



UTS ANNUAL REPORT 2014
FINANCES AND APPENDICES

UTS ANNUAL REPORT 2014

FINANCIAL STATEMENTS

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University of Technology, Sydney

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Statement by appointed officers

STATEMENT BY APPOINTED OFFICERS

Statement in accordance with section 41C(1B) and (1C) of the *Public Finance and Audit Act 1983*

In accordance with a resolution of the Council of the University of Technology, Sydney and pursuant to section 41C(1B) and (1C) of the *Public Finance and Audit Act 1983*, we state that to the best of our knowledge and belief:

1. the financial statements present a true and fair value of the financial position of the University at 31 December 2014 and the results of its operations and transactions of the University for the year then ended
2. the financial statements have been prepared in accordance with the provisions of the New South Wales *Public Finance and Audit Act 1983*, *Public Finance and Audit Regulation 2010* and the "Financial Statement Guidelines for Australian Higher Education Providers for the 2014 Reporting Period" issued by the Australian Government Department of Education
3. the financial statements have been prepared in accordance with Australian Accounting Standards (AASB), AASB interpretations and other mandatory professional reporting requirements
4. we are not aware of any circumstances which would render any particulars included in the financial statements to be misleading or inaccurate
5. there are reasonable grounds to believe that the University will be able to pay its debts as and when they fall due
6. the amount of Commonwealth grants expended during the reporting period was for the purposes for which it was granted, and
7. the University has complied in full with the requirements of various program guidelines that apply to the Commonwealth financial assistance identified in these financial statements.



A J Brungs
Vice-Chancellor



B Wilson
Chair, Finance Committee

15th April 2015

Independent auditor's report



INDEPENDENT AUDITOR'S REPORT

University of Technology, Sydney

To Members of the New South Wales Parliament

I have audited the accompanying financial statements of the University of Technology, Sydney (the University), which comprise the statements of financial position as at 31 December 2014, the statements of comprehensive income, the statements of changes in equity and the statements of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information of the University and the consolidated entity. The consolidated entity comprises the University and the entities it controlled at the year's end or from time to time during the financial year.

Opinion

In my opinion, the financial statements:

- give a true and fair view of the financial position of the University and the consolidated entity, as at 31 December 2014, and of their financial performance and cash flows for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 41B of the *Public Finance and Audit Act 1983* (PF&A Act) and the Public Finance and Audit Regulation 2010
- comply with the 'Financial Statement Guidelines for Australian Higher Education Providers for the 2014 Reporting Period' (the Guidelines), issued by the Australian Government Department of Education, pursuant to the *Higher Education Support Act 2003*, the *Higher Education Funding Act 1988* and the *Australian Research Council Act 200*

My opinion should be read in conjunction with the rest of this report.

University Council's Responsibility for the Financial Statements

The Council of the University is responsible for preparing financial statements that give a true and fair view in accordance with Australian Accounting Standards, the PF&A Act and the Guidelines and for such internal control as the Council determines is necessary to enable the preparation of financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on the financial statements based on my audit. I conducted my audit in accordance with Australian Auditing Standards. Those Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

Independent auditor's report (continued)

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including an assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Council as well as evaluating the overall presentation of the financial statements.

I believe the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

My opinion does *not* provide assurance:

- about the future viability of the University or the consolidated entity
- that they carried out their activities effectively, efficiently and economically
- about the effectiveness of the internal control
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about any other information which may have been hyperlinked to/from the financial statements.

Independence

In conducting my audit, I have complied with the independence requirements of the Australian Auditing Standards and other relevant ethical pronouncements. The PF&A Act further promotes independence by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of public sector agencies, but precluding the provision of non-audit services, thus ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by the possibility of losing clients or income.



Caroline Karakatsanis
Director, Financial Audit Services

20 April 2015
SYDNEY

Income statement

FOR THE YEAR ENDED 31 DECEMBER 2014

	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Income from continuing operations					
Australian Government financial assistance					
> Australian Government grants	2.1	224,217	229,496	224,217	229,496
> HELP — Australian Government payments	2.1	169,875	156,434	158,947	148,629
State and local government financial assistance	2.2	2,259	4,120	2,259	4,120
HECS-HELP — student payments		20,536	20,965	20,536	20,965
Fees and charges	2.3	269,049	235,639	217,686	194,901
Investment revenue	2.4	4,763	9,375	2,936	7,836
Royalties, trademarks and licences	2.5	178	468	77	714
Consultancy and contracts	2.6	23,615	17,970	17,522	14,879
Other revenue	2.7	23,997	23,223	26,559	25,333
Total revenue from continuing operations		738,489	697,690	670,739	646,873
Gains on disposal of assets	5	597	14	599	15
Share of profit or loss on investments accounted for using the equity method	14	301	525	–	–
Other investment income	2.4	989	890	989	890
Other income	2.7	26,125	20,906	27,676	22,197
Total income from continuing operations		766,501	720,025	700,003	669,975
Expenses from continuing operations					
Employee related expenses	3.1	432,621	394,128	397,724	364,450
Depreciation and amortisation	3.2	65,562	62,466	61,318	57,839
Repairs and maintenance	3.3	11,378	10,021	10,712	9,672
Borrowing costs	4	4,673	4,409	4,643	4,379
Impairment of assets	3.4	429	27	313	34
Deferred super expense	3.1	–	542	–	542
Other expenses	3.5	205,173	180,953	186,755	168,482
Total expenses from continuing operations		719,836	652,546	661,465	605,398
Net result before income tax		46,665	67,479	38,538	64,577
Income tax expense	6	13	23	–	–
Net result from continuing operations		46,652	67,456	38,538	64,577
Net result attributable to members of the University of Technology, Sydney					
Net result attributable to members from:					
> continuing operations		46,652	67,456	38,538	64,577
Total		46,652	67,456	38,538	64,577

The above income statement should be read in conjunction with the accompanying notes.

Statement of comprehensive income

FOR THE YEAR ENDED 31 DECEMBER 2014

	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Net result after income tax for the period		46,652	67,456	38,538	64,577
Items that may be reclassified to profit or loss					
Exchange differences on translation of foreign operations	22 (b)	489	177	–	–
Gain/(loss) on revaluation of available for sale financial assets, net of tax	22 (b)	4,843	(140)	4,843	(140)
Cash flow hedges, net of tax	22 (b)	(8,219)	(603)	(8,219)	(603)
Total items that may be reclassified to profit or loss		(2,887)	(566)	(3,376)	(743)
Items that will not be reclassified to profit or loss					
Gain/(loss) on revaluation of property, plant and equipment, net of tax	22 (b)	(13,353)	31,117	(13,353)	31,117
Net actuarial gains (losses) recognised in respect of defined benefit plans	25	–	831	–	831
Total items that will not be reclassified to profit or loss		(13,353)	31,948	(13,353)	31,948
Total comprehensive income attributable to members of the University of Technology, Sydney		30,412	98,838	21,809	95,782
Total comprehensive income attributable to members from:					
> continuing operations		30,412	98,838	21,809	95,782
Total		30,412	98,838	21,809	95,782

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

Statement of financial position

AS AT 31 DECEMBER 2014

	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Assets					
Current assets					
Cash and cash equivalents	9	158,746	142,370	90,507	87,908
Receivables	10	19,932	20,025	17,622	15,937
Other financial assets	11	11,153	9,608	11,153	9,608
Other non-financial assets	12	17,616	20,167	12,874	16,056
Non-current assets classified as held for sale	13	–	–	–	–
Total current assets		207,447	192,170	132,156	129,509
Non-current assets					
Receivables	10	586,813	397,110	586,813	397,110
Investments accounted for using the equity method	14	8,000	9,276	–	–
Other financial assets	11	4,901	48	8,530	3,687
Other non-financial assets	12	820	165	820	165
Property, plant and equipment	15	1,643,032	1,486,924	1,634,385	1,478,850
Intangible assets	16	27,535	25,492	23,158	21,649
Total non-current assets		2,271,101	1,919,015	2,253,706	1,901,461
Total assets		2,478,548	2,111,185	2,385,862	2,030,970
Liabilities					
Current liabilities					
Trade and other payables	17	41,401	58,937	37,906	55,254
Borrowings	18	3,271	3,371	3,236	3,181
Provisions	19	91,839	78,556	89,065	76,343
Other financial liabilities	20	1,860	–	1,860	–
Other liabilities	21	46,840	40,193	18,423	15,017
Total current liabilities		185,211	181,057	150,490	149,795
Non-current liabilities					
Borrowings	18	242,789	102,191	242,777	102,144
Provisions	19	605,555	419,862	603,481	418,085
Other financial liabilities	20	6,962	603	6,962	603
Other liabilities	21	172	25	–	–
Total non-current liabilities		855,478	522,681	853,220	520,832
Total liabilities		1,040,689	703,738	1,003,710	670,627
Net assets		1,437,859	1,407,447	1,382,152	1,360,343
Equity					
Parent entity interest					
Reserves	22 (a)	587,633	603,873	588,368	605,097
Retained earnings	22 (d)	850,226	803,574	793,784	755,246
Total equity		1,437,859	1,407,447	1,382,152	1,360,343

The above statement of financial position should be read in conjunction with the accompanying notes.

Statement of changes in equity

FOR THE YEAR ENDED 31 DECEMBER 2014

	Reserves \$'000	Retained earnings \$'000	Total \$'000
Consolidated			
Balance at 1 January 2013	573,322	735,287	1,308,609
Net operating result	–	67,456	67,456
Exchange differences on translation of foreign operations	177	–	177
Gain/(loss) on revaluation of available for sale financial assets	(140)	–	(140)
Gain/(loss) on revaluation of property, plant and equipment	31,117	–	31,117
Gain/(loss) on cash flow hedges	(603)	–	(603)
Net actuarial gains (losses) recognised in respect of defined benefit plans	–	831	831
Total comprehensive income	30,551	68,287	98,838
Balance at 31 December 2013	603,873	803,574	1,407,447
Balance at 1 January 2014	603,873	803,574	1,407,447
Net operating result	–	46,652	46,652
Exchange differences on translation of foreign operations	489	–	489
Gain/(loss) on revaluation of available for sale financial assets	4,843	–	4,843
Gain/(loss) on revaluation of property, plant and equipment	(13,353)	–	(13,353)
Gain/(loss) on cash flow hedges	(8,219)	–	(8,219)
Net actuarial gains (losses) recognised in respect of defined benefit plans	–	–	–
Total comprehensive income	(16,240)	46,652	30,412
Balance at 31 December 2014	587,633	850,226	1,437,859
Parent			
Balance at 1 January 2013	574,723	689,838	1,264,561
Net operating result	–	64,577	64,577
Exchange differences on translation of foreign operations	–	–	–
Gain/(loss) on revaluation of available for sale financial assets	(140)	–	(140)
Gain/(loss) on revaluation of property, plant and equipment	31,117	–	31,117
Gain/(loss) on cash flow hedges	(603)	–	(603)
Net actuarial gains (losses) recognised in respect of defined benefit plans	–	831	831
Total comprehensive income	30,374	65,408	95,782
Balance at 31 December 2013	605,097	755,246	1,360,343
Balance at 1 January 2014	605,097	755,246	1,360,343
Net operating result	–	38,538	38,538
Exchange differences on translation of foreign operations	–	–	–
Gain/(loss) on revaluation of available for sale financial assets	4,843	–	4,843
Gain/(loss) on revaluation of property, plant and equipment	(13,353)	–	(13,353)
Gain/(loss) on cash flow hedges	(8,219)	–	(8,219)
Net actuarial gains (losses) recognised in respect of defined benefit plans	–	–	–
Total comprehensive income	(16,729)	38,538	21,809
Balance at 31 December 2014	588,368	793,784	1,382,152

The above statement of changes in equity should be read in conjunction with the accompanying notes.

Statement of cash flows

FOR THE YEAR ENDED 31 DECEMBER 2014

	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Cash flows from operating activities					
Australian Government grants	33	392,166	383,932	381,238	376,127
OS-Help (net)	33	1,352	552	1,352	552
State government grants received	2.2	1,559	3,710	1,559	3,710
Local government grants received	2.2	700	410	700	410
HECS-HELP — student payments		20,536	20,965	20,536	20,965
Receipts from student fees and other customers		386,600	343,532	326,376	296,824
Dividends received		–	2,602	–	57
Interest received		5,197	10,266	3,510	8,689
Payments to suppliers and employees (inclusive of goods and services tax)		(667,444)	(639,888)	(613,539)	(595,565)
Interest and other costs of finance		(4,006)	(4,290)	(3,996)	(4,244)
Income taxes paid		(4)	27	–	–
Net cash provided by/(used in) operating activities	32	136,656	121,818	117,736	107,525
Cash flows from investing activities					
Proceeds from sale of property, plant and equipment	5	3,054	85	3,052	83
Proceeds from sale of financial assets		212	2,371	212	2,370
Payments for financial assets		(845)	(9,695)	(845)	(9,695)
Payments for property, plant and equipment		(255,481)	(268,882)	(250,526)	(267,221)
Net cash provided by/(used in) investing activities		(253,060)	(276,121)	(248,107)	(274,463)
Cash flows from financing activities					
Proceeds from borrowings		140,000	60,000	140,000	60,000
Payment of capitalised borrowing costs		(3,149)	(134)	(3,149)	(134)
Repayment of finance leases		(4,071)	(4,290)	(3,881)	(3,888)
Net cash provided by/(used in) financing activities		132,780	55,576	132,970	55,978
Net increase/(decrease) in cash and cash equivalents		16,376	(98,727)	2,599	(110,960)
Cash and cash equivalents at the beginning of the financial year		142,370	241,097	87,908	198,868
Cash and cash equivalents at end of the financial year	9	158,746	142,370	90,507	87,908
Financing arrangements	18(b)				
Non-cash financing and investing activities	24				

The above statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied by all entities to all the years presented, unless otherwise stated. The financial statements includes separate financial statements for the University of Technology, Sydney as an individual entity and the consolidated entity consisting of University of Technology, Sydney and its subsidiaries.

The principal address of the University of Technology, Sydney is 15 Broadway, Broadway, NSW 2007.

The financial statements were authorised for issue by the Council of the University of Technology, Sydney on 15 April 2015.

(a) Basis of preparation

This general purpose financial statements have been prepared in accordance with the requirements of:

- i. the Australian Accounting Standards including the Australian equivalents to the International Financial Reporting Standards (AIFRS)
- ii. other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and AASB Interpretations
- iii. the Financial Statements Guidelines for Australian Higher Education Providers for the 2014 Reporting Period issued by the Commonwealth Department of Education
- iv. the *Public Finance and Audit Act 1983* and the Public Finance and Audit Regulation 2010
- v. the *Higher Education Support Act 2003*.

These financial statements have been prepared on an accrual accounting and going concern basis and under the historical cost convention, modified by the revaluation at fair value of land and buildings, financial assets, derivative instruments and certain classes of plant and equipment.

Compliance with International Financial Reporting Standards (IFRS)

Australian Accounting Standards include Australian equivalents to the International Financial Reporting Standards (AIFRS) but also include some requirements specific to not-for-profit entities that are inconsistent with IFRS requirements. The financial statements and notes of the University of Technology, Sydney comply with the Australian Accounting Standards as they apply to not-for-profit entities and hence are inconsistent with IFRS requirements in some instances.

Critical accounting estimates

The preparation of financial statements in conformity with AIFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the University of Technology, Sydney's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, are the calculation of the defined superannuation benefits, long service leave, annual leave and doubtful debt provisions.

Annual leave and long service leave provisions have been valued based on actuarial assessments conducted by Deloitte Actuaries & Consultants Limited. The major assumptions relate to future salary increases and the applicable discount rate. Future salary increases are based on the current Senior Staff Agreement, the UTS Academic Staff Agreement 2014 and the UTS Professional Staff Agreement 2014. The discount rates used is based on yields reported by the Reserve Bank of Australia on zero-coupon Australian Government bonds. The estimates and underlying assumptions are reviewed on an ongoing basis. The unfunded superannuation liabilities recorded in the statement of financial position under provisions have been determined by the fund's actuary (refer note 25). The projected unit credit valuation method was used to determine the present value of the defined benefit obligations and the related current service costs. Actuarial gains and losses are recognised immediately in the statement of comprehensive income in the year in which they occur.

(b) Basis of consolidation

(i) Subsidiaries

The financial statements are for the University of Technology, Sydney consolidated reporting entity consisting of:

- > University of Technology, Sydney
- > INSEARCH Limited, a controlled entity of the university
- > INSEARCH Shanghai Limited, a controlled entity of INSEARCH Limited
- > INSEARCH Education International Pty Limited
- > INSEARCH Education Limited
- > accessUTS Pty Limited, a controlled entity of the university
- > UTS Global Pty Ltd, a controlled entity of the university
- > UTS Beijing Ltd, a controlled entity of UTS Global Pty Ltd.

The accounting policies adopted in preparing the financial statements have been consistently applied by entities in the consolidated entity except as otherwise indicated. The balances, and effects of transactions, between controlled entities included in the consolidated financial statements have been eliminated. Separate financial statements are prepared for the same period by the university's controlled entities, which are audited by the Auditor General of New South Wales.

Power over the investee exists when the group has existing rights that give it current ability to direct the relevant activities of the investee. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the group controls another entity. Returns are not necessarily monetary and can be only positive, only negative, or both positive and negative.

(c) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Australian dollars, which is the University of Technology, Sydney's functional and presentation currency.

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(ii) Transactions and balances

Foreign currency transactions are initially translated into Australian currency at the rate of exchange current at the date of transaction. At balance date, amounts payable and receivable in foreign currencies are translated to Australian currency at rates current at balance date. Resulting exchange differences are brought to account in determining the profit or loss for the year.

(iii) Group companies

The results and financial position of all the group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- > assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet
- > income and expenses for each income statement are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- > all resulting exchange differences are recognised as a separate component of equity.

(d) Revenue recognition

In accordance with AASB1004 *Contributions*, the operating and research grants provided by the government under the *Higher Education Support Act 2003* are considered to be contributions of assets, or non-reciprocal transfers, and are therefore recognised in the year in which they are received. Payments from the Higher Education Trust Fund are considered to be revenue arising from the provision of a service and so have been treated as income in advance where they relate to the next reporting period.

Revenue from student fees is recognised for enrolments current as at the census date for each semester.

Investment income is recognised as it accrues.

Revenue from sales or the provision of services is recognised in the period in which the goods are supplied or the services provided.

Donations are accounted for on a cash basis.

(e) Income tax

The parent entity, the University of Technology, Sydney, is exempt from income tax under section 50-1 of the *Income Tax Assessment Act 1997*.

For the tax paying entities of the group, the income tax expense on revenue for the period is the tax payable on the current period's taxable income based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities and their carrying amounts in the financial statements and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

(f) Leases

The university leases a range of assets and accounts for these as either operating or finance leases in accordance with the requirements of AASB 117 *Leases*.

Finance leases, which transfer to the group substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease at the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other short-term and long-term payables. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases are depreciated over the shorter of the asset's useful life and the lease term.

Payments made under operating leases (net of any incentives received from the lessor) are recognised as an expense in the income statement on a straight-line basis over the period of the lease.

Lease income from operating leases is recognised in income on a straight-line basis over the lease term.

Operating lease commitments are recorded on a GST inclusive basis. Finance leases are recorded on a GST exclusive basis.

Details of leased assets are provided in note 23.

(g) Business combinations

The acquisition method of accounting is used to account for all business combinations, including business combinations involving entities or businesses under common control, regardless of whether equity instruments or other assets are acquired. Cost is measured as the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange plus costs directly attributable to the acquisition.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the identifiable net assets of the subsidiary acquired, the difference is recognised directly in the income statement, but only after a reassessment of the identification and measurement of the net assets acquired.

(h) Impairment of assets

Assets that have an infinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, cash at banks, term deposits and deposits at call.

(j) Receivables

Trade receivables, which generally have 30 day terms, are recognised and carried at original invoice amount less provision for impairment.

Non-current receivables are recognised at fair value.

Collectability of trade receivables is reviewed on an ongoing basis. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Debts which are known to be uncollectible are written off to the income statement.

(k) Inventories

The university holds no inventory.

(l) Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. They are stated at the lower of their carrying amount and fair value less costs to sell.

Non-current assets are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the holding of assets classified as held for sale continue to be recognised.

(m) Investments and other financial assets

The group classifies its investments in the following categories:

(i) Financial assets at fair value through profit or loss

The group's investments in managed funds are classified as financial assets at fair value through profit or loss. The policy of management is to designate a financial asset if there exists the possibility it will be sold in the short term and the asset is subject to frequent changes in fair value. These assets are initially recognised at cost, being the fair value of the consideration given. They are subsequently recognised at fair value and gains or losses are recognised in the income statement.

(ii) Available-for-sale financial assets

Investments in listed securities have been classified as available-for-sale financial assets. These assets are initially recognised at cost including the acquisition charges associated with the investment, being the fair value of the consideration given. Available-for-sale financial assets are subject to review for impairment. Gains or losses on available-for-sale investments are recognised in equity until the investment is sold or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is included in the income statement.

(iii) Other financial assets

Equity instruments that are not quoted in an active market have been classified as other financial assets and have been recognised at cost less impairment.

(n) Derivatives

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value.

The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument and, if so, the nature of the item being hedged. The group designates derivatives as hedges of highly probable forecast transactions (cash flow hedges).

(i) Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in the income statement within other income or other expense.

The gain or loss relating to the effective portion of interest rate swaps hedging variable rate borrowings is recognised in the balance sheet under property, plant and equipment as per the capitalisation election under AASB 123 *Borrowing Costs*.

When a hedging instrument expires or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss that has been recognised in other comprehensive income from the period when the hedge was effective shall remain separately in equity until the forecast transaction occurs. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was recognised in other comprehensive income shall be reclassified to profit or loss as a reclassification adjustment.

Details of the derivatives held by the group are disclosed in note 34.

(o) Fair value measurement

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The group classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements.

The fair value of assets and liabilities traded in active markets, such as financial instruments traded in active markets, is based on quoted market prices at the balance sheet date (level 1).

The fair value of assets or liabilities that are not traded in an active market (for example, defined benefit superannuation liabilities) is determined using valuation techniques. The group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date (level 2). Fair value measurement of non-financial assets is based on the highest and best use of the asset. The group considers market participants use of, or purchase price of the asset, to use it in a manner that would be highest and best use. The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values. The value of long term debt instruments has been calculated using the amortised cost method.

Other techniques that are not based on observable market data (level 3), such as estimated discounted cash flows or cost, are used to determine fair value for the remaining assets and liabilities.

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(p) Property, plant and equipment

(i) Initial recognition and measurement

Assets with a useful life of more than 12 months and an acquisition cost of more than \$5000 are initially capitalised at cost. Costs incurred on plant and equipment which do not meet the capitalisation criteria are expensed as incurred. Following initial recognition at cost, land, buildings and works of art are carried at fair value. Fair value is the amount for which the assets could be exchanged between a knowledgeable willing buyer and a knowledgeable willing seller in an arm's length transaction at the date of revaluation less any subsequent accumulated depreciation on buildings.

The Library collection is recorded at depreciated replacement cost.

All other property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the income statement during the financial period in which they are incurred.

(ii) Revaluations

Independent valuations are performed with sufficient regularity or once every three years to ensure that the carrying amount does not differ materially from the asset's fair value at the balance date.

Revaluation surpluses have been credited to the asset revaluation reserve included in the equity section of the statement of financial position.

(iii) Depreciation

Land and works of art are not depreciated. Depreciation on other assets is calculated using the straight line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives, as follows:

Asset class	Depreciation rate (%)	Depreciation method
Buildings	2.00	Straight line
Building infrastructure	4.00	Straight line
Electrical installations	4.00	Straight line
Suspended ceilings	5.00	Straight line
Carpet and carpet tiles	6.67	Straight line
Motor vehicles	20.00	Straight line
Computer hardware	20.00	Straight line
Computer software — minor	33.33	Straight line
Computer software — major	14.30	Straight line
Office, teaching and research equipment	10 to 25	Straight line
Library collection	12.50	Straight line, 5% residual

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

(iv) Impairment

Property, plant and equipment assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

(v) Disposals

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the income statement.

(q) Intangible assets

(i) Research and development

In accordance with the requirements of AASB 138 *Intangible Assets*, no intangible asset arising from research is recognised. Expenditure on research activities is recognised in the income statement as an expense when it is incurred.

The group has not incurred expenditure on development activities that meets the capitalisation criteria under AASB 138 *Intangible Assets* and hence has not recognised any intangible assets arising from development projects.

(ii) Software

Software, where the software is not an integral part of the related hardware, is classified as an intangible asset with a finite life. Amortisation is charged on a straight line basis at the rate of 14.30% per annum.

(iii) Perpetual licences for online serials

The consolidated entity has purchased a number of licences which provide access to online serials in perpetuity. These assets are not subject to amortisation as they have an indefinite useful life but are tested annually for impairment.

(r) Unfunded superannuation

In accordance with the 1998 instructions issued by the Department of Education, Training and Youth Affairs, now known as the Department of Education, the effects of the unfunded superannuation liabilities of the group were recorded in the income statement and the balance sheet for the first time in 1998. The previous practice had been to disclose these liabilities by way of a note to the financial statements.

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(r) Unfunded superannuation (continued)

The unfunded liabilities recorded in the statement of financial position under provisions have been determined by the fund's actuary (refer note 25). The projected unit credit valuation method was used to determine the present value of the defined benefit obligations and the related current service costs. Actuarial gains and losses are recognised immediately in the statement of comprehensive income in the year in which they occur.

An arrangement exists between the Australian Government and the NSW State Government to meet the unfunded liability for the group's beneficiaries of the State Superannuation Scheme on an emerging cost basis. This arrangement is evidenced by the *Higher Education Funding Act 1988*, the *Higher Education Support Act 2003* (Cwlth) and a Memorandum of Understanding signed by the federal government and the New South Wales State Government on 5 December 2014. Accordingly the unfunded liabilities have been recognised in the statement of financial position under provisions with a corresponding asset recognised under receivables. The recognition of both the asset and the liability consequently does not materially affect the year end net asset position of the group.

(s) Trade and other payables

Accounts payable, including accruals, represent liabilities for goods and services provided to the economic entity prior to the end of the 2014 reporting period. These amounts are usually settled on 30 day terms.

(t) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in the income statement through the amortisation process.

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability and does not expect to settle the liability for at least 12 months after the balance sheet date.

The university has obtained a \$300 million revolving five year debt facility with the National Australia Bank to fund the current capital expenditure program. As at 31 December 2014 funds to the value of \$200 million have been drawn down from this facility by the university.

(u) Borrowing costs

Borrowing costs except those incurred for the construction of any qualifying asset are expensed as per AASB 123 *Borrowing Costs*. Borrowing costs incurred for the construction of any qualifying assets are capitalised as per AASB 123 *Borrowing Costs*. For immaterial prepaid borrowing costs relating to qualifying assets, the university amortises the expense on a straight line basis which is a departure from the standard. The amounts are regarded as immaterial and does not affect the operating result over the term of the loan. Finance charges in respect of finance leases are included in the definition of borrowing costs.

(v) Provisions

Provisions are recognised when the group has a present legal or constructive obligation as a result of past events, that is, when it is more likely than not that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at the Australian Government bond rate.

(w) Employee benefits

(i) Wages, salaries and sick leave

Liabilities for wages and salaries, including non-monetary benefits, expected to be settled within 12 months of the reporting date are recognised in other payables and provisions in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled. Sick leave is included in salaries and wages when the sick leave is taken.

(ii) Long service leave and annual leave

The liability for long service leave and annual leave is calculated on a present value basis. This is done using the total nominal value, including on costs and allowing for known pay increases, of all leave accrued but not taken, including pre-conditional leave. This figure is then adjusted according to the staff profile and a factor designed to compensate for inflation and wage increases. Expected future payments are discounted using market yields at the reporting date on national government bonds. The group records long service leave and annual leave as a current liability when all conditions for settlement are met.

Regardless of the expected timing of settlements, provisions made in respect of employee benefits are classified as a current liability, unless there is an unconditional right to defer the settlement of the liability for at least 12 months after the reporting date, in which case it would be classified as a non-current liability.

The university in 2014 engaged Deloitte to conduct an actuarial assessment of the long service leave provision and annual leave provision to satisfy the requirements of AASB 119 *Employee Benefits*. The actuarial assessment for long service leave and annual leave updated the previous assessment conducted in 2013 by KPMG.

(iii) Superannuation

Employees of the group are entitled to benefits on retirement, disability or death from the group's superannuation plans. The group has both defined contribution plans and defined benefit plans. The defined benefit plans provide employees with defined benefits based on years of service and final average salary.

Contributions to the superannuation funds are recognised in the income statement as an expense as they become payable.

The liability or asset in respect of the defined benefit plans is measured as the present value of the defined benefit obligation at the reporting date plus unrecognised actuarial gains (less unrecognised actuarial losses) less the fair value of the superannuation fund's assets at that date and any unrecognised past service cost. The present value of the defined benefit obligation is based on expected future payments which arise from membership of the fund to the reporting date, calculated annually by independent actuaries. Consideration is given to expected future salary levels, experience of employee departures and periods of service.

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(w) Employee benefits (continued)

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet. Past service costs are recognised in income immediately. Contributions to the defined contribution section of the university's superannuation fund and other independent defined contribution superannuation funds are recognised as an expense as they become payable.

A liability or asset in respect of the defined benefit superannuation plan for UniSuper has not been recognised in the statement of financial position based on advice from UniSuper that the defined benefit plan is a contribution fund for the purposes of AASB119 due to the amendment of the trust deed during 2006 (clause 34 of the Unisuper Trust Deed). The plan has been classified as a contribution plan in the parent entity's accounts.

(iv) Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for those benefits. The group recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy.

(x) Joint ventures

For the consolidated entity financial statements, the interest in jointly controlled entities are accounted for using the equity method. Under this method, the share of the profits or losses of the joint venture is recognised in the income statement. In addition the share of movements in reserves are recognised in the statement of comprehensive income and the statement of changes in equity. Details of joint ventures are set out in note 14.

(y) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances the GST is recognised as part of the costs of acquisition of the asset or as part of an item of expense.

Receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the balance sheet.

The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

(z) Comparative amounts

Where necessary, the classifications of 2014 comparative figures have been adjusted to conform with the mandatory presentation for the current year. These reclassifications have no effect on the 2013 operating result (or the financial position) of the university.

(aa) Financial guarantee contracts

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of the amount determined in accordance with AASB137 *Provisions, Contingent Liabilities and Contingent Assets* and the amount initially recognised less cumulative amortisation, where appropriate.

The fair value of financial guarantees is determined as the present value of the difference in net cash flows between the contractual payments under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

(ab) New accounting standards and interpretations

Certain new Accounting Standards and Interpretations have been published that are not mandatory for 31 December 2014 reporting period. The recently issued or amended standards are not expected to have a material impact on the university's statutory accounts. The university has not exercised the right to early adopt any new or revised accounting standard.

(ac) Changes in accounting policy

There have been no changes to accounting policy in the 2014 year apart from the adoption of certain mandatory standards.

The university has adopted new standards AASB 10 *Consolidated Financial Statements*, AASB 11 *Joint Arrangements* and AASB 12 *Disclosure of Interests in Other Entities*. These new standards have not materially impacted the financial results of the university or the accounting treatment of university's associated entities.

The university has complied with the revisions in AASB 119 *Employee Benefits* as per note 1(w). The unfunded liabilities recorded in the statement of financial position under provisions have been determined by the fund's actuary (refer note 25). The projected unit credit valuation method was used to determine the present value of the defined benefit obligations and the related current service costs. Actuarial gains and losses are recognised immediately in the statement of comprehensive income in the year in which they occur. In 2013 the annual leave provision was valued based an actuarial assessment due to amendments to AASB 119 *Employee Benefits*. The impact to the income statement was negative \$395,000.

Amendments to AASB 119 *Employee Benefits* also impacted the valuation of actuarial gains and losses for defined benefit plans due to the mandatory use of the 10-year government bond rate as the discount rate. The impact to the income statement was a negative \$238,000 with a corresponding positive impact to the statement of comprehensive income.

(ad) Rounding of amounts

Amounts in the financial statements where applicable have been rounded off to the nearest thousand dollars.

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2014

	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
2. REVENUE FROM CONTINUING OPERATIONS					
2.1 Australian Government financial assistance including Australian Government loan programs (HELP)					
(a) Commonwealth Grant Scheme and other grants					
	33.1				
Commonwealth Grant Scheme ¹		169,416	157,825	169,416	157,825
Indigenous Support Program		907	933	907	933
Partnership and Participation Program ²		2,843	3,201	2,843	3,201
Disability Support Program		472	405	472	405
Diversity and Structural Adjustment Fund ³		–	–	–	–
Transitional Cost Program		–	–	–	–
Promotion of Excellence in Learning and Teaching		227	401	227	401
Australian Maths and Science Partnership Program		498	–	498	–
Total Commonwealth Grant Scheme and other grants		174,363	162,765	174,363	162,765
(b) Higher education loan programs (HELP)					
	33.2				
HECS-HELP		118,348	104,566	118,348	104,566
FEE-HELP		48,775	49,261	37,847	41,456
SA-HELP		2,752	2,607	2,752	2,607
Total higher education loan programs		169,875	156,434	158,947	148,629
(c) Scholarships					
	33.7				
Australian Postgraduate Awards		4,729	4,706	4,729	4,706
International Postgraduate Research Scholarships		384	399	384	399
Commonwealth Education Cost Scholarships ⁴		[26]	[564]	[26]	[564]
Commonwealth Accommodation Scholarships ⁴		27	[10]	27	[10]
Indigenous Access Scholarships		80	–	80	–
Total scholarships		5,194	4,531	5,194	4,531
(d) Education research					
	33.6				
Joint Research Engagement Program ⁵		5,361	4,820	5,361	4,820
JRE Engineering Cadetships		62	40	62	40
Research Training Scheme		10,704	10,716	10,704	10,716
Research Infrastructure Block Grants		2,270	2,161	2,270	2,161
Commercialisation Training Scheme		–	[32]	–	[32]
Sustainable Research Excellence in Universities		1,738	1,708	1,738	1,708
Total Education research grants		20,135	19,413	20,135	19,413

1. Includes the basic CGS grant amount, CGS — regional loading, CGS — enabling loading, maths and science transition loading and full fee places transition loading.

