



THE UNIVERSITY OF
WAIKATO
Te Whare Wānanga o Waikato

2003 Annual Report of The University of Waikato

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Solicitors

Norris Ward McKinnon, Hamilton

Management Structure of The University of Waikato

Senior Management

Vice-Chancellor

Professor B. Gould

Deputy Vice-Chancellor (Academic)

Professor P. Koopman-Boyden

Deputy Vice-Chancellor (Research)

Professor R. Bedford

Pro Vice-Chancellor (International)

Professor P. Oettli

Pro Vice-Chancellor (Māori)

Professor T. Reedy

Pro Vice-Chancellor (Public Affairs)

Professor S. Leitch

Pro Vice-Chancellor (Resources)

Associate Professor A. Neilson

Pro Vice-Chancellor (Staffing and Students)

Associate Professor D. Swain

Chief Operating Officer

Mr A. Simpson (to July 2003)

Mr G. Balme (from January 2004)

Director, Human Resource Management Division

Ms C. Gunn

Director, Student and Academic Services Division

Dr W. Craig

Director, The University of Waikato at Tauranga

Associate Professor A. Neilson

Dean, Faculty of Arts and Social Sciences

Dr A. Simpson (acting)

Dean, Computing and Mathematical Sciences

Professor M. Apperley

Dean, School of Education

Professor N. Alcorn

Dean, School of Law

Professor S. Davidson

Dean, Waikato Management School

Professor M. Pratt

Dean, School of Māori and Pacific Development

Associate Professor A. Yates-Smith (acting)

Dean, School of Science and Technology

Professor R. Price

Governance Body

The University Council 2003 membership

Chancellor

Mr J. Gallagher

Pro-Chancellor

Mrs A. Annan

Vice-Chancellor

Professor B. Gould

Four members appointed by the Minister of Education

Dr R. Pringle

Dr B. Linehan

Mr G. Weld

Mr J. Jackman

One member elected by the academic staff

Professor A. Barratt

One member elected by the general staff

Ms S. Sleigh

The President of the Waikato Students' Union

Mr D. Philpott

One member appointed after consultation with Business New Zealand

Mr J. Gallagher

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

Mr R. Parton

One member appointed after consultation with Te Arikunui

Ms E. Barton

One member appointed after consultation with Te Roopu Manukura

Ms M. Dodd

One member appointed after consultation with the chief executives of the member institutions of the Tertiary Alliance

Dr A. Hampton

One member appointed by the Council in the capacity of Mayor of Hamilton

Mr D. Braithwaite

One member elected by the University Academic Board

Professor T. Healy

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

Mrs A. Annan

Mr L. Burke


Mr S. Solomon



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COASTAL RESEARCH INSTITUTE
A Project of the University of Waikato



In my first year as Chancellor of the University of Waikato in 2003, the Council's new constitution took effect and 11 new members took up their positions. The new constitution and membership have resulted in a much more balanced representation of governance skills and interests. Given that the terms of most of our current members extend through to the end of 2006, we are operating within a timeframe that provides us with a very welcome opportunity, during a period of major change both within the University and across the tertiary sector, to build a sound foundation of policies and systems for good governance, capacity-building and leadership and upon which to foster our stakeholder relationships more effectively. Our 2003 induction programme was comprehensive. In association with our formal meetings, we also undertook a programme of 10 workshops throughout the year, covering a range of governance and strategic themes.

The constitutions of the Finance Committee and the Audit and Risk Management Committee were reviewed with a view to increasing the balance of external representation. A new Treasury Management Committee was established as a sub-committee of the Finance Committee, also with a significant balance of external membership.

The Academic Board was asked to review its role, particularly in relation to Council and to consider strategies to improve its effectiveness. A number of steps were agreed and will be monitored with a view to achieving a more constructive reporting relationship.

As an outcome of a very rigorous process, involving close consultation with senior managers, Council approved a Budget for 2004 that will deliver an operating surplus of \$2.5 million. A variety of strategic and structural changes are being considered, in consultation with senior managers, in order to achieve increased operating surpluses for 2005 and 2006 as a means of funding the University's capital development programme.

The Council was very gratified to witness the opening of Hamilton's Innovation Park, in which the University of Waikato is a senior partner. It is the product of years of planning and dedicated effort by a number of Waikato business people and a number of tenants are now resident on site. University staff will be actively engaged with other researchers in leading-edge research into new technologies.

A project to establish a Coastal Research Institute in the Bay of Plenty was launched in August by the University in Tauranga. The Institute will be a major platform for the University to deliver graduate programmes and postgraduate research training in coastal marine science and technology. Its establishment will underline the commitment of the University to Tauranga and the Bay of Plenty. Planning is now under-way for a fundraising campaign to provide the necessary funding to establish the Institute.

A new University Charter was developed in 2003 and has been approved by the Minister with effect from January 2004 for a period of eight years. An Interim Profile for 2004 - 2006 has also been approved and outlines the ways in which the University intends to achieve the high-level aspirations defined in its new Charter. Among our key challenges for future years, as highlighted by our recent Charter and Profile processes, are: the ongoing development of our distinctive character; the strengthening of our focus on academic excellence; the management of our significant and increasing international student numbers; and the ongoing development of tangible and direct strategies for the support and development of our staff.


A system of annual performance review, first introduced in 2002, was reviewed and implemented by Council towards the end of 2003 and is now well-established. A particular focus for Council, collectively, is the ongoing development of knowledge and experience among our members so that they can play a truly active and valuable part in the life, leadership and growth of the University.

Our Vice-Chancellor, Professor Bryan Gould, has indicated his intention to stand down at the end of 2004 after more than 10 years in the role. Council has set in train a search process for the appointment of a new Vice-Chancellor. Both the Council and the current Vice-Chancellor are committed to ensuring that the transition is managed positively and the transfer of responsibilities is achieved smoothly. The Council is particularly appreciative of the fact that Professor Gould has agreed to remain in office through to the end of the University's 40th Anniversary year. It is appropriate that he should play a leading and high-profile part in the activities that are planned for 2004 to promote and celebrate our achievements and successes since the institution was first established.



John A Gallagher
Chancellor





The University ended 2003 in very good shape, having weathered a number of difficulties during the course of the year. We began with disappointing A Semester domestic enrolments. We were then confronted by the SARS outbreak which adversely affected the financial performance of the Language Institute and our Foundation Studies programme and had to deal with a number of external factors such as changes in financial reporting standards (concerning, for example, the depreciation of assets) which had an unfavourable impact on our financial performance.

Despite these challenges and difficulties, however, we succeeded in again posting an operating surplus (although lower than ideal) and in building a base for improving our financial performance over the next two or three years. These outcomes were due, in large part, to a valuable level of co-operation from staff across the campus and to the hard work of senior managers who went beyond the call of duty.

Our operations were also made a little easier by an improvement in relations with the Government. This is not to say that there do not remain issues of some contention between the Government and universities, but there was welcome evidence of the Government's willingness to draw back from exposed positions (on issues such as the consolidation of the University's finances into the public accounts) rather than press those issues to a crisis. The universities ended the year with a stronger feeling that Government understood the challenges facing them and that we were more likely to get a constructive and sympathetic hearing as policy is developed.

A considerable part of the University's attention was taken by our relations with a number of other institutions. We were approached by the Auckland University of Technology with a proposal that we should enter talks to consider a merger between the two institutions. Some preliminary talks were held but the AUT Council decided (perhaps as a consequence of 'merger fatigue' following the breakdown of similar talks between themselves and Unitec) that they did not in the end wish to pursue their talks with us.

At the same time, we were addressing the possibilities of establishing a campus in Manukau – an ambition which we have long held. Manukau City Council indicated its interest in this proposal, having approached us to see whether we would be willing to entertain it, and we now await the results of both their and our studies of these possibilities.

We have also resumed talks with the Bay of Plenty Polytechnic about a closer integration of the University and the BOPP. The suggestion has met with strong encouragement from the Tertiary Education Commission who has agreed to fund, at least in part, a study of the possible models of tertiary education provision in the Bay of Plenty. We expect the outcome of that study to be available during 2004.

Despite these external issues, the University's main business was, as usual, the maintenance and development of its key functions of teaching and research. On the research front, we grappled with the preparations for the Performance-Based Research Fund (PBRF). Professor Dick Bedford, the Deputy Vice-Chancellor (Research), undertook the major responsibility for this exercise, which was successfully carried out with a remarkable absence of dissension. We now await the outcome of the process, which is sure to benefit us in the long term since we now have a much greater capability to monitor, encourage and develop our research capability.

Professor Peggy Koopman-Boyden, Deputy Vice-Chancellor (Academic), has been preparing the University for similar tests in the teaching field. We are taking major steps to improve our quality assurance in terms of teaching standards and outcomes and we are preparing for an academic audit of the University towards the end of next year. We are also alert to the Government's intention to establish a teaching quality assessment exercise which will be as important to our teaching activities as the PBRF has been to research.

One aspect of our research endeavours, which has made very substantial progress during 2003, is the commercialisation of the University's intellectual property. We have reshaped the University's holding company, WaikatoLink Ltd, so that it can provide more effective commercial direction. The Commercialisation Unit itself has been strengthened and relocated to the Innovation Park, which is now under way and in which the University continues to play a leading part. The first fruits of commercialisation are now coming through to the University in the form of substantial financial benefits.

In the international sphere, the increased numbers of international students have, again, been very important to us in maintaining a healthy financial position. We are making significant recruitment efforts in a number of new markets and are also succeeding in attracting a larger number of graduate and postgraduate students from overseas. Our links with leading universities from other countries continue to grow impressively. For example, we have links which are both formal and productive with at least half of the top dozen Chinese universities.

The international dimension of our operations has not diverted us from strongly developing our range of regional relationships, particularly through The Tertiary Alliance. The Alliance is moving from strength to strength and we have been delighted to participate in appointing and supporting the Alliance's first full-time executive officer. The success we have achieved in credit-transfer arrangements and shared library undertakings now looks likely to be extended to other areas.

The University continues to raise its profile in a number of ways. We have well-developed preparations for our 40th anniversary celebrations in 2004 and we scored another major public relations and sporting success when the University's Rowing Eight defeated Oxford University in The Great Race in September. We continue to score other successes, particularly in the field of research funding and revenue.

The University has been able to make a number of senior appointments during the course of the year, including a new Chief Operating Officer and Deans of Computing and Law. We will be particularly pleased to welcome Professor Dan Zirker as Dean of the Faculty of Arts and Social Sciences early in 2004.

On the strength of our achievements in 2003, we can look forward to a productive 2004. I expect to be able to hand over the University in good shape to my successor when I step down from the Vice-Chancellorship at the end of 2004.



Bryan Gould
Vice-Chancellor

School of Education

Te Kura Toi Tangata

Highlights for 2003

- Postgraduate enrolments, both domestic and international, continued to rise
- Introduction of new postgraduate qualifications in eEducation, language and literacy education, counselling supervision and principalship, which all attracted healthy enrolments
- The Minister of Education formally opened the Wilf Malcolm Institute for Educational Research, which acts as a catalyst for the School's research programme
- Professor Sue Middleton received the New Zealand Association for Research McKenzie award for lifetime excellence in educational research and Professor Russell Bishop received the Te Tohu Paetawhiti award for excellence in Māori education research
- Professor Stephen May convened and organised an international conference on the theme of Language, Education and Diversity, attended by over 400 delegates from 30 different countries
- The Sport and Leisure Studies programme celebrated the successful completion of its first 10 years
- Under the direction of Dr Sue Dymock, the Hamilton Children's Reading Centre enjoyed a successful first year offering individual tuition to almost 40 Hamilton children
- Dr Liz McKinley and Dr Angus MacFarlane completed their doctorates and received funding for further Māori education research. Professor Russell Bishop's major research findings on Māori student achievement in mainstream schools resulted in a very large professional development programme funded by the Ministry of Education, for teachers across the country.

