



UNIVERSITY OF  
TECHNOLOGY SYDNEY

UTS ANNUAL REPORT 2008

FINANCES AND APPENDICES

20  
UTS  
ANNIVERSARY

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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 2008 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 2008 Reporting Period by Australian Higher Education Providers
3. the financial reports have been prepared in accordance with Australian Accounting Standards (AASB), AASB interpretations and other mandatory professional reporting requirements
4. we are not aware of any circumstances which would render any particulars included in the financial 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

15<sup>th</sup> April 2009

# Independent auditor's report



GPO BOX 12  
Sydney NSW 2001

## INDEPENDENT AUDITOR'S REPORT

### University of Technology, Sydney and controlled entities

To Members of the New South Wales Parliament

I have audited the accompanying financial report of University of Technology, Sydney (the University), and the University and controlled entities (the consolidated entity), which comprises the balance sheet as at 31 December 2008, 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 2008, and of their financial performance 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 2008 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*.

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

#### 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.

# Independent auditor's report

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.

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

20 April 2009  
SYDNEY

# Statement of financial performance

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2008

	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
<b>Revenue from continuing operations</b>					
Australian Government financial assistance					
> Australian Government grants	2.1	174,289	150,064	174,289	150,064
> HECS-HELP – Australian Government payments	2.1	67,174	60,508	67,174	60,508
> FEE-HELP	2.1	28,358	25,274	23,076	20,948
State and local governments financial assistance	2.2	4,906	3,375	4,906	3,375
HECS-HELP – student payments		23,055	21,415	23,055	21,415
Fees and charges	2.3	164,242	154,480	130,641	124,863
Investment revenue	2.4	12,592	7,856	10,626	6,457
Royalties, trademarks and licences	2.5	707	267	612	180
Consultancy and contracts	2.6	8,917	9,731	7,945	8,957
Other revenue	2.7	13,117	12,047	17,184	14,695
<b>Total revenue from continuing operations</b>		<b>497,357</b>	<b>445,017</b>	<b>459,508</b>	<b>411,462</b>
Gains on disposal of assets	5	3,040	3,944	–	3,944
Investments accounted for using the equity method	14	2,641	1,209	–	–
Other investment income	2.4	–	55	–	55
Other income	2.7	15,145	10,735	15,601	11,267
<b>Total income from continuing operations before deferred Government superannuation contributions</b>		<b>515,143</b>	<b>460,960</b>	<b>475,109</b>	<b>426,728</b>
Deferred Government superannuation contributions		166,755	(24,179)	166,755	(24,179)
<b>Total revenue and income from continuing operations</b>		<b>681,898</b>	<b>436,781</b>	<b>641,864</b>	<b>402,549</b>
<b>Expenses from continuing operations</b>					
Employee related expenses	3.1	273,913	254,973	257,098	238,609
Depreciation and amortisation	3.2	50,610	49,676	49,210	47,881
Repairs and maintenance	3.3	9,354	8,539	9,194	8,344
Finance costs	4	3,035	4,906	2,962	4,842
Impairment of assets	3.4	(157)	78	(158)	75
Losses on disposal of assets	5	1,528	–	1,528	–
Other expenses	3.5	118,115	106,468	102,842	92,903
<b>Total expenses from continuing operations before deferred employee benefits for superannuation</b>		<b>456,398</b>	<b>424,640</b>	<b>422,676</b>	<b>392,654</b>
Deferred employee benefits for superannuation		170,785	(24,898)	170,785	(24,898)
<b>Total expenses from continuing operations</b>		<b>627,183</b>	<b>399,742</b>	<b>593,461</b>	<b>367,756</b>
<b>Operating result before income tax</b>		<b>57,992</b>	<b>37,665</b>	<b>48,403</b>	<b>34,793</b>
Income tax expense	6	44	55	–	–
<b>Operating result from continuing operations</b>		<b>54,671</b>	<b>36,984</b>	<b>48,403</b>	<b>34,793</b>
Operating result from discontinued operations	36	2,868	626	–	–
<b>Operating result attributable to members of the University of Technology, Sydney</b>		<b>57,539</b>	<b>37,610</b>	<b>48,403</b>	<b>34,793</b>

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

# Statement of financial position

AS AT 31 DECEMBER 2008

	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and cash equivalents	9	175,506	26,365	143,308	2,384
Receivables	10	7,565	10,019	6,781	9,737
Other financial assets	11	41	88,384	41	88,384
Other non-financial assets	12	24,137	13,358	22,237	11,860
Non-current assets classified as held for sale	13	–	60	–	–
<b>Total current assets</b>		<b>207,249</b>	<b>138,186</b>	<b>172,367</b>	<b>112,365</b>
<b>Non-current assets</b>					
Receivables	10	297,750	128,631	295,386	128,631
Investments accounted for using the equity method	14	10,439	6,852	–	–
Other financial assets	11	255	3,636	323	3,710
Other non-financial assets	12	179	200	179	200
Property, plant and equipment	15	918,384	942,283	915,918	939,696
Intangible assets	16	17,461	19,800	16,225	17,944
<b>Total non-current assets</b>		<b>1,244,468</b>	<b>1,101,402</b>	<b>1,228,031</b>	<b>1,090,181</b>
<b>Total assets</b>		<b>1,451,717</b>	<b>1,239,588</b>	<b>1,400,398</b>	<b>1,202,546</b>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Trade and other payables	17	27,594	27,634	24,651	25,991
Borrowings	18	2,893	2,553	2,893	2,553
Provisions	19	52,550	51,330	51,357	50,371
Other liabilities	20	23,186	20,138	9,570	8,872
<b>Total current liabilities</b>		<b>106,223</b>	<b>101,655</b>	<b>88,471</b>	<b>87,787</b>
<b>Non-current liabilities</b>					
Borrowings	18	42,836	42,842	42,836	42,842
Provisions	19	307,926	136,596	307,587	136,320
Other liabilities	20	1,286	1,343	–	–
<b>Total non-current liabilities</b>		<b>352,048</b>	<b>180,781</b>	<b>350,423</b>	<b>179,162</b>
<b>Total liabilities</b>		<b>458,271</b>	<b>282,436</b>	<b>438,894</b>	<b>266,949</b>
<b>Net assets</b>		<b>993,446</b>	<b>957,152</b>	<b>961,504</b>	<b>935,597</b>
<b>EQUITY</b>					
<b>Parent entity interest</b>					
Statutory funds	21	21,102	11,547	21,102	11,547
Reserves	22 (a)	446,062	467,559	445,203	467,951
Retained surplus	22 (d)	526,282	478,046	495,199	456,099
<b>Total equity</b>		<b>993,446</b>	<b>957,152</b>	<b>961,504</b>	<b>935,597</b>

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



# Statement of changes in equity

AS AT 31 DECEMBER 2008

	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
<b>Total equity at the beginning of the year</b>		<b>957,152</b>	<b>804,079</b>	<b>935,597</b>	<b>785,136</b>
Exchange differences on translation of foreign operations	22 (b)	1,251	(206)	-	-
Change in fair value of available for sale financial assets	22 (b)	(3,185)	3,158	(3,185)	3,158
Gain/(loss) on revaluation of property, plant and equipment	22 (b)	(19,311)	112,510	(19,311)	112,510
Share of changes recognised directly in the associates equity	22 (b)	-	1	-	-
<b>Net income/(loss) recognised directly in equity</b>		<b>(21,245)</b>	<b>115,463</b>	<b>(22,496)</b>	<b>115,668</b>
Operating result for the period		57,539	37,610	48,403	34,793
<b>Total recognised income and expense for the period</b>		<b>36,294</b>	<b>153,073</b>	<b>25,907</b>	<b>150,461</b>
<b>Total equity at the end of the year</b>		<b>993,446</b>	<b>957,152</b>	<b>961,504</b>	<b>935,597</b>
Total recognised income and expense for the year is attributable to:					
> Members of University of Technology, Sydney		36,294	153,073	25,907	150,461
		36,294	153,073	25,907	150,461
Effect of correction of error in previous year, being a decrease in retained surplus, attributable to members of University of Technology, Sydney	22 (e)	-	1,672	-	1,672

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

# Statement of cash flows

AS AT 31 DECEMBER 2008

	Notes	Economic entity [Consolidated]		Parent entity (University)	
		2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
<b>Cash flows from operating activities</b>					
Australian Government grants received	33	267,835	230,716	262,553	226,390
State Government grants received	2.2	4,538	3,105	4,538	3,105
Local Government grants received	2.2	368	270	368	270
HECS-HELP – student payments		23,049	21,505	23,049	21,505
Receipts from student fees and other customers		225,732	207,912	190,960	172,711
Dividends received		538	263	538	263
Interest received		9,453	9,345	7,427	7,939
Payments to suppliers and employees (inclusive of goods and services tax)		(416,206)	(390,762)	(382,436)	(355,943)
Interest and other costs of finance paid		(3,035)	(4,095)	(2,962)	(4,077)
Income tax paid		(67)	(45)	–	–
<b>Net cash provided by/(used in) operating activities</b>	<b>32</b>	<b>112,205</b>	<b>78,214</b>	<b>104,035</b>	<b>72,163</b>
<b>Cash flows from investing activities</b>					
Proceeds from sale of property, plant and equipment	5	1,157	25,721	150	25,598
Proceeds from sale of financial assets		354,109	276,215	354,109	276,211
Payments for financial assets		(265,752)	(309,738)	(265,746)	(309,738)
Purchase of shares		(223)	–	(223)	–
Payments for property, plant and equipment		(49,432)	(31,580)	(48,434)	(30,667)
<b>Net cash provided by/(used in) investing activities</b>		<b>39,859</b>	<b>(39,382)</b>	<b>39,856</b>	<b>(38,596)</b>
<b>Cash flows from financing activities</b>					
Proceeds from borrowings		–	–	–	–
Repayment of borrowings		–	(34,121)	–	(34,121)
Repayment of finance leases		(2,967)	(3,046)	(2,967)	(3,046)
<b>Net cash provided by/(used in) financing activities</b>		<b>(2,967)</b>	<b>(37,167)</b>	<b>(2,967)</b>	<b>(37,167)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>					
Cash and cash equivalents at the beginning of the year		149,097	1,665	140,924	(3,600)
Effect of exchange rate changes on cash and cash equivalents		26,365	24,599	2,384	5,984
		44	101	–	–
<b>Cash and cash equivalents at end of year</b>	<b>9</b>	<b>175,506</b>	<b>26,365</b>	<b>143,308</b>	<b>2,384</b>
Financing arrangements	18				
Non-cash financing and investing activities	24				

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 2008

## 1. SUMMARY 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 by all entities to all the years presented, unless otherwise stated. The financial report includes separate financial statements for the University of Technology, Sydney as an individual entity and the consolidated entity consisting of the University of Technology, Sydney and its subsidiaries.

The financial report was authorised for issue by the Council of the University of Technology, Sydney on 15 April 2009.

### (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 2008 Reporting Period* issued by the Commonwealth Department of Education, Employment and Workplace Relations (DEEWR)
- (iv) the *Public Finance and Audit Act 1983* (NSW) and the *Public Finance and Audit Regulation 2005* (NSW).

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

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

### Critical accounting estimates

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

### (b) Principles of consolidation

#### (i) Subsidiaries

The 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 Limited, a controlled entity of the University
- > UTSM Services (Malaysia) Sdn. Bhd, a controlled entity of the University

The accounting policies adopted in preparing the 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) and
- > all resulting exchange differences are recognised as a separate component of equity.

# Notes to the financial statements

AS AT 31 DECEMBER 2008

## (d) Revenue recognition

In accordance with AASB 1004 *Contributions*, the operating and research grants provided by the federal government under the *Higher Education Support Act 2003* [Cwlth] 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 AASB 117 *Leases*.

Finance leases, which transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease at the present value of the minimum lease payments.

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 that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

## (i) Cash and cash equivalents

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

## (j) Receivables

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

Non-current receivables are recognised at fair value.

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

## (k) Inventories

The University holds no material inventory.

## (l) Non-current assets held for sale

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

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

# Notes to the financial statements

AS AT 31 DECEMBER 2008

## **(m) Investments and other financial assets**

The Group classifies its investments in the following categories:

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

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

### **(ii) Available-for-sale financial assets**

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

### **(iii) Other financial assets**

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

## **(n) Derivatives**

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value. 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 34.

## **(o) Fair value estimation**

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

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 that the carrying amount does not differ materially from the asset's fair value at the balance date.

Revaluation surpluses have been credited to the asset revaluation reserve included in the equity section of the balance sheet.

# Notes to the financial statements

AS AT 31 DECEMBER 2008

## (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
Computer software	14.30	Straight line
Office, teaching and research equipment	20 to 25	Straight line
Library collection	12.50	Straight line, 5% residual

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

## (iv) Impairment

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

## (v) Disposals

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

## (q) Intangible assets

### (i) Research and development

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

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

### (ii) Software

Software, where it is not an integral part of the related hardware, is classified as an intangible asset with a finite life. Amortisation is charged on a straight line basis at the rate of 14.29 per cent per annum.

### (iii) Perpetual licences for online serials

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

## (r) Unfunded superannuation

In accordance with the 1998 instructions issued by the Department of Education, Science and Training, 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*, *Higher Education Funding Act 1988* 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 2008 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 12 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 AASB 123 *Borrowing Costs*.

# Notes to the financial statements

AS AT 31 DECEMBER 2008

## (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 12 months of the reporting date, are recognised in other payables and provisions in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled.

### (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 national 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 AASB 119 *Employee Benefits* 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, while the share of retained earnings is recognised in the balance sheet. Details of joint ventures are set out in note 14.

## (y) Goods and services tax

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

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

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

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

## (z) Comparative figures

Where necessary, the classifications of 2007 comparative figures have been adjusted to conform with the mandatory presentation for the current year. These reclassifications have no effect on the 2007 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 2008 reporting periods. The University's assessment of the impact of these new standards and interpretations is set out below:

1. AASB 123 *Borrowing Costs*. 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 2008 year.

# Notes to the financial statements

AS AT 31 DECEMBER 2008

	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
<b>2. REVENUE FROM CONTINUING OPERATIONS</b>					
<b>2.1 Australian Government financial assistance including HECS-HELP and FEE-HELP</b>					
<b>(a) Commonwealth Grant Scheme and other grants</b>					
	33.1				
Commonwealth Grant Scheme <sup>1</sup>		106,709	100,158	106,709	100,158
Indigenous Support Program		1,301	1,319	1,301	1,319
Equity Support Program		118	118	118	118
Workplace Reform Program		1,500	1,526	1,500	1,526
Workplace Productivity Program		476	–	476	–
Learning and Teaching Performance Fund		8,399	5,555	8,399	5,555
Capital Development Pool		900	2,122	900	2,122
Disability Support Program		353	357	353	357
Collaboration and Structural Reform Program <sup>2</sup>		1,201	360	1,201	360
Transitional Cost Program		2,031	–	2,031	–
Improving the Practical Component of Teacher Education Initiative		273	–	273	–
<b>Total Commonwealth Grant Scheme and other grants</b>		<b>123,261</b>	<b>111,515</b>	<b>123,261</b>	<b>111,515</b>
<b>(b) Higher Education Loan Programs</b>					
	33.2				
HECS-HELP		67,174	60,508	67,174	60,508
FEE-HELP		28,358	25,274	23,076	20,948
<b>Total Higher Education Loan Programs</b>		<b>95,532</b>	<b>85,782</b>	<b>90,250</b>	<b>81,456</b>
<b>(c) Scholarships</b>					
	33.7				
Australian Postgraduate Awards		1,571	1,501	1,571	1,501
International Postgraduate Research Scholarships		293	280	293	280
Commonwealth Education Cost Scholarships		1,157	939	1,157	939
Commonwealth Accommodation Scholarships		1,535	1,374	1,535	1,374
Indigenous Staff Scholarships		34	–	34	–
Indigenous Access Scholarships		196	–	196	–
<b>Total scholarships</b>		<b>4,786</b>	<b>4,094</b>	<b>4,786</b>	<b>4,094</b>
<b>(d) Department of Innovation, Industry, Science and Research – research grants</b>					
	33.6				
Institutional Grants Scheme		5,190	4,935	5,190	4,935
Research Training Scheme		9,054	9,190	9,054	9,190
Research Infrastructure Block Grants		2,789	2,672	2,789	2,672
Australian Scheme for Higher Education Repositories		225	121	225	121
Implementation Assistance Program		128	63	128	63
Commercialisation Training Scheme		92	85	92	85
Small grants		40	–	40	–
<b>Total DIISR – research grants</b>		<b>17,518</b>	<b>17,066</b>	<b>17,518</b>	<b>17,066</b>

<sup>1</sup> Includes the basic Commonwealth Grant Scheme amount, CGS – Regional Loading, CGS – Enabling Loading, and HEFA Transition Fund

<sup>2</sup> Includes Diversity and Structural Adjustment Fund



## Notes to the financial statements

AS AT 31 DECEMBER 2008

	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
<b>2. REVENUE FROM CONTINUING OPERATIONS (CONTINUED)</b>					
<b>(e) Australian Research Council</b>	33.3				
<i>(i) Discovery</i>					
> Project		4,188	5,439	4,188	5,439
> Fellowships		329	432	329	432
Total Discovery		4,517	5,871	4,517	5,871
<i>(ii) Linkages</i>					
> Projects	33.4	2,670	3,142	2,670	3,142
> International		40	21	40	21
> Infrastructure		-	-	-	-
> Special Research Initiatives		-	-	-	-
Total Linkages		2,710	3,163	2,710	3,163
<i>(iii) Networks and Centres</i>					
> Research Networks	33.5	1,217	1,287	1,217	1,287
> Centres		716	723	716	723
Total Networks and Centres		1,933	2,010	1,933	2,010
<b>(f) Better Universities Renewal Funding</b>	33.8				
Better Universities Renewal Funding Grant		13,698	-	13,698	-
Total Better Universities Renewal Funding		13,698	-	13,698	-
<b>(g) Other Australian Government financial assistance</b>					
National Health and Medical Research Council		898	2,182	898	2,182
Department of Education, Employment and Workplace Relations		704	1,302	704	1,302
Commonwealth Scientific and Industrial Research Organisation		488	137	488	137
University of New South Wales		486	205	486	205
DEEWR – International Undergraduate Research Scholarships		398	-	398	-
Department of Environment and Climate Change		280	68	280	68
University of South Australia		278	225	278	225
Department of Environment, Water, Heritage and the Arts		236	-	236	-
Department of Health and Ageing		219	223	219	223
University of Queensland		174	123	174	123
National Water Commission		162	160	162	160
Department of the Prime Minister and Cabinet		109	125	109	125
Centrelink		50	100	50	100
University of Melbourne		39	163	39	163
ATSI		32	148	32	148
Other		1,313	1,184	1,313	1,184
Total other Australian Government financial assistance		5,866	6,345	5,866	6,345
<b>Total Australian Government financial assistance</b>		<b>269,821</b>	<b>235,846</b>	<b>264,539</b>	<b>231,520</b>
<i>Reconciliation</i>					
Australian Government grants (a+c+d+e+f+g)		174,289	150,064	174,289	150,064
HECS-HELP – Australian Government payments		67,174	60,508	67,174	60,508
Other Australian Government loan programs (FEE-HELP)		28,358	25,274	23,076	20,948
Total Australian Government financial assistance		269,821	235,846	264,539	231,520

# Notes to the financial statements

AS AT 31 DECEMBER 2008

	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
<b>(h) Australian Government Grants received – cash basis</b>					
CGS and other DEEWR Grants		123,261	111,515	123,261	111,515
Higher Education Loan Programs		94,849	81,598	89,567	77,272
Scholarships		4,786	4,094	4,786	4,094
DIISR Research		17,518	17,066	17,518	17,066
ARC grants – Discovery		4,248	5,855	4,248	5,855
ARC grants – Linkages		2,580	3,124	2,580	3,124
ARC grants – network and centres		1,029	1,119	1,029	1,119
Better Universities Renewal Funding		13,698	–	13,698	–
Other Australian Government Grants		5,866	6,345	5,866	6,345
<b>Total Australian Government Grants received – cash basis</b>		<b>267,835</b>	<b>230,716</b>	<b>262,553</b>	<b>226,390</b>
OS-HELP (net)		485	523	485	523
<b>Total Australian Government funding received – cash basis</b>		<b>268,320</b>	<b>231,239</b>	<b>263,038</b>	<b>226,913</b>
<b>2.2 State and local government financial assistance</b>					
New South Wales Government		3,823	2,548	3,823	2,548
Other state governments		715	557	715	557
Local government		368	270	368	270
<b>Total state and local government financial assistance</b>		<b>4,906</b>	<b>3,375</b>	<b>4,906</b>	<b>3,375</b>
<b>2.3 Fees and charges</b>					
Course fees and charges					
> fee-paying overseas students		132,110	123,728	98,959	94,766
> continuing education		4,988	6,224	4,989	6,224
> fee-paying domestic postgraduate students		11,743	11,726	11,743	11,726
> fee-paying domestic undergraduate students		8,801	6,851	8,801	6,851
> other domestic course fees and charges		1,543	1,566	1,543	1,566
<b>Total course fees and charges</b>		<b>159,185</b>	<b>150,095</b>	<b>126,035</b>	<b>121,133</b>
<b>Other non-course fees and charges</b>					
Library charges		385	374	1,020	985
Student accommodation charges		1,031	822	12	(14)
Student union fees		(3)	(56)	(3)	(56)
Medical fees		608	440	632	458
English Testing Centre		2,945	2,357	2,945	2,357
Other fees and charges		91	448	–	–
<b>Total other non-course fees and charges</b>		<b>5,057</b>	<b>4,385</b>	<b>4,606</b>	<b>3,730</b>
<b>Total fees and charges</b>		<b>164,242</b>	<b>154,480</b>	<b>130,641</b>	<b>124,863</b>
<b>2.4 Investment revenue and income</b>					
Interest		12,054	7,593	10,088	6,194
Dividends received		538	263	538	263
<b>Total investment revenue</b>		<b>12,592</b>	<b>7,856</b>	<b>10,626</b>	<b>6,457</b>
Change in fair value of financial assets designated at fair value through profit and loss		–	55	–	55
Change in fair value of financial assets classified as held for trading		–	–	–	–
<b>Total other investment income</b>		<b>–</b>	<b>55</b>	<b>–</b>	<b>55</b>
<b>Net investment income</b>		<b>12,592</b>	<b>7,911</b>	<b>10,626</b>	<b>6,512</b>