2. Includes Equity Support Program.

3. Includes Collaboration and Structural Reform Program.

4. Includes Grandfathered Scholarships, National Priority and National Accommodation Priority Scholarships respectively.

5. Includes Institutional Grants Scheme.

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2014

	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
2.1 Australian Government financial assistance including Australian Government loan programs (HELP) (continued)					
(e) Australian Research Council	33.3				
<i>(i) Discovery</i>					
Project		5,709	5,088	5,709	5,088
Federation Fellowships		–	–	–	–
Future Fellowships		2,664	1,772	2,664	1,772
Indigenous Researchers Development		–	–	–	–
Early Career Researcher Award		963	604	963	604
Indigenous		51	47	51	47
Total Discovery		9,387	7,511	9,387	7,511
<i>(ii) Linkages</i>	33.4				
Projects		1,502	2,087	1,502	2,087
International		–	–	–	–
Infrastructure		360	1,251	360	1,251
Special research initiatives		13	12	13	12
Total Linkages		1,875	3,350	1,875	3,350
<i>(iii) Networks and centres</i>	33.5				
Research networks		–	3	–	3
Centres		357	255	357	255
Total networks and centres		357	258	357	258
Total ARC		11,619	11,119	11,619	11,119
(f) Other capital funding	33.8				
Teaching and Learning Capital Fund		–	–	–	–
Education Investment Fund		–	17,000	–	17,000
Total other capital funding		–	17,000	–	17,000
(g) Other Australian Government financial assistance					
Non-capital					
CSIRO		1,935	1,901	1,935	1,901
Department of Health and Ageing		1,299	1,242	1,299	1,242
Department of Education		1,167	720	1,167	720
University of Western Sydney		842	2,387	842	2,387
National Health and Medical Research Council		829	1,523	829	1,523
University of New South Wales		828	806	828	806
Department of Foreign Affairs and Trade		788	722	788	722
Monash University		694	302	694	302
Cancer Australia		340	339	340	339
University of Queensland		179	235	179	235
Other		4,005	4,491	4,005	4,491
Total non-capital other Australian Government financial assistance		12,906	14,668	12,906	14,668
Total Australian Government financial assistance		394,092	385,930	383,164	378,125

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2014

	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
2.1 Australian Government financial assistance including Australian Government loan programs (HELP) (continued)					
Reconciliation					
Australian Government grants (a+c+d+e+f+g)		224,217	229,496	224,217	229,496
HECS-HELP payments		118,348	104,566	118,348	104,566
FEE-HELP payments		48,775	49,261	37,847	41,456
SA-HELP payments		2,752	2,607	2,752	2,607
Total Australian Government financial assistance		394,092	385,930	383,164	378,125
(h) Australian Government grants received — cash					
CGS and other Education grants		174,363	162,765	174,363	162,765
Higher education loan programs		169,101	155,911	158,173	148,106
Scholarships		5,194	4,140	5,194	4,140
Education research		20,135	19,445	20,135	19,445
ARC grants — Discovery		8,802	6,892	8,802	6,892
ARC grants — Linkages		1,665	3,111	1,665	3,111
Other capital funding		–	17,000	–	17,000
Other Australian Government grants		12,906	14,668	12,906	14,668
Total Australian Government grants received — cash basis		392,166	383,932	381,238	376,127
OS-HELP (net)		5,478	3,032	5,478	3,032
Total Australian Government funding received — cash basis		397,644	386,964	386,716	379,159
2.2 State and local government financial assistance					
Non-capital					
New South Wales State Government		1,606	3,263	1,606	3,263
Other state governments		(47)	447	(47)	447
Local government		700	410	700	410
Total non-capital		2,259	4,120	2,259	4,120
Capital					
New South Wales State Government		–	–	–	–
Total capital		–	–	–	–
Total state and local government financial assistance		2,259	4,120	2,259	4,120
2.3 Fees and charges					
Course fees and charges					
Fee-paying onshore overseas students		219,783	193,347	169,556	153,425
Fee-paying offshore overseas students		3,131	3,265	3,131	3,265
Continuing education		5,562	4,184	5,566	4,187
Fee-paying domestic postgraduate students		13,377	11,942	13,377	11,942
Fee-paying domestic undergraduate students		918	1,917	918	1,917
Other domestic course fees and charges		16,152	13,720	16,152	13,720
Total course fees and charges		258,923	228,375	208,700	188,456

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2014

	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
2.3 Fees and charges (continued)					
Other non-course fees and charges					
Library charges		417	407	1,440	1,128
Student accommodation charges		1,757	1,222	-	-
Student Services and Amenities Fee from students		4,885	2,766	4,885	2,766
Medical fees		717	755	717	755
English Testing Centre		1,944	1,796	1,944	1,796
Other fees and charges		406	318	-	-
Total other non-course fees and charges		10,126	7,264	8,986	6,445
Total fees and charges		269,049	235,639	217,686	194,901
2.4 Investment revenue and income					
Interest		4,763	9,318	2,936	7,779
Dividends		-	57	-	57
Total investment revenue		4,763	9,375	2,936	7,836
Net gain/(loss) arising on financial assets designated at fair value through profit or loss		989	890	989	890
Net gain/(loss) arising on financial assets classified as held for trading		-	-	-	-
Total other investment income/(loss)		989	890	989	890
Net investment income		5,752	10,265	3,925	8,726
2.5 Royalties, trademarks and licences					
		178	468	77	714
2.6 Consultancy and contracts					
Contract research		13,209	11,452	13,209	11,452
Consultancy		10,406	6,518	4,313	3,427
Total consultancy and contracts		23,615	17,970	17,522	14,879
2.7 Other revenue and income					
Other revenue					
Contribution from INSEARCH Limited		-	-	3,152	2,648
Donations and bequests		10,014	8,349	10,014	8,349
Foreign exchange gain/(loss) (net) (note (a))		(572)	396	(145)	7
Non-government grants		1,054	414	1,054	414
Scholarships and prizes		3,502	4,096	3,578	4,145
Services		3,484	2,463	2,382	2,360
Sponsorships		2,033	2,175	2,053	2,219
Other		4,482	5,330	4,471	5,191
Total other revenue		23,997	23,223	26,559	25,333

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2014

	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
2.7 Other revenue and income (continued)					
Other income					
Hire and rental		18,996	18,823	20,149	19,800
Commonwealth superannuation contributions		5,320	–	5,320	–
Profit/(loss) on sale of shares		–	192	–	192
Contributions for salary from other entities		1,138	1,161	1,238	1,256
Sale of goods		671	730	969	949
Total other income		26,125	20,906	27,676	22,197
Total other revenue and income		50,122	44,129	54,235	47,530
(a) Net foreign exchange gain/(loss)					
Net foreign exchange gains included in other income for the year		(572)	396	(145)	7
Exchange losses on foreign currency borrowings included in borrowing costs		–	–	–	–
Net foreign exchange gains/losses recognised in operating result before income tax for the year (as either other revenue or expense)		(572)	396	(145)	7
3. EXPENSES FROM CONTINUING OPERATIONS					
3.1 Employee related expenses					
Academic					
Salaries		161,853	153,707	147,983	143,398
Contributions to superannuation and pension schemes					
Contributions to funded schemes		24,752	22,913	23,343	21,876
Contributions to unfunded schemes		–	–	–	–
Payroll tax		10,875	10,081	9,865	9,363
Workers' compensation		499	689	459	609
Long service leave expense		9,053	513	8,785	449
Annual leave		11,050	10,326	9,453	9,469
Total academic		218,082	198,229	199,888	185,164
Non-academic					
Salaries		158,811	151,530	145,672	138,084
Contributions to superannuation and pension schemes					
Contributions to funded schemes		23,734	22,665	22,648	21,639
Contributions to unfunded schemes		–	–	–	–
Payroll tax		10,158	9,726	9,543	9,136
Workers' compensation		494	699	465	620
Long service leave expense		10,029	142	9,689	9
Annual leave		10,781	10,673	9,819	9,798
Other		532	464	–	–
Total non-academic		214,539	195,899	197,836	179,286
Total employee related expenses		432,621	394,128	397,724	364,450
Deferred superannuation expense		–	542	–	542
Total employee related expenses, including deferred government employee benefits for superannuation		432,621	394,670	397,724	364,992

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2014

	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
3.2 Depreciation and amortisation					
Depreciation property, plant and equipment					
Buildings		19,489	16,090	19,489	16,090
Infrastructure		19,317	16,637	19,317	16,637
Equipment		12,398	15,123	9,749	12,487
Library		2,356	2,566	2,356	2,566
Motor vehicles		181	216	120	166
Total depreciation property, plant and equipment		53,741	50,632	51,031	47,946
Amortisation property, plant and equipment					
Leasehold improvements		467	530	467	530
Plant and equipment under finance leases		3,988	4,215	3,826	3,853
Total amortisation property, plant and equipment		4,455	4,745	4,293	4,383
Total depreciation and amortisation property, plant and equipment		58,196	55,377	55,324	52,329
Amortisation intangibles					
Software		6,874	6,677	5,994	5,510
Patents and trademarks		492	412	–	–
Total amortisation intangibles		7,366	7,089	5,994	5,510
Total depreciation and amortisation		65,562	62,466	61,318	57,839
3.3 Repairs and maintenance					
Buildings		7,507	6,907	7,507	6,907
Plant and equipment		3,871	3,114	3,205	2,765
Total repairs and maintenance		11,378	10,021	10,712	9,672
3.4 Impairment of assets					
Bad debts		132	256	121	255
Increase/(decrease) in provision for doubtful debts		275	(229)	170	(221)
Impairment of financial assets		–	–	–	–
Impairment of intangible assets		22	–	22	–
Total impairment of assets		429	27	313	34
3.5 Other expenses					
Advertising, marketing and promotional expenses		8,034	6,076	5,557	3,833
Building rent and rates		8,457	7,763	3,565	2,973
Cleaning		8,313	8,007	7,930	7,747
Consultancy		21,988	14,088	17,488	12,279
Contributions other		9,443	11,148	9,661	11,423
Contributions research		4,904	4,259	4,904	4,259
Entertainment		4,379	3,998	4,207	3,831
Fees and subscriptions		34,116	28,503	38,634	34,031

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2014

	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
3.5 Other expenses (continued)					
Heating and lighting		9,338	9,636	8,991	9,231
Insurance		2,549	2,399	2,440	2,353
Laboratory supplies		3,135	2,642	3,135	2,642
Maintenance software		7,280	6,701	6,642	5,681
Minimum lease payments on operating lease rental expenses		1,579	1,794	1,561	1,779
Non-capitalised equipment		5,327	4,322	5,257	4,283
Other expenses		9,311	6,878	8,841	7,438
Postage		403	532	267	325
Printing		1,343	1,437	995	1,113
Scholarships, grants and prizes		24,029	23,359	23,597	23,028
Security contract staff		5,524	4,489	5,160	4,154
Stationery		1,456	1,169	1,455	1,169
Telecommunications		2,864	2,891	2,459	2,456
Travel and related staff development and training		16,270	15,738	14,574	14,471
Tuition fees		15,131	13,124	9,435	7,983
Total other expenses		205,173	180,953	186,755	168,482
4. BORROWING COSTS					
Interest		7,469	4,595	7,469	4,595
Finance charges in respect of finance leases		385	474	355	444
		7,854	5,069	7,824	5,039
Less: amount capitalised		(3,181)	(660)	(3,181)	(660)
Total borrowing costs expensed		4,673	4,409	4,643	4,379
5. SALES OF ASSETS					
Proceeds from sale					
Property, plant and equipment		3,054	85	3,052	83
Carrying amount of assets sold					
Property, plant and equipment		2,457	71	2,453	68
Total carrying amount of assets		2,457	71	2,453	68
Net gain or (loss) on sale of assets		597	14	599	15
(a) Net gain on disposal of property, plant and equipment					
The consolidated net profit on disposal of property, plant and equipment in 2014 includes a profit of \$1,123 (2013: \$0) on disposal of buildings.					
6. INCOME TAX					
The income tax expense represents tax liabilities for overseas entities in China.					
		13	23	-	-

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2014

7. KEY MANAGEMENT PERSONNEL DISCLOSURES

(a) Names of responsible persons and executive officers

The following persons were responsible persons and executive officers of the University of Technology, Sydney during the year:

University	Professor Attila Brungs (commenced August 2014)
Professor Vicki Sara, AO	Mr Robert Kelly
Professor Sally Varnham	Professor Jenny Onyx (ended October 2014)
Ms Megan Cornelius, AM (ended October 2014)	Mr Brian Wilson
Professor Ross Milbourne (ended July 2014)	Dr Ron Sandland, AM
Mr Michael G Sexton SC	Mr Russell Taylor
Ms Michelene Collopy	Professor Greg Skilbeck (ended October 2014)
Mr Tony Tobin	Mr Peter Bennett
Mr Su-Ming Wong (ended October 2014)	Professor Andrew Jakubowicz (appointed November 2014)
Mr Daniel Willis	Mr Abhishek Loumish (appointed November 2014)
Mr Douglas McDonald (ended October 2014)	Mr Aaron Ngan (appointed November 2014)
Ms Elizabeth Hanley (ended October 2014)	Dr Marilyn Sleigh (appointed November 2014)
<hr/>	
INSEARCH Limited	
Professor Ross Milbourne (ended July 2014)	Ms Dianne Hill
Mr Jon Hutchison, AM	Mr Patrick Woods
Professor William Purcell	Mr Mack Williams
Mr Peter Bennett	Professor Bruce Milthorpe (ended June 2014)
Professor Attila Brungs (appointed July 2014)	Professor Mary Spongberg (appointed July 2014)
<hr/>	
accessUTS Pty Limited	
Mr Jeffrey Francis	Professor David Robson (appointed February 2014)
Mr Blair McRae	Associate Professor Paul Jonson
Professor John Daly	Ms Dianne Hill
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UTS Global Pty Limited	
Mr Patrick Woods	
Professor William Purcell	
Professor Roy Green	
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(b) Other key management personnel	
The following persons also had authority and responsibility for planning, directing and controlling the activities of the university during the financial year:	
University	
Professor Peter Booth	Professor William Purcell
Ms Anne Dwyer	Professor Ross Milbourne (ended July 2014)
Professor Shirley Alexander	Mr Patrick Woods
Professor Attila Brungs	Professor Glen Wightwick (appointed August 2014)
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INSEARCH Limited	
Mr Timothy Laurence	Mr Peter Harris
Ms Belinda Howell	Ms Carol Churches
Mr Alex Murphy	Mr Nathan Patrick
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accessUTS Pty Limited	
Mr Blair McRae	

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2014

	Economic entity (Consolidated)		Parent entity (University)	
	2014	2013	2014	2013
(c) Remuneration of board members and executives				
The university's 17 responsible persons do not receive any remuneration in respect of their work as members of Council.				
Remuneration of board members				
\$0 to \$9,999	2	2	–	–
\$50,000 to \$59,999	2	2	–	–
\$60,000 to \$69,999	1	1	–	–
\$90,000 to \$99,999	1	1	–	–
	6	6	–	–
Remuneration of executive officers				
\$150,000 to \$159,999				
\$220,000 to \$229,999	1	–	1	–
\$250,000 to \$259,999	1	1	–	–
\$280,000 to \$289,999	1	1	–	–
\$300,000 to \$309,999	1	1	–	–
\$310,000 to \$319,999	1	1	–	–
\$330,000 to \$339,999	1	1	–	–
\$410,000 to \$419,999	–	4	–	4
\$420,000 to \$429,999	2	1	1	–
\$430,000 to \$439,999	1	–	1	–
\$500,000 to \$509,999	–	1	–	1
\$510,000 to \$519,999	1	1	1	1
\$520,000 to \$529,999	1	–	1	–
\$560,000 to \$569,999	1	–	1	–
\$620,000 to \$629,999	1	–	1	–
\$890,000 to \$899,999	–	1	–	1
\$1,020,000 to \$1,029,999	1	–	1	–
	14	13	8	7
Key management personnel compensation				
Short-term employee benefits	\$6,476,611	\$5,644,491	\$4,280,611	\$3,587,491
Post-employment benefits	–	–	–	–
	\$6,476,611	\$5,644,491	\$4,280,611	\$3,587,491
8. REMUNERATION OF AUDITORS				
Fees paid to Audit Office of New South Wales for audit and review of financial statements	362	408	250	259
Fees paid to non-audit firms for the audit or review of financial statements of any entity in the consolidated group	198	182	–	–
Total remuneration for audit services	560	590	250	259

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2014

Notes	Economic entity (Consolidated)		Parent entity (University)	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
9. CASH AND CASH EQUIVALENTS				
Cash at bank and on hand	16,435	21,803	691	1,306
Deposits at call	49,311	30,067	44,816	26,602
Fixed term deposits	93,000	90,500	45,000	60,000
Total cash and cash equivalents	158,746	142,370	90,507	87,908
(a) Reconciliation to cash at the end of the year				
The above figures are reconciled to cash at the end of the year as shown in the statement of cash flows as follows:				
> balances as above	158,746	142,370	90,507	87,908
> less: bank overdrafts	–	–	–	–
Balance as per statement of cash flows	158,746	142,370	90,507	87,908
(b) Cash at bank and on hand				
Cash at bank are interest bearing with interest rates ranging between 0.1% and 2.8%. Cash on hand are non-interest bearing.				
(c) Deposits at call and term deposits				
The deposits at call are bearing floating interest rates between 1% and 3.19% (2013: 1% and 3%). Term deposits are interest bearing with rates ranging between 3.1% and 3.56%. These deposits have an average maturity of 90 days.				
10. RECEIVABLES				
Current				
Trade debtors – other	18,198	18,711	14,388	13,733
> less: provision for impaired receivables	(289)	(91)	(242)	(82)
	17,909	18,620	14,146	13,651
Trade debtors – student	2,004	1,376	1,325	1,106
> less: provision for impaired receivables	(366)	(324)	(310)	(300)
	1,638	1,052	1,015	806
	19,547	19,672	15,161	14,457
Amounts receivable from wholly owned subsidiaries				
> INSEARCH Limited	–	–	4	75
> accessUTS Pty Limited	–	–	1,616	802
> UTS Global Pty Ltd	–	–	456	250
Amounts receivable from related entities				
> Sydney Educational Broadcasting Limited	385	353	385	353
Total current receivables	19,932	20,025	17,622	15,937
Non-current				
Deferred government contribution for superannuation	586,813	397,110	586,813	397,110
Trade debtors – other	–	–	–	–
Total non-current receivables	586,813	397,110	586,813	397,110
Total trade and other receivables	606,745	417,135	604,435	413,047

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2014

	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
(a) Impaired receivables					
As at 31 December 2014 current receivables of the group with a nominal value of \$1,147,000 (2013: \$688,000) were impaired. The amount of the provision was \$655,000 (2013: \$415,000). The nominal impaired receivables includes a 100% provision for \$498,000. It is anticipated that a portion of the impaired receivables will be recovered. The impaired receivables for the parent entity are \$1,044,000 (2013: \$630,000) with the amount of the provision being \$552,000 (2013: \$382,000)					
The ageing of these receivables is as follows:					
0 to 6 months		716	195	716	195
over 6 months		431	493	328	435
Total current impaired receivables		1,147	688	1,044	630
As at 31 December 2014, receivables of \$19,440,000 (2013: \$19,752,000) were past due but not impaired. These relate to student and customers where payment is anticipated and there is no recent history of default.					
The ageing of these receivables is as follows:					
0 to 6 months		19,440	19,752	17,130	15,689
over 6 months		-	-	-	-
Total unimpaired receivables		19,440	19,752	17,130	15,689
Movements in the provision for impaired receivables are as follows:					
At 1 January		415	661	382	594
Provision for impairment recognised during the year		407	10	291	43
Receivables written off during the year as uncollectible		(132)	(256)	(121)	(255)
Unused amounts reversed		(35)	-	-	-
At 31 December		655	415	552	382
The creation and release of the provision for impaired receivables has been included in 'bad and doubtful debts' in the income statement. Amounts charged to the provision account are generally written off when there is no expectation of recovering additional cash.					
(b) Foreign exchange and interest rate risk					
The carrying amounts of the group's and parent entity's current and non-current receivables are denominated in the following currencies:					
Currency:					
> AUD		604,908	416,055	602,497	413,237
> CNY		2,300	-	2,298	-
> KRW		-	53	-	53
> GBP		-	1,331	-	28
> EUR		15	-	15	-
> USD		91	81	91	81
> NZD		-	-	-	-
> SGD		83	30	83	30
> SAR		3	-	3	-
		607,400	417,550	604,987	413,429
Current receivables		20,587	20,440	18,174	16,319
Non-current receivables		586,813	397,110	586,813	397,110
		607,400	417,550	604,987	413,429

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2014

	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
11. OTHER FINANCIAL ASSETS					
Current					
Other financial assets at fair value through profit or loss					
Managed funds — New South Wales Treasury Corporation	34(d)	11,153	9,601	11,153	9,601
Foreign exchange forward contracts		–	7	–	7
Total current other financial assets at fair value through profit or loss		11,153	9,608	11,153	9,608
Total current other financial assets		11,153	9,608	11,153	9,608
Non-current					
Available-for-sale financial assets					
Australian listed equity securities		–	–	–	–
Unlisted shares		4,853	–	4,853	–
Total non-current available-for-sale financial assets		4,853	–	4,853	–
Other financial assets at cost					
Shares in subsidiaries		–	–	185	185
Shares in other entities		2	12	2	12
Interest in joint venture partnerships and investment in associates		–	–	3,490	3,490
Other unlisted securities — security deposits		46	36	–	–
Total non-current other financial assets at cost		48	48	3,677	3,687
Total non-current other financial assets		4,901	48	8,530	3,687

Changes in fair values of other financial assets at fair value through profit or loss are recorded in investment income in the income statement.

(a) Investments in related parties

Refer to note 14 and note 28 for information on the carrying amount of investments in subsidiaries, joint ventures and associates.

(b) Fair value

Refer note 34 for a comparison between fair value and carrying amount for the above other financial assets.

(c) Risk exposure

Other financial assets are denominated in Australian dollars therefore there is no exposure to foreign currency risk.

The maximum exposure to credit risk at the reporting date is the carrying amount of the assets. The university has made provision for impairment for assets where the carrying amount is above their fair value.

	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
12. OTHER NON-FINANCIAL ASSETS					
Current					
Accrued income		1,659	3,831	1,380	3,692
Prepayments		15,957	16,336	11,494	12,364
Total current other non-financial assets		17,616	20,167	12,874	16,056
Non-current					
Prepayments		820	165	820	165
Total non-current other non-financial assets		820	165	820	165
Total other non-financial assets		18,436	20,332	13,694	16,221

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2014

	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
13. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE					
Current					
Land		-	-	-	-
Buildings and infrastructure		-	-	-	-
Motor vehicles		-	-	-	-
Total non-current assets classified as held for sale		-	-	-	-
14. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD					
Fair value of investments in associates		4,535	4,943	-	-
Fair value of investments in joint ventures		3,465	4,333	-	-
Total investments accounted for using the equity method		8,000	9,276	-	-
(a) Reconciliation					
Balance at 1 January		9,276	8,144	-	-
Share of profit for the year		301	525	-	-
Dividends		(1,686)	-	-	-
Foreign currency translation		(31)	143	-	-
Additional equity income		46	53	-	-
Add back of prior period loss due to reduction in investment		94	-	-	-
Joint venture reclassified		-	411	-	-
Balance at 31 December		8,000	9,276	-	-

Australian Technology Park Innovation Proprietary Limited (ATPI) has a reporting date of 30 June 2014. The university has relied on the statutory accounts to the 30 June 2014 for Australian Technology Park Innovation Proprietary Limited.

(b) Individually immaterial joint ventures or associates

The university's joint ventures and associates are regarded as financially immaterial and are therefore aggregated.

	Economic entity (Consolidated)		Parent entity (University)	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Aggregate carrying amount of interests in joint ventures and associates accounted for using the equity method that are not individually material in the consolidated financial statements:				
Profit/(loss) from continuing operations	301	525	-	-
Profit/(loss) from continuing operations after income tax	301	525	-	-
Other comprehensive income	-	-	-	-
Total comprehensive income	301	525	-	-
Total share of profit or loss on investments accounted for using the equity method	301	525	-	-

(c) Contingent liabilities relating to joint ventures

No material losses are anticipated in respect to contingent liabilities.

(d) Restrictions

Joint venture and associates that are limited by guarantee companies, and where the university is a member, are unable to pay dividends or repay capital upon liquidation.

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2014

	Construction in progress	Land	Buildings	Infrastructure	Plant and equipment ¹	Leasehold improvements	Leased plant and equipment	Library	Other property, plant and equipment ²	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
15. PROPERTY, PLANT AND EQUIPMENT										
Consolidated										
At 1 January 2013										
> cost	154,821	-	-	-	141,860	3,364	12,383	-	-	312,428
> valuation	-	356,520	816,338	386,743	-	-	-	110,833	2,410	1,672,844
Accumulated depreciation and impairment	-	-	(354,946)	(205,576)	(94,141)	(2,835)	(5,941)	(94,873)	-	(758,312)
Net book amount	154,821	356,520	461,392	181,167	47,719	529	6,442	15,960	2,410	1,226,960
Year ended 31 December 2013										
Opening net book amount	154,821	356,520	461,392	181,167	47,719	529	6,442	15,960	2,410	1,226,960
Revaluation surplus/(deficit)	-	234	13,984	17,027	-	-	-	-	(128)	31,117
Additions	246,402	-	6,569	17,086	7,615	1,165	3,347	2,035	76	284,295
Assets included in a disposal group classified as held for sale and other disposals	-	-	-	-	(58)	-	-	-	(13)	(71)
Depreciation charge	-	-	(16,090)	(16,637)	(15,339)	(530)	(4,215)	(2,566)	-	(55,377)
Closing net book amount	401,223	356,754	465,855	198,643	39,937	1,164	5,574	15,429	2,345	1,486,924
At 31 December 2013										
> cost	401,223	-	-	-	146,000	4,529	11,988	-	-	563,740
> valuation	-	356,754	842,902	393,814	-	-	-	112,868	2,345	1,708,683
Accumulated depreciation and impairment	-	-	(377,047)	(195,171)	(106,063)	(3,365)	(6,414)	(97,439)	-	(785,499)
Net book amount	401,223	356,754	465,855	198,643	39,937	1,164	5,574	15,429	2,345	1,486,924
Year ended 31 December 2014										
Opening net book amount	401,223	356,754	465,855	198,643	39,937	1,164	5,574	15,429	2,345	1,486,924
Revaluation surplus/(deficit)	-	40,102	(61,230)	7,801	-	-	-	-	(26)	(13,353)
Additions	(389,844)	-	425,197	140,375	47,726	(36)	4,503	1,982	211	230,114
Assets included in a disposal group classified as held for sale and other disposals	-	-	(1,877)	-	(60)	-	-	(520)	-	(2,457)
Depreciation charge	-	-	(19,489)	(19,317)	(12,579)	(467)	(3,988)	(2,356)	-	(58,196)
Closing net book amount	11,379	396,856	808,456	327,502	75,024	661	6,089	14,535	2,530	1,643,032
At 31 December 2014										
> cost	11,379	-	-	-	190,823	4,343	12,227	-	-	218,772
> valuation	-	396,856	1,212,719	519,155	-	-	-	106,600	2,530	2,237,860
Accumulated depreciation and impairment	-	-	(404,263)	(191,653)	(115,799)	(3,682)	(6,138)	(92,065)	-	(813,600)
Net book amount	11,379	396,856	808,456	327,502	75,024	661	6,089	14,535	2,530	1,643,032

1. Plant and equipment includes all operational assets.

2. Other property, plant and equipment includes non-operational assets such as artworks.

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2014

	Construction in progress	Land	Buildings	Infrastructure	Plant and equipment ¹	Leasehold improvements	Leased plant and equipment	Library	Other property, plant and equipment ²	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Parent entity										
At 1 January 2013										
> cost	152,904	-	-	-	117,260	3,364	11,423	-	-	284,951
> valuation	-	356,520	816,338	386,743	-	-	-	110,833	2,410	1,672,844
Accumulated depreciation and impairment	-	-	(354,946)	(205,576)	(80,270)	(2,835)	(5,477)	(94,873)	-	(743,977)
Net book amount	152,904	356,520	461,392	181,167	36,990	529	5,946	15,960	2,410	1,213,818
Year ended 31 December 2013										
Opening net book amount	152,904	356,520	461,392	181,167	36,990	529	5,946	15,960	2,410	1,213,818
Revaluation surplus/(deficit)	-	234	13,984	17,027	-	-	-	-	(128)	31,117
Additions	246,402	-	6,569	17,086	9,697	1,165	3,282	2,035	76	286,312
Assets included in a disposal group classified as held for sale and other disposals	-	-	-	-	(55)	-	-	-	(13)	(68)
Depreciation charge	-	-	(16,090)	(16,637)	(12,653)	(530)	(3,853)	(2,566)	-	(52,329)
Closing net book amount	399,306	356,754	465,855	198,643	33,979	1,164	5,375	15,429	2,345	1,478,850
At 31 December 2013										
> cost	399,306	-	-	-	123,485	4,529	10,963	-	-	538,283
> valuation	-	356,754	842,902	393,814	-	-	-	112,868	2,345	1,708,683
Accumulated depreciation and impairment	-	-	(377,047)	(195,171)	(89,506)	(3,365)	(5,588)	(97,439)	-	(768,116)
Net book amount	399,306	356,754	465,855	198,643	33,979	1,164	5,375	15,429	2,345	1,478,850
Year ended 31 December 2014										
Opening net book amount	399,306	356,754	465,855	198,643	33,979	1,164	5,375	15,429	2,345	1,478,850
Revaluation surplus/(deficit)	-	40,102	(61,230)	7,801	-	-	-	-	(26)	(13,353)
Additions	(389,844)	-	425,197	140,375	44,277	(36)	4,503	1,982	211	226,665
Assets included in a disposal group classified as held for sale and other disposals	-	-	(1,877)	-	(56)	-	-	(520)	-	(2,453)
Depreciation charge	-	-	(19,489)	(19,317)	(9,869)	(467)	(3,826)	(2,356)	-	(55,324)
Closing net book amount	9,462	396,856	808,456	327,502	68,331	661	6,052	14,535	2,530	1,634,385
At 31 December 2014										
> cost	9,462	-	-	-	164,863	4,343	11,202	-	-	189,870
> valuation	-	396,856	1,212,719	519,155	-	-	-	106,600	2,530	2,237,860
Accumulated depreciation and impairment	-	-	(404,263)	(191,653)	(96,532)	(3,682)	(5,150)	(92,065)	-	(793,345)
Net book amount	9,462	396,856	808,456	327,502	68,331	661	6,052	14,535	2,530	1,634,385

1. Plant and equipment includes all operational assets.

2. Other property, plant and equipment includes non-operational assets such as artworks.

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2014

15. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(a) Valuations of land and buildings and works of art

- > The valuation basis of land, buildings and infrastructure is fair value being the amounts for which the assets could be exchanged between willing parties in an arms length transaction, based on current prices in an active market for similar properties in the same location and condition. The 2014 revaluations were based on independent assessments by Colliers International as at 31 December 2014. The revaluation surplus was credited/debited to the asset revaluation reserve in equity (note 22).
- > The valuation basis of works of art is fair value based on an independent assessment by McWilliam & Associates Pty Ltd as at 31 December 2014. The revaluation surplus was credited/debited to the asset revaluation reserve in equity (note 22).

(b) Non-current assets pledged as security

Refer to note 18 for information on non-current assets pledged as security by the parent entity and its controlled entities.

	Development costs \$'000	Patents and trademarks \$'000	Software \$'000	Licences perpetual \$'000	Goodwill \$'000	Total \$'000
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16. INTANGIBLE ASSETS

Consolidated

At 1 January 2013

Cost	–	249	64,737	6,125	–	71,111
Accumulated amortisation and impairment	–	(249)	(47,761)	(643)	–	(48,653)
Net book amount	–	–	16,976	5,482	–	22,458

Year ended 31 December 2013

Opening net book amount	–	–	16,976	5,482	–	22,458
Additions	–	2,706	6,891	526	–	10,123
Disposals	–	–	–	–	–	–
Impairment charge	–	–	–	–	–	–
Amortisation charge	–	(412)	(6,677)	–	–	(7,089)
Closing net book amount	–	2,294	17,190	6,008	–	25,492

At 31 December 2013

Cost	–	2,955	71,480	6,651	–	81,086
Accumulated amortisation and impairment	–	(661)	(54,290)	(643)	–	(55,594)
Net book amount	–	2,294	17,190	6,008	–	25,492

Year ended 31 December 2014

Opening net book amount	–	2,294	17,190	6,008	–	25,492
Additions	–	–	9,231	200	–	9,431
Disposals	–	–	–	–	–	–
Acquisition of subsidiary	–	–	–	–	–	–
Impairment charge	–	–	–	(22)	–	(22)
Amortisation charge	–	(492)	(6,874)	–	–	(7,366)
Closing net book amount	–	1,802	19,547	6,186	–	27,535

At 31 December 2014

Cost	–	2,955	80,620	6,851	–	90,426
Accumulated amortisation and impairment	–	(1,153)	(61,073)	(665)	–	(62,891)
Net book amount	–	1,802	19,547	6,186	–	27,535
Closing net book amount	–	1,802	19,547	6,186	–	27,535

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2014

	Development costs \$'000	Patents and trademarks \$'000	Software \$'000	Licences perpetual \$'000	Goodwill \$'000	Total \$'000
16. INTANGIBLE ASSETS (CONTINUED)						
Parent entity						
At 1 January 2013						
Cost	-	-	56,893	6,125	-	63,018
Accumulated amortisation and impairment	-	-	(41,539)	(643)	-	(42,182)
Net book amount	-	-	15,354	5,482	-	20,836
Year ended 31 December 2013						
Opening net book amount	-	-	15,354	5,482	-	20,836
Additions	-	-	5,797	526	-	6,323
Disposals	-	-	-	-	-	-
Impairment charge	-	-	-	-	-	-
Amortisation charge	-	-	(5,510)	-	-	(5,510)
Closing net book amount	-	-	15,641	6,008	-	21,649
At 31 December 2013						
Cost	-	-	62,542	6,651	-	69,193
Accumulated amortisation and impairment	-	-	(46,901)	(643)	-	(47,544)
Net book amount	-	-	15,641	6,008	-	21,649
Year ended 31 December 2014						
Opening net book amount	-	-	15,641	6,008	-	21,649
Additions	-	-	7,325	200	-	7,525
Disposals	-	-	-	-	-	-
Acquisition of subsidiary	-	-	-	-	-	-
Impairment charge	-	-	-	(22)	-	(22)
Amortisation charge	-	-	(5,994)	-	-	(5,994)
Closing net book amount	-	-	16,972	6,186	-	23,158
At 31 December 2014						
Cost	-	-	69,776	6,851	-	76,627
Accumulated amortisation and impairment	-	-	(52,804)	(665)	-	(53,469)
Net book amount	-	-	16,972	6,186	-	23,158
Closing net book amount	-	-	16,972	6,186	-	23,158

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2014

	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
17. TRADE AND OTHER PAYABLES					
Current					
HELP liability to Australian Government		2,079	1,761	2,079	1,761
Deputy Commissioner of Taxation — PAYG		–	–	–	–
Office of State Revenue — payroll tax		2,432	2,340	2,432	2,340
Trade creditors and accruals		20,146	37,230	16,659	34,254
Capital accruals		5,418	8,463	5,418	8,463
Other payroll accruals		8,005	6,164	8,005	6,164
Other		3,321	2,979	3,313	2,272
Total trade and other payables		41,401	58,937	37,906	55,254
(a) Foreign currency risk					
The carrying amounts of the group's and parent entity's trade and other payables are denominated in the following currencies:					
> AUD		40,439	57,157	36,949	54,224
> CAD		5	–	5	–
> CNY		5	–	–	–
> SEK		2	2	2	2
> EUR		68	286	68	286
> GBP		39	36	39	36
> NZD		4	1	4	1
> INR		–	6	–	6
> USD		833	1,448	833	698
> CHF		1	–	1	–
> THB		1	–	1	–
> SGD		–	1	–	1
> DKK		4	–	4	–
		41,401	58,937	37,906	55,254
For an analysis of the sensitivity of trade and other payables to foreign currency risk refer to note 34.					
18. BORROWINGS					
Current					
Finance lease liabilities	23	3,271	3,371	3,236	3,181
Unsecured bank loans		–	–	–	–
Total current borrowings		3,271	3,371	3,236	3,181
Non-current					
Finance lease liabilities	23	2,985	2,453	2,973	2,406
Unsecured bank loans		199,804	59,738	199,804	59,738
Unsecured non-bank loans		40,000	40,000	40,000	40,000
Total non-current borrowings		242,789	102,191	242,777	102,144
Total borrowings		246,060	105,562	246,013	105,325

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2014

	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
18. BORROWINGS (CONTINUED)					
Current					
Interest bearing borrowings		3,271	3,371	3,236	3,181
Non-current					
Interest bearing borrowings		242,789	102,191	242,777	102,144
Total borrowings		246,060	105,562	246,013	105,325
(a) Assets pledged as security					
Non-current					
Finance lease					
Plant and equipment	15	12,227	11,988	11,202	10,963
Total non-current assets pledged as security		12,227	11,988	11,202	10,963
(b) Financing arrangements					
Unrestricted access was available at balance date to the following lines of credit:					
Loan facilities					
Total facilities		340,000	340,000	340,000	340,000
Used at balance date		240,000	100,000	240,000	100,000
Unused at balance date		100,000	240,000	100,000	240,000
Borrowing commitments					
Within one year		-	-	-	-
Later than one year but not later than five years		240,000	100,000	240,000	100,000
Later than five years		-	-	-	-
Total borrowing commitments		240,000	100,000	240,000	100,000

(c) Interest rate risk exposures

Details of the entity's exposure to interest rate changes on borrowings are set out in note 34.