Te Pua Wānanga Ki Te Ao

School of Māori and Pacific Development

Highlights 2003

- 10% increase in enrolment of students, particularly in the area of Te Tohu Paetahi, STAR and video-conferencing to schools
- Translation work continued on the Bishop Selwyn Letters
- Archiving of the Pei Te Hurinui Jones Collection
- Acting Dean, Associate Professor Aroha Yates-Smith received the Royal Society of New Zealand Te Rangī Hiroa Medal
- Completed the transferal of Māori Purposes Fund Board tape material on to CD
- Involvement in the retention study of Māori and Pacific students studying at Waikato and the creation of the new waka Pūmaiterangi by a member of staff
- Facilitation of the establishment of the Waikato Pacific Islands Students' Association
- Won two-year contract (Te Whakapiki Reo) to provide a professional development programme for primary and secondary teachers in the Waikato to increase their competency in te reo Māori
- Increased collaboration with indigenous groups in Asia Pacific through research and membership in the Asian South Pacific Bureau of Adult Education
- Establishment of the School's first Research Committee.

The University of Waikato at Tauranga

Te Whare Wānanga o Waikato Ki Tauranga

Highlights 2003

- 18% growth in domestic Equivalent Full Time Students
- Successful first year of Te Tohu Paetahi (Māori immersion) programme with 20 participants
- Increased capacity to teach by video conference link with improved quality of the link
- First students completed the Bachelor of Management Studies degree taught completely in Tauranga
- Government funding for a joint study by the University and Bay of Plenty Polytechnic of the opportunities for future collaborative delivery of tertiary education in the Western Bay of Plenty
- Community Advisory Group restructured to a smaller output oriented group.

Excellence

- Ten new programmes and subjects introduced in 2003: Supporting subject in Scottish and Irish Studies for the Bachelor of Arts; Major subject in Romance Languages for the Bachelor of Arts (Hons) and Master of Arts; Specified Programme in Software Engineering for the Bachelor of Engineering and Bachelor of Engineering (Hons); Graduate Diploma in Supply Chain Management; Postgraduate Certificate in Management Studies; Postgraduate Diploma in Screen and Media Studies; Master of Environmental Planning; Postgraduate Certificate in Counselling Supervision; Postgraduate Certificate in eEducation; and Postgraduate Certificate in School Principalship
- Dr Pei Te Hirinui Jones collection of printed work and taonga donated to the University Library
- Eight new professors appointed: Alireza Tourani-Rad, Judy Motion, Bevan Grant, Delwyn Clark, Richard Varey, Terry Crowley, Barry Barton and Ian Craig
- Hosted the Toi Tauira mo te Matariki conference for 130 representatives from across all New Zealand tertiary institutions
- Office of Student Life established
- Project to establish a Coastal Research Institute in Tauranga launched
- Academic Quality Framework designed and developed
- Teaching Quality Advisory Committee established
- Hosted National Māori Academic Excellence Awards
- Tertiary Alliance relationship strengthened with five central North Island Polytechnics and the appointment of first project director
- Voyager library management system implemented in collaboration with three other Universities
- Academic agreements with St Petersburg State University, Jawaharlal Nehru University, University of Virginia, University of Copenhagen and Limerick University
- Partnership with Shanghai International Studies University provides new students for undergraduate management, arts and social sciences degrees after studying in China
- Forum of Treaty education specialists established to provide for Treaty of Waitangi professional development

Relevance

- Very successful year for projects supported by the prestigious Marsden Fund
- Funding grew for multi-year programmes supported by Foundation for Research, Science and Technology
- Continued success winning large contracts from Ministry of Education
- Maiden dividend received from WaikatoLink Ltd, the University's commercialisation company
- WaikatoLink Ltd team relocated to Waikato Innovation Park
- Funding secured from the Foundation of Research Science and Technology's Pre-Seed Accelerator Fund
- Director of Postgraduate Studies and Scholarships appointed.

School of Law

Te Wānanga Ture

Highlights 2003

- The School established an annual seminar series, with seminars held in Hamilton, Wellington and Auckland on Energy Reforms: *Law, Government and Commerce, Resource Ownership and Access: Where to from here?*
- Symposium held on Tikanga Māori, the Treaty of Waitangi and Human Rights. Also hosted a number of international visitors through the Centre for New Zealand Jurisprudence
- Growth in the number of school-leaver enrolments, attributed to the launch of new Law Scholarships for school-leavers and substantial activity in a range of public relations and marketing initiatives
- A substantial 71% increase in international equivalent full time students
- Establishment of a student and staff exchange agreement with the University of Copenhagen, Denmark, with the first exchange of students taking place in A semester 2004
- Linda Te Aho awarded a grant from Nga Pae o te Maramatanga to lead research into sustainable Marae management
- Dr Al Gillespie won his fourth international research award, the prestigious NZ Law Foundation International Research Fellowship
- Professor Peter Spiller was selected as a recipient of the Vice-Chancellor's Medal for Excellence in Teaching
- Professor Barry Barton initiated FRST funded research project *Iwi Claims to Petroleum*, as part of the University's wider project *Increasing the Discovery of Oil and Gas in New Zealand* with Craig Coxhead
- Professor John Burrows gave the annual Harkness Henry Lecture, *Statutes and the Ordinary Person*.

School of Science and Technology

Te Kura Putaiao/Hangarau

Highlights 2003

- Continued development of research and teaching in Engineering with enrolments increasing by 78%
- New programmes of Biochemical and Software Engineering taught for the first time and programme of Mechanical Engineering approved for 2004
- The School has been a regular participant in meetings of the AgriBiotech Cluster meetings organised by Innovation Waikato
- Staff gained a total of 89 new research contracts with a value of \$8.5 million, which includes 26 FRST student fellowship awards. Also included were three Marsden grants as well as contracts from industry and regional councils
- Professor Peter Kamp received two FRST grants and Associate Professor Conan Fee also received a FRST grant and funding from Amersham Pharmacia Biotech
- Dr Richard Coll was awarded the Donald MacLaren Award for contributions to internationalisation of co-operative education from the World Association for Co-operative Education
- Mr Steven Newcombe won three awards for excellence at the Australasian Glassblowing Symposium
- Associate Professor Chris Hendy received an award from the USA-based Comer Science and Education Fund
- Professor Alistair Wilkins and Dr Marilyn Manley-Harris accepted part-time visiting research appointments at the Veterinary Research Institute in Oslo and the University of Montana respectively
- Waikato Engineering students Royce Fleming, Michael Priest, and Heather Walker awarded first prize and Brian Roche, Thomas Watts and Jeremy Wu second prize in the Institution of Professional Engineers New Zealand national student design awards. Carla Bond and Mark Newbold took two of three Association of Consulting Engineers awards for excellence in report writing
- Kyle Bland received a merit award for an oral paper presented at the Geological Society of New Zealand annual conference. Sally Gaw received a New Zealand Soil Science Society Prize. Lara Willcocks won a best paper award for a presentation at the 11th NZ Institute of Physics National Conference. Jeremy Wu won a top doctoral scholarship award for study at Imperial College. Sarah Dyer was awarded a Petroleum Exploration Association of New Zealand Scholarship and Sarah Milicich a William Georgetti Scholarship. Stella August was the North Island winner in the Tuapapa Putaiao Māori Fellowship section at the 2003 FRST scholarship awards.

School of Computing and Mathematical Sciences

Rorohiko me ngā Pūtaiao Pāngarau

Highlights 2003

- Enrolments in the Bachelor of Computer Graphic Design degree (taught jointly with UCOL) increased to 61 in 2003 with the target of 140 by 2005 likely to be achieved
- Teaching started within the Software Engineering programme of the Bachelor of Engineering, featuring a unique emphasis on formal methods for software quality, the software engineering process and human-computer interface issues
- The Computer Science Department used research and consulting income to introduce improved support for research students. The School's postgraduate enrolments increased from 60 to 79
- Statistics Department staff completed a Marsden Fund research project on statistical designs for variety trials. Mathematics Department staff commenced work on a major Marsden Fund research project on astrophysical magnetohydrodynamics
- Computer Science staff continued work on four major FRST research projects and another funded through the University of California
- Computer Science staff worked with colleagues at other universities towards creating university/industry research consortia under a new FRST scheme
- Students participated in successful software hot-house summer projects
- Active interaction with local computing companies with strong School connections
- Professor Ian Witten honoured with the Namur award, which recognises recipients for raising awareness internationally of the social implications of information and communications technologies.

Access

- New brand conveying a fresh, open university that creates 'new New Zealand ideas'
- Introduction of a direct marketing programme to prospective students
- Māori Community Education pilot project established in partnership with the Hamilton-based Rauawaawa Trust
- 40th anniversary scholarships offered to A and B Bursary students enrolling in 2004
- Career's Fair attended by 1,700
- University-wide research project on the retention and success of Māori and Pacific Island students
- A forum of Te Puna Tautoko achieved the objective of University-level coordination of Māori student support initiatives
- Model for the development and delivery of Māori community education packages developed to strengthen collaboration with the 16 iwi of Te Ropu Manukura
- A University-wide pōwhiri and Orientation for Māori students was attended by over 100 staff and 1,000 Māori students
- Work began on Māori website to provide an essential information flow between Māori students and student support services.



The Waikato Management School

Te Raupapa

Highlights 2003

- Dr Michele Akoorie from the Marketing and International Management Department received the Government's Sustained Excellence Award at the Tertiary Teaching Awards
- Professor Les Foulds from the Management Systems Department received the prestigious Dallenbach prize for operational research
- Professor Judy Motion received a six-year FRST grant for her project *Socially and culturally sustainable biotechnology*
- Associate Professor Juliet Roper received a Marsden grant for her project *The Kyoto Protocol as a measure of commitment to principles of sustainability* and, with colleague Professor Ted Zorn, a MRST grant for their project *The Communicative Properties of Science and Technology Dialogue*
- Associate Professor Dimitri Margaritis received a FRST grant for his project *Modelling efficiency, growth and innovative practices of New Zealand enterprises* over the next four years
- Professor Ted Zorn's project on *Impacts of ICT's on Work and Communities* was funded for the next five years
- The School secured a very significant management development programme with Telecom, positioning the University of Waikato and alliance partners, the Universities of Otago and Queensland, at the peak of corporate partnering in New Zealand
- The School was welcomed as a strategic partner by the New Zealand Business Council for Sustainable Development, the key group representing large businesses in New Zealand committed to sustainability
- Successful launch of the Sustainable Enterprise Accelerator (SEA) project in partnership with Kevin Roberts and Roger Downer, President of University of Limerick in October, followed by the Sustainable Enterprise Forum in November. Kevin Roberts, CEO worldwide of Saatchi & Saatchi, was appointed Professor of Sustainable Enterprise at both institutions
- Admitted as members to the European Academy of Business in Society, the first Australasian business school to gain membership to this prestigious group
- Students in Free Enterprise (SIFE) team achieved an outstanding result in reaching the SIFE World Cup finals in Germany
- Continued rapid international student enrolment growth with a 73% increase in the number of enrolled international students in A semester 2003, with approximately 35% of that growth in the area of graduate and postgraduate diplomas.