# Notes to the financial statements

AS AT 31 DECEMBER 2008

	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
<b>2. REVENUE FROM CONTINUING OPERATIONS (CONTINUED)</b>					
<b>2.5 Royalties, trademarks and licences</b>		707	267	612	180
<b>2.6 Consultancy and contracts</b>					
Contract research		5,956	6,845	5,956	6,845
Consultancy		2,961	2,886	1,989	2,112
<b>Total consultancy and contracts</b>		<b>8,917</b>	<b>9,731</b>	<b>7,945</b>	<b>8,957</b>
<b>2.7 Other revenue and income</b>					
<b>Other revenue</b>					
Contribution from INSEARCH Limited		–	–	4,000	3,000
Donations and bequests		1,789	1,978	1,789	1,978
Foreign exchange gain/(loss) (net) (note (b))		–	(57)	–	(57)
Non-government grants		2,036	360	2,036	360
Scholarships and prizes		2,133	2,131	2,206	2,201
Services		1,415	1,785	1,444	1,736
Sponsorship		2,152	2,103	2,152	2,103
Other		3,592	3,747	3,557	3,374
<b>Total other revenue</b>		<b>13,117</b>	<b>12,047</b>	<b>17,184</b>	<b>14,695</b>
<b>Other income</b>					
Contributions to fixed assets		707	16	707	16
Hire and rental		9,008	8,207	9,530	8,800
Profit on sale of shares		3,171	–	3,171	–
Contributions for salary from other entities		503	459	503	459
Sale of goods		1,756	2,053	1,690	1,992
<b>Total other income</b>		<b>15,145</b>	<b>10,735</b>	<b>15,601</b>	<b>11,267</b>
<b>(a) Net foreign exchange gain/(loss)</b>					
Net foreign exchange gains included in other income for the year		–	(57)	–	(57)
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)	–	(57)
<b>3. EXPENSES FROM CONTINUING OPERATIONS</b>					
<b>3.1 Employee related expenses</b>					
<b>Academic</b>					
Salaries		104,894	95,970	97,869	89,714
Contributions to superannuation and pension schemes:					
> emerging cost		2,063	2,345	2,063	2,345
> funded		13,722	12,685	13,067	12,133
Payroll tax		7,648	7,033	7,242	6,657
Workers' compensation		542	702	510	676
Long service leave expense		3,859	3,121	3,738	3,133
Annual leave		6,712	6,320	6,390	6,090
<b>Total academic</b>		<b>139,440</b>	<b>128,176</b>	<b>130,879</b>	<b>120,748</b>

# Notes to the financial statements

AS AT 31 DECEMBER 2008

	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
<b>Non-academic</b>					
Salaries		101,944	96,233	95,720	89,411
Contributions to superannuation and pension schemes:					
> emerging cost		1,905	2,165	1,905	2,165
> funded		12,975	11,713	12,405	11,160
Payroll tax		7,259	6,813	6,801	6,352
Workers' compensation		525	677	492	644
Long service leave expense		2,960	2,298	2,905	2,257
Annual leave		6,559	6,453	5,991	5,872
Other		346	445	-	-
<b>Total non-academic</b>		<b>134,473</b>	<b>126,797</b>	<b>126,219</b>	<b>117,861</b>
<b>Total employee related expenses</b>		<b>273,913</b>	<b>254,973</b>	<b>257,098</b>	<b>238,609</b>
Deferred government employee benefits for superannuation		170,785	(24,898)	170,785	(24,898)
<b>Total employee related expenses, including deferred government employee benefits for superannuation</b>		<b>444,698</b>	<b>230,075</b>	<b>427,883</b>	<b>213,711</b>
<b>3.2 Depreciation and amortisation</b>					
<b>Depreciation property, plant and equipment</b>					
Buildings		28,801	27,496	28,801	27,496
Equipment		9,565	10,454	8,806	9,338
Library		3,450	3,492	3,450	3,492
Motor vehicles		129	177	99	107
Total depreciation property, plant and equipment		41,945	41,619	41,156	40,433
<b>Amortisation property, plant and equipment</b>					
Leasehold improvements		199	7	199	7
Plant and equipment under finance leases		2,975	3,055	2,975	3,055
Total amortisation property, plant and equipment		3,174	3,062	3,174	3,062
<b>Total depreciation and amortisation property, plant and equipment</b>		<b>45,166</b>	<b>44,737</b>	<b>44,330</b>	<b>43,495</b>
<b>Amortisation intangibles</b>					
Software		5,459	4,979	4,880	4,386
Development		32	16	-	-
Patents and trademarks		-	-	-	-
Total amortisation intangibles		5,491	4,995	4,880	4,386
<b>Total depreciation and amortisation</b>		<b>50,610</b>	<b>49,676</b>	<b>49,210</b>	<b>47,881</b>
<b>3.3 Repairs and maintenance</b>					
Buildings		7,160	6,353	7,160	6,353
Leasehold improvements		-	-	-	-
Plant and equipment		2,194	2,186	2,034	1,991
<b>Total repairs and maintenance</b>		<b>9,354</b>	<b>8,539</b>	<b>9,194</b>	<b>8,344</b>
<b>3.4 Impairment of assets</b>					
Bad debts		358	518	357	515
Increase/(decrease) in provision for doubtful debts		(515)	(440)	(515)	(440)
<b>Total impairment of assets</b>		<b>(157)</b>	<b>78</b>	<b>(158)</b>	<b>75</b>

# Notes to the financial statements

AS AT 31 DECEMBER 2008

	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
<b>3. EXPENSES FROM CONTINUING OPERATIONS (CONTINUED)</b>					
<b>3.5 Other expenses</b>					
Advertising, marketing and promotional expenses		3,359	2,661	3,002	2,159
Building rent and rates		4,962	4,706	2,078	1,892
Cleaning		4,798	4,306	4,547	4,076
Consultancy		13,512	10,597	11,837	9,446
Contributions (other)		2,953	2,330	2,953	2,330
Contributions (research)		2,824	2,312	2,824	2,312
Diminution of investments		404	68	404	140
Entertainment		2,733	2,133	2,655	2,088
Fees and subscriptions		17,819	14,684	12,945	10,864
Heating and lighting		4,856	4,567	4,676	4,360
Insurance		1,116	1,431	1,011	1,307
Laboratory supplies		1,919	1,940	1,919	1,940
Maintenance software		3,527	3,086	3,399	2,978
Minimum lease payments on operating lease rental expenses		880	1,447	839	1,413
Non-capitalised equipment		4,452	5,020	4,442	5,020
Other expenses		9,657	9,354	7,775	6,997
Postage		957	766	641	519
Printing		1,543	1,778	1,153	1,449
Scholarships and prizes		14,309	12,244	13,876	12,036
Security contract staff		2,737	2,942	2,410	2,633
Stationery		1,637	1,446	1,637	1,446
Telecommunications		2,340	2,404	2,092	2,172
Travel and related staff development and training		13,424	12,093	12,330	11,173
Tuition fees expense		1,397	2,153	1,397	2,153
<b>Total other expenses</b>		<b>118,115</b>	<b>106,468</b>	<b>102,842</b>	<b>92,903</b>
<b>4. FINANCE COSTS</b>					
Gross finance costs		3,035	4,906	2,962	4,842
Less: amount capitalised		-	-	-	-
<b>Total finance costs expensed</b>		<b>3,035</b>	<b>4,906</b>	<b>2,962</b>	<b>4,842</b>
<b>5. SALES OF ASSETS</b>					
<b>Proceeds from sale</b>					
Property, plant and equipment		2,411	25,721	2,411	25,598
<b>Carrying amount of assets sold</b>					
Property, plant and equipment		3,939	21,777	3,939	21,654
<b>Net gain or (loss) on sale of assets</b>		<b>(1,528)</b>	<b>3,944</b>	<b>(1,528)</b>	<b>3,944</b>
<b>(a) Net gain on disposal of property, plant and equipment</b>					
The consolidated net loss on disposal of property, plant and equipment in 2008 includes a loss of \$1,390,825 (2007 gain \$4,050,000) on sale of buildings.					

# Notes to the financial statements

AS AT 31 DECEMBER 2008

	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
<b>6. INCOME TAX</b>					
<b>Total income tax</b>		<b>44</b>	<b>55</b>	<b>-</b>	<b>-</b>

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

## 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	Mr Russell Taylor
Professor Anthony Baker	Ross Laidlaw (ceased April 2008)
Ms Dianne Leckie	Mr Robert Kelly
Dr Valerie Levy	Mr A P (Tony) Stewart, MP (ceased June 2008)
Mr Peter Brady (ceased October 2008)	Mr Michael Nguyen (ceased October 2008)
Mr Christopher Cahill	Professor Jenny Onyx
Ms Megan Cornelius, AM	Mr Brian Wilson
Professor Ross Milbourne	Mr Tim Dugan (commenced November 2008)
Mr Michael G Sexton SC	Dr Ron Sandland (commenced November 2008)
Mr Warwick Watkins	Ms Michelle Swainson (commenced November 2008)
Dr Katherine Woodthorpe	Mr Mayank Sharma (commenced November 2008)
Professor Greg Skilbeck	

#### INSEARCH Limited

Mr Richard Hill (ceased April 2008)	Dr Katherine Woodthorpe (ceased November 2008)
Professor Archie Johnston (commenced July 2008)	Ms D Hill (commenced February 2008)
Ms Dianne Leckie (commenced February 2008)	Professor David Goodman (ceased December 2008)
Professor Robert Lynch (ceased April 2008)	Mr Patrick Woods
Mr J Hutchison (commenced November 2008)	Mr M Williams (commenced June 2008)

#### accessUTS Pty Limited

Professor Sue Rowley (ceased February 2008)	Dr Jane Morrison
Mr Blair McRae	Mr Jeffrey Francis (commenced February 2008)
Professor John Rice (ceased June 2008)	Professor Denise Dignam (commenced February 2008)
Professor Theo Van Leeuwen (commenced June 2008)	

### (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
Ms Anne Dwyer	Professor Ross Milbourne
Professor Shirley Alexander	Professor Susan Rowley
Professor David Goodman (ceased December 2008)	Mr Patrick Woods

#### INSEARCH Limited

Mr John Hall	Mr Alex Murphy
Mr T Laurence (commenced February 2008)	Mr G Providel
Mr S Crayn	Ms C A Churches

#### accessUTS Pty Ltd

Mr Blair McRae
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# Notes to the financial statements

AS AT 31 DECEMBER 2008

	Economic entity (Consolidated)		Parent entity (University)	
	2008	2007	2008	2007
<b>7. KEY MANAGEMENT PERSONNEL DISCLOSURES (CONTINUED)</b>				
<b>(c) Remuneration of board members and executives</b>				
The University's responsible persons do not receive any remuneration in respect of their work as members of Council.				
<b>Remuneration of board members</b>				
\$0 to \$9,999	1	3	-	-
\$10,000 to \$19,999	2	3	-	-
\$20,000 to \$29,999	2	2	-	-
\$30,000 to \$39,999	1	1	-	-
\$50,000 to \$59,999	-	-	-	-
Total	6	9	-	-
<b>Remuneration of executive officers</b>				
\$10,000 to \$19,999	-	2	-	1
\$20,000 to \$29,999	-	-	-	-
\$30,000 to \$39,999	-	-	-	-
\$70,000 to \$79,999	-	1	-	1
\$130,000 to \$139,999	1	1	-	-
\$140,000 to \$149,999	1	1	-	-
\$160,000 to \$169,999	1	1	-	-
\$180,000 to \$189,999	1	1	-	-
\$190,000 to \$199,999	1	1	-	-
\$220,000 to \$229,999	-	3	-	-
\$230,000 to \$239,999	-	1	-	1
\$250,000 to \$259,999	2	1	2	1
\$280,000 to \$289,999	-	2	-	2
\$300,000 to \$309,999	1	-	1	-
\$310,000 to \$319,999	1	-	-	-
\$320,000 to \$329,999	-	1	-	1
\$330,000 to \$339,999	1	-	1	-
\$370,000 to \$379,999	-	2	-	2
\$380,000 to \$389,999	1	-	1	-
\$390,000 to \$399,999	1	-	1	-
\$410,000 to \$419,999	1	-	1	-
\$600,000 to \$610,999	-	1	-	1
\$650,000 to \$659,999	1	-	1	-
Total	14	19	8	10
	\$	\$	\$	\$
<b>Key management personnel compensation</b>				
Short-term employee benefits	4,241,729	3,938,837	2,997,729	2,833,837
Post-employment benefits	-	-	-	-
Termination benefits	-	-	-	-
Total	4,241,729	3,938,837	2,997,729	2,833,837

# Notes to the financial statements

AS AT 31 DECEMBER 2008

	Economic entity (Consolidated)		Parent entity (University)	
	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
<b>8. REMUNERATION OF AUDITORS</b>				
Fees paid to Audit Office of New South Wales				
> audit and review of financial reports	485	440	214	208
<b>Total remuneration for audit services</b>	<b>485</b>	<b>440</b>	<b>214</b>	<b>208</b>
<b>9. CASH AND CASH EQUIVALENTS</b>				
Cash at bank and on hand	45,047	9,037	13,308	2,384
> deposits at call	459	7,328	-	-
> fixed term deposits	130,000	10,000	130,000	-
<b>Total cash and cash equivalents</b>	<b>175,506</b>	<b>26,365</b>	<b>143,308</b>	<b>2,384</b>
<b>(a) Reconciliation to cash at the end of the year</b>				
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	175,506	26,365	143,308	2,384
> less: bank overdrafts	-	-	-	-
Balance as per cash flow statement	175,506	26,365	143,308	2,384
<b>(b) Cash at bank and on hand</b>				
Cash at bank are interest bearing with interest rates ranging between 0.36 per cent and 4.45 per cent. Cash on hand are non-interest bearing				
<b>(c) Deposits at call and term deposits</b>				
The deposits at call are bearing floating interest rates between 4.5 per cent and 7.25 per cent (2007 6.10 per cent and 7.25 per cent). Term deposit are interest bearing with rates ranging between 4.92 per cent and 7.97 per cent. These deposits have an average maturity of 135 days.				
<b>10. RECEIVABLES</b>				
<b>Current</b>				
Trade debtors – other	8,263	11,033	7,180	10,461
> less: provision for impaired receivables	(1,134)	(1,325)	(1,134)	(1,325)
	7,129	9,708	6,046	9,136
Trade debtors – student	876	1,070	711	1,006
> less: provision for impaired receivables	(654)	(979)	(654)	(979)
	222	91	57	27
	7,351	9,799	6,103	9,163
Amounts receivable from wholly owned subsidiaries				
> INSEARCH Limited	-	-	155	47
> accessUTS Pty Ltd	-	-	309	307
Amounts receivable from related entities				
> Sydney Educational Broadcasting Limited	214	220	214	220
<b>Total current receivables</b>	<b>7,565</b>	<b>10,019</b>	<b>6,781</b>	<b>9,737</b>
<b>Non-current</b>				
Deferred government contribution for superannuation	295,386	128,631	295,386	128,631
Trade debtors – other	2,364	-	-	-
Total non-current receivables	297,750	128,631	295,386	128,631
<b>Total trade and other receivables</b>	<b>305,315</b>	<b>138,650</b>	<b>302,167</b>	<b>138,368</b>



# Notes to the financial statements

AS AT 31 DECEMBER 2008

	Economic entity (Consolidated)	
	2008 \$'000	2007 \$'000
<b>10. RECEIVABLES (CONTINUED)</b>		
<b>(a) Impaired receivables</b>		
As at 31 December 2008 current receivables of the Group with a nominal value of \$5,702,000 (2007: \$9,661,000) were impaired. The amount of the provision was \$1,788,000 (2007: \$2,304,000). The nominal impaired receivables includes a 100 per cent provision for \$1,450,000. The individually impaired receivables mainly relate to students and lessees of University property. It is anticipated that a portion of receivables is expected to be recovered. The impaired receivables for the parent entity are \$5,702,000 (2007: \$9,661,000) with the amount of the provision being \$1,788,000 (2007: \$2,304,000)		
The ageing of these receivables is as follows:		
> 0 to 6 months	5,127	7,764
> over 6 months	575	1,897
	5,702	9,661
As at 31 December 2008, receivables of \$6,015,000 (2007: \$2,662,000) 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	3,651	2,662
> over 6 months	2,364	-
	6,015	2,662
Movements in the provision for impaired receivables are as follows:		
> at 1 January	2,304	4,458
> provision for impairment recognised during the year	(157)	78
> receivables written off during the year as uncollectible	(359)	(2,232)
> unused amounts reversed	-	-
	1,788	2,304

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.

	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
<b>(b) Foreign exchange and interest rate risk</b>					
The carrying amounts of the Group's and parent entity's current and non-current receivables are denominated in the following currencies.					
> Australian dollar		304,348	140,009	303,732	140,158
> Canadian dollar		-	-	-	-
> Euro		60	37	60	37
> British pound		2,390	11	26	-
> United States dollar		137	477	137	477
> Thai baht		168	420	-	-
		307,103	140,954	303,955	140,672
Current receivables		9,353	12,323	8,569	12,041
Non-current receivables		297,750	128,631	295,386	128,631
		307,103	140,954	303,955	140,672

### (c) Fair value and credit risk

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.

# Notes to the financial statements

AS AT 31 DECEMBER 2008

	Notes	Economic entity [Consolidated]		Parent entity [University]	
		2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
<b>11. OTHER FINANCIAL ASSETS</b>					
<b>Current</b>					
<b>Other financial assets at fair value through profit or loss</b>					
Managed funds – Macquarie Investment Management Limited	34	–	88,346	–	88,346
Managed funds – New South Wales Treasury Corporation	34	41	38	41	38
Total current other financial assets at fair value through profit or loss		41	88,384	41	88,384
<b>Total current other financial assets</b>		<b>41</b>	<b>88,384</b>	<b>41</b>	<b>88,384</b>
<b>Non-current</b>					
<b>Available-for-sale financial assets</b>					
Australian listed equity securities		7	22	7	22
Unlisted shares		–	3,192	–	3,192
Total non-current available-for-sale financial assets		7	3,214	7	3,214
<b>Other financial assets at cost</b>					
Shares in subsidiaries		–	–	185	185
Shares in other entities		131	311	131	311
Interest in joint venture partnerships and investment in associates		–	–	–	–
Other unlisted securities – security deposits		117	111	–	–
Total non-current other financial assets at cost		248	422	316	496
<b>Total non-current other financial assets</b>		<b>255</b>	<b>3,636</b>	<b>323</b>	<b>3,710</b>
Changes in fair values of other financial assets at fair value through profit or loss are recorded in investment income in the income statement.					
<i>(a) Investments in related parties</i>					
Refer to note 14 and note 28 for information on the carrying amount of investments in subsidiaries, joint ventures and associates.					
<i>(b) Fair value</i>					
Refer to note 34 for a comparison between fair value and carrying amount for the above other financial assets.					
<i>(c) Risk exposure</i>					
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.					
<b>12. OTHER NON-FINANCIAL ASSETS</b>					
<b>Current</b>					
Accrued income		11,810	5,403	11,717	5,278
Prepayments		12,327	7,955	10,520	6,582
Total current other non-financial assets		24,137	13,358	22,237	11,860
<b>Non-current</b>					
Prepayments		179	200	179	200
Total non-current other non-financial assets		179	200	179	200
<b>Total other non-financial assets</b>		<b>24,316</b>	<b>13,558</b>	<b>22,416</b>	<b>12,060</b>
<b>13. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE</b>					
<b>Current</b>					
Motor vehicles		–	60	–	–
<b>Total non-current assets classified as held for sale</b>		<b>–</b>	<b>60</b>	<b>–</b>	<b>–</b>

# Notes to the financial statements

AS AT 31 DECEMBER 2008

Notes	Economic entity (Consolidated)		Parent entity (University)	
	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
<b>14. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD</b>				
Interest in joint venture entity and investment in associates	10,439	6,852	-	-
<b>Total investments accounted for using the equity method</b>	<b>10,439</b>	<b>6,852</b>	<b>-</b>	<b>-</b>
<b>Reconciliation</b>				
Balance at 1 January	6,852	6,844	-	-
Share of profit for the year	2,641	8	-	-
Dividends	(1,158)	-	-	-
Foreign currency translation	1,208	-	-	-
Prior year adjustments	896	-	-	-
Additions	-	-	-	-
<b>Balance at 31 December</b>	<b>10,439</b>	<b>6,852</b>	<b>-</b>	<b>-</b>

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.