(d) Fair value disclosures

Details of fair value of borrowings for the entity are set out in note 34.

(e) Borrowing classes

The university's borrowings comprise a T-Corp loan (\$40 million), NAB revolving debt facility (\$300 million) and lease liabilities. Details of the borrowings are listed in note 34.

(f) Risk exposure

At 31 December 2014, 100% of the group's borrowings which have been drawn down are at a fixed rate of interest or covered by interest rate swap derivatives. The carrying amount of the economic entity's borrowings are denominated in Australian dollars. Details of risk exposure of borrowings for the entity are set out in note 34.

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2014

	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
19. PROVISIONS					
Current provisions expected to be settled wholly within 12 months					
Employee benefits					
> annual leave	1(v)/1(w)	21,409	20,230	19,153	18,663
> long service leave	1(v)/1(w)	5,646	5,385	5,563	5,295
Subtotal		27,055	25,615	24,716	23,958
Make good provision		759	905	759	905
Total current provisions expected to be settled within 12 months		27,814	26,520	25,475	24,863
Current provisions expected to be settled wholly after more than 12 months					
Employee benefits					
> annual leave	1(v)/1(w)	8,351	8,371	8,992	8,626
> long service leave	1(v)/1(w)	55,674	43,665	54,598	42,854
Subtotal		64,025	52,036	63,590	51,480
Total current provisions		91,839	78,556	89,065	76,343
Non-current					
Employee benefits					
> long service leave	1(v)/1(w)	17,639	16,359	16,668	15,655
> defined benefit obligation		586,813	402,430	586,813	402,430
Subtotal		604,452	418,789	603,481	418,085
Make good provision		1,103	1,073	-	-
Total non-current provisions		605,555	419,862	603,481	418,085
Total provisions		697,394	498,418	692,546	494,428

(a) Movement in provisions

Movements in each class of provision during the financial year, other than employee benefits, are set out below:

	Make good provision \$'000	Total \$'000
Consolidated 2014		
Carrying amount at start of year	1,978	1,978
Additional provisions recognised	89	89
Amounts used	(109)	(109)
Unused amounts reversed	(96)	(96)
Carrying amount at end of year	1,862	1,862
Parent 2014		
Carrying amount at start of year	905	905
Additional provisions recognised	59	59
Amounts used	(109)	(109)
Unused amounts reversed	(96)	(96)
Carrying amount at end of year	759	759

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2014

	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
20. OTHER FINANCIAL LIABILITIES					
Current					
Interest rate swaps on National Australia Bank loans	34	1,860	–	1,860	–
Total current other financial liabilities		1,860	–	1,860	–
Non-current					
Interest rate swaps on National Australia Bank loans	34	6,962	603	6,962	603
Total non-current other financial liabilities		6,962	603	6,962	603
21. OTHER LIABILITIES					
Current					
Australian government unspent financial assistance		2,556	1,507	2,556	1,507
Prepaid student fees		36,672	31,212	13,818	12,022
Other		7,612	7,474	2,049	1,488
Total current other liabilities		46,840	40,193	18,423	15,017
Non-current					
Other		172	25	–	–
Total non-current other liabilities		172	25	–	–
Total other liabilities		47,012	40,218	18,423	15,017
22. RESERVES AND RETAINED EARNINGS					
(a) Reserves comprise					
Property, plant and equipment revaluation reserve					
> freehold land		364,496	324,394	364,496	324,394
> buildings		49,445	110,674	49,445	110,674
> building infrastructure		176,790	168,989	176,790	168,989
> artworks		1,499	1,526	1,499	1,526
> library		116	116	116	116
> other assets		1	1	1	1
Available for sale investments revaluation reserve		4,843	–	4,843	–
Cash flow hedge reserve		(8,822)	(603)	(8,822)	(603)
Foreign currency translation reserve		(735)	(1,224)	–	–
Total reserves		587,633	603,873	588,368	605,097
(b) Movements in reserves					
Property, plant and equipment revaluation reserve					
Balance 1 January		605,700	574,583	605,700	574,583
Increase/(decrease) revaluation	15	(13,353)	31,117	(13,353)	31,117
Transfer of reserve to retained earnings		–	–	–	–
Balance 31 December		592,347	605,700	592,347	605,700

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2014

	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
22. RESERVES AND RETAINED EARNINGS (CONTINUED)					
Available-for-sale investments revaluation reserve					
Balance 1 January		–	140	–	140
Increase/(decrease) revaluation		4,843	(140)	4,843	(140)
Balance 31 December		4,843	–	4,843	–
Cash flow hedge reserve					
Balance 1 January		(603)	–	(603)	–
Increase/(decrease) revaluation		(8,219)	(603)	(8,219)	(603)
Balance 31 December		(8,822)	(603)	(8,822)	(603)
Foreign currency translation reserve					
Balance 1 January		(1,224)	(1,401)	–	–
Net exchange differences on translation of foreign controlled entity		489	177	–	–
Balance 31 December		(735)	(1,224)	–	–
Total reserves		587,633	603,873	588,368	605,097
(c) Nature and purpose of reserves					
Property, plant and equipment revaluation reserve refer note 1(p) for details of nature and purpose of reserve.					
Available-for-sale investments revaluation reserve refer note 1(m)(iii) for details of nature and purpose of reserve.					
Cash flow hedge reserve refer note 1(n)(i) for details of nature and purpose of reserve.					
Foreign currency translation reserve refer note 1(c)(iii) for details of nature and purpose of reserve.					
(d) Retained earnings					
Movements in retained earnings were as follows:					
> retained earnings at 1 January		803,574	735,287	755,246	689,838
> net result for the period		46,652	67,456	38,538	64,577
> net actuarial gains (losses) recognised in respect of defined benefit plans		–	831	–	831
Retained earnings at 31 December		850,226	803,574	793,784	755,246
23. COMMITMENTS					
(a) Capital expenditure commitments					
Commitments for the acquisition of property, plant and equipment contracted for at the reporting date but not recognised as liabilities are payable as follows:					
Building works					
> within one year		45,172	182,301	45,172	182,301
Plant and equipment					
> within one year		4,692	6,434	4,692	6,133
Intangible assets					
> within one year		–	–	–	–
Total capital commitments		49,864	188,735	49,864	188,434

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2014

	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
23. COMMITMENTS (CONTINUED)					
(b) Lease commitments					
Operating leases					
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:					
Premises					
> within one year		8,382	7,933	2,065	2,376
> between one and five years		10,835	14,840	2,213	3,715
> later than five years		988	1,146	988	1,146
		20,205	23,919	5,266	7,237
Motor vehicles					
> within one year		728	1,241	728	1,241
> between one and five years		779	1,557	779	1,557
		1,507	2,798	1,507	2,798
Equipment					
> within one year		64	229	64	229
> between one and five years		16	62	16	62
		80	291	80	291
Total future minimum lease payments		21,792	27,008	6,853	10,326
Finance leases					
The University of Technology, Sydney leases various plant and equipment with a carrying amount of \$6,052,916 (2013: \$5,375,569) under finance leases expiring within one to five years.					
Commitments for minimum lease payments in relation to finance leases are payable as follows:					
Equipment					
> within one year		3,520	3,641	3,481	3,437
> between one and five years		3,097	2,550	3,087	2,506
Total future minimum finance lease payments		6,617	6,191	6,568	5,943
Future finance charges		(361)	(367)	(359)	(356)
Recognised as finance lease liabilities		6,256	5,824	6,209	5,587
Representing lease liabilities					
> current liability	18	3,271	3,371	3,236	3,181
> non-current liability	18	2,985	2,453	2,973	2,406
		6,256	5,824	6,209	5,587
The weighted average interest rate implicit in the leases is 5.38% (2013: 6.77%)					
Commitments for expenditure are recorded on a GST inclusive basis except for finance leases which are recorded on a GST exclusive basis. The potential GST credit on the above commitments is \$6,514,000 (2013: \$19,613,000) for the economic entity and \$5,156,000 (2013: \$18,069,000) for the parent entity.					
24. NON-CASH FINANCING AND INVESTING ACTIVITIES					
Acquisition of plant and equipment by means of finance leases		4,503	3,347	4,503	3,282

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2014

25. DEFINED BENEFITS PLANS

During the 2014 accounting period, the university contributed to the following superannuation schemes:

- > UniSuper
- > the State Superannuation Scheme (SSS)
- > the State Authorities Superannuation Scheme (SASS), and
- > the State Authorities Non-Contributory Superannuation Scheme (SANCS).

State Authorities Superannuation Trustee Corporation

The state schemes are administered by the State Authorities Superannuation Trustee Corporation (STC). The university maintains a reserve account within the STC to assist in financing the employer contributions to the state schemes.

The 2014 calculation of the liabilities of SSS, SASS and SANCS is based on the requirements of AASB 119.

(a) Fund specific disclosure

Nature of the benefits provided by the defined benefits fund — SSS, SASS and SANCS

The pooled fund holds in trust the investments of the closed NSW public sector superannuation schemes:

- > the State Superannuation Scheme (SSS)
- > the State Authorities Superannuation Scheme (SASS), and
- > the State Authorities Non-Contributory Superannuation Scheme (SANCS).

These schemes are all defined benefit schemes — at least a component of the final benefit is derived from a multiple of member salary and years of membership. Members receive lump sum or pension benefits on retirement, death, disablement and withdrawal.

All the schemes are closed to new members.

Description of the regulatory framework

The schemes in the pooled fund are established and governed by the following NSW legislation: *Superannuation Act 1916*, *State Authorities Superannuation Act 1987*, *Police Regulation (Superannuation) Act 1906*, *State Authorities Non-Contributory Superannuation Scheme Act 1987* and their associated regulations.

The schemes in the pooled fund are exempt public sector superannuation schemes under the *Superannuation Industry (Supervision) Act 1993* (Cwlth) (SIS). The SIS legislation treats exempt public sector superannuation funds as complying funds for concessional taxation and superannuation guarantee purposes.

Under a heads of government agreement, the New South Wales Government undertakes to ensure that the pooled fund will conform with the principles of the Commonwealth's retirement incomes policy relating to preservation, vesting and reporting to members and that members' benefits are adequately protected.

The New South Wales Government prudentially monitors and audits the pooled fund and the trustee board activities in a manner consistent with the prudential controls of the SIS legislation. These provisions are in addition to other legislative obligations on the trustee board and internal processes that monitor the trustee board's adherence to the principles of the Commonwealth's retirement incomes policy.

An actuarial investigation of the pooled fund is performed every three years. The last actuarial investigation was performed as at 30 June 2012.

Description of other entities' responsibilities for the governance of the fund

The fund's trustee is responsible for the governance of the fund. The trustee has a legal obligation to act solely in the best interests of fund beneficiaries. The trustee has the following roles:

- > administration of the fund and payment to the beneficiaries from fund assets when required in accordance with the fund rules
- > management and investment of the fund assets, and
- > compliance with other applicable regulations.

Description of risks

There are a number of risks to which the fund exposes the employer. The more significant risks relating to the defined benefits are:

- > investment risk — the risk that investment returns will be lower than assumed and the employer will need to increase contributions to offset this shortfall
- > longevity risk — the risk that pensioners live longer than assumed, increasing future pensions
- > pension indexation risk — the risk that pensions will increase at a rate greater than assumed increasing future pensions
- > salary growth risk — the risk that wages or salaries (on which future benefit amounts for active members will be based) will rise more rapidly than assumed increasing defined benefit amounts and thereby requiring additional employer contributions
- > legislative risk — the risk is that legislative changes could be made which increase the cost of providing the defined benefits.

The defined benefit fund assets are invested with independent fund managers and have a diversified asset mix. The fund has no significant concentration of investment risk or liquidity risk.

Description of significant events

There were no fund amendments, curtailments or settlements during the year.

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2014

25. DEFINED BENEFITS PLANS (CONTINUED)

Expected contributions

The university expects to make the following contributions to the defined benefit plan during the next financial year:

	SASS		SANCS		SSS		Total	
	2014 \$	2013 \$	2014 \$	2013 \$	2014 \$	2013 \$	2014 \$	2013 \$
Expected employer contributions	–	–	–	2,710,395	–	–	–	2,710,395

Maturity profile of defined benefit obligation

The weighted average duration of the defined benefit obligation is 11.8 years (2013: 11.1 years).

Categories of plan assets

The analysis of the plan assets and the expected rate of return at the balance sheet date is as follows:

Asset category	Total as at 30 November 2014*	Quoted prices in active markets for identical assets ¹	Significant observable inputs ²	Unobservable inputs ³
	\$'000	\$'000	\$'000	\$'000
Short-term securities	2,800,451	60,035	2,740,416	–
Australian fixed interest	2,602,827	9,345	2,576,847	16,635
International fixed interest	935,087	(315)	935,402	–
Australian equities	10,448,731	9,989,280	454,401	5,050
International equities	11,841,044	8,954,886	2,885,762	396
Property	3,413,800	970,865	759,838	1,683,097
Alternatives	6,733,061	607,195	3,136,335	2,989,531
Total	38,775,001	20,591,291	13,489,001	4,694,709

The percentage invested in each asset class at the reporting date is:

Asset category	30 November 2014*	31 December 2013
Short-term securities	7.20%	8.00%
Australian fixed interest	6.70%	4.40%
International fixed interest	2.50%	2.20%
Australian equities	26.90%	33.90%
International equities	30.50%	28.30%
Property	8.80%	8.00%
Alternatives	17.40%	15.20%
Total	100.00%	100.00%

* Actual asset allocation as at 31 December 2014 is not available as advised by the actuary therefore 30 November 2014 has been used.

- Level 1 – quoted prices in active markets for identical assets or liabilities. The assets in this level are listed shares and listed unit trusts.
- Level 2 – inputs other than quoted prices observable for the asset or liability either directly or indirectly. The assets in this level are cash, notes, government, semi-government and corporate bonds, and unlisted trusts containing where quoted prices are available in active markets for identical assets or liabilities.
- Level 3 – inputs for the asset or liability that are not based on observable market data. The assets in this level are unlisted property, unlisted shares, unlisted infrastructure, distressed debt and hedge funds.

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FOR THE YEAR ENDED 31 DECEMBER 2014

25. DEFINED BENEFITS PLANS (CONTINUED)

Significant actuarial assumptions at the reporting date

	As at 31 December 2014
Discount rate	2.83% pa
Salary increase rate (excluding promotional increases)	2.25% 2014/2015; 2.50% 2015/2016 to 2018/2019; 3.50% 2019/2020 and 2020/2021; 3.00% pa 2021/2022 to 2025/2026; 3.50% pa thereafter
Rate of CPI increase	2.50% pa
Pensioner mortality	as per the 2012 actuarial investigation of the pooled fund

Actuarial assumptions and sensitivity

The entity's total defined benefit obligation as at 31 December 2014 under several scenarios is presented below. The total defined benefit obligation disclosed is inclusive of the contribution tax provision which is calculated based on the asset level at 31 December 2014.

Scenarios A to F relate to sensitivity of the total defined benefit obligation to economic assumptions, and scenarios G and H relate to sensitivity to demographic assumptions.

- > Scenario A: 1.0% lower discount rate assumption
- > Scenario B: 1.0% higher discount rate assumption
- > Scenario C: 0.5% higher rate of CPI increase assumption
- > Scenario D: 0.5% lower rate of CPI increase assumption
- > Scenario E: 0.5% higher expected salary increase rate assumption
- > Scenario F: 0.5% lower expected salary increase rate assumption

		Scenario A	Scenario B	Scenario C	Scenario D	Scenario E	Scenario F
	Base case	-1.0% discount rate	+1.0% discount rate	+0.5% rate of CPI increase	-0.5% rate of CPI increase	+0.5% salary increase rate	-0.5% salary increase rate
Discount rate	2.83%	1.83%	3.83%	2.83%	2.83%	2.83%	2.83%
Rate of CPI increase	2.50%	2.50%	2.50%	3.00%	2.00%	2.50%	2.50%
Salary inflation rate	as above	as above	as above	as above	as above	above rates plus 0.5% pa	above rates less 0.5% pa
Defined benefit obligation (\$'000)	682,838,404	768,748,500	611,708,912	720,744,613	647,975,387	684,890,739	680,857,155

- > Scenario G: 5% higher pensioner mortality rates assumed
- > Scenario H: 5% lower pensioner mortality rates assumed

		Scenario G	Scenario H
	Base case	+5.0% pensioner mortality rates	-5.0% pensioner mortality rates
Defined benefit obligation (\$'000)	682,838,404	674,105,725	692,109,980

The defined benefit obligation has been recalculated by changing the assumptions as outlined above, while retaining all other assumptions.

(b) Balance sheet amounts

Present value obligations

	SASS		SANCS		SSS		Total	
	2014 \$	2013 \$	2014 \$	2013 \$	2014 \$	2013 \$	2014 \$	2013 \$
Opening defined benefit obligation	50,511,325	50,395,763	9,007,926	9,931,920	463,131,353	521,453,367	522,650,604	581,781,050
Current service cost	1,833,401	1,743,949	403,273	385,628	757,957	1,030,924	2,994,631	3,160,501
Past service cost	-	-	-	-	-	-	-	-
Interest expense/(income)	2,056,836	1,569,438	398,565	311,197	22,102,850	16,793,598	24,558,251	18,674,233
	54,401,562	53,709,150	9,809,764	10,628,745	485,992,160	539,277,889	550,203,486	603,615,784

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FOR THE YEAR ENDED 31 DECEMBER 2014

	SASS		SANCS		SSS		Total	
	2014 \$	2013 \$	2014 \$	2013 \$	2014 \$	2013 \$	2014 \$	2013 \$
25. DEFINED BENEFITS PLANS (CONTINUED)								
Remeasurements								
Return on plan assets, excluding amounts included in interest expense	-	-	-	-	-	-	-	-
Actuarial losses/(gains) arising from changes in demographic assumptions	-	-	-	-	-	-	-	-
Actuarial losses/(gains) arising from changes in financial assumptions	3,558,119	(1,584,107)	1,672,317	(429,200)	163,096,297	(54,440,093)	168,326,733	(56,453,400)
Actuarial losses/(gains) arising from liability experience	(289,935)	4,578,885	492,246	147,641	(1,773,065)	287,043	(1,570,754)	5,013,569
	3,268,184	2,994,778	2,164,563	(281,559)	161,323,232	(54,153,050)	166,755,979	(51,439,831)
Contributions								
Employers	-	-	-	-	-	-	-	-
Plan participants	682,350	765,629	-	-	628,567	864,861	1,310,917	1,630,490
	682,350	765,629	-	-	628,567	864,861	1,310,917	1,630,490
Exchange differences on foreign plans	-	-	-	-	-	-	-	-
Taxes, premiums and expenses paid	(285,187)	(287,763)	(380,861)	99,810	1,317,975	3,246,496	651,927	3,058,543
Payments from plan								
Benefits paid	(8,207,296)	(6,670,469)	(1,712,855)	(1,439,070)	(26,163,754)	(26,104,843)	(36,083,905)	(34,214,382)
Settlements	-	-	-	-	-	-	-	-
	(8,207,296)	(6,670,469)	(1,712,855)	(1,439,070)	(26,163,754)	(26,104,843)	(36,083,905)	(34,214,382)
Liabilities from business combination	-	-	-	-	-	-	-	-
Closing defined benefit obligation	49,859,613	50,511,325	9,880,611	9,007,926	623,098,180	463,131,353	682,838,404	522,650,604
Present value of plan assets								
Opening fair value of plan assets	43,605,999	40,830,507	3,688,593	3,848,018	72,926,423	80,498,562	120,221,015	125,177,087
Current service cost	-	-	-	-	-	-	-	-
Past service cost	-	-	-	-	-	-	-	-
Interest income	1,747,838	1,253,785	138,004	155,150	2,558,833	2,242,089	4,444,675	3,651,024
	45,353,837	42,084,292	3,826,597	4,003,168	75,485,256	82,740,651	124,665,690	128,828,111
Remeasurements								
Actual return on fund assets less interest income	832,878	6,149,499	87,298	549,740	2,371,997	11,468,342	3,292,173	18,167,581
	832,878	6,149,499	87,298	549,740	2,371,997	11,468,342	3,292,173	18,167,581
Exchange differences on foreign plans	-	-	-	-	-	-	-	-
Contributions								
Employer	1,411,789	1,564,813	200,947	474,945	576,073	710,915	2,188,809	2,750,673
Plan participants	682,350	765,629	-	-	628,567	864,861	1,310,917	1,630,490
	2,094,139	2,330,442	200,947	474,945	1,204,640	1,575,776	3,499,726	4,381,163

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FOR THE YEAR ENDED 31 DECEMBER 2014

	SASS		SANCS		SSS		Total	
	2014 \$	2013 \$	2014 \$	2013 \$	2014 \$	2013 \$	2014 \$	2013 \$
25. DEFINED BENEFITS PLANS (CONTINUED)								
Taxes, premiums and expenses paid	(285,187)	(287,763)	(380,861)	99,810	1,317,976	3,246,496	651,928	3,058,543
Payments from plan								
Benefits paid	(8,207,296)	(6,670,471)	(1,712,855)	(1,439,070)	(26,163,754)	(26,104,842)	(36,083,905)	(34,214,383)
Settlements	–	–	–	–	–	–	–	–
	(8,207,296)	(6,670,471)	(1,712,855)	(1,439,070)	(26,163,754)	(26,104,842)	(36,083,905)	(34,214,383)
Assets acquired in a business combination	–	–	–	–	–	–	–	–
Closing fair value of plans assets	39,788,371	43,605,999	2,021,126	3,688,593	54,216,115	72,926,423	96,025,612	120,221,015
Reconciliation of the net defined benefit liability/(asset)								
Net defined benefit liability/(asset) at start of year	6,905,326	9,565,256	5,319,333	6,083,902	390,204,930	440,954,805	402,429,589	456,603,963
Current service cost	1,833,401	1,743,949	403,273	385,628	757,957	1,030,923	2,994,631	3,160,500
Net interest on the net defined benefit liability/(asset)	308,998	315,655	260,561	156,047	19,544,016	14,551,509	20,113,575	15,023,211
Past service cost	–	–	–	–	–	–	–	–
(Gains)/losses arising from settlements	–	–	–	–	–	–	–	–
Actual return on fund assets less interest income	(832,878)	(6,149,499)	(87,298)	(549,740)	(2,371,997)	(11,468,342)	(3,292,173)	(18,167,581)
Actuarial (gains)/losses arising from changes in demographic assumptions	–	–	–	–	–	–	–	–
Actuarial (gains)/losses arising from changes in financial assumptions	3,558,119	(1,584,107)	1,672,317	(429,200)	163,096,297	(54,440,093)	168,326,733	(56,453,400)
Actuarial (gains)/losses arising from liability experience	(289,935)	4,578,885	492,246	147,641	(1,773,065)	287,043	(1,570,754)	5,013,569
Adjustment for effect of asset ceiling	–	–	–	–	–	–	–	–
Employer contributions	(1,411,789)	(1,564,813)	(200,947)	(474,945)	(576,073)	(710,915)	(2,188,809)	(2,750,673)
Net defined benefit liability/(asset) at end of year note 19	10,071,242	6,905,326	7,859,485	5,319,333	568,882,065	390,204,930	586,812,792	402,429,589
Impact of asset ceiling								
Adjustment for the effect of asset ceiling at beginning of the year	–	–	–	–	–	–	–	–
Change in the effect of asset ceiling	–	–	–	–	–	–	–	–
Adjustment for the effect of asset ceiling at end of the year	–	–	–	–	–	–	–	–
	–	–	–	–	–	–	–	–
Reimbursement rights								
Opening value of reimbursement right	6,905,326	9,565,256	–	–	390,204,930	440,954,805	397,110,256	450,520,061
Expected return on reimbursement rights	3,165,916	(2,659,930)	7,859,485	–	178,677,135	(50,749,875)	189,702,536	(53,409,805)
Closing value of reimbursement right	10,071,242	6,905,326	7,859,485	–	568,882,065	390,204,930	586,812,792	397,110,256

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	SASS		SANCS		SSS		Total	
	2014 \$	2013 \$	2014 \$	2013 \$	2014 \$	2013 \$	2014 \$	2013 \$
25. DEFINED BENEFITS PLANS (CONTINUED)								
Net liability								
Defined benefit obligation	49,859,613	50,511,325	9,880,611	9,007,926	623,098,180	463,131,353	682,838,404	522,650,604
Fair value of plan assets	(39,788,371)	(43,605,999)	(2,021,126)	(3,688,593)	(54,216,115)	(72,926,423)	(96,025,612)	(120,221,015)
Net liability note 19	10,071,242	6,905,326	7,859,485	5,319,333	568,882,065	390,204,930	586,812,792	402,429,589
Reimbursement right note 10	10,071,242	6,905,326	7,859,485	–	568,882,065	390,204,930	586,812,792	397,110,256
Net liability/(asset) in balance sheet	–	–	–	5,319,333	–	–	–	5,319,333
Amounts recognised in the statement of financial position								
Liabilities								
Provision for deferred government benefits for superannuation	10,071,242	6,905,326	7,859,485	5,319,333	568,882,065	390,204,930	586,812,792	402,429,589
Total liabilities recognised in statement of financial position	10,071,242	6,905,326	7,859,485	5,319,333	568,882,065	390,204,930	586,812,792	402,429,589
Assets								
Receivable for deferred government contribution for superannuation	10,071,242	6,905,326	7,859,485	–	568,882,065	390,204,930	586,812,792	397,110,256
Total assets recognised in statement of financial position	10,071,242	6,905,326	7,859,485	–	568,882,065	390,204,930	586,812,792	397,110,256
Net liability recognised in the statement of financial position	–	–	–	5,319,333	–	–	–	5,319,333
Amounts recognised in other statements								
Amounts recognised in the income statement — expense recognised								
Current service cost	1,833,401	1,743,949	403,273	385,628	757,957	1,030,924	2,994,631	3,160,501
Net interest	308,999	315,653	260,561	156,047	19,544,016	14,551,509	20,113,576	15,023,209
Expected return on plan assets	–	–	–	–	–	–	–	–
Past service costs	–	–	–	–	–	–	–	–
Losses/(gains) arising from curtailments or settlements	–	–	–	–	–	–	–	–
Expense/(income)	2,142,400	2,059,602	663,834	541,675	20,301,973	15,582,433	23,108,207	18,183,710
Other comprehensive income								
Actuarial losses/(gains) on liabilities	2,231,118	2,994,778	1,281,283	(281,559)	93,534,822	(54,153,050)	97,047,223	(51,439,831)
Actual return on fund assets less interest income	(832,878)	(6,149,499)	(87,298)	(549,740)	(2,371,997)	(11,468,342)	(3,292,173)	(18,167,581)
Recognised in other comprehensive income	1,398,240	(3,154,721)	1,193,985	(831,299)	91,162,825	(65,621,392)	93,755,050	(69,607,412)

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2014

25. DEFINED BENEFITS PLANS (CONTINUED)

UniSuper Management Limited

The university contributes to UniSuper for non-academic staff appointed since 1 July 1991 and academic staff appointed since 1 March 1998. UniSuper offers both a defined benefit scheme and an accumulation scheme with a range of investment options.

- > The UniSuper Defined Benefit Division (DBD) is a defined benefit plan under Superannuation Law but is considered to be a defined contribution plan under Accounting Standard AASB 119.
- > During the 2006 year clause 34 of the UniSuper Trust Deed was amended which substantially transfers the actuarial risks from the employer to the employee. The amendment to the trust deed has resulted in the UniSuper defined benefit fund to be reclassified as a defined contribution fund for the purposes of AASB 119 *Employee Benefits*.
- > As at 30 June 2014, the assets of the DBD in aggregate were estimated to be \$271 million above vested benefits, after allowing for various reserves. The vested benefits are benefits which are not conditional upon continued membership (or any factor other than leaving the service of the participating institution) and include the value of indexed pensions being provided by the DBD.
- > As at 30 June 2014 the assets of the DBD in aggregate were estimated to be \$2,071 million above accrued benefits, after allowing for various reserves. The accrued benefits have been calculated as the present value of expected future benefit payments to members and indexed pensioners which arise from membership of UniSuper up to the reporting date.
- > The vested benefit and accrued benefit liabilities were determined by the fund's actuary using the actuarial demographic assumptions outlined in their report on the actuarial investigation of the DBD as at 30 June 2014. The financial assumptions used were:

	Vested benefits	Accrued benefits
	% pa	% pa
> Gross of tax investment return — DBD pensions	6.10	7.80
> Gross of tax investment return — commercial rate indexed pensions	3.70	3.70
> Net of tax investment return — non-pensioner members	5.50	7.00
> Consumer Price Index	2.75	2.75
> Inflationary salary increases long term	3.75	3.75

- > Assets have been included at their net market value, that is, allowing for realisation costs.
- > Following the end of the monitoring period commenced in relation to the 31 December 2008 actuarial investigation, the UniSuper Limited Board made a decision not to reduce accrued benefits but to reduce the rate at which benefits accrue in respect of the DBD membership after 1 January 2015.
- > Clause 34 was initiated following the 31 December 2008, 30 June 2011, 30 June 2012 and 30 June 2013 actuarial investigations.

26. CONTINGENT ASSETS AND CONTINGENT LIABILITIES

(a) Contingent assets

The university carries out various research projects and has developed intellectual properties and registered patents. At the commercialisation of these the university may realise a future monetary benefit.

(b) Contingent liabilities

- i. Consequent upon the HIH Insurance Group being placed in provisional liquidation on 16 March 2001, the university may have an exposure to the non-settlement of potential public liability claims. The extent of any potential exposure cannot be estimated.
- ii. The federal and New South Wales governments have signed a Memorandum of Understanding (MOU) for the financial assistance of unfunded superannuation liabilities of New South Wales universities. Although the agreement provides funding to NSW universities for their liability in relation to the unfunded defined benefit plans any deemed liability resulting from payment of excess salaries (as defined in the MOU) is not covered under the agreement and therefore the liability remains with the university. To date no excess salary has been paid to university employees who are members of the relevant superannuation plans.
- iii. There are ongoing legal matters where it is still not practical to estimate the potential effect of these matters, but legal advice indicates, based on current information, that any liabilities that may arise in the event that the claims are successful are unlikely to be significant in the context of the university's business.

The university is not aware of any other contingent liabilities.

27. ECONOMIC DEPENDENCY

The university has no economic dependency on any other economic entity not clearly discernable in the income statement or statement of financial position.

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2014

28. SUBSIDIARIES

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy specified in note 1(b).

Name of entity	Principal activities	Principal place of business	Ownership interest/control		Equity	
			2014 %	2013 %	2014 \$'000	2013 \$'000
Parent entity						
University of Technology, Sydney	Education services	Australia			1,385,726	1,364,979
Controlled entities						
INSEARCH Limited (company limited by guarantee) ¹	Education services	Australia	100	100	50,952	41,642
INSEARCH (Shanghai) Limited	Education services	China	100	100	400	273
INSEARCH Education International Pty Limited	Education services	Australia	100	100	184	190
INSEARCH Education Ltd	Education services	United Kingdom	100	100	–	2
accessUTS Pty Limited	Consulting	Australia	100	100	499	336
UTS Global Pty Ltd	Marketing services	Australia	100	100	37	25
UTS Beijing Ltd	Marketing services	China	100	–	61	–

The above companies are consolidated in the university's statutory accounts under AASB10 *Consolidated Financial Statements*.

1. INSEARCH Limited is a controlled entity limited by guarantee. The INSEARCH Ltd constitution prohibits the income or property of the company to be paid directly or indirectly, by way of dividend, bonus or otherwise, to the members of the company.

29. RELATED PARTIES

(a) Parent entities

The ultimate parent entity within the group is the University of Technology, Sydney.

(b) Subsidiaries

Interests in subsidiaries are set out in note 28.

(c) Key management personnel

Disclosures relating to responsible persons and executive officers are set out in note 7.

(d) Transactions with related parties in the wholly owned group

The parent entity entered into the following transactions during the period with related parties in the group.

- > Donations amounting to \$3,152,000 (2013: \$2,648,000) were paid or payable to the ultimate controlling entity.
- > Sale of services and fees \$20,940,328 (2013: \$18,006,929) to the wholly owned University of Technology, Sydney group.
- > Purchase of services and fees \$14,979,153 (2013: \$12,779,261) by the wholly owned University of Technology, Sydney group.
- > Purchase of shares in a subsidiary \$100,000 (2013: \$0) by the wholly owned University of Technology, Sydney group.

(e) Outstanding balances

	Economic entity (Consolidated)		Parent entity (University)	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Current receivables				
Subsidiaries	–	–	2,041	1,092
Current receivables (loans)				
Subsidiaries	–	–	35	35

Included in the total doubtful debts provision in the parent entity is a provision of \$0 (2013: \$0) for doubtful debts for outstanding balances due from related parties.

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	Revenue		Results		Assets	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
30. DISAGGREGATION INFORMATION (CONSOLIDATED)						
Geographical (consolidated entity)						
Australia	763,113	716,033	44,949	66,043	2,478,114	2,105,611
China	3,253	3,881	1,643	1,011	434	3,166
United Kingdom	–	–	(1)	345	–	2,408
South-East Asia	135	111	61	57	–	–
Total	766,501	720,025	46,652	67,456	2,478,548	2,111,185

[a] Includes discontinued operations.

31. EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

The university is not aware of any other subsequent events which have affected the reported result.

	Economic entity (Consolidated)		Parent entity (University)	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
32. RECONCILIATION OF NET RESULT AFTER INCOME TAX TO NET CASH FLOWS FROM OPERATING ACTIVITIES				
Net result for the period	46,652	67,456	38,538	64,577
Depreciation, amortisation and impairment PPE and intangibles	65,584	62,466	61,340	57,839
Increase/(decrease) in provisions:				
> annual leave	1,159	1,425	856	1,281
> doubtful debts	240	(246)	170	(212)
> long service leave	13,550	(4,536)	13,025	(4,643)
> deferred superannuation	184,383	(54,174)	184,383	(54,174)
Decrease/(increase) in receivables	(147)	(3,614)	(1,855)	(3,537)
Decrease/(increase) in non-current receivables	(189,703)	54,535	(189,703)	53,410
Decrease/(increase) in prepayments and accrued income	2,057	(222)	2,688	2,082
(Decrease)/increase in accounts payable	6,213	(9,577)	6,401	(8,748)
(Decrease)/increase in income in advance	6,794	8,838	3,406	(77)
(Profit)/loss on sale of assets	(597)	(206)	(599)	(207)
Share of profit of joint venture not received as dividends or distribution	1,385	(261)	–	–
Fair value gains on other financial assets at fair value through profit or loss	(914)	(897)	(914)	(897)
Actuarial gain/(loss) on deferred superannuation	–	831	–	831
Net cash provided by operating activities	136,656	121,818	117,736	107,525

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2014

33. ACQUITTAL OF AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE

33.1 Education — CGS and other education grants

	Notes	Parent entity (University) only							
		Commonwealth Grant Scheme ¹		Indigenous Support Program		Partnership and Participation Program ²		Disability Support Program	
		2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the program)		169,416	157,825	907	933	2,843	3,201	472	405
Net accrual adjustments		–	–	–	–	–	–	–	–
Revenue for the period	2.1 (a)	169,416	157,825	907	933	2,843	3,201	472	405
Surplus/(deficit) from the previous year		–	–	–	–	–	–	–	–
Total revenue including accrued revenue		169,416	157,825	907	933	2,843	3,201	472	405
Less expenses including accrued expenses		(169,416)	(157,825)	(907)	(933)	(2,843)	(3,201)	(472)	(405)
Surplus/(deficit) for reporting period		–	–	–	–	–	–	–	–

	Notes	Parent entity (University) only									
		Diversity and Structural Adjustment Fund ³		Transitional Cost Program		Promotion of Excellence in Teaching in Higher Education		Australian Maths and Science Partnership Program		Total	
		2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the program)		–	–	–	–	227	401	498	–	174,363	162,765
Net accrual adjustments		–	–	–	–	–	–	–	–	–	–
Revenue for the period	2.1(a)	–	–	–	–	227	401	498	–	174,363	162,765
Surplus/(deficit) from the previous year		–	–	–	–	–	–	–	–	–	–
Total revenue including accrued revenue		–	–	–	–	227	401	498	–	174,363	162,765
Less expenses including accrued expenses		–	–	–	–	(227)	(401)	(498)	–	(174,363)	(162,765)
Surplus/(deficit) for reporting period		–	–	–	–	–	–	–	–	–	–

1. Includes the basic CGS grant amount, CGS — regional loading, CGS — enabling loading, maths and science transition loading and full fee places transition loading.

