



BEAUTIFUL MINDS.

UTS ANNUAL REPORT 2007 **VOLUME 2**

FINANCIAL STATEMENTS AND APPENDICES

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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 reports present a true and fair value of the financial position of the University at 31 December 2007 and the results of its operations and transactions of the University for the year then ended
2. the financial reports have been prepared in accordance with the provisions of the New South Wales *Public Finance and Audit Act 1983*, *Public Finance and Audit Regulation 2005* and the Commonwealth Guidelines for the Preparation of Annual Financial Reports for the 2007 Reporting Period by Australian Higher Education Providers
3. the financial reports have been prepared in accordance with Australian Accounting Standards, Urgent Issues Group Interpretations and other mandatory professional reporting requirements
4. we are not aware of any circumstances which would render any particulars included in the financial reports 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.



R D Milbourne
Vice-Chancellor



B Wilson
Chair, Finance Committee

16th April 2008

Independent auditor's report



GPO BOX 12
Sydney NSW 2001

INDEPENDENT AUDITOR'S REPORT

The University of Technology, Sydney and controlled entities

To Members of the New South Wales Parliament

I have audited the accompanying financial report of the University of Technology, Sydney (the University), and the University and controlled entities (the consolidated entity), which comprises the balance sheet as at 31 December 2007, and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes. 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.

Auditor's Opinion

In my opinion, the financial report:

- presents fairly, in all material respects, the financial position of the University and the consolidated entity as of 31 December 2007, and of their financial performance and their cash flows for the year then ended in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations)
- is in accordance with section 41B of the *Public Finance and Audit Act 1983* (the PF&A Act) and the Public Finance and Audit Regulation 2005
- complies with the 'Financial Statement Guidelines for Australian Higher Education Providers for the 31 December 2007 Reporting Period', issued by the Australian Government Department of Education, Employment and Workplace Relations, pursuant to the *Higher Education Support Act 2003*, the *Higher Education Funding Act 1988* and the *Australian Research Council Act 2001*.

Council's Responsibility for the Financial Report

The Council are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the PF&A Act. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report 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 report.

Independent auditor's report

I believe that 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 have carried out their activities effectively, efficiently and economically, or
- about the effectiveness of their internal controls.

Independence

In conducting this audit, the Audit Office has complied with the independence requirements of the Australian Auditing Standards and other relevant ethical requirements. The PF&A Act further promotes independence by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General, and
- 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 are not compromised in their role by the possibility of losing clients or income.



A Oyetunji
Director, Financial Audit Services

17 April 2008
SYDNEY

Statement of financial performance

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2007

	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
Revenue from continuing operations					
Australian Government financial assistance					
> Australian Government grants	2.1	150,064	135,255	150,064	135,255
> HECS-HELP – Australian Government payments	2.1	60,508	55,027	60,508	55,027
> FEE-HELP	2.1	25,274	19,260	20,948	19,260
State and local governments' financial assistance	2.2	3,375	3,608	3,375	3,608
HECS-HELP–student payments		21,415	19,933	21,415	19,933
Fees and charges	2.3	157,421	156,465	124,863	125,971
Investment income	2.4	7,623	5,574	6,194	4,344
Royalties, trademarks and licences	2.5	267	210	180	169
Consultancy and contracts	2.6	9,731	8,267	8,957	7,575
Other revenue	2.7	12,075	10,096	14,695	13,952
Total revenue from continuing operations		447,753	413,695	411,199	385,094
Gains on disposal of assets	5	3,944	86	3,944	81
Share of net results of associates and joint venture partnerships accounted for using the equity method	31	1,209	–	–	–
Other income	2.7	11,053	12,345	11,585	12,462
Total income from continuing operations before deferred government superannuation contributions		463,959	426,126	426,728	397,637
Deferred government superannuation contributions		(24,179)	(41,131)	(24,179)	(41,131)
Total revenue and income from continuing operations		439,780	384,995	402,549	356,506
Expenses from continuing operations					
Employee related expenses	3.1	255,792	245,089	238,376	230,843
Depreciation and amortisation	3.2	49,768	42,054	47,881	40,311
Repairs and maintenance	3.3	8,539	10,393	8,344	10,118
Finance costs	4	4,906	4,305	4,842	4,244
Impairment of assets	3.4	78	2,166	75	349
Other expenses	3.5	107,697	104,378	92,903	89,464
Total expenses from continuing operations before deferred employee benefits for superannuation		426,780	408,385	392,421	375,329
Deferred employee benefits for superannuation		(24,898)	(42,402)	(24,898)	(42,402)
Total expenses from continuing operations		401,882	365,983	367,523	332,927
Operating result before income tax		37,898	19,012	35,026	23,579
Income tax expense	6	55	5	–	–
Operating result from continuing operations		37,843	19,007	35,026	23,579
Operating result attributable to members of the University of Technology, Sydney		37,843	19,007	35,026	23,579

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

Statement of financial position

AS AT 31 DECEMBER 2007

	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
ASSETS					
Current assets					
Cash and cash equivalents	9	26,365	24,599	2,384	5,984
Receivables	10	10,019	8,460	9,737	8,201
Other financial assets	11	88,384	57,370	88,384	57,370
Other non-financial assets	12	13,358	9,001	11,860	8,174
Non-current assets classified as held for sale	13	60	–	–	–
Total current assets		138,186	99,430	112,365	79,729
Non-current assets					
Receivables	10	128,631	152,810	128,631	152,810
Investments accounted for using the equity method	14	6,852	6,844	–	–
Other financial assets	11	3,636	482	3,710	692
Other non-financial assets	12	200	–	200	–
Property, plant and equipment	15	942,283	863,581	939,696	860,356
Intangible assets	16	19,800	20,284	17,944	17,909
Total non-current assets		1,101,402	1,044,001	1,090,181	1,031,767
Total assets		1,239,588	1,143,431	1,202,546	1,111,496
LIABILITIES					
Current liabilities					
Trade and other payables	17	27,634	30,180	25,991	29,133
Borrowings	18	2,553	3,848	2,553	3,848
Provisions	19	49,863	48,880	48,904	47,760
Other liabilities	20	20,138	16,864	8,872	8,176
Total current liabilities		100,188	99,772	86,320	88,917
Non-current liabilities					
Borrowings	18	42,842	75,374	42,842	75,374
Provisions	19	136,391	160,952	136,115	160,630
Other liabilities	20	1,343	1,815	–	–
Total non-current liabilities		180,576	238,141	178,957	236,004
Total liabilities		280,764	337,913	265,277	324,921
Net assets		958,824	805,518	937,269	786,575
EQUITY					
Parent entity interest					
Statutory funds	21	11,547	11,117	11,547	11,117
Reserves	22 (a)	467,559	370,279	467,951	370,319
Retained surplus	22 (d)	479,718	424,122	457,771	405,139
Total equity		958,824	805,518	937,269	786,575

The above balance sheet should be read in conjunction with the accompanying notes.

Statement of changes in equity

AS AT 31 DECEMBER 2007

	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
Total equity at the beginning of the year		805,518	712,709	786,575	689,141
Exchange differences on translation of foreign operations	22 (b)	(206)	(68)	–	–
Change in fair value of available for sale other financial assets	22 (b)	3,158	10	3,158	10
Gain on revaluation of property, plant and equipment	22 (b)	112,510	73,845	112,510	73,845
Share of changes recognised directly in the associates equity	22 (b)	1	15	–	–
Net income recognised directly in equity		115,463	73,802	115,668	73,855
Operating result for the period		37,843	19,007	35,026	23,579
Total recognised income and expense for the period		153,306	92,809	150,694	97,434
Total equity at the end of the year		958,824	805,518	937,269	786,575
Total recognised income and expense for the year is attributable to:					
> members of the University of Technology, Sydney		153,306	92,809	150,694	97,434
		153,306	92,809	150,694	97,434
Effect of correction of error in previous year, being an increase in retained surplus, attributable to members of the University of Technology, Sydney		–	301	–	301

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

Statement of cash flows

AS AT 31 DECEMBER 2007

	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
Cash flows from operating activities					
Australian Government grants received	34	230,716	201,264	226,390	201,264
State government grants received	2.2	3,105	3,102	3,105	3,102
Local government grants received	2.2	270	253	270	253
HECS-HELP – student payments		21,505	19,812	21,505	19,812
Receipts from student fees and other customers		207,912	193,400	172,711	169,171
Dividends received		263	702	263	702
Interest received		9,345	5,463	7,939	4,320
Payments to suppliers and employees (inclusive of goods and services tax)		(390,762)	(361,173)	(355,943)	(333,725)
Interest and other costs of finance paid		(4,095)	(5,403)	(4,077)	(5,403)
Income tax paid		(45)	(5)	–	–
Net cash provided by/(used in) operating activities	33	78,214	57,415	72,163	59,496
Cash flows from investing activities					
Proceeds from sale of property, plant and equipment	5	25,721	10,416	25,598	10,156
Proceeds from sale of financial assets		276,215	228,826	276,211	228,728
Payments for financial assets		(309,738)	(244,389)	(309,738)	(244,389)
Purchase of shares		–	(30)	–	(19)
Payments for property, plant and equipment		(31,580)	(55,833)	(30,667)	(54,684)
Net cash provided by/(used in) investing activities		(39,382)	(61,010)	(38,596)	(60,208)
Cash flows from financing activities					
Proceeds from borrowings		–	10,000	–	10,000
Repayment of borrowings		(34,121)	(5,146)	(34,121)	(5,146)
Repayment of finance leases		(3,046)	(3,049)	(3,046)	(3,049)
Net cash provided by/(used in) financing activities		(37,167)	1,805	(37,167)	1,805
Net increase/(decrease) in cash and cash equivalents		1,665	(1,790)	(3,600)	1,093
Cash and cash equivalents at the beginning of the year		24,599	26,389	5,984	4,891
Effect of exchange rate changes on cash and cash equivalents		101	–	–	–
Cash and cash equivalents at end of year	9	26,365	24,599	2,384	5,984
Financing arrangements	18				
Non-cash financing and investing activities	24				

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

Notes to the financial statements

AS AT 31 DECEMBER 2007

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of this financial report are set out below. These policies have been consistently applied by all entities to all the years presented, unless otherwise stated. This report 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 financial report was authorised for issue by the Council of the University of Technology, Sydney on 16 April 2008.

(a) Basis of preparation

This general purpose financial report has 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 2007 Reporting Period* issued by the Commonwealth Department of Education, Employment and Workplace Reform (DEEWR)
- (iv) the *Public Finance and Audit Act 1983* and the *Public Finance and Audit Regulation 2005*.

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 AIFRS and 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 judgement in the process of applying the University of Technology, Sydney's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are the calculation of the long service leave and doubtful debt provisions.

(b) Principles of consolidation

(i) Subsidiaries

This financial report is 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
- > accessUTS Pty Ltd, a controlled entity of the University
- > UTSM Services (Malaysia) Sdn Bhd, a controlled entity of the University.

The accounting policies adopted in preparing this financial report 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 reports have been eliminated. Separate financial reports are prepared for the same period by the University's controlled entities, which are audited by the Auditor General of New South Wales.

(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.

(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).
- > All resulting exchange differences are recognised as a separate component of equity.

Notes to the financial statements

AS AT 31 DECEMBER 2007

(d) Revenue recognition

In accordance with Australian Accounting Standards Board 2007, *Contributions* (AASB 1004 – 2007), the operating and research grants provided by the federal 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.

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

(e) Income tax

The income tax expense or 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 *Leases* (AASB 117 – 2007).

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.

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 Goods and Services Tax inclusive basis. Finance leases are recorded on a GST exclusive basis.

Details of leased assets are provided in note 23.

(g) Business combinations

The purchase 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 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.

(i) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, cash at banks 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 uncollectable are written off to the income statement.

(k) Inventories

The University holds no material inventory.

Notes to the financial statements

AS AT 31 DECEMBER 2007

(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 holds investments in managed funds which it classifies 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. Changes in the fair value of any derivative instrument are recognised immediately in the income statement.

The fair values of derivatives used for hedging purposes are disclosed in note 11. Details of the derivatives held by the group are disclosed in note 35.

(o) Fair value estimation

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

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. The fair value of the interest-rate swap is calculated as the present value of the estimated future cash flows. The fair value of the interest-rate cap has been calculated by an independent valuer using the Black-Scholes model, with the specific volatilities of the caplets being sourced from Bloomberg L.P.

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.

(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 \$5,000 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 to ensure 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 balance sheet.

Notes to the financial statements

AS AT 31 DECEMBER 2007

(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	6.66 to 10.00	straight line
Motor vehicles	20.00	straight line
Computers	33.33	straight line
Office, teaching and research equipment	20.00	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 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 *Intangible Assets* (AASB 138 – 2007), 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 meet the capitalisation criteria under *Intangible Assets* and hence has not recognised any intangible assets arising from development projects.

(ii) Software

Where software is not an integral part of related hardware, it is classified as an intangible asset with a finite life. Amortisation is charged on a straight-line basis at the rate of 14.29% 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 then Department of Education, Science and Training (DEST) 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.

The unfunded liabilities recorded in the balance sheet under provisions have been determined by the fund's actuary. 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 income statement in the year in which they occur.

An arrangement exists between the Australian Government and the New South Wales 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 *State Grants (General Revenue) Amendment Act 1987* (Cwlth), *Higher Education Funding Act 1988* (Cwlth) and subsequent amending legislation. Accordingly the unfunded liabilities have been recognised in the balance sheet under provisions with a corresponding asset recognised under receivables. The recognition of both the asset and the liability consequently does not 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 2007 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 non-current liabilities unless the group has an unconditional right to defer settlement of the liability for at least twelve months after the balance sheet date.

(u) Finance costs

Finance costs including those incurred for the construction of any qualifying asset, are expensed as per the benchmark treatment in *Borrowing Costs* (AASB 123 – 2007).

Notes to the financial statements

AS AT 31 DECEMBER 2007

(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 and salaries and annual leave

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within twelve 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.

(ii) Long service leave

The liability for long service 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 Australian Government bonds. The group records long service leave as a current liability when all conditions for settlement are met.

(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.

A liability or asset in respect of the defined benefit superannuation plan for Unisuper has not been recognised in the balance sheet based on advice from Unisuper that the defined benefit plan is a contribution fund for the purposes of *Employee Benefits* (AASB119 – 2006) 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's 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, whilst the share of retained earnings is recognised in the balance sheet. Details of joint ventures are set out in note 31.

(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 figures

Where necessary the classifications of 2006 comparative figures have been adjusted to conform with the mandatory presentation for the current year. These reclassifications have no effect on the 2006 operating result (or the financial position) of the University.

Other minor changes have been made to the comparative figures in order to improve the quality of information in the report. These changes are not considered material.

(aa) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2007 reporting periods. The University's assessment of the impact of these new standards and interpretations is set out below.

- > Australian Accounting Standards Board 2007, *Borrowing Costs* (AASB 123 – 2007): standard revised to remove the option to immediately expense borrowing costs that relate to qualifying assets from 1 January 2009. The University has decided not to early adopt with a nil impact to the University's results for the 2007 year.

Notes to the financial statements

AS AT 31 DECEMBER 2007

	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
2. REVENUE FROM CONTINUING OPERATIONS					
2.1 Australian Government financial assistance including HECS-HELP and other Australian Government loan programs					
(a) Commonwealth Grant Scheme and other grants	34.1				
Commonwealth Grant Scheme ¹		100,158	94,391	100,158	94,391
Indigenous Support Fund		1,319	1,278	1,319	1,278
Equity Support Program		118	422	118	422
Workplace Reform Program		1,526	1,464	1,526	1,464
Learning and Teaching		5,555	–	5,555	–
Capital Development Pool		2,122	–	2,122	–
Disability Support Funding		357	–	357	–
Collaboration and Structural Reform Program		360	–	360	–
Total Commonwealth Grant Scheme and other grants		111,515	97,555	111,515	97,555
(b) Higher Education Loan Programmes	34.2				
HECS-HELP		60,508	55,027	60,508	55,027
FEE-HELP		25,274	19,260	20,948	19,260
Total Higher Education Loan Programmes		85,782	74,287	81,456	74,287
(c) Scholarships	34.7				
Australian Postgraduate Awards		1,501	1,459	1,501	1,459
International Postgraduate Research Scholarships		280	310	280	310
Commonwealth Education Cost Scholarships		939	647	939	647
Commonwealth Accommodation Scholarships		1,374	1,011	1,374	1,011
Indigenous Staff Scholarships		–	–	–	–
Total scholarships		4,094	3,427	4,094	3,427
(d) DEEWR–Research	34.6				
Institutional Grants Scheme		4,935	4,216	4,935	4,216
Research Training Scheme		9,190	9,484	9,190	9,484
Research Infrastructure Block Grants		2,672	2,455	2,672	2,455
Australian Scheme for Higher Education Repositories		121	–	121	–
Implementation Assistance Program		63	–	63	–
Commercialisation Training Scheme		85	–	85	–
Small grants		–	–	–	–
Total DEEWR–Research Grants		17,066	16,155	17,066	16,155
(e) Australian Research Council	34.3				
<i>(i) Discovery</i>					
> Project		5,439	5,255	5,439	5,255
> Fellowships		432	503	432	503
Total Discovery		5,871	5,758	5,871	5,758
<i>(ii) Linkages</i>	34.4				
> Projects		3,142	3,432	3,142	3,432
> International		21	22	21	22
> Infrastructure		–	1,982	–	1,982
> Special research initiatives		–	47	–	47
Total Linkages		3,163	5,483	3,163	5,483

1. Includes the basic CGS grant amount, CGS – Regional Loading and CGS – Enabling Loading and *Higher Education Funding Act 1988* (Cwlth) transition fund.

Notes to the financial statements

AS AT 31 DECEMBER 2007

	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
2. REVENUE FROM CONTINUING OPERATIONS (CONTINUED)					
<i>(iii) Networks and centres</i>	34.5				
> Research networks		1,287	766	1,287	766
> Centres		723	763	723	763
Total networks and centres		2,010	1,529	2,010	1,529
(f) Other Australian Government financial assistance					
National Health and Medical Research Council		2,182	602	2,182	602
(former) Department of Education, Science and Training		1,302	1,655	1,302	1,655
University of South Australia		225	48	225	48
Department of Health and Aged Care		223	1,348	223	1,348
University of New South Wales		205	203	205	203
University of Melbourne		163	170	163	170
National Water Commission		160	50	160	50
Aboriginal and Torres Strait Islanders		148	–	148	–
Commonwealth Scientific and Industrial Research Organisation		137	139	137	139
Department of the Prime Minister and the Cabinet		125	161	125	161
University of Queensland		123	16	123	16
Centrelink		100	–	100	–
University of Wollongong		84	–	84	–
Other		1,168	956	1,168	956
Total other Australian Government financial assistance		6,345	5,348	6,345	5,348
Total Australian Government financial assistance		235,846	209,542	231,520	209,542
<i>Reconciliation</i>					
> Australian Government grants (a+c+d+e+f)		150,064	135,255	150,064	135,255
> HECS-HELP–Australian Government payments		60,508	55,027	60,508	55,027
> Other Australian Government loan programs (FEE-HELP)		25,274	19,260	20,948	19,260
Total Australian Government financial assistance		235,846	209,542	231,520	209,542
(g) Australian Government grants received–cash basis					
CGS and other Department of Education, Employment and Workplace Relations' grants		111,515	97,555	111,515	97,555
Higher Education Loan Programmes		81,598	67,526	77,272	67,526
Scholarships		4,094	3,427	4,094	3,427
DEEWR research		17,066	16,155	17,066	16,155
ARC grants–Discovery		5,855	5,660	5,855	5,660
ARC grants–Linkages		3,124	4,917	3,124	4,917
ARC grants–network and centres		1,119	676	1,119	676
Other Australian Government grants		6,345	5,348	6,345	5,348
Total Australian Government grants received–cash basis		230,716	201,264	226,390	201,264
OS-HELP (net)		523	254	523	254
Total Australian Government funding received–cash basis		231,239	201,518	226,913	201,518
2.2 State and local government financial assistance					
New South Wales Government		2,548	2,652	2,548	2,652
Other state governments		557	703	557	703
Local government		270	253	270	253
Total state and local government financial assistance		3,375	3,608	3,375	3,608

Notes to the financial statements

AS AT 31 DECEMBER 2007

	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
2.3 Fees and charges					
Course fees and charges					
Fee-paying overseas students		126,669	125,224	94,766	94,968
Continuing education		6,224	5,526	6,224	5,776
Fee-paying domestic postgraduate students		11,726	12,528	11,726	12,528
Fee-paying domestic undergraduate students		6,851	2,648	6,851	2,648
Other domestic course fees and charges		1,566	990	1,566	990
Total course fees and charges		153,036	146,916	121,133	116,910
Other non-course fees and charges					
Library charges		374	242	985	869
Student accommodation levy		822	1,570	(14)	871
Student union fees		(56)	5,199	(56)	5,199
Medical fees		440	375	458	395
English Testing Centre		2,357	1,726	2,357	1,726
Other fees and charges		448	437	-	1
Total other non-course fees and charges		4,385	9,549	3,730	9,061
Total fees and charges		157,421	156,465	124,863	125,971
2.4 Investment income					
Distribution from managed funds and interest		7,623	5,574	6,194	4,344
Total investment income		7,623	5,574	6,194	4,344
2.5 Royalties, trademarks and licences					
Total royalties, trademarks and licences		267	210	180	169
2.6 Consultancy and contracts					
Contract research		6,845	5,363	6,845	5,363
Consultancy		2,886	2,904	2,112	2,212
Total consultancy and contract research		9,731	8,267	8,957	7,575
2.7 Other revenue and income					
Other revenue					
Contribution from INSEARCH Limited		-	-	3,000	4,000
Donations and bequests		1,978	1,349	1,978	1,349
Foreign exchange gain/(loss) (net) (note (b))		(57)	(55)	(57)	(55)
Non-government grants		360	559	360	559
Scholarships and prizes		2,131	1,687	2,201	1,738
Services		1,785	1,364	1,736	1,379
Sponsorship		2,103	2,007	2,103	2,007
Other		3,775	3,185	3,374	2,975
Total other revenue		12,075	10,096	14,695	13,952

Notes to the financial statements

AS AT 31 DECEMBER 2007

Notes	Economic entity (Consolidated)		Parent entity (University)	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
2. REVENUE FROM CONTINUING OPERATIONS (CONTINUED)				
Other income				
Contributions to fixed assets	16	557	16	557
Dividends received	263	702	263	702
Fair value gains on other financial assets at fair value through profit or loss	55	(55)	55	(55)
Hire and rental	8,207	8,528	8,800	8,669
Contributions for salary from other entities	459	614	459	729
Sale of goods	2,053	1,999	1,992	1,860
Total other income	11,053	12,345	11,585	12,462
(a) Net foreign exchange gain/(loss)				
Net foreign exchange gains included in other income for the year	(57)	(55)	(57)	(55)
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)	(57)	(55)	(57)	(55)
3. EXPENSES FROM CONTINUING OPERATIONS				
3.1 Employee related expenses				
Academic				
<i>Salaries</i>	95,970	93,224	89,714	87,333
Contributions to superannuation and pension schemes:				
> emerging cost	2,345	2,452	2,345	2,452
> funded	12,685	11,742	12,133	11,304
Payroll tax	7,033	6,627	6,657	6,294
Workers' compensation	702	744	676	729
Long service leave expense	2,963	3,247	2,975	3,247
Annual leave	6,260	6,124	6,030	6,040
Total academic	127,958	124,160	120,530	117,399
Non-academic				
<i>Salaries</i>	97,171	92,621	89,411	86,387
Contributions to superannuation and pension schemes:				
> emerging cost	2,165	2,264	2,165	2,264
> funded	11,802	10,694	11,160	10,202
Payroll tax	6,813	6,460	6,352	6,085
Workers' compensation	677	802	644	722
Long service leave expense	2,284	2,346	2,243	2,355
Annual leave	6,452	5,656	5,871	5,429
Other	470	86	-	-
Total non-academic	127,834	120,929	117,846	113,444
Total employee-related expenses	255,792	245,089	238,376	230,843
Deferred government employee benefits for superannuation	(24,898)	(42,402)	(24,898)	(42,402)
Total employee-related expenses, including deferred government employee benefits for superannuation	230,894	202,687	213,478	188,441

Notes to the financial statements

AS AT 31 DECEMBER 2007

	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
3.2 Depreciation and amortisation					
Depreciation property, plant and equipment					
Buildings		27,496	20,329	27,496	20,329
Equipment		10,510	10,257	9,338	9,208
Library		3,492	3,459	3,492	3,459
Motor vehicles		177	221	107	130
Total depreciation property, plant and equipment		41,675	34,266	40,433	33,126
Amortisation property, plant and equipment					
Leasehold improvements		7	14	7	14
Plant and equipment under finance leases		3,055	3,065	3,055	3,065
Total amortisation property, plant and equipment		3,062	3,079	3,062	3,079
Total depreciation and amortisation property, plant and equipment		44,737	37,345	43,495	36,205
Amortisation intangibles					
Software		4,991	4,678	4,386	4,106
Development		40	31	-	-
Patents and trademarks		-	-	-	-
Total amortisation intangibles		5,031	4,709	4,386	4,106
Total depreciation and amortisation		49,768	42,054	47,881	40,311
3.3 Repairs and maintenance					
Buildings		6,353	7,958	6,353	7,958
Leasehold improvements		-	-	-	-
Plant and equipment		2,186	2,435	1,991	2,160
Total repairs and maintenance		8,539	10,393	8,344	10,118
3.4 Impairment of assets					
Bad debts		518	780	515	679
Increase/(decrease) in provision for doubtful debts		(440)	1,386	(440)	(330)
Total impairment of assets		78	2,166	75	349

Notes to the financial statements

AS AT 31 DECEMBER 2007

	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
3. EXPENSES FROM CONTINUING OPERATIONS (CONTINUED)					
3.5 Other expenses					
Advertising, marketing and promotional expenses		2,725	2,416	2,159	1,799
Building rent and rates		4,921	5,710	1,892	1,582
Cleaning		4,306	4,462	4,076	4,245
Consultancy		10,600	6,577	9,446	5,561
Contributions research		2,312	2,120	2,312	2,120
Diminution of investments		68	398	140	11
Entertainment		2,133	2,007	2,088	1,971
Fees and subscriptions		14,684	19,374	10,864	16,913
Heating and lighting		4,567	4,451	4,360	4,272
Insurance		1,431	1,471	1,307	1,328
Laboratory supplies		1,940	1,749	1,940	1,749
Maintenance software		3,086	2,811	2,978	2,755
Minimum lease payments on operating lease rental expenses		1,447	1,141	1,413	1,104
Non-capitalised equipment		5,020	5,125	5,020	5,121
Other expenses		12,411	11,382	9,327	7,586
Postage		766	586	519	541
Printing		1,808	1,699	1,449	1,375
Scholarships and prizes		12,244	10,628	12,036	10,519
Security contract staff		2,942	2,593	2,633	2,290
Stationery		1,446	1,435	1,446	1,435
Telecommunications		2,469	2,996	2,172	2,743
Travel and related staff development and training		12,218	11,335	11,173	10,532
Tuition fees expense		2,153	1,912	2,153	1,912
Total other expenses		107,697	104,378	92,903	89,464
4. FINANCE COSTS					
Gross finance costs		4,906	4,305	4,842	4,244
> less: amount capitalised		-	-	-	-
Total finance costs expensed		4,906	4,305	4,842	4,244
5. SALES OF ASSETS					
Proceeds from sale					
Property, plant and equipment		25,721	10,416	25,598	10,156
Carrying amount of assets sold					
Property, plant and equipment		21,777	10,330	21,654	10,075
Net gain or (loss) on sale of assets		3,944	86	3,944	81
(a) Net gain on disposal of property, plant and equipment					
The consolidated net gain on disposal of property, plant and equipment in 2007 includes a gain of \$4,050,000 (2006 \$35,000) on sale of buildings.					
6. INCOME TAX					
Total income tax		55	5	-	-

The income tax expense represents tax liabilities for overseas entities in China and Malaysia.