Sport Knowledge Australia Pty Ltd and Australian Technology Park Innovation Proprietary Limited (ATPI) both have a reporting date of 30 June 2008. The shares held by the University in Sport Knowledge Australia Pty Ltd were sold during the 2008 year. The University has relied on the statutory accounts to the 30 June 2008 for ATPI.

## (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 shares held by the University in Sport Knowledge Australia Pty Ltd were sold during the 2008 year.

### 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 an agreed donation paid on a yearly basis.

**INSEARCH Limited, a controlled entity of the University, has the following joint ventures:**

- (a) Australia Centre for Education and Training (ACETs)
- (b) Sydney Institute of Language and Commerce (SILC)

## (b) Investment in associates

### 1. Sydney Institute of Marine Science Limited

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

### 2. Australian Technology Park Innovation Proprietary Limited

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 per cent share of issued share capital. The organisation facilitates the incubation of research activity.

## (a) Summarised financial information in respect of associates is set out below

### Financial position

Current assets	9,675	6,676	-	-
Non-current assets	3,589	3,691	-	-
<b>Total assets</b>	<b>13,264</b>	<b>10,367</b>	<b>-</b>	<b>-</b>
Current liabilities	2,793	3,484	-	-
Non-current liabilities	32	31	-	-
<b>Total liabilities</b>	<b>2,825</b>	<b>3,515</b>	<b>-</b>	<b>-</b>
<b>Share of net assets</b>	<b>10,439</b>	<b>6,852</b>	<b>-</b>	<b>-</b>

# Notes to the financial statements

AS AT 31 DECEMBER 2008

	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
<b>Financial performance</b>					
Revenues		9,424	5,915	-	-
Expenses		6,783	4,706	-	-
<b>Share of profit/(loss)</b>		<b>2,641</b>	<b>1,209</b>	<b>-</b>	<b>-</b>
<b>Share of commitments</b>					
Lease commitments		-	-	-	-
Other commitments (other than for the supply of inventories)		-	-	-	-
Total expenditure commitments		-	-	-	-
Capital commitments		-	-	-	-

## (b) Contingent liabilities relating to joint ventures

No material losses are anticipated in respect to contingent liabilities.

## (c) Joint ventures in Cooperative Research Centres (CRCs)

The University has an interest in the following joint ventures. The contributions are for year to 31 December 2008. Contributions in cash and in-kind are expensed and included in the income statement. In the event that a CRC's 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 2008 \$'000	In-kind contributions in 2008 \$'000	Total contributions in 2008 \$'000
CRC for Sustainable Tourism Pty Limited	This centre 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.	104	1,043	1,147
Capital Markets CRC Ltd	Capital Markets CRC Ltd researches current and future challenges faced by the capital markets.	100	247	347
Australasian CRC for Interaction Design Pty Ltd	The Australasian CRC for Interaction Design is the research and development leader in experience design. It finds better ways for people to interact using communications technologies.	100	615	715
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 CRC's program.	-	228	228
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.	23	-	23
CRC for Contamination Assessment and Remediation of the Environment	The centre attempts to deal with and prevent contamination of the soil, water and air.	50	119	169
CRC for Cotton Catchment Communities	This centre (previously CRC for Australian Cotton), aims 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	161	211
		427	2,413	2,840

## Notes to the financial statements

AS AT 31 DECEMBER 2008

	Construction in progress	Freehold land	Freehold buildings	Plant and equipment <sup>1</sup>	Leasehold improvements	Leased plant and equipment	Library	Other property, plant and equipment <sup>2</sup>	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000

**15. PROPERTY, PLANT AND EQUIPMENT****Consolidated****At 1 January 2007**

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

**Year ended 31 December 2007**

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

**At 31 December 2007**

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

**Year ended 31 December 2008**

Opening net book amount	11,536	349,952	532,723	21,934	-	5,235	19,297	1,606	<b>942,283</b>
Exchange differences	-	-	-	-	-	-	-	-	-
Revaluation surplus/(deficit)	-	(26,482)	7,171	-	-	-	-	-	<b>(19,311)</b>
Acquisition of subsidiary	-	-	-	-	-	-	-	-	-
Additions	(4,103)	1,497	25,779	13,235	2,299	3,273	2,692	1	<b>44,673</b>
Assets classified as held for sale and other disposals	-	-	(3,652)	(406)	-	-	(37)	-	<b>(4,095)</b>
Depreciation charge	-	-	(28,801)	(9,741)	(199)	(2,975)	(3,450)	-	<b>(45,166)</b>
Closing net book amount	7,433	324,967	533,220	25,022	2,100	5,533	18,502	1,607	<b>918,384</b>

**At 31 December 2008**

> cost	7,433	-	-	91,869	2,340	10,139	-	-	<b>111,781</b>
> valuation	-	324,967	1,041,583	-	-	-	101,677	1,607	<b>1,469,834</b>
Accumulated depreciation	-	-	(508,363)	(66,847)	(240)	(4,606)	(83,175)	-	<b>(663,231)</b>
Net book amount	7,433	324,967	533,220	25,022	2,100	5,533	18,502	1,607	<b>918,384</b>

<sup>1</sup>Plant and equipment includes all operational assets<sup>2</sup>Other property, plant and equipment includes non-operational assets such as artworks

# Notes to the financial statements

AS AT 31 DECEMBER 2008

	Construction in progress	Freehold land	Freehold buildings	Plant and equipment <sup>1</sup>	Leasehold improve- ments	Leased plant and equipment	Library	Other property, plant and equipment <sup>2</sup>	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Parent entity</b>									
<b>At 1 January 2007</b>									
> cost	4,655	-	-	69,823	42	12,841	-	-	<b>87,361</b>
> valuation	-	299,544	963,527	-	-	-	96,278	23,099	<b>1,382,448</b>
Accumulated depreciation	-	-	(477,091)	(47,931)	(34)	(7,939)	(76,458)	-	<b>(609,453)</b>
Net book amount	4,655	299,544	486,436	21,892	8	4,902	19,820	23,099	<b>860,356</b>
<b>Year ended 31 December 2007</b>									
Opening net book amount	4,655	299,544	486,436	21,892	8	4,902	19,820	23,099	<b>860,356</b>
Revaluation surplus/(deficit)	-	50,408	62,102	-	-	-	-	-	<b>112,510</b>
Additions	6,866	-	11,681	7,011	-	3,387	3,022	7	<b>31,974</b>
Disposals	-	-	-	(96)	(1)	1	(53)	(21,500)	<b>(21,649)</b>
Depreciation charge	-	-	(27,496)	(9,445)	(7)	(3,055)	(3,492)	-	<b>(43,495)</b>
Closing net book amount	11,521	349,952	532,723	19,362	-	5,235	19,297	1,606	<b>939,696</b>
<b>At 31 December 2007</b>									
> cost	11,521	-	-	72,328	42	9,309	-	-	<b>93,200</b>
> valuation	-	349,952	1,017,757	-	-	-	99,131	1,606	<b>1,468,446</b>
Accumulated depreciation	-	-	(485,034)	(52,966)	(42)	(4,074)	(79,834)	-	<b>(621,950)</b>
Net book amount	11,521	349,952	532,723	19,362	-	5,235	19,297	1,606	<b>939,696</b>
<b>Year ended 31 December 2008</b>									
Opening net book amount	11,521	349,952	532,723	19,362	-	5,235	19,297	1,606	<b>939,696</b>
Revaluation surplus/(deficit)	-	(26,482)	7,171	-	-	-	-	-	<b>(19,311)</b>
Additions	(4,178)	1,497	25,779	12,439	2,299	3,273	2,692	1	<b>43,802</b>
Disposals	-	-	(3,652)	(250)	-	-	(37)	-	<b>(3,939)</b>
Depreciation charge	-	-	(28,801)	(8,905)	(199)	(2,975)	(3,450)	-	<b>(44,330)</b>
Closing net book amount	7,343	324,967	533,220	22,646	2,100	5,533	18,502	1,607	<b>915,918</b>
<b>At 31 December 2008</b>									
> cost	7,343	-	-	82,305	2,340	10,139	-	-	<b>102,127</b>
> valuation	-	324,967	1,041,583	-	-	-	101,677	1,607	<b>1,469,834</b>
Accumulated depreciation	-	-	(508,363)	(59,659)	(240)	(4,606)	(83,175)	-	<b>(656,043)</b>
Net book amount	7,343	324,967	533,220	22,646	2,100	5,533	18,502	1,607	<b>915,918</b>

<sup>1</sup>Plant and equipment includes all operational assets<sup>2</sup>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 2008 revaluations were based on independent assessments by Colliers International as at 31 December 2008. The revaluation surplus was credited/debited to the asset revaluation reserve in equity (note 22).

**(b) Non-current assets pledged as security**

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

## Notes to the financial statements

AS AT 31 DECEMBER 2008

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

**16. INTANGIBLE ASSETS****Consolidated****At 1 January 2007**

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)
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

**Year ended 31 December 2008**

Opening net book amount	-	165	17,980	1,655	-	19,800
Additions	-	-	3,209	138	-	3,347
Disposals	-	(74)	(101)	-	-	(175)
Acquisition of subsidiary	-	-	-	-	-	-
Impairment charge	-	-	-	-	-	-
Amortisation charge	-	(51)	(5,460)	-	-	(5,511)
Closing net book amount	-	40	15,628	1,793	-	17,461

**At 31 December 2008**

Cost	-	264	39,271	1,793	-	41,328
Accumulated amortisation and impairment	-	(224)	(23,643)	-	-	(23,867)
Net book amount	-	40	15,628	1,793	-	17,461
<b>Closing net book amount</b>	<b>-</b>	<b>40</b>	<b>15,628</b>	<b>1,793</b>	<b>-</b>	<b>17,461</b>

**Parent entity****At 1 January 2007**

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

**Year ended 31 December 2007**

Opening net book amount	-	-	16,718	1,191	-	17,909
Additions	-	-	3,962	464	-	4,426
Disposals	-	-	(5)	-	-	(5)
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

# Notes to the financial statements

AS AT 31 DECEMBER 2008

	Development costs	Patents and trademarks	Software	Licences perpetual	Goodwill	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Year ended 31 December 2008</b>						
Opening net book amount	-	-	16,289	1,655	-	17,944
Additions	-	-	3,023	138	-	3,161
Disposals	-	-	-	-	-	-
Acquisition of subsidiary	-	-	-	-	-	-
Impairment charge	-	-	-	-	-	-
Amortisation charge	-	-	(4,880)	-	-	(4,880)
Closing net book amount	-	-	14,432	1,793	-	16,225
<b>At 31 December 2008</b>						
Cost	-	-	35,011	1,793	-	36,804
Accumulated amortisation and impairment	-	(20,579)	-	-	(20,579)	-
Net book amount	-	-	14,432	1,793	-	16,225
<b>Closing net book amount</b>	<b>-</b>	<b>-</b>	<b>14,432</b>	<b>1,793</b>	<b>-</b>	<b>16,225</b>

	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
<b>17. TRADE AND OTHER PAYABLES</b>					
<b>Current</b>					
OS-HELP Liability to Australian Government		217	564	217	564
Deputy Commissioner of Taxation – PAYG		-	2	-	2
Office of State Revenue – payroll tax		228	119	228	119
Trade creditors and accruals		14,844	14,558	12,638	13,300
Other payroll accruals		5,157	3,544	5,157	3,544
Other		7,148	8,847	6,411	8,462
<b>Total trade and other payables</b>		<b>27,594</b>	<b>27,634</b>	<b>24,651</b>	<b>25,991</b>
<b>(a) Foreign currency risk</b>					
The carrying amounts of the Group's and parent entity's trade and other payables are denominated in the following currencies:					
> Australian dollar		26,942	27,174	24,174	25,556
> Canadian dollar		4	1	4	1
> Danish krone		-	3	-	3
> Euro		139	194	139	194
> British pound		153	30	30	25
> Japanese yen		-	1	-	1
> Malaysian ringgit		52	20	-	-
> Norwegian krone		-	28	-	28
> New Zealand dollar		1	5	1	5
> Singapore dollar		-	1	-	1
> United States dollar		300	177	300	177
> Hong Kong dollar		3	-	3	-
<b>Total</b>		<b>27,594</b>	<b>27,634</b>	<b>24,651</b>	<b>25,991</b>



# Notes to the financial statements

AS AT 31 DECEMBER 2008

	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
<b>18. BORROWINGS</b>					
<b>Current</b>					
<b>Secured</b>					
Lease liabilities	23	2,893	2,553	2,893	2,553
Total current secured interest bearing liabilities		2,893	2,553	2,893	2,553
<b>Unsecured</b>					
Loans		-	-	-	-
Total current unsecured interest bearing liabilities		-	-	-	-
Total current interest bearing liabilities		2,893	2,553	2,893	2,553
<b>Non-current</b>					
<b>Secured</b>					
Lease liabilities	23	2,836	2,842	2,836	2,842
Total non-current secured interest bearing liabilities		2,836	2,842	2,836	2,842
<b>Unsecured</b>					
TCorp Loans		40,000	40,000	40,000	40,000
Total non-current unsecured interest bearing liabilities		40,000	40,000	40,000	40,000
Total non-current interest bearing liabilities		42,836	42,842	42,836	42,842
<b>Total interest bearing liabilities</b>		<b>45,729</b>	<b>45,395</b>	<b>45,729</b>	<b>45,395</b>
<b>(a) Assets pledged as security</b>					
<b>Non-current</b>					
<i>Finance lease</i>					
Plant and equipment	15	10,139	9,309	10,139	9,309
<b>Total non-current assets pledged as security</b>		<b>10,139</b>	<b>9,309</b>	<b>10,139</b>	<b>9,309</b>
<b>(b) Financing arrangements</b>					
Unrestricted access was available at balance date to the following lines of credit:					
<b>Loan facilities</b>					
Total facilities		40,000	40,000	40,000	40,000
Used at balance date		40,000	40,000	40,000	40,000
Unused at balance date		-	-	-	-
<b>Borrowing commitments</b>					
Within one year		-	-	-	-
Later than one year but not later than five years		-	-	-	-
Later than five years		40,000	40,000	40,000	40,000
<b>Total borrowing commitments</b>		<b>40,000</b>	<b>40,000</b>	<b>40,000</b>	<b>40,000</b>

**(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 34.

**(d) Fair value disclosures**

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

**(e) Borrowing classes**

The University's borrowings comprise a TCorp loan and lease liabilities. Details of the borrowings are listed in the Financial Instruments note 34.

**(f) Risk exposure**

At 31 December 2008, 100 per cent of the Group's borrowings were 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 34.

# Notes to the financial statements

AS AT 31 DECEMBER 2008

	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
<b>19. PROVISIONS</b>					
<b>Current provision expected to be settled within 12 months</b>					
Employee benefits					
> annual leave	1 (v)	12,940	11,760	12,200	11,500
> long service leave	1 (v)	6,528	4,866	6,500	4,750
Subtotal		19,468	16,626	18,700	16,250
<b>Current provision expected to be settled after more than 12 months</b>					
Employee benefits					
> annual leave	1 (v)	7,648	7,793	7,568	7,382
> long service leave	1 (v)	25,434	26,911	25,089	26,739
Subtotal		33,082	34,704	32,657	34,121
Total current provisions		52,550	51,330	51,357	50,371
<b>Non-current</b>					
Employee benefits					
> long service leave	1 (v)	7,004	6,459	6,665	6,183
> deferred Government benefits for superannuation		300,922	130,137	300,922	130,137
Total non-current provisions		307,926	136,596	307,587	136,320
<b>Total provisions</b>		<b>360,476</b>	<b>187,926</b>	<b>358,944</b>	<b>186,691</b>
<b>20. OTHER LIABILITIES</b>					
<b>Current</b>					
Unearned Commonwealth grants – HECS		–	121	–	121
Prepaid student fees		19,450	16,621	8,520	7,825
Other		3,736	3,396	1,050	926
Total current other liabilities		23,186	20,138	9,570	8,872
<b>Non-current</b>					
Other		1,286	1,343	–	–
Total non-current other liabilities		1,286	1,343	–	–
<b>Total other liabilities</b>		<b>24,472</b>	<b>21,481</b>	<b>9,570</b>	<b>8,872</b>
<b>21. STATUTORY FUNDS</b>					
Statutory funds at the beginning of the year		11,547	11,117	11,547	11,117
Net operating result relating to statutory funds		9,555	430	9,555	430
<b>Statutory funds at the end of the year</b>		<b>21,102</b>	<b>11,547</b>	<b>21,102</b>	<b>11,547</b>
<b>22. RESERVES AND RETAINED SURPLUS</b>					
<b>(a) Reserves comprise</b>					
Property plant and equipment revaluation reserve					
> freehold land		245,468	271,950	245,468	271,950
> buildings		88,801	88,166	88,801	88,166
> building infrastructure		109,592	103,308	109,592	103,308
> artworks		1,219	1,219	1,219	1,219
> library		116	116	116	116
> other assets		1	1	1	1
Available for sale investments revaluation reserve		6	3,191	6	3,191
Foreign currency translation reserve		859	(392)	–	–
Reserves from associates		–	–	–	–
<b>Total reserves</b>		<b>446,062</b>	<b>467,559</b>	<b>445,203</b>	<b>467,951</b>

# Notes to the financial statements

AS AT 31 DECEMBER 2008

	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
<b>22. RESERVES AND RETAINED SURPLUS (CONTINUED)</b>					
<b>(b) Movements in reserves</b>					
Property plant and equipment revaluation reserve					
Balance 1 January 2008		464,760	370,286	464,760	370,286
Increase/(decrease) revaluation	15	(19,311)	112,510	(19,311)	112,510
Transfer of reserve to retained earnings		(252)	(18,036)	(252)	(18,036)
Balance 31 December 2008		445,197	464,760	445,197	464,760
Available-for-sale investments revaluation reserve					
Balance 1 January 2008		3,191	33	3,191	33
Increase/(decrease) revaluation		(3,185)	3,158	(3,185)	3,158
Balance 31 December 2008		6	3,191	6	3,191
Foreign currency translation reserve					
Balance 1 January 2008		(392)	(186)	-	-
Net exchange differences on translation of foreign controlled entity		1,251	(206)	-	-
Balance 31 December 2008		859	(392)	-	-
Share of reserves from associates					
Balance 1 January 2008		-	146	-	-
Increase/(decrease) in reserves from associates		-	(146)	-	-
Balance 31 December 2008		-	-	-	-
<b>Total reserves</b>		<b>446,062</b>	<b>467,559</b>	<b>445,203</b>	<b>467,951</b>

**(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 2008	478,046	422,683	456,099	403,700
> operating result for the period	57,539	37,610	48,403	34,793
> transferred from revaluation reserve	252	18,036	252	18,036
> transferred from reserve from associates	-	147	-	-
> transferred to statutory funds	(9,555)	(430)	(9,555)	(430)
<b>Retained surplus at the end of the year</b>	<b>526,282</b>	<b>478,046</b>	<b>495,199</b>	<b>456,099</b>

**(e) Correction of error/s relating to a previous reporting period, adjusted as at 31 December 2007**

The University had understated annual leave and long service provisions for certain staff in previous periods due to certain salary allowances not included in the employees' base pay rate. The total amount of the under provision was \$1.672 million. The total error has been made against the opening balance of Provisions and Retained Earnings with \$0.233 million allocated to the 2007 result and \$1.439 million as at 1 January 2006 as it was found to be impractical to determine the period specific effects of the error.