Faculty of Arts and Social Sciences

Te Kura Kete Aronui

Highlights 2003

- Appointed three new key senior staff – Professor Dan Zirker, Dean of the Faculty, Professor Jacques Poot, Director of the Population Studies Centre, and Associate Professor Mary Griffiths, Associate Professor in the Department of Screen and Media Studies
- Demography expert Professor Ian Pool awarded the prestigious Royal Society of New Zealand James Cook Fellowship
- New support systems established for graduate students and international students, along with new appointments to support roles for Māori students, and the introduction of new scholarships for Masters students
- Achieved major success in applications for Marsden Fund and FRST grants. Marsden successes were:
 - Dr Cathy Coleborne – *Family Strategies involving 'madness' in colonial Australia and New Zealand, 1860-1914;*
 - Professor Terry Crowley – *Threatened Languages on Malakula: Lessons for linguistic theory?;*
 - Associate Professor Ray Harlow is principal investigator in a Canterbury University-led project studying the development of Māori language over the last 120 or so years
 - continued grant to Linda Nikora – *Ta Moko: Culture, body modification and the psychology of identity*
- FRST successes were:
 - Professor Richard Bedford, Associate Professor Bernard Guerin, Dr Elsie Ho – *Strangers in town: Enhancing family and community;*
 - Professor Jacques Poot, Professor Richard Bedford, Drs Sarah Hillcoat-Nallentamby, Dharma Dhamalingham – *Well-being of the Aged;*
 - A continued grant to Professor Richard Bedford and Professor Ian Pool – *Demographic Directions*
- Drs John Campbell, Russell Kirkpatrick and Kataraina Belshaw received a significant research grant from the Crown Forestry Rental Trust for their research into waterways and environmental impact (Rotorua, Taupo)
- The School started a 2+2 arrangement with the Shanghai International Studies University (SISU), with one of the Faculty's staff redeployed to Shanghai to teach the 36 students enrolled in the programme.

Capability

- External research income grew by \$1.1 million to reach a new annual high of \$17.9 million
- Aggregated value of research projects funded by external contracts increased from \$54 million (2002) to \$62.6 million
- Urban Design study completed for Hamilton campus
- Information Commons (library and information technology services) developed
- New student administration system implemented
- Fibre optic cable run to Waikato Innovation Park and Ruakura Satellite Campus
- Bryant Hall transferred from DV Bryant Trust to the University
- First stage of the redevelopment of the Don Llewellyn Sports Pavilion (named after the University's first Vice-Chancellor) was completed
- Outdoor Lake Stage at the WEL Energy Trust Academy of Performing Arts completed
- University Foundation conducted its second Annual Giving Campaign focusing on 40th Anniversary Scholarships, Stage Two of the Don Llewellyn Sports Pavilion and the Academy Enhancement Fund.

The University's continuing commitment to equal opportunities is reflected in the diverse student population and in the various staff that support them.

- Over half the total staff of 1,634 (being those full-time equivalent) at the University of Waikato were female (59%). Female staff comprised 46% of the academic staff and 68% of the general staff. The highest percentages of female staff were concentrated in: the Library (81%); Student and Academic Services and Human Resource Management Divisions (both 79%); the School of Education (77%); Financial Services Division (74%); and the School of Māori and Pacific Development (70%). The lowest percentage of female staff continues to occur in the School of Computing and Mathematical Science (27%) and Information Technology (37%)
- The total student population at the University of Waikato was 14,405, which included 6,147 men (43%) and 8,258 women (57%)
- Three-quarters of the total staff at the University of Waikato were European/Pakeha (75%) and 11% were Māori
- The ethnic composition of the student population included: 6,406 of students being Pakeha (45%); 4,051 Asian students (28%); 2,460 of students being Māori (17%); 405 Pacific Island students (3%); and 1,022 students being of 'other' ethnic groups (7%). This compares with 2002 statistics which were: Pakeha (48% - 6,753 students); Māori (18% - 2,507 students); Asian (25% - 3,584 students); Pacific Island (3% - 406 students); and 'other' (6% - 794 students) with a total student population of 14,044
- Over two-thirds of the total staff at the University of Waikato (64%) were 41

years of age or over (1,046 staff members). Almost three-quarters (73%) of the academic staff were aged over 41 years (511 staff members) as were 483 of the general staff (56%)

- 'School leavers', being the student population aged 21 years of age or less, comprised 40% of the entire student population. Students aged between 22 and 24 years for whom parents are still responsible for living costs comprised 20%, while students aged 25 years or over (being those automatically entitled to a government-funded living allowance) comprised 40 percent. In the latter group, it is interesting to note an emerging trend that 14% of students are aged 40 years or over
- The University had 436 students with a disability. Of these students, 246 accessed support services, largely for physical/mobility, medical or specific learning difficulties
- Just over 5% of University staff had disabilities. These included: vision difficulties (1.3% of total staff); mobility problems (0.7% of total staff); diabetes (0.7% of total staff); and hearing difficulties (0.5% of total staff)

In 2003, in its endeavours to achieve equal opportunities for both staff and students, the University of Waikato undertook many programmes, including:

- Various training courses for staff covering personal and professional development issues
- Scholarships to attract female students and Māori students into disciplines in which they are traditionally under-represented
- The appointment of a Māori Liaison Student Advisor for Māori students with disabilities, resulting in 81 students accessing this service

- The appointment of a Senior Residential Assistant for Pacifica students at College Hall
- Establishment of an online counseling service, 'Ask Athena', which generated positive results
- Provision of a two-week residential based orientation programme for new students from rural areas which assists academic progress and student retention
- Māori student orientation for students and their whanau in the A and B semester
- A review and update of the University's EEO Policy and Harassment Policy
- The appointment of a Pro Vice-Chancellor (Public Affairs) to lead a team to enhance the University's public relations
- An increased involvement by Student & Academic Services Division staff in wider divisional EEO matters, by increasing training and development opportunities for all staff. All training undertaken is now monitored via a central register
- Provision of an annual staff scholarship for non-managerial staff members to attend a relevant Australasian conference. This presented an opportunity for professional development and networking
- Continued collaboration between the Careers Service and Student Job Search to promote employment opportunities for students.

Chief Operating Officer's Financial Report

The University achieved a consolidated net surplus of \$8.2M in 2003, up from \$4.6M in 2002. However the surplus includes the \$6.3M value of the Bryant Hall buildings transferred from the DV Bryant Trust to the University at the end of the year. Therefore, the true operating surplus for the year was only \$1.9M, or a 1.1% return on revenue, well below the University's fiscal target of a return in the range 3.5% to 4.5%.



The University's financial performance in 2003 confirms that the University faces a number of financial challenges. Although revenue from non-government sources is increasing, it has been offset by significantly higher depreciation charges and the impact of a somewhat volatile student market. Government-funded EFTS of 8,613 in 2003 were down on 2002 EFTS of 8,787. While overall international EFTS increased from 2,715 in 2002 to 2,919 in 2003, international income for the Language Institute and Foundation Studies was affected by the SARS epidemic, the strong New Zealand dollar and the negative perception of New Zealand in China due to recent adverse publicity.

Total consolidated revenue, excluding the vesting of Bryant Hall, (\$170.0M) increased by \$9.5M over 2002 (\$160.5M). The increase in revenue included government funding and grants (\$1.5M), fee income (\$3.8M), research income (\$1.4M) and other income (\$2.8M).

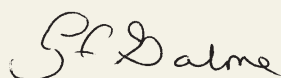
Operating costs excluding depreciation (\$153.4M) increased by \$11.0M from 2002 (\$142.4M). The increase in costs correspond with the increased level of revenue and include academic salaries (\$4.3M), general salaries (\$3.0M) and other costs (\$3.7M).

The University owns property, plant and equipment valued in excess of \$205M. Changes in recent years to financial reporting standards have imposed greater depreciation charges on the University with the requirement to calculate depreciation at a detailed component level. The impact of this has been a contributor to the University's depreciation charge increasing by \$2.6 million in 2002 and another \$1.1M in 2003. Over the same period it has not been possible for the University to increase revenue beyond operating expenditure to an extent that offsets these higher depreciation charges.

While the consolidated net cash flow from operating activities in 2003 was \$15.4M, down from \$19.8M in 2002, the University remains in a strong financial position. The reduced operating cash flow was a consequence of the reduced operating surplus and the timing of expenditure incurred during the year including employee entitlements.

During 2003 capital expenditure, excluding the vesting of Bryant Hall, totalled \$17.6M (2002 - \$18.5M) and included Buildings, the Student and Library systems, Library books, Computer, Teaching and Research equipment.

At the end of 2003 the University had consolidated total assets of \$242.7M, up \$9.5M from 2002. With an equity ratio of 81%, little borrowing and significant short-term investments, the University has a good financial base from which it can undertake initiatives to enhance financial performance.



Mr Geoff Balme
Chief Operating Officer

To the readers of the University of Waikato and Group Financial Statements for the year ended 31 December 2003



Audit New Zealand

The Auditor-General is the auditor of the University of Waikato and Group. The Auditor-General has appointed me, A S Frost, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements of the University and Group, on his behalf, for the year ended 31 December 2003.

Unqualified opinion

In our opinion:

The financial statements of the University of Waikato and Group on pages 23 to 46:

- comply with generally accepted accounting practice in New Zealand; and
- fairly reflect:
 - the University of Waikato and Group's financial position as at 31 December 2003;
 - the results of its operations and cash flows for the year ended on that date; and
 - its service performance achievements measured against the performance targets adopted for the year ended on that date.

The audit was completed on 24 February 2004 and is the date at which our opinion is expressed.

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

Basis of opinion

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

We planned and performed our audit to obtain all the information and explanations we considered necessary in order to obtain reasonable assurance that the

financial statements did not have material misstatements, whether caused by fraud or error.

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

Our audit involved performing procedures to test the information presented in the financial statements.

We assessed the results of those procedures in forming our opinion.

Audit procedures generally include:

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

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

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

Responsibilities of the Council and the Auditor

The Council is responsible for preparing financial statements in accordance with generally accepted accounting practice in New Zealand. Those financial statements must fairly reflect the financial position of the Council and Group as at 31 December 2003. They must also fairly reflect the results of its operations and cash flows and service performance achievements for the year ended on that date. This responsibility is specified in the Public Finance Act 1989.

We are responsible for expressing an independent opinion on the financial statements and reporting that opinion to you. This responsibility is specified in section 15 of the Public Audit Act 2001 and section 43(1) of the Public Finance Act 1989.

Independence

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

Matters Relating to the Electronic Presentation of the Audited Financial Statements

This audit report relates to the financial statements of the University of Waikato and Group for the year ended 31 December 2003 included on the University of Waikato's web site. The University of Waikato's Council is responsible for the maintenance and integrity of the University of Waikato's web site. We have not been engaged to report on the integrity of the University of Waikato's web site. We accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the web site.

In addition to the audit, we have carried out assurance related assignments for the University of Waikato in the areas of:

- implementation of the new student enrolment system;
- allocation model for allocating overhead costs to the contracted research activities; and
- Performance Based Research Fund External Research Income.

Other than the audit and these assignments we have no relationship with or interests in the University of Waikato or any of its subsidiaries.



A S Frost
Audit New Zealand
On behalf of the Auditor-General
Auckland, New Zealand

The audit report refers only to the page numbers named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these financial statements. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the audited financial statements and related audit report dated 24 February 2004 to confirm the information included in the audited financial statements presented on this web site.

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

In the financial year ended 31 December 2003, the Council and management of the University of Waikato were responsible for:

1. The preparation of the annual financial statements and the judgements used in them;
and
2. Establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting.

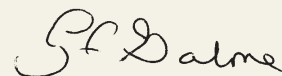
In the opinion of Council and management of the University of Waikato, the annual financial statements for the year ended 31 December 2003 fairly reflect the financial position and operations of the University of Waikato.



Mr John Gallagher
Chairperson of Council



Professor Bryan Gould
Vice-Chancellor



Mr Geoff Balme
Chief Operating Officer

Statement of Accounting Policies

For the year ended 31 December 2003

1. The Reporting Entity

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

These accompanying financial statements are presented in accordance with Section 203 of the Education Act 1989 which refers to the provisions of Section 41(2) of the Public Finance Act 1989, and Generally Accepted Accounting Practice as adopted by the Institute of Chartered Accountants of New Zealand.

