



THE UNIVERSITY OF
WAIKATO
Te Whare Wānanga o Waikato

The University of Waikato Annual Report 2010



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1. Chancellor's Overview

It is my pleasure to again be reporting to you about the University of Waikato's success for another year. The University, as it heads towards its 50-year celebration in 2014, is robust and healthy and is cementing a strong national and international reputation.

Despite the global recession, which in 2010 continued to put pressure on many sectors, and the tight tertiary funding environment, the University of Waikato had another good year. We finished 2010 with very strong enrolments and a financial surplus. It is a credit to the University's planning and financial management that the surplus of 4.5% exceeds the 3.5% target set out in the Strategic Plan and is well within the 3%-5% range recommended by the Tertiary Education Commission. This is a strong outcome. The Tertiary Education Commission's assignment of a "Low Risk" rating as part of its new Financial Monitoring Framework is an important affirmation of Government's confidence in the management and viability of the University.

As part of the University's ongoing development of its strategic planning framework, Council approved several key plans in 2010. I am pleased to say all the plans that make up the University's strategic planning framework are nearly complete and I look forward to the balance being approved in 2011.

The Investment Plan is the basis for the organisation's funding for the next two years. The Tertiary Education Commission's approval of the University's new Investment Plan, and the subsequent funding associated with it, is a positive endorsement of the University's strategic direction. It shows a high level of trust and confidence in the University's commitment to achieving outcomes that are aligned with Government's Tertiary Education Strategy.

The University delivered a strong overall performance against its 2010 Investment Plan Key Performance Indicators, which are reported in the Statement of Service Performance in this Annual Report. Of particular importance as the University moves into a performance-linked funding environment, are the indicators relating to student academic achievement. Council is pleased to note the wide range of activities and programmes in support of student retention, pass rates and completion rates.

The University of Waikato continues to contribute strongly to the Bay of Plenty's Tertiary Action Plan. The University works in partnership with the Bay of Plenty Polytechnic to deliver education solutions for the region and in 2010 Te Whare Wānanga o Awanuiārangī joined the partnership. The Bay of Plenty remains an area of real interest as well as potential growth for the University and the trio of education providers, plus civic and business organisations, are investigating the development of a Tauranga university campus.

The University appointed new internal auditors in 2009 and carried out a full internal audit programme in 2010 of the University's most significant risk areas. External auditor, Audit NZ, was pleased with the University's progress in strengthening its internal controls, which resulted in higher ratings.

In 2010 a new approach was developed for the University managing and reporting its major risks; I am pleased to report that as a result of this, risk management will be better integrated with the strategic planning process.

The University has also recognised the need to build on its fundraising opportunities. In tight tertiary and economic environments, donations help us deliver a world-class experience for students. It was pleasing to see a successful 2010 alumni appeal, and the University anticipates building further on this in coming years.

I have enjoyed meeting alumni throughout 2010 and seeing the enthusiasm they have for their University. It is especially gratifying celebrating the many successes of so many graduates. In particular in 2010 the University acknowledged three Distinguished Alumni - Dr Craig Neville-Manning from Google; the first CEO of Kiwibank, Sam Knowles; and leading businessman Lt Col Tenby Powell - at an annual black-tie awards dinner.

The University's prestigious Honorary Doctorate was conferred in 2010 on Max Gibbs, Margaret Bedggood QSO, Jon Mayson CNZM and Roka Paora QSM.

The University's Professor Ngahua Te Awekotuku was named a Member of the New Zealand Order of Merit in the 2010 New Year's Honours list. Later in the year Professor Terry Healy was awarded the same honour in the Queen's Birthday Honours; sadly Professor Healy died just weeks later. Senior retiring staff were acknowledged by the University, with three new Emeritus Professorships bestowed in 2010 upon Tamati Reedy, Ian Pool and Jane Ritchie.

1. Chancellor's Overview

I thank outgoing Council members, Professor Alexandra Barratt and Tony Dicks, for their strong contributions to the governance of the University, and I look forward to welcoming new members to Council in 2011. Already in 2010 Council has welcomed the new chair of Te Rōpū Manukura, Timoti te Heuheu and Dr Brian Linehan, having been appointed to Council for a further term by the Minister of Education, was re-elected Pro-Chancellor for 2011.

My sincere thanks go to the Vice-Chancellor Professor Roy Crawford and Council for a successful year. I am extremely pleased with the achievements in 2010 and the progress the University has made. I look forward to another equally successful year in 2011.

Rt Hon Jim Bolger ONZ
Chancellor, The University of Waikato

2. Vice-Chancellor's Overview

The 2010 year was one of important connections, milestones, and recognition for the University of Waikato. It was an extremely successful year on many fronts.

The University continued to manage enrolments carefully in a capped funding environment, ending the year on 102% of the Equivalent Full-Time Students target agreed with the Tertiary Education Commission (TEC). Negotiations with the TEC resulted in extra places for 2011 and 2012. The successful negotiation of additional funding for 2011 and 2012 will underpin the University's ongoing efforts and initiatives to deliver the outcomes prioritised by Government.

The University celebrated two major milestones in 2010; 50 years of teacher education and 20 years since the Law School was established. Both events brought large numbers of former students on campus to reminisce and experience the changes to the campus. One of the largest visible changes, of course, is the creation of the new Student Centre which in 2010 was awarded a prestigious five-star rating from the New Zealand Green Building Council. It is the first educational building in the Waikato region to attain a five-star rating. This recognises the environmental and sustainable features of the design, which include specially selected and recycled materials, sophisticated lighting and heating controls and energy-generating lifts. Once complete in 2011, this magnificent building will enhance the student experience, and become the social heart of campus.

The Student Centre was also one of the many highlights remarked upon in the University's Cycle Four Academic Audit, carried out in 2010. The final report commended Waikato for its Māori distinctiveness, its student pastoral care, its commitment to the regions it serves and its focus on research-led teaching. Also noted was the important contribution the University is making through its strong links with the Bay of Plenty region, the sustainability principles that are incorporated into a wide range of University activities, the commitment and achievements of the University's research leaders, and the strong community engagement with a wide range of stakeholders.

Connecting with stakeholders is a vital part of the University's role in the community and a major focus of mine. In 2010, as in every year, the University hosted a breakfast for regional business and community leaders. This is an excellent way to engage with stakeholders and inform key regional leaders about the University of Waikato's social and economic contribution.

The University continued to engage with the Hamilton and wider Waikato community by hosting the Nightglow event of 'Balloons Over Waikato', taking part in Fieldays as a strategic partner and exhibitor in the premiere feature area, and supporting the Gallagher Great Race. The University also supported the Kudos Awards promoting excellence in science in the Waikato, and a range of performing arts events in Tauranga and in Hamilton. The community continued to enjoy the Academy of Performing Arts, where the outstanding acoustics and spaces cater for music, art and public seminars.

The University hosted its second Kīngitanga Day in 2010, marking Kīngi Tuheitia's birthday. The University of Waikato also hosted the Te Amorangi National Māori Academic Excellence Awards, held at Tūrangawae Mārae. These events are an acknowledgement of the University's very close ties with Tainui, Kīngi Tuheitia and the Kīngitanga movement. I also had the pleasure of visits to the East Coast and Northland to strengthen our many strong linkages with iwi throughout New Zealand.

Connecting internationally has remained a major focus for the University and specifically for my role as Vice-Chancellor. I visited India, and the Chancellor and I visited Taiwan and China during the year. As well as meeting alumni and friends of the University at various points, we were very pleased to sign agreements with leading Chinese universities, Renmin University in Beijing and Shanghai-based Tongji University. These agreements align particularly well with our focus on forging partnerships with a small number of top international universities.

As my role takes me off campus many times a year, I launched a new initiative called 'VC on Demand'. It is a staff-only website and it helps me stay connected with staff and provides an opportunity for me to update staff on a whole range of issues. It also provides a forum whereby staff can pose questions on any topic and receive a response directly from me.

2. Vice-Chancellor's Overview

The University launched two new Research Centres in 2010 - the National Institute of Demographic and Economic Analysis (NIDEA) and the Institute for Business Research (IBR). More will be launched in 2011. All researchers across the organisation spent time in 2010, and will continue in 2011, preparing for the 2012 round of the Performance Based Research Fund (PBRF) quality evaluation.

Alongside research, teaching is crucially important at the University of Waikato. I am pleased to report that staff members Te Kahautu Maxwell and Dr Alison Campbell won two of 11 national Tertiary Teaching Excellence Awards in 2010. The annual awards recognise practices that are student-focused and committed to promoting effective learning.

Marsden research funding of \$5.5 million was secured in 2010 for nine different projects - the most successful year to date for University of Waikato academics. Meanwhile, our commercialisation arm, WaikatoLink, continued to build its portfolio of spin-out companies based on the innovative work by University researchers. At the end of 2010 WaikatoLink farewelled CEO Mark Stuart, Board Chair Dr Gerald Bailey and Board member Peter Schuyt.

The finalisation of the University's reorganisation saw several new senior internal appointments that recognised the calibre of our staff and their willingness to take on new challenges.

I would like to publicly thank all our staff at the University of Waikato for another productive and successful year. I also congratulate all of our graduates for the successes that they are achieving both nationally and internationally.

Professor Roy Crawford
Vice-Chancellor, The University of Waikato

3. The Role of the University of Waikato

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

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

The University plans and operates in accordance with its Charter (<http://www.waikato.ac.nz/about/corporate/charter.shtml>) and Vision (<http://www.waikato.ac.nz/about/corporate/vision.shtml>).

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

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

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

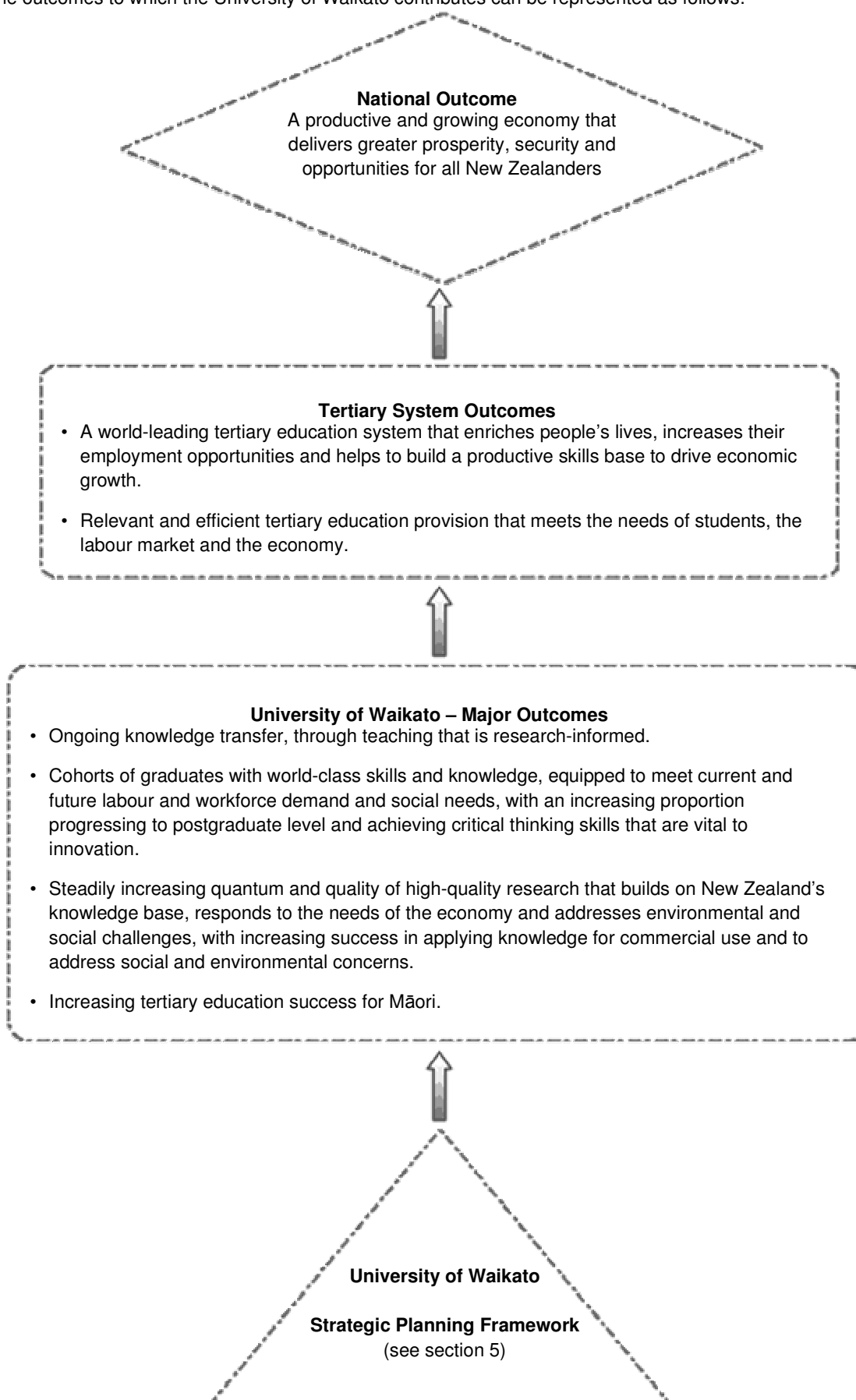
- Partnership with Māori / Tū ngātahi me te Māori
- Acting with integrity / Mahi pono
- Celebrating diversity / Whakanui i ngā huarahi hou
- Promoting creativity / Whakarewa i te hiringa i te mahara.

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

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

4. Outcome Framework

The outcomes to which the University of Waikato contributes can be represented as follows:



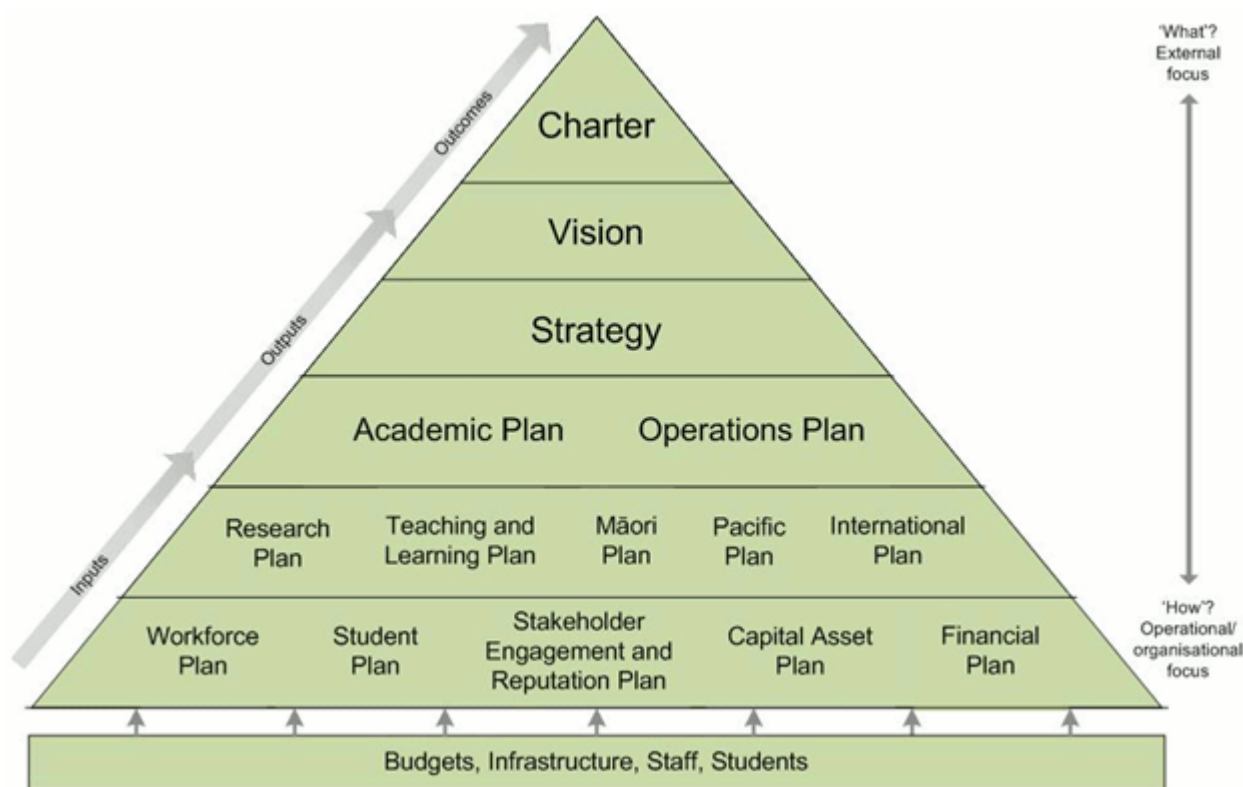
5. Strategic Planning and Performance Monitoring and Reporting

The University of Waikato Strategy identifies six inter-related strategic goals to enable it to fulfill its commitment to its Charter and Vision and achieve the outcomes represented in section 4.

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

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

University of Waikato Strategic Planning Framework



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

The KPIs against which universities are required to report in their Statement of Service Performance are those established and agreed through negotiation with the TEC as part of their Investment Plans. The University of Waikato Investment Plan 2008 - 2010 (including the KPIs against which it reports in its Statement of Service Performance) was written and approved in October 2007, and was derived from the University's Strategic Plan and Academic Plan, as they were at the time.

5. Strategic Planning and Performance Monitoring and Reporting

While the University's overall strategic direction has not changed since then, its planning framework has developed considerably in the intervening 3½ years. The high-level University Strategy was 'refreshed' in 2009 and is now supported by a framework of specific plans, which are at various stages of development, each of which has or will have associated responsibilities and KPIs.

The 2010 targets attached to the University's current Investment Plan KPIs were updated in 2009, with the TEC's approval, to take account of various factors and developments since the Plan was originally approved by the TEC.

A new Investment Plan has been developed for the period 2011-2013 and approved by the TEC. The associated KPIs are closely aligned with the Government's 2010-2015 Tertiary Education Strategy as well as the Educational Performance Indicators that have been developed in consultation with the university sector as the basis for performance-linked funding from 2012.

6. Strategic Context

6.1 Economic impact

According to an independent report published by consulting economist Dr Warren Hughes in April 2009, *The University of Waikato: Regional & NZ Economic Impacts for 2008*, the University of Waikato was one of the Waikato region's main drivers of economic prosperity in 2008, as well as being a significant contributor to the New Zealand economy. More specifically

- University of Waikato operations together with the expenditures of its students generated \$749 million - or 3% - of the Core Waikato ¹ region's annual revenue
- this revenue impact rises to nearly \$913 million - or 0.4% - for the New Zealand economy as a whole
- the University directly and indirectly accounts for over 5,600 jobs in the Waikato Regional Council economy ² (3.3% of total Waikato employment)
- the University accounts for 5% of economic activity in the Core Waikato economy
- every dollar generated by the University resulted in \$1.21 of flow-on revenue across the Core Waikato economy
- every job at the University generates another job in New Zealand, with two-thirds of these flow-on jobs located in the Core Waikato economy
- students spent an estimated \$166.59 million in Core Waikato
- in Tauranga, the University's 1,711 students spent an estimated \$10 million, generating 125 jobs.

(Hughes, 2009)

6.2 Regional demographics

Recent figures indicate that approximately 16% of New Zealand's total population resides in the Waikato and Bay of Plenty regions ³ (Statistics New Zealand, 2009), which comprise the University's main catchment area.

