,000
TOTAL NON CURRENT OTHER FINANCIAL ASSETS	1,000	1,000	1,000	1,000
TOTAL OTHER FINANCIAL ASSETS	10,676	29,521	1,000	22,000
INVESTMENT REVENUE				
Interest	708	1,937	555	1,717
Dividends	74	110	113	88
Gains/(Losses) on Equity Investments	574	901	-	-
TOTAL INVESTMENT REVENUE	1,356	2,948	668	1,805

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

There are two endowment portfolios, one managed by Craigs Investment Partners (CIP), and one managed by Forsyth Barr.

Equities and fixed interest investments within the portfolio are valued using quoted market price. The balance of each 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 interest on the loan is 55% of the rent paid by the University to Bay Venues Limited and the loan is repayable upon expiry of the strategic partnership agreement on 30 April 2031.

The University considers there has not been a significant increase in credit risk for investments in term deposits because the issuer of the investment continues to have low credit risk at balance date. Term deposits are held with banks that have a long-term AA- investment external grade credit rating which indicates that these entities have a strong capacity to meet their financial commitments.

No loss allowance for expected credit losses has been recognised because the estimated 12-month expected loss allowance for credit losses is trivial.

Note 14: Inventories

	GROUP		UNIVERSITY	
	THIS YEAR \$000	LAST YEAR \$000	THIS YEAR \$000	LAST YEAR \$000
Held for Sale	66	112	66	112
Held for Distribution/Use	647	810	647	810
	713	922	713	922

No inventories are pledged as security for liabilities or subject to retention of title clauses (2019 \$Nil).

No stock held for sale was written down for obsolescence in 2020 (2019 \$Nil).

Note 15: 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
INVESTMENTS 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.

These equity investments, excluding subsidiaries, have been designated at fair value through other comprehensive revenue and expense. This measurement basis is considered more appropriate than through surplus or deficit because the investments have been made for long-term strategic purposes rather than to generate a financial return through trading.

Note 16: Intangible Assets

THIS YEAR	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
BALANCE AT 1 JANUARY 2020							
Cost	47,287	2,144	4,265	53,696	47,286	2,144	49,430
Accumulated Amortisation and Impairment	(22,837)	(925)	(3,812)	(27,574)	(22,836)	(925)	(23,761)
OPENING CARRYING AMOUNT	24,450	1,219	453	26,122	24,450	1,219	25,669
YEAR ENDED 31 DECEMBER 2020							
Additions	1,811	1,695	-	3,506	1,811	1,695	3,506
Disposals	(1,294)	-	-	(1,294)	(1,294)	-	(1,294)
Reclassifications	-	-	-	-	-	-	-
Amortisation and Impairment Charge	(3,935)	(188)	(3)	(4,126)	(3,935)	(188)	(4,123)
Disposals Amortisation and Impairment	1,229	-	-	1,229	1,229	-	1,229
Reclassifications Amortisation and Impairment	-	-	-	-	-	-	-
CLOSING CARRYING AMOUNT	22,261	2,726	450	25,437	22,261	2,726	24,988
BALANCE AT 31 DECEMBER 2020							
Cost	47,804	3,839	4,265	55,908	47,803	3,839	51,642
Accumulated Amortisation and Impairment	(25,543)	(1,113)	(3,815)	(30,471)	(25,542)	(1,113)	(26,654)
CLOSING CARRYING AMOUNT	22,261	2,726	450	25,437	22,261	2,726	24,988

LAST YEAR BALANCE AS AT 1 JANUARY 2019	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
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)
OPENING CARRYING AMOUNT	24,416	-	343	24,759	24,416	-	24,416
YEAR ENDED 31 DECEMBER 2019							
Additions	2,842	1,219	206	4,267	2,842	1,219	4,061
Disposals	(231)	-	-	(231)	(231)	-	(231)
Reclassifications	-	-	-	-	-	-	-
Amortisation and Impairment Charge	(2,806)	-	(96)	(2,902)	(2,806)	-	(2,806)
Disposals Amortisation and Impairment	229	-	-	229	229	-	229
Reclassifications Amortisation and Impairment	-	-	-	-	-	-	-
CLOSING CARRYING AMOUNT	24,450	1,219	453	26,122	24,450	1,219	25,669
BALANCE AT 31 DECEMBER 2019							
Cost	47,287	2,144	4,265	53,696	47,286	2,144	49,430
Accumulated Amortisation and Impairment	(22,837)	(925)	(3,812)	(27,574)	(22,836)	(925)	(23,761)
CLOSING CARRYING AMOUNT	24,450	1,219	453	26,122	24,450	1,219	25,669

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 (2019 \$Nil).

The amount of intangible assets that are work in progress for software purchased is \$1,405,784 (2019 \$6,129,808).