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

- Waikatolink Limited and Group, a wholly-owned subsidiary company and its significant associate Endace Technology Limited, and the results for the year ended 31 December 2003 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 2003 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 2003 have been fully consolidated into the University group results
- Campus Services Limited is 50% owned by the University. The remaining 50% is owned by the Waikato Students' Union (Incorporated). Campus Services 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 Campus Services Limited which has a balance date of 31 December.

2. Measurement System

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

3. Accounting Policies

- a Basis of Consolidation.** The consolidated financial statements include the University and its subsidiaries and associate. In the consolidated financial statements, subsidiaries have been included by aggregating like items of assets, liabilities, revenues, expenses and cashflows on a line by line basis.

Associates are those entities over which the University has the capacity to affect substantially, but not unilaterally determine, the financial and/or operating policies. The University has a 50% share of Campus Services Limited which is reflected in the consolidated financial statements using the equity method. This shows the University's share of surplus in the consolidated Statement of Financial Performance and the share of post acquisition increase in net assets in the consolidated Investments in the Statement of Financial Position.

- b Budget Figures** are the Revised Budget approved by the Council on 11 June 2003. The revised budget results from the revision of the enrolment predictions for the year based on the first quarter.

The budget figures have been prepared in accordance with generally accepted accounting practice and are consistent with the accounting policies adopted by the Council for the preparation of the financial statements.

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

- d 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.
- e Research Grants and Subsidies, Donations and Bequests** to the University are recognised as income when money is received, or entitlement to receive money is established; except where fulfillment of any restrictions attached to these monies is not probable.
- f Government Grants** to the University are recognised as income on entitlement.
- g Student tuition fees** are recognised as revenue on a course percentage of completion basis.
- h Foreign currency** transactions throughout the year have been converted into New Zealand currency at the ruling rate of exchange at the dates of the transactions. Foreign currency balances, as at 31 December 2003, are valued at the exchange rates prevailing on that date. Foreign Exchange gains/losses are recognised in the Statement of Financial Performance.
- i Equity** is the community's interest in the University and Group and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into a number of reserves to enable clearer identification of the specified uses that Council and Group make of its accumulated surpluses. The components of equity are:
- General Equity
 - Asset Revaluation Reserve
 - University Created Reserves
 - Restricted Reserves
- j Reserves** are created for future development and the maintenance of the University resource base.
- k Accounts Receivable** are shown at estimated realisable value after providing for bad and doubtful debts.
- l Investments** are valued at cost except for Local Authority Stock, Government Stock, and Transferable Certificates of Deposit, which are valued at face value, which is not materially different from cost.
- m Inventories** are valued at the lower of cost (determined on a weighted average basis) and net realisable value. This valuation includes allowances for slow moving and obsolete inventories. No account is taken of other minor stocks in academic schools and administrative departments, which are expensed as issued.
- n Employee Entitlements.** Provision is made in respect of the University's liability for staff annual and long service leave where the employee is entitled to that leave as at 31 December 2003.
- Additionally provision has been made, where applicable, using an actuarial valuation for retirement gratuities and long service leave. This valuation, as at 31 December 2003, was undertaken by Mercer Human Resource Consulting Limited (Actuaries). The actuarial valuation determines the extent of anticipated entitlements payable under employment contracts and brings to account a liability using the present value measurement basis, which discounts expected future cash outflows.
- 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.

o Property, Plant and Equipment:

1 Valuation

i. Land and Buildings

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.

Improvements to this land, other than buildings, are revalued at least five yearly and were last revalued as at 1 January 2002, by Attewell Gerbich Havill Limited in conjunction with DTZ New Zealand (Registered Valuers), on a fair value basis in the financial statements.

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 2003 it is in substance the owner of these Buildings and assumes all the normal risks and rewards of ownership.

Land and Buildings are revalued every three years. They were last revalued as at 1 January 2002 by Attewell Gerbich Havill Limited in conjunction with DTZ New Zealand (Registered Valuers), on a fair value basis. The value of land and non specialised buildings was determined using market based evidence. All other buildings were valued at depreciated replacement cost.

ii University Owned Infrastructural Assets were recognised for the first time last year with a valuation as at 1 January 2002 by Opus International Consultants Limited on a fair value basis.

iii The Library Collection is valued on the basis of historical cost.

iv Additions between valuations are recorded at cost.

v Assets Under Construction/Work in Progress is valued on the basis of expenditure incurred and Certified Gross Progress Claim Certificates up to 31 December. Work in Progress is not depreciated. The total cost of a project is transferred to the relevant asset class on its completion and then it is depreciated.

vi All Other Property, Plant and Equipment are valued at historical cost less accumulated depreciation.

2 Depreciation

Land is not depreciated.

Buildings are depreciated on a straight line basis that will write off the cost or valuation of Buildings over their estimated total useful life.

The useful lives and associated depreciation rates for Buildings are estimated as follows:

	<i>Useful lives</i>	<i>Residual values</i>
Structure	35-100 Years	0-15%
Services	25-35 Years	5%
Fitout	20-25 Years	0%

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

	<i>Useful lives</i>	<i>Residual values</i>
Infrastructure	25-80 Years	0%

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

Teaching equipment is depreciated at 20% per annum on a diminishing value basis.

Research equipment is depreciated on a straight line basis that will write off the cost within three years.

Computer equipment is depreciated on a straight line basis that will write off the cost within three years.

Computer software is depreciated on a straight line basis that will write off the cost within four years.

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

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

p 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 present value of the minimum lease payments. The leased assets and corresponding liabilities are disclosed and the leased assets are depreciated over the period the University is expected to benefit from their use.

Operating lease payments, where the lessors effectively retain substantially all the risks and

benefits of ownership of the leased items, are included in the determination of the operating profit in equal instalments over the lease term.

q Statement of Cashflows. 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.

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

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

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

r Financial Instruments form part of the University's everyday operations. These financial instruments include Bank Accounts, Short Term Deposits, Trade and Accounts Receivable, Trade and Accounts Payable and Term Borrowings, all of which are recognised in the Statement of Financial Position.

Revenue and expenses in relation to all financial instruments are recognised in the Statement of Financial Performance.

4. Changes in Accounting Policies

All policies are unchanged and have been applied in a manner consistent with the previous year.

Statement of Financial Performance

For the year ended 31 December 2003

	NOTES	CONSOLIDATED		UNIVERSITY		
		THIS YEAR \$000	LAST YEAR \$000	THIS YEAR \$000	BUDGET \$000	LAST YEAR \$000
Revenue						
Government Funding and Grants	1	67,017	65,486	67,017	66,817	65,486
Fees Income	2	61,496	57,654	61,496	59,392	57,654
Research Income		17,934	16,469	17,934	16,712	16,469
Interest Received		1,983	2,070	1,967	1,794	2,077
Other Revenue*		26,117	17,330	26,196	17,355	17,575
Donations		1,721	1,517	1,090	1,046	944
Total Revenue		176,268	160,526	175,700	163,116	160,205
Costs						
Academic Salaries		59,335	55,016	59,335	59,129	55,016
General Salaries		39,662	36,639	39,661	39,903	36,634
Other Costs		54,435	50,742	54,401	49,190	51,138
Depreciation	6	14,664	13,562	14,658	11,423	13,554
Total Costs		168,096	155,959	168,055	159,645	156,342
Net Surplus		8,172	4,567	7,645	3,471	3,863

* Included in Other Revenue is \$6.3M to record the Bryant Hall buildings vested in the University at 31 December 2003.

Statement of Movements in Equity

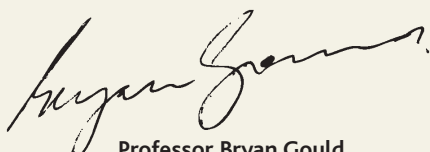
For the year ended 31 December 2003

	NOTES	CONSOLIDATED		UNIVERSITY		
		THIS YEAR \$000	LAST YEAR \$000	THIS YEAR \$000	BUDGET \$000	LAST YEAR \$000
Net Surplus		8,172	4,567	7,645	3,471	3,863
Decrease in Asset Revaluation Reserve	8	-	(36,791)	-	-	(36,791)
Total Recognised Revenues and Expenses		8,172	(32,224)	7,645	3,471	(32,928)
Equity Contribution	7	-	283	-	-	283
Movements in Equity		8,172	(31,941)	7,645	3,471	(32,645)
Opening Equity		189,007	220,948	188,711	188,711	221,356
Closing Equity		197,179	189,007	196,356	192,182	188,711

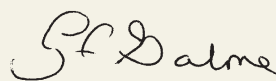
Statement of Financial Position

As at 31 December 2003

	NOTES	CONSOLIDATED		UNIVERSITY		
		THIS YEAR \$000	LAST YEAR \$000	THIS YEAR \$000	BUDGET \$000	LAST YEAR \$000
Assets						
Current Assets						
Cash and Bank		821	2,596	553	403	2,142
Accounts Receivable		5,450	4,616	5,401	4,603	4,603
Short Term Investments	4	26,789	26,314	26,789	22,445	26,590
Inventories		1,341	1,463	1,341	1,463	1,463
Prepayments		1,759	2,001	1,759	2,001	2,001
Total Current Assets		36,160	36,990	35,843	30,915	36,799
Non Current Assets						
Investments	4	849	619	415	308	510
Property, Plant and Equipment	6	205,713	195,559	205,703	202,264	195,548
Total Non Current Assets		206,562	196,178	206,118	202,572	196,058
Total Assets		242,722	233,168	241,961	233,487	232,857
Liabilities and Equity						
Current Liabilities						
Accounts Payable		10,219	9,846	10,287	9,895	9,836
Current Portion of Employee Entitlements	3	11,216	11,015	11,210	11,110	11,010
Current Portion of Term Liabilities	5	80	-	80	-	-
Income in Advance		10,601	10,803	10,601	7,803	10,803
Total Current Liabilities		32,116	31,664	32,178	28,808	31,649
Non Current Liabilities						
Term Portion of Employee Entitlements	3	5,830	5,197	5,830	5,197	5,197
Term Liabilities	5	7,597	7,300	7,597	7,300	7,300
Total Non Current Liabilities		13,427	12,497	13,427	12,497	12,497
Equity						
General Equity	7	151,696	143,873	150,873	147,022	143,577
Asset Revaluation Reserve	8	35,965	35,965	35,965	35,965	35,965
University Created Reserves	7	7,091	6,798	7,091	6,746	6,798
Restricted Reserves	7	2,427	2,371	2,427	2,449	2,371
Total Equity		197,179	189,007	196,356	192,182	188,711
Total Liabilities and Equity		242,722	233,168	241,961	233,487	232,857



Professor Bryan Gould
Vice-Chancellor



Mr Geoff Balme
Chief Operating Officer

Dated: 24 February 2004

Statement of Cash Flows

For the year ended 31 December 2003

NOTES	CONSOLIDATED		UNIVERSITY		
	THIS YEAR \$000	LAST YEAR \$000	THIS YEAR \$000	BUDGET \$000	LAST YEAR \$000
Cash Flows from Operating Activities					
Cash was provided from:					
Government Funding and Grants	66,620	65,137	66,620	66,817	65,137
Revenues from Fees	62,258	59,228	62,258	56,392	59,228
Other Revenue	42,683	32,512	42,872	40,847	32,750
Receipts for Capital Works	703	847	703	916	847
Interest Received	1,720	2,181	1,694	1,794	2,162
	173,984	159,905	174,147	166,766	160,124
Cash was applied to:					
Interest Paid	(39)	(38)	(39)	(36)	(38)
Suppliers	(53,200)	(42,533)	(53,177)	(48,054)	(42,533)
Employees	(105,316)	(97,496)	(105,316)	(106,582)	(97,496)
	(158,555)	(140,067)	(158,532)	(154,672)	(140,067)
Net Cash Flows from Operating Activities*	15,429	19,838	15,615	12,094	20,057
Cash Flows from Investing Activities					
Cash was provided from:					
Asset Sales	200	92	200	75	92
Term Investments	273	254	273	202	254
	473	346	473	277	346
Cash was applied to:					
Asset Purchases	(17,586)	(18,469)	(17,586)	(18,293)	(18,469)
	(17,586)	(18,469)	(17,586)	(18,293)	(18,469)
Net Cash Flows from Investing Activities	(17,113)	(18,123)	(17,113)	(18,016)	(18,123)
Cash Flows from Financing Activities					
Cash was provided from:					
Equity Contribution	-	283	-	-	283
Loans Raised	7,697	7,300	7,697	7,300	7,300
	7,697	7,583	7,697	7,300	7,583
Cash was applied to:					
Term Liability Repayments	(7,320)	(7,303)	(7,320)	(7,300)	(7,303)
	(7,320)	(7,303)	(7,320)	(7,300)	(7,303)
Net Cash Flows from Financing Activities	377	280	377	-	280
Net Cash Flows From All Activities	(1,307)	1,995	(1,121)	(5,922)	2,214
Plus Opening Balance	28,896	27,212	28,442	28,442	26,539
Less Non Cash Currency Loss	(118)	(311)	(118)	-	(311)
Closing Cash Balance	27,471	28,896	27,203	22,520	28,442
Cash and Bank	821	2,596	553	403	2,142
Short Term Investments	4	26,650	26,650	22,117	26,300
	27,471	28,896	27,203	22,520	28,442

* Refer to the Reconciliation of the Net Surplus with the Net Cash Flows from Operating Activities
The accompanying accounting policies and notes form an integral part of this statement.