Notes to the financial statements

AS AT 31 DECEMBER 2007

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 Vicki Sara	Dr Katherine Woodthorpe
Professor Anthony Baker	Professor Greg Skilbeck
Dianne Leckie	Russell Taylor
Dr Valerie Levy	Duha Zaater (ceased February 2007)
Peter Brady (commenced June 2007)	Patricia Kelly
Christopher Cahill	Robert Kelly
Megan Cornelius, AM	Anthony Stewart, MP
Professor Ross Milbourne	Michael Nguyen
Michael Sexton, SC	Professor Jenny Onyx
Ross Fowler (ceased June 2007)	Brian Wilson
Warwick Watkins	

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Richard Hill	Dr Katherine Woodthorpe
Dr Doreen Clark, AM (ceased May 2007)	William Wright (ceased May 2007)
Ken Rennie, AM (ceased December 2007)	Professor David Goodman
Professor Robert Lynch	Patrick Woods (commenced April 2007)
Professor Ross Milbourne	

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Professor Sue Rowley	Professor John Rice
Blair McRae	Dr Jane Morrison

(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	Dr Rosalind Dubs (commenced January 2007)
Anne Dwyer	Professor Ross Milbourne
Dr Jeffrey FitzGerald (ceased April 2007)	Professor Susan Rowley
Dr Alex Byrne (ceased January 2007)	Professor David Goodman
Professor Shirley Alexander (from January 2007)	Patrick Woods

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John Hall	Sheetal Purandare (ceased November 2007)
Jennifer Hannan (ceased November 2007)	Deborah Samuels (ceased November 2007)
Murray Laurence (ceased August 2007)	Steven Crayn
Alex Murphy	Carol Churches (commenced December 2007)
Gabriel Providel (commenced October 2007)	

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Jeffrey Francis (ceased December 2007)	Blair McRae (commenced December 2007)
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Notes to the financial statements

AS AT 31 DECEMBER 2007

	Economic entity (Consolidated)		Parent entity (University)	
	2007	2006	2007	2006
7. KEY MANAGEMENT PERSONNEL DISCLOSURES (CONTINUED)				
(c) Remuneration of board members and executives				
The University's responsible persons do not receive any remuneration in respect of their work as members of Council.				
Remuneration of board members				
\$0 to \$9,999	3	3	-	-
\$20,000 to \$29,999	2	4	-	-
\$30,000 to \$39,999	1	1	-	-
\$50,000 to \$59,999	-	1	-	-
	6	9	-	-
Remuneration of executive officers				
\$10,000 to \$19,999	2	-	1	-
\$20,000 to \$29,999	-	-	-	-
\$70,000 to \$79,999	1	1	1	1
\$80,000 to \$89,999	-	1	-	1
\$120,000 to \$129,999	-	2	-	-
\$130,000 to \$139,999	1	1	-	-
\$140,000 to \$149,999	1	-	-	-
\$150,000 to \$159,999	-	1	-	-
\$160,000 to \$169,999	1	1	-	1
\$170,000 to \$179,999	-	1	-	-
\$180,000 to \$189,999	1	1	-	-
\$190,000 to \$199,999	1	-	-	-
\$220,000 to \$229,999	3	-	-	-
\$230,000 to \$239,999	1	-	1	-
\$240,000 to \$249,999	-	2	-	2
\$250,000 to \$259,999	1	-	1	-
\$260,000 to \$269,999	-	2	-	2
\$270,000 to \$279,999	-	1	-	1
\$280,000 to \$289,999	2	-	2	-
\$290,000 to \$299,999	-	-	-	-
\$310,000 to \$319,999	-	1	-	-
\$320,000 to \$329,999	1	1	1	1
\$370,000 to \$379,999	2	-	2	-
\$550,000 to \$559,999	-	1	-	1
\$600,000 to \$610,999	1	-	1	-
	19	17	10	10
	\$	\$	\$	\$
Key management personnel compensation				
Short-term employee benefits	3,938,837	3,877,585	2,833,837	2,487,585
Post-employment benefits	-	-	-	-
Termination benefits	-	-	-	-
	3,938,837	3,877,585	2,833,837	2,487,585

Notes to the financial statements

AS AT 31 DECEMBER 2007

	Economic entity (Consolidated)		Parent entity (University)	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
8. REMUNERATION OF AUDITORS				
Fees paid to Audit Office of New South Wales for audit and review of financial reports	440	468	208	194
Total remuneration for audit services	440	468	208	194
9. CASH AND CASH EQUIVALENTS				
Cash at bank and on hand:	9,037	10,505	2,384	5,984
> deposits at call	7,328	14,094	-	-
> fixed term deposits	10,000	-	-	-
Total cash and cash equivalents	26,365	24,599	2,384	5,984
(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 cash flow statement as follows:				
> balances as above	26,365	24,599	2,384	5,984
> less: bank overdrafts	-	-	-	-
Balance as per cash flow statement	26,365	24,599	2,384	5,984
(b) Cash at bank and on hand				
Cash at bank are interest bearing with interest rates ranging between 5.75% and 6.55%. Cash on hand are non-interest bearing.				
(c) Deposits at call and term deposits				
The deposits at call are bearing floating interest rates between 6.10% and 7.25% (2006 5.40% and 6.27%). These deposits have an average maturity of 59 days. Term deposit are interest bearing with rates ranging between 6.40% and 6.92%.				
10. RECEIVABLES				
Current				
Trade debtors – other	11,033	10,925	10,461	8,375
> less: provision for impaired receivables	(1,325)	(2,919)	(1,325)	(1,201)
	9,708	8,006	9,136	7,174
Trade debtors – student	1,070	1,753	1,006	1,693
> less: provision for impaired receivables	(979)	(1,539)	(979)	(1,539)
	91	214	27	154
	9,799	8,220	9,163	7,328
Amounts receivable from wholly owned subsidiaries:				
> INSEARCH Limited	-	-	47	166
> accessUTS Proprietary Limited	-	-	307	467
Amounts receivable from related entities:				
> Sydney Educational Broadcasting Limited	220	240	220	240
Total current receivables	10,019	8,460	9,737	8,201
Non-current				
Deferred government contribution for superannuation	128,631	152,810	128,631	152,810
Total non-current receivables	128,631	152,810	128,631	152,810
Total trade and other receivables	138,650	161,270	138,368	161,011

Notes to the financial statements

AS AT 31 DECEMBER 2007

	Economic entity (Consolidated)	
	2007 \$'000	2006 \$'000
10. RECEIVABLES (CONTINUED)		
(a) Impaired receivables		
As at 31 December 2007 current receivables of the group with a nominal value of \$9,661,000 (2006: \$10,325,000) were impaired. The amount of the provision was \$2,304,000 (2006: \$4,458,000). The individually impaired receivables mainly relate to students and leasee's of University property. It is anticipated that a portion of receivables is expected to be recovered. The impaired receivables for the parent entity are \$9,661,000 (2006: \$8,608,000) with the amount of the provision being \$2,304,000 (2006: \$2,740,000).		
The ageing of these receivables is as follows:		
> 0 to 6 months	7,764	6,854
> over 6 months	1,897	3,471
	9,661	10,325
As at 31 December 2007, receivables of \$2,662,000 (2006: \$2,593,000) 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	2,662	2,539
> over 6 months	-	54
	2,662	2,593
Movements in the provision for impaired receivables are as follows:		
> at 1 January	4,458	3,072
> provision for impairment recognised during the year	78	2,166
> receivables written off during the year as uncollectable	(2,232)	(780)
> unused amounts reversed	-	-
	2,304	4,458

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.

	Economic entity (Consolidated)		Parent entity (University)	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
(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:				
> Australian dollar	140,009	165,553	140,158	163,576
> Canadian dollar	-	3	-	3
> Euro	37	70	37	70
> British pound	11	7	-	7
> United States dollar	477	95	477	95
> Thai baht	420	-	-	-
	140,954	165,728	140,672	163,751
Current receivables	12,323	12,918	12,041	10,941
Non-current receivables	128,631	152,810	128,631	152,810
	140,954	165,728	140,672	163,751

Notes to the financial statements

AS AT 31 DECEMBER 2007

	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
Due to the short-term nature of the current receivables, their carrying value is assumed to approximate their fair value.					
The non-current receivable is based on actuarial assessment and relates to deferred government contribution for superannuation. The carrying amount equates to the fair value of the non-current receivable.					
11. OTHER FINANCIAL ASSETS					
Current					
Other financial assets at fair value through profit or loss					
Managed funds–Macquarie Investment Management Limited		88,346	56,569	88,346	56,569
Managed funds–New South Wales Treasury Corporation		38	36	38	36
Derivative–interest rate swap	35 (a)	–	577	–	577
Derivative–interest rate cap	35 (a)	–	188	–	188
Total current other financial assets at fair value through profit or loss		88,384	57,370	88,384	57,370
Total current other financial assets		88,384	57,370	88,384	57,370
Non-current					
Available-for-sale financial assets					
Australian listed equity securities		22	35	22	35
Unlisted shares		3,192	21	3,192	21
Total non-current available-for-sale financial assets		3,214	56	3,214	56
Other financial assets at cost					
Shares in subsidiaries		–	–	185	325
Shares in other entities		311	311	311	311
Interest in joint venture partnerships and investment in associates		–	–	–	–
Other unlisted securities–security deposits		111	115	–	–
Total non-current other financial assets at cost		422	426	496	636
Total non-current other financial assets		3,636	482	3,710	692

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

(a) Investments in related parties

Refer to notes 28 and 31 for information on the carrying amount of investments in subsidiaries, joint ventures and associates.

(b) Fair value

Refer to note 35 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 to the financial statements

AS AT 31 DECEMBER 2007

	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
12. OTHER NON-FINANCIAL ASSETS					
Current					
Accrued income		5,403	2,454	5,278	2,378
Prepayments		7,955	6,547	6,582	5,796
Total current other non-financial assets		13,358	9,001	11,860	8,174
Non-current					
Prepayments		200	–	200	–
Total non-current other non-financial assets		200	–	200	–
Total other non-financial assets		13,558	9,001	12,060	8,174
13. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE					
Current					
Motor vehicles		60	–	–	–
Total non-current assets classified as held for sale		60	–	–	–
14. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD					
Interest in joint venture entity and investment in associates	31	6,852	6,844	–	–
Total investments accounted for using the equity method		6,852	6,844	–	–

(a) Shares in joint venture partnership and investment in associates

The interest in joint ventures and investment in associates are accounted for in the consolidated financial statements using the equity method of accounting and are carried at cost by the parent entity (see note 31).

Notes to the financial statements

AS AT 31 DECEMBER 2007

	Construction in progress	Freehold land	Freehold buildings	Plant and equipment*	Leasehold improvements	Leased plant and equipment	Library	Other property, plant and equipment†	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000

15. PROPERTY, PLANT AND EQUIPMENT

Consolidated

At 1 January 2006

> Cost	96,207	-	-	72,877	42	10,545	-	-	179,671
> Valuation	-	237,633	735,652	-	-	-	92,859	11,590	1,077,734
Accumulated depreciation	-	-	(338,576)	(49,760)	(20)	(4,877)	(73,003)	-	(466,236)
Net book amount	96,207	237,633	397,076	23,117	22	5,668	19,856	11,590	791,169

Year ended 31 December 2006

Opening net book amount	96,207	237,633	397,076	23,117	22	5,668	19,856	11,590	791,169
Exchange differences	-	-	-	-	-	-	-	-	-
Revaluation surplus	-	54,157	8,188	-	-	-	-	11,500	73,845
Additions	(91,431)	11,201	108,018	12,676	-	2,299	3,470	9	46,242
Assets included in a disposal group classified as held for sale and other disposals	-	(3,447)	(6,517)	(319)	-	-	(47)	-	(10,330)
Depreciation charge	-	-	(20,329)	(10,478)	(14)	(3,065)	(3,459)	-	(37,345)
Closing net book amount	4,776	299,544	486,436	24,996	8	4,902	19,820	23,099	863,581

At 31 December 2006

> Cost	4,776	-	-	79,001	42	12,841	-	-	96,660
> Valuation	-	299,544	963,527	-	-	-	96,278	23,099	1,382,448
Accumulated depreciation	-	-	(477,091)	(54,005)	(34)	(7,939)	(76,458)	-	(615,527)
Net book amount	4,776	299,544	486,436	24,996	8	4,902	19,820	23,099	863,581

Year ended 31 December 2007

Opening net book amount	4,776	299,544	486,436	24,996	8	4,902	19,820	23,099	863,581
Exchange differences	-	-	-	-	-	-	-	-	-
Revaluation surplus	-	50,408	62,102	-	-	-	-	-	112,510
Acquisition of subsidiary	-	-	-	-	-	-	-	-	-
Additions	6,760	-	11,681	7,844	-	3,387	3,022	7	32,701
Assets classified as held for sale and other disposals	-	-	-	(219)	(1)	1	(53)	(21,500)	(21,772)
Depreciation charge	-	-	(27,496)	(10,687)	(7)	(3,055)	(3,492)	-	(44,737)
Closing net book amount	11,536	349,952	532,723	21,934	-	5,235	19,297	1,606	942,283

At 31 December 2007

> Cost	11,536	-	-	82,083	42	9,309	-	-	102,970
> Valuation	-	349,952	1,017,757	-	-	-	99,114	1,606	1,468,429
Accumulated depreciation	-	-	(485,034)	(60,149)	(42)	(4,074)	(79,817)	-	(629,116)
Net book amount	11,536	349,952	532,723	21,934	-	5,235	19,297	1,606	942,283

Notes to the financial statements

AS AT 31 DECEMBER 2007

	Construction in progress	Freehold land	Freehold buildings	Plant and equipment*	Leasehold improvements	Leased plant and equipment	Library	Other property, plant and equipment†	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000

15. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)**Parent entity****At 1 January 2006**

> Cost	96,113	-	-	64,213	42	10,545	-	-	170,913
> Valuation		237,633	735,652	-	-	-	92,859	11,590	1,077,734
Accumulated depreciation	-	-	(338,576)	(44,826)	(20)	(4,877)	(73,003)	-	(461,302)
Net book amount	96,113	237,633	397,076	19,387	22	5,668	19,856	11,590	787,345

Year ended 31 December 2006

Opening net book amount	96,113	237,633	397,076	19,387	22	5,668	19,856	11,590	787,345
Revaluation surplus		54,158	8,188	-	-	-	-	11,500	73,845
Additions	(91,458)	11,200	108,018	11,907	-	2,299	3,470	9	45,446
Disposals	-	(3,447)	(6,517)	(64)	-	-	(47)	-	(10,075)
Depreciation charge	-	-	(20,329)	(9,338)	(14)	(3,065)	(3,459)	-	(36,205)
Closing net book amount	4,655	299,544	486,436	21,892	8	4,902	19,820	23,099	860,356

At 31 December 2006

> Cost	4,655	-	-	69,823	42	12,841	-	-	87,361
> Valuation	-	299,544	963,527	-	-	-	96,278	23,099	1,382,448
Accumulated depreciation	-	-	(477,091)	(47,931)	(34)	(7,939)	(76,458)	-	(609,453)
Net book amount	4,655	299,544	486,436	21,892	8	4,902	19,820	23,099	860,356

Year ended 31 December 2007

Opening net book amount	4,655	299,544	486,436	21,892	8	4,902	19,820	23,099	860,356
Revaluation surplus	-	50,408	62,102	-	-	-	-	-	112,510
Additions	6,866	-	11,681	7,011	-	3,387	3,022	7	31,974
Disposals	-	-	-	(96)	(1)	1	(53)	(21,500)	(21,649)
Depreciation charge	-	-	(27,496)	(9,445)	(7)	(3,055)	(3,492)	-	(43,495)
Closing net book amount	11,521	349,952	532,723	19,362	-	5,235	19,297	1,606	939,696

At 31 December 2007

> Cost	11,521	-	-	72,328	42	9,309	-	-	93,200
> Valuation		349,952	1,017,757	-	-	-	99,131	1,606	1,468,446
Accumulated depreciation	-	-	(485,034)	(52,966)	(42)	(4,074)	(79,834)	-	(621,950)
Net book amount	11,521	349,952	532,723	19,362	-	5,235	19,297	1,606	939,696

* Plant and equipment includes all operational assets

† Other property, plant and equipment includes non operational assets such as artworks

(a) Valuations of land and buildings

The valuation basis of land and buildings 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 2007 revaluations were based on independent assessments by Colliers International as at 31 December 2007. The 2006 revaluations were based on independent assessments by Colliers International as at 31 December 2006. The revaluation surplus was credited 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.

Notes to the financial statements

AS AT 31 DECEMBER 2007

	Development costs	Patents and trademarks	Software	Licences perpetual	Goodwill	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000

16. INTANGIBLE ASSETS

Consolidated

At 1 January 2006

Cost	–	254	30,392	1,191	–	31,837
Accumulated amortisation and impairment	–	(102)	(8,522)	–	–	(8,624)
Net book amount	–	152	21,870	1,191	–	23,213

Year ended 31 December 2006

Opening net book amount	–	152	21,870	1,191	–	23,213
Additions	–	35	1,745	–	–	1,780
Disposals	–	–	–	–	–	–
Amortisation charge	–	(31)	(4,678)	–	–	(4,709)
Closing net book amount	–	156	18,937	1,191	–	20,284

At 31 December 2006

Cost	–	289	32,137	1,191	–	33,617
Accumulated amortisation and impairment	–	(133)	(13,200)	–	–	(13,333)
Net book amount	–	156	18,937	1,191	–	20,284

Year ended 31 December 2007

Opening net book amount	–	156	18,937	1,191	–	20,284
Additions	–	49	4,039	464	–	4,552
Disposals	–	–	(5)	–	–	(5)
Acquisition of subsidiary	–	–	–	–	–	–
Impairment charge	–	–	–	–	–	–
Amortisation charge	–	(40)	(4,991)	–	–	(5,031)
Closing net book amount	–	165	17,980	1,655	–	19,800

At 31 December 2007

Cost	–	338	36,170	1,655	–	38,163
Accumulated amortisation and impairment	–	(173)	(18,190)	–	–	(18,363)
Net book amount	–	165	17,980	1,655	–	19,800
Closing net book amount	–	165	17,980	1,655	–	19,800

Parent entity

At 1 January 2006

Cost	–	–	26,640	1,191	–	27,831
Accumulated amortisation and impairment	–	–	(7,215)	–	–	(7,215)
Net book amount	–	–	19,425	1,191	–	20,616

Year ended 31 December 2006

Opening net book amount	–	–	19,425	1,191	–	20,616
Additions	–	–	1,399	–	–	1,399
Disposals	–	–	–	–	–	–
Amortisation charge	–	–	(4,106)	–	–	(4,106)
Closing net book amount	–	–	16,718	1,191	–	17,909

At 31 December 2006

Cost	–	–	28,039	1,191	–	29,230
Accumulated amortisation and impairment	–	–	(11,321)	–	–	(11,321)
Net book amount	–	–	16,718	1,191	–	17,909

Notes to the financial statements

AS AT 31 DECEMBER 2007

	Development costs	Patents and trademarks	Software	Licences perpetual	Goodwill	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000

16. INTANGIBLE ASSETS (CONTINUED)

Year ended 31 December 2007

Opening net book amount	-	-	16,718	1,191	-	17,909
Additions	-	-	3,962	464	-	4,426
Disposals	-	-	(5)	-	-	(5)
Acquisition of subsidiary	-	-	-	-	-	-
Impairment charge	-	-	-	-	-	-
Amortisation charge	-	-	(4,386)	-	-	(4,386)
Closing net book amount	-	-	16,289	1,655	-	17,944

At 31 December 2007

Cost	-	-	31,995	1,655	-	33,650
Accumulated amortisation and impairment	-	-	(15,706)	-	-	(15,706)
Net book amount	-	-	16,289	1,655	-	17,944
Closing net book amount	-	-	16,289	1,655	-	17,944

	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000

17. TRADE AND OTHER PAYABLES

Current

OS-HELP liability to Australian Government		564	476	564	476
Deputy Commissioner of Taxation-PAYG		2	1,809	2	1,809
Office of State Revenue, New South Wales Treasury - payroll tax		119	1,061	119	1,061
Trade creditors and accruals		14,558	10,219	13,300	9,482
Other payroll accruals		3,544	6,443	3,544	6,443
Other		8,847	10,172	8,462	9,862
Total trade and other payables		27,634	30,180	25,991	29,133

(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:

> Australian dollar	27,174	29,502	25,556	28,609
> Canadian dollar	1	9	1	9
> Danish krone	3	-	3	-
> Euro	194	53	194	53
> British Pound	30	198	25	44
> Japanese yen	1	-	1	-
> Malaysian ringgit	20	-	-	-
> Norwegian krone	28	-	28	-
> New Zealand dollar	5	-	5	-
> Singapore dollar	1	1	1	1
> United States dollar	177	417	177	417
> South African rand	-	-	-	-
	27,634	30,180	25,991	29,133

Notes to the financial statements

AS AT 31 DECEMBER 2007

	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
18. BORROWINGS					
Current					
Secured					
Lease liabilities	23	2,553	2,599	2,553	2,599
Total current secured interest bearing liabilities		2,553	2,599	2,553	2,599
Unsecured					
Bank loans		–	1,100	–	1,100
Option premium payable		–	149	–	149
Total current unsecured interest bearing liabilities		–	1,249	–	1,249
Total current interest bearing liabilities		2,553	3,848	2,553	3,848
Non-current					
Secured					
Lease liabilities	23	2,842	2,502	2,842	2,502
Total non-current secured interest bearing liabilities		2,842	2,502	2,842	2,502
Unsecured					
Bank loans		40,000	71,625	40,000	71,625
Option premium payable		–	1,247	–	1,247
Total non-current unsecured interest bearing liabilities		40,000	72,872	40,000	72,872
Total non-current interest bearing liabilities		42,842	75,374	42,842	75,374
Total interest bearing liabilities		45,395	79,222	45,395	79,222
(a) Assets pledged as security					
Non-current					
<i>Finance lease</i>					
Plant and equipment	15	9,309	12,841	9,309	12,841
Total non-current assets pledged as security		9,309	12,841	9,309	12,841
(b) Financing arrangements					
Unrestricted access was available at balance date to the following lines of credit.					
Bank loan facilities					
Total facilities		40,000	102,725	40,000	102,725
Used at balance date		40,000	72,725	40,000	72,725
Unused at balance date		–	30,000	–	30,000
Borrowing commitments					
Within one year		–	1,100	–	1,100
Later than one year but not later than five years		–	15,200	–	15,200
Later than five years		40,000	56,425	40,000	56,425
Total borrowing commitments		40,000	72,725	40,000	72,725

(c) Interest rate risk exposures

Details of the entity's exposure to interest rate changes on borrowings are set out in the financial instruments note 35.

(d) Fair value disclosures

Details of fair value of borrowings for the entity are set out in financial instruments note 35.