# Notes to the financial statements

AS AT 31 DECEMBER 2008

	Reported balance as at 31 December 2007	Adjustment for error	Revised balance as at 31 December 2007
	\$'000	\$'000	\$'000
<b>Balance sheet (extract)</b>			
<b>Parent entity</b>			
Current provisions	48,904	1,467	50,371
Total current liabilities	86,320	1,467	87,787
Non-current provisions	136,115	205	136,320
Total non-current liabilities	178,957	205	179,162
Retained surplus	457,771	(1,672)	456,099
Total equity	937,269	(1,672)	935,597
<b>Economic entity</b>			
Current provisions	49,863	1,467	51,330
Total current liabilities	100,188	1,467	101,655
Non-current provisions	136,391	205	136,596
Total non-current liabilities	180,576	205	180,781
Retained surplus	479,718	(1,672)	478,046
Total equity	958,824	(1,672)	957,152
<b>Income statement (extract)</b>			
<b>Parent entity</b>			
Employee related expenses	238,376	233	238,609
Total expenses from continuing operations before deferred employee benefits for superannuation	392,421	233	392,654
Total expenses from continuing operations	367,523	233	367,756
Operating result before income tax	35,026	(233)	34,793
Operating result from continuing operations	35,026	(233)	34,793
Operating result attributable to members of the University of Technology, Sydney	35,026	(233)	34,793
<b>Economic entity</b>			
Employee related expenses	255,792	233	256,025
Total expenses from continuing operations before deferred employee benefits for superannuation	426,780	233	427,013
Total expenses from continuing operations	401,882	233	402,115
Operating result before income tax	37,898	(233)	37,665
Operating result from continuing operations	37,843	(233)	37,610
Operating result attributable to members of the University of Technology, Sydney	37,843	(233)	37,610

# Notes to the financial statements

AS AT 31 DECEMBER 2008

Notes	Economic entity (Consolidated)		Parent entity (University)	
	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
<b>23. COMMITMENTS FOR EXPENDITURE</b>				
<b>(a) Capital expenditure commitments</b>				
Commitments for the acquisition of property, plant and equipment contracted for at the reporting date but not recognised as liabilities are payable as follows:				
<b>Building works</b>				
> not later than one year	2,689	8,150	2,689	8,150
> later than one year and not later than five years	-	-	-	-
<b>Plant and equipment</b>				
> not later than one year	1,518	1,704	1,487	1,704
<b>Intangible assets</b>				
> not later than one year	-	-	-	-
<b>Total capital commitments</b>	<b>4,207</b>	<b>9,854</b>	<b>4,176</b>	<b>9,854</b>
<b>(b) Lease commitments</b>				
Commitments in relation to leases contracted for at the reporting date but not recognised as liabilities are payable as follows:				
Within one year	10,110	9,043	6,613	5,896
Later than one year but not later than five years	15,573	14,077	6,104	6,037
Later than five years	1,273	1,319	1,273	1,319
<b>Total lease commitments</b>	<b>26,956</b>	<b>24,439</b>	<b>13,990</b>	<b>13,252</b>
Representing:				
> cancellable operating leases	-	-	-	-
> non-cancellable operating leases	20,775	18,571	7,809	7,384
> future finance charges on finance leases	6,181	5,868	6,181	5,868
	26,956	24,439	13,990	13,252
<b>Operating leases</b>				
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:				
<i>Premises</i>				
> within one year	5,306	4,641	1,809	1,494
> later than one year and not later than five years	11,418	10,252	1,949	2,212
> later than five years	1,273	1,319	1,273	1,319
	17,997	16,212	5,031	5,025
<i>Motor vehicles</i>				
> within one year	1,464	1,419	1,464	1,419
> later than one year and not later than five years	1,107	761	1,107	761
	2,571	2,180	2,571	2,180
<i>Equipment</i>				
> within one year	140	130	140	130
> later than one year and not later than five years	67	49	67	49
	207	179	207	179
<b>Total operating leases</b>	<b>20,775</b>	<b>18,571</b>	<b>7,809</b>	<b>7,384</b>

**Finance leases**

The University of Technology, Sydney leases various plant and equipment with a carrying amount of \$5,532,647 (2007: \$5,234,697) under finance leases expiring within one to five years.

Commitments for minimum lease payments in relation to finance leases are payable as follows:

# Notes to the financial statements

AS AT 31 DECEMBER 2008

	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
<i>Equipment</i>					
> within one year		3,200	2,853	3,200	2,853
> later than one year and not later than five years		2,981	3,015	2,981	3,015
Total minimum finance lease payments		6,181	5,868	6,181	5,868
Future finance charges		(452)	(473)	(452)	(473)
Recognised as a liability		5,729	5,395	5,729	5,395
Representing lease liabilities					
> current liability	18	2,893	2,553	2,893	2,553
> non-current liability	18	2,836	2,842	2,836	2,842
		5,729	5,395	5,729	5,395

The weighted average interest rate implicit in the leases is 7.32 per cent (2007: 7.21 per cent)

## (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		1,021	1,268	845	937
> later than one year and not later than five years		-	348	-	-
		1,021	1,616	845	937

### Remuneration commitments

> not later than one year		273	356	-	-
> later than one year and not later than five years		-	529	-	-
		273	885	-	-

<b>Total other expenditure commitments</b>		<b>1,294</b>	<b>2,501</b>	<b>845</b>	<b>937</b>
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Commitments for expenditure are recorded on a Goods and Services Tax inclusive basis except for finance leases which are recorded on a GST exclusive basis. The potential GST credit on the above commitments is \$ 2,364,000 (2007: \$2,731,000) for the economic entity and \$1,166,000 (2007: \$1,652,000) for the parent entity.

## 24. NON-CASH FINANCING AND INVESTING ACTIVITIES

Acquisition of plant and equipment by means of finance leases		3,273	3,387	3,273	3,387
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## 25. DEFINED BENEFITS PLANS

During the 2008 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)

### 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 2008 calculation of the liabilities of SSS, SASS and SANCS is based on the requirements of AASB 119 *Employee Benefits*.

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 STC assumptions:

	2008 %	2007 %
> discount rate at 31 December 2008	4.1	6.4
> expected return on plan assets at 31 December 2008	7.3	7.6
> expected salary increases	3.5	4.0
> expected rate of consumer price index increase	2.5	2.5

## Notes to the financial statements

AS AT 31 DECEMBER 2008

	SASS		SANCS		SSS		Total	
	2008	2007	2008	2007	2008	2007	2008	2007
<b>25. DEFINED BENEFITS PLANS (CONTINUED)</b>								
Fair value of plan assets	(40,006,987)	(50,064,956)	(5,964,782)	(9,336,931)	(130,065,789)	(179,432,341)	(176,037,558)	(238,834,228)
Present value of defined benefit obligation	47,090,940	46,034,722	11,500,535	10,842,624	418,367,793	312,093,687	476,959,268	368,971,033
Surplus/(deficit)	7,083,953	(4,030,234)	5,535,753	1,505,693	288,302,004	132,661,346	300,921,710	130,136,805
Experience adjustments on plan liabilities	867,000	276,392	1,688,843	(31,137)	108,592,654	(25,250,774)	111,148,497	(25,005,519)
Experience adjustments on plan assets	11,321,973	(1,380,604)	2,400,479	30,401	41,446,077	(3,219,060)	55,168,529	(4,569,263)
<b>Financial impact for funds guaranteed by Commonwealth Government</b>								
<b>Present value obligations – 2008</b>								
Opening defined benefit obligation	46,034,722	45,295,906	10,842,624	11,294,982	312,093,687	324,113,004	368,971,033	380,703,892
Current service cost	1,739,475	1,786,202	546,153	603,697	1,180,256	1,458,685	3,465,884	3,848,584
Interest cost	2,794,625	2,588,433	635,521	627,758	19,367,164	18,916,070	22,797,310	22,132,261
Contributions from plan participants	804,195	803,063	–	–	2,058,210	2,175,176	2,862,405	2,978,239
Actuarial losses/(gains)	867,000	276,392	1,688,843	(31,137)	108,592,654	(25,250,774)	111,148,497	(25,005,519)
Past service costs	–	–	–	–	–	–	–	–
Losses/(gains) on curtailments	–	–	–	–	–	–	–	–
Liabilities extinguished on settlements	–	–	–	–	–	–	–	–
Liabilities assumed in a business combination	–	–	–	–	–	–	–	–
Exchange differences on foreign plans	–	–	–	–	–	–	–	–
Benefits paid	(5,149,077)	(4,715,274)	(2,212,606)	(1,652,676)	(24,924,178)	(9,318,474)	(32,285,861)	(15,686,424)
Closing defined benefit obligation	47,090,940	46,034,722	11,500,535	10,842,624	418,367,793	312,093,687	476,959,268	368,971,033
<b>Present value of plan assets – 2008</b>								
Opening fair value of plan assets	50,064,957	47,285,952	9,336,931	9,070,320	179,432,341	169,312,622	238,834,229	225,668,894
Expected return on plan assets	3,668,585	3,428,400	831,928	792,906	13,315,387	12,189,225	17,815,900	16,410,531
Actuarial gains/(losses)	(11,321,973)	1,380,604	(2,400,479)	(30,401)	(41,446,077)	3,219,060	(55,168,529)	4,569,263
Exchange differences on foreign plans	–	–	–	–	–	–	–	–
Contributions from the employer	1,940,301	1,882,212	409,008	1,156,782	1,630,106	1,854,733	3,979,415	4,893,727
Contributions from plan participants	804,195	803,063	–	–	2,058,210	2,175,176	2,862,405	2,978,239
Benefits paid	(5,149,078)	(4,715,274)	(2,212,606)	(1,652,676)	(24,924,178)	(9,318,475)	(32,285,862)	(15,686,425)
Assets acquired in a business combination	–	–	–	–	–	–	–	–
Assets distributed on settlements	–	–	–	–	–	–	–	–
Closing fair value of plan assets	40,006,987	50,064,957	5,964,782	9,336,931	130,065,789	179,432,341	176,037,558	238,834,229

The history of experience adjustments is as follows:

## Notes to the financial statements

AS AT 31 DECEMBER 2008

	SASS		SANCS		SSS		Total	
	2008	2007	2008	2007	2008	2007	2008	2007
<b>Included in balance sheet – 2008</b>								
Present value of funded obligations	47,090,940	46,034,722	11,500,535	10,842,624	418,367,793	312,093,687	476,959,268	368,971,033
Fair value of plans	(40,006,987)	(50,064,956)	(5,964,782)	(9,336,931)	(130,065,789)	(179,432,341)	(176,037,558)	(238,834,228)
(Surplus)/deficit	7,083,953	(4,030,234)	5,535,753	1,505,693	288,302,004	132,661,346	300,921,710	130,136,805
Present value of unfunded obligations	-	-	-	-	-	-	-	-
(Surplus)/deficit	7,083,953	(4,030,234)	5,535,753	1,505,693	288,302,004	132,661,346	300,921,710	130,136,805
Net actuarial gains or losses not recognised	-	-	-	-	-	-	-	-
Past service cost not yet recognised	-	-	-	-	-	-	-	-
Restrictions on asset recognised	-	-	-	-	-	-	-	-
Fair value of reimbursement rights recognised as an asset	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Net liability/(asset) arising from defined benefit obligations	7,083,953	(4,030,234)	5,535,753	1,505,693	288,302,004	132,661,346	300,921,710	130,136,805
<b>Expense recognised – 2008</b>								
Current service cost	1,739,475	1,786,202	546,153	603,697	1,180,256	1,458,685	3,465,884	3,848,584
Interest on obligation	2,794,625	2,588,433	635,521	627,758	19,367,164	18,916,070	22,797,310	22,132,261
Expected return on plan assets	(3,668,585)	(3,428,400)	(831,928)	(792,906)	(13,315,387)	(12,189,225)	(17,815,900)	(16,410,531)
Expected return on reimbursement rights	-	-	-	-	-	-	-	-
Actuarial losses/(gains) recognised in the year	12,188,974	(1,104,212)	4,089,322	(736)	150,038,731	(28,469,833)	166,317,027	(29,574,781)
Past service costs	-	-	-	-	-	-	-	-
Losses/(gains) arising from curtailments or settlements	-	-	-	-	-	-	-	-
Adjustments for restriction on the defined benefit asset	-	-	-	-	-	-	-	-
Expense/(income)	13,054,489	(157,977)	4,439,068	437,813	157,270,764	(20,284,303)	174,764,321	(20,004,467)
Actual return on plan assets	(8,388,996)	3,633,700	(1,568,551)	762,505	(29,524,075)	13,077,873	(39,481,622)	17,474,078
Details of the defined pension plan as extracted from the plans' most recent report calculated in accordance with AAS 25 <i>Financial Reporting by Superannuation Plans</i> :								
> accrued benefits	43,213,228	45,766,018	10,227,695	10,765,972	289,463,989	280,872,793	342,904,912	337,404,783
> net market value of fund assets	(40,006,987)	(50,064,956)	(5,964,782)	(9,336,931)	(130,065,789)	(179,432,341)	(176,037,558)	(238,834,228)
Net (surplus)/deficit	3,206,241	(4,298,938)	4,262,913	1,429,041	159,398,200	101,440,452	166,867,354	98,570,555



# Notes to the financial statements

AS AT 31 DECEMBER 2008

## 25. DEFINED BENEFITS PLANS (CONTINUED)

### UniSuper Management Limited

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

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 AASB 119 *Employee Benefits*.
3. As at 7 November 2008 the fund reported that due to the rapid decline in the Australian sharemarket, the Vested Benefits Index (VBI) for the UniSuper DBP has fallen below 100 per cent for the first time in four years. The VBI is a statistical index that measures the capacity of the fund to pay out all members' benefits from the existing assets of the fund in the unlikely event that all the members were to leave the fund at the same time. A further measure of fund viability is the Accrued Benefits Index (ABI) which is considered to be a more realistic measure of the fund's financial position than the VBI. The ABI takes into account the expected pattern of members joining, contributing to and leaving the fund against the assets required to ensure that all members' benefits are available when they fall due. The ABI remains over 100 per cent as at 7 November 2008.

As at 7 November 2008 the assets of the DBP in aggregate were estimated to be 92.8 per cent of the vested benefits of the fund. 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 7 November 2008 the ABI was estimated to be 105.4 per cent of the accrued benefits of the fund. 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.

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	7.25	8.5
> net of tax investment return	6.75	8.0
> consumer Price Index	2.75	2.75
> inflationary salary increases long term	3.75	3.75
> 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, 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.

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 discernible in the income statement or balance sheet.

# Notes to the financial statements

AS AT 31 DECEMBER 2008

## 28. SUBSIDIARIES

Name of entity	Principal activities	Country of incorporation	Ownership interest/ control		Equity	
			2008 %	2007 %	2008 \$'000	2007 \$'000
<b>Parent entity</b>						
University of Technology, Sydney	education services	Australia			965,791	939,877
<b>Controlled entities</b>						
INSEARCH Limited (company limited by guarantee) <sup>1</sup>	education services	Australia	100	100	24,919	16,270
INSEARCH (Shanghai) Limited	education services	China	100	100	725	649
INSEARCH Education International Pty Limited	education services	Australia	100	100	1,801	134
Australia Centre Thailand	education services	Thailand	81	81	42	77
accessUTS Pty Ltd	consulting	Australia	100	100	120	91
UTSM Services (Malaysia) Sdn. Bhd	education services	Malaysia	100	100	48	54

<sup>1</sup> University of Technology, Sydney's Council controls the board of INSEARCH Limited.

## 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 \$4,000,000 (2007 \$3,000,000) were paid or payable to the ultimate controlling entity
- (2) Sale of services and fees \$2,947,694 (2007 \$2,826,519) to the wholly owned University of Technology, Sydney group
- (3) Purchase of services and fees \$185,113 (2007 \$416,546) by the wholly owned University of Technology, Sydney group
- (4) Purchase of shares in a subsidiary \$0 (2007 \$0) by the wholly owned University of Technology, Sydney group.

### (e) Outstanding balances

	Economic entity (Consolidated)		Parent entity (University)	
	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
<b>Current receivables</b>				
Subsidiaries	-	-	429	319
<b>Current receivables (loans)</b>				
Subsidiaries	-	-	35	35

Included in the total doubtful debts provision in the parent entity is a provision of \$160,088 (2007: \$95,583) for doubtful debts for outstanding balances due from related parties.

## 30. DISAGGREGATION INFORMATION (CONSOLIDATED)

	Revenue		Results		Assets	
	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
<b>Geographical (consolidated entity)</b>						
Australia	679,780	431,702	54,413	35,153	1,446,721	1,236,330
China	1,048	2,027	257	909	260	150
United Kingdom	5,583	2,999	941	597	2,771	2,349
South-East Asia	1,072	3,052	1,928	951	1,965	759
<b>Total</b>	<b>687,483</b>	<b>439,780</b>	<b>57,539</b>	<b>37,610</b>	<b>1,451,717</b>	<b>1,239,588</b>

(a) Includes discontinued operations.

# Notes to the financial statements

AS AT 31 DECEMBER 2008

## 31. EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

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

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

	Economic entity (Consolidated)		Parent entity (University)	
	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
Operating result for the period	57,539	37,610	48,403	34,793
Depreciation and amortisation	50,677	49,768	49,210	47,881
Increase/(decrease) in provisions:				
> annual leave	1,035	980	886	1,007
> diminution of shares	404	208	404	140
> doubtful debts	(516)	(2,154)	(516)	(436)
> long service leave	730	573	582	753
> deferred superannuation	170,785	(24,898)	170,785	(24,898)
Decrease/(increase) in receivables	2,970	595	3,472	(1,100)
Decrease/(increase) in non-current receivables	(166,755)	24,179	(166,755)	24,179
Decrease/(increase) in prepayments and accrued income	(8,415)	(4,565)	(8,013)	(3,894)
Decrease/(increase) in inventories	-	-	-	-
(Decrease)/increase in accounts payable	4,651	(4,931)	3,351	(5,527)
(Decrease)/Increase in current tax liabilities	-	-	-	-
(Decrease)/increase in income in advance	2,991	2,802	698	696
Decrease/(increase) in derivatives – asset	-	765	-	765
(Profit)/loss on sale of assets	(1,512)	(3,944)	1,528	(3,944)
Write-back of motor vehicles	-	-	-	-
Increase in share of profit of joint venture not received as dividends or distribution	(2,379)	(522)	-	-
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 AASB 139 <i>Financial Instruments</i>	-	1,748	-	1,748
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	112,205	78,214	104,035	72,163

## Notes to the financial statements

AS AT 31 DECEMBER 2008

**33. ACQUITTAL OF AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE**  
**33.1 Department of Education, Employment and Workplace Relations – CGS and other DEEWR grants**

Notes	Parent entity (University) only																	
	Commonwealth Grant Scheme <sup>1</sup>		Indigenous Support Program		Equity Support Program		Workplace Reform Program		Workplace Productivity Program		Learning and Teaching Performance Fund		Capital Development Pool		Disability Support Program			
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000		
<b>Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the programs)</b>	106,709	100,158	1,301	1,319	118	118	1,500	1,526	476	-	8,399	5,555	900	2,122	353	357		
Net accrual adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Revenue for the period</b>	106,709	100,158	1,301	1,319	118	118	1,500	1,526	476	-	8,399	5,555	900	2,122	353	357	-	
Surplus/(deficit) from the previous year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total revenue including accrued revenue	106,709	100,158	1,301	1,319	118	118	1,500	1,526	476	-	8,399	5,555	900	2,122	353	357	-	-
Less expenses including accrued expenses	(106,709)	(100,158)	(1,301)	(1,319)	(118)	(118)	(1,500)	(1,526)	(476)	-	(8,399)	(5,555)	(900)	(2,122)	(353)	(357)	-	-
Surplus/(deficit) for reporting period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

<sup>1</sup> Includes the basic CGS grant amount, CGS-Regional Loading and CGS-Enabling Loading and Higher Education Funding Act 1988 (Cwilt) transition fund.