Reconciliation of Net Surplus with Net Cash Flows from Operating Activities

For the year ended 31 December 2003

	CONSOLIDATED		UNIVERSITY	
	THIS YEAR \$000	LAST YEAR \$000	THIS YEAR \$000	LAST YEAR \$000
Net Surplus	8,172	4,567	7,645	3,863
Add/(Less) Non Cash Items:				
Depreciation	14,664	13,562	14,658	13,554
Bryant Hall vested Assets	(6,290)	-	(6,290)	-
Increase in Term Portion of Employee Entitlements	633	729	633	729
Net Loss on Foreign Currency	118	311	118	311
WaikatoLink Adjustment	(207)	-	-	-
Share of Campus Services Limited Post Acquisition Profits	(187)	(173)	-	-
Other	(18)	4	(13)	-
	8,713	14,433	9,106	14,594
Add/(Less) Movements in Other Working Capital Items:				
(Increase)/Decrease in Accounts Receivable	(834)	(1,366)	(798)	(1,346)
Increase/(Decrease) in Accounts Payable	373	(739)	451	(744)
(Increase)/Decrease in Inventories	122	58	122	58
Increase/(Decrease) in Income in Advance	(202)	(548)	(202)	(548)
Increase/(Decrease) in Employee Entitlements	201	2,456	200	2,454
(Increase)/Decrease in Prepayments	242	(264)	242	(264)
	(98)	(403)	15	(390)
Add/(Less) Items Classified as Investing and Financing Activities:				
Increase/(Decrease) in Capital Prepayments	(470)	1,058	(470)	1,058
(Increase)/Decrease in Capital Creditors	(923)	389	(923)	386
Net Loss on Disposal of Assets	237	52	237	54
	(1,156)	1,499	(1,156)	1,498
Other Adjustments:				
Agency Adjustments	(202)	(258)	5	492
	(202)	(258)	5	492
Net Cash Flow from Operating Activities	15,429	19,838	15,615	20,057

Statement of Commitments

As at 31 December 2003

Capital Commitments

The University has the following estimated capital expenditure contracted for as at 31 December 2003:

	UNIVERSITY	
	THIS YEAR \$000	LAST YEAR \$000
Facilities Management Capital Projects	841	776
Information Technology Capital Projects	251	268
Library Capital Project	20	812
Total Capital Commitments	1,112	1,856

Operating Lease Commitments

The University has leased various properties and items of equipment. There are no future commitments in the form of finance leases. The total future commitments under operating leases are:

	CURRENT PORTION \$000	1-2 YEARS \$000	2-5 YEARS \$000	5+ YEARS \$000
31 December 2003	1,889	1,394	2,860	25,877
31 December 2002	2,136	1,819	3,310	26,563

These commitments include the lease with Waikato-Tainui for the Campus land.

The initial term of the lease is 50 years, with future rights of perpetual renewal provided the University continues to use the Campus wholly or primarily for the purpose of tertiary education or research.

Annual rental payments are \$586,741 including GST. It is expected that the first review of these rental payments, currently under negotiation, will be completed in 2004.

Consolidated Commitments

For the subsidiaries and associates included in the consolidated financial statements there are no material commitments.

Statement of Contingent Liabilities

As at 31 December 2003

University Contingent Liabilities

A guarantee has been given to the Bank of New Zealand for a loan of \$35,000 (2002 - \$48,000) on a continuing basis to the Campus Creche Trust.

The University is involved in personal grievance claims taken against it by staff members. The liability the University may incur is estimated at \$10,000 (2002 - \$3,000).

There are no other material contingent liabilities.

Consolidated Contingent Liabilities

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

Notes to the Financial Statements

Note 1: Government Funding and Grants

	CONSOLIDATED		UNIVERSITY		
	THIS YEAR \$000	LAST YEAR \$000	THIS YEAR \$000	BUDGET \$000	LAST YEAR \$000
Block Grants	60,067	59,734	60,067	59,794	59,734
Advisory Services Grants	6,367	4,449	6,367	6,368	4,449
Other Grants	583	1,303	583	655	1,303
Total Government Funding and Grants	67,017	65,486	67,017	66,817	65,486

Note 2: Fees Income

	CONSOLIDATED		UNIVERSITY		
	THIS YEAR \$000	LAST YEAR \$000	THIS YEAR \$000	BUDGET \$000	LAST YEAR \$000
Domestic	28,231	29,527	28,231	28,456	29,527
International	33,265	28,127	33,265	30,936	28,127
Total Fees Income	61,496	57,654	61,496	59,392	57,654

Note 3: Employee Entitlements

	CONSOLIDATED		UNIVERSITY	
	THIS YEAR \$000	LAST YEAR \$000	THIS YEAR \$000	LAST YEAR \$000
Staff Annual and Long Service Leave vested	7,775	7,856	7,769	7,851
Other Employee Entitlements	2,876	2,692	2,876	2,692
Actuarial Valuation of Anticipated Retirement Gratuities and Long Service Leave	6,395	5,664	6,395	5,664
Total Employee Entitlements	17,046	16,212	17,040	16,207
Current Portion	11,216	11,015	11,210	11,010
Non Current Portion	5,830	5,197	5,830	5,197
	17,046	16,212	17,040	16,207

Note 4: Investments

	CONSOLIDATED		UNIVERSITY	
	THIS YEAR \$000	LAST YEAR \$000	THIS YEAR \$000	LAST YEAR \$000
Short Term Investments				
Bank Term Deposits	26,650	26,300	26,650	26,300
The University of Waikato Foundation Loan	-	-	101	74
Student Campus Building Fund Trust Loan	-	-	23	202
Campus Services Limited Loan	15	14	15	14
WaikatoLink Limited Investments	124	-	-	-
Total Short Term Investments	26,789	26,314	26,789	26,590
Investments				
Campus Services Limited Loan	41	57	41	57
Campus Services Limited Investment	734	547	374	374
WaikatoLink Limited Investments	74	-	-	-
WaikatoLink Limited Loan	-	15	-	-
Student Campus Building Fund Trust Loan	-	-	-	79
Total Term Investments	849	619	415	510

The weighted average effective interest rates on bank term deposits are disclosed in Note 11: Financial Instruments.

As the maturities for the bank term deposits are all for a period of less than six months they have not been repriced.

Investment in Associate

Campus Services Limited

OWNERSHIP **BALANCE DATE**
50% 31 December

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

The University's share of the results of Campus Services Limited is as follows:

	UNIVERSITY	
	THIS YEAR	LAST YEAR
	\$000	\$000
Share of retained surplus	187	104
Investment in Associate		
Opening Balance	547	374
Share of retained surplus	187	104
Prior period profit not recognised *	-	69
Closing Balance	734	547
Represented by:		
Share of increase in net assets of associate (Carrying Value)	734	547

* In prior periods, Campus Services Limited profits have changed due to adjustments after the completion of the University Annual Report.

Investment in Subsidiaries

	OWNERSHIP	BALANCE DATE	NET ASSETS	
			(APPROX FAIR VALUE) AS AT 31 DECEMBER	
			THIS YEAR	LAST YEAR
			\$000	\$000
Student Campus Building Fund Trust	Controlling	31 December	(23)	(281)
Principal Activity: Charitable Trust, finances facilities for the students of the University				
WaikatoLink Limited	100%	31 December	265	108
Principal Activity: Commercialisation holding company				
The University of Waikato Foundation	Controlling	31 December	220	502
Principal Activity: Charitable Trust, raises funds for the University				

The Student Campus Building Fund Trust has negative net assets due to a short term advance provided by the University which will be recovered by the subsidiary's future income streams.

The comparative for WaikatoLink Limited reflects the change in their 2002 final audited accounts.

Note 5: Term Liabilities

	CONSOLIDATED AND UNIVERSITY	
	THIS YEAR	LAST YEAR
	\$000	\$000
Opening Balance	7,300	7,303
less Repaid During the Year	(7,320)	(7,303)
plus Loans Raised	7,697	7,300
Closing Balance	7,677	7,300
Current Portion - Loans	80	-
Non Current Portion - Loans*	7,597	7,300
	7,677	7,300

The weighted average interest rate of the term liabilities is 6.29% (2002 - 6.02%).

* The University has a term loan funding facility with the ASB Bank. This facility is without time constraint but subject to annual review.

The loan is secured by way of a Negative Pledge.

Note 6: Property, Plant and Equipment

	CONSOLIDATED				
	COST \$000	VALUATION \$000	ACCUMULATED DEPRECIATION \$000	NET \$000	DEPRECIATION FOR YEAR \$000
This Year					
Land	-	695	-	695	-
Infrastructural Assets	844	9,072	552	9,364	280
Buildings	14,368	144,957	10,636	148,689	5,382
Leasehold Building Improvements	2,214	-	1,730	484	508
Library Collection	37,871	-	17,358	20,513	1,664
Teaching & Research Equipment	62,073	-	44,726	17,347	6,118
Software	5,976	-	1,707	4,269	422
Other	2,913	-	1,347	1,566	290
Work in Progress	2,786	-	-	2,786	-
Total	129,045	154,724	78,056	205,713	14,664

Last Year					
Land	-	695	-	695	-
Infrastructural Assets	62	9,072	271	8,863	271
Buildings	3,122	144,957	5,255	142,824	5,255
Leasehold Building Improvements	2,194	-	1,221	973	381
Library Collection	35,659	-	15,694	19,965	1,576
Teaching & Research Equipment	55,458	-	38,904	16,554	5,712
Software	1,504	-	1,285	219	79
Other	3,302	-	1,573	1,729	288
Work in Progress	3,737	-	-	3,737	-
Total	105,038	154,724	64,203	195,559	13,562

Other Assets are made up as follows:

	THIS YEAR \$000	LAST YEAR \$000
Art Collection	224	217
Administration, Plant and Furniture	146	120
Motor Vehicles	2,543	2,965
Total	2,913	3,302

Buildings includes the Bryant Hall buildings (\$6.3M) vested in the University at 31 December 2003 which is reflected in the Statement of Financial Performance.

The \$10,000 (2002 - \$11,000) difference between the Property, Plant and Equipment represented in the Statement of Financial Position for the University as compared to the value under Consolidated is the Property, Plant and Equipment held by The University of Waikato Foundation.

It is considered that there has not been any material movement from the last valuation as at 1 January 2002 and that there has been no material change in the useful lives.