76% of the University's domestic students typically come from this main catchment area. A further 13% of domestic students are actively recruited from the University's inner and outer peripheries - that is, the wider region that includes Northland, Taumarunui, Hawkes Bay and Gisborne.

According to the 2006 New Zealand census, 15% of New Zealand's population were Māori at that time. The comparative figure for the University's main catchment area was 24% (Statistics New Zealand, 2009). In 2010, 22% of domestic students at the University of Waikato identified as Māori.

While almost 22% of New Zealand's population nationwide is under 15 years of age, approximately 35% of Māori are under 15 years of age; the figures relating to the University's main catchment areas are very similar (Statistics New Zealand, 2009). In the longer-term, New Zealand's Māori population is projected to increase at a higher rate than the European/Pakeha population, nationally as well as in the University's main catchment (Statistics New Zealand, 2009). This means that the University of Waikato will continue to have an extremely important role to play in supporting Government's tertiary education priorities with respect to Māori, especially in terms of fostering secondary/tertiary pathways as well as staircasing and articulation arrangements with other parts of the tertiary sector and improving retention and pass rates.

While the population of the University's main catchment area is expected to grow by approximately 4% over the next four years, the number of 18 year-olds is expected to decrease slightly; nationally the number of 18 year-olds is expected to decrease by 6% over the next four years (Statistics New Zealand, 2009). This means that school-leaver numbers may decrease. However, enrolments at university are not necessarily expected to decrease to the same extent (if at all), because of a number of current trends: students are staying longer at school due to limited employment opportunities (Smart, 2009), increased numbers of students are attaining the university entrance standard (Loader & Dalgety, 2008) and the rate of transition from secondary to tertiary education has been increasing markedly over the last eight years (Ministry of Education, 2009).

The University of Waikato is already taking account of the likely impact of the population and related demographic factors outlined above. In summary, even though numbers of young people are projected to decline slightly, the recent recession is likely to have an ongoing positive impact on secondary school retention rates and, in turn, the flow through to tertiary study.

6. Strategic Context

6.3 A changing economic and political environment

Overall demand for tertiary education has been increasing steadily over the past decade (Ministry of Education, 2010a), with enrolments exceeding the government-funded baseline in 2009. The Ministry of Education forecasts that demand will continue to increase until 2011, and then start to decrease towards 2009 levels over the following two to three years. The increase in demand has been driven by the impact of the recent recession, demographic changes in the youth age group and an increase in the proportion of secondary school students achieving university entrance through NCEA (Ministry of Education, 2010b).

The recession had an impact on unemployment; rates for people without tertiary qualifications increased significantly during 2008 and 2009. Unemployment rates remain relatively higher than before the recession, especially for young people (Department of Labour, 2010).

While the demand for tertiary education has increased, government funding continues to be limited. The University of Waikato carried a number of unfunded domestic students in 2010 (1.7% in SAC funding terms), and continues to manage its enrolments very carefully within the threshold expected by Government. Strategies to manage student enrolments take account of the pipeline effect of over-enrolment in 2009, while ensuring a strong and positive intake of new students. Student re-entry is being managed more tightly to ensure that high academic standards are maintained. As well as applying robust academic criteria, the University gives priority to particular student groups, in line with Government's tertiary education priorities. The University of Waikato gives priority to school-leavers who have achieved the university entrance standard through NCEA (or the equivalent standard through CIE or IB examinations), along with postgraduate students and students wishing to transfer to the University from partner institutions within its regional network of provision (see section 6.5).

Given the tight fiscal environment, Government is seeking to improve value for its investment in tertiary education. Performance-linked funding is a means to this end, and in 2010 the TEC published TEI rankings against a framework of Educational Performance Indicators; these indicators will form the basis for performance-linked funding from 2012. While the University performed well against these indicators, it has identified strategies and initiatives to enhance its performance even further, most of which are outlined in its Teaching and Learning Plan.

6.4 The secondary/tertiary interface

In 2010 almost 50% of the University's new domestic students were school-leavers (1,307 students). These students came from approximately 200 schools across New Zealand, with the majority from the North Island. 70% of the University's new domestic school-leavers in 2010 came from schools in the Waikato and Bay of Plenty, with 15 secondary schools contributing almost 50% of its total new domestic school-leavers.

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

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

The 2010 University of Waikato Open Day was held in April and was attended by approximately 4,000 secondary school students, teachers, parents and visitors from across the North Island. The University also hosted a 'Year 10 Experience Day' in November, which was attended by almost 400 students from 12 invited secondary schools.

The University of Waikato offers a number of programmes to teachers that promote and foster the successful transition of secondary school students to tertiary study. 'Update days' were held this year on campus and in Auckland for secondary school teachers, to present them with information about research developments and other academic matters.

6. Strategic Context

A well-established Secondary Tertiary Alignment Resource (STAR) programme offered secondary school students the opportunity, while still at school, either to advance beyond the secondary school curriculum in particular subjects, or to undertake study in a subject that was not offered as part of the secondary school curriculum. In 2010, 189 secondary school students enrolled for University of Waikato STAR papers. Students who have successfully completed a STAR paper at secondary school receive credit towards their university studies.

The Faculty of Education has been successful in securing funding for professional development contracts, and delivers educational leadership and teacher development programmes across its region. School Support Services, for example, provides teacher support and guidance by facilitating teacher development in schools throughout the Waikato, Hauraki, Coromandel, King Country, Bay of Plenty, Gisborne, Wairoa and East Coast regions. The Educational Leadership Centre caters for the diverse needs of many groups of educational leaders through activities based on sound research and development practices that are developed in consultation with the client group so that specific needs are met.

One of the Faculty of Education's specific programmes, Kotahitanga (*'Improving the Educational Achievement of Māori Students in Mainstream Education'*), is a research and professional development project that has seen major improvements in student outcomes in participating secondary schools, and now involves 49 schools around New Zealand, hundreds of teachers and thousands of Māori students.

Academic staff of the University serve as judges of a number of secondary school competitions, including national Kapa Haka and speech competitions. In addition, the Faculty of Law holds an annual secondary schools mooting competition, which is well subscribed by secondary schools across the greater North Island region.

The University continued with its prestigious Hillary Scholarships programme. These scholarships, offered since 2005, are awarded to high achievers who show leadership qualities and also excel in sport or in the creative and performing arts. The programme includes comprehensive support for the recipient's academic, sporting and/or arts activities, and additional support in leadership and personal development. 50 new Hillary Scholarships were awarded in 2010, bringing the total to 268 students since 2005.

In addition to the University's School-Leaver scholarships, which in 2010 were awarded to 531 recipients, the University also continued to offer a programme of other scholarships and prizes, including the high-profile Vice-Chancellor's Prize for Academic Excellence, which in 2010 was awarded to 19 secondary school students nominated by their principals.

6.5 University relationships within a regional network of provision

The University recognises the benefits of a differentiated system of tertiary education in New Zealand, in which universities and polytechnics have distinctive but complementary contributions to make to the delivery and support of relevant, quality, tertiary provision.

The University of Waikato has long established partnerships with both the Bay of Plenty Polytechnic and the Waikato Institute of Technology (Wintec), and has negotiated with both polytechnics a variety of contract teaching, articulation and other types of arrangements for staircasing into higher level tertiary qualifications. During 2010, the University's deed of cooperation with the Bay of Plenty Polytechnic was extended to include Te Whare Wānanga o Awanuiārangi, with a view to expanding and further strengthening tertiary education provision in the Bay of Plenty region.

The University of Waikato Certificate of University Preparation was delivered in 2010 in conjunction with Wintec as a pathway for students who have failed to meet the University Entrance criteria through NCEA. This programme also serves as a bridging programme for other students who wish to be better prepared for higher level study at University. 338 students enrolled for this programme in the A semester 2010; of the students who successfully completed the programme, 82% took up degree level study in the B semester.

In 2010, 45 students transferred from the Bay of Plenty Polytechnic into higher level qualifications at the University of Waikato, and 78 students transferred to the University from Wintec.

The University of Waikato also has a long history of collaboration with Tairāwhiti Polytechnic, with which it offers a number of papers through articulation and contract teaching arrangements.

6. Strategic Context

6.6 The Western Bay of Plenty

The Western Bay of Plenty region has identified nine economic challenges and impediments to economic growth, five of which relate directly to skills, training and education. One of those challenges is the advancement of strong relationships with tertiary education and research institutions, not only to provide direct training for those employed in key regional industries but, more importantly, to provide the intellectual input to drive innovation and entrepreneurialism. These are the cornerstones of new product development, efficiency and 'value-added' productivity (Priority One, 2008).

Statistics show that the Western Bay of Plenty population is close to the national average in terms of educational and vocational qualifications but that it lags behind the national average in terms of tertiary qualifications. The 2006 census indicates that only 8.2% of those living in the Western Bay of Plenty have achieved qualifications at bachelors level or higher; this is substantially lower than the national rate of 14.2% (Statistics New Zealand, 2009). The low rate of university education impacts on the region's skill shortages and, in turn, the region's ability to support its economic growth.

The University of Waikato remains committed to expanding tertiary provision in the Western Bay of Plenty region and, in conjunction with the Bay of Plenty Polytechnic, has continued to expand its teaching and research activities in the region in order to meet the demonstrated needs associated with the economic transformation of that region.

With strong support from Priority One, the Western Bay of Plenty region's economic development agency, the University of Waikato has actively and successfully advocated increased government investment in tertiary provision in the Bay. Over recent years, University of Waikato numbers in the Western Bay of Plenty have grown steadily from 244 EFTS in 2005 to 550 EFTS (including 37 FCI EFTS in the Pathways College) in 2010.

6.7 Relevance of qualifications and graduate outcomes

A report published by the Ministry of Education, *Outcomes of the New Zealand tertiary education system*, provides evidence of the pivotal role played by the New Zealand tertiary education system in the economic growth of New Zealand (Smart, 2006). Economic growth depends on labour productivity; labour productivity depends on high employment. Tertiary qualifications enhance the employment prospects of New Zealanders; attainment of tertiary qualifications also results in higher incomes and, in turn, healthier lifestyles.

The University undertakes regular reviews of existing qualifications and programmes to ensure that they continue to meet the needs of industry and maintain their relevance for students. Quality improvement initiatives are based on the analysis of data and information supplemented by occasional reports from internal and external participants as part of a series of institutional programme reviews, institutional organisational reviews and other periodic evaluations conducted by the University or, in some cases, by professional bodies for the purpose of accreditation.

In 2010, the University implemented 10 Significant Academic Developments (approved by the NZVCC Committee on University Academic Programmes (CUAP)), seven of which involved changes to existing qualifications, with a further proposal involving changes to entry requirements. Two new qualifications were introduced: the Bachelor of Environmental Planning and Bachelor of Media and Creative Technologies. In addition, a range of further Significant Academic Developments were developed and put forward for consideration by the NZVCC CUAP for implementation in 2011; these included the introduction of four new majors, amendments to the regulations of three existing qualifications and the deletion of five subjects.

Data which suggest links between qualifications, employment and income levels, are helpful to the University in identifying and responding to student and market signals and monitoring their particular impact on employment outcomes. With this in mind, the University is participating in a university sector-wide project involving a longitudinal study called the GLSNZ (Graduate Longitudinal Study New Zealand). The results of the study will help the University develop its understanding of how outcomes are changing for graduates over time and better inform future direction and recruitment activities.

6. Strategic Context

6.8 The University budget and capped funding

In budgeting for a 2010 surplus, the University took careful account of the likely challenges ahead in terms of increasing revenue in a capped funding environment and adjusting its costs to match the expected fall in student-related revenue.

Government's tertiary funding reforms, which took effect in 2008, impacted on the University of Waikato at a time when its enrolments were still recovering from an earlier decline. Having peaked at 11,575 in 2003, the University's total EFTS had declined to 9,685 by 2008. While the most severe decline during that period was related to FCI enrolments (consistent with national trends at that time), MF enrolments also declined, a trend that had started in 1999.

MF enrolments had begun to recover in 2007 and, by the end of 2009, were well beyond the 2003 levels. The value of the University's MF enrolments in 2009 exceeded the TEC's funding cap by over 6%, representing a government funding shortfall of approximately \$3.4 million. While FCI EFTS were higher in 2009 than originally forecast, they were still far short of 2003/2004 levels.

Consistent with the terms of its Investment Plan funding and the TEC's expectations, the University took a number of steps in 2010 to manage its MF enrolments very carefully within a 103% threshold. However, this meant that a significant number of potentially eligible applicants had to be turned away.

Its final MF EFTS result represented 101.7% of its approved SAC funding for 2010 (an additional 154 EFTS); \$500k revenue was generated by these additional students; they represented a Government funding shortfall of approximately \$1 million.

2010 FCI EFTS were steady in relation to 2009. While efforts continue to be made to increase the University's revenue stream related to international enrolments, especially given the capped funding environment, the University did not achieve its FCI enrolment target, which resulted in a revenue shortfall of approximately \$1.8 million in 2010.

The whole tertiary sector faces the prospect of ongoing constraints in government funding and so the University will continue with an approach that involves managing costs, constantly seeking efficiency gains and exploring additional sources of revenue, while ensuring that its investments in future capability are well informed, prioritised and targeted.

An organisation restructure was initiated in 2009 and continued through to the end of 2010. A number of cost management initiatives were agreed in 2009 and fully implemented in 2010, resulting in a healthy surplus.

6.9 Research

The University of Waikato has established research priorities and goals that reflect the importance that Government is placing on science and innovation to drive economic growth and to improve health, environmental and social outcomes. In so doing it has sought to maintain and build relationships with Government agencies, industry and other organisations to support the growth of research and economic development opportunities.

In 2010 the University of Waikato attracted \$22.8 million through new research contracts (to be realised over the life of the contracts), bringing the number of active contracts including ancillary contracts to 782. The Faculty of Education leads research income followed by the Faculties of Science and Engineering, Computing and Mathematical Sciences, and Arts and Social Sciences.

Work continued to identify new Institutes, Centres, Groups and Units where inter-institutional research collaborations can be supported, and two new Institutes were launched. The National Institute of Demographic and Economic Analysis (NIDEA) will give policymakers a better understanding of the issues surrounding an ageing and increasingly diverse population, and the Institute for Business Research will provide smooth access to research expertise from the University's internationally-accredited Waikato Management School.

Preparation also began for the 2011 launch of the Environmental Research Institute, which will encompass the University's internationally-recognised expertise in ecosystems, and Te Kotahi Research Institute, which will develop research relevant to Māori economic development and well-being in consultation with iwi.

6. Strategic Context

Other highlights of 2010 included the establishment and launch of Intercoast, a major research collaboration between the University of Waikato and Germany's University of Bremen focussing on projects on the Bay of Plenty coast and inner continental shelf and comparable areas in the North Sea. Over nine years Intercoast will be supported with \$11 million of German government funding through the German Research Foundation, the DFG.

The University's ability to deliver research and other benefits in the Western Bay of Plenty has also been advanced with the funding of a new Chair in Coastal Science with \$1.5 million from the Bay of Plenty Regional Council, the opening of a new building on the Bay of Plenty Polytechnic's campus, agreements with the Port of Tauranga and Priority One, and a Memorandum of Understanding (MoU) with TiDA, the Titanium Industry Development Association based in Tauranga.

New agreements with the District Health Boards in Waikato and Bay of Plenty involving both research and education, and a new MoU signed with the Bay of Plenty Polytechnic and District Health Board have served to support a notable growth in research capability and degree teaching in relation to health and ancillary services.

Other notable initiatives have been undertaken with funding from the World Bank and the Amsterdam Institute for Business and Economic Research, and an MoU signed with the Cawthron Institute.

Research grants, postgraduate scholarships and research-related donations were received from a total of 76 organisations external to the University in 2010. This represents further progress in the ongoing diversification of sources of research support, and a further increase in inter-institutional and international research collaborations.

New research wins of particular note included \$5.5 million of Marsden funding for nine separate projects in the fields of science, business, psychology, social science and demographics.

The University's Faculty of Education was awarded a \$7 million Ministry of Education contract in partnership with Te Whare Wānanga o Awanuiārangī to undertake a three-year professional leadership programme, He Kākano, for secondary and area schools and wharekura to help build Māori learners' achievement.

The Waikato Centre for Advanced Materials was awarded a \$1.07 million Foundation for Research, Science and Technology research contract to enhance the titanium alloy powder consolidation capabilities of New Zealand industry.

The University also continued to spearhead research commercialisation through the ongoing activities of WaikatoLink, and to play a significant role in the Waikato Innovation Park, which creates wealth for the region through nurturing innovative local companies and marketing specialist knowledge and expertise.

New models of research are seeing the growth of international multi-disciplinary teams. Specialist expertise from the University of Waikato continues to be in demand for international research in multi-disciplinary areas ranging from climate change to digital systems, and from demography to socio-economic development being undertaken in geographically diverse areas such as Antarctica, the Pacific, South America and Europe.

2010 saw the University hosting a number of national and international conferences, notably in the fields of education, business sustainability and computer networking.

The University has continued to support initiatives aimed at increasing the proportion of research postgraduate students and supervision-active staff, and enhancing postgraduate outcomes. The University now has over 600 candidates enrolled for higher degrees (MPhil and doctorates). More than 10% of these candidates took the opportunity to present their research to the public at the second annual 'Thesis in Three' competition during Postgraduate Research Month in October, and our 2009 winner was a finalist in the inaugural Australasian Three Minute Thesis competition held in Brisbane in 2010.

-
1. Core Waikato is defined as Hamilton, Cambridge, Te Awamutu, Huntly and Ngaruawahia
 2. Waikato Regional Council economy is based on the nine District Councils (Thames-Coromandel to Waitomo and Taupo regions) surrounding and including Hamilton City
 3. The Waikato region is defined as comprising the districts of Waikato and Waikato South, Franklin, Thames-Coromandel, Hauraki, Waipa, Otorohanga, Matamata/Piako, Waitomo and part of Rotorua and Taupo. The Bay of Plenty region is defined as comprising Western Bay of Plenty, Whakatane, Opotiki, and part of Rotorua and Taupo

7. 2010 Student and Academic Profile

In 2010, approximately 80 qualifications were offered, including 20 undergraduate degrees, 38 graduate degrees, six postgraduate degrees and a wide range of specialist certificates and graduate and postgraduate diplomas. Students were able to choose from approximately 260 different subjects, delivered in a variety of classroom, mixed media, distance and e-learning modes.

7.1 2010 student profile (see Glossary and Definitions)

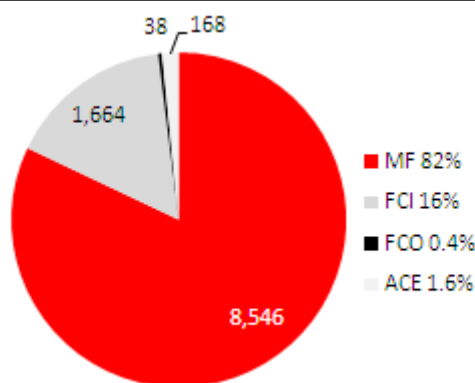
Contribution to national university provision

Based on the most recently published data on tertiary participation the University of Waikato enrolls

- approximately 7% of New Zealand's domestic university students
- approximately 8% of New Zealand's total university EFTS (domestic and international)
- approximately 17% of New Zealand's Māori university students.