Notes to the financial statements

AS AT 31 DECEMBER 2007

	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
18. BORROWINGS (CONTINUED)					
(e) Borrowing classes					
The University's borrowings comprise a New South Wales Treasury Corporation loan and lease liabilities. Details of the borrowings are listed in the financial instruments note 35.					
(f) Risk exposure					
At the 31 December 2007, 100% of the group's borrowings are at a fixed rate of interest. 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 financial instruments note 35.					
19. PROVISIONS					
Current provision expected to be settled within 12 months					
Employee benefits					
> annual leave	1 (v)	11,760	10,660	11,500	10,400
> long service leave	1 (v)	4,866	4,456	4,750	4,340
Subtotal		16,626	15,116	16,250	14,740
Current provision expected to be settled after more than 12 months					
Employee benefits					
> annual leave	1 (v)	7,257	7,438	6,846	7,000
> long service leave	1 (v)	25,980	26,326	25,808	26,020
Subtotal		33,237	33,764	32,654	33,020
Total current provisions		49,863	48,880	48,904	47,760
Non-current					
Employee benefits					
> long service leave	1 (v)	6,254	5,917	5,978	5,595
> deferred government benefits for superannuation		130,137	155,035	130,137	155,035
Total non-current provisions		136,391	160,952	136,115	160,630
Total provisions		186,254	209,832	185,019	208,390
20. OTHER LIABILITIES					
Current					
Unearned commonwealth grants-HECS		121	111	121	111
Prepaid student fees		16,621	11,886	7,825	7,372
Other		3,396	4,867	926	693
Total current other liabilities		20,138	16,864	8,872	8,176
Non-current					
Other		1,343	1,815	-	-
Total non-current other liabilities		1,343	1,815	-	-
Total other liabilities		21,481	18,679	8,872	8,176
21. STATUTORY FUNDS					
Statutory funds at the beginning of the year		11,117	10,865	11,117	10,865
Net operating result relating to statutory funds		430	252	430	252
Statutory funds at the end of the year		11,547	11,117	11,547	11,117

Notes to the financial statements

AS AT 31 DECEMBER 2007

	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
22. RESERVES AND RETAINED SURPLUS					
(a) Reserves comprise					
Property plant and equipment revaluation reserve					
> freehold land		271,950	221,542	271,950	221,542
> buildings		88,166	48,640	88,166	48,640
> building infrastructure		103,308	80,732	103,308	80,732
> art works		1,219	1,219	1,219	1,219
> library		116	116	116	116
> other assets		1	18,037	1	18,037
Available for sale investments revaluation reserve		3,191	33	3,191	33
Foreign currency translation reserve		(392)	(186)	-	-
Reserves from associates		-	146	-	-
Total reserves		467,559	370,279	467,951	370,319
(b) Movements in reserves					
Property plant and equipment revaluation reserve					
Balance 1 January 2007		370,286	296,441	370,286	296,441
Increase/(decrease) revaluation	15	112,510	73,845	112,510	73,845
Transfer of reserve to retained earnings		(18,036)	-	(18,036)	-
Balance 31 December 2007		464,760	370,286	464,760	370,286
Available-for-sale investments revaluation reserve					
Balance 1 January 2007		33	23	33	23
Increase/(decrease) revaluation		3,158	10	3,158	10
Balance 31 December 2007		3,191	33	3,191	33
Foreign currency translation reserve					
Balance 1 January 2007		(186)	(118)	-	-
Net exchange differences on translation of foreign controlled entity		(206)	(68)	-	-
Balance 31 December 2007		(392)	(186)	-	-
Share of reserves from associates					
Balance 1 January 2007		146	131	-	-
Increase/(decrease) in reserves from associates		(146)	15	-	-
Balance 31 December 2007		-	146	-	-
Total reserves		467,559	370,279	467,951	370,319
(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)[ii] 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 surplus					
Movements in retained surplus were as follows.					
Retained surplus at 1 January		424,122	405,367	405,139	381,812
Operating result for the period		37,843	19,007	35,026	23,579
Transferred from revaluation reserve		18,036	-	18,036	-
Transferred from reserve from associates		147	-	-	-
Transferred to statutory funds		(430)	(252)	(430)	(252)
Retained surplus at the end of the year		479,718	424,122	457,771	405,139

Notes to the financial statements

AS AT 31 DECEMBER 2007

Notes	Economic entity (Consolidated)		Parent entity (University)	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
23. COMMITMENTS FOR EXPENDITURE				
(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				
> not later than one year	8,150	2,419	8,150	2,220
> later than one year and not later than five years	-	-	-	-
Plant and equipment				
> not later than one year	1,704	1,610	1,704	1,610
Intangible assets				
> not later than one year	-	-	-	-
Total capital commitments	9,854	4,029	9,854	3,830
(b) Lease commitments				
Commitments in relation to leases contracted for at the reporting date but not recognised as liabilities are payable as follows.				
Within one year	9,043	8,415	5,896	5,093
Later than one year but not later than five years	14,077	12,472	6,037	3,775
Later than five years	1,319	1,377	1,319	1,377
Total lease commitments	24,439	22,264	13,252	10,245
Representing:				
> cancellable operating leases	-	-	-	-
> non-cancellable operating leases	18,571	16,723	7,384	4,704
> future finance charges on finance leases	5,868	5,541	5,868	5,541
	24,439	22,264	13,252	10,245
Operating leases				
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows.				
<i>Premises</i>				
> within one year	4,641	3,864	1,494	574
> later than one year and not later than five years	10,252	8,928	2,212	251
> later than five years	1,319	1,377	1,319	1,377
	16,212	14,169	5,025	2,202
<i>Motor vehicles</i>				
> within one year	1,419	1,485	1,419	1,485
> later than one year and not later than five years	761	790	761	790
	2,180	2,275	2,180	2,275
<i>Equipment</i>				
> within one year	130	198	130	166
> later than one year and not later than five years	49	81	49	61
	179	279	179	227
Total operating leases	18,571	16,723	7,384	4,704

Notes to the financial statements

AS AT 31 DECEMBER 2007

	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
Finance leases					
The University of Technology, Sydney leases various plant and equipment with a carrying amount of \$5,234,697 (2006: \$4,901,715) 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		2,853	2,868	2,853	2,868
> later than one year and not later than five years		3,015	2,673	3,015	2,673
Total minimum finance lease payments		5,868	5,541	5,868	5,541
Future finance charges		(473)	(440)	(473)	(440)
Recognised as a liability		5,395	5,101	5,395	5,101
Representing lease liabilities					
> current liability	18	2,553	2,599	2,553	2,599
> non-current liability	18	2,842	2,502	2,842	2,502
		5,395	5,101	5,395	5,101
The weighted average interest rate implicit in the leases is 7.21% (2006: 6.97%)					
(c) Other expenditure commitments					
Commitments for trade creditors and salaries in existence at the reporting date but not recognised as liabilities, payable.					
Trade creditors					
> not later than one year		1,268	532	937	532
> later than one year and not later than five years		348	-	-	-
		1,616	532	937	532
Remuneration commitments					
> not later than one year		356	-	-	-
> later than one year and not later than five years		529	-	-	-
		885	-	-	-
Total other expenditure commitments		2,501	532	937	532
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 \$ 2,731,000 (2006 \$1,935,000) for the economic entity and \$1,652,000 (2006 \$824,000) for the parent entity.					
24. NON-CASH FINANCING AND INVESTING ACTIVITIES					
Acquisition of plant and equipment by means of finance leases		3,387	2,299	3,387	2,299
25. SUPERANNUATION PLANS					
During the 2007 accounting period the University contributed to the following superannuation schemes:					
> Unisuper					
> the State Superannuation Scheme (SSS)					
> the State Authorities Superannuation Scheme (SASS)					
> the State Authorities Non-Contributory Superannuation Scheme (SANCS).					

Notes to the financial statements

AS AT 31 DECEMBER 2007

25. SUPERANNUATION PLANS (CONTINUED)

State Authorities Superannuation Trustee Corporation (STC)

The state schemes are administered by the STC. The University maintains a reserve account within the STC to assist in financing the employer contributions to the state schemes.

The 2007 calculation of the liabilities of SSS, SASS and SANCS is based on the requirements of *Employee Benefits* (AASB 119 – 2007).

The STC actuary has assessed the University's net accrued liability in respect of completed service by contributors of the above state superannuation schemes based on the following assumptions:

	2007 %	2006 %
Discount rate at 31 December	6.4	6.0
Expected return on plan assets at 31 December	7.6	7.6
Expected salary increases	4.0	4.0
Expected rate of Consumer Price Index increase	2.5	2.5

The following tables summarises the components of net benefit expense recognised in the consolidated income statement and the funded status and amounts recognised in the consolidated balance sheet for the respective plans.

Total expense recognised in the income statement:

	SASS		SANCS		SSS	
	2007	2006	2007	2006	2007	2006
Current service cost	1,786,202	1,845,141	603,697	683,640	1,458,685	2,034,203
Interest on obligation	2,588,433	2,206,906	627,758	600,305	18,916,070	18,089,448
Expected return on plan assets	(3,428,400)	(3,098,584)	(792,906)	(771,060)	(12,189,225)	(11,257,868)
Net actuarial losses/(gains) recognised in year	(1,104,212)	(1,744,500)	(736)	(1,288,758)	(28,469,833)	(44,960,510)
Change in surplus in excess of recovery available from scheme	-	-	-	-	-	-
Past service cost	-	-	-	-	-	-
Losses/(gains) on curtailments and settlements	-	-	-	-	-	-
Total included in 'employee benefits expense'	(157,977)	(791,037)	437,813	(775,873)	(20,284,303)	(36,094,727)
Actual return on plan assets	3,633,700	5,625,263	762,505	1,299,490	13,077,873	21,046,807
Reconciliation of the assets and liabilities recognised in the balance sheet:						
> present value of defined benefit obligations	46,034,722	45,295,906	10,842,624	11,294,982	312,093,687	324,113,004
> fair value of plan assets	(50,064,956)	(47,285,952)	(9,336,931)	(9,070,320)	(179,432,341)	(169,312,622)
	(4,030,234)	(1,990,046)	1,505,693	2,224,662	132,661,346	154,800,382
Surplus in excess of recovery available from schemes	-	-	-	-	-	-
Unrecognised past service costs	-	-	-	-	-	-
Net (asset)/liability to be disclosed in balance sheet	(4,030,234)	(1,990,046)	1,505,693	2,224,662	132,661,346	154,800,382
Movement in net liability/asset recognised in balance sheet:						
> net (asset)/liability at start of year	(1,990,046)	849,427	2,224,662	3,495,227	154,800,382	193,092,289
> net expense recognised in the income statement	(157,976)	(791,036)	437,813	(775,873)	(20,284,303)	(36,094,727)
> contributions	(1,882,212)	(2,048,437)	(1,156,782)	(494,692)	(1,854,733)	(2,197,180)
Net (asset)/liability to be disclosed in balance sheet–note 19	(4,030,234)	(1,990,046)	1,505,693	2,224,662	132,661,346	154,800,382
Details of the defined pension plan as extracted from the plans' most recent report calculated in accordance with Australian Accounting Standard 1993 <i>Financial Reporting by Superannuation Plans</i> (AAS 25–1993):						
> accrued benefits	45,766,018	44,256,994	10,765,972	10,938,564	280,872,793	279,138,978
> net market value of fund assets	(50,064,956)	(47,285,952)	(9,336,931)	(9,070,320)	(179,432,341)	(169,312,622)
> net (surplus)/deficit	(4,298,938)	(3,028,958)	1,429,041	1,868,244	101,440,452	109,826,356

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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.

1. The Unisuper Defined Benefit Plan (DBP) is a defined benefit plan.
2. 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 *Employee Benefits* (AASB 119 – 2007).
3. As at 30 June 2007 there is no funding surplus or deficit which currently affects, or is expected to affect, the amount of future contributions payable by participating employers to the DBP.

As at 30 June 2007 the assets of the DBP in aggregate were estimated to be \$1,683 million in excess of vested benefits. 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 CPI indexed pensions being provided by the DBP.

As at 30 June 2007 the assets of the DBP in aggregate were estimated to be \$2,587 million in excess of accrued benefits. The accrued benefits have been calculated as the present value of expected future benefit payments to members and CPI indexed pensioners which arise from membership of Unisuper up to the reporting date.

4. The vested benefit and accrued benefit liabilities were determined by the fund's actuary Russell Employee Benefits using the actuarial demographic assumptions outlined in their report dated 13 July 2006 on the actuarial investigation of the DBP as at 31 December 2005. The financial assumptions used were:

	Vested benefits % p.a.	Accrued benefits % p.a.
Gross of tax investment return	7.0	8.3
Net of tax investment return	6.5	7.8
Consumer price index	2.5	2.5
Inflationary salary increases long term	3.5	3.5
Inflationary salary increases next three years	5.0	5.0

(additional promotional salary increases are assumed to apply based on past experience).

5. Assets have been included at their net market value, that is, allowing for realisation costs.
6. Clause 34 of the Unisuper Trust Deed outlines the process Unisuper must undertake (including employer notifications and notice periods) in order to reduce benefits to beneficiaries of the Unisuper defined benefit scheme in the event of insufficient assets held by the fund. The main points are:
 - (a) If, after an actuarial investigation and valuation of Unisuper, the trustee considers that Unisuper is or may be insufficient to provide benefits payable under the deed, the trustee must notify each employer.
 - (b) If, after the next two succeeding actuarial investigations and valuations of Unisuper (made in a period of not less than four years) the trustee still considers that Unisuper is or may be insufficient to provide the benefits payable under the deed, the trustee must reduce the benefits (including benefits in the course of payment) payable under Division A and Division B on a fair and equitable basis.

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 University is currently involved in minor litigation. The associated potential liability cannot be estimated at this stage.
- (iii) The University may have a liability to provide financial support to accessUts Pty Ltd during 2008.
- (iv) The University may have a liability to provide financial support to Sydney Educational Broadcasting Limited (2SER-FM) during 2008.

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 balance sheet.

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28. SUBSIDIARIES

Name of entity	Principal activities	Country of incorporation	Ownership interest		Equity	
			2007 %	2006 %	2007 \$'000	2006 \$'000
Parent entity						
University Of Technology, Sydney	education services	Australia			941,549	790,611
Controlled entities						
INSEARCH Limited (company limited by guarantee)	education services	Australia	100	100	15,882	13,591
INSEARCH (Shanghai) Limited	education services	China	100	100	649	579
INSEARCH Education International Pty Limited	education services	Australia	100	100	134	135
Yayasan INSEARCH	education services	Indonesia	88	88	333	343
Australia Centre Thailand	education services	Thailand	81	81	132	90
AccessUTS Proprietary Limited	consulting	Australia	100	100	91	132
UTSM Services (Malaysia) Sdn Bhd	education services	Malaysia	100	100	54	37

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.

- (1) Donations amounting to \$3,000,000 (2006 \$4,000,000) were paid or payable to the ultimate controlling entity.
- (2) Sale of services and fees \$2,826,519 (2006 \$2,449,980) to the wholly owned University of Technology, Sydney group.
- (3) Purchase of services and fees \$416,546 (2006 \$304,640) by the wholly owned University of Technology, Sydney group.
- (4) Purchase of shares in a subsidiary \$0 (2006 \$0) by the wholly owned University of Technology, Sydney group.

(e) Outstanding balances

	Economic entity (Consolidated)		Parent entity (University)	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
Current receivables				
Subsidiaries	-	-	319	598
Current receivables (loans)				
Subsidiaries	-	-	35	35

A provision of \$95,583 (2006 \$183,075) has been raised for doubtful debts in the parent entity accounts for outstanding balances due from related parties.

30. DISAGGREGATION INFORMATION (CONSOLIDATED)

	Revenue		Results		Assets	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
Geographical (consolidated entity)						
Australia	431,702	377,649	35,386	17,190	1,236,330	1,140,890
China	2,027	2,675	909	1,335	150	586
United Kingdom	2,999	1,908	597	102	2,349	1,227
South-East Asia	3,052	2,763	951	380	759	728
Total	439,780	384,995	37,843	19,007	1,239,588	1,143,431

Notes to the financial statements

AS AT 31 DECEMBER 2007

31. INTERESTS IN JOINT VENTURES AND INVESTMENTS IN ASSOCIATES

The interest in the joint ventures and investment in associates are accounted for in the consolidated financial statements using the equity method of accounting and is carried at cost by the parent entity (refer to note 11).

Sport Knowledge Australia Pty Ltd and Australian Technology Park Innovation Pty Ltd (ATPI) both have a reporting date of 30 June 2007. The management accounts for Sport Knowledge Australia Pty Ltd have been used to obtain financial information for the period ending 31 December 2007. The University has relied on the statutory accounts to the 30 June 2007 for Australian Technology Park Innovation Proprietary Limited.

(a) Joint venture partnerships

The Parent entity has an interest in the following joint venture entity, which is resident in Australia.

1. Sport Knowledge Australia Pty Ltd

This is a joint venture between the University of Sydney, the University of Technology, Sydney and Sydney Olympic Park Authority, to develop, market and sell education and training programs and knowledge services in the fields of sports science and management. The University of Technology, Sydney has a 33 1/3% share of Issued share capital.

2. Sydney Educational Broadcasting Limited (2SER-FM).

The company is an enterprise jointly funded by Macquarie University and the University of Technology, Sydney to broadcast programs for continuing and adult education and for courses conducted by both universities. The funding is via a set donation paid on a yearly basis.

INSEARCH Limited a wholly owned subsidiary, has the following joint ventures:

(a) Australia Centre for Education and Training (ACETs)

(b) Sydney Institute of Language and Commerce (SLIC).

(b) Investment in associates

1. Sydney Institute of Marine Science Limited (SIMS)

SIMS is a not-for-profit entity to develop and operate a marine science research facility. The University of Technology, Sydney has a 25% share of issued share capital with other shareholders being Macquarie University, the University of Sydney and the University of New South Wales.

2. Australian Technology Park Innovation Proprietary Limited (ATPI)

The ATPI is an organisation involving the University of Technology, Sydney; Australian National University; University of Sydney; and the University of New South Wales. The University of Technology, Sydney has a 25% share of issued share capital. The organisation facilitates the incubation of research activity.

	Economic entity (Consolidated)		Parent entity (University)	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
(c) Carrying amounts of investment in partnerships and associates	6,852	6,844	-	-
Share of assets and liabilities				
Current assets	6,676	9,537	-	-
Non-current assets	3,691	4,053	-	-
Total assets	10,367	13,590	-	-
Current liabilities	3,484	6,061	-	-
Non-current liabilities	31	685	-	-
Total liabilities	3,515	6,746	-	-
Net assets	6,852	6,844	-	-
Share of revenues, expenses and results				
Revenues	5,915	6,265	-	-
Expenses	4,706	6,265	-	-
Net operating result before income tax	1,209	-	-	-
Share of commitments				
Lease commitments	-	-	-	-
Other commitments (other than for the supply of inventories)	-	-	-	-
Total expenditure commitments	-	-	-	-
Capital commitments	-	-	-	-

Notes to the financial statements

AS AT 31 DECEMBER 2007

31. INTERESTS IN JOINT VENTURES AND INVESTMENTS IN ASSOCIATES (CONTINUED)

(d) Contingent liabilities relating to joint ventures

No material losses are anticipated in respect to contingent liabilities.

(e) Joint ventures in Cooperative Research Centres (CRCs)

The University has an interest in the following joint ventures. The contributions are for the year to 31 December 2007. Contributions in cash and in-kind are expensed and included in the income statement. In the event that a CRC research results in a move to commercialisation a separate legal entity is established and the University's share of the new entity is treated as an investment, joint venture, associate or subsidiary in the balance sheet as appropriate.

Name	Description	Cash contributions in 2007 \$'000
CRC for Sustainable Tourism Pty Limited	The Sustainable Tourism CRC aims to provide global leadership in strategic research and development to improve the sustainability of the tourism industry to maximise the economic, environmental and social benefits it delivers to Australia.	100
Capital Markets CRC Ltd	The Capital Markets CRC Ltd strategy is to target its research to current and future challenges faced by the capital markets.	150
Australasian CRC for Interaction Design Pty Ltd	The Australasian CRC for Interaction Design is the Research and Development leader in experience design. We find better ways for people to interact using communications technologies.	150
CRC for the Sustainable Aquaculture of Finfish	The CRC for the Sustainable Aquaculture of Finfish is built on and incorporates structures set up by the Fisheries Research and Development Corporation to manage research on tuna and salmon, while also meeting the governance standards required under the Commonwealth CRCs Program.	36
CRC for Water Quality and Treatment	The CRC for Water Quality and Treatment aims to provide the knowledge base to achieve better, evidence based investment decisions by government; a regulatory framework that is based on high quality health risk assessment research; a high level of community confidence in the safety of public water supply systems and enhanced aesthetic quality that meets community expectations and the requirements of the tourism industry.	50
CRC for Contamination Assessment and Remediation of the Environment (CARE)	The CRC for Contamination Assessment and Remediation of the Environment.	63
CRC for Cotton Catchment Communities	The Cotton Catchment Communities CRC (previously CRC for Australian Cotton), the principal activity of which is to enhance the development and growth of the Australian cotton industry through the application of collaborative research, education and the adoption of sustainable farming systems.	50
		598

32. EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

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

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33. RECONCILIATION OF OPERATING RESULT AFTER INCOME TAX TO NET CASH FLOWS FROM OPERATING ACTIVITIES

	Economic entity (Consolidated)		Parent entity (University)	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
Operating result for the period	37,843	19,007	35,026	23,579
Depreciation and amortisation	49,768	42,054	47,881	40,311
Increase/(decrease) in provisions:				
> annual leave	919	1,556	946	1,505
> diminution of shares	208	11	140	11
> doubtful debts	(2,154)	1,386	(436)	(330)
> long service leave	401	1,323	581	1,448
> deferred superannuation	(24,898)	(42,402)	(24,898)	(42,402)
Decrease/(increase) in receivables	595	2,519	(1,100)	4,553
Decrease/(increase) in non-current receivables	24,179	41,131	24,179	41,131
Decrease/(increase) in prepayments and accrued income	(4,565)	1,172	(3,894)	748
Decrease/(increase) in inventories	-	-	-	-
(Decrease)/increase in accounts payable	(4,931)	(7,454)	(5,527)	(7,280)
(Decrease)/increase in current tax liabilities	-	-	-	-
(Decrease)/increase in income in advance	2,802	(2,046)	696	(2,547)
Decrease/(increase) in derivatives-asset	765	(1,127)	765	(1,127)
(Profit)/loss on sale of assets	(3,944)	(85)	(3,944)	(81)
Write-back of motor vehicles	-	-	-	-
Increase in share of profit of joint venture received as dividends or distribution	(522)	393	-	-
Fair value gains on other financial assets at fair value through profit or loss	-	-	-	-
Increase in investment income due to adoption of fair value for investments per <i>Financial Instruments: Recognition and Measurement</i> (AASB 139 - 2007)	1,748	(23)	1,748	(23)
Capitalisation of previous year's expenditure	-	-	-	-
Change in unrealised foreign exchange gain decrease/(increase)	-	-	-	-
Adjustment to accumulated funds at beginning of year	-	-	-	-
Net cash provided by operating activities	78,214	57,415	72,163	59,496

Notes to the financial statements

AS AT 31 DECEMBER 2007

34 ACQUITTAL OF AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE
34.1 Department of Education, Employment and Workplace Relations – CGS and other DEEWR grants

Notes	Parent entity (University) only														Total				
	Commonwealth Grant Scheme#		Indigenous Support Fund		Equity Support Program		Workplace Reform Program		Learning and Teaching Performance Fund		Capital Development Pool		Disability Support Program			Collaboration and Structural Reform Program			
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000		2007 \$'000			
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the programs)	100,158	94,391	1,319	1,278	118	422	1,526	1,464	5,555	-	2,122	-	357	-	360	-	111,515	97,555	
Net accrual adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Revenue for the period	100,158	94,391	1,319	1,278	118	422	1,526	1,464	5,555	-	2,122	-	357	-	360	-	111,515	97,555	
Surplus/(deficit) from the previous year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total revenue including accrued revenue	100,158	94,391	1,319	1,278	118	422	1,526	1,464	5,555	-	2,122	-	357	-	360	-	111,515	97,555	
Less expenses including accrued expenses	(100,158)	(94,391)	(1,319)	(1,278)	(118)	(422)	(1,526)	(1,464)	(5,555)	-	(2,122)	-	(357)	-	(360)	-	(111,515)	(97,555)	
Surplus/(deficit) for reporting period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Includes the basic CGS grant amount, CGS-Regional Loading and CGS-Enabling Loading and Higher Education Funding Act 1988 transition fund.

Notes to the financial statements

AS AT 31 DECEMBER 2007

34.2 Higher Education Loan Programmes

	Notes	Parent entity (University) only							
		HECS-HELP (Australian Government payments only)		FEE-HELP		Total		OS-HELP*	
		2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the programs)		57,539	52,026	19,733	15,500	77,272	67,526	523	254
Net accrual adjustments		2,969	3,001	1,215	3,760	4,184	6,761	(523)	(254)
Revenue for the period	2.1 (b)	60,508	55,027	20,948	19,260	81,456	74,287	-	-
Surplus/(deficit) from the previous year		-	-	-	-	-	-	-	-
Total revenue including accrued revenue		60,508	55,027	20,948	19,260	81,456	74,287	-	-
Less expenses including accrued expenses		(60,508)	(55,027)	(20,948)	(19,260)	(81,456)	(74,287)	-	-
Surplus/(deficit) for reporting period		-	-	-	-	-	-	-	-

*The revenue line for OS-HELP should be nil.

34.3 Australian Research Council grants

(a) Discovery

	Notes	Parent entity (University) only					
		Discovery – projects		Discovery – Federation Fellowships		Total	
		2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the programs)		5,423	5,157	432	503	5,855	5,660
Net accrual adjustments		16	98	-	-	16	98
Revenue for the period	2.1 (e)(i)	5,439	5,255	432	503	5,871	5,758
Surplus/(deficit) from the previous year		3,539	2,814	556	238	4,095	3,052
Total revenue including accrued revenue		8,978	8,069	988	741	9,966	8,810
Less expenses including accrued expenses		(5,032)	(4,530)	(548)	(185)	(5,580)	(4,715)
Surplus/(deficit) for reporting period		3,946	3,539	440	556	4,386	4,095

Notes to the financial statements

AS AT 31 DECEMBER 2007

34 ACQUITTAL OF AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE (CONTINUED)

34.4 Australian Research Council Grants

(b) Linkages

	Notes	Parent entity (University) only								Total	
		Linkage – projects		Linkage – international		Linkage – infrastructure		Linkage – special research initiatives		2007	2006
		2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the programs)		3,103	3,318	21	22	–	1,530	–	47	3,124	4,917
Net accrual adjustments		39	114	–	–	–	452	–	–	39	566
Revenue for the period	2.1 (e)(ii)	3,142	3,432	21	22	–	1,982	–	47	3,163	5,483
Surplus/(deficit) from the previous year		3,439	3,795	42	59	1,368	115	83	56	4,932	4,025
Total revenue including accrued revenue		6,581	7,227	63	81	1,368	2,097	83	103	8,095	9,508
Less expenses including accrued expenses		(3,944)	(3,788)	(52)	(39)	(132)	(729)	(82)	(20)	(4,210)	(4,576)
Surplus/(deficit) for reporting period		2,637	3,439	11	42	1,236	1,368	1	83	3,885	4,932

34.5 Australian Research Council Grants

(c) Networks and centres

	Notes	Parent entity (University) only						Total	
		Linkage Research Networks		Centres				2007	2006
		2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the programs)		1,119	676	–	–	1,119	676		
Net accrual adjustments		168	90	723	763	891	853		
Revenue for the period	2.1 (e)(iii)	1,287	766	723	763	2,010	1,529		
Surplus/(deficit) from the previous year		591	945	286	557	877	1,502		
Total revenue including accrued revenue		1,878	1,711	1,009	1,320	2,887	3,031		
Less expenses including accrued expenses		(1,109)	(1,120)	(832)	(1,034)	(1,941)	(2,154)		
Surplus/(deficit) for reporting period		769	591	177	286	946	877		

Notes to the financial statements

AS AT 31 DECEMBER 2007

34.6 DEEWR Research

	Notes	Parent entity (University) only												Total				
		Institutional Grants Scheme		Research Training Scheme		Small grants		Research Infrastructure Block Grants		Australian Scheme for Higher Education Repositories		Implementation Assistance Program			Commercialisation Training Scheme			
		2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the Programs)		4,935	4,216	9,190	9,484	-	2,672	2,455	121	-	63	-	85	-	17,066	16,155		
Net accrual adjustments																		
Revenue for the period	2.1 (d)	4,935	4,216	9,190	9,484	-	2,672	2,455	121	-	63	-	85	-	17,066	16,155		
Surplus/(deficit) from the previous year		-	-	-	-	5	12	1,777	-	-	-	-	-	-	5	1,789		
Total revenue including accrued revenue		4,935	4,216	9,190	9,484	5	12	4,232	121	-	63	-	85	-	17,071	17,944		
Less expenses including accrued expenses		(4,935)	(4,216)	(9,190)	(9,484)	(5)	(7)	(4,232)	(121)	-	(63)	-	(85)	-	(16,140)	(17,939)		
Surplus/(deficit) for reporting period		-	-	-	-	-	5	931	-	-	-	-	-	-	931	5		

Notes to the financial statements

AS AT 31 DECEMBER 2007

34 ACQUITTAL OF AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE (CONTINUED)

34.7 Scholarships

	Notes	Parent entity (University) only											
		Australian Postgraduate Awards		International Postgraduate Research Scholarships		Commonwealth Education Cost Scholarships		Commonwealth Accommodation Scholarships		Indigenous Staff Scholarships		Total	
		2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the programs)		1,501	1,459	280	310	939	647	1,374	1,011	-	-	4,094	3,427
Net accrual adjustments		-	-	-	-	-	-	-	-	-	-	-	-
Revenue for the period	2.1 (c)	1,501	1,459	280	310	939	647	1,374	1,011	-	-	4,094	3,427
Surplus/(deficit) from the previous year		518	307	-	-	86	5	604	185	-	-	1,208	497
Total revenue including accrued revenue		2,019	1,766	280	310	1,025	652	1,978	1,196	-	-	5,302	3,924
Less expenses including accrued expenses		(1,749)	(1,248)	(280)	(310)	(1,146)	(566)	(728)	(592)	-	-	(3,903)	(2,716)
Surplus/(deficit) for reporting period		270	518	-	-	(121)	86	1,250	604	-	-	1,399	1,208

35 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 bank loans, finance leases, cash and managed funds. The main purpose of these financial instruments is to raise finance for the group's operations.

The group also enters into derivative transactions, principally fixed interest rate loans. The purpose is to manage the interest rate risks arising from the group's operations and its sources of finance.

(a) Market risk

Foreign exchange risk

The group's exposure to market risk for changes in foreign exchange rate relates primarily to the group's payments to overseas suppliers. The group's foreign currency payments are not significant and are paid using the spot rate available at the date due for payment.

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. Long-term debt obligations are managed by fixed interest rate loans. At the 31 December 2007, 100% of the group's borrowings are at a fixed rate of interest.

Instruments used by the group:

- > The group is party to derivative financial instruments in the normal course of business in order to hedge exposure to fluctuations in interest rates for certain long term loans.
- > Derivatives, which are not embedded derivatives, are recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of the reporting year. Changes in the fair value of any derivative instrument are recognised immediately in the income statement. The parent entity in December 2007 terminated an interest rate cap due to the repayment of the underlying loan from the Australia and New Zealand Banking Group.

Notes to the financial statements

AS AT 31 DECEMBER 2007

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.

	Carrying amount	Interest rate risk				Foreign exchange risk				
		1%	-1%		10%	-10%				
			Result \$'000	Equity \$'000		Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	
	\$'000									
31 December 2007										
Financial assets										
Cash and cash equivalents	26,365	264	-	(264)	-	-	-	-	-	-
Receivables	138,650	-	-	-	-	(95)	-	95	-	-
Managed funds	38	-	-	-	-	-	-	-	-	-
Managed funds – Income Plus Fund	87,066	871	-	(871)	-	-	-	-	-	-
Managed funds – Treasury Fund	1,280	13	-	(13)	-	-	-	-	-	-
Shares in other organisations	3,636	-	-	-	-	-	-	-	-	-
Derivatives	-	-	-	-	-	-	-	-	-	-
Investments using the equity method	6,852	-	-	-	-	-	-	-	-	-
Total financial assets	263,887	1,147	-	(1,147)	-	(95)	-	95	-	-
Financial liabilities										
Payables	27,634	46	(46)	-	-	-	-	-	-	-
Government loan	40,000	-	-	-	-	-	-	-	-	-
ANZ Bank loan	-	-	-	-	-	-	-	-	-	-
Option premium payable	-	-	-	-	-	-	-	-	-	-
Finance leases	5,395	-	-	-	-	-	-	-	-	-
Total financial liabilities	73,029	-	-	-	-	46	-	(46)	-	-
Total increase/(decrease)	190,858	1,147	-	(1,147)	-	(49)	-	49	-	-
31 December 2006										
Financial assets										
Cash and cash equivalents	24,599	246	-	(246)	-	-	-	-	-	-
Receivables	161,270	-	-	-	-	(18)	-	18	-	-
Managed funds	36	0	-	(0)	-	-	-	-	-	-
Managed funds – Income Plus Fund	31,973	320	-	(320)	-	-	-	-	-	-
Managed funds – Treasury Fund	24,596	246	-	(246)	-	-	-	-	-	-
Shares in other organisations	482	-	-	-	-	-	-	-	-	-
Derivatives	765	8	-	(8)	-	-	-	-	-	-
Investments using the equity method	6,844	-	-	-	-	-	-	-	-	-
Total financial assets	250,565	820	-	(820)	-	(18)	-	18	-	-
Financial liabilities										
Payables	30,180	-	-	-	-	68	-	(68)	-	-
Government loan	40,000	-	-	-	-	-	-	-	-	-
ANZ Bank loan	32,725	(327)	-	327	-	-	-	-	-	-
Option premium payable	1,396	(14)	-	14	-	-	-	-	-	-
Finance leases	5,101	-	-	-	-	-	-	-	-	-
Total financial liabilities	109,402	(341)	-	341	-	68	-	(68)	-	-
Total increase/(decrease)	141,163	478	-	(478)	-	50	-	(50)	-	-

Notes to the financial statements

AS AT 31 DECEMBER 2007

35 FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Credit risk

Receivables' balances are monitored on an ongoing basis with the result that the group's exposure to bad debts is not significant. With respect to credit risk arising from the other financial assets of the group, which comprise cash and cash equivalents, available-for-sale financial assets, fair value through profit or loss financial assets and other financial assets at cost, 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.

(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 parent entity does not anticipate increasing bank loan facilities in the foreseeable future.

It is the stated policy of the government to phase out full-fee-paying domestic undergraduate student fees from 1 July 2009. In 2007 the fee income received by the University for this category of student was \$6.9 million and this is anticipated to rise to \$8.8 million in 2008. The government has indicated that universities will be offered additional HECS places as compensation for the loss of this income.

(d) Fair value estimation

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

	2007		2006	
	Carrying amount \$'000	Fair value \$'000	Carrying amount \$'000	Fair value \$'000
Financial assets				
Non-traded financial assets				
Cash and cash equivalents	26,365	26,365	24,599	24,599
Receivables	138,650	138,650	161,270	161,270
Managed funds	38	38	36	36
Managed funds – Income Plus Fund	87,066	87,066	31,973	31,973
Managed funds – Treasury Fund	1,280	1,280	24,596	24,596
Derivatives	–	–	765	765
Shares in other organisations	3,636	3,636	482	482
Investments using the equity method	6,852	6,852	6,844	6,844
	263,887	263,887	250,565	250,565
Financial liabilities				
Non-traded financial liabilities				
Payables	27,634	27,634	30,180	30,180
Government loan	40,000	38,608	40,000	40,412
ANZ Bank loan	–	–	32,725	32,725
Option premium payable	–	–	1,396	1,396
Finance leases	5,395	5,395	5,101	5,101
	73,029	71,637	109,402	109,814

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.

The fair value of the interest-rate cap has been calculated by an independent valuer using the Black–Scholes model, with the specific volatilities of the caplets being sourced from Bloomberg L.P.

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 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.

Notes to the financial statements

AS AT 31 DECEMBER 2007

36 CHARITABLE FUNDRAISING ACTIVITIES

The University of Technology, Sydney conducts fundraising activities, the income from which is recognised in the financial statements of the University.

	Income raised \$'000	Direct expenditure \$'000	Indirect expenditure \$'000	Net proceeds \$'000
Appeals	1,784	-	-	1,784
Percentage of income	100%	0%	0%	100%
The net proceeds were used for the following purposes				
Purchase of equipment and consumables	-	-	-	151
Research expenditure	-	-	-	663
Held for specific purposes	-	-	-	970
				1,784

The provisions of the *Charitable Fundraising Act 1991* (NSW) and the regulations under the Act have been complied with and internal controls exercised by the University of Technology, Sydney are considered appropriate and effective in accounting for all the income received in all material respects.

END OF AUDITED FINANCIAL STATEMENTS

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Directors' declaration



directors' declaration

For the year ended 31 December 2007

INSEARCH LIMITED

Pursuant to Section 295 (4) of the *Corporations Act 2001*, we, the directors whose signatures and names appear below, do hereby state that in the opinion of the directors:

- a) the financial statements and notes for the financial period ending 31 December 2007 have been prepared in accordance with accounting standards, the corporations regulations and other mandatory professional reporting requirements;
- b) the financial statements and notes for the financial period ending 31 December 2007 present a true and fair view of the financial position and performance of the company;
- c) 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
- d) the financial statements and notes are in accordance with the *Corporations Act 2001*.

Signed in accordance with a resolution of the directors.

Dated this 17th day of April 2008
For and on behalf of the board.

A handwritten signature in black ink, appearing to read "Richard J Hill".

RICHARD J HILL
Director

A handwritten signature in black ink, appearing to read "Alex Murphy".

ALEX MURPHY
Director

Statement by appointed officers



**STATEMENT IN ACCORDANCE WITH THE *PUBLIC FINANCE AND AUDIT ACT 1983*
AND THE *PUBLIC FINANCE AND AUDIT REGULATIONS 2005***

For the year ended 31 December 2007

Pursuant to the requirements of the *Public Finance and Audit Act 1983* and the *Public Finance and Audit Regulations 2005*, and in accordance with a resolution of the board of directors, we declare that in our opinion:

1. the accompanying financial statements present a true and fair view of the financial position of the company as at 31 December 2007 and transactions for the period then ended; and
2. the statements have been prepared in accordance with Section 41B of the *Public Finance and Audit Act 1983* and the *Public Finance & Audit Regulations 2005*. The policies adopted by the company follow the Australian Accounting Standards, including Australian Accounting Interpretations, the *Corporations Act 2001* and other authoritative pronouncements of the Australian Accounting Standards Board.

Further we are not aware of any circumstances which would render any particulars included in the financial statements to be misleading or inaccurate.

Handwritten signature of Richard J Hill in black ink.

RICHARD J HILL
Director
17th April 2008

Handwritten signature of Alex Murphy in black ink.

ALEX MURPHY
Director
17th April 2008

Independent auditor's report



GPO BOX 12
Sydney NSW 2001

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 report of Insearch Limited (the Company), and the Company and controlled entities (the consolidated entity), which comprises the balance sheet as at 31 December 2007, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration of the consolidated entity. The consolidated entity comprises the company and the entities it controlled at the year's end or from time to time during the financial year.

Auditor's Opinion

In my opinion the financial report of Insearch Limited:

- is in accordance with the *Corporations Act 2001*, including:
 - giving a true and fair view of the Company's and consolidated entity's financial position as at 31 December 2007 and of their performance for the year ended on that date; and
 - complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001
- is in accordance with section 41B of the *Public Finance and Audit Act 1983* (the PF&A Act) and the Public Finance and Audit Regulation 2005.

Directors' Responsibility for the Financial Report

The directors of the Company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations), the PF&A Act and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report 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 report.

Independent auditor's report

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

My opinion does *not* provide assurance:

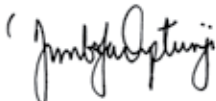
- about the future viability of the Company or consolidated entity,
- about the effectiveness of their internal controls, or
- that they have carried out their activities effectively, efficiently and economically.

Independence

In conducting this audit, the Audit Office has complied with the independence requirements of the *Corporations Act 2001*. The PF&A Act further promotes independence by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General, and
- 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 are not compromised in their role 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 11 April 2008, would be in the same terms if provided to the directors as at the date of this auditor's report.



A Oyetunji
Director, Financial Audit Services

18 April 2008
SYDNEY

Report of the directors



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:

	Date of Appointment
Mr R J Hill (Chair)	24 Oct 96
Dr D V Clark (<i>Retired 24 May 07</i>)	14 Dec 93
Professor D S Goodman	22 Apr 04
Mr M L Laurence (<i>Retired 31 Aug 07</i>)	18 Dec 97
Professor R L Lynch	22 Apr 04
Mr A Murphy	3 Sep 07
Mr K J Rennie (<i>Retired 31 Dec 07</i>)	22 Jul 99
Dr K L Woodthorpe	23 Nov 00
Mr P Woods	24 May 07
Mr W H Wright (<i>Retired 24 May 07</i>)	25 Feb 99

COMPANY SECRETARY

The name of Company Secretary in office during the year is:

	Date of Appointment
Ms D A Samuels (<i>resigned 9 Nov 07</i>)	21 Dec 06

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

	Date of Appointment
Mr L J Hall	7 Nov 07

PRINCIPAL ACTIVITIES

The activities of the company during the financial year ended 31 December 2007 were the provision of English language and academic courses that are designed as pathways to university studies.

REVIEW AND RESULT OF OPERATIONS

In addition to the Chairman's Year in Review on page 1, INSEARCH also reported a profit of \$2.255m, after the payment of a donation to the University of Technology, Sydney of \$3.0m. This profit added to the prior year accumulated profits brings the balance of the accumulated funds to \$17.067m.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

During the financial year the following decisions were made by Insearch

- The deconsolidation of the financial statements of Yayasan Insearch in Indonesia
- The closure of the school run by the Australia Centre Chiang Mai in Thailand

The financial impact of both these decisions is minimal and is reflected in the 2007 financial statements.

MATTERS SUBSEQUENT TO END OF YEAR

Since the 31st December no matter has arisen that would significantly affect the future operations, results or state of affairs of Insearch Limited.

LIKELY DEVELOPMENTS

Likely developments in the economic operations of the company have been reported as appropriate elsewhere in this report. In the opinion of the directors, it would prejudice the interests of the company to provide further information as to likely developments in the operations 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 21 of the financial report.

INFORMATION ON DIRECTORS

D S G Goodman BA, DipEcon, PhD, FASSA
Deputy Vice-Chancellor (International),
University of Technology, Sydney

R J Hill BA, LLB, LLM,
Chairman, Calliden Group Limited,
Chairman, Sirtex Medical Ltd,
Director, Pelorus Property Group
Director, Longreach Ltd,
Director, Hillandip Pty Limited

R L Lynch BEd (Hons), MEd, PhD
Dean, Faculty of Business,
University of Technology, Sydney

A Murphy BA (Hons),
Managing Director, INSEARCH Limited

K J Rennie AM, FCA,
Executive Consultant, Ernst & Young,

K L Woodthorpe BSc, PhD, FAICD,
Chief Executive, Australian Private Equity and
Venture Capital Association Ltd,
Director, pSivida Ltd
Member of Council,
University of Technology, Sydney

Report of the directors

P Woods BSc, MBA, ACPA, FAICD,
Deputy Vice-Chancellor (Resources),
University of Technology, Sydney

INFORMATION ON COMPANY SECRETARY

D A Samuels BA, GradDip. Proj Mgt,
Grad Dip. Arts Admin

L J Hall BCom

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 \$7,610 per S300 (1)(g), 300(8) and 300(9). 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.

DIRECTORS' MEETINGS

The number of directors' meetings including meetings of the audit committee held and the number of meetings attended by each director of the company during the financial year is set out in the adjacent table.

ROUNDING OF ACCOUNTS

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.

AUDIT DECLARATION

A copy of the Auditor's Independent Declaration as required under section 307C of the *Corporations Act 2001* is set out on page 30 of this report.

For and on behalf of the directors signed at Sydney this 17th day of April 2008.

Number of Meetings Held	Full meetings of directors 11	Audit committee 3
Number of Meetings attended by:		
D V Clark (3 meetings held while a director)	3	*
R J Hill (11 meetings held while a director)	10	*
D S Goodman (11 meetings held while a director)	8	*
M L Laurence (7 meetings held while a director)	7	*
R L Lynch (11 meetings held while a director)	6	2
A Murphy (4 meetings held while a director)	4	*
K J Rennie (11 meetings held while a director)	9	3
K L Woodthorpe (11 meetings held while a director)	6	3
P Woods (8 meetings held while a director)	7	*
W H Wright (3 meetings held while a director)	3	*

* Not a Member of the Audit Committee.

The number of meetings held shown against each director is the number of meetings (not including Audit Committee) during that director's period in office.



RICHARD J HILL
Director



ALEX MURPHY
Director

Auditor's independence declaration



GPO BOX 12
Sydney NSW 2001

To the Directors
INSEARCH Limited

Auditor's Independence Declaration

As auditor for the audit of INSEARCH Limited for the year ended 31 December 2007, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- The independence requirements of the *Corporations Act 2001* in relation to the audit, and
- Any applicable code of professional conduct in relation to the audit.

A handwritten signature in black ink, appearing to read 'A Oyetunji'.

A Oyetunji
Director of Audit

11 April 2008
SYDNEY

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Income statement

FOR THE YEAR ENDED 31 DECEMBER 2007

	Note	Consolidated entity		Parent entity	
		2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
Revenue from continuing operations	4	38,746	32,318	39,218	32,497
Other income	4	442	320	359	321
Share of net profits from joint venture partnerships accounted for using the equity method	12 (d)	1,421	996	-	-
Total income		40,609	33,634	39,577	32,818
Employee benefits expense	5 (a)	(16,701)	(13,619)	(16,351)	(13,341)
Depreciation and amortisation expense	5 (b)	(1,877)	(1,728)	(1,862)	(1,714)
Other expenses	5 (c)	(19,764)	(21,687)	(19,735)	(21,711)
Total expenses		(38,342)	(37,034)	(37,948)	(36,766)
Profit/(loss) before income tax expense		2,267	(3,400)	1,629	(3,948)
Income tax expense	6	(12)	(5)	(12)	(5)
Profit/(loss) for the year		2,255	(3,405)	1,617	(3,953)

The accompanying notes form part of the financial report.

Balance sheet

AS AT 31 DECEMBER 2007

	Note	Consolidated entity		Parent entity	
		2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
Current assets					
Cash and cash equivalents	7	23,043	17,566	22,856	17,387
Trade and other receivables	8	1,501	1,476	1,460	1,459
Inventories	9	82	61	79	57
Other financial assets	10	125	104	125	104
		24,751	19,207	24,520	19,007
Non-current assets classified as held for sale	11	60	–	60	–
Total current assets		24,811	19,207	24,580	19,007
Non-current assets					
Investments accounted for using the equity method	12	2,626	2,034	–	–
Plant and equipment	13	2,539	3,181	2,514	3,136
Intangible assets	14	1,855	2,373	1,855	2,373
Other financial assets	15	111	117	1,181	1,181
Total non-current assets		7,131	7,705	5,550	6,690
Total assets		31,942	26,912	30,130	25,697
Current liabilities					
Trade and other payables	16	522	901	1,017	1,360
Provisions	17	1,181	1,248	1,181	1,248
Other	18	11,540	8,257	11,497	8,195
Total current liabilities		13,243	10,406	13,695	10,803
Non-current liabilities					
Provisions	19	1,632	1,545	1,632	1,545
Total non-current liabilities		1,632	1,545	1,632	1,545
Total liabilities		14,875	11,951	15,327	12,348
Net assets		17,067	14,961	14,803	13,349
Equity					
Retained profits	20 (a)	17,293	15,038	14,810	13,193
Reserves	20 (b)	(226)	(77)	(7)	156
Total equity		17,067	14,961	14,803	13,349

The accompanying notes form part of the financial report.

Cash flows from operating activities

FOR THE YEAR ENDED 31 DECEMBER 2007

	Note	Consolidated entity		Parent entity	
		2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
Cash flows from operating activities					
Receipts from customers (inclusive of goods and services tax)		40,998	31,852	41,629	31,466
Donation paid to the University of Technology, Sydney		(3,000)	(4,000)	(3,000)	(4,000)
Payment to suppliers and employees (inclusive of goods and services tax)		(34,390)	(32,675)	(35,031)	(32,335)
Income taxes paid		(12)	(5)	(12)	(5)
		3,596	(4,828)	3,586	(4,874)
Interest received		1,382	1,226	1,381	1,225
Joint venture partnership distributions received		700	393	700	393
Input tax credit refund from Australian Taxation Office		751	1,016	751	1,016
Net cash (outflow)/inflow from operating activities	27	6,429	(2,193)	6,418	(2,240)
Cash flows from investing activities					
Payments for plant and equipment and intangible assets		(926)	(1,140)	(909)	(1,125)
Proceeds from sale of managed funds		-	15	-	15
Proceeds from sale of plant and equipment		123	281	123	245
Net cash (outflow)/inflow from investing activities		(803)	(844)	(786)	(865)
Net increase/(decrease) in cash and cash equivalents		5,626	(3,037)	5,632	(3,105)
Cash and cash equivalents at the beginning of the financial year		17,566	20,679	17,387	20,532
Effects of exchange rate changes on the balances of cash held in foreign currencies at the beginning of the financial year		(149)	(76)	(163)	(40)
Cash and cash equivalents at end of financial year	7	23,043	17,566	22,856	17,387

The accompanying notes form part of the financial report.

Statement of changes in equity

FOR THE YEAR ENDED 31 DECEMBER 2007

	Note	Consolidated entity		Parent entity	
		2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
Total equity at the beginning of the financial year		14,961	18,862	13,349	17,287
Exchange differences on translation of foreign operations	20 (b)	(149)	41	(163)	63
Effect of correction of error in previous year being a reduction in equity ¹	20 (a)	-	-	-	(48)
Effect of change in accounting policy in previous year being a reduction in equity ²	20 (a)	-	(537)	-	-
Net income/(expense) recognised directly in equity		(149)	(496)	(163)	15
Profit/(loss) for the year		2,255	(3,405)	1,617	(3,953)
Total recognised income and expense for the year		2,106	(3,901)	1,454	(3,938)
Transactions with equity holders in their capacity as equity holders		-	-	-	-
Total equity at the end of the financial year		17,067	14,961	14,803	13,349

1. correction to previous year reflects incorrect treatment of joint venture partnership investments in the parent entity accounts.

2. change in accounting policy to deconsolidate Yayasan INSEARCH.

The accompanying notes form part of the financial report.

Notes to the financial statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2007

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 2, 187 Thomas Street, Haymarket, NSW, 2000. The company provides education services in English language, business and information technology, and other disciplines to Australian and overseas students in Australia and at its overseas locations.

The company has the wholly owned entities, INSEARCH Education International Pty Limited, INSEARCH Education and INSEARCH (Shanghai) Limited. INSEARCH Education International Limited has the controlling interest in Australia Centre (Thailand) Limited: this entity provides education and related services. INSEARCH Limited purchased the controlling interest in Australia Centre (Thailand) Limited in 1998. INSEARCH Education is a company registered as a charity in the United Kingdom and was formed in 2004. INSEARCH (Shanghai) Limited provides market research and other services to INSEARCH Limited. INSEARCH (Shanghai) Limited was formed in 2001.

INSEARCH Limited has a branch in the United Kingdom, INSEARCH Essex. INSEARCH Essex provides academic pathway courses for students endeavouring to progress to the University of Essex. The branch was formed in 2004.

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

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

(a) Basis of preparation

This general purpose financial report has been prepared in accordance with accounting standards and interpretations, other authoritative pronouncements of the Australian Accounting Standards Board (AASB), the *Public Finance and Audit Act 1983* (NSW), the *Public Finance and Audit Regulation 2005* (NSW) and the *Corporations Act 2001* (Cwth). Where there are inconsistencies between the above requirements, the legislative provisions have prevailed.

The financial report includes the separate financial statements of the company and the consolidated financial statements of the group.

The financial statements were authorised for issue by the directors on 17 April 2008.

Compliance with IFRS

The parent entity's financial statements and accompanying notes comply with Australian Accounting Standards which include Australian equivalents to International Financial Reporting Standards (AIFRS).

Generally accepted accounting principles, authoritative pronouncements of the AASB, including Interpretations, the *Public Finance and Audit Act 1983*, the *Public Finance and Audit Regulation 2005* and the *Corporations Act 2001* have been used to prepare the subsidiaries' financial statements.

Historical cost convention

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

Critical accounting estimates

The preparation of financial statements in conformity with AIFRS requires the use of certain critical accounting estimates.

INSEARCH Limited has made estimates on the valuation of the investment in Sydney Institute of Language and Commerce (SILC), the joint venture partnership between INSEARCH Limited and Shanghai University. Estimates are based on management information of trends of financial performance and position over the last two years.

(b) Principles of consolidation

(i) Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all entities controlled by INSEARCH Limited ("parent entity") as at 31 December 2007 and the results of all the controlled entities for the year then ended. INSEARCH Limited and its controlled entities INSEARCH (Shanghai) Limited, INSEARCH Education, INSEARCH Education International Pty Limited, Australia Centre (Thailand) Limited, are together referred to in this financial report as the consolidated entity ("the group").

Controlled entities are all those entities over which the group has the power to govern the financial and operating policies. Controlled entities are fully consolidated from the date on which full control is transferred to the group. They are deconsolidated from the date control ceases.

Yayasan INSEARCH was previously consolidated, forming part of the group financial statements, however based on advice, management made a decision in 2007 to deconsolidate Yayasan INSEARCH due to INSEARCH Limited's inability to exercise control over the financial assets and operating policies of Yayasan INSEARCH.

(ii) Joint ventures

The interests in joint venture partnerships are accounted for in the consolidated financial statements using the equity method and are carried at cost by the parent entity as per Australian Accounting Standard Board, (2007), *Interests in Joint Ventures* (131). Under the equity method, the share of profits and losses of the partnership is recognised in the income statement, and the share of movement in reserves is recognised in reserves in the balance sheet.

Notes to the financial statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2007

(c) Segment reporting

INSEARCH Limited reports by geographical segment as it is engaged in providing products and services in different economic environments and is subject to risks and returns which vary according to those economic environments.

The economic environments in which INSEARCH Limited operates are:

- > Australia
- > United Kingdom
- > People's Republic of China
- > South-East Asia
- > other.

Segment information is prepared in conformity with the accounting policies of the entity and *Segment Reporting* (AASB 114 – 2007). Segment revenues are allocated based on the country in which the customer is located. Segment assets and capital expenditure are allocated based on where assets are located. Segment revenues and assets include transfers between segments. Such transfers are priced on an 'arm's length' basis and are eliminated on consolidation.

(d) 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, 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 the income statement, except when they are deferred in equity as part of the net investment in a foreign operation.

(iii) Group companies

The results and financial position of all of the group entities 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 of the balance sheet.
- > Income and expenses for the income statement for INSEARCH Essex, the branch, are translated at the spot rate of transactions.
- > For all other entities income statements are translated at the average exchange rate.
- > The resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities are taken to equity.

(e) Revenue recognition

(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. For programs running longer than one month, revenue is recognised between the program start date and finish date.

(iii) Other revenue

Other revenue including interest received, share of net profit from joint ventures and sale of non-current assets are recognised on an accrual basis. The net gain or loss on disposal of non-current assets is disclosed in other revenue.

(f) 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.

(g) Income tax

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

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

Notes to the financial statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2007

(h) Goods and services tax

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 balance sheet.

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 flow.

(i) 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.

(j) Impairment of assets

All material assets are reviewed for impairment whenever events or changes in circumstances indicate the carrying amount may no longer 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. Non-financial assets that have been impaired are reviewed for possible reversal of the impairment at each reporting date.

There were no assets identified in the group as being impaired.

(k) Cash and cash equivalents

Cash and cash equivalents include cash on hand, cash at bank, deposits held at call and fixed-term deposits with financial institutions.

Cash at bank is interest rate bearing with interest rates between 6.00% and 6.55%. Deposits at call are bearing floating interest rates between 6.15% and 6.50% in 2006 – 5.4% and 6.15%. Fixed-term deposits are bearing interest rates between 6.40% and 6.92%.

(l) Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost less provision for impairment. They are due for settlement within 30 days.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable 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 income statement within other expenses. When a receivable for which an impairment provision had been recognised becomes uncollectable in a subsequent period, it is written-off against the provision account. Subsequent recoveries of amounts previously recognised as uncollectable are brought to account against other expenses in the income statement.

(m) Inventories

The inventory for INSEARCH Limited represents International English Language Testing System (IELTS) textbooks, which are held for sale. Inventory is valued at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

(n) Non-current assets held for sale

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

Non-current assets are not depreciated or amortised once they are classified as held for sale.

Non-current assets classified as held for sale are presented separately in the balance sheet.

(o) Investments and other financial assets

In order to comply with the AIFRS, investments are measured at fair value, with the exception of financial assets at amortised cost. Changes in the fair value are either taken to the income statement 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 each reporting date.

(p) Property plant and equipment

(i) Acquisitions

All plant and equipment is initially stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the assets. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset as appropriate when it is probable that future economic benefits associated with the asset will flow to the entity and the cost of the item can be measured reliably. Repairs and maintenance of the assets are charged to the income statement during the financial period in which they are incurred.

Subsequently all plant and equipment is stated at its recoverable amount, as the carrying amounts of the assets are reviewed annually by the Capital Review Committee to determine whether they are in excess of their recoverable amount at balance date. An asset's carrying amount is written-down to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Notes to the financial statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2007

(ii) Depreciation

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 remaining useful lives of assets on a regular basis. The expected useful lives for the parent entity are listed below.

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

(iii) Disposal

Gains and losses on disposal of assets are determined by comparing the proceeds received with the carrying amount of the asset. The net gain or loss on disposal is included in the income statement.

(iv) Leasehold improvements

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.

(q) Intangible assets

(i) 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 balance date.

(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.

Course validation represents the costs associated with the development of the framework for the education courses and the necessary validation of those courses by the University of Essex. This cost has been amortised on a straight-line basis over its expected useful life.

(iii) Preparation for IELTS publication

This asset represents the intellectual property of designing and developing the IELTS course books. The asset includes costs associated with layout, design, review, editorial proofreading etc. The asset has a finite life cycle and is carried at cost less accumulated amortisation and impairment losses.

(iv) Website development

The costs associated in developing, building and enhancing websites, 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.

(v) Amortisation

Amortisation is calculated on a straight-line basis to write off the net cost of each asset over its expected useful life. The expected useful lives for the parent entity are listed below.

Software	2-7 years
Curriculum and course development	3-5 years
Preparation for IELTS publications	3 years
Website development	3 years

(r) Leases

Leases of property in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. All leases of the group are operating leases.

Payments made under operating leases are charged to the income statement on a straight-line basis over the period of the lease.

Incentives received on entering long-term leases are recognised as liabilities and as lease payments are made, they are allocated between rental expenditure and a reduction in the liability, in accordance with AIFRS.

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

(s) Trade and other payables

These amounts represent liabilities for goods and services provided to the group 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.

(t) 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.

Notes to the financial statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2007

(u) Employee benefits

(i) Wages and salaries

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 in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

(ii) Annual leave

The recorded current liability for provision of annual leave represents the total value including on-costs of leave accrued by employees but not taken.

The recorded non-current liability for provision for annual leave is measured at the present value of expected future payments to be made, including on-costs of leave accrued by employees up to the reporting date. The expected future payments of non-current annual leave provision is discounted using published market yield of the two year Treasury Bond at reporting date of 6.9% (6.18% in 2006). This is in accordance with the Financial Management and Accountability Orders (Financial Statements) (FMOs) recently released. Previous FMOs used to determine discount rates (including 2006), have subsequently been withdrawn.

(iii) Long service leave

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 reporting date. Consideration is given to on costs, expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are then discounted using published market yield of two year Treasury Bond at reporting date of 6.9% (5.89% in 2006). This is in accordance with the FMOs recently released. Previous FMOs used to determine discount rates (including 2006), have subsequently been withdrawn.

(iv) Superannuation

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

(v) 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 in accordance with that class order to the nearest thousand dollars, or in certain cases, the nearest dollar.

ASIC class order 98/0100 was varied by class order 05/641 which identifies items not subject to full rounding. Disclosed amounts for key management personnel, remuneration of auditors, and related party transactions are now shown to the nearest dollar.

(w) Standards issued not yet effective

Operating Segments (AASB 8 – 2007) will be implemented for the year ending 31 December 2009 and will include comparative information for the year ended 31 December 2008. No material change to these financial statements is anticipated.

Presentation of Financial Statements (AASB 101 – 2007) will be implemented for the year ending 31 December 2009 and will include comparative information for the year ended 31 December 2008. No material change to these financial statements is anticipated.

AASB 2007-3 *Amendments to Australian Accounting Standards* arising from AASB 8 (AASB 5, AASB 6, AASB 102, AASB 107, AASB 119, AASB 127, AASB 134, AASB 136, AASB 1023 and AASB 1038) as issued in February 2007 will be implemented for the year ending 31 December 2009 and will include comparative information for the year ended 31 December 2008. No material change to these financial statements is anticipated.

AASB 2007-8 *Amendments to Australian Accounting Standards* arising from AASB 101 as issued in September 2007 will be implemented for the year ending 31 December 2009 and will include comparative information for the year ended 31 December 2008. No material change to these financial statements is anticipated.

Notes to the financial statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2007

3. SEGMENT INFORMATION

INSEARCH Limited operates in the field of education.

The group is organised on a global basis into the following geographical segments: Australia, the United Kingdom, the People's Republic of China (PRC), South East Asia and other areas.

	Segment revenue		Segment assets		Additions to plant and equipment, intangible assets and others	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
Australia	35,480	31,001	28,818	24,932	1,010	1,087
PRC	269	308	652	585	11	17
United Kingdom	2,999	1,908	2,359	1,228	7	34
South-East Asia	440	359	110	155	3	17
Other	1,421	58	3	16	-	-
	40,609	33,634	31,942	26,916	1,031	1,155

4. INCOME

	Consolidated entity		Parent entity	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
Revenue from continuing operations				
Fees	37,144	30,977	36,917	30,673
Other fees and charges	220	148	220	239
	37,364	31,125	37,137	30,912
Interest	1,382	1,193	1,381	1,192
Distributions from interest in joint venture partnership	-	-	700	393
	1,382	1,193	2,081	1,585
Total revenue from continuing operations	38,746	32,318	39,218	32,497
Other income				
Net gain/(loss) on sale of non-current assets	-	5	14	10
Other	442	315	345	311
Total other income	442	320	359	321

Notes to the financial statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2007

	Consolidated entity		Parent entity	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
5. EXPENSES				
(a) Employee benefits expense				
Salaries and wages	13,473	11,345	13,213	11,098
Superannuation	1,191	930	1,191	930
Payroll tax	837	708	837	708
Other	1,200	636	1,110	605
Total employee benefits expense	16,701	13,619	16,351	13,341
(b) Depreciation and amortisation expense				
Depreciation				
Office equipment	70	61	66	58
Furniture and fittings	740	718	737	714
Motor vehicles	68	87	61	82
Computer equipment	355	260	354	258
Total depreciation	1,233	1,126	1,218	1,112
Amortisation				
Software	604	571	604	571
Patents, trademarks and course curriculum	40	31	40	31
Total amortisation	644	602	644	602
Total depreciation and amortisation expense	1,877	1,728	1,862	1,714
(c) Other expenses				
Donation to the University of Technology, Sydney	3,000	4,000	3,000	4,000
Occupancy	4,145	4,745	4,078	4,669
Security	309	303	309	303
Communications	528	409	505	374
Agents commissions	3,483	2,943	3,483	2,943
Homestay and welcome	720	676	720	676
Educational expenses	1,524	944	1,457	941
Registration and accreditation	263	145	263	143
Scholarships	208	29	208	29
Library fees	775	686	775	686
Promotion	531	594	503	529
Overseas travel	776	635	769	611
Staff appointments	371	171	371	171
Audit and accounting fees	217	262	213	259
Legal fees	97	665	90	661
Consultancy	474	630	474	630
Printing and stationery	355	319	352	313
Bad and doubtful debt provisions	2	1,738	2	1,739
(Gain)/loss on foreign exchange	41	(5)	36	(3)
Impairment losses of investments	-	387	-	387
Other	1,945	1,411	2,127	1,650
Total other expenses	19,764	21,687	19,735	21,711
6. INCOME TAX EXPENSE				
Current tax	12	5	12	5
Total income tax expense	12	5	12	5

Notes to the financial statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2007

	Consolidated entity		Parent entity	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
7. CURRENT ASSETS – CASH AND CASH EQUIVALENTS				
Cash at bank and on hand	6,018	3,778	5,831	3,599
Deposits at call	7,025	13,788	7,025	13,788
Term deposits	10,000	–	10,000	–
Total cash and cash equivalents	23,043	17,566	22,856	17,387
8. CURRENT ASSETS – TRADE AND OTHER RECEIVABLES				
Trade receivables	92	334	83	322
Other receivables	129	1,876	105	1,875
Less: provision for impairment of other receivables	–	(1,716)	–	(1,716)
Prepayments	1,280	982	1,272	978
Total trade and other receivables	1,501	1,476	1,460	1,459
(a) Impaired trade receivables				
None of the current receivables are impaired as at 31 December 2007, whilst other receivables related to Beijing BLCU – INSEARCH Language School (BILS) with a nominal value of \$1,716,403 were impaired as at 31 December 2006. The whole amount of the impaired receivable was provided as at 31 December 2006.				
The ageing of the impaired other receivable is as follows:				
> over 6 months	–	1,716	–	1,716
Movements in the provision for impairment of receivables are as follows:				
> at 1 January	1,716	–	1,716	–
> provision for impairment recognised during the year	–	1,716	–	1,716
> receivables written-off during the year as uncollectable	(1,716)	–	(1,716)	–
	–	1,716	–	1,716
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 2007, trade and other receivables of \$16,553 (\$180,164 in 2006) were past due but not impaired. The ageing analysis of these receivables is as follows:				
> up to 3 months	7	156	7	156
> 3 to 6 months	9	2	9	2
> over 6 months	–	22	–	–
	16	180	16	158
9. CURRENT ASSETS – INVENTORIES				
Finished goods at cost	82	61	79	57
Total inventories	82	61	79	57
10. CURRENT ASSETS – OTHER FINANCIAL ASSETS				
Accrued income	15	17	15	17
Accrued interest	110	87	110	87
Total other financial assets	125	104	125	104
11. CURRENT ASSETS – NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE				
Motor vehicle held for sale	60	–	60	–
Total non-current assets classified as held for sale	60	–	60	–

Notes to the financial statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2007

	Consolidated entity		Parent entity	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
12. NON-CURRENT ASSETS – INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD				
(a) Joint ventures with:				
> Shanghai University (SILC)	1,886	1,550	–	–
> IDP Education Australia (ACETs)	740	484	–	–
Total investments accounted for using the equity method	2,626	2,034	–	–

The company has joint ventures in China and Vietnam, for which investments are accounted for using the equity method per *Interests in Joint Ventures* (AASB 131 – 2007).

(i) Sydney Institute of Language and Commerce (SILC)

This is a joint venture between INSEARCH Limited and Shanghai University, to provide English language and business courses. INSEARCH is entitled to repatriation of direct expenses and management fees.

(ii) Australia Centres for Education and Training (ACETs)

This is a joint venture between INSEARCH Limited and IDP Education Australia (Vietnam) Limited to deliver general English classes in Vietnam. This investment is a 40% share of retained earnings.

Non-current assets – other financial assets and investments accounted for using the equity method**Reconciliations***Joint ventures*

	SILC	ACETs	Total
	\$'000	\$'000	\$'000
(b) Consolidated			
Carrying amount at start of year	1,550	484	2,034
Disposal of joint ventures	–	–	–
Share of increment/decrement on revaluation of investment	–	(68)	(68)
Distribution received/receivable	(339)	(361)	(700)
Share of profit	685	736	1,421
Foreign currency exchange differences	(10)	(50)	(60)
Carrying amount at end of year	1,886	740	2,626
(c) Share of assets and liabilities of joint ventures			
Current assets	4,074	874	4,948
Non-current assets	646	45	691
Current liabilities	(2,184)	(179)	(2,363)
Non-current liabilities	(650)	–	(650)
Share of net assets	1,887	739	2,626
(d) Share of joint ventures' profits			
Revenues	3,239	1,927	5,166
Expenses	(2,554)	(1,191)	(3,745)
Share of profit from joint ventures	685	736	1,421

Notes to the financial statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2007

	Consolidated entity		Parent entity	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
13. NON-CURRENT ASSETS – PLANT AND EQUIPMENT				
Office equipment at cost	864	811	846	744
Less accumulated depreciation	(692)	(682)	(677)	(623)
Carrying value	172	129	169	121
Furniture and fittings at cost	5,669	5,382	5,640	5,338
Less accumulated depreciation	(4,147)	(3,427)	(4,127)	(3,400)
Carrying value	1,522	1,955	1,513	1,938
Motor vehicles at cost	177	379	133	339
Less accumulated depreciation	(74)	(110)	(42)	(87)
Carrying value	103	269	91	252
Computer equipment at cost	2,225	2,189	2,220	2,173
Less accumulated depreciation	(1,498)	(1,481)	(1,494)	(1,468)
Carrying value	727	708	726	705
Capital work in process	15	120	15	120
Total plant and equipment at cost	8,950	8,881	8,854	8,714
Less accumulated depreciation	(6,411)	(5,700)	(6,340)	(5,578)
Carrying value of plant and equipment	2,539	3,181	2,514	3,136

Non-current assets – plant and equipment

Reconciliations

Reconciliations of the carrying amounts of each class of asset at the beginning and end of the current financial year are set out below.

	Office equipment	Furniture and fittings	Motor vehicles	Computer equipment	Capital work in process	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Consolidated						
Year 2007						
Carrying amount at start of year	129	1,955	269	708	120	3,181
Additions	119	331	69	376	(105)	790
Disposals	(5)	(16)	(168)	–	–	(189)
Foreign currency exchange differences	(1)	(8)	1	(2)	–	(10)
Depreciation and amortisation	(70)	(740)	(68)	(355)	–	(1,233)
Carrying amount at end of year	172	1,522	103	727	15	2,539
Parent entity						
Year 2007						
Carrying amount at start of year	121	1,938	252	705	120	3,136
Additions	115	319	68	376	(105)	773
Disposals	–	–	(168)	–	–	(168)
Foreign currency exchange differences	(1)	(7)	–	(2)	–	(10)
Depreciation	(66)	(737)	(61)	(353)	–	(1,217)
Carrying amount at end of year	169	1,513	91	726	15	2,514

Notes to the financial statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2007

	Consolidated entity		Parent entity	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
14. NON-CURRENT ASSETS – INTANGIBLE ASSETS				
Patents, trademarks and course curriculum	313	279	313	279
Less accumulated amortisation	(153)	(123)	(153)	(123)
Carrying amount	160	156	160	156
Software	4,176	4,097	4,176	4,097
Less accumulated amortisation	(2,481)	(1,880)	(2,481)	(1,880)
Carrying amount	1,695	2,217	1,695	2,217
Total intangible assets	1,855	2,373	1,855	2,373

Non-current assets – intangible assets**Reconciliations**

Reconciliations of the carrying amounts of each class of intangible assets at the beginning and end of the current year are set out below.

	Software	Patents, trademarks and course curriculum	Total
	\$'000	\$'000	\$'000

Consolidated**Year 2007**

Carrying amount at start of year	2,217	156	2,373
Additions	83	53	136
Disposals	–	–	–
Foreign currency exchange differences	(1)	(9)	(10)
Amortisation	(604)	(40)	(644)
Carrying amount at end of year	1,695	160	1,855

Parent entity**Year 2007**

Carrying amount at start of year	2,217	156	2,373
Additions	83	53	136
Disposals	–	–	–
Foreign currency exchange differences	(1)	(9)	(10)
Amortisation	(604)	(40)	(644)
Carrying amount at end of year	1,695	160	1,855

	Consolidated entity		Parent entity	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
15. NON-CURRENT ASSETS – OTHER FINANCIAL ASSETS				
INSEARCH (Shanghai) Limited	–	–	942	942
Interest in joint venture partnerships	–	–	136	136
Other	111	117	103	103
Total other financial assets	111	117	1,181	1,181

16. CURRENT LIABILITIES – TRADE AND OTHER PAYABLES

Trade creditors	486	862	984	1,327
University of Technology, Sydney	29	11	29	11
Other creditors	7	28	4	22
Total payables	522	901	1,017	1,360

Notes to the financial statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2007

	Consolidated entity		Parent entity	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
17. CURRENT LIABILITIES – PROVISIONS				
Provision for annual leave	621	632	621	632
Provision for long service leave	288	369	288	369
Other	272	247	272	247
Total current provisions	1,181	1,248	1,181	1,248
18. CURRENT LIABILITIES – OTHER				
Accrued expenses	1,571	1,260	1,554	1,254
Student fees received in advance	2,255	1,710	2,255	1,710
Prepaid course fees	6,378	4,513	6,378	4,513
Other	1,336	774	1,310	718
Total other	11,540	8,257	11,497	8,195
19. NON-CURRENT LIABILITIES – PROVISIONS				
Provision for annual leave	35	78	35	78
Provision for long service leave	276	286	276	286
Other	1,321	1,181	1,321	1,181
Total non-current provisions	1,632	1,545	1,632	1,545
20. RETAINED PROFITS AND RESERVES				
(a) Retained profits				
Retained profits at the beginning of the year	15,038	18,980	13,193	17,194
Adjustments to retained profits during the year	–	(537)	–	(48)
Profits from operating activities	2,255	(3,405)	1,617	(3,953)
Retained profits at the end of the year	17,293	15,038	14,810	13,193
(b) Reserves				
Foreign currency translation reserve	(226)	(77)	(7)	156
Reserves at the end of the year	(226)	(77)	(7)	156
Movements:				
foreign currency translation reserve				
> balance at the beginning of the year	(77)	(118)	156	93
> translation of foreign operations	(149)	41	(163)	63
Foreign currency translation reserve balance at the end of the year	(226)	(77)	(7)	156

21. KEY MANAGEMENT PERSONNEL

(a) Directors

The following persons were members of the board of directors of INSEARCH Limited during the financial year.

(i) Non-executive directors

R J Hill (Chair)
R Lynch
D S Goodman
K L Woodthorpe
R Milbourne
D V Clark (ceased on 24 May 2007)
K J Rennie (ceased on 31 December 2007)
W H Wright (ceased on 24 May 2007)
P Woods (commenced on 24 May 2007)

(ii) Executive directors

A Murphy (commenced 3 September 2007)
M L Laurence (ceased 31 August 2007)

Notes to the financial statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2007

	Consolidated entity		Parent entity	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
21. KEY MANAGEMENT PERSONNEL (CONTINUED)				
(b) Directors compensation				
Short-term employee benefits	480	421	480	421
Post-employment benefits	27	35	27	35
	507	456	507	456
(c) Other key management personnel				
L J Hall				
S Crayn				
G Providel (commenced 5 October 2007)				
C A Churches (commenced 3 December 2007)				
J M Hannan (ceased 8 November 2007)				
D A Samuels (ceased 9 November 2007)				
S Purandare (ceased 16 November 2007)				
22. REMUNERATION OF AUDITORS				
The Audit Office of New South Wales				
> audit of financial report – INSEARCH Limited	146	148	146	148
> INSEARCH (Shanghai) Limited	–	–	–	–
> Australia Centre (Thailand) Limited	–	–	–	–
> Sydney Institute of Language and Commerce	–	–	–	–
	146	148	146	148
23. COMMITMENTS				
(a) Capital commitments				
Commitments for the acquisition of plant and equipment contracted for at the reporting date but not recognised as liabilities, payables, with the input tax recoverable from the Australian Taxation Office \$0 (\$18,120 in 2006):				
> not later than one year	–	160	–	160
	–	160	–	160
(b) Lease commitments				
Commitments for minimum lease payments, in relation to non-cancellable operating leases, contracted for at the reporting date but not recognised as liabilities, payable with the input tax recoverable from the Australian Taxation Office:				
> not later than one year	3,239	2,905	3,210	2,883
> later than one year but not later than five years	4,624	7,495	4,624	7,464
Total inclusive of GST	7,863	10,400	7,834	10,347
Input tax recoverable from the Australian Taxation Office	679	1,021	679	1,021
(c) Remuneration commitments				
Commitments for payment of salaries under employment contracts not recognised as liabilities:				
> not later than one year	357	872	357	872
> later than one year but not later than five years	172	1,273	172	1,273
	529	2,145	529	2,145

Notes to the financial statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2007

	Consolidated entity		Parent entity	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
(d) Other expenditure commitments				
Commitments for trade creditors contracted for at the reporting date but not recognised as liabilities, payable with the input tax recoverable from the Australian Taxation Office:				
> not later than one year	250	–	250	–
> later than one year but not later than five years	98	–	98	–
Total inclusive of GST	348	–	348	–
Input tax recoverable from the Australian Taxation Office	32	–	32	–
24. EMPLOYEE BENEFIT AND RELATED ON-COST LIABILITIES				
Included in other – current liabilities	49	(5)	49	(5)
Provision for employee benefits – current liabilities	909	1,001	909	1,001
Provision for employee benefits – non-current liabilities	311	364	311	364
	1,269	1,360	1,269	1,360

25. RELATED PARTIES

Wholly owned group

- (i) The parent entity in the wholly owned group is INSEARCH Limited. The controlling entity of INSEARCH Limited is the University of Technology, Sydney. INSEARCH Limited entered into the following transactions:
- > donation to the University of Technology, Sydney of \$3,000,000 (2006: \$4,000,000)
 - > donation to the Technology Development Group \$0 (2006: \$80,000)
 - > sales of services and fees \$2,157,544 (2006: \$1,541,107).
- (ii) The wholly owned group consists of INSEARCH Limited and its wholly owned controlled entities, INSEARCH (Shanghai) Limited and INSEARCH Education International Pty Limited, which are 100% owned by INSEARCH Limited referred to in note 2 (b) (i). INSEARCH Education International Pty Limited holds the controlling interest in Australia Centre Chiang Mai. INSEARCH Limited entered into the following transactions during the period with these entities:
- > consulting service income between INSEARCH (Shanghai) Limited and INSEARCH Limited (\$282,582)
 - > consulting service expense between INSEARCH Limited and INSEARCH (Shanghai) Limited \$282,582
 - > recovery of services between Australia Centre (Thailand) Limited and INSEARCH Limited (\$66,463)
 - > travel and promotion services between INSEARCH Limited and Australia Centre (Thailand) Limited \$66,463.

26. RECONCILIATION OF CASH AND CASH EQUIVALENTS

For the purposes of the cash flow statement, cash and cash equivalents include cash on hand and at bank and money market investments readily convertible to cash, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the financial year as shown in the cash flow statement are reconciled to the related items in the balance sheet as follows.

	Consolidated entity		Parent entity	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
Cash at bank and on hand	6,018	3,778	5,831	3,599
Deposits at call	7,025	13,788	7,025	13,788
Term deposits	10,000	–	10,000	–
	23,043	17,566	22,856	17,387

Notes to the financial statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2007

	Consolidated entity		Parent entity	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
27. RECONCILIATION OF PROFIT/(LOSS) FOR THE YEAR TO NET CASH FLOWS FROM OPERATING ACTIVITIES				
Profit/(loss) for the year	2,255	(3,405)	1,617	(3,953)
Depreciation	1,233	1,126	1,218	1,112
Amortisation	644	602	644	602
Foreign currency exchange difference	155	(7)	19	42
Net (gain)/loss on sale of non-current assets	-	5	(15)	10
Provision for impairment of receivables	-	101	-	23
Write-down of investments to recoverable amount	-	407	-	-
Share of profit of joint ventures' partnership not received as dividends or distributions	(721)	(603)	-	-
Adjustment to accumulated funds at beginning of year	-	-	-	(48)
Changes in assets and liabilities				
Trade and other receivables	(25)	2,268	(1)	2,157
Inventories	(21)	(4)	(22)	(3)
Other financial assets	(15)	100	(21)	563
Trade and other payables	(379)	(2,056)	(343)	(2,008)
Provisions	20	(322)	20	(322)
Other liabilities	3,283	(405)	3,302	(415)
Net cash flows from operating activities	6,429	(2,193)	6,418	(2,240)

28. FINANCIAL INSTRUMENTS

The group's and the company's principal financial instruments are cash and short-term deposits. The main purpose of these financial instruments is to fund the company's ongoing operations and any future investments. The group has other financial assets and liabilities such as trade receivables and trade payables which arise directly from its operations.

The main risks arising from the group's financial instruments are cash flow interest rate risk, liquidity risk, foreign currency risk and credit risk. The board and management review and agree policies for managing each of these risks and these are summarised below.

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset and financial liability are disclosed in note 2 to the financial statements.

Cash flow interest rate risk

The Group's exposure to the risk of changes in market interest rates relates only to interest earned on cash investments. The group is not materially exposed to cash flow interest rate risk.

Foreign currency risk

As a result of its investment in the United Kingdom the group's balance sheet can be affected by movements in the Australian dollars and the pound sterling. Such an exposure arises from sales or purchases by an operating unit in the United Kingdom. For the reporting period these transactions have not been significant for the group.

The following table summarises the sensitivity of the group's financial assets and financial liabilities to cash flow interest rate risk and foreign currency risk.

	Carrying amount	Interest rate risk		Foreign exchange risk	
		+ 1%	- 1%	+ 10%	- 10%
Financial assets					
Cash and cash equivalents	23,043	233	(233)	260	(213)
Receivables	1,501	-	-	6	(5)
Investments accounted for using the equity method	2,626	-	-	263	(263)
Other financial assets	238	-	-	-	-
Total financial assets	27,408	233	(233)	529	(481)
Financial liabilities					
Trade and other payables	522	-	-	(1)	1
Other financial liabilities	6,378	-	-	(131)	108
Total financial liabilities	6,900	-	-	(132)	109

Notes to the financial statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2007

Credit risk

The group is not exposed to significant credit risk due to the nature of its revenue which is generally received in advance of the service being provided. In situations where revenues are not received in advance account balances are monitored on an ongoing basis with the result that the group's exposure to bad debts, other than that disclosed in the accounts, is kept to a minimum.

Liquidity risk

The group's objective is to maintain a balance between providing an annual donation to the University of Technology, Sydney and maintaining sufficient funds for future growth. At reporting date the group has no significant exposure to liquidity risk.

Fair values

All financial instruments are carried at fair values or values approximating fair values.

END OF AUDITED FINANCIAL REPORT

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Directors' declaration

accessUTS Pty Ltd
ABN: 55 098 424 312

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

- (a) the financial statements and notes of the company are in accordance with the *Corporations Act 2001* (Cwlth) including:
 - (i) giving a true and fair view of the company's financial position as at 31 December 2007 and of the company's performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards and Corporations Regulations 2001 (Cwlth); and
- (b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

On behalf of the board:



Jeffrey Francis



Blair Peter McRae

Sydney
16 April 2008

Statement by appointed officers

accessUTS Pty Limited
ABN: 55 098 424 312

Statement in accordance with the *Public Finance and Audit Act 1983* (NSW) and the Public Finance and Audit Regulation 2005 (NSW).

For the year ended 31 December 2007.

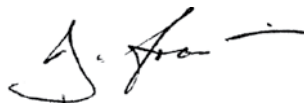
Pursuant to the requirements of the *Public Finance and Audit Act 1983*, and in accordance with a resolution of the Board of Directors, we declare that in our opinion:

1. The accompanying financial statements present a true and fair view of the financial position of the company as at 31 December 2007 and transactions for the year then ended.
2. The statements have been prepared in accordance with section 41B of the *Public Finance and Audit Act 1983* and the Public Finance and Audit Regulation 2005. The policies adopted by the company follow Accounting Standards and other mandatory professional requirements including Urgent Issues Group Interpretations, the Corporations Act 2001 (Cwlth) and other authoritative pronouncements of the Australian Accounting Standards Board.

Further, we are not aware of any circumstances that would render any particulars included in the financial statements to be misleading or inaccurate.



Blair Peter McRae



Jeffrey Francis

Sydney

22 April 2008

Auditor's independence declaration



GPO BOX 12
Sydney NSW 2001

To the Directors
accessUTS Pty Limited
P O Box 123 Broadway
SYDNEY NSW 2007

Auditor's Independence Declaration

As auditor for the audit of accessUTS Pty Limited for the year ended 31 December 2007, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- The independence requirements of the *Corporations Act 2001* in relation to the audit, and
- Any applicable code of professional conduct in relation to the audit.

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

A Oyetunji
Director, Financial Audit Services

11 April 2008
SYDNEY

Independent auditor's report



GPO BOX 12
Sydney NSW 2001

INDEPENDENT AUDITOR'S REPORT

accessUTS Pty Limited

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

I have audited the accompanying financial report of accessUTS Pty Limited (the Company), which comprises the balance sheet as at 31 December 2007, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

Auditor's Opinion

In my opinion the financial report of accessUTS Pty Limited:

- is in accordance with the *Corporations Act 2001*, including:
 - giving a true and fair view of the Company's financial position as at 31 December 2007 and of its performance for the year ended on that date; and
 - complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.
- is in accordance with section 41B of the *Public Finance and Audit Act 1983* (the PF&A Act) and the Public Finance and Audit Regulation 2005.

Directors' Responsibility for the Financial Report

The directors of the Company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations), the PF&A Act and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial report 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 Company'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 report.

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

Independent auditor's report

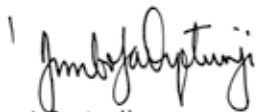
My opinion does *not* provide assurance:

- about the future viability of the Company,
- about the effectiveness of its internal controls, or
- that it has carried out its activities effectively, efficiently and economically.

Independence

In conducting this audit, the Audit Office has complied with the independence requirements of the *Corporations Act 2001*. The PF&A Act further promotes independence by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General, and
- 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 are not compromised in their role by the possibility of losing clients or income.



A Oyetunji
Director, Financial Audit Services

17 April 2008
SYDNEY

Directors' report

Your directors submit their report for the year ended 31 December 2007.

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
- > John Rice
- > Jane Morrison
- > Susan Elizabeth Rowley (resigned 1 January 2008)
- > Jeffrey Francis (appointed 1 January 2008)
- > Denise Dignam (appointed 1 January 2008)

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 loss after income tax for the year ended 31 December 2007 was \$40,560 (2006 – \$nil).

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 2007 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 2007 has been received and can be found on page 83.

Signed in accordance with a resolution of the directors:



Jeffrey Francis

Sydney

16 April 2008



Blair Peter McRae

Income statement

FOR THE YEAR ENDED 31 DECEMBER 2007

	Note	2007 \$	2006 \$
Revenue	4	1,683,332	1,325,585
Other income		–	20
Employee benefits expense	5(a)	(5,557)	(6,964)
Depreciation and amortisation expenses		(1,386)	(1,761)
Other expenses	5(b)	(1,716,949)	(1,316,880)
Loss before income tax		(40,560)	–
Income tax expense	6	–	–
Loss attributable to the member of the company		(40,560)	–

The accompanying notes form part of and are to be read in conjunction with this financial report.

Balance sheet

AS AT 31 DECEMBER 2007

	Note	2007 \$	2006 \$
Assets			
Current assets			
Cash and cash equivalents	7	438,103	646,545
Trade and other receivables	8	397,731	331,135
Total current assets		835,834	977,680
Non-current assets			
Plant and equipment	9	9,035	8,825
Total assets		844,869	986,505
Liabilities			
Current liabilities			
Trade and other payables	10	718,926	820,002
Total current liabilities		718,926	820,002
Non-current liabilities			
Borrowings	10	35,000	35,000
Total liabilities		753,926	855,002
Net assets		90,943	131,503
Equity			
Contributed equity	11	450,001	450,001
Accumulated losses	12	(359,058)	(318,498)
Total equity		90,943	131,503

The accompanying notes form part of and are to be read in conjunction with this financial report.

Statement of changes in equity

FOR THE YEAR ENDED 31 DECEMBER 2007

	Note	Share capital \$	Accumulated losses \$	Total \$
Balance at 1 January 2006		450,001	(318,498)	131,503
Loss attributable to the member of the company		-	-	-
Balance at 31 December 2006		450,001	(318,498)	131,503
Loss attributable to the member of the company		-	(40,560)	(40,560)
Balance at 31 December 2007		450,001	(359,058)	90,943

The accompanying notes form part of and are to be read in conjunction with this financial report.

Cash flow statement

FOR THE YEAR ENDED 31 DECEMBER 2007

	Note	2007 \$	2006 \$
Cash flows from operating activities			
Receipts from customers		1,570,991	1,142,583
Payments to suppliers and employees		(1,823,583)	(1,436,088)
Interest received		45,746	34,574
Net cash inflow/(outflow) from operating activities	13	(206,846)	(258,931)
Cash flows from investing activities			
Repayment of advances by non-related parties		-	2,537
Purchase of plant and equipment		(1,596)	-
Net cash inflow/(outflow) from investing activities		(1,596)	2,537
Cash flows from financing activities			
Borrowings from related parties		-	378,906
Net cash inflow/(outflow) from financing activities		-	378,906
Net increase in cash and cash equivalents		(208,442)	122,512
Cash and cash equivalents at the beginning of the year		646,545	524,033
Cash and cash equivalents at the end of the year	7	438,103	646,545

The accompanying notes form part of and are to be read in conjunction with this financial report.

Notes to the financial statements

AS AT 31 DECEMBER 2007

1. CORPORATE INFORMATION

The financial report of accessUTS Pty Ltd for the year ended 31 December 2007 was authorised for issue in accordance with a resolution of the directors on 16 April 2008.

accessUTS Pty Ltd is a company limited by shares and is incorporated and domiciled in Australia. The registered office of accessUTS Pty Ltd is level 14, Building 1, 1-9 Broadway, Ultimo NSW 2007. The company had no employees as at 31 December 2007.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

This financial report is a general purpose financial report and has been prepared in accordance with the requirements of the *Corporations Act 2001* (Cwlth), including applicable accounting standards and other mandatory professional reporting requirements.

The financial report has been prepared on an historical cost basis and is presented in Australian dollars. The accounting policies adopted are consistent with those of the previous year.

(b) Statement of compliance

The financial report complies with Australian Accounting Standards, including Australian equivalents of International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS).

(c) Critical accounting estimates and judgements

The directors evaluate estimates and judgements incorporated into the financial report 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) Impairment of assets

At each reporting date the company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value-in-use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

(e) Goods and Services Tax (GST)

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

- (i) 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
- (ii) receivables and payables, which are stated with the amount of GST included
- (iii) cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(f) 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.

Sales revenue

Sales revenue represents revenue earned from the sale of products and is recognised when the goods are provided.

Service revenue

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

Interest income

Interest income is recognised as it accrues.

Asset sales

The gross 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.

(g) Income tax

Tax effect accounting is applied using the liability method whereby income tax is regarded as an expense and is calculated on the accounting profit after allowing for permanent differences. To the extent that timing differences occur between the time items are recognised in the financial statements and when items are taken into account in determining taxable income, the net related taxation benefit or liability, calculated at current tax rates, is disclosed as a future income tax benefit or a provision for deferred income tax. The net future income tax benefit relating to tax losses and timing differences is not carried forward as an asset unless the benefit is virtually certain of being realised.

Where assets are revalued, no provision for potential capital gains tax has been made. The income tax expense for the year is calculated using the current company tax rate of 30%.

Notes to the financial statements

AS AT 31 DECEMBER 2007

(h) Cash and cash equivalents

For the purposes of the statement of cash flows, cash 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.

(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) Plant and equipment**Cost and valuation**

Items of plant and equipment are brought to account at cost or at independent or directors' valuation and depreciated as outlined below.

Depreciation

Items of plant and equipment, including capitalised leased assets but excluding any freehold land, are depreciated over their estimated useful lives commencing from the time each asset is ready for use. Estimates of remaining useful lives are made at the time each asset is acquired and periodically thereafter.

Depreciation is calculated on a straight line or diminishing value basis to write-off the net cost or revalued amount of each item of property, plant and equipment over its expected useful life. Leasehold improvements are amortised over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The major depreciation rates used for each class of asset are as follows:

- > plant and equipment 40% to 50%
- > furniture and fittings 11.25% to 20%

(k) 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.

(l) Loans and borrowings

All loans are measured at the principal amount. Interest is charged as an expense as it accrues.

Bills of exchange and promissory notes are carried at the principal amount plus deferred interest.

3. SEGMENT INFORMATION

The company operates predominantly in one industry: consulting services; in one geographical area, Australia.

	2007 \$	2006 \$
4. REVENUE		
Revenue		
Consulting fees	1,636,371	1,288,968
Interest received or receivable	46,961	36,617
Total revenue	1,683,332	1,325,585
5. EXPENSES		
(a) Employee benefits expense		
Salaries and wages	3,437	6,669
Other	2,120	295
	5,557	6,964
(b) Other expenses		
Consultancy fees	1,291,308	1,015,928
Service level agreement – Research Innovation Office	288,560	201,499
General and administrative expenses	137,081	99,453
	1,716,949	1,316,880

Notes to the financial statements

AS AT 31 DECEMBER 2007

	2007 \$	2006 \$
6. INCOME TAX EXPENSE		
The income tax expense provided in the accounts is calculated as follows:		
> tax on operating profit/(loss) at 30%	(12,168)	-
add/(less) tax effect of permanent differences		
> current year tax losses not brought to account	12,054	-
> current year timing difference not brought to account	114	3,254
> tax losses not previously tax effected – recouped this year	-	(3,254)
	-	-
7. CASH AND CASH EQUIVALENTS		
Cash on hand	-	21
Cash at bank	135,045	340,449
Cash on deposit	303,058	306,075
	438,103	646,545
8. RECEIVABLES		
Current		
Trade receivables	392,531	327,151
Interest receivable	5,200	3,984
	397,731	331,135
9. PLANT AND EQUIPMENT		
At cost	24,950	23,354
Less accumulated depreciation	(15,915)	(14,529)
	9,035	8,825

Movements in carrying amounts

Movements in the carrying amounts for each class of plant and equipment between the beginning and end of the financial year

	Plant and equipment \$
Balance at the beginning of the financial year	8,825
Additions	1,596
Disposals	-
Depreciation expense	(1,386)
Carrying amount at the end of the financial year	9,035

Notes to the financial statements

AS AT 31 DECEMBER 2007

	2007 \$	2006 \$
10. TRADE AND OTHER PAYABLES		
Current		
Trade payables	81,633	50,245
Accrued expenses	286,883	216,682
GST payable	6,736	22,947
Amounts payable to parent entity	343,674	530,128
	718,926	820,002
Non-current		
Loans from parent entity (unsecured)*	35,000	35,000
*The loans from the parent entity are unsecured, interest-free and repayable on demand.		
11. 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
12. ACCUMULATED LOSSES		
Accumulated losses at the beginning of the year	(318,498)	(318,498)
Net loss attributable to the member	(40,560)	-
Accumulated losses at the end of the year	(359,058)	(318,498)
13. RECONCILIATION OF LOSS FOR THE YEAR WITH CASH FLOWS FROM OPERATING ACTIVITIES		
Operating loss after income tax	(40,560)	-
Non-cash items		
Amortisation	510	809
Depreciation	876	952
Net (profit)/loss on sale of investments	-	-
Changes in operating assets and liabilities		
Decrease/(increase) in trade receivables	(65,381)	(146,384)
Decrease/(increase) in other receivables	(187,670)	(224,497)
Increase/(decrease) in trade payables	30,829	(37,832)
Increase/(decrease) in other payables	54,550	148,021
Net cash inflow/(outflow) from operating activities	(206,846)	(258,931)

Notes to the financial statements

AS AT 31 DECEMBER 2007

	2007 \$	2006 \$
14. LEASE COMMITMENTS		
Operating lease commitments		
Future minimum rentals (net of recoverable GST) payable under non-cancellable operating leases as at 31 December 2007 are as follows:		
> not later than one year	1,249	3,689
> later than one year but not later than two years	–	1,249
	1,249	4,938
15. AUDITORS' REMUNERATION		
Amounts received or due and receivable by the auditors of accessUTS Pty Ltd for:		
> an audit or review of the financial statements	11,000	11,000

16. DIRECTORS' REMUNERATION

Directors

The names of persons holding the position of director of the company at any time during the financial year are set out on page 85 of this report.

Remuneration of specified directors

Directors' remuneration paid by the company is set out below. All other remuneration and retirement benefits for directors of the company have been paid by the parent entity.

	Salary and fees \$	Superannuation \$	Cash bonus \$	Non-cash benefits \$	Other \$	Total \$
2007						
Jane Morrison	3,437	–	–	–	–	3,437
2006						
Jane Morrison	6,669	–	–	–	–	6,669

17. CONTINGENT LIABILITIES

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

18. 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.

19. ECONOMIC DEPENDENCY

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

20. RELATED PARTY TRANSACTIONS

(a) Directors

The names of the directors of the company during the financial year are set out on page 86 of this report.

(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.

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.

Notes to the financial statements

AS AT 31 DECEMBER 2007

20. RELATED PARTY TRANSACTIONS (CONTINUED)

Amounts payable to the parent entity at the end of the financial year

	2007 \$	2006 \$
Amounts payable to parent entity – current	343,674	530,128
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 and its controlled entities, accessUTS Pty Ltd, Insearch Limited and Insearch (Shanghai) Limited.

21. FINANCIAL INSTRUMENTS

(a) Financial risk management

The company's financial instruments consist of deposits with the Commonwealth Bank of Australia Limited, accounts receivable and payable and loans from the parent entity.

The company does not have any derivative instruments at the end of the financial year.

(i) Financial risks

The company's main exposure from its financial instruments are interest rate risk, currency risk and credit risk.

Interest rate risk

Interest rate risk is managed with a mixture of fixed and floating rates.

Foreign currency risk

The company is not exposed to fluctuations in foreign currencies.

Credit risk

At balance date, the maximum exposure to credit risk, excluding the value of any collateral or other security, to recognised financial assets is the carrying amount of those assets net of any provisions for impairment of those assets as disclosed in the balance sheet and notes to the financial statements.

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.

(b) 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 balance sheet and in the notes to the financial statements.

Aggregate net fair values and carrying amounts of financial assets and financial liabilities at balance date are below.

	2007		2006	
	Carrying amount \$	Net fair value \$	Carrying amount \$	Net fair value \$
Financial assets				
Loans and receivables	392,531	392,531	327,151	327,151
	392,531	392,531	327,151	327,151
Financial liabilities				
Trade and other creditors	718,367	718,367	820,002	820,002
Loans from parent entity (unsecured)	35,000	35,000	35,000	35,000
	753,367	753,367	855,002	855,002

Notes to the financial statements

AS AT 31 DECEMBER 2007

(c) Interest risk exposure

The company's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on those financial assets and financial liabilities is as follows:

	Weighted average effective interest rate %	Floating interest rate \$	Within 1 year \$	Non-interest bearing \$	Total \$
2007					
Financial assets					
Cash and cash equivalents	6.59	438,103	–	–	438,103
Receivables		–	–	392,531	392,531
Total financial assets		438,103	–	392,531	830,634
Financial liabilities					
Trade and other creditors		–	–	718,926	718,926
Other loans		–	–	35,000	35,000
Total financial liabilities		–	–	753,926	753,926
2006					
Financial assets					
Cash and cash equivalents	5.5	646,524	–	21	646,545
Receivables		–	–	327,151	327,151
Total financial assets		646,524	–	327,173	973,696
Financial liabilities					
Trade and other creditors		–	–	820,002	820,002
Other loans		–	–	35,000	35,000
Total financial liabilities		–	–	855,002	855,002

(d) Credit risk exposure

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 balance sheet.

(e) Hedging transactions

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

END OF AUDITED FINANCIAL REPORT

APPENDIX A1

Council committees and groups

Audit and Review Committee

Chair – an external member of Council, but not of the Finance Committee, appointed for expertise in audit and review
R Kelly

Four other external members, of whom all should have strategic management expertise and experience in accounting, auditing or risk; up to two should be members of Council with qualifications and experience related to the operations of the University; and at least one should be a member of the Finance Committee (whether or not they are also a member of Council)

B French

P Kelly

R O'Connor

B Rock

Vice-Chancellor and President

Professor R D Milbourne

Commercial Activities Committee

Chair – an external member of Council appointed to Council for expertise in commercial activities

Dr K Woodthorpe

Four other external members, of whom all should have strategic commercial skills and experience, and up to two may also be members of Council with qualifications and experience related to the operations of the University

T Dugan

R Fowler

D Leckie

G Phillips

Vice-Chancellor and President

Professor R D Milbourne

Equity Reference Group

Chair – an external member of Council
Dr V Levy

Deputy Vice-Chancellor and Vice-President (Teaching, Learning and Equity)
Professor S Alexander

Director, Equity and Diversity Unit
A M Payne

Equity and Diversity Coordinator
K Wilson

Director, Human Resources Unit, or nominee
J Gilmore

Director, Student Services, or nominee
M Flood

Director, Jumbunna Indigenous House of Learning
Professor M Nakata

Staff representative of equity target group – women
vacant

Staff representative of equity target group – Australian Indigenous people
J Tranter

Staff representative of equity target group – people of non-English speaking background
Associate Professor H Scheeres

Staff representative of equity target group – people with disabilities
L Vidoni

Staff representative of equity target group – gay and lesbian people
Dr P Caldwell

Elected representative of academic staff
Dr T Robertson

Elected representative of support staff
J Slater

President, National Tertiary Education Union UTS Branch, or nominee
D Freeder

Chair, Community and Public Sector Union UTS Branch, or nominee
D Cobby-Finch

Student representative of equity target group – women
E Lancaster

Student representative of equity target group – Australian Indigenous people
G Grose

Student representative of equity target group – people of non-English speaking background
M Anupindi

Student representative of equity target group – people with disabilities
D Mills

Student representative of equity target group – gay and lesbian people
W Wallace

President, Students' Association, or nominee
D Loasby

President, UTS Union, or nominee
B Sharma

Finance Committee

Chair – an external member of Council appointed for expertise in financial matters
B Wilson

Four other external members, of whom all should have strategic financial expertise and experience, and at least two should be members of Council with qualifications and experience related to the operations of the University
M Cornelius, AM

B French

Dr J Green

D Leckie

Vice-Chancellor and President
Professor R D Milbourne

Governance Committee*Chair – an external member of Council*

Professor V Sara

Vice-Chancellor and President

Professor R D Milbourne

Two or three members external to the University (who may also be members of Council), with particular skills and experience in governance matters, appointed by Council

R Kelly

M Sexton

Deputy Vice-Chancellor and Vice-President (External Relations) and Registrar

Dr R V Dubs

Honorary Awards Committee*Chair – an external member of Council*

Professor V Sara

Deputy Chancellor

W Watkins

Vice-Chancellor and President

Professor R D Milbourne

A Deputy Vice-Chancellor

Professor P Booth

Three external members of Council

D Leckie

Dr V Levy

R Taylor

One academic staff member of Council

Professor G Skilbeck

Chair, Academic Board

Professor A Baker

Deputy Vice-Chancellor and Vice-President (External Relations) and Registrar

Dr R V Dubs

Nominations Committee*Chair – Chancellor*

Professor V Sara

Vice-Chancellor and President

Professor R D Milbourne

Three persons appointed by Council, including one ministerial nominee and one Council appointee, whose terms of appointment are not about to expire

Dr C Hirst

P Kelly

W Watkins

Physical Infrastructure Committee*Chair – an external member of Council appointed for expertise in strategic capital development and management*

W Watkins

Four other external members, of whom up to two may also be members of Council with qualifications and experience related to the operations of the University; at least one should be a member of the Finance Committee, whether or not also a member of Council; and all should have strategic skills and experience involving capital development and management

J Hill

G Jahn

A Stewart, MP

B Wilson

Vice-Chancellor and President

Professor R D Milbourne

Student/Council Liaison Group*Chair – an external member of Council*

M Sexton

An external member of Council (Deputy Chair)

M Cornelius, AM

Student members of Council

P Brady

M Nguyen

Deputy Vice-Chancellor and Vice-President (Teaching, Learning and Equity) or nominee

Professor S Alexander

Director, Student Services, or nominee

C Hepperlin

An Associate Dean (either Teaching and Learning or Research, or equivalent) nominated by the Associate Deans

T Laurence

President, Students' Association, or nominee

D Loasby

International Students' Officer of the Students' Association

P Muddu

President, UTS Union, or nominee

B Sharma

Student representative of UTS Union clubs

D Latham

Student representative of Students' Association clubs

D Latham

UTS student elected by and from the students resident in University accommodation

M Torre-Ortiz

Indigenous student representative

vacant

The undergraduate student members of Academic Board, as elected from each faculty

M Al-Nakeeb

H Asif

C Brew

H Chowdhury

G Mason

C Rowe

Z Toma

R West

The postgraduate student members of Academic Board (note that one of the postgraduate student members of Academic Board is required to be a research degree student)

N Rao

APPENDIX A2

Council members' attendance at council and committee meetings

Members	Council		Audit and Review Committee		Commercial Activities Committee		Finance Committee	
	Total meetings held	Meetings attended	Total meetings held	Meetings attended	Total meetings held	Meetings attended	Total meetings held	Meetings attended
Professor Vicki Sara	6	6	-	-	-	-	-	-
Professor Anthony Baker	6	4	-	-	-	-	-	-
Peter Brady (from 12.6.2007)	3	3	-	-	-	-	-	-
Chris Cahill	6	5	-	-	-	-	-	-
Megan Cornelius, AM	6	4	-	-	-	-	6	4
Ross Fowler (until 1.6.2007)	2	1	-	-	3	1	-	-
Patricia Kelly	6	5	6	4	-	-	-	-
Robert Kelly	6	6	6	6	-	-	-	-
Dianne Leckie	6	6	-	-	6	4	6	5
Dr Valerie Levy	6	6	-	-	-	-	-	-
Professor Ross Milbourne	6	6	6	6	6	5	6	6
Michael Nguyen	6	3	-	-	-	-	-	-
Professor Jenny Onyx	6	6	-	-	-	-	-	-
Michael Sexton, SC	6	6	-	-	-	-	-	-
Professor Greg Skilbeck	6	5	-	-	-	-	-	-
Anthony Stewart, MP	6	2	-	-	-	-	-	-
Russell Taylor	6	4	-	-	-	-	-	-
Warwick Watkins	6	6	-	-	-	-	-	-
Brian Wilson	6	6	-	-	-	-	6	6
Dr Katherine Woodthorpe	6	6	-	-	6	5	-	-
Duha Zaater (until 28 March 2007)	1	1	-	-	-	-	-	-

Governance Committee		Honorary Awards Committee		Nominations Committee		Equity Reference Group		Physical Infrastructure Committee		Student/Council Liaison Group	
Total meetings held	Meetings attended	Total meetings held	Meetings attended	Total meetings held	Meetings attended	Total meetings held	Meetings attended	Total meetings held	Meetings attended	Total meetings held	Meetings attended
2	2	2	2	1	1	-	-	-	-	-	-
-	-	2	1	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	1	1
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	2	1
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	1	1	-	-	-	-	-	-
2	2	-	-	-	-	-	-	-	-	-	-
-	-	2	2	-	-	-	-	-	-	-	-
-	-	2	2	-	-	4	4	-	-	-	-
2	2	2	2	1	1	-	-	6	5	-	-
-	-	-	-	-	-	-	-	-	-	2	1
-	-	-	-	-	-	-	-	-	-	-	-
2	2	-	-	-	-	-	-	-	-	2	2
-	-	2	0	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	6	2	-	-
-	-	2	2	-	-	-	-	-	-	-	-
-	-	2	2	1	1	-	-	6	6	-	-
-	-	-	-	-	-	-	-	6	4	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-

APPENDIX B1

Staff statistics

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

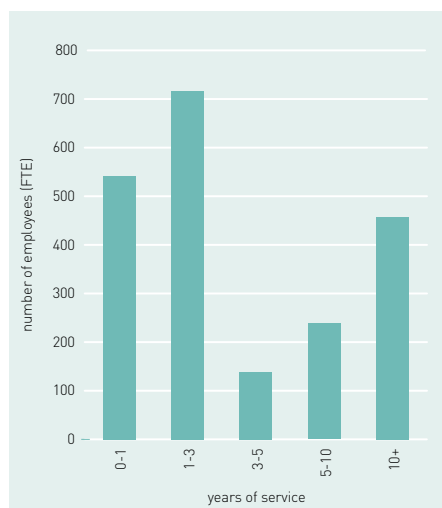
	Academic	Support	Total
FTE staff (continuing and fixed-term)			
31.12.03	778.4	1202.8	1981
31.12.04	808.6	1214.6	2023
31.12.05	819.5	1216.4	2036
31.12.06	827.4	1193.1	2021
31.12.07	823.2	1163.1	1986
Casual staff			
31.12.03	342.3	204.2	547
31.12.04	370.3	220.4	591
31.12.05	340.4	197.8	538
31.12.06	341.8	188.4	530
31.12.07	327.1	213.2	540
Actual persons ** (continuing and fixed-term staff only)			
31.12.03	816.1	1290.1	2106
31.12.04	846.0	1303.0	2149
31.12.05	858.0	1314.0	2172
31.12.06	867.9	1267.3	2135
31.12.07	860.7	1232.4	2093

* From 2006 FTE is averaged over the calendar year

** Some staff are employed as both academic and support staff.

Total staff decreased during 2007 by 25 FTE. Ratio of academic staff to support staff remained static and represent 46 per cent of staff.