Note 7: Equity

	CONSOLIDATED		UNIVERSITY	
	THIS YEAR \$000	LAST YEAR \$000	THIS YEAR \$000	LAST YEAR \$000
i) General Equity				
Opening Balance	143,873	139,487	143,577	139,895
Equity Contribution*	-	283	-	283
Net Surplus	8,172	4,567	7,645	3,863
less appropriations of net surplus to				
Restricted Trusts				
Prizes, Scholarships and Trust Funds	(202)	(217)	(202)	(217)
University Created Reserves				
External Research	(18,349)	(17,188)	(18,349)	(17,188)
plus transfers from				
Restricted Trusts				
Prizes, Scholarships and Trust Funds	146	279	146	279
University Created Reserves				
External Research	18,056	16,662	18,056	16,662
Closing Balance	151,696	143,873	150,873	143,577

* Equity Contribution

The Crown's Strategic Change Fund in 2002 included a capital contribution of \$282,565 which is not reflected in the Statement of Financial Performance.

ii) University Created Reserves

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

External Research	CONSOLIDATED AND UNIVERSITY	
	THIS YEAR \$000	LAST YEAR \$000
Opening Balance	6,798	6,272
add appropriation of Net Surplus	18,349	17,188
less transfer to Accumulated Surplus	(18,056)	(16,662)
Closing Balance	7,091	6,798

iii) Restricted Reserves

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

Fund balances remaining are shown as restricted reserves.

Prizes, Scholarships and Trust Funds	CONSOLIDATED AND UNIVERSITY	
	THIS YEAR \$000	LAST YEAR \$000
Opening Balance	2,371	2,433
add appropriation of Net Surplus	202	217
less application to Prizes, Scholarships and Trust Funds	(146)	(279)
Closing Balance	2,427	2,371

Note 8: Asset Revaluation Reserve

	CONSOLIDATED AND UNIVERSITY	
	THIS YEAR \$000	LAST YEAR \$000
Opening Balance	35,965	72,756
Revaluation	-	(45,133)
Valuation	-	8,040
Transfer Deficit to Net Surplus	-	27
Transfer to Equity for Academy Assets	-	275
Decrease in Asset Revaluation Reserve	-	(36,791)
Closing Balance	35,965	35,965
Represented by:		
Land		
Opening Balance	-	6
Revaluation	-	(33)
Transfer Deficit to Net Surplus	-	27
Closing Balance	-	-
Buildings		
Opening Balance	27,925	72,750
Revaluation	-	(45,100)
Transfer to Equity for Academy Assets	-	275
Closing Balance	27,925	27,925
Infrastructural Assets		
Opening Balance	8,040	-
Valuation	-	8,040
Closing Balance	8,040	8,040

Note 9: Other Disclosures

	CONSOLIDATED		UNIVERSITY	
	THIS YEAR \$000	LAST YEAR \$000	THIS YEAR \$000	LAST YEAR \$000
Interest Expense	42	36	42	36
Audit Fees - Principal Auditor	72	59	60	50
Other Fees - Principal Auditor *	23	51	23	51
Audit Fees - Other Auditors	1	1	-	-
Bad Debts	25	51	25	51
Loss on Disposal of Assets	237	52	237	54
Decrease in Provision for Doubtful Debts	(18)	(31)	(18)	(31)
Rental Expense on Operating Leases	2,270	2,311	2,270	2,311

* These fees were for assurance or audit related engagements.

Note 10: Councillors' Remuneration

Fees to Council members for their contributions to the work of the Council, paid in accordance with Section 179 of the Education Act 1989, totalled \$66,930 (2002 - \$64,890).

	UNIVERSITY	
	THIS YEAR \$	LAST YEAR \$
Mr J. Gallagher (Chair)	19,500	4,590
Mr J. Jackman	9,690	2,805
Mrs A. Annan	7,905	5,100
Professor A. Barrett	5,100	-
Professor T. Healy	4,845	-
Ms S. Sleigh	4,845	-
Ms M. Dodd	2,295	-
Dr B. Linehan	2,295	-
Mr R. Parton	2,295	2,295
Ms E. Barton	2,040	2,550
Mr L. Bourke	1,785	-
Mr D. Braithwaite	1,530	1,275
Mr G. Weld	1,530	-
Dr R. Pringle	1,275	-
Mrs C. Bennett	-	19,500
Ms J. Chapman	-	2,805
Ms J. Dawkins	-	3,060
Dr A. Hampton	-	1,530
Mr B. Jones	-	2,040
Mr J. Rickman	-	4,590
Dr T. Ryan	-	3,060
Mr A. Seymour	-	2,040
Dr A. Simpson	-	5,610
Ms J. Wrigley	-	2,040
Total	66,930	64,890

Note 11: Financial Instruments

Fair Value

The estimated fair value of the University's financial instruments are equivalent to their carrying amounts in the financial statements.

Credit Risk

Financial instruments which potentially subject the University to credit risk principally consist of bank balances and accounts receivable. Credit risk in respect of Bank and Short Term Deposits is reduced by spreading deposits over major trading banks and local authority stock. Receivables are unsecured, but are subject to credit control.

No collateral is held.

Currency Risk

The University holds cash in foreign currencies. Fluctuations in foreign currency exchange rates give rise to currency risk.

Interest Rate Risk

The effective interest rates on Term Borrowings range from 6.02% to 6.55% (2002 - 5.49% to 6.55%).

The effective interest rates on Investments range from 4.77% to 5.90% (2002 - 4.75% to 6.02%).

Note 12: Segmental Information

The University operates predominantly in one industry (tertiary education) and in one geographical area (Hamilton, New Zealand).

Note 13: Related Party Transactions

The following related party transactions with WaikatoLink Limited, Campus Services Limited (CSL), The University of Waikato Foundation (Foundation) and The Student Campus Building Fund Trust (SCBFT) occurred during the year:

	WaikatoLink \$	CSL \$	Foundation \$	SCBFT \$
Payments in 2003 to:	-	514,878	155,871	241,772
(2002)	-	471,076	137,699	239,198
Receipts in 2003 from:	356,573	292,481	881,909	9,453
(2002)	-	367,907	643,960	25,813
Accounts Receivable at 31 December 2003 owing from:	-	92,052	100,961	22,707
(2002)	154,341	185,268	74,399	281,177
Accounts Payable at 31 December 2003 owing to:	60,794	32,767	15,135	-
(2002)	-	7,899	786	-

WaikatoLink Limited has an associate company, Endace Technology Limited, with which the University has had the following transactions :

	THIS YEAR \$	LAST YEAR \$
Total payments to Endace Technology Limited	-	39,410
Total receipts from Endace Technology Limited	114,000	124,946
Accounts Receivable at 31 December from Endace Technology Limited	109,807	140,564

There were no related party transactions with Council Members during 2003. (2002: Mr J. Rickman was a member of the University Council during 2002 and a partner in the accounting firm Beattie Rickman. During 2002 the University purchased consulting services valued at \$36,742. As at 31 December 2002 there was an outstanding balance of \$2,522.)

All transactions were conducted on commercial terms and conditions.

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

The University enters into transactions with government departments and Crown agencies. These are separately disclosed elsewhere in the financial report.

Excellence

Objective 1

Demonstrate international standards of excellence in teaching and the teaching environment.

INDICATOR	TARGET	ACHIEVEMENT
Implementation of the recommendations adopted in 2002 as an outcome of the Teaching and Learning Development Review	Implementation plan prepared, adopted and underway	An implementation plan is prepared and adopted. The implementation is underway
Improved policies and processes for course and teaching appraisals	Review of current policies and processes undertaken	The review is underway
Implementation of the planning framework to prepare for the NZUAAU Cycle 3 Institutional Audit, which will focus on teaching quality, programme delivery and the achievement of learning outcomes	Comprehensive planning framework prepared and underway	Planning framework prepared and underway for 2005 institutional audit

Objective 2

Achieve high levels of academic achievement and completion.

INDICATOR	TARGET	ACHIEVEMENT
Number of papers passed as a percentage of paper enrolments	82%	81%
Number of degrees, diplomas and certificates completed	4,780	5,252

Relevance

Objective 3

Ensure the on-going relevance of teaching programmes.

INDICATOR	TARGET	ACHIEVEMENT
Graduate profiles which demonstrate that: <ul style="list-style-type: none"> the relevant programme includes opportunities for students to develop the high-level generic and specialist skills, attributes and capabilities expected from that programme by learners, the labour market and relevant stakeholder groups learning outcomes are aligned with the University's objectives and priorities learning outcomes are aligned with those of the papers that may be taken towards them assessment practices are appropriate and effective in testing students' achievement of the stated learning outcomes 	Graduate profiles for all the University's qualifications completed to the satisfaction of the Academic Board by the end of 2004	On-going and due for completion in 2004
Graduating Year Reviews	Reviews implemented annually by the Academic Programmes Committee for all relevant qualifications and reports submitted to the Academic Board and NZVCC CUAP	No reviews were required in 2003

Objective 4

Strengthen links between graduates and employers in our region.

INDICATOR	TARGET	ACHIEVEMENT
Implementation of 2003 programme of employer visits and career fairs	Implemented	Implemented
Success rate through Jobs4Grads	50%	50%

Access

Objective 5

Demonstrate strong commitment to Equal Educational Opportunities.

INDICATOR	TARGET	ACHIEVEMENT
2003 EEdO Plan	Achieved	Achieved

Objective 6

Increase levels of participation from our region.

INDICATOR	TARGET	ACHIEVEMENT
Number of EFTS generated by students whose last secondary school is in the University's region (the catchment area of the University)	940	807
Number of students entering the University through the Tertiary Alliance	500	412

Objective 7

Increase levels of participation through foundation programmes.

INDICATOR	TARGET	ACHIEVEMENT
Number of students proceeding to degree-level programmes through formal University of Waikato Language Institute programmes	290	239
Number of students proceeding to degree-level programmes through University of Waikato foundation programmes	325	394

Objective 8

Continue to develop the opportunities for articulation, credit and contractual teaching arrangements through the Tertiary Alliance.

INDICATOR	TARGET	ACHIEVEMENT
Number of articulation, credit and contractual teaching arrangements within the Tertiary Alliance approved by the Academic Board	20	32

Objective 9

Reinforce and enhance the University's reputation for providing a learning environment which is student-focused and which supports the diverse learning needs of all our students.

INDICATOR	TARGET	ACHIEVEMENT
Office of Student Life	Established	Established
Residential social and academic mentoring programmes for students from isolated rural communities	Week-long programme provided to 10 students	Programme provided
Scholarships for high-achieving Māori and Pacific Island students to act as mentors in the halls of residence	4 scholarships awarded	Deferred until 2004
Databases in halls of residence as a means of monitoring academic progress of resident students (in order to provide additional support where need identified)	Operational	Operational
Upgraded computer labs in the Library and the Access Room (Cowshed Building) to enable access to a wider range of students with physical and learning disabilities	New hardware and specialist software installed	Achieved
Code of Practice for the Pastoral Care of International Students	Implementation monitored and compliance with the Code of Practice verified	Achieved
Code of Practice for Support of Students with Disabilities	Developed in collaboration with Achieve and adopted	Under development, code to be adopted in 2004
Improved access to e-learning for students with disabilities	Review of e-learning opportunities undertaken and measures to improve access identified and implemented	Achieved
Objectives listed in the University's 2003 Statement of Objectives for Special Supplementary Grant to Support Tertiary Students with Disabilities	Achieved	Achieved

Objective 10

Continue to develop and expand web-based teaching.

INDICATOR	TARGET	ACHIEVEMENT
Number of papers available fully online at Level 1	26	21
Number of papers available fully online at all levels	172	150
Number of qualifications available fully online	8	11

Objective 11

Promote and facilitate cross-sector collaboration in research and development of appropriate pedagogies for e-learning and best practice models.