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

Note 17: Property, Plant and Equipment

THIS YEAR UNIVERSITY	COST/ VALUATION 1 JAN 20 \$000	ACCUMULATED DEPRECIATION AND IMPAIRMENT CHARGES 1 JAN 20 \$000	CARRYING AMOUNT 1 JAN 20 \$000	CURRENT YEAR ADDITIONS \$000
Land	16,862	-	16,862	500
Infrastructural Assets	36,621	(1,763)	34,858	1,592
Buildings	417,340	(27,485)	389,855	21,824
Leasehold Building Improvements	8,058	(1,203)	6,855	1,200
Library Collection	91,674	(56,221)	35,453	4,641
Plant and Equipment	63,751	(44,304)	19,447	4,744
Computer Equipment	22,254	(13,684)	8,570	4,590
Art Collection	1,428	-	1,428	6
Motor Vehicles	5,409	(2,399)	3,010	147
TOTAL	663,397	(147,059)	516,338	39,244

LAST YEAR UNIVERSITY	COST/ VALUATION 1 JAN 19 \$000	ACCUMULATED DEPRECIATION AND IMPAIRMENT CHARGES 1 JAN 19 \$000	CARRYING AMOUNT 1 JAN 19 \$000	CURRENT YEAR ADDITIONS \$000
Land	15,630	-	15,630	1,232
Infrastructural Assets	32,735	(858)	31,877	3,886
Buildings	391,292	(13,230)	378,062	26,355
Leasehold Building Improvements	1,366	(1,115)	251	6,692
Library Collection	87,038	(52,935)	34,103	4,636
Plant and Equipment	61,292	(43,037)	18,255	4,856
Computer Equipment	22,208	(14,570)	7,638	3,963
Art Collection	1,345	-	1,345	83
Motor Vehicles	5,291	(2,359)	2,932	637
TOTAL	618,197	(128,104)	490,093	52,340

CURRENT YEAR DISPOSALS \$000	CURRENT YEAR DEPRECIATION AND IMPAIRMENT \$000	ACCUMULATED DEPRECIATION ON DISPOSAL \$000	REVALUATION MOVEMENT \$000	COST/REVALUATION 31 DEC 20 \$000	ACCUMULATED DEPRECIATION AND IMPAIRMENT CHARGES 31 DEC 20 \$000	CARRYING AMOUNT 31 DEC 20 \$000
-	-	-	2,423	19,785	-	19,785
-	(916)	-	-	38,213	(2,679)	35,534
-	(15,199)	-	114,862	554,026	(42,684)	511,342
(785)	(273)	600	-	8,473	(876)	7,597
-	(3,507)	-	-	96,315	(59,728)	36,587
(3,148)	(3,944)	2,847	-	65,347	(45,401)	19,946
(1,774)	(3,215)	1,763	-	25,070	(15,136)	9,934
-	-	-	-	1,434	-	1,434
(498)	(384)	300	-	5,058	(2,483)	2,575
(6,205)	(27,438)	5,510	117,285	813,721	(168,987)	644,734

CURRENT YEAR DISPOSALS \$000	CURRENT YEAR DEPRECIATION AND IMPAIRMENT \$000	ACCUMULATED DEPRECIATION ON DISPOSAL \$000	REVALUATION MOVEMENT \$000	COST/REVALUATION 31 DEC 19 \$000	ACCUMULATED DEPRECIATION AND IMPAIRMENT CHARGES 31 DEC 19 \$000	CARRYING AMOUNT 31 DEC 19 \$000
-	-	-	-	16,862	-	16,862
-	(905)	-	-	36,621	(1,763)	34,858
(307)	(14,383)	128	-	417,340	(27,485)	389,855
-	(88)	-	-	8,058	(1,203)	6,855
-	(3,286)	-	-	91,674	(56,221)	35,453
(2,397)	(3,583)	2,316	-	63,751	(44,304)	19,447
(3,917)	(3,021)	3,907	-	22,254	(13,684)	8,570
-	-	-	-	1,428	-	1,428
(519)	(381)	341	-	5,409	(2,399)	3,010
(7,140)	(25,647)	6,692	-	663,397	(147,059)	516,338

THIS YEAR GROUP	COST/ VALUATION 1 JAN 20 \$000	ACCUMULATED DEPRECIATION AND IMPAIRMENT CHARGES 1 JAN 20 \$000	CARRYING AMOUNT 1 JAN 20 \$000	CURRENT YEAR ADDITIONS \$000
Land	16,862	-	16,862	500
Infrastructural Assets	36,621	(1,763)	34,858	1,592
Buildings	417,340	(27,485)	389,855	21,824
Leasehold Building Improvements	8,058	(1,203)	6,855	1,200
Library Collection	91,674	(56,221)	35,453	4,641
Plant and Equipment	63,812	(44,349)	19,463	4,753
Computer Equipment	22,254	(13,684)	8,570	4,590
Art Collection	1,428	-	1,428	6
Motor Vehicles	5,409	(2,399)	3,010	147
TOTAL	663,458	(147,104)	516,354	39,253

