



THE UNIVERSITY OF  
**WAIKATO**  
*Te Whare Wānanga o Waikato*



# ANNUAL REPORT 2015





# Contents

Contents	1
Overviews	2
2015 at a glance	4
The University of Waikato	6
Governance	7
Senior leaders	8
Institutional Sustainability	10
Student Participation and Performance	16
Research Performance and Industry Relevance	22
Organisational Culture: Staff and Students	28
Reputation	34
Statistical information	40
Auditor General Opinion	46
Statement of Service Performance	50
EEO Statement	59
Student Services Levy	60
Financial overview 2015	62
Statement of Responsibility	64
Financial statements	65
Notes to the financial statements	70
Glossary of abbreviations and terms	122
Notes	124

# Overviews



## Chancellor's overview

This past year has been notable for two important events. First, in February 2015 we welcomed Professor

Neil Quigley as our new Vice-Chancellor. Professor Quigley had previously held positions at Victoria University of Wellington, most recently as Provost, as well as at the University of Western Ontario in Canada. Second, we completed the process of Council reconstitution required by amendments to the Education Act passed earlier in the year. I acknowledge the passing in 2015 of valued Council member Dr Api Mahuika, and extend my sincere thanks to those retiring from Council, including long-serving members Dr John Gallagher, Jan Jameson and Tony Whittaker. I look forward to working with our new Council from 2016 onwards.

The tertiary education environment remains one of constant change and we continue to operate in a tight fiscal environment. Despite this we are committed to delivering a university education of the highest quality and relevance to the world today. We are fortunate we serve a region that continues to experience growth, and this plus the expansion of the University of Waikato's delivery in the Tauranga/Bay of Plenty region provide grounds for optimism. Our pilot project working with schools in the South Waikato and Northern King Country and running bus services to the University provides another example of how we seek to serve our region.

All of the success the University experiences is because of its people. We have great pride in those who work here and study here – and twice a year, I am privileged to see many students cross the stage at graduation before they go out into the world as Waikato graduates.

On behalf of the Council I thank the Vice-Chancellor and other senior managers of the University for their commitment and leadership this past year, and to all of the staff of the University for their loyalty and hard work over the past year.

**Rt Hon James Bolger ONZ**  
CHANCELLOR

## Vice-Chancellor's overview

*E ngā mātāwaka o te motu, tēnā koutou katoa.*

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

*Pike mai, kake mai, whakatau mai rā.*



The University of Waikato holds a special place in the New Zealand university system. Since its inception in 1964, when it was created by the demands of the local community, the University of Waikato has shown a commitment to innovation and to serving the needs of its community. It has a proud Māori heritage with the highest proportion of Māori students of any

university in New Zealand and stands as an example to New Zealand and the world of cultural partnerships in tertiary education. The University of Waikato has been a leader in the practice of and research about teaching and learning, and at the forefront of innovations in online and blended learning models. The University also has an outstanding track record in applied research, with very high levels of success in generating commercial and industry-linked contestable research funding.

Key to the success of the University of Waikato's research effort is a very high level of engagement with the application of academic knowledge to the solution of practical, real-world problems. That approach is also reflected in the experience of our students, with many of our undergraduate students having some workplace experience as part of the degree, and a very high proportion of our Masters and PhD students following the lead of their supervisors in engaging with organisations and problems outside the University.

Since I commenced as Vice-Chancellor in February 2015 I have been focussed on working with senior colleagues to refine our strategic direction and to identify opportunities for investment and growth and areas where we can improve the efficiency of our operations. As part of this process I was pleased to be able to make appointments to a new leadership team primarily from within the University of Waikato, demonstrating the depth of talent at the University and allowing us to move quickly to implement the new structure and move on to the important task of thinking about strategy. In particular our approach has involved:

- A strong focus on curriculum, from the perspective of future curriculum development and the effectiveness of our current approach to teaching.
- A greater focus on learning support, including central oversight of learning support provided by the Faculties.
- Improved research performance, including a focus on the obligations of academic staff to conduct research of international standing and to pursue sources of external income to support the funding provided by the University.

- Higher levels of external engagement with particular focus on schools and firms in the Waikato and Bay of Plenty regions.

The University is responding to the challenges of the changing and tightening higher education sector by defining its strengths and building on its distinctive character and identity.

In my first year as Vice-Chancellor I have been impressed by the enthusiasm and commitment of the staff of the University. There is a strong sense of community and enthusiasm for the advancement of the institution that is rare in large and complex organisations. Equally, the support for the University

that is obvious in Hamilton, the Waikato and the Bay of Plenty regions has made me confident about the opportunities that exist, although there are significant challenges in finding the resources that we will need to deliver on a wide range of stakeholder expectations. The University of Waikato is at least fortunate that it has potential and the capacity to grow student numbers; this is vital for Waikato to ensure its sustainability as a comprehensive university. The organisation is particularly focused on the accessibility of university education, in particular for families in our core regions of Waikato and Bay of Plenty, and for Māori and Pacific students.

I have inevitably been reliant on a wide range of advice from colleagues within the University and from many friends of the University in the wider community. I thank all of those people for their support for my efforts to promote and identify new opportunities for the University. The guidance of the University Council and the members of our new Executive Committee has been invaluable, and in particular I acknowledge the importance of the loyalty and support that I have received from Professor Alister Jones, the Senior Deputy Vice-Chancellor.

**Professor Neil Quigley**  
VICE-CHANCELLOR



## 2015 at a glance

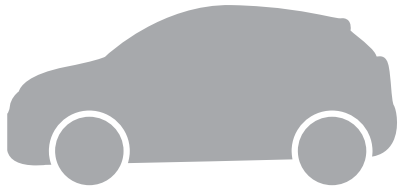
**338**  
IN WORLD,  
UP 60 PLACES ON 2014  
– QS RANKINGS



**10**

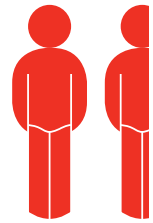
SUBJECT AREAS IN  
**TOP 200**  
IN WORLD  
– QS RANKINGS

**46**



HYBRID CARS, 32% OF FLEET,  
RESULTING IN A 6% DROP  
IN CARBON EMISSIONS FROM FLEET

**1,535**



FULL-COST  
INTERNATIONAL EFTS

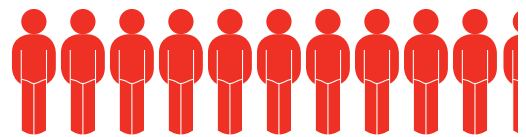


\$41 MILLION  
VALUE OF  
**200 NEW**

RESEARCH CONTRACTS WON IN 2015

**10,018**

TOTAL EFTS



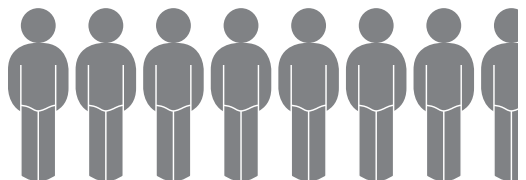
**2,275**



**WORK PLACEMENTS  
UNDERTAKEN**

**7,939**

STUDENTS UNDER 25



**2,249**

**NZ MĀORI  
STUDENTS STUDYING AT  
WAIKATO**



**\$73.47** MILLION  
R + D REVENUE

**3,356**  
QUALIFICATIONS  
**COMPLETED**



**700** PEOPLE WHO  
ATTENDED  
THE INAUGURAL  
APPLICANT DAY

**254**



AGREEMENTS WITH **INTERNATIONAL  
PARTNERS AND ORGANISATIONS**

**12,278**

TOTAL STUDENTS IN  
FORMAL PROGRAMMES



**489**



**MERIT AND EXCELLENCE  
SCHOLARSHIPS AWARDED**

**92.8%**  
**OF DOMESTIC  
STUDENTS**

SATISFIED WITH  
LEARNING EXPERIENCE,  
UP FROM 91% IN 2014

# The University of Waikato

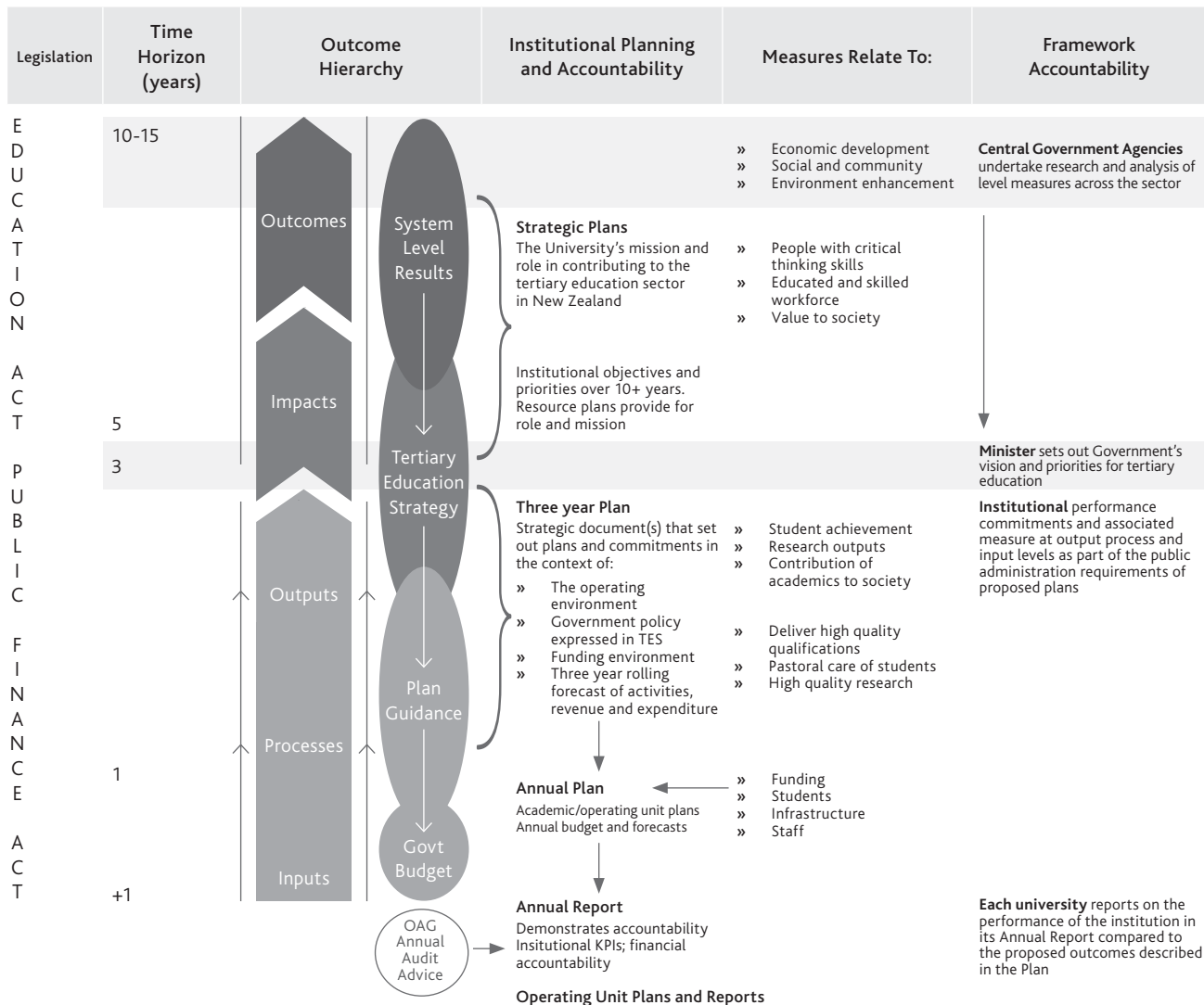
## University role

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

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

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

## University Planning and Accountability Framework





# Governance

## University of Waikato Council January 2015 – 9 December 2015

Chancellor: Rt Hon James Bolger ONZ  
 Vice-Chancellor: Professor Neil Quigley  
 Academic staff member:  
 Dr Tom Ryan  
 Academic Board member:  
 Dr Alison Campbell  
 General staff member:  
 Renee Boyer  
 Student member:  
 Shannon Stewart

Members appointed by the Minister responsible for Part 13A of the Education Act 1989: Mervyn Dallas, Ian Fitzgerald, Simon Graafhuis, Mike Pohio  
 Member appointed after consultation with Business New Zealand:  
 Dr John Gallagher  
 Member appointed after consultation with the New Zealand Council of Trade Unions: Jeanette Clarkin-Phillips

Member appointed after consultation with Te Rōpū Manukura: Kingi Turner  
 Member appointed on the nomination of Te Arikinui: Richard Jefferies  
 Members co-opted by Council: Paul Adams, Rt Hon James Bolger ONZ, Jan Jameson, Tony Whittaker  
 Secretary to Council: Helen Pridmore

## University of Waikato Council from 10 December 2015

The University of Waikato Council is constituted under Part XV of the Education Act 1989. Members are elected under the relevant provisions of the Council constitution in accordance with the Election of Members of the Council Statute.



**Chancellor**  
 Rt Hon James Bolger ONZ



**Vice-Chancellor**  
 Professor Neil Quigley

**Four members appointed by the Minister responsible for Part 13 of the Education Act 1989**



**Member appointed after consultation with Te Rōpū Manukura**  
 Ngāreta Timutimu  
*(from 1 January 2016)*



**Member appointed after consultation with Te Arikinui**  
 Richard Jefferies



Mervyn Dallas



Ian Fitzgerald



**Member appointed on the nomination of Academic Board**  
 Dr Alison Campbell



**Member appointed following an election by the students**  
 Indula Jayasundara  
*(from 1 January 2016)*



Simon Graafhuis



Mike Pohio  
*(to 29 February 2016)*



**Members appointed directly by the Council**  
 Rt Hon James Bolger ONZ  
 Paul Adams (pictured)  
*One further member to be appointed*

**Secretary to Council**  
 Helen Pridmore

## Committees of Council:

- Academic Board
- Finance Committee
- Risk Management Committee
- Honours Committee
- Student Discipline Appeals Committee
- Te Rōpū Manukura

# Senior leaders

## Senior leadership team of the University of Waikato



**Vice-Chancellor**  
Professor Neil Quigley



**Senior Deputy Vice-Chancellor**  
Professor Alister Jones



**Deputy Vice-Chancellor Academic**  
Professor Robyn Longhurst



**Deputy Vice-Chancellor Research**  
Professor Bruce Clarkson



**Chief Financial Officer**  
Andrew McKinnon



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



**Assistant Vice-Chancellor Student and Information Services**  
Michelle Jordan-Tong



**Assistant Vice-Chancellor Communications, Marketing and Engagement**  
David Craig



**Director, Office of the Vice-Chancellor**  
Duanna Fowler



**Director, Māori Advancement**  
Joseph Macfarlane



**Dean, Arts and Social Sciences**  
Professor Robert Hannah



**Dean, Māori and Pacific Development**  
Professor Linda Smith



**Dean, Computing and Mathematical Sciences**  
Professor Geoff Holmes



**Dean, Graduate Research**  
Professor Kay Weaver



**Dean, Education**  
Professor Roger Moltzen



**Dean, Law**  
Associate Professor Wayne Rumbles



**Dean, Management**  
Professor Don Ross



**Dean, Science**  
Professor Chad Hewitt



**Acting Dean, Engineering**  
Professor Janis Swan



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



**Director, Human Resource Management**  
Carole Gunn



**Director, Facilities Management**  
John Cameron



**Acting Head, Information and Technology Services**  
Dougal Mair



**Librarian**  
Ross Hallett



**Director, International Office**  
Sharon Calvert



**Associate Director Strategic Communications**  
Peta Goldsworthy



**Associate Director External Engagement**  
Pat Mellsop

# INSTITUTIONAL SUSTAINABILITY



In 2015 the University of Waikato continued to have a strong focus on processes and culture that ensure academic quality and produce a sustainable financial performance, while also undertaking a significant range of investments in new teaching and research programmes.

### Cycle 5 Academic Audit

The University's postgraduate approach came in for specific praise during the 2015 Cycle 5 Audit by the Academic Quality Agency for New Zealand Universities (AQA). All universities undergo regular academic audits conducted by AQA. This audit focused on teaching and learning and student support, including postgraduate.

AQA said the University had clear and comprehensive documentation around higher degree postgraduate supervision, and it praised the overall management of postgraduate research study, including work to encourage postgraduate research students to be active members of the University research community. AQA was pleased to see the University had created a School of Graduate Research and appointed a Dean in 2015.

The report made special mention of the University's initiatives that encourage students to use te reo Māori in the submission of assessment, plus its efforts to build te reo capability in students and staff. AQA praised the University's Teaching Advocate programme and in particular mentioned the inclusive nature of its suite of awards which recognise teaching. It also mentioned the success of the University's ongoing evaluation of Library usage. It affirmed the University's Curriculum Enhancement Programme, saying it had the potential to be "transformative". The CEP is being led by new Deputy Vice-Chancellor Academic, Professor Robyn Longhurst, a social and cultural geographer who was previously Pro Vice-Chancellor Education.

### Financial

The University of Waikato has no debt and has a recent record of producing financial surpluses that provide a basis for new investment in teaching and research. As a result, the Tertiary Education Commission considers the University to be low risk. However, in some areas of University operations and facilities significant new investment is needed, requiring not only continued surpluses in the future but also making it likely that some borrowing will be required from 2017 onwards.

The financial results for 2015 continued the recent pattern of underlying surpluses for University operations. In 2015, the University achieved 8,451 Ministry Funded Equivalent Full Time Students (EFTS), above the EFTS target for the year and the 99% TEC funding threshold for domestic student places. International EFTS increased from 1,401 EFTS in 2014 to 1,535 EFTS in 2015, a result that was ahead of budget projections.

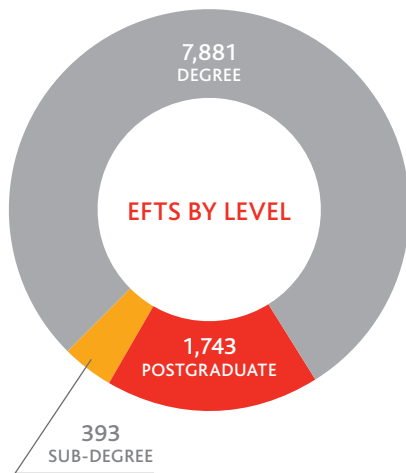
The University-only financial result was, however, influenced by \$2 million of one-time costs for which no provision had been made in the 2015 budget. These costs related primarily to unbudgeted enhanced retirement provisions introduced by the Vice-Chancellor in the second half of the year, as well as a small number of redundancies.

The retirements will strengthen the underlying operating position of the University since replacements will be made only in growth areas or in areas of new investment. Notable among the results of subsidiaries was a strong result for WaikatoLink, where a range of legacy issues were resolved and a number of significant sales of businesses built from University IP were made.



Professor Robyn Longhurst, Deputy Vice-Chancellor Academic, is leading the Curriculum Enhancement Programme (CEP). This University-wide initiative will cover what is being offered, why, how, when and where. From this will come a more future-focussed curriculum that is responsive to changing student, employment and societal needs. Part of the review will involve examining teaching approaches and opportunities for flexible learning and a variety of delivery modes.

## Sustainability continued



Professor Louis Schipper researches how we can improve the environmental outcomes of farming by looking at the use of soils to remove carbon dioxide from the atmosphere and approaches to help reduce nitrogen losses to waterways. Professor Schipper and his team work closely with industry to mitigate the environmental effects of farming.

For some years the University has had an internal Strategic Investment Fund round, but the round conducted in 2015 for investment in 2016 introduced a number of fundamental changes. In particular, while the total sum available for allocation was larger, funding allocations were more strictly focussed on large projects with clear pathways to additional student numbers or research income. Small projects were required to be funded out of base Faculty and Divisional budgets.

In addition, the University used its Strategic Investment Fund to create a new internal research grant scheme from which grants of up to \$40,000 can be provided to staff, with the focus being on the support of work that will underpin applications for external research funding.

### ICT Graduate School

In support of the Government's initiative to increase the number of ICT graduates required by employers, the University of Waikato and the University of Auckland joined forces to create one of the three new ICT Graduate Schools established across New Zealand. The new graduate school will meet the growing demand for industry-ready ICT graduates who have a mix of ICT, critical thinking and other complementary skills.

Also approved in 2015 was the introduction of a Master of Information Technology (MInfoTech) and the Postgraduate Certificate in Information Technology (PGCertInfoTech), to be jointly awarded qualifications by the universities of Auckland and Waikato through the ICT Graduate School.

The MInfoTech has been designed to provide students with workplace experience and workplace skills while furthering their IT skills. A feature of the programme is a directed research internship course, ensuring students gain industry-specific skills and experience. The PGCertInfoTech will provide an entry route for students who want to complete the MInfoTech but who don't meet the GPA entry requirements.

### New Initiatives in Agri-Environment and Freshwater

The University prides itself on bringing interdisciplinary approaches to some of the biggest problems faced nationally and around the world. In Agri-Environment, University researchers will continue work on carbon capture and research into measuring greenhouse gases on farms to test mitigation strategies and decrease emissions while also maintaining production. Researchers from Science, Waikato Management School and Computing and Mathematical Sciences will explore integration, using machine learning for data, modelling for maximum sustainable yield and the biophysical measurements of exchanges.

The University is recognised by the Ministry for Business, Innovation and Employment as a key link for China-New Zealand freshwater research and training. The University has funding for a major research project 'New methods and technologies to enhance land use practices and restore ecological resilience of significant aquatic ecosystems' which is jointly run between freshwater researchers in New Zealand (the University and NIWA) and China (Nanjing Institute of Geography and Limnology (NIGLAS), Chinese Academy of Sciences). It formalises a 10-year collaboration between the University and NIGLAS and is closely aligned with new freshwater regulations in the respective countries. As part of this initiative, Masters-level coursework focused on modelling nutrient and chemical fates in freshwater systems has been developed.

Environmental Sciences has been added as a subject to Waikato's MSc(Research). The new subject provides an interdisciplinary approach and is a "deepening degree" that allows students who have completed the undergraduate BSc degree with a major in Environmental Sciences (or other subjects) to continue into a Masters degree and increase the depth of their interdisciplinary environmental studies as well as to undergo the traditional rigour of a research-based degree.

### New Initiatives in Engineering

Ministry-funded Engineering enrolments in 2015 were very close to target and Waikato remains on track to contribute to Government's ambitions for more Engineering graduates in coming years. The University continues to invest in Engineering and will boost offerings in Engineering teaching including the introduction of a BE(Hons) Civil Engineering to meet demand from industry and potential students, and Environmental Engineering.

Since producing its first Engineering graduates in 2002, the University's Engineering numbers have grown at an average of 10% a year to 500 students in 2015.

The University announced in 2015 it would appoint a Dean of Engineering to give strategic emphasis to Engineering at Waikato. The role will provide a further emphasis for the discipline which goes from strength to strength at Waikato.

11.3 M<sup>2</sup>

TOTAL NET  
USABLE AREA PER EFTS

647

FTE ACADEMICS

## Tauranga CBD campus underway

The Tauranga CBD campus development leaped ahead in 2015 with the signing of the Heads of Agreement and appointments of architects and project managers.

The University of Waikato is leading the development of the campus on behalf of the Bay of Plenty Tertiary Education Partnership. It's designed to provide a world-class, university-led campus that will be the missing link in the network of tertiary campuses in the Bay of Plenty.

The University has had a long-term presence in the Bay of Plenty and has a strong relationship with the Bay of Plenty Polytechnic through pathway and degree programmes.

In May 2015 the University signed the Heads of Agreement with the funders, the Tauranga City Council, the Tauranga Energy Consumer Trust and the Bay of Plenty Regional Council. The agreement covers the conditions under which the regional contributions towards the project – land from the City Council; \$15 million from the BOP Regional Council and \$15 million from the Tauranga Energy Consumer Trust – will be provided. The University of Waikato will contribute up to \$10 million for the fit-out.

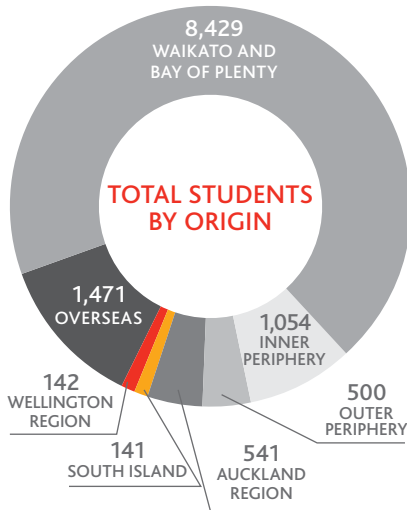
In August Greenstone Group Ltd was appointed external project manager for the design and build of the campus, and in December Jasmx was named as the architects for the project. Both organisations have offices in Tauranga. Jasmx will work alongside Greenstone Group Ltd as well as a University project management team and design advisory group. By late 2015 Jasmx was meeting with Bay of Plenty stakeholders to seek input into the campus design.

The new campus in Durham St will provide purpose-built space for leading academics and researchers, postgraduate and undergraduate students, and for industry and community collaborations and commercialisation activities. It will open by 2020 and will focus on programmes that relate to areas of regional activity, including marine, ICT and logistics. Further courses will be developed over time to support areas of economic and industry need in the Bay of Plenty.

In late 2015 the University appointed an Academic Director who will work with the Senior Deputy Vice-Chancellor to deliver the new campus by 2020.



## Sustainability continued

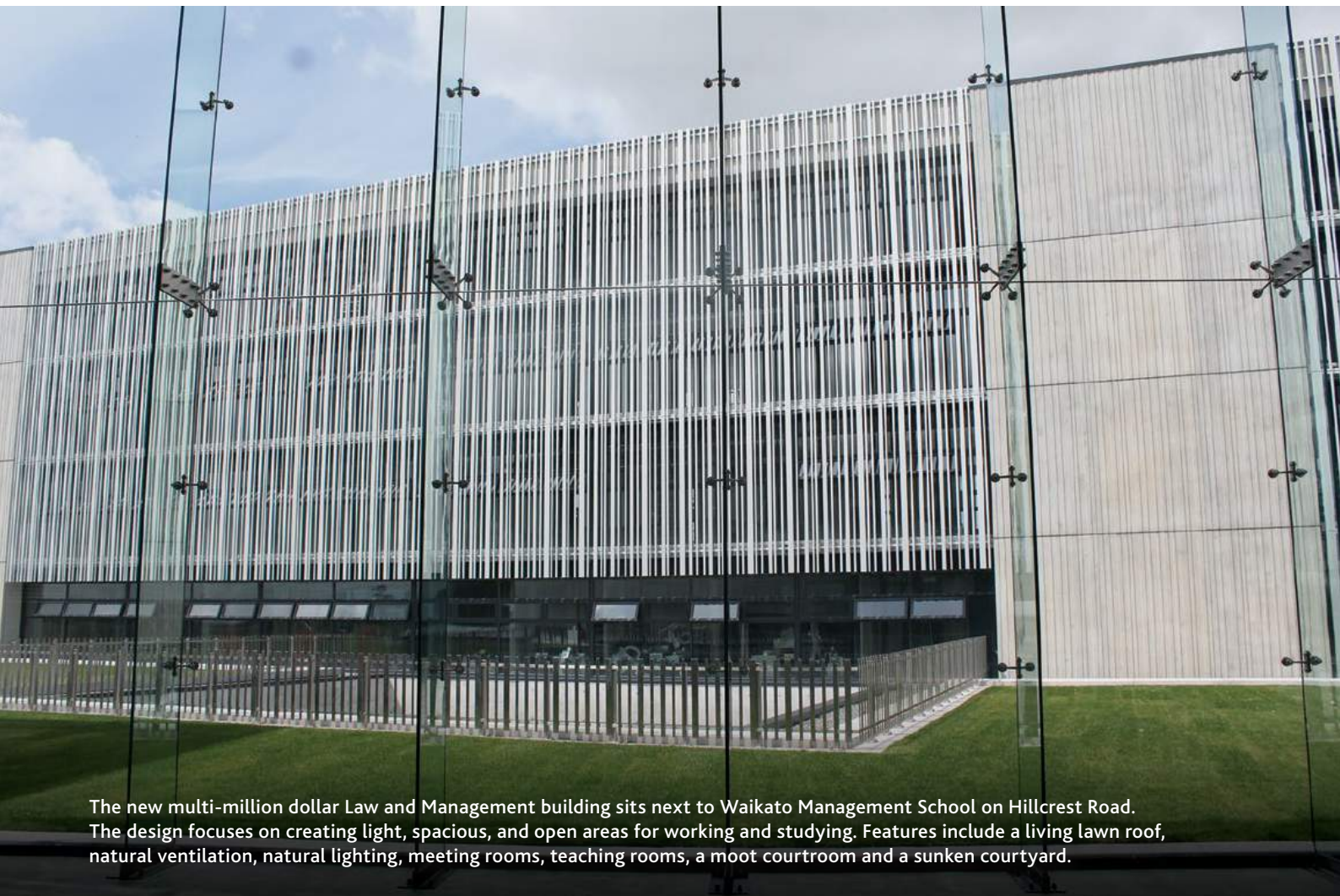


### Expansion in Tauranga

In the Bay of Plenty, the University continues to enhance tertiary provision, with major milestones being achieved in 2015 relating to the Tauranga CBD campus development. The Heads of Agreement was signed in May 2015, articulating the regional funding and milestones to be achieved during the course of the important project.