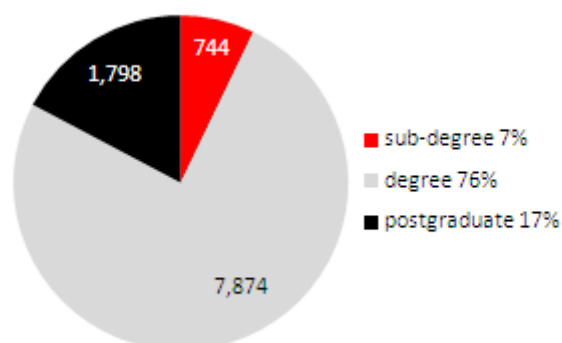
EFTS by funding source

- 12,642 students were enrolled at the University of Waikato in 2010, equivalent to 10,415 EFTS
- 82% of EFTS were generated by MF students
- 16% of EFTS were generated by FCI students
- 0.4% of EFTS were generated by FCO students
- 1.6% of EFTS were generated by ACE students



EFTS by level

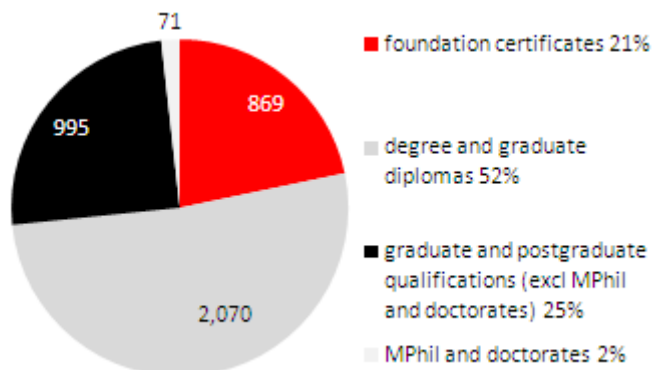
- 7% of EFTS were generated by sub-degree students; of these, 23% (168 EFTS) were generated by ACE students
- 76% of EFTS were generated by degree level students
- 17% of EFTS were generated by postgraduate students; of these, 26% (474 EFTS) were generated by candidates for PhDs and other doctorates



Qualification completions

3,730 students completed 4,005 qualifications, of which:

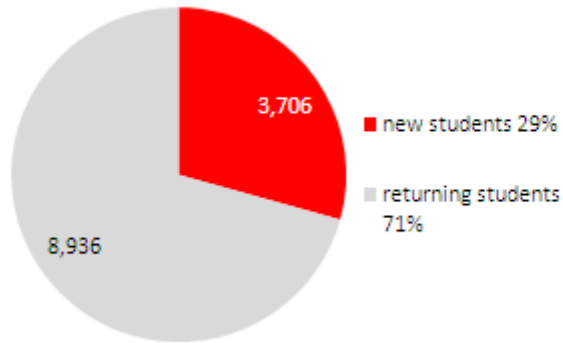
- 21% were foundation certificates
- 52% were degrees and graduate diplomas
- 27% were graduate degrees and postgraduate qualifications



7. 2010 Student and Academic Profile

New v. returning students

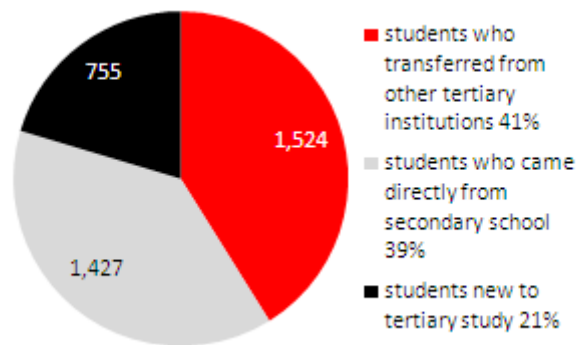
- 29% of students were new to the University of Waikato
- 71% of students were returners



Transition to University of Waikato

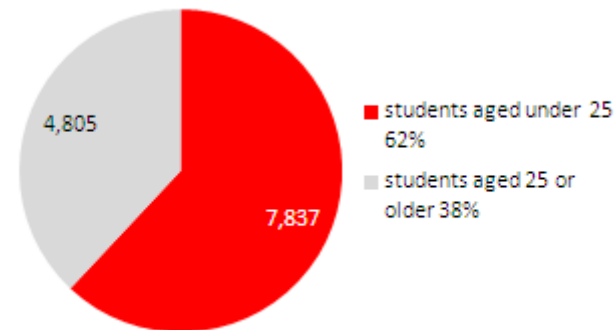
Of new students:

- 41% had transferred from other tertiary institutions
- 39% were school-leavers
- 20% were new to tertiary study (and not school-leavers)



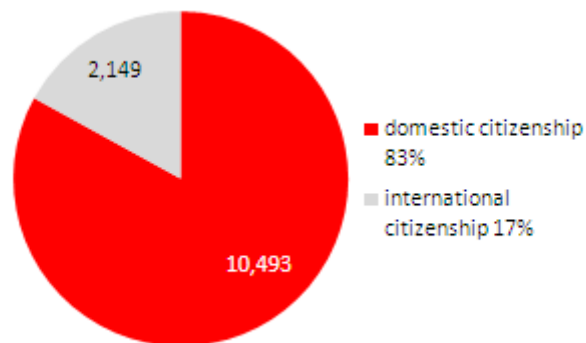
Age profile

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



Citizenship

- 83% of students had domestic citizenship
- 17% of students had international citizenship (and not domestic citizenship)

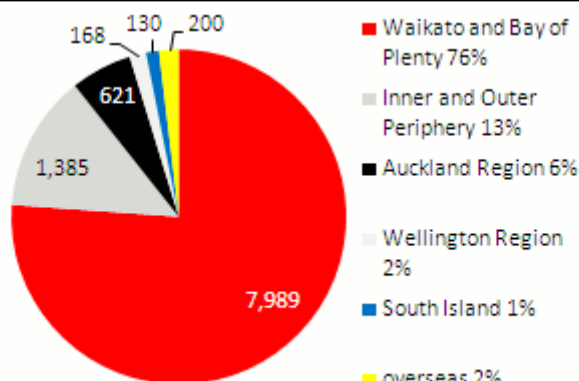


7. 2010 Student and Academic Profile

Origins of domestic students

Of domestic students:

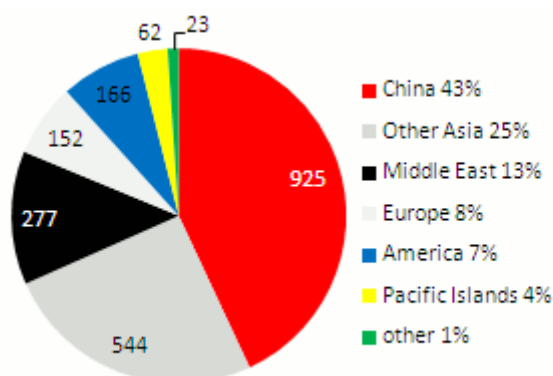
- 76% came from the University's main catchment ⁴
- 13% came from the University's inner and outer peripheries
- 6% came from the Auckland region
- 2% came from the Wellington region
- 1% came from the South Island
- 2% came from overseas



Origins of international students

Of international students:

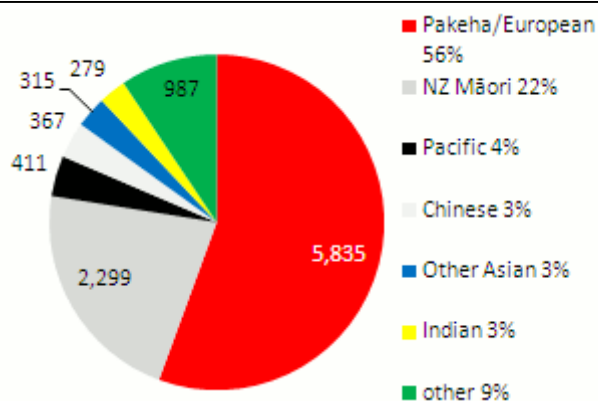
- 43% came from China
- 25% came from other parts of Asia
- 13% came from the Middle East
- 8% came from Europe
- 7% came from America
- 4% came from the Pacific Islands
- 1% came from other parts of the world



Ethnicity of domestic students

Of domestic students:

- 56% were Pakeha/European
- 22% were Māori
- 4% were Pacific Islanders
- 3% were Chinese
- 3% were of other Asian ethnicities
- 3% were Indian
- 9% were of other ethnicities



Tauranga enrolments

- 5% of the University's total EFTS were generated by students enrolled in papers delivered in Tauranga.
- 98% of Tauranga EFTS were generated by MF students.
- 2% of Tauranga EFTS were generated by FCI students.

Adult and community education enrolments

- 180 EFTS (including nominals) were generated by students enrolled for Adult and Community Education (non-assessed) courses.

7. 2010 Student and Academic Profile

7.2 International student trends

The University's FCI EFTS peaked in 2003 (at 2,893 EFTS), representing almost 25% of its total EFTS, and remained at approximately that level through to 2006. Like most other tertiary providers, the University experienced a severe downturn in the international student market in 2007.

FCI EFTS in 2010 were approximately the same as in 2009 (1,670 and 1,664 respectively) but represented a shortfall of almost 9% against the budgeted target (1,817 EFTS).

In 2010, FCI EFTS (1,664 EFTS) were 16% of total EFTS, which represented a more stable level in terms of the University's student profile overall and also in terms of the need to manage and mitigate the risks inevitably associated with a fairly volatile international student market. Proactive steps are also being taken to achieve a more geographically diversified international student profile into the future.

7.3 Māori student trends

Although the number of Māori students enrolled at the University of Waikato has decreased in recent years (from a peak of 2,707 in 1999 to 2,300 in 2010), the number as a proportion of total students has increased quite significantly within a range of 16% to 21% between 2003 and 2010. 17% of total EFTS in 2010 were generated by students who reported as Māori. When measured as a proportion of MF EFTS, the number of Māori EFTS over the last decade has fluctuated only slightly between 21% - 23%. The main focus for the University into the future with regard to Māori academic success is on enhancing the teaching and research capacity of Māori academic staff, leadership in research relevant to the needs and aspirations of iwi and Māori communities, improving Māori student retention and pass rates and lifting progression rates through to postgraduate level.

The levels of Māori enrolments at the University are already consistent with regional demographics.

7.4 Enrolment trends in the Faculties/School

The **Faculty of Arts and Social Sciences**, which had grown by 11% in 2009, grew by a further 2% in 2010. The Faculty's actual result for MF EFTS in 2010 was 8.5% above its budgeted target. FCI EFTS for the Faculty were 30% (approximately 100 EFTS) lower than its budgeted target for FCI, which represented a significant financial shortfall for the Faculty. In overall terms, the Faculty's domestic growth compensated for the shortfall in FCI enrolments.

As part of the Faculty's restructuring in 2010, three new Schools were formed - the School of Arts, the School of Psychology and the School of Social Sciences each generating a comparable volume of EFTS.

Since 2007 the Faculty's MF teaching in Tauranga has increased from 19 to 95 EFTS. A large proportion of the increase between 2008 and 2010 can be attributed to the introduction of the Bachelor of Social Work. 2010 saw another strong first-year intake for the Social Work programme, and also the first year 3 cohort. The Faculty generated 19% of the University's total MF EFTS in Tauranga in 2010.

In 2010, the **Faculty of Computing and Mathematical Sciences** experienced a 6% increase over its actual 2009 EFTS, mainly due to a 25% increase in its FCI EFTS. The Faculty's actual EFTS were higher than target, and it was the only Faculty to exceed its budgeted FCI EFTS target.

The Department of Computer Science continued to be the largest department within the Faculty, contributing nearly 60% of the Faculty's total 2010 EFTS. The volume of EFTS generated by the Department of Mathematics in 2010 was comparable with the volume achieved in 2009. The Department of Statistics attracted slightly more EFTS in 2010 than in 2009 - up by approximately 2.5%.

The **Faculty of Education**, having increased its EFTS by 16.8% in 2009, grew by a further 2% in 2010 (these figures exclude Pathways College EFTS) primarily as a result of continued strong demand for teacher education programmes. As in 2009, the growth was predominantly domestic, with FCI EFTS contributing only a modest proportion of the Faculty's total EFTS (declining from 7% in 2005 to 2.2% in 2010).

The Faculty's early childhood education programmes grew by a further 3% in 2010 (having grown by 47% in 2009). The strong demand for primary teacher education continued in 2010, with 837 EFTS being generated by these programmes. Demand for secondary teacher education programmes dipped slightly, down by 2%.

7. 2010 Student and Academic Profile

The Faculty's teaching of MF EFTS in Tauranga has grown to 307 EFTS in 2010, 23% higher than in 2009. Much of the growth in Tauranga has been driven by registration requirements for early childhood teachers. In 2010, the Faculty of Education generated 60% of the University's total MF EFTS in Tauranga.

As part of the University's organisational restructure in 2010, the Pathways College became part of the newly formed Faculty of Education. As part of its strategy to reduce sub-degree teaching and increase the proportion of teaching at postgraduate level, the University entered into an arrangement with Wintec for the delivery of its Certificate of University Preparation. Of the total 237 EFTS in this programme in 2010, all but 40 were delivered through Wintec. FCI sub-degree EFTS were 7% lower than in 2009, and slightly short of the 2010 target.

The University delivered its target of 180 Adult and Community Education(ACE) EFTS target in 2010; however for 2011 Government has significantly reduced funding for ACE programmes, and the University's allocation in 2011 is just 103 EFTS.

The **Faculty of Law** has experienced year-on-year growth in total EFTS since 2005, a trend that continued in 2010 with a 3.1% increase over 2009. The Diploma of Law was introduced in Tauranga in 2007 and has contributed positively to the Faculty's overall growth.

While FCI numbers in the Faculty remain relatively small, it experienced positive growth in 2010 (growing from 12 to 18 FCI EFTS) and the Faculty is committed to maintaining this level of growth in FCI EFTS in 2011.

The Faculty of Law generated 6% of the University's total MF EFTS in Tauranga in 2010.

Total EFTS in the **Faculty of Management** decreased from 2,664 EFTS in 2009 to 2,643 EFTS in 2010; however, FCI EFTS increased by 4%.

The Department of Accounting continued to be the Faculty's largest department, and accounted for 19% of the Faculty's total EFTS. The Departments of Accounting, Finance and Management Systems grew, while EFTS in other departments in the Faculty remained steady. The Department of Finance continued to attract the largest volume of FCI EFTS (17%), followed closely by the Departments of Strategy and Human Resource Management (16.5%) and Accounting (16%).

The Faculty of Management's MF EFTS at Tauranga were slightly lower in 2010 (72 EFTS) than in 2009 (74 EFTS). The Faculty generated 14% of the University's total MF EFTS in Tauranga.

Both MF and FCI EFTS in the **Faculty of Science and Engineering** in 2010 were steady in relation to 2009 levels, through slightly lower than its budgeted targets.

As part of the restructuring in 2010, the Faculty now comprises one School and three departments - the School of Engineering, the Department of Biological Sciences, the Department of Chemistry and the Department of Earth and Ocean Sciences.

EFTS in the School of Engineering grew by 4.5% over 2009, and generated 35% of the Faculty's total EFTS. Student numbers in the Department of Chemistry were steady in relation to 2009, while both the Department of Biological Sciences and Department of Earth and Ocean Sciences declined slightly over their 2009 actual EFTS, by 4% and 3.5% respectively.

Total EFTS for the **School of Māori and Pacific Development** in 2010 were similar to 2009 levels. The School continues to attract very small numbers of FCI EFTS (10 EFTS). The School's STAR programme, which gives secondary school students the opportunity to undertake degree level study as part of their secondary school programme, attracted slightly lower EFTS in 2010 than in 2009 (17 vs 23).

More detailed enrolment statistics are provided in section 14.

4. The University's main catchment comprises the Waikato and Bay of Plenty regions. The Waikato region is defined as comprising the districts of Waikato and Waikato South, Franklin, Thames-Coromandel, Hauraki, Waipa, Otorohanga, Matamata/Piako, Waitomo and part of Rotorua and Taupo. The Bay of Plenty region is defined as comprising Western Bay of Plenty, Whakatane, Opotiki, and part of Rotorua and Taupo

8. Equal Opportunities Report

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

A wide range of University-wide and Faculty-specific services are provided to facilitate equality of access for students and their academic success. Support is available to all students, with additional support tailored to groups to meet their specific needs.

Staff profile

In 2010, more than half the total staff of 1,430 (full-time equivalent, excluding casuals and sessional assistants) at the University of Waikato were women (59%). Women comprised 47.3% of the academic staff and 67.7% of the general staff. The highest percentages of female staff were in the Communications and External Relations Division (90%), Faculty of Law (89%), Student and Academic Services Division (86%), Faculty of Education (85%), Office of Deputy Vice-Chancellor (82%), Human Resources Management (81%). The lowest percentages of female staff continued to be in the Faculty of Computing and Mathematical Sciences (23%), Facilities Management Division (31%), Information Technology Services Division (36%), and Faculty of Science and Engineering (36%).

Almost three-quarters of the total staff at the University of Waikato were European/Pakeha (75%) and 10% Māori. A total of 24% of Māori staff and 40.9% 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. Waikato increased its proportion of female professors since the last census by 6.11% to 25%, and female associate professors by 6.80% to 32.89%, which is the highest proportion of female professors and associate professors across all the universities.

4.9% of University staff had declared disabilities. These included: vision difficulties, mobility problems, diabetes, breathing problems, hearing difficulties, epilepsy, medical and other disabilities.

The University of Waikato prides itself on the diversity of its existing Equal Opportunity programmes and, in 2010, continued to support several programmes and initiatives for staff. 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 Equal Employment Opportunities (EEO) liaison representative in each School/Faculty and Division to assist senior management in the planning and reporting of EEO initiatives
- the Women in Leadership Day took place on 2 September 2010 entitled "Finding Your Voice: Career Management for Women"
- development of the Waikato Women's Caucus to look at ways to increase awareness around issues for women working in universities, particularly Waikato, and to explore strategies to increase the representation of women in leadership and senior management roles
- strong commitment to the NZVCC-supported New Zealand Women in Leadership Programme. This meant that two academic and two general staff members were able to attend.

Student profile

The total student population at the University of Waikato in 2010 was 12,642, of whom 43% (5,401) were male and 57% (7,241) female.

The ethnic composition of the student population comprised: European/Pakeha 46% (5,841), Māori 18% (2,300), Chinese 10% (1,301), Pacific Islands 4% (470), Indian 3% (416), and "other" ethnic groups 18% (2,314). This compares with 2009 where 46% (6,061) were European/Pakeha, 19% (2,451) were Māori, 11% (1,383) were Chinese, 4% (525) were of Pacific Island ethnicity, 3% (402) were Indian, and 17% (2,267) were of other ethnicities.

Students under 20 years of age comprised 22% of the total population. Students aged between 20 and 24 years comprised 40%, and students aged 25 years or over (those who may be entitled to a government-funded living allowance) comprised 38%.

692 students had declared disabilities. Of these students, 198 accessed Disability Support Services in 2010.

8. Equal Opportunities Report

The University of Waikato prides itself on the diversity of its existing Equal Opportunity programmes and, in 2010, continued to support several programmes and initiatives for students. These included

- continued support of Māori and Pacific Island students with Te Tohu Paetahi Entrance Scholarships, the Te Tohu Paetahi Retention Scholarship, the Māori Excellence Awards and the TAPA (Tertiary Achievement in Pacific Ako) Awards
- continued extensive support services to students with disabilities, including a regular survey of students with disabilities to monitor their satisfaction with Disability Support Services
- support of University staff in responding appropriately to the needs of students with disabilities through a variety of mechanisms including the online Disability Awareness training package
- the award of three scholarships of \$5,000 to students with physical disabilities
- the award of two scholarships of \$1,000 to sole parents.