# Notes to the financial statements

AS AT 31 DECEMBER 2008

## 33. ACQUITTAL OF AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE (CONTINUED)

### 33.1 DEEWR – CGS and other DEEWR grants (continued)

	Notes	Parent entity (University) only							
		Collaboration and Structural Reform Program <sup>1</sup>		Transitional Cost Program		Improving the Practical Component of Teacher Education Initiative		Total	
		2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
<b>Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the programs)</b>		1,201	360	2,031	–	273	–	123,261	111,515
Net accrual adjustments		–	–	–	–	–	–	–	–
<b>Revenue for the period</b>	2.1 (a)	1,201	360	2,031	–	273	–	123,261	111,515
Surplus/(deficit) from the previous year		–	–	–	–	–	–	–	–
Total revenue including accrued revenue		1,201	360	2,031	–	273	–	123,261	111,515
Less expenses including accrued expenses		(1,201)	(360)	(2,031)	–	(273)	–	(123,261)	(111,515)
Surplus/(deficit) for reporting period		–	–	–	–	–	–	–	–

<sup>1</sup> Includes Diversity and Structural Adjustment Fund

### 33.2 Higher Education Loan Programmes

	Notes	Parent entity (University) only							
		HECS-HELP (Australian Government payments only)		FEE-HELP		Total		OS-HELP*	
		2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
<b>Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the programs)</b>		66,523	57,539	23,044	19,733	89,567	77,272	485	523
Net accrual adjustments		–	–	–	–	–	–	–	–
<b>Revenue for the period</b>	2.1 (b)	67,174	60,508	23,076	20,948	90,250	81,456	–	–
Surplus/(deficit) from the previous year		–	–	–	–	–	–	–	–
Total revenue including accrued revenue		67,174	60,508	23,076	20,948	90,250	81,456	–	–
Less expenses including accrued expenses		(67,174)	(60,508)	(23,076)	(20,948)	(90,250)	(81,456)	–	–
Surplus/(deficit) for reporting period		–	–	–	–	–	–	–	–

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

### 33.3 Australian Research Council grants

#### (a) Discovery

	Notes	Parent entity (University) only					
		Discovery – projects		Discovery – federation fellowships		Total	
		2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
<b>Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the programs)</b>		3,919	5,423	329	432	4,248	5,855
Net accrual adjustments		269	16	–	–	269	16
<b>Revenue for the period</b>	2.1 (e)(i)	4,188	5,439	329	432	4,517	5,871
Surplus/(deficit) from the previous year		3,946	3,539	440	556	4,386	4,095
Total revenue including accrued revenue		8,134	8,978	769	988	8,903	9,966
Less expenses including accrued expenses		(4,574)	(5,032)	(600)	(548)	(5,174)	(5,580)
Surplus/(deficit) for reporting period		3,560	3,946	169	440	3,729	4,386

# Notes to the financial statements

AS AT 31 DECEMBER 2008

## 33.4 Australian Research Council Grants

### (b) Linkages

		Parent entity (University) only									
		Linkage – projects		Linkage – international		Linkage – infrastructure		Linkage – special research initiatives		Total	
	Notes	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
<b>Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the programs)</b>		2,570	3,103	10	21	–	–	–	–	2,580	3,124
Net accrual adjustments		100	39	30	–	–	–	–	–	130	39
<b>Revenue for the period</b>	2.1 (e)(ii)	2,670	3,142	40	21	–	–	–	–	2,710	3,163
Surplus/(deficit) from the previous year		2,637	3,439	11	42	1,236	1,368	1	83	3,885	4,932
Total revenue including accrued revenue		5,307	6,581	51	63	1,236	1,368	1	83	6,595	8,095
Less expenses including accrued expenses		(3,315)	(3,944)	(7)	(52)	(406)	(132)	(1)	(82)	(3,729)	(4,210)
Surplus/(deficit) for reporting period		1,992	2,637	44	11	830	1,236	–	1	2,866	3,885

## 33.5 Australian Research Council Grants

### (c) Networks and centres

		Parent entity (University) only					
		Research Networks		Centres		Total	
	Notes	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
<b>Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the programs)</b>		1,029	1,119	–	–	1,029	1,119
Net accrual adjustments		188	168	716	723	904	891
<b>Revenue for the period</b>	2.1 (e)(iii)	1,217	1,287	716	723	1,933	2,010
Surplus/(deficit) from the previous year		769	591	177	286	946	877
Total revenue including accrued revenue		1,986	1,878	893	1,009	2,879	2,887
Less expenses including accrued expenses		(1,321)	(1,109)	(552)	(832)	(1,873)	(1,941)
Surplus/(deficit) for reporting period		665	769	341	177	1,006	946

## Notes to the financial statements

AS AT 31 DECEMBER 2008

## 33. ACQUISITION OF AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE (CONTINUED)

## 33.6 Department of Innovation, Industry, Science and Research

	Notes	Parent entity (University) only										Total			
		2008 \$'000	2007 \$'000	Research Training Scheme	Small Grants	Research Infrastructure Block Grants	Australian Scheme for Higher Education Repositories	2008 \$'000	2007 \$'000	Implementation Assistance Program	Commercialisation Training Scheme		2008 \$'000	2007 \$'000	
<b>Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the programs)</b>		5,190	4,935	9,054	9,190	40	-	2,789	2,672	121	128	63	85	17,518	17,066
Net accrual adjustments		-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Revenue for the period</b>	2.1 (d)	5,190	4,935	9,054	9,190	40	-	2,789	2,672	121	128	63	85	17,518	17,066
Surplus/(deficit) from the previous year		-	-	-	-	-	5	931	-	-	-	-	-	931	5
Total revenue including accrued revenue		5,190	4,935	9,054	9,190	40	5	3,720	2,672	121	128	63	85	18,449	17,071
Less expenses including accrued expenses		(5,190)	(4,935)	(9,054)	(9,190)	-	(5)	(2,912)	(1,741)	(76)	(128)	(63)	(85)	(17,415)	(16,140)
Surplus/(deficit) for reporting period		-	-	-	-	40	-	808	931	149	-	-	37	1,034	931

## 33.7 Scholarships

	Notes	Parent entity (University) only										Total			
		2008 \$'000	2007 \$'000	Australian Postgraduate Awards	International Postgraduate Research Scholarships	Commonwealth Education Cost Scholarships	Commonwealth Accommodation Scholarships	Indigenous Staff Scholarships	Indigenous Access Scholarships	2008 \$'000	2007 \$'000		2008 \$'000	2007 \$'000	
<b>Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the programs)</b>		1,571	1,501	1,501	280	939	1,535	1,374	34	-	196	-	-	4,786	4,094
Net accrual adjustments		-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Revenue for the period</b>	2.1 (c)	1,571	1,501	1,501	280	939	1,535	1,374	34	-	196	-	-	4,786	4,094
Surplus/(deficit) from the previous year		270	518	-	-	86	1,250	604	-	-	-	-	-	1,399	1,208
Total revenue including accrued revenue		1,841	2,019	2,019	280	1,025	2,785	1,978	34	-	196	-	-	6,185	5,302
Less expenses including accrued expenses		(1,746)	(1,749)	(1,749)	(280)	(1,146)	(781)	(728)	(34)	-	(165)	-	-	(4,826)	(3,903)
Surplus/(deficit) for reporting period		95	270	270	58	(121)	2,004	1,250	-	31	-	-	-	1,359	1,399

# Notes to the financial statements

AS AT 31 DECEMBER 2008

## 33.8 Better Universities Renewal Funding

	Notes	Parent entity (University) only	
		2008 \$'000	2007 \$'000
<b>Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the programs)</b>		13,698	–
Net accrual adjustments		–	–
<b>Revenue for the period</b>	2.1 (f)	13,698	–
Surplus/(deficit) from the previous year		–	–
Total revenue including accrued revenue		13,698	–
Less expenses including accrued expenses		(2,590)	–
Surplus/(deficit) for reporting period		11,108	–

## 34. FINANCIAL RISK MANAGEMENT

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

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

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

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

### (a) Market risk

#### Foreign exchange risk

The Group's exposure to market risk for changes in foreign exchange rates relates primarily to the Group's payments to overseas suppliers in payables and to a lesser extent foreign currency trade debtor invoices in receivables. The Group's foreign currency payments and receipts are not significant and University practice is to use the spot rate when paying or receiving foreign currency amounts.

The Group has minimal balance sheet exposure to foreign currency movements with the majority of operations of the Group occurring within Australia. A subsidiary, INSEARCH Limited, has investments in the United Kingdom and South-East Asia which can impact the subsidiary, however, on an economic entity basis the impact is minimal.

#### Interest rate risk

The Group's exposure to market risk for changes in interest rate relates primarily to the Group's long-term debt obligations and investments in term deposits. Long-term debt obligations are managed by fixed interest rate loans. At 31 December 2008, 100 per cent of the Group's borrowings are at a fixed rate of interest.

During the 2008 year the Group transferred its investments from a managed fund portfolio into term deposits to maximise returns. The forecasted decrease in interest rates during 2009 will impact the return on these investments compared to 2008. The investment portfolio is reviewed by the University's Finance Committee within the framework on the University's investment procedures.

#### *Instruments used by the Group*

The Group has been 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 2008

## 34. FINANCIAL RISK MANAGEMENT (CONTINUED)

### Summarised sensitivity analysis

The following table summarises the sensitivity of the Group's financial assets and financial liabilities to interest rate risk and foreign exchange risk. The Group anticipates that interest rates may fall by up to 1.5 per cent in the 2009 year.

	Carrying amount	Interest rate risk				Foreign exchange risk			
		1.5%		-1.5%		10%		-10%	
		Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000
<b>31 December 2008</b>									
<b>Financial assets</b>									
Cash and cash equivalents	175,506	2,633	-	(2,633)	-	-	-	-	-
Receivables	305,315	-	-	-	-	(276)	-	276	-
Managed funds	41	1	-	(1)	-	-	-	-	-
Managed funds – Income plus Fund	-	-	-	-	-	-	-	-	-
Managed funds – Treasury Fund	-	-	-	-	-	-	-	-	-
Shares in other organisations	255	-	-	-	-	-	-	-	-
Investments using the equity method	10,439	-	-	-	-	-	-	-	-
<b>Total financial assets</b>	<b>491,556</b>	<b>2,633</b>	<b>-</b>	<b>(2,633)</b>	<b>-</b>	<b>(276)</b>	<b>-</b>	<b>276</b>	<b>-</b>
<b>Financial liabilities</b>									
Payables	-	27,594	-	-	-	65	-	(65)	-
TCorp Loan	40,000	-	-	-	-	-	-	-	-
Finance leases	5,729	-	-	-	-	-	-	-	-
<b>Total financial liabilities</b>	<b>73,323</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>65</b>	<b>-</b>	<b>(65)</b>	<b>-</b>
<b>Total increase/(decrease)</b>	<b>-</b>	<b>2,633</b>	<b>-</b>	<b>(2,633)</b>	<b>-</b>	<b>(210)</b>	<b>-</b>	<b>210</b>	<b>-</b>

	Carrying amount	Interest rate risk				Foreign exchange risk			
		1%		-1%		10%		-10%	
		Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000
<b>31 December 2007</b>									
<b>Financial assets</b>									
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	-	-	-	-	-	-	-	-
Investments using the equity method	6,852	-	-	-	-	-	-	-	-
<b>Total financial assets</b>	<b>263,887</b>	<b>1,147</b>	<b>-</b>	<b>(1,147)</b>	<b>-</b>	<b>(95)</b>	<b>-</b>	<b>95</b>	<b>-</b>
<b>Financial liabilities</b>									
Payables	27,634	-	-	-	-	46	-	(46)	-
TCorp loan	40,000	-	-	-	-	-	-	-	-
Finance leases	5,395	-	-	-	-	-	-	-	-
<b>Total financial liabilities</b>	<b>73,029</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>46</b>	<b>-</b>	<b>(46)</b>	<b>-</b>
<b>Total increase/(decrease)</b>	<b>-</b>	<b>1,147</b>	<b>-</b>	<b>(1,147)</b>	<b>-</b>	<b>(49)</b>	<b>-</b>	<b>49</b>	<b>-</b>

# Notes to the financial statements

AS AT 31 DECEMBER 2008

## (b) Credit risk

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

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

## (c) Liquidity risk

The Group's objective is to maintain a balance between continuity of funding and flexibility through use of bank loans and finance leases. The parent entity does not anticipate increasing bank loan facilities in the short term.

The Government will phase out full-fee-paying domestic undergraduate student fees from 1 July 2009. In 2008 the fee income received by the University for this category of student was \$8.8 million. The Government has indicated that universities will be offered additional HECS places as part compensation for the loss of this income.

The following tables summarises the maturity of the Group's financial assets and financial liabilities.

	Average interest rate %	Variable interest rate \$'000	Less than 1 year \$'000	1 to 5 years \$'000	5+ years \$'000	Non interest \$'000	Total \$'000
<b>31 December 2008</b>							
<b>Financial assets</b>							
Cash and cash equivalents	6.06	-	175,506	-	-	-	175,506
Receivables	-	-	-	-	-	305,315	305,315
Managed funds	7.22	41	-	-	-	-	41
Managed funds – Income plus Fund	-	-	-	-	-	-	-
Managed funds – Treasury Fund	-	-	-	-	-	-	-
Shares in other organisations	-	-	-	-	-	255	255
Investments using the equity method	-	-	-	-	-	10,439	10,439
<b>Total financial assets</b>	<b>-</b>	<b>41</b>	<b>175,506</b>	<b>-</b>	<b>-</b>	<b>316,009</b>	<b>491,556</b>
<b>Financial liabilities</b>							
Payables	-	-	-	-	-	27,594	27,594
TCorp loan	6.41	-	-	-	40,000	-	40,000
Finance leases	7.32	-	2,893	2,836	-	-	5,729
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>2,893</b>	<b>2,836</b>	<b>40,000</b>	<b>27,594</b>	<b>73,323</b>

	Average interest rate %	Variable interest rate \$'000	Less than 1 year \$'000	1 to 5 years \$'000	5+ years \$'000	Non interest \$'000	Total \$'000
<b>31 December 2007</b>							
<b>Financial assets</b>							
Cash and cash equivalents	5.94	-	26,365	-	-	-	26,365
Receivables	-	-	-	-	-	138,650	138,650
Managed funds	3.67	38	-	-	-	-	38
Managed funds – Income plus Fund	5.30	87,066	-	-	-	-	87,066
Managed funds – Treasury Fund	6.71	1,280	-	-	-	-	1,280
Shares in other organisations	-	-	-	-	-	3,636	3,636
Investments using the equity method	-	-	-	-	-	6,852	6,852
<b>Total financial assets</b>	<b>-</b>	<b>88,384</b>	<b>26,365</b>	<b>-</b>	<b>-</b>	<b>149,138</b>	<b>263,887</b>
<b>Financial liabilities</b>							
Payables	-	-	-	-	-	27,634	27,634
TCorp Loan	6.41	-	-	-	40,000	-	40,000
Finance leases	7.21	-	-	5,395	-	-	5,395
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,395</b>	<b>40,000</b>	<b>27,634</b>	<b>73,029</b>

# Notes to the financial statements

AS AT 31 DECEMBER 2008

## 34. FINANCIAL RISK MANAGEMENT (CONTINUED)

### (d) Fair value estimation

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

	2008		2007	
	Carrying amount \$'000	Fair value \$'000	Carrying amount \$'000	Fair value \$'000
<b>Financial assets</b>				
Cash and cash equivalents	175,506	175,506	26,365	26,365
Receivables	305,315	305,315	138,650	138,650
Managed funds	41	41	38	38
Managed funds – Income plus Fund	–	–	87,066	87,066
Managed funds – Treasury Fund	–	–	1,280	1,280
Shares in other organisations	255	255	3,636	3,636
Investments using the equity method	10,439	10,439	6,852	6,852
<b>Total financial assets</b>	<b>491,556</b>	<b>491,556</b>	<b>263,887</b>	<b>263,887</b>
<b>Financial liabilities</b>				
Payables	27,594	27,594	27,634	27,634
TCorp Loan	40,000	43,898	40,000	43,898
Finance leases	5,729	5,729	5,395	5,395
<b>Total financial liabilities</b>	<b>73,323</b>	<b>77,221</b>	<b>73,029</b>	<b>76,927</b>

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 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.

## 35. 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	1,626	–	–	1,626
Percentage of income	100%	0%	0%	100%
The net proceeds were used for the following purposes:				
> purchase of equipment and consumables				103
> research expenditure				231
> held for specific purposes				1,292
				1,626

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.

# Notes to the financial statements

AS AT 31 DECEMBER 2008

## 36 DISCONTINUED OPERATIONS

### (a) Description

On 31 October 2008 INSEARCH Ltd (a controlled entity of the University of Technology, Sydney) and the University of Essex terminated their Co-operation Agreement and ceased delivery of academic and English programs at Insearch Essex.

The financial information relating to the discontinued operations for the period to the date of the disposal which has been included in the income statement is set out below.

### (b) Financial performance and cash flow information

The financial performance and cash flow information presented are for the months ended 31 October 2008 (2008 column) and the year ended 31 December 2007.

	Economic entity (Consolidated)		Parent entity (University)	
	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
Revenue	2,434	2,999	-	-
Expenses	(2,308)	(2,373)	-	-
Operating result before income tax	126	626	-	-
Income tax expense	-	-	-	-
Operating result after income tax of discontinued operations	126	626	-	-
Gain on sale of the operation before income tax	3,151	-	-	-
Income tax expense	(409)	-	-	-
Gain on sale of the division after income tax	2,742	-	-	-
Profit/(loss) on discontinued operations after income tax	2,868	626	-	-
Net cash inflow from operating activities	(2,663)	1,366	-	-
Net cash inflow from investing activities	613	(7)	-	-
Net increase/(decrease) in cash generated by operations	(2,050)	1,359	-	-
<b>(c) Carrying amounts of assets and liabilities</b>				
Plant and equipment	142	-	-	-
Total assets	142	-	-	-
Provision for employee benefits	(19)	-	-	-
Total liabilities	(19)	-	-	-

END OF AUDITED FINANCIAL STATEMENTS

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# Report of the directors

## UTS:INSEARCH

### 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:

	<b>Date of Appointment</b>
Mr M G Williams (Chair from 23 Nov 08)	26 Jun 08
Prof D S Goodman ( <i>retired 11 Dec 08</i> )	22 Apr 04
Ms D N Hill	27 Mar 08
Mr R J Hill (Chair) ( <i>retired 22 May 08</i> )	24 Oct 96
Mr J M Hutchison	27 Nov 08
Prof A J Johnston	27 Jul 08
Mrs D M Leckie	28 Feb 08
Prof R L Lynch ( <i>retired 26 Jun 08</i> )	22 Apr 04
Mr A Murphy	3 Sep 07
Mr P Woods	24 May 07
Dr K L Woodthorpe* ( <i>retired 23 Nov 08</i> )	23 Nov 00

\*Dr K L Woodthorpe was appointed chair from 26 June 2008

#### COMPANY SECRETARY

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

	<b>Date of Appointment</b>
Mr L J Hall	7 Nov 07

#### PRINCIPAL ACTIVITIES

The activities of the company during the financial year ended 31 December 2008 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 \$8.842m, after the payment of a donation to the University of Technology, Sydney of \$4.0m. This profit added to the prior year accumulated profits brings the balance of the accumulated funds to \$27.442m.

#### SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

During this financial year Insearch Limited reached an agreement with the University of Essex to terminate the co-operation agreement between the two entities. Insearch Essex discontinued operations in October 2008. The financial impact of this decision is fully reflected in the 2008 financial statements.

#### MATTERS SUBSEQUENT TO END OF YEAR

Since the 31<sup>st</sup> 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 22 (b) of the financial report.

#### INFORMATION ON DIRECTORS

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

**D N Hill** FCA, FAICD, MRSA, AIPM, BA Accounting  
Director & Shareholder, Sector Research Pty Ltd

**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

**J M Hutchison** AM, BCom, CPA  
Director, Presdyn Pty Ltd  
Adjunct Professor, University of Technology Sydney

**A J Johnston** BSc (Hons), PhD, FIEAust, FICE, FTSE, MAICD  
Dean, Faculty of Engineering and Information  
Technology, University of Technology, Sydney  
Chairman, Centre for Engineering Leadership and  
Management (Engineers Australia)  
Advisory Prof, Shanghai Jiao Tong University  
Advisor, Association of Chamber of Commerce and  
Industry of India

**D M Leckie** BBus, MEcon, FCPA, MAICD  
Member of Council, University of Technology, Sydney

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

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

**K L Woodthorpe** BSc, PhD, FAICD,

# Report of the directors

## UTS:INSEARCH

Chief Executive, Australian Private Equity and Venture Capital Association Ltd,  
Director, pSivida Ltd  
Member of Council,  
University of Technology, Sydney

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

**M G Williams**  
Cooperative Research Centre for Environmental Biotechnology  
Board member, Australia Korea Foundation  
Council Member, NSW Branch of Australian Institute of International Affairs

**INFORMATION ON COMPANY SECRETARY**  
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 \$8,099 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 17<sup>th</sup> day of April 2009.

  
MACK WILLIAMS  
Director

Number of Meetings Held	Full meetings of directors 11	Audit committee 4
Number of Meetings attended by:		
<b>D S G Goodman</b> (11 meetings held while a director)	8	*
<b>D Hill</b> (10 meetings held while a director)	10	4
<b>R J Hill</b> (4 meetings held while a director)	3	*
<b>J Hutchison</b> (2 meetings held while a director)	1	*
<b>A Johnston</b> (6 meetings held while a director)	3	*
<b>D Leckie</b> (11 meetings held while a director)	10	2
<b>R L Lynch</b> (5 meetings held while a director)	5	2
<b>A Murphy</b> (11 meetings held while a director)	10	2*
<b>M Williams</b> (7 meetings held while a director)	7	*
<b>P Woods</b> (11 meetings held while a director)	7	2
<b>K L Woodthorpe</b> (9 meetings held while a director)	6	2

\* 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.

  
ALEX MURPHY  
Director



## Directors' declaration

UTS:INSEARCH

### directors' declaration

For the year ended 31 December 2008

#### 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 2008 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 2008 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 17<sup>th</sup> day of April 2009  
For and on behalf of the board.



MACK WILLIAMS  
Director



ALEX MURPHY  
Director

# Statement by appointed officers

**UTS:INSEARCH**

**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 2008

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 2008 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.



MACK WILLIAMS  
Director  
17<sup>th</sup> April 2009



ALEX MURPHY  
Director  
17<sup>th</sup> April 2009

# 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), which comprises the balance sheets as at 31 December 2008, the income statements, statements of changes in equity and cash flow statements for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration for both the Company and 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:

- 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 2008 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.

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

#### 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 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.

## Independent auditor's report

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 controls 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 controls. 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.

My opinion does *not* provide assurance:

- about the future viability of the Company or 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 of New South Wales has complied with the independence requirements of the Australian Auditing Standards, *Corporations Act 2001* 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 of New South Wales are not compromised in their role by the possibility of losing clients or income.