2. Includes Equity Support Program.

3. Includes Collaboration and Structural Reform Program.

33.2 Higher education loan programs (excluding OS-HELP)

	Notes	Parent entity (University) only							
		HECS-HELP (Australian Government payments only)		FEE-HELP		SA-HELP		Total	
		2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Cash payable/(receivable) at beginning of year		1,506	1,494	1,034	1,624	(14)	(69)	2,526	3,049
Financial assistance received in cash during the reporting period		118,665	104,578	36,755	40,866	2,753	2,662	158,173	148,106
Cash available for period		120,171	106,072	37,789	42,490	2,739	2,593	160,699	151,155
Net accrual adjustments		(1,823)	(1,506)	58	(1,034)	13	14	(1,752)	(2,526)
Revenue for the period	2.1(b)	118,348	104,566	37,847	41,456	2,752	2,607	158,947	148,629
Cash payable/(receivable) at end of year		1,823	1,506	(58)	1,034	(13)	(14)	1,752	2,526

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2014

33. ACQUITTAL OF AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE (CONTINUED)

33.3 Australian Research Council grants

(a) Discovery

Parent entity (University) only									
Notes	Projects		Federation Fellowships		Future Fellowships		Indigenous Researchers Development		
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the programs)	5,131	4,483	–	–	2,664	1,772	–	–	
Net accrual adjustments	578	605	–	–	–	–	–	–	
Revenue for the period	2.1(e)(i)	5,709	5,088	–	–	2,664	1,772	–	–
Surplus/(deficit) from the previous year		6,201	4,633	–	–	1,313	1,238	–	8
Total revenue including accrued revenue		11,910	9,721	–	–	3,977	3,010	–	8
Less expenses including accrued expenses		(3,444)	(3,520)	–	–	(2,448)	(1,697)	–	(8)
Surplus/(deficit) for reporting period		8,466	6,201	–	–	1,529	1,313	–	–

Parent entity (University) only							
Notes	Early Career Researcher Award		Indigenous		Total		
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the program)	963	604	44	33	8,802	6,892	
Net accrual adjustments			7	14	585	619	
Revenue for the period	2.1(e)(ii)	963	604	51	47	9,387	7,511
Surplus/(deficit) from the previous year		326	200	74	22	7,914	6,101
Total revenue including accrued revenue		1,289	804	125	69	17,301	13,612
Less expenses including accrued expenses		(978)	(478)	(70)	5	(6,940)	(5,698)
Surplus/(deficit) for reporting period		311	326	55	74	10,361	7,914

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33. ACQUITTAL OF AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE (CONTINUED)**33.4 Australian Research Council grants****(b) Linkages**

	Parent entity (University) only										
	Notes	Projects		International		Infrastructure		Special research initiatives		Total	
		2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the program)	1,381	1,881	-	-	284	1,230	-	-	1,665	3,111	
Net accrual adjustments	121	206	-	-	76	21	-	-	210	239	
Revenue for the period	1,502	2,087	-	-	360	1,251	-	-	1,875	3,350	
Surplus/(deficit) from the previous year	1,277	2,934	-	40	561	485	-	-	1,838	3,459	
Total revenue including accrued revenue	2,779	5,021	-	40	921	1,736	-	-	3,725	6,809	
Less expenses including accrued expenses	(1,928)	(3,744)	-	(40)	(588)	(1,175)	-	-	(2,532)	(4,959)	
Surplus/(deficit) for reporting period	851	1,277	-	-	333	561	-	-	1,193	1,850	

33.5 Australian Research Council grants**(c) Networks and centres**

	Parent entity (University) only									
	Notes	Research networks		Centres		Total				
		2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000			
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the program)	-	-	-	-	-	-				
Net accrual adjustments	-	3	357	255	357	258				
Revenue for the period	2.1(e)(iii)	-	3	255	357	258				
Surplus/(deficit) from the previous year	3	-	180	73	183	73				
Total revenue including accrued revenue	3	3	537	328	540	331				
Less expenses including accrued expenses	(3)	-	(263)	(148)	(266)	(148)				
Surplus/(deficit) for reporting period	-	3	274	180	274	183				

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33. ACQUITTAL OF AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE (CONTINUED)

33.6 Education research

	Parent entity (University) only													
	Joint Research Engagement Program ¹		JRE Engineering Cadetships		Research Training Scheme		Research Infrastructure Block Grants		Commercialisation Training Scheme		Sustainable Research Excellence in Universities		Total	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the program)	5,361	4,820	62	40	10,704	10,716	2,270	2,161	-	-	1,738	1,708	20,135	19,445
Net accrual adjustments	-	-	-	-	-	-	-	-	-	(32)	-	-	-	(32)
Revenue for the period	5,361	4,820	62	40	10,704	10,716	2,270	2,161	-	(32)	1,738	1,708	20,135	19,413
Surplus/(deficit) from the previous year	(1,198)	34	-	-	-	-	527	1,439	-	32	-	1	(671)	1,506
Total revenue including accrued revenue	4,163	4,854	62	40	10,704	10,716	2,797	3,600	-	-	1,738	1,709	19,464	20,919
Less expenses including accrued expenses	(4,876)	(6,052)	(62)	(40)	(10,704)	(10,716)	(1,952)	(3,073)	-	-	(1,738)	(1,709)	(19,332)	(21,590)
Surplus/(deficit) for reporting period	(713)	(1,198)	-	-	-	-	845	527	-	-	-	-	132	(671)

1. Includes Institutional Grants Scheme.

33.7 Scholarships

	Parent entity (University) only													
	Notes		Australian Postgraduate Awards		International Postgraduate Research Scholarships		Commonwealth Education Cost Scholarships ¹		Commonwealth Accommodation Scholarships ¹		Indigenous Access Scholarships		Total	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the programs)			4,729	4,706	384	399	(26)	(870)	27	(10)	80	(85)	5,194	4,140
Net accrual adjustments			-	-	-	-	-	-	-	-	-	85	-	391
Revenue for the period		2.1(c)	4,729	4,706	384	399	(26)	(564)	27	(10)	80	-	5,194	4,531
Surplus/(deficit) from the previous year			252	706	114	25	637	1,224	(458)	(356)	(111)	(9)	434	1,590
Total revenue including accrued revenue			4,981	5,412	498	424	611	660	(431)	(366)	(31)	(9)	5,628	6,121
Less expenses including accrued expenses			(5,162)	(5,160)	(369)	(310)	(26)	(23)	(27)	(92)	(75)	(102)	(5,659)	(5,687)
Surplus/(deficit) for reporting period			(181)	252	129	114	585	637	(458)	(458)	(106)	(111)	(31)	434

1. Includes Grandfathered Scholarships, National Priority and National Accommodation Priority Scholarships respectively.

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33. ACQUITTAL OF AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE (CONTINUED)

33.8 Other capital funding

	Parent entity (University) only						
	Notes	Teaching and Learning Capital Fund		Education Investment Fund		Total	
		2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the program)		–	–	–	17,000	–	17,000
Net accrual adjustments		–	–	–	–	–	–
Revenue for the period	2.1(f)	–	–	–	17,000	–	17,000
Surplus/(deficit) from the previous year		–	–	–	–	–	–
Total revenue including accrued revenue		–	–	–	17,000	–	17,000
Less expenses including accrued expenses		–	–	–	(17,000)	–	(17,000)
Surplus/(deficit) for reporting period		–	–	–	–	–	–

33.9 OS-HELP

	Parent entity (University) only	
	OS-HELP	
	2014 \$'000	2013 \$'000
Cash received during the reporting period	5,478	3,032
Cash spent during the reporting period	(4,126)	(2,480)
Net cash received	1,352	552
Cash surplus/(deficit) from previous period	727	175
Cash surplus/(deficit) for reporting period	2,079	727

33.10 Student Services and Amenties Fee

	Parent entity (University) only	
	SA-HELP	
	2014 \$'000	2013 \$'000
Unspent/(overspent) revenue from previous period	–	–
SA-HELP revenue earned	2,752	2,607
Student services fees direct from students	4,885	2,766
Total revenue expendable in period	7,637	5,373
Student services expenses during period	(7,637)	(5,373)
Unspent/(overspent) student services revenue	–	–

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FOR THE YEAR ENDED 31 DECEMBER 2014

34. FINANCIAL RISK MANAGEMENT

The group's activities exposes it to a variety of financial risks mainly market risk (including currency and interest rate risk), credit risk and liquidity risk.

The group's principal financial instruments comprise cash and term deposits, receivables, available for sale investments, payables, loans and finance leases. The main purpose of these financial instruments is to raise finance for the group's operations.

The group manages its exposure to key financial risks including interest rate and currency risk in accordance with the university's investment procedure and directions from the university's Finance Committee. The objective is to protect the future financial security of the university.

The main risks arising from the group's financial instruments are interest rate risks, foreign currency risk, credit risk and liquidity risk. The group utilises different methods to measure and manage the different types of risks to which it is exposed. These include monitoring interest rates and foreign currency and assessing the impact on movements through monthly forecasting.

(a) Market risk

Foreign exchange risk

The group's exposure to market risk for changes in foreign exchange rates relates primarily to the group's payments to overseas suppliers in payables and to a lesser extent foreign currency trade debtor invoices in receivables. The group's foreign currency payments and receipts are not significant and university practice is to generally use the spot rate when paying or receiving foreign currency amounts. For significant foreign denominated purchases of goods or services the university enters into forward exchange contracts on an ad-hoc basis to limit the foreign exchange risk.

The group has minimal balance sheet exposure to foreign currency movements with the majority of operations of the group occurring within Australia. Subsidiaries, Insearch Limited and UTS Global Pty Ltd, have investments in the United Kingdom, South-East Asia and China which can impact the subsidiary however on an economic entity basis the impact is minimal.

Interest rate risk

The group's exposure to market risk for changes in interest rate relates primarily to the group's long-term debt obligations and investments in term deposits. Long-term debt obligations are managed mainly by a revolving \$300 million debt facility and a \$40 million fixed rate loan. At 31 December 2014, 100% of the group's borrowings are at a fixed rate of interest or covered by interest swap derivatives.

The economic entity in 2012 obtained a \$300 million revolving five-year debt facility with the National Australia Bank to fund the current capital expenditure program. As at 31 December 2014, \$200 million has been drawn down on this facility by the university. The university has entered into four (4) swap derivatives to manage the interest rate risk. The university will utilise hedge accounting to account for the swap derivatives.

The group primarily invests in term deposits to maximise returns. The investment portfolio is reviewed by the university's Finance Committee within the framework of the university's investment procedures.

Instruments used by the group

The group has the following instruments:

- > fixed interest rate loan in the normal course of business in order to hedge exposure to fluctuations in interest rates for a TCorp long-term loan
- > revolving debt facility of \$300 million
- > interest rate swaps totalling \$110 million.

Cash flow hedges

The university has the following cash flow hedges in order to fix the interest payments on highly probable drawdowns from the revolving credit facilities.

Description	Principal	Hedge start date	Hedge end date	Fair value as at 31 December 2014	Amount recognised in other comprehensive income during 2014
Interest rate swap	10,000,000	19-Apr-13	10-Jan-15	(816)	34,104
Interest rate swap	100,000,000	10-Jan-14	10-Jan-15	(4,407)	158,304
Interest rate swap	200,000,000	10-Jan-15	10-Oct-17	(7,445,673)	(7,040,167)
Interest rate swap	75,000,000	10-Oct-17	12-Oct-20	(1,370,637)	(1,370,637)
Total				(8,821,533)	(8,218,396)

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FOR THE YEAR ENDED 31 DECEMBER 2014

34. FINANCIAL RISK MANAGEMENT (CONTINUED)

Summarised sensitivity analysis

The following table summarises the sensitivity of the group's financial assets and financial liabilities to interest rate risk and foreign exchange risk. The group anticipates that interest rates may decrease by up to 0.50% in the 2015 year.

	Carrying amount	Interest rate risk				Foreign exchange risk				
		0.50%		-0.50%		10%		-10%		
		Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	
	\$'000									
31 December 2014										
Financial assets										
Cash and cash equivalents	158,746	794	794	(794)	(794)	-	-	-	-	-
Receivables	606,745	-	-	-	-	(249)	(249)	249	249	-
Managed funds	11,153	56	56	(56)	(56)	-	-	-	-	-
Forward exchange contracts	-	-	-	-	-	-	-	-	-	-
Shares in other organisations	4,901	-	-	-	-	-	-	-	-	-
Investments accounted for using the equity method	8,000	-	-	-	-	-	-	-	-	-
Total financial assets	789,545	-	-	-	-	-	-	-	-	-
Financial liabilities										
Payables	41,401	-	-	-	-	96	96	(96)	(96)	-
Loans	239,804	-	-	-	-	-	-	-	-	-
Finance leases	6,256	-	-	-	-	-	-	-	-	-
Derivatives — interest rate swaps	8,822	-	(3,382)	3,446	-	-	-	-	-	-
Total financial liabilities	296,283	-	-	-	-	-	-	-	-	-
Total increase/(decrease)		850	(2,532)	2,596	(850)	(153)	(153)	153	153	
	Carrying amount	Interest rate risk				Foreign exchange risk				
		0.25%		-0.25%		10%		-10%		
		Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	
	\$'000									
31 December 2013										
Financial assets										
Cash and cash equivalents	142,370	356	356	(356)	(356)	-	-	-	-	-
Receivables	417,135	-	-	-	-	(150)	(150)	150	150	-
Managed funds	9,601	24	24	(24)	(24)	-	-	-	-	-
Forward exchange contracts	7	-	-	-	-	-	-	-	-	-
Shares in other organisations	48	-	-	-	-	-	-	-	-	-
Investments accounted for using the equity method	9,276	-	-	-	-	-	-	-	-	-
Total financial assets	578,437	-	-	-	-	-	-	-	-	-
Financial liabilities										
Payables	58,937	-	-	-	-	178	178	(178)	(178)	-
Loans	100,000	-	-	-	-	-	-	-	-	-
Finance leases	5,562	-	-	-	-	-	-	-	-	-
Derivatives — interest rate swaps	603	-	(1,452)	-	1,504	-	-	-	-	-
Total financial liabilities	165,102	-	-	-	-	-	-	-	-	-
Total increase/(decrease)		380	(1,072)	(380)	1,124	28	28	(28)	(28)	

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FOR THE YEAR ENDED 31 DECEMBER 2014

34. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Credit risk

Credit risk arises from the financial assets of the group, which comprises cash and cash equivalents (including term deposits), trade and other receivables and other financial assets. The group's exposure to credit risk arises from default of the counter party, with the maximum exposure equal to the carrying amount of these instruments. The group trades only with recognised, creditworthy third parties and as such collateral is not requested.

In addition receivables balances are monitored on an ongoing basis with the result that the group's exposure to bad debts is not significant.

(c) Liquidity risk

The group's objective is to maintain a balance between continuity of funding and flexibility through use of bank loans and finance leases. The economic entity in 2012 obtained a \$300 million revolving five year debt facility with the National Australia Bank to fund the current capital expenditure program. As at 31 December 2014, \$200 million has been drawn down on this facility by the university.

The government commenced phasing out full fee paying domestic undergraduate student fees from 1 July 2009. In 2014 the fee income received by the university for this category of student was \$0.9m (2013: \$1.9m).

The university has not entered into any financial guarantee contracts. The following tables summarises the maturity of the group's financial assets and financial liabilities.

	Average interest rate %	Variable interest rate \$'000	Less than 1 year \$'000	1 to 5 years \$'000	5+ years \$'000	Non-interest \$'000	Total
31 December 2014							
Financial assets							
Cash and cash equivalents	3.18	–	158,746	–	–	–	158,746
Receivables	–	–	–	–	–	606,745	606,745
Managed funds	15.32	–	–	11,153	–	–	11,153
Forward exchange contracts	–	–	–	–	–	–	–
Shares in other organisations	–	–	–	–	–	4,901	4,901
Investments accounted for using the equity method	–	–	–	–	–	8,000	8,000
Total financial assets	–	–	158,746	11,153	–	619,646	789,545
Financial liabilities							
Payables	–	–	–	–	–	41,401	41,401
Loans	4.41	–	–	40,000	199,804	–	239,804
Finance leases	5.38	–	3,271	2,985	–	–	6,256
Derivatives — interest rate swaps	2.96	–	1,867	6,384	571	–	8,822
Total financial liabilities	–	–	5,138	49,369	200,375	41,401	296,283
31 December 2013							
Financial assets							
Cash and cash equivalents	3.82	–	142,370	–	–	–	142,370
Receivables	–	–	–	–	–	417,135	417,135
Managed funds	14.75	–	–	9,601	–	–	9,601
Forward exchange contracts	–	–	7	–	–	–	7
Shares in other organisations	–	–	–	–	–	48	48
Investments accounted for using the equity method	–	–	–	–	–	9,276	9,276
Total financial assets	–	–	142,377	9,601	–	426,459	578,437
Financial liabilities							
Payables	–	–	–	–	–	58,937	58,937
Loans	4.90	–	–	40,000	60,000	–	100,000
Finance leases	6.77	–	3,371	2,191	–	–	5,562
Derivatives — interest rate swaps	3.02	–	–	–	603	–	603
Total financial liabilities	–	–	3,371	42,191	60,603	58,937	165,102

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FOR THE YEAR ENDED 31 DECEMBER 2014

34. FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Fair value measurements

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The carrying value of trade receivables less impairment provision and payables is a reasonable approximation of their fair values due to the short-term nature of trade receivables and payables. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the group for similar financial instruments.

The carrying amounts and fair values of financial assets and financial liabilities at balance date are:

	2014		2013	
	Carrying amount \$'000	Fair value \$'000	Carrying amount \$'000	Fair value \$'000
Financial assets				
Cash and cash equivalents	158,746	158,746	142,370	142,370
Receivables	606,745	606,745	417,135	417,135
Managed funds	11,153	11,153	9,601	9,601
Forward exchange contracts	–	–	7	7
Shares in other organisations	4,901	4,901	48	48
Investments accounted for using the equity method	8,000	8,000	9,276	9,276
Total financial assets	789,545	789,545	578,437	578,437
Financial liabilities				
Payables	41,401	41,401	58,937	58,937
Loans	239,804	243,005	100,000	103,713
Finance leases	6,256	6,256	5,562	5,562
Derivatives — interest rate swaps	8,822	8,822	603	603
Total financial liabilities	296,283	299,484	165,102	168,815

The group measures and recognises the following assets and liabilities at fair value on a recurring basis:

- > financial assets at fair value through profit or loss
- > derivative financial instruments
- > available-for-sale financial assets
- > land and buildings
- > non-current receivables — superannuation.

(e) Fair value hierarchy

The university categorises assets and liabilities measured at fair value into a hierarchy based on the level of inputs used in measurement:

- > Level 1 — quoted prices (unadjusted) in active markets for identical assets or liabilities
- > Level 2 — inputs other than quoted prices within level 1 that are observable for the asset or liability either directly or indirectly
- > Level 3 — inputs for the asset or liability that are not based on observable market data (unobservable inputs).

(i) Fair value measurements recognised in the balance sheet are categorised into the following levels:

	Notes	31 Dec 2014 \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Recurring fair value measurements					
Financial assets					
Receivables	10	586,813	–	586,813	–
Other financial assets — managed funds	11	11,153	11,153	–	–
Other financial assets — Australian unlisted securities	11	4,853	–	–	4,853
Other financial assets — unlisted securities	11	48	–	–	48
Other financial assets — forward exchange contracts	11	–	–	–	–
Investments using the equity method	14	8,000	–	–	8,000
Total financial assets		610,867	11,153	586,813	12,901

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	Notes	31 Dec 2014 \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
34. FINANCIAL RISK MANAGEMENT (CONTINUED)					
Non-financial assets					
Land, buildings, infrastructure and works of art	15	1,535,344	–	2,530	1,532,814
Total non-financial assets		1,535,344	–	2,530	1,532,814
Financial liabilities					
Derivatives used for hedging	20	8,822	–	8,822	–
Not applicable all other financial liabilities at amortised cost		–	–	–	–
Total financial liabilities		8,822	–	8,822	–

	Notes	31 Dec 2013 \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Financial assets					
Receivables	10	397,110	–	397,110	–
Other financial assets — managed funds	11	9,601	9,601	–	–
Other financial assets — Australian unlisted securities	11	–	–	–	–
Other financial assets — unlisted securities	11	48	–	–	48
Other financial assets — forward exchange contracts	11	7	7	–	–
Investments using the equity method	14	9,276	–	–	9,276
Total financial assets		416,042	9,608	397,110	9,324
Non-financial assets					
Land, buildings, infrastructure and works of art	15	1,023,597	–	2,345	1,021,252
Total non-financial assets		1,023,597	–	2,345	1,021,252
Financial liabilities					
Derivatives used for hedging	20	603	603	–	–
Not applicable all other financial liabilities at amortised cost		–	–	–	–
Total financial liabilities		603	603	–	–

In the comparative analysis the university has reclassified land, buildings and infrastructure from level 2 to level 3 as the valuation methodology used is not based on observable market data. The university has also moved works of art from level 3 to level 2 as the valuation methodology used is based on observable market data however not in an active market.

(ii) *Disclosed fair values*

The fair value of financial instruments traded in active markets (such as publicly traded shares) is based on quoted market prices at the balance sheet date (level 1). This is the most representative of fair value in the circumstances. The fair value of financial instruments that are not traded in an active market (for example, shares not listed on the stock exchange) is based on cost less impairment.

The carrying value less impairment provision of trade receivables and payables is a reasonable approximation of their fair values due to the short-term nature of trade receivables. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the group for similar financial instruments.

The fair value of non-current borrowings disclosed in note 18 is estimated by discounting the future contractual cash flows at the current market interest rates that are available to the group for similar financial instruments. For the period ending 31 December 2014, the borrowing rates were determined to be between 3.49% and 6.41%. (2013: 3.76% and 6.41%) The fair value of current borrowings approximates the carrying amount, as the impact of discounting is not significant.

Derivative contracts classified as held for trading are fair valued by comparing the contracted rate to the current market rate for a contract with the same remaining period to maturity.

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2014

34. FINANCIAL RISK MANAGEMENT (CONTINUED)

(f) Valuation techniques used to derive level 2 and level 3 fair values

The fair value of financial instruments that are not traded in an active market is determined using either valuation techniques or cost. Where valuation techniques are used the aim is to maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

The below fair value estimates are included in level 2:

1. Receivables — relates to the defined superannuation benefit funds listed in note 25 and valued independently on a yearly basis.
2. Works of art — valued independently at least once every three years.

The below fair value estimates are included in level 3:

1. Land, buildings and infrastructure are valued independently on a yearly basis. at the end of each reporting period the group updates the assessment of the fair value of each property taking into account the most recent independent valuation.
2. Unlisted investment securities.
3. Investments accounted for using the equity.

(g) Fair value measurements using significant unobservable inputs (level 3)

The following table is a reconciliation of level 3 items for the periods ended 31 December 2014 and 31 December 2013:

	Unlisted securities \$'000	Investments using the equity method \$'000	Land, buildings and infrastructure ¹ \$'000	Total \$'000
31 December 2014				
Opening balance	48	9,276	1,021,252	1,030,576
Acquisitions	10	140	565,572	565,722
Disposals	–	(1,686)	(1,877)	(3,563)
Transfers from level 1	–	–	–	–
Transfers from level 2	–	–	–	–
Transfers out of level 3	–	–	–	–
Recognised in profit or loss	–	301	(38,806)	(38,505)
Recognised in other comprehensive income	4,843	(31)	(13,327)	(8,515)
Closing balance	4,901	8,000	1,532,814	1,545,715
31 December 2013				
Opening balance	42	8,144	999,079	1,007,265
Acquisitions	6	464	23,655	24,125
Disposals	–	–	–	–
Transfers from level 1	–	–	–	–
Transfers from level 2	–	–	–	–
Transfers out of level 3	–	–	–	–
Recognised in profit or loss	–	525	(32,727)	(32,202)
Recognised in other comprehensive income	–	143	31,245	31,388
Closing balance	48	9,276	1,021,252	1,030,576

1. In the comparative analysis the university has reclassified land, buildings and infrastructure from level 2 to level 3 as the valuation methodology used is not based on observable market data. The university has also moved works of art from level 3 to level 2 as the valuation methodology used is based on observable market data however not in an active market.

END OF AUDITED FINANCIAL STATEMENTS

UTS Global Pty Ltd

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Statement by appointed officers

STATEMENT BY APPOINTED OFFICERS

Statement in accordance with section 41C (1B) and (1C) of the *Public Finance and Audit Act 1983*

In accordance with a resolution by the board of Directors of UTS Global Pty Ltd and pursuant to section 41C (1B) and (1C) of the *Public Finance and Audit Act 1983*, we state that to the best of our knowledge and belief:

1. the financial statements present a true and fair value of the financial position of UTS Global Pty Ltd as at 31 December 2014 and the results of its operations and transactions of the company for the year then ended.
2. the financial statements have been prepared in accordance with the provisions of the New South Wales *Public Finance and Audit Act 1983* and *Public Finance and Audit Regulation 2010*.
3. the financial statements have been prepared in accordance with Australian Accounting Standards (AASB), AASB interpretations and other mandatory professional reporting requirements
4. we are not aware of any circumstances which would render any particulars included in the financial statements to be misleading or inaccurate
5. there are reasonable grounds to believe that UTS Global Pty Ltd will be able to pay its debts as and when they fall due.

Signed on ~~22~~24/04/2015 in accordance with a resolution of Directors.



Director
Mr Patrick Woods



Director
Professor William Purcell

Independent auditor's report



INDEPENDENT AUDITOR'S REPORT

UTS Global Pty Ltd

To Members of the New South Wales Parliament and Members of UTS Global Pty Ltd

I have audited the accompanying financial statements of UTS Global Pty Ltd (the Company), which comprise the statement of financial position as at 31 December 2014, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

Opinion

In my opinion the financial statements:

- are in accordance with the *Corporations Act 2001*, including:
 - giving a true and fair view of the Company's financial position as at 31 December 2014 and its performance for the year ended on that date
 - complying with Australian Accounting Standards and the Corporations Regulations 2001
- are in accordance with section 41B of the *Public Finance and Audit Act 1983* (PF&A Act) and the Public Finance and Audit Regulation 2010

My opinion should be read in conjunction with the rest of this report.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for preparing financial statements that give a true and fair view in accordance with Australian Accounting Standards, the PF&A Act and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on the financial statements based on my audit. I conducted my audit in accordance with Australian Auditing Standards. Those Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including an assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

Independent auditor's report (continued)

I believe the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

My opinion does *not* provide assurance:

- about the future viability of the Company
- that it carried out its activities effectively, efficiently and economically
- about the effectiveness of the internal control
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about other information that may have been hyperlinked to/from the financial statements.

Independence

In conducting my audit, I have complied with the independence requirements of the Australian Auditing Standards, the *Corporations Act 2001* and relevant ethical pronouncements. The PF&A Act further promotes independence by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of public sector agencies, but precluding the provision of non-audit services, thus ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by the possibility of losing clients or income.

I confirm that the independence declaration required by the *Corporations Act 2001*, provided to the directors of UTS Global Pty Ltd on 22 April 2015, would be in the same terms if provided to the directors as at the time of this auditor's report.



Caroline Karakatsanis,
Director, Financial Audit Services

23 April 2015
SYDNEY

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2014

	Notes	2014 \$	2013 \$
Continuing operations			
Revenue from continuing operations	2	222,042	275,678
Other expenses	3	218,580	233,437
Profit/(loss) before income tax		3,462	42,241
Net result for the period for continuing operations		3,462	42,241
Net result for the period is attributable to the owners		3,462	42,241
Total comprehensive income is attributable to the owners		3,462	42,241

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2014

	Notes	2014 \$	2013 \$
Assets			
Current assets			
Cash and cash equivalents	4	397,520	275,335
Receivables	5	–	314
Other non-financial assets	6	–	14,038
Total current assets		397,520	289,687
Non-current assets			
Other financial assets	7	100,000	–
Total non-current assets		100,000	–
Total assets		497,520	289,687
Liabilities			
Current liabilities			
Payables	8	460,458	256,087
Total current liabilities		460,458	256,087
Total liabilities		460,458	256,087
Net assets		37,062	33,600
Equity			
Retained earnings	9	37,061	33,599
Share capital	10	1	1
Total equity		37,062	33,600

The above statement of financial position should be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY

AS AT 31 DECEMBER 2014

	2014 \$	2013 \$
Balance as at 1 January 2014	33,600	(8,641)
Total comprehensive income for the period	-	-
Profit/(loss) for the period	3,462	42,241
Other comprehensive income for the period	-	-
Total comprehensive income for the period	3,462	42,241
Transactions with owners recorded directly in equity	-	-
Balance at 31 December 2014	37,062	33,600

The above statement of changes in equity should be read in conjunction with the accompanying notes.

STATEMENT OF CASH FLOWS

AS AT 31 DECEMBER 2014

	Notes	2014 \$	2013 \$
Cash flows from operating activities			
Contribution from UTS		218,000	275,000
Interest received		4,042	678
Bank fees and charges		(111)	(30)
TFN withholding tax		314	(314)
Audit certificate fee		(60)	-
Net cash provided by / (used in) operating activities	13	222,185	275,334
Cash flows from investing activities			
Investment in UTS Beijing		(100,000)	-
Net cash provided by / (used in) investing activities		(100,000)	-
Cash flows from financing activities			
Net cash provided by / (used in) financing activities		-	-
Net increase/(decrease) in cash and cash equivalents		122,185	275,334
Cash and cash equivalents at the beginning of the financial year		275,335	1
Cash and cash equivalents at the end of the financial year		397,520	275,335

The above statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

UTS Global Pty Ltd is a company limited by shares and is incorporated and domiciled in Australia and is a wholly owned subsidiary of the University of Technology, Sydney.

The company's principal business activities are to provide marketing and profile building services to UTS. UTS Global is considered a not-for-profit entity as profit is not its principal objective.

The company's principal place of business is 15 Broadway, Ultimo NSW 2007.

(b) Basis of preparation and statement of compliance

The company's financial statements are general purpose financial statements which have been prepared on an accrual basis and in accordance with Australian Accounting Standards, which include Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board (AASB), the *Public Finance and Audit Act 1983*, Public Finance and Audit Regulation 2010 and other mandatory reporting requirements. The statements are presented in Australian dollars and rounded to the nearest dollar.

The financial statements and notes comply with Australian Accounting Standards, which include Australian Accounting Interpretations.

(c) Financial instruments

Financial instruments give rise to positions that are financial assets or liabilities (or equity instruments) of either company or its counterparties. These include cash at bank, receivables and accounts payable. Note 12 discloses the risk and management of those risks regarding financial instruments.

(i) Cash

Cash comprises cash on hand and bank balances. Interest has been earned at the prevailing rates.

(ii) Receivables

Trade receivables are recorded at amounts due at balance date, less a provision for any uncollectible debts. An estimate for doubtful debts is made when collection of the full amounts is no longer probable. Bad debts are written off as incurred.

(iii) Payables

Trade accounts payable, other payables and accruals are recognised when the economic entity becomes obliged to make future payments as a result of purchase of goods and services.

(d) Revenue recognition

Revenue comprises fees received from UTS for marketing services provided. Revenue from marketing services is recognised when services are provided.

Grants from institutions are recognised when control of the grant or the right to receive the grant is obtained. Project revenue is recognised periodically during the course of the project and at its conclusion.

Revenue arising from the sale of assets is recognised on disposal.

Interest revenue is recognised as it accrues.

(e) Taxation

(i) Accounting for Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST) except where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or part of an item of expense, or for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the cash flow statement on a gross basis. The GST component of cash flows arising from investing and financing activities that is recoverable from, or payable to, the taxation authority is classified within operating activities.

(ii) Judgments and estimates

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgments and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgments and estimates on historical experience and on other various factors it believes to be reasonable under the circumstances.

(f) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2014 reporting period. UTS Global has not exercised the right to early adopt any new or revised accounting standard.

(g) Changes in accounting policy

There have been no changes to accounting policy in the 2014 year.

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2014

	Notes	2014 \$	2013 \$
2. REVENUE FROM CONTINUING OPERATIONS			
Contribution from UTS		218,000	275,000
Interest earned		4,042	678
Total revenue from continuing operations		222,042	275,678
3. EXPENSES FROM CONTINUING OPERATIONS			
Company secretary fee		600	4,000
Consulting		183,753	207,168
Legal fees		25,006	12,955
Bank fees and charges		170	31
Other		5,051	5,283
Audit fee		4,000	4,000
Total expenses from continuing operations		218,580	233,437
4. CASH AND CASH EQUIVALENTS			
Cash at bank and on hand		397,520	275,335
Total cash and cash equivalents		397,520	275,335
5. RECEIVABLES			
Trade receivables		–	314
Total receivables		–	314
6. OTHER NON-FINANCIAL ASSETS			
Prepayments		–	14,038
Total other non-financial assets		–	14,038
7. NON-CURRENT ASSETS			
Shares in UTS Beijing Ltd		100,000	–
Total non-current assets		100,000	–
8. PAYABLES			
Payables to parent		456,458	256,087
Accrual – audit		4,000	–
Total payables		460,458	256,087

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2014

Notes	2014 \$	2013 \$
9. RETAINED EARNINGS		
Balance at the beginning of the period	33,599	(8,642)
Surplus/(deficit) for the period	3,462	42,241
Balance as at 31 December 2014	37,061	33,599
10. SHARE CAPITAL		
Ordinary shares	1	1
Total share capital	1	1

11. REMUNERATION OF DIRECTORS

(a) Directors of the company act in an honorary capacity as directors and therefore no director's fees are payable.

Mr Roy Green

(b) Directors' remuneration

No remuneration was paid to the directors for the 2014 financial year.

12. FINANCIAL RISK MANAGEMENT

(a) Market risk

Foreign exchange risk — UTS Global does not have any exposure to market risk for changes in foreign exchange.

(b) Credit risk

Credit risk arises from the financial assets of UTS Global Pty Ltd, which comprises cash and cash equivalents. UTS Global Pty Ltd's exposure to credit risk arises from default of the counter party, with the maximum exposure equal to the carrying amount of these instruments. UTS Global Pty Ltd trades only with recognised, creditworthy third parties and as such collateral is not requested.

Credit risk by classification of counterparty:

Notes	2014 \$	2013 \$
Cash and cash equivalent assets		
> Bank	397,519	275,334
> On hand	1	1
> Receivables	–	314
	397,520	275,649

(c) Liquidity risk

UTS Global Pty Ltd's objective is to maintain sufficient cash to meet creditor payments when due. UTS Global receives cash contributions from the holding company to meet ongoing liabilities.

(d) Defaults and breaches

There have been no defaults or breaches in relation to the payables of the company.

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2014

13. NOTES TO STATEMENT OF CASH FLOWS

(a) Reconciliation of cash

For the purposes of the statement of cash flows, cash assets include cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts. Cash assets at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:

Notes	2014 \$	2013 \$
Cash at bank and on hand	397,520	275,335
(b) Reconciliation of profit to net cash provided by operating activities		
Profit/(loss) for the year	3,462	42,241
Decrease/(increase) in receivables	314	(314)
(Decrease)/increase in payables	204,371	247,445
Prepayments	14,038	(14,038)
Net cash provided by operating activities	222,185	275,334

14. AFTER BALANCE DATE EVENTS

There are no after balance date events.

15. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There are no contingent liabilities and no contingent assets as at 31 December 2014.

Notes	2014 \$	2013 \$
16. REMUNERATION OF AUDITORS		
Fees from the audit of the financial statements are:	4,000	4,000
The auditors received no other remuneration.		

17. GOING CONCERN

The normal activities of UTS Global Pty Ltd are, to a significant extent, dependent on the receipt of grants from the University of Technology, Sydney.

The University of Technology, Sydney have confirmed their present funding arrangements to the company. The directors consider that the financial plans of the company are feasible and achievable.

The financial statements are therefore prepared on a going concern basis.

END OF AUDITED FINANCIAL STATEMENTS

INSEARCH Limited

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Report of the directors

This report of the directors of INSEARCH Limited is made in accordance with a resolution of the directors in accordance with section 298(2)(a) of the *Corporations Act 2001*.

Directors

The names of directors in office during the year and at the date of this report are:

	Note 20	
	Date of appointment	Date of resignation
Mr M Williams	26 June 2008	
Mr P Bennett	25 May 2011	
Ms DN Hill	27 March 2008	
Mr JM Hutchison, AM	27 November 2008	
Professor B Milthorpe	1 August 2009	30 June 2014
Mr A Murphy	3 September 2007	
Professor W Purcell	21 May 2009	
Mr P Woods	25 May 2007	9 February 2015
Professor M Spongberg	1 July 2014	
Ms A Dwyer	2 March 2015	

Company secretary

The name of Company Secretary in office at the date of this report is:

Mr NL Patrick (appointed 21 October 2010)

Principal activities

The activities of the company during the financial year ended 31 December 2014 were the provision of English language, foundation and academic courses that are designed as pathways to university studies.

Review and result of operations

INSEARCH reported a profit of \$8.6m, after the payment of a donation to the University of Technology, Sydney of \$3.1m (note 6). This profit added to the prior year accumulated profits brings the balance of the accumulated funds to \$51.8m.

Business strategies and future developments

The main objectives of the company are to provide pathway courses for undergraduate entry to the University of Technology, Sydney and to pay donations to the university when appropriate. Scholarship programs and partnerships with other organisations to provide educational facilities/courses are also objectives of the company. The strategies of the company are focused on achieving these objectives.

Business strategies, prospects and future developments, which may affect the operations of the company in subsequent years, have been reported as appropriate elsewhere in this report. In the opinion of the directors, disclosure of any further information on future developments would be unreasonably prejudicial to the interests of the company.

Directors' benefits

No director of the company has, during and since the end of the financial year, received or become entitled to receive a benefit, other than the benefit included in the aggregate amount of director's compensation shown on note 20 of the financial report.

Insurance of directors and officers

During the financial year a premium to insure directors and officers of the company was paid by the University of Technology, Sydney to the amount of \$5,725 (2013: \$5,363) per section 300 (1)(g), 300(8) and 300(9) of the *Corporations Act 2001*.

The liabilities insured include costs and expenses that may be brought against the directors and officers in their capacity as directors and officers of the company.

Information on directors

Mack Williams

Non-Executive Director, Chair of the Board, Member of the Remuneration Committee

Mr Williams had a long career in the Australian diplomatic service, including as High Commissioner to Bangladesh, Ambassador to the Philippines and the Republic of Korea and senior positions in Canberra.

He followed this with consultancies in the commercial and academic sectors (including for Coca-Cola Amatil and the Vice-Chancellor of the University of Sydney) as well as roles on boards of not-for-profit organisations.

Mr Williams has been Vice-President of the Australia Korea Business Council, a member of the Australia Korea Foundation Board, President of the NSW Branch of Australian Institute of International Affairs and a member of the board of Clean Up Australia and of the Research Institute for Asia and the Pacific at the University of Sydney. Currently he is Co-Chair of the Advisory Board of the Korea Research Institute at the University of New South Wales and a member of the Sight for Life board at Sydney Eye Hospital.

Peter Bennett, BEc, DipEd (Monash), MBA (Melb), FCPA, GAICD, SA Fin
Non-Executive Director, Member of the Audit and Risk Committee

Mr Bennett has 30 years of experience in accounting and finance including holding senior executive positions in the finance industry, and the consumer goods industry, in the Asia-Pacific region. He is also a member of the UTS Council and a board member of Campbell Page.

Dianne Hill, BA Accounting, FCA, FAICD, MRSA, AIPM
Non-Executive Director, Chair of the Audit and Risk Committee

Ms Hill has 30 years of experience as a Chartered Accountant and is a former New South Wales President and National Councillor of Chartered Accountants Australia and New Zealand and a member of the advisory group that provides an ethical counselling service to Chartered Accountants. She is also a member of the Australian Institute of Internal Auditors.

Ms Hill has been a non-executive director for 20 years and is a fellow of the Australian Institute of Company Directors (AICD) and a trustee member of CEDA. Ms Hill is a director of Job Futures Limited (Chair of the Audit and Risk Committee), Scope Global, accessUTS Pty Ltd, and her management consulting company, Sector Research Pty Ltd. She is a member of the Audit and Risk Committee of the Audit Office of New South Wales, Services NSW, the Land and Housing Corporation, and a facilitator for Company Directors. She is also a former director of the Australian Consumers Association (awarded Life Membership) and the Internal Audit Bureau of New South Wales.

Jon Hutchison, AM, BCom, CPA
Non-Executive Director, Chair of Remuneration Committee

Mr Hutchison was the chief executive officer of Business Events Sydney from 1998 to 2011. Prior to that appointment, and after a long career as a senior executive in the aviation industry, Mr Hutchison was appointed Managing Director of the Australian Tourist Commission, now known as Tourism Australia.

Mr Hutchison is an Adjunct Professor at UTS and Chair of UTS's Australian Centre for Event Management Advisory Board. He is also a director of Tasman Cargo Airlines and Presdyn Pty Ltd, and is a tourism and business events consultant.

In 2006, Mr Hutchison was awarded membership of the Order of Australia for his service to tourism and business, through promoting Australia as a travel destination and in leadership and advisory roles with industry organisations

Bruce Milthorpe, BA(Hons), PhD, GradDipHEd, FBSE, GAICD
Non-Executive Director

Professor Milthorpe is Dean of the Faculty of Science at UTS. He has 27 years experience in biomedical engineering and 10 years experience in senior leadership roles in tertiary education.

Report of the directors (continued)

Professor Milthorpe is a director of the Sydney Institute of Marine Science and an editorial board member for the *International Journal of Biomaterials* and the *Journal Materials Science: Materials in Medicine*.

Professor Milthorpe has resigned as a director of INSEARCH Limited on 30 June 2014.

Alex Murphy, BA(Hons), MAICD
Managing Director

Mr Murphy is Managing Director of INSEARCH. He has 23 years experience with INSEARCH in education, marketing and senior management roles.

Mr Murphy has had a long interest in higher education, intercultural business and ethics, and has lived and worked in Indonesia. He studied linguistics, philosophy and Indonesian and Malayan studies at the University of Sydney and undertook research at the University of Sydney and Macquarie University, where he also lectured in linguistics.

Mr Murphy ensures that learning and development of staff is fully supported by INSEARCH and he accesses executive training programs and coaching regularly to support his own learning and development.

Mr Murphy has been a member of the St James Ethics Centre since 1997.

William (Bill) Purcell, BCom(Hons), PhD (UNSW),
Dip.JapaneseStud (Kyoto U Foreign St)
Non-Executive Director, Member of Remuneration Committee

Professor Purcell is Deputy Vice-Chancellor and Vice-President (International and Advancement) at UTS. He was formerly DVC (International) at the University of Newcastle.

Professor Purcell is a Director of Sydney Educational Broadcasting Ltd, UTS Global Pty Ltd, UTS Beijing Ltd and a Trustee of the Mitsui Education Foundation. He is a board member of the Art Gallery of New South Wales VisAsia Board, Study Overseas Foundation and is also the Asia-Pacific Vice-Chair of CASE (Centre for Support and Advancement of Education) based in Washington DC.

Professor Purcell's other corporate board positions have included chair and CEO of UON Singapore Pte Ltd, IDP Education Australia Ltd and AHIEA Ltd. Professor Purcell has also served as a consultant and adviser to business and government across Australia and Asia in the area of business internationalisation and joint venturing.

Patrick Woods, BSc, MBA, ACPA, FAICD
Non-Executive Director, Member of Audit and Risk Committee

Mr Woods is the Deputy Vice-Chancellor and Vice-President (Resources) at UTS. Prior to joining UTS in 2006, he spent 28 years in the private and corporate sectors holding numerous CEO, director and executive positions in various local companies, as well as international companies across North America, Asia and the Middle East.

Mr Woods is a Director of the Pain Management Research Institute as well as Woods Int. Pty. Ltd. He has held board roles in various sectors, including information technology, distribution, advertising, recruitment, health and higher education. He has been a member of audit and risk, commercial activities, finance, physical infrastructure and board nominations committees.

Mr Woods has resigned as a director of INSEARCH Limited on 9 February 2015.

Mary Sponberg, BA (Hons), PhD
Non-Executive Director

Professor Sponberg has been Dean of the Faculty of Arts and Social Sciences at UTS since May 2013. She was previously a Professor of Modern History and Associate Dean of Research in the Faculty of Arts at Macquarie University. Prior to joining Macquarie, Professor Sponberg was a National Health and Medical Research Council postdoctoral fellow in Women's Studies at the University of Sydney. Professor Sponberg has taught Australian history, European history and women's studies at Macquarie University and the University of Sydney.

Professor Sponberg was appointed as a director of INSEARCH Limited on 1 July 2014.

Anne Dwyer, BA (Hons), BBus (CSU), MAICD
Non-Executive Director

Ms Dwyer has been the Deputy Vice-Chancellor and Vice-President (Corporate Services) at UTS since 2004. She joined UTS in 1999 as director of the Information Technology Division and her current responsibilities include human resources, information technology, student administration, marketing and communication, governance support and legal services. Ms Dwyer held several financial and administrative management roles at Ansett Air Freight, before moving into information technology. She was the director of IT for Arthur Andersen's Australian and New Zealand operations prior to joining UTS. Ms Dwyer was appointed as a director of INSEARCH Limited on 2 March 2015.

Information on company secretary

Mr Nathan Patrick, BBus, GradDipACG, FCA, AGIA, ACIS, FAICD
Company Secretary

Mr Patrick was appointed Chief Financial Officer of INSEARCH Limited in 2010. During the previous 25 years he held senior financial, management and governance positions in the professional services, manufacturing and construction industries in Australia and Asia. His career includes more than 15 years in diverse roles in 'Big 4' accounting firms and five years as the chief operating officer of a law firm.

Meetings of directors

The number of meetings of the company's board of directors and of each board committee held during the year ended 31 December 2014, and the numbers of meetings attended by each director were.

Director	INSEARCH Board meetings		Audit and Risk Management Committee meetings		Remuneration Committee meetings	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Mack Williams	8	8	-	-	7	7
Dianne Hill	8	8	4	4	-	-
Jon Hutchison	8	8	-	3	7	7
William Purcell	8	7	-	1	7	7
Bruce Milthorpe	4	4	-	-	-	-
Mary Sponberg	4	4	-	1	-	-
Alex Murphy	8	8	-	4	-	-
Patrick Woods	8	7	4	4	-	-
Peter Bennett	8	8	4	4	-	-

Notes: Directors have an open invitation to attend any Audit and Risk Committee meeting.

Professor Bruce Milthorpe resigned in June 2014 and Professor Mary Sponberg replaced him from July 2014.

Rounding of amounts

The company is of a kind referred to in Class Order 98/0100 issued by the Australian Securities and Investments Commission, relating to the 'rounding off' of amounts in the financial report. Amounts in the financial report have been rounded off to the nearest thousand dollars in accordance with that Class Order, unless shown otherwise.

Auditor

A copy of the Auditor's Independence Declaration, as required under section 307C of the *Corporations Act 2001*, is set out on page 77 of this report.

For and on behalf of the directors signed at Sydney this 14 April 2015.



Mr Mack Williams
Director



Mr Alex Murphy
Director

Sydney 14 April

Directors' declaration

In accordance with a resolution of the directors of INSEARCH Limited, the directors of the company declare that:

- (a) the financial statements and notes are in accordance with the *Corporations Act 2001* (Cwlth) and:
 - (i) comply with Accounting Standards and the *Public Finance and Audit Act 1983* (NSW) and the Public Finance and Audit Regulation 2010 (NSW), as stated in accounting policy note 2 to the financial statements, and
 - (ii) give a true and fair view of the financial position as at 31 December 2014 and of the performance for the year ended on that date of the consolidated group.
- (b) in the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors pursuant to section 295(5) of the *Corporations Act 2001*.

Signed on behalf of the Board of Directors



Mr M Williams
Director



Mr A Murphy
Director

Sydney 14 April

Independent auditor's report



INDEPENDENT AUDITOR'S REPORT

Insearch Limited

To Members of the New South Wales Parliament and Members of Insearch Limited

I have audited the accompanying financial statements of Insearch Limited (the Company), which comprise the statement of financial position as at 31 December 2014, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

Opinion

In my opinion the financial statements:

- are in accordance with the *Corporations Act 2001*, including:
 - giving a true and fair view of the Company's financial position as at 31 December 2014 and its performance for the year ended on that date
 - complying with Australian Accounting Standards and the Corporations Regulations 2001
- are in accordance with section 41B of the *Public Finance and Audit Act 1983* (PF&A Act) and the Public Finance and Audit Regulation 2010.

My opinion should be read in conjunction with the rest of this report.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for preparing financial statements that give a true and fair view in accordance with Australian Accounting Standards, the PF&A Act and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on the financial statements based on my audit. I conducted my audit in accordance with Australian Auditing Standards. Those Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including an assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

Independent auditor's report (continued)

I believe the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

My opinion does *not* provide assurance:

- about the future viability of the Company
- that it carried out its activities effectively, efficiently and economically
- about the effectiveness of the internal control
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about other information that may have been hyperlinked to/from the financial statements.

Independence

In conducting my audit, I have complied with the independence requirements of the Australian Auditing Standards, the *Corporations Act 2001* and relevant ethical pronouncements. The PF&A Act further promotes independence by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of public sector agencies, but precluding the provision of non-audit services, thus ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by the possibility of losing clients or income.

I confirm that the independence declaration required by the *Corporations Act 2001*, provided to the directors of Insearch Limited on 13 April 2015, would be in the same terms if provided to the directors as at the time of this auditor's report.



Caroline Karakatsanis
Director, Financial Audit Services

15 April 2015
SYDNEY

Auditor's independence declaration



To the Directors
Insearch Limited

Auditor's Independence Declaration

As auditor for the audit of the financial statements of Insearch Limited for the year ended 31 December 2014, I declare, to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations Act 2001* in relation to the audit
- any applicable code of professional conduct in relation to the audit.

A handwritten signature in black ink, appearing to read "C. Karakatsanis".

Caroline Karakatsanis
Director, Financial Audit Services

13 April 2015
SYDNEY

Statement of comprehensive income

FOR THE YEAR ENDED 31 DECEMBER 2014

	Notes	Consolidated entity		Parent entity	
		2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Revenue from continuing operations	4	80,868	63,551	82,552	63,547
Other income	5	538	591	538	591
Employee benefits expenses	6	(31,654)	(27,393)	(31,436)	(27,237)
Depreciation and amortisation expense	6	(4,216)	(4,604)	(4,191)	(4,571)
Other expenses	6	(37,651)	(30,094)	(37,362)	(30,249)
Finance income/(costs)		(39)	90	(39)	90
Share of net profit/(loss) of associate and joint venture accounted for using the equity method	9	796	746	-	-
Surplus for the year attributable to members		8,642	2,887	10,062	2,171
Other comprehensive income					
Items that may be reclassified to profit or loss					
Exchange differences on translation of foreign operations	19(a)	24	177	-	-
Exchange differences on translation of disposed foreign operations	19(a)	463	-	-	-
Other comprehensive income for the year		487	177	-	-
Total comprehensive income for the year attributable to members		9,129	3,064	10,062	2,171

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

Statement of financial position

AS AT 31 DECEMBER 2014

	Notes	Consolidated entity		Parent entity	
		2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Assets					
Current assets					
Cash and cash equivalents	7	65,723	51,978	65,239	51,546
Trade and other receivables	8	6,594	7,091	6,742	7,160
Total current assets		72,317	59,069	71,981	58,706
Non-current assets					
Investments accounted for using the equity method	9	650	1,517	–	–
Property, plant and equipment	10	8,645	8,072	8,624	8,033
Intangible assets	11	4,378	3,860	4,378	3,860
Other non-current assets	12	47	37	405	378
Total non-current assets		13,720	13,486	13,407	12,271
Total assets		86,037	72,555	85,388	70,977
Liabilities					
Current liabilities					
Trade and other payables	13	337	232	326	222
Finance lease liability	14	28	177	28	177
Provisions	15	2,840	2,233	2,840	2,233
Other current liabilities	16	29,440	26,066	29,440	26,069
Total current liabilities		32,645	28,708	32,634	28,701
Non-current liabilities					
Finance lease liability	17	10	38	10	38
Provisions	18	2,246	1,802	2,246	1,802
Total non-current liabilities		2,256	1,840	2,256	1,840
Total liabilities		34,901	30,548	34,890	30,541
Net assets		51,136	42,007	50,498	40,436
Equity					
Reserves	19(a)	(737)	(1,224)	–	–
Retained surplus	19(b)	51,873	43,231	50,498	40,436
Total equity		51,136	42,007	50,498	40,436

The above statement of financial position should be read in conjunction with the accompanying notes.

Statement of changes in equity

FOR THE YEAR ENDED 31 DECEMBER 2014

	Notes	Reserves	Retained surplus	Total equity
		\$'000	\$'000	\$'000
Consolidated				
Balance at 1 January 2013		(1,401)	40,344	38,943
Surplus for the year	19(b)	-	2,887	2,887
Exchange differences on translation of foreign operations	19(a)	177	-	177
Total comprehensive income for the year		177	2,887	3,064
Balance at 31 December 2013		(1,224)	43,231	42,007
Balance at 1 January 2014		(1,224)	43,231	42,007
Surplus for the year	19(b)	-	8,642	8,642
Exchange differences on translation of foreign operations	19(a)	487	-	487
Total comprehensive income for the year		487	8,642	9,129
Balance at 31 December 2014		(737)	51,873	51,136
Parent entity				
Balance at 1 January 2013		-	38,265	38,265
Surplus for the year	19(b)	-	2,171	2,171
Total comprehensive income for the year		-	2,171	2,171
Balance at 31 December 2013		-	40,436	40,436
Balance at 1 January 2014		-	40,436	40,436
Surplus for the year	19(b)	-	10,062	10,062
Total comprehensive income for the year		-	10,062	10,062
Balance at 31 December 2014		-	50,498	50,498

The above statement of changes in equity should be read in conjunction with the accompanying notes.

Statement of cash flows

FOR THE YEAR ENDED 31 DECEMBER 2014

	Notes	Consolidated entity		Parent entity	
		2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Cash flows from operating activities					
Receipts from customers (inclusive of goods and services tax)		85,270	69,655	86,928	72,241
Donation paid to the University of Technology, Sydney		(3,148)	(2,648)	(3,147)	(2,648)
Payment to suppliers and employees (inclusive of goods and services tax)		(67,423)	(56,232)	(67,403)	(56,293)
		14,699	10,775	16,378	13,300
Net interest received		1,660	1,500	1,658	1,498
Interest paid		(10)	(46)	(10)	(46)
Associate distribution received		1,686	2,546	–	–
Input tax credit refund from Australian Taxation Office		1,212	1,037	1,212	1,037
Net cash inflow from operating activities	27	19,247	15,812	19,238	15,789
Cash flows from investing activities					
Payment for property and equipment and intangible assets		(5,337)	(1,779)	(5,332)	(1,779)
Loans to joint venture		(25)	(40)	(25)	(40)
Proceeds from sale of property, plant and equipment		2	2	2	2
Net cash (outflow) from investing activities		(5,360)	(1,817)	(5,355)	(1,817)
Cash flows from financing activities					
Finance lease payments		(190)	(402)	(190)	(402)
Net cash (outflow) from financing activities		(190)	(402)	(190)	(402)
Net increase in cash and cash equivalents		13,697	13,593	13,693	13,570
Cash and cash equivalents at the beginning of the financial year		51,978	38,366	51,546	37,976
Effects of exchange rate changes on cash and cash equivalents		48	19	–	–
Cash and cash equivalents at end of the financial year	7	65,723	51,978	65,239	51,546

The above statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2014

1. THE COMPANY

INSEARCH Limited is a public company, limited by guarantee of its members, having no share capital. The company is incorporated and domiciled in Australia. Its registered place of business is Level 9, 187 Thomas Street, Haymarket NSW 2000. The company provides education services in English language, business and other disciplines to Australian and overseas students in Australia.

INSEARCH Limited is a controlled entity of the University of Technology, Sydney. This status is a reflection of the terms of the INSEARCH constitution and the structure of the INSEARCH Board.

The company has the wholly owned entities, INSEARCH Education International Pty Limited, INSEARCH Education and INSEARCH (Shanghai) Limited. INSEARCH Education International Pty Limited is a private company, incorporated in Australia and formed in 1995. INSEARCH Education is a company registered as a charity in the United Kingdom and was formed in 2004. INSEARCH (Shanghai) Limited provides consulting, marketing support and other services to INSEARCH Limited. INSEARCH (Shanghai) Limited was formed in 2001 in the People's Republic of China.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements include separate financial statements for the parent entity and the group comprising INSEARCH Limited and its subsidiaries.

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and interpretations issued by the Australian Accounting Standards Board and the *Public Finance and Audit Act 1983*, the Public Finance and Audit Regulation 2010 and the *Corporations Act 2001*. Where there are inconsistencies between the above requirements, the legislative provisions have prevailed. INSEARCH Limited is a not-for-profit entity.

The consolidated financial statements for the year ended 31 December 2014 were authorised for issue in accordance with a resolution of the directors on 25 March 2015.

(i) Statement of compliance

The parent entity's financial statements and accompanying notes comply with Australian Accounting Standards which include Australian Accounting Interpretations.

Generally accepted accounting principles, authoritative pronouncements of the AASB, including Interpretations, the *Public Finance and Audit Act 1983*, the Public Finance and Audit Regulation 2010 and the *Corporations Act 2001* have been used to prepare the subsidiaries' financial statements.

(ii) New and amended standards adopted by the group

The group has applied the following standards and amendments for first time in their annual reporting period commencing 1 January 2014:

- > AASB 2012-10 *Amendments to Australian Accounting Standards — Transition Guidance and other Amendments* which provides an exemption from the requirement to disclose the impact of the change in accounting policy on the current period.

(iii) Early adoption of standards

The group has not elected to apply any pronouncements before their operative date in the annual reporting period beginning 1 January 2014.

(iv) Historical cost convention

These financial statements have been prepared under the historical cost convention.

(v) Critical accounting estimates

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the group's accounting policies.

INSEARCH Limited has made estimates on the valuation of its associate and joint venture investments. Estimates are based on the historical experience and other factors that are considered to be relevant, including latest available management information of financial performance and position. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

(b) Principles of consolidation

(i) Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of INSEARCH Limited ('company' or 'parent entity') as at 31 December 2014 and the results of all subsidiaries for the year then ended. INSEARCH Limited and its subsidiaries together are referred to in these financial statements as the group or the consolidated entity.

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the group.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

(ii) Associates

Investments in associates are accounted for in the parent entity financial statements using the cost method and in the consolidated financial statements using the equity method of accounting, after initially being recognised at cost.

The group share of its associates' post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition other comprehensive income is recognised in other comprehensive income. The cumulative post-acquisition movements are adjusted against the

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2014

carrying amount of the investment. Distributions receivable from associates are recognised in the parent entity statement of comprehensive income, while in the consolidated financial statements they are recognised as a reduction in the carrying amount of the investment.

When the group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured long-term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the group and its associates are eliminated to the extent of the group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

(iii) Joint ventures

The interest in a joint venture partnership is accounted for using the equity method after initially being recognised at cost. Under the equity method, the share of the profits or losses of the partnership is recognised in profit or loss, and the share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. Details relating to the partnership are set out in note 9. Initial investment in the joint venture in the form of a loan is recognised as a financial asset.

Profits or losses on transactions establishing the joint venture partnership and transactions with the joint venture are eliminated to the extent of the group's ownership interest until such time as they are realised by the joint venture partnership on consumption or sale. However, a loss on the transaction is recognised immediately if the loss provides evidence of a reduction in the net realisable value of current assets, or an impairment loss.

(c) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Australian dollars, which is INSEARCH Limited's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss, except when they are deferred in equity as qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

(iii) Group companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- > assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position
- > income and expenses for each income statement and statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- > all resulting exchange differences are recognised in other comprehensive income.

(iv) Foreign currency translation reserve

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign operations.

(d) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties.

Revenue is recognised for the major business activities as follows:

(i) Fees

Education fees are recognised as revenue in advance upon student enrolment and are then disbursed to revenue at the time of course delivery. Education revenue is disclosed net of refunds.

(ii) Other fees and charges

Fees are recognised as revenue when services are provided.

(iii) Other income

Other income includes foreign exchange gain or loss and net gain or loss on disposal of non-current assets.

(e) Expense recognition

(i) Direct expenses

Costs associated with delivering educational programs are recognised at the time of course delivery. Direct expenses incurred for courses not delivered are treated as prepayments.

(ii) Other expenses

All other expenses are charged against revenue when the liability has been recognised.

(f) Income tax

No income tax has been provided in the attached accounts for the Australian operation as the company is exempt from income tax under section 50-55 of the *Income Tax Assessment Act 1997*.

Income tax has been provided, where appropriate, for the other overseas entities.

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2014

(g) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the consolidated statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

(h) Acquisition of assets

The purchase method of accounting is used to account for all acquisitions of assets. Assets are initially recorded at their cost at the date of acquisition. Cost is measured as the fair value of the consideration provided at the date of exchange and incidental costs directly attributable to the acquisition.

(i) Impairment of assets

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash generating units).

(j) Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Cash at bank is interest rate bearing with interest rates between 0.10% and 2.00% (2013: 0.10% and 2.65%). Deposits at call are bearing a floating interest rate at 2.40% (2013: between 2.40% and 2.65%). Fixed term deposits are bearing interest rates between 3.10% and 3.45% (2013: 3.52% and 4.40%).

(k) Trade and other receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Trade receivables are generally due for settlement within 30 days. They are presented as current assets unless collection is not expected for more than 12 months after the reporting date.

The collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. A provision for impairment is established when there is objective evidence that the group will not be able to collect all amounts due according to the original terms of the receivables.

The amount of the impairment loss is recognised in the statement of comprehensive income within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the statement of comprehensive income.

(l) Investments and other financial assets

Classification

Investments, with the exception of financial assets at amortised cost, are measured at fair value. Changes in the fair value are either taken to the statement of comprehensive income or to an equity reserve.

The group classifies its financial assets in the following categories: financial assets at fair value through profit or loss, financial assets at amortised cost, loans and receivables, held to maturity investments, and available for sale financial assets. The classification depends on the purpose for which the investments were required. Management determines the classification of its investments at initial recognition and, in the case of assets classified as held-to-maturity, re-evaluates this designation at the end of each reporting period.

(m) Property, plant and equipment

Property, plant and equipment is stated at historical cost less depreciation. Capitalisation threshold for all assets is \$1000. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the statement of comprehensive income during the reporting period in which they are incurred.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of plant and equipment over its expected useful life in the group. The Capital Review Committee reviews the estimated useful lives, residual values and depreciation method of assets at the end of each annual reporting period, with the effect of any changes recognised on a prospective basis. The expected useful lives for the parent entity are as follows.

Furniture and fittings	Period of the lease
Office equipment	3–5 years
Motor vehicles	4 years
Computer equipment	3–5 years

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2014

The cost of improvements to leasehold properties has been integrated into the asset class of furniture and fittings, and has been depreciated in line with the expected unexpired period of the lease.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 2(i)).

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statement of comprehensive income.

(n) Intangible assets

(i) IT development and software

Software is initially recorded at historical cost and amortised. Subsequently software is reported at its recoverable amount, as the carrying amount of each asset is reviewed annually by the Capital Review Committee to determine whether it is in excess of its recoverable amount at the end of the reporting period.

Amortisation is calculated on a straight-line basis over periods generally ranging from two to seven years.

(ii) Curriculum and course development and validation expenses

Curriculum and course development represents the costs associated with developing the curriculum and teaching materials for a course to be delivered. These have a finite useful life and are carried at cost less accumulated amortisation and impairment losses, if any.

Amortisation is calculated on a straight-line basis over periods generally ranging from three to five years.

(iii) Website development

The costs associated in developing, building and enhancing websites designed for external access, to the extent they represent future economic benefits, are controlled and can be reliably measured, have been capitalised and amortised over the period of the expected benefits.

Amortisation is calculated on a straight-line basis to write off the net cost of each asset over its expected useful life of three years.

(o) Leases

Leases of property, plant and equipment where the group, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases (note 10, 14, 17 and 24). Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other short-term and long-term payables. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the group will obtain ownership at the end of the lease term.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the group as lessee are classified as operating leases (note 24). Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

Lease commitments are reported inclusive of GST with the input tax recoverable from the Australian Taxation Office.

(p) Trade and other payables

These amounts represent liabilities for goods and services provided to the group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

(q) Provisions

The provisions of the group are recognised when the group has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation and that the amount can be reliably estimated. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

(r) Employee benefits

(i) Wages and salaries

Liabilities for wages and salaries, including non-monetary benefits expected to be settled within 12 months of the end of the reporting period are recognised in other payables in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

(ii) Annual leave and long service leave

The recorded liability for provision of annual leave includes annual leave entitlements accrued but not expected to be taken within one year. These entitlements are measured at the present value of expected future payments to be made, including on costs of leave accrued by employees up to the end of the reporting period. The expected future payments of this leave provision is discounted using published market yield of the two-year Treasury Bond at the end of the reporting period of 2.19% (2013: 2.68%).

The provision for long service leave is recognised as a liability and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period. Consideration is given to on costs, expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using published market yield of the 10-year Treasury Bond at the end of each reporting period of 2.81% (2013: 4.23%).

The obligations are presented as current liabilities in the statement of financial position if the entity does not have an unconditional right to defer settlement for at least 12 months after the reporting date, regardless of when the actual settlement is expected to occur.

(iii) Superannuation

INSEARCH Limited complies with the *Superannuation Guarantee (Administration) Act 1992*.

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2014

(s) Rounding of amounts

The company is of a kind referred to in Class Order 98/100, issued by the Australian Securities and Investments Commission, relating to the 'rounding off' of amounts in the financial statements. Amounts in the financial statements have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, the nearest dollar.

(t) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2014 reporting periods and have not yet been applied in the financial statements. The group's and the parent entity's assessment of the impact of these new standards and interpretations is set out below.

- > AASB 9 *Financial Instruments*, AASB 2010-7 *Amendments to Australian Accounting Standards arising from AASB 9 Financial Instruments* (December 2010) and AASB 2012-6 *Amendments to Australian Accounting Standards — Mandatory Effective Date of AASB 9 and Transition Disclosures* (effective from 1 January 2018).

AASB 9 *Financial Instruments* addresses the classification, measurement and derecognition of financial assets and financial liabilities. The standard is not applicable until 1 January 2018 but is available for early adoption. When adopted, the standard will affect in particular the group accounting for its available-for-sale financial assets, since AASB 9 only permits the recognition of fair value gains and losses in other comprehensive income if they relate to equity investments that are not held for trading. Fair value gains and losses on available-for-sale debt investments, for example, will therefore have to be recognised directly in profit or loss. In the current reporting period, the group had no such gains in other comprehensive income.

There will be no impact on the group's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the group does not have any such liabilities. The derecognition rules have been transferred from AASB 139 *Financial Instruments: Recognition and Measurement* and have not been changed. The group has not yet decided when to adopt AASB 9.

There are no other standards that are not yet effective and that are expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

(u) Comparative information

Comparative data has been reclassified where necessary to enhance comparability in respect of changes in the current year. Where prior year data was not disclosed or where it is not practical to calculate the information, comparative data has been omitted.

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2014

3. FINANCIAL RISK MANAGEMENT

INSEARCH Limited's principal financial instruments are outlined below. These financial instruments arise directly from the entity's operations or are required to finance the entity's operation. INSEARCH Limited does not enter into or trade in financial instruments.

INSEARCH Limited's risks arising from financial instruments are outlined below, together with the entity's objectives and policies for measuring and managing risk.

The INSEARCH Limited Board has overall responsibility for the establishment and oversight of risk management and reviews and agrees policies for managing each of these risks. Risk management policies are established to identify and analyse the risk limits and controls, and to monitor risks. Compliance with policies is reviewed by the Audit Committee on a continuous basis.

	Consolidated entity		Parent entity	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Financial assets				
Cash and cash equivalents	65,723	51,978	65,239	51,546
Trade and other receivables — current ¹	2,211	3,119	2,364	3,193
Other financial assets	47	37	405	378
Total financial assets	67,981	55,134	68,008	55,117
Financial liabilities				
Trade and other payables	337	232	326	222
Finance lease liability	38	215	38	215
Other financial liabilities ¹	29,440	25,517	29,440	25,517
Total financial liabilities	29,815	25,964	29,804	25,954

1. Excluding prepayments and statutory receivables/payables

(a) Market risk

The primary areas of market risk that INSEARCH Limited is exposed to are interest rate risk and foreign exchange risk.

(i) Foreign exchange risk

INSEARCH Limited's tuition fees for services provided in Australia are specified in Australian dollars. Therefore there is little or no exchange rate exposure in relation to fees.

INSEARCH Limited has operations in China, Vietnam and Indonesia which are affected by movements in exchange rates. The impact of these movements can affect both the operating surplus expressed in Australian dollars, and the carrying values of the operations on the statement of financial position of the group.

INSEARCH Limited views these exposures to movements in exchange rates as long term and therefore does not hedge against foreign exchange movements.

The movement in exchange rates in 2014 have contributed to the Australian dollar increase in surplus for INSEARCH Limited.

(ii) Interest rate risk

INSEARCH Limited has no borrowings and therefore no associated payable risk as a result of fluctuating interest rates. INSEARCH Limited does have an exposure to changes in income due to fluctuations in interest rates.

Cash investments are maintained for between one to four months in order to respond to more attractive interest bearing deposits. Cash investments are reviewed monthly as part of the management reporting process.

(iii) Sensitivity

The following table summarises the sensitivity of the company's financial assets and financial liabilities to interest rate risk and foreign exchange risk.

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2014

	Carrying amount \$'000	Interest rate risk				Foreign exchange risk			
		+1%		-1%		+10%		-10%	
		Surplus \$'000	Equity \$'000	Surplus \$'000	Equity \$'000	Surplus \$'000	Equity \$'000	Surplus \$'000	Equity \$'000
Consolidated									
31 December 2014									
Financial assets									
Cash and cash equivalents	65,723	794	-	(794)	-	-	175	-	(175)
Trade and other receivables — current	2,211	3	-	(3)	-	-	-	-	-
Other financial assets	47	-	-	-	-	-	-	-	-
Total increase/(decrease) in financial assets		797	-	(797)	-	-	175	-	(175)
Financial liabilities									
Trade and other payables	337	-	-	-	-	-	(1)	-	1
Finance lease liability	38	-	-	-	-	-	-	-	-
Other financial liabilities	29,440	-	-	-	-	-	-	-	-
Total increase/(decrease) in financial liabilities		-	-	-	-	-	(1)	-	1
31 December 2013									
Financial assets									
Cash and cash equivalents	51,978	509	-	(509)	-	-	138	-	(138)
Trade and other receivables — current	3,119	1	-	(1)	-	-	133	-	(133)
Other financial assets	37	-	-	-	-	-	-	-	-
Total increase/(decrease) in financial assets		510	-	(510)	-	-	271	-	(271)
Financial liabilities									
Trade and other payables	232	-	-	-	-	-	(1)	-	1
Finance lease liability	215	-	-	-	-	-	-	-	-
Other financial liabilities	25,517	-	-	-	-	-	-	-	-
Total increase/(decrease) in financial liabilities		-	-	-	-	-	(1)	-	1

(b) Credit risk

Credit risk arises where there is a possibility of the entity's debtors defaulting on their contractual obligations, resulting in a financial loss to the entity.