INDICATOR	TARGET	ACHIEVEMENT
Establishment of The Learning Collaboration	Established	Established
Establishment of NZ Chapter of NZCODE	Established	Not achieved ¹

¹Collaboration in research and development of e-learning to be facilitated through NZCODE will instead be achieved through meetings of the New Zealand University e-Learning Directors Group.

Objective 12

Improve management systems for contacting, admitting, enrolling, assessing and managing students and improve the services available to students to plan their programmes of study, access information and handle administrative functions online.

INDICATOR	TARGET	ACHIEVEMENT
Operation of SAS-e as the University's source of student data	Operational	Operational from February 2003
Operation of student/staff portal	Scoping project undertaken	Achieved

Māori education success and the Treaty of Waitangi

Objective 13

Build on our substantial and distinctive contribution to regional and national Māori/whanau/hapu/iwi education and development.

INDICATOR	TARGET	ACHIEVEMENT
Number of government-funded EFTS generated by Māori	2,091	1,738
Students who are Māori as a percentage of all our New Zealand students	23.5%	23%
Increased numbers of doctoral enrolments by Māori students	58	59
Improved re-enrolment rates of Māori students	60%	58%
Improved pass rates of Māori students	76%	72%
Establishment of Runanga as part of an overall infrastructure which can achieve high-level co-ordination of initiatives and activities to give effect to the Treaty	Established in 2003	Established in principle in 2003 – under development in 2004
Improved staff understanding of the Treaty of Waitangi and its application to particular staff roles in the University	Programme of staff induction and professional development implemented in 2003	Programme of staff induction and professional development implemented in 2003
Strengthened relationship with each of the 16 iwi represented on Te Ropu Manukura	In collaboration with the 16 iwi, appropriate infrastructures and systems which can provide for more effective linkages and collaborations identified and established in 2003	Appropriate infrastructures and systems which provide for more effective linkages and collaboration have been identified

Our research capability

Objective 14

Develop our research capability by investing in research capacity and infrastructure.

INDICATOR	TARGET	ACHIEVEMENT
Number of senior strategic appointments to promote research in particular areas	8	8
Purchase of appropriate equipment and infrastructure to support senior strategic appointments	Purchased	Items included in the 2003 Budget have been purchased
On-going up-grade of Science laboratories	3 Science laboratories upgraded	Achieved
On-going replacement of Science equipment	Replaced in accordance with provisions of approved 2003 Budget	Achieved

Objective 15

Strengthen internal research collaboration.

INDICATOR	TARGET	ACHIEVEMENT
Co-authored (within the University) refereed and scholarly research outputs as a percentage of all refereed and scholarly research output	33%	26%
Co-authored (within the University) contributions to community knowledge as a percentage of all contributions to community knowledge	2.5%	1.4%

Objective 16

Enhance knowledge and technology transfer through a balanced portfolio of research contracts with end-users.

INDICATOR	TARGET	ACHIEVEMENT
Value of research projects funded by external contract	\$48M	\$62.6M
Annual income from research contracts	\$16.8M	\$17.9M
Number of research contracts with private sector end-users	85	67
Number of research contracts with public sector end-users	90	117
On-going participation in Innovation Park Company	On-going participation	Achieved

Objective 17

Increase participation in research consortia, clusters and CoREs

INDICATOR	TARGET	ACHIEVEMENT
Number of formal agreements with research consortia	3	4
Active participation in AgBio Cluster	Active participation	Achieved
Number of named research staff participating in CoREs	3	4

Objective 18

Increase levels of research output.

INDICATOR	TARGET	ACHIEVEMENT
Number of postgraduate theses completed per FTE academic staff member	Increased	Decreased (from 0.24 in 2002 to 0.23 in 2003)
Number of refereed and scholarly research outputs per academic staff FTE	Increased	Decreased (from 2.4 in 2002 to 1.7 in 2003)
Number of postgraduate students enrolled at the University of Waikato who are not graduates of the University	Increased	Increased (from 28 in 2002 to 33 in 2003)
Research postgraduate EFTS as a percentage of total EFTS	Increased	Increased (from 3.6% in 2002 to 4.0% in 2003)

Our central role

Objective 19

Continue to develop and diversify our international student market.

INDICATOR	TARGET	ACHIEVEMENT
Number of EFTS generated by full-fee paying international students	2,883	2,919
Implementation of Diversified Marketing Plan and Campaign	Implemented in 2003	Implemented

Capability

Objective 20

Enhance the effectiveness of governance.

INDICATOR	TARGET	ACHIEVEMENT
Comprehensive orientation and induction programme for new Council members	Developed and delivered	Achieved
Revised Handbook for Council Members	Published and distributed	Achieved
Development and adoption of Annual Governance Goals	Developed and adopted	Deferred pending a Ministerial decision on the adoption of recommendations from the Review of New Zealand Tertiary Institution Governance
Improved processes for executive reporting to Council	Introduced	Achieved
Implementation and review of processes for Council performance and review	Implemented and reviewed	Achieved

Objective 21

Develop and undertake a comprehensive and meaningful stakeholder relationship and engagement process in support of the development of the University's Charter and Profile in 2003.

INDICATOR	TARGET	ACHIEVEMENT
Stakeholder relationship and engagement process undertaken to the satisfaction of Council	Undertaken	Achieved

Objective 22

Demonstrate a strong commitment to Equal Employment Opportunities.

INDICATOR	TARGET	ACHIEVEMENT
2003 EEO Plan	Achieved	Achieved

Asset management

Objective 23

Achieve the fiscal targets set out below.

INDICATOR	TARGET	ACHIEVEMENT
Return on income	3.5% to 4.5%	4.5%
Return on assets	1.5% to 2.5%	3.3%
Net operating cash flows	At least 105%	110%
Liquid assets as a percentage of cash out	At least 9%	17%
Liquidity (working capital %)	100%	113%
Debt management (borrowing as a percentage of total assets)	10%	3.1%
Interest expense as a percentage of operating surplus	Less than 33%	0.5%

The University's outputs are 'Teaching and Learning' and 'Research'. The costs of outputs shown below were calculated using the framework first employed in 1999.

	THIS YEAR \$000	BUDGET \$000	LAST YEAR \$000
Teaching and learning	95,700	92,181	92,502
Research			
Postgraduate Thesis Supervision	10,275	10,349	8,847
Project Based Research	42,236	39,650	38,534
Total Cost of Research	52,511	49,999	47,381
Total Cost of Outputs	148,211	142,180	139,883

Methodology

The framework established to calculate the value of each output uses the following principles:

The University's gross direct costs less internal recoveries have been allocated to the outputs for each teaching and research centre. Wherever possible costs are attributed directly to the relevant output. Costs within the teaching and research centres not attributed directly have been allocated to the outputs in one of the following ways:

- Costs related to Teaching, Postgraduate Thesis Supervision and Project Based Research – a first split of 15% to Project Related Research, based on the NZVCC agreed Research component for Academics, followed by a split of the Teaching portion between Teaching and Postgraduate Thesis Supervision based on EFTS weighted by funding.
- Costs related to Teaching and Postgraduate Thesis Supervision – split between Teaching and Postgraduate Thesis Supervision based on EFTS weighted by funding.

The Costs of the Academic and Administration Support Services not charged on the basis of user-pays are allocated to the outputs using cost drivers as follows:

Cost Drivers

Building Maintenance and Premises Costs

- Space

Computer Services

- Desktop Devices
- FTE Staff
- EFTS

Facilities Management

- Total Costs
- Space
- FTE Staff and EFTS
- FTE Staff
- Cost of Services Excl Salaries & Depn

Financial Services

- Total Costs plus Income
- Net Costs of Services
- EFTS
- AP Transactions

Information Technology Services

- FTE Staff and EFTS

Library

- No. Books Purchased
- Weighted Average of No. Books Issued & No. Desk Copies
- EFTS

Human Resource Management

- FTE Staff

Student & Academic Services

- EFTS
- Examinable Courses
- Graduates

Teaching & Learning Development Unit

- FTE Academic Staff

University Management

- EFTS

	1999	2000	2001	2002	2003
Number of Students in Formal Programmes	12,483	12,750	13,260	14,044	14,405
Gender					
Female	7,412	7,560	7,702	8,115	8,258
Male	5,071	5,190	5,558	5,929	6,147
Total	12,483	12,750	13,260	14,044	14,405
Ethnicity					
Pakeha/European	7,174	7,131	6,951	6,753	6,467
New Zealand Māori	2,699	2,662	2,548	2,507	2,460
Pacific Islander	390	413	410	406	405
Chinese	777	1,086	1,815	2,723	3,211
Indian	182	183	186	249	314
Other	1,261	1,275	1,350	1,406	1,548
Total	12,483	12,750	13,260	14,044	14,405
Origin (Home address)					
Core Region	8,924	8,943	8,788	8,471	8,301
Inner Periphery	777	800	743	679	633
Outer Periphery	709	674	594	560	553
Auckland	970	759	685	719	819
Wellington	112	105	107	108	116
South Island	84	96	78	115	125
Overseas	907	1,373	2,265	3,392	3,858
Total	12,483	12,750	13,260	14,044	14,405
Levels of study (Number of enrolments by qualification)					
Foundation	579	1,167	2,107	3,135	2,643
Undergraduate	9,400	9,295	9,344	9,277	9,861
Graduate/Postgraduate (excl.MPhil & doctoral)	2,615	2,628	2,585	2,883	3,166
MPhil and doctoral	468	481	459	472	446
Total	13,062	13,571	14,495	15,767	16,116

Note: Enrolments by qualification differ from those reported for 1999 to 2002.

Student Performance	1999	2000	2001	2002	2003
Number of qualifications completed					
Foundation	498	429	889	1,347	2,230
Undergraduate	2,047	2,178	2,011	2,100	1,792
Graduate/Postgraduate (excl.MPhil & doctoral)	1,133	1,118	1,217	1,128	1,164
MPhil and doctoral	37	52	56	70	70
Total	3,715	3,777	4,173	4,645	5,256
Number of papers undertaken					
	67,384	68,371	69,784	72,282	72,137
% completed	90%	89%	89%	89%	88%
% passed	86%	85%	83%	83%	81%

Equivalent Full-Time Students (EFTS)	1999	2000	2001	2002	2003
Total EFTS	10,527	10,552	10,884	11,543	11,595
Source of funding					
Government-funded	9,572	9,345	8,989	8,787	8,613
Full-cost international	765	1,060	1,823	2,715	2,919
Other full-cost	190	147	72	41	63
Total	10,527	10,552	10,884	11,543	11,595
Ethnicity					
Pakeha/European		5,887	5,639	5,454	5,400
New Zealand Māori		2,191	2,066	2,014	1,738
Pacific Islander		364	354	341	313
Chinese		828	1,478	2,292	2,575
Indian		162	162	207	254
Other		1,120	1,185	1,235	1,315
Total		10,552	10,884	11,543	11,595
Level of Study					
Foundation		909	1,457	2,005	1,622
Undergraduate		7,663	7,541	7,423	7,819
Graduate/Postgraduate (excl.MPhil & doctoral)		1,704	1,629	1,848	1,837
MPhil and doctoral		276	257	267	317
Total		10,552	10,884	11,543	11,595
Schools of Studies					
Arts & Social Sciences	2,762	2,920	3,319	3,862	3,462
Computing and Mathematical Sciences	892	883	939	905	946
Education	2,543	2,503	2,338	2,306	2,302
Law	551	588	523	526	538
Management	2,265	2,202	2,410	2,650	3,032
Māori & Pacific Development	425	411	383	376	408
Science & Technology	1,052	1,018	948	893	876
Other	37	28	23	25	31
Total	10,527	10,553	10,884	11,543	11,595

Staff Profile (Full time equivalent staff – FTE)

Full time equivalent staff numbers (FTE)	1999	2000	2001	2002	2003
Total FTE	1,598	1,589	1,650	1,732	1,788
Academic	662	651	723	739	756
Other	936	938	928	993	1,032
Total Staff	1,598	1,589	1,650	1,732	1,788