Architects and project managers were appointed during 2015, and work will continue through 2016 on design concepts for the first stage of the campus building. The University is leading the project on behalf of the Bay of Plenty Tertiary Education Partnership and will provide a world-class, university-led campus that will be the missing link in the network of tertiary campuses in the Bay of Plenty.

The University will work with other tertiary providers to better serve the needs of the wider Bay of Plenty region, and in particular, Waikato's long-standing and strong relationships with Bay of Plenty Polytechnic in delivering programmes will be extended into the Rotorua area. The University has shown over many years that the model of



The new multi-million dollar Law and Management building sits next to Waikato Management School on Hillcrest Road. The design focuses on creating light, spacious, and open areas for working and studying. Features include a living lawn roof, natural ventilation, natural lighting, meeting rooms, teaching rooms, a moot courtroom and a sunken courtyard.




offering a comprehensive suite of jointly developed diploma and degree programmes, as well as research programmes, is hugely beneficial to the Bay of Plenty, and now the Rotorua community will also benefit.

### New Initiatives in Health and Human Performance

In late 2015 the University also announced it would be a major strategic partner for the Tauranga high performance sports centre opening early in 2016 at Blake Park in Mount Maunganui. The University will establish a laboratory for sports science research, education and commercialisation within the centre in addition to having a governance role and naming rights to the centre.

The University's purpose-built laboratory in Tauranga will house a state-of-the-art environmental chamber which will allow for manipulation of heat, humidity and altitude for research, teaching and acclimation purposes. The chamber will be one of a small number of such facilities within Australasia and initially is likely to be a drawcard for athletes and teams preparing for the Rio Olympics where the combination of heat and humidity are likely to have a significant impact on performance.

This development is closely aligned with the University's strategy to build expertise and national leadership in health, sports science and human performance. In support of this strategy the University also appointed its inaugural Dean of Health, Sport and Human Performance in 2015.

**119,852 M<sup>2</sup>**  
TOTAL NET  
AREA OF   
**BUILDINGS**  
FOR TEACHING,  
RESEARCH AND  
ADMINISTRATION

## Applicant day launched to serve students' needs

The University of Waikato ran its first Applicant Day in September 2015. The event was primarily aimed at prospective students, applicants and their parents, to assist these students to complete their application to the University and select their papers for 2016.

Attendees were able to talk one-on-one with Faculty staff, attend information sessions and mini lectures, and tour the campus and the on-site Halls of Residence. Sessions included explaining to prospective students what the first few days of university are like, and providing information for parents about what their children can expect when they reach university.

About 1,000 prospective students and their families attended the Saturday event, which was free and aimed at the general public considering tertiary study, not just secondary school students.

The University made papers available for online selection from the end of July, enabling applicants to select their papers and complete their Application to Enrol (ATE) much earlier than in previous years. Earlier offers for applicants who are secondary school students means that crucially, they can start working with Waikato on their transition to university. Applicant Day also provided early indications for the University about progress towards EFTS targets.

Applicant Day boosted student progression rates by helping students transition from pre-degree programmes at partner institutions to degree-level study at Waikato and from undergraduate to graduate and postgraduate study.

Prospective students needing guidance on which programme to choose received advice from the Future Students team and Faculty advisers. They were also able to engage with current applicants and (depending on the stage they were at in the application process) were encouraged to select papers and submit their Application to Enrol. In addition, Applicant Day engaged mature learners and postgraduate prospects, encouraging them to find out more about the application process and to apply.

The University also runs a suite of other engagement activities for prospective students, year-round, including drop-in sessions and online chats. In 2015 1,000 parents attended sessions designed specifically for them.



# STUDENT PARTICIPATION AND PERFORMANCE



In 2015 the University of Waikato continued its multi-year project to deliver a relevant, future-focused curriculum and a world-class student experience, as well as its work to increase access to university study within the Waikato and Bay of Plenty regions.

### New Deputy Vice-Chancellor Academic

The Pro Vice-Chancellor Education was selected for the role of Deputy Vice-Chancellor Academic during 2015. Professor Robyn Longhurst, a social and cultural geographer, has primary leadership responsibility for the University's academic portfolio, articulating the University's academic strategy and overseeing the planning, development, implementation and review of curriculum development including the University's academic programmes and delivery of teaching and learning.

### Curriculum Development

The University strives to attract the best students and deliver a dynamic and forward-looking curricula that is more relevant to the changing needs of students, employers and society. To achieve this the University continues to focus on the content and structure of curricula and also on the overall educational framework within which they are delivered.

A new Curriculum Design Framework (CDF) was agreed in 2015 and is being implemented through revisions to and streamlining of the paper, course and degree offerings of all of the Faculties of the University. The changes being brought about by the CDF will make the structure of Waikato degree programmes easier to understand and will make the value offered by studying each programme more transparent to students and employers.

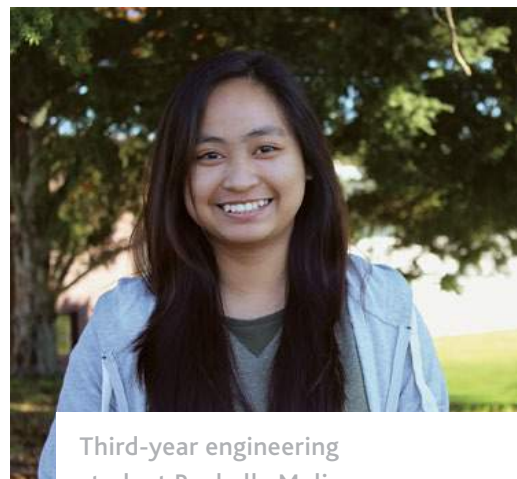
New undergraduate degree requirements introduced through the CDF will differentiate three compulsory aspects of a student's study that are specifically designed to create a distinctive and highly employable University of Waikato graduate. All students will be required to take three for-credit papers: one on the disciplinary foundations relevant to their degree; one on cultural competencies to enable them to function with confidence and competence anywhere in the world; and one centred on engagement via work placements, internships or volunteer programmes.

Student experience and learning are at the heart of the changes being introduced under the CDF across the entire spectrum of study, from transitioning into the University environment through to new approaches to doctoral programmes and enhanced guidance on pathways to careers.

Also focussed on enhancing learning and the student experience are changes to the structure of the academic year which were approved during 2015. Under these changes, the summer semester will be lengthened to provide greater study and work experience opportunities, Orientation Week will occur before teaching begins, and all 100-level papers will have an assignment within the first three weeks of the semester to ensure students get early feedback on their understanding of and engagement with the course material.

### Student Success

The University continues to support Pacific students in a variety of ways, including the Edna Money Future Pacific Leaders Scholarships. In 2015, the University of Waikato had 6.7% of its Ministry-funded EFTS generated by Pacific students – the highest proportion ever recorded by the organisation. There was significant growth in the proportion of Pacific students from outside the Waikato/Bay of Plenty region choosing to study at Waikato.

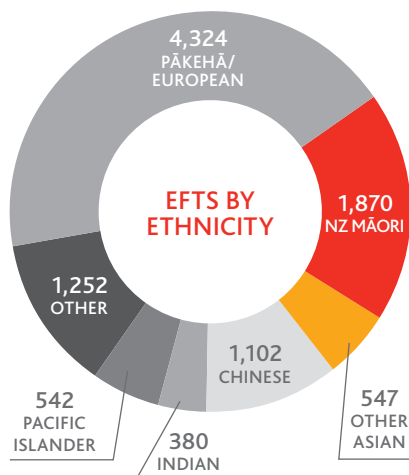


Third-year engineering student Rochelle Molina travelled to Germany at the end of 2015 after being selected for an all-expenses-paid traineeship at the University of Stuttgart. She received a placement with the International Association for the Exchange of Students for Technical Experience (IASTE). While at Stuttgart she researched chemical absorption processes and gas cleaning techniques during combustion.

1,891 

**DEGREE  
QUALIFICATIONS  
COMPLETED**

## Students continued

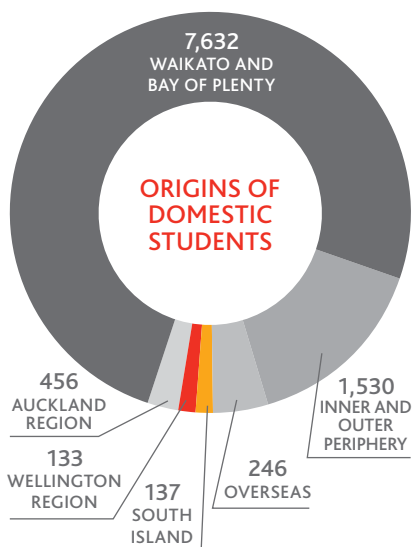


The University continues to attract a high proportion of Māori students. In 2015, more than 22% of the Ministry-funded EFTS at the University of Waikato were Māori students, above the target of 21% agreed with TEC. The bulk of the University's Māori students – 75% – come from the Waikato/Bay of Plenty region.

The University of Waikato leads the way in this respect, with higher rates of Māori involvement than other universities, and consistently good rates of achievements from those students.

The University's support initiatives for Māori students are strong and have been built up over many years; these were labelled "excellent" and singled out for comment in the 2015 AQA Cycle Five Audit. The achievement rates of students enrolled as Māori remains about 80%. The University aims to improve this level of achievement and will be reviewing its support for students' transition to university and Māori student support programmes in 2016.

International student completion rates were well above target in 2015 at 89%. This was on the back of growth in Full-Cost International EFTS, well up on 2014, with significant numbers of students from China choosing to study at Waikato.

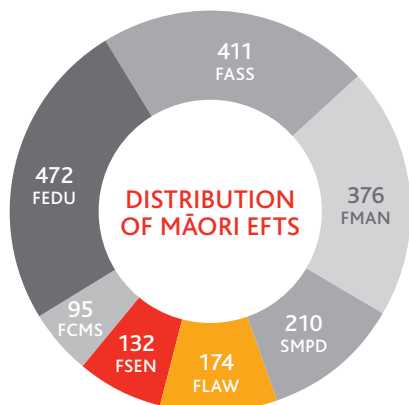


### Support for Māori and Pacific Students

As part of its drive to ensure Māori and Pacific students have access to and are successful at university study, Waikato focuses strongly on these groups. Within this ongoing engagement and oversight of Māori students, the Pro Vice-Chancellor Māori Office continued to work with the Waikato Students' Union and the various Māori student groups to deliver the well-received social cultural programmes on the Hamilton campus. Groups and support co-ordinators also travelled to Tauranga throughout 2015 to connect with those students.

The University believes it has a significant role to play in engaging with secondary school students. In particular, the University serves its regions by engaging with Māori students from Waikato and Bay of Plenty to promote the study of science at tertiary level. This provides an understanding of what it's like to study at university and exposes the students to the benefits of tertiary study.

The Māori Science Summer School Te Huakirangi is an annual week-long science experience in which Year 11 and 12 students from Hamilton and Tokoroa visit the Hamilton campus. They look at astronomy and DNA in the Faculty of Science & Engineering laboratories and visit the Sulphur Point research station in Tauranga. In this way the University encourages the scientists of the future and is able to engender a sense of purpose in the Science, Technology, Engineering and Maths subjects.



### Illuminating the Pathway to University Study

The University maintained an integrated approach to marketing and recruitment of students in 2015, continuing to use the "where the world is going" brand and utilising digital story-telling to engage with prospective students.

Visits to schools and careers fairs increased by 30% in 2015, in part because the University employed a substantial team of student ambassadors to visit schools and provide relevant, first-hand accounts of life as a student at Waikato and what it takes to succeed.

In addition, the University focused on providing relevant information for parents through parent information sessions, while also holding online chat sessions with prospective students, and a range of drop-in sessions. For the first time, the University

also held an Applicant Day in addition to its annual Open Day. Applicant Day was designed to assist secondary school students with the application process for the University, and to answer questions parents and prospective students had.

In 2015 work continued on a major website project to further enhance student recruitment and the student experience. The new website is due for release in 2016.

### Response to Changes to University Entrance

Changes to the requirements for University Entrance in 2015 resulted in many students who planned to attend University not having the minimum requirements; Māori and Pacific students were hit particularly hard.

Waikato took the lead, devising specific programmes for students who had narrowly missed out gaining UE, allowing them to transition to study at the University.

### New Regional and Access Initiatives

The University of Waikato is committed to assisting the communities in its region to overcome barriers to university study. In 2015 Te Ara ki Angitū – the Pathway to Excellence project was launched with the four high schools in Tokoroa and Putaruru.

In these communities, the cost of study and the distance from the University's campus create barriers to university study for a substantial number of students. Te Ara ki Angitū combines work with the four high schools to promote programmes of study in NCEA that will allow students to obtain University Entrance, provides new scholarships (a substantial net addition to the scholarships provided by the University) and a subsidised bus service that will run daily from Tokoroa and Putaruru to the University each week-day during A and B Semesters.



**HIGHER DEGREES  
COMPLETED**



**OTHER GRADUATE/  
POSTGRADUATE  
COMPLETIONS**

## Waikato students making a difference

University of Waikato Engineering student Mahonri Owen has won a Health Research Council Māori PhD Scholarship worth \$111,550 to help develop a prosthetic hand that can perform the basic functions of a human hand.

"I'm attempting to design a brain-controlled prosthetic hand that's easy to produce, easy to adapt to and affordable," says Mahonri (Ngāti Tuwharetoa and Ngāpuhi). "One that can restore function and quality of life in a better, faster and cheaper way than we've seen before."

To date, he has made several different hands using an Arduino micro-controller and off-the-shelf components. His skeleton hand was made using on-screen CAD (computer aided design) to map-out the mechanism. He then created the 50-plus components using an Objet 30 3-D printer, which lays the design down in resin 0.3 of a millimetre at a time. As one layer hardens, another is added until the skeleton is built up. The first hand took seven hours to print.

Using Electroencephalography (EEG), the hands are able to execute basic movements, such as open and close. What Mahonri wants to develop is a more sophisticated hand. "I want to make my own EEG headset specifically for hands. So when the brain says 'pinch' or 'grasp' that's what the hand will do."

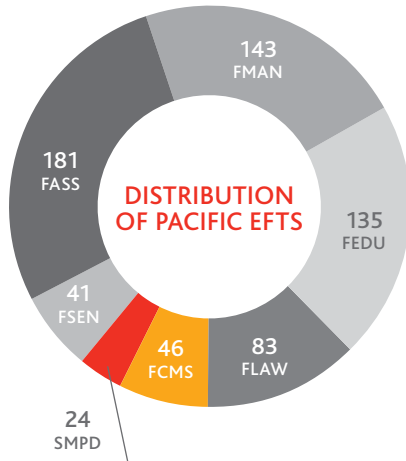
Amputees often have difficulty performing simple day-to-day tasks, which means Mahonri's work in developing robotic prosthetics has exciting potential for improving patient quality of life.

PhD student Ngahuia Murphy was awarded a \$109,700 PhD scholarship from the Health Research

Council. Ngahuia was one of 21 emerging Māori health researchers to receive an HRC Māori Career Development Award in 2015 with a combined total of \$1.8 million awarded. Her PhD is entitled 'Investigating customary Māori philosophies regarding the whare tangata [womb]' and examines censored and marginalised ceremonial traditions related to Māori women through a mana wahine theoretical framework. Theories of mana wahine are concerned with the way Māori women's knowledge, ceremonies, roles, status, and stories have been corrupted and re-defined through the Victorian interpretative lens of many of the colonial ethnographers.



## Students continued



The launch of Te Ara ki Angitū resulted in a very large increase in applications to study at the University from the four high schools in Tokoroa and Putaruru. As a result, and with the support of the community in the Waitomo District, a decision was made late in 2015 to extend the bus service provided by the University to Te Kuiti and Otorohanga. Further extension of the service will be considered in 2016 where appropriate partnerships with communities and schools can be established.

### School of Graduate Research

Changes to the structure of the University introduced during 2015 included the creation of a School of Graduate Research with Professor Kay Weaver appointed as Dean in the second half of the year.

The School will build on the excellent outcomes already being achieved with doctoral-level study at the University of Waikato and will ensure that graduate research continues to be an area of high priority.



The Three-minute Thesis competition requires students to present their research to a lay audience in three minutes using a single PowerPoint slide. The 2015 winner was Neda Nourmohammadi (centre) from Iran, with Sarah Lockwood runner-up and Jason Sun winner of the people's choice award.


In particular, the School is charged with creating a stimulating interdisciplinary postgraduate research environment and overseeing all issues relating to postgraduate student issues within the University. The School has central responsibility for the quality assurance, policy, regulations and oversight of all doctorates (higher doctorates, professional doctorates and Doctor of Philosophy), Master of Philosophy (MPhil) and 90- or 120-point Masters theses.

The Scholarships Office is now housed within the School and oversees all undergraduate and graduate scholarships; the move is expected to benefit not just students, but provide financial clarity and sustainability for the area.

### Student Innovation

During 2015 the University worked closely with the Waikato Students' Union to establish a programme for student innovation.

The Summer Start-Up Programme gives students 10 weeks to develop their own project or idea with the help of an expert start-up coach, workshops and full-access to a shared working space. Outside organisations have sponsored and are supporting the programme which has presented a total of 29 scholarships – 19 to students studying at the Hamilton campus, five studying at the Tauranga campus, and another five were awarded to students studying at the Bay of Plenty Polytechnic for a related programme called Project Ignite.

**1.058**  
**MILLION**  
**TOTAL**  
**VOLUMES**   
**HELD BY LIBRARY**

## Region finds pathway to excellence leads to Waikato

In 2015, the University of Waikato launched a new initiative with the secondary schools and communities of South Waikato.

Te Ara ki Angitū: Pathways to Excellence is being led by the University's Director of Māori Advancement, Joseph Macfarlane (pictured), and is designed to provide a pathway to university study by alleviating the barriers of affordability and transport, and installing quality support to guide students through the transition to university.

It includes heavily subsidised bus transport between the University of Waikato and Tokoroa and Putaruru, fees scholarships, university learning hubs in the high schools, and the provision of student learning devices based on need. The first student cohort of Te Ara ki Angitū: Pathways to Excellence will start university study in A Semester of 2016.

'Te Ara ki Angitū' is about potential, opportunity, success and excellence, and in this context, it refers to students who have the potential and the aspiration to study at university, and through this programme, now have the opportunity to make the aspiration a reality – to be on a pathway of excellence and success through university study.

The initiative was developed following discussions between University of Waikato Vice-Chancellor Professor Neil Quigley, and the four high school principals in Tokoroa and Putaruru about improving access to the University for Year 13 students.

Professor Quigley says university participation rates in the Waikato region could be higher, but more needed to be done to make the University of Waikato a practical option, particularly for those living in rural areas.

"We want students who have the potential and the aspiration to attend university to also have access to the opportunity that makes it a realistic and viable option. This requires positive collaboration between the University, the schools, families and the communities."

More than 20 students were awarded a \$5,000 University of Waikato Tokoroa and Putaruru School Leaver Scholarship: Te Ara ki Angitū in 2015 to study at Waikato in 2016.



# RESEARCH PERFORMANCE AND INDUSTRY RELEVANCE





The University of Waikato's position as an innovative research institution with a strong focus on industry and community applications was demonstrated by the wide range and high value of the research grants received by researchers. In 2015 the University's Research and Development income was \$73.478 million or 30.06% of total consolidated revenue.

### New Deputy Vice-Chancellor Research

The Dean of the Faculty of Science & Engineering was selected for the new role of Deputy Vice-Chancellor Research. Professor Bruce Clarkson, known for his work in urban ecology and ecological restoration, will lead Waikato's research strategy, research systems and support. His role includes responsibility for growing and promoting research capability within the University and linking that capability and capacity to the wider community by building productive relationships and alliances locally, nationally and internationally.

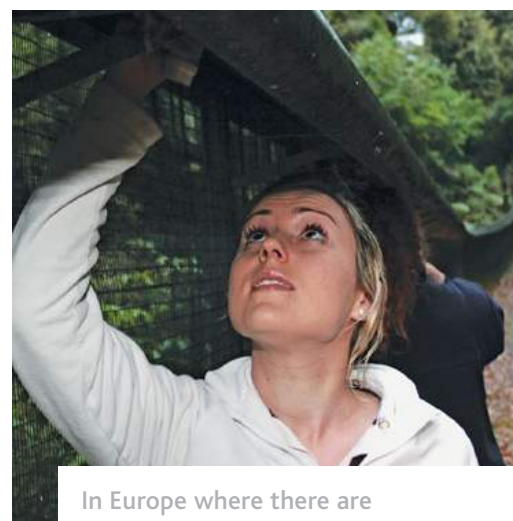
During 2015, the University boosted its support to researchers, with specific attention being paid to those compiling bids for Marsden, MBIE or Health Research Council grants. The Research and Enterprise Office has provided targeted professional development for those helping write research bids, and staff have worked closely with researchers to translate their ideas for problem-solving into funding. The office has also appointed new research developers and business relationship managers based in Auckland and Wellington and calls on in-house expertise around Vision Mātauranga and providing interdisciplinary approaches.

### WaikatoLink

WaikatoLink continued to deliver on its strategic goal of supporting the University across a range of Intellectual Property (IP) commercialisation, research development and industry engagement opportunities in 2015, resolving long-standing legacy issues, and delivering a positive financial result while providing leadership to New Zealand's commercialisation ecosystem. Further work to integrate the Research Office and WaikatoLink Ltd took place in 2015 under the watch of the new DVC Research to deliver improved research funding and outcomes.

An Intellectual Property Investment and Advisory Committee reporting to the Senior Deputy Vice-Chancellor was established to support a seamless interface between the University and WaikatoLink and to ensure co-ordination of IP management at an institutional level. WaikatoLink continues to lead the KiwiNet consortium with a further three years' funding secured from MBIE.

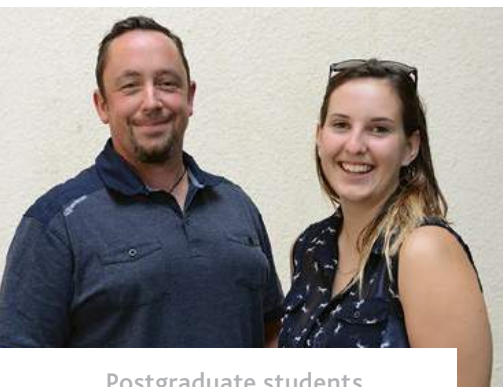
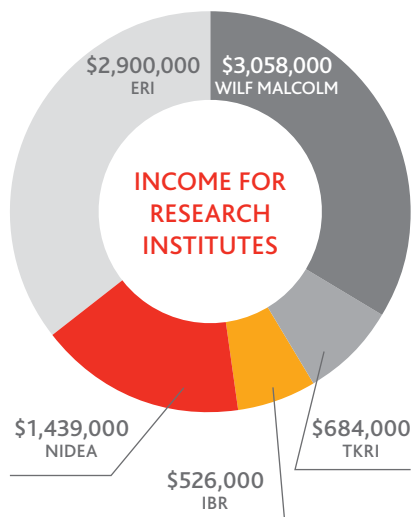
The sale of US company Pentaho to Hitachi triggered a significant return for the University. The equity holding, worth \$1.1 million, was secured as part of a licensing deal of WEKA software. 11Ants was sold to a joint venture between Air New Zealand and Canadian-listed company Aimia; Aduro Biopolymers is raising capital to scale-up manufacturing capability and is delivering new products for the meat industry; and Ligar polymers, a joint venture between Wintec and WaikatoLink, with investment from Wallace Corporation, is developing new products for companies including Pfizer, Bayer, and Pall, among other blue-chip companies.



In Europe where there are issues with light pollution, scientists have found that native species are deterred by light. University of Waikato doctoral student Bridgette Farnworth's research is proposing that light could be used in New Zealand to deter nocturnal rodents, mice in particular. Bridgette's the recipient of a Research Institute doctoral scholarship, worth up to \$85,000 for three years to assist her study into non-lethal pest control.

**\$10  
MILLION  
NEW FUNDING  
FROM MBIE** 

## Research continued



Postgraduate students Nigel Binks and Annie West weren't big fans of arachnids before they spent 10 weeks on a University of Waikato Summer Research Scholarship analysing spider DNA. Now, it's a different story. They spent the summer of 2015 catching thousands of spiders and obtaining tissue samples for DNA extraction and sequencing – the first time this type of barcoding has been done in New Zealand.

### Major External Research Grants

Demonstrating the very high level of industry engagement by University of Waikato researchers, the Ministry of Business, Innovation and Employment (MBIE) allocated University researchers nearly \$10 million for four research projects that aim to provide solutions to the problems and challenges in the environment and economy.

The long-term and crucial work to clean up the nation's lakes received another \$5.1 million in funding. The original 10-year Outcome Based Investment (OBI) was the only enduring OBI and was funded by MBIE. The OBI concept was created in 2005 when a new approach to research funding sought to better engage researchers with end users. During the Rotorua lakes OBI, researchers at the University of Waikato produced more than 2000 outputs such as creating lake databases, publications and articles, producing new monitoring techniques and hardware for lakes, and creating a database platform and website for lake users. The technology developed throughout the project, led by Professor David Hamilton, is now even used in China to monitor the health of lakes there.

Data on the destinations of students associated with the Lake Ecosystem Restoration New Zealand (LERNZ) programme show that more than 60 graduates are now employed in areas ranging from regional councils or consultancy to research institutes in New Zealand and overseas. In late 2015, the University hosted a function with 120 attendees to mark the conclusion of the project which has contributed to massive improvement in the quality of the lakes' water.

The University received \$2.5 million to look at the character and origin of sedimentary basins that formed during the Late Cretaceous Period (100-65 Ma). The research, led by Professor Peter Kamp, will provide a regional context and understanding that will help exploration companies find oil and gas prospects.