INSEARCH Limited has limited exposure to credit risk due to the collection of the majority of tuition fees prior to the provision of services. The group's position with regard to credit risk is monitored monthly with outstanding items being actively managed.

Cash and cash equivalents comprise cash on hand and bank balances held with the Commonwealth Bank and ANZ Bank. Interest on these accounts is earned on the daily bank balance.

(c) Liquidity risk

Liquidity risk is the risk that the group will be unable to meet its payment obligations when they fall due.

INSEARCH Limited maintains adequate cash balances to ensure that it has sufficient funds to meet operating expenditure and capital expenditure.

Liquidity is managed by the group through the preparation and review of monthly statement of cash flows and cash forecasts. Cash at bank is reconciled on a monthly basis and bank balances are independently confirmed as part of the annual audit process.

(d) Fair value measurements

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The fair value of the group's financial instruments is equal to their carrying value.

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2014

	Consolidated entity		Parent entity	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
4. REVENUE				
Revenue from continuing operations				
Fees	79,068	61,995	79,068	61,995
Interest	1,800	1,519	1,798	1,517
Other fees and charges	-	37	-	35
Distribution from interest in associate	-	-	1,686	-
Total revenue	80,868	63,551	82,552	63,547
5. OTHER INCOME				
Net loss on sale of non-current assets	(2)	(1)	(2)	(1)
Other	540	592	540	592
Total other income	538	591	538	591
6. EXPENSES				
Expenses from continuing operations				
(i) Employee benefits expenses				
Salaries and wages	23,791	21,596	23,574	21,440
Superannuation	2,495	2,064	2,495	2,064
Payroll tax	1,625	1,308	1,625	1,308
Other	3,743	2,425	3,742	2,425
Total employee benefits expenses	31,654	27,393	31,436	27,237
(ii) Depreciation and amortisation				
Depreciation				
Office equipment	121	87	120	86
Furniture and fittings	1,898	2,153	1,881	2,126
Motor vehicles	61	49	61	49
Reimbursement of motor vehicles for salary packaging	(28)	(23)	(28)	(23)
Computer equipment	792	759	785	754
Total depreciation	2,844	3,025	2,819	2,992
Amortisation				
Curriculum	492	412	492	412
Software	880	1,167	880	1,167
Total amortisation	1,372	1,579	1,372	1,579
Total depreciation and amortisation	4,216	4,604	4,191	4,571

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2014

	Consolidated entity		Parent entity	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
(iii) Other expenses				
Donation to the University of Technology, Sydney	3,148	2,648	3,147	2,648
Occupancy	7,437	6,537	7,284	6,407
Security	372	335	372	335
Communications	509	552	484	522
Channel partner commissions	11,297	8,457	11,297	8,457
Homestay and welcome	1,435	972	1,435	972
Educational expenses	1,968	1,669	1,968	1,669
Registration and accreditation	230	129	231	129
Scholarships	187	209	187	209
Library fees	1,192	853	1,192	853
Promotion	2,052	2,087	1,994	2,086
Overseas travel	1,164	792	1,164	792
Local travel	286	289	164	203
Staff appointments	221	248	221	248
Audit and accounting fees	293	325	290	323
Legal fees	319	176	319	176
Consultancy	1,512	1,004	1,512	1,004
Subscription and membership	122	107	121	107
Printing and stationery	348	324	342	316
Bad debt receivables and inventory write-off	125	(10)	125	(10)
Loss/(gain) on foreign exchange	415	(360)	(32)	(344)
Impairment losses of investments	–	–	(25)	(63)
Exhibition and interview program	125	204	125	204
Offshore representation expenses	268	141	1,011	742
Other	2,626	2,406	2,434	2,264
Total other expenses	37,651	30,094	37,362	30,249
7. CURRENT ASSETS — CASH AND CASH EQUIVALENTS				
Cash at bank and in hand	13,633	18,408	13,149	17,976
Deposits at call	5,336	4,534	5,336	4,534
Term deposits	46,754	29,036	46,754	29,036
Total cash and cash equivalents	65,723	51,978	65,239	51,546

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2014

	Consolidated entity		Parent entity	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
8. CURRENT ASSETS — TRADE AND OTHER RECEIVABLES				
Trade receivables	726	557	726	557
Provision for impairment of receivables (a)	(103)	(24)	(103)	(24)
	623	533	623	533
Prepayments	4,383	3,972	4,378	3,967
Other receivables	1,296	2,405	1,337	2,421
Accrued interest	279	139	279	139
Loan to ELTI	13	42	125	100
Total trade and other receivables	6,594	7,091	6,742	7,160

(a) Impaired trade and other receivables

As at 31 December 2014, current trade receivables of the group with a nominal value of \$103,198 were impaired and they relate to individually impaired receivables for student tuition fees and channel partners' commission refund which were deemed potentially uncollectible.

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

	Consolidated entity		Parent entity	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
At 1 January	24	41	24	41
Provision for impairment recognised during the year	114	–	114	–
Receivables written off during the year as uncollectible	(35)	–	(35)	–
Unused amounts reversed	–	(17)	–	(17)
At 31 December	103	24	103	24

The creation and release of the provision for impaired receivables has been included in other expenses in the income statement. Amounts charged to the provision account are generally written off when there is no expectation of recovering additional cash.

(b) Past due but not impaired

As of 31 December 2014, the group trade and other receivables of \$623,331 (2013: \$533,111) and the parent trade and other receivables of \$623,331 (2013: \$533,111) were past due but not impaired. The ageing analysis of the receivables is as follows:

	Consolidated entity		Parent entity	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
> up to 3 months	524	525	524	525
> 3 to 6 months	99	8	99	8
> over 6 months	–	–	–	–
	623	533	623	533

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2014

	Consolidated entity		Parent entity	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
9. NON-CURRENT ASSETS — INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD				
Interest in associated undertaking	650	1,517	–	–
Total investments accounted for using the equity method	650	1,517	–	–
Share of profits and losses				
Associate	845	806	–	–
Joint venture	(49)	(60)	–	–
	796	746	–	–

	Consolidated entity	
	2014 \$	2013 \$
Carrying amount of investment in associated entity	650	1,517
Share of assets and liabilities		
Current assets	398	1,503
Non-current assets	89	134
Total assets	487	1,637
Current liabilities	(163)	120
Non-current liabilities	–	–
Total liabilities	(163)	120
Net assets	650	1,517
Share of revenue and expenses		
Revenues	3,306	3,246
Expenses	(2,510)	(2,500)
Net profit	796	746

(a) Associate — Australia Centres for Education and Training (ACETs)

This is a business formed by INSEARCH Limited and IDP Education Australia (Vietnam) Limited to deliver general English classes in Vietnam. INSEARCH Limited has a 50% ownership interest in the ACETs and is entitled to a 40% share of its retained earnings.

(b) Joint venture — Lembaga ELTI Gramedia (ELTI)

In 2012, the company entered into a joint venture with Lembaga ELTI Gramedia Limited to deliver General English programs in Indonesia.

The company's initial investment in ELTI was in the form of loan amounting to \$125,000. Subsequent losses have been recognised of the joint venture on a reduction of the loan balance.

As at 31 December 2014, ELTI's share of cumulative losses amounting to \$112,243 has been offset against the loan balance. Losses inclusive of net foreign exchanges gains or losses recognised in 2014 were \$54,287 (2013: \$57,956). Shared assets and liabilities, revenues and expenses were not considered material.

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2014

	Office equipment	Motor vehicles	Furniture and fittings	Computer equipment	Capital work in progress	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
10. NON-CURRENT ASSETS — PROPERTY, PLANT AND EQUIPMENT						
Consolidated entity						
At 1 January 2013						
Cost	450	198	13,305	3,609	–	17,562
Accumulated depreciation	(312)	(98)	(5,241)	(2,158)	–	(7,809)
Net book amount	138	100	8,064	1,451	–	9,753
Year ended 31 December 2013						
Opening net book amount	138	100	8,064	1,451	–	9,753
Exchange differences	–	–	6	2	–	8
Additions	–	–	–	66	1,296	1,362
Disposals	(3)	–	–	–	–	(3)
Transfers	204	61	210	772	(1,247)	–
Depreciation charge	(87)	(49)	(2,153)	(759)	–	(3,048)
Closing net book amount	252	112	6,127	1,532	49	8,072
At 31 December 2013						
Cost	618	259	13,476	4,101	49	18,503
Accumulated depreciation	(366)	(147)	(7,349)	(2,569)	–	(10,431)
Net book amount	252	112	6,127	1,532	49	8,072
Year ended 31 December 2014						
Opening net book amount	252	112	6,127	1,532	49	8,072
Exchange differences	–	–	1	1	–	2
Additions	4	–	–	1	3,442	3,447
Disposals	(1)	–	–	(3)	–	(4)
Transfers	299	33	1,820	1,264	(3,416)	–
Depreciation charge	(121)	(61)	(1,898)	(792)	–	(2,872)
Closing net book amount	433	84	6,050	2,003	75	8,645
At 31 December 2014						
Cost	801	265	15,000	4,172	75	20,313
Accumulated depreciation	(368)	(181)	(8,950)	(2,169)	–	(11,668)
Net book amount	433	84	6,050	2,003	75	8,645

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2014

	Office equipment	Motor vehicles	Furniture and fittings	Computer equipment	Capital work in progress	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Parent entity						
At 1 January 2013						
Cost	445	198	13,211	3,585	–	17,439
Accumulated depreciation	(310)	(98)	(5,194)	(2,148)	–	(7,750)
Net book amount	135	100	8,017	1,437	–	9,689
Year ended 31 December 2013						
Opening net book amount	135	100	8,017	1,437	–	9,689
Additions	–	–	–	66	1,296	1,362
Disposals	(3)	–	–	–	–	(3)
Transfers	203	61	211	772	(1,247)	–
Depreciation charge	(86)	(49)	(2,126)	(754)	–	(3,015)
Closing net book amount	249	112	6,102	1,521	49	8,033
At 31 December 2013						
Cost	612	259	13,364	4,072	49	18,356
Accumulated depreciation	(363)	(147)	(7,262)	(2,551)	–	(10,323)
Net book amount	249	112	6,102	1,521	49	8,033
Year ended 31 December 2014						
Opening net book amount	249	112	6,102	1,521	49	8,033
Additions	–	–	–	–	3,442	3,442
Disposals	(1)	–	–	(3)	–	(4)
Transfers	299	33	1,820	1,264	(3,416)	–
Depreciation charge	(120)	(61)	(1,881)	(785)	–	(2,847)
Closing net book amount	427	84	6,041	1,997	75	8,624
At 31 December 2014						
Cost	790	265	14,881	4,141	75	20,152
Accumulated depreciation	(363)	(181)	(8,840)	(2,144)	–	(11,528)
Net book amount	427	84	6,041	1,997	75	8,624

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	Curriculum	Computer software	Capital work in progress	Total
	\$'000	\$'000	\$'000	\$'000
11. NON-CURRENT ASSETS — INTANGIBLE ASSETS				
Consolidated and parent entity				
At 1 January 2013				
Cost	–	7,139	3,334	10,473
Accumulated amortisation and impairment	–	(5,517)	–	(5,517)
Net book amount	–	1,622	3,334	4,956
Year ended 31 December 2013				
Opening net book amount	–	1,622	3,334	4,956
Additions	–	–	483	483
Transfers	2,459	1,094	(3,553)	–
Amortisation charge	(412)	(1,167)	–	(1,579)
Closing net book amount	2,047	1,549	264	3,860
At 31 December 2013				
Cost	2,459	8,233	264	10,956
Accumulated amortisation and impairment	(412)	(6,684)	–	(7,096)
Net book amount	2,047	1,549	264	3,860
Year ended 31 December 2014				
Opening net book amount	2,047	1,549	264	3,860
Additions	–	–	1,890	1,890
Transfers	–	1,044	(1,044)	–
Amortisation charge	(492)	(880)	–	(1,372)
Closing net book amount	1,555	1,713	1,110	4,378
At 31 December 2014				
Cost	2,459	9,085	1,110	12,654
Accumulated amortisation and impairment	(904)	(7,372)	–	(8,276)
Net book amount	1,555	1,713	1,110	4,378

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2014

	Consolidated entity		Parent entity	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
12. NON-CURRENT ASSETS — OTHER NON-CURRENT ASSETS				
Security deposits	47	37	5	–
Interest in associate and joint venture	–	–	81	81
INSEARCH (Shanghai) Limited	–	–	319	297
Total other non-current assets	47	37	405	378
13. CURRENT LIABILITIES — TRADE AND OTHER PAYABLES				
Trade and other payables	291	84	288	82
University of Technology, Sydney	52	61	52	61
Other creditors	(6)	87	(14)	79
Total trade and other payables	337	232	326	222
14. CURRENT LIABILITIES — FINANCE LEASE LIABILITY				
Lease liabilities (note 24)	28	177	28	177
Total current finance lease liability	28	177	28	177
15. CURRENT LIABILITIES — PROVISIONS				
Employee benefits — annual leave (a)	1,614	1,312	1,614	1,312
Employee benefits — long service leave (a)	1,159	901	1,159	901
Lease incentives	67	20	67	20
Total current provisions	2,840	2,233	2,840	2,233
(a) Amounts not expected to be settled within 12 months				
Current annual leave obligations expected to be settled after 12 months	331	274	331	274
Current long service leave obligations expected to be settled after 12 months	381	825	381	825
16. CURRENT LIABILITIES — OTHER CURRENT LIABILITIES				
Accrued expenses	5,411	4,653	5,411	4,653
Prepaid course fees	22,352	19,066	22,352	19,069
Others	1,677	2,347	1,677	2,347
Total other current liabilities	29,440	26,066	29,440	26,069
17. NON-CURRENT LIABILITIES — FINANCE LEASE LIABILITY				
Secured				
Lease liabilities (note 24)	10	38	10	38
Total non-current finance lease liability	10	38	10	38

The group lease computer equipment with a carrying amount of \$35,052 (2013: \$197,374) under finance leases expiring within three years. Under the terms of the leases, the group has the option to acquire the leased assets on expiry of the leases by paying the difference amount between the value of the goods financed under the relevant lease schedule and the present value of the lease instalments.

Lease liabilities are effectively secured as the rights to the leased assets recognised in the financial statements revert to the lessor in the event of default.

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2014

	Consolidated entity		Parent entity	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
18. NON-CURRENT LIABILITIES — PROVISIONS				
Employee benefits — long service leave	971	704	971	704
Make good	1,103	1,073	1,103	1,073
Lease incentives	172	25	172	25
Total non-current provisions	2,246	1,802	2,246	1,802

(a) Make good provision

The provision for make good in relation to fixtures installed at leased office space is required to be provided for under AASB 116 *Property, plant and equipment*. The make good obligations are expected to be settled within the next three to five financial years.

(b) Movements in provisions

Movements in each class of provision during the financial year, other than employee benefits, are set out below:

	Make good \$'000
Consolidated — 2014	
Current and non-current	
Carrying amount at start of year	1,073
Charged/(credited) to the profit or loss	30
Make good expenses charged against provision	–
Carrying amount at end of year	1,103
Parent — 2014	
Current and non-current	
Carrying amount at start of year	1,073
Charged/(credited) to the profit or loss	30
Make good expenses charged against provision	–
Carrying amount at end of year	1,103

	Consolidated entity		Parent entity	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
19. RESERVES AND RETAINED SURPLUS				
(a) Reserves				
Foreign currency translation reserve	(737)	(1,224)	–	–
Movements				
<i>Foreign currency translation reserve</i>				
Opening balance	(1,224)	(1,401)	–	–
Currency translation differences arising during the year	487	177	–	–
Balance 31 December	(737)	(1,224)	–	–
(b) Retained surplus				
Movements in retained surplus were as follows:				
Balance 1 January	43,231	40,344	40,436	38,265
Surplus for the year	8,642	2,887	10,062	2,171
Balance 31 December	51,873	43,231	50,498	40,436

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2014

20. KEY MANAGEMENT PERSONNEL DISCLOSURES

(a) Directors

The following persons were directors of INSEARCH Limited during the financial year:

(i) Non-executive chairperson

M Williams

(ii) Executive director

A Murphy

(iii) Non-executive directors

D Hill

J Hutchison, AM

P Woods (resigned 09/02/2015)

Professor W Purcell

P Bennett

Professor B Milthorpe (resigned 30/06/2014)

Professor M Spongberg (appointed 01/07/2014)

A Dwyer (appointed 02/03/2015)

(b) Other key management personnel

Professor RD Milbourne (retired 26/07/2014)

Professor A Brungs (appointed 27/07/2014)

(c) Key management personnel compensation

INSEARCH Limited has three directors that are staff of UTS. These directors do not receive any remuneration in respect of their work as members of INSEARCH Board.

	Consolidated		Parent entity	
	2014	2013	2014	2013
Remuneration of directors				
\$0 to \$49,999	–	–	–	–
\$50,000 to \$99,999	4	4	4	4
\$100,000 to \$149,999	–	–	–	–
\$150,000 to \$199,999	–	–	–	–
\$200,000 to \$249,999	–	–	–	–
\$250,000 to \$299,999	–	–	–	–
\$300,000 to \$349,999	–	–	–	–
\$350,000 to \$399,999	–	1	–	1
\$400,000 to \$449,999	1	–	1	–
\$450,000+	–	–	–	–
	5	5	5	5

	Consolidated entity		Parent entity	
	2014 \$	2013 \$	2014 \$	2013 \$
Short-term employee benefits	635,992	606,436	635,992	606,436
Post-employment benefits	59,567	84,222	59,567	84,222
	695,559	690,658	695,559	690,658

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2014

21. RELATED PARTY TRANSACTIONS

(a) Parent entities

The parent entity in the wholly owned group is INSEARCH Limited. The controlling entity of INSEARCH Limited is the University of Technology, Sydney.

(b) Subsidiaries

Interests in subsidiaries are set out in note 22.

(c) Transactions with related parties

The following transactions occurred with related parties:

- > donation to the University of Technology, Sydney \$3,148,000 (2013: \$2,648,000), this includes \$148,000 in respect of UTS staff acting as directors on the INSEARCH Board
- > sales of services and fees to the University of Technology, Sydney \$1,020,000 (2013: \$2,616,052)
- > services rendered by the University of Technology, Sydney to INSEARCH Limited \$3,634,946 (2013: \$3,294,009)
- > consulting service income between INSEARCH (Shanghai) Limited and INSEARCH Limited \$743,285 (2013: \$601,141)
- > consulting service expense between INSEARCH Limited and INSEARCH (Shanghai) Limited \$743,285 (2013: \$601,141).

(d) Outstanding balances arising from sales/purchases of goods and services

Aggregate amounts receivable from and payable to each class of related parties at balance date are set out below:

	Consolidated entity		Parent entity	
	2014 \$	2013 \$	2014 \$	2013 \$
Current receivables (sales of goods and services)				
> INSEARCH (Shanghai) Limited	-	-	40,684	46,122

22. SUBSIDIARIES

The consolidated financial statements incorporate the assets, liabilities and results of the following principal subsidiaries in accordance with the accounting policy described in note 2(b).

Name of entity	Country of incorporation	Class of shares	Equity holding	
			2014 %	2013 %
INSEARCH (Shanghai) Limited	China	Ordinary	100	100
INSEARCH Education	United Kingdom	Ordinary	100	100
INSEARCH Education International Pty Limited	Australia	Ordinary	100	100

INSEARCH Education (UK) was formally dissolved on 17 February 2015.

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2014

23. REMUNERATION OF AUDITORS

During the year the following fees were paid or payable for services provided by the auditor of the parent entity, its related practices and non-related audit firms:

	Consolidated entity		Parent entity	
	2014 \$	2013 \$	2014 \$	2013 \$
(a) The Audit Office of New South Wales				
<i>Audit and other assurance services</i>				
Audit and review of financial reports	94,899	168,500	94,899	168,500
Total auditors' remuneration	94,899	168,500	94,899	168,500

24. COMMITMENTS

(a) Capital commitments

Commitments for the acquisition of plant and equipment contracted for at the end of the reporting period but not recognised as liabilities, payable, with the input tax recoverable from the Australian Taxation Office.

Property, plant and equipment	–	301	–	301
Input tax recoverable from the Australian Taxation Office	–	27	–	27

(b) Lease commitments

(i) Non-cancellable operating leases

Commitments for minimum lease payments in relation to non-cancellable leases are payable with the input tax recoverable from the Australian Taxation Office:

> within one year	6,313	5,557	6,155	5,476
> later than one year but not later than five years	8,622	11,125	8,378	11,125
	14,935	16,682	14,533	16,601
Input tax recoverable from the Australian Taxation Office	1,321	1,509	1,321	1,509

(ii) Finance leases

Commitments in relation to finance leases are payable as follows:

> within one year	33	204	33	204
> later than one year but not later than five years	11	44	11	44
Minimum lease payments	44	248	44	248
Future finance charges	(2)	(11)	(2)	(11)
Present value of minimum lease payments inclusive of GST	42	237	42	237
Input tax recoverable from the Australian Taxation Office	4	22	4	22

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2014

25. MEMBERS' GUARANTEE

INSEARCH Limited is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. If the company is wound up, its constitution states that each member is required to contribute a maximum of \$20 towards meeting its outstanding obligations. At reporting date, there were nine members of the entity.

26. EVENTS OCCURRING AFTER THE REPORTING PERIOD

No matter or circumstance has occurred subsequent to year end that has significantly affected, or may significantly affect, the operations of the group, the results of those operations or the state of affairs of the group in subsequent financial years.

	Consolidated entity		Parent entity	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
27. RECONCILIATION OF SURPLUS FOR THE YEAR TO NET CASH FLOWS FROM OPERATING ACTIVITIES				
Surplus for the year	8,642	2,887	10,062	2,171
Depreciation and amortisation	4,244	4,627	4,219	4,594
Non-cash movement in finance lease liability	28	131	28	131
Net loss on sale of non-current assets	2	1	2	1
Foreign currency exchange difference	5	2	–	2
Share of loss of joint venture	49	60	–	–
Share of profit of associate	(845)	(806)	–	–
Share of associate distribution received	1,686	–	–	–
Bad debt provisions	114	–	114	–
Transfer of foreign exchange translation reserve into income statement	463	–	–	–
Change in operating assets and liabilities				
> Decrease/(increase) in trade and other receivables	334	1,494	314	1,530
> Decrease in inventories	–	1	–	1
> (Increase)/decrease in other non-current assets	(5)	(6)	(27)	(65)
> [Decrease]/increase in trade and other payables	105	(1,323)	104	(1,322)
> Increase/(decrease) in provisions	1,051	253	1,051	253
> Increase in other liabilities	3,374	8,491	3,371	8,493
Net cash inflow from operating activities	19,247	15,812	19,238	15,789

END OF AUDITED FINANCIAL STATEMENTS

accessUTS Pty Limited

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Directors' report

Your directors submit their report for the year ended 31 December 2014.

Directors

The names of the directors of the company from the beginning of the financial year until the date of this report were:

Blair Peter McRae
 David James Robson appointed 19 February 2014
 Dianne Norma Hill
 Jeffrey John Francis
 John Daly
 Paul Jonson

All directors were in office from the beginning of the financial year until the date of this report, unless otherwise stated.

Principal activities

The principal activity of the company during the financial year was developing and managing the consulting activities of the University of Technology, Sydney.

There has been no significant change in the nature of this activity during the year.

Operating result

The income after income tax for the year ended 31 December 2014 was \$140,160 (2013 profit of \$70,724).

Review of operations

The operations of the company and the results of those operations were satisfactory.

Dividends

The company did not pay a dividend during the year and the directors have recommended that no dividend be paid in respect of the 2014 year.

Significant changes in the state of affairs

There have been no significant changes in the state of affairs of the company during the year.

Significant events after the balance date

There have been no significant events after the balance date that would materially affect the results presented at year end.

Environmental regulation

The company's operations are not subject to any significant environmental regulations under either Commonwealth or state legislation. However, the board believes that the company has adequate systems in place for the management of its environmental requirements and is not aware of any breach of those environmental requirements as they apply to the company.

Likely developments

It is not foreseen that the company will undertake any change in its general direction during the coming financial year. The company will continue to pursue its financial trading activities as detailed earlier in the report to produce the most beneficial result for the members.

Indemnification and insurance of officers and auditors

Indemnification

Since the end of the previous financial year, the company has not indemnified or made a relevant agreement for indemnifying against a liability of any person who is or has been an officer or auditor of the company.

Insurance premiums

During the year, no premiums were paid to insure the directors against liability.

Auditor's independence declaration

The Auditor's Independence Declaration for the year to 31 December 2014 has been received and can be found on page 105.

Signed in accordance with a resolution of the directors:



Jeffrey Francis
Director



Blair McRae
Director

Sydney, 27 March 2015

Directors' declaration

In accordance with a resolution of the directors of accessUTS Pty Limited, we state that:

1. In the opinion of the directors:
 - (a) the financial statements present a true and fair view of the company's financial position as at 31 December 2014 and of the company's performance for the year ended on that date, and
 - (b) the financial statements have been prepared in accordance with the requirements of the *Corporations Act 2001*, the *Public Finance and Audit Act 1983* and the *Public Finance and Audit Regulation 2010*, and
 - (c) the financial statements comply with Australian Accounting Standards and other mandatory professional reporting requirements, including Australian Accounting Interpretations, and
 - (d) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable, and
2. We are not aware of any circumstances that would render any particulars included in the financial statements to be misleading or inaccurate.

On behalf of the board:



Jeffrey Francis
Director



Blair McRae
Director

Sydney, 27 March 2015

Auditor's independence declaration



To the Directors
accessUTS Pty Limited

Auditor's Independence Declaration

As auditor for the audit of the financial statements of accessUTS Pty Limited for the year ended 31 December 2014, I declare, to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations Act 2001* in relation to the audit
- any applicable code of professional conduct in relation to the audit.

A handwritten signature in black ink, appearing to read "C. Karakatsanis".

Caroline Karakatsanis
Director, Financial Audit Services

26 March 2015
SYDNEY

Independent auditor's report

**INDEPENDENT AUDITOR'S REPORT****accessUTS Pty Limited**

To Members of the New South Wales Parliament and Members of accessUTS Pty Limited

I have audited the accompanying financial statements of accessUTS Pty Limited (the Company), which comprise the statement of financial position as at 31 December 2014, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

Opinion

In my opinion the financial statements:

- are in accordance with the *Corporations Act 2001*, including:
 - giving a true and fair view of the Company's financial position as at 31 December 2014 and its performance for the year ended on that date
 - complying with Australian Accounting Standards and the Corporations Regulations 2001
- are in accordance with section 41B of the *Public Finance and Audit Act 1983* (PF&A Act) and the Public Finance and Audit Regulation 2010

My opinion should be read in conjunction with the rest of this report.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for preparing financial statements that give a true and fair view in accordance with Australian Accounting Standards, the PF&A Act and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on the financial statements based on my audit. I conducted my audit in accordance with Australian Auditing Standards. Those Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including an assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

Independent auditor's report (continued)

I believe the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

My opinion does not provide assurance:

- about the future viability of the Company
- that it carried out its activities effectively, efficiently and economically
- about the effectiveness of the internal control
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about other information that may have been hyperlinked to/from the financial statements.

Independence

In conducting my audit, I have complied with the independence requirements of the Australian Auditing Standards, the *Corporations Act 2001* and relevant ethical pronouncements. The PF&A Act further promotes independence by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of public sector agencies, but precluding the provision of non-audit services, thus ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by the possibility of losing clients or income.

I confirm that the independence declaration required by the *Corporations Act 2001*, provided to the directors of accessUTS Pty Limited on 26 March 2015, would be in the same terms if provided to the directors as at the time of this auditor's report.



Caroline Karakatsanis
Director, Financial Audit Services

30 March 2015
SYDNEY

Statement of comprehensive income

FOR THE YEAR ENDED 31 DECEMBER 2014

	Note	2014 \$	2013 \$
Expenses from continuing operations excluding losses			
Employee related expenses	3(a)	2,785,354	2,395,578
Other operating expenses	3(b)	6,075,339	2,434,303
Total expenses excluding losses		8,860,693	4,829,881
Revenue from continuing operations			
Revenue from services	4(a)	9,023,017	4,868,723
Investment revenue	4(b)	22,806	19,303
Gain (loss) on foreign exchange	4(c)	(12,652)	12,579
Total revenue		9,033,171	4,900,605
Operating result before income tax		172,478	70,724
Income tax expense	5	(32,318)	-
Operating result from continuing operations		140,160	70,724
Other comprehensive income		-	-
Total comprehensive income		140,160	70,724
Total comprehensive income/(loss) for the year is attributable to:			
> owners of the parent		140,160	70,724

The accompanying notes form part of these financial statements.

Statement of financial position

AS AT 31 DECEMBER 2014

	Note	2014 \$	2013 \$
Assets			
Current assets			
Cash and cash equivalents	6	2,057,598	2,210,199
Receivables	7	3,584,291	2,702,870
Prepayments	8	79,756	-
Total current assets		5,721,645	4,913,069
Total assets		5,721,645	4,913,069
Liabilities			
Current liabilities			
Payables	9	1,855,395	1,560,973
Provisions	10	77,638	-
Other	11	3,280,100	3,016,062
Income tax payable	12	32,318	-
Total current liabilities		5,245,451	4,577,035
Total liabilities		5,245,451	4,577,035
Net assets		476,194	336,034
Equity			
Contributed equity	13	450,001	450,001
Accumulated profits /(losses)	14	26,193	(113,967)
Total equity		476,194	336,034

The accompanying notes form part of these financial statements.

Statement of changes in equity

FOR THE YEAR ENDED 31 DECEMBER 2014

	Share capital \$	Accumulated losses \$	Total \$
Balance at 1 January 2013	450,001	(184,692)	265,309
Net result for the year	–	70,724	70,724
Total comprehensive income	–	70,724	70,724
Balance at 31 December 2013	450,001	(113,967)	336,034
Balance at 1 January 2014	450,001	(113,967)	336,034
Net result for the year	–	140,160	140,160
Total comprehensive income	–	140,160	140,160
Balance at 31 December 2014	450,001	26,193	476,194

The accompanying notes form part of these financial statements.

Statement of cash flows

FOR THE YEAR ENDED 31 DECEMBER 2014

	Note	2014 \$	2013 \$
Cash flows from operating activities			
Payments			
Employee related		2,977,793	2,634,421
Other		6,180,649	3,111,432
Total payments		9,158,442	5,745,853
Receipts			
Sale of goods and services		8,983,035	4,024,074
Interest received		22,806	19,303
Other		–	50,112
Total receipts		9,005,841	4,093,489
Net cash outflows from operating activities	15	(152,601)	(1,652,364)
Net (decrease) in cash			
Opening cash and cash equivalents		2,210,199	3,862,563
Closing cash and cash equivalents	6	2,057,598	2,210,199

The accompanying notes form part of these financial statements.

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2014

1. REPORTING ENTITY

accessUTS Pty Limited is a for-profit company limited by shares and is incorporated and domiciled in Australia and is a wholly owned subsidiary of the University of Technology, Sydney. The registered office of accessUTS Pty Limited is Level 14, Building 1, 1–9 Broadway, Ultimo NSW 2007.

These financial statements for the year ended 31 December 2014 were authorised for issue in accordance with a resolution of the directors on 27 March 2015.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

These general purpose financial statements have been prepared on an accruals basis, in accordance with applicable Accounting Standards and other mandatory professional reporting requirements (including Australian Accounting Interpretations), the requirements of the *Corporations Act 2001*, the *Public Finance and Audit Act 1983* and the Public Finance and Audit Regulation 2010.

These financial statements have been prepared on an historical cost basis and are presented in Australian Dollars. The accounting policies set out below have been consistently applied to all years presented unless otherwise stated.

(b) Statement of compliance

These financial statements comply with Australian Accounting Standards, including Australian Accounting Interpretations.

(c) Critical accounting estimates and judgments

The directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained from both external and internal sources.

(d) Goods and Services Tax (GST)

Revenue, expenses and assets are recognised net of the amount of GST, except:

- i. the net amount of GST recoverable from or payable to the taxation authority is included within payables or receivables in the balance sheet
- ii. where the amount of GST is not recoverable from the Australian Taxation Office, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- iii. cash flows are presented in the statement of cash flow on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(e) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

Fee revenue

Service fee revenue represents revenue from services provided by the entity and is recognised when the services are provided.

Training course revenue

Training course revenue represents revenue from courses delivered in the period and is recognised when the courses are scheduled to run.

Investment income

Interest income is recognised as it accrues.

Asset sales

The net proceeds from the sale of assets is included as revenue of the entity. The profit or loss on disposal of assets is brought to account at the date an unconditional contract of sale occurs.

Other revenue

Other revenue is brought to account when it becomes due and receivable.

(f) Income tax

Income taxes are accounted for using the comprehensive balance sheet liability method whereby:

- > the tax consequences of recovering (settling) all assets (liabilities) are reflected in the financial statements
- > current and deferred tax is recognised as income or expense except to the extent that the tax relates to equity items or to a business combination
- > a deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available to realise the asset
- > deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability settled.

(g) Cash and cash equivalents

For the purposes of presentation in the statement of cash flows, cash and cash equivalents includes deposits at call that are readily convertible to cash on hand and that are used in the cash management function on a day-to-day basis, net of any outstanding bank overdrafts.

(h) Trade and other receivables

Trade receivables, which generally have 30 day terms, are recognised at fair value less an allowance for any uncollectible amounts.

Collectability of trade receivables is reviewed on an ongoing basis. Debts that are known to be uncollectible are written off when identified. An allowance for doubtful debts is raised when there is objective evidence that the entity will not be able to collect the debt.

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Investments

Investments are valued either at cost less amounts written off for permanent diminution in the value of the investments, or at directors' valuation. Dividends and interest are brought to account when received.

(j) Trade and other payables

Liabilities for trade creditors and other amounts are carried at cost, which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the entity. These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year and which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

Payables to related parties are carried at the principal amount. Interest, when charged by the lender, is recognised as an expense on an accruals basis.

(k) Other liabilities — income received in advance

Amounts received from clients are recognised as income in advance to the extent that they relate to work to be conducted or services to be performed in the future.

(l) Employee benefits and other provisions

Salaries and wages, annual leave, sick leave and on costs

Liabilities for salaries and wages (including non-monetary benefits), annual leave and paid sick leave that are due to be settled within 12 months after the end of the period in which the employees render the service are recognised and measured in respect of employees' services up to the reporting date at undiscounted amounts based on the amounts expected to be paid when the liabilities are settled.

Unused non-vesting sick leave does not give rise to a liability as it is not considered probable that sick leave taken in the future will be greater than the benefits accrued in the future.

The outstanding amounts of payroll tax, workers' compensation insurance premiums and fringe benefits tax, which are consequential to employment, are recognised as liabilities and expenses where the employee benefits to which they relate have been recognised.

(m) Loans and borrowings

All loans are measured at the principal amount.

(n) New and revised Australian Accounting Standards

Where new or revised Accounting Standards and Interpretations have been published that are not mandatory for 31 December 2014 reporting period, accessUTS Pty Limited has not exercised the right to early adopt any such accounting standard.

(o) Translation of foreign currency transactions

On initial recognition in Australian currency, transactions in foreign currencies are recorded by applying to the rate of exchange as at the date of the transaction.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were initially translated during the period, or in the previous financial statements, are recognised in profit or loss in the period in which they arise.

At each balance date, foreign currency monetary items are reported using the closing rate on the balance date.