LAST YEAR GROUP	COST/ VALUATION 1 JAN 19 \$000	ACCUMULATED DEPRECIATION AND IMPAIRMENT CHARGES 1 JAN 19 \$000	CARRYING AMOUNT 1 JAN 19 \$000	CURRENT YEAR ADDITIONS \$000
Land	15,630	-	15,630	1,232
Infrastructural Assets	32,735	(858)	31,877	3,886
Buildings	391,292	(13,230)	378,062	26,355
Leasehold Building Improvements	1,366	(1,115)	251	6,692
Library Collection	87,038	(52,935)	34,103	4,636
Plant and Equipment	61,345	(43,072)	18,273	4,866
Computer Equipment	22,208	(14,570)	7,638	3,963
Art Collection	1,345	-	1,345	83
Motor Vehicles	5,291	(2,359)	2,932	637
TOTAL	618,250	(128,139)	490,111	52,350

CURRENT YEAR DISPOSALS \$000	CURRENT YEAR DEPRECIATION AND IMPAIRMENT \$000	ACCUMULATED DEPRECIATION ON DISPOSAL / ADDITION \$000	REVALUATION MOVEMENT \$000	COST/ REVALUATION 31 DEC 20 \$000	ACCUMULATED DEPRECIATION AND IMPAIRMENT CHARGES 31 DEC 20 \$000	CARRYING AMOUNT 31 DEC 20 \$000
-	-	-	2,423	19,785	-	19,785
-	(916)	-	-	38,213	(2,679)	35,534
-	(15,199)	-	114,862	554,026	(42,684)	511,342
(785)	(273)	600	-	8,473	(876)	7,597
-	(3,507)	-	-	96,315	(59,728)	36,587
(3,154)	(3,952)	2,854	-	65,411	(45,447)	19,964
(1,774)	(3,215)	1,763	-	25,070	(15,136)	9,934
-	-	-	-	1,434	-	1,434
(498)	(385)	301	-	5,058	(2,483)	2,575
(6,211)	(27,447)	5,518	117,285	813,785	(169,033)	644,752

CURRENT YEAR DISPOSALS \$000	CURRENT YEAR DEPRECIATION AND IMPAIRMENT \$000	ACCUMULATED DEPRECIATION ON DISPOSAL / ADDITION \$000	REVALUATION MOVEMENT \$000	COST/ REVALUATION 31 DEC 19 \$000	ACCUMULATED DEPRECIATION AND IMPAIRMENT CHARGES 31 DEC 19 \$000	CARRYING AMOUNT 31 DEC 19 \$000
-	-	-	-	16,862	-	16,862
-	(905)	-	-	36,621	(1,763)	34,858
(307)	(14,383)	128	-	417,340	(27,485)	389,855
-	(88)	-	-	8,058	(1,203)	6,855
-	(3,286)	-	-	91,674	(56,221)	35,453
(2,399)	(3,593)	2,316	-	63,812	(44,349)	19,463
(3,917)	(3,021)	3,907	-	22,254	(13,684)	8,570
-	-	-	-	1,428	-	1,428
(519)	(381)	341	-	5,409	(2,399)	3,010
(7,142)	(25,657)	6,692	-	663,458	(147,104)	516,354

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.

Optimised 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 2020 by RS Valuation Limited (Registered Valuers), on a fair value basis. RS Valuation Limited are independent valuers. The total fair value of Land and buildings valued by RS Valuation Ltd at 31 December 2020 was \$512,198,727.

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

The University has established a new campus in Tauranga; construction of the first stage of the campus was completed in 2019. Assistance with the cost of the new campus has been provided by a charitable trust (Trust) formed by Tauranga City Council, Bay of Plenty Regional Council and Tauranga Energy Consumer Trust. For the first stage of the campus, the Trust 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. 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, 2018 and 2019. The funding agreement between the Trust and the University places many conditions on the University, the most significant of which are;

- 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.

Finance leases

The net carrying amount of property, plant and equipment held under finance leases is \$3,068,828 (2019 - \$1,845,641).