The University also provided a wide variety of support for students living in the Halls of Residence, including the award of 29 Bryant Hardship Scholarships in 2010 totalling approximately \$98k to students who would not otherwise have been able to attend University due to their or their families' financial circumstances. (The scholarships cover up to 100% 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, involving an across-services team of staff who worked with, supported, and interacted with affected students.

The Halls of Residence 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 students from the Pacific Islands
- offered a specific academic study skills programme for Chinese students.

9. Financial Overview

University Group operations recorded a consolidated surplus of \$8.85 million in the year to 31 December 2010, compared with a surplus of \$10.74 million in the previous year.

The continued strong financial performance of the University Group operations this year is largely due to the University receiving increased Government funding for equivalent full time students of \$2.97 million and maintaining student tuition fees even though total equivalent full time student numbers slightly decreased by 1.80 percent. These increases were offset by deficit of \$1.57 million recorded by University subsidiary WaikatoLink Limited, and a fall in surplus of \$1.75 million in the University of Waikato Research Trust.

The deficit in WaikatoLink Limited was largely due to a write-down of \$0.9 million in the carrying value for intellectual property being developed for commercialisation. WaikatoLink Limited did not record any significant sales of intellectual property during 2010, but continued to develop its portfolio of projects in preparation for sale.

The University of Waikato Research Trust recorded a drop in revenue of \$1.75 million in 2010 as a result of significant funds being transferred to the Trust in 2009 after the completion of a number of large research projects within the University. These transfers were not repeated in 2010.

Overall, the University Group achieved revenue growth of 2.3 percent which saw revenue push through the \$210 million mark for the first time - recording total revenue of \$211.61 million, up \$4.67 million from \$206.94 million on 2009. The University Group has now recorded continuous revenue growth for over twenty years.

The decrease in Government funded students of 154 equivalent full time students to 8,546 reflects the University commitment to adhering to the funding caps set by Government and as a result limiting entry places in July 2010. However the level of domestic students enrolled in the University not earning Government funding decreased from 6 percent in 2009 to 2 percent in 2010. Numbers of full cost international students remained static in 2010 as compared to 2009.

Research income decreased slightly by \$0.34 million to \$27.46 million, reflecting a year of consolidation after significant growth in prior years.

The University's revenue of \$207.93 million was \$3.57 million or 1.7 percent higher than last year. It exceeded budget by \$6.69 million or 3.32 percent, primarily driven by increased Government funding and student tuition fees as mentioned above.

The operating environment continues to be challenging, and the University has put in significant effort to control costs with operating costs 2.5 percent lower in 2010 than 2009. However the University only grew revenue, which increased by 1.7 percent, by incurring an increase in expenditure of 1.6 percent. The most significant cost increase was general staff employee benefit expenses which increased by \$2.97m or 6.8 percent. Academic staff employee benefit expenses increased by only 1.32 percent or \$0.96 million.

The University only surplus of \$9.37 million is \$1.80 million more than budget and \$0.40 million more than the previous year. This represents a return of 4.51 percent on total revenue (compared with 4.39 percent in 2009) and exceeds the 3.5 percent target set in the University Strategic Plan. It is also well inside the guidelines of 3.0 - 5.0 percent promulgated by the Tertiary Education Commission. The University is now two years into its three year programme to reprioritise its activities and to review its operations to ensure the University's cost structures match its revenue streams. It is pleasing to see that the University is producing solid financial results year after year. However there is still work to do to ensure that the University has the mechanisms in place to consistently produce sufficient surpluses to ensure its long term financial health.

The University Group again generated strong operating cash flows, recording net cash flows from operations of \$30.90 million - up by \$2.85 million (or 10.14 percent) from 2009. These cash flows were reinvested back into the University's campus and resources, with the University spending \$24.67 million on capital expenditure.

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. In March 2009, the retail development was completed on time and within budget. Construction commenced on the student centre at the beginning of 2009 and this development will be completed in stages by September 2011.

The University reviewed its fair value of its building and infrastructure assets at year end however it was considered that there was no significant movement in the valuations of these assets and as a result no increase to the carrying value of these assets. In 2009 the carrying value of the building and infrastructure assets was increased by \$22.22 million.

Andrew McKinnon
Chief Financial Officer

10. Report of the Auditor-General



TO THE READERS OF THE UNIVERSITY OF WAIKATO AND GROUP'S FINANCIAL STATEMENTS AND STATEMENT OF SERVICE PERFORMANCE FOR THE YEAR ENDED 31 DECEMBER 2010

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 her behalf.

We have audited:

- the financial statements of the University and group on pages 28 to 87, that comprise balance sheet as at 31 December 2010, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information; and
- the statement of service performance of the University and group on pages 88 to 94.

Opinion

In our opinion:

- the financial statements of the University and group on pages 28 to 87:
 - comply with generally accepted accounting practice in New Zealand; and
 - fairly reflect the University and group's :
 - financial position as at 31 December 2010; and
 - financial performance and cash flows for the year ended on that date; and
- the statement of service performance of the University and group on pages 88 to 94:
 - complies with generally accepted accounting practice in New Zealand; and
 - fairly reflects the University and group's service performance achievements measured against the performance targets adopted for the year ended on that date.

The audit was completed on 16 March 2011. This is the date at which our opinion is expressed.

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

Basis of opinion

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

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

An audit also involves evaluating:

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

10. Report of the Auditor-General

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements and statement of service performance. We have obtained all the information and explanations we have required and we believe we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

Responsibilities of the Council

The Council is responsible for preparing financial statements and a statement of service performance that:

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

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

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

Responsibilities of the Auditor

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

Independence

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

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



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

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

This audit report relates to the financial statements and performance information of the University of Waikato and group for the year ended 31 December 2010 included on the University of Waikato and group's web-site. The University of Waikato and group's Council is responsible for the maintenance and integrity of the University of Waikato and group's web site. We have not been engaged to report on the integrity of the University of Waikato and group's web site. We accept no responsibility for any changes that may have occurred to the financial statements, performance information and other requirements since they were initially presented on the web site.

The audit report refers only to the financial statements and performance information named above. It does not provide an opinion on any other information which may have been hyperlinked to or from the financial statements and performance information. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the hard copy of the audited financial statements and performance information as well as the related audit report dated 16 March 2011 to confirm the information included in the audited financial statements and performance information presented on this web site.

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

11. Statement of Responsibility

In the financial year ended 31 December 2010, the Council and management of The University of Waikato were responsible for:

1. The preparation of the annual financial statements and statement of service performance, and the judgements used in them;
2. Establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting; and
3. In the opinion of Council and management of The University of Waikato, the annual financial statements and statement of service performance of the financial year ended 31 December 2010 fairly reflect the financial position and operations of The University of Waikato and group.



Chancellor

Rt Hon Jim Bolger
16 March 2011



Vice-Chancellor

Professor Roy Crawford
16 March 2011

Statement of Comprehensive Income

For the Year Ended 31 December 2010

	Notes	Consolidated		University		
		This Year	Last Year	This Year	Budget	Last Year
		\$000	\$000	\$000	\$000	\$000
Revenue						
Government Funding and Grants	2	93,641	90,911	93,641	90,105	90,911
Tuition Fees	3	65,037	63,280	65,037	64,335	63,280
Research		27,459	27,803	27,464	26,032	27,838
Interest		1,560	1,172	1,428	1,099	1,038
Other Income	4	22,581	22,576	20,030	19,604	20,677
Donations		1,328	1,194	332	66	622
Total Revenue		211,606	206,936	207,932	201,241	204,366
Costs						
Employee Benefit Expenses - Academic		73,776	72,846	73,656	72,596	72,699
Employee Benefit Expenses - General		48,845	44,603	46,241	46,342	43,274
Other Costs	5	61,241	60,904	60,924	58,232	62,485
Finance		215	197	162	-	169
Depreciation, Amortisation and Impairment	16,17	18,804	17,545	17,578	16,500	16,769
Total Costs		202,881	196,095	198,561	193,670	195,396
Share of Surplus/(Deficit) from Associates	6	129	(100)	-	-	-
Surplus		8,854	10,741	9,371	7,571	8,970
Surplus Attributable to:						
University of Waikato		9,015	10,757	9,371	7,571	8,970
Non-Controlling Interest		(161)	(16)	-	-	-
Surplus		8,854	10,741	9,371	7,571	8,970
Other Comprehensive Income						
Gains on Property revaluations	7	-	22,224	-	-	22,224
Total Other Comprehensive Income		-	22,224	-	-	22,224
Total Comprehensive Income		8,854	32,965	9,371	7,571	31,194
Comprehensive Income Attributable to:						
University of Waikato		9,015	32,981	9,371	7,571	31,194
Non-Controlling Interest		(161)	(16)	-	-	-
Total Comprehensive Income for the Year		8,854	32,965	9,371	7,571	31,194

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 2010

	Notes	Consolidated		University		
		This Year \$000	Last Year \$000	This Year \$000	Budget \$000	Last Year \$000
Opening Equity at 1 January		329,880	296,391	309,411	309,410	278,217
Total Comprehensive Income		8,854	32,965	9,371	7,571	31,194
Staff Share Options and Capital Issued		308	90	-	-	-
Non-Controlling Interest Arising on Share Buy Back			404	-	-	-
Associate Prior Year Gains/Losses Reversed on Share Buy Back		(115)	30	-	-	-
Closing Equity at 31 December		338,927	329,880	318,782	316,981	309,411
Attributable to:						
University of Waikato	7	337,698	328,740	318,782	316,981	309,411
Minority interest		1,229	1,140	-	-	-
		338,927	329,880	318,782	316,981	309,411

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

Balance Sheet

As at 31 December 2010

	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	11,564	10,500	10,381	24,346	10,193
Trade and Other Receivables	9	13,811	11,874	11,630	7,862	9,847
Inter Company Balances	10	-	-	4,759	3,787	3,787
Prepayments		4,395	2,690	4,395	2,597	2,690
Short Term Investments	11	12,000	9,058	12,000	-	9,058
Inventories	12	983	998	983	998	998
Total Current Assets		42,753	35,120	44,148	39,590	36,573
Non Current Assets						
Investments in Associates	6	2,191	2,084	875	875	875
Investments	13	609	586	2,414	4,642	2,392
Loans and Receivables	14	146	146	146	146	146
Other Financial Assets	15	-	297	-	-	-
Intangible Assets	16	13,525	13,435	6,259	6,417	6,066
Property, Plant and Equipment	17	345,217	338,549	345,083	345,250	338,377
Total Non Current Assets		361,688	355,097	354,777	357,330	347,856
Total Assets		404,441	390,217	398,925	396,920	384,429

Balance Sheet

As at 31 December 2010

	Notes	Consolidated		University		
		This Year \$000	Last Year \$000	This Year \$000	Budget \$000	Last Year \$000
Liabilities						
Current Liabilities						
Income in Advance	18	27,830	26,162	27,796	28,386	26,126
Trade and Other Payables	19	12,256	10,885	11,535	10,485	10,295
Employee Entitlements	20	13,868	12,353	13,456	13,638	12,065
Derivative Financial Instruments	21	-	22	-	-	22
Borrowings	22	2	62	2	62	62
Total Current Liabilities		53,956	49,484	52,789	52,571	48,570
Non Current Liabilities						
Employee Entitlements	20	10,222	9,515	10,222	10,515	9,515
Borrowings	22	1,336	1,338	1,336	1,258	1,338
University of Waikato Research Trust Payable	10	-	-	15,796	15,595	15,595
Total Non Current Liabilities		11,558	10,853	27,354	27,368	26,448
Equity						
General Equity	7	192,349	183,659	173,433	174,772	164,330
Other Reserves	7	145,349	145,081	145,349	142,209	145,081
Equity - Parent		337,698	328,740	318,782	316,981	309,411
Non-Controlling Interest		1,229	1,140	-	-	-
Total Equity		338,927	329,880	318,782	316,981	309,411
Total Liabilities and Equity		404,441	390,217	398,925	396,920	384,429

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 2010

	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		93,641	90,253	93,641	92,086	90,253
Revenues from Tuition Fees		64,869	64,277	64,869	67,360	64,277
Other Revenue		56,704	53,219	51,768	47,414	51,288
Interest Received		1,683	1,041	1,428	1,000	1,038
Goods and Services Tax (net)		(141)	1,048	(141)	(633)	1,054
		216,756	209,838	211,565	207,227	207,910
Cash was applied to:						
Interest Paid		(215)	(209)	(162)	(168)	(170)
Suppliers		(65,597)	(65,832)	(63,820)	(57,424)	(66,110)
Employees		(120,041)	(115,739)	(117,799)	(118,485)	(115,739)
		(185,853)	(181,780)	(181,781)	(176,077)	(182,019)
Net Cash Flows from Operating Activities	24	30,903	28,058	29,784	31,150	25,891
Cash Flows from Investing Activities						
Cash was provided from:						
Cash Dividends		-	-	116	-	-
Property, Plant and Equipment Sales		166	186	166	-	186
Short Term Investments		-	6,992	-	9,058	6,992
		166	7,178	282	9,058	7,178
Cash was applied to:						
Term Investments		-	-	(1,455)	-	-
Purchase of Investments		-	-	-	-	-
Short Term Investments		(3,195)	(16,324)	(2,942)	(2,250)	(16,050)
Intangibles		(2,360)	(3,165)	(1,047)	-	(841)
Property Plant & Equipment		(24,669)	(24,324)	(24,644)	(23,724)	(24,305)
		(30,224)	(43,813)	(30,088)	(25,974)	(41,196)
Net Cash Flows from Investing Activities		(30,058)	(36,635)	(29,806)	(16,916)	(34,018)

**Statement of
Cash Flows**
For the Year Ended 31 December 2010

	Notes	Consolidated		University		
		This Year \$000	Last Year \$000	This Year \$000	Budget \$000	Last Year \$000
Cash Flows from Financing Activities						
Distribution from Foundation		-	-	294	-	-
Issue of Share Capital		303	-	-	-	-
		303	-	294	-	-
Cash was applied to:						
Repayment of Finance Lease Liabilities		(2)	(2)	(2)	-	(2)
Dividends Paid		-	-	-	-	-
Loans Repaid		(82)	(73)	(82)	(80)	(73)
		(84)	(75)	(84)	(80)	(75)
Net Cash Flows from Financing Activities		219	(75)	210	(80)	(75)
Net Cash Flows From All Activities		1,064	(8,652)	188	14,154	(8,202)
Opening Cash and Cash Equivalents		10,500	19,152	10,193	10,193	18,395
Closing Cash and Cash Equivalents		11,564	10,500	10,381	24,347	10,193

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

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

Notes to the Financial Statements

Note 1: Statement of accounting policies for the year ended 31 December 2010

The Reporting Entity

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

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

The financial statements were authorised for issue by Council on 16 March 2011.

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 2010 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 2010 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 2010 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 2010 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 2010 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 2010 and the comparative information presented in these financial statements for the year ended 31 December 2009.

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

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

Basis of Consolidation

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

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

Notes to the Financial Statements

Subsidiaries

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

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

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

Associates

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

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

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

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

Budget Figures

Budget figures are those approved by the Finance Committee per minutes of 26 August 2009 for the University entity. The budget figures have been prepared in accordance with NZ GAAP and are consistent with the accounting policies adopted by the Council for the preparation of the financial statements.

Cash flow Statement

Cash and cash equivalents

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

Operating activities

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

Investing activities

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

Financing activities

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

Notes to the Financial Statements

Revenue

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

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

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

Government Grants are recognised as revenue on entitlement.

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

Interest income is recognised using the effective interest method.

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

Borrowing Costs

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

Trade and Other Receivables

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

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

Employee entitlements

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

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

Additionally provision has been made, where applicable, using an actuarial valuation for retirement gratuities and long service leave. This valuation, as at 31 December 2010, was undertaken by Mercer (NZ) Limited (Actuaries). The calculations are based on:

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

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

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

Insufficient information is available to use defined benefit accounting, as it is not possible to determine from the terms of the scheme the extent to which the surplus/deficit will affect future contributions by individual employers, as there is no prescribed basis for allocation. The scheme is therefore accounted for as a defined contribution scheme. Further information on this scheme is disclosed in note 20.

Notes to the Financial Statements

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

Equity

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

- General Equity
- Asset Revaluation Reserve
- Restricted Reserves

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

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

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

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

Income tax

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

Goods and services tax

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

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

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

Commitments and contingencies are disclosed exclusive of GST.

Inventories

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

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

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

Notes to the Financial Statements

Financial Assets

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

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

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

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

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

The four categories of financial assets are:

Financial assets at fair value through surplus or deficit.

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

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

Assets in this category for the group include listed securities.

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

After initial recognition they are measured at amortised cost using the effective interest method. Gains and losses when the asset is impaired or derecognised are recognised in the statement of comprehensive income. The University includes in loans and receivables, cash and cash equivalents, short term investments, 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.

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

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

The University does not have any financial assets classified as held to maturity.

Notes to the Financial Statements

- Financial assets at fair value through other comprehensive income.
Financial assets at fair value through other comprehensive income are those that are designated as fair value through other comprehensive income or are not classified in any of the other categories above.
This category encompasses:
 - Investments that the University intends to hold long-term but which may be realised before maturity; and
 - Shareholdings that the University holds for strategic purposes.
 - The University's investments in its subsidiary and associate companies are not included in this category as they are held at cost (as allowed by NZ IAS 27 *Consolidated and Separate Financial Statements* and NZ IAS 28 *Investments in Associates*) whereas this category is to be measured at fair value.

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

Impairment of Financial Assets

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

Leases

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

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

Property, Plant and Equipment:

Land

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

Buildings

The majority of buildings recognised in the financial statements, including the previous Hamilton Teachers' College buildings, are still subject to the legal transfer of ownership from the Ministry of Education. The University is of the opinion that as at 31 December 2010 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 2009 by Darroch Valuations (registered valuers), on a fair value basis. The value of land and non specialised buildings was determined using market based evidence. All other buildings were valued at optimised depreciated replacement cost.

Infrastructural assets

University owned infrastructural assets are revalued when there has been a significant movement in the fair value. The fair values are recognised in the financial statements and are reviewed at the end of each reporting period to ensure the carrying value of Infrastructural assets are not materially different from their fair value. Infrastructural assets were revalued as at 31 December 2009 by Opus International Consultants Limited on a fair value basis using the optimised depreciated replacement cost method.

Notes to the Financial Statements

Library

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

Assets Under Construction/Work in Progress

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

Other Property, Plant and Equipment

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

Depreciation

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

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

Revaluations

Revaluation of plant, property and equipment is carried out on a class of assets basis. 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 statement of comprehensive income 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 statement of comprehensive income up to its original value.

Disposals

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

Intangible assets

Patents, trademarks and licences

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

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.

Notes to the Financial Statements

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

Research

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

Intellectual Property Development

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

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

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

Impairment of non current assets

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

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

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

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

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.

Notes to the Financial Statements

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

Restructuring

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

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

Trade and Other Payables

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

Borrowings

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

Changes in Accounting Policies

There have been no changes in accounting policies for the year ended 31 December 2010.