Length of service profile



As at 31.12.07, the largest group of staff in terms of service is those with two years of service or less.

Profile of academic staff by classification

Number of academic staff at each level as a percentage of total academic staff (excluding casual staff)

	31.12.05	31.12.06	31.12.07
Professor	11.9	13.0	14.0
Associate Professor	11	12.8	13.7
Senior Lecturer	34.6	32.8	34.0
Lecturer	34.8	33.3	30.9
Associate Lecturer	7.8	8.0	7.4

During 2007 the proportion of academics at Professorial, Associate Professor and Senior Lecturer level increased relative to those at Lecturer and Associate Lecturer level.

Staff turnover

In the 12 months ending 31.12.07, the staff turnover rate due to resignations increased slightly from 7.5 per cent to 7.8 per cent.

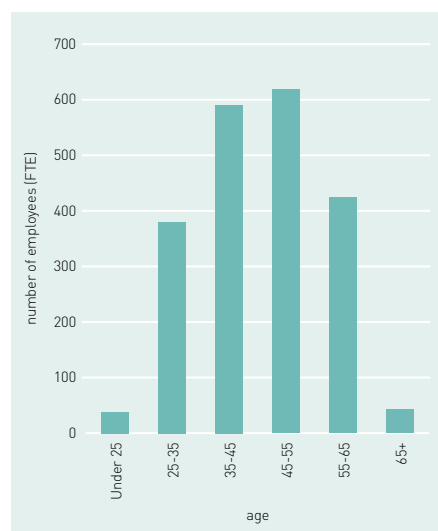
Professional Experience Programs (PEPs)

Number of academic staff proceeding on a PEP during 2007

	Male	Female	Total
Professor	5	5	10
Associate Professor	13	4	17
Senior Lecturer	16	14	30
Lecturer	14	14	28
Associate Lecturer	-	2	2
Total	48	39	87

During 2007, 87 academic staff undertook a Professional Experience Program, a decrease of 11 over the 2006 figure. There was an increase in the percentage of females undertaking PEP, from 40 per cent of staff on PEP in 2006 to 45 per cent in 2007.

Age profile



APPENDIX B2

Academic promotions

To Professor, effective 9 March 2007

Professor Heather Goodall, Faculty of Humanities and Social Sciences

Professor Carl Rhodes, Faculty of Business

Professor Tracey Taylor, Faculty of Business

To Associate Professor, effective 12 January 2007

Associate Professor Christopher Bajada, Faculty of Business

Associate Professor Suzanne Benn, Faculty of Business

Associate Professor Lynn Crawford, Faculty of Design, Architecture and Building

Associate Professor Simon Darcy, Faculty of Business

Associate Professor David Eager, Faculty of Engineering

Associate Professor Xuezhong He, Faculty of Business

Associate Professor Linette Lock, Faculty of Nursing, Midwifery and Health

Associate Professor Murray Pratt, Institute for International Studies

Associate Professor Rocque Reynolds, Faculty of Law

Associate Professor Hermine Scheeres, Faculty of Education

Associate Professor Peter Watterson, Faculty of Engineering

APPENDIX B3

UTS Learning and Teaching Awards 2007

The annual UTS Learning and Teaching Awards recognise the importance of learning and teaching for both undergraduate and postgraduate students. They are aligned with the national Carrick Awards for Australian University Teaching.

The UTS Learning and Teaching Awards are awarded in the following categories, with prize money in brackets: Team Teaching (\$5,000), Individual Teaching (\$3,000), Early Career Teaching (\$3,000), Internationalisation of Teaching and Learning (\$3,000), Postgraduate Supervision (\$3,000), Enabling (\$3,000) and Academic Support (\$3,000).

One award is normally made in each category. However, it may be decided that no award, or more than one award, may be made in each category in a particular year. Commendations may be given to those nominated that do not receive an award but where the application is considered meritorious.

Team Teaching: awarded for an outstanding contribution to learning and teaching or an exemplary innovation in learning and teaching through a collaborative, team-based approach.

The Master of Multimedia teaching team, Institute for Interactive Media and Learning

For sustained excellence in postgraduate multimedia education over a three-year period as recognised by students, the institution and industry.

Early Career Teaching: awarded for an excellent contribution to learning and teaching, or a very significant innovation in learning and teaching, by an individual member of academic staff within her or his first five years as an academic.

Leanne Houston, Faculty of Law

For an outstanding contribution to the development of innovative teaching methods and resources for cross-disciplinary law subjects.

Internationalisation of Teaching and Learning: awarded for an outstanding contribution to teaching and learning or an exemplary innovation related to aspects of internationalisation of teaching and learning, for example internationalisation of the curriculum, teaching and/or supporting international students, teaching approaches that support diversity and cross-cultural learning.

Dr Louise McWhinnie, Faculty of Design, Architecture and Building

For an exemplary innovation to the internationalisation of design teaching and learning, through the use of typography as a means of exploring and validating students' cultural and multicultural identities.

Dr Kylie Redfern and Associate Professor Anne Ross-Smith, Faculty of Business

For an exemplary innovation to the internationalisation of teaching and learning in the Management major of the UTS Bachelor of Business degree at Shanghai University.

Postgraduate Supervision: awarded for an outstanding contribution to postgraduate supervision, or a significant support program or innovation that improves the learning experiences of postgraduate research students.

Professor Alison Lee, Faculty of Education

For an outstanding contribution to the development of an innovative research and learning environment for doctoral students in the Faculty of Education and in the broader University.

Academic Support: awarded for an outstanding contribution or an exemplary innovation in academic or student support services or the provision of resources to facilitate learning and enhance the student experience.

Alex Barthel, ELSSA Centre

For outstanding leadership in the provision of innovative and sustainable academic language and learning support to UTS students and staff.

The 2007 UTS Learning and Teaching Award Committee commended the following nominees.

Susan Oguro, Institute for International Studies

For excellence in teaching language and intercultural skills to students from all UTS faculties and preparing students for successful study and employment internationally.

The Peer Network Program Team, Student Services Unit

For a sustained and innovative contribution to creating a more connected campus community that enhances the social conditions for effective learning and a positive student experience.

APPENDIX B4

Career and Professional (CAP) Development Awards 2007

The CAP Development Awards provide a framework for recognising and rewarding high-performing support staff. They complement the existing commitment to staff development and broaden opportunities for these staff in relation to their professional and/or career aspirations.

Each award recipient receives a grant to fund career and/or professional development activities, complemented by coaching sessions with a member of the human resources team to help them create a development plan.

Award recipients

April 2007

Danilo Jocson, Finance and Resources Manager, Faculty of Business

Recognised for exceptional performance in the area of budgeting, including contributing to the faculty's operating surplus through provision of financial reporting and embracing new budget systems to maximise efficiency and effectiveness of the budgeting process.

Jean Lei, Business Intelligence Applications Programmer, Planning and Quality Unit

Recognised for contributing to the development of the UTS Course Performance Report, including tenacity in conquering numerous technical difficulties to ensure that the Cognos technology worked in the UTS environment.

Kim Mackey, HR Partnership Manager, Human Resources Unit

Recognised for a strong client service ethic which was demonstrated by relationship building and management skills that led to the effective and efficient establishment of the HR Partnership Team for the Faculties of Science; Design, Architecture and Building; and Engineering; the research institutes and the office of the Deputy Vice-Chancellor and Vice-President (Research).

Marijke Wright, Careers Counsellor, UTS Careers Service

Recognised for designing, developing and implementing a career development research module for a first-year subject that was trialled in three faculties. This module was mentioned in the 2006 performance report as one of the outcomes for Objective 1 Strategy 1 of the UTS Strategic Plan 2006-2009. The module was also awarded a Federal Department of Education, Science and Training grant.

October 2007

Kathy Grattan, Audio Visual Services Program Manager, Information Technology Division

Recognised for exceptional performance in leadership, commitment and delivery of outcomes that resulted in significant organisational value, in particular the Nobel exhibition and core teaching support services.

Iuliana Stroe, Lending Services Assistant, Library

Recognised for exceptional customer-oriented innovation by improving operating systems, technical procedures and administrative practices within the Library.

Garry Irwin, Projects Administrator, Student Administration Unit

Recognised for exceptional contribution, personal dedication and commitment in coordinating the logistics of the Student Centre implementation project in addition to core responsibilities.

Commendations

In addition to the award winners, the Awards Committee was impressed by the calibre of the following nominees who received commendations from the Vice-Chancellor.

April 2007

Sharon Burton, Manager, Academic Programs, Faculty of Education

Commended for personal dedication and commitment to customer focus, particularly in management of the faculty's admissions process, academic work pattern and teaching allocation process.

Simon Harrison, Flexible Learning Coordinator, Information Technology Division

Commended for highly professional and enthusiastic delivery and particularly the implementation of IT security software to significantly reduce the risk of hacking and security compromise.

Dawn Lowe, Graduate Student Adviser, Faculty of Business

Commended for an outstanding contribution to the coordination of the faculty's postgraduate student intake, professional dedication and commitment to customer service.

Jaine Stockler, Grants Manager (Acting), Division of the Deputy Vice-Chancellor and Vice-President (Research)

Commended for outstanding professional dedication, leadership and innovation in research grant development and administration and, in particular, initiatives to improve National Competitive Grants' applications and other research portfolios.

October 2007

Ruth Cavanna, Senior Customer Support Officer, Information Technology Division

Commended for personal dedication and commitment to outcomes-oriented customer focus, particularly the alignment of services provided by the IT Support Centre.

APPENDIX C1

Equal employment opportunity (EEO) trends 2004–2007

These tables show trends over the last four years in the representation of EEO groups and the distribution of EEO groups across salary levels for both academic and general staff.

Table A – trends in the representation of EEO groups¹

General staff	Benchmark or target	% of total staff ²			
		2004	2005	2006	2007
General staff					
Women	50	56	56	57	57
Aboriginal people and Torres Strait Islander people	2	1.0	1.5	1.8	1.4
People whose language first spoken as a child was not English	19	30	30	32	34
People with a disability	12	11	10	10	9
People with a disability requiring adjustment at work	7	2.9	2.4	2.5	2.1
Academic staff					
Women	50	40	40	40	41
Aboriginal people and Torres Strait Islander people	2	1.5	1.6	1.7	1.4
People whose language first spoken as a child was not English	19	27	27	28	29
People with a disability	12	10	9	8	8
People with a disability requiring adjustment at work	7	3.0	2.6	2.6	2.7

Table B – trends in the distribution of EEO groups¹

General staff	Benchmark	Distribution index ³			
		2004	2005	2006	2007
General staff					
Women	100	91	91	90	92
Aboriginal people and Torres Strait Islander people	100	n/a	n/a	97	n/a
People whose language first spoken as a child was not English	100	92	94	92	93
People with a disability	100	94	95	95	95
People with a disability requiring adjustment at work	100	97	92	96	100
Academic staff					
Women	100	88	89	90	90
Aboriginal people and Torres Strait Islander people	100	n/a	n/a	n/a	n/a
People whose language first spoken as a child was not English	100	89	89	88	87
People with a disability	100	102	103	101	100
People with a disability requiring adjustment at work	100	106	108	101	101

Notes:

- 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 the then Federal Department of Education, Science and Training data collections of the same date.
- Casual staff are not included.
- 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 the New South Wales Office of Director of Equal Opportunity in Public Employment. The distribution index is not calculated where numbers are statistically small.

APPENDIX C2

Equity and diversity

This appendix complements the information in Volume 1 of this Annual Report (see Chapter 5: Students and staff). More detailed information on equity group profiles and strategies is contained in the UTS Report to the Director of the Office for Equal Opportunity in Public Employment. Significant achievements and strategies in relation to specific equity groups are detailed below.

Equity and diversity highlights

In 2007 the University was again a finalist in the Equal Opportunity for Women (EOWA) Agency Business Achievement Awards, selected from more than 3000 organisations that report to the EOWA.

With key appointments taking effect in 2007, UTS achieved what is still a rarity in public and private sectors: an equal representation of men and women in senior executive positions. Women hold four out of eight executive positions. In addition a woman holds the position of Chancellor.

The University launched its new Ethnic Affairs Priority Statement (EAPS). The EAPS provides an overview of strategies and priorities relating to curriculum, staff selection and support, information and support for students, and social harmony and multiculturalism.

Following its first full year of operation, the Staff Giving Fund made a contribution of \$16,000 to the Diversity Access Scholarship Fund. The Staff Giving Fund is supported by UTS staff who salary sacrifice each fortnight. The Alumni Fund contributed a further \$10,000 in 2007. The University matched these funds.

UTS commenced implementation of the SHOUTS (Sex-based Harassment Out of UTS) Program: as part of this three-year campaign to improve awareness of rights and responsibilities in relation to sex-based harassment and other forms of harassment at UTS, the Equity and Diversity Unit produced and promoted a DVD, *Don't even think about it*.

Key strategies for equal opportunity in 2008

- > Developing and implementing the next phase of the University's Indigenous Employment Strategy
- > Further developing the UTS Schools Outreach program
- > Continuing to promote scholarships for low-income students
- > Continuing to implement SHOUTS awareness-raising training
- > Developing a UTS Disability Action Plan 2009–2013

Staff equity

Women

The University's sustained and comprehensive Gender Equity Program was nominated in the category of Outstanding Initiative and/or Result for the Advancement of Women in the 2007 EOWA Business Achievement Awards.

In 2007 women constituted 41.3 per cent of academic staff, an increase from 29.8 per cent in 2003, with 40 per cent of Deans, 9.1 per cent of Professors, 10.8 per cent of Associate Professors and 40.6 per cent of Senior Lecturers being women.

Two appointments to the senior executive increased women's representation in the most senior leadership roles at UTS to 50 per cent in 2007 with women making up 57 per cent of all general staff.

The proportion of women employed in the more senior general staff positions (HEW10 and above) increased to 38.3 per cent in 2007 (up from 36 per cent in 2003).

UTS was also nominated for a national award from Diversity@Work for its Women@UTS initiative.

Women@UTS program

From 2003 to 2007 approximately 3000 female staff attended a variety of initiatives and activities including career planning and leadership workshops; local and international guest speakers; forums featuring key UTS women; support for United Nations Development Fund for Women Peace Scholar from Afghanistan; and community building activities – the women's Blue Stocking Choir, Pink Ribbon Day and participation in the 702 ABC Sydney KNIT IN.

Women's Early Career Researchers' Network

This network disseminates information to increase women's understanding of academic career paths; provides skills-based workshops; and provides networking opportunities leading to mentoring relationships and the establishment of collegial groups.

UTS Child Care

UTS continued to provide funding and in-kind support to UTS Child Care Inc. to assist with the running of three UTS child care centres. Children from over 130 UTS staff and student families attend these centres, with community members also accessing vacancies depending upon demand.

Key strategies for 2008

- > Continuing to implement professional development and community building initiatives through Women@UTS
- > Providing a career development program for female support staff
- > Ongoing coordination of the Early Career Women Researchers' network

Indigenous staff

Wingara Indigenous Employment and Career Development Strategy

UTS has had employment initiatives for Indigenous Australians in place since 1994 and the Wingara Management Committee is currently developing the next phase of the Wingara Indigenous Employment and Career Development Strategy for implementation from 2008–2010.

Indigenous professional development initiatives Indigenous Staff Network

The Indigenous Staff Network was established in 2005 to provide support to Indigenous Australian staff at the University. It is a safe and culturally sensitive environment for members' discussions and sharing of knowledge, projects etc.

Indigenous Women's Network

The Indigenous Women's Network supports Indigenous women with career and professional development needs and coordinates initiatives to build links between UTS and Indigenous communities. The Indigenous Women's Leadership forum community development trip to South-East Asia was a major focus for this network in 2007. Indigenous women at UTS also engaged with the Women's Business@UTS sessions to build links between Indigenous and non-Indigenous women at UTS.

Key strategies for 2008:

- > Developing and implementing the next phase of the Wingara Indigenous Employment and Career Development Strategy, including a new project to identify employment needs of Indigenous students at UTS
- > Ongoing coordination of developmental activities for Indigenous employees through the Indigenous Staff Network and Indigenous Women's Network
- > Ongoing implementation of recommendations arising from the UTS Reconciliation Statement

UTS Disability Action Plan

Implementation of the Disability Action Plan (DAP) continued under the guidance of the DAP Committee. Working groups have progressed issues around teaching and learning, the Library, communication and consultation, and improving access to the built environment. A focus during 2007 was an audit of activity to review the DAP and development of the next plan. A consultant has commenced the review and a new Disability Action Plan will be finalised in 2008.

Accessible Environments Advisory Group

This group assists the University in developing a coordinated and strategic approach to identifying, resolving and prioritising built environment access issues.

Disability Awareness training

As part of its commitment to disability awareness training, the Equity and Diversity Unit coordinates Auslan courses for staff and students. Twenty participants undertook the course in 2007.

Employment of people with disabilities

The Equity and Diversity Unit completed a report on disability employment at UTS in 2007. The report identified strategies aimed at increasing the representation of people with disabilities in permanent positions at UTS and investigated the employment experience of people with disabilities already employed at UTS.

Work training placements for people with disabilities

Since 2004 UTS has worked in collaboration with CRS Australia to provide opportunities for people with disabilities to undertake voluntary work placements in a range of areas across the University. The aim of the partnership is to provide competency-based work experience and a current referee in order to make people with disabilities more competitive in the job market. From mid-2006 to mid-2007, 13 CRS clients were placed at UTS with three successful in gaining paid employment at UTS following their placement.

Key strategies for 2008

- > Developing the new UTS Disability Action Plan 2009-2013
- > Implementing outcomes from the review of disability employment initiatives at UTS
- > Continuing to coordinate and promote the availability of core programs and services for people with disabilities within the University

Ethnic Affairs Priority Statement

All UTS staff and students benefit from developing their understanding of different cultures and perspectives to enable them to live and work as professionals in a diverse and increasingly globalised society.

UTS EAPS

The revised and updated EAPS was adopted by UTS in August 2006 and relaunched in 2007. The new UTS EAPS outlines the University's commitments as a culturally diverse institution that engages with and is reflective of the diversity of the broader community. The EAPS provides an overview of strategies and priorities relating to curriculum, staff selection and support, information and support for students, and social harmony and multiculturalism.

The UTS Cultural Diversity Working Party was reformed to monitor implementation of the EAPS and in 2007 its major initiative was the development of a comprehensive resource for staff on working effectively with students from culturally diverse backgrounds, and guidelines for the UTS community on non-discriminatory language.

Skillmax training

Skillmax is a free New South Wales Government program that helps staff from non-English-speaking backgrounds to maximise their qualifications from overseas, training, skills and experience. UTS provides opportunities for staff who want to improve their professional English skills for the workplace to attend Skillmax training in work time.

Cultural awareness and reconciliation

UTS held a number of cultural activities in 2007: InFusion Festival; National Reconciliation Week exhibition and events; and lectures and training activities contributing to the richness and understanding of cultural diversity at the University. Reconciliation activities were organised by the UTS Reconciliation Working Party which meets on a regular basis.

ELSSA Centre

The ELSSA Centre enhances teaching and learning at UTS through a focus on academic literacy, which involves reading, writing, listening, speaking, critical thinking and cultural knowledge. Intercultural awareness is fostered through discussions on sociocultural and educational differences and similarities as a means of enriching students' experiences on campus.

UTS Human Rights Awards

UTS continues to offer annual awards to recognise staff and student contributions to equity and social justice, with a new category introduced in 2007: the UTS Creative Media Social Justice Award.

Key strategies for 2008

- > Continuing implementation of the UTS Ethnic Affairs Priority Statement
- > Launching and distributing the new UTS Cultural Diversity and Inclusive Language resource
- > Continuing to coordinate participation in the Skillmax program for staff to develop their professional English skills for the workplace
- > Continuing to raise awareness of cultural diversity issues and implementing policies, programs and activities to promote an inclusive environment at UTS

Student equity

The UTS Student Equity Strategy is a comprehensive five-year plan covering the following key areas: outreach, admission, progress and success, and inclusive community.

The University's student equity objectives are to:

- > provide an education environment free from discrimination and harassment
- > improve access, participation, success and retention rates for under-represented equity groups at UTS

- > ensure that the diverse nature of the wider community is reflected in the University's student body and encourage the acceptance and valuing of diversity within its student population
- > provide a supportive and open organisational culture in which all students are able to develop full potential.

More detailed information on student equity group profiles and strategies for specific equity target groups are contained in the UTS Equity Update, available from the Equity and Diversity Unit.

Achievements in 2007

The University achieved growth in the UTS Educational Access Program as it neared the enrolment target of 10 per cent for the first time for applicants using the Universities Admission Index concession of 10 points and eligibility criteria of a single severe educational disadvantage and the inclusion of New South Wales Priority Funded Schools (9.6 per cent in 2007 up from 8.5 per cent in 2006).

Access under the Special Admissions Programs in 2007:

- > educational disadvantage – 22 (up from 21 in 2006)
- > refugee – 5 (down from 8 in 2006)
- > elite athlete/performer – 20 (up from 12 in 2006).

Access under the Temporary Protection Visa refugee scholarship scheme in 2007:

- > applicants – 5 (down from 12 in 2006)
- > eligible – 3 (down from 4 in 2006)
- > enrolments – 3 (same as 2006).

The Schools Outreach Program conducted school-based activities for the first time and UTS students from priority-funded schools were recruited to assist these sessions.

The *Money@Uni* book for high school students in years 10–12 and university students was launched. The book covers topics such as fees, costs, whether to work or not, Centrelink benefits, ways to reduce costs and a budget planner.

In development for 2008 is *YourChild@Uni*, a publication for parents of prospective students and first-year students from low socioeconomic backgrounds. It will cover topics such as the benefits and costs of university study, careers, and transition from school to university. The book will be translated into four community languages.

Gender Equity and Access Scheme

In 2006-2007 the Equity and Diversity Unit undertook a detailed investigation into gender representation in non-traditional fields of study. Recommendations arising from the report will be implemented in 2008.

University Transition Program

The Equity and Diversity Unit provided additional funding to the ELSSA Centre and the UTS Counselling Service following an investigation into the needs of students with English language difficulties and additional personal support needs. The report also identified Indigenous students and some international students entering via alternative pathways as being at greater risk than other students in terms of retention and success. Further work will be done in 2008 to implement strategies for these groups.

U:PASS program

Student Services Unit implemented peer-supported learning programs in 2007 in the Faculties of Business, Information Technology and Science, and 21 peer leaders were trained from the Faculties of Science, Engineering, and Business. *U:PASS* peer leaders run sessions to assist students with subjects that are perceived as difficult or have a high failure rate. The program targets 'high-risk subjects' not 'high-risk students' with peer leaders acting as learning facilitators not tutors.

Equity scholarships

The Federal Minister for Education, Training and Science gave approval in 2007 for UTS to convert unallocated Commonwealth Accommodation Scholarship funds to Commonwealth Education Costs (CEC) funds, making a total of 874 payments available for award in second semester 2007. In the mid-year equity scholarship round, UTS awarded 312 new CEC scholarships and made double payments to 142 of these recipients (i.e. a total of 453 payments). UTS also gave 21 Diversity Access Scholarship recipients who were not CEC-eligible an additional \$1000.

The amount available for 2008 CEC expenditure is likely to mean that all equity scholarship applicants who are eligible for a Commonwealth Scholarship will be awarded one.

Key strategies for 2008

Ongoing implementation of the Student Equity Strategy 2005-2008, with a focus on:

- > further developing the Schools Outreach Program
- > developing and implementing transition strategies for Indigenous students and international students entering UTS via alternative pathways
- > implementing recommendations from the report on gender equity in non-traditional fields.

APPENDIX D**Legislative changes**

The following significant legislative changes came into effect in relation to the 2007 operations of UTS.

Commonwealth legislation

(a) The *Education Services for Overseas Students Act 2000* was amended by:

- > *Education Services for Overseas Students Legislation Amendment (2006 Measures No 1) Act 2006*
- > *Education Services for Overseas Students Legislation Amendment (2006 Measures No 2) Act 2006*
- > *Education Services for Overseas Students Legislation Amendment Act 2007*.

Many of the amending provisions came into force on 1 January 2007 or 1 July 2007. The amendments included the introduction on 1 July 2007 of a new National Code of Practice for Registration Authorities and Providers of Education and Training Services to Overseas Students.

- (b) The *Copyright Act 1968* was amended by the *Copyright Amendment Act 2006*. The amendments became operational on 1 January 2007 and included provisions that create exceptions to copyright infringement for educational institutions which use copyright material for the purpose of educational instruction.
- (c) The *Higher Education Endowment Fund Act 2007* was enacted. This Act established a fund to make grants of financial assistance to eligible higher education institutions in relation to capital expenditure and research facilities.
- (d) The *Higher Education Legislation Amendment (2007 Budget Measures) Act 2007* was enacted. This Act amended the law in relation to higher education and research funding, including the *Higher Education Support Act 2003*. Some provisions commenced on 28 June 2007.

New South Wales legislation

- (a) The *Freedom of Information Act 1989* was amended by the *Freedom of Information Amendment (Open Government – Disclosure of Contracts) Act 2006*: the amendments created disclosure obligations in respect to specific categories of contracts entered into after 2 January 2007.

APPENDIX E

Guarantee of service

The University of Technology, Sydney is a university with an international reputation for quality programs and flexible learning. UTS standards for the provision of services are provided through formal policies, guidelines, rules and codes of conduct. Copies of these are available in either hardcopy or online at www.uts.edu.au.

UTS develops and regularly revises its programs of study in consultation with appropriate industry, government and professional bodies so that its degrees can be based on the latest professional standards and current practices. Courses developed and delivered by UTS reflect the University's commitment to providing a relevant education to its students. This includes flexible and work-based modes of learning and the ongoing internationalisation of the curriculum.

UTS also aims to ensure that the diverse nature of Australian society is reflected in its employment and education. The University integrates equal opportunity and affirmative action principles within its decisions and operations.

UTS is committed to continuously tracking and improving the quality of both its core activities (teaching, learning, research, external engagement) and the infrastructure and administrative and support systems which underpin them. Extensive work on improving the quality of UTS services to its students, partners and other stakeholders has been undertaken over the past six years and will continue to be refined. Improvements delivered during 2007 included, but were not limited to, those recommended by the Australian Universities Quality Agency in its routine audit of UTS in 2006.

The Planning and Quality Unit is responsible for tracking the overall performance of the University and individual faculties via a range of interrelated reporting mechanisms such as student and graduate surveys, Key Performance Indicators and the Course Performance Report. The Unit is continually working with faculties and other support units to strengthen and streamline existing tracking mechanisms and to develop new mechanisms to provide a more complete assessment of how well the University is delivering its mission and objectives.