Seven popular New Zealand surf breaks will be studied to determine how coastal activities such as dredging and marina development threaten them. Associate Professor Karin Bryan will oversee the \$1.2 million research contract to collect baseline data, including wind and wave conditions and underwater topography, and use this to assess changes in "surfability".

The University is also running a \$1 million study into engineering high value enzymes using forward and reverse evolution. The global enzyme market is now worth approximately \$15 billion annually. Professor Vic Arcus' team has been able to make ancestral enzymes in the lab that are entirely new using a 'reverse evolution' approach. They will combine reverse evolution with more conventional forward evolution and modern enzyme engineering to refine enzymes ready for use in the commercial world.

Waikato also won \$1.3 million in Marsden funding including three Fast-Start grants. Associate Professor Holly Thorpe will examine young people's engagement with informal sports to improve their own and others' wellbeing in war-torn and post-disaster geographies. Electronic engineer Dr Lee Streeter will re-engineer a new camera that can simultaneously image distances and velocities, to enable real-time accurate measurement of dynamic scenes. He will work with Dr Gordon Wetzstein from Stanford University. And Tauranga-based marine scientist Dr Phil Ross will combine archaeology and molecular ecology with Mātauranga Māori (Māori knowledge) to look at why toheroa have failed to recover despite the fishery being closed more than 40 years ago.

Associate Professor Eibe Frank won a Marsden grant of \$410,000 to find ways to make "deep" learning in computers more accessible for mainstream use. Techniques from

the research will be made available through the open-source software WEKA, which was developed at the University of Waikato.

The Māori Language Commission has funded the University to measure the value of the contribution that Māori language and culture make to the New Zealand economy. The \$100,000 contract is led by Associate Professor Sandy Morrison.

In total in 2015, the University won more than 200 new externally funded research contracts, from 120 bodies with a value of \$41 million over the life of the contracts.

### Funded Professorial Positions

Waikato's work in areas of national importance was recognised during 2015 with the University receiving external funding to support two targeted professorial positions.

The Ministry for the Environment is jointly funding a Chair in Environmental Economics with the Waikato Management School to which Professor Graeme Doole was appointed in 2015. The position is funded by the Ministry in recognition of the need for Government and communities to make complex decisions about managing fresh water. Professor Doole will help local bodies build capabilities in this area and will also act as an adviser to the Ministry on its Water Programme.

The Dr John Gallagher Chair of Engineering was initiated in 2015 by long-time supporter of the University, Dr John Gallagher. A significant gift from Dr Gallagher and his wife Glenice, for a period of at least five years, will fund the endowed Chair. It will focus on agriculture, especially grassland farming and retaining manufacturing of agricultural products in New Zealand.

# 1,058

NUMBER OF  
RESEARCH  
ENROLMENTS

## Leading the way in Māori health research

Senior Māori academic and health researcher Associate Professor Leonie Pihama was awarded an inaugural Ngā Pou Senior Fellowship worth \$300,000 from the Health Research Council of New Zealand (HRC) to enable her to develop a cultural framework for understanding emotions from a Māori perspective. The information will be used to help Māori health providers working in the area of family violence prevention and intervention.

The Ngā Pou Senior Fellowship is a new HRC award developed to advance the work of mid-career to senior level researchers with a proven track record and prominent level of leadership in an area of Māori health.

Dr Pihama is Director of Te Kotahi Research Institute at the University of Waikato and has more than 20 years' experience in Māori health research.

"The research component 'He Kare a Roto' is a scoping project that is exploring the development of a cultural framework for understanding emotions from a Māori perspective which will inform Māori health providers working in the area of family violence prevention and intervention, and that work is alongside a range of Māori healers, providers and counsellors," she says.

Dr Pihama is the author and co-author of several publications on indigenous issues and is also an expert in Māori child-rearing. Her research interests cover whānau wellbeing and Māori representation and she is an advocate for Kaupapa Māori theory and research methodologies. She has a long history of involvement with Māori education, including te kohanga reo and kura kaupapa Māori.

She has been a member of the Government-appointed Constitutional Advisory Panel and has received numerous academic awards, including the inaugural Fulbright-Ngā Pae o te Maramatanga Scholar Award. She is also co-investigator on a Ministry of Education commissioned project on transition pathways of tamariki between Māori medium early childhood education and schooling.

Dr Pihama also hosts the He Manawa Whenua Indigenous Research Conference every two years in Hamilton which attracts delegates from around the world.



## Research continued

# \$13.1

## MILLION INCOME FOR THE INSTITUTE OF PROFESSIONAL LEARNING

### Externally-Funded Research Fellowships

A senior Māori academic and director of the Te Kotahi Research Institute, Associate Professor Leonie Pihama, was recognised in 2015 with an inaugural Ngā Pou Senior Fellowship from the Health Research Council. The fellowship was created to advance the work of mid-career to senior-level researchers with a proven track record and prominent level of leadership in an area of Māori health. Dr Pihama's three-year project will enable her to develop a cultural framework for understanding emotions from a Māori perspective which will be used to help Māori health providers working in the area of family violence prevention and intervention.

Research associate Dr Apo Aporosa received a \$230,000 Health Research Council Pacific postdoctoral fellowship to study the effects of the popular Pacific Island drink, kava, on driver ability and road safety.

Professor Neil Boister was granted the New Zealand Law Foundation International Research Fellowship, New Zealand's premier legal research award, valued at up to \$125,000 to undertake research on 'The simplification of New Zealand's law of extradition'.



Professor David Hamilton, Chief Science Officer for Lake Ecosystem Restoration New Zealand (LERNZ), was awarded a further \$5.1 million in government funding to continue research into central North Island lakes' restoration.

## Work Placements

A total of 2,275 students took part in work-placement or internships or work experience in 2015, but the University plans to extend that from 2016 through new undergraduate requirements that will see students taking credit-bearing papers relating to cultural competencies, disciplinary foundations and community engagement. These three areas will be important for producing graduates who are able to excel in the workplace and who are distinctively "Waikato" graduates.

All Faculties, with the exception of Education, had a growth in placements in 2015. The Faculty of Management in particular has grown strongly, from a base of 32 in 2010 to 233 in 2015. The recent growth stems from the introduction of an Industry Experience paper as an option in the fourth year of the Bachelor of Management Studies, and a significant increase in the numbers of students electing to undertake this option.

Work placements in the Faculty of Science & Engineering as part of the Bachelor of Science (Technology) and the Bachelor of Engineering (Honours) degrees usually consist of a three-month placement at the end of the second academic year and a further three- or six-month placement at the end of the third academic year. Cooperative education staff from the Faculty liaise with industry, research institutes and local government organisations to place students in work places relevant to their qualification and interests. Each student undertakes specific University papers to prepare them for the workplace which includes learning skills in professional behaviour, ethics, and communication.

**\$32.8**  
**MILLION**  
**RESEARCH**  
**INCOME IN 2015**

## New Chairs at Waikato will address major issues

In a bid to help address the national skills shortage in engineering the University of Waikato has steadily been expanding its Engineering offerings.

In 2015, the Glenice and Dr John Gallagher Foundation made a significant gift to allow for the appointment of a new Chair in Engineering at Waikato. It's the first of its kind at the University Waikato, and the position will be known as the Dr John Gallagher Chair in Engineering in recognition of the Gallaghers' long history of support for the University.

The establishment of the Chair coincided with the University's announcement it would create the new role of Dean of Engineering.

Meanwhile in August, the Government announced that Professor Graeme Doole (pictured) would become the University of Waikato Chair in Environmental Economics – a four-year position jointly funded by the Ministry for the Environment and Waikato Management School.

Professor Doole's appointment came in the wake of the Government's new National Policy Statement for Freshwater Management, which requires regional councils to introduce rules for managing freshwater assets by 2025, in consultation with community stakeholders.

Professor Doole will be providing independent economic advice to regional councils across New Zealand as they develop new policies to improve the water quality of rivers, lakes and streams.

"My role is about helping people make more informed decisions about the costs of achieving water quality targets in a specific catchment area, in a way that seeks to balance the competing interests of environmental, social, cultural and economic goals."

He is tasked with increasing skills capacity across New Zealand by training regional council and central government staff how to conduct high-quality economic analysis of proposed plans for managing water resources.



# ORGANISATIONAL CULTURE: STAFF AND STUDENTS



The University of Waikato began an array of changes in 2015 under the new leadership of Professor Neil Quigley. He joined the University of Waikato as Vice-Chancellor following a long tenure at Victoria University, most recently as Provost.

Professor Quigley began his term as Vice-Chancellor in February 2015. Following several months of discussions with senior staff he began a process of consulting about and implementing changes to the management structure of the University, designed to provide clear allocations of responsibilities for decision-making and provide a basis for major changes to the culture of the organisation. The rationale for these changes has been communicated to staff through regular columns in the online staff newsletter; through monthly breakfasts or social hours to meet with and hear from staff; and through a wide range of meetings with key stakeholders.

### Changes to the Leadership Structure

Changes to the University of Waikato's leadership structure mean the organisation now operates with a structure similar to those used in other New Zealand and Australian universities.

The structure has been designed to help the University move quickly from strategic planning and consultation to decision-making and implementation. It will allow the institution to focus on curriculum development; provide a greater focus on learning support and central oversight of the learning support provided by the faculties; improve research performance to maximise performance in the Performance-Based Research Fund and external research income; and enhance external engagement. The Vice-Chancellor has placed a particular emphasis on external engagement, and has refocused staffing within his office to provide the capability to support an extensive programme of stakeholder and regional engagement.

In this structure the Vice-Chancellor and the Senior Deputy Vice-Chancellor, Professor Alistair Jones, both take organisation-wide responsibility for leadership and management of the institution. The Vice-Chancellor and Senior Deputy Vice-Chancellor have a large number of direct reports under this structure, resulting from the desire to avoid an additional layer of management (such as can be found in larger universities) and to ensure direct lines of communication with and between senior staff at the level of Dean or above. Roles that are entirely new are tightly linked to the strategic initiatives that have been identified as priorities for the University.

Professor Jones has particular responsibility for the University's ambitious project to develop a full campus in Tauranga, as well as being the reporting line for the senior managers responsible for facilities management, student and information systems, international operations and the institution's strategy in high performance sport.

A Deputy Vice-Chancellor Academic (Professor Robyn Longhurst) and a Deputy Vice-Chancellor Research (Professor Bruce Clarkson) were appointed to provide necessary leadership for the development of teaching, learning and research. They are members of a new Executive Committee which also includes Pro Vice-Chancellor Māori Professor Linda Smith; Chief Financial Officer Andrew McKinnon; Assistant Vice-Chancellor Student and Information Services Michelle Jordan-Tong; and Assistant Vice-Chancellor Communications, Marketing and Engagement David Craig.

In part two of the organisation's reorganisation, the Assistant Vice-Chancellor portfolios changed considerably to ensure better services and experiences for students, and a more cohesive voice for the University.



Former Pro Vice-Chancellor Postgraduate Professor Kay Weaver was appointed Dean of a newly created School of Graduate Research in 2015. Her previous work in the postgraduate arena was noted in the Cycle 5 audit, with the AQA finding clear and comprehensive documentation around higher degree postgraduate supervision, and praising the overall management of postgraduate research study, including work to encourage postgraduate research students to be active members of the University research community.

**1,510  
FTE STAFF**

## Culture continued

### STUDENT AGE PROFILE



As the University strengthens its research and teaching in high performance sport, students are encouraged to work closely with sporting elite. Doctoral student Shannon O'Donnell is researching performance enhancement with the Kia Waikato Bay of Plenty Magic netball squad and two doctoral students, one from the UK and the other from Portugal, are embedded with the Chiefs Super Rugby Franchise to study recovery and on-field decision-making.

Student and Information Services now consists of Student Services, Library, IT, management information and student systems. Academic services have been moved under the DVC Academic's portfolio. Communications, Marketing and Engagement has been widened to include Digital Services and External Engagement which includes fundraising, alumni, conferences, Hamilton CBD presence, sponsorships and employer engagement. The latter issue is being given particular emphasis as the University moves to ensure even more students have a work placement, internship or volunteer aspect to their study.

The creation of new senior academic roles were also announced in the new structure, including a Dean of Engineering and a Dean of Health, Sport and Human Performance (appointed late 2015). These are two areas of specific focus for the University in coming years, and the appointment of Deans to these roles is designed to provide a strategic boost for these areas. They will join other new Dean appointments made during 2015 including Professor Brendan Hokowhitu in the School of Māori & Pacific Development and Professor Kay Weaver who began as Dean of the newly created School of Graduate Research. Professor Chad Hewitt was appointed Dean of Science following Professor Bruce Clarkson's appointment to the newly created role of Deputy Vice-Chancellor Research.

### Staff

During 2015 the University began a major project designed to ensure that new appointments can be made in areas of potential growth without increasing total staffing beyond sustainable levels.

A key initiative was the introduction of discussions about retirement planning and flexible retirement options alongside the creation of a targeted enhanced retirement scheme. The Vice-Chancellor has taken a leadership role in University-wide discussions about the importance of all teaching and research programmes benefitting from the infusion of enthusiasm, new ideas, and different perspectives gained from undertaking a PhD at other universities, and the need for retirement planning as well as institutional growth if these opportunities are to be created.

The annual staff survey conducted in October 2015 provided a range of positive affirmation for the University. Two-thirds of University staff responded to the survey demonstrating a high level of engagement, and the results indicated high levels of job satisfaction and commitment to the institution. The results also indicated strong support for the Vice-Chancellor's high level of communication with staff (up 24% on the previous year and well above the average for Australian and New Zealand universities).

However, the survey also indicated a range of areas in which the University is not meeting the expectations of staff, particularly in communication between mid-level managers and in communication across the "silos" created by Faculties and Divisions. A strong focus on organisational development and the building of an aspirational high-performance culture has been identified as a priority for 2016. It is expected that the benefits of the major structural and leadership changes made in 2015 will be evident to staff from 2016 and reflected in the 2016 Staff Survey.



## Student Experience

At the University of Waikato, 742 international (53%) and 2,038 domestic (23%) students took part in the 2015 i-graduate student barometer survey. More than 260,000 students from 20 countries took part. All New Zealand universities took part in the international survey, however only Waikato has offered the survey to domestic students. The survey covered application, arrival, learning, living and support at the institution, along with whether the students would recommend it to others and factors involved in their choice of institution.

Since the last survey was carried out – for domestic students in 2014 and international students in 2013 – satisfaction with many elements at Waikato has increased, including accommodation condition on arrival; fees/finance division; registration; welcome; safety; host friends; visa advice and internet access. The international students rated their overall experience at the University of Waikato as second best in New Zealand and 49th globally.

Despite this very positive feedback on the student experience at the University of Waikato, senior leaders of the University have been working with student leaders to identify ways in which the student experience can be further improved. Those discussions have resulted in two immediate changes and the beginning of planning for a third process.

# 6 TONNES

SECOND HAND  
FURNITURE, EQUIPMENT,  
CARPET GIVEN TO  
COMMUNITY



# 94.9%



OVERALL DOMESTIC STUDENT  
SATISFACTION, ABOVE GLOBAL  
COMPARISON OF 88.9%

## External engagement a renewed focus

The University of Waikato takes pride in fulfilling the role of a critic and conscience of society. With this in mind, a renewed focus on external engagement has become more important as the University continues to build on its long history of engaging with external stakeholders, including the communities, industries and sectors within which it operates.

The University of Waikato places a high level of importance on its role as a contributor to social well-being and economic growth regionally, nationally and internationally. It has many long-term and successful relationships with relevant bodies that enhance teaching and learning, contribute to programme development and the student experience and allow academic staff to play a leadership role in their area of expertise.

Changes in the tertiary education environment are increasing the pressure on universities to produce skilled graduates ready to meet the nation's social and economic outcomes. In 2015 and beyond, the University is committed to leveraging its existing partnerships and to develop new ones to meet these challenges head on.

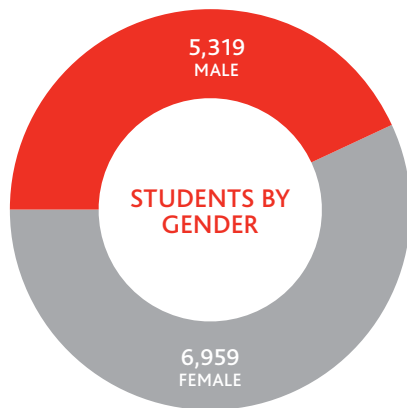
As the University works to address the big issues and meet the needs of its future graduates, employer engagement becomes an increasingly important avenue through which the University will strengthen its relationships with industry and continue to produce work-ready graduates. This involves increasing awareness of the current internship and work placement success the University has, as well as working with employers to increase their awareness of student capabilities and the variety of research opportunities available.

In 2015 an External Engagement unit was established under the portfolio of Communications, Marketing and Engagement. A new Associate Director External Engagement, Pat Mellsoy (pictured), was appointed and tasked with overseeing and co-ordinating the University's engagement with the various communities and stakeholder groups it operates within. This includes employer engagement, development and fundraising and alumni relations.

The establishment of a unit dedicated to external engagement reflects the importance the community's needs have on the future strategic direction of the University.



## Culture continued



The first of the immediate changes was the introduction of a new timetable and structure for Orientation Week. The revised Orientation Week takes place in the week before the first week of A Semester, and includes a strong programme of academic orientation as well as the opportunity to attend an introductory lecture on the structure and purpose of each 100-level course offered in A Semester. The aim is to enhance the academic and social orientation experience while also ensuring that all students are ready to focus on their studies from the first day of A Semester.

The second immediate change was that in December 2015 the Waikato Students' Union entered into an agreement to sell its 50% share of ULeisure Ltd to the University, making the University the sole owner of ULeisure Ltd. The money paid to the WSU will go into a WSU Trust to benefit future generations of students.



Taking full control of ULeisure Ltd, which provides some sport and recreation, leasing and event management services to the University as well as organising a number of community events, is driven by the desire to improve the quality of services and facilities offered to students while reducing the costs of providing those services. Under the agreement, the University has committed to maintaining the price and quality of services at the recreation centre. Options relating to sport and event services as well as options to provide a greater variety of food services on campus will be explored through a new Campus Development Committee on which there will be student representation.

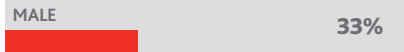
A planning process, which began at the end of 2015, will investigate creating a new facility. It will encourage students to spend more time on campus, and provide an indoor casual meeting, study and eating space for students that will enhance campus life during the cooler winter months as well as in the summer. Consideration is also being given to the question of whether this facility can be designed to give the University on-campus capability to host large-scale University activities and events such as graduation ceremonies and international conferences in a way that is distinctive to Waikato, and to incorporate a new marae.

**FTE ACADEMIC STAFF**



TOTAL 647

**FTE GENERAL STAFF**



TOTAL 863

**Habitat build brings University community together**

It's quite a feat to build a house in a week, but that's what staff and students at the University of Waikato did in early 2015. The collaborative project with Habitat for Humanity saw dozens of volunteers from the University's community give their time to build a house for a deserving family.

With a minimum of 15 on-site at all times, the volunteers worked in three-hour shifts (sometimes more) throughout the eight days the build took place.



Central North Island Chair of Habitat for Humanity and University of Waikato supporter Dr John Gallagher said the build was an opportunity for the younger generation, particularly students, to see a housing project take place from start to finish.

"It's a chance for younger people to learn about social housing, while helping others in need," he said. "It's fantastic that they've seen the opportunity to make sure another deserving Waikato family gets the chance at home ownership. What a rewarding way to start the year."

Habitat Central North Island Acting CEO Nic Greene said he was heartened by the turn-out of Waikato staff and student volunteers. At the end of the week the house was moved from the University's grounds to Tirau.

Volunteering is seen by the University as a way for students to gain valuable work experience while they are studying. Not only do they learn practical skills, they also learn ways to adapt to new and different workplace cultures. As the University refines its undergraduate curricula, volunteer assignments, internships and work experience are becoming increasingly important components in qualifications.

# REPUTATION



During 2015 the University of Waikato continued to raise its international profile, rankings and reputation through strategic partnerships and the impact of its academic staff on the research frontiers in their discipline.

### International Rankings and Reputation

In international rankings, the University climbed more than 60 places from 2014 to be ranked 338 in the world by the QS (Quacquarelli Symonds Limited) World University Rankings 2015. Staff citation rates for Waikato increased in 2015, indicating the University is producing research which is internationally regarded and of a high standard.

This is further evidenced by the rankings of individual disciplines with Waikato having 10 subjects ranked in the top 200 QS world rankings by subject area:

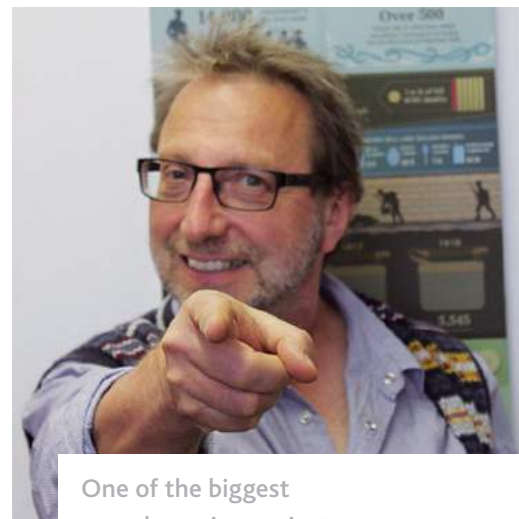
- Law
- Education
- Economics and Econometrics
- Computer Science and Information Systems
- Linguistics
- Accounting and Finance
- Communications and Media Studies
- Business and Management Studies
- Geography
- Sociology

In the 2015 Times Higher Education rankings the University sat in the 401-500 band, down from the 351-400 band previously, but still in the top 3% of universities worldwide. The rankings are based on teaching, research, citations, industry outcomes and innovation and international outlook.


Times Higher Education also ranked the University of Waikato 61st out of 100 "most international" universities in the world in 2015, reflecting the high-quality, global education students at Waikato receive. Performance is measured on the ratio of international staff and students on campus and the proportion of research papers being generated with an international co-author.

In the 2015 International Student Barometer survey, international students rated their overall experience at the University of Waikato as second best in New Zealand and 49th globally. Of the international students, 94% were either satisfied or very satisfied with the University of Waikato, well ahead of the global benchmark of 90%. A total of 80% of domestic and international students would recommend the University to others, a figure that for international students has steadily increased from 68% in 2008.

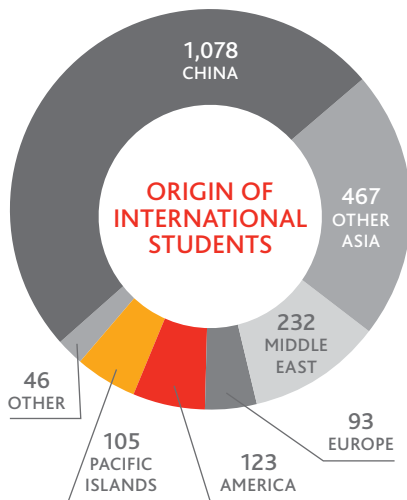
To further enhance the student experience during 2015, the University has reviewed its portfolio of taught Masters programmes with the aim of making these more attractive to international students. Furthermore a new Curriculum Design Framework agreed by all Faculties in the University has a significant international component, recognising that all students, irrespective of their nationality, should be equipped with skills that will allow them to operate in a global workforce. To that end the new curriculum framework developed in 2015 has three main compulsory credit-bearing components: one on the disciplinary foundations relevant to their degree; one on cultural competencies to enable them to function with confidence and competence anywhere in the world; and one centred on engagement via work placements, internships or volunteer programmes either in New Zealand or overseas.



One of the biggest crowdsourcing projects undertaken in New Zealand will create a valuable war history resource. The Measuring the ANZACs project will involve thousands of volunteers transcribing and indexing thousands of documents from World War 1 and the South African War, currently held by Archives NZ. Economics Professor Les Oxley is working with academics in the US and Canada on the project that will provide a searchable database available to everyone.

**40,000**   
**FOLLOWERS ON  
FACEBOOK,  
UP 28% ON 2014**

## Reputation continued



### International Students and Relationships

The creation of a dedicated International Office as part of the University of Waikato's reorganisation aims to support the University in its vision to be internationally connected and respected as a world leader in many of its key disciplines. The Office supports the organisation's strategic direction around internationalisation by identifying, developing and managing strategic partnerships including development of offshore activity; looking after study abroad and student exchange; and international student recruitment. During 2015, the International Office laid a solid foundation for this and provided Faculties with the tools to meet the international goals for the University.

Full-cost International EFTS increased in 2015, particularly from China which was up 11% on 2014, and providing strong international student pipelines for future years. The University experienced strong growth in students from Saudi Arabia (+24%) and Germany (+36%) albeit from a lower base.

The University continues to bring in a substantial number of students from its partners in China, Shanghai International Studies University (SISU) and Zhejiang University City College (ZUCC). Most notably, students transferring from SISU increased 60% from 2014 to 154 students in 2015, due to joint efforts by Waikato and SISU on marketing and promotion. SISU numbers have climbed steadily from a base of 21 students in 2000. The relationship between Waikato and ZUCC continues to go from strength to strength, with 55 students transferring in 2015.

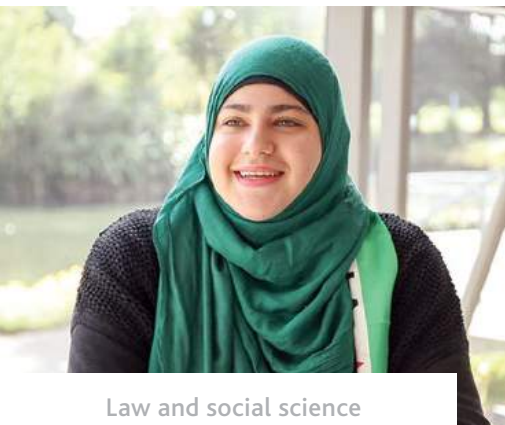
Building on this success, and its pioneering efforts in international credit transfer arrangements dating back to 1993, the University plans to replicate this partnership model in other key countries in Asia.

In 2015, Education New Zealand (ENZ) provided the University of Waikato with \$185,000 of matched funding to support its strategy to develop offshore opportunities, specifically to investigate and develop joint teaching programmes in Vietnam, India and Malaysia. Part of the University's strategy in this area is to diversify across subject disciplines, and a key component of success is ensuring students are equipped with the appropriate English skills with subject content eg English for Engineers. Additional matched ENZ funding of \$70,000 was secured to support development of an English language programme for a joint materials engineering programme with Hebei University of Science and Technology in China which enrolled 70 students into its first cohort in 2015. It is expected that a high proportion of these students will transfer to Waikato to complete the Bachelor of Science in 2018 – providing a secure pipeline of students in Engineering. The development of this English curriculum is expected to be replicated for other disciplines in the future.

In 2015 the University entered into a consortium agreement with Victoria University of Wellington and the University of Otago to jointly develop and deliver a Foundation programme in partnership with Kolej Yayasan Saad International College (KYSIC) in Malaysia. The agreement is the first of its kind in New Zealand and aims to provide a consistent flow of undergraduate students studying in Malaysia who seek a degree from universities who consistently rank in the top 3% globally.