	2014 \$	2013 \$
3. EXPENSES EXCLUDING LOSSES		
(a) Employee-related expenses		
Directors fees	6,938	7,150
Contractors	2,778,416	2,388,428
	2,785,354	2,395,578
(b) Other operating expenses		
Auditor's remuneration		
> audit of the financial statements	19,121	20,900
Consulting fees	5,170,168	1,724,615
Service level agreement — Commercial Services Unit	812,657	623,846
General and administrative expenses	73,393	64,942
	6,075,339	2,434,303

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2014

	2014 \$	2013 \$
4. REVENUE		
(a) Revenue from services		
Consulting fees	7,398,228	4,249,977
Training courses	1,624,789	618,746
	9,023,017	4,868,723
(b) Investment revenue		
Interest received or receivable	22,806	19,303
	22,806	19,303
(c) Gain (loss) on foreign exchange		
Foreign exchange gains/(losses)	(12,652)	12,579
	(12,652)	12,579
5. INCOME TAX EXPENSE		
The income tax expense provided in the accounts is calculated as follows:		
> tax on operating profit/(loss) at 30%	51,744	21,217
Add/(less)		
> current year temporary difference not brought to account	20,376	(15,238)
> tax losses not previously tax effected — recouped this year	(39,802)	(5,979)
Income tax expense	32,318	-
Deferred tax assets/(liabilities) have not been recognised in the statement of financial position in respect of:		
> deductible temporary differences	109,508	42,992
> unused tax losses	-	132,671
6. CASH AND CASH EQUIVALENTS		
Cash at bank	1,652,066	1,814,584
Cash on deposit	405,532	395,615
	2,057,598	2,210,199
7. RECEIVABLES		
Current		
Trade and other receivables	3,347,945	2,632,814
Allowance for doubtful accounts	-	(9,092)
Receivable from parent entity (unsecured)	12,010	79,148
GST refundable	224,336	-
	3,584,291	2,702,870

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2014

	2014 \$	2013 \$
8. PREPAYMENTS		
Current		
Prepayments	79,756	-
	79,756	-
9. PAYABLES		
Current		
Trade creditors	139,328	31,381
GST payable	-	28,889
Accrued expenses	38,090	120,116
Amounts payable to parent entity	1,642,977	1,345,587
Loan from parent entity (unsecured)	35,000	35,000
	1,855,395	1,560,973
Loan from parent entity		
The loan from the parent entity is unsecured, interest-free and repayable on demand.		
10. PROVISIONS		
Current		
Provision for annual leave	77,638	-
	77,638	-
11. OTHER CURRENT LIABILITIES		
Current		
Income received in advance	3,280,100	3,016,062
	3,280,100	3,016,062
12. INCOME TAX PAYABLE		
Income tax payable	32,318	-
	32,318	-
13. CONTRIBUTED EQUITY		
Issued and paid up capital		
Ordinary shares fully paid	450,001	450,001
Movements in shares on issue		
Issued capital at the beginning of the year	450,001	450,001
Capital issued during the year	-	-
Issued capital at the end of the year	450,001	450,001

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2014

	2014 \$	2013 \$
14. ACCUMULATED PROFITS		
Accumulated losses at the beginning of the year	(113,967)	(184,691)
Net profit/(loss) attributable to the member	140,160	70,724
Accumulated profits/(losses) at the end of the year	26,193	(113,967)
15. RECONCILIATION OF OPERATING PROFIT FOR THE YEAR WITH CASH FLOWS FROM OPERATING ACTIVITIES		
Operating profit/(loss) after income tax	140,160	70,724
Non-cash items		
Annual leave	77,638	(21,199)
Provision for doubtful debts	(9,092)	9,092
Changes in operating assets and liabilities		
Decrease/(increase) in trade and other receivables	(952,084)	(1,898,551)
Increase/(decrease) in trade payables	326,739	(973,622)
Decrease/(increase) in income in advance	264,038	1,161,192
Net cash inflow/(outflow) from operating activities	(152,601)	(1,652,364)
16. AUDITORS' REMUNERATION		
Amounts received or due and receivable by the auditors of accessUTS Pty Limited for:		
> an audit of the financial statements	19,121	20,900

17. KEY MANAGEMENT PERSONNEL DISCLOSURES**(a) Names of responsible persons and executive officers**

The following persons were responsible persons and executive officers of the accessUTS Pty Limited during the year.

Mr Jeffrey Francis

Mr Blair McRae

Professor John Daly

Professor David Robson (appointed February 2014)

Associate Professor Paul Jonson

Ms Dianne Hill

(b) Remuneration of board members and executives

	2014 number	2013 number
Remuneration of board members		
\$0-\$9,999	2	2

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2014

18. CONTINGENT ASSETS AND CONTINGENT LIABILITIES

The directors are not aware of any contingent assets or contingent liabilities that have not been disclosed in the financial statements.

19. SIGNIFICANT EVENTS AFTER THE BALANCE DATE

There have been no significant events after the balance date that would materially affect the results presented at the end of the year.

20. ECONOMIC DEPENDENCY

The company's economic viability is dependent upon the continued financial support of its parent entity.

21. RELATED PARTY TRANSACTIONS

(a) Directors

The names of the directors of the company during the financial year are set out on page 103 of these financial statements.

There have been no transactions with directors or director-related entities during the financial year, other than remuneration as detailed at note 17.

(b) Parent entity

The parent entity is University of Technology, Sydney; an entity incorporated in New South Wales.

Transactions with the parent entity

The following transactions occurred during the year between the company and University of Technology, Sydney (UTS).

Services provided by UTS

UTS provided services to the company in accordance with the service level agreement between the two entities. Services included the provision of personnel and premises and the payment of various operating expenses.

Faculty costs charged by UTS

The services of various UTS personnel were utilised by the company during the year. In return, the company paid fees to various UTS faculties.

Training and development services provided to UTS

The company is a registered training organisation (RTO) and provided training and development services to UTS. In return, the company charged certification fees to UTS.

	2014 \$	2013 \$
Amounts included in revenue during the financial year		
Certification fees charged to the parent entity	1,800	17,600
Amounts included in assets and liabilities at the end of the financial year		
Amounts receivable from parent entity – current	12,010	79,148
Amounts payable to parent entity – current	1,593,028	1,345,587
Other payable to parent entity	49,949	–
Loans from parent entity (unsecured)	35,000	35,000

There are no fixed terms for the repayment of the loan, which is unsecured. No interest has been charged by the parent entity

(c) Wholly owned group

The wholly owned group consists of University of Technology, Sydney (UTS) and its controlled entities, accessUTS Pty Ltd, UTS Global Pty Limited, Insearch Educational International Pty Ltd, Insearch Education Limited, Insearch Limited and Insearch (Shanghai) Limited.

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2014

	2014 \$	2013 \$
22. FINANCIAL RISK AND MANAGEMENT OBJECTIVES AND POLICIES		
(a) Instruments reported by categories of financial assets and liabilities		
Financial assets		
Cash and cash equivalents	2,057,598	2,210,199
Trade and other receivables	3,584,291	2,702,870
	5,641,889	4,913,069
Financial liabilities		
Trade and other payables	1,855,395	1,560,973
	1,855,395	1,560,973

(b) Risk exposures and responses

The company's financial instruments consist of cash, short term deposits, accounts receivable and payable and loans from the parent entity.

The company's main risks from its financial instruments are interest rate risk and credit risk. The company does not have any derivative instruments at the end of the financial year.

(c) Net fair values

The net fair values of assets and liabilities approximate their carrying values. No financial assets and financial liabilities are readily traded on organised markets in standardised form.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the statement of financial position and in the notes to the financial statements.

(d) Credit risk

The company's maximum exposure to credit risk at balance date in relation to each class of recognised financial asset is the carrying amount of those assets as indicated in the statement of financial position.

Receivables balances are monitored on an ongoing basis with the result that the company's exposure to bad debts is limited.

The company does not have any material credit risk exposure to any single receivable or company of receivables under financial instruments entered into by the company. The company minimises concentrations of credit risks in relation to trade accounts receivable by undertaking transactions with many customers.

(e) Hedging transactions

The company did not enter into any hedging transactions during the year.

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2014

22. FINANCIAL RISK AND MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(f) Interest risk

At balance date the company had the following mix of financial assets and liabilities exposed to variable interest rate risk:

	2014		2013	
	Carrying amount \$	Net fair value \$	Carrying amount \$	Net fair value \$
Financial assets				
Cash and cash equivalents	2,057,598	2,057,598	2,210,199	2,210,199
Trade and other receivables	3,584,291	3,584,291	2,702,870	2,702,870
	5,641,889	5,641,889	4,913,069	4,913,069
Financial liabilities				
Trade and other payables	1,855,395	1,855,395	1,560,973	1,560,973
	1,855,395	1,855,395	1,560,973	1,560,973

The company's exposure to market risk for changes in interest rates relates primarily to its holding of cash. The company seeks to maximise the interest earned on cash and deposits balanced against the length of investment and impact on liquidity. The company's policy is to manage its interest rate exposure with a mixture of fixed and floating rate deposits.

The following sensitivity analysis is based on the interest rate risk exposures in existence as at the balance date.

At year end, if interest rates had moved as illustrated in the table below, with all other variables held constant, post tax profit would have been affected as follows:

	Equity higher/(lower)		Post-tax profit higher/(lower)	
	2014 \$	2013 \$	2014 \$	2013 \$
Judgments of reasonably possible movements				
+0.5% (50 basis points)	7,081	11,640	7,081	11,640
-0.5% (50 basis points)	(7,322)	(11,640)	(7,322)	(11,640)

END OF AUDITED FINANCIAL STATEMENTS

APPENDIX 1

Employees

Workforce size: full-time equivalent (FTE) and actual

	2012	2013	2014
FTE staff¹			
Academic	966.3	990.8	999.6
Professional	1487.8	1526.8	1519.8
Total	2454	2518	2519
Casual staff			
Academic	382.3	367.5	390.7
Professional	236.9	238.3	230.4
Total	619	606	621
Actual persons^{1,2}			
Academic	1036.9	1071.3	1084.9
Professional	1592.5	1635.9	1623.2
Total	2629	2707	2708

1. Continuing and fixed term.

2. Some staff are employed as both academic and professional staff.

Total staff (FTE) increased during 2014 by 0.6 per cent.

Academic staff represent 44.3 per cent of staff.

Profile of academic staff by classification

Number of academic staff at each level as a percentage of total academic staff¹.

	2012	2013	2014
Professor	16.1	16.9	16.4
Associate Professor	11.7	12.7	13.2
Senior Lecturer	30.7	30.8	30.1
Lecturer	33.9	31.9	32.2
Associate Lecturer	7.5	7.7	8

1. These figures exclude casual academic staff, however senior staff group academics have been included at their substantive appointment level.

With casuals included, 43 per cent of academic staff (FTE) during 2014 were at the level of senior lecturer and above.

Professional Experience Programs

Number of academic staff proceeding on a professional experience program (PEP) during 2014.

	Male	Female	Total
Professor	6	1	7
Associate Professor	4	5	9
Senior Lecturer	10	15	25
Lecturer	5	2	7
Associate Lecturer	-	-	-
Total	25	23	48

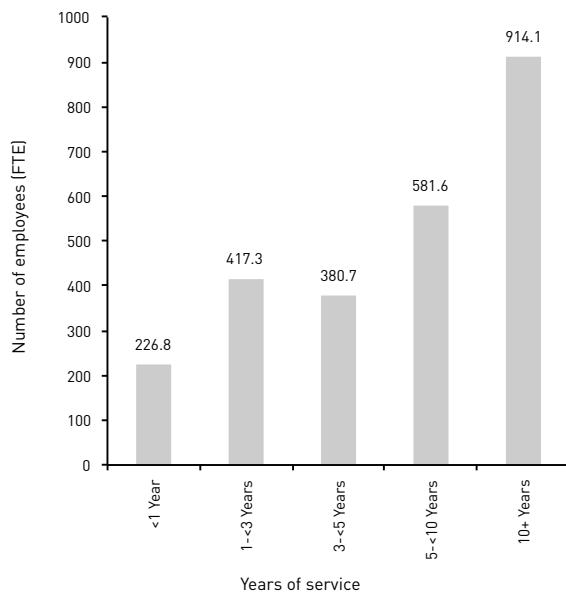
During 2014, 48 academic staff undertook a PEP; a decrease of 33 per cent from 2013. There was a decrease in both male and female participation: 48 per cent of staff undertaking PEP in 2014 were female compared to 53 per cent in 2013.

Staff turnover

In the 12 months ending 31 December 2014, the staff turnover rate due to resignations was 6.1 per cent.

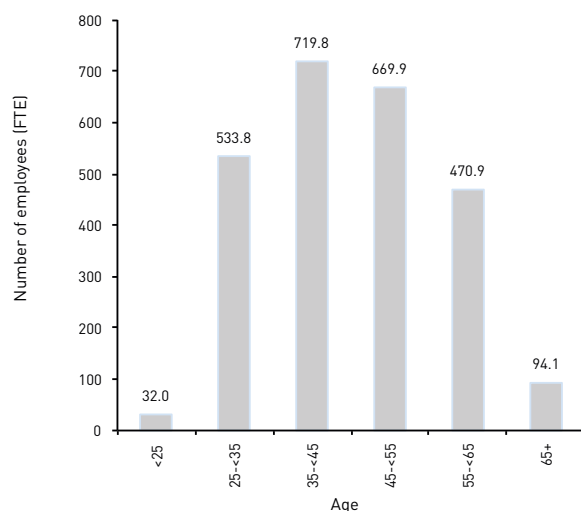
Length of service profile

As at 31 December 2014, the median length of service for continuing and fixed-term staff was 5.5 years.



Age profile

As at 31 December 2014, the median age for continuing and fixed-term staff was 44 years.



APPENDIX 2

Workforce diversity

UTS is committed to a workforce that draws on the diversity of people in the community. These tables show trends over the last five years in the representation of equal employment opportunity (EEO) groups and the distribution of EEO groups across salary levels for both academic and general staff.

Information on the university's workforce diversity achievements and strategies is available in the staff section in volume one.

Table A: Trends in the representation of EEO groups¹

	Benchmark or target	% of total staff ²				
		2010	2011	2012	2013	2014
General staff						
Women	60	59	60	58	60	60
Aboriginal people and Torres Strait Islanders	2	1.9	1.3	2.3	1.8	1.9
People whose language first spoken as a child was not English	19	35	37	37	38	37
People with a disability	12	9	8	8	8	7
People with a disability requiring adjustment at work	1.5	1.5	1.2	1.5	1.4	1.8
Academic staff						
Women	60	44	43	42	43	42
Aboriginal people and Torres Strait Islanders	2	1.9	1.2	1.5	1.5	1.6
People whose language first spoken as a child was not English	19	34	34	36	36	36
People with a disability	12	8	8	6	7	5
People with a disability requiring adjustment at work	1.5	2.9	2.8	2.8	3.3	2.6

Table B: Trends in the distribution of EEO groups¹

	Benchmark	Distribution index ³				
		2010	2011	2012	2013	2014
General staff						
Women	100	92	92	94	93	92
Aboriginal people and Torres Strait Islanders	100	96	n/a	93	95	78
People whose language first spoken as a child was not English	100	93	92	93	92	92
People with a disability	100	93	98	96	95	96
People with a disability requiring adjustment at work	100	100	n/a	104	107	94
Academic staff						
Women	100	90	92	93	91	90
Aboriginal people and Torres Strait Islanders	100	n/a	n/a	n/a	n/a	n/a
People whose language first spoken as a child was not English	100	90	91	92	92	90
People with a disability	100	105	103	109	104	113
People with a disability requiring adjustment at work	100	106	107	109	98	113

Table C: Number and percentage of female executive officers

	2010	2011	2012	2013	2014
Number	2	2	2	2	2
%	28	28	28	28	28

1. Information is provided on the actual number of all permanent, probationary and fixed-term contract full-time and part-time staff. Staff records are consistent with Australian Government data collections of the same date.

2. Casual staff are not included.

3. A distribution index of 100 indicates that the centre of the distribution of the EEO group across salary levels is equivalent to that of other staff. Values less than 100 mean that the EEO group tends to be more concentrated at lower salary levels than is the case for other staff. The more pronounced this tendency is, the lower the index will be. In some cases the index may be more than 100, indicating that the EEO group is less concentrated at lower salary levels. The distribution index is automatically calculated by the software provided by Office of the Director of Equal Opportunity in Public Employment. The distribution index is not calculated where numbers are statistically small.

APPENDIX 3

Senior executive remuneration

Band	2013		2014	
	Female	Male	Female	Male
Band 4 (Secretary)	–	1	–	1
Band 3 (Deputy Secretary)	2	4	2	4
Band 2 (Executive Director)	–	–	–	–
Band 1 (Director)	–	–	–	1
Total	2	5	2	6

Band	Range	Average remuneration	
		2013 \$	2014 \$
Band 4 (Secretary)	\$700,000–\$1,100,000	\$892,000	\$1,022,000
Band 3 (Deputy Secretary)	\$400,000–\$699,999	\$449,000	\$516,000
Band 2 (Executive Director)	\$300,000–\$399,999	–	–
Band 1 (Director)	\$150,000–\$299,999	–	\$159,000

1.08 per cent of the university's employee related expenditure in 2014 was related to senior executives, compared to 0.98 per cent in 2013.

APPENDIX 4

Controlled entities

accessUTS Pty Limited

accessUTS Pty Limited is a wholly owned company of the University of Technology, Sydney (UTS), established in 2001.

accessUTS manages university consulting, providing professional services to business, industry, the community and government. It offers expert opinion to the legal and insurance industries, technical and testing services and draws on the extensive and diverse expertise of both UTS staff and external commercial entities. It also administers and manages numerous inbound short-term international study tours to Australia, and provides program management support of large international projects.

accessUTS is a Registered Training Organisation (RTO).

INSEARCH Limited

INSEARCH Limited is a registered Australian higher education institution and is the premium pathway provider to UTS. UTS:INSEARCH is also an important part of the UTS community. The strong educational relationship between UTS:INSEARCH and UTS means that UTS:INSEARCH students benefit from UTS's academic standards, world-class facilities and reputation for excellence.

UTS:INSEARCH offers a range of pathways that lead to UTS degrees, including leading Academic English programs, UTS Foundation Studies (offered on behalf of UTS) and higher education diplomas that can lead to second year of a UTS degree. These programs are all designed to prepare students for success in their university studies. They are also developed in consultation with the relevant UTS faculty and the course is then recommended to the UTS Academic Board for articulation approval.

UTS:INSEARCH also provides leading English language training for students wishing to improve their spoken, written and academic English language skills.

UTS is represented on the INSEARCH Limited Board and the UTS Academic Board is represented on the INSEARCH Academic Board.

UTS Global Pty Ltd

UTS Global Pty Ltd provides management and administrative services to the university related to UTS representative offices overseas.

Currently, the provision of services relates to strategic direction and management of a representative office in Beijing, China (UTS Beijing Ltd, a wholly foreign-owned entity of which UTS Global Pty Ltd is the only shareholder), which provides relationship management, market intelligence and profile-building services to UTS.

UTS Global Pty Ltd directors and management comprise current UTS executive and staff.

APPENDIX 5

Meetings of Council members

The numbers of meetings of the members of the UTS Council and of each committee and group held during the year ended 31 December 2014, and the numbers of meetings attended by each member, were:

Council	Audit and Risk Committee		Commercial Activities Committee		Finance Committee		Governance Committee		Honorary Awards Committee		Nominations Committee		Student/Council Liaison Group		Equity Reference Group		Physical Infrastructure Committee		Remuneration Committee		Joint Audit and Risk and Finance Committee		Social Justice Committee		Total	
	A	B	A	B	A	B	A	B	A	B	A	B	A	B	A	B	A	B	A	B	A	B	A	B	A	B
Peter Bennett	6	6	-	-	6	6	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	12	12
Professor Attila Brungs (appointed August 2014)	3	3	-	-	2	1	2	1	1	1	-	-	-	-	-	-	-	2	0	-	-	-	-	-	12	7
Michelene Collopy	6	6	4	3	6	5	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	16	14
Megan Cornelius, AM (ended October 2014)	5	3	-	-	6	3	-	-	2	0	-	-	3	2	-	-	-	-	-	-	-	-	-	-	16	8
Elizabeth Hanley (ended October 2014)	5	5	-	-	-	-	-	-	-	-	-	-	3	0	-	-	-	-	-	-	-	-	-	-	8	5
Professor Andrew Jakubowicz (elected November 2014)	1	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1	1
Robert Kelly	6	6	4	4	-	-	4	4	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	14	14
Abhishek Loumish (elected November 2014)	1	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1	1
Douglas McDonald (ended October 2014)	5	5	-	-	-	-	-	-	-	-	-	-	3	3	-	-	-	-	-	-	-	-	-	-	8	8
Professor Ross Milbourne (ended July 2014)	3	3	-	-	4	3	4	2	2	1	1	-	-	-	-	-	4	3	-	-	-	-	1	1	19	15
Aaron Ngan (elected November 2014)	1	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1	1
Professor Jenny Onyx (ended October 2014)	5	5	-	-	-	-	-	-	2	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7	6
Dr Ron Sandland, AM	6	6	-	-	6	5	-	-	2	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	14	13
Professor Vicki Sara, AO	6	6	-	-	-	-	4	4	2	2	-	-	-	-	-	-	-	-	1	1	-	-	-	-	13	13
Michael G Sexton SC	6	6	-	-	-	-	4	3	-	-	-	-	3	2	-	-	-	-	-	-	-	-	2	2	15	13
Professor Greg Skilbeck (ended October 2014)	5	5	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6	4	-	-	-	-	-	-	11	9
Dr Marilyn Sleigh (appointed November 2014)	1	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1	1
Russell Taylor	6	5	-	-	-	-	-	-	2	2	-	-	-	-	-	-	-	-	-	-	-	-	2	2	10	9
Tony Tobin	6	5	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6	5	1	1	-	-	-	-	13	11
Professor Sally Varnham	6	6	-	-	-	-	-	-	2	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8	7
Daniel Willis	6	6	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6	6
Brian Wilson	6	6	-	-	-	-	6	4	2	2	-	-	-	-	-	-	6	3	1	1	0	0	-	-	21	16
Su-Ming Wong (ended October 2014)	5	2	-	-	6	4	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	11	6

A. Represents the number of meetings held during the time the member held office or was a member of the committee during the year.

B. Represents the number of meetings attended by the member.

APPENDIX 6

Multicultural policies and services

UTS is committed to supporting and fully engaging all members of its culturally diverse staff and student community. In 2014 the university undertook a wide range of activities directed towards this goal.

Note: Information on the UTS Widening Participation Strategy is available in the students section in volume one.

Orientation

Orientation at UTS includes multiple events that encourage cultural learning and facilitate connection between students from different cultures. Religious, cultural, political, sporting and social clubs all have stalls for new students to find out about the opportunities to connect with other students.

UTS In-fusion festival

In-fusion is a vibrant, public cultural festival hosted by UTS annually. It is run by the Student Services Unit and sponsored by the UTS Union and the City of Sydney Council.

The aim of this internationally themed festival is to celebrate UTS's cultural diversity. The festival brings together students and staff and members of the local community and showcases a variety of cultures, contributing to a week of colourful music, food, art, education and dance.

2014 festival highlights included the Acknowledgement of Country, an Aboriginal and Torres Strait Islander educational performance, and an array of market stalls selling international food, jewellery and art. Students from across the globe also contributed to the In-fusion festival photography competition, submitting photographs on the theme of food being a common ground.

UTS Network Cafe

The UTS Network Cafe held weekly meetings on Thursdays throughout the year where new international, study abroad and exchange students had the opportunity to meet experienced local students (peer networkers) who answered questions, shared local culture tips, helped practise new language skills and socialised.

The cafe is a practical way of supporting new international, study abroad and exchange students to settle in to UTS and the Sydney community and to provide them with a ready network. It contributes to cultural exchange and allows local students to gain an international perspective of the challenges of studying in a foreign country. Very often, the friendships formed extend beyond the university. There is also an internet chat option for international students pre-arrival.

UTS Peer Network

The UTS Peer Network is a volunteer program where local and international students help to welcome new UTS students.

During Orientation, peer networkers lead campus tours, staff the Orientation help desk, help students book in for Orientation events, mingle at official welcomes, answer questions from new students and more. Throughout the semester, peer networkers are often involved in a range of other student life programs and events and play a key role in improving the UTS experience.

The network is the first place to look for volunteers, as its members continue their volunteer spirit throughout the university year. Peer networkers come from a wide variety of backgrounds, and it is this rich multicultural community formed of friendships that makes the program so welcoming and popular at UTS.

In 2014 the UTS Peer Network T-shirt was redesigned to incorporate Aboriginal and Torres Strait Islander flags.

UTS Residential Life Program

UTS's housing team schedules events and activities that encourage cross-cultural communication. The program offered students a unique opportunity to develop strong friendships with people from diverse backgrounds, and cultural exchange experiences that might not be available in other environments. Students often find that social and interpersonal skills are enhanced when they form friendships and share experiences that come with living in a diverse community. Students are challenged to overcome cultural biases, reassess stereotypical beliefs and develop friendships.

In 2014, the program included a themed annual dinner, English conversation classes, language classes offered by residents, and a cooking competition where students produced fare from their home country.

In 2014 the cultures of respect training program was delivered to resident networkers and a bystander awareness video was filmed.

Senior students (in a paid capacity) performed roles that supported the student residence community. These students are selected with a view to having a diversity of cultural backgrounds represented.

UTS multi-faith chaplaincy

Support offered to students and staff includes the provision of space for students to carry out activities related to their spirituality, and the provision of a visiting chaplaincy service.

The chaplains have been invited by UTS to assist in the personal and spiritual needs of members of the university community. The chaplaincy service is there for students, faculty and staff of all denominations and all faiths.

The policy of respect for the individual's personal journey and the right to their traditional beliefs is given high value by all participating chaplains. As well as events sponsored by individual faith traditions, there are forums where different perspectives on faith and society are discussed.

A cooperative effort between the university senior executive, UTS Muslim Society students and staff and non-Muslim students of UTS has seen Friday prayers relocating to a new on-campus sports hall with a capacity of 400.

English conversation sessions

Throughout 2014 UTS alumni and staff volunteered to run English conversation sessions. These sessions are attended by students from languages other than English backgrounds; enabling cultural learning as well as the development of English language skills.

UTS HELPS

Higher Education Language and Presentation Support (HELPS) provides non-credited English language and academic literacy support to UTS undergraduate and postgraduate coursework students.

Further information on HELPS is available in the students section in volume one.

Refugee mentoring

First-year students who identified as being current or past holders of a permanent humanitarian visa were contacted to invite them to join a UTS mentoring program. In 2014 tutoring assistance was also made available to first-year students from a refugee background.

Principals' Recommendation Scheme

Students entering UTS through the Principals' Recommendation Scheme (PRS) were offered individual half-hour appointments to develop learning plans and to be put in touch with other services available to them to assist in their transition to university life. Students were also offered follow up appointments.

Nearly 50 per cent of students attended an individual appointment in Autumn semester. Feedback to date on this process has been highly positive. A significant achieved objective of the program was the high success rate of PRS students in Autumn semester 2014. (Further information on the PRS is available in the students section in volume one.)

APPENDIX 7

Disability plans

UTS underwent major redevelopments as part of its Campus Master Plan this year. Physical accessibility was maintained throughout all works.

One example was the upgrade of the lift lobbies in Building 1. The original expectation was that floors with building works would be accessed via the stairs. In partnership with the university's Program Management Office and the contractors, the Equity and Diversity Unit (EDU) developed a plan whereby for the duration of the works all floors were accessible by lift at all times. This not only gave people with mobility restrictions access to all floors at all times it did so without the need for any special arrangements, meaning able bodied students, staff and visitors also benefited.

The Mental Health First Aid training continued to grow in numbers and reputation with increasing numbers of staff attending the training and increasing areas within the university actively encouraging and requesting staff to attend the training.

Youth Mental Health First Aid was offered for the first time at UTS with the 14-hour course being delivered to two groups of students; the residential networkers and peer networkers. This was also the first time mental health awareness training was offered to students outside of any incorporated into coursework.

In partnership with the Information Technology Unit and the Student Services Unit, seven accessibility fact sheets were commissioned and made available to staff (mainly academic staff) in both online and hardcopy format. These fact sheets covered publishing and distributing online content for staff; preparing accessible documents and handouts; accessibility features in computers and mobiles; social media accessibility; creating accessible powerpoints; and how to troubleshoot the needs of students with disabilities.

AppreciatingAbility, an initiative to incorporate people with disability into mainstream UTS events, continued to grow. This approach showcases people beyond their disability, focusing on their talents with their disability being an irrelevant side note. This project has started to enter the consciousness of staff across the university where event planners are contacting EDU with requests for advice or support on how best to cater for and incorporate people with a disability into their events.

APPENDIX 8

Safety and wellbeing

UTS is achieving ongoing progress with its objective to have a proactive safety culture and is improving consultative processes to facilitate this.

Monthly work health and safety reports on key performance metrics were provided to the UTS Council as part of the regular management reporting cycle, and an annual report on performance was submitted to the June meeting.

Deans and directors were provided with regular reports on staff compliance training to ensure that staff and managers were undertaking required online safety compliance training. This was a major initiative for UTS this year.

A review of consultation mechanisms was undertaken as part of the 2013 and 2014 audits and projects to address these occurred this year and will form part of the university's safety plan in 2015.

In 2014, three incidents were notified to the WorkCover Authority of New South Wales as required by the incident notification provisions of the *Work Health and Safety Act 2011* (NSW).

- > A staff member had an allergic reaction to western red cedar wood that was part of an art installation. Exposed cedar was sealed and contaminated equipment was removed. The gallery was cleaned using specialist cleaners and the air conditioning filters changed.
- > In the second incident, following heavy rain, a soffit lining from an awning fell on the footpath outside of Building 3 hitting a member of the public. The member of the public received minor injuries. The lining fell due to a blockage in a rain water pipe in the awning. Maintenance work was carried out to prevent a recurrence.
- > The third incident involved a student who, while disassembling a research experiment, received an electric shock from a metal surface that was in contact with a faulty power lead. The student did not receive any significant injury as a result of the incident.

All three incidents involved no further action from WorkCover.

During 2014, UTS was not investigated nor issued any improvement or prohibition notices by WorkCover.

Workers compensation statistics

Number of premium-impacting claims	57
Net incurred costs	\$72,222.32
Average cost per claim	\$1,267.06
Premium cost	\$1,095,516.60

Our final workers compensation premium for 2014 was \$1,095,516.60. This resulted in the university receiving an adjustment credit of \$38,668.58. Our 2014 premium was 0.30 per cent of our 2014 wages, which is a great result for the university, with the Higher Education Tariff rate (average) for 2014 having been set at 0.478 per cent of wages, which is \$659,000 less than the average.

Training and assessment

As part of this year's Wellbeing Program, 22 events were held over the period April to December involving more than 800 staff. Events included Ride-to-Work, Weight Watchers at Work, the 10,000 Steps Challenge, as well as programs to assist staff with their mental health and resilience as well as planning for retirement.

Work health and safety management system audit

As part of the health and safety plan for UTS this year, 16 internal audits were conducted across faculties and units, which included an additional audit in the Faculty of Engineering and Information Technology following their relocation to Building 11.

All audits scheduled under the plan were conducted and follow up actions have been included in local action plans.

A work health and safety (WHS) system audit was also conducted by an external auditor and actions arising from this have been included in UTS's safety plan for 2015. All actions arising from the 2013 WHS system audit were closed in 2014.

APPENDIX 9

Overseas travel

The university paid \$7.02 million for staff overseas travel in 2014 (compared with \$6.93 million in 2013). These payments supported a wide range of activities, including attendance and presentation of research papers at international conferences, staff development, and research and teaching at affiliated institutions.

APPENDIX 10

Legislative matters

Universities Legislation Amendment (Regulatory Reforms) Act 2014 (NSW)

The university sector has welcomed this legislation, which is a major reform and update to New South Wales universities enabling legislation. The *Universities Legislation Amendment (Regulatory Reforms) Act 2014* (NSW) amended the legislation establishing universities throughout New South Wales, including the *University of Technology, Sydney Act 1989* (NSW). The legislation provides UTS with greater flexibility to govern itself in relation to areas such as financial management, certain dealings in land and the election process for the UTS Council.

This Act has streamlined and updated a number of existing processes and will allow UTS to operate more cost effectively and quickly in a rapidly changing environment.

Effective date for offence and other provisions of the Defence Trade Controls Act 2012 (Cwlth)

The *Defence Trade Controls Act 2012* (Cwlth) was designed to strengthen controls on the export of intangibles, including technology and certain services, particularly technology that could be used in weapons and weapons of mass destruction. However, universities, including UTS, have been concerned that the legislation would apply to university research in a way that is unnecessarily costly and cumbersome, as well as putting Australian research at a competitive disadvantage with the rest of the world. Industry has expressed similar concerns.

During 2014, universities worked extensively with government on the potential impact of the commencement of many of the substantive provisions of this Act, which have yet to come into effect. The Act contained a two-year transition period, which concludes in May 2015.

As a result, consultation has proceeded during 2014 through a steering committee headed by Australia's Chief Scientist and representing universities across Australia, as well as industry, defence and other stakeholders. The steering committee has assisted with conducting various pilot programs to demonstrate alternative ways to reshape the proposed controls into a regime that is more streamlined, cost effective and better targeted. Various drafts of proposed legislation and regulation have been considered by this stakeholder group. The legislation is expected to be finalised during 2015.

Deregulation of higher education and research

Universities have also been the subject of extensive public and parliamentary debate regarding government funding of public tertiary education and discussion of deregulation proposals by the Commonwealth Government. Various proposals have been considered and rejected during 2014.

The sector, including UTS, contributed to this discussion throughout 2014 and awaits further proposals.

APPENDIX 11

Consumer response

Equity and Diversity Unit

As part of its commitment to the creation of an inclusive and equitable work and study environment UTS encourages staff and students to raise concerns about discrimination, harassment or unfair treatment. The Equity and Diversity Unit is the contact point for staff and students who have complaints that may involve allegations of unlawful discrimination or harassment. The unit provides information, advice and support for staff and students and, where relevant and appropriate, assists in the resolution of matters.

The unit also provides assistance to staff on handling discrimination and harassment issues. It works with other areas such as the Human Resources Unit, the Student Services Unit, the Governance Support Unit and the Students' Association to address systemic issues and it also promotes inclusive and respectful practices through staff and student development activities.

In relation to complaints and inquiries about discrimination or harassment, unit staff assist individual students and staff to resolve matters at the lowest appropriate level wherever possible. The unit can also provide direct assistance in resolving complaints and, when required, may be involved in investigating more serious or complex cases.

Consistent with past years, the majority of matters that came to the unit's attention in 2014 were resolved through the provision of information or support to individuals at a local level. This year the unit also managed three complex matters, which involved a detailed preliminary investigation stage, and participated in one full investigation.

Overall, the Equity and Diversity Unit handled 30 new student matters and 16 new staff matters in 2014; a similar number of cases as 2013. However, this year saw a sharp increase in student matters, and a decline in staff complaints and inquiries.

The single largest number of inquiries and complaints concerned disability issues (14 matters), followed by complaints about sexual harassment / sex-based discrimination (12 matters) and then matters that concerned race [a category that includes colour, descent, national or ethnic origin or ethno-religious background], of which there were 10. Three matters involved inquiries about, or allegations of, unfair treatment in relation to family/carer responsibilities (these were made by staff only), and 12 matters involved allegations of inappropriate or unfair behaviour, which fell outside the definitions of unlawful harassment or discrimination. Interestingly two cases also included allegations of victimisation because of past action in raising a complaint.¹

1. Some complaints involve multiple allegations, which is why the data on grounds of complaints does not correlate exactly with the number of individuals seeking assistance.

APPENDIX 12

Public interest disclosures

The university has a Fraud and Corruption Prevention and Public Interest Disclosures Policy and Guidelines, which address the university's legal and ethical obligations to prevent, monitor and report fraud and corrupt conduct.

These documents also describe the framework for dealing with fraud and corruption risks faced by UTS; and provide a system within UTS for reporting disclosures of corrupt conduct, maladministration, serious and substantial waste and failure to publicly disclose certain government information as required by law.