APPENDIX F

Consumer response: complaint handling

UTS is committed to providing a learning and working environment in which complaints are responded to promptly and with minimum distress and maximum protection to all parties. As part of its commitment to creating a supportive and open organisational culture, the University is committed to ethical and responsible management, transparency in its decision-making processes, and a visible, accessible and fair complaints process. The University views student complaints as an opportunity to review and improve its policies and practices, and also to gain insight into student levels of satisfaction.

The University defines a complaint as a statement expressing dissatisfaction made to a manager or other person in authority at UTS that requires action or response.

In a large and complex community such as UTS, interactions between students and other students and staff are many and varied. The University seeks feedback from students about administrative and academic programs and services using a range of surveys and other feedback mechanisms, and acts to address any issues identified. The University recognises that critical comment and response are an important part of the collective endeavour to improve the quality of educational programs and community life, and such feedback would not normally be viewed as a complaint unless specific action was requested. In some cases however, students may feel that they have experienced unreasonable treatment, disadvantage or distress that they want to make a complaint about.

A key principle in the UTS complaint resolution process is that complaints are resolved wherever possible at the lowest appropriate level of management. The majority of complaints received by UTS are satisfactorily resolved at the faculty/unit level.

The University provides a number of specialist units – the Student Services Unit, the Equity and Diversity Unit, the Student Ombuds Office and UTS Legal Services – that provide assistance and support to students and/or managers in the effective resolution of complaints.

In 2007 these specialist units received approximately 65 student complaints (it is difficult to give an accurate figure as some students may have sought advice from more than one area), as follows:

- > The Student Services Unit received 18 student complaints, relating to a broad range of academic, interpersonal and service provision issues.
- > The Equity and Diversity Unit received 24 student complaints, relating to allegations of unlawful discrimination or harassment.
- > The Student Ombuds Office received 17 student complaints, relating to academic matters.
- > UTS Legal Services provided advice to the University in relation to six student complaints, covering a broad range of issues.

APPENDIX G

Payment of accounts

The approximate quarterly amount for payment of accounts is \$26 million with the time taken for payment of accounts being approximately 27 days.

APPENDIX H

Overseas travel

The University paid \$5.65 million for staff overseas travel in 2007. These payments were to support a wide range of activities, including attendance and presentation of research papers at international conferences, staff development, research and teaching at affiliated institutions.

APPENDIX I

Consultants

The University paid \$11.232 million for external consulting services in 2007, of which \$1.786 million was for capital works. A total of \$3.223 million was paid for consultancies consisting individually of less than \$30,000.

Payments in excess of \$30,000 totalled \$8.006 million and are listed below.

Consultant	Service	Cost (\$)
A & R Consulting Pty Ltd	course facilitation	74,164.56
Aarons Hotel	sale of Aarons Hotel	255,500.00
Academyglobal Pty Ltd	course facilitation	37,200.00
Acidgreen Pty Ltd	student feedback online system	60,000.00
ACIL Tasman Pty Ltd	research	36,974.00
AC Nielsen Research Pty Ltd	research	36,675.00
Acolade	project management	85,540.00
Advance Global Australian Professionals	course facilitation	30,374.13
ALBA National Pty Ltd	research	97,900.49
Australia Market Research Pty Ltd	research	148,185.00
Australian Playground Safety Institute Pty Ltd	course facilitation	191,700.65
Bajada, Christopher	research	35,000.00
Blackadder Gibbs Pty Ltd	course facilitation	41,845.00
BOS Global Ltd	project consulting	46,942.24
Burtenshaw Scoufis Architecture Pty Ltd	project consulting	60,507.00
CA (Pacific) Pty Ltd trading as Computer Associates Pty Ltd	project consulting	100,350.00
Cardno (Qld) Pty Ltd	research	55,000.00
Change2Improve Pty Ltd	course facilitation	237,055.68
Chia Moan & Associates Pty Ltd	course facilitation	52,290.00
Clarkson Business Services Pty Ltd	course facilitation	194,800.00
Class Software Pty Ltd	information technology	48,700.00
Cognos Pty Ltd	design	166,801.07
Colin Wood & Associates Pty Ltd	course facilitation	37,248.00
Colliers International Consultancy & Valuation Pty Ltd	asset valuation	111,000.00
Commonwealth Scientific and Industrial Research Organisation trading as CSIRO	research	40,130.84
Content Bank Australia Pty Ltd	information technology	32,919.60
CRI Project Management Pty Ltd	project management	533,399.67
Deloitte Touche Tohmatsu	course development	67,003.47
Dimension Data Australia Pty Ltd	design	148,810.00
Equal Opportunity for Women in the Workplace Agency (formerly Affirmative Action Agency)	course facilitation	43,796.00
G F James Pty Ltd	project management	37,649.03
Gardner Wetherill & Associates Pty Ltd	project management	203,759.00
Gavin Anderson & Company Australia Ltd	project consulting	550,376.92
GHD Pty Ltd	project management	39,909.00
Global Philanthropic Pty Ltd	project consulting	35,734.35
Henry Edwards Sharpe	project consulting	43,873.92
Hobsons	project consulting	144,000.00
Hudson Raymond John trading as Budden Nangle Michael & Hudson	project management	59,437.50
Knowledge2Success Pty Ltd	project management	41,440.00
L Corp Australia Pty Ltd trading as Everest Business Solutions	project consulting	66,150.00
Laeta Pty Ltd	course facilitation	70,000.00
Levitt Stewart trading as LMG Solicitors and Attorneys	project management	30,000.00
Lockenet Pty Ltd	information technology	41,147.55
LTC Language & Testing Consultants Pty Ltd	language testing	1,295,889.97
McDonald, Christine A trading as Christine McDonald Consulting	course facilitation	42,800.00
Menham, James G trading as J G Menham	research project	61,546.36
Norman Charles Laing	research	140,000.00
Olocktrust trading as Anstad Pty Ltd	course facilitation	66,666.22

Consultant	Service	Cost (\$)
Pamela Lloyd Publishing Services Pty Ltd	research	49,500.00
PDT Architects (NSW) Pty Ltd	project consulting	48,212.00
Pelion	project consulting	54,500.00
Pricewaterhousecoopers	student accommodation expressions of interest	109,959.23
Prospect Research & Marketing Pty Ltd trading as Robert Lawrence & Associates	market research	271,390.00
Rajula Imports Pty Ltd	course facilitation	75,704.98
Rega Controls Pty Ltd trading as Rega Controls	engineering	83,150.00
Richards, Kate trading as Sparke Media	project consulting	47,290.76
Sam Jeffries Consulting Pty Ltd trading as Sam Jeffries Consulting	course facilitation	48,572.40
Sense of Security Pty Ltd	information technology	36,475.00
Shotgrape Pty Ltd/A GBB Consulting Services	project consulting	84,400.00
Skill Strategies	course facilities	50,368.19
Solutions Marketing and Research Pty Ltd	research	294,884.95
Sommerson Communications Pty Ltd	project consulting	33,450.00
Spectra Financial Services Pty Ltd	information technology	30,000.00
Stafford, Julia Caroline trading as Kids in Motion Australia/Julie Stafford	course development	56,060.01
Survey Engine Pty Ltd	research	78,980.73
TAFE-South Western Sydney Institute	course facilitation	45,454.55
The Croft Family Trust trading as Croft IP	project consulting (staff contractor)	114,250.00
The Francis-Jones Trust & the Morehen Trust & the Thorp Trust trading as Francis-Jones Morehen Thorp Pty Ltd	project consulting	35,454.55
The Online Research Unit	research	32,000.00
The Trustee Phillips KPA Unit Trust	student service review	47,449.46
Voice Project Pty Ltd	employee survey	30,410.00
Waterman AHW Pty Ltd	engineering	34,990.91
Woods Bagot Pty Ltd	project management	135,300.00
Total (for payments greater than \$30,000)		8,006,399.94

APPENDIX J1

Heritage asset management

UTS's Heritage Asset Management Strategy was submitted to the New South Wales Heritage Office for review in 2007 and some additional editorial input has been requested before submission to the Heritage Council of NSW for acceptance.

The UTS heritage property portfolio comprises:

- > CB03 Bon Marche
- > CB08 The Terraces
- > CB09 The Loft
- > CB11 Bradshaw Building
- > CC01-7 Blackfriars campus

The current key actions are identified for the heritage portfolio:

- > review the conservation status of the assets annually
- > inspect once every three years to check on overall condition
- > address any minimum maintenance issues as they arise.

APPENDIX J2

Works in progress and completed in 2007

Property/building number	Work	\$'000
All buildings	Building services: environment, health and safety compliance works, stage 2	\$215
Building 1	Domestic water supply upgrade, level 1, Building 1, city campus	\$600
Building 1	Upgrade northern balconies, level 5, Building 1, city campus	\$350
Building 1	Upgrade of Information Technology Division accommodation, levels 9 and 10, Building 1, city campus	\$980
Building 1	New mechanical switchboard to plant rooms, levels 8 and 28, Building 1, city campus	\$400
Building 1	Chilled water and heating water system pressure separation, Building 1, city campus	\$600
Building 1	New light fittings, Building 1, city campus	\$400
Building 1	Upgrade foyers, levels 10 to 17, Building 1, city campus	\$900
Building 1	Upgrade lecture theatre, room 4.06, level 4, Building 1	\$200
Building 1	New main circuit-breakers and metering for main switchboard, level 1, zone A	\$200
Building 1	Energy tower, Building 1, city campus	\$200
Building 2	General teaching space, upgrade of rooms 4.22 and 4.23, level 4, Building 2	\$325
Building 2	Relocation of Audio Visual Services to Building 2, city campus	\$750
Building 2	New light fittings, levels 1 to 3, Building 2	\$200
Building 2	Office lights and ceiling, levels 5 and 6, Building 2	\$200
Building 3	Refurbishment of performance space, room 3.1.05, Building 3	\$470
Building 3	Upgrade of Building 3, city campus	\$1,990
Building 3	Refurbishment of lecture theatre, room 5.10, Building 3	\$200
Building 4	Faculty of Science, post occupancy works, Building 4	\$660
Building 4	Microstructural Analysis Unit, level 1, Building 4	\$2,700
Building 4	University Hall refurbishment, level 2, Building 4	\$980
Building 5	New air-cooled chiller, block B, Building 5, Haymarket	\$725
Building 5	Upgrade classrooms, rooms 327, 328 and 329, Building 5, Haymarket	\$300
Building 5	Replace lift 5, block D, Haymarket	\$350
Building 5	Expansion of the Blake Library, block A, Building 5, Haymarket	\$7,865
Building 5	Upgrade classrooms on level 1: C1.05, 1.10, 1.11, 1.13, 1.15, block C, Building 5, Haymarket	\$580
Building 5	Upgrade air handling units 10 and 12, block D, Building 5, Haymarket	\$280
Building 5	Segregation of the mail/photocopying room from staff room, block C, Building 5, Haymarket	\$460
Building 6	New wall system, UTS Gallery, level 4, Building 6	\$250
Building 6	Refurbishment and upgrade of postgraduate spaces on level 4, Building 6	\$600
Building 6	Faculty of Design, Architecture and Building Design Studio works, level 7, Building 6	\$1,600
Building 6	Fit out for School of Finance and Economics to level 4, 645 Harris Street	\$370
Building 6	Relocation of drawing studio for the School of Design from level 6 to level 2, Building 6	\$200
Building 6	Upgrade of sewing room workshop for the School of Design on level 6, Building 6	\$200
Building 6	Relocation of Resource Centre to level 2, Building 6	\$200
Building 7	Demolition of Building 'T', Building 7, Ultimo	\$1,730
City campus buildings	Public space furniture, Buildings 1, 2, 3, 5 and 6	\$500
City, Kuring-gai campuses	New UTS Student Centres, all campuses	\$990
Housing	Geegal student accommodation refurbishment, 82-84 Ivy Street, Ultimo	\$440
Kuring-gai campus	Airconditioning to Faculty of Nursing, Midwifery and Health classrooms, Building 2, Kuring-gai campus	\$250
Kuring-gai campus	Replacement of fire indicator panel and Emergency Warning Intercommunications System panel	\$220

APPENDIX J3

Land disposals

UTS disposed of only one property during 2007 and its gross sales proceeds totalled \$25.55 million.

The property disposed of in 2007 was sold in accordance with government policy. There were no properties which had a value of more than \$5 million disposed of by means other than public auction or tender.

There were no family connections or business associations between the people that acquired the properties and the people responsible for approving the disposal of the properties.

The relevant property no longer matched strategic requirements in the Campus Development Plan and the proceeds of the sale have been retained for future planned investment in education facilities.

An application for access to documents concerning details of properties disposed of during the reporting year may be made in accordance with the *Freedom of Information Act 1989*.

APPENDIX J4

Land register

Property/building number	Campus	Use	Building/infrastructure valuation \$'000	Land valuation \$'000
Broadway Building 1 (Tower)	city	educational	-	-
Broadway Building 2 (annex to Tower)	city	educational	-	-
Broadway Building 3 (Bon Marche)	city	educational	-	-
Broadway Building 4	city	educational	-	-
Broadway The Terraces (9-13 Broadway)	city	educational	-	-
Broadway The Loft	city	educational	-	-
Broadway Building 6 (Harris Street)	city	educational	-	-
Broadway subtotal			277,966	113,000
Haymarket Building 5	city	educational	71,155	72,000
Blackfriars campus	city	educational/childcare	3,039	12,650
Building 7 (ex TAFE Building T)	city	vacant	-	12,750
Building 10 Jones Street	city	educational	102,060	42,000
Kuring-gai campus	Lindfield	educational	36,392	54,100
Gumal Ngurang student housing	city	student housing	25,071	17,000
Bulga Ngurra student housing	city	student housing	6,402	4,100
Geegal student housing	city	student housing	4,115	2,600
Royal North Shore Hospital	St Leonards	educational	3,771	-
Yarrowood Conference and Research Centre	Yarramundi	educational/research	375	2,100
Stroud Research Field Station	Stroud	research station	65	235
Vice-Chancellor's residence	Pymont	housing	2,650	-
14 Ultimo Road (ex Dairy Farmers)	city	commercial	135	17,375
Total			533,196	349,910

Note 1: values are based on Colliers valuation dated 31 December 2007.

Note 2: in May 2007 UTS disposed of the property Aarons Hotel.

APPENDIX K

Freedom of information

In accordance with the *Freedom of Information Act 1989* (NSW), the University published a Summary of Affairs in June and December 2007 in the *Government Gazette of the State New South Wales*. The University also published a Statement of Affairs in June 2007. Both documents are available on the University's FOI website and copies are also available from the UTS Freedom of Information Contact Officer.

Freedom of information application statistics

The following statistics are provided in accordance with the *Freedom of Information Act 1989* (NSW) and the *Annual Reports (Statutory Bodies) Act 1984* (NSW).

Section A: new FOI requests

Why was access to the documents refused?		Number of refused FOI applications					
		Personal		Other		Total	
		2006	2007	2006	2007	2006	2007
F1	Exempt	-	-	-	-	-	-
F2	Deemed refusal	-	-	-	-	-	-
F3	Total refused	-	-	-	-	-	-

Section B: discontinued applications

Why were FOI applications discontinued?		Number of discontinued FOI applications					
		Personal		Other		Total	
		2006	2007	2006	2007	2006	2007
B1	Request transferred to another agency (s.20)	-	-	-	-	-	-
B2	Applicant withdrew request	-	-	-	1	-	1
B3	Applicant failed to pay advanced deposit (s.22)	-	-	-	-	-	-
B4	Applicant failed to amend request that would have been an unreasonable diversion of resources to complete (s.25 (1)(a1))	-	-	-	1	-	1
B5	Total discontinued	-	-	-	2	-	2

Section C: completed applications

What happened to completed FOI applications?		Number of completed FOI applications					
		Personal		Other		Total	
		2006	2007	2006	2007	2006	2007
C1	Granted or otherwise available in full	1	3	1	4	2	7
C2	Granted or otherwise available in part	3	1	2	2	5	3
C3	Refused	-	-	-	-	-	-
C4	No documents held	-	-	-	-	-	-
C5	Total completed	4	4	3	6	7	10

Section D: applications granted or otherwise available in full

How were the documents made available to the applicant?		Number of FOI applications (granted or otherwise available in full)					
		Personal		Other		Total	
		2006	2007	2006	2007	2006	2007
D1	Provided to the applicant	1	3	-	4	-	7
D2	Provided to the applicant's medical practitioner	-	-	-	-	-	-
D3	Available for inspection	-	-	-	-	-	-
D4	Available for purchase	-	-	-	-	-	-
D5	Library material	-	-	-	-	-	-
D6	Subject to deferred access	-	-	-	-	-	-
D7	Available by a combination of any of the reasons listed in D1-D6 above	-	-	1	-	-	-
D8	Total granted or otherwise available in full	1	3	1	4	2	7

Section E: applications granted or otherwise available in part

How were the documents made available to the applicant?		Number of FOI applications (granted or otherwise available in part)					
		Personal		Other		Total	
		2006	2007	2006	2007	2006	2007
E1	Provided to the applicant	3	1	2	2	5	3
E2	Provided to the applicant's medical practitioner	-	-	-	-	-	-
E3	Available for inspection	-	-	-	-	-	-
E4	Available for purchase	-	-	-	-	-	-
E5	Library material	-	-	-	-	-	-
E6	Subject to deferred access	-	-	-	-	-	-
E7	Available by a combination of any of the reasons listed in E1-E6 above	-	-	-	-	-	-
E8	Total granted or otherwise available in part	3	1	2	2	5	3

Section F: refused FOI applications

Why was access to the documents refused?		Number of refused FOI applications					
		Personal		Other		Total	
		2006	2007	2006	2007	2006	2007
F1	Exempt	-	-	-	-	-	-
F2	Deemed refusal	-	-	-	-	-	-
F3	Total refused	-	-	-	-	-	-

Section G: exempt documents

Why were the documents classified as exempt? (identify one reason only)	Number of FOI applications (refused or access granted or otherwise available in part only)						
	Personal		Other		Total		
	2006	2007	2006	2007	2006	2007	
Restricted documents							
G1	Cabinet documents (c.1)	-	-	-	-	-	-
G2	Executive Council documents (c.2)	-	-	-	-	-	-
G3	Documents affecting law enforcement and public safety (c.4)	-	-	-	-	-	-
G4	Documents affecting counter-terrorism measures (c.4a)	-	-	-	-	-	-
Documents requiring consultation							
G5	Documents affecting intergovernmental relations (c.5)	-	-	-	-	-	-
G6	Documents affecting personal affairs (c.6)	3	1	2	2	5	3
G7	Documents affecting business affairs (c.7)	-	-	-	-	-	-
G8	Documents affecting the conduct of research (c.8)	-	-	-	-	-	-
Documents otherwise exempt							
G9	Schedule 2 exempt agency	-	-	-	-	-	-
G10	Documents containing information confidential to Olympic committees (c.22)	-	-	-	-	-	-
G11	Documents relating to threatened species, Aboriginal objects or places (c.23)	-	-	-	-	-	-
G12	Documents relating to threatened species conservation (c.24)	-	-	-	-	-	-
G13	Plans of management containing information of Aboriginal significance (c.25)	-	-	-	-	-	-
G14	Private documents in public library collections (c.19)	-	-	-	-	-	-
G15	Documents relating to judicial functions (c.11)	-	-	-	-	-	-
G16	Documents subject to contempt (c.17)	-	-	-	-	-	-
G17	Documents arising out of companies and securities legislation (c.18)	-	-	-	-	-	-
G18	Exempt documents under interstate FOI legislation (c.21)	-	-	-	-	-	-
G19	Documents subject to legal professional privilege (c.10)	-	-	-	-	-	-
G20	Documents containing confidential material (c.13)	-	-	-	-	-	-
G21	Documents subject to secrecy provisions (c.12)	-	-	-	-	-	-
G22	Documents affecting the economy of the state (c.14)	-	-	-	-	-	-
G23	Documents affecting financial or property interests of the state or an agency (c.15)	-	-	-	-	-	-
G24	Documents concerning operations of agencies (c.16)	-	-	-	-	-	-
G25	Internal working documents (c.9)	-	-	-	-	-	-
G26	Other exemptions (e.g. c.20, 22a and 26)	-	-	-	-	-	-
G27	Total applications including exempt documents	3	1	2	2	5	3

Section H: ministerial certificates

How many ministerial certificates (s.59) were issued?	Number		
	2006	2007	
H1	Ministerial certificates issued	-	-

Section I: formal consultations

How many formal consultations were conducted?	Number		
	2006	2007	
I1	Number of applications requiring formal consultation	3	4
I2	Number of persons formally consulted	5	4
I3	Total	8	8

Section J: amendment of personal records

How many applications for amendment of personal records were agreed or refused?		Number	
		2006	2007
J1	Agreed in full	-	-
J2	Agreed in part	-	-
J3	Refused	-	-
J4	Total	-	-

Section K: notation of personal records

How many applications for notation of personal records were made [s.46]?		Number	
		2006	2007
K1	Applications for notation	-	-

Section L: fees and costs

What fees were assessed and received for FOI applications processed (excluding applications transferred out)?		Assessed costs		Fees received	
		2006	2007	2006	2007
L1	All completed applications	\$1680	\$690	\$210	\$330

Section M: fee discounts

How many fee waivers or discounts were allowed and why?		Number of FOI applications (where fees were waived or discounted)					
		Personal		Other		Total	
		2006	2007	2006	2007	2006	2007
M1	Processing fees waived in full	-	-	-	-	-	-
M2	Public interest discounts	-	-	-	-	-	-
M3	Financial hardship discounts – pensioner/child	-	-	-	-	-	-
M4	Financial hardship discounts – non-profit organisation	-	-	-	-	-	-
M5	Total	-	-	-	-	-	-

Section N: fee refunds

How many fee refunds were granted as a result of significant correction of personal records?		Number of refunds	
		2006	2007
N1	Number of fee refunds granted as a result of significant correction of personal records	-	-

Section O: days taken to complete request

How long did it take to process completed applications? (note: calendar days)		Number of completed FOI applications					
		Personal		Other		Total	
		2006	2007	2006	2007	2006	2007
O1	0-21 days – statutory determination period	3	4	2	3	5	7
O2	22-35 days – extended statutory determination period for consultation or retrieval of archived records (s.59B)	–	–	–	3	–	3
O3	Over 21 days – deemed refusal where no extended determination period applies	–	–	–	–	–	–
O4	Over 35 days – deemed refusal where no extended determination period applies	1	–	1	–	2	–
O5	Total	4	4	3	6	7	10

Section P: processing time – hours

How long did it take to process completed applications?		Number of completed FOI applications					
		Personal		Other		Total	
		2006	2007	2006	2007	2006	2007
P1	0-10 hours	3	4	2	6	5	10
P2	11-20 hours	–	–	–	–	–	–
P3	21-40 hours	1	–	–	–	1	–
P4	Over 40 hours	–	–	1	–	1	–
P5	Total	4	4	3	6	7	10

Section Q: number of reviews

How many reviews were finalised?		Number of completed reviews	
		2006	2007
Q1	Internal reviews	1	1
Q2	Ombudsman reviews	–	–
Q3	Administrative Decisions Tribunal reviews	–	–

Section R: results of internal reviews

Grounds on which internal review was requested		Number of internal reviews					
		Personal		Other		Total	
		Original agency decision upheld	Original agency decision varied	Original agency decision upheld	Original agency decision varied	Original agency decision upheld	Original agency decision varied
R1	Access refused	–	1	–	–	–	1
R2	Access deferred	–	–	–	–	–	–
R3	Exempt matter deleted from documents	–	–	–	–	–	–
R4	Unreasonable charges	–	–	–	–	–	–
R5	Failure to consult with third parties	–	–	–	–	–	–
R6	Third party views disregarded	–	–	–	–	–	–
R7	Amendment of personal records refused	–	–	–	–	–	–
R8	Total	–	1	–	–	–	1

APPENDIX L

Privacy

UTS respects the privacy of each individual's personal and health information and is committed to protecting the information it holds and uses. The University is bound by the 12 Information Protection Principles contained within the *Privacy and Personal Information Protection Act 1998* (NSW). This Act covers the University in relation to 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 in the *Health Records and Information Privacy Act 2002* (NSW). This Act covers the University in relation to health information on or after 1 September 2004.

Privacy Management Plan

Under the *Privacy and Personal Information Protection Act 1998* (NSW) the University is required to develop and implement a Privacy Management Plan. The plan is a statement of how the agency complies, or intends to comply, with the abovementioned legislation. The plan includes provisions for policies and practices to ensure compliance, information and training programs for staff, and procedures on the University's internal review process. The Privacy Management Plan has been lodged with the NSW Privacy Commissioner. The UTS Privacy Management Plan is currently under review and will be completed in 2008.

Privacy complaints

During 2007, one formal privacy complaint was received by the University and was subject to internal review.

APPENDIX M

Publications and promotion

UTS prints a range of UTS-focused publications, including magazines and books, and maintains a comprehensive website (relaunched in 2007) to keep interested parties up-to-date about the University.

Audiences for these publications range from students (potential and current) to parents, alumni, staff, government, industry, media, government agencies and other universities (domestic and overseas).

A new publication for 2007 was *Money@Uni*, a book for year 12 and university students. The book covers topics such as the cost of going to uni; fees explained; additional costs and how to plan for them; whether or not to work; Centrelink benefits; ways to reduce costs; and a budget planner. It was created by the Equity and Diversity Unit and the Financial Assistance Service in the Student Services Unit.

Annual publications include the *UTS: Annual Report*, published in April each year principally for the New South Wales Government, which comprehensively covers the University's operations and strategy for the preceding calendar year.

The *UTS: Calendar* provides an annual overview of the primary legislation and rules applying to UTS, explains the University's organisation, management and structure, and lists staff, student services and courses.

The primary courses publication, the *UTS: Handbook*, lists every course and subject in detail, as well as relevant information about studying at UTS.

Under section 14 of the *Freedom of Information Act 1989* (NSW), UTS is required to produce an annual *Statement of Affairs*. This contains a description of UTS's structure and functions, their effect on members of the public, public access to the exercise of the University's functions and policy formulation, types of documents held by UTS and how the public can access them and seek amendments to records concerning them. A *Summary of Affairs* is produced in June and December each year with a list of current policies and manuals.

All the above official publications are produced by the Governance Support Unit, one of the main publishing units of the University along with the Marketing and Communication Unit (MCU), which produces a number of student-focused guides with contemporary magazine-style design to appeal to the student market. These publications are not formal course guides, but showcase the University's faculties and services, and provide insight into life at UTS and future careers.

Marketing publications include the *UTS Undergraduate Courses Guide* (with individual faculty editions), *U@Uni*, *International Undergraduate Student Prospectus*, *International Postgraduate Student Prospectus* and the *Study Abroad Prospectus*.

A monthly magazine *U*: is published by MCU for staff, students and members of the external community.

Most of the publications listed above are published on the UTS website (www.uts.edu.au) with some also available in PDF.

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