### Government relationships

In 2015 the University focused on developing links with key scholarship bodies overseas and improving links with existing government partners. All Waikato's programmes are now approved by the Saudi Arabian Cultural Mission (SACM), including PhDs across all disciplines. A change to the scholarship programme with SACM is expected to see more high-quality Saudi students study with the University at Masters and PhD level



Law and social science student Shaymaa Arif wants to solve the big issues. She emigrated from Abu Dhabi to New Zealand in 1996 and now in her fourth year of study, Shaymaa's ongoing work in promoting justice and peace in the Middle East made her a finalist in the 2015 Waikato Women of Influence Awards. She's part of several clubs on campus, including Law for Change Waikato and Amnesty International.

from 2016. In November, the University further strengthened international links by signing an agreement with the Viet Nam International Education Development (VIED) of the Ministry of Education and Training (MOET), Viet Nam.

### Study Abroad

A key goal of the University in 2015 was to reorganise its study abroad and exchange department to allow for the growth. As part of this growth strategy the University has signed an agreement with the Institute of International Education (IIE) to join its Generation Study Abroad initiative. The University of Waikato has committed to doubling its numbers of Study Abroad students from the US by 2020 and increasing its number and depth of partnerships with US universities. To that end the University of Waikato deepened its ties with the University of California (UC) facilitated by a visit of the Chair of the UC Board of Regents, Bruce Varner. Several reciprocal visits from Waikato academic staff followed and a senior-level delegation visit is planned in 2016 to further enhance the relationship.

### Major Awards

The high national and international standing of the research and teaching being undertaken at the University of Waikato was confirmed in 2015 by the wide range of awards received.

**61** IN THE  
WORLD

FOR INTERNATIONAL OUTLOOK –  
**TIMES HIGHER**  
EDUCATION RANKINGS

 **334**

**INTERNATIONAL STAFF**

## International media profile for law expert

Alexander Gillespie, a Professor of International Law at Waikato's Law Faculty, is internationally respected, particularly by media where he is regularly quoted and interviewed on national and international platforms, including CNN and the BBC.

As part of his role as an academic, Professor Gillespie believes he serves as "a critic and conscience of society", and this is why he so freely engages with the media. "Whenever the word 'Waikato' is mentioned in a public forum such as the media and an expert is seen leading the field, good results follow."

In 2015, he commented on a vast array of subjects including the Syrian refugee crisis, waste policies, climate change, Japan's whaling policy, terrorism, the Trans-Pacific Partnership, New Zealand's gun laws, Islamic State, corporate ethics and the Rainbow Warrior.

After obtaining his LLB and LLM degrees with Honours from the University of Auckland, Professor Gillespie went on to complete his PhD at Nottingham, and post-doctoral studies at Columbia University in New York City. His areas of scholarship pertain to international and comparative environmental law, the laws of war, and a number of pressing issues of social concern such as drug policy and refugees.

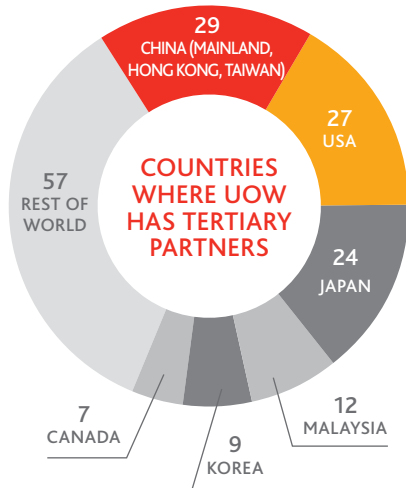
He has been awarded a Rotary International Scholarship, Fulbright Fellowship, Rockefeller Fellowship, and the New Zealand Law Foundation International Research Fellowship. Professor Gillespie has also been the lawyer/expert on several international delegations and advised the New Zealand Government on multiple matters of international concern.

Professor Gillespie was the first New Zealander to be named Rapporteur for the World Heritage Convention, involving international environmental diplomacy under the auspice of UNESCO. He has also been engaged in policy formation for the United Nations, the Commonwealth Secretariat, and governmental, commercial and non-governmental organisations in New Zealand, Australia, United States, United Kingdom, Ireland and Switzerland.

Professor Gillespie has published 16 books, with his latest works being *Waste Policy: International Regulation, Comparative and Contextual Perspectives*. (Edward Elgar, London, 2015); *International Environmental Law, Policy and Ethics*. (OUP, second edition, 2015); and *the Causes of War: 1000-1600 (Volume II)*, Bloomsbury, NYC, 2015). He has also written more than 40 academic articles.



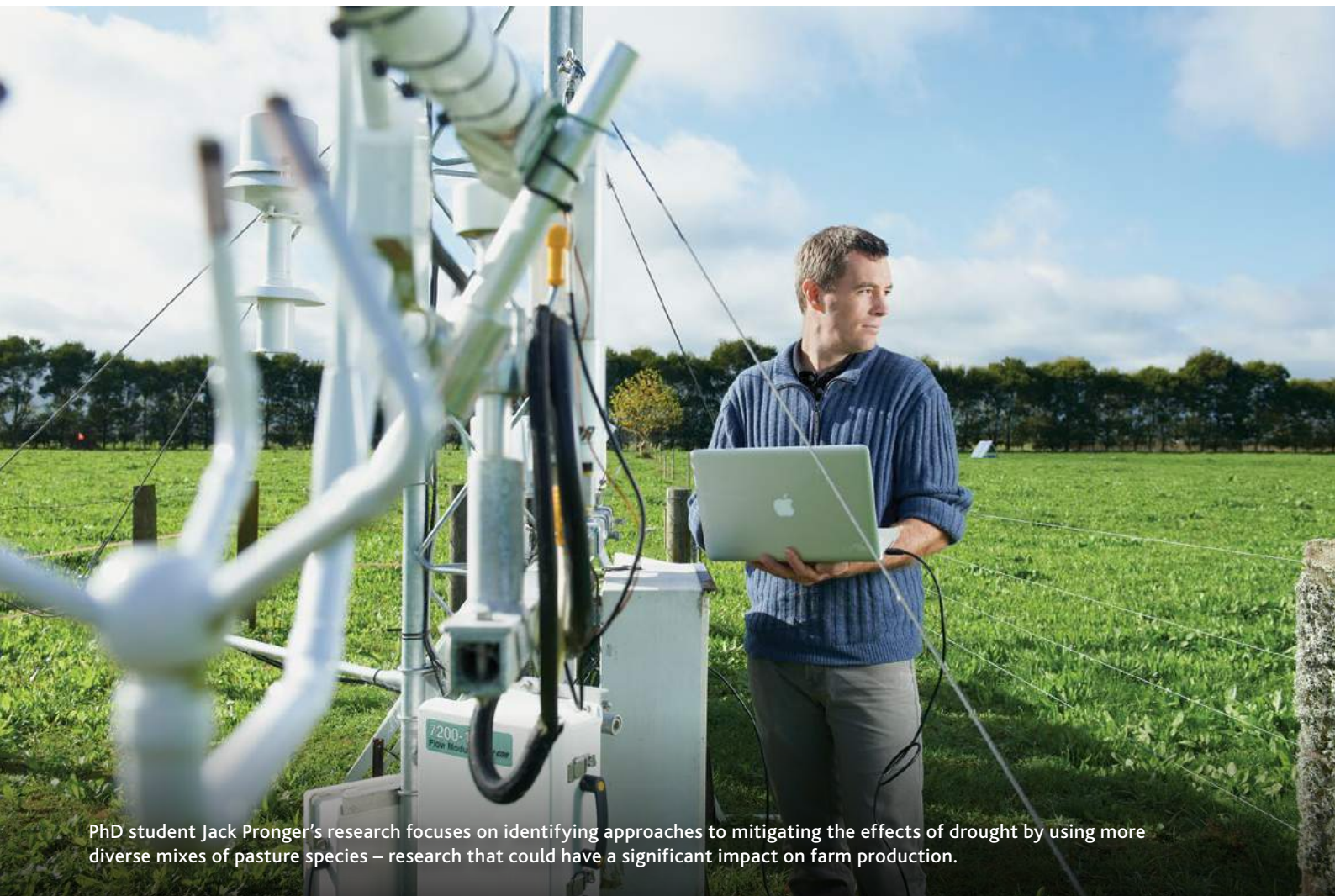
## Reputation continued



Dr Ryan Ko won the Cloud Security Alliance (CSA) 'Cloud Security Ninja' award after being ranked number one by the CSA jury on professionalism, innovation, role modelling and measurable success. The award recognises technical experts in the Asia Pacific (APAC) Cloud Security Industry who are hands-on and operational in charge of running the Cloud security operations in their organisations. At the University of Waikato Dr Ko leads the \$12 million, MBIE-funded STRATUS project on cloud security.

The University's Chair of Coastal Science and Head of the Coastal Marine Group, Professor Chris Battershill, was awarded Science Communicator of the Year by the New Zealand Association of Scientists in 2015. It was jointly presented to Professor Battershill and Canterbury University marine scientist Professor David Schiel for their collaborative efforts promoting understanding of the science related to environmental recovery from the MV Rena oil spill off Tauranga in 2011.

Associate Professor Sandy Morrison was appointed to a four-year role as the global head of the International Council for Adult Education (ICAE), a network of



PhD student Jack Pronger's research focuses on identifying approaches to mitigating the effects of drought by using more diverse mixes of pasture species – research that could have a significant impact on farm production.



organisations advocating for youth and adult education as a universal human right and a path to sustainable communities. She is the first New Zealander and only the second woman to head the organisation.

International and criminal law expert Professor Neil Boister won a EUR46,000 prize at the annual Alexander von Humboldt Research Awards Winners Symposium in Germany early in 2015. Professor Boister was recognised in particular for his development of the study of transnational criminal law.

Dr Naomi Simmonds won the New Zealand Geographical Society's 2015 President's Award for Best Doctoral Thesis work on the experiences of Māori women and whānau in relation to pregnancy and childbirth.

Dr Karsten Zegwaard won the Donald MacLaren Jr Academic Award for Professional Achievement in Cooperative & Work-Integrated Education. Dr Zegwaard is the director of the Cooperative Education Unit at Waikato and his research focusses on work placement preparation, student self-efficacy, professional identity development, and professional ethics and workplace values.

Two Waikato academics were awarded a Rockefeller Foundation Grant to organise and host a major international symposium in Bellagio, Italy. Professors Priya Kurian and Debashish Munshi travelled to Italy in July to host Climate Futures: Re-imaging Global Climate Justice.

94% 

INTERNATIONAL STUDENTS  
SATISFIED WITH UOW,  
AHEAD OF GLOBAL  
BENCHMARK OF 90%

156 

NEW ZEALAND AID  
SCHOLARS IN 2015

## Harvard professor talks science, politics at Waikato

Professor Sheila Jasanoff, a pioneer and international authority on science, technology and society was the University of Waikato's 2015 Distinguished Visiting Professor.

Professor Jasanoff is currently the Pforzheimer Chair in Science and Technology Studies at Harvard's John F Kennedy School of Government, and also works in Harvard's School of Public Health. She is a pioneer in a field that combines elements of science, public policy, politics, and law and studies the way different democracies deal with issues such as biotechnology and climate change, and how experts and policy makers evaluate evidence when designing regulations.

During her visit to Waikato, Professor Jasanoff was a respondent at a national academic symposium on science, society, culture, and policy, hosted on campus; she met with staff at the Ministry of Business, Innovation and Employment, in Wellington, and gave a free public lecture on campus.

The professor is an advocate for good science, but says good societies and good science cannot be separated. "We've got to a point when societies have to say the science is 'good enough'. You can't keep on doing science and not acting or responding," she says.

Scholarship on the nature of science and technology, along with detailed studies of science advice in action, indicates that better science advice requires more intelligent engagement with publics. "This observation may initially sit uncomfortably with advisers but it should in the end lead to more accountable uses of their knowledge and judgment," she says.

Professor Jasanoff was founding chair of the Science and Technology Studies Department at Cornell University and has held numerous distinguished visiting appointments in the US, Europe and Japan. She has published more than 100 articles and chapters and is author or editor of a dozen books, including *Controlling Chemicals*, *The Fifth Branch*, *Science at the Bar*, and *Designs on Nature*.

Waikato's inaugural Visiting Distinguished Professor was Professor David Bloom from Harvard University who visited in 2014 during the University of Waikato's golden jubilee year.



## Statistical information

### Total Students by Origin

	2007	2008	2009	2010	2011	2012	2013	2014	2015
Core Region	8,347	8,333	9,234	8,845	8,732	8,863	8,799	8,523	8,429
Inner Periphery	512	626	794	843	961	930	971	1,002	1,054
Outer Periphery	527	521	585	551	561	506	537	525	500
Auckland	899	790	754	679	614	587	489	488	541
Wellington	142	131	188	169	181	156	165	153	142
South Island	131	157	137	134	128	129	137	124	141
Overseas	1,482	1,448	1,397	1,421	1,386	1,350	1,246	1,417	1,471
<b>Total</b>	<b>12,040</b>	<b>12,006</b>	<b>13,089</b>	<b>12,642</b>	<b>12,563</b>	<b>12,521</b>	<b>12,344</b>	<b>12,232</b>	<b>12,278</b>

### Total Qualifications Completed by Level

	2007	2008	2009	2010	2011	2012	2013	2014	2015
Foundation certificate	611	879	1,098	827	548	546	484	523	473
Degree	2,120	1,884	1,993	1,843	1,929	2,037	2,167	1,937	1,891
Graduate/Postgraduate	933	995	1,111	1,208	1,289	1,284	1,071	968	918
Higher Degree	73	53	54	71	105	73	83	92	74
<b>Total</b>	<b>3,737</b>	<b>3,811</b>	<b>4,256</b>	<b>3,949</b>	<b>3,871</b>	<b>3,940</b>	<b>3,805</b>	<b>3,520</b>	<b>3,356</b>

## Total EFTS by Level

	2007	2008	2009	2010	2011	2012	2013	2014	2015
Sub-degree	648	749	872	575	453	406	345	335	393
Degree	7,356	7,236	7,851	7,874	8,009	8,123	8,075	7,824	7,881
Taught Postgraduate	1,033	1,028	1,149	1,205	1,159	1,117	1,161	1,168	1,192
Research Postgraduate	477	497	545	593	620	620	576	576	551
ACE	195	176	189	168	108	104	2	-	-
<b>Total</b>	<b>9,708</b>	<b>9,685</b>	<b>10,606</b>	<b>10,415</b>	<b>10,349</b>	<b>10,371</b>	<b>10,159</b>	<b>9,904</b>	<b>10,018</b>

## Total EFTS by Source of Funding

	2007	2008	2009	2010	2011	2012	2013	2014	2015
Ministry-Funded (excluding ACE)	7,705	7,859	8,700	8,546	8,660	8,776	8,726	8,473	8,451
Full-Cost International	1,767	1,615	1,669	1,664	1,543	1,461	1,408	1,401	1,535
Full-Cost Other	40	36	49	38	37	30	24	29	32
ACE	195	176	189	168	108	104	2	-	-
<b>Total</b>	<b>9,708</b>	<b>9,685</b>	<b>10,606</b>	<b>10,415</b>	<b>10,349</b>	<b>10,371</b>	<b>10,159</b>	<b>9,904</b>	<b>10,018</b>

# Statistical information

## Total EFTS by Organisational Unit

	2007	2008	2009	2010	2011	2012	2013	2014	2015
Arts & Social Sciences	1,931	1,849	2,054	2,091	2,060	2,185	2,227	2,143	2,092
Computing & Mathematical Sciences	790	706	759	804	878	950	993	964	998
Education	1,792	1,932	2,266	3,061	2,905	2,871	2,568	2,322	2,200
Law	573	589	608	626	650	622	646	635	643
Māori & Pacific Development	298	274	278	274	302	283	263	226	247
Science & Engineering	887	875	916	918	974	1,003	1,047	1,103	1,165
Waikato Management School	2,597	2,536	2,664	2,641	2,580	2,455	2,416	2,512	2,673
Other Organisational Unit	840	925	1,062	-	-	-	-	-	-
<b>Total</b>	<b>9,708</b>	<b>9,685</b>	<b>10,606</b>	<b>10,415</b>	<b>10,349</b>	<b>10,371</b>	<b>10,159</b>	<b>9,904</b>	<b>10,018</b>

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015
Total Academic FTE	625	643	633	654	646	637	640	636	647
Total EFTS	9,708	9,685	10,606	10,415	10,349	10,371	10,159	9,904	10,018
<b>Total</b>	<b>15.5</b>	<b>15.1</b>	<b>16.8</b>	<b>15.9</b>	<b>16.0</b>	<b>16.3</b>	<b>15.9</b>	<b>15.6</b>	<b>15.5</b>

## Research Revenue

	2007	2008	2009	2010	2011	2012	2013	2014	2015
Annual Research Revenue	\$23.295 million	\$21.894 million	\$27.838 million	\$27.464 million	\$31.077 million	\$29.693 million	\$28.666 million	\$27.969 million	\$32.824 million
Academic FTE (Research)	465	492	450	449	441	442	448	451	449
Research Revenue per Academic FTE (Research)	\$50,097	\$44,500	\$60,862	\$61,111	\$70,395	\$67,179	\$63,986	\$62,015	\$73,095

## Research Publication Count by Type

	Books	Chapters	Conference Contributions	Creative Works	Journals	Other	Total
Arts & Social Sciences	13	63	202	28	164	80	550
Computing & Mathematical Sciences	2	5	64	-	45	10	126
Education	17	81	123	2	163	79	465
Law	3	6	5	-	49	10	73
Waikato Management School	3	9	85	1	137	36	271
Science & Engineering	3	40	142	-	231	39	455
Office of the Vice-Chancellor	-	7	10	1	11	4	33
Office of PVCM (includes SMPD)	5	8	17	10	3	6	49
Non Faculty Staff	-	-	1	-	1	-	2
<b>Total</b>	<b>46</b>	<b>219</b>	<b>649</b>	<b>42</b>	<b>804</b>	<b>264</b>	<b>2,204</b>

# Statistical information

## Total Students by Ethnicity

	2007	2008	2009	2010	2011	2012	2013	2014	2015
Pākehā/European	5,727	5,631	6,061	5,841	5,775	5,778	5,711	5,472	5,331
New Zealand Māori	2,317	2,230	2,451	2,300	2,339	2,343	2,290	2,254	2,249
Pacific Islander	454	500	525	470	491	557	589	570	624
Chinese	1,674	1,405	1,383	1,301	1,182	1,181	1,130	1,252	1,368
Indian	293	320	402	416	428	456	419	447	470
Other	1,575	1,920	2,267	2,314	2,348	2,206	2,205	2,237	2,236
<b>Total</b>	<b>12,040</b>	<b>12,006</b>	<b>13,089</b>	<b>12,642</b>	<b>12,563</b>	<b>12,521</b>	<b>12,344</b>	<b>12,232</b>	<b>12,278</b>

## Total Staff FTE

	2007	2008	2009	2010	2011	2012	2013	2014	2015
Academic	625	643	633	654	646	637	640	636	647
Other Staff	917	916	895	882	897	876	880	847	863
<b>Total</b>	<b>1,542</b>	<b>1,560</b>	<b>1,528</b>	<b>1,537</b>	<b>1,543</b>	<b>1,513</b>	<b>1,520</b>	<b>1,483</b>	<b>1,510</b>

## Seniority of Total Academic Staff FTE

	2007	2008	2009	2010	2011	2012	2013	2014	2015
Professors	87	84	84	82	81	86	81	82	82
Associate Professors	75	78	78	77	78	73	72	74	77
Senior Lectures	212	212	224	229	230	234	231	234	226
Lecturers	119	113	120	126	125	123	106	95	92
Other	132	156	128	140	131	122	150	151	170
<b>Total</b>	<b>625</b>	<b>643</b>	<b>633</b>	<b>654</b>	<b>646</b>	<b>637</b>	<b>640</b>	<b>636</b>	<b>647</b>

## Total Staff FTE by Organisational Unit

	2007	2008	2009	2010	2011	2012	2013	2014	2015
Arts & Social Sciences	174	1079	173	174	170	173	179	178	179
Computing & Mathematical Sciences	78	75	74	80	78	74	78	77	78
Education	300	285	292	381	386	363	367	342	319
Law	35	37	35	36	38	38	42	40	38
Office of PVCM (includes SMPD)	38	34	29	24	21	41	44	38	37
Science & Engineering	185	193	188	189	193	195	187	186	195
Waikato Management School	212	196	186	188	186	177	171	167	175
Other Organisational Unit	519	561	551	465	471	452	452	455	489
<b>Total</b>	<b>1,542</b>	<b>1,560</b>	<b>1,528</b>	<b>1,537</b>	<b>1,543</b>	<b>1,513</b>	<b>1,520</b>	<b>1,483</b>	<b>1,510</b>

# Auditor General Opinion

AUDIT NEW ZEALAND  
Mana Arotake Aotearoa

## Independent Auditor's Report

### To the readers of University of Waikato and group's financial statements and statement of service performance for the year ended 31 December 2015

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

#### Opinion on the financial statements and the statement of service performance

We have audited:

- the financial statements of the University and group on pages 65 to 121, that comprise the balance sheet as at 31 December 2015, the statement of comprehensive revenue and expense, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information; and
- the statement of service performance of the University and group on pages 50 to 58.

In our opinion:

- the financial statements of the University and group on pages 65 to 121:
  - present fairly, in all material respects the University and group's:
    - financial position as at 31 December 2015; and
    - financial performance and cash flows for the year then ended;
  - comply with generally accepted accounting practice in New Zealand and have been prepared in accordance with the applicable financial reporting framework.



- the statement of service performance of the University and group on pages 50 to 58 presents fairly, in all material respects, the University and group's service performance achievements measured against the proposed outcomes described in the investment plan for the year ended 31 December 2015.

Our audit was completed on 16 March 2016. 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 explain our independence.

### **Basis of opinion**

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

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

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

An audit also involves evaluating:

# Auditor General Opinion

- 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 the disclosures in the financial statements and the statement of service performance; and
- the overall presentation of the financial statements and the statement of service performance.

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

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

## **Responsibilities of the Council**

The Council is responsible for preparing financial statements that comply with generally accepted accounting practice in New Zealand and present fairly the University and group's financial position, financial performance and cash flows.

The Council is also responsible for preparing a statement of service performance that presents fairly the University and group's service performance achievements measured against the proposed outcomes adopted in the investment plan.

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

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

## **Responsibilities of the Auditor**

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

## **Independence**

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

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



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

# Statement of Service Performance

## Institutional Sustainability

	2011 Actual	2012 Actual	2013 Actual	2014 Actual	2015 Target	2015 Actual
1. Achieve the Ministry-Funded EFTS targets set out in the Investment Plan 2015-2017	8,660 EFTS	8,776 EFTS	8,726 EFTS	8,473 EFTS	8,280 EFTS	<b>8,451 EFTS</b>

The University exceeded the Ministry-Funded EFTS target set out in its Investment Plan 2015-2017 and obtained all of its allocated Student Achievement Component funding from the TEC in 2015.

The target set out in the University's Investment Plan for 2015 (8,729 EFTS) included a volume of EFTS (449) that the TEC advised would not receive Ministry-Funding. The University did not deliver its planned quantum of unfunded EFTS in 2015.

T Semester (November/December Summer School) enrolments increased again in 2015, building on the significant gains made each year since offerings in this semester began in 2010.

Ministry-Funded enrolments across the University were much in line with 2015 targets and, in most cases, similar to 2014. The key exceptions were initial teacher education programmes in the Faculty of Education, which continued to decline on previous years. Enrolments in the Faculty of Arts and Social Sciences also fell short of their 2015 target with notable declines over the previous year in enrolments in the Bachelor of Arts and the Doctor of Philosophy within the Faculty.

Ministry-Funded Engineering enrolments were very close to the target agreed with TEC for 2015 and continued to grow in comparison to previous years; the University remains on track to contribute to Government's ambitions for increased numbers of Engineering graduates over the next few years.

MF EFTS in Tauranga were down on target (540 EFTS against a target for 2015 of 656), with a significant proportion of the shortfall being attributed to a downturn in teacher education enrolments in Tauranga; the shortfall in enrolments in 2015 will not impact on the University's intended longer-term growth associated with a new city campus development.

	2011 Actual	2012 Actual	2013 Actual	2014 Actual	2015 Target	2015 Actual
2. Achieve the Full-Cost International EFTS targets set out in the Investment Plan 2015-2017	1,543 EFTS	1,461 EFTS	1,408 EFTS	1,401 EFTS	1,471 EFTS	<b>1,535 EFTS</b>

The University's Full-Cost International EFTS increased for the first year since 2011, with specific growth at sub-degree and taught postgraduate levels – both above target.

The University continued to attract strong enrolments from its partnership programmes with Shanghai Institute of Studies University (SISU) and, combined with the significant gains made last year, international student pipelines remain strong for the future.

There were significant enrolment increases in the industry-relevant programmes of Master of Business Management and Master of Professional Management. The University's Master of Professional Accounting, introduced in 2015, was also met with strong demand from Full-Cost International students.

The University continued to attract a very significant number of students from China (up nearly 11% over 2014). While numbers of students from the Middle East were down (232 compared with 251 in 2014), the decline was offset by an increase in numbers of students from the Pacific Islands (up 14) and America (up 4). Student numbers from other areas remained relatively consistent with 2014.

	2011 Actual	2012 Actual	2013 Actual	2014 Actual	2015 Target	2015 Actual
3. Maintain a 'Low-Risk' rating against the TEC's Financial Monitoring Framework	'Low Risk'	'Low Risk'	'Low Risk'	'Low Risk'	'Low Risk'	'Low Risk'

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

Based on the University's audited results for 2014 and three-year forecasts developed and provided to the TEC in May 2015, the FMF model indicated no change to the 'low risk' rating achieved in previous years.

## Student Participation and Performance

	2011 Actual	2012 Actual	2013 Actual	2014 Actual	2015 Target	2015 Actual
4. Increase the proportion of all EFTS enrolled at postgraduate level and above to at least 18.9% by 2017	17.2%	16.8%	17.1%	17.6%	18.6%	17.4%

The University continued to increase the number of its EFTS enrolled at postgraduate level and above.

While the University's targeted proportion of EFTS enrolled at postgraduate level and above – derived from its overall EFTS target for 2015 – was not achieved in 2015, the volume of EFTS at postgraduate level and above increased over the volume achieved in 2014.

In 2015 significant growth in enrolments has been achieved in the Master of Business Management (up 18% on 2014) – particularly as a result of demand from international students – the Master of Social Sciences (up 24% on 2014) and the Master of Professional Management (up 31% on 2014). New Masters qualifications introduced in 2015 that have proved particularly popular include the Master of Cyber Security and the Master of Professional Accounting (attracting 13 and 12 students respectively in 2015).

While the number of students enrolled in Masters programmes has increased significantly following the introduction of 180-point Masters programmes, the number of EFTS generated by students enrolled in Masters programmes has not increased at the same rate. Of particular note has been the significant reduction in the number of students enrolling in postgraduate certificates and diplomas.

A further factor that has influenced student enrolments at postgraduate level has been the changes to Student Allowance regulations that were introduced with effect from 2013. Students enrolled in Masters degrees, postgraduate certificates, postgraduate diplomas, and doctoral programmes are no longer eligible for student allowances, which has resulted in a change to student enrolment patterns. Under the revised Student Allowance regulations only students enrolled in Bachelor with Honours programmes maintain their eligibility for student allowances.

A shortfall against the University's enrolment target for Ministry-Funded postgraduate students in 2015 was partially offset by stronger than anticipated enrolments by Full-Cost International students in postgraduate qualifications (see also comments under KPI 2).