Restrictions on title

Under the Education and Training Act 2020, the University and group are 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 has built the first stage of its 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	3,676	2,894	3,676	2,894
Buildings	18,928	15,630	18,928	15,630
Leasehold Building Improvements	-	677	-	677
Plant and Equipment	469	1,032	469	1,032
Computer Equipment	1,307	467	1,307	467
Art Collection	6	-	6	-
Motor Vehicles	-	8	-	8
	24,386	20,708	24,386	20,708

Note 18: Revenue in Advance

	GROUP		UNIVERSITY	
	THIS YEAR \$000	LAST YEAR \$000	THIS YEAR \$000	LAST YEAR \$000
Research Revenue	24,261	18,392	24,261	18,392
Commercial	4,599	6,144	4,574	6,066
Tuition Fees	29,248	36,125	29,248	36,125
TOTAL REVENUE IN ADVANCE	58,108	60,661	58,083	60,583
TOTAL REVENUE IN ADVANCE COMPRISE:				
Revenue in Advance from exchange transactions	20,772	30,939	20,747	30,861
Revenue in Advance from non-exchange transactions	37,336	29,722	37,336	29,722
TOTAL REVENUE IN ADVANCE	58,108	60,661	58,083	60,583

Note 19: Payables

	GROUP		UNIVERSITY	
	THIS YEAR \$000	LAST YEAR \$000	THIS YEAR \$000	LAST YEAR \$000
PAYABLES UNDER EXCHANGE TRANSACTIONS				
Trade Payables	7,756	6,995	7,866	7,344
Payables to Related Parties (see note 26)	-	-	138	30
Accrued Expenses	12,795	8,135	12,587	7,800
TOTAL PAYABLES UNDER EXCHANGE TRANSACTIONS	20,551	15,130	20,591	15,174
PAYABLES UNDER NON-EXCHANGE TRANSACTIONS				
Taxes Payable	5,151	3,813	5,155	3,829
TOTAL PAYABLES	25,702	18,943	25,746	19,003

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

Note 20: Borrowings

	GROUP		UNIVERSITY	
	THIS YEAR \$000	LAST YEAR \$000	THIS YEAR \$000	LAST YEAR \$000
Opening Balance	1,303	1,308	1,303	1,308
Less Borrowings Repaid	(6)	(5)	(6)	(5)
CLOSING BALANCE	1,297	1,303	1,297	1,303
Current Portion - Finance Lease	7	6	7	6
Non Current Portion - Finance Lease	1,290	1,297	1,290	1,297
	1,297	1,303	1,297	1,303

The finance lease is currently recognised at fair value using a discount rate of 12.89% (2019 12.89%).

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 1 year	174	174	174	174	162	162	162	162
Between 1 and 5 years	694	694	694	694	475	475	475	475
Later than 5 years	3,590	3,763	3,590	3,763	660	666	660	666
Minimum Lease Payments	4,458	4,631	4,458	4,631	1,297	1,303	1,297	1,303
Less future finance charges	(3,161)	(3,328)	(3,161)	(3,328)				
PRESENT VALUE OF MINIMUM LEASE PAYMENTS	1,297	1,303	1,297	1,303	1,297	1,303	1,297	1,303

Note 21: 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
(Deficit)/Surplus	(7,413)	8,152	(8,545)	6,266
ADD/(LESS) NON CASH ITEMS:				
Depreciation and amortisation	31,573	28,565	31,561	28,453
Increase in non-current employee entitlements	735	1,674	735	1,674
Other	(562)	(757)	-	239
	31,746	29,482	32,296	30,366
ADD/(LESS) MOVEMENTS IN OTHER WORKING CAPITAL ITEMS:				
Decrease in Receivables	(4,154)	(11,010)	(4,110)	(10,895)
Increase/(Decrease) in Payables	6,776	(4,629)	6,743	(4,578)
(Increase)/Decrease in Inventories	260	(157)	260	(157)
Increase/(Decrease) in Revenue in Advance	(2,500)	7,791	(2,500)	7,686
Increase in Employee Entitlements	36	2,108	31	2,074
Decrease in Prepayments	(431)	(3,332)	(431)	(3,332)
Increase/(Decrease) in Intercompany balances	-	-	(197)	576
	(13)	(9,229)	(204)	(8,626)
ADD/(LESS) ITEMS CLASSIFIED AS INVESTING AND FINANCING ACTIVITIES:				
Losses on disposal of property, plant and equipment	441	290	441	299
	441	290	441	299
NET CASH FLOW FROM OPERATING ACTIVITIES	24,761	28,695	23,988	28,305

Note 22: Contingencies

University contingent liabilities

A guarantee has been given to the Bank of New Zealand for an overdraft facility of \$53,000 (2019 \$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 has entered into a contract to purchase a building no later than November 2024. A condition of the contract is that if any tenants leave before the purchase occurs, the University is required to take up the lease commitment. The maximum amount that the University could become liable for is \$1,423,718.

A voluntary tax disclosure is being prepared for the Michael King house. The University is aware of the potential tax liability in relation to this matter.

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 23: Key Management Personnel Compensation

The compensation of the members of Council, Vice-Chancellor's Executive Leadership Team being the key management personnel of the University, is set out below:

	THIS YEAR	LAST YEAR
COUNCIL MEMBERS		
Full-time equivalent members	11	11
Remuneration	234,869	233,418
VICE-CHANCELLOR'S EXECUTIVE LEADERSHIP TEAM		
Full-time equivalent members	15.91	15.99
Remuneration	4,628,673	4,457,233
Total full-time equivalent members	26.91	26.99
TOTAL KEY MANAGEMENT PERSONNEL COMPENSATION	4,863,542	4,690,651

Due to the difficulty in determining the full-time equivalent for Council members, the full-time equivalent figure is taken as the number of Council members (excluding the Vice-Chancellor).

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 1 to 2 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.

The future aggregate minimum lease payments payable under non-cancellable operating lease 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 1 year	4,974	4,108	4,974	4,108
Longer than 1 year and not longer than 5 years	14,928	15,543	14,928	15,543
Longer than five years	46,756	48,271	46,756	48,271
	66,658	67,922	66,658	67,922

(c) Sub-leases

The total minimum future receipts that the University expects to receive from its tenants on leased land is \$6,450,900 (2019 \$6,280,870). The minimum renewal periods range from 1 to 26 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 1 month and 8 years with various options to renew. The lessees do not have the option to purchase at the expiry of the lease period.

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

(b) Non-cancellable operating lease receivables

	GROUP		UNIVERSITY	
	THIS YEAR \$000	LAST YEAR \$000	THIS YEAR \$000	LAST YEAR \$000
Not longer than 1 year	709	836	709	836
Longer than 1 year and not longer than 5 years	1,803	1,591	1,803	1,591
Longer than five years	4,881	5,174	4,881	5,174
	7,393	7,601	7,393	7,601

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

Note 25: Financial Instruments

25A: Financial instrument categories

The carrying amounts of financial assets and liabilities in each of the financial instrument categories are as follows:

	GROUP		UNIVERSITY	
	THIS YEAR \$000	LAST YEAR \$000	THIS YEAR \$000	LAST YEAR \$000
FINANCIAL ASSETS				
MANDATORILY MEASURED AT FAIR VALUE THROUGH SURPLUS OR DEFICIT				
New Zealand Equities	2,059	1,556	-	-
Australian Equities	1,329	1,123	-	-
Other Offshore Equities	1,777	1,535	-	-
Fixed Interest Instruments	1,412	1,079	-	-
TOTAL	6,577	5,293	-	-
FINANCIAL ASSETS MEASURED AT AMORTISED COST				
Cash and Cash Equivalents	12,871	11,138	10,816	8,267
Receivables	40,269	36,255	39,977	35,917
Inter Company Asset Balances	-	-	1,673	1,659
Other Financial Assets	4,099	24,228	1,000	22,000
TOTAL	57,239	71,621	53,466	67,842
MANDATORILY MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE REVENUE AND EXPENSE				
Investments - Unlisted shares (designated)	316	316	2,316	2,316
TOTAL	316	316	2,316	2,316
FINANCIAL LIABILITIES				
FINANCIAL LIABILITIES AT AMORTISED COST				
Payables	20,551	15,130	20,591	15,174
Inter Company Liability Balances	-	-	15,511	15,694
TOTAL	20,551	15,130	36,102	30,868

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 2020 - UNIVERSITY AND GROUP				
FINANCIAL ASSETS				
Derivatives	-	-	-	-
31 DECEMBER 2020 - GROUP				
FINANCIAL ASSETS				
Fixed Interest Instruments	1,412	1,412	-	-
Listed Shares	5,165	5,165	-	-
31 DECEMBER 2019 - UNIVERSITY AND GROUP				
FINANCIAL ASSETS				
Derivatives	-	-	-	-
31 DECEMBER 2019 - GROUP				
FINANCIAL ASSETS				
Fixed Interest Instruments	1,079	573	-	-
Listed Shares	4,214	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 \$10,550,027 (2019 \$8,226,128) invested in variable rate deposits and the balance in fixed rate deposits.

Sensitivity analysis

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

Interest rate risk

UNIVERSITY	THIS YEAR		LAST YEAR	
	+100BPS \$000	-100BPS \$000	+100BPS \$000	-100BPS \$000
INSTRUMENT				
Variable rate deposits	106	(106)	82	(82)

GROUP	THIS YEAR		LAST YEAR	
	+100BPS \$000	-100BPS \$000	+100BPS \$000	-100BPS \$000
INSTRUMENT				
Variable rate deposits	142	(142)	88	(88)

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

UNIVERSITY	THIS YEAR		LAST YEAR	
	+10% \$000	-10% \$000	+10% \$000	-10% \$000
INSTRUMENTS HELD IN USD				
Creditors	21	(26)	14	(17)
Debtors	(23)	28	(33)	40
US Dollar account	(7)	9	(44)	54

GROUP	THIS YEAR		LAST YEAR	
	+10% \$000	-10% \$000	+10% \$000	-10% \$000
INSTRUMENTS HELD IN USD				
Creditors	21	(26)	14	(17)
Debtors	(23)	28	(33)	40
US Dollar account	(9)	11	(44)	54
Equities	(138)	168	(125)	152

UNIVERSITY	THIS YEAR		LAST YEAR	
	+10% \$000	-10% \$000	+10% \$000	-10% \$000
INSTRUMENTS HELD IN AUD				
Creditors	20	(25)	32	(39)
Debtors	-	-	-	-
AUD account	(18)	23	(17)	21

GROUP	THIS YEAR		LAST YEAR	
	+10% \$000	-10% \$000	+10% \$000	-10% \$000
INSTRUMENTS HELD IN AUD				
Creditors	20	(25)	32	(39)
Debtors	-	-	-	-
AUD account	(20)	24	(17)	21
Equities	(122)	149	(103)	126

UNIVERSITY AND GROUP	THIS YEAR		LAST YEAR	
	+10% \$000	-10% \$000	+10% \$000	-10% \$000
INSTRUMENTS HELD IN EUR				
Creditors	-	-	-	-
Debtors	(2)	3	-	-
Euro Account	-	-	-	-

UNIVERSITY AND GROUP	THIS YEAR		LAST YEAR	
	+10% \$000	-10% \$000	+10% \$000	-10% \$000
INSTRUMENTS HELD IN GBP				
Creditors	-	-	2	(3)
GBP Account	-	-	-	-
Equities	(25)	31	(16)	20

UNIVERSITY AND GROUP	THIS YEAR		LAST YEAR	
	+10% \$000	-10% \$000	+10% \$000	-10% \$000
INSTRUMENTS HELD IN CNY				
Creditors	3	(4)	4	(5)
Debtors	-	-	-	-

UNIVERSITY AND GROUP	THIS YEAR		LAST YEAR	
	+10% \$000	-10% \$000	+10% \$000	-10% \$000
INSTRUMENTS HELD IN CAD				
Creditors	-	-	1	(2)
Debtors	-	-	-	-

UNIVERSITY AND GROUP	THIS YEAR		LAST YEAR	
	+10% \$000	-10% \$000	+10% \$000	-10% \$000
INSTRUMENTS HELD IN INR				
Creditors	-	-	1	(1)
Debtors	-	-	-	-

UNIVERSITY AND GROUP	THIS YEAR		LAST YEAR	
	+10% \$000	-10% \$000	+10% \$000	-10% \$000
INSTRUMENTS HELD IN VND				
Creditors	-	(1)	-	-
Debtors	-	-	-	-

Explanation of currency risk sensitivity

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

Credit risk

Credit risk is the risk that a third party will default on its obligation to the University causing the University to incur a loss. Financial instruments which potentially subject the University to credit risk principally consist of bank balances, intercompany balances and accounts receivable. Credit risk in respect of bank and short term deposits is reduced by spreading deposits over major New Zealand registered trading banks with minimum S&P long term credit rating of A+ or minimum Moody's Investors long term credit rating of A. Receivables are unsecured, but are subject to credit control. No collateral is held.

Credit risk exposure by credit risk rating grades

The gross carrying amount of financial assets, excluding receivables, by credit rating is provided below by reference to Standard and Poor's credit ratings.

	GROUP		UNIVERSITY	
	THIS YEAR \$000	LAST YEAR \$000	THIS YEAR \$000	LAST YEAR \$000
CASH AT BANK AND TERM DEPOSITS				
AA-	22,547	39,659	10,816	29,267
DERIVATIVE FINANCIAL INSTRUMENTS				
AA-	-	-	-	-
MANAGED FUND (BONDS)				
AA+	114	99	-	-
AA-	132	133	-	-
A+	-	-	-	-
A	76	67	-	-
A-	54	54	-	-
BB+	31	30	-	-
BBB+	184	181	-	-
BBB	157	106	-	-
TOTAL MANAGED FUND	748	670	-	-

All instruments in this table have a loss allowance based on 12-month expected credit losses.

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

UNIVERSITY	CARRYING AMOUNT \$000	CONTRACTUAL CASH FLOWS \$000	LESS THAN 6 MONTHS \$000	BETWEEN 6 MONTHS AND 1 YEAR \$000	BETWEEN 1 AND 5 YEAR \$000	MORE THAN 5 YEARS \$000
THIS YEAR						
Payables	20,591	20,591	20,591	-	-	-
Borrowings	1,297	4,458	87	87	694	3,590
Inter Company Balances	15,511	15,511	-	15,511	-	-
LAST YEAR						
Payables	15,174	15,174	15,174	-	-	-
Borrowings	1,303	4,631	87	87	694	3,763
Inter Company Balances	15,694	15,694	-	15,694	-	-

GROUP	CARRYING AMOUNT \$000	CONTRACTUAL CASH FLOWS \$000	LESS THAN 6 MONTHS \$000	BETWEEN 6 MONTHS AND 1 YEAR \$000	BETWEEN 1 AND 5 YEAR \$000	MORE THAN 5 YEARS \$000
THIS YEAR						
Payables	20,551	20,551	20,551	-	-	-
Borrowings	1,297	4,458	87	87	694	3,590
LAST YEAR						
Payables	15,130	15,130	15,130	-	-	-
Borrowings	1,303	4,631	87	87	694	3,763

Note 26: Related Party Transactions

The following related party transactions occurred between the University and WaikatoLink Limited, 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 \$	FOUNDATION \$	SCBFT \$	UOW RT \$	IENGAGED \$
PAYMENTS IN 2020 TO:	1,000,845	-	2,749	1,794,000	456,815
- 2019	1,004,300	-	2,462	2,418,000	436,141
RECEIPTS IN 2020 FROM:	271,617	607,718	233,120	329,619	-
- 2019	259,236	1,173,580	267,496	51,382	-
ACCOUNTS RECEIVABLE AT 31 DECEMBER 2020 OWING FROM:	1,451,762	131,001	-	-	140,161
- 2019	1,451,953	69,402	-	-	140,161
ACCOUNTS PAYABLE AT 31 DECEMBER 2020 OWING TO:	-	-	3,059,888	12,451,000	138,862
- 2019	-	-	2,829,348	12,867,000	29,900

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 12) and represents the funds available to the Trust for future research activity.

Other than the above transactions with the University's subsidiaries, related party disclosures have not been made for transactions 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 the year the Group received \$5,000 (2019: \$5,000) from Kordia to be used as a scholarship for "Women in Technology". At the time a Council member was CEO of Kordia Limited. There was no amount outstanding as at 31 December 2020 (2019: \$nil).

The spouse of a Council member provided consulting services totalling \$8,142 none of which were discounted, however they provided \$2,773 of consulting services in 2019, some of which were at a discounted rate. The amount outstanding at 31 December 2019 was \$2,516 in 2019. There is no outstanding amount in 2020.

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

Note 27: 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 and Training Act 2020, 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 Annual Plan and Budget. 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 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 28: 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	7,628	7,628	7,628	7,628
Buildings	55,312	18,822	55,312	18,822
Infrastructural Assets	14,590	1,102	14,590	1,102
Library Collection	1,904	1,923	1,904	1,923
Plant and Equipment	1,810	835	1,810	835
Computer Equipment	3,934	437	3,934	437
Intangibles	-	158	-	158
	85,178	30,905	85,178	30,905

Note 29: Explanations of Major Variances against Budget

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

Statement of comprehensive income

Government funding and grants

The University exceeded its budget for Government funding and grants by \$0.5M. This variance is a budget re-classification, revenue received by the Institute of Professional Learning was budgeted as Other Revenue.

Tuition fees

The University received \$6.4M less than budgeted in tuition fees. International tuition fees were under budget by \$5.2M, representing a shortfall of 241 EFTS. Government funded tuition fees were \$1.1M under budget, representing a shortfall of 153 EFTS.

Other revenue

Other revenue received by the University was \$6.1M less than budget. The impact of Covid-19 meant the following areas did not achieve their budget: Accommodation (\$3.1M) given no room fees charged for 2 months under Covid-19 restrictions and a decline in international students staying in University halls of residence; Gym memberships \$0.6M; Student Services Levy \$0.5M; Leases \$0.4M.

Personnel costs

Personnel costs were (\$6M) more than budget. Pay-outs related to retirements and restructuring exceeded budget by \$5.8M. ZUCC staff costs not budgeted in the Division of Arts, Law, Psychology and Social Sciences, \$0.3M.

Other costs

Due to Covid-19 the University had cost savings due to minimised non-essential operating expenditure – significant travel restrictions were put in place, including cessation of international travel, and restrictions on domestic travel worth \$3.9M. Other main areas of cost savings were: professional services expenses \$1.4M, conference fees \$0.7M, hospitality and entertainment costs \$0.5M and electricity \$0.4M.

Note 30: The Effects of Covid-19 on the University

On 11 March 2020, the World Health Organisation declared the outbreak of Covid-19 a pandemic and two weeks later the New Zealand Government declared a State of National Emergency. From this, the country was in lockdown at Alert Level 4 for the period 26 March to 27 April and remained in lockdown at Alert Level 3, thereafter, until 13 May.

During this period, the University closed all delivery sites and brought forward the mid-trimester break to align with the new timing of the school holidays in New Zealand. Most staff moved to a 'work from home' model and teaching was changed to online delivery after the mid-trimester break.

The University, during this April lockdown, undertook a comprehensive "re-budget" exercise. This factored in the direct and indirect financial impacts of Covid-19 on operations, and projected a likely University deficit in 2020 of \$7.5M. The final University result was in line with those projections undertaken as part of the "re-budget" exercise.

After 13 May, when New Zealand moved to lower Alert Levels, students were able to attend classes on-site or continue to access classes remotely.

The effect on our operations is reflected in these financial statements based on the information available to the date these financial statements are approved. At this time, it is difficult to determine the full ongoing effect of Covid-19 and therefore some material uncertainties remain. There could also be other matters that affect the University in the future, of which we are not yet aware.

The main impacts on the University's financial statements due to Covid-19 are explained below. This includes information about key assumptions concerning the future and other sources of estimation uncertainty due to Covid-19. The main impacts on the University's performance measures are explained in the Statement of Service Performance.

Government funding

The Tertiary Education Commission confirmed during March 2020 that 2020 funding for Investment Plans and Fees Free would continue and that it would not seek to recover 2020 funding because of either non-achievement of Education Performance Indicators or under-delivery during the 2020 year. This provided the University with certainty that it could continue delivery to students despite the disruption caused by Covid-19. As a consequence of this, the University has recognised this funding in full as revenue during the financial year.

Student numbers and fees revenue

Given the pandemic and resulting international border closures, new or enrolled international students could not all physically

study at the University. This resulted in a revenue loss of \$5.2M, representing a shortfall of 241 EFTS. Less students chose to study online, or if they did, many chose to reduce the amount of papers which they would normally undertake.

Other revenue

Fewer students physically studying on our campuses meant our accommodation was underutilised. During lockdown the University did not charge for accommodation if students were not in residence, resulting in a loss of \$3.1M. Similarly, Student Services levy charges were reduced \$0.5M due to online learning and lower international EFTS. Gym memberships at the Hamilton campus were paused during lockdown resulting in a loss of \$0.6M. University tenants were supported during lockdown with leases not charged, resulting in a revenue loss of \$0.4M.

Personnel expenses

As a result of the reduction in revenue restructuring was undertaken to lower operating expenses. The total cost of restructuring was \$4.8M, split evenly between general and academic staff.

Other expenses

In response to the impact of Covid-19, cost savings were sought to partially mitigate the loss of revenue. Significant travel restrictions were put in place with all international travel on hold and significant restrictions on domestic travel delivering a saving of \$3.9M. Further savings were achieved in professional services expenses \$1.4M, conference fees \$0.7M, hospitality and entertainment costs \$0.5M and electricity \$0.4M.

Valuation of land and buildings

In 2020, valuation was carried out for land and buildings and all valuations considered the known impacts of Covid-19.

During 2020 market value uncertainty increased, and risk has also increased as a result of future uncertainties, therefore the re-evaluation is subject to a wider range of variations than when the economy was operating as normal.

Impairment of tangible and intangible assets

An impairment assessment was made of tangible and intangible assets. While some buildings were impaired due to seismic strengthening requirements and electrical rework required, nothing was impaired due to Covid-19 considerations.

Other

At this time, it is difficult to determine the full effect of Covid-19, and there could be other matters that affect the University.

Note 31: Events after the Balance Date

There were no significant events requiring disclosure in the financial statements after the balance date.

GLOSSARY

ABBREVIATIONS

ACE	Adult and Community Education	MOE	Ministry of Education
CEP	Curriculum Enhancement Programme	OAG	Office of the Auditor General
EEO	Equal Employment Opportunity	PBRF	Performance-Based Research Fund
EFTS	Equivalent Full Time Student	PCOL	Pathways College
FCI	Full-Cost International	QS	Quacquarelli Symonds
FCO	Full-Cost Other	RDC	Research Degree Completion
FMIS	Faculty of Māori and Indigenous Studies	RPG	Research Postgraduate
FTE	Full-Time Equivalent	SAC	Student Achievement Component
ICT	Information and Communication Technology	SLMS	Student and Learning Management System
IP	Intellectual Property	TEC	Tertiary Education Commission
IT	Information Technology	TEI	Tertiary Education Institution
KPI	Key Performance Indicator	THE	Times Higher Education
MF	Ministry-Funded	TPG	Taught Postgraduate

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/GENERAL 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. EFTS generated by the Waikato Pathways College are counted under the Faculty of Education.

Research revenue

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

Research publication by type

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. 2020 Interim results have been rounded to the nearest whole number.





THE UNIVERSITY OF
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