A Oyetunji  
Director, Financial Audit Services

17 April 2009  
SYDNEY

# 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 the financial report of Insearch Limited for the year ended 31 December 2008, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations Act 2001* in relation to the audit, 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

17 April 2009  
SYDNEY

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# Income statement

FOR THE YEAR ENDED 31 DECEMBER 2008

	Note	Consolidated entity		Parent entity	
		2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
<b>Continuing operations</b>					
Revenue from continuing operations	4	41,768	35,775	42,923	36,247
Other income	4	298	414	298	331
Share of net profits from joint venture partnerships accounted for using the equity method	12 (d)	2,658	1,800	–	–
<b>Total income</b>		<b>44,724</b>	<b>37,989</b>	<b>43,221</b>	<b>36,578</b>
Employee benefits expense	5 (a)	(16,440)	(15,649)	(16,314)	(15,299)
Depreciation and amortisation expense	5 (b)	(1,398)	(1,785)	(1,386)	(1,770)
Other expenses	5 (c)	(20,893)	(18,535)	(21,227)	(18,506)
<b>Total expenses</b>		<b>(38,731)</b>	<b>(35,969)</b>	<b>(38,927)</b>	<b>(35,575)</b>
Profit/loss before income tax expense		5,993	2,020	4,294	1,003
Income tax expense	6	(19)	(12)	(13)	(12)
Profit/(loss) for the year from continuing operations		5,974	2,008	4,281	991
<b>Discontinued operations</b>					
Profit/loss from discontinued operations	30	2,868	626	994	626
<b>Profit/loss for the year</b>		<b>8,842</b>	<b>2,634</b>	<b>5,275</b>	<b>1,617</b>

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

# Balance sheet

AS AT 31 DECEMBER 2008

	Note	Consolidated entity		Parent entity	
		2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
<b>Current assets</b>					
Cash and cash equivalents	7, 27	31,427	23,043	29,483	22,856
Trade and other receivables	8	2,535	1,501	2,493	1,460
Inventories	9	58	82	58	79
Other financial assets	10	93	125	93	125
		34,113	24,751	32,127	24,520
Non-current assets classified as held for sale	11	–	60	–	60
<b>Total current assets</b>		<b>34,113</b>	<b>24,811</b>	<b>32,127</b>	<b>24,580</b>
<b>Non-current assets</b>					
Investments accounted for using the equity method	12 (a)	5,908	3,200	–	–
Plant and equipment	13	2,457	2,539	2,440	2,514
Intangible assets	14	1,236	1,855	1,236	1,855
Other financial assets	15	118	111	974	1,181
Trade and other receivables	16	2,364	–	2,364	–
<b>Total non-current assets</b>		<b>12,083</b>	<b>7,705</b>	<b>7,014</b>	<b>5,550</b>
<b>Total assets</b>		<b>46,196</b>	<b>32,516</b>	<b>39,141</b>	<b>30,130</b>
<b>Current liabilities</b>					
Trade and other payables	17	1,153	522	1,607	1,017
Provisions	18	1,641	1,216	1,641	1,216
Other	19	14,321	11,540	14,281	11,497
<b>Total current liabilities</b>		<b>17,115</b>	<b>13,278</b>	<b>17,529</b>	<b>13,730</b>
<b>Non-current liabilities</b>					
Provisions	20	1,639	1,597	1,639	1,597
<b>Total non-current liabilities</b>		<b>1,639</b>	<b>1,597</b>	<b>1,639</b>	<b>1,597</b>
<b>Total liabilities</b>		<b>18,754</b>	<b>14,875</b>	<b>19,168</b>	<b>15,327</b>
<b>Net assets</b>		<b>27,442</b>	<b>17,641</b>	<b>19,973</b>	<b>14,803</b>
<b>Equity</b>					
Retained profits	21 (a)	26,986	18,145	20,195	14,920
Reserves	21 (b)	456	(504)	(222)	(117)
<b>Total equity</b>		<b>27,442</b>	<b>17,641</b>	<b>19,973</b>	<b>14,803</b>

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



# Cash flows from operating activities

FOR THE YEAR ENDED 31 DECEMBER 2008

	Note	Consolidated entity		Parent entity	
		2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
<b>Cash flows from operating activities</b>					
Receipts from customers (inclusive of Goods and Services Tax)		45,932	40,998	45,936	41,629
Donation paid to the University of Technology, Sydney		(4,000)	(3,000)	(4,000)	(3,000)
Payment to suppliers and employees (inclusive of Goods and Services Tax)		(37,916)	(34,390)	(38,612)	(35,031)
Income taxes paid		(55)	(12)	(55)	(12)
		3,961	3,596	3,269	3,586
Interest received		1,989	1,382	1,988	1,381
Joint venture partnership distributions received		1,158	771	1,158	700
Input tax credit refund from Australian Taxation Office		655	751	655	751
<b>Net cash (outflow)/inflow from operating activities</b>	28	<b>7,763</b>	<b>6,500</b>	<b>7,070</b>	<b>6,418</b>
<b>Cash flows from investing activities</b>					
Payments for plant and equipment and intangible assets		(1,041)	(926)	(1,041)	(909)
Proceeds from sale of plant and equipment		703	123	703	123
<b>Net cash (outflow)/inflow from investing activities</b>		<b>(338)</b>	<b>(803)</b>	<b>(338)</b>	<b>(786)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		7,425	5,697	6,732	5,632
Cash and cash equivalents at the beginning of the financial year		23,043	17,566	22,856	17,387
Effects of exchange rate changes on the balances of cash held in foreign currencies at the beginning of the financial year		959	(220)	(105)	(163)
<b>Cash and cash equivalents at end of financial year</b>	27	<b>31,427</b>	<b>23,043</b>	<b>29,483</b>	<b>22,856</b>

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 2008

	Note	Consolidated entity		Parent entity	
		2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
<b>Total equity at the beginning of the financial year</b>		17,641	15,227	14,803	13,349
Exchange differences on translation of foreign operations	21 (b)	960	(220)	(105)	(163)
Expense recognised directly in equity		(1)	-	-	-
<b>Net income/(expense) recognised directly in equity</b>		<b>959</b>	<b>(220)</b>	<b>(105)</b>	<b>(163)</b>
Profit/(loss) for the year		8,842	2,634	5,275	1,617
<b>Total recognised income and expense for the year</b>		<b>9,801</b>	<b>2,414</b>	<b>5,170</b>	<b>1,454</b>
Transactions with equity holders in their capacity as equity holders		-	-	-	-
<b>Total equity at the end of the financial year</b>		<b>27,442</b>	<b>17,641</b>	<b>19,973</b>	<b>14,803</b>

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

# Notes to the financial statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2008

## 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 other disciplines to Australian and overseas students in Australia.

The company has the wholly owned entities INSEARCH Education International Pty Limited, INSEARCH Education and INSEARCH (Shanghai) Limited. INSEARCH Education International Pty Limited, incorporated in Australia, has the controlling interest in Australia Centre (Thailand) Limited, which ceased operations on 31 December 2007. 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 in the People's Republic of China.

INSEARCH Essex, a branch of INSEARCH Limited in the United Kingdom, ceased operations during 2008.

## 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 Australian Accounting Standards, interpretations, other authoritative pronouncements of the Australian Accounting Standards Board (AASB), the Public Finance and Audit Regulation 2005 (NSW) and the *Corporations Act 2001* (Cwlth). 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 2009.

#### Statement of compliance

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

Generally accepted accounting principles, authoritative pronouncements of the AASB, including Interpretations, *the Public Finance and Audit Act 1983* (NSW), 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 Australian International Financial Reporting Standards requires the use of certain critical accounting estimates.

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

### (b) Principles of consolidation

#### (i) Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all entities controlled by INSEARCH Limited ("parent entity") as at 31 December 2008 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, together are 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.

All inter and intra-group transactions, balances, income and expenses are eliminated in full, on consolidation.

#### (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 AASB131 *Interests in Joint Ventures*. 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 2008

## (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 operated during 2008 were:

- > 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 AASB 114 *Segment Reporting*. 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's 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.

### (iii) Other income

Other income 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 income.

## (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 for 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 for the parent entity as a result of the disposal of the operations in the United Kingdom.

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

# Notes to the financial statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2008

## 2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (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 that the carrying amount may no longer be recoverable and at each reporting date.

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 other than goodwill (if any) that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

Assets have been identified within 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 0.00 per cent and 3.90 per cent. Deposits at call are bearing a floating interest rate between 4.15 per cent and 7.15 per cent (2007: 6.15 per cent and 6.50 per cent).

### (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.

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

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

### (m) Inventories

The inventory for INSEARCH Limited represents International English Language Testing System 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 classified as held for sale are 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.

There were no non-current assets classified as held for sale identified in the Group at reporting date.

### (o) Investments and other financial assets

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

# Notes to the financial statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2008

## (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 were 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.

### (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 estimated useful lives, residual values and depreciation method of assets at the end of each annual reporting period, with the effect of any changes recognised on a prospective basis. The expected useful lives for the parent entity are as follows:

Furniture and fittings	Period of the lease
Office equipment	three to five years
Motor vehicles	five years
Computer equipment	three to five 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.

### (iii) Preparation for International English Language Testing System publication

This asset represents the intellectual property of designing and developing the IELTS course books. The asset includes costs associated with the layout, design, review, 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 designed for external access, to the extent they represent future economic benefits, are controlled and can be reliably measured, have been capitalised and amortised over the period of the expected benefits.

### (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 estimated useful life and amortisation method is reviewed at the end of each annual reporting period, with any changes in these accounting estimates being accounted for on a prospective basis. The expected useful lives for the parent entity are as follows:

Software	two to seven years
Curriculum and course development	three to five years
Preparation for IELTS publications	three years
Website development	three 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 initially recognised as liabilities and, as subsequent 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.

# Notes to the financial statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2008

## 2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (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.

### (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 liability for provision of annual leave includes annual leave entitlements accrued but not expected to be taken within one year. These entitlements are measured at the present value of expected future payments to be made, including on-costs of leave accrued by employees up to the reporting date. The expected future payments of this leave provision is discounted using published market yield of the two year Treasury Bond at reporting date of 2.87 per cent (2007: 6.90 per cent). This is in accordance with the most recent Finance Ministers Orders (FMOs) released for the 2007-2008 financial year.

#### (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 discounted using published market yield of the 10 year Treasury Bond at reporting date of 3.99 per cent (2007: 6.38 per cent). This is in accordance with the most recent FMOs released for the 2007-2008 financial year.

#### (iv) Superannuation

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

### (v) Financial instruments

Financial instruments generate financial assets or liabilities for INSEARCH Limited. These include cash and cash equivalents, receivables, payables and other financial assets and liabilities. Note 29 discloses the risks and management of those risks of the financial instruments.

### (w) 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 some 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 shown to the nearest dollar.

### (x) Standards issued not yet effective

AASB 8 *Operating Segments* 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 101 *Presentation of Financial Statements* 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. Initial application of this standard will not affect any of the amounts recognised in the financial report, but will change the disclosures presently made in relation to the Group's financial report.

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. Initial application of this standard will not affect any of the amounts recognised in the financial report, but will change the disclosures presently made in relation to the Group's financial report.

### (y) Comparative information

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

Adjustments have been made to amounts reported in the 2007 consolidated financial report. Descriptions of the adjustments and their impact on the consolidated income statement, balance sheet and statement of changes in equity reported in the 2007 financial report are disclosed in note 31.

# Notes to the financial statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2008

## 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	
	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
<b>Continuing operations</b>						
Australia	41,635	35,480	40,899	29,392	1,029	1,010
PRC	259	269	738	652	-	11
South-East Asia	173	440	80	110	-	3
Other	2,657	1,800	-	3	-	-
	44,724	37,989	41,717	30,157	1,029	1,024
<b>Discontinued operations</b>						
United Kingdom	5,585	2,999	4,479	2,359	12	7
	5,585	2,999	4,479	2,359	12	7

## 4. INCOME

	Consolidated entity		Parent entity	
	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
<b>Revenue from continuing operations</b>				
Fees	39,566	34,203	39,565	33,976
Other fees and charges	273	220	272	220
	39,839	34,423	39,837	34,196
Interest	1,929	1,352	1,928	1,351
Distributions from interest in joint venture partnership	-	-	1,158	700
	1,929	1,352	3,086	2,051
<b>Other income</b>				
Net gain/(loss) on sale of non-current assets	(111)	-	(111)	14
Net gain/(loss) on disposal of operations	-	-	-	-
Other	409	414	409	317
	298	414	298	331
<b>Total revenue from continuing operations</b>	<b>42,066</b>	<b>36,189</b>	<b>43,221</b>	<b>36,578</b>
<b>Revenue from discontinued operations</b>				
Fees	2,277	2,941	2,277	2,941
Other fees and charges	-	-	-	-
	2,277	2,941	2,277	2,941
Interest	41	30	41	30
Distributions from interest in joint venture partnership	-	-	-	-
	41	30	41	30
<b>Other income</b>				
Net gain/(loss) on sale of non-current assets	-	-	-	-
Net gain/(loss) on disposal of operations	3,151	-	3,151	-
Other	116	28	116	28
	3,267	28	3,267	28
<b>Total revenue from discontinued operations</b>	<b>5,585</b>	<b>2,999</b>	<b>5,585</b>	<b>2,999</b>
<b>Total income</b>	<b>47,651</b>	<b>39,188</b>	<b>48,806</b>	<b>39,577</b>



# Notes to the financial statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2008

	Consolidated entity		Parent entity	
	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
<b>5. EXPENSES</b>				
<b>Expenses from continuing operations</b>				
<b>(a) Employee benefits expense</b>				
Salaries and wages	12,886	12,535	12,801	12,275
Superannuation	1,225	1,102	1,225	1,102
Payroll tax	864	837	864	837
Other	1,465	1,175	1,424	1,085
<b>Total employee benefits expense</b>	<b>16,440</b>	<b>15,649</b>	<b>16,314</b>	<b>15,299</b>
<b>(b) Depreciation and amortisation expense</b>				
<i>Depreciation</i>				
Office equipment	72	66	71	62
Furniture and fittings	261	701	258	698
Motor vehicles	30	68	23	61
Computer equipment	425	342	424	341
Total depreciation	788	1,177	776	1,162
<i>Amortisation</i>				
Software	578	592	578	592
Patents, trademarks and course curriculum	32	16	32	16
Total amortisation	610	608	610	608
<b>Total depreciation and amortisation expense</b>	<b>1,398</b>	<b>1,785</b>	<b>1,386</b>	<b>1,770</b>

# Notes to the financial statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2008

	Consolidated entity		Parent entity	
	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
<b>(c) Other expenses</b>				
Donation to the University of Technology, Sydney	4,000	3,000	4,000	3,000
Donation to INSEARCH Education	-	-	-	-
Occupancy	4,031	3,930	3,998	3,863
Security	327	309	327	309
Communications	555	463	536	440
Channel partner commissions	4,316	3,205	4,316	3,205
Homestay and welcome	862	720	862	720
Educational expenses	813	1,199	813	1,132
Registration and accreditation	258	258	258	258
Scholarships	382	208	382	208
Library fees	754	716	754	716
Promotion	307	467	301	439
Overseas travel	809	651	665	644
Staff appointments	246	363	246	363
Audit and accounting fees	258	213	255	209
Legal fees	67	95	65	88
Consultancy	852	471	852	471
Printing and stationery	390	325	381	322
Bad and doubtful debt provisions	-	2	-	2
(Gain)/loss on foreign exchange	14	57	9	52
Impairment losses of investments	-	-	217	-
Exhibition and interview program	233	245	233	207
Offshore representation expenses	29	-	458	329
Other	1,390	1,638	1,299	1,529
<b>Total other expenses</b>	<b>20,893</b>	<b>18,535</b>	<b>21,227</b>	<b>18,506</b>
<b>(d) Individually significant items</b>				
A donation of \$4,000,000 was paid to the University of Technology, Sydney in 2008 (2007: \$3,000,000).				
<b>Expenses from discontinued operations</b>				
<b>(e) Employee benefits expense</b>				
Salaries and wages	978	938	978	938
Superannuation	103	89	103	89
Payroll tax	-	-	-	-
Other	14	25	14	25
<b>Total employee benefits expense</b>	<b>1,095</b>	<b>1,052</b>	<b>1,095</b>	<b>1,052</b>

# Notes to the financial statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2008

	Consolidated entity		Parent entity	
	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
<b>5. EXPENSES (CONTINUED)</b>				
<b>(f) Depreciation and amortisation expense</b>				
<i>Depreciation</i>				
Office equipment	3	4	3	4
Furniture and fittings	31	39	31	39
Motor vehicles	-	-	-	-
Computer equipment	13	13	13	13
<b>Total depreciation</b>	<b>47</b>	<b>56</b>	<b>47</b>	<b>56</b>
<i>Amortisation</i>				
Software	1	12	1	12
Patents, trademarks and course curriculum	19	24	19	24
<b>Total amortisation</b>	<b>20</b>	<b>36</b>	<b>20</b>	<b>36</b>
<b>Total depreciation and amortisation expense</b>	<b>67</b>	<b>92</b>	<b>67</b>	<b>92</b>
<b>(g) Other expenses</b>				
Donation to the University of Technology, Sydney	-	-	-	-
Donation to INSEARCH Education	-	-	1,874	-
Occupancy	249	215	249	215
Security	-	-	-	-
Communications	51	65	51	65
Channel partner commissions	178	278	178	278
Homestay and welcome	-	-	-	-
Educational expenses	261	325	261	325
Registration and accreditation	1	5	1	5
Scholarships	-	-	-	-
Library fees	44	59	44	59
Promotion	89	64	89	64
Overseas travel	67	125	67	125
Staff appointments	-	8	-	8
Audit and accounting fees	-	4	-	4
Legal fees	14	2	14	2
Consultancy	3	3	3	3
Printing and stationery	26	30	26	30
Bad and doubtful debt provisions	-	-	-	-
(Gain)/loss on foreign exchange	11	(16)	11	(16)
Impairment losses of investments	-	-	-	-
Exhibition and interview program	51	8	51	8
Offshore representation expenses	-	-	-	-
Other	101	54	101	54
<b>Total other expenses</b>	<b>1,146</b>	<b>1,229</b>	<b>3,020</b>	<b>1,229</b>
<b>(h) Individually significant items</b>				

A donation of \$1,873,975 was paid to the charity in the United Kingdom, INSEARCH Education (2007: \$0).

# Notes to the financial statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2008

	Consolidated entity		Parent entity	
	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
<b>6. INCOME TAX EXPENSE</b>				
Current tax	428	12	422	12
<b>Total income tax expense</b>	<b>428</b>	<b>12</b>	<b>422</b>	<b>12</b>
Income tax expense is attributable to				
> profit from continuing operations	19	12	13	12
> profit from discontinued operations	409	-	409	-
<b>Total income tax expense</b>	<b>428</b>	<b>12</b>	<b>422</b>	<b>12</b>
<b>7. CURRENT ASSETS – CASH AND CASH EQUIVALENTS</b>				
Cash at bank and on hand	31,293	6,018	29,349	5,831
Deposits at call	134	7,025	134	7,025
Term deposits	-	10,000	-	10,000
<b>Total cash and cash equivalents</b>	<b>31,427</b>	<b>23,043</b>	<b>29,483</b>	<b>22,856</b>
<b>8. CURRENT ASSETS – TRADE AND OTHER RECEIVABLES</b>				
Trade receivables	220	92	220	83
Other receivables	510	129	471	105
Prepayments	1,805	1,280	1,802	1,272
<b>Total trade and other receivables</b>	<b>2,535</b>	<b>1,501</b>	<b>2,493</b>	<b>1,460</b>
<b>(a) Impaired trade receivables</b>				
None of the current receivables are impaired as at 31 December 2008.				
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	-	-	-	-
> receivables written-off during the year as uncollectible	-	(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>(b) Past due but not impaired</b>				
As at 31 December 2008, the Group's trade and other receivables of \$46,006 (2007: \$16,553) were past due but not impaired. The ageing analysis of these receivables is as follows:				
> up to 3 months	38	7	2	7
> 3 to 6 months	8	9	-	9
> over 6 months	-	-	-	-
	46	16	2	16
<b>9. CURRENT ASSETS – INVENTORIES</b>				
Finished goods at cost	58	82	58	79
<b>Total inventories</b>	<b>58</b>	<b>82</b>	<b>58</b>	<b>79</b>
<b>10. CURRENT ASSETS – OTHER FINANCIAL ASSETS</b>				
Accrued income	2	15	2	15
Accrued interest	91	110	91	110
<b>Total other financial assets</b>	<b>93</b>	<b>125</b>	<b>93</b>	<b>125</b>

# Notes to the financial statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2008

	Consolidated entity		Parent entity	
	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
<b>11. CURRENT ASSETS – NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE</b>				
Motor vehicle held for sale	-	60	-	60
<b>Total non-current assets classified as held for sale</b>	<b>-</b>	<b>60</b>	<b>-</b>	<b>60</b>
<b>12. NON-CURRENT ASSETS – INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD</b>				
<b>(a) Joint ventures with:</b>				
> Shanghai University (SILC)	4,201	2,501	-	-
> IDP Education Australia (ACETs)	1,707	699	-	-
<b>Total investments accounted for using the equity method</b>	<b>5,908</b>	<b>3,200</b>	<b>-</b>	<b>-</b>

The company has joint ventures in the People's Republic of China and Vietnam, for which investments are accounted for using the equity method per AASB131 *Interests in Joint Ventures*.