## Statement of Service Performance

	2011 Actual	2012 Actual	2013 Actual	2014 Actual	2015 Target	2015 Actual
5. Maintain the proportion of Ministry-Funded EFTS generated by Māori students at at least 21.0%	21%	22%	21%	22%	21%	22%

The University exceeded its target for Māori students with 22.1% of its Ministry-Funded EFTS being generated by Māori students; this result was ahead of 2014, and consistent with the proportion of the Waikato/Bay of Plenty regional population who identified as Māori in the 2013; the vast majority, approximately 75%, of the University's Māori students come from the Waikato/Bay of Plenty region.

The proportion of the University's new Māori EFTS generated by school leavers has remained relatively constant at about 41%; the vast majority of these school leavers undertook their secondary schooling in the Waikato/Bay of Plenty region (at around 70%).

The age and gender patterns of the University's Māori students have remained relatively consistent over the past five years with about 64% of EFTS being generated by female students and approximately 60% of the Māori student population being aged under 25.

The University continues to attract strong enrolments by Māori students the Faculty of Education, Faculty of Arts & Social Sciences, Faculty of Management and Faculty of Law, as well as the School of Māori & Pacific Development. The Faculty of Education continues to generate the largest number of EFTS by Māori students. In line with Government's overall ambitions, there has been a significant increase in Māori enrolments in STEM (Science, Technology, Engineering and Mathematics) programmes over the last few years, and Māori student enrolments in the Faculty of Science & Engineering have increased each year since 2012, climbing from a proportion of 9.8% in 2012 to 12.5% in 2015.

	2011 Actual	2012 Actual	2013 Actual	2014 Actual	2015 Target	2015 Actual
6. Increase the proportion of Ministry-Funded EFTS generated by Pacific students to at least 6.4% by 2017	4.9%	5.6%	6.1%	6.0%	6.2%	6.7%

The University's achievement of 6.7% of its Ministry-Funded EFTS being generated by Pacific students was the highest proportion ever recorded by the University and significantly higher than the proportion of the Waikato/Bay of Plenty regional population who identified as Pacific in the 2013 Census (3.5%, compared with 7.0% nationally).

While the University did not include a target against this indicator for 2015 in the forecast statement of service performance in its Investment Plan 2015-2017, it did enter into a performance commitment with the Tertiary Education Commission to increase the proportion of Ministry-Funded EFTS generated by Pacific students to 6.2% in this year, a target that was comfortably exceeded.

The proportion of the University's Pacific students aged under 25 has increased from 59.8% in 2010 to 67.9% in 2015, reflecting national demographic growth in the younger age groups among Pacific peoples.

The University has experienced significant growth in the proportion of its Pacific students who come from outside the Waikato/Bay of Plenty region. The proportion of Pacific students coming from the University's inner periphery region (which includes South Auckland) has increased from 12.8% in 2010 to 22.7% in 2015; this growth reflects the University's increased recruitment activity in the South Auckland region under the leadership of the University's Senior Policy Advisor – Pacific.

The University has attracted strong enrolments by Pacific students in the Faculty of Arts & Social Sciences, Faculty of Education, Faculty of Management and the Faculty of Law. Growth in Pacific EFTS in the Faculty of Law since 2010 means that Pacific students now generate 12.9% of the total EFTS in that Faculty.

	2011 Actual	2012 Actual	2013 Actual	2014 Actual	2015 Target	2015 Interim
7. Maintain successful course (paper) completion rate for Ministry-Funded students at at least 86.0%	87%	86%	85%	85%	≥86%	<b>84%</b>
8. Increase successful course (paper) completion rate for Ministry-Funded Māori students to at least 85.0% by 2017	82%	81%	80%	79%	83%	<b>78%</b>
9. Increase successful course (paper) completion rate for Ministry-Funded Pacific students to at least 76.0% by 2017	73%	71%	65%	69%	74%	<b>66%</b>
10. Maintain successful course (paper) completion rate for Full-Cost International students at at least 86.0%	84%	86%	87%	89%	≥86%	<b>89%</b>

The 2015 results for these indicators are interim and are subject to change.

While the University did not include a target against KPIs 8 and 9 for 2015 in the forecast statement of service performance in its Investment Plan 2015-2017, it did enter into a performance commitment with the Tertiary Education Commission to achieve particular paper completion rates; these targets are stated above.

A number of new initiatives undertaken by the University in 2015 in order to provide pathways for new students have negatively impacted on paper completion rates. The initiatives undertaken by the University in 2015 were primarily to combat the impact of changes to University Entrance standards, and sought to provide pathways for students who narrowly failed the new standards; these initiatives included the admission of students through special admission with initial enrolment in either degree-level certificate programmes, sub-degree university preparation programmes or a split programme where students enrolled in some sub-degree preparatory papers and some papers at degree-level. Paper completion rates for students entering through these pathways have been lower than students entering through more traditional entry pathways.

Another initiative that had a negative effect on paper completion rates was the increase in the number of young Pacific students recruited to the University. These students had lower paper completion rates than their peers in their first year, which contributed to a decline in overall Ministry-Funded and Ministry-Funded Pacific student paper completion rates. Initiatives to address this are being implemented.

An increase in new Māori students also had a negative impact on both overall Ministry-Funded paper completion rates and Ministry-Funded Māori student paper completion rates; paper completion rates for first year Māori students are significantly below both the overall first-year cohort and Māori and non-Māori students at higher levels.

Paper completion rates in 100-level papers are typically much lower than in higher level papers at undergraduate level:

Level	2015 Paper completion rate
100-level	74.5%
200-level	84.9%
300-level	90.4%
400-level	90.8%

Continued strong new student enrolments (approximately 32% of all students were new in 2015) mean that 100-level paper enrolments made up a relatively high-proportion of overall enrolments at undergraduate level, influencing the overall paper completion rate.

## Statement of Service Performance

Efforts to reduce provision identified by the Tertiary Education Commission as 'low performing provision' (papers with a paper completion rate of less than 60%), have seen the University introduce a number of new initiatives to improve paper completion rates. As a result of these initiatives, the paper completion rates for a number of papers that had been on the University's list of 'low performing provision' for several years were above the threshold in 2015.

The design, structure and content of papers is a major component of the University's Curriculum Enhancement Programme which will be implemented over the next few years; the improvement of paper completion rates is a key underpinning factor of the project.

Final 2015 results for these KPIs will be published in the University's *2016 Annual Report*.

	2011 Actual	2012 Actual	2013 Actual	2014 Actual	2015 Target	2015 Interim
11. Increase number of qualifications completed by domestic students to at least 3,150 per annum by 2017	3,107	3,169	3,013	2,829	>2,829*	<b>2,581</b>
12. Increase number of qualifications completed by Māori students to at least 680 per annum by 2017	581	622	653	545	>545*	<b>531</b>
13. Increase number of qualifications completed by Pacific students to at least 150 per annum by 2017	184	190	163	164	>164*	<b>172</b>
14. Increase number of qualifications completed by International students to at least 820 per annum by 2017	767	769	789	935	>935*	<b>775</b>

The 2015 results for these indicators are interim and are subject to change. Historical results are also subject to change as small numbers of students may rescind previously awarded qualifications in order to obtain credit towards higher level qualifications; students may rescind qualifications at any time.

Qualification completions for 2015 will continue to be confirmed during the first quarter of 2016. Results to date indicate that the University will be close to achieving, if not exceeding the volumes of qualification completions achieved in 2014.

Of significant note in 2015 was the decrease in qualification completions generated in the Faculty of Education – this trend was particularly evident among domestic students and Māori students – and reflected the downturn in enrolments in teacher education programmes over the past few years. Completions in other Faculties are on track to be at similar, if not higher, numbers than 2014.

Final 2015 results against these KPIs will be published in the University's *2016 Annual Report*.

	2011 Actual	2012 Actual	2013 Actual	2014 Actual	2015 Target	2015 Interim
15. Increase the number of doctoral qualifications completed to at least 100 per annum by 2017	99	71	80	95	>95*	<b>72</b>

The 2015 result for this indicator is interim and is subject to change.

Doctoral qualification completions for 2015 will continue to be confirmed during the first half of 2016. Results to date indicate that the University will be close to achieving, if not exceeding, the volume of doctoral qualification completions achieved in 2014.



Doctoral qualification completions generate additional funding for the University through the Research Degree Completion component of the TEC's Performance-Based Research Fund. Additional weighting for the funding is determined by the subject area of the doctorate, the ethnicity of the student and the language that the doctorate is produced in (significant additional weightings apply for doctorates submitted in Te Reo Māori).

Data available to date show an increase in doctoral qualification completions in the Faculty of Science & Engineering which will contribute to an expectedly strong result for the University in terms of Research Degree Completion funding.

Final 2015 results will be published in the University's *2016 Annual Report*.

## Research Performance and Industry Relevance

	2014 Actual	2015 Target	2015 Actual
16. Increase the number of students undertaking industry placements to at least 2,050 per annum by 2017	1,551	>1,551*	1,476

The University of Waikato is committed to producing work-ready graduates. A key component in preparing students for employment is giving them the opportunity to undertake an industry placement that gives them work experience related to their area of study and qualification.

The University has significantly increased the number of industry placements across most Faculties. However, these increases have been offset by a decline in enrolments in initial teacher education programmes – placements in the Faculty of Education decreased from nearly 1500 per annum in 2010 to just over 1000 per annum in 2015; placement enrolments in other Faculties increased from 78 to 445 over the same period.

	2011 Actual	2012 Actual	2013 Actual	2014 Actual	2015 Target	2015 Actual
17. Increase Research and Development (R&D) revenue to at least \$66.1M per annum by 2017	\$68.0M	\$61.0M	\$67.3M	\$66.5M	>\$66.5M*	\$73.5M

The University delivered a very strong result for its Research and Development revenue target in 2015 and experienced increases in both external research revenue and contract revenue.

Research and Development (R&D) revenue counts all non-teaching revenue generated by the Faculties, Research Institutes and subsidiary entities.

The Faculties of Education, Science and Engineering and Computing and Mathematical Sciences demonstrated continued growth in external research revenue in 2015, with significant new Ministry of Business, Innovation and Employment (MBIE) contracts and Marsden fund projects being awarded in 2015.

The University's Institute of Professional Learning contributed an additional \$1.7M of R&D revenue in 2015 as a result of gaining additional contracts from Government, industry and other universities.

# Statement of Service Performance

## Organisational Culture: Staff and Students

	2014 Actual	2015 Target	2015 Actual
18. In the annual Voice staff survey			
a. Increase the 'staff engagement' scale result each year	78%	>78%	<b>77%</b>
b. Increase the 'organisational progress' scale result each year	55%	>55%	<b>47%</b>

The Voice staff survey includes two key measures of organisational performance, these are:

1. 'Staff Engagement' – the extent to which staff are passionate about their day-to-day work, positive about belonging to the organisation and keen to keep working there.
2. 'Organisational Progress' – this measures staff perceptions about organisational performance: how successful is the organisation at achieving its objectives, how well is change and continuous improvement managed, and is client service delivery of a high standard.

In 2015, the University elected to undertake a shorter annual staff survey which, while similar to the previous survey, included fewer items against each of the scales. When results for 2014 are recalculated using the number and items used in 2015, the 'staff engagement scale' and 'organisational progress' scale results are slightly changed (79% and 54% respectively).

While the 'staff engagement' scale remains consistent with previous years, the 'organisational progress' scale is 7% lower than the recalculated 2014 result. It is believed that the change of terminology from stakeholders to customers for one item within the survey impacted on the result for this scale; results for the same item in 2014 were significantly higher than those in 2015 with related items showing little change.

	2013 Actual	2014 Actual	2015 Target	2015 Actual
19. In the bi-annual i-Graduate domestic Student Barometer survey:				
a. Maintain the student satisfaction rating with overall university experience	-	93%	≥93%	<b>95%</b>
b. Maintain the student satisfaction rating with learning experience	-	91%	≥91%	<b>93%</b>
c. Maintain the student satisfaction rating with student support services	-	93%	≥93%	<b>92%</b>
20. In the bi-annual i-Graduate International Student Barometer survey				
a. Maintain the student satisfaction rating with overall university experience	91%	-	≥91%	<b>91%</b>
b. Maintain the student satisfaction rating with learning experience	88%	-	≥88%	<b>88%</b>
c. Maintain the student satisfaction rating with student support services	91%	-	≥91%	<b>89%</b>

Overall student survey results were very positive and remain on track.

i-Graduate is a global company that tracks and benchmarks student and stakeholder opinions across the student experience.

The University has been utilising the i-Graduate International Student Barometer (ISB) since 2008, and adopted the i-Graduate domestic Student Barometer survey (dSB) in 2014.

One of the key benefits of the i-Graduate surveys is the ability to benchmark results against other institutions both nationally (in the case of the ISB; no other New Zealand universities used the dSB in 2015) and internationally. The University’s performance against each indicator was higher than the global average, and in only one instance (student support) was the University’s result lower than the average for the New Zealand universities in the ISB.

Level	Waikato	Global	NZ (ISB only)
Overall university experience (dSB)	94.9%	88.9%	
Learning experience (dSB)	92.8%	86.1%	
Student support services (dSB)	91.9%	87.0%	
Overall university experience (ISB)	91.4%	89.2%	90.0%
Learning experience (ISB)	88.0%	86.9%	87.9%
Student support services (ISB)	89.2%	88.7%	90.0%

At 53% and 23% respectively, Waikato also had stronger survey response rates than the global average (ISB: 29%, dSB: 21%).

While student satisfaction with support services trended slightly behind the University’s target for both domestic and international students, it is important to note that Waikato students were more satisfied with student support services than students at other institutions globally, and international students were only slightly less satisfied than the average for New Zealand universities (less than 1%). As a consequence of the 2013 ISB and 2014 dSB surveys, the University has invested in changes to its Careers Services and Fees and Finance services – results against both these sub-sections of student support services subsequently improved in 2015. The University is currently considering the results from the 2015 surveys with a view to improving student satisfaction with support services.

### Reputation

	2011 Actual	2012 Actual	2013 Actual	2014 Actual	2015 Target	2015 Actual
21. Maintain a ranking within the top 500 in the annual World THE University Ranking	318	302	311	391	<500	401-500
22. Maintain a ranking within the top 500 in the annual QS World University Ranking	357	374	401-410	401-410	<500	338

In the annual QS World University Rankings the University’s performance improved from 401-410 in 2014 to 338 in 2015. The improvement in Waikato’s (and all New Zealand universities’) performance is primarily due to a change in the weighting of citations by QS for the 2015-2016 rankings. Previously, the weighting of citations by faculty area was driven by global publication patterns; around 49% of global research publications are in the area of Life Sciences and Medicine and those institutions with large medical schools generally performed strongly in the rankings. For the 2015-2016 rankings, weightings were balanced more evenly across the five faculty areas that QS uses within its rankings (Arts and Humanities; Engineering and Technology; Life Sciences and Medicine; Natural Sciences; and Social Sciences and Management). Given that Waikato’s performance against the other categories that make up the ranking was similar to that in previous years, it is evident that the 2015 improvement in overall ranking was mainly as a result of the change to the weighting of citations.

While in 2015 the THE University Rankings changed through the transfer of data collection and production from Thomson Reuters to in-house, and changed its citations tool from the Thomson Reuters Citations Index to the Elsevier Scopus database, there was no discernible impact on the University’s performance as a result of those changes.



	2011 Actual	2012 Actual	2013 Actual	2014 Actual	2015 Target	2015 Actual
23. Maintain at least 5 subjects ranked in the top 500 in the annual QS World University Rankings by Subject	4	6	5	5	≥5	10

Linked to its annual World University Rankings, QS also rates the top 200 universities in a range of subject areas (36 discrete subject areas in 2015). These results are based on the University Rankings exercise from the previous year (ie the subject rankings released in 2015 relate to 2014 World University Rankings exercise).

In 2015, the University of Waikato had its highest ever number of subjects ranked in the top 200 – double the number of subjects ranked in the top 200 in 2014. The 2015 rankings of subjects for the University were as follows:

Subject	2014 Ranking	2015 Ranking
Linguistics	-	101-150
Modern Languages	101-150	201-250
Computer Science	101-150	151-200
Geography and Area Studies	-	101-150
Accounting and Finance	-	101-150
Business and Management		101-150
Communications and Media Studies		101-150
Economics and Econometrics	101-150	151-200
Education	46	51-100
Law	101-150	101-150
Sociology	-	151-200

The QS World University Rankings by Subject use a methodology that takes account of:

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

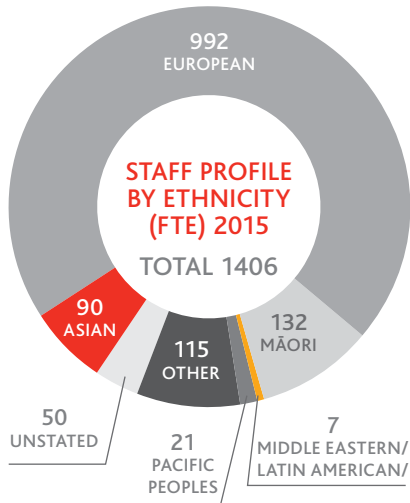
The weighting attributed to each of the components varies by subject – full details of the various subject weightings that applied in 2015 are available at [www.iu.qs.com/university-rankings/subject-tables/subject-weighting](http://www.iu.qs.com/university-rankings/subject-tables/subject-weighting)

The methodology for the 2015 QS World University Rankings subject rankings was unchanged from the previous year.

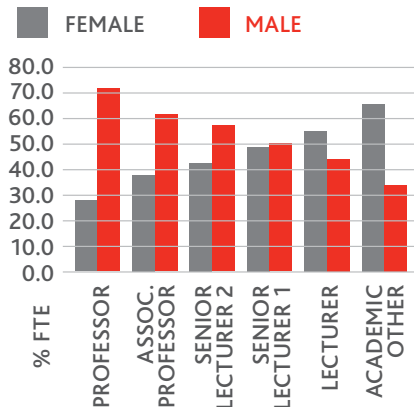
**Note:** KPI results and targets for percentages greater than 20% have been rounded to the nearest whole number.

\* The University did not include a target against this KPI for 2015 in the forecast statement of service performance in its Investment Plan 2015-2017; the stated 2015 target represents the 2014 final result.

# EEO Statement



## ACADEMIC STAFF PROFILE – BY GENDER



Staff profile: percentage of females by occupational group 2011-2015						
Year	2000's	11	12	13	14	15
Professor	23	25	26	27	28	
Associate Professor	37	38	39	37	38	
Senior Lecturer R2	38	37	38	43	43	
Senior Lecturer R1	50	51	52	53	49	
Lecturer	62	56	55	55	55	
Academic Other	75	67	67	66	66	
General Staff Senior	45	49	50	51	50	
General Staff	72	72	73	73	72	

The University of Waikato's Equal Employment Opportunity (EEO) Programme 2012-2015 has focussed on increasing representation of and opportunities for women and Māori and Pacific peoples, particularly in senior roles and in some occupational areas.

It also prioritised the continual assessment of the EEO situation across the University. The assessment, carried out in 2013-2014, now provides baseline data against which the University can measure progress and inform the revision of the EEO Programme. A new Diversity and Inclusion Programme is planned for 2016.

Two additional forms of communication are now provided to staff – a Diversity and Inclusion Newsletter which includes updates and profiles new and emerging academics and research associated with diversity and inclusion; and the online Diversity and Inclusion Community that provides information and the opportunity for online discussion.

The University's 2015 gender profile comprised 41% male staff and 59% female staff. There was under/over representation of female staff in some areas and at some levels. In the past five years, the percentage of female professors at Waikato has increased by 5% to reach 28%. Although the University leads New Zealand universities on this matter, there is still considerable room for improvement given a female:male ratio for the lecturer-professor group is 56:44.

An increased representation of women in Senior Lecturer Range 2 provides an important pipeline for promotion to Associate Professor, a level where representation has remained steady for the past five years. General staff representation has remained relatively unchanged over several years.

Waikato staff come from a variety of ethnic backgrounds, including 9% Māori and 1.5% Pacific Peoples. Although the overall number of Māori staff declined slightly in 2015, representation of Māori at Professor and Associate Professor level has improved.

The University continued to provide a suite of professional learning and development programmes and tools in 2015. These included the Postgraduate Certificate in Leadership in Higher Education; the annual Women in Leadership professional development day, attended by 400 people; the Inaugural Leadership Learning Programme for academic staff in leadership positions, which targeted women, Māori and Pacific staff in 2015; and 12 women participating in the Kaitiaki programme for emerging leaders.

Four more University of Waikato women – two academic and two general staff – attended the New Zealand Universities Women in Leadership programme during 2015, bringing the total number of Waikato women who have participated to 39 since the programme's inception in 2007.

Other activities during 2015 included seminars on goal setting for career success; shaping LinkedIn profiles for success; growing self-awareness; and support for the Gender Research Network and GRN symposium.

# Student Services Levy

## Compulsory students services fees for 2015

Service category	Compulsory student services fees	Income from other sources	Total income	Total costs	Net cost
Advocacy and legal advice	179,121	-	179,121	270,989	91,868
Careers information, advice and guidance, employment information	387,497	6,620	394,117	586,235	192,118
Counselling services and pastoral care	1,059,713	316,654	1,376,367	1,603,218	226,851
Employment information	9,915	-	9,915	15,000	5,085
Financial support and advice	480,830	-	480,830	727,437	246,607
Health services	1,055,690	644,561	1,700,251	1,597,130	-103,121
Media	73,502	-	73,502	111,200	37,698
Childcare services	142,906	-	142,906	216,200	73,294
Clubs and societies	207,156	-	207,156	126,284	-80,872
Sports, recreation and cultural activities	453,526	-	453,526	589,424	135,898
<b>Total</b>	<b>4,049,856</b>	<b>967,835</b>	<b>5,017,691</b>	<b>5,843,117</b>	<b>825,426</b>
					(Over)/Under recovery 825,426

### Compulsory student services levy per EFTS

The 2015 compulsory student services levy charged by University of Waikato per EFTS was \$430.00, there is also an additional annual building levy charge of \$24.80 per EFTS.

### Accounting requirements for compulsory student services levy fees and expenditure

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

### Description of services funded out of the compulsory student services levy and building levy

#### Advocacy and legal advice

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

#### Careers information, advice and guidance

Students are provided with:

- Career advice and guidance that will assist them to transition into employment
- Interview and CV workshops

- Course and degree guidance that supports students in their pathway towards good career and employment outcomes.

The University establishes and maintains:

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

#### Counselling services and pastoral care

Students are provided with access to free counselling services to create a safe and healthy campus environment, enhance the student experience and contribute to academic achievement.

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

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

## Employment information

Services include:

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

## Financial support and advice

Services include:

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

## Health services

Services include:

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

## Media

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

## Childcare services

The University provides the physical facilities for early childhood provision on campus at no cost.

## Clubs and societies

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

- Support to all clubs (political, cultural, faith-based, ethnic, sports and academic) and club hubs

- Meeting rooms, activity spaces and resources for clubs to book and use
- A range of communication mechanisms to regularly inform students and clubs of opportunities, services and support.

## Sports, recreation and cultural activities

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

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

## Statement of the cost of outputs

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

	This Year	Budget	Last Year
	\$000	\$000	\$000
<b>Outputs</b>			
Teaching and learning	156,328	152,703	150,570
Research	41,842	41,514	34,534
Student services and products	11,140	11,079	10,616
Other services and products	21,813	20,230	20,433
<b>Total</b>	<b>231,123</b>	<b>225,526</b>	<b>216,153</b>

## Financial overview 2015

The University Group earned an historical high in total revenue of \$244.3 million in 2015, up \$14.0 million or 6.1 percent on 2014's revenue of \$230.3 million. However the surplus of \$9.5 million fell 19.6 percent on 2014's surplus of \$11.8 million. This decline in the surplus is largely due to costs incurred in 2015 associated with the University's restructuring activities and the reduction in the University's subsidiary, WaikatoLink Limited's surplus in 2015 as compared to 2014. The University Group's 2015 surplus represents a 3.9 percent return on revenue, down on the previous year's 5.1 percent return, but well inside the University's guidelines of 3.0 – 5.0 percent promulgated by the Tertiary Education Commission. The financial performance of the University's core activities (ie teaching and research) is largely in line with the previous year.

WaikatoLink Limited recorded a surplus of \$1.3 million in 2015 compared to \$2.30 million in the previous year, though the 2014 result was largely inflated due to a change in consolidation treatment of an associate company (previously treated as a subsidiary) resulting in a \$1.2 million lift in value. In 2015, WaikatoLink Limited also sold the net assets of a subsidiary and sold an investment recording a gain of \$2.6 million. Partially offsetting this gain was an impairment in the carrying value of capitalised development costs. The other significant result in the University Group was recorded by the University of Waikato Foundation Trust with a surplus of \$1.6 million, though down \$0.7 million on 2014's surplus of \$2.3 million, as a result of lower donations revenue received. Offsetting these surpluses, the University of Waikato Research Trust recorded a deficit of \$1.0 million as it invested in research projects across the University. The University-only surplus of \$8.2 million is \$1.4 million less than budget and \$1.2 million less than the previous year. This represents a return of 3.4 percent on total revenue (2014 – 4.1 percent).

2015 continued to be challenging for the University, with constraints around revenue growth and greater pressures of competition and external influences outside of its control. However for 2015, the University had budgeted an increase in revenue (of approximately \$10 million) particularly around tuition fees and external research income. The University also budgeted to maintain its surplus at 4 percent of revenue – consistent with previous years and necessary in order for the University to fund its on-going capital requirements. As the year progressed, the greatest challenge the University faced was meeting its domestic student enrolment targets and considerable additional resources were employed during the year to ensure that the targets were achieved.

The consolidated revenue growth of \$14.0 million for 2015 for the University Group was due to the University recording a revenue increase of \$13.8 million to \$239.4 million (2014: \$225.5 million) – primarily in external research income and tuition fees, which were budgeted for. The increase in research revenue of \$4.8 million (or 17.4 percent increase) was largely a result of major research contracts won in the end of 2014 by the Faculty of Science & Engineering and the Faculty of Education. The resulting \$32.8 million (2014: 28.0 million) of research income is the highest ever recorded by the University. This growth arrests the three previous years of falling research revenue. However the continued shift in funding agencies, requiring a higher level of collaboration between institutions in order to win research contracts, has resulted in more shared income and sub-contracting activity. So while research revenue has grown, payments to sub-contractors has also increased by \$1.9 million in 2015.

Tuition fees increased by \$4.7 million during 2015 to \$76.9 million, though they were \$0.5 million down on budget. The University enrolled all of its government-funded target and had budgeted to enrol an additional 449 non-ministry funded EFTS (ie tuition fee funding only). However the University only enrolled 171 of these, leaving a tuition fee budget shortfall of \$1.2 million. This shortfall was largely offset by an increase of 4.3 percent on budget in Full Cost International (FCI) EFTS resulting in an overall increase of revenue on budget of \$0.7 million. Overall the University recorded a 9.5 percent increase in FCI EFTS in 2015 from 2014, which together with tuition fee rate increases, lifted revenue by \$2.9 million to \$30.2 million. This growth was well above the 4.9 percent growth budgeted for 2015 and augurs well for growth in 2016 after 10 years of decline. FCI EFTS now make up 15.3 percent of the total student population. Ministry funded EFTS were down slightly (0.3 percent) in 2015 from 2014 but tuition fee rate increases lifted tuition fee revenue by \$1.8 million to \$46.6 million. The University enrolled a total of 8,451 Ministry Funded EFTS (2014: 8,473), or 99.8 percent of its investment plan SAC dollars target.