The policy and guidelines are available on the UTS website and as PDF documents.

In 2014, the university reported no public interest disclosures to the NSW Ombudsman as part of the required reporting process.

APPENDIX 13

Privacy

UTS respects the privacy of each individual's personal and health information and is committed to protecting the information it holds and uses about all individuals.

The university is bound by the 12 information protection principles contained within the *Privacy and Personal Information Protection Act 1998* (NSW) (PIIP Act). This Act covers the university in relation to how it manages personal information on or after 1 July 2000, and health information on or after 1 July 2000 until 1 September 2004.

The university is also bound by the 15 health privacy principles contained within the *Health Records and Information Privacy Act 2002* (NSW) (HRIP Act). This Act covers the university in relation to how it manages health information on or after 1 September 2004.

Amendments to the *Privacy Act 1988* (Cwlth) came into force during 2014. Although UTS is not specifically covered by the federal Act, its principles may apply in certain circumstances in relation to activities governed by other federal legislation.

The management of personal and health information is governed by the university's Privacy and Protection of Personal Information Vice-Chancellor's Directive, which is the university's privacy policy. Privacy is also governed by the university's Privacy Management Plan.

The Privacy Management Plan is required under the PPIP Act and is essentially a statement of how UTS complies with both New South Wales privacy acts. The plan includes provisions for policies and practices to ensure compliance, information and training programs for staff; information on how UTS will comply with information protection and health privacy principles; and details of the university's internal review process.

Both of these policy documents are available on the university's policy website. Where appropriate, privacy requirements are also specifically included in other policies.

Activities during 2014

A review of the Privacy Management Plan was halted during 2014 to allow for a review of the Privacy and Protection of Personal Information Vice-Chancellor's Directive, which was due for review in 2015. This joint review process provided an opportunity to develop a more holistic approach to privacy policy at UTS, and enabled the two documents to be streamlined. The review was completed by the end of 2014, with the documents being ready for consultation with UTS staff before being submitted for approval in early 2015.

2014 also saw an improvement of the university's compliance with information privacy principle 3 and health privacy principle 4, relating to the open collection of information. Privacy notices have been developed and updated for use at the point that information is collected. This activity will continue into 2015.

Internal reviews during 2014

No requests for an internal privacy review were received by UTS during 2014.

APPENDIX 14

Right to information

1. Review of proactive release program

Under section 7 of the *Government Information (Public Access) Act 2009* (NSW) (GIPA Act), agencies must review their programs for the release of government information to identify the kinds of information that can be made publicly available. This review must be undertaken at least once every 12 months.

The university's program for the proactive release of information involves decisions made at the business activity level regarding what information should be made public on the university's website. In addition, a review of proactive release is undertaken annually. Information relating to ongoing business and key university projects and activities considered of interest to the wider community is proactively released on the UTS website.

- > News: The university includes information on its website under the UTS: Newsroom, which includes news stories of interest, including media releases, and informs the public of activities happening across UTS. Members of the public can also search the site to identify the most appropriate person within UTS to contact with questions in relation to specific fields of expertise.
- > Sustainability: UTS strives to continually improve its sustainability performance. Information is available on the UTS website relating to its targets, sustainability-related activities and performance.
- > Campus Master Plan (CMP): The university is currently undergoing an extensive program of building works and improvements. Information on the CMP is of interest to not only staff and students, but to potential staff and students, as well as the local community.
- > Facts, figures and ratings: Information known to be of interest to the public includes information on the university's ratings against other universities, and other facts and figures including information on student numbers, diversity, student performance and completion rates, and graduate employment. This information is released for the benefit of past, present and future students, as well as donors, partners and supporters.
- > Governance: The GIPA Act requires certain governance information to be made public, such as policy documents. These are available on the university's policy website. Additional governance information is proactively released to inform staff, students and members of the public about the governance frameworks at UTS and important university decisions. Governance information proactively released includes information about the UTS Council and Academic Board and associated committees, agenda and minute documents, and the Academic Board's newsletter.

A further review of proactive release was undertaken during the reporting period. In addition to the above, the review focused on trends identifiable through requests for information, including applications under the GIPA Act and the preceding Freedom of Information Act 1989 (NSW). Any information available regarding informal requests was also considered. No trends in requests were identified. As a result no further information was proactively released.

2. Number of access applications received

During the reporting period, UTS received a total of two formal and valid access applications.

3. Number of refused applications for Schedule 1 information

During the reporting period, UTS did not refuse any formal access applications because the information requested was information referred to in Schedule 1 to the GIPA Act.

4. Statistical information about access applications

Table A: Number of applications by type of applicant and outcome¹

	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already available	Refuse to deal with application	Refuse to confirm/deny whether information is held	Application withdrawn
Media	-	-	-	-	-	-	-	-
Members of parliament	-	-	-	-	-	-	-	-
Private sector business	-	-	-	-	-	-	-	-
Not-for-profit organisations or community groups	-	-	-	-	-	-	-	-
Members of the public (application by legal representative)	-	-	-	-	-	-	-	-
Members of the public (other)	1	-	-	-	1	-	-	-

1. More than one decision can be made in respect of a particular access application.

APPENDIX 14

Right to information (continued)

Table B: Number of applications by type of application and outcome¹

	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already available	Refuse to deal with application	Refuse to confirm/deny whether information is held	Application withdrawn
Personal information applications	1	–	–	–	–	–	–	–
Access applications (other than personal information applications)	–	–	–	–	1	–	–	–
Access applications that are partly personal information applications and partly other	–	–	–	–	–	–	–	–

1. More than one decision can be made in respect of a particular access application.

Table C: Invalid applications

Reason for invalidity	Number
Application does not comply with formal requirements (s 41)	–
Application is for excluded information of the agency (s 43)	–
Application contravenes restraint order (s 110)	–
Total number of invalid applications received	–
Invalid applications that subsequently became valid applications	–

Table D: Conclusive presumption of overriding public interest against disclosure: matters listed in Schedule 1 to the Act¹

Overriding public interest against disclosure	Number of times consideration used
Overriding secrecy laws	–
Cabinet information	–
Executive Council information	–
Contempt	–
Legal professional privilege	–
Excluded information	–
Documents affecting law enforcement and public safety	–
Transport safety	–
Adoption	–
Care and protection of children	–
Ministerial code of conduct	–
Aboriginal and environmental heritage	–

1. More than one public interest consideration may apply in relation to a particular access application and, if so, each such consideration is to be recorded (but only once per application).

Table E: Other public interest considerations against disclosure: matters listed in table to section 14 of the Act¹

Public interest considerations against disclosure	Number of occasions when application not successful
Responsible and effective government	–
Law enforcement and security	–
Individual rights, judicial processes and natural justice	–
Business interests of agencies and other persons	–
Environment, culture, economy and general matters	–
Secrecy provisions	–
Exempt documents under interstate freedom of information legislation	–

1. More than one public interest consideration may apply in relation to a particular access application and, if so, each such consideration is to be recorded (but only once per application).

Table F: Timeliness

	Number of applications
Decided within the statutory timeframe (20 days plus any extensions)	2
Decided after 35 days (by agreement with applicant)	–
Not decided within time (deemed refusal)	–
Total	2

Table G: Number of applications reviewed under Part 5 of the Act (by type of review and outcome)

Type of review	Decision varied
Internal review	–
Review by Information Commissioner	–
Internal review following recommendation under section 93 of the Act	–
Review by Administrative Decisions Tribunal	–
Total	–

Table H: Applications for review under Part 5 of the Act (by type of applicant)

Applicants for review	Number of applications for review
Applications by access applicants	–
Applications by persons to whom information the subject of access application relates (s 54)	–

Table I: Applications transferred to other agencies under Division 2 of Part 4 of the Act (by type of transfer)

Transfers	Number of applications transferred
Agency-initiated transfers	–
Applicant-initiated transfers	–

APPENDIX 15

Internal audit

Internal audit program 2014

Audit area	Deputy Vice-Chancellor and Vice-President	High-level indication of scope
Procurement	DVC (Resources)	Compliance with the procurement policy, procedures and guidelines. Test standard operating procedures and guidelines against acceptable probity rules
Payroll / workforce	DVC (Resources)	Test management framework for contractors and consultants in terms of compliance with policies, procedures and legislation
Fees	DVC (Corporate Services)	Any changes to standard fees or fees not increasing cash flow (fee waivers; remissions, discounts to fees; sponsorships), including international fees
Research	DVC (Research)	Projects management (end to end; all categories)
Accounts payable	DVC (Resources)	iProcurement application review (procure to payment cycle)
Network security	DVC (Corporate Services)	Personal information security management governance
Safety and wellbeing	DVC (Corporate Services)	WHS process and controls within faculties and divisions
UTS Student Housing	DVC (Education and Students)	Operational review (including financial management and compliance)
International admissions	DVC (International and Advancement)	Recruitment and admissions process for international students, including application controls

APPENDIX 16

Risk management

UTS uses a number of strategies to effectively manage and minimise risk to the university. Significant risks are reviewed and assessed twice yearly, and risk assessments are also conducted to manage specific areas of risk, including building projects; environment, health and safety; information technology security and projects; disaster recovery; emergency management; financial risk management; and business continuity planning.

In addition to these university-wide risk assessments, operational risks at the faculty and unit level are also examined. The university has a Risk Management Policy and associated guidelines in place.

In 2015 the university will engage consultants to undertake a comprehensive review of risk management. The objective of this review is to understand the current state of risk management across UTS and to ensure that the risk framework aligns with, and supports, the university's strategic plan.

2015 strategic risk assessment

The strategic risks for 2015 are currently under review. The university's strategy, in light of multiple changes in market factors, degree relevance and reductions in government funding, were identified as high risks.

Although not critical, all of the strategic risks present ongoing challenges for UTS and need to be closely monitored.

Significant operational risks 2015–2017

Risk	Inherent risk	Residual risk assessment			Comments
		2015	2016	2017	
Deregulation	critical	mod	high	high	Need to determine pricing levels that allow sustainable operations as well as addressing equity issues and branding
Student income — fees	high	mod	high	high	International strengthened, postgraduate continues to be weak
Student income — Commonwealth Grant Schemes (CGS)	mod	mod	high	high	Government funding cuts, attaining science targets
Achieving operating results	critical	mod	high	high	Long-term finance plan needs review to ensure we can achieve acceptable results with appropriate investments
Campus Master Plan project implementation	high	low	mod	high	Phase I almost completed successfully. Good experience should lead to continued success
Campus Master Plan — reputational/operational impact during campus construction and relocations	high	mod	mod	high	Attraction and retention of both students and staff during construction phases of the Campus Master Plan. Building 2 will have largest impact in 2016–17.
Achieving changes in teaching delivery	critical	high	high	high	2014 and 2015 critical in achieving effective use of redesigned teaching spaces as we move into the new buildings
Provision of sufficient infrastructure for research	high	mod	high	high	Growth in use of technologies, storage and processing capacity, reduction in government investment in national research infrastructure as well as a yet-to-be fully understood research growth strategy causes this risk
Supporting large growth in teaching technologies with new campus	mod	mod	mod	mod	Significant additional technology being installed as campus is developed
UTS response to global growth in online learning	high	mod	mod	mod	Potential investment required to blend on campus delivery with UTS provided and externally provided online learning elements
Research performance	critical	high	high	high	Risk of not achieving our research investment plan performance targets, increase research active staff
Building 10 fit out not complete delaying Kuring-gai move	low	low	nil	nil	The works are proceeding on program and other than unforeseen construction problems the works will be completed on time
UTS Central Project authority approvals delayed	low	low	nil	nil	If the Department of Planning approvals are delayed the impact on university operations will require further review

Risk ratings

Critical: Needs active management, planning and decision-making at senior levels in short term to manage risk.
 High: Senior management attention and action needed in short to medium term to reduce risk to acceptable levels.
 Moderate: Line management responsibility must be defined to ensure risks are being monitored and managed effectively.
 Low: No major concern and can be managed by routine controls or procedures.

APPENDIX 17

Consultants

The university paid \$28.45 million for external consulting services in 2014, of which \$10.93 million was for capital works. A total of \$7.53 million was paid for consultancies consisting individually of less than \$50,000.

Payments in excess of \$50,000 totalled \$20,926,730.60 and are listed below.

Company	Category	Project	\$
BVN Architecture Pty t/a Bligh Voller Nield	architect/design	Thomas Street Building initial design Building 4 Science precinct	1,291,619.60
LTC Language & Testing Consultants Pty Ltd	language testing	language proficiency tests	1,195,464.11
Enterprise IT Resources Pty Ltd	project management	14CTI-09 identity management, 14CTI-10 disaster recovery, 14CTI-01 student computing 2013, 13EAS-82 digital learning content discovery pilot, 14EAS-47 timetabling system upgrade	835,868.18
The Trustee for Daryl Jackson Robin Dyke Unit Trust	architect	Dr Chau Chak Wing Building, child care amalgamation Blackfriars precinct seed funding, Building 1 FSU and HRU move, Project B for Dr Chau Chak Wing Building	783,013.50
Domainex Ltd	science research	2013001740 Charles — Auspherix Research Program — antimicrobial drug discovery	669,469.10
Gehry Partners LLP	architect	Dr Chau Chak Wing Building	578,407.30
Francis-Jones Morehen Thorp Pty Ltd	architect	UTS Central Precinct	440,000.00
Nathan Baird Pty Ltd	project management	CommBank — DT delivery contract 2, CBA ES capability build — design thinking, CBA ES capability build — experimentation, Westfield Brandspace Innovation Strategy, EDU short courses operations	425,706.05
Highgate Management Pty Ltd	project management	Broadway Building initial design, Dr Chau Chak Wing Building, CB10 base building (00-L02) upgrade, Building 1 central chiller plant upgrade — new 3000 KW chiller, electrical demand investigation — HV customer concept	417,714.18
DVE Business Solutions Pty Ltd	business consulting	process improvements	400,361.48
Steensen Varming (Australia) Pty Ltd	mechanical engineer	Thomas Street Building initial design, Building 4 science precinct, renumbering of CB04, UTS Central Precinct, library stacker design	393,835.30
Arup Pty Limited	engineer	Dr Chau Chak Wing Building, Project B for Dr Chau Bldg, Building 4 science precinct, Broadway Building initial design, Thomas Street Building initial design	387,435.50
The University of Queensland	research	2013000642 Giurco — Wealth From Waste, 2010000251 — Seymour — microscale insights into	361,010.00
The Trustee for DCM Trust t/a Denton Corker Marshall Pty Ltd ATF DCM Trust	architect	Broadway Building initial design	324,984.00
V Ahuja & RK Anderson & KM Astridge & SJ Audeyev & ML Austin & M Barker & AT Bartlett & A Baykitch & TG Bednall & DA Bell & T Blue & HE Bolitho & MT Bonnell & D Bortoluzzi & Others t/a King & Wood Mallesons	legal services	Broadway Building initial design, Dr Chau Chak Wing Building	323,296.63
The Trustee for Ionita Family Trust & the Trustee for Skinner Family Trust t/a Lean Six Sigma and Business Excellence Institute	course facilitation	various short courses	314,684.72
Davis Langdon Australia Pty Limited t/a Davis Langdon	quantity surveyors	Broadway Building initial design, Thomas Street Building initial design, library stacker design, Building 4 science precinct	288,802.00
Robert Walters Pty Ltd t/a Robert Walters	project management	11CTI-21 data centre housing, 14EAS-08 NEO RUP6 upgrade	287,039.48
Aecom Australia Pty Ltd	structural engineer	Dr Chau Chak Wing Building, UTS Central Precinct, Broadway Building initial design, Project B for Dr Chau Chak Wing Building	272,807.86
Monash University	research	2013000642 Giurco — Wealth From Waste	271,360.00
Waterman AHW Pty Ltd	mechanical engineer	Broadway Building initial design	266,102.86

Company	Category	Project	\$
The Leading Partnership Pty Ltd	business consulting	science process improvements	263,804.64
Analytics 8	business intelligence	14EAS-46 BI and research datamart	263,162.50
Commonwealth Scientific and Industrial Research Organisation t/a CSIRO	research	2013001071 Jacobs — NSW adaptation research hub adaptive communities node, 2010002185 Shon fertilisers as draw solutes	241,696.35
The Trustee for WL Sandy Trust t/a Total Procurement	contractor	procurement services	231,290.22
CIVAS (Vic) Pty Ltd t/a Colliers International Holdings	asset valuation	property assessment/valuation	231,000.00
Linda R Scott & Associates Pty Ltd	business consulting	Nursing HWA CT continuation funding 2014, HRU teaching and learning programs	224,721.93
MIP (Aust) Pty Ltd	project management	11EAS-01 smart cards, 13EAS-77 executive education CRM rollout, 13EAS-10 CASS upgrade release 4 12	223,950.00
Burtenshaw Scoufis Architecture Pty Ltd	architect	FEIT Robotics Research Centre Building 2 level 2, Building 1 FSU and HRU move, Student Services support facility Building 1 level 4, Creative Industries Centre Building 15 level 2, Pre-Incubator Knowledge Hub Building 15 level 1	221,680.69
Moveplan Australia Pty Limited	relocation management	Campus Master Plan relocations	215,254.11
The Trustee for Gardner Wetherill Unit Trust t/a Gardner Wetherill & Associates Pty Limited	architect	modifications to Chancellery CB01 level 04A and 04B seed funding, Faculty of Arts and Social Sciences Building 10 refurbishment, additional postgraduate and staff accommodation DAB Building 6 level 6	210,283.00
V2 Systems Pty Ltd	contractor	systems implementation	196,500.00
Skilled Group Limited	project management	14EAS-46 BI and research datamart	193,578.45
UMR Research Pty Limited	research	CLG projects, CLG — governance improvement ACELG	191,165.00
Savills Project Management Pty. Ltd.	project management	Building 4 Science precinct	175,000.00
Global Integration Technology Pty Ltd	business intelligence	13EAS-31 research master upgrade, 14EAS-48 queue management system, 13EAS-28 service desk replacement, 13EAS-10 CASS upgrade release 4 12	169,000.00
N D Y Management Pty Ltd	sustainability engineer	energy audit implementation plan UTS buildings, Broadway Building initial design, Dr Chau Chak Wing Building	168,587.08
PricewaterhouseCoopers	strategic planning	ROAP	165,000.00
Animal Logic Pty Limited	website design	FEIT Data Arena show reel — Animal Logic, show reel Data Arena	150,000.00
The Trustee for Kinrite Consulting	project management	Tower EDB upgrade B1 levels 9 to 27, renumbering of CB04, corrosion repairs consultancy, electrical demand investigation — HV customer concept	146,286.65
Rider Levett Bucknall Nsw Pty Ltd	cost planner	Dr Chau Chak Wing Building	135,872.00
Thwaite Consulting Group Pty Ltd	engineer	Thomas Street Building initial design, library stacker design	132,000.00
Siddiqui Jamshed Ahmed	business consulting	India in-country office VCSF — international development	130,997.68
UXC Keystone Pty Ltd	software consulting	13EAS-28 service desk replacement	129,153.13
Baker & Mckenzie	legal services	Broadway Building initial design, Thomas Street Building initial design, library stacker design, Building 4 science precinct, Dr Chau Chak Wing Building, UTS Central Precinct	126,786.87
Talent2 Works Pty Ltd	project management	CBA ES capability build — design thinking	125,558.00
Playground Inspectors of Australia Pty Limited t/a Safety Adventure Forensic Engineering	course facilitation	FEIT — playground ENG	124,790.61
Ambition Recruit Pty Limited	project management	12EAS-48 Symplectic publications module, 13EAS-10 CASS upgrade release 4 12, 13EAS-18 review product upgrade	121,596.64

APPENDIX 17

Consultants (continued)

Company	Category	Project	\$
Beesness Pty Ltd	project management	EDU short courses operations, CEDA Copland Leadership Program 2014, WGEA design thinking, CommBank – DT delivery contract 2	120,472.65
Yale University	research	2013000642 Giurco – Wealth From Waste	119,800.00
Egan, Dylan Edward t/a Australian Workshop	research	ISF research expenses	119,609.93
Michael Page International (Australia) Pty Ltd	project management	ITD projects – web platforms and strategy business	117,505.00
Meier, Raymond James	contractor	procurement services	117,000.00
RuffaloCODY Australia Pty Ltd	fundraising management	annual alumni appeal 2014	116,500.00
Assurance Pty Ltd	it security	14EAS-24 CareerHub phase 1	115,279.00
Architectus Group Pty Ltd	architect	CB10 base building (L00-L02) upgrade	114,696.00
Tonkin Zulaikha Greer Pty Limited	architect	Tower Building 1 core upgrade	113,633.90
Aspect Studios Pty Ltd	landscape architect	Alumni Green design, UPN upgrade PCG, project B for Dr Chau Chak Wing Building	113,180.00
GD Solutions Holdings Pty Ltd	business consulting	procedure writer – SAU (eg fraud control and risk management, graduations, records management, enrolments, progressions etc)	109,986.25
Medland Mitropoulos Pty Ltd	design consultant	CB10 base building (L00-L02) upgrade, new TSG room Building U, Harris St Ultimo	105,700.00
The Trustee for Dunn Family Trust	project management	CBA ES capability build – experimentation	105,000.00
AWS Consulting	business consulting	Europe in-country	104,543.00
Central Signs Pty Ltd	sign and graphic designer	UTS honour board sign manufacture and installation	104,389.00
The Trustee for The Parker Family Trust	research	2011001713-prior-societal perceptions and ISF research expenses	100,820.00
PreviousNext Pty Ltd	website design	12EAS-58 web roadmap – student content migration, 14EAS-44 public website 2014 priority enhancement	95,848.75
Hunting, Sallyann t/a Sallyann Hunting	research	20140001139 Ryan – evaluation of the who cares about the environment research project (1994-2012) Agr OEH-794-2013, CLG projects	92,700.00
Santoku Agency Pty Ltd	course facilitation	development and facilitation of Digital Marketing Executive Certificate	89,305.62
Ken Dysart Consulting Pty Ltd	contractor	FEIT finance related services	88,283.01
Country Opinions (Nsw) Pty Ltd	research	2013000921 Ryan – new planning system for NSW white paper, CLG projects	85,836.55
CS Technology (Australia) Pty Limited	business intelligence data storage	14CTI-04 storage replacement	85,455.00
Foran Design Pty Ltd	architect	Bulga Ngurra 23–27 Mountain St Ultimo – additional housing accommodation, reconfiguration of careers area Building 2 level 3	85,332.73
Rutovitz, Jacqueline t/a Jay Rutovitz	research	ISF contract research expenses, 2014001374 Dunstan – mapping potential network opportunities fo renewable energy and demand management (DANCE – Dynamic Avoidable Network Cost Evaluation) – 12199	82,479.09
Cadogan, Alan Keith	planning consultants	seed funding – forensic taphonomy research facility Yarrowood, aquatic mesocosms Yarrowood	81,483.69
University of New South Wales	research	small UNSW admin and research grant	81,079.39
Aurecon Australia Pty Ltd	structural engineer	Broadway Building initial design	81,031.80
Voice Project Pty Ltd	organisational surveying	staff survey	78,923.00
The Trustee for The Leading Partnership Trust	business consulting	FEIT strategic planning	78,630.53

Company	Category	Project	\$
NBRS+Partners Pty Ltd	architect	02616 relocation from 645 Harris St	78,210.00
Mahlab Media Unit Trust t/a Mahlab Cramb Media	media publishers	digital publishing & printing services for UTS magazines	77,420.20
Altus Group Cost Management Pty Limited	quantity surveyor	CB10 base building (L00-L02) upgrade, library modifications, lecture theatre (cold shell) fitouts B7 & B11	77,375.00
The Trustee for The Knowledge Warehouse Unit Trust	research	2013001328 Langham — smart grid smart city customer research	76,378.00
Prendergast Projects Pty. Ltd	project management	trigeneration feasibility study city campus	72,637.50
Higgs, Katherine	contractor	FEIT leadership team coaching program	72,365.00
Duesterwald Peplow, Beate	contractor	web and satellite site review — DAB	70,925.00
Braithwaite; Steiner & Pretty Pty Ltd	educational recruitment	Assistant DVC Education — recruitment	70,911.67
Johnston, Amanda t/a Amanda Johnston	contractor	corporate advisory services to boards and senior executives — office of DVC	70,875.00
Aconex Ltd	online project management	UTS Central Precinct	70,866.00
Lahz Nimmo Architects Pty Ltd t/a Lahz Nimmo Architects	architect	library modifications	70,530.00
Swinburne University Of Technology	research	2013000642 Giurco — Wealth From Waste	68,799.00
Clarkson ITT Pty Limited	course facilitation	Financial Analysis Certificate — using Excel	68,468.37
Hassell Ltd	architect/ interior design	library stacker design	66,820.00
Blureach Consulting Pty Ltd	organisational design	FSU finance strategy and capability review	66,500.00
Integreat Consulting Engineers Pty Ltd	mechanical engineer	Building 1 central chiller plant upgrade — new 3000 kw chiller, DAB materials research robotics laboratory	66,230.00
Pure Technologies (Aus) Pty Ltd	research	2011000692 Dissanay — advanced condition assess	65,000.00
Greythorn Pty Ltd	software consulting	14CTI-09 Identity Management	64,553.13
Total Energy Solutions Pty Ltd	sustainability engineer	energy audit implementation plan UTS buildings	63,465.19
Zamatech Pty Ltd	systems engineering/ project development	energy audit implementation plan UTS buildings 14EAS-61 smart campus plan	63,292.40
KJ Ross & Associates Pty Ltd	software consulting	14EAS-33 banking change analysis	62,560.68
Catflap Animation Pty Ltd	course facilitation	various DAB courses	61,072.30
Procure Group Pty Ltd	procurement advisory	UTS cleaning contracts	60,680.00
Borda — Bremen Overseas Research And Development Association	research	2013000439 Mitchell — managing sanitation services	60,000.00
LBH Partners Pty Ltd	project management	software development/enhancement — Planning and Quality Unit	59,710.00
The Trustee For Australian Museum Trust	archaeological consultant	Dr Chau Chak Wing Building	58,600.00
Bay Partnership Pty Ltd	quantity surveyors	corrosion repairs consultancy, smartcard upgrade — existing buildings	58,111.00
Gehry Technologies Inc	architect/design	Dr Chau Chak Wing Building	58,041.48
Toni Binstead & Co Pty Ltd	organisation development	managing for performance capability development program — HR	57,750.00
Kloud Solutions (Nsw) Pty Limited	software consulting	12EAS-57 web roadmap — staff intranet	56,980.00
Kairos Now Pty Ltd	research	2014000950 Bucolo — Design Innovation Project (Meta) — Res14 323	56,880.20
Intelligent Business Research Services Pty Ltd	software consulting	facilitating future state architecture workshops	55,500.00
Lockenet Pty Limited	software consulting	CHERE CRB tier 2 funding	54,450.00
Carrington Associates Asia Pacific Pty. Ltd.	software consulting	14EAS-53 banking change implementation	54,000.00
Mcclean, Shilo Tayga	software consulting	FEIT Data Arena show reel — Animal Logic, FEIT Broadway new building	53,863.62
Internal Audit Bureau of NSW	business consulting	corporate governance, operational review, risk management	53,485.00

APPENDIX 17

Consultants (continued)

Company	Category	Project	\$
Richard Crookes Constructions Pty Limited	architect	UTS Central Precinct	53,302.50
Colin Biggers And Paisley	legal services	Broadway Building initial design	52,901.66
Republic of Everyone Pty Ltd	research	2014000349 Riedy — greenpower program review (13265)	52,560.00
Boersma, Martijn	contractor	sustainable supply networks, Business external grant application and other funding CMOS	51,663.45
Molecular Research LP	research	2013000538-Ralph — dynamics of sedimentary, 2010002110-Seymour — a microfabricated coral	50,795.96
Total			20,926,730.60

APPENDIX 18

Land register

Property/building	Campus	Use	Building/infrastructure valuation \$'000	Land valuation \$'000
Broadway				
Building 1 (Tower)	city	educational		
Building 2 (annex to Tower)	city	educational		
Building 3 (Bon Marche)	city	educational		
Building 4	city	educational		
Building 6 (Faculty of Design, Architecture and Building)	city	educational		
The Terraces (9-13 Broadway)	city	educational		
The Loft (rear of the Terraces)	city	educational		
Building 10	city	educational		
Building 11	city	educational		
Broadway sub-total			875,850	228,350
Haymarket				
Building 5	city	educational		
Building 8	city	educational		
Building 14	city	educational		
632-642 Harris St	city	educational		
644 Harris St	city	educational		
Haymarket sub-total			213,850	122,650
Other buildings				
Blackfriars campus	city	educational/child care	3,600	15,100
Bulga Ngurra Student Housing	city	student housing	8,400	5,100
Geegal Student Housing	city	student housing	4,400	5,100
Gumal Ngurang Student Housing	city	student housing	29,300	18,580
Stroud Research Field Station	Stroud NSW	research station	295	270
Yarrowood Research Centre	Yarramundi NSW	educational/research	200	1,700
Total land and buildings			1,135,895	396,850

Notes:

Values are based on Collier's valuation dated 31 December 2014.

Yura Mudang student housing component is included in Building 6 (Broadway).

Vice-Chancellor's residence was sold in 2014.

APPENDIX 19

Works in progress and completed

Building/property	Project	\$'000
B7	Thomas Street Building and Alumni Green	76,200
B8	Dr Chau Chak Wing Building	65,600
B11	Broadway Building	40,118
B10	Building 10 upgrade works	10,282
B1	CB01 core upgrade — lifts and lift lobbies	4,706
B10	Upgrading of B10 lifts	1,722
B2	central precinct upgrade	1,347
B4	science precinct upgrade	1,200
B1	central plant upgrade	814
all sites	energy audit implementation plan, UTS buildings	797
B1	FSU and HRU move	790
public spaces	UTS wayfinding and public spaces	746
B2	FEIT robotics research centre, level 2	673
B6	postgraduate and staff accommodation, level 6	524
B14	Design Innovation Research Centre, level 2	515
B1	union refurbishment, level 3	511
B1	fire damper code compliance rectification works	509
all sites	smartcard upgrade	483
B1	UTS Commercial, level 14	477
B1	informal teaching and learning facility, level 6	412
B6	DAB materials research robotics laboratory	394
B5	Blocks C and D courtyard upgrade	316
B22	Connected Intelligence Centre	294
all sites	people counting image sensors	278
Bulga Ngurra	additional housing accommodation	252
B2	careers area, level 3	221
Total		210,181

APPENDIX 20

Land disposals

The university disposed of the Vice-Chancellor's residence at B902/22-24 Point Street, Pyrmont, at a sale price of \$3,000,000.

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About the annual report

Compliance

The report was written to comply with relevant legislation including the *Annual Reports (Statutory Bodies) Act 1984* (NSW) and the Annual Reports (Statutory Bodies) Regulation 2010 (NSW). In its structure and writing we have striven for best practice reporting, taking into account annual reporting guidelines from state and national annual reporting awards and recommendations from the NSW Treasury and the Audit Office of NSW.

Availability

The university's annual reports are available in Portable Document Format (PDF) from the UTS website:

www.uts.edu.au

They are also available by request to:

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Acknowledgements

The *UTS Annual Report 2014* was produced by the Governance Support Unit, Division of the Deputy Vice-Chancellor and Vice-President (Corporate Services).

Editor: Bridget Shipstone (Governance Support Unit)

Design: Meegan Desmond (Marketing and Communication Unit)

Cover photography: Andrew Worssam

Cover: Science and Graduate School of Health Building

Printer: UTS Printing Services

Paper: Revive

ABN 77 257 686 961

ISSN 1031-8690 (print)

ISSN 1837-0209 (online)

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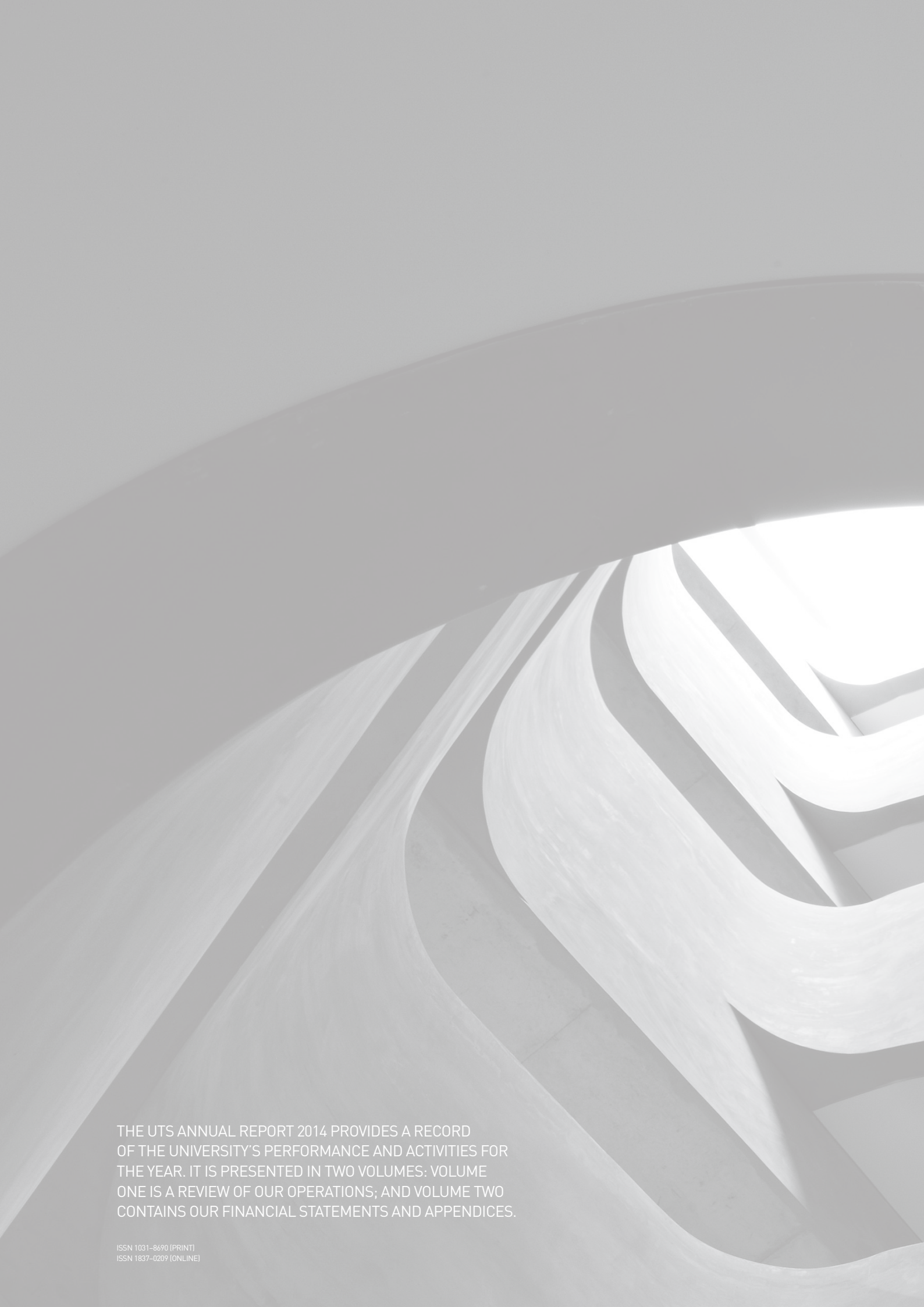
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Access

UTS is open for general business from 9am to 5pm weekdays. Many sections of the university are open at other times.



THE UTS ANNUAL REPORT 2014 PROVIDES A RECORD OF THE UNIVERSITY'S PERFORMANCE AND ACTIVITIES FOR THE YEAR. IT IS PRESENTED IN TWO VOLUMES: VOLUME ONE IS A REVIEW OF OUR OPERATIONS; AND VOLUME TWO CONTAINS OUR FINANCIAL STATEMENTS AND APPENDICES.

ISSN 1031-8690 (PRINT)
ISSN 1837-0209 (ONLINE)