**(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 Limited has a 50 per cent ownership interest in SILC and 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. INSEARCH Limited has a 50 per cent ownership interest in the ACETs and is entitled to a 40 per cent share of its 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>(b) Consolidated</b>			
Carrying amount at start of year	2,501	699	3,200
Distribution received/receivable	(803)	(355)	(1,158)
Share of profit	1,527	1,131	2,658
Foreign currency exchange differences	976	232	1,208
Carrying amount at end of year	4,201	1,707	5,908
<b>(c) Share of assets and liabilities of joint ventures</b>			
Current assets	5,473	1,960	7,433
Non-current assets	526	67	593
Current liabilities	(1,798)	(320)	(2,118)
Non-current liabilities	-	-	-
Share of net assets	4,201	1,707	5,908
<b>(d) Share of joint ventures' profits</b>			
Revenues	5,301	2,884	8,185
Expenses	(3,774)	(1,753)	(5,527)
Share of profit from joint ventures	1,527	1,131	2,658

# Notes to the financial statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2008

	Consolidated entity		Parent entity	
	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
<b>13. NON-CURRENT ASSETS – PLANT AND EQUIPMENT</b>				
Office equipment at cost	905	864	892	846
Less accumulated depreciation	(711)	(692)	(700)	(677)
Carrying value	194	172	192	169
Furniture and fittings at cost	5,522	5,669	5,483	5,640
Less accumulated depreciation	(4,257)	(4,147)	(4,227)	(4,127)
Carrying value	1,265	1,522	1,256	1,513
Motor vehicles at cost	118	177	75	133
Less accumulated depreciation	(74)	(74)	(36)	(42)
Carrying value	44	103	39	91
Computer equipment at cost	2,436	2,225	2,429	2,220
Less accumulated depreciation	(1,545)	(1,498)	(1,539)	(1,494)
Carrying value	891	727	890	726
Capital work in process	63	15	63	15
Total plant and equipment at cost	9,044	8,950	8,942	8,854
Less accumulated depreciation	(6,587)	(6,411)	(6,502)	(6,340)
<b>Carrying value of plant and equipment</b>	<b>2,457</b>	<b>2,539</b>	<b>2,440</b>	<b>2,514</b>

**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
<b>Consolidated</b>						
<b>Year 2008</b>						
Carrying amount at start of year	172	1,522	103	727	15	<b>2,539</b>
Additions	107	68	–	637	48	<b>860</b>
Disposals	(11)	(39)	(29)	(37)	–	<b>(116)</b>
Foreign currency exchange differences	1	6	–	2	–	<b>9</b>
Depreciation and amortisation	(75)	(292)	(30)	(438)	–	<b>(835)</b>
<b>Carrying amount at end of year</b>	<b>194</b>	<b>1,265</b>	<b>44</b>	<b>891</b>	<b>63</b>	<b>2,457</b>
<b>Parent entity</b>						
<b>Year 2008</b>						
Carrying amount at start of year	169	1,513	91	726	15	<b>2,514</b>
Additions	107	68	–	637	48	<b>860</b>
Disposals	(11)	(39)	(29)	(37)	–	<b>(116)</b>
Foreign currency exchange differences	1	3	–	1	–	<b>5</b>
Depreciation	(74)	(289)	(23)	(437)	–	<b>(823)</b>
<b>Carrying amount at end of year</b>	<b>192</b>	<b>1,256</b>	<b>39</b>	<b>890</b>	<b>63</b>	<b>2,440</b>

# Notes to the financial statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2008

	Consolidated entity		Parent entity	
	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
<b>14. NON-CURRENT ASSETS – INTANGIBLE ASSETS</b>				
Patents, trademarks and course curriculum	119	313	119	313
Less accumulated amortisation	(79)	(153)	(79)	(153)
Carrying amount	40	160	40	160
Software	4,001	4,176	4,001	4,176
Less accumulated amortisation	(2,805)	(2,481)	(2,805)	(2,481)
Carrying amount	1,196	1,695	1,196	1,695
<b>Total intangible assets</b>	<b>1,236</b>	<b>1,855</b>	<b>1,236</b>	<b>1,855</b>

**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 2008**

Carrying amount at start of year	1,695	160	<b>1,855</b>
Additions	181	–	<b>181</b>
Disposals	(101)	(74)	<b>(175)</b>
Foreign currency exchange differences	–	5	<b>5</b>
Amortisation	(579)	(51)	<b>(630)</b>
Carrying amount at end of year	1,196	40	<b>1,236</b>

**Parent entity****Year 2008**

Carrying amount at start of year	1,695	160	<b>1,855</b>
Additions	181	–	<b>181</b>
Disposals	(101)	(74)	<b>(175)</b>
Foreign currency exchange differences	–	5	<b>5</b>
Amortisation	(579)	(51)	<b>(630)</b>
Carrying amount at end of year	1,196	40	<b>1,236</b>

	Consolidated entity		Parent entity	
	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
<b>15. NON-CURRENT ASSETS – OTHER FINANCIAL ASSETS</b>				
INSEARCH (Shanghai) Limited	–	–	725	942
Interest in joint venture partnerships	–	–	136	136
Other	118	111	113	103
<b>Total other financial assets</b>	<b>118</b>	<b>111</b>	<b>974</b>	<b>1,181</b>

# Notes to the financial statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2008

	Consolidated entity		Parent entity	
	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
<b>16. NON-CURRENT ASSETS – TRADE AND OTHER RECEIVABLES</b>				
Other receivables	2,364	–	2,364	–
<b>Total trade and other receivables</b>	<b>2,364</b>	<b>–</b>	<b>2,364</b>	<b>–</b>
<b>17. CURRENT LIABILITIES – TRADE AND OTHER PAYABLES</b>				
Trade creditors	1,079	486	1,546	984
University of Technology, Sydney	33	29	33	29
Other creditors	41	7	28	4
<b>Total payables</b>	<b>1,153</b>	<b>522</b>	<b>1,607</b>	<b>1,017</b>
<b>18. CURRENT LIABILITIES – PROVISIONS</b>				
Provision for annual leave	821	656	821	656
Provision for long service leave	373	288	373	288
Other	447	272	447	272
<b>Total current provisions</b>	<b>1,641</b>	<b>1,216</b>	<b>1,641</b>	<b>1,216</b>
<b>19. CURRENT LIABILITIES – OTHER</b>				
Accrued expenses	2,154	1,571	2,137	1,554
Student fees received in advance	3,079	2,255	3,079	2,255
Prepaid course fees	8,371	6,378	8,371	6,378
Other	717	1,336	694	1,310
<b>Total other</b>	<b>14,321</b>	<b>11,540</b>	<b>14,281</b>	<b>11,497</b>
<b>20. NON-CURRENT LIABILITIES – PROVISIONS</b>				
Provision for long service leave	339	276	339	276
Other	1,300	1,321	1,300	1,321
<b>Total non-current provisions</b>	<b>1,639</b>	<b>1,597</b>	<b>1,639</b>	<b>1,597</b>
<b>21. RETAINED PROFITS AND RESERVES</b>				
<b>(a) Retained profits</b>				
Retained profits at the beginning of the year	18,145	15,511	14,920	13,303
Adjustments to retained profits during the year	(1)	–	–	–
Profits from operating activities	8,842	2,634	5,275	1,617
<b>Retained profits at the end of the year</b>	<b>26,986</b>	<b>18,145</b>	<b>20,195</b>	<b>14,920</b>
<b>(b) Reserves</b>				
Foreign currency translation reserve	456	(504)	(222)	(117)
<b>Reserves at the end of the year</b>	<b>456</b>	<b>(504)</b>	<b>(222)</b>	<b>(117)</b>
<b>Movements:</b>				
<i>Foreign currency translation reserve</i>				
> Balance at the beginning of the year	(504)	(284)	(117)	46
> Translation of foreign operations	960	(220)	(105)	(163)
<b>Foreign currency translation reserve balance at the end of the year</b>	<b>456</b>	<b>(504)</b>	<b>(222)</b>	<b>(117)</b>



# Notes to the financial statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2008

## 22. 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

M Williams (Chair) (commenced as chair on 27 November 2008)

K L Woodthorpe (Chair) (commenced as chair on 26 June 2008 and ceased as chair on 23 November 2008)

R J Hill (Chair) (ceased as chair on 24 May 2008)

P Woods

M Williams (commenced on 26 June 2008)

D Leckie (commenced on 28 February 2008)

D Hill (commenced on 27 March 2008)

A Johnston (commenced on 24 July 2008)

J Hutchison (commenced on 27 November 2008)

D S Goodman (ceased on 11 December 2008)

K L Woodthorpe (ceased on 23 November 2008)

R Lynch (ceased on 24 April 2008)

R Lynch (recommenced as a director on 1 February 2009)

#### (ii) Executive directors

A Murphy

	Consolidated entity		Parent entity	
	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
<b>(b) Directors' compensation</b>				
Short-term employee benefits	417,782	479,671	417,782	479,671
Post-employment benefits	32,147	27,598	32,147	27,598
	449,929	507,269	449,929	507,269

## 23. REMUNERATION OF AUDITORS

### The Audit Office of New South Wales

> audit of financial report – INSEARCH Limited

	150,700	145,680	150,700	145,680
	150,700	145,680	150,700	145,680

## 24. COMMITMENTS

### (a) Capital commitments

Commitments for the acquisition of plant and equipment 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

	31	–	31	–
	31	–	31	–
Input tax recoverable from the Australian Taxation Office	3	–	3	–

### (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

> later than one year but not later than five years

	3,842	3,239	3,803	3,210
	10,412	4,624	10,373	4,624
Total inclusive of GST	14,254	7,863	14,176	7,834
Input tax recoverable from the Australian Taxation Office	1,289	679	1,289	679

# Notes to the financial statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2008

	Consolidated entity		Parent entity	
	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
<b>(c) Remuneration commitments</b>				
Commitments for payment of salaries under employment contracts not recognised as liabilities.				
> Not later than one year	423	357	423	357
> Later than one year but not later than five years	-	172	-	172
	423	529	423	529
<b>(d) Other expenditure commitments</b>				
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	176	250	176	250
> Later than one year but not later than five years	-	98	-	98
Total inclusive of GST	176	348	176	348
Input tax recoverable from the Australian Taxation Office	-	-	-	-
<b>25. EMPLOYEE BENEFIT AND RELATED ON-COST LIABILITIES</b>				
Included in other – current liabilities	44	49	44	49
Provision for employee benefits – current liabilities	1,194	944	1,194	944
Provision for employee benefits – non-current liabilities	339	276	339	276
	1,577	1,269	1,577	1,269

## 26. 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 with the University of Technology, Sydney:
- > donation to the University of Technology, Sydney \$4,000,000 (2007: \$3,000,000)
  - > sales of services and fees \$2,387,003 (2007: \$2,157,544).
- (ii) The wholly owned group consists of INSEARCH Limited and its controlled entities INSEARCH (Shanghai) Limited, INSEARCH Education, and INSEARCH Education International Pty Limited, which are 100 per cent owned by INSEARCH Limited (referred to in note 2 (b) (i)). INSEARCH Education International Pty Limited holds the controlling interest in Australia Centre (Thailand) Limited. INSEARCH Limited entered into the following transactions during the period with these entities:
- > consulting service income between INSEARCH (Shanghai) Limited and INSEARCH Limited (\$258,135)
  - > consulting service expense between INSEARCH Limited and INSEARCH (Shanghai) Limited \$258,135
  - > recovery of services between Australia Centre (Thailand) Limited and INSEARCH Limited (\$170,987)
  - > travel and promotion expenses between INSEARCH Limited and Australia Centre (Thailand) Limited \$170,987
  - > donation to INSEARCH Education \$1,873,975.

## 27. 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	
	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
Cash at bank and on hand	31,293	6,018	29,349	5,831
Deposits at call	134	7,025	134	7,025
Term deposits	-	10,000	-	10,000
	31,427	23,043	29,483	22,856

# Notes to the financial statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2008

	Consolidated entity		Parent entity	
	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
<b>28. RECONCILIATION OF PROFIT/(LOSS) FOR THE YEAR TO NET CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Profit/(loss) for the year</b>	8,842	2,634	5,275	1,617
Depreciation	835	1,233	823	1,218
Amortisation	630	644	630	644
Foreign currency exchange difference	(1,202)	(153)	10	19
Net (gain)/loss on sale of non-current assets	(372)	-	(372)	(15)
Write down of investments to recoverable amount	-	-	217	-
Share of profit of joint ventures partnership not received as dividends or distributions	(1,500)	(721)	-	-
<b>Changes in assets and liabilities</b>				
Trade and other receivables	(3,398)	(25)	(3,397)	(1)
Inventories	24	(21)	21	(22)
Other financial assets	25	(15)	22	(21)
Trade and other payables	631	(379)	590	(343)
Provisions	467	20	467	20
Other liabilities	2,781	3,283	2,784	3,302
<b>Net cash flows from operating activities</b>	<b>7,763</b>	<b>6,500</b>	<b>7,070</b>	<b>6,418</b>

## 29. FINANCIAL INSTRUMENTS

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

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

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

### INSEARCH Ltd principal financial instruments

	Note	Category	Consolidated	Consolidated
			2008 \$'000	2007 \$'000
<b>Financial assets</b>				
Cash and cash equivalents	7	Current asset	31,427	23,043
Receivables – current	8	Current asset	730	221
Receivables – non-current	16	Non-current asset	2,364	-
Investments accounted for using the equity method	12	Non-current asset	5,908	3,200
Other financial assets	10, 15	Current and non-current assets	211	236
<b>Total financial assets</b>			<b>40,640</b>	<b>26,700</b>
<b>Financial liabilities</b>				
Payables	17	Current liability	1,153	522
Other financial liabilities	19	Current liability	8,371	6,378
<b>Total financial liabilities</b>			<b>9,524</b>	<b>6,900</b>

#### (a) Credit risk

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

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

The non-current portion of receivables relates to a contractual obligation associated with the sale of the operations in the United Kingdom.

Cash and cash equivalents comprises cash on hand and bank balances held with the Commonwealth Bank of Australia, Australia and New Zealand Banking Group, and HSBC Bank Australia. Interest on these accounts is earned on the daily bank balance.

# Notes to the financial statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2008

## (b) Liquidity risk

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

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

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

All of the Group's financial liabilities are non-interest bearing and are due and payable within 12 months.

## (c) Market risk

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

### (i) Interest rate risk

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

As a controlled entity of the University of Technology, Sydney, INSEARCH Limited's investment powers are limited by the University of Technology, Sydney (Investment Powers) Order 2000 to investing in commercial bills, deposits-at-call and current accounts.

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

Continued interest rate reductions in 2009 will result in a fall of the Group's return on cash investments in 2009.

### (ii) Foreign exchange risk

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

INSEARCH Limited has investments in the United Kingdom and China which are affected by movements in exchange rates. The impact of these movements can affect both the operating profit expressed in Australian dollars and the carrying values of the investments on the balance sheet of the Group.

INSEARCH Limited views these investments as long term and therefore does not hedge against foreign exchange movements.

The movements in exchange rates in 2008 have contributed to the Australian dollar increase in profits for INSEARCH Limited.

## Sensitivity analysis of interest rate and foreign exchange rate risk for INSEARCH Limited

	Carrying amount	Interest rate risk				Foreign exchange risk			
		+1% Profit	Equity	-1% Profit	Equity	+10% Profit	Equity	-10% Profit	Equity
<b>2008</b>									
<b>Financial assets</b>									
Cash and cash equivalents	31,427	314	-	(295)	-	-	205	-	(205)
Receivables – current	730	-	-	-	-	-	35	-	(35)
Receivables – non-current	2,364	-	-	-	-	-	236	-	(236)
Other financial assets	211	-	-	-	-	-	-	-	-
<b>Total financial assets</b>	<b>34,732</b>	<b>314</b>	<b>-</b>	<b>(295)</b>	<b>-</b>	<b>-</b>	<b>476</b>	<b>-</b>	<b>(476)</b>
<b>Financial liabilities</b>									
Trade and other payables	1,153	-	-	-	-	-	(13)	-	13
Other financial liabilities	8,371	-	-	-	-	-	-	-	-
<b>Total financial liabilities</b>	<b>9,524</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(13)</b>	<b>-</b>	<b>13</b>
<b>2007</b>									
<b>Financial assets</b>									
Cash and cash equivalents	23,043	233	-	(233)	-	-	260	-	(213)
Receivables – current	221	-	-	-	-	-	6	-	(5)
Receivables – non-current	-	-	-	-	-	-	-	-	-
Other financial assets	236	-	-	-	-	-	-	-	-
<b>Total financial assets</b>	<b>23,500</b>	<b>233</b>	<b>-</b>	<b>(233)</b>	<b>-</b>	<b>-</b>	<b>266</b>	<b>-</b>	<b>(218)</b>
<b>Financial liabilities</b>									
Trade and other payables	522	-	-	-	-	-	(1)	-	1
Other financial liabilities	6,378	-	-	-	-	-	(131)	-	108
<b>Total financial liabilities</b>	<b>6,900</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(132)</b>	<b>-</b>	<b>109</b>

All financial instruments are carried at fair value.

# Notes to the financial statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2008

## 30. DISCONTINUED OPERATIONS

### (a) Description

On 31 October 2008 INSEARCH Limited and the University of Essex terminated their Co-operation Agreement and ceased delivery of academic and English programs at INSEARCH Essex.

The financial information relating to the discontinued operations for the period to the date of disposal which has been included in the income statement is set out below.

	Consolidated entity		Parent entity	
	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
<b>(b) Financial performance and cash flow information</b>				
Revenue	2,434	2,999	2,434	2,999
Expenses	(2,308)	(2,373)	(4,182)	(2,373)
Profit/(loss) before income tax	126	626	(1,748)	626
Income tax expense	-	-	-	-
Profit/(loss) after income tax	126	626	(1,748)	626
Gain/(loss) on disposal of operations	3,151	-	3,151	-
Income tax expense	(409)	-	(409)	-
Gain/(loss) on disposal of operations	2,742	-	2,742	-
<b>Profit/loss on discontinued operations after tax</b>	<b>2,868</b>	<b>626</b>	<b>994</b>	<b>626</b>
Net cash inflow from operating activities	(2,663)	1,366	(2,663)	1,366
Net cash inflow from investing activities	613	(7)	613	(7)
<b>Net increase/decrease in cash generated by operations</b>	<b>(2,050)</b>	<b>1,359</b>	<b>(2,050)</b>	<b>1,359</b>
2008 net cash inflow from investing activities includes an inflow of \$625,521 from the disposal of operations.				
<b>(c) Carrying amounts of assets and liabilities</b>				
Plant and equipment	142	-	142	-
Total assets	142	-	142	-
Provision for employee benefits	(19)	-	(19)	-
Total liabilities	(19)	-	(19)	-
<b>Net assets</b>	<b>123</b>	<b>-</b>	<b>123</b>	<b>-</b>
<b>(d) Details of the disposal of operations</b>				
Consideration received or receivable				
Cash	625	-	625	-
Present value of amounts due to 31 October 2019	2,649	-	2,649	-
Total disposal consideration	3,274	-	3,274	-
Carrying amount of net assets sold	(123)	-	(123)	-
Gain/(loss) on sale before income tax	3,151	-	3,151	-
Income tax expense	(409)	-	(409)	-
<b>Gain/(loss) on sale after income tax</b>	<b>2,742</b>	<b>-</b>	<b>2,742</b>	<b>-</b>

# Notes to the financial statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2008

## 31. PRIOR YEAR ADJUSTMENTS

Adjustments have been made to the financial information reported in the 2007 financial report (note 2(y)). The adjustments have resulted from recording errors identified in the 2007 financial statements. The comparatives have been restated to disclose the financial data as if the errors had not occurred.

The adjustments resulted from the correction of differences between the 2007 audited accounts of the two joint venture investments and the business estimates made in the 2007 accounts of the Group. The adjustments relate to the Sydney Institute of Language and Commerce and the Australia Centres for Education and Training.

An adjustment has been made to the opening balance of retained profits for 2007. The adjustment of \$265,845 related to the 2006 profit of the Sydney Institute of Language and Commerce.

	Reported 2007 balance \$'000	Adjustment increase/ decrease \$'000	Adjusted 2007 balance \$'000
<b>Income statement</b>			
Share of net profits from joint venture partnerships accounted for using the equity method	1,421	379	1,800
<b>Balance sheet</b>			
Investments accounted for using the equity method	2,626	574	3,200
Retained profits	17,293	852	18,145
Reserves	(226)	(278)	(504)
<b>Statement of changes in equity</b>			
Movement in retained profits	2,255	379	2,634
Movement in foreign currency revaluation reserve	(149)	(71)	(220)

END OF AUDITED FINANCIAL STATEMENTS

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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 2008 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.



Jeffrey Francis



Blair Peter McRae

Sydney  
22 April 2009



## 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 2008.

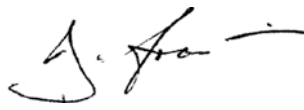
Pursuant to the requirements of the *Public Finance and Audit Act 1983*, and in accordance with a resolution of the Board of Directors, we declare that in our opinion:

1. The accompanying financial statements present a true and fair view of the financial position of the company as at 31 December 2008 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 2009

# Directors' report

Your directors submit their report for the year ended 31 December 2008.

## 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
- > Jane Morrison
- > Jeffrey John Francis (appointed 27 February 2008)
- > Denise Miriam Dignam (appointed 27 February 2008)
- > Theodoor Jacob van Leeuwen (appointed 18 June 2008)
- > John Rice (resigned 18 June 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 profit after income tax for the year ended 31 December 2008 was \$11,212 (2007 loss of \$23,217).

## 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 2008 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 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.

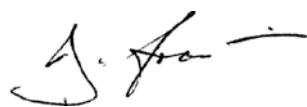
### Insurance premiums

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 2008 has been received and can be found on page 92.

Signed in accordance with a resolution of the directors:



Jeffrey Francis



Blair Peter McRae

22 April 2009

# 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 2008, 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:

- 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 2008 and 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.

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

#### 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 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 controls 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 controls. 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.

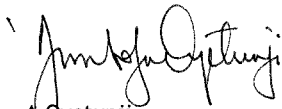
My opinion does *not* provide assurance:

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

### Independence

In conducting this audit, the Audit Office of New South Wales has complied with the independence requirements of the Australian Auditing Standards, *Corporations Act 2001* 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 of New South Wales are not compromised in their role by the possibility of losing clients or income.