The University Group recorded an increase in costs of \$15.8 million. While revenue grew in research and commercial contracts, there was a corresponding increase in expenditure as the University increased its activities to meet its contractual commitments. The University was largely able to maintain costs in its teaching activities and support services in line with revenue, however the University did undertake a reorganisation of its structure and together with the implementation of an enhanced retirement programme incurred an additional \$2.0 million of unbudgeted costs. As a result, while total revenue increased by \$14.0 million or 6.0 percent, personnel and other costs increased by \$14.8 million or 7.5 percent.

The University Group again generated strong operating cash flows, recording net cash flows from operations of \$36.5 million. These cash flows were reinvested back into the University's campus and resources, with the University spending \$36.8 million on capital expenditure. The most significant capital project during 2015 was the construction of the new facilities (\$30 million project) for the Faculty of Law and Faculty of Management with construction due to be completed by March 2016.

The strong operating cash flows and the offsetting capital projects has meant that the University's cash balances and other financial assets have remained relatively static at \$33.9 million, compared with \$34.0 million in 2014.

The University revalued its land, buildings and infrastructure assets as at 31 December 2014 resulting in a \$20.9 million or 7.1 percent increase in value. This revaluation is recorded in the 2014 Statement of Comprehensive Revenue and Expense and gave rise to the total comprehensive revenue and expense for 2014 of \$30.3 million. No revaluation was completed in 2015.

Overall the University achieved a very sound financial result in what were very difficult operating conditions. The University is well-placed to face the financial challenges ahead. However its ability to generate sufficient cash in the years to come, while maintaining high quality services to students and other stakeholders, in order to make the necessary planned changes and improvements to the University's infrastructure and services remains its biggest challenge.

**Andrew McKinnon**  
CHIEF FINANCIAL OFFICER

## Statement of Responsibility

In the financial year ended 31 December 2015, 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 2015 fairly reflect the financial position and operations of The University of Waikato and group.



CHANCELLOR  
**Rt Hon Jim Bolger**  
16 March 2016



VICE-CHANCELLOR  
**Professor Neil Quigley**  
16 March 2016



THE UNIVERSITY OF  
**WAIKATO**  
*Te Whare Wānanga o Waikato*

# Financial statements

## Statement of Comprehensive Revenue and Expense

For the Year Ended 31 December 2015

	Notes	GROUP		UNIVERSITY		
		This Year Actual	Last Year Actual-restated*	This Year Actual	Budget	Last Year Actual-restated*
		\$000	\$000	\$000	\$000	\$000
<b>Revenue</b>						
Government Funding and Grants	2	101,812	99,819	101,812	100,010	99,819
Tuition Fees	3	76,861	72,204	76,861	77,405	72,204
Research Revenue		32,824	27,969	32,824	32,350	27,969
Investment Revenue	14	2,516	2,114	2,187	1,400	1,807
Other Revenue	4	28,536	25,459	25,201	23,803	23,114
Donations		1,708	2,699	479	172	632
<b>Total Revenue</b>	<b>5</b>	<b>244,257</b>	<b>230,264</b>	<b>239,364</b>	<b>235,140</b>	<b>225,545</b>
<b>Expenses</b>						
Personnel Costs	6	134,681	129,341	132,440	128,987	126,585
Other Expenses	7	77,840	68,390	78,217	75,079	69,362
Finance Costs		160	162	160	160	161
Depreciation, Amortisation and Impairment	17,18	21,782	20,727	20,306	21,300	20,045
<b>Total Expenses</b>		<b>234,463</b>	<b>218,620</b>	<b>231,123</b>	<b>225,526</b>	<b>216,153</b>
Share of Surplus/(Deficit) from Associates and Joint Ventures	8	(319)	147	-	-	-
<b>Surplus</b>		<b>9,475</b>	<b>11,791</b>	<b>8,241</b>	<b>9,614</b>	<b>9,392</b>
<b>Surplus Attributable to:</b>						
University of Waikato		8,690	12,541	8,241	9,614	9,392
Non-Controlling Interest		785	(750)	-	-	-
<b>Surplus</b>		<b>9,475</b>	<b>11,791</b>	<b>8,241</b>	<b>9,614</b>	<b>9,392</b>
<b>Other Comprehensive Revenue and Expense</b>						
Gains on Property revaluations	9	-	20,872	-	-	20,872
<b>Total Other Comprehensive Revenue and Expense</b>		<b>-</b>	<b>20,872</b>	<b>-</b>	<b>-</b>	<b>20,872</b>
<b>Total Comprehensive Revenue and Expense</b>		<b>9,475</b>	<b>32,663</b>	<b>8,241</b>	<b>9,614</b>	<b>30,264</b>
<b>Comprehensive Revenue and Expense Attributable to:</b>						
University of Waikato		8,690	33,413	8,241	9,614	30,264
Non-Controlling Interest		785	(750)	-	-	-
<b>Total Comprehensive Revenue and Expense for the Year</b>		<b>9,475</b>	<b>32,663</b>	<b>8,241</b>	<b>9,614</b>	<b>30,264</b>

## Financial statements

### Statement of Comprehensive Revenue and Expense *continued*

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

Certain amounts shown on this statement of comprehensive revenue and expense do not correspond to the 2014 financial statements and reflect adjustments made due to first time adoption of Public Benefit Entity (PBE) standards. Refer note 1.

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 2015

	Notes	GROUP		UNIVERSITY		
		This Year Actual \$000	Last Year Actual-restated* \$000	This Year Actual \$000	Budget \$000	Last Year Actual-restated* \$000
Balance at 1 January		386,415	354,419	366,741	365,402	336,477
<b>Comprehensive Revenue and Expense</b>						
Surplus		9,475	11,791	8,241	9,614	9,392
Other Comprehensive Revenue and Expense	9	-	20,872	-	-	20,872
Total Comprehensive Revenue and Expense		9,475	32,663	8,241	9,614	30,264
Staff Share Options and Capital Issued		-	(667)	-	-	-
<b>Balance at 31 December</b>		<b>395,890</b>	<b>386,415</b>	<b>374,982</b>	<b>375,016</b>	<b>366,741</b>
<b>Attributable to:</b>						
University of Waikato	9	395,120	386,430	374,982	375,016	366,741
Minority interest		770	(15)	-	-	-
		<b>395,890</b>	<b>386,415</b>	<b>374,982</b>	<b>375,016</b>	<b>366,741</b>

Certain amounts shown here do not correspond to the 2014 financial statements and reflect adjustments made due to first time adoption of PBE standards. Refer note 1.

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

## Balance Sheet

As at 31 December 2015

	Notes	GROUP		UNIVERSITY		
		This Year Actual	Last Year Actual-restated*	This Year Actual	Budget	Last Year Actual-restated*
		\$000	\$000	\$000	\$000	\$000
<b>ASSETS</b>						
<b>Current Assets</b>						
Cash and Cash Equivalents	10	12,408	10,577	11,677	30,410	9,767
Receivables	11	22,928	20,865	20,066	12,980	18,156
Derivative Financial Instruments	12	-	2	-	-	2
Inter Company Balances	13	-	-	3,458	6,895	6,896
Prepayments		4,169	4,171	4,169	4,171	4,171
Other Financial Assets	14	20,546	25,342	16,000	-	22,014
Inventories	15	1,015	1,014	1,015	1,014	1,014
<b>Total Current Assets</b>		<b>61,066</b>	<b>61,971</b>	<b>56,385</b>	<b>55,470</b>	<b>62,020</b>
<b>Non Current Assets</b>						
Investments in Associates and Joint Ventures	8	3,002	3,481	374	467	467
Investments	16	198	403	2,198	2,598	2,198
Other Financial Assets	14	4,070	-	4,070	-	-
Intangible Assets	17	10,704	11,471	6,901	5,670	5,670
Property, Plant and Equipment	18	394,881	380,182	394,872	392,401	380,171
<b>Total Non Current Assets</b>		<b>412,855</b>	<b>395,537</b>	<b>408,415</b>	<b>401,136</b>	<b>388,506</b>
<b>Total Assets</b>		<b>473,921</b>	<b>457,508</b>	<b>464,800</b>	<b>456,606</b>	<b>450,526</b>

# Financial statements

## Balance Sheet continued

	Notes	GROUP		UNIVERSITY		
		This Year Actual \$000	Last Year Actual-restated* \$000	This Year Actual \$000	Budget \$000	Last Year Actual-restated* \$000
<b>LIABILITIES</b>						
<b>Current Liabilities</b>						
Revenue in Advance	19	34,171	29,129	34,171	25,282	29,122
University of Waikato Research Trust Payable	13	-	-	12,518	13,511	13,511
Payables	20	16,138	15,072	15,589	16,205	14,560
Employee Entitlements	6	13,385	13,318	13,203	13,018	13,018
Borrowings	21	5	4	5	4	4
<b>Total Current Liabilities</b>		<b>63,699</b>	<b>57,523</b>	<b>75,486</b>	<b>68,020</b>	<b>70,215</b>
<b>Non Current Liabilities</b>						
Employee Entitlements	6	13,014	12,248	13,014	12,247	12,248
Borrowings	21	1,318	1,322	1,318	1,323	1,322
<b>Total Non Current Liabilities</b>		<b>14,332</b>	<b>13,570</b>	<b>14,332</b>	<b>13,570</b>	<b>13,570</b>
<b>EQUITY</b>						
General Equity	9	239,732	231,094	219,594	219,777	211,405
Other Reserves	9	155,388	155,336	155,388	155,239	155,336
Equity - Parent		395,120	386,430	374,982	375,016	366,741
Non-Controlling Interest		770	(15)	-	-	-
<b>Total Equity</b>		<b>395,890</b>	<b>386,415</b>	<b>374,982</b>	<b>375,016</b>	<b>366,741</b>
<b>Total Liabilities and Equity</b>		<b>473,921</b>	<b>457,508</b>	<b>464,800</b>	<b>456,606</b>	<b>450,526</b>

Certain amounts shown here do not correspond to the 2014 financial statements and reflect adjustments made due to first time adoption of PBE standards. Refer note 1.

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 2015

	Notes	GROUP		UNIVERSITY		
		This Year	Last Year	This Year	Budget	Last Year
		\$000	\$000	\$000	\$000	\$000
<b>Cash Flows from Operating Activities</b>						
Receipts from government funding and grants		101,811	99,701	101,811	87,380	99,701
Receipts from tuition fees		79,843	75,861	79,843	77,405	75,861
Receipts from other revenue		62,757	58,498	60,996	68,489	55,935
Interest revenue received		2,357	1,849	2,187	1,400	1,807
Dividend Revenue		131	-	113	-	32
Goods and Services Tax (net)		428	(316)	393	1,694	(306)
Interest Paid		(160)	(170)	(160)	(168)	(161)
Payments to suppliers		(77,891)	(70,160)	(77,885)	(75,369)	(72,853)
Payments to employees		(132,775)	(125,688)	(131,146)	(128,272)	(123,809)
<b>Net Cash Flows from Operating Activities</b>	<b>22</b>	<b>36,501</b>	<b>39,575</b>	<b>36,152</b>	<b>32,559</b>	<b>36,207</b>
<b>Cash Flows from Investing Activities</b>						
Receipts from sale of property, plant and equipment		145	303	143	-	303
Receipts from sale or maturity of investments		518	111	93	-	-
Acquisition of investments		1,427	(11,449)	1,946	(400)	(8,016)
Purchase of intangible assets		(2,730)	(742)	(2,397)	-	(904)
Purchase of property, plant and equipment		(34,026)	(22,470)	(34,023)	(33,530)	(22,472)
<b>Net Cash Flows from Investing Activities</b>		<b>(34,666)</b>	<b>(34,247)</b>	<b>(34,238)</b>	<b>(33,930)</b>	<b>(31,089)</b>
<b>Cash Flows from Financing Activities</b>						
Payment of finance leases		(4)	(3)	(4)	-	(3)
<b>Net Cash Flows from Financing Activities</b>		<b>(4)</b>	<b>(3)</b>	<b>(4)</b>	<b>-</b>	<b>(3)</b>
<b>Net Cash Flows From All Activities</b>		<b>1,831</b>	<b>5,325</b>	<b>1,910</b>	<b>(1,371)</b>	<b>5,115</b>
Opening Cash and Cash Equivalents		10,577	5,252	9,767	31,781	4,652
<b>Closing Cash and Cash Equivalents</b>		<b>12,408</b>	<b>10,577</b>	<b>11,677</b>	<b>30,410</b>	<b>9,767</b>

The Goods and Services Tax (GST) (net) component of operating activities reflects the net GST paid to and received from the Inland Revenue Department. The GST (net) component has been presented on a net basis, as the gross amounts do not provide meaningful information for financial statement purposes. The accompanying notes form an integral part of, and should be read in conjunction with, this statement.

# Notes to the financial statements for the year ended 31 December 2015

## Note 1: Statement of Accounting Policies

### The Reporting Entity

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

The financial statements of the University and Group are for the year ended 31 December 2015. The financial statements were authorised for issue by Council on 16 March 2016.

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

- WaikatoLink Limited and Group, a wholly owned subsidiary company, and the results for the year ended 31 December 2015 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 2015 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 2015 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 2015 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 2015 have been fully incorporated into the University group results.
- iEngagEd Limited, a wholly owned subsidiary company, and the results for the year ended 31 December 2015 have been fully consolidated into the University group results.
- ULeisure Limited is 50% owned by the University. The remaining 50% is owned by the Waikato Students' Union (Incorporated). ULeisure 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 ULeisure Limited which has a balance date of 31 December.
- LCo New Zealand Limited is 25% owned by the University. The remaining 75% is owned by three other New Zealand universities. LCo New Zealand Limited was incorporated December 2003. Equity Accounting methods have been used to report the results of LCo New Zealand Limited which has a balance date of 31 December.

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

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

### Basis of Preparation

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

### Statement of Compliance

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

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

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



# Notes to the financial statements for the year ended 31 December 2015

## Presentation Currency and Rounding

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.

## Effect of first-time adoption of PBE standards on accounting policies and disclosures

This is the first set of financial statements of the University and Group that is presented in accordance with the new PBE accounting standards. The University and Group have previously reported in accordance with NZ IFRS (PBE).

The changes to accounting policies and disclosures caused by first time application of PBE accounting standards are as follows:

### PBE IPSAS 1: Presentation of Financial Statements

There are minor differences between PBE IPSAS 1 and the equivalent NZ IFRS (PBE) standard. These differences have an effect on disclosure only. The main change in disclosure resulting from the application of PBE IPSAS 1 is the following:

#### Receivables from exchange and non-exchange transactions:

In the financial statements of the previous financial year, receivables were presented in a single total in the balance sheet. However PBE IPSAS 1 requires receivables from non-exchange transactions and receivables from exchange transactions to be presented separately in the annual report. This requirement affected the presentation of both current and comparative receivables figures.

### PBE IPSAS 23: Revenue from Non-Exchange Transactions

PBE IPSAS 23 prescribes the financial reporting requirements for revenue arising from non-exchange transactions. There is no equivalent financial reporting standard under NZ IFRS. The application of this standard affected the University's government-funded tuition fee revenue. In the previous financial year, government-funded tuition fees received were recognised on a course percentage of completion basis. However PBE IPSAS 23 requires revenue from non-exchange transactions, such as government-funded tuition fees, to be recognised as revenue as soon as the inflow of resources can be recognised as an asset in the financial statements, unless the inflow of resources meets the definition of and recognition criteria for a liability. Non-exchange revenue from tuition fees can only be deferred and recognised as a liability if there is a condition attached to the enrolment agreement that requires the University to return the fees to the student. While this is true within the first two weeks of a course, after this time there is no contractual requirement for the University to refund fees. The University does not run courses that commence within two weeks of balance date, therefore government-funded tuition fees from all courses spanning balance date are now recognised as revenue in the financial year that the course commences.

In the two previous financial years (2013 and 2014), government-funded tuition fees relating to the portion of the course taught in the following year were transferred to income in advance at balance date. The amounts transferred were \$1,134,263 in 2013 and \$1,338,189 in 2014. As a result of the initial application of PBE IPSAS 23, the entire amount of fees received must be recognised as revenue. The current year and comparative figures in the statement of comprehensive revenue and expense and the balance sheet for 2013 and 2014 have been amended accordingly, as shown below:

## Notes to the financial statements for the year ended 31 December 2015

### Impact on statement of comprehensive revenue and expense:

	UNIVERSITY AND GROUP
	2014
	\$000
1 January 2014 Reversal of 2013 government-funded tuition fee revenue	(1,134)
31 December 2014 Increase in 2014 government-funded tuition fee revenue	1,338
<b>Total impact on net surplus/(deficit)</b>	<b>204</b>
Attributable to:	
University	204
Non-controlling interest	-

### Impact on net assets/equity

	UNIVERSITY AND GROUP
	2014
	\$000
1 January 2014 Increase in opening equity	1,134
31 December 2014 Increase in net surplus	204
<b>Total impact on net assets/equity</b>	<b>1,338</b>
Attributable to:	
University	1,338
Non-controlling interest	-

### Impact on balance sheet

	UNIVERSITY AND GROUP
	2014
	\$000
Decrease in Revenue in Advance	(\$1,338)
<b>Total impact on liabilities</b>	<b>(\$1,338)</b>

### Standards issued and not yet effective and not early adopted

In May 2013, the External Reporting Board issued a new suite of PBE accounting standards for application by public sector entities for reporting periods beginning on or after 1 July 2014. The University and Group has applied these standards in preparing the 31 December 2015 financial statements.

In October 2014, the PBE suite of accounting standards was updated to incorporate requirements and guidance for the not-for-profit sector. These updated standards apply to PBEs with reporting periods beginning on or after 1 April 2015. The University and Group will apply these updated standards in preparing the 31 December 2016 financial statements. The University and Group expects there will be minimal or no change in applying these updated accounting standards.

## Significant Accounting Policies

### Basis of Consolidation

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

### Subsidiaries

The University consolidates as subsidiaries in the group financial statements all entities where the University has the capacity to control their financing and operating policies so as to obtain benefits from the activities of the subsidiary. This power exists where the University controls the majority voting power on the governing body or where 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 surplus or deficit.

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

### Associates

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

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

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

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

### Joint venture

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

### Budget Figures

Budget figures are those approved by the Finance Committee per minutes of 24 September 2014 for the University entity. However some line items have been subsequently re-classified to align with the annual reporting format and to reflect opening balances following completion of the 2014 financial statements. The budget figures have been prepared in accordance with NZ GAAP and are consistent with the accounting policies adopted by the Council for the preparation of the financial statements.

## Notes to the financial statements for the year ended 31 December 2015

### Cash and Cash Equivalents

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

### Revenue

Revenue is measured at fair value.

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

#### *Student Achievement Component (SAC) Funding*

SAC funding is the University's main source of operational funding from the Tertiary Education Commission (TEC). The University considers SAC funding to be non-exchange. The University has a guaranteed amount of SAC funding agreed with TEC. The University's SAC funding is specifically identified by the TEC as being for a funding period as required by section 159YA of the Education Act 1989. The University recognises its SAC funding at the commencement of the specified funding period, which is the same as the University's financial year.

#### *Student Tuition Fees*

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

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

#### *Performance-Based Research Fund (PBRF)*

The University considers PBRF funding to be non-exchange in nature. PBRF funding is specifically identified by the TEC as being for a funding period as required by section 159YA of the Education Act 1989. The University recognises its confirmed allocation of PBRF funding at the commencement of the specified funding period, which is the same as the University's financial year. PBRF revenue is measured based on the University's funding entitlement adjusted for any expected adjustments as part of the final wash-up process. Indicative funding for future periods is not recognised until confirmed for that future period.

#### *Research Revenue*

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

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

For an exchange research contract, revenue is recognised on a percentage completion basis. The percentage of completion is measured by reference to the actual research expenditure incurred as a proportion to total expenditure expected to be incurred. For a non-exchange research contract, the total funding receivable under the contract is recognised as revenue immediately, unless there are substantive conditions in the contract. If there are substantive conditions, revenue is recognised when the conditions are satisfied. A condition could include the requirement to complete research to the satisfaction of the funder to retain funding or return unspent funds. Revenue for future periods is not recognised where the contract contains substantive termination provisions for failure to comply with the requirements of the contract. Conditions and termination

provisions need to be substantive, which is assessed by considering factors such as contract monitoring mechanisms of the funder and the past practice of the funder.

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

#### ***Other grants received***

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

#### ***Donations, Bequests and Pledges***

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

#### ***Sales of goods***

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

#### ***Interest and Dividends***

Interest revenue is recognised using the effective interest method.

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

#### **Borrowing Costs**

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

#### **Receivable**

Receivables are initially measured at fair value, 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.

## Notes to the financial statements for the year ended 31 December 2015

Additionally provision has been made, where applicable, using an actuarial valuation for retirement gratuities and long service leave. This valuation, as at 31 December 2015, was undertaken by Mercer (NZ) Limited (Actuaries). The calculations are based on:

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

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

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

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

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

### Equity

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

- General Equity
- Asset Revaluation Reserve
- Restricted Reserves

#### *Asset revaluation reserve*

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

#### *Restricted Reserves*

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

### Derivative financial instruments, hedging activities and foreign currency transactions

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

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

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

## **Income tax**

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

## **Goods and services tax**

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

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

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

Commitments and contingencies are disclosed exclusive of GST.

## **Inventories**

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

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

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

## **Financial Assets**

The University classifies its financial assets into the following four categories: fair value through surplus or deficit, held-to-maturity investments, loans and receivables and fair value through other comprehensive revenue and expense. 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 financial assets 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.

## Notes to the financial statements for the year ended 31 December 2015

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.

- Loans and receivables (including cash and cash equivalents and other 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 surplus or deficit. They are included in current assets, except for maturities greater than 12 months after the balance date, which are included in non-current assets.

- 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 surplus or deficit.

Derivatives held by the University are classified as held to maturity.

- Financial assets at fair value through other comprehensive revenue and expense.

Financial assets at fair value through other comprehensive revenue and expense are those that are designated as fair value through other comprehensive revenue and expense 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.

After initial recognition, these investments are held at their fair value with gains and losses recognised directly in other comprehensive revenue and expense 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 revenue and expense 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.

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

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

## Property, Plant and Equipment

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

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

### Land

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

### Buildings

The majority of buildings recognised in the financial statements, including the previous Hamilton Teachers' College buildings, are still subject to the legal transfer of ownership from the Ministry of Education. The University is of the opinion that as at 31 December 2015 it is in substance the owner of these Buildings and assumes all the normal risks and rewards of ownership.

### Depreciation

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

ASSET CLASS	USEFUL LIFE/RATE	DEPRECIATION RATE
<b>Buildings</b>		
Structure	13-100 years	1-8%
Services	13-52 years	2-8%
Fitout	13-32 years	3-8%
<b>Infrastructure</b>	27-69 years	2-4%
<b>Leasehold Improvements</b>	5-35 years	3-20%
<b>Library</b>		
Books	35 years	3%
Periodicals	15 years	7%
<b>Teaching/Research Equipment</b>	14 years	15%
<b>Computer Equipment (excluding servers)</b>	3-4 years	25-33%
<b>Computer Servers</b>	5 years	20%
<b>Other Property Plant and Equipment</b>	10-40 years	5 - 20%

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

## Notes to the financial statements for the year ended 31 December 2015

### *Revaluations*

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

The carrying values of revalued assets are assessed annually to ensure that they do not differ materially from fair value. If there is evidence supporting a material difference, then the relevant assets are revalued.

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

### *Additions*

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

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

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

In most instances, an item of property, plant, and equipment is initially recognised at its cost. Where an asset is acquired at no cost, or for nominal cost, it is recognised at fair value as at date of acquisition.

### *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 asset revaluation reserves in respect of those assets are transferred to general equity.

## **Intangible assets**

### *Patents, trademarks and licences*

Patents, trademarks and licences are finite life intangibles and are recorded at cost less accumulated amortisation and impairment. Amortisation is charged on a straight line basis over their estimated useful lives which range between seven and 20 years. The estimated useful life and amortisation method is reviewed at the end of each annual reporting period.

### *Computer Software*

Computer software is amortised on a straight line basis that will write off the cost within three to four years. Computer software for the financial, student enrolment and library systems are amortised on a straight line basis that will write off the cost within 10 years.

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

### **Research**

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

### **Intellectual Property Development**

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

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

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

### **Impairment of property, plant, and equipment and intangible assets**

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

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

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

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

### **Value in use for non-cash-generating assets**

Non-cash-generating assets are those assets that are not held with the primary objective of generating a commercial return. For non-cash generating assets, value in use is determined using an approach based on either a depreciated replacement cost approach, restoration cost approach, or a service units approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information.

### **Value in use for cash-generating assets**

Cash-generating assets are those assets that are held with the primary objective of generating a commercial return. The value in use for cash-generating assets and cash-generating units is the present value of expected future cash flows

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

## Notes to the financial statements for the year ended 31 December 2015

### 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, calculated using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as an interest expense and is included in "finance costs".

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

### Payables

Short-term creditors and other short-term payables are recorded at their face value.

### Borrowings

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

### Critical accounting estimates and assumptions

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

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

### Critical judgements in applying the University's accounting policies

Management has exercised the following critical judgements in applying the University's accounting policies for the period ended 31 December 2015:

- Most Crown funding received is operational in nature and is provided by the Crown under the authority of an expense appropriation and is recognised as revenue. Where funding is received from the Crown under the authority of a capital appropriation, the University accounts for the funding as a capital contribution directly in equity.

## Note 2: Government Funding and Grants

	GROUP		UNIVERSITY	
	This Year	Last Year	This Year	Last Year
	\$000	\$000	\$000	\$000
Block Grants	86,776	85,862	86,776	85,862
Advisory Services Grants	14,029	12,928	14,029	12,928
Other Grants	1,007	1,029	1,007	1,029
<b>Total Government Funding and Grants</b>	<b>101,812</b>	<b>99,819</b>	<b>101,812</b>	<b>99,819</b>

All government funding and grants are non-exchange transactions.

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

## Note 3: Tuition Fees

	GROUP		UNIVERSITY	
	This Year	Last Year	This Year	Last Year
	\$000	\$000	\$000	\$000
Government-Funded Students	46,616	44,832	46,616	44,832
Full Cost International Students	30,245	27,372	30,245	27,372
<b>Total Fees</b>	<b>76,861</b>	<b>72,204</b>	<b>76,861</b>	<b>72,204</b>

Government-Funded tuition fee revenue results from non-exchange transactions as well as \$623,847 (2014 \$1,067,446) of Full Cost International tuition fees.

## Notes to the financial statements for the year ended 31 December 2015

### Note 4 : Other Revenue

	GROUP		UNIVERSITY	
	This Year	Last Year	This Year	Last Year
	\$000	\$000	\$000	\$000
Student Accommodation and Other Student Services	11,866	11,300	11,866	11,300
Rental	676	767	676	767
Carbon Dating Services	699	595	699	595
Printing and Copying Services	842	837	842	837
Teaching Resource Sales	517	570	517	570
Other Revenue	13,936	11,390	10,601	9,045
<b>Total Other Revenue</b>	<b>28,536</b>	<b>25,459</b>	<b>25,201</b>	<b>23,114</b>

### Note 5 : Total Revenue

	GROUP		UNIVERSITY	
	This Year	Last Year	This Year	Last Year
	\$000	\$000	\$000	\$000
<b>Revenue from Exchange Transactions</b>				
Tuition Fees	29,621	26,305	29,621	26,305
Research	7,502	6,428	7,502	6,428
Investment Revenue	2,515	2,114	2,187	1,807
Other Revenue	21,475	19,105	17,209	15,593
<b>Total Revenue from Exchange Transactions</b>	<b>61,113</b>	<b>53,952</b>	<b>56,519</b>	<b>50,133</b>
<b>Revenue from non-exchange transactions</b>				
Government Funding and Grants	101,812	99,819	101,812	99,819
Tuition Fees	47,240	45,899	47,240	45,899
Research	25,322	21,540	25,322	21,540
Other Revenue	7,063	6,355	7,992	7,522
Donations	1,707	2,699	479	632
<b>Total Revenue from Non-Exchange Transactions</b>	<b>183,144</b>	<b>176,312</b>	<b>182,845</b>	<b>175,412</b>
<b>Total Revenue</b>	<b>244,257</b>	<b>230,264</b>	<b>239,364</b>	<b>225,545</b>

## Note 6: Employee Entitlements

### Personnel Costs

	GROUP		UNIVERSITY	
	This Year	Last Year	This Year	Last Year
	\$000	\$000	\$000	\$000
Employee Benefit Expenses – Academic	80,385	76,854	79,987	76,190
Employee Benefit Expenses – General	53,954	51,166	52,111	49,074
Movement in Actuarial Valuation	342	1,321	342	1,321
<b>Total Personnel Costs</b>	<b>134,681</b>	<b>129,341</b>	<b>132,440</b>	<b>126,585</b>

Personnel Costs also includes \$2,000,955 in restructuring costs for the year ended 31 December 2015 (2014 : \$403,971).

### Employee Entitlements

	GROUP		UNIVERSITY	
	This Year	Last Year	This Year	Last Year
	\$000	\$000	\$000	\$000
Staff Annual and Long Service Leave vested	9,117	9,048	9,117	9,048
Sick Leave	4	7	4	7
Other Employee Entitlements	2,061	1,636	1,879	1,336
Actuarial Valuation of Anticipated Retirement Gratuities and Long Service Leave	15,217	14,875	15,217	14,875
<b>Total Employee Entitlements</b>	<b>26,399</b>	<b>25,566</b>	<b>26,217</b>	<b>25,266</b>
Current Portion	13,385	13,318	13,203	13,018
Non Current Portion	13,014	12,248	13,014	12,248
<b>Total Employee Entitlements</b>	<b>26,399</b>	<b>25,566</b>	<b>26,217</b>	<b>25,266</b>

## Notes to the financial statements for the year ended 31 December 2015

### Note 6: Employee Entitlements continued

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 New Zealand government bonds. The discount rates used match, as closely as possible the estimated future cash outflows. The salary inflation factor has been determined after considering historical salary inflation patterns and after obtaining advice from an independent actuary.

If the salary inflation factor were to increase or decrease by 1% from that used, with all other factors held constant, the carrying amount of the gratuity liability would be an estimated \$1,031,500 higher/lower (2014 – \$941,000).

If the discount rates were to increase or decrease by 1% from that used, with all other factors held constant, the carrying amount of the gratuity liability would be an estimated \$1,030,000 lower/higher (2014 – \$934,000).

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

The following is included in the Personnel Costs:

	GROUP		UNIVERSITY	
	This Year	Last Year	This Year	Last Year
	\$000	\$000	\$000	\$000
Defined contribution plan employer contributions	5,102	4,778	5,092	4,778



## Note 7: Other Expenses

	GROUP		UNIVERSITY	
	This Year	Last Year	This Year	Last Year
	\$000	\$000	\$000	\$000
Audit Fees to Audit New Zealand for Financial Statement Audit	293	284	202	194
Audit Fees to Staples Rodway	2	2	-	-
Audit Fees to Audit New Zealand for Assurance Services	8	10	8	10
Net Loss on Disposal of Property Plant and Equipment	38	62	38	62
Net Foreign Exchange (Gain)/Loss	92	(71)	78	(68)
Impairment of Receivables	46	44	(44)	(45)
Inventories consumed	584	335	584	335
Teacher Release Days	3,868	1,259	3,868	1,259
Professional Services	19,155	16,053	18,593	16,000
Travel and Accommodation	5,279	4,967	5,279	4,966
Operating Leases	3,901	3,850	3,887	3,850
Scholarships	11,437	9,583	11,437	9,583
Hireage	1,224	1,129	1,204	1,129
Repairs and Maintenance	2,926	2,503	2,926	2,503
Teaching and Research Materials	2,123	2,608	2,123	2,608
Utilities	3,999	3,869	3,998	3,854
Other operating expenses	22,865	21,903	24,036	23,122
<b>Total other expenses</b>	<b>77,840</b>	<b>68,390</b>	<b>78,217</b>	<b>69,362</b>

Audit fees to Audit New Zealand include \$11,500 (2014: \$11,500) for the University of Waikato Foundation, \$6,000 (2014: \$Nil) for iEngaged Limited, and \$10,000 (2014: \$10,000) for the University of Waikato Research Trust.

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

## Notes to the financial statements for the year ended 31 December 2015

### Note 8: Investments in Associates and Joint Ventures

	GROUP		UNIVERSITY	
	This Year	Last Year	This Year	Last Year
	\$000	\$000	\$000	\$000
ULeisure Limited	1,816	1,816	374	374
LCo New Zealand Limited	-	162	-	93
Ligar Polymers Limited	331	304	-	-
Ligar Limited Partnership	130	300	-	-
Aduro Biopolymers Limited Partnership	725	899	-	-
<b>Total Investments in Associates and Joint Ventures</b>	<b>3,002</b>	<b>3,481</b>	<b>374</b>	<b>467</b>

### Associates

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

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

	GROUP	
	This Year	Last Year
	\$000	\$000
The University's share of the results of ULeisure Limited is as follows:		
Investment in Associate		
Opening Balance	1,816	1,717
Share of retained surplus/(loss)	-	99
<b>Closing Balance</b>	<b>1,816</b>	<b>1,816</b>
Represented by:		
Share of increase in net assets of associate (Carrying Value)	1,816	1,816

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

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

	GROUP	
	This Year	Last Year
	\$000	\$000
The University's share of the results of LCoNZ is as follows:		
<b>Investment in Associate</b>		
Opening Balance	162	170
Share of retained surplus/(loss)	(3)	(8)
Dividend paid	(67)	-
Return of Capital	(92)	-
<b>Closing Balance</b>	<b>-</b>	<b>162</b>
Represented by:		
Share of increase in net assets of associate (Carrying Value)	-	162

LCoNZ commenced winding up the company in 2015, shareholders have been paid out and the company will be removed from the register early in 2016.

	Ownership	Balance Date
Ligar Polymers Limited	40%	31 December

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

	GROUP	
	This Year	Last Year
	\$000	\$000
WaikatoLink's share of the results of Ligar Polymers is as follows:		
<b>Investment in Associate</b>		
Opening Balance	304	(4)
Share of retained surplus/(loss)	27	308
<b>Closing Balance</b>	<b>331</b>	<b>304</b>
Represented by:		
Share of increase in net assets of associate (Carrying Value)	331	304

## Notes to the financial statements for the year ended 31 December 2015

### Note 8: Investments in Associates and Joint Ventures continued

	Ownership	Balance Date
Ligar Limited Partnership	20%	30 September

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

	GROUP	
	This Year	Last Year
	\$000	\$000
WaikatoLink's share of the results of Ligar Limited Partnership is as follows:		
Investment in Associate		
Opening Balance	300	-
Investment	-	300
Share of retained surplus/(loss)	(170)	-
<b>Closing Balance</b>	<b>130</b>	<b>300</b>
Represented by:		
Share of increase in net assets of associate (Carrying Value)	130	300

### Jointly Controlled Entity

	Ownership	Balance Date
Aduro Biopolymers Limited Partnership	49%	31 March

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

	GROUP	
	This Year	Last Year
	\$000	\$000
WaikatoLink's share of the results of Aduro Biopolymers Limited Partnership is as follows:		
Investment in Joint Venture		
Opening Balance	899	1,151
Share of retained surplus/(loss)	(174)	(252)
<b>Closing Balance</b>	<b>725</b>	<b>899</b>
Represented by:		
Share of increase in net assets of joint venture (Carrying Value)	725	899

## Note 8: Investments in Associates and Joint Ventures *continued*

SUMMARISED FINANCIAL INFORMATION OF ASSOCIATES AND JOINT VENTURES		
Assets	8,353	9,161
Liabilities	1,962	1,963
Net Assets	6,391	7,198
Revenue	3,777	2,170
<b>Net Surplus/(Loss)</b>	<b>(1,135)</b>	<b>471</b>
Share of Associates' and Joint Venture's surplus/(loss)	(319)	147

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

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

## Notes to the financial statements for the year ended 31 December 2015

### Note 9: Equity

	Ref	GROUP		UNIVERSITY	
		This Year	Last Year	This Year	Last Year
		\$000	\$000	\$000	\$000
<b>General Equity</b>					
Opening Balance		231,094	219,338	211,405	202,131
Surplus/(Deficit)		9,475	11,791	8,241	9,392
Staff Share Options Issued	<i>i</i>	-	(667)	-	-
Surplus attributable to Non-Controlling Interest		(785)	750	-	-
Transfers to Restricted Reserves		(703)	(585)	(703)	(585)
Transfers from Restricted Reserves		651	467	651	467
<b>Closing Balance</b>		<b>239,732</b>	<b>231,094</b>	<b>219,594</b>	<b>211,405</b>

	Ref	GROUP		UNIVERSITY	
		This Year	Last Year	This Year	Last Year
		\$000	\$000	\$000	\$000
<b>Other Reserves</b>					
Asset Revaluation Reserve	<i>ii</i>	152,429	152,429	152,429	152,429
Restricted Reserves	<i>iii</i>	2,959	2,907	2,959	2,907
Total Other Reserves		155,388	155,336	155,388	155,336
<b>Total Equity before Non-Controlling Interest</b>		<b>395,120</b>	<b>386,430</b>	<b>374,982</b>	<b>366,741</b>

#### i) Staff Share Options Issued

During 2013, 11 Ants Analytics Limited, a subsidiary of WaikatoLink, terminated its share option programme and replaced it with a new programme that entitles key personnel to purchase shares in the company. In accordance with this programme, options are exercisable at the market price of the shares at the date of grant. All previously recognised expenses relating to the prior share option programme were reversed in 2013 and were included in Employee Benefit costs (note 6) in 2014.

## ii) Asset Revaluation Reserve

	GROUP		UNIVERSITY	
	This Year	Last Year	This Year	Last Year
	\$000	\$000	\$000	\$000
Opening balance	152,429	131,557	152,429	131,557
Land revaluation gains	-	185	-	185
Building revaluation gains	-	21,842	-	21,842
Infrastructure revaluation losses	-	(1,155)	-	(1,155)
<b>Closing Balance</b>	<b>152,429</b>	<b>152,429</b>	<b>152,429</b>	<b>152,429</b>
<b>The Asset Revaluation Reserve consists of:</b>				
Land	915	915	915	915
Buildings	137,608	137,608	137,608	137,608
Infrastructural Assets	13,906	13,906	13,906	13,906
<b>Total asset revaluation reserve</b>	<b>152,429</b>	<b>152,429</b>	<b>152,429</b>	<b>152,429</b>

## iii) Restricted Reserves

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

	GROUP		UNIVERSITY	
	This Year	Last Year	This Year	Last Year
	\$000	\$000	\$000	\$000
<b>Prizes, Scholarships and Trust Funds</b>				
Opening Balance	2,907	2,789	2,907	2,789
add appropriation of Net Surplus	703	585	703	585
less application to Prizes, Scholarships and Trust Funds	(651)	(467)	(651)	(467)
<b>Closing Balance</b>	<b>2,959</b>	<b>2,907</b>	<b>2,959</b>	<b>2,907</b>

## Notes to the financial statements for the year ended 31 December 2015

### Note 10: Cash and Cash Equivalents

	GROUP		UNIVERSITY	
	This Year	Last Year	This Year	Last Year
	\$000	\$000	\$000	\$000
Cash at bank and in hand	4,138	1,407	3,477	667
Term deposits maturing three months or less from date of acquisition	8,270	9,170	8,200	9,100
	12,408	10,577	11,677	9,767

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

### Note 11: Receivables

	GROUP		UNIVERSITY	
	This Year	Last Year	This Year	Last Year
	\$000	\$000	\$000	\$000
Trade Receivables	10,012	7,841	8,960	6,463
Student Fee Receivables	11,080	11,535	11,080	11,535
Receivables from Subsidiaries	-	-	95	72
Receivables from Related Parties	2,210	1,908	39	239
Impairment of Debtors	(374)	(419)	(108)	(153)
<b>Total Receivables</b>	<b>22,928</b>	<b>20,865</b>	<b>20,066</b>	<b>18,156</b>

#### Receivables are comprised of:

Receivables from exchange transactions – this includes outstanding amounts for research revenue classified as exchange, international tuition fees and revenue from other direct transactions.	6,257	4,902	3,441	2,235
Receivables from non-exchange transactions – this includes outstanding amount for research revenue classified as non-exchange, government-funded tuition fees and revenue from other non-direct transactions.	16,671	15,963	16,625	15,921
<b>Total Receivables</b>	<b>22,928</b>	<b>20,865</b>	<b>20,066</b>	<b>18,156</b>

#### Fair value

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

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

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



## Impairment

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

	UNIVERSITY					
	This Year			Last Year		
	Gross	Impairment	Net	Gross	Impairment	Net
	\$000	\$000	\$000	\$000	\$000	\$000
Not past due	14,854	-	14,854	11,585	-	11,585
Past due 1-30 days	4,202	-	4,202	5,573	-	5,573
Past due 31-60 days	729	-	729	624	-	624
Past due 61+ days	389	(108)	281	527	(153)	374
<b>Total</b>	<b>20,174</b>	<b>(108)</b>	<b>20,066</b>	<b>18,309</b>	<b>(153)</b>	<b>18,156</b>

	GROUP					
	This Year			Last Year		
	Gross	Impairment	Net	Gross	Impairment	Net
	\$000	\$000	\$000	\$000	\$000	\$000
Not past due	17,179	-	17,179	13,363	-	13,363
Past due 1-30 days	4,202	-	4,202	5,574	-	5,574
Past due 31-60 days	729	-	729	624	-	624
Past due 61+ days	1,192	(374)	818	1,723	(419)	1,304
<b>Total</b>	<b>23,302</b>	<b>(374)</b>	<b>22,928</b>	<b>21,284</b>	<b>(419)</b>	<b>20,865</b>

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

	GROUP		UNIVERSITY	
	This year	Last year	This year	Last year
	\$000	\$000	\$000	\$000
Opening balance	419	464	153	198
Provisions made during the year	38	(25)	38	(25)
Receivables written off during the year	(83)	(20)	(83)	(20)
<b>Closing balance</b>	<b>374</b>	<b>419</b>	<b>108</b>	<b>153</b>

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 for the year ended 31 December 2015

### Note 12: Derivative Financial Instruments

	GROUP		UNIVERSITY	
	This Year	Last Year	This Year	Last Year
	\$000	\$000	\$000	\$000
<b>Current asset portion</b>				
Forward foreign exchange contracts	-	2	-	2
<b>Total derivative financial instrument assets</b>	-	2	-	2

#### 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 sources market parameters such as currency rates. Most market parameters are implied from instrument prices.

The notional principal amount of outstanding forward foreign exchange contracts in NZD was \$Nil (2014 \$168,394). The foreign currency principal amount was \$Nil (2014 USD130,000).

## Note 13: Intercompany Balances

	GROUP		UNIVERSITY	
	This Year	Last Year	This Year	Last Year
	\$000	\$000	\$000	\$000
University of Waikato Foundation Trust	-	-	26	(50)
University of Waikato Alumni Association	-	-	-	-
Student Campus Building Fund Trust	-	-	(1,784)	(1,559)
LCo New Zealand Limited	-	-	-	(110)
iEngagEd Limited	-	-	199	99
WaikatoLink Limited	-	-	5,017	8,516
University of Waikato Research Trust	-	-	(12,518)	(13,511)
<b>Total Intercompany Balances</b>	<b>-</b>	<b>-</b>	<b>(9,060)</b>	<b>(6,615)</b>

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

All intercompany current accounts are classified as current.

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

As at 31 December 2015 the University had advanced to WaikatoLink Limited a total of \$5,017,215 (2014 \$8,516,215) by way of shareholder loan. The loan is interest free and repayable on demand. The University has undertaken not to demand repayment until WaikatoLink Limited has sufficient free cash available to make repayments.

## Notes to the financial statements for the year ended 31 December 2015

### Note 14: Other Financial Assets

	GROUP		UNIVERSITY	
	This year	Last year	This year	Last year
	\$000	\$000	\$000	\$000
<b>Current Portion</b>				
Term Deposits with maturities of 4-12 months	17,681	23,213	16,000	22,014
Endowment Portfolio (CIP)	2,865	2,129	-	-
<b>Total Current Other Financial Assets</b>	<b>20,546</b>	<b>25,342</b>	<b>16,000</b>	<b>22,014</b>
<b>Non Current Portion</b>				
Term Deposits with maturities of 12-24 months	4,070	-	4,070	-
<b>Total Non Current Other Financial Assets</b>	<b>4,070</b>	<b>-</b>	<b>4,070</b>	<b>-</b>
<b>Total Other Financial Assets</b>	<b>24,616</b>	<b>25,342</b>	<b>20,070</b>	<b>22,014</b>
<b>Investment Revenue</b>				
Interest	2,260	1,931	2,074	1,775
Dividends	110	91	113	32
Gains/(Losses) on Equity Investments	146	92	-	-
<b>Total Investment Revenue</b>	<b>2,516</b>	<b>2,114</b>	<b>2,187</b>	<b>1,807</b>

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

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

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

## Note 15: Inventories

	GROUP		UNIVERSITY	
	This year	Last year	This year	Last year
	\$000	\$000	\$000	\$000
Held for Sale	258	257	258	257
Held for Distribution/Use	757	757	757	757
	<b>1,015</b>	<b>1,014</b>	<b>1,015</b>	<b>1,014</b>

No inventories are pledged as security for liabilities or subject to retention of title clauses. (2014 \$Nil).

No stock held for sale was written down for obsolescence in 2015 (2014 \$1,000).

## Note 16: Investments

	GROUP		UNIVERSITY	
	This Year	Last Year	This Year	Last Year
	\$000	\$000	\$000	\$000
<b>Strategic Investments</b>				
NZ Synchrotron Group Limited	198	198	198	198
Titanox Development Limited	-	205	-	-
<b>Investments in Subsidiaries</b>				
WaikatoLink Limited	-	-	2,000	2,000
	<b>198</b>	<b>403</b>	<b>2,198</b>	<b>2,198</b>

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

## Notes to the financial statements for the year ended 31 December 2015

### Note 17: Intangible Assets

	GROUP				UNIVERSITY		
	Software – Purchased	Software – Internally Generated	Non Software Development Costs	Group Total	Software – Purchased	Software – Internally Generated	University Total
This Year	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>Balance at 1 January 2015</b>							
Cost	20,085	925	11,697	32,707	20,070	925	20,995
Accumulated Amortisation and Impairment	(14,434)	(906)	(5,896)	(21,236)	(14,419)	(906)	(15,325)
<b>Opening Carrying Amount</b>	<b>5,651</b>	<b>19</b>	<b>5,801</b>	<b>11,471</b>	<b>5,651</b>	<b>19</b>	<b>5,670</b>
<b>Year Ended 31 December 2015</b>							
Additions	2,398	-	332	2,730	2,398	-	2,398
Disposals	(597)	-	(7,264)	(7,861)	(583)	-	(583)
Amortisation and Impairment Charge	(1,148)	(19)	(1,472)	(2,639)	(1,148)	(19)	(1,167)
Disposals Amortisation and Impairment	597	-	6,406	7,003	583	-	583
<b>Closing Carrying Amount</b>	<b>6,901</b>	<b>-</b>	<b>3,803</b>	<b>10,704</b>	<b>6,901</b>	<b>-</b>	<b>6,901</b>
<b>Balance at 31 December 2015</b>							
Cost	21,886	925	4,765	27,576	21,885	925	22,810
Accumulated Amortisation and Impairment	(14,985)	(925)	(962)	(16,872)	(14,984)	(925)	(15,909)
<b>Closing Carrying Amount</b>	<b>6,901</b>	<b>-</b>	<b>3,803</b>	<b>10,704</b>	<b>6,901</b>	<b>-</b>	<b>6,901</b>

	GROUP				UNIVERSITY		
	Software – Purchased	Software – Internally Generated	Non Software Development Costs	Group Total	Software – Purchased	Software – Internally Generated	University Total
LAST YEAR	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>Balance at 1 January 2014</b>							
Cost	19,181	925	11,858	31,964	19,166	925	20,091
Accumulated Amortisation and Impairment	(13,090)	(846)	(5,225)	(19,161)	(13,075)	(846)	(13,921)
<b>Opening Carrying Amount</b>	<b>6,091</b>	<b>79</b>	<b>6,633</b>	<b>12,803</b>	<b>6,091</b>	<b>79</b>	<b>6,170</b>
<b>Year Ended 31 December 2014</b>							
Additions	904	-	464	1,368	904	-	904
Disposals	-	-	(625)	(625)	-	-	-
Amortisation and Impairment Charge	(1,344)	(60)	(595)	(1,999)	(1,344)	(60)	(1,404)
Disposals Amortisation and Impairment	-	-	(76)	(76)	-	-	-
<b>Closing Carrying Amount</b>	<b>5,651</b>	<b>19</b>	<b>5,801</b>	<b>11,471</b>	<b>5,651</b>	<b>19</b>	<b>5,670</b>
<b>Balance at 31 December 2014</b>							
Cost	20,085	925	11,697	32,707	20,070	925	20,995
Accumulated Amortisation and Impairment	(14,434)	(906)	(5,896)	(21,236)	(14,419)	(906)	(15,325)
<b>Closing Carrying Amount</b>	<b>5,651</b>	<b>19</b>	<b>5,801</b>	<b>11,471</b>	<b>5,651</b>	<b>19</b>	<b>5,670</b>

### Non Software Development Costs

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

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

The amount of intangible assets that are work in progress for non software development is \$2,362,349 (2014 \$2,924,250).

The amount of intangible assets that are work in progress for software purchased is \$2,768,000 (2014 \$1,597,000).

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

## Notes to the financial statements for the year ended 31 December 2015

### Note 18: Property, Plant and Equipment

THIS YEAR UNIVERSITY												
	Cost/Valuation 1 Jan 15	Accumulated Depreciation and Impairment Charges 1 Jan 15	Carrying Amount 1 Jan 15	Current Year Additions	Current Year Disposals	Current Year Impairment Charges	Current Year Depreciation	Accumulated Depreciation on Disposal	Revaluation Movement	Cost/Revaluation 31 Dec 15	Accumulated Depreciation and Impairment Charges 31 Dec 15	Carrying Amount 31 Dec 15
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Land	1,950	-	1,950	250	-	-	-	-	-	2,200	-	2,200
Infrastructural Assets	24,901	-	24,901	1,607	-	-	(653)	-	-	26,508	(653)	25,855
Buildings	299,070	-	299,070	21,522	-	-	(10,293)	-	-	320,592	(10,293)	310,299
Leasehold Building Improvements	1,721	(1,224)	497	159	-	-	(58)	-	-	1,880	(1,282)	598
Library Collection	70,565	(41,354)	29,211	4,082	-	-	(2,736)	-	-	74,647	(44,090)	30,557
Plant and Equipment	46,627	(32,752)	13,875	1,920	(1,222)	-	(2,236)	1,138	-	47,325	(33,850)	13,475
Computer Equipment	32,296	(24,783)	7,513	3,574	(950)	-	(2,656)	949	-	34,920	(26,490)	8,430
Art Collection	1,104	-	1,104	82	-	-	-	-	-	1,186	-	1,186
Motor Vehicles	4,125	(2,075)	2,050	824	(410)	-	(507)	315	-	4,539	(2,267)	2,272
<b>Total</b>	<b>482,359</b>	<b>(102,188)</b>	<b>380,171</b>	<b>34,020</b>	<b>(2,582)</b>	<b>-</b>	<b>(19,139)</b>	<b>2,402</b>	<b>-</b>	<b>513,797</b>	<b>(118,925)</b>	<b>394,872</b>



**LAST YEAR UNIVERSITY**

	Cost/Valuation 1 Jan 14	Accumulated Depreciation and Impairment Charges 1 Jan 14	Carrying Amount 1 Jan 14	Current Year Additions	Current Year Disposals	Current Year Impairment Charges	Current Year Depreciation	Accumulated Depreciation on Disposal	Revaluation Movement	Cost/Revaluation 31 Dec 14	Accumulated Depreciation and Impairment Charges 31 Dec 14	Carrying Amount 31 Dec 14
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Land	1,765	-	1,765	-	-	-	-	-	185	1,950	-	1,950
Infrastructural Assets	27,038	(1,427)	25,611	1,199	-	-	(754)	-	(1,155)	24,901	-	24,901
Buildings	293,975	(18,607)	275,368	11,690	-	-	(9,830)	-	21,842	299,070	-	299,070
Leasehold Building Improvements	1,704	(1,158)	546	17	-	-	(66)	-	-	1,721	(1,224)	497
Library Collection	67,054	(38,714)	28,340	3,511	-	-	(2,640)	-	-	70,565	(41,354)	29,211
Plant and Equipment	45,668	(31,477)	14,191	2,203	(1,244)	-	(2,366)	1,091	-	46,627	(32,752)	13,875
Computer Equipment	30,188	(23,071)	7,117	2,887	(779)	-	(2,487)	775	-	32,296	(24,783)	7,513
Art Collection	643	-	643	461	-	-	-	-	-	1,104	-	1,104
Motor Vehicles	4,437	(2,182)	2,255	540	(852)	-	(498)	605	-	4,125	(2,075)	2,050
<b>Total</b>	<b>472,472</b>	<b>(116,636)</b>	<b>355,836</b>	<b>22,508</b>	<b>(2,875)</b>	<b>-</b>	<b>(18,641)</b>	<b>2,471</b>	<b>20,872</b>	<b>482,359</b>	<b>(102,188)</b>	<b>380,171</b>

## Notes to the financial statements for the year ended 31 December 2015

### Note 18: Property, Plant and Equipment continued

	THIS YEAR GROUP											
	Cost/Valuation 1 Jan 15	Accumulated Depreciation and Impairment Charges 1 Jan 15	Carrying Amount 1 Jan 15	Current Year Additions	Current Year Disposals	Current Year Impairment Charges	Current Year Depreciation	Accumulated Depreciation on Disposal	Revaluation Movement	Cost/Revaluation 31 Dec 15	Accumulated Depreciation and Impairment Charges 31 Dec 15	Carrying Amount 31 Dec 15
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Land	1,950	-	1,950	250	-	-	-	-	-	2,200	-	2,200
Infrastructural Assets	24,901	-	24,901	1,607	-	-	(653)	-	-	26,508	(653)	25,855
Buildings	299,070	-	299,070	21,522	-	-	(10,293)	-	-	320,592	(10,293)	310,299
Leasehold Building Improvements	1,721	(1,224)	497	159	-	-	(58)	-	-	1,880	(1,282)	598
Library Collection	70,565	(41,354)	29,211	4,082	-	-	(2,736)	-	-	74,647	(44,090)	30,557
Plant and Equipment	46,920	(33,034)	13,886	1,923	(1,286)	-	(2,240)	1,201	-	47,557	(34,073)	13,484
Computer Equipment	32,296	(24,783)	7,513	3,574	(950)	-	(2,656)	949	-	34,920	(26,490)	8,430
Art Collection	1,104	-	1,104	82	-	-	-	-	-	1,186	-	1,186
Motor Vehicles	4,125	(2,075)	2,050	824	(410)	-	(507)	315	-	4,539	(2,267)	2,272
<b>Total</b>	<b>482,652</b>	<b>(102,470)</b>	<b>380,182</b>	<b>34,023</b>	<b>(2,646)</b>	<b>-</b>	<b>(19,143)</b>	<b>2,465</b>	<b>-</b>	<b>514,029</b>	<b>(119,148)</b>	<b>394,881</b>

## LAST YEAR GROUP

	Cost/Valuation 1 Jan 14	Accumulated Depreciation and Impairment Charges 1 Jan 14	Carrying Amount 1 Jan 14	Current Year Additions	Current Year Disposals	Current Year Impairment Charges	Current Year Depreciation	Accumulated Depreciation on Disposal	Revaluation Movement	Cost/Revaluation 31 Dec 14	Accumulated Depreciation and Impairment Charges 31 Dec 14	Carrying Amount 31 Dec 14
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Land	1,765	-	1,765	-	-	-	-	-	185	1,950	-	1,950
Infrastructural Assets	27,038	(1,427)	25,611	1,199	-	-	(754)	-	(1,155)	24,901	-	24,901
Buildings	293,975	(18,607)	275,368	11,690	-	-	(9,830)	-	21,842	299,070	-	299,070
Leasehold Building Improvements	1,704	(1,158)	546	17	-	-	(66)	-	-	1,721	(1,224)	497
Library Collection	67,054	(38,714)	28,340	3,511	-	-	(2,640)	-	-	70,565	(41,354)	29,211
Plant and Equipment	46,084	(31,849)	14,235	2,202	(1,366)	-	(2,378)	1,193	-	46,920	(33,034)	13,886
Computer Equipment	30,188	(23,071)	7,117	2,887	(779)	-	(2,487)	775	-	32,296	(24,783)	7,513
Art Collection	643	-	643	461	-	-	-	-	-	1,104	-	1,104
Motor Vehicles	4,437	(2,182)	2,255	540	(852)	-	(498)	605	-	4,125	(2,075)	2,050
<b>Total</b>	<b>472,888</b>	<b>(117,008)</b>	<b>355,880</b>	<b>22,507</b>	<b>(2,997)</b>	<b>-</b>	<b>(18,653)</b>	<b>2,573</b>	<b>20,872</b>	<b>482,652</b>	<b>(102,470)</b>	<b>380,182</b>

## Land and Buildings

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

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

- The replacement asset is based on the reproduction cost of the specific assets with adjustments where appropriate for obsolescence due to over-design or surplus capacity.
- The replacement 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 2014 by Darroch Valuations Limited (Registered Valuers).