Early adopted amendments to NZ IFRS 7 Financial Instruments: Disclosures

The University and group has early adopted the amendments to NZ IFRS 7. The effect of early adopting these amendments is the following information is no longer disclosed:

- the carrying amount of financial assets that would otherwise be past due or impaired whose terms have been renegotiated; and
- the maximum exposure to credit risk by class of financial instrument if the maximum credit risk exposure is best represented by their carrying amount.

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

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

- NZ IAS 24 *Related Party Disclosures (Revised 2009)* replaces NZ IAS 24 *Related Party Disclosures (issued 2004)* and will be applied for the first-time in the University and group's 31 December 2011 financial statements. The revised standard:
 - i. Removes the previous disclosure concessions applied by the University for arms-length transactions between the University and entities controlled or significantly influenced by the Crown. The effect of the revised standard is that more information is required to be disclosed about transactions between the University and entities controlled or significantly influenced by the Crown.
 - ii. Clarifies that related party transactions include commitments with related parties.
- NZ IFRS 9 *Financial Instruments* will eventually replace NZ IAS 39 *Financial Instruments: Recognition and Measurement*. NZ IAS 39 is being replaced through the following 3 main phases: Phase 1 Classification and Measurement, Phase 2 Impairment Methodology, and Phase 3 Hedge Accounting. Phase 1 on the classification and measurement of financial assets has been completed and has been published in the new financial instrument standard NZ IFRS 9. NZ IFRS 9 uses a single approach to determine whether a financial asset is measured at amortised cost or fair value, replacing the many different rules in NZ IAS 39. The approach in NZ IFRS 9 is based on how an entity manages its financial instruments (its business model) and the contractual cash flow characteristics of the financial assets. The new standard also requires a single impairment method to be used, replacing the many different impairment methods in NZ IAS 39. The new standard is required to be adopted for the year ended 31 December 2013. The University and group has not yet assessed the impact of the new standard and expects it will not be early adopted.

Notes to the Financial Statements

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 2010:

- 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.

Notes to the Financial Statements

Note 2: Government Funding and Grants

	Consolidated		University	
	This Year	Last Year	This Year	Last Year
	\$000	\$000	\$000	\$000
Block Grants	84,639	81,668	84,639	81,668
Advisory Services Grants	7,076	7,980	7,076	7,980
Other Grants	1,926	1,263	1,926	1,263
Total Government Funding and Grants	93,641	90,911	93,641	90,911

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

Notes to the Financial Statements

Note 3: Tuition Fees

	Consolidated		University	
	This Year	Last Year	This Year	Last Year
	\$000	\$000	\$000	\$000
Government Funded Students	38,618	37,950	38,618	37,950
Full Cost International Students	26,419	25,330	26,419	25,330
Total Fees	65,037	63,280	65,037	63,280

Notes to the Financial Statements

Note 4: Other Income

	Consolidated		University	
	This Year	Last Year	This Year	Last Year
	<i>\$000</i>	<i>\$000</i>	<i>\$000</i>	<i>\$000</i>
Student Accommodation and Other Services	7,710	7,176	7,710	7,176
Rental	735	750	823	764
Carbon Dating	1,104	1,007	1,104	1,005
Printing and Copying Services	1,444	1,172	1,444	1,172
Teaching Resource Sales	719	736	719	736
Other Income	10,869	11,735	8,230	9,824
Total Other Income	22,581	22,576	20,030	20,677

Notes to the Financial Statements

Note 5: 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	248	212	152	143
Audit fees for assurance services	-	6	6	6
Loss on Disposal of Property Plant & Equipment	105	95	105	95
(Gain)/Loss on financial assets at fair value through surplus or deficit	-	(60)	-	-
Foreign Exchange (Gain)/Loss	(21)	351	(21)	351
Impairment of Receivables	(802)	1,045	(375)	1,175
Travel and Accommodation	5,446	5,550	4,730	4,839
Operating Leases	4,249	3,894	4,249	3,894
Restructuring Costs	-	89	-	89
Scholarships	10,033	10,300	9,835	10,190
Hirage	1,472	1,249	1,471	1,249
Repairs and Maintenance	3,304	2,202	3,304	2,200
Teaching and Research Materials	1,960	2,085	1,795	2,009
Utilities	3,538	3,346	3,538	3,337
Koha Payments	12	39	12	39
Other operating expenses	31,697	30,501	32,123	32,869
Total other costs	61,241	60,904	60,924	62,485

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

Notes to the Financial Statements

Note 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	1,553	1,478	374	374
LCo New Zealand Limited Investment	638	606	501	501
WaikatoLink Limited Investments	-	-	-	-
Total Investments in Associates	2,191	2,084	875	875

Associates

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

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

	Consolidated	
	This Year	Last Year
	\$000	\$000
The University's share of the results of U Leisure Limited is as follows:		
Share of retained surplus/(loss)	75	98
Investment in Associate		
Opening Balance	1,478	1,380
Share of retained surplus/(loss)	75	98
Closing Balance	1,553	1,478
Represented by:		
Share of increase in net assets of associate (Carrying Value)	1,553	1,478

Notes to the Financial Statements

	Ownership	Balance Date
LCo New Zealand Limited (LCoNZ)	24%	31 December
Principal Activity: A consortium of four New Zealand universities providing library solutions to those universities.		

	Consolidated	
	This Year	Last Year
The University's share of the results of LCoNZ is as follows:	\$000	\$000
Share of retained surplus/(loss)	54	25
Investment in Associate		
Opening Balance	606	620
Share of retained surplus/(loss)	54	25
Dividend paid	(22)	(40)
Closing Balance	638	606
Represented by:		
Share of increase in net assets of associate (Carrying Value)	638	606

	Consolidated	
	This Year	Last Year
WaikatoLink Limited's share of the results of its Associates is as follows:	\$000	\$000
Share of retained surplus/(loss)	-	(224)
Investment in Associate		
Opening Balance	-	593
Associate disposed of during year		(248)
Share of total recognised revenues and expenses	-	(345)
Closing Balance	-	-
Summarised financial Information of Associates		
Assets	6,697	7,285
Liabilities	928	1,784
Net Assets	5,769	5,501
Revenue	4,630	4,484
Net Surplus/(Loss)	388	302
Share of Associates' surplus/(loss)	129	(100)

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

Details of contingent liabilities arising from the group involvement in the associates are disclosed separately in note 28.

Notes to the Financial Statements

Note 7: Equity

General Equity

	Consolidated		University	
	This Year	Last Year	This Year	Last Year
	\$000	\$000	\$000	\$000
Opening Balance	183,659	172,687	164,330	155,265
Net Surplus/(Deficit)	8,854	10,741	9,371	8,970
Staff Share Options Issued	56	91	-	-
Associate prior year gains/losses reversed on share buy back	(113)	30	-	-
<i>less appropriations of net surplus to:</i>				
Restricted Reserves				
Prizes, Scholarships and Trust Funds	(1,195)	(801)	(1,195)	(801)
Surplus attributable to Non-Controlling Interest	161	16	-	-
<i>plus transfers from</i>				
Prizes, Scholarships and Trust Funds	927	895	927	895
Closing Balance	192,349	183,659	173,433	164,330

During 2008, 11 Ants Ltd, a subsidiary of WaikatoLink, established a share option programme that entitles key personnel to purchase shares in the company. In accordance with this programme options are exercisable at the market price of the shares at the date of grant. During the 2010 year \$56,180 of options were exercised (2009 : \$90,827).

Notes to the Financial Statements

Other Reserves

	Ref	Consolidated		University	
		This Year	Last Year	This Year	Last Year
		\$000	\$000	\$000	\$000
Asset Revaluation Reserve	i	142,209	142,209	142,209	142,209
Restricted Reserves	ii	3,140	2,872	3,140	2,872
Total Other Reserves		145,349	145,081	145,349	145,081

i) Asset Revaluation Reserve

	Consolidated		University	
	This Year	Last Year	This Year	Last Year
	\$000	\$000	\$000	\$000
Opening Balance	142,209	119,985	142,209	119,985
Revaluation	-	22,224	-	22,224
Transfer on disposal of assets	-	-	-	-
Net Increase in Asset Revaluation Reserve	-	22,224	-	22,224
Closing Balance	142,209	142,209	142,209	142,209

Represented by:

Land

Opening Balance	790	836	790	836
Revaluation	-	(46)	-	(46)
Closing Balance	790	790	790	790

Buildings

Opening Balance	130,458	111,781	130,458	111,781
Revaluation	-	18,677	-	18,677
Transfer on disposal of assets	-	-	-	-
Closing Balance	130,458	130,458	130,458	130,458

Infrastructural Assets

Opening Balance	10,961	7,368	10,961	7,368
Revaluation	-	3,593	-	3,593
Closing Balance	10,961	10,961	10,961	10,961

Notes to the Financial Statements

ii) Restricted Reserves

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

	Consolidated		University	
	This Year	Last Year	This Year	Last Year
	\$000	\$000	\$000	\$000
Prizes, Scholarships and Trust Funds				
Opening Balance	2,872	2,967	2,872	2,967
add appropriation of Net Surplus	1,195	801	1,195	801
less application to Prizes, Scholarships and Trust Funds	(927)	(895)	(927)	(895)
Closing Balance	3,140	2,872	3,140	2,872

Notes to the Financial Statements

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	1,436	1,567	617	1,364
Term deposits maturing three months or less from date of acquisition	10,128	8,933	9,764	8,829
	11,564	10,500	10,381	10,193

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

Refer to note 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	6,043	7,966	3,471	4,243
Student Fee Receivables	8,867	6,948	8,867	6,948
Receivables from Subsidiaries	-	-	208	135
Receivables from Related Parties	-	-	163	113
Impairment of Debtors	(1,099)	(3,040)	(1,079)	(1,593)
	13,811	11,874	11,630	9,847

Included in Student Fee Receivables is \$8.2M (2009 : \$6.2M) of 2011 fees which have been invoiced but are not due for for payment until 2011. Also refer note 18.

The carrying value of receivables approximates their fair value.

No interest is charged on trade receivables. An allowance has been made for estimated irrecoverable amounts from debtors, determined by reference to individual debtors, past default experience and the age of the debt. The movement for impairment is recognised in the Statement of Comprehensive Income for the current year (refer note 5).

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

Notes to the Financial Statements

As at 31 December 2010 and 2009, all overdue receivables have been assessed for impairment and appropriate provisions applied, as detailed below:

	University					
	This Year			Last Year		
	Gross \$000	Impairment \$000	Net \$000	Gross \$000	Impairment \$000	Net \$000
Not past due	8,952	(321)	8,631	4,836	(321)	4,515
Past due 1-30 days	2,319	-	2,319	2,992	-	2,992
Past due 31-60 days	331	-	331	2,263	-	2,263
Past due 61+ days	905	(758)	147	1,349	(1,272)	77
Total	12,507	(1,079)	11,428	11,440	(1,593)	9,847

	Consolidated					
	This Year			Last Year		
	Gross \$000	Impairment \$000	Net \$000	Gross \$000	Impairment \$000	Net \$000
Not past due	10,240	(321)	9,919	6,125	(321)	5,804
Past due 1-30 days	2,321	-	2,321	3,003	-	3,003
Past due 31-60 days	331	-	331	2,264	-	2,264
Past due 61+ days	2,018	(778)	1,240	3,522	(2,719)	803
Total	14,910	(1,099)	13,811	14,914	(3,040)	11,874

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

	Consolidated		University	
	This Year \$000	Last Year \$000	This Year \$000	Last Year \$000
	At 1 January	3,040	2,204	1,593
Provisions made during the year	(802)	1,045	(375)	1,175
Receivables written off during the year	(1,139)	(209)	(139)	(209)
At 31 December	1,099	3,040	1,079	1,593

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: Intercompany Balances

	Consolidated		University	
	This Year	Last Year	This Year	Last Year
	\$000	\$000	\$000	\$000
University of Waikato Foundation Trust	-	-	(221)	-
University of Waikato Alumni Association	-	-	(5)	-
Student Campus Building Fund Trust	-	-	(926)	(720)
LCo New Zealand Limited Investment	-	-	(61)	(40)
WaikatoLink Limited	-	-	5,972	4,547
University of Waikato Research Trust	-	-	(15,796)	(15,595)
Total Intercompany Balances	-	-	(11,037)	(11,808)
Current Portion	-	-	4,759	3,787
Non Current Portion	-	-	(15,796)	(15,595)
Total Intercompany Balances	-	-	(11,037)	(11,808)

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

All current accounts with the exception of the University of Waikato Research Trust are classified as current. The University of Waikato Research Trust is classified as non-current as the Research Trust trustees are unable to determine the repayment amount, if any, that will be required during the 12 months to December 2011.

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

As at 31 December 2010 the University had advanced to WaikatoLink Ltd a total of \$5,971,790 by way of shareholder loan. \$400,000 of this loan is subject to an interest rate equal to the interest rate that the University receives on deposits, and an additional \$210,000 advanced during 2009 and \$1,500,000 advanced during 2010 is subject to a 3% pa interest rate. The balance of the loan is interest free and repayable on demand. The University has undertaken not to demand repayment until WaikatoLink has sufficient free cash available to make repayments.

Notes to the Financial Statements

Note 11: 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	12,000	9,058	12,000	9,058
Total Short Term Investments	12,000	9,058	12,000	9,058

The weighted average effective interest rates on term deposits are disclosed in Note 26: Financial Instruments. These deposits are valued at amortised cost using the effective interest method.

There was no impairment provision for investments.

Notes to the Financial Statements

Note 12: Inventories

	Consolidated		University	
	This Year	Last Year	This Year	Last Year
	\$000	\$000	\$000	\$000
Held for Sale	267	263	267	263
Held for Distribution/Use	716	735	716	735
	983	998	983	998

No inventories are pledged as security for liabilities or subject to retention of title clauses. (2009 \$nil).

There were no writedowns for obsolescence in 2010 (2009 \$nil).

Notes to the Financial Statements

Note 13: Investments

	Consolidated		University	
	This Year	Last Year	This Year	Last Year
	\$000	\$000	\$000	\$000
Strategic Investments				
NZ Tec Consortium Limited	20	20	20	20
NZ Synchrotron Group Limited	198	198	198	198
Hamilton Fibre Network (HFN) Limited	196	174	196	174
Titanox Development Limited	195	195	-	-
Investments in Subsidiaries				
WaikatoLink Limited	-	-	2,000	2,000
	609	586	2,414	2,392

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

Notes to the Financial Statements

Note 14: Loans and Receivables

	Consolidated		University	
	This Year	Last Year	This Year	Last Year
	\$000	\$000	\$000	\$000
Hamilton Fibre Network Limited	146	146	146	146
	146	146	146	146

The University has loaned Hamilton Fibre Network Limited \$146,152 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 Statement of Comprehensive Income.

Notes to the Financial Statements

Note 15: Other Financial Assets

	Consolidated		University	
	This Year	Last Year	This Year	Last Year
	\$000	\$000	\$000	\$000
Listed Securities: Equity Securities in NZ				
Balance at the Beginning of the Year	297	237	-	-
Additions	-	-	-	-
Disposals	(481)	-	-	-
Fair Value Gain/(Loss) through surplus or deficit	184	60	-	-
Balance at the End of the Year	-	297	-	-
The carrying value is comprised of:				
Cost	-	750	-	-
Fair Value Gain/(Loss) through surplus or deficit	-	(453)	-	-
	-	297	-	-

All investments are designated at fair value from initial recognition. The consolidated listed securities were disposed of during 2010.

Listed shares are recognised at their fair value determined using published bid price quotations from the NZSX at balance date.

Notes to the Financial Statements

Note 16: Intangible Assets

	Consolidated				University		
	Software - Purchased	Software - Internally Generated	Non Software Development Costs	Consolidated Total	Software - Purchased	Software - Internally Generated	University Total
<i>This Year</i>	<i>\$000</i>	<i>\$000</i>	<i>\$000</i>	<i>\$000</i>	<i>\$000</i>	<i>\$000</i>	<i>\$000</i>
Opening Balance at 1 January 2010							
Cost	12,930	925	8,339	22,194	12,915	925	13,840
Accumulated Amortisation and Impairment	(7,238)	(541)	(980)	(8,759)	(7,233)	(541)	(7,774)
Opening Carrying Amount	5,692	384	7,359	13,435	5,682	384	6,066
Year Ended 31 December 2010							
Additions	1,507	-	1,741	3,248	1,507	-	1,507
Disposals	-	-	(680)	(680)	-	-	-
Amortisation and Impairment Charge	(1,242)	(76)	(1,160)	(2,478)	(1,238)	(76)	(1,314)
Closing Carrying Amount	5,957	308	7,260	13,525	5,951	308	6,259
Closing Balance at 31 December 2010							
Cost	14,437	925	9,400	24,762	14,422	925	15,347
Accumulated Amortisation and Impairment	(8,480)	(617)	(2,140)	(11,237)	(8,471)	(617)	(9,088)
Closing Carrying Amount	5,957	308	7,260	13,525	5,951	308	6,259

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 2009							
Cost	12,074	925	4,583	17,583	12,074	925	12,999
Accumulated Amortisation and Impairment	(6,164)	(465)	(248)	(6,878)	(6,164)	(465)	(6,629)
Opening Carrying Amount	5,910	460	4,335	10,705	5,910	460	6,370
Year Ended 31 December 2009							
Additions	856	-	3,756	4,612	841	-	841
Disposals	-	-	-	-	-	-	-
Amortisation Charge	(1,074)	(76)	(732)	(1,882)	(1,069)	(76)	(1,145)
Closing Carrying Amount	5,692	384	7,359	13,435	5,682	384	6,066
Closing Balance at 31 December 2009							
Cost	12,930	925	8,339	22,194	12,915	925	13,840
Accumulated Amortisation and Impairment	(7,238)	(541)	(980)	(8,759)	(7,233)	(541)	(7,774)
Closing Carrying Amount	5,692	384	7,359	13,435	5,682	384	6,066

Non Software Development Costs

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

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

The total amount of intangible assets in the course of construction is \$459,000 (2009 \$497,000)

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

Notes to the Financial Statements

Note 17: Property, Plant and Equipment

This Year Consolidated	Cost/ Revaluation 1 Jan 10	Accumulated Depreciation and Impairment Charges 1 Jan 10	Carrying Amount 1 Jan 10	Current Year Additions	Current Year Disposals	Current Year Impairment Charges	Current Year Depreciation	Revaluation Movement	Cost/ Revaluation 31 Dec 10	Accumulated Depreciation and Impairment Charges 31 Dec 10	Carrying Amount 31 Dec 10
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Land	1,825	-	1,825	-	-	-	-	-	1,825	-	1,825
Infrastructural Assets	17,894	-	17,894	376	-	-	(772)	-	18,270	(772)	17,497
Buildings	256,085	-	256,085	3,425	-	-	(8,370)	-	259,510	(8,370)	251,140
Leasehold Building Improvements	2,251	(1,699)	552	297	-	-	(98)	-	2,548	(1,797)	751
Library Collection	54,139	(29,030)	25,109	3,213	-	-	(2,287)	-	57,352	(31,317)	26,035
Teaching & Research Equipment	60,257	(43,726)	16,531	4,814	(83)	-	(4,324)	-	61,570	(44,631)	16,938
Art Collection	325	(6)	319	10	-	-	-	-	335	(6)	329
Administration, Plant and Furniture	614	(390)	223	26	-	-	(73)	-	622	(444)	177
Motor Vehicles	3,586	(1,851)	1,735	634	(127)	-	(402)	-	3,795	(1,956)	1,839
Work in Progress	18,276	-	18,276	10,410	-	-	-	-	28,686	-	28,686
Total	415,250	(76,701)	338,549	23,207	(210)	-	(16,326)	-	434,512	(89,294)	345,217

Notes to the Financial Statements

Last Year Consolidated	Cost/ Revaluation 1 Jan 09	Accumulated Depreciation and Impairment Charges 1 Jan 09	Carrying Amount 1 Jan 09	Current Year Additions	Current Year Disposals	Current Year Impairment Charges	Current Year Depreciation	Revaluation Movement	Cost/ Revaluation 31 Dec 09	Accumulated Depreciation and Impairment Charges 31 Dec 09	Carrying Amount 31 Dec 09
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Land	1,870	-	1,870	-	-	-	-	(45)	1,825	-	1,825
Infrastructural Assets	14,314	(782)	13,532	1,220	-	-	(451)	3,593	17,894	-	17,894
Buildings	251,737	(15,209)	236,528	8,831	-	-	(7,950)	18,676	256,085	-	256,085
Leasehold Building Improvements	2,955	(2,313)	642	-	(29)	-	(61)	-	2,251	(1,699)	552
Library Collection	50,864	(26,816)	24,048	3,275	-	-	(2,214)	-	54,139	(29,030)	25,109
Teaching & Research Equipment	58,175	(40,505)	17,670	3,456	(58)	-	(4,538)	-	60,257	(43,726)	16,531
Art Collection	315	(6)	310	9	-	-	-	-	325	(6)	319
Administration, Plant and Furniture	568	(336)	232	43	-	-	(54)	-	614	(390)	223
Motor Vehicles	3,660	(2,001)	1,659	603	(132)	-	(395)	-	3,586	(1,851)	1,735
Work in Progress	11,433	-	11,433	6,860	(17)	-	-	-	18,276	-	18,276
Total	395,892	(87,968)	307,924	24,298	(236)	-	(15,663)	22,224	415,250	(76,701)	338,549

Notes to the Financial Statements

The \$134,000 (2009 - \$172,000) difference between the PPE 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 \$1,000 (2009 \$2,000) and WaikatoLink Limited of \$133,000 (2009 - \$172,000).

Land and Buildings

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

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

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

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

Land and Buildings were revalued as at 31 December 2009 by Darroch Valuations Limited (Registered Valuers), on a fair value basis. The total fair value of Land and Buildings valued by Darroch Valuations Ltd at 31 December 2009 was \$257,909,689.

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

Infrastructure

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

Infrastructural Assets were revalued as at 31 December 2009 by Opus International Consultants Limited on a fair value basis. The total fair value of infrastructure valued by Opus at 31 December 2009 was \$17,894,000.

The net carrying amount of Property, Plant and Equipment held under finance leases is \$2,042,000 (2009 - \$1,860,000)

Restrictions on title.

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

Notes to the Financial Statements

Note 18: Income in Advance

	Consolidated		University	
	This Year	Last Year	This Year	Last Year
	<i>\$000</i>	<i>\$000</i>	<i>\$000</i>	<i>\$000</i>
Research Income	7,549	6,170	7,549	6,170
Commercial	1,430	1,476	1,430	1,476
Tuition Fees	18,851	18,516	18,817	18,480
Total Income in Advance	27,830	26,162	27,796	26,126

Included in tuition fees is \$8.2M (2009 : \$6.2M) of 2011 fees which have been invoiced but are not due for payment until 2011. Also refer note 9.

Notes to the Financial Statements

Note 19: Trade and Other Payables

	Consolidated		University	
	This Year	Last Year	This Year	Last Year
	<i>\$000</i>	<i>\$000</i>	<i>\$000</i>	<i>\$000</i>
Trade Payables	7,643	5,665	7,497	5,102
Payables to Related Parties (see note 27)	389	212	389	212
GST Payable	2,457	2,273	2,453	2,246
Accruals	1,767	2,735	1,196	2,735
Trade and Other Payables	12,256	10,885	11,535	10,295

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

Notes to the Financial Statements

Note 20: Employee Entitlements

	Consolidated		University	
	This Year	Last Year	This Year	Last Year
	\$000	\$000	\$000	\$000
Staff Annual and Long Service Leave vested	8,257	7,723	8,257	7,723
Sick Leave	38	16	38	16
Other Employee Entitlements	3,897	2,959	3,485	2,671
Actuarial Valuation of Anticipated Retirement Gratuities and Long Service Leave	11,898	11,170	11,898	11,170
Total Employee Entitlements	24,090	21,868	23,678	21,580
Current Portion	13,868	12,353	13,456	12,065
Non Current Portion	10,222	9,515	10,222	9,515
Total Employee Entitlements	24,090	21,868	23,678	21,580

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

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

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

The following is included in the Employee Benefit Expenses - Academic and Employee Benefit Expenses General:

	Consolidated		University	
	This Year	Last Year	This Year	Last Year
	\$000	\$000	\$000	\$000
Defined contribution plan employer contributions.	4,129	3,624	4,129	3,624

Employee Benefit Expenses - Academic and Employee Benefit Expenses - General also includes \$1,107,943 in restructuring costs for the year ended 31 December 2010 (2009 : \$651,500).

Notes to the Financial Statements

Note 21: Derivative Financial Instruments

	Consolidated		University	
	This Year	Last Year	This Year	Last Year
	\$000	\$000	\$000	\$000
Current liability portion				
Forward foreign exchange contracts	-	22	-	22
Total derivative financial instrument liabilities	-	22	-	22

Fair Value

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

The notional principal amounts of outstanding forward foreign exchange contracts in NZD were NIL (2009 \$986,516). The foreign currency principal amounts at 31 December 2009 were GBP37,000, USD500,000 and EUR95,000.

Notes to the Financial Statements

Note 22: Borrowings

	Consolidated		University	
	This Year	Last Year	This Year	Last Year
	\$000	\$000	\$000	\$000
Opening Balance	1,400	1,475	1,400	1,475
less Borrowings Repaid	(62)	(75)	(62)	(75)
Closing Balance	1,338	1,400	1,338	1,400
Current Portion - Finance Lease	2	2	2	2
Current Portion - Loan	-	60	-	60
Non Current Portion - Finance Lease	1,336	1,338	1,336	1,338
Non Current Portion - Loan	-	-	-	-
	1,338	1,400	1,338	1,400

The Finance lease was fair valued at inception using a discount rate of 12.07%. The University's other loan was an interest free loan from the Energy Efficiency and Conservation Authority (EECA) which was 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. The EECA loan was fully repaid in 2010.

Finance lease

(a) Leasing arrangements

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

(b) Finance lease liabilities

	Minimum Future Lease Payments				Present Value of minimum future lease payments			
	Consolidated		University		Consolidated		University	
	This Year	Last Year	This Year	Last Year	This Year	Last Year	This Year	Last Year
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
No later than 1 year	164	164	164	164	154	154	154	154
Between 1 and 5 years	655	655	655	655	459	459	459	459
Later than five years	5,024	5,188	5,024	5,188	725	728	725	728
Minimum Lease Payments	5,843	6,006	5,843	6,006	1,338	1,340	1,338	1,340
Less future finance charges	(4,505)	(4,666)	(4,505)	(4,666)				
Present value of minimum lease payments	1,338	1,340	1,338	1,340	1,338	1,340	1,338	1,340

Notes to the Financial Statements

Note 23: Key Management Personnel Compensation

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

	University	
	This Year	Last Year
	\$	\$
Short-term employee benefits	4,525,795	2,950,588
Councillor Remuneration	83,557	80,694
Post-employment benefits	200,527	142,892
Termination benefits *	0	194,058
Total	4,809,879	3,368,232

* These amounts include the salary and contractual payments that are part of the standard entitlements of the staff involved and other amounts that were negotiated as part of the termination settlement.

During 2010 a change in the management committee structure has resulted in a broadening of the key management personnel definition within the University. The numbers of key management personnel reported above have increased from 33 in 2009 to 47 in 2010.

Notes to the Financial Statements

Note 24: Reconciliation of the Net Surplus/(Deficit) to the Net Cash Flows from Operating Activities

	Consolidated		University	
	This Year	Last Year	This Year	Last Year
	\$000	\$000	\$000	\$000
Net Surplus/(Deficit)	8,854	10,741	9,371	8,970
Add/(Less) Non Cash Items:				
Depreciation and Amortisation	18,804	17,341	17,578	16,769
Increase/(Decrease) in Term Portion of Employee Entitlements	707	(337)	707	(337)
Intercompany Accounts	-	-	(771)	(154)
Share of Surplus/(Deficit) from Associates	-	224	-	-
Loss on Disposal of Property, Plant & Equipment	105	-	105	-
Other	357	(286)	-	(46)
	19,973	16,942	17,619	16,232
Add/(Less) Movements in Other Working Capital Items:				
(Increase)/Decrease in Trade and Other Receivables	(1,900)	(882)	(1,784)	(302)
Increase/(Decrease) in Trade and Other Payables	1,366	(581)	1,242	(721)
(Increase)/Decrease in Inventories	15	53	15	53
Increase/(Decrease) in Income in Advance	1,669	1,705	1,669	1,669
Increase/(Decrease) in Employee Entitlements	1,521	(912)	1,391	(1,002)
(Increase)/Decrease in Prepayments	(1,705)	(368)	(1,705)	(368)
	966	(985)	828	(671)
Add/(Less) Items Classified as Investing and Financing Activities:				
Long Term Investment	167	-	(22)	-
(Increase)/Decrease in Property Plant & Equipment Payables	943	1,360	943	1,360
Cash investment to Waikato Link	-	-	1,455	-
Equity Distribution from Subsidiary	-	-	(294)	-
Cash Dividend from Subsidiary	-	-	(116)	-
	1,110	1,360	1,966	1,360
Net Cash Flow from Operating Activities	30,903	28,058	29,784	25,891

Notes to the Financial Statements

Note 25: Leases

Operating Leases as Lessee

(a) Leasing Arrangements

	Final Expiry	2010 Actual	Commentary
Property Leases		\$000	
Waikato-Tainui Campus Land	In perpetuity	2,012	Subject to lease condition
Tauranga Campus	2012 to 2025	542	5 Separate Leases
Ruakura Satellite Campus	2011 to 2013	375	4 Separate Leases
Other Hamilton Leases	2011 to 2023	215	5 Leases
Other	2011 -2017	122	5 Leases
Equipment Leases	2013 to renewable	982	3 Leases
Total		4,249	

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

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

The University has entered into a prepaid lease agreement. The future aggregate minimum lease payments under the non-cancellable operating lease are \$150,000 not longer than 1 year, \$600,000 longer than 1 year and not longer than 5 years, and \$262,500 longer than 5 years. These amounts will be expensed through the Statement of Comprehensive Income in the relevant periods.

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

	Consolidated		University	
	This Year	Last Year	This Year	Last Year
	\$000	\$000	\$000	\$000
(b) Non-cancellable operating lease payments				
Not longer than 1 year	3,798	3,381	3,798	3,381
Longer than 1 year and not longer than 5 years	9,803	9,882	9,803	9,882
Longer than five years	61,883	63,895	61,883	63,895
	75,484	77,158	75,484	77,158

(c) Sub-leases

The total minimum future receipts that the university expects to receive from its tenants on leased land is \$8.980M, (2009 \$10.532M). The minimum renewal periods range from 1 to 36 years.

Notes to the Financial Statements

Lessors Disclosures

Operating Leases as Lessor

(a) Leasing Arrangements (Receivables)

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

	Consolidated		University	
	This Year	Last Year	This Year	Last Year
	\$000	\$000	\$000	\$000
(b) Non-cancellable operating lease receivables				
Not longer than 1 year	568	725	568	725
Longer than 1 year and not longer than 5 years	1,605	2,026	1,605	2,026
Longer than five years	7,243	8,446	7,243	8,446
	9,416	11,197	9,416	11,197

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

Notes to the Financial Statements

Note 26: Financial Instruments

26A: Financial Instrument Categories

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

	Consolidated		University	
	This year	Last year	This year	Last year
	\$000	\$000	\$000	\$000
FINANCIAL ASSETS				
Fair value through surplus or deficit				
-Held for trading				
Other Financial Assets	0	297	0	0
Total held for trading	0	297	0	0
Loans and Receivables				
Cash and Cash Equivalents	11,564	10,500	10,381	10,193
Trade and Other Receivables	13,811	11,874	11,630	9,847
Inter Company Balances	0	0	4,759	3,787
Prepayments	4,395	2,690	4,395	2,690
Short Term Investments	12,000	9,058	12,000	9,058
Investments in Associates	2,191	2,084	875	875
Investments	609	586	2,414	2,392
Loans and Receivables	146	146	146	146
Total Loans and Receivables	44,716	36,938	46,600	38,988
FINANCIAL LIABILITIES				
Fair value through surplus or deficit				
-Held for trading				
Derivative Financial Instruments	0	22	0	22
Total held for trading	0	22	0	22
Financial Liabilities at Amortised Cost				
Income in Advance	27,830	26,162	27,796	26,126
Trade and Other Payables	12,256	10,885	11,535	10,295
University of Waikato Research Trust Payable	0	0	15,796	15,595
Total Financial Liabilities at Amortised Cost	40,087	37,047	55,127	52,016

Notes to the Financial Statements

26B: Fair Value Hierarchy Disclosures

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

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

The following table analyses the basis of the valuation of classes of financial instruments measured at fair value on the balance sheet:

	Valuation technique			
	Total	Quoted market price	Observable inputs	Significant non- observable inputs
	\$000	\$000	\$000	\$000
31 December 2010 - University				
Financial assets				
Shares	0	0	0	0
Financial liabilities				
Derivatives	0	0	0	0
31 December 2010 - Group				
Financial assets				
Shares	0	0	0	0
Financial liabilities				
Derivatives	0	0	0	0
31 December 2009 - University				
Financial assets				
Shares	0	0	0	0
Financial liabilities				
Derivatives	22	0	22	0
31 December 2009 - Group				
Financial assets				
Shares	297	297	0	0
Financial liabilities				
Derivatives	22	0	22	0

Notes to the Financial Statements

26C: Financial Instrument Risks

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

Market risk

The effective interest rates on investments range from 3.53% to 4.79% (2009 - 3.42% to 4.34%).

There was a finance lease recognised in 2006 with an effective interest rate of 12.07% in 2010. (2009 - 12.07%).

There were no term loans for 2010 (2009 - none).

Fair Value Interest Rate Risk

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

Cash Flow Interest Rate Risk

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

The University holds a mixture of fixed rate and floating call rate deposits. At 31 December the University had \$7.8m (2009 \$8.8m) invested in variable rate deposits and the balance in fixed rate deposits.

Sensitivity analysis

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

INTEREST RATE RISK

University	This Year		Last Year	
	+100bps	-100bps	+100bps	-100bps
	\$000	\$000	\$000	\$000
Instrument				
Variable rate deposits	78	(78)	88	(88)

Consolidated	This Year		Last Year	
	+100bps	-100bps	+100bps	-100bps
	\$000	\$000	\$000	\$000
Instrument				
Variable rate deposits	84	(84)	90	(90)

Notes to the Financial Statements

CURRENCY RISK

University	This Year		Last Year	
Instruments held in USD	+10%	-10%	+10%	-10%
	\$000	\$000	\$000	\$000
Creditors	9	(11)	7	(8)
Debtors	(3)	4	(6)	6
US dollar account	(13)	16	(75)	92

Consolidated	This Year		Last Year	
Instruments held in USD	+10%	-10%	+10%	-10%
	\$000	\$000	\$000	\$000
Creditors	13	(16)	7	(9)
Debtors	(8)	10	(7)	7
US dollar account	(33)	41	(75)	92

University and Consolidated	This Year		Last Year	
Instruments held in EUR	+10%	-10%	+10%	-10%
	\$000	\$000	\$000	\$000
Creditors	3	(4)	2	(3)
Debtors	-	-	(7)	8

University and Consolidated	This Year		Last Year	
Instruments held in AUD	+10%	-10%	+10%	-10%
	\$000	\$000	\$000	\$000
Creditors	9	(11)	7	(9)
Debtors	-	-	(47)	57

University and Consolidated	This Year		Last Year	
Instruments held in GBP	+10%	-10%	+10%	-10%
	\$000	\$000	\$000	\$000
Creditors	9	(12)	3	(4)
Debtors	2	3	2	3

The instruments held in CAD, JPY and SGD had minimal values, accordingly no analysis is provided.

Explanation of interest rate risk sensitivity

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

Explanation of currency risk sensitivity

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

Notes to the Financial Statements

CREDIT RISK

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

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

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

No collateral is held.

Credit quality of financial assets

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

	Consolidated		University	
	2010	2009	2010	2009
	\$000	\$000	\$000	\$000
Counterparties with credit ratings				
Cash at bank and term deposits				
AA-	23,564	19,558	22,381	19,251
Counterparties without credit ratings				
Debtors and other receivables				
Existing counterparty with no defaults in the past	13,811	11,874	11,630	9,847
Existing counterparty with defaults in the past	-	-	-	-
Total debtors and other receivables	13,811	11,874	11,630	9,847
Loans to related parties				
Existing counterparty with no defaults in the past	-	-	4,759	3,787
Existing counterparty with defaults in the past	-	-	-	-
Total loans to related parties	-	-	4,759	3,787

Notes to the Financial Statements

LIQUIDITY RISK

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

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

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

University	Less than 6 months	Between 6 months and 1 year	Between 1 and 5 years
2010	\$000	\$000	\$000
Creditors and other payables	11,535	0	0
Borrowings	82	82	655
Current Employee Entitlements	4,017	838	0
2009			
Creditors and other payables	10,295	0	0
Borrowings	122	102	655
Current Employee Entitlements	3,499	828	0
Consolidated			
2010	\$000	\$000	\$000
Creditors and other payables	12,256	0	0
Borrowings	82	82	655
Current Employee Entitlements	4,409	838	0
2009			
Creditors and other payables	10,885	0	0
Borrowings	122	102	655
Current Employee Entitlements	3,787	828	0

Notes to the Financial Statements

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) during the year:

	WaikatoLink \$	ULL \$	Foundation \$	SCBFT \$	LCoNZ \$	Alumni \$	UoW RT \$
Payments in 2010 to:	1,594,394	684,183	-	-	251,566	-	2,249,000
(2009)	2,516,470	713,552	-	-	238,924	-	3,980,120
Receipts in 2010 from:	238,316	399,069	612,788	205,911	176,865	-	348,982
(2009)	244,124	383,553	725,371	230,141	159,365	-	404,335
Accounts Receivable at 31 December 2010 owing from:	6,180,180	63,259	-	-	-	-	-
(2009)	4,682,030	69,034	-	-	-	-	-
Accounts Payable at 31 December 2010 owing to:	125,198	89	225,323	925,968	16,342	-	15,796,000
(2009)	96,470	33,974	-	729,504	350	-	15,611,000

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	35,116	36,316
Total receipts from Rural Link Limited	39,437	48,723
Accounts Receivable at 31 December from Rural Link Limited	27,877	41,893
Accounts Payable at 31 December to Rural Link Limited	59	6,024

Key Management Personnel

The University has defined key management personnel as all direct reports to the Vice Chancellor, members of Council, Finance Committee, Senior Leadership Team 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. During 2009 the University purchased consultancy services from Deloitte. A member of Finance Committee was a partner of Deloitte during 2010 and 2009. These services cost \$31,155 in 2009. There was no outstanding balance at year end. Deloitte also purchased goods from the University totalling \$1,458 (2009 : \$2,404) and had no outstanding balances at either year end.
2. The University receives various donations, research revenue and consultancy fees from Gallagher Group Ltd and Gallagher Charitable Trust, in which a member of Council is a director. These totalled \$55,225 (2009 : \$47,000). The balance outstanding at year end was \$5,000 (2009 : \$0). The University also purchased \$0.00 of goods from Gallagher Group (2009 : \$1,613)

Notes to the Financial Statements

3. During the year the University purchased goods and services from New Zealand Post in which a member of Council was the Chair. The value of these goods and services totalled \$215,734 in 2010 (2009: \$237,673). The balance outstanding at year end was \$14,448 (2009 : \$50,875).
4. During the year the University also purchased goods and services from Express Couriers Ltd in which a member of Council was a director. The value of these goods and services totalled \$77,413 in 2010 (2009 : \$83,920). The balance outstanding at year end was \$4,898.32 (2009 : \$13,653).
5. A member of Council is a director of Innovation Park. During the year the University provided services totalling \$0 (2009 : \$783) and the balance owing at year end was \$0 (2009 : \$0). The University is also a tenant of Innovation Waikato and paid them a total of \$140,656 (2009 : \$255,990) during the year. The balance owing at year end was \$1,011 (2009 : \$100).
6. A member of Finance Committee is CFO of Environment Waikato. During the year the University paid them \$22,473 in rates payments. There was a balance owing at year end of \$49. The University also received the amount of \$232,137 from Environment Waikato for services during the year. The balance owing at year end was \$14,073.
7. A member of Finance Committee is a director of R J Hill Laboratories Ltd. During the year the University provided services totalling \$22,400 (2009 : \$17,998) to Hill Laboratories and the balance owing at year end was \$1,311 (2009 : \$2,310). The University also purchased services from Hill Laboratories during the year totalling \$4,910, (2009: \$3,642) the balance outstanding at year end was \$0 (2009: \$0).
8. A member of Finance Committee is a director of Landcare Research NZ Ltd. The University provided services totalling \$401,908 (2009 : \$300,509) to Landcare Research Ltd and the balance owing at year end was \$50,914 (2009 : \$4,716). The University also purchased services from Landcare Research Ltd during the year totalling \$44,375 (2009 : \$227,566), the balance outstanding at year end was \$1748 (2009: \$0).
9. A member of Senior Leadership Team is a director of Hamilton East Medical Centre. The University purchased services from Hamilton East Medical Centre during the year totalling \$316 (2009 : \$0), the balance outstanding at year end was \$0.
10. The spouse of a key management person is a director of NZ Biotechnologies. During the year the University provided services totalling \$7,200 (2009 : \$0) to NZ Biotechnologies Ltd and the balance owing at year end was \$0.
11. Two key management personnel are directors of Te Runanganui O Ngati Porou. During the year the University provided services totalling \$3,097 and the balance owing at year end was \$0. The University also purchased services from Te Runanganui O Ngati Porou totalling \$78, the balance outstanding at year end was \$0.
12. A member of Council and Finance Committee is a director of Nexus Publications. During the year the University provided services totalling \$906 to Nexus and the balance owing at year end was \$129. The University also purchased advertising from Nexus totalling \$21,540, the balance outstanding at year end was \$0.
13. A member of Senior Leadership Team is a director of NZ Tertiary Education Consortium Ltd. The University received \$8,721 during the year from NZTEC Ltd. There was no outstanding balance at year end.
14. A member of Council and Finance Committee is a director of Tatua Co-operative Dairy Co. During the year the University provided services totalling \$9,910 to Tatua Co-op and the balance owing at year end was \$978. The University also purchased services totalling \$1,053, the balance outstanding at year end was \$0.
15. A member of Council and Finance Committee is a director of Apata Limited. During the year the University purchased services totalling \$787 from Apata Ltd and the balance owing at year end was \$0.
16. A member of Council is a director of Habitat for Humanity. During the year the University purchased services totalling \$89 from Habitat for Humanity and the balance owing at year end was \$0.
17. A member of finance committee is a director of Finn and Partners. During the year the University provided products totalling \$598 to Finn and Partners and the balance owing at year end was \$0.
18. The University also has key management personnel serving on the board of WaikatoLink Limited and ULeisure. The University's dealings with WaikatoLink Limited and ULeisure Ltd are disclosed above.
19. A member of the Senior Leadership Team is a director of Hamilton Fibre Network Limited (HFN). The University owns shares in HFN (see note 13) and has made a loan to HFN (see note 14). During the year the University increased their investment in HFN by \$23,000.

No provision has been required, nor any expense recognised for impairment of receivables for any loans or other receivables to related parties (2009: \$0).

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.

Notes to the Financial Statements

Note 28: Contingent Liabilities

University Contingent Liabilities

A guarantee has been given to the Bank of New Zealand for an overdraft facility of \$48,000 (2009 - \$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 aware of potential payments to three staff members of approximately \$16,000.

There are no other known contingent liabilities.

Share of Subsidiaries' and Associates' Contingent Liabilities

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

Notes to the Financial Statements

Note 29: Capital Management

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

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

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

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

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

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

Notes to the Financial Statements

Note 30: 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	6,178	14,656	6,178	14,656

Other Commitments

The University has agreed to provide capital funding of \$290,000 to WaikatoLink Limited for 2011.

Notes to the Financial Statements

Note 31: Events after Balance Sheet Date

There were no significant events after balance date.

13. Statement of Service Performance

The data relating to EFTS in this Statement of Service Performance take account of Ministry-Funded EFTS only (and do not take account of Full-Cost International or Full-Cost Other EFTS).

KPI 1 Reduce proportion of sub-degree EFTS provision

2007 Actual	2008 Actual	2009 Actual	2010 Target	2010 Actual
3.0%	2.4%	3.4%	0.5%	0.5%

In light of pressure on enrolments in a capped funding environment, the University of Waikato entered into an agreement with Wintec in 2009 for the delivery of its Certificate of University Preparation (CUP) from 2010. As a transitional arrangement in 2010, the University delivered 40 CUP EFTS in the science stream, pending Wintec's accreditation to deliver the full programme from 2011. The result of 0.5% against this KPI in 2010 accounts for those 40 EFTS. The majority of CUP graduates are expected to transfer into degree level programmes at the University.

KPI 2 Improve progression rates from sub-degree to degree level qualifications

2007 Actual	2008 Actual	2009 Actual	2010 Target	2010 Actual
87.3%	81.2%	82.4%	85%	81.5%

This KPI counts students who have completed a sub-degree qualification in the year prior to the KPI year and of those, the proportion that progress to a degree-level qualification in the subsequent 12-month period. (It does not take account of students who enrol for, but do not complete, a sub-degree qualification, regardless of whether or not they subsequently progress to degree level study.)

In 2010, the completion rate for the CUP was 67% - consistent with the rate achieved in previous years. Of those, 81.5% subsequently enrolled in a degree-level programme at the University of Waikato. It is very likely that those students who did not transfer to Waikato enrolled at another TEI.

KPI 3 Improve student progression rates from other tertiary sub-sectors

2007 Actual	2008 Actual	2009 Actual	2010 Target	2010 Actual
540	484	586	615	344

(Students who have been enrolled in the University's CUP programme at Wintec and who subsequently enrol at the University of Waikato are not included in this KPI.)

2010 saw a significant decrease in the number of students transferring to the University of Waikato from other tertiary sub-sectors. This result was counter to the trend over the previous two years. The most significant decline in transferring students was from Wintec (down from 176 students in 2009 to 78 students in 2010). The number of students transferring from the Bay of Plenty Polytechnic also decreased (down from 56 students in 2009 to 45 students in 2010).

The most popular programmes into which students transfer from other tertiary providers continue to be the Bachelor of Teaching, Graduate Diploma of Teaching and Bachelor of Social Sciences.

KPI 4 Increase number of qualifications offered in collaboration with other TEIs

No specific targets were identified against this KPI for 2010.

The University's approach towards collaboration with other Tertiary Education Institutions (TEIs) has changed over the period of the Investment Plan 2008-2010. In preference to developing new qualifications in collaboration with other TEIs, the University has instead focussed on the development of staircasing arrangements from existing qualifications offered by other TEIs to degree-level study at the University of Waikato.

13. Statement of Service Performance

In 2009 the University of Waikato was awarded Priorities for Focus funding by the TEC in support of a Cross-Sector Tertiary Pathways Project, which is aimed at establishing a comprehensive framework of pathways from other tertiary providers.

This funding has been used for the development of a website that informs students of relevant TEIs about the academic credit for which they will be eligible towards University of Waikato qualifications. The University aims to make the website operational in 2011.

KPI 5 Improve successful paper completion rates for papers at degree level

2007 Actual	2008 Actual	2009 Actual	2010 Target	2010 Actual
82.0%	83.0%	82.8%	85%	86%

The University's Teaching and Learning Plan 2010-2012 was approved by Council in March 2010. The primary objective of this Plan is to ensure excellence in the delivery of academic programmes through fostering and supporting a teaching, learning and supervision culture that is consistent with the University's key goals, is informed by learning outcomes, recognises and rewards excellence, is research-based and addresses the expectations and aspirations of all students.

A number of initiatives were undertaken in 2010 to achieve this objective, including much closer monitoring of student progress through the academic year and the tighter implementation of re-entry criteria.

During 2010, the TEC released information about the performance of TEIs against a set of Educational Performance Indicators. This performance information was based on new methodologies that had been developed in consultation with the tertiary education sector. While the information published by the TEC is not directly comparable with the methodology used by the University for KPI 5, the published information shows that in 2009, Waikato achieved an 84% course completion rate (4th out of all universities) - which was the same as the median course completion rate.

KPI 6 Maintain successful completion rates for qualifications at degree level and higher (over a five year period)

This KPI was set in 2008, at the beginning of the current Investment Plan period, with the intention of reporting five years later (2013). The TEC has since acknowledged that the methodology associated with this approach to measuring qualification completions is complex and difficult for TEIs to replicate.

During 2010, the TEC released information about the performance of TEIs against a set of Educational Performance Indicators. This performance information was based on new methodologies that had been developed in consultation with the tertiary education sector. Information published by the TEC shows that in 2009, Waikato achieved a 73% qualification completion rate (3rd out of all universities) - which was 7% higher than the median qualification completion rate.

KPI 7 Improve student progression rates from degree to postgraduate qualifications

2007 Actual	2008 Actual	2009 Actual	2010 Target	2010 Actual
16.5%	16.4%	16.0%	18%	18.3%

The results against this KPI reflect the University's strategic commitment, as set out in its Research Plan 2010 - 2012 to enhancing research postgraduate outcomes and increasing the proportion of its enrolments overall at postgraduate level.

Initiatives to develop and deliver enhanced support for postgraduate students across the University include scholarships, mentoring, financial support, work placement, customised workshops, a stronger and more vibrant postgraduate research culture on campus and study abroad opportunities.

13. Statement of Service Performance

KPI 8 Of EFTS generated by students aged under 25, increase the proportion enrolled for qualifications at degree level and higher

2007 Actual	2008 Actual	2009 Actual	2010 Target	2010 Actual
96.0%	96.8%	95.5%	97%	99.5%

The University exceeded its target against this KPI largely as a result of its decision to limit sub-degree enrolments to 40 EFTS - as explained under KPI 1.

The University will not generate any MF sub-degree EFTS in 2011.

KPI 9 Of students aged under 25, improve successful paper completion rates at degree level

2007 Actual	2008 Actual	2009 Actual	2010 Target	2010 Actual
82.0%	82.8%	82.6%	85%	85.4%

While the University is aware of the Government's strategic priorities with respect to young people aged under 25, its initiatives and services in support of quality teaching and learning to date have been targeted towards all students rather than particular age groups. Performance against this KPI and KPI 5 is therefore closely linked.

KPI 10 Of students aged under 25, maintain successful completion rates of qualifications at degree level and higher (over a five year period)

This KPI was set in 2008, at the beginning of the current Investment Plan period, with the intention of reporting five years later (2013). The TEC has since acknowledged that the methodology associated with this approach to measuring qualification completions is complex and difficult for TEIs to replicate. The TEC has developed a new methodology in consultation with the tertiary sector, which will apply for the next Investment Plan period.

As explained in relation to KPI 9, while the University is aware of the Government's strategic priorities with respect to young people aged under 25, its initiatives and services in support of quality teaching and learning to date have been targeted towards all students rather than particular age groups. Performance against this KPI and KPI 6 is therefore closely linked.

KPI 11 Increase proportion of research postgraduate EFTS provision

2007 Actual	2008 Actual	2009 Actual	2010 Target	2010 Actual
6.1%	6.3%	6.3%	6.7%	6.9%

The University's achievement against this KPI reflects its commitment, as set out in its Strategy and Research Plan, to increasing both the number and proportion of research postgraduate EFTS.

Over the period of the University's Investment Plan 2008-2010, the actual number of research postgraduate EFTS has increased by 18% (from 498 EFTS in 2008 to 592 in 2010).

Postgraduate enrolments continue to be prioritised as part of the University's approach to managing its enrolments in a capped funding environment. Professional development programmes for academic staff build capacity and capability in postgraduate supervision.

KPI 12 Increase Māori EFTS

2007 Actual	2008 Actual	2009 Actual	2010 Target	2010 Actual
22.3% (1,717 EFTS)	21.0% (1,653 EFTS)	1,851 EFTS (21.3%)	1700 EFTS (21.0%)	1773 EFTS (20.7%)

The University's success against this KPI reflects its commitment, as set out in its Strategy and Māori Plan, to taking a more structured and coordinated approach to improving Māori student recruitment and retention rates

13. Statement of Service Performance

The University-wide Māori mentoring programme is well-established, and a number of scholarship programmes offer financial support to high-achieving Māori students, especially those who plan to progress to postgraduate level.

KPI 13 Improve successful paper completion rates at degree level for Māori students

2007 Actual	2008 Actual	2009 Actual	2010 Target	2010 Actual
72.9%	73.7%	73.3%	75%	79.7%

As explained in relation to KPI 12, the University has in train a variety of initiatives and programmes to support the achievement of this KPI.

Fostering and celebrating a strong Māori research culture is an important factor in influencing Māori student success, and several initiatives are aimed at enhancing the teaching and research capacity of Māori academic staff, with an emphasis on leadership and academic excellence. The Māori student mentoring programme is well-established, and involves a wide variety of academic, pastoral, social and cultural activities for students at both the University-wide and Faculty levels. A recent survey confirmed that there is good general awareness of this programme among Māori students, as well as strong support and appreciation of the tikanga Māori-based approach that underpins it.

KPI 14 Maintain successful completion rates for qualifications at degree level and higher for Māori students (over a five year period)

This KPI was set in 2008, at the beginning of the current Investment Plan period, with the intention of reporting five years later (2013). The TEC has since acknowledged that the methodology associated with this approach to measuring qualification completions is complex and difficult for TEIs to replicate. The TEC has developed a new methodology in consultation with the tertiary sector, which will apply for the next Investment Plan period.

Initiatives and activities in support of Māori academic achievement are explained in relation to KPIs 12 and 13 above.

KPI 15 Increase taught and research postgraduate Māori EFTS

2007 Actual	2008 Actual	2009 Actual	2010 Target	2010 Actual
2.9% (226 EFTS)	2.7% (210 EFTS)	238 EFTS (2.7%)	240 EFTS (3%)	244 EFTS (2.9%)

The University's taught and research postgraduate Māori EFTS increased by 2.5% in 2010.

The University uses Equity funding to deliver training and mentoring programmes for graduate and postgraduate Māori students in the Faculties. Campus-wide initiatives include Te Toi o Matariki (for Māori graduate students) and MAI ki Waikato (for Māori PhD students).

The University redesigned its Māori student scholarship programme during 2010 to target more specifically Māori students intending to progress to postgraduate study.

The University delivers a staff leadership programme to encourage and support Māori academic staff to complete postgraduate degrees, and support is also provided to emerging supervisors. As part of the ManuAo programme, a national network of Māori academic staff engages in weekly seminars, and funding is made available for postgraduate study.

KPI 16 Increase Pacific EFTS

2007 Actual	2008 Actual	2009 Actual	2010 Target	2010 Actual
5.3% (412 EFTS)	5.4% (427 EFTS)	476 EFTS (5.5%)	400 EFTS (5.5%)	427 EFTS (5.0%)

13. Statement of Service Performance

While the University did not generate the same number of Pacific EFTS in 2010 as in 2009, it did exceed its 2010 target in EFTS terms. It is also important to note that the EFTS generated by Pacific students in 2010 as a proportion of all MF EFTS was higher than the regional demographic for Waikato/Bay of Plenty (2.9%).

To complement university-wide student recruitment and support activities, the University's Pacific Equity funding has been used for special mentoring programmes for Pacific students, for the TAPA awards for outstanding Pacific students, and to create a contestable fund to support Pacific students and groups who wish to host or attend conferences.

The University is aware that the University needs to build its links with its Pacific communities and is developing a plan to this end. The Pacific Plan will include a range of goals and activities aimed at enhancing Pacific student recruitment, retention and achievement.

KPI 17 Improve successful paper completion rates at degree level for Pacific students

2007 Actual	2008 Actual	2009 Actual	2010 Target	2010 Actual
63.4%	64.5%	66.8%	67%	69.3%

Initiatives in support of Pacific student completion rates are outlined in relation to KPI 16.

KPI 18 Improve successful completion rates for qualifications at degree level and higher for Pacific students (over a five year period)

This KPI was set in 2008, at the beginning of the current Investment Plan period, with the intention of reporting five years later (2013). The TEC has since acknowledged that the methodology associated with this approach to measuring qualification completions is complex and difficult for TEIs to replicate. The TEC has developed a new methodology in consultation with the tertiary sector, which will apply for the next Investment Plan period.

Initiatives and activities in support of improved Pacific student completion rates are explained in relation to KPI 16.

KPI 19 Increase taught and research postgraduate Pacific EFTS

2007 Actual	2008 Actual	2009 Actual	2010 Target	2010 Actual
0.7% (50.6 EFTS)	0.6% (49.0 EFTS)	61 EFTS (0.7%)	60 EFTS (0.7%)	59 EFTS (0.7%)

Pacific student enrolments at postgraduate level have remained relatively steady over recent years.

Many of the initiatives in support of Pacific students at undergraduate level also apply at taught and research postgraduate level and are described in relation to KPI 16. Of particular relevance is the TAPA Award programme, which targets high-achieving Pacific students and, in particular, those intending to undertake postgraduate study.

KPI 20 Manage risks associated with international student market

No specific target was set in relation to this KPI for 2010.

As part of the University's International Plan 2009-2011, the University has made a commitment to enrolling high-quality international students from a diverse range of countries across the Faculties. Priority countries have been identified for recruitment purposes, with a view to ensuring that the percentages of international students from each country enrolled at Waikato are similar to the national average of students from that country studying in New Zealand across the whole tertiary sector.

13. Statement of Service Performance

KPI 21 Improve participation and service access of students with disability

2010 Target

Provision of an annual report to Council and the TEC on the range of strategies and services to improve participation rates and service access of students with disability

From 2010, tertiary providers were no longer required to report annually to the TEC on the range of strategies and services undertaken using Equity funding for students with disabilities. A 2009 report was provided to the University of Waikato Council in June 2010, and a 2010 report will be provided in June 2011.