A. Oyetunji  
Director, Financial Audit Services

22 April 2009  
SYDNEY

# Auditor's independence declaration



GPO BOX 12  
Sydney NSW 2001

To the Directors  
accessUTS Pty Limited

## Auditor's Independence Declaration

As auditor for the audit of the financial report of accessUTS Pty Limited for the year ended 31 December 2008, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations Act 2001* in relation to the audit, 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

22 April 2009  
SYDNEY

# Income statement

FOR THE YEAR ENDED 31 DECEMBER 2008

	Note	2008 \$	2007 \$
Revenue	4	1,796,083	1,683,332
Other income		-	-
Employee benefits expense	5 (a)	(6,371)	(5,557)
Depreciation and amortisation expenses		(1,835)	(1,386)
Other expenses	5 (b)	(1,776,665)	(1,699,606)
Profit/(loss) before income tax		11,212	(23,217)
Income tax expense	6	-	-
<b>Profit/(loss) attributable to the member of the company</b>		<b>11,212</b>	<b>(23,217)</b>

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

# Balance sheet

AS AT 31 DECEMBER 2008

	Note	2008 \$	2007 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	7	671,577	438,103
Trade and other receivables	8	383,488	397,731
<b>Total current assets</b>		<b>1,055,065</b>	<b>835,834</b>
<b>Non-current assets</b>			
Plant and equipment	9	8,298	9,035
<b>Total non-current assets</b>		<b>8,298</b>	<b>9,035</b>
<b>Total assets</b>		<b>1,063,363</b>	<b>844,869</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	10	943,865	736,583
<b>Total current liabilities</b>		<b>943,865</b>	<b>736,583</b>
<b>Total liabilities</b>		<b>943,865</b>	<b>736,583</b>
<b>Net assets</b>		<b>119,498</b>	<b>108,286</b>
<b>Equity</b>			
Contributed equity	11	450,001	450,001
Accumulated losses	12	(330,503)	(341,715)
<b>Total equity</b>		<b>119,498</b>	<b>108,286</b>

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 2008

	Note	Share capital \$	Accumulated losses \$	Total \$
<b>Balance at 1 January 2007</b>		450,001	(318,498)	<b>131,503</b>
Loss attributable to the member of the company		–	(23,217)	<b>(23,217)</b>
<b>Balance at 31 December 2007</b>		450,001	(341,715)	<b>108,286</b>
Profit attributable to the member of the company		–	11,212	<b>11,212</b>
<b>Balance at 31 December 2008</b>		<b>450,001</b>	<b>(330,503)</b>	<b>119,498</b>

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 2008

	Note	2008 \$	2007 \$
<b>Cash flows from operating activities</b>			
Receipts from customers		1,777,994	1,570,991
Payments to suppliers and employees		(1,570,517)	(1,823,583)
Interest received		36,917	45,746
Interest paid		(514)	–
<b>Net cash provided by/(used in) operating activities</b>	13	<b>243,880</b>	<b>(206,846)</b>
<b>Cash flows from investing activities</b>			
Repayment of advances by non-related parties		69	–
Purchase of plant and equipment		(1,098)	(1,596)
Advances paid to related parties		(4,722)	–
Advances paid to non-related parties		(4,655)	–
<b>Net cash provided by/(used in) investing activities</b>		<b>(10,406)</b>	<b>(1,596)</b>
<b>Net increase in cash and cash equivalents</b>		<b>233,474</b>	<b>(208,442)</b>
Cash and cash equivalents at the beginning of the year		438,103	646,545
<b>Cash and cash equivalents at the end of the year</b>	7	<b>671,577</b>	<b>438,103</b>

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 2008

## 1. CORPORATE INFORMATION

The financial report of accessUTS Pty Limited for the year ended 31 December 2008 was authorised for issue in accordance with a resolution of the directors on 22 April 2009.

accessUTS Pty Limited is a company limited by shares and is incorporated and domiciled in Australia. The registered office of accessUTS Pty Limited is level 14, Building 1, 1-9 Broadway, Ultimo NSW 2007. The company had no employees as at 31 December 2008.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### (a) Basis of preparation

The financial report is a general purpose financial report and has been prepared on an accruals basis, 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 set out below have been consistently applied to all years presented unless otherwise stated.

### (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 accompanying notes, complies with International Financial Reporting Standards.

### (c) Critical accounting estimates and judgments

The directors evaluate estimates and judgments 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

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 and
- (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.

#### Fee revenue

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

#### Other revenue

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

### (g) Income tax

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

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

### (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.



# Notes to the financial statements

AS AT 31 DECEMBER 2008

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (i) Investments

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

### (j) 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 per cent to 50 per cent
- > furniture and fittings – 11.25 per cent to 50 per cent.

### (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.

## 3. SEGMENT INFORMATION

The company operates predominantly in one industry – consulting services; and in one geographical area – Australia.

	2008 \$	2007 \$
<b>4. REVENUE</b>		
Consulting fees	1,759,166	1,636,371
Interest received or receivable	36,917	46,961
<b>Total revenue</b>	<b>1,796,083</b>	<b>1,683,332</b>
<b>5. EXPENSES</b>		
<b>(a) Employee benefits expense</b>		
Salaries and fees	4,919	3,437
Other	1,452	2,120
	6,371	5,557
<b>(b) Other expenses</b>		
Consulting fees	1,040,867	1,291,308
Service level agreement – Research and Innovation Office	351,748	271,217
General and administrative expenses	384,050	137,081
	1,776,665	1,699,606

# Notes to the financial statements

AS AT 31 DECEMBER 2008

	2008 \$	2007 \$
<b>6. INCOME TAX EXPENSE</b>		
The income tax expense provided in the accounts is calculated as follows:		
> tax on operating profit/(loss) at 30%	3,364	(6,965)
<b>add/(less) tax effect of permanent differences</b>		
> current year tax losses not brought to account	-	6,851
> current year timing difference not brought to account	(459)	114
> tax losses not previously tax effected – recouped this year	(2,905)	-
	-	-
<b>7. CASH AND CASH EQUIVALENTS</b>		
Cash at bank	346,420	135,045
Cash on deposit	325,157	303,058
	671,577	438,103
<b>8. TRADE AND OTHER RECEIVABLES</b>		
<b>Current</b>		
Trade receivables	373,702	392,531
Interest receivable	5,131	5,200
Prepayments	2,115	-
GST refund due	2,540	-
	383,488	397,731
<b>9. PLANT AND EQUIPMENT</b>		
At cost	26,048	24,950
Less accumulated depreciation	(17,750)	(15,915)
	8,298	9,035
<b>Movements in carrying amounts</b>		
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		9,035
Additions		1,098
Disposals		-
Depreciation expense		(1,835)
<b>Carrying amount at the end of the financial year</b>		<b>8,298</b>

# Notes to the financial statements

AS AT 31 DECEMBER 2008

	2008 \$	2007 \$
<b>10. TRADE AND OTHER PAYABLES</b>		
<b>Current</b>		
Trade payables	50,415	81,633
Deposits received	5,000	-
Accrued expenses	531,841	286,883
Goods and Services Tax payable	-	6,736
Amounts payable to parent entity	321,609	326,331
Loan from parent entity (unsecured)	35,000	35,000
<b>Total</b>	<b>943,865</b>	<b>736,583</b>
<b>Loan from parent entity</b>		
The loan from the parent entity is unsecured, interest-free and repayable on demand.		
<b>11. CONTRIBUTED EQUITY</b>		
<b>Issued and paid up capital</b>		
Ordinary shares fully paid	450,001	450,001
<b>Movements in shares on issue</b>		
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
<b>12. ACCUMULATED LOSSES</b>		
Accumulated losses at the beginning of the year	(341,715)	(318,498)
Net loss attributable to the member	11,212	(23,217)
Accumulated losses at the end of the year	(330,503)	(341,715)
<b>13. RECONCILIATION OF LOSS FOR THE YEAR WITH CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Operating loss after income tax	11,212	(23,217)
<b>Non-cash items</b>		
Amortisation	297	510
Depreciation	1,538	876
<b>Changes in operating assets and liabilities</b>		
Decrease/(increase) in trade receivables	18,828	(65,380)
Decrease/(increase) in other receivables	-	(205,014)
Increase/(decrease) in trade payables	(35,755)	30,829
Increase/(decrease) in other payables	247,760	54,550
Net cash inflow/(outflow) from operating activities	243,880	(206,846)

# Notes to the financial statements

AS AT 31 DECEMBER 2008

	2008 \$	2007 \$
<b>14. LEASE COMMITMENTS</b>		
<b>Operating lease commitments</b>		
Future minimum rentals (net of recoverable GST) payable under non-cancellable operating leases as at 31 December 2008 are as follows:		
> not later than one year	-	1,249
<b>15. AUDITORS' REMUNERATION</b>		
Amounts received or due and receivable by the auditors of accessUTS Pty Limited 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 89 of this volume of the annual 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 \$
<b>2008</b>						
Jane Morrison	4,919	-	-	-	-	4,919
<b>2007</b>						
Jane Morrison	3,437	-	-	-	-	3,437

## 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.

# Notes to the financial statements

AS AT 31 DECEMBER 2008

## 20. RELATED PARTY TRANSACTIONS

### (a) Directors

The names of the directors of the company during the financial year are set out on page 92 of this volume of the annual report.

There have been no transactions with directors or director-related entities during the financial year, other than remuneration as detailed at note 16.

### (b) Parent entity

The parent entity is the 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 the 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.

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

	2008 \$	2007 \$
Amounts payable to parent entity – current	321,609	326,331
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 the University of Technology, Sydney and its controlled entities, accessUTS Pty Limited, INSEARCH Limited and INSEARCH (Shanghai) Limited.

## 21. FINANCIAL RISK AND MANAGEMENT OBJECTIVES AND POLICIES

### (a) Risk exposures and responses

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

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

### (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.

### (c) Interest risk

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

	2008		2007	
	Carrying amount \$	Net fair value \$	Carrying amount \$	Net fair value \$
<b>Financial assets</b>				
Cash and cash equivalents	671,577	671,577	438,103	438,103
Trade and other receivables	383,488	383,488	397,731	397,731
	1,055,065	1,055,065	835,834	835,834
<b>Financial liabilities</b>				
Trade and other payables	943,865	943,865	736,583	736,583
	943,865	943,865	736,583	736,583

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

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

# Notes to the financial statements

AS AT 31 DECEMBER 2008

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

	Post tax profit higher/(lower)	
	2008 \$	2007 \$
Judgments of reasonably possible movements		
+0.5% (50 basis points)	3,358	2,190
-0.5% (50 basis points)	(3,358)	(2,190)

## (d) Credit risk

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

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

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

## (e) Hedging transactions

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

END OF AUDITED FINANCIAL STATEMENTS

## APPENDIX A

## Consultants

The University paid \$14.899 million for external consulting services in 2008, of which \$3.231 million was for capital works. A total of \$3.876 million was paid for all consultancies that charged less than \$30,000. Payments in excess of \$30,000 totalled \$11.023 million and are listed below.

Company*	Category	Project	\$
LTC Language & Testing Consultants Pty Ltd	language testing	language testing	1,533,496.00
CRI Project Management Pty Ltd	project management	rezoning Kuring-gai campus	935,179.25
Bligh Voller Nield Pty Ltd	architecture	City Campus Masterplan	762,840.00
PricewaterhouseCoopers	tendering	student accommodation expression of interest (2007)	539,321.25
UXC Performance Management Pty Ltd	software development	Curriculum and Student Systems Ci upgrade (implementation)	448,341.22
UniQuest Pty Limited	research	CRB Projects Uniquist Mic D Account	324,446.19
Agility Consulting Group	software development	Business Intelligence Program phase one	277,344.50
Tzannes Associates Pty Ltd	architecture	Relocation of UTS Function Centre from Building 1 to Building 10; studio works in Building 6; other projects	226,525.17
Colliers International Consultancy & Valuation Pty Ltd	asset valuation	asset valuation	226,500.00
Burtenshaw Scoufis Architecture Pty Ltd	project management	Microstructural Analysis Unit in Building 4; refurbishment of central stores	218,412.20
RAPP Worldwide Pty Ltd (t/a RAPP Sydney)	marketing	UTS brand development	217,160.92
Clarkson ITT Pty Ltd	course facilitation	short courses	176,298.00
Croft IP Pty Ltd	project consulting (staff contractor)	intellectual property commercialisation (fees for staff contractor Kevin Croft)	171,750.00
Gardiner Wetherill Associates	architecture	various project for the Facilities Management Unit	165,924.15
Alba National Pty Ltd	research	Research project: Professor Jordan Louviere 'Motorola Project – Configurator Design'	165,867.45
Webster Wagner Engineering	electrical engineering	various projects for the Facilities Management Unit	156,013.35
Deloitte Touche Tohmatsu	finance consulting	tax consulting and accounting manual	152,819.45
Safety Adventure Forensic Engineering Pty Ltd	course development	short courses	151,647.04
D Ionita and AB Skinner (t/a Lean Six Sigma & Business Excellence Institute)	course facilitation	short courses	150,825.00
Willana Associates Pty Ltd	project management	contractor working for Facilities Management Unit	149,258.18
DEGW Asia Pacific	architecture	City Campus Masterplan design	146,451.00
SMEC Australia Pty Ltd	energy auditing	sustainability project	128,330.00
Rega Controls Pty Ltd	air conditioning	UTS air conditioning; various projects in Building 1	122,604.80
Zarzov Brothers Pty Ltd (t/a Northedge Consulting)	project consulting	'Energy Tower' Building 1 (energy saving and design)	120,398.00
Hobsons Australia (t/a The Good Guides Group)	software development	International Office application system	110,250.00
Cognos Pty Ltd	software development	Cognos 8 migration (Curriculum and Student System upgrade)	109,782.71
Solution Impact Pty Ltd	research	various Motorola research projects	99,875.00
Sense of Security Pty Ltd	information technology	UTS email security	98,375.00
Geyer Pty Ltd	architecture	public spaces in Building 1 and 2	93,304.86
The Monsentric Group Pty Ltd	project consulting	strategic procurement plan	88,200.00

Company*	Category	Project	\$
ARUP Pty Ltd	engineering	City Campus Masterplan design	86,147.73
University of Canterbury	research	Research project: Professor Keith Crews 'innovative timber engineering'	85,000.00
Hastie Group (t/a Nisbet & Durney Pty Ltd)	air conditioning	domestic water supply upgrade on level one of Building 1	74,149.99
Charter Link	business consulting	Kuring-gai campus expression-of-interest project	73,106.25
PDT Architects (NSW) Pty Ltd	architecture	Upgrade of Bon Marche Building	70,834.25
Rajula Imports Pty Ltd	course facilitation	short courses	66,210.02
Davis Langdon Australia Pty Ltd (t/a Davis Langdon)	quantity surveying	City Campus Masterplan design	66,150.00
Global Philanthropic Pty Ltd	business consulting	advice to Development Office	64,984.22
UXC Performance Management Pty Ltd (t/a e.fab)	software development	Business Intelligence Program phase one	63,385.00
Megan Kingham (t/a Corporate Wellbeing and Diversity)	corporate wellbeing	corporate wellbeing workshops	60,000.00
Annette Salt (t/a A. Salt Research Associates)	research	history of UTS projects	59,400.00
Survey Engine Pty Ltd	research	Research project: Associate Professor Rosalie Viney 'Factors which influence the preferences of GPs and women for contraceptive products'	58,512.00
Australian National University	research	project for Paul Woolley Centre for Capital Market Dysfunctionality	58,465.45
Olocktrust (t/a Anstad Pty Ltd)	course development	short courses	58,076.00
Integreat Consulting Engineers Pty Ltd	building engineering	air conditioning at City campus	55,100.00
MassMedia Studios (t/a Traction)/ TRIBAL DDB SYDNEY	market research	project for Marketing and Communication Unit	54,320.00
Everest Business Services Pty Ltd	research	Research project: Professor Jordan Louviere 'Motorola Project – Configurator Design'	53,550.00
Godden Mackay Logan Pty Ltd	heritage assessment	City Campus Masterplan design	52,074.00
Fujitsu Australia Ltd	business consulting	infrastructure for Information Technology Division	52,055.50
Lockenet Pty Ltd	research	Research project: Faculty of Business 'Individual decision-making, welfare measurement and policy evaluation in the health sector; a microeconomic approach'	51,803.90
Danny Wiggins	course development	short courses	51,341.24
TechnologyOne Ltd	software development	Curriculum and Student Systems Ci upgrade (implementation)	50,295.00
Building Durability Pty Ltd	building engineering	roof repairs for Building 10	48,620.66
Meteora Consulting Pty Ltd	research	research project: Professor Jordan Louviere 'Determining the Relative Importance to Wine Consumers to Sensory and Non-Sensory Attributes on Liking and Choice: A Cross-Cultural Study'	48,068.00
Academy Global Pty Ltd	course facilitation	short courses	48,000.00
WARPS Australia Pty Ltd	course facilitation	short courses	46,159.09
S1 Consulting and Software Services Pty Ltd	software development	customer relationship management system	45,150.00
Dimension Data Australia Pty Ltd	computer engineering	data storage project	45,000.00



## Consultants (continued)

Company*	Category	Project	\$
Ilemar Pty Ltd (t/a Project Cost Planning)	cost planning	demolition of Building T; work on Microstructural Analysis Unit	43,765.00
Monash University	research	research project for Paul Woolley Centre for Capital Market Dysfunctionalities	43,329.44
Michael J Howard	contracting	integration of ReView software in all subjects in the Faculty of Design, Architecture and Building	42,335.00
WebFM Pty Ltd	surveying	building conditions' audits across City campus	41,800.00
Earlsbrae Pty Ltd	course facilitation	short courses	41,100.00
Creative Resources Management Pty Ltd (t/a CampbellBarnett)	project consulting	project for the Office of the Deputy Vice-Chancellor and Vice-President (Corporate Services)	41,050.00
Trustee for the Hood Family Trust	project management	fitout of level 16 of Building 1	41,040.00
JBA Urban Planning Consultants Pty Ltd	planning consulting	City Campus Masterplan design	40,848.12
A&R Consulting Pty Ltd	course facilitation	short courses	40,709.09
Patch Solutions Pty Ltd	software development	human resources payroll extension	40,300.00
Triple M Mechanical Services Pty Ltd (t/a Triple 'M' Mechanical Services Pty Ltd)	mechanical engineering	anatomy laboratory	39,790.00
Armstrong Consulting Engineers	building engineering	Microstructural Analysis Unit	39,000.00
Gerard Paul Pty Ltd	hydraulics engineering	business research hub fitout	38,600.00
Colin Wood & Associates Pty Ltd	course facilitation	short courses	38,550.00
Endeca Technologies	software development	library software (2.0 Discovery Platform)	38,197.50
The University of Queensland	research	academic research project	38,174.80
Sirius Recruitment Pty Ltd	contracting	Student Centre consulting	37,830.00
Michael Wynn Jones & Associates Pty Ltd	course facilitation	short courses	37,430.84
Tonkin Consulting Pty Ltd	research	Institute for Sustainable Futures research income suspense account	37,075.00
Tracey Brunstrom & Hammond Group Pty Ltd	design	City Campus Masterplan design	33,588.90
Sydney Building Projects Pty Ltd	building engineering	public spaces in Building 1	33,442.00
Chia Moan & Associates Pty Ltd	course facilitation	short courses	33,200.00
Greythorn Pty Ltd	contracting	science contractor	32,754.96
LandMark White	land valuing	Rezoning Kuring-gai campus	32,100.00
Searby, Rosemary (t/a Rose Searby)	research	social science research	32,000.00
2nd Road Pty Ltd	business consulting	Faculty of Design, Architecture and Building, and Faculty of Business deans' discretionary fund	30,559.41
Information Research Management Pty Ltd	research	various research projects	30,548.91
Digital Eskimo Pty Ltd	marketing consulting	UTS newsroom site	30,500.00
Dhaliwal Dan	business consulting	School of Accounting visiting professor	30,308.98
Forge Research Pty Ltd (t/a Forge)	research	research project: Dr Sara Lal smart data project	30,000.00
<b>Total payments greater than \$30,000</b>			<b>11,023,426.94</b>

\*t/a: trading as

## APPENDIX B1

### Insurance

#### General insurance

We have a range of insurance policies to manage risks associated with physical assets and commercial activities.

These insurance policies include but are not limited to property insurance including business interruption, general third party and product liability; breach of professional duty including medical malpractice; business travel, property in transit and damage to watercraft including associated vessels and equipment.

These policies are all placed with insurers with a Standard & Poor's financial security rating of 'A' or above.

The University conducts risk profiling and insurable risk gap analyses on a regular basis to ensure the insurance program continues to meet the evolving and dynamic nature of the organisation.

#### Insurance of officers

The University has comprehensive directors' and officers' insurance.

Coverage includes fees and expenses in defence of a claim against wrongful acts, a prosecution in a court of criminal jurisdiction or an inquiry, hearing, tribunal or professional association.

The level of cover purchased by the University benchmarks extremely well among its peers and has a combined limit of liability of \$40 million and a low deductible of \$5000 each and every claim.

Again, the policy is placed with insurers with a Standard & Poor's rating of 'A' and above.

## APPENDIX B2

### Controlled entities

#### accessUTS

accessUTS Pty Limited is our dedicated commercial consulting conduit, a company formed to connect University expertise to outside organisations that want to benefit from consultation with our staff.

accessUTS consultants work with industