



The University of Waikato
Annual Report 2008



THE UNIVERSITY OF
WAIKATO

Te Whare Wānanga o Waikato



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Our Vision

The University of Waikato will:

- Deliver a world-class education and research portfolio
- Provide a full and dynamic university experience which is distinctive in character
- Pursue strong international linkages to advance knowledge

The over-arching themes of our Vision are:

- Excellence
- Distinctiveness
- International Connectedness



Management Structure of The University of Waikato

Council Membership 2008

Name	Appointed/nominated to serve on Council by:
Rt. Hon. Jim Bolger (Chancellor)	Co-opted member
Dr Brian Linehan (Pro-Chancellor)	Minister for Tertiary Education
Dr Rob Pringle	Minister for Tertiary Education
Mr Graeme Weld ¹	Minister for Tertiary Education
Mr Peter Schuyt	Minister for Tertiary Education
Professor Roy Crawford	Vice-Chancellor
Professor Alexandra Barratt	University of Waikato Academic Staff
Mr Tony Dicks	University of Waikato General Staff
Dr John Gallagher	Business New Zealand
Ms Jeanette Clarkin-Phillips	NZ Council of Trade Unions
Ms Moira Noho	President, Waikato Students' Union 2008
Professor Barry Barton	University of Waikato Academic Board
Dr Apirana Mahuika	Te Rōpū Manukura
Ms Eleanor Barton ²	Te Arikinui Nominee
Mr Maharaia Paki ³	Te Arikinui Nominee
Ms Jan Jameson	Co-opted member
Mr Todd Muller	Co-opted member
Mr Tony Whittaker	Co-opted member

Footnotes to Council Membership 2008

1. Member of Council to 15 November 2008
2. Member of Council to 10 September 2008
3. Member of Council from 10 September 2008



Management Structure of The University of Waikato

Vice-Chancellor's Committee Membership 2008

Professor Roy Crawford	Vice-Chancellor
Professor Dan Zirker	Dean, Faculty of Arts and Social Sciences
Associate Professor Stephen Joe ¹	Acting Dean, School of Computing and Mathematical Sciences
Professor Geoff Holmes ²	Dean, School of Computing and Mathematical Sciences
Professor Alister Jones	Dean, School of Education
Professor John Farrar ³	Dean, School of Law
Professor Nan Seuffert ⁴	Acting Dean, School of Law
Professor Aroha Yates-Smith ⁵	Dean, School of Māori and Pacific Development
Dr Tom Roa ⁶	Acting Dean, School of Māori and Pacific Development
Professor Richard Price	Dean, School of Science and Engineering
Professor Frank Scrimgeour ⁷	Dean, Waikato Management School
Professor Doug Sutton	Deputy Vice-Chancellor
Mr Raymond McNickle	Head of Corporate Services
Ms Anna Bounds ⁸	Head of Human Resources
Ms Helen Pridmore ⁹	Head of Planning, Policy and Information
Professor Linda Smith	Pro Vice-Chancellor Māori

Footnotes to Vice-Chancellor's Committee Membership 2008

1. Acting Dean of School of Computing and Mathematical Sciences from 1 February 2008 to 30 September 2008
2. Took up position of Dean of School of Computing and Mathematical Sciences from 1 October 2008
3. Retired from position as Dean of School of Law from 31 July 2008
4. Acting Dean, School of Law from 4 August 2008 to 31 December 2008
5. On leave from 3 October 2008 to 31 December 2008
6. Acting Dean, School of Maori and Pacific Development from 1 October 2008 to 31 December 2008
7. Acting Dean, Waikato Management School from 1 January 2008 to 29 February 2008; took up position of Dean of Waikato Management School from 1 March 2008
8. Took up position as Head of Human Resources from 8 February 2008
9. Took up position as Head of Planning, Policy and Information from 26 May 2008

Chancellor's Overview

Despite the challenging economic climate, and some hard decisions facing the University of Waikato, I offer my congratulations to Vice-Chancellor Professor Roy Crawford and his senior management team for their commitment and adherence to the overall goals and Vision of this university.

Significantly, work has carried on in refining the distinctiveness of Waikato, as part of living the Vision of Excellence, International Connectedness and Distinctiveness. It is clear from the outcomes we see throughout the university that the focus has been on maintaining and developing our expected levels of academic and research excellence, while making some hard business decisions about the operations that support outstanding teaching and learning.

Tainui remain among our most important stakeholders and I have been pleased to see our relationship with this central iwi continue to develop during the past 12 months. Of particular significance is the University's decision to set aside 21 April each Year as Kīngitanga Day. This was announced by the Vice-Chancellor at the Kīngitanga discussion forum attended by Kingi Tūheitia and designed to celebrate 150 years of Te Kīngitanga as well as discuss the future opportunities and challenges of the movement.

Recruiting and retaining Māori students and delivering quality educational outcomes relevant to Māori development priorities remains a primary goal in our Strategic Plan, and we value the continuing work of Pro Vice-Chancellor Maori Professor Linda Smith and her office to encourage Maori recruitment and to enhance the student experience of both Maori and non-Maori students within the umbrella of our Maori distinctiveness.

Last year we were honoured to welcome new kaumātua Rewi Rapana of Tuwhare Pā Ngāti Haua Werewere and Ngāti Raukawa. Rewi was nominated for the position of University kaumātua by Dr Hare Puke, and this nomination was confirmed by King Tūheitia.

In this current economic climate, sustainability is a key driver. We must operate a financially sustainable organisation in order to provide robust tertiary services for our region and to contribute to a sustainable community which by definition includes relevant tertiary education. At the same time through research, teaching and internal operations, the university champions environmental sustainability, particularly relevant given the agricultural nature of the Waikato.

This commitment is evident in a significant amount of Waikato University research output. This includes the team helping Fonterra's New Zealand milk powder plants reduce energy consumption as part of its company-wide energy reduction project, sustainable agriculture and agri-business that are included in a new graduate diploma being offered at the University and the well-attended Sustainable Waikato public lecture series held in the middle of 2008

As the University's vision also acknowledges, we are increasingly aware of our role on an international stage. We continue to benchmark ourselves against the best in the world, look with the pride on the growing number of international students – particularly in the first year of their degrees - and know that most of our graduates will travel, live or work overseas at some point in their lives.

The university is expanding our international presence with research outputs such as the monitoring buoy designed here in a project lead by Dr David Hamilton that is being used to help monitor water quality on a Chinese lake providing more than five million people with drinking water. It is also reflected in the partnership between the University's technology department and commercialisation arm WaikatoLink, and its equivalent at one of China's top universities, Tsinghua University which is laying the foundation for more effective market access into China.

Last year the Vice-Chancellor and I continued our programme of meeting international alumni, and were very encouraged by the high level of positions our graduates are in all over the world. As well as ensuring we remain in contact with our alumni, these visits form part of the conversation around the understanding of philanthropic contributions. With traditional funding sources - including student fees, government funding and research grants - falling short of the levels of strategic investment necessary to achieve our Vision, we know we must continue to look for other options. Donations and commercial opportunities are of growing importance and continue to be a much greater focus.

It is imperative that we continue to maintain momentum with regards to our major initiatives and capital projects because they will ultimately help our outstanding academic staff deliver internationally competitive educational and research outcomes. We also know we must continue to enhance the student experience, and construction of the new state-of-the-art student centre which begun late in 2008 will contribute to this in no small way, as well as giving a clear message about our commitment to sustainability with its planned Australasian-leading green rating



Chancellor's Overview

The opening of the new Research Hub this year has formed a single centre for University research and commercial services. Some 25% of revenue comes from research and research-related activities and WaikatoLink, has established 12 start-ups and joint ventures with a collective value exceeding \$200m since 2002.

Last year I looked forward to an ongoing dialogue with stakeholders in the Bay of Plenty and particularly the Bay of Plenty Polytechnic. We have certainly achieved our aim of understanding the strengths and interests of this region – and the enhanced partnership offerings of the University and Polytechnic mean we are able to listen and respond to the needs of the business community and people of the Bay.

It was with great sadness that we saw the passing of two significant contributors to the life of the University. Hare Puke, our Kaumātua since 2000, had a lifetime of commitment and service which has been recognised and appreciated at the highest levels. The awarding of the University of Waikato Medal in 1994 and an Honorary Doctorate in 2004 were testament to the high regard in which he was held by staff, students and the wider University community.

We were also saddened at the loss of a well-regarded and committed member on the Council, Graeme Weld. Graeme was a steadfast contributor to the University particularly bringing a vast local knowledge of the Bay of Plenty and I valued his insights into this region particularly.

On Council, long-serving Councillor Eleanor Barton stepped down after many years contribution, and we welcomed Maharaia Paki in her place. To them both, and to my other colleagues on Council my thanks for your expertise and support, and your commitment to the university.

Thank you particularly to Rob Pringle for the past four years as head of Finance Committee, and to Peter Schuyt who has taken up the role.

Welcome to our new Waikato Student Union President, Ben Delany, and my thanks for a job very well done to outgoing President, Moira Noho.

Finally, to Professor Crawford, his Deans, senior managers and all staff, both academic and general - congratulations on the achievements of the past year and your commitment to the university going forward. The Council and I are confident that together we will see through the external challenges ahead of the university and continue to build on our strengths to achieve our strategic goals and our Vision.

Rt Hon. Jim Bolger ONZ
Chancellor, University of Waikato

Vice-Chancellor's Overview

2008 was another successful and important year for the University of Waikato as we moved forward in the journey towards achieving our Vision of offering an educational experience that is excellent, distinctive and internationally competitive.

Throughout the year the University remained focussed on our primary purpose of delivering excellence in teaching and research. The current global downturn presents a challenging operating environment for tertiary institutions worldwide. Prudent financial planning, coupled with strategic investments in ourselves, have underpinned our commitment to provide a solid foundation for the long term. Our decisions are carefully considered to ensure that the University of Waikato keeps pace with best practice in the New Zealand and international tertiary education sectors. I am proud of the passion and the commitment of our staff across the University as we strive to become one of the best universities in Australasia.

In 2008 we introduced a range of new degrees, majors and specialisations – including the Bachelor of Social Work, Master of Business and Management and Doctor of Musical Arts. We developed partnerships focussed on teaching, introduced a range of new quality assurance measures, and developed significant innovations in key areas of teaching-related activities, including school support services and the award-winning "Science Education" hub in our School of Education.

The University was pleased to once again have major successes in the highly competitive Marsden funding round. Grants totalling over \$4m were awarded to University of Waikato researchers, including the funding of three sub-contracts with other tertiary education organisations. During 2008 the University also celebrated its success with the awarding of a major Foundation for Research, Science and Technology (FRST) grant for research on titanium alloys. The University is currently engaged in more than 400 externally funded research projects, and the significant diversity and quality of our research is reflected in the growing numbers of our publications and outputs.

Our determination to facilitate collaborative research initiatives saw the commissioning of the new Research Hub, the University's 'one stop shop' for research and development. The Hub was opened by former Parliamentary Commissioner for the Environment, Dr Jan Wright in line with our demonstrated role in New Zealand's drive for sustainable development, in both domestic and international arenas. The Research Hub brings together staff from UniLink, WaikatoLink Ltd, and the Scholarships and Postgraduate Studies office. Its role is to encourage synergistic benefits between the various research-related activities across the University and form a single contact point for providing research and commercial services to business and the community.

WaikatoLink Ltd, the University's commercial arm, continued to transfer commercially useful technologies to industry. Key successes included leading a university consortium that secured \$4.9million in Pre-Seed funding from FRST to commercialise technologies. Five new start-up companies received venture funding in late 2007, and also achieved key development milestones. WaikatoLink Ltd's Hothouse achieved official iPhone Application Developer status and its international reach was extended through cooperative agreements with China and Singapore. A highlight was opening the successful WaikatoLink Ltd venture incubator to local entrepreneurs, at the request of the Hamilton City Council, to serve as the official incubator for the region.

At a regional level we both supported and were recognised in the Hamilton Science Excellence Awards (Kudos Awards) with a number of finalists and three category winners. The University's Digital Library Research Group, headed by Professor Ian Witten and Dr David Bainbridge, won the Information and Computer Technology Science award. Associate Professor Kim Pickering won the Environmental Science award for her work on developing sustainable materials from natural fibres, and Dr Roberta Farrell won the Entrepreneur Scientist category for her work in helping commercialise scientific research. Associate Professor Vic Arcus was awarded the New Zealand Bio Accolade.

2008 saw the University redefine our aspirations in internationalisation. Specific academic and commercialisation projects aligned with our strategy began in China, Thailand, Viet Nam, Hawai'i, and South Africa.

The Chancellor, the Rt. Honourable Jim Bolger and I travelled to alumni events in Sydney and Melbourne, and had successful meetings with a range of alumni and friends of the University as we continued to enhance our international connectedness through the global successes of our graduates.

The Development Office and Alumni Association also engaged with alumni at a regional and national level, including the organisation of our second annual Distinguished Alumni Awards Dinner. At this event we acknowledged some of our outstanding graduates by presenting awards to the Chief of the New Zealand Defence Force Lieutenant General Jerry Mateparae, ONZM, Solomon Islands Prime Minister Dr Derek Sikua, and businessman Peter Vela, ONZM.

During 2008 we bestowed our most prestigious award of an honorary doctorate on three highly respected local businessmen and University supporters - John Gallagher, Bill Gallagher and Brian Perry. Honorary Doctorates were also awarded to 'the Bugman'-science communicator and media personality, Ruud Kleinpaste, founding professor of Māori at this University, Dr Timoti Kāretu, and award winning author, Tessa Duder.



Vice-Chancellor's Overview

We were also pleased to increase our engagement with our Tauranga alumni through a number of special events, and to demonstrate our commitment to provide research-led education to meet the growing needs of the Bay of Plenty region. Our alliance with the Bay of Plenty Polytechnic has progressed considerably, and facilities and services are now being shared to provide the best possible service to students. In response to this highly successful and unique relationship, the Tertiary Education Commission agreed to fund further enrolment growth in the Western Bay of Plenty region. To facilitate this growth, a new building on the Windermere Campus was commissioned and new programmes are being introduced on the basis of stakeholder views of their distinctive regional needs.

Our capital works programme is integral to our development and our commitment to enhancing the Waikato student experience. Milestones during the year included completion of the bulk of the work on the redevelopment of our retail area, and the redevelopment of the Pathways College - vital for community learning programmes and for students who need to up-skill before taking university programmes.

We also began work on the new Student Centre - a \$30 million building project to create a sustainable and state-of-the-art student learning facility. When completed, it will be among the best in Australasia and will provide a focal point for our Hamilton campus. In line with our commitment to sustainability, this building has many innovative features which will minimise its use of energy.

As we move forward we have continued to develop our understanding and application of our distinctiveness as a university in the areas of leadership, sustainability and our commitment to Māori. The University is considerably strengthened by its relationships with Te Rōpū Manukura, Tainui and the Kīngitanga. During 2008, former Treaty negotiator the Hon. Sir Douglas Graham and former Minister of Māori Affairs, Koro Wetere, were among panellists, along with King Tuheitia, to celebrate 150 years of the Kīngitanga movement. Following this forum we were pleased to announce the launch of an annual Kīngitanga Day at the University.

It was with great sadness that we recorded the passing of a significant contributor to the life of the University in 2008. Dr Hare Puke had been the University's Kaumātua since 2000 and his contribution to the community reflected a lifetime of commitment and service which was recognised and appreciated at the highest levels. A strong believer in the value of education for Māori, his selfless work gained him much acclaim from organisations throughout New Zealand, but it is for his steadfast commitment to the University of Waikato that he will be most fondly remembered by staff.

Our showcase performance facility – The Wel Energy Trust Academy of Performing Arts hosted more than 1000 events in 2008, including a full complement of classes and performances from the University's Music, Theatre Studies, Dance and Māori performing arts programmes, as well as a wide range of concerts, shows and social functions. Together these attracted almost 50,000 visitors from Hamilton and the surrounding Waikato region.

I have no doubt that our staff are among the most talented in any university in Australasia. My personal thanks to the support I receive from all the staff of the University, and from my senior management team.

We are passionate about providing excellence in teaching and research to our students, our community and our region. We are committed to bringing the best knowledge from around the world to benefit our region. I am confident that we have the capacity and the desire to continue to invest in ourselves, strengthen external relationships, maximise the quality of teaching and research, develop commercial activity and ensure that infrastructure and administrative support operate at internationally benchmarked standards of excellence.

Professor Roy Crawford
Vice-Chancellor

Overview

The University of Waikato exists for the dual purpose of creating and disseminating knowledge for the benefit of all its stakeholders. The University is committed to the highest standards of Governance as expressed in these Charter Principles.

These Principles are our touchstone for making decisions in Council.

Principle 1: *Ethical Standards*

Council observes and fosters high ethical standards.

The Education Act requires universities to maintain the highest ethical standards. Our values express what is important to the institution, and Council's decisions will be consistent with those values. The University's statutory role as "critic and conscience of society" demands that we uphold the highest standards of integrity. Failure to do so would undermine our credibility as critic and conscience of society.

Council expects our people to "do the right thing" for the University. Although Councillors represent the groups that nominated them, they are not delegates of such groups. Councillors apply their individual best judgment to decide contentious matters in the best interests of the University as a whole.

If there is a conflict of interest, or even a perception of conflicting interests, Councillors are expected to withdraw from the discussions on that matter without hesitation.

When Council acts as the appeal body it is guided by the principles of natural justice.

Principle 2: *Council Membership*

Councillors must be able to assess strategic initiatives and to monitor performance against the agreed strategy from an independent, objective perspective.

Council's authority is collective, exercised by majority vote. No individual can commit the organisation unless specifically authorised by the Council as a whole. The Vice-Chancellor's delegated powers are formalised by statute. The Vice-Chancellor is, by virtue of the Education Act, the employer of all University staff. Council doesn't influence staffing matters - this is an important aspect of academic freedom.

The constitution (membership) of Council is externally regulated by the Education Act 1989.

The current constitution complies with the Act and takes account of the following factors.

- The University is a complex organisation at the cutting-edge of knowledge in many fields. It operates best in a collegial style because the knowledge base of a university is very broad.
- In tertiary education, success primarily depends on attracting excellent staff and students. High calibre people are attracted by our reputation for excellence and by the productive learning/working environment that we offer.
- Council plays a role in building relationships with external stakeholders. Management maintains ongoing relationships with partners - such as with local government and other tertiary providers. Council members make their contact networks available to the University.

With these considerations in mind, Council is constituted as follows:

- a. Four members appointed by the Minister for Tertiary Education
- b. The Vice-Chancellor of the University of Waikato
- c. One permanent member of the academic staff of the University of Waikato elected by the permanent members of that staff
- d. One academic staff member elected by and from the members of the Academic Board of the University of Waikato

- e. One permanent member of the general staff of the University of Waikato elected by the permanent members of that staff
- f. One student member appointed:
 - i. if membership of the Waikato Students' Union Inc. is compulsory, in the capacity as President of the Waikato Students' Union
 - ii. in any other case, following an election conducted in accordance with the University of Waikato Election of Members of the Council Statute
- g. One member appointed to the Council after consultation with Business New Zealand
- h. One member appointed by the Council after consultation with the New Zealand Council of Trade Unions
- i. One member appointed by the Council after consultation with Te Ropu Manukura
- j. One member appointed by the Council on the nomination of Te Arikinui
- k. Up to five members who may be co-opted by Council

Subject to Section 173 of the Education Act 1989, the maximum number of occasions on which a person may be appointed or elected to Council is five four-year terms.

Council has a majority of independent members and is pro-active in the recruitment of new members with the aim of achieving a balance of skills and gender. New members receive thorough induction around this charter and operational features unique to tertiary education.

Principle 3: Performance Monitoring

Council identifies what matters for the University and measures progress in those areas.

The University values its performance culture. Within the framework of the Strategic Plan, Schools, Divisions and Departments are empowered to take value-adding initiatives.

As a learning institution, the University recognises individual and group achievement and rewards success. The University also absorbs the lessons learned in every experience.

Performance is monitored against the initiatives embodied in the Profile (Strategic Plan) and against agreed benchmarks for teaching / research quality and long-term financial viability.

The Council itself establishes Governance Goals each year. These focus the Council on adding value to the University. Council assesses its performance annually against these goals.

Principle 4: Council Committees

Committees enhance governance effectiveness in key areas requiring expertise, while acknowledging overall Council responsibility.

Under the Education Act, the Academic Board is tasked with advising Council on any matter impacting on teaching or research. To give of their best, the community of academics need to feel that they have a role in the determination of policy. At governance level, this is achieved in and through the Academic Board and by strong links between the Board and the Council. Academic Board is represented on Council by an elected member.

Council has established expert committees for Finance and Risk Management, which work with Management to develop strategy and manage the risks inherent in operating in a changing environment and with major projects. These committees include independent experts, enabling Council to take a strategic overview of these aspects of governance. The Chairs of the Finance and Risk Management Committees report directly to Council after every committee meeting.

Governance Charter

Te Ropu Manukura is unique to the University of Waikato. Sixteen Iwi are represented on Te Ropu Manukura and are charged with guiding the University into an effective partnership with Maaori as envisioned in the Treaty of Waitangi. This relationship is part of our heritage.

An Executive Committee advises the Chancellor and Vice-Chancellor on governance matters and an Honours Committee considers nominations for honorary awards.

Principle 5: Reporting and Disclosure

Council demands integrity, balance and timeliness in the reporting of University affairs.

Meetings of Council and its Committees are open to the public under the provisions of the Local Government Official Information and Meetings Act 1987. The only exceptions to full disclosure are for specific agenda items that are judged to affect the privacy of natural persons or are commercially sensitive. Council endeavours to be as open as possible in all of its deliberations.

There are well-established processes for reporting to Council. The Chancellor reports on progress against Governance Goals and the Vice-Chancellor reports against Goals derived from the Strategic Plan. Committees work to their annual work plan and report to Council in a fully integrated manner.

Principle 6: Governance-Management Interface

A clear boundary is maintained between management issues and governance.

Council promotes a climate of mutual respect, trust and candour in its relations with Management; and nurtures a governance culture of constructive scepticism.

The principal functions of the Council are to monitor and evaluate the performance of the Vice-Chancellor, to adopt a charter and profile for the University and to ensure that it is managed in accordance with its charter and profile.

Current operational decisions are delegated to Management. The Vice-Chancellor is responsible to Council for agreed operational outcomes - not for how they are achieved. Councillors don't seek to influence operational matters. To do so would undermine the Vice-Chancellor's authority. In operational areas requiring Council approval, such as setting fees or the budget, Council considers the recommendation of the Vice-Chancellor. Council will usually have a high-level early input to major decisions through a principles paper considered at a previous meeting.

Council expects to be consulted on significant strategies and changes with a strategic impact viz. matters which affect future (not current) offerings to students and staff. Where the consideration of strategic initiatives does not align with scheduled meetings, the Vice-Chancellor is expected to raise these matters with the Executive Committee or with the Chancellor/Pro-Chancellor. Council prefers to consider the many strategic options which the University is considering at its October meeting in the context of the Profile, Budget and Domestic Fees decisions. Relations between the Council and the Vice-Chancellor are best described as that of a critical friend.

Principle 7: Remuneration

Remuneration of the Councillors and Vice-Chancellor will be transparent, fair and reasonable.

Council membership is regarded as a public service that is modestly rewarded. Notwithstanding this, Council seeks to offer fair rewards in the interests of attracting the best available talent. Compensation rates are based on meeting attendance and are set by Government. Council operates to an annual budget like every other part of the University, and the same policies apply as to all staff.

The University is a Crown Entity and hence the remuneration of the Vice-Chancellor is overseen by the State Services Commission. The SSC determines an appropriate salary band and requires that the total remuneration consists of a base salary and an at risk component. At the beginning of the year, the Vice-Chancellor negotiates personal goals that reflect performance expectations for the University and define the Vice-Chancellor's personal contribution to those goals. The Vice-Chancellor's achievement of those goals determines the share of the at risk component paid to him. The external members of the Executive Committee make this recommendation to Council.

Principle 8: *Recognise and Manage Risk*

The University aims to be risk aware rather than risk averse.

The Risk Management Committee verifies that the University has appropriate processes in place to identify and manage risks. This Committee has both Council and Management appointees. The annual audit programme is determined by the Committee and carried out by independent auditors.

Council and the Vice-Chancellor's Committee expect that reviews will be full and frank (but not destructive), in their assessments.

Annual Statements of Corporate Intent are written into the constitutions of subsidiary companies. These provide prior notice of significant policy shifts to those with a University-wide perspective.

TAMU which is part of the Tertiary Education Commission assesses the ownership risk to the Crown in each Tertiary Education Organisation. There is an open dialogue and full disclosure between Council, Management and TAMU on any matter that is relevant to the ongoing viability of the University.

Principle 9: *Auditors*

The Risk Management Committee assures Council of the integrity and independence of the external financial audit process.

The Auditor-General has determined that Audit New Zealand will audit the University. A formal engagement letter sets out the respective obligations of the external auditor and of the University. Council representatives sign a Letter of Representation detailing the assurances given.

Council, through the Risk Management Committee, seeks an assurance from the auditors that they have received the full cooperation of Management in fulfilling their role. Absolutely no pressure is applied to present anything other than full disclosure of the financial position.

Principle 10: *Stakeholder Relations*

University exists to create value for its stakeholders by ensuring that their interests are understood and that they are informed about matters of concern to them.

Council must discern the community interest. Genuine community consultation focuses on ascertaining how the University's services can be more valuable to stakeholders. It is about listening and asking questions and seeking advice on matters of importance to stakeholders.

The University solicits staff views in the formative stages of the Strategic Planning process. The University makes itself accessible to regional stakeholders through visiting them on their home turf and by fostering informed debate on emerging issues.

The Annual Report is a comprehensive and realistic statement of our situation that is endorsed by Council. When Council is required to make decisions that may be unpopular in some quarters, it will do so openly and after full discussion and debate with interested parties.

The Council may on occasion advocate for stakeholder strategic interests. Council may advocate strongly but Management must still assess and prioritise requests for additional resources.

These Principles are adapted from the Corporate Governance Principles and Guidelines of the NZ Securities Commission.

Equal Opportunities

For Students and Staff

The University of Waikato has an ongoing commitment to equal opportunities in education and employment. This is reflected in the diversity of our students and our staff.

We provide a wide range of University-wide and School/ Faculty-specific services to facilitate equality of access for students and success. Support is available to all students, with additional support tailored to groups to meet their specific needs.

Staff Profile

In 2008, more than half the total staff of 1,560 (full-time equivalent, excluding casuals and sessional assistants) at the University of Waikato were women (59%). Women comprised 46% of the academic staff and 67% of the general staff. The highest percentages of female staff were in the Student and Academic Services Division (84%); Library (79%), Human Resources Management (79%), School of Education (77%), and Pro-Vice Chancellor (Māori) Office (74%). The lowest percentages of female staff continued to be in the School of Computing and Mathematical Sciences (25%); Facilities Management Division (33%); and Information Technology Services (38%).

Almost three quarters of the total staff at the University of Waikato were European/Pakeha (74%) and 10% Māori. A total of 21% of Māori staff and 38% of women held senior positions within the University. Senior positions are identified as academic appointments at senior lecturer and above, and general staff appointments at level 6 and above.

5% of University staff had declared disabilities. These included: vision difficulties, mobility problems, diabetes, breathing problems, hearing difficulties, epilepsy, medical and other disabilities.

Student Profile

The total student population at the University of Waikato in 2008 was 12,014, 41% (5,007) of whom were male and 59% (7,007) female.

The ethnic composition of the student population comprised: European/Pakeha 47% (5,631), Māori 19% (2,232), Chinese 12% (1,407), Pacific Islands 4% (501), Indian 3% (322), and "other" ethnic groups 15% (1,565). This compares with 2007 where 48% (5,737) were European/Pakeha, 19% (2,307) were Māori, 14% (1,675) were Chinese, 4% (453) were of Pacific Island ethnicity, 2% (294) were Indian, 13% (1,565) were of 'other' ethnic origin.

Students under 20 years of age comprised 21% of the total student population.

Students aged between 20 and 24 years - for whom parents are still responsible for living costs - comprised 40%, whilst students aged 25 years or over (those who may be entitled to a government-funded living allowance) comprised 39%

The University had 547 students with disabilities. Of these students, 196 accessed support services.

The University of Waikato prides itself on the diversity of its existing Equal Opportunity programmes and, in 2008, continued to support several programmes and initiatives for staff and students. These included:

- Strategies such as family-friendly environments, flexible hours and work-from-home options, considered on a case-by-case basis by managers
- Support for staff to undertake further studies to enhance their career paths and contribution to the University
- Availability of an EEO liaison representative in each School/Faculty and Division to assist senior management in the planning and reporting of EEO initiatives
- Coordination of a University-wide powhiri and orientation at the beginning of the academic year to welcome and induct new Māori students of the University
- Te Puna Tautoko - a forum of student support specialists in collaboration with School/ Faculty-based Māori student mentors
- Continuation of the position of Pacific Student Liaison Coordinator to promote and improve the success of Pacific Islands' students at the tertiary level
- Training of Halls of Residence staff to work effectively and appropriately with students with disabilities.



Equal Opportunities For Students and Staff

The University of Waikato also provided the following support for students living in the Halls of Residences in 2008:

- The University awarded 20 Bryant Hardship Scholarships to students who would not otherwise be able to attend University due to their or their families' financial circumstances. The scholarships covered 96% of the total cost of accommodation in the Halls of Residence.
- The Halls accommodated a significant number of students with a wide range of disabilities. A successful model was introduced for providing support and pastoral care by facilitating an across-services team of staff who worked with, supported and interacted, with affected students.
- The Halls of Residences also:
 - operated kaupapa floors to provide personal, social and academic assistance for students wanting to encompass traditional Māori values and support systems, as well as fostering fluency in Te Reo Māori
 - offered women and men-only floors, flats and cottages for Muslim and other students, who preferred to live in a single sex area.
 - appointed a Pacific Island student to one of the Senior Residential Assistant positions with specific responsibility for our students from the Pacific Islands

Head of Corporate Services Overview

University Group operations recorded a consolidated deficit of \$1.67 million in the year to 31 December, 2008, compared with a surplus of \$0.05 million the previous year.

The fall in the consolidated surplus reflects the effects of a further \$1.228 million loss from the commercialisation of intellectual property within the University's subsidiary, WaikatoLink Limited (2007: \$0.73 million loss) and the losses arising from the University's associates – primarily the University of Waikato Research Trust, which had a first year operating loss of \$0.90 million.

WaikatoLink Limited did not record any significant sales of intellectual property during 2008, but continued to build its portfolio of projects in preparation for sale. During the year, the subsidiary increased the value of its capitalized Development Projects by \$2.4 million – which represents the investment made in preparing intellectual property for sale.

The operating environment continues to be challenging, with the Group having difficulty growing revenue without significantly increasing its expenditure. Total consolidated revenue increased by 2.7 percent in 2008, mostly due to \$6m increase in the University's Government Grants received under the new funding regime. However Group labour costs have increased by 4.7 percent over the year, reflecting the buoyant labour market, and offsetting the revenue growth.

For the University only, a surplus of \$1.22 million was recorded as compared to a \$11.67 million deficit recorded in 2007. This deficit was due to the University transferring accumulated research funds of \$14.5 million to its newly formed controlled Trust, the University of Waikato Research Trust. The Trust was created to provide funding for the advancement of education and academic research at the University. The funds transferred represent accumulated surpluses generated from externally funded research and have been previously committed to fund continuing research activities. The cost of the transfer was eliminated on consolidation. For 2008, the Trust recorded a deficit of \$0.90 million, as the University funded research activities that would have previously been funded out of the University directly.

The University's surplus of \$1.22 million is \$4.39 million less than budget and \$1.65 million less than the previous year. This represents 0.6 percent of total revenue and is less than the 3.5 percent target set in the University Strategic Plan.

The University's revenue was of \$190.55 million was \$6.25 million or 3.3 percent higher than last year. It exceeded budget by \$3.48 million or 1.86 percent, in spite of a further 9.7 percent decrease in international student enrolments from those budgeted. Offsetting this decrease was growth in Government funding through the new Tertiary Education Commission funding regime of \$3.84 million and an increase in domestic tuition fees of \$1.56 million. Domestic student enrolments were slightly down by 1.1 percent on budget, but encouragingly new students increased by 3.3 percent. The increase in new domestic students tuition fees was a result of students enrolling in higher tuition fee courses than that budgeted.

Research revenue of \$21.89 million exceeded budget by 6.0 percent but declined by 6.0 percent from the previous year. This is the first decrease in research income since 2001 and reflects the completion of large research projects in 2008 and the decrease in new projects. The balance of research income received in advance as at 31 December 2008 is \$0.77 million higher than the previous year and over the last five years, research revenue has increased by 22.1 percent, reflecting the University's commitment to being a research led University and its commitment to research excellence.

Overall, University labour costs were on budget, but were 2.6 percent higher than 2007. This reflects the increases in salaries and wages of approximately 4 percent off set by certain labour costs incurred by the University of Waikato Research Trust on internal research activities.

Other operating costs increased by \$4.71 million or 8.26 percent in 2008 from 2007 and by \$7.94 million (14.76 percent) against budget. With inflation peaking at 5.0 percent during 2008 and the University's costs relatively fixed, the University was unable to decrease its operating costs from 2007 and, in fact increased its expenditure as it worked to grow revenue. The University commenced a 3 year programme at the end of 2008 to reprioritize its activities and to review its operations to ensure the University's cost structures match its revenue streams.

The University again generated strong operating cash flows, recording net cash flows from operations of \$23.95 million – down slightly by \$0.6 million (or 2.4 percent) from 2007. These cash flows were reinvested back into the University's Campus and resources, with the University spending \$24.36 million on capital expenditure.



Head of Corporate Services Overview

In 2007, the University launched a significant capital works programme, beginning with the redevelopment of the University's retail area and construction of a new student centre, located at the centre of the campus. During 2008, the majority of the retail redevelopment was completed and the preparation of the student centre began with the University spending \$7.01 million on these two projects. The retail development is due to be completed in March 2009 and the student centre major projects is planned to be completed in stages by 2011.

Raymond McNickle
Head of Corporate Services

**TO THE READERS OF
THE UNIVERSITY OF WAIKATO AND GROUP'S
FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2008**

The Auditor-General is the auditor of the University of Waikato (the University) and group. The Auditor-General has appointed me, B H Halford, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements and statement of service performance of the University and group, on his behalf, for the year ended 31 December 2008.

Unqualified Opinion

In our opinion:

- the financial statements of the University and group on pages 22 to 75:
 - comply with generally accepted accounting practice in New Zealand; and
 - fairly reflect:
 - the University and group's financial position as at 31 December 2008; and
 - the results of operations and cash flows for the year ended on that date.
- the performance information of the University and group on pages 76 to 78 fairly reflects its service performance achievements measured against the performance targets adopted for the year ended on that date.

The audit was completed on 18 March 2009, and is the date at which our opinion is expressed.

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

Basis of Opinion

We carried out the audit in accordance with the Auditor-General's Auditing Standards, which incorporate the New Zealand Auditing Standards.

We planned and performed the audit to obtain all the information and explanations we considered necessary in order to obtain reasonable assurance that the financial statements and statement of service performance did not have material misstatements whether caused by fraud or error.

Material misstatements are differences or omissions of amounts and disclosures that would affect a reader's overall understanding of the financial statements and statement of service performance. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

The audit involved performing procedures to test the information presented in the financial statements and statement of service performance. We assessed the results of those procedures in forming our opinion.

Audit procedures generally include:

- determining whether significant financial and management controls are working and can be relied on to produce complete and accurate data;
- verifying samples of transactions and account balances;
- performing analyses to identify anomalies in the reported data;
- reviewing significant estimates and judgements made by the Council;
- confirming year-end balances;
- determining whether accounting policies are appropriate and consistently applied; and
- determining whether all financial statement disclosures are adequate.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements and statement of service performance.

Report of the Auditor General

We evaluated the overall adequacy of the presentation of information in the financial statements and statement of service performance. We obtained all the information and explanations we required to support our opinion above.

Responsibilities of the Council and the Auditor

The Council is responsible for preparing financial statements in accordance with generally accepted accounting practice in New Zealand. Those financial statements must fairly reflect the financial position of the University and group as at 31 December 2008. They must also fairly reflect the results of operations and cash flows for the year ended on that date. The Council is also responsible for preparing performance information that fairly reflects the service performance achievements for the year ended 31 December 2008. The Council's responsibilities arise from the Education Act 1989 and the Crown Entities Act 2004.

We are responsible for expressing an independent opinion on the financial statements and statement of service performance and reporting that opinion to you. This responsibility arises from section 15 of the Public Audit Act 2001 and the Crown Entities Act 2004.

Independence

When carrying out the audit we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the Institute of Chartered Accountants of New Zealand.

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



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

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

This audit report relates to the financial statements and performance information of The University of Waikato and group for the year ended 31 December 2008 included on The University of Waikato and group's website. The University of Waikato and group's Council is responsible for the maintenance and integrity of The University of Waikato and group's website. We have not been engaged to report on the integrity of The University of Waikato and group's website. We accept no responsibility for any changes that may have occurred to the financial statements, performance information and the other requirements since they were initially presented on the website.

The audit report refers only to the financial statements and performance information named above. It does not provide an opinion on any other information which may have been hyperlinked to or from the financial statements and performance information. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the hard copy of the audited financial statements and performance information as well as the related audit report dated 18 March 2009 to confirm the information included in the audited annual report presented on this website.

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

Statement of Responsibility

In the financial year ended 31 December 2008, 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 of the financial year ended 31 December 2008 fairly reflect the financial position and operations of The University of Waikato and group.



Chancellor
Rt Hon Jim Bolger
2009



Vice-Chancellor
Professor Roy Crawford
2009

Income Statement

For the Year Ended 31 December 2008

	Notes	Consolidated		University		
		This Year \$000	Last Year \$000	This Year \$000	Budget \$000	Last Year \$000
Revenue						
Government Funding and Grants	2	86,568	80,781	86,568	82,728	80,781
Tuition Fees Income	3	57,128	57,116	57,128	61,497	57,116
Research Income		21,898	23,296	21,894	20,646	23,296
Interest Income		2,574	3,216	2,463	2,000	2,934
Other Income		18,613	18,544	19,562	18,171	19,566
Donations		2,028	766	2,932	2,024	707
Total Revenue		188,809	183,719	190,547	187,066	184,400
Costs						
Employee Benefit Expenses - Academic		70,033	66,960	68,793	67,434	66,960
Employee Benefit Expenses - General		44,260	42,164	42,455	43,714	41,443
Other Costs	4	58,452	58,338	61,694	53,758	56,989
Finance Costs		177	201	177	50	201
Depreciation and Amortisation		16,280	15,973	16,208	16,500	15,935
Total Costs		189,202	183,636	189,327	181,456	181,528
Surplus/(Deficit)		(393)	83	1,220	5,610	2,872
Transfer to University of Waikato Research Trust	5	-	-	-	-	(14,539)
Share of Surplus/(Deficit) from Associates	6	(1,278)	(35)	-	-	-
Operating Surplus/(Deficit)		(1,671)	48	1,220	5,610	(11,667)
Attributable to:						
University of Waikato		(1,668)	48	1,220	5,610	(11,667)
Minority interest		(3)	-	-	-	-
		(1,671)	48	1,220	5,610	(11,667)

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 2008

	Notes	Consolidated		University		
		This Year \$000	Last Year \$000	This Year \$000	Budget \$000	Last Year \$000
Opening Equity		298,163	297,360	277,098	293,494	288,765
Revaluation gains/(losses) taken to equity	7	(101)	-	(101)	10,000	-
Minority Interest on Acquisition of Subsidiaries		-	755	-	-	-
Net income/(expense) recognised directly in equity		(101)	755	(101)	10,000	-
Net Surplus		(1,671)	48	1,220	5,610	(11,667)
Total Recognised income/(expense) for the year ended 31 December		(1,772)	803	1,119	15,610	(11,667)
Closing Equity		296,391	298,163	278,217	309,104	277,098
Attributable to:						
University of Waikato		295,639	297,408	278,217	309,104	277,098
Minority interest		752	755	-	-	-
		296,391	298,163	278,217	309,104	277,098

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

Balance Sheet

As at 31 December 2008

	Notes	Consolidated		University		
		This Year \$000	Last Year \$000	This Year \$000	Budget \$000	Last Year \$000
Assets						
Current Assets						
Cash and Cash Equivalents	8	19,152	20,130	18,395	11,359	17,724
Trade and Other Receivables	9	10,992	10,261	9,545	7,500	9,260
Inter Company Balances	5	-	-	1,677	-	(90)
Prepayments		2,321	3,462	2,321	-	3,462
Short Term Investments	10	-	3,000	-	-	3,000
Inventories	11	1,051	1,116	1,051	1,000	1,113
Total Current Assets		33,516	37,969	32,989	19,859	34,469
Non Current Assets						
Investments in Associates	6	2,593	4,065	875	-	874
Investments	12	444	94	2,249	1,521	2,094
Loans and Receivables	13	126	-	126	-	-
Financial Assets at Fair Value through Income Statement	14	238	557	-	-	-
Intangible Assets	15	10,705	8,521	6,370	7,000	6,608
Property, Plant and Equipment	16	307,924	300,213	307,753	321,093	300,068
Total Non Current Assets		322,030	313,450	317,373	329,614	309,644
Total Assets		355,546	351,419	350,363	349,473	344,114

Balance Sheet

As at 31 December 2008

	Notes	Consolidated		University		
		This Year	Last Year	This Year	Budget	Last Year
Liabilities						
Current Liabilities						
Income in Advance	17	24,457	18,850	24,457	10,000	18,850
Trade and Other Payables	18	10,106	12,847	9,656	9,300	12,244
Employee Entitlements	19	13,265	12,088	13,067	11,900	11,912
Borrowings	20	82	138	82	80	138
Total Current Liabilities		47,910	43,923	47,262	31,280	43,144
Non Current Liabilities						
Employee Entitlements	19	9,852	7,873	9,852	7,568	7,873
Borrowings	20	1,393	1,460	1,393	1,521	1,460
University of Waikato Research Trust Payable	5	-	-	13,639	-	14,539
Total Non Current Liabilities		11,245	9,333	24,884	9,089	23,872
Equity						
General Equity	21	172,687	174,489	155,265	176,104	154,179
Other Reserves	7	122,952	122,919	122,952	133,000	122,919
Equity - Parent		295,639	297,408	278,217	309,104	277,098
Minority Interest		752	755	-	-	-
Total Equity		296,391	298,163	278,217	309,104	277,098
Total Liabilities and Equity		355,546	351,419	350,363	349,473	344,114

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 2008

	Notes	Consolidated		University		
		This Year \$000	Last Year \$000	This Year \$000	Budget \$000	Last Year \$000
Cash Flows from Operating Activities						
Cash was provided from:						
Government Funding and Grants		86,568	81,199	86,568	68,143	81,199
Revenues from Tuition Fees		61,391	59,455	61,391	61,497	59,528
Other Revenue		49,944	52,268	45,334	55,373	47,969
Receipts for Capital Investment		-	20	-	-	20
Interest Received		2,502	3,523	2,409	1,950	3,258
Goods and Services Tax (net)		607	(662)	607	-	(618)
		201,012	195,803	196,309	186,963	191,356
Cash was applied to:						
Interest Paid		(177)	(189)	(177)	-	(189)
Suppliers		(68,563)	(58,926)	(65,787)	(65,942)	(58,952)
Employees		(108,929)	(112,562)	(108,114)	(98,912)	(107,662)
		(177,669)	(171,677)	(174,078)	(164,854)	(166,803)
Net Cash Flows from Operating Activities	22	23,343	24,126	22,231	22,109	24,553
Cash Flows from Investing Activities						
Cash was provided from:						
Sale of Investments		-	25	-	-	-
Property, Plant and Equipment Sales		101	140	101	100	140
Short Term Investments - three months or less		-	13	-	-	13
Short Term Investments - more than three months		-	21,000	-	-	21,000
		101	21,178	101	100	21,153
Cash was applied to:						
Term Investments		(126)	(438)	(126)	-	(74)
Purchase of Investments		(156)	-	(156)	-	-
Short Term Investments - more than three months		(238)	(21,000)	-	-	(21,000)
Property Plant & Equipment and Intangibles		(26,776)	(23,818)	(24,256)	(28,850)	(22,191)
		(27,296)	(45,256)	(24,538)	(28,850)	(43,265)
Net Cash Flows from Investing Activities		(27,195)	(24,078)	(24,437)	(28,750)	(22,112)



Statement of Cash Flows

For the Year Ended 31 December 2008

	Notes	Consolidated		University		
		This Year \$000	Last Year \$000	This Year \$000	Budget \$000	Last Year \$000
Cash Flows from Financing Activities						
Cash was provided from:		-	-	-	-	-
Cash was applied to:						
Repayment of Finance Lease Liabilities		(2)	-	(2)	-	-
Dividends Paid		(3)	-	-	-	-
Loans Repaid		(122)	(134)	(122)	-	(134)
		(127)	(134)	(124)	-	(134)
Net Cash Flows from Financing Activities		(127)	(134)	(124)	-	(134)
Net Cash Flows From All Activities		(3,979)	(86)	(2,330)	(6,641)	2,307
Opening Cash and Cash Equivalents		23,131	23,216	20,725	18,000	18,417
Less Non Cash Currency Loss		-	-	-	-	-
Closing Cash Balance		19,152	23,130	18,395	11,359	20,724
Cash and Cash Equivalents		19,152	20,130	18,395	11,359	17,724
Short Term Investments	10	-	3,000	-	-	3,000
		19,152	23,130	18,395	11,359	20,724

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

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

Note 1: Statement of accounting policies for the year ended 31 December 2008

The Reporting Entity

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

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

The financial statements were authorised for issue by Council on 18 March 2009.

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

- WaikatoLink Limited and Group, a wholly owned subsidiary company, and the results for the year ended 31 December 2008 have been fully consolidated into the University group results.
- The University of Waikato Foundation, incorporated as a Charitable Trust in 1992, and the results for the year ended 31 December 2008 have been fully consolidated into the University group results.
- The University of Waikato Alumni Association, incorporated in 1990, and the results for the year ended 31 December 2008 have been fully consolidated into the University group results.
- The Student Campus Building Fund Trust, incorporated as a Charitable Trust in 1971, and the results for the year ended 31 December 2008 have been fully consolidated into the University group results.
- The University of Waikato Research Trust, incorporated as a Charitable Trust in 2007, and the results for the year ended 31 December 2008 have been fully incorporated into the University group results.
- U Leisure Limited is 50% owned by the University. The remaining 50% is owned by the Waikato Students' Union (Incorporated). U Leisure Limited commenced operations from 1 August 1996, replacing the Student Union Services Management Board. Equity Accounting methods have been used to report the results of U Leisure Limited which has a balance date of 31 December.
- LCo New Zealand Limited is 24% owned by the University. The remaining 76% is owned by three other New Zealand universities. LCo New Zealand Limited was incorporated December 2003. Equity Accounting methods have been used to report the results of LCo New Zealand Limited which has a balance date of 31 December.

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

Basis of Preparation

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

The accounting policies set out below have been applied in preparing the financial statements for the year ended 31 December 2008, the comparative information presented in these financial statements for the year ended 31 December 2007.

The general accounting principles recognised as appropriate for the measurement and reporting of financial performance and position on an historical cost basis, adjusted by the revaluation of certain property, plant and equipment, are followed by the University.

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

Basis of Consolidation

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

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

Subsidiaries

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

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

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

Associates

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

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

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

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

Budget Figures

Budget figures are those approved by the Finance Committee on 21 November 2007. The budget figures have been prepared in accordance with NZ GAAP and are consistent with the accounting policies adopted by the Council for the preparation of the financial statements.

Cash flow Statement

Cash and cash equivalents

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

Operating activities

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

Investing activities

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

Financing activities

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

Revenue

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

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

Government Grants are recognised as revenue on entitlement.

Student tuition fees are recognised as revenue on a course percentage of completion basis.

Research Grants

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

Borrowing Costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

Trade and Other Receivables

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

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

Employee entitlements

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

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

Additionally provision has been made, where applicable, using an actuarial valuation for retirement gratuities and long service leave. This valuation, as at 31 December 2008, was undertaken by Mercer Human Resource Consulting Limited (Actuaries). The actuarial valuation determines the extent of anticipated entitlements payable under employment contracts and brings to account a liability using the present value measurement basis, which discounts expected future cash outflows.

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

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

Equity

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

- General Equity
- Asset Revaluation Reserve
- University Created Reserves
- Restricted Reserves
- Hedging Reserves

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

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

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

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

Income tax

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

Goods and services tax

Goods and Services Tax (GST) is excluded from these financial statements, with the exception of accounts receivable and accounts payable.

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 of 20 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 four years. Computer software for the student enrolment and library systems are amortised on a straight line basis that will write off the cost within ten years.

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

Research

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

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

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

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

Inventories

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

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

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

Financial Assets

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

Financial assets and liabilities are initially measured at fair value plus transaction costs unless they are carried at fair value through profit or loss in which case the transaction costs are recognised in the income statement.

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

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

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

The four categories of financial assets are:

- Financial assets at fair value through the income statement
This category has two sub-categories: financial assets held for trading, and those designated at fair value through profit or loss at inception. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as non-current assets unless the University intends to dispose of these investments within 12 months of the balance sheet date.
After initial recognition they are measured at their fair values. Gains or losses on re-measurement are recognised in the income statement.
Assets in this category for the group include listed securities.

- **Loans and receivables**

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition they are measured at amortised cost using the effective interest method. Gains and losses when the asset is impaired or derecognised are recognised in the income statement. The University includes in loans and receivables, trade and other receivables, loans to U Leisure Ltd and LCoNZ, and prepayments. The University also categorises its loan to Hamilton Fibre Network Ltd in non-current loans and receivables. The University holds some short term deposits with a maturity date greater than three months which fall into this category.

- **Held to Maturity Investments**

Held to maturity investments are assets with fixed or determinable payments and fixed maturities that the University has the positive intention and ability to hold to maturity. After initial recognition they are measured at amortised cost using the effective interest method. Gains and losses when the asset is impaired or derecognised are recognised in the income statement.

- **Financial assets at fair value through equity.**

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

This category encompasses:

-Investments that the University intends to hold long-term but which may be realised before maturity; and

-Shareholdings that the University holds for strategic purposes.

-The University's investments in its subsidiary and associate companies are not included in this category as they are held at cost (as allowed by NZ IAS 27 *Consolidated and Separate Financial Statements* and NZ IAS 28 *Investments in Associates*) whereas this category is to be measured at fair value.

After initial recognition these investments are held at their fair value with gains and losses are recognised directly in equity except for impairment losses, which are recognised in the income statement. In the event of impairment, any cumulative losses previously recognised in equity will be removed from equity and recognised in income statement even though the asset has not been derecognised.

On derecognition the cumulative gain or loss previously recognised in equity is recognised in the income statement.

Impairment of Financial Assets

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

Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is measured at its fair value at balance date. Gains or losses arising from changes in the fair value of investment property are included in surplus or deficit in the period in which they arise.

Leases

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

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

Property, Plant and Equipment:

Land

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

Buildings

The majority of buildings recognised in the financial statements, including the previous Hamilton Teachers' College buildings, are still subject to the legal transfer of ownership from the Ministry of Education. The University is of the opinion that as at 31 December 2008 it is in substance the owner of these Buildings and assumes all the normal risks and rewards of ownership.

Land and buildings are revalued when there has been a significant movement in the fair value. The fair values are recognised in the financial statements and are reviewed at the end of each reporting period to ensure the carrying value of land and buildings is not materially different from their fair value. Land and buildings were revalued as at 31 December 2006 by Attewell Gerbich Havill Limited in conjunction with DTZ New Zealand (registered valuers), on a fair value basis. The value of land and non specialised buildings was determined using market based evidence. All other buildings were valued at optimised depreciated replacement cost.

Infrastructural assets

University owned infrastructural assets are revalued when there has been a significant movement in the fair value. The fair values are recognised in the financial statements and are reviewed at the end of each reporting period to ensure the carrying value of Infrastructural assets are not materially different from their fair value. Infrastructural assets were revalued as at 31 December 2006 by Opus International Consultants Limited on a fair value basis using the optimised depreciated replacement cost method.

Library

The Library collection is valued on the basis of historical cost less accumulated depreciation. Additions between valuations are recorded at cost less accumulated depreciation.

Assets Under Construction/Work in Progress

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

Other Property, Plant and Equipment

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

Depreciation

Land is not depreciated.

Buildings are depreciated on a straight line basis that will write off the cost or valuation of buildings over their estimated total useful life. The useful lives and residual values as a percentage of replacement cost for buildings are estimated as follows:

- Structure 35–100 years
- Services 25-35 years
- Fitout 20-25 years

Infrastructural assets are depreciated on a straight line basis that will write off the cost or valuation of the infrastructural assets over their estimated total useful life:

- Infrastructure 25–80 years

The Library Collection is depreciated on a straight line basis that will write off the cost over its useful life. The useful lives are estimated at 35 years for books and 15 years for periodicals.

Teaching and research equipment is depreciated at 15% per annum on a diminishing value basis.

Computer equipment excluding servers is depreciated on a straight line basis that will write off the cost within four years. Computer servers are depreciated on a straight line basis that will write off the cost within five years.

Other Property, Plant and Equipment are depreciated on a diminishing value basis dependent on their assessed useful life and at rates which vary from 5 to 20%.

Revaluations

Revaluation of plant, property and equipment is carried out on a class of assets basis. Any revaluation increases arising on the revaluation of assets are transferred to the asset revaluation reserve for that class of assets. A decrease in value relating to a class of assets is recognised in the Income Statement in the period it arises where it exceeds the increase previously recognised in the asset revaluation reserve. In subsequent periods, any revaluation surplus that reverses previous revaluation deficits is recognised as a credit to expenditure in the Income Statement up to its original value.

Impairment of non current assets

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

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

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

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

Provisions

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

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

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

Restructuring

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

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

Trade and Other Payables

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

Borrowings

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

Changes in Accounting Policies

There have been no changes in accounting policies for the year ended 31 December 2008.

Critical accounting estimates and assumptions

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

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

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 2008:

- In conjunction with the University valuers it has been determined that market based evidence does not support the revaluing of Land and Buildings and Infrastructural Assets of the University.

Note 2: Government Funding and Grants

	Consolidated		University	
	This Year	Last Year	This Year	Last Year
	\$000	\$000	\$000	\$000
Block Grants	76,785	70,808	76,785	70,808
Advisory Services Grants	8,599	8,615	8,599	8,615
Other Grants	1,184	1,358	1,184	1,358
Total Government Funding and Grants	86,568	80,781	86,568	80,781

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



Notes to the Financial Statements

Note 3: Tuition Fees Income

	Consolidated		University	
	This Year	Last Year	This Year	Last Year
	\$000	\$000	\$000	\$000
Government Funded Students	33,566	32,005	33,566	32,005
Full Cost International Students	23,562	25,111	23,562	25,111
Total Fees Income	57,128	57,116	57,128	57,116

Notes to the Financial Statements

Note 4: Other Costs

	Consolidated		University	
	This Year	Last Year	This Year	Last Year
	\$000	\$000	\$000	\$000
<i>Fees to principal auditor</i>				
Audit fees for financial statement audit	174	138	130	80
Audit fees for financial statement audit - prior year	51	-	51	-
Audit fees for NZ IFRS transition	-	25	-	12
Loss on Disposal of Property Plant & Equipment	520	461	504	461
Foreign Exchange (Gain)/Loss	(1,144)	(271)	(1,144)	(271)
Impairment of Receivables	562	1,356	472	(131)
Travel and Accommodation	5,746	5,633	4,582	5,633
Rent	3,325	3,445	3,325	3,445
Scholarships	9,680	8,174	9,590	8,174
Other operating expenses	39,538	39,378	44,132	39,587
Total other costs	58,452	58,339	61,643	56,990

Note 5: Intercompany Accounts

	Consolidated		University	
	This Year	Last Year	This Year	Last Year
	\$000	\$000	\$000	\$000
University of Waikato Foundation Trust	-	-	1	88
Student Campus Building Fund Trust	-	-	(551)	(1,198)
WaikatoLink Limited	-	-	2,227	1,020
University of Waikato Research Trust	-	-	(13,639)	(14,539)
Total Intercompany Accounts	-	-	(11,962)	(14,629)
Current Portion	-	-	1,677	(90)
Non Current Portion	-	-	(13,639)	(14,539)
Total Intercompany Accounts	-	-	(11,962)	(14,629)

The University of Waikato Research Trust was created to provide for the advancement of education and academic research at the University. The accumulated research funds held in University Equity at 31 December 2007 were transferred through the Income Statement to the Research Trust.

All current accounts with the exception of the University of Waikato Research Trust are classified as current. The University of Waikato Research Trust is classified as non-current as the Research Trust trustees are unable to determine the repayment amount, if any, that will be required during the 12 months to December 2009.

Notes to the Financial Statements

Note 6: Investments in Associates

	Consolidated		University	
	This Year	Last Year	This Year	Last Year
	\$000	\$000	\$000	\$000
Investments in Associates				
U Leisure Limited Investment	1,380	1,675	374	373
LCo New Zealand Limited Investment	620	654	501	501
WaikatoLink Limited Investments	593	1,542	-	-
Total Investments in Associates	2,593	3,871	875	874

Associates

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

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

	Consolidated	
	This Year	Last Year
	\$000	\$000
The University's share of the results of U Leisure Limited is as follows:		
Share of retained surplus/(loss)	(295)	228

Investment in Associate

Opening Balance	1,675	1,447
Share of retained surplus/(loss)	(295)	228
Closing Balance	1,380	1,675

Represented by:

Share of increase in net assets of associate (Carrying Value)	1,380	1,675
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	Ownership	Balance Date
LCo New Zealand Limited (LCoNZ)	24%	31 December

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

Notes to the Financial Statements

	Consolidated	
	This Year \$000	Last Year \$000
The University's share of the results of LCoNZ is as follows:		
Share of retained surplus/(loss)	(34)	53
Investment in Associate		
Opening Balance	654	601
Share of retained surplus/(loss)	(34)	53
Closing Balance	620	654
Represented by:		
Share of increase in net assets of associate (Carrying Value)	620	654
WaikatoLink Limited's share of the results of its Associates is as follows:		
Share of retained surplus/(loss)	(949)	(316)
Investment in Associate		
Opening Balance	1,542	957
Associate acquired during year	-	531
Gain on dilution of investment	-	370
Share of total recognised revenues and expenses	(949)	(316)
Closing Balance	593	1,542
Summarised financial Information of Associates		
Current Assets	4,021	4,538
Non-Current Assets	2,417	180
	6,438	4,718
Current Liabilities	1,085	489
Non-Current Liabilities	8	0
	1,093	489
Net Assets	5,344	4,229
Revenue	4,627	4,466
Net Profit/(Loss)	(431)	674
Share of Associates' surplus/(loss)	(1,278)	(35)

Details of contingent liabilities arising from the group involvement in the associates are disclosed separately in **Note 25**.

Notes to the Financial Statements

Note 7: Other Reserves

	Ref	Consolidated		University	
		This Year	Last Year	This Year	Last Year
		\$000	\$000	\$000	\$000
Asset Revaluation Reserve	i	119,985	120,086	119,985	120,086
University Created Reserves	ii	-	-	-	-
Restricted Reserves	iii	2,967	2,833	2,967	2,833
Total Other Reserves		122,952	122,919	122,952	122,919

i) Asset Revaluation Reserve

	Consolidated		University	
	This Year	Last Year	This Year	Last Year
	\$000	\$000	\$000	\$000
Opening Balance	120,086	120,086	120,086	120,086
Revaluation	-	-	-	-
Transfer on disposal of assets	(101)	-	(101)	-
Increase/(Decrease) in Asset Revaluation Reserve	(101)	-	(101)	-
Closing Balance	119,985	120,086	119,985	120,086

Represented by:

Land

Opening Balance	836	836	836	836
Revaluation	-	-	-	-
Closing Balance	836	836	836	836

Buildings

Opening Balance	111,882	111,882	111,882	111,882
Revaluation	-	-	-	-
Transfer on disposal of assets	(101)	-	(101)	-
Closing Balance	111,781	111,882	111,781	111,882

Infrastructural Assets

Opening Balance	7,368	7,368	7,368	7,368
Revaluation	-	-	-	-
Closing Balance	7,368	7,368	7,368	7,368

Notes to the Financial Statements

ii) University Created Reserves

These are reserves established for an external research purpose and for which conditions have been imposed.

	Consolidated		University	
	This Year	Last Year	This Year	Last Year
	\$000	\$000	\$000	\$000
External Research				
Opening Balance	-	2,025	-	2,025
add appropriation of Net Surplus	24,663	25,182	24,663	25,182
less transfer to Accumulated Surplus	(24,663)	(27,207)	(24,663)	(27,207)
Closing Balance	-	-	-	-

iii) Restricted Reserves

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

Fund balances remaining are shown as restricted reserves.

	Consolidated		University	
	This Year	Last Year	This Year	Last Year
	\$000	\$000	\$000	\$000
Prizes, Scholarships and Trust Funds				
Opening Balance	2,833	2,732	2,833	2,732
add appropriation of Net Surplus	939	607	939	607
less application to Prizes, Scholarships and Trust Funds	(805)	(506)	(805)	(506)
Closing Balance	2,967	2,833	2,967	2,833

Note 8: Cash and Cash Equivalents

	Consolidated		University	
	This Year	Last Year	This Year	Last Year
	\$000	\$000	\$000	\$000
Cash at bank and in hand	3,265	9,780	2,597	7,374
Short term deposits maturing three months or less from date of acquisition	15,887	10,350	15,798	10,350
	19,152	20,130	18,395	17,724

The carrying value of short-term deposits with maturity dates of three months or less approximates their fair value.

Refer to **note 26** for weighted average effective interest rate for cash and cash equivalents.

Notes to the Financial Statements

Note 9: Trade and Other Receivables

	Consolidated		University	
	This Year	Last Year	This Year	Last Year
	\$000	\$000	\$000	\$000
Trade Receivables	13,144	11,745	9,888	8,921
Receivables from Subsidiaries	-	-	185	425
Receivables from Related Parties	-	157	47	70
GST Receivable	52	-	52	-
Impairment of Debtors	(2,204)	(1,642)	(627)	(155)
	10,992	10,260	9,545	9,261

The carrying value of receivables approximates their fair value.

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

The movement for impairment is recognised in the Income Statement for the current year (refer **Note 4**).

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

As at 31 December 2008 and 2007, all overdue receivables have been assessed for impairment and appropriate provisions applied, as detailed below:

	University					
	This Year			Last Year		
	Gross	Impairment	Net	Gross	Impairment	Net
	\$000	\$000	\$000	\$000	\$000	\$000
Not past due	5,508	-	5,508	989	-	989
Past due 1-30 days	2,834	-	2,834	6,000	-	6,000
Past due 31-60 days	821	-	821	1,522	-	1,522
Past due 61+	1,009	(627)	382	905	(155)	750
Total	10,172	(627)	9,545	9,416	(155)	9,261

	Consolidated					
	This Year			Last Year		
	Gross	Impairment	Net	Gross	Impairment	Net
	\$000	\$000	\$000	\$000	\$000	\$000
Not past due	8,104	-	8,104	1,434	-	1,434
Past due 1-30 days	2,893	-	2,893	6,511	-	6,511
Past due 31-60 days	1,100	-	1,100	1,522	-	1,522
Past due 61+	1,099	(2,204)	(1,105)	2,436	(1,642)	794
Total	13,196	(2,204)	10,992	11,903	(1,642)	10,261

Notes to the Financial Statements

Individually impaired receivables of \$472k from two offshore debtors have been determined to be impaired because the collectibility of these debts is in question.

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

	Consolidated		University	
	2008	2007	2008	2007
	\$000	\$000	\$000	\$000
At 1 January	1,642	286	155	286
Additional provisions made during the year	606	1,451	516	(36)
Receivables written off during the year	(44)	(95)	(44)	(95)
At 31 December	2,204	1,642	627	155

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

Notes to the Financial Statements

Note 10: Short Term Investments

	Consolidated		University	
	This Year	Last Year	This Year	Last Year
	\$000	\$000	\$000	\$000
Short Term Investments				
Term Deposits with maturities of 4-12 months	-	3,000	-	3,000
Total Short Term Investments	-	3,000	-	3,000

The weighted average effective interest rates on bank term deposits are disclosed in **Note 26: Financial Instruments**. As the maturities for the bank term deposits are all for a period of less than six months they have not been repriced.

There were no impairment provisions for investments.

Investment in Subsidiaries

	Ownership	Balance Date	Net Assets	
			(approx fair value) as at 31 December	
			This Year	Last Year
			\$000	\$000
Student Campus Building Fund Trust	Controlling	31 December	1,198	1,198
Principal Activity: Charitable Trust, finances facilities for the students of the University				
WaikatoLink Limited	100%	31 December	14,010	14,010
Principal Activity: Commercialisation holding company				
The University of Waikato Foundation Trust	Controlling	31 December	(53)	(53)
Principal Activity: Charitable Trust, raises funds for the University				
The University of Waikato Alumni Association Incorporated	Controlling	31 December	-	-
Principal Activity: To foster, develop and maintain an ongoing relationship with past, present and future students of The University of Waikato				
The University of Waikato Research Trust	Controlling	31 December	14,539	14,539
Principal Activity: To provide for the advancement of education and academic research at the University				



Notes to the Financial Statements

Note 11: Inventories

	<u>Consolidated</u>		<u>University</u>	
	<u>This Year</u>	<u>Last Year</u>	<u>This Year</u>	<u>Last Year</u>
	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>
Held for Sale	318	443	318	443
Held for Distribution/Use	733	673	733	670
	1,051	1,116	1,051	1,113

Note 12: Investments

	Consolidated		University	
	This Year \$000	Last Year \$000	This Year \$000	Last Year \$000
Strategic Investments				
NZ Tec Consortium Limited	20	20	20	20
NZ Synchrotron Group Limited	198	74	198	74
Hamilton Fibre Network (HFN) Limited	32	-	32	-
Titanox Development Limited	194	194	-	-
Investments in Subsidiaries				
WaikatoLink Limited	-	-	2,000	2,000
	444	288	2,250	2,094

Note 13: Loans and Receivables

	<u>Consolidated</u>		<u>University</u>	
	<u>This Year</u>	<u>Last Year</u>	<u>This Year</u>	<u>Last Year</u>
	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>
Hamilton Fibre Network Limited	126	-	126	-
	126	-	126	-

The University has loaned Hamilton Fibre Network Limited \$126,153 interest free as part of its shareholder contribution to the company. Interest may be payable on demand by holders of the debt as agreed by the principal parties by special resolution. The interest will be based on a specific premium to the risk free rate (or such other market rate method) as adopted. The principal may not be repaid to the University unless agreed to by the principal parties by special resolution.

After initial recognition the loans are measured at amortised cost using the effective interest method. Gains and losses when the asset is impaired or derecognised are recognised in the Income Statement.

Note 14: Other Financial Assets at Fair Value through Income Statement

	Consolidated		University	
	This Year	Last Year	This Year	Last Year
	\$000	\$000	\$000	\$000
Listed Securities: Equity Securities in New Zealand	237	557	-	-
	237	557	-	-
All investments are designated at fair value from initial recognition.				
Fair Value Gain/(Loss) recognised through income statement.				
Listed Securities: Equity Securities in New Zealand	(320)	(227)	-	-
	(320)	(227)	-	-
Balance at the Beginning of the Year	557	784	-	-
Additions	-	-	-	-
Fair Value Gain/(Loss) Through Income Statement	(320)	(227)	-	-
Balance at the End of the Year	237	557	-	-
The carrying value is comprised of:				
Cost	750	750	-	-
Fair Value Gain/(Loss) Through Income Statement	(513)	(193)	-	-
	237	557	-	-

Notes to the Financial Statements

Note 15: Intangible Assets

	Consolidated				University		
	Software - Purchased	Software - Internally Generated	Non Software Development Costs	Consolidated Total	Software - Purchased	Software - Internally Generated	University Total
<i>This Year</i>	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Opening Balance at 1 January 2008							
Cost	11,226	925	1,914	14,065	11,226	925	12,151
Accumulated Amortisation and Impairment	(5,209)	(334)	-	(5,543)	(5,209)	(334)	(5,543)
Opening Carrying Amount	6,017	591	1,914	8,522	6,017	591	6,608
Year Ended 31 December 2008							
Additions	848	-	2,421	3,269	848	-	848
Disposals	-	-	-	-	-	-	-
Amortisation Charge	(954)	(131)	-	(1,085)	(954)	(131)	(1,085)
Closing Carrying Amount	5,911	460	4,335	10,706	5,911	460	6,371
Closing Balance at 31 December 2008							
Cost	12,074	925	4,335	17,334	12,074	925	12,999
Accumulated Amortisation and Impairment	(6,163)	(465)	-	(6,628)	(6,163)	(465)	(6,628)
Closing Carrying Amount	5,911	460	4,335	10,706	5,911	460	6,371

Notes to the Financial Statements

	Consolidated				University		
	Software - Purchased	Software - Internally Generated	Non Software Development Costs	Consolidated Total	Software - Purchased	Software - Internally Generated	University Total
<i>Last Year</i>	<i>\$000</i>	<i>\$000</i>	<i>\$000</i>	<i>\$000</i>	<i>\$000</i>	<i>\$000</i>	<i>\$000</i>
Opening Balance at 1 January 2007							
Cost	10,379	925	310	11,614	10,379	925	11,304
Accumulated Amortisation and Impairment	(4,450)	(258)	-	(4,708)	(4,450)	(258)	(4,708)
Opening Carrying Amount	5,929	667	310	6,906	5,929	667	6,596
Year Ended 31 December 2007							
Additions	1,324	-	1,604	2,928	1,324	-	1,324
Disposals	(477)	-	-	(477)	(477)	-	(477)
Amortisation Charge *	(759)	(76)	-	(835)	(759)	(76)	(835)
Closing Carrying Amount	6,017	591	1,914	8,522	6,017	591	6,608
Closing Balance at 31 December 2007							
Cost	11,226	925	1,914	14,065	11,226	925	12,151
Accumulated Amortisation and Impairment	(5,209)	(334)	-	(5,543)	(5,209)	(334)	(5,543)
Closing Carrying Amount	6,017	591	1,914	8,522	6,017	591	6,608

* The Amortisation Charge for 2007 reflects that the actual life of all Software is 10 years rather than the assessed life of some software at 4 years in 2006. The net adjustment in 2007 was \$688,000.

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.

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

Notes to the Financial Statements

Note 16: Property, Plant and Equipment

This Year Consolidated	Cost/ Revaluation 1 Jan 08	Accumulated Depreciation and Impairment Charges 1 Jan 08	Carrying Amount 1 Jan 08	Current Year Additions	Current Year Disposals	Current Year Impairment Charges	Current Year Depreciation	Revaluation Movement	Cost/ Revaluation 31 Dec 08	Accumulated Depreciation and Impairment Charges 31 Dec 08	Carrying Amount 31 Dec 08
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Land	1,320	-	1,320	550	-	-	-	-	1,870	-	1,870
Infrastructural Assets	11,529	(367)	11,162	2,806	(17)	-	(418)	-	14,314	(782)	13,532
Buildings	243,231	(7,528)	235,703	9,107	(567)	-	(7,715)	-	251,737	(15,209)	236,528
Leasehold Building Improvements	2,920	(2,247)	672	36	-	-	(66)	-	2,955	(2,313)	642
Library Collection	47,920	(24,706)	23,214	2,944	-	-	(2,110)	-	50,864	(26,816)	24,048
Teaching & Research Equipment	76,142	(58,612)	17,530	4,804	(213)	-	(4,451)	-	58,175	(40,505)	17,670
Art Collection	297	(6)	292	18	-	-	-	-	315	(6)	310
Administration, Plant and Furniture	433	(222)	211	108	-	-	(88)	-	568	(336)	232
Motor Vehicles	3,280	(1,759)	1,521	515	(28)	-	(349)	-	3,660	(2,001)	1,659
Work in Progress	8,589	-	8,589	2,870	(25)	-	-	-	11,433	-	11,433
Total	395,661	(95,447)	300,214	23,758	(850)	-	(15,197)	-	395,891	(87,968)	307,924

Notes to the Financial Statements

Last Year Consolidated	Cost/ Revaluation 1 Jan 07	Accumulated Depreciation and Impairment Charges 1 Jan 07	Carrying amount 1 Jan 07	Current Year Additions	Current Year Disposals	Current Year Impairment Charges	Current Year Depreciation	Revaluation Movement	Cost/ Revaluation 31 Dec 07	Accumulated Depreciation and Impairment Charges 31 Dec 07	Carrying Amount 31 Dec 07
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Land	1,320	-	1,320	-	-	-	-	-	1,320	-	1,320
Infrastructural Assets	9,533	-	9,533	1,996	-	-	(367)	-	11,529	(367)	11,162
Buildings	239,029	-	239,029	4,202	-	-	(7,528)	-	243,231	(7,528)	235,703
Leasehold Building Improvements	3,194	(2,417)	777	5	(36)	-	(74)	-	2,920	(2,247)	672
Library Collection	44,613	(22,640)	21,974	3,306	-	-	(2,067)	-	47,920	(24,706)	23,214
Teaching & Research Equipment	73,881	(56,975)	16,907	5,634	(324)	-	(4,687)	-	76,142	(58,612)	17,530
Art Collection	287	(6)	281	11	-	-	-	-	297	(6)	292
Administration, Plant and Furniture	338	(167)	172	95	-	-	(55)	-	433	(222)	211
Motor Vehicles	3,237	(1,676)	1,561	415	(96)	-	(360)	-	3,280	(1,759)	1,521
Work in Progress	3,948	-	3,948	4,641	-	-	-	-	8,589	-	8,589
Total	379,380	(83,881)	295,502	20,305	(456)	-	(15,138)	-	395,661	(95,447)	300,214

The \$171,000 (2007 - \$145,000) difference between the Property, Plant and Equipment Carrying amount, represented in the Balance Sheet for the University as compared to the value under Consolidated, is the Property, Plant and Equipment held by The University of Waikato Foundation of \$3,000 (2007 - \$4,000) and WaikatoLink Limited of \$167,000 (2007 - \$141,000).

Land and Buildings were revalued as at 1 January 2006 by Attewell Gerbich Havill Limited in conjunction with DTZ New Zealand (Registered Valuers), on a fair value basis. The value of land and non specialised buildings was determined using market based evidence. All other buildings are valued at Optimised Depreciated Replacement Cost method.

Infrastructural Assets were revalued as at 1 January 2006 by Opus International Consultants Limited on a fair value basis using the Optimised Depreciated Replacement Cost method.

The net carrying amount of Property, Plant and Equipment held under finance leases is \$1,914,000, (2007 - \$1,958,000).

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.



Notes to the Financial Statements

Note 17: Income in Advance

	Consolidated		University	
	This Year	Last Year	This Year	Last Year
	\$000	\$000	\$000	\$000
Income in Advance - Research Income	5,723	4,957	5,723	4,957
Income in Advance - Commercial	474	486	474	486
Income in Advance - Tuition Fees	18,260	13,407	18,260	13,407
Total Income in Advance	24,457	18,850	24,457	18,850

Note 18: Trade and Other Payables

	Consolidated		University	
	This Year	Last Year	This Year	Last Year
	\$000	\$000	\$000	\$000
Trade Payables	5,810	8,849	5,425	7,024
Payables to Subsidiaries	82	-	82	1,275
Payables to Related Parties	148	105	148	105
GST Payable	1,257	1,060	1,192	1,007
Accruals	2,809	2,833	2,809	2,833
Trade and Other Payables	10,106	12,847	9,656	12,244

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

Note 19: Employee Entitlements

	Consolidated		University	
	This Year	Last Year	This Year	Last Year
	\$000	\$000	\$000	\$000
Staff Annual and Long Service Leave vested	7,969	8,146	7,771	7,971
Sick Leave	13	18	13	18
Other Employee Entitlements	3,688	2,752	3,688	2,752
Actuarial Valuation of Anticipated Retirement Gratuities and Long Service Leave	11,448	9,044	11,448	9,044
Total Employee Entitlements	23,118	19,961	22,920	19,785
Current Portion	13,266	12,088	13,068	11,912
Non Current Portion	9,852	7,873	9,852	7,873
Total Employee Entitlements	23,118	19,961	22,920	19,785

Note 20: Borrowings

	Consolidated		University	
	This Year	Last Year	This Year	Last Year
	\$000	\$000	\$000	\$000
Opening Balance	1,598	1,732	1,598	1,732
less Loans Repaid	(123)	(134)	(123)	(134)
Closing Balance	1,475	1,598	1,474	1,598
Current Portion - Finance Lease	2	2	2	2
Current Portion - Loan	80	136	80	136
Non Current Portion - Finance Lease	1,340	1,342	1,340	1,342
Non Current Portion - Loan	53	118	53	118
	1,475	1,598	1,475	1,598

The Finance lease was fair valued at inception using a discount rate of 12.07%. The University's other loan is an interest free Energy Efficiency and Conservation Authority which has been fair valued using the discount rate of 8.7%. This rate was the market rate applicable at the time the loan was originally fair valued, December 2006.

Finance lease

(a) Leasing arrangements

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

(b) Finance lease liabilities

	Minimum Future Lease Payments				Present Value of minimum future lease payments			
	Consolidated		University		Consolidated		University	
	This Year	Last Year	This Year	Last Year	This Year	Last Year	This Year	Last Year
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
No later than 1 year	164	164	164	164	154	154	154	154
Later than 1 year and not later than 5 years	655	655	655	655	459	459	459	459
Later than five years	4,860	5,516	4,860	5,516	729	731	729	731
Minimum Lease Payments	5,679	6,335	5,679	6,335	1,342	1,344	1,342	1,344
Less future finance charges	(4,337)	(4,991)	(4,337)	(4,991)	-	-	-	-
Present value of minimum lease payments	1,342	1,344	1,342	1,344	1,342	1,344	1,342	1,344

Notes to the Financial Statements

Note 21: General Equity

	Consolidated		University	
	This Year	Last Year	This Year	Last Year
	\$000	\$000	\$000	\$000
Opening Balance	174,489	172,517	154,179	163,922
Net Surplus/(Deficit)	(1,671)	48	1,220	(11,667)
Less appropriations of net surplus to				
Restricted Trusts				
Prizes, Scholarships and Trust Funds	(939)	(607)	(939)	(607)
University Created Reserves				
External Research	(24,663)	(25,182)	(24,663)	(25,182)
Surplus /(Deficit) attributable to Minority Interest	3	-	-	-
Plus transfers from				
Restricted Trusts				
Prizes, Scholarships and Trust Funds	805	506	805	506
University Created Reserves				
External Research	24,663	27,207	24,663	27,207
Closing Balance	172,687	174,489	155,265	154,179

Notes to the Financial Statements

Note 22: Reconciliation of the Net Surplus with the Net Cash Flows from Operating Activities

	Consolidated		University	
	This Year	Last Year	This Year	Last Year
	\$000	\$000	\$000	\$000
Net Surplus/(Deficit)	(1,671)	48	1,220	(11,667)
Add/(Less) Non Cash Items:				
Depreciation and Amortisation	16,280	15,973	16,208	15,935
Increase in Term Portion of Employee Entitlements	1,979	305	1,979	305
Net (Gain)/Loss on Foreign Currency	-	271	-	271
Intercompany Accounts	-	-	(2,776)	-
Share of Associates' Post Acquisition Profits	-	35	-	-
Conversion of receivable to share holding in subsidiary	-	-	-	(2,000)
Other	1,775	(144)	3	(10)
	20,034	16,440	15,414	14,501
Add/(Less) Movements in Other Working Capital Items:				
(Increase)/Decrease in Trade and Other Receivables	(730)	(594)	(285)	(1,074)
Increase/(Decrease) in Trade and Other Payables	(2,065)	2,643	(1,912)	17,535
(Increase)/Decrease in Inventories	65	(44)	62	(78)
Increase/(Decrease) in Income in Advance	5,608	3,907	5,608	4,420
Increase/(Decrease) in Employee Entitlements	1,177	150	1,155	49
(Increase)/Decrease in Prepayments	1,117	(592)	1,117	(592)
	5,172	5,470	5,745	20,260
Add/(Less) Items Classified as Investing and Financing Activities:				
Increase/(Decrease) in Property Plant & Equipment Prepayments	24	2,068	24	2,068
(Increase)/Decrease in Property Plant & Equipment Payables	(676)	(1,070)	(676)	(1,070)
Share Sales	-	(25)	-	-
Net (Gain)/Loss on Disposal of Assets	504	461	504	461
	(148)	1,434	(148)	1,459
Other Adjustments:				
Agency Adjustments	(44)	734	-	-
	(44)	734	-	-
Net Cash Flow from Operating Activities	23,343	24,126	22,231	24,553

Note 23: Leases

Operating Leases as Lessee

(a) Leasing Arrangements

	Final Expiry	2008 Actual	Commentary
		\$000	
Waikato-Tainui Campus Land	2046	2,000	
Tauranga Campus	2009 to 2010	452	4 Separate Leases
Ruakura Satellite Campus	2010 to 2013	377	4 Separate Leases
Other Hamilton Leases	2010	304	8 Leases
Auckland	2009	31	1 Lease
Gisborne, Rotorua, Taupo and Whakatane	2009 - 2014	99	5 Leases
Photocopy equipment	renewable	720	2 Leases

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

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

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

(b) Non-cancellable operating lease payments

	Consolidated		University	
	This Year	Last Year	This Year	Last Year
	\$000	\$000	\$000	\$000
Not longer than 1 year	3,726	3,799	3,726	3,799
Longer than 1 year and not longer than 5 years	9,965	13,656	9,965	13,656
Longer than five years	67,482	77,075	67,482	77,075
	81,173	94,530	81,173	94,530

(c) Lease payments recognised in accounts

	Consolidated		University	
	This Year	Last Year	This Year	Last Year
	\$000	\$000	\$000	\$000
Minimum lease payments	3,200	3,134	3,200	3,134
Contingent rents	-	-	-	-
Sub-lease payments	783	342	783	342
	3,983	3,476	3,983	3,476

Notes to the Financial Statements

(d) Sub-leases

	Consolidated		University	
	This Year	Last Year	This Year	Last Year
	\$000	\$000	\$000	\$000
Future minimum lease receipts	10,199	10,687	10,199	10,687

Lessor Disclosures

Operating Leases as Lessor

(a) Leasing Arrangements (Receivables)

Operating leases relate to shops on campus, and residential premises adjacent to the University. Lease terms are for terms of between 2 & 49 years with various options to renew. The lessees do not have the option to purchase at the expiry of the lease period.

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

(b) Non-cancellable operating lease receivables

	Consolidated		University	
	This Year	Last Year	This Year	Last Year
	\$000	\$000	\$000	\$000
Not longer than 1 year	700	789	700	789
Longer than 1 year and not longer than 5 years	1,963	2,825	1,963	2,825
Longer than five years	8,461	8,830	8,461	8,830
	11,124	12,444	11,124	12,444



Note 24: Contingent Liabilities

University Contingent Liabilities

A guarantee has been given to the Bank of New Zealand for an overdraft facility of \$48,000 (2007 - \$48,000) on a continuing basis to the Campus Creche Trust.

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

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

The University is involved in personal grievance claims taken against it by staff members. The liability the University may incur is estimated at \$20,000 (2007 - \$10,000).

There are also potential grievance claims that can't be quantified.

There are no other known contingent liabilities.

Share of Associate's Contingent Liabilities

U Leisure Limited would be liable to repay Coca Cola Amatil \$4,000 if their contract is cancelled. The University's share of this liability is \$2,000.

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



Note 25: Commitments

Capital Commitments

The University has the following estimated capital expenditure contracted:

	Consolidated		University	
	This Year	Last Year	This Year	Last Year
	\$000	\$000	\$000	\$000
Capital Commitments	31,754	1,459	31,754	1,459

Other Commitments

The University has agreed to provide capital funding of \$1,500,000.00 to WaikatoLink Limited in 2009.

Note 26: Financial Instruments

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

Market risk

The effective interest rates on Investments range from 5.46% to 8.76% (2007 - 7.25% to 8.80%). There was a finance lease recognised in 2006 with an effective interest rate of 12.07% in 2008. (2007 - 12.07%).

There were no term loans for 2008 (2007 - none).

Fair Value Interest Rate Risk

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

Cash Flow Interest Rate Risk

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

The University holds a mixture of fixed rate and floating call rate deposits. At 31 December the University had \$9.8m (2007 \$5.4m) invested in variable rate deposits and the balance in fixed rate deposits.

Sensitivity analysis

As at 31 December 2008, if the call rate had been 100 basis points higher or lower, with all other variables held constant, the surplus/deficit for the year would have been as follows:

University	This Year		Last Year	
	+100bps	-100bps	+100bps	-100bps
Instrument	\$000	\$000	\$000	\$000
Variable rate deposits	98	(98)	54	(54)
Consolidated	This Year		Last Year	
Instrument	+100bps	-100bps	+100bps	-100bps
	\$000	\$000	\$000	\$000
Variable rate deposits	99	(99)	54	(54)

This movement is attributable to increased or decreased interest income on call investment accounts. The sensitivity is higher in 2008 than 2007 because of the increased balance held on call.

Notes to the Financial Statements

Currency Risk

Currency risk is the risk that the fair value or future cashflows of a financial instrument will fluctuate due to changes in foreign exchange rates. The University holds cash in a US dollar account. Fluctuations in foreign currency exchange rates give rise to currency risk.

The University also purchases goods and capital equipment and sells services in foreign currencies.

The University manages its exposure to this foreign exchange rate risk through forward foreign exchange contracts, interest rate swaps and cross currency swaps. At balance date the University did not have any of these arrangements in place.

At the 31 December 2008 the University held receivables and payables in US dollars (USD), Australian dollars (AUD), Chinese yuan (CNY) and Euros (EUR) as well as holding foreign currency in US dollars.

Sensitivity analysis

As at 31 December 2008, if the NZ dollar had weakened/strengthened 10% against the USD, with all other variables held constant, the surplus for the year would have been as follows:

<i>University</i>	This Year		Last Year	
Instruments held in USD	+10%	-10%	+10%	-10%
	\$000	\$000	\$000	\$000
Creditors	4	(5)	15	(18)
Debtors	(1)	1	(3)	4
US dollar account	(122)	149	(378)	462
<i>Consolidated</i>	This Year		Last Year	
Instruments held in USD	+10%	-10%	+10%	-10%
	\$000	\$000	\$000	\$000
Creditors	6	(8)	15	(18)
Debtors	(2)	2	(5)	6
US dollar account	(122)	149	(378)	462

This movement is attributable to foreign exchange gains/losses on translation of US denominated creditors, debtors and bank balances.

The USD currency risk represented in the above creditors figure is not representative of the inherent risk as the balance at year end is not reflective of the transactions undertaken by the University in USD.

Payables in USD during 2008 totalled \$2.34 m (2007 \$3.24 m). The sensitivity is lower in 2008 than 2007 because the University was holding less funds in its USD account, 2008 USD774k (2007 USD3,199k).

Notes to the Financial Statements

As at 31 December 2008, if the NZ dollar had weakened/strengthened 10% against the EUR, with all other variables held constant, the surplus for the year would have been as follows:

<i>University and Consolidated</i>	<u>This Year</u>		<u>Last Year</u>	
Instruments held in EUR	+10%	-10%	+10%	-10%
	\$000	\$000	\$000	\$000
Creditors	1	(1)	1	(1)
Debtors	(6)	8	(8)	10

This movement is attributable to foreign exchange gains/losses on translation of Euro denominated creditors and debtors.

As at 31 December 2008, if the NZ dollar had weakened/strengthened 10% against the AUD, with all other variables held constant, the surplus for the year would have been as follows:

<i>University and Consolidated</i>	<u>This Year</u>		<u>Last Year</u>	
Instruments held in AUD	+10%	-10%	+10%	-10%
	\$000	\$000	\$000	\$000
Creditors	6	(7)	4	(5)

This movement is attributable to foreign exchange gains/losses on translation of AUD denominated creditors.

As at 31 December 2008, if the NZ dollar had weakened/strengthened 10% against the CNY, with all other variables held constant, the surplus for the year would have been as follows:

<i>University and Consolidated</i>	<u>This Year</u>		<u>Last Year</u>	
Instruments held in CNY	+10%	-10%	+10%	-10%
	\$000	\$000	\$000	\$000
Debtors	(30)	36	-	-

This movement is attributable to foreign exchange gains/losses on translation of CNY denominated debtors.

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 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. Receivables are unsecured, but are subject to credit control.

No collateral is held.

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 required to maintain combined cash reserves and committed credit lines available to a minimum of \$7 million at all times.

Notes to the Financial Statements

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

<i>University</i>	Less than 6 months	Between 6 months and 1 year	Between 1 and 5 years
	\$000	\$000	\$000
2008			
Creditors and other payables	9,656	0	0
Borrowings	122	122	715
Current Employee Entitlements	4,486	798	0
2007			
Creditors and other payables	12,244	0	0
Borrowings	162	138	795
Current Employee Entitlements	3,338	586	0
<i>Consolidated</i>	Less than 6 months	Between 6 months and 1 year	Between 1 and 5 years
	\$000	\$000	\$000
2008			
Creditors and other payables	10,106	0	0
Borrowings	122	122	715
Current Employee Entitlements	4,486	798	0
2007			
Creditors and other payables	12,847	0	0
Borrowings	162	138	795
Current Employee Entitlements	3,338	586	0

Note 27: Related Party Transactions

The following related party transactions occurred between the University and WaikatoLink Limited, U Leisure Limited (ULL), The University of Waikato Foundation (Foundation), The Student Campus Building Fund Trust (SCBFT), LCo New Zealand Limited (LCoNZ), The University of Waikato Alumni Association Incorporated (Alumni) and the University of Waikato Research Trust (UoW RT) occurred during the year:

	WaikatoLink	ULL	Foundation	SCBFT	LCoNZ	Alumni	UoW RT
	\$	\$	\$	\$	\$	\$	\$
Payments in 2008 to:	1,113,205	693,024	-	360	316,472	-	3,420,000
(2007)	701,560	609,605	173,848	3,975	314,705	37,095	14,539,000
Receipts in 2008 from:	144,544	393,404	2,492,359	353,424	28,786	3,600	-
(2007)	532,156	448,081	57,985	334,509	-	7	-
Accounts Receivable at 31 December 2008 owing from:	4,395,825	37,157	5,742	-	-	-	-
(2007)	3,444,703	66,188	87,618	-	-	-	-
Accounts Payable at 31 December 2008 owing to:	81,657	19,231	-	551,142	615	-	13,551,000
(2007)	69,414	30,290	7,108	1,198,078	46,835	-	14,539,000

WaikatoLink Limited has an associate company, Rural Link Limited, which commenced trading in 2007.

The following transactions are between the University and Rural Link Limited:

	This Year	Last Year
	\$	\$
Total payments to Rural Link Limited	118,733	750
Total receipts from Rural Link Limited	-	-
Accounts Receivable at 31 December from Rural Link Limited	-	-
Accounts Payable at 31 December to Rural Link Limited	-	23,850

Key Management Personnel

The University has defined key management personnel as all direct reports to the Vice Chancellor, members of Council, Finance Committee, Vice Chancellor's Committee and Risk Management Committee. There are some close family members of key management personnel employed by the University and some enrolled as students. The terms and conditions of those arrangements are no more favourable than the University would have adopted if there were no relationship to key management personnel.

Key Management Personnel, and their close family members, have also had the following specific transactions with the University:

1. The University has provided analysis services to NZ Biotechnologies, in which a councillor's spouse is a director. The value of the work in 2008 was nil (2007 : \$2,762) and the balance outstanding at year end was nil (2007 : \$3,108).
2. During the year the University purchased recruitment and feasibility services from Deloitte, in which a member of Finance Committee is a partner. These services cost \$77,342 (2007 : \$9,773). There is a balance of \$0 (2007 : \$0) at year end for unpaid invoices. Deloitte also purchased goods from the University totalling \$512 (2007 : \$444) and at year end owed \$0 (2007 : \$0).
3. The University receives various donations, research revenue and consultancy fees from Gallagher Group Ltd and Gallagher Charitable Trust, in which a member of Council is a director. These totalled \$74,945 (2007 : \$50,343). The balance outstanding at year end was \$0 (2007 : \$332).
4. During the year the University purchased legal services from Norris Ward McKinnon, in which a member of Council was CEO until July 2008. These services cost \$973,494 (2007 : \$226,898). There was a balance of \$0 at year end (2007 : \$27,966) for unpaid invoices. The University also received sponsorship and sundry income from Norris Ward McKinnon totalling \$0 (2007 : \$3,349). The balance outstanding at year end was \$0 (2007 : \$0).
5. During the year the University purchased goods and services from New Zealand Post in which a member of Council is the Chair, and another member of council is CFO. The value of these goods and services totalled \$245,355 in 2008 (2007 : \$380,507). The balance outstanding at year end was \$14,220 (2007 : \$45,046).
6. During the year the University also purchased goods and services from Express Couriers Ltd in which two members of Council are directors. The value of these goods and services totalled \$74,632 in 2008 (2007 : \$12,247). The balance outstanding at year end was \$1,200 (2007 : \$2,212).
7. A member of council is a director of Innovation Park. During the year the University provided services totalling \$10,683 (2007 : \$0) and the balance owing at year end was \$5,625 (2007 : \$0). The University is also a tenant of Innovation Waikato and paid them a total of \$205,749 (2007 : \$192,020) during the year. The balance owing at year end was \$975 (2007 : \$0).
8. A member of Risk Management Committee is CEO of Tainui Group Holdings. During the year the University paid them \$3,161,039 (2007 : \$2,131,224) in lease payments. There was a balance owing at year end of \$108,864 (2007 : \$1,850,736). The University also received the amount of \$1,168 (2007 : \$1,893) from Tainui Group for services during the year. The balance owing at year end was nil (2007 : \$0).
9. The University also has key management personnel serving on the board of WaikatoLink Limited. The University's dealings with WaikatoLink Limited are disclosed above.

The University enters into transactions with government departments and Crown agencies. These are not separately disclosed because they are conducted on an arms length basis in the normal course of business.

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



Note 28: Events after Balance Sheet date

There were no significant events after balance date.



Note 29: Capital Management

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

The Education Act 1989 requires the University to manage its revenues, expenses, assets, liabilities, investments and general financial transactions prudently to ensure the responsible use of, and accountability for public resources.

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

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

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

Note 30: Key Management Personnel Compensation

The compensation of the members of Council, Vice Chancellors Committee, Finance Committee and Risk Management Committee, being the key management personnel of the entity, is set out below:

	Consolidated		University	
	This Year	Last Year	This Year	Last Year
	\$	\$	\$	\$
Short-term employee benefits	3,165,729	2,880,979	3,165,729	2,880,979
Post-employment benefits	130,672	70,818	130,672	70,818
Other long-term employee benefits	5,169	93,306	5,169	93,306
Total	3,301,570	3,045,103	3,301,570	3,045,103

Statement of Service Performance

	KPI	2008 Target	2008 Actual	Achieved/Not Achieved
1	<i>Reduce proportion of sub-degree EFTS provision</i>	3%	2%	Achieved
2	<i>Improve progression rates from sub-degree to degree level qualifications</i>	88%	89%	Achieved
3	<i>Improve student progression rates from other tertiary sub-sectors</i>	585	483	Not Achieved
4	<i>Increase number of qualifications offered in collaboration with other TEIs</i>	<ul style="list-style-type: none"> • Bachelor of Computer Graphic Design (Wanganui UCoI) • Agribusiness major for Master of Management Studies, Postgraduate Diploma, Graduate Diploma (Lincoln University) • Social work major for Bachelor of Social Sciences (BOPP) • Certificate of University Preparation (BOPP) 	<ul style="list-style-type: none"> • Achieved • Achieved but not offered in 2008 • Achieved – qualification renamed Bachelor of Social Work • Achieved but not offered in 2008 	Achieved
5	<i>Improve successful paper completion rates for papers at degree level and higher</i>	84%	84%	Achieved
6	<i>Maintain successful completion rates for qualifications at degree level and higher (over a five year period)</i>	58% by 2013	Will report in 2013	Not Applicable
7	<i>Improve student progression rates from degree to postgraduate qualifications</i>	17%	17%	Achieved
8	<i>Of EFTS generated by students aged under 25, increase the proportion enrolled for qualifications at degree level and higher</i>	96%	97%	Achieved
9	<i>Of students aged under 25, improve successful paper completion rates at degree level and higher</i>	84%	84%	Achieved
	KPI	2008 Target	2008 Actual	Achieved/Not Achieved
10	<i>Of students aged under 25, maintain successful completion rates of qualifications at degree level and higher (over a five year period)</i>	60% by 2013	Will report in 2013	Not Applicable

Statement of Service Performance

	KPI	2008 Target	2008 Actual	Achieved/Not Achieved
11	Increase proportion of research postgraduate EFTS provision	6.3%	6.3%	Achieved
12	Increase proportion of Māori EFTS	23%	21%	Not Achieved
13	Improve successful paper completion rates at degree level and higher for Māori students	74%	75%	Achieved
14	Maintain successful completion rates for qualifications at degree level and higher for Māori students (over a five year period)	45% by 2013	Will report in 2013	Not Applicable
15	Increase proportion of taught and research postgraduate Māori EFTS	3.2%	2.7%	Not Achieved
16	Increase proportion of Pacific EFTS	5.5%	5.4%	Not Achieved
17	Improve successful paper completion rates at degree level and higher for Pacific students	65%	67%	Achieved
18	Improve successful completion rates for qualifications at degree level and higher for Pacific students (over a five year period)	50% by 2013	Will report in 2013	Not Applicable
19	Increase proportion of taught and research postgraduate Pacific EFTS	1%	1%	Achieved
20	Manage risks associated with international student market	In consultation with the TEC, develop by mid-2008 a plan for the effective management and mitigation of risks associated with the international student market, with targets for international EFTS for 2009-2010	During 2008 the University initiated the development of an International Plan to guide all its international activity. It is being based on an analysis of relevant trends and data, and is subject to finalisation and approval in 2009. The University will monitor its delivery of the goals in this Plan.	Achieved
21	Improve participation and service access of student with disability	Provision of annual report to Council and TEC on the range of strategies and services to improve participation and service access of students with disability	An annual report will be provided to Council and TEC by the TEC deadline of 30 April 2009.	Achieved
22	Establish a robust policy framework for the systematic review and evaluation of teaching	Policy framework in place with regular monitoring and reporting to the Academic Board	An Evaluation of Teaching and Papers Policy was approved by the Academic Board in November 2008. The Teaching Quality Committee is responsible for regular monitoring and reporting to the Academic Board.	Achieved

Statement of Service Performance

	KPI	2008 Target	2008 Actual	Achieved/Not Achieved
23	<i>Undertake a 5-year cycle of external programme reviews</i>	Undertake specific reviews each year as determined by the Academic Board with a view to completing the full cycle by 2012	Reviews undertaken and completed during 2008: <ul style="list-style-type: none"> • Review of Communication Studies • Review of Tourism • Review of Music, Creative and Performing Arts 	Achieved
24	<i>Enhance stakeholder links through increased enrolments in student work placements</i>	770	751	Not Achieved
25	<i>Increase number of quality assured research publications recorded in the University's institutional repository</i>	650	708	Achieved
26	<i>Create new Research Centres involving stakeholder collaboration</i>	<ul style="list-style-type: none"> • National Research Institute for Demographic and Economic Analysis • National Institute for Research on Learning • Centre for Commercial and International Trade Law • Māori Research Institute • Centre for Rumen Biology 	<ul style="list-style-type: none"> • National Research Institute for Demographic and Economic Analysis - established • National Institute for Research on Learning - established • Centre for Commercial and International Trade Law proposal pending consideration by newly appointed Dean of Law • Māori Research Institute proposal undergoing consultation • Centre for Rumen Biology proposal under consideration – opportunities for external funding being explored 	Partially Achieved
27	<i>Increase ERI, Commercialisation and Other External Revenue</i>	\$41 million	\$47 million	Achieved
28	<i>Increase Development Office Revenue</i>	\$1 million	\$2.2 million	Achieved

Number of Students in Formal Programmes

	2000	2001	2002	2003	2004	2005	2006	2007	2008
	12,750	13,260	14,044	14,405	14,023	13,068	12,561	12,031	12,014
Gender									
Female	7,560	7,702	8,115	8,258	8,040	7,462	7,274	7,024	7,007
Male	5,190	5,558	5,929	6,147	5,983	5,606	5,287	5,007	5,007
Total	12,750	13,260	14,044	14,405	14,023	13,068	12,561	12,031	12,014
Ethnicity									
Pakeha/European	7,131	6,951	6,753	6,467	6,335	5,964	5,962	5,737	5,631
New Zealand Māori	2,662	2,548	2,507	2,460	2,480	2,259	2,225	2,307	2,232
Pacific Islander	413	410	406	405	411	396	433	453	501
Chinese	1,086	1,815	2,723	3,211	2,963	2,633	2,242	1,675	1,407
Indian	183	186	249	314	314	299	290	294	322
Other	1,275	1,350	1,406	1,548	1,520	1,517	1,409	1,565	1,921
Total	12,750	13,260	14,044	14,405	14,023	13,068	12,561	12,031	12,014
Origin (Home address)									
Core Region	8,943	8,788	8,471	8,301	8,025	8,406	8,714	8,338	8,341
Inner Periphery	800	743	679	633	597	545	483	512	626
Outer Periphery	674	594	560	553	550	516	519	527	521
Auckland	759	685	719	819	885	1,059	953	899	790
Wellington	105	107	108	116	161	197	168	142	131
South Island	96	78	115	125	159	172	143	131	157
Overseas	1,373	2,265	3,392	3,858	3,646	2,173	1,581	1,482	1,448
Total	12,750	13,260	14,044	14,405	14,023	13,068	12,561	12,031	12,014

Levels of study (Number of enrolments by qualification)

	2000	2001	2002	2003	2004	2005	2006	2007	2008
Foundation	1,167	2,107	3,135	2,643	1,473	871	788	991	1,309
Undergraduate	9,295	9,344	9,277	9,861	10,190	9,817	9,440	8,949	8,729
Graduate/Postgraduate (excl.MPhil & Doctoral)	2,628	2,585	2,883	3,166	3,168	2,776	2,583	2,465	2,609
MPhil and Doctoral	481	459	472	446	436	440	480	488	513
Total	13,571	14,495	15,767	16,116	15,267	13,904	13,291	12,893	13,160

Student Performance

	2000	2001	2002	2003	2004	2005	2006	2007	2008
Number of qualifications completed									
Foundation	429	889	1,347	2,230	1,824	512	528	609	870
Undergraduate	2,178	2,011	2,100	1,792	1,717	1,696	2,030	1,814	1,608
Graduate/Postgraduate (excl.MPhil & Doctoral)	1,118	1,217	1,128	1,164	1,224	1,026	1,334	1,260	1,310
MPhil and Doctoral	52	56	70	70	59	38	50	72	53
Total	3,777	4,173	4,645	5,256	4,824	3,272	3,942	3,755	3,841
Number of papers undertaken									
	68,371	69,784	72,282	72,137	70,847	65,982	60,205	60,932	61,838
% completed	89%	89%	89%	88%	91%	91%	91%	89%	88%
% passed	85%	83%	83%	81%	83%	84%	84%	80%	81%

Statistical Information

Equivalent Full-Time Students (EFTS)

	2000	2001	2002	2003	2004	2005	2006	2007	2008
Total EFTS	10,552	10,884	11,543	11,595	11,418	10,657	10,134	9,708	9,685
<i>Source of funding</i>									
Government-funded	9,345	8,989	8,787	8,613	8,441	7,839	7,697	7,900	8,035
Full-cost international	1,060	1,823	2,715	2,919	2,920	2,750	2,403	1,746	1,615
Other full-cost	147	72	41	64	57	68	34	63	36
Total	10,552	10,884	11,543	11,595	11,418	10,657	10,134	9,708	9,685
<i>Ethnicity</i>									
Pakeha/European	5,887	5,639	5,454	5,400	5,038	4,683	4,634	4,596	4,544
New Zealand Māori	2,191	2,066	2,014	1,738	1,929	1,781	1,714	1,782	1,707
Pacific Islander	364	354	341	313	337	330	355	368	412
Chinese	828	1,478	2,292	2,575	2,650	2,418	2,016	1,413	1,140
Indian	162	162	207	254	257	243	234	251	257
Other	1,120	1,185	1,235	1,315	1,208	1,202	1,181	1,298	1,625
Total	10,552	10,884	11,543	11,595	11,418	10,657	10,134	9,708	9,685
<i>Level of Study</i>									
Foundation	909	1,457	2,005	1,622	1,060	758	763	840	920
Undergraduate	7,663	7,541	7,423	7,819	8,238	7,744	7,518	6,780	6,531
Graduate/Postgraduate (excl.MPhil & Doctoral)	1,704	1,629	1,848	1,837	1,827	1,876	1,556	1,760	1,880
MPhil and Doctoral	276	257	267	317	293	280	298	328	355
Total	10,552	10,884	11,543	11,595	11,418	10,657	10,134	9,708	9,685
<i>Schools of Studies</i>									
Arts & Social Sciences	2,920	3,319	3,862	3,462	3,005	2,166	2,091	1,979	1,849
Computing and Mathematical Sciences	883	939	905	946	978	921	851	790	706
Education	2,503	2,338	2,306	2,302	2,276	2,136	2,060	2,035	1,921
Law	588	523	526	538	542	532	562	573	589
Management	2,202	2,410	2,650	3,032	3,235	3,184	2,880	2,597	2,536
Māori & Pacific Development	411	383	376	408	400	372	346	362	274
Science & Engineering	1,018	948	893	876	953	914	926	920	886
Other	28	23	25	30	29	431	419	453	925
Total	10,553	10,884	11,543	11,595	11,418	10,657	10,134	9,708	9,685

The Waikato Pathways College was created in 2008; all foundation and bridging programmes have moved from other schools to this new Division.

Statistical Information

Staff Profile (Full time equivalent staff numbers (FTE))

	2003	2004	2005	2006	2007	2008
Total FTE	1,788	1,795	1,678	1,577	1,542	1,560
Academic	756	754	705	648	625	643
Other	1,032	1,042	973	929	917	916
Total Staff	1,788	1,795	1,678	1,577	1,542	1,560

Seniority of Academic Staff

Professors	61	72	81	88	87	84
Associate Professors	62	65	65	68	75	78
Senior Lecturers	222	233	234	220	212	212
Lecturers	191	174	154	134	119	113
Other	220	210	171	139	132	156
Total	756	754	705	648	625	643

Schools of Studies

Arts & Social Sciences	369	329	196	178	174	179
Computing & Mathematical Sciences	92	93	87	77	78	75
Education	291	297	305	302	300	285
Law	46	49	43	37	35	37
Management	197	231	232	222	212	196
Māori & Pacific Development	46	51	51	40	38	34
Science & Technology	177	184	174	176	185	193
Other	570	560	590	544	519	561
Total	1,788	1,795	1,678	1,577	1,542	1,560

Staff Ratios

FTE (Academic Staff)	756	754	705	648	625	643
EFTS	11,595	11,418	10,657	10,134	9,708	9,685
EFTS to FTE (Academic staff) ratio	15.3:1	15.2:1	15.1:1	15.6:1	15.5:1	15.1:1
FTE (Other Staff)	1,032	1,042	973	929	917	916
Other Staff to Academic Staff ratio	1.4:1	1.4:1	1.4:1	1.4:1	1.5:1	1.4:1
EFTS to FTE (Other staff) ratio	11.2:1	11.0:1	11.0:1	10.9:1	10.6:1	10.6:1

Statistical Information

Research Profile

	2003	2004	2005	2006	2007	2008
Research Grants						
Annual income from research contracts	\$17.934M	\$18.398M	\$20.137M	\$20.317M	\$23.296M	\$21.894M
Total number of FTE (Research staff)	512	529	530	507	508	505
Average research grant per FTE (Research staff)	\$34,930	\$34,808	\$37,971	\$40,074	\$45,897	\$43,355

2008	Books	Chapters	Journals	Conference contributions	Creative works	Other	Total
Arts and Social Sciences	7	45	72	79	9	73	285
Computing and Mathematical Sciences	1	5	32	56	-	10	104
Education	6	19	47	39	2	27	140
Law	1	6	11	5	-	6	29
Māori and Pacific Development	2	-	-	1	-	1	4
Science and Technology	2	15	148	209	-	32	406
Management	11	36	132	158	-	96	433
Other (incl all staff not based in a school/faculty)	-	1	4	10	-	7	22
Total	30	127	446	557	11	252	1,423

Research publications have been counted once in a school/faculty based on their first recorded University of Waikato contributor. 90 publications have contributors from 2 or more school/faculties.

Other resources

	2003	2004	2005	2006	2007	2008
Buildings						
Total gross area of buildings (m ²)	171,155	155,015	153,991	157,077	153,791	154,525
Total net area of buildings utilised for teaching research and administration (m ²)	108,007	113,550	110,308	113,799	110,513	114,744
Total number of buildings owned and leased	195	199	199	199	194	196
Total net useable area per EFTS (m²)	9.31	9.94	10.35	11.23	11.38	11.85

Library

	2003	2004	2005	2006	2007	2008
Total value of collections	\$20.513M	\$20.868M	\$20.789M	\$21.974M	\$23.214M	\$24.048M

Bibliographic resources:

Books and other non-serials (volumes)	813,654	835,111	850,580	860,520	857,540	861,670
Serials (print volumes)	197,535	199,962	203,201	206,252	201,566	183,436
Total volumes held	1,011,189	1,035,073	1,053,781	1,066,772	1,059,106	1,045,106
Electronic resources (titles)	29,448	68,923*	72,991*	76,202*	80,575*	90,514*

*includes e-books

Glossary

Academic

Staff whose terms of employment require teaching and/or research to be undertaken.

Domestic

Students who are citizens or permanent residents of New Zealand. (Most domestic students qualify for the Ministry of Education EFTS-based funding tuition subsidy).

EFTS

Equivalent Full Time Student – the measure applied to all tertiary education organisations for reporting student numbers. At the University of Waikato, 1 EFTS equates to a student workload of 120 points.

Foundation

Enrolments at the non-degree level that count toward a foundation or bridging qualification. At Waikato typically at level 0.

FRST

Foundation for Research, Science and Technology.

FTE

Full-Time Equivalent – the measure applied for reporting staff numbers.

Full Cost International

EFTS generated by international students paying full-fees.

General

Staff who are not academic staff (eg administrative staff).

Government Funded

EFTS generated by enrolments that qualify for Government EFTS-based tuition subsidy.

Graduate/Postgraduate

Enrolments that count toward an honours or masters degree or a graduate/postgraduate diploma or certificate. At Waikato typically at levels 5 and 7.

International

Students who are not citizens or permanent residents of New Zealand. (Most international students generate Full Cost International Fees EFTS).

IP

Intellectual Property.

MPhil and Doctoral

Enrolments that count toward a research degree ie EdD, PhD or MPhil. At Waikato typically at levels 6 and 9.

Other Full-Cost

EFTS generated by domestic students in Programmes that are funded by means other than the EFTS-based tuition subsidy (eg contracts with secondary schools).

PBRF

Performance Based Research Fund.

TEC

Tertiary Education Commission.

Undergraduate

Enrolments that count toward a bachelors degree. At Waikato typically at levels 1, 2, 3 and 4.