KPI 22 Establish a robust policy framework for the systematic review and evaluation of teaching

2010 Target

Policy framework in place with regular monitoring and reporting to the Academic Board

A University Staff Performance and Professional Development Policy was developed in 2010. This new policy complements the University's Evaluation of Teaching and Papers Policy, and sets out clearly the University's expectations of staff with respect to the review and evaluation of teaching.

These policies support delivery of the University's Teaching and Learning Plan, through which regular progress reports against the review and evaluation of teaching are provided to the Academic Board.

KPI 23 Undertake a 5-year cycle of external programme reviews

2010 Target

Undertake specific reviews each year as determined by the Academic Board with a view to completing the full cycle by 2012

No external programme reviews were undertaken in 2010, although the Faculty of Management received two major international re-accreditations (AACSB and EQUIS), a recognition that endorses its commitment to high-quality and relevant research.

The University's external programme review schedule for 2011 is under consideration.

KPI 24 Enhance stakeholder links through increased enrolments in student work placements

2007 Actual	2008 Actual	2009 Actual	2010 Target	2010 Actual
766	738	761 ⁱ	800	778

The University of Waikato continued in 2010 to broaden the range of work placement papers offered to students across its undergraduate degrees.

KPI 25 Increase number of quality assured research publications recorded in the University's institutional repositoryⁱⁱ

2007 Actual	2008 Actual	2009 Actual	2010 Target	2010 Actual
1,069	1,129	1,169	800	1,005

Initiatives linked to the University's Research Plan and preparations for the forthcoming PBRF assessment resulted in strong performance against this KPI.

The University continues to foster and support a creative and dynamic intellectual culture that recognises that research, critical reflection on research and research-based teaching and supervision are the defining, core activities of the University. Quality research publications are one of the most important outcomes of a dynamic research culture. The University is steadily increasing the quantum and quality of its activity in research and creative work, by enhancing support for established, as well as new and emerging researchers.

13. Statement of Service Performance

KPI 26 Create new Research Centres involving stakeholder collaboration

While no specific target was identified for 2010 against this KPI, the University launched two new research institutes in 2010: the National Institute of Demographic and Economic Analysis (NIDEA) and the Institute for Business Research (IBR). The University's new Māori Research Institute - Te Kotahi Research Institute for Innovation, Well-being and Inspiration - will be launched in 2011, along with a relaunch of the successful Wilf Malcolm Institute for Educational Research.

KPI 27 Increase ERI, commercialisation and other external revenue

2008 Actual	2009 Actual	2010 Target	2010 Actual
\$41.5 million	\$48.5 million	\$48 million	\$47.5 million

Growth in research, commercial and other external revenue streams reduces the University's reliance on teaching-related funding and is critical to its ongoing financial strength.

The University continues to explore opportunities for external research income in a very dynamic, yet tight fiscal environment.

KPI 28 Increase Development Office revenue

2008 Actual	2009 Actual	2010 Target	2010 Actual
\$2.7 million	\$709,000	\$1.5 million	\$980,000

Despite the continued impact of the recent recession, the University of Waikato increased its Development Office revenue in 2010. Activities in 2010 continued to focus on establishing a framework of events and communications designed to foster a culture of giving amongst its alumni, staff and stakeholders. 2010 also saw the launch of a Payroll Giving programme, whereby staff can elect to contribute a portion of their salaries to specific projects and initiatives within the University.

- i. The 2009 result for KPI 24, as reported in the 2009 Annual Report, incorrectly counted students who had withdrawn from work placements during the year and has been corrected for this Annual Report.
- ii. The University's quality assured research publications are recorded against the year in which they are published. Because of inevitable delays between publication and the recording of the relevant data in the institutional repository, historic data are constantly being updated; figures are also updated retrospectively to take account of the publications of new staff. This means that while they are correct as at the end of 2010, the 2009 figure is significantly higher than that reported in the 2009 Statement of Service Performance and all the figures in this table, including the 2010 figure, are subject to on-going change.

14. Statistical Information

Table 1: Total Students in Formal Programmes

	2004	2005	2006	2007	2008	2009	2010
Total Students	14,023	13,068	12,561	12,031	12,014	13,089	12,642

Table 2: Total Students by Gender

	2004	2005	2006	2007	2008	2009	2010
Female	8,040	7,462	7,274	7,024	7,007	7,577	7,241
Male	5,983	5,606	5,287	5,007	5,007	5,512	5,401
Total	14,023	13,068	12,561	12,031	12,014	13,089	12,642

Table 3: Total Students by Ethnicity

	2004	2005	2006	2007	2008	2009	2010
Pakeha/European	6,335	5,964	5,962	5,737	5,631	6,061	5,841
New Zealand Maori	2,480	2,259	2,225	2,307	2,232	2,451	2,300
Pacific Islander	411	396	433	453	501	525	470
Chinese	2,963	2,633	2,242	1,675	1,407	1,383	1,301
Indian	314	299	290	294	322	402	416
Other	1,520	1,517	1,409	1,565	1,921	2,267	2,314
Total	14,023	13,068	12,561	12,031	12,014	13,089	12,642

Table 4: Total Students by Origin

	2004	2005	2006	2007	2008	2009	2010
Core Region	8,025	8,406	8,714	8,338	8,341	9,234	8,845
Inner Periphery	597	545	483	512	626	794	843
Outer Periphery	550	516	519	527	521	585	551
Auckland	885	1,059	953	899	790	754	679
Wellington	161	197	168	142	131	188	169
South Island	159	172	143	131	157	137	134
Overseas	3,646	2,173	1,581	1,482	1,448	1,397	1,421
Total	14,023	13,068	12,561	12,031	12,014	13,089	12,642

Table 5: Total Qualification Enrolments by Level

	2004	2005	2006	2007	2008	2009	2010
Foundation	1,473	871	788	991	1,309	1,490	690
Undergraduate	10,190	9,817	9,440	8,949	8,729	9,314	9,804
Graduate/Postgraduate (excl.MPhil & Doctorates)	3,168	2,776	2,583	2,465	2,609	2,918	2,182
MPhil and Doctoral	436	440	480	488	513	542	617
Total	15,267	13,904	13,291	12,893	13,160	14,264	13,293

14. Statistical Information

Table 6: Total Qualification Completions by Level

	2004	2005	2006	2007	2008	2009	2010
Foundation	1,824	512	528	609	870	1,088	869
Undergraduate	1,717	1,696	2,030	1,814	1,608	2,040	2,070
Graduate/Postgraduate (excl.MPhil & Doctorates)	1,224	1,026	1,334	1,260	1,310	1,032	995
MPhil and Doctoral	59	38	50	72	53	54	71
Total	4,824	3,272	3,942	3,755	3,841	4,214	4,005

Table 7: Total Enrolments in Papers

	2004	2005	2006	2007	2008	2009	2010
Total enrolments	70,847	65,982	60,205	60,932	61,838	67,325	68,031
% completed	91%	91%	91%	89%	88%	91%	90%
% passed	83%	84%	84%	80%	81%	83%	84%

Table 8: Total EFTS in Formal and Non-Assessed Programmes

	2004	2005	2006	2007	2008	2009	2010
Total EFTS	11,417	10,641	10,134	9,708	9,685	10,606	10,415

Table 9: Total EFTS by Level

	2004	2005	2006	2007	2008	2009	2010
Sub-degree	878	577	585	647	748	872	575
Degree	8,616	8,286	7,891	7,357	7,237	7,851	7,874
Taught Postgraduate	1,285	1,178	1,018	1,032	1,028	1,149	1,205
Research Postgraduate	445	432	459	477	498	545	593
ACE	192	167	181	196	176	189	168
Total	11,417	10,641	10,134	9,708	9,685	10,606	10,415

Table 10: Total EFTS by Source of Funding

	2004	2005	2006	2007	2008	2009	2010
Ministry-Funded (excl. ACE)	8,281	7,689	7,549	7,709	7,859	8,700	8,546
Full-Cost International	2,888	2,759	2,370	1,764	1,615	1,669	1,664
Full-Cost Other	54	26	34	41	36	49	37
ACE	192	167	181	196	176	189	168
Total	11,417	10,641	10,134	9,708	9,685	10,606	10,415

14. Statistical Information

Table 11: Total EFTS by Ethnicity

	2004	2005	2006	2007	2008	2009	2010
Pakeha/European	5,037	4,683	4,634	4,596	4,544	4,855	4,802
New Zealand Māori	1,927	1,781	1,714	1,782	1,707	1,912	1,823
Pacific Islander	336	330	355	368	412	431	391
Chinese	2,650	2,418	2,016	1,413	1,140	1,180	1,119
Indian	257	243	234	251	257	328	343
Other Asian	522	498	514	541	641	700	673
Other	685	686	668	758	984	1,199	1,266
Total	11,417	10,641	10,134	9,708	9,685	10,606	10,415

Table 12: Total EFTS by Organisational Unit

	2004	2005	2006	2007	2008	2009	2010
Arts and Social Sciences	2,264	2,134	2,043	1,932	1,849	2,054	2,091
Computing and Mathematical Sciences	978	921	851	790	706	759	804
Education	2,048	1,923	1,832	1,792	1,932	2,256	3,052 ¹
Law	564	532	562	573	589	608	626
Māori and Pacific Development	339	319	306	299	274	278	274
Science and Engineering	929	886	895	883	875	925	926
Waikato Management School	3,235	3,184	2,880	2,597	2,536	2,664	2,641
Pathways College	1,060	741	765	843	924	1,062	- ¹
Total	11,417	10,641	10,134	9,708	9,685	10,606	10,415

Table 13: Total Staff FTE

	2004	2005	2006	2007	2008	2009	2010
Academic	754	705	648	625	643	633	654
Other	1,042	973	929	917	916	895	882
Total	1,795	1,678	1,577	1,542	1,560	1,528	1,537

Table 14: Seniority of Total Academic Staff FTE

	2004	2005	2006	2007	2008	2009	2010
Professors	72	81	88	87	84	84	82
Associate Professors	65	65	68	75	78	78	77
Senior Lecturers	233	234	220	212	212	224	229
Lecturers	174	154	134	119	113	120	126
Other	210	171	139	132	156	128	140
Total	754	705	648	625	643	633	654

14. Statistical Information

Table 15: Total Staff FTE by Organisational Unit

	2004	2005	2006	2007	2008	2009	2010
Arts and Social Sciences	329	196	178	174	179	173	174
Computing and Mathematical Sciences	93	87	77	78	75	74	80
Education	297	305	302	300	285	292	381 ²
Law	49	43	37	35	37	35	36
Maori and Pacific Development	51	51	40	38	34	29	24
Science and Engineering	184	174	176	185	193	188	189
Waikato Management School	231	232	222	212	196	186	188
Other organisational units	560	590	544	519	561	551	465 ²
Total	1,795	1,678	1,577	1,542	1560	1,528	1,537

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

	2004	2005	2006	2007	2008	2009	2010
Total Academic FTE	754	705	648	625	643	633	654
Total EFTS	11,417	10,641	10,134	9,708	9,685	10,606	10,415
EFTS to Academic FTE ratio	15.1:1	15.1:1	15.6:1	15.5:1	15.1:1	16.7:1	15.9:1

Table 17: Ratio of EFTS to Academic FTE - excluding specific categories of staff and students (see Glossary and Definitions)

	2006	2007	2008	2009	2010
Academic FTE	496	494	483	480	479
EFTS	9,369	8,866	8,761	9,544	9,665
EFTS to Academic FTE ratio	18.9:1	17.9:1	18.1:1	19.9:1	20.2:1

Table 18: Ratio of EFTS to Other FTE

	2004	2005	2006	2007	2008	2009	2010
Total Other FTE	1,042	973	929	917	916	895	882
Total EFTS	11,417	10,641	10,134	9,708	9,685	10,606	10,415
EFTS to Other FTE ratio	11.0:1	10.9:1	10.9:1	10.6:1	10.6:1	11.9:1	11.8:1

Table 19: Research Revenue

	2004	2005	2006	2007	2008	2009	2010
Annual Research Revenue	\$18.398M	\$20.137M	\$20.317M	\$23.296M	\$21.894M	\$27.838M	\$27.464M
Academic FTE (Research)	529	530	507	508	505	500	450
Research Revenue per Academic FTE (Research)	\$34,808	\$37,971	\$40,074	\$45,897	\$43,355	\$55,676	\$61,078

14. Statistical Information

Table 20: 2010 Staff Publications by Organisational Unit

	Books	Chapters	Journals	Conference Contributions	Creative Works	Other	Total
Arts and Social Sciences	18	35	77	154	24	96	404
Computing and Mathematical Sciences	4	5	45	50	0	7	111
Education	11	42	119	162	9	50	393
Law	3	15	15	24	0	6	63
Maori and Pacific Development	0	3	3	4	0	8	18
Science and Engineering	5	17	196	231	1	25	475
Management	8	31	154	165	0	81	439
Other organisational units	0	2	1	3	0	0	6
Total	49	150	610	793	34	273	1,909

Table 21: Buildings

	2004	2005	2006	2007	2008	2009	2010
Total gross area of buildings (m ²)	155,015	153,991	157,077	153,791	154,525	155,648	156,709
Total net area of buildings utilised for teaching research and administration (m ²)	113,550	110,308	113,799	110,513	114,744	115,565	118,329
Total number of buildings owned and leased	199	199	199	194	196	207	204
Total net useable area per EFTS (m²)	9.95	10.37	11.23	11.38	11.85	10.90	11.36

Table 22: Library

	2004	2005	2006	2007	2008	2009	2010
Total value of collections	\$20.868M	\$20.789M	\$21.974M	\$23.214M	\$24.048M	\$25.109M	\$26.035
Bibliographic resources:							
Books and other non-serials (volumes)	835,111	850,580	860,520	857,540	861,670	865,885	873,472
Serials (print volumes)	199,962	203,201	206,252	201,566	183,436	184,918	185,597
Total volumes held	1,035,073	1,053,781	1,066,772	1,059,106	1,045,106	1,050,803	1,509,069
Electronic titles	68,923	72,991	76,202	80,575	90,514	112,027	150,842

1. As part of the University's Organisational Restructure in 2010, the former Pathways College became part of the Faculty of Education and EFTS have been recorded under this Faculty in 2010
2. As part of the University's Organisational Restructure in 2010, the former Pathways College became part of the Faculty of Education and staff were transferred to this Organisational Unit - prior to 2010, Pathways College staff were recorded under 'Other organisational units'

15. University of Waikato Council and Senior Management

Council - 2010 Membership

Four members appointed by the Minister for Tertiary Education

Dr Brian Linehan (Pro-Chancellor)

Dr Rob Pringle

Mrs Jenni Vernon

Mr Peter Schuyt

The Vice-Chancellor of the University of Waikato

Professor Roy Crawford

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

Professor Alexandra Barratt

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

Professor Barry Barton

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

Mr Tony Dicks

One student member appointed

- a. *if membership of the Waikato Students' Union Inc. is compulsory, in the capacity as President of the Waikato Students' Union*
- b. *in any other case, following an election conducted in accordance with the University of Waikato Election of Members of the Council Statute*

Mr Deni Tokunai

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

Dr John Gallagher

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

Ms Jeanette Clarkin-Phillips

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

Mr Timoti te Heuheu (from 1 July 2010)

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

Mr Maharaia Paki

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

Rt Hon Jim Bolger (Chancellor)

Ms Jan Jameson

Mr Todd Muller

Mr Tony Whittaker

Dr Apirana Mahuika

15. University of Waikato Council and Senior Management

Senior Leadership Team

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

16. Glossary and Definitions

ACE	Adult and Community Education
CIE	Cambridge International Examinations
ECE	Early Childhood Education
EFTS	Equivalent Full-Time Student
FCI	Full-Cost International
FCO	Full-Cost Other
IB	International Baccalaureate
ICT	Information and Communication Technology
IP	Intellectual Property
IT	Information Technology
KPI	Key Performance Indicator
MF	Ministry-Funded
NCEA	National Certificate of Educational Achievement
NZVCC	New Zealand Vice-Chancellors' Committee
PBRF	Performance-Based Research Fund
SAC	Student Achievement Component
STAR	Secondary Tertiary Alignment Resource
TEC	Tertiary Education Commission
TEI	Tertiary Education Institution

Rounding

Numbers may not add due to rounding.

Ethnicity

Ethnicity is self-reported.

Origin

'Origin' refers to the first address recorded for a student:

- Core Region: (Main Catchment) Waikato, the Coromandel and the Bay of Plenty
- Inner Periphery: Counties Manukau, Gisborne, Taranaki, Manawatu, and Wanganui
- Outer Periphery: Hawkes Bay and Northland
- Auckland: Auckland region excluding Counties Manukau
- Wellington: Wellington region
- South Island: Entire South Island.

Notes for Statistical Information

Tables 1 - 7

The data in these tables take account of students enrolled in formal programmes only. They exclude 5,386 students enrolled solely in non-assessed programmes because each one represents only a very small fraction of an EFTS count.

Tables 5 and 6

- 'Foundation' refers to certificates of attainment and the Certificate of University Preparation (excluding non-assessed programmes).
- 'Undergraduate' refers to bachelors degrees, undergraduate certificates and diplomas, and graduate certificates and diplomas.
- 'Graduate/Postgraduate' refers to honours degrees, masters qualifications (excluding the MPhil), postgraduate certificates and postgraduate diplomas.

Table 7

'Completed' refers to papers for which students received either a Pass or Fail grade. (Papers for which students received Incomplete, Withdrawn, No-Credit and Continuing grades are excluded from this count.)

'Passed' refers to papers for which students received a passing grade, including a Restricted Pass.

Table 8

Table 8 counts all EFTS in both formal and non-assessed programmes, but does not include nominal ACE EFTS.

16. Glossary and Definitions

Table 10

ACE EFTS in Table 10 do not include nominal ACE EFTS.

Table 13

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

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

Both categories comprise continuing, fixed-term and casual staff.

Tables 16 - 18

Table 16 has been derived counting **all** Academic Staff FTEs (including fixed-term and casual staff), and **all** EFTS.

Table 17 has been derived using a different methodology (which is also used for the University's internal planning processes). Data for this methodology are available only from 2006. Academic Staff FTE in this table refers to 'Teaching and Research' and 'Teaching Only' staff, and excludes:

- 'Research Only' staff
- Casual and fixed-term staff
- Academic staff not attached to EFTS generating organisational units
- Academic staff and student EFTS attached to the Pathways College. (A significant proportion of Pathways College staff are fixed-term or casual and therefore excluded under this methodology; to avoid skewing the ratio, the associated Pathways College EFTS are also excluded.)

Table 18 has been derived counting **all** EFTS and **all** 'Other' staff, ('Other' staff refer to staff whose conditions of employment do not require teaching and/or research to be undertaken, including fixed-term and casual staff).

Table 19

'Annual Research Revenue' counts both PBRF-eligible and non-PBRF-eligible research revenue.

'Academic Staff FTE (Research)' refers to 'Teaching and Research' and 'Research Only' staff on continuing appointments.

Table 20

For publications that have more than one University of Waikato author, the publication has been counted once only, in the Unit of the first author.

Table 22

Library statistics are provided by the Library using agreed CAUL/CONZUL conventions. The significant growth in electronic titles between 2003 and 2004 is attributable to the fact that the University joined several large services in 2004 including JSTOR, Springer, Cambridge University Press and EPIC. Growth between 2008 and 2009 can be attributed primarily to the University acquiring access to the Westlaw service which provides approximately 17,000 titles.

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