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

## Notes to the financial statements for the year ended 31 December 2015

### Note 18: Property, Plant and Equipment continued

#### Infrastructure

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

Infrastructural Assets were revalued as at 31 December 2014 by Opus International Consultants Limited.

#### Finance Leases

The net carrying amount of Property, Plant and Equipment held under finance leases is \$1,914,213 (2014- \$1,762,251)

#### 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 of or sell property where the value of the property exceeds an amount determined by the Minister.

#### Work in Progress

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

	GROUP		UNIVERSITY	
	This Year	Last Year	This Year	Last Year
	\$000	\$000	\$000	\$000
Land	250	-	250	-
Buildings	27,033	9,514	27,033	9,514
Infrastructural Assets	1,872	649	1,872	649
Leasehold Building Improvements	155	-	155	-
Plant and Equipment	534	225	534	225
Computer Equipment	899	1,010	899	1,010
	30,743	11,398	30,743	11,398

## Note 19: Revenue in Advance

	GROUP		UNIVERSITY	
	This Year	Last Year	This Year	Last Year
	\$000	\$000	\$000	\$000
Research Revenue	9,166	6,787	9,166	6,787
Commercial	1,822	497	737	490
Tuition Fees	23,183	21,845	24,268	21,845
<b>Total Revenue in Advance</b>	<b>34,171</b>	<b>29,129</b>	<b>34,171</b>	<b>29,122</b>
<b>Total Revenue in Advance comprise:</b>				
Revenue in Advance from exchange transactions	15,487	12,781	15,487	12,773
Revenue in Advance from non-exchange transactions	18,684	16,348	18,684	16,348
<b>Total Revenue in Advance</b>	<b>34,171</b>	<b>29,129</b>	<b>34,171</b>	<b>29,122</b>

Included in tuition fees is \$11,256,769 (2014: \$10,841,642) of 2016 fees which have been invoiced but are not due for payment until 2016.

## Note 20: Payables

	GROUP		UNIVERSITY	
	This Year	Last Year	This Year	Last Year
	\$000	\$000	\$000	\$000
<b>Payables under exchange transactions</b>				
Trade Payables	9,374	5,582	8,629	7,696
Payables to Related Parties (see note 26)	-	1,734	193	50
Accrued Expenses	2,796	3,847	2,855	3,315
<b>Total payables under exchange transactions</b>	<b>12,170</b>	<b>11,163</b>	<b>11,677</b>	<b>11,061</b>
<i>Payables under non-exchange transactions</i>				
Taxes Payable (GST)	3,968	3,909	3,912	3,499
<b>Total Payables</b>	<b>16,138</b>	<b>15,072</b>	<b>15,589</b>	<b>14,560</b>

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

## Notes to the financial statements for the year ended 31 December 2015

### Note 21: Borrowings

	GROUP		UNIVERSITY	
	This Year	Last Year	This Year	Last Year
	\$000	\$000	\$000	\$000
Opening Balance	1,326	1,329	1,326	1,329
less Borrowings Repaid	(3)	(3)	(3)	(3)
<b>Closing Balance</b>	<b>1,323</b>	<b>1,326</b>	<b>1,323</b>	<b>1,326</b>
Current Portion – Finance Lease	5	4	5	4
Non Current Portion – Finance Lease	1,318	1,322	1,318	1,322
	<b>1,323</b>	<b>1,326</b>	<b>1,323</b>	<b>1,326</b>

The Finance lease was fair valued at inception using a discount rate of 12.07% (2014 12.07%).

### Finance lease

#### (a) Leasing arrangements

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

#### (b) Finance lease liabilities

	MINIMUM FUTURE LEASE PAYMENTS				PRESENT VALUE OF MINIMUM FUTURE LEASE PAYMENTS			
	GROUP		UNIVERSITY		GROUP		UNIVERSITY	
	This Year	Last Year	This Year	Last Year	This Year	Last Year	This Year	Last Year
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
No later than 1 year	164	164	164	164	154	154	154	154
Between 1 and 5 years	655	655	655	655	459	459	459	459
Later than 5 years	4,206	4,370	4,206	4,370	710	713	710	713
Minimum Lease Payments	5,025	5,189	5,025	5,189	1,323	1,326	1,323	1,326
Less future finance charges	(3,702)	(3,863)	(3,702)	(3,863)				
<b>Present value of minimum lease payments</b>	<b>1,323</b>	<b>1,326</b>	<b>1,323</b>	<b>1,326</b>	<b>1,323</b>	<b>1,326</b>	<b>1,323</b>	<b>1,326</b>

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

	GROUP		UNIVERSITY	
	This Year \$000	Last Year \$000	This Year \$000	Last Year \$000
Surplus/(Deficit)	9,475	11,791	8,241	9,392
<b>Add/(Less) Non Cash Items:</b>				
Share of associate's surplus/deficit	319	147	-	-
Depreciation and amortisation	21,782	20,727	20,306	20,045
Increase/(decrease) in non-current employee entitlements	767	708	767	708
Increase/(decrease) in deferred revenue	-	12	-	-
(Increase)/decrease in asset sale in operating cash	1,262	-	-	-
Other	(303)	(575)		-
	<b>23,827</b>	<b>21,019</b>	<b>21,073</b>	<b>20,753</b>
<b>Add/(Less) Movements in Other Working Capital Items:</b>				
(Increase)/Decrease in Receivables	(2,063)	3,648	(1,910)	3,813
Increase/(Decrease) in Payables	1,066	(2,456)	1,030	(2,539)
(Increase)/Decrease in Inventories	(2)	56	(2)	57
Increase/(Decrease) in Revenue in Advance	5,042	3,567	5,049	3,567
Increase/(Decrease) in Employee Entitlements	66	659	185	746
(Increase)/Decrease in Prepayments	2	940	2	940
Increase/(Decrease) in Intercompany balances	-	-	2,446	(584)
	<b>4,111</b>	<b>6,414</b>	<b>6,800</b>	<b>6,000</b>
<b>Add/(Less) Items Classified as Investing and Financing Activities:</b>				
(Gains)/losses on disposal of property, plant and equipment	38	62	38	62
(Gains)/losses on sale of investments	(950)	288	-	-
	<b>(912)</b>	<b>350</b>	<b>38</b>	<b>62</b>
<b>Net Cash Flow from Operating Activities</b>	<b>36,501</b>	<b>39,574</b>	<b>36,152</b>	<b>36,207</b>

## Notes to the financial statements for the year ended 31 December 2015

### Note 23: Key Management Personnel Compensation

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

	This Year	Last Year
<b>Council members</b>		
Full-time equivalent members <sup>1</sup>	0.45	0.46
Remuneration	74,272	78,892
<b>Executive Committee and Deans' Committee</b>		
Full-time equivalent members	19.12	20.40
Remuneration	4,344,956	4,371,186
<b>Total full-time equivalent members</b>	<b>19.57</b>	<b>20.86</b>
<b>Total key management personnel compensation</b>	<b>4,419,228</b>	<b>4,450,078</b>

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

### Note 24: Leases

#### Operating Leases as Lessee

##### (a) Leasing Arrangements

	FINAL EXPIRY	2015 ACTUAL	COMMENTARY
<b>Property Leases</b>		\$000	
Waikato-Tainui Campus Land	In perpetuity	1,562	Subject to lease condition
Tauranga Campus	2016 to 2025	655	8 Separate Leases
Ruakura Satellite Campus	2016 to 2029	212	2 Separate Leases
Other Hamilton Leases	2016 to 2034	318	5 Leases
Other	2016 to 2022	169	6 Leases
<b>Equipment Leases</b>	2016 to 2017	972	3 Leases
<b>Total</b>		<b>3,888</b>	



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 prepaid lease agreement. The future aggregate minimum lease payments under the non-cancellable operating lease are \$150,000 not longer than 1 year, \$112,500 longer than 1 year and not longer than 5 years. These amounts will be expensed through the Statement of Comprehensive Revenue and Expense in the relevant periods.

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

	GROUP		UNIVERSITY	
	This Year	Last Year	This Year	Last Year
	\$000	\$000	\$000	\$000
<b>(b) Non-cancellable operating lease payments</b>				
Not longer than 1 year	2,883	3,245	2,883	3,245
Longer than 1 year and not longer than 5 years	7,492	8,469	7,492	8,469
Longer than 5 years	40,788	42,552	40,788	42,552
	<b>51,163</b>	<b>54,266</b>	<b>51,163</b>	<b>54,266</b>

#### (c) Sub-leases

The total minimum future receipts that the university expects to receive from its tenants on leased land is \$7,335,020 (2014 \$7,592,640). The minimum renewal periods range from 1 to 32 years.

## Lessor Disclosures

### Operating Leases as Lessor

#### (a) Leasing Arrangements (Receivables)

Operating leases relate to shops on campus, campus land and residential premises adjacent to the University. Lease terms are for terms of between 1 month and 46 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:

	GROUP		UNIVERSITY	
	This Year	Last Year	This Year	Last Year
	\$000	\$000	\$000	\$000
<b>(b) Non-cancellable operating lease receivables</b>				
Not longer than 1 year	524	475	524	475
Longer than 1 year and not longer than 5 years	1,536	1,533	1,536	1,533
Longer than 5 years	5,739	5,992	5,739	5,992
	<b>7,799</b>	<b>8,000</b>	<b>7,799</b>	<b>8,000</b>

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

## Notes to the financial statements for the year ended 31 December 2015

### Note 25: Financial Instruments

#### 25A: Financial Instrument Categories

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

	GROUP		UNIVERSITY	
	This Year \$000	Last Year \$000	This Year \$000	Last Year \$000
<b>FINANCIAL ASSETS</b>				
Fair value through surplus or deficit				
<b>Held for trading</b>				
Forward Foreign Exchange Contracts	-	2	-	2
New Zealand Equities	810	571	-	-
Australian Equities	532	424	-	-
Other Offshore Equities	558	456	-	-
Fixed Interest Instruments	354	162	-	-
<b>Total held for trading</b>	<b>2,254</b>	<b>1,615</b>	<b>-</b>	<b>2</b>
<b>Loans and Receivables</b>				
Cash and Cash Equivalents	12,408	10,577	11,677	9,767
Receivables	22,928	20,865	20,066	18,156
Inter Company Balances	-	-	3,458	6,896
Other Financial Assets	22,362	23,729	20,070	22,014
<b>Receivables</b>	<b>57,698</b>	<b>55,171</b>	<b>55,271</b>	<b>56,833</b>
<b>Financial Assets at Cost</b>				
Investments	198	403	2,198	2,198
<b>Total Financial Assets at Cost</b>	<b>198</b>	<b>403</b>	<b>2,198</b>	<b>2,198</b>
<b>FINANCIAL LIABILITIES</b>				
<b>Financial Liabilities at Amortised Cost</b>				
Payables	12,170	11,163	11,677	11,061
University of Waikato Research Trust Payable	-	-	12,518	13,511
<b>Total Financial Liabilities at Amortised Cost</b>	<b>12,170</b>	<b>11,163</b>	<b>24,195</b>	<b>24,572</b>

## 25B: Fair Value Hierarchy Disclosures

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

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

The University and Group currently has \$Nil (2014 \$1,727) of forward foreign exchange contracts, \$1,900,384 (2014 \$1,452,107) of equities and \$354,294 (2014 \$161,554) of fixed interest instruments measured at fair value on the balance sheet (see notes 11 and 13).

## 25C: Financial Instrument Risks

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

### Market Risk

#### Fair Value Interest Rate Risk

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

#### Cash Flow Interest Rate Risk

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

The University holds a mixture of fixed rate and floating call rate deposits. At 31 December 2015 the University had \$10,502,893 (2014 \$9,100,000) 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.

## Notes to the financial statements for the year ended 31 December 2015

### Note 25: Financial Instruments continued

#### Interest Rate Risk

	UNIVERSITY			
	This Year		Last Year	
	+100bps	-100bps	+100bps	-100bps
Instrument				
	\$000	\$000	\$000	\$000
Variable rate deposits	105	(105)	91	(91)

	GROUP			
	This Year		Last Year	
	+100bps	-100bps	+100bps	-100bps
Instrument				
	\$000	\$000	\$000	\$000
Variable rate deposits	125	(125)	99	(99)

#### Explanation of interest rate risk sensitivity

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

#### Currency Risk

	UNIVERSITY			
	This Year		Last Year	
	+10%	-10%	+10%	-10%
Instruments held in USD				
	\$000	\$000	\$000	\$000
Creditors	60	(73)	93	(113)
Debtors	(1)	1	-	-
US dollar account	(48)	58	(59)	69

	GROUP			
	This Year		Last Year	
	+10%	-10%	+10%	-10%
Instruments held in USD				
	\$000	\$000	\$000	\$000
Creditors	61	(74)	95	(116)
Debtors	(1)	1	(2)	3
US dollar account	(48)	58	(59)	73
Equities	(37)	45	(28)	35

	<b>UNIVERSITY</b>			
	<b>This Year</b>		<b>Last Year</b>	
Instruments held in AUD	+10%	-10%	+10%	-10%
	\$000	\$000	\$000	\$000
Creditors	2	3	17	21
Debtors	-	-	-	-
AUD dollar account	(21)	26	(2)	2

	<b>GROUP</b>			
	<b>This Year</b>		<b>Last Year</b>	
Instruments held in AUD	+10%	-10%	+10%	-10%
	\$000	\$000	\$000	\$000
Creditors	2	3	17	(21)
Debtors	-	-	-	-
AUD dollar account	(21)	26	(2)	2
Equities	(46)	56	(39)	48

	<b>UNIVERSITY AND GROUP</b>			
	<b>This Year</b>		<b>Last Year</b>	
Instruments held in EUR	+10%	-10%	+10%	-10%
	\$000	\$000	\$000	\$000
Creditors	-	-	1	(2)
Debtors	(1)	1	-	-
Euro Account	(12)	15	-	-

	<b>UNIVERSITY AND GROUP</b>			
	<b>This Year</b>		<b>Last Year</b>	
Instruments held in GBP	+10%	-10%	+10%	-10%
	\$000	\$000	\$000	\$000
Creditors	2	(2)	6	(8)
GBP Account	(9)	11	(1)	2
Equities	(14)	17	(32)	39

## Notes to the financial statements for the year ended 31 December 2015

### Note 25: Financial Instruments continued

#### Explanation of currency risk sensitivity

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

#### Credit Risk

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

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

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

No collateral is held.

#### Credit 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:

	GROUP		UNIVERSITY	
	This Year	Last Year	This Year	Last Year
	\$000	\$000	\$000	\$000
<b>Counterparties with Credit Ratings</b>				
<b>Cash at bank and term deposits</b>				
AA-	37,024	35,919	31,747	31,781
<b>Counterparties without credit ratings</b>				
<b>Debtors and other receivables</b>				
Existing counterparty with no defaults in the past	22,928	20,865	20,066	18,156
Existing counterparty with defaults in the past	-	-	-	-
<b>Total debtors and other receivables</b>	<b>22,928</b>	<b>20,865</b>	<b>20,066</b>	<b>18,156</b>
<b>Loans to related parties</b>				
Existing counterparty with no defaults in the past	-	-	3,458	6,896
Existing counterparty with defaults in the past	-	-	-	-
<b>Total loans to related parties</b>	<b>-</b>	<b>-</b>	<b>3,458</b>	<b>6,896</b>

## Liquidity Risk

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

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

### Contractual Maturity Analysis of Financial Liabilities

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

	UNIVERSITY					
	Carrying Amount	Contractual cash flows	Less than 6 months	Between 6 months and 1 year	Between 1 and 5 years	More than 5 years
<b>This Year</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
Payables	15,589	15,589	15,589	-	-	-
Finance Leases	1,323	5,025	82	82	655	4,206
University of Waikato Research Trust Payable	12,518	12,518	-	12,518	-	-
<b>Last Year</b>						
Payables	14,560	14,560	14,560	-	-	-
Borrowings	1,326	4,861	82	82	655	4,043
University of Waikato Research Trust Payable	13,511	13,511	-	13,511	-	-
	GROUP					
	Carrying Amount	Contractual cash flows	Less than 6 months	Between 6 months and 1 year	Between 1 and 5 years	More than 5 years
<b>This Year</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
Payables	16,138	16,138	16,138	-	-	-
Borrowings	1,323	5,025	82	82	655	4,206
<b>Last Year</b>						
Payables	15,072	15,072	15,072	-	-	-
Borrowings	1,326	4,861	82	82	655	4,043

## Notes to the financial statements for the year ended 31 December 2015

### Note 26: Related Party Transactions

The following related party transactions occurred between the University and WaikatoLink Limited, ULeisure Limited (ULL) and their subsidiary Boathouse Events Limited (Boathouse), The University of Waikato Foundation (Foundation), The Students' Campus Building Fund Trust (SCBFT), LCo New Zealand Limited (LCoNZ), The University of Waikato Alumni Association Incorporated (Alumni) (No related party transactions for 2014 or 2015), University of Waikato Research Trust (UoW RT) and iEngagEd Limited, during the year:

	WaikatoLink	ULL	Boathouse	Foundation	SCBFT	LCoNZ	UoW RT	iEngagEd
	\$	\$	\$	\$	\$	\$	\$	\$
Payments in 2015 to:	1,402,000	569,708	95,000	-	34,398	28,999	1,405,000	644,033
-2014	1,750,000	752,016	96,500	-	28,339	31,203	1,393,000	752,699
Receipts in 2015 from:	3,651,345	288,626	90	710,410	258,966	194,322	56,183	-
-2014	117,459	281,768	3,418	726,894	246,309	-	19,857	-
Accounts Receivable at 31 December 2015 owing from:	5,085,375	39,063	-	26,405	-	-	-	197,700
-2014	8,587,825	31,010	-	-	-	-	-	98,645
Accounts Payable at 31 December 2015 owing to:	-	1,930	-	-	1,783,722	-	12,518,000	192,802
-2014	-	-	-	49,824	1,559,153	-	13,467,000	-

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

Related party disclosures have also not been made for transactions within the University group where services, such as facilities, have been provided free or on a subsidised basis, where the transactions are consistent with the normal operating relationships between the entities.

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



## Note 27: Contingent Liabilities

### University Contingent Liabilities

A guarantee has been given to the Bank of New Zealand for an overdraft facility of \$53,000 (2014 \$53,000) on a continuing basis to the Campus Creche Trust. The University routinely monitors the financial performance of Campus Creche Trust. The likelihood of the guarantee being called upon is considered to be very low.

The University is aware of a potential payment to an employee up to a maximum of \$95,000.

The University is aware of a dispute between students and a former staff member, which is likely to result in a payment of \$15,000.

The University is aware of a potential payment for a development contribution on the Law/Management building of \$155,000 including legal fees.

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 for the year ended 31 December 2015

### Note 28: 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.

### Note 29: Commitments

#### Capital Commitments

The University has the following capital expenditure contracted:

	GROUP		UNIVERSITY	
	This Year	Last Year	This Year	Last Year
	\$000	\$000	\$000	\$000
Land	1,186	-	1,186	-
Buildings	2,451	16,462	2,451	16,462
Infrastructural Assets	282	1,166	282	1,166
Library Collection	1,686	1,794	1,686	1,794
Plant and Equipment	207	155	207	155
Motor Vehicles	-	306	-	306
	5,812	19,883	5,812	19,883

## Note 30: Explanations of Major Variances against Budget

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

### Statement of Comprehensive Income

#### Government Funding and Grants

Government funding and grants received by the University were \$1.8 million more than budget. This favourable variance was largely due to the Institute of Professional Learning (IPL) receiving \$1.4 million more than expected in contracts. The University also received additional Performance-Based Research Funding (PBRF) after the 2015 budget was set.

#### Tuition Fees

Tuition fees were \$0.5 million less than budget. This was due to a shortfall of 278 equivalent full time students (EFTS) enrolling in 2015. This shortfall was slightly offset by favourable international enrolments.

#### Research Revenue

Once again the University received more research revenue than budget. The additional \$0.5 million was predominately in the area of Education.

#### Investment Revenue

Following on from 2014, the University has continued to hold higher than expected balances in its bank deposits, resulting in \$0.7 million more interest than budgeted.

#### Other Revenue

Other income received by the University was \$1.4 million more than budget, most of this was the result of the Faculty of Education receiving additional revenue from Ministry of Education initiatives.

#### Personnel Costs

University personnel costs were \$3.5 million more than budget. This was due to restructuring costs (see note 6), and retirement costs, both those arising from an enhanced retirement initiative in 2015 and routine retirements.

#### Other Costs

The University spent \$3.1 million more than budgeted in other costs. Both the Faculty of Education and IPL have increased operating costs as a result of increased revenues. The University also paid \$0.6 million in extra scholarship payments and another \$0.6 million is the result of the costs around sourcing a new student information system.

#### Depreciation, Amortisation and Impairment

Depreciation in 2015 was \$1.0 million less than budget. The University started 2015 with a lower value of assets than expected, and the delay in the completion of the Law/Management building both impacted on the total depreciation cost.

## Note 31: Events after Balance Sheet Date

In January 2016 the University purchased the 50% Waikato Students' Union share of ULeisure Limited. The University is now the sole shareholder and will treat ULeisure Limited as a subsidiary in the 2016 financial statements.

# Glossary of abbreviations

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

## Glossary of terms

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

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

**EFTS (Equivalent Full-Time Student):** The measure used by all tertiary education organisations for reporting student numbers. At the University of Waikato, 1 EFTS equates to a student workload of 120 points (1,200 total learning hours).

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

**Faculty:** Includes the School of Māori & Pacific Development.

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

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

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

**Interim:** Results subject to confirmation by the TEC following submission of the April 2016 SDR; final results will be reported in subsequent Statements of Service Performance.

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

**MF (Ministry-Funded):** Attracts SAC funding.

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

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

**Research Revenue:** The sum of both 'PBRF-eligible external research income' and 'non-PBRF eligible research revenue' (these terms are defined in detail by the TEC for PBRF purposes).

**School leavers:** Students who were enrolled at a secondary school in New Zealand or overseas in the year prior to, or same year as, enrolling at the University of Waikato.

**SAC (Student Achievement Component) funding:** Government's contribution to the direct costs of teaching, learning, and other costs driven by domestic (and some international PhD) student learner numbers.

# Notes

**Page 5 – Applicant Day:** This refers to the number of registrations for the inaugural Applicant Day in September 2015. The day allowed prospective students to apply, select papers and receive an offer from the University. It gave existing applicants one-on-one advice on papers so they could be approved and have an offer made to them, and provided a range of mini-lectures and talks to prospective students and their parents about what to expect from university life.

**Page 18 – Total EFTS by Ethnicity:** This counts EFTS by a student's first recorded ethnicity. Students may select up to three ethnicities.

**Page 19 – Higher degree completions:** This is an interim number as completions for 2015 will continue to come in during 2016.

**Page 25 – Research-only enrolments:** This is all students who were enrolled in 90 or more research credits within 2015. If a student was enrolled in more than one type of enrolment during that period their last enrolment is reflected. A student may have been enrolled in 90 or more credits, however if they were apportioned outside of 2015 then they will not be reflected.

**Pages 40-45 – Statistical information:** Numbers in this section may not add due to rounding. EFTS counts those generated in both assessed and non-assessed papers unless specified otherwise.

**Total Students by Origin:** The data in these tables count students enrolled in formal programmes only.

**Total Students by Ethnicity:** The data in these tables count students enrolled in formal programmes only.

**Total Qualifications Completed by Level:** The data in these tables count students completing formal programmes only.

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

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

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

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

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

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

**Research Publication Count by Type:** University of Waikato Research Publication Count By Type By Faculty. The snapshot of verified information is from 13 January 2016.

Research outputs have been counted once in a Faculty. If a publication is co-authored by staff located in different Faculties it will be counted once in each of these Faculties. This could result in a research output being counted multiple times within the University. For example a research output co-authored by four staff, two located in FSEN, one located in FEDU and one located in PVCMM would be counted three times, ie only once in each Faculty. 'Other' publication type includes, for example, reports, discussion papers, oral presentations not delivered within a conference setting, patents, theses/dissertations.

**Definition of regions University students are from:**

**Core Region:** Waikato and Bay of Plenty

**Inner Periphery Region:** Auckland City (Southern), Gisborne, Taranaki, Manawatu, Whanganui

**Outer Periphery Region:** Hawke's Bay, Northland

**Auckland Region:** Auckland Region excluding Auckland City (Southern)

**Wellington Region:** Wellington Region

**South Island:** Entire South Island Region

**Page 50-59 – Statement of Service Performance:** KPI results and targets for percentages greater than 20% have been rounded to the nearest whole number.





THE UNIVERSITY OF  
**WAIKATO**  
*Te Whare Wānanga o Waikato*

**WHERE THE WORLD IS GOING**  
TE AHUNGA O TE AO

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