Seniority of Academic Staff

Professors	54	49	52	55	61
Associate Professors	55	59	62	60	62
Senior Lecturers	195	192	199	207	222
Lecturers	214	218	216	181	191
Other	144	133	193	236	220
Total	662	651	723	739	756

Schools of Studies

Arts & Social Sciences			355	381	369
Computing & Mathematical Sciences			84	85	92
Education			263	279	291
Law			45	47	46
Management			165	178	197
Māori & Pacific Development			47	44	46
Science & Technology			175	171	177
Other			516	546	570
Total			1,650	1,731	1,788

Staff Ratios

	1999	2000	2001	2002	2003
FTE (Academic Staff)	662	651	723	739	756
EFTS	10,527	10,553	10,884	11,527	11,595
EFTS to FTE (Academic staff) ratio	15.9:1	16.2:1	1 5.1:1	1 5.6:1	1 5.3:1
FTE (Other Staff)	936	938	928	993	1,032
Other Staff to Academic Staff ratio	1.4:1	1.4:1	1.3:1	1.3:1	1.4:1
EFTS to FTE (Other staff) ratio	11.3:1	11.3:1	1 1.7:1	1 1.6:1	1 1.2:1

Research Profile

Research Grants

	1999	2000	2001	2002	2003
Annual income from research contracts	\$14.621M	\$16.646M	\$16.137M	\$16.469M	\$17.934M
Total number of research staff (FTE)	662	651	506	531	512
Average research grant per research staff (FTE)	\$22,086	\$25,570	\$30,276	\$31,105	\$34,930

2003 Research Publications

	BOOKS	CHAPTERS	JOURNALS	CONFERENCE CONTRIBUTIONS	CREATIVE WORKS	OTHER	TOTAL
Arts and Social Sciences	15	40	69	131	58	42	355
Computing and Mathematical Sciences	0	1	31	23	0	9	64
Education	7	13	54	99	9	45	227
Law	3	2	16	16	1	17	55
Māori and Pacific Development	0	0	1	0	0	3	4
Science and Technology	1	10	100	163	0	16	290
Management	5	16	80	128	0	29	258
Other (incl all staff not based in a school/faculty)	0	1	3	15	2	0	21
Total	31	83	354	575	70	161	1,274

Other resources

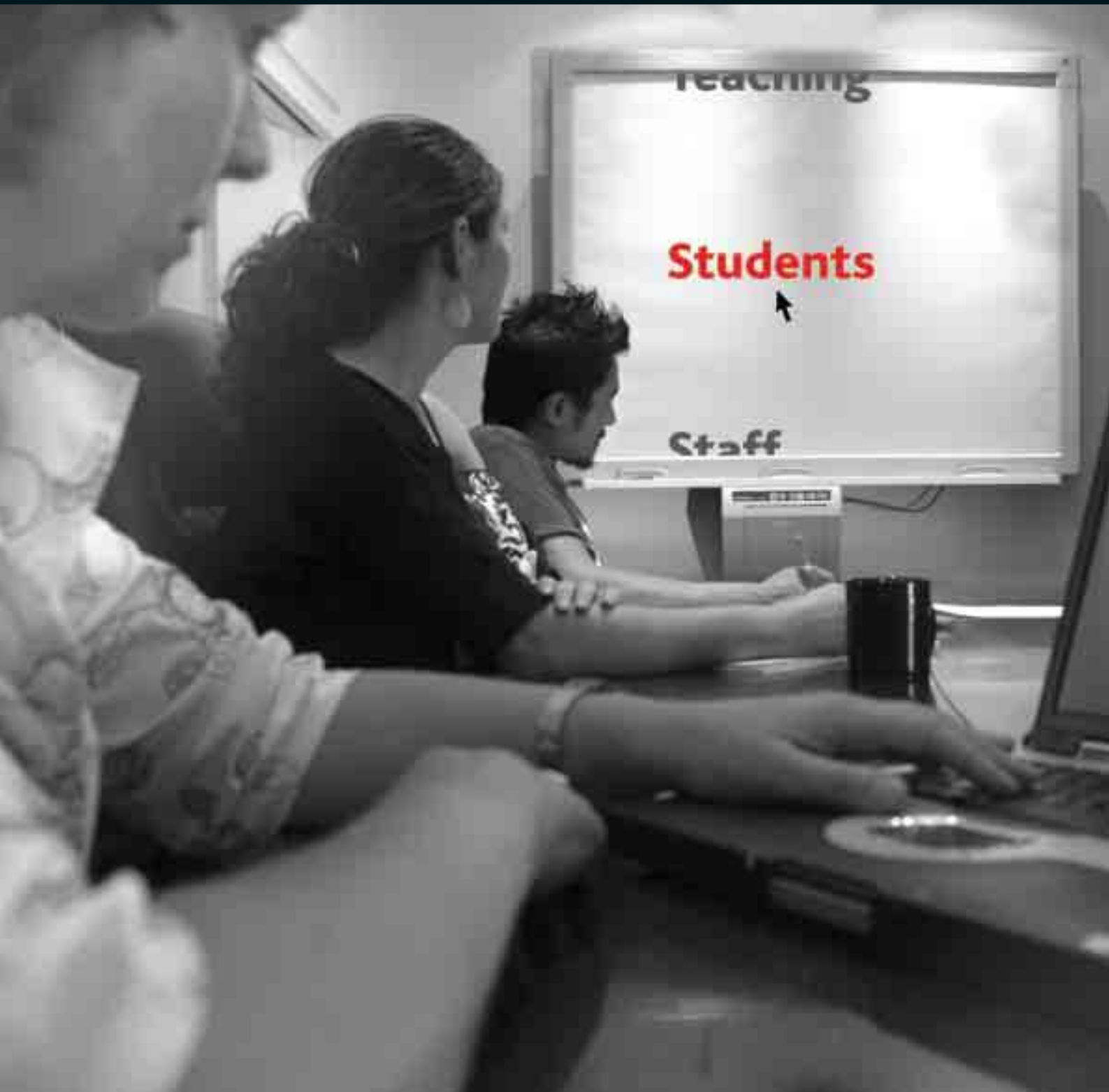
Buildings

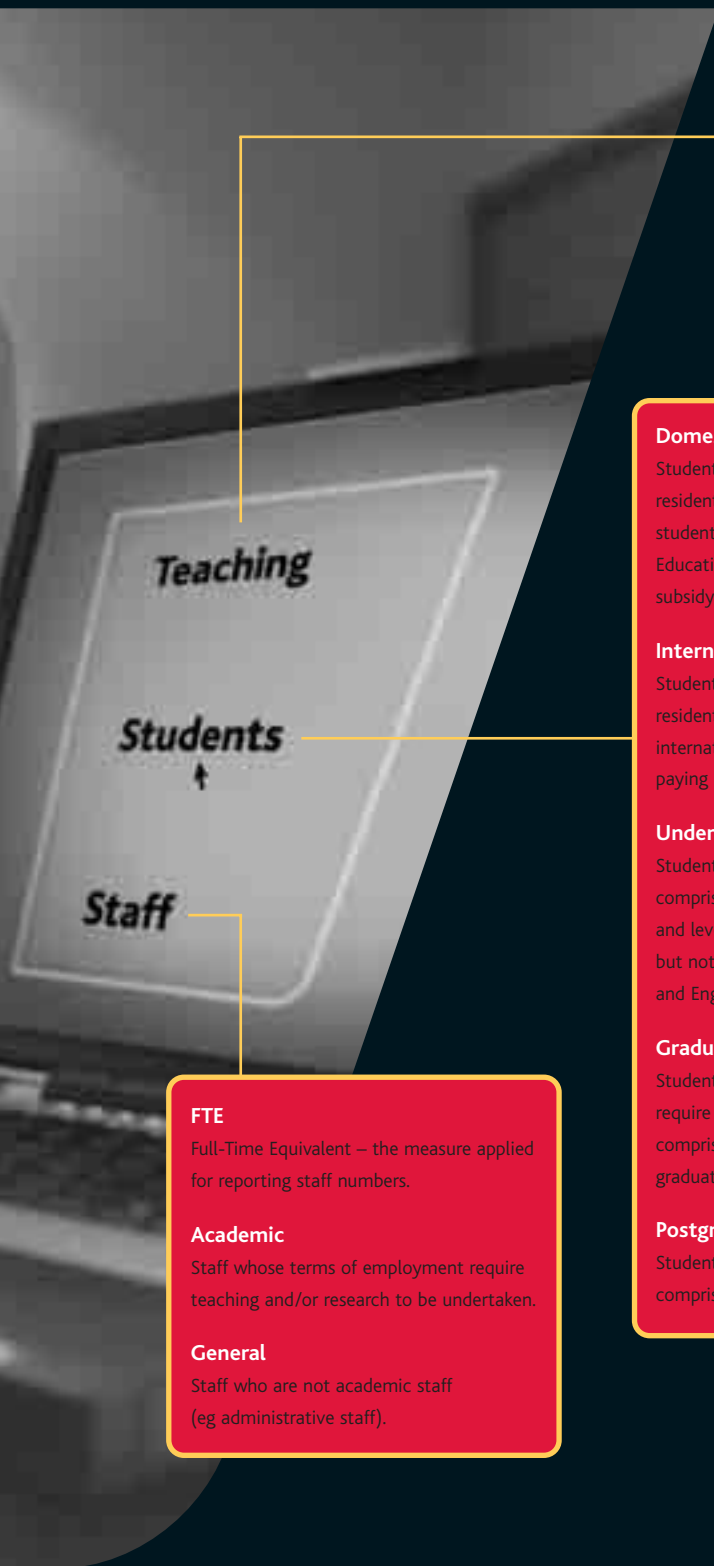
	1999	2000	2001	2002	2003
Total gross area of buildings	152,668	154,506	160,375	161,649	171,155
Total net area of buildings utilised for teaching research and administration	94,881	98,018	104,572	107,379	108,007
Total number of buildings owned and leased	174	176	179	184	195
Total net useable area per EFTS	9.01	9.29	9.61	9.30	9.31

Library

	2000	2001	2002	2003
Total value of collections	\$17.523M	\$18.886M	\$19.966M	\$20.513M
<i>Bibliographic resources:</i>				
Books and other non-serials (volumes)	792,461	810,380	796,635	815,959
Serials (print volumes)	197,217	201,252	201,395	200,129
Total volumes held	989,678	1,011,632	998,030	1,016,088
Electronic resources (titles)	33,870	26,205	25,167	30,139

Notes





FTE

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

Academic

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

General

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

Domestic

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

International

Students who are not citizens or permanent residents of New Zealand. (Most international students generate full fee paying international EFTS.)

Undergraduate

Students enrolled for qualifications comprising papers at level 0 (certificates) and level 1 through 4 (bachelor degrees) but not including community education and English Language short courses.

Graduate

Students enrolled for qualifications that require a first degree as pre-requisite comprising undergraduate papers (eg graduate diplomas).

Postgraduate

Students enrolled for qualifications comprising papers at level five or above.

EFTS

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

Funded from Vote: Education

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

Full Fee Paying International

EFTS generated by international students paying full-fees.

Other Full-Cost

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

Foundation

EFTS generated by enrolments in papers at the non-degree level that count toward a foundation or bridging qualification. At Waikato typically at level 0.

Undergraduate

EFTS generated by enrolments in papers that count toward a bachelors degree. At Waikato typically at levels 1, 2,3 and 4.

Graduate/Postgraduate

EFTS generated by enrolments in papers that count toward a honours or masters degree or a graduate/postgraduate diploma or certificate. At Waikato typically at levels 5 and 7.

Mphil and Doctoral

EFTS generated by enrolments in papers that count toward a research degree ie EdD, PhD or MPhil. At Waikato typically at levels 6 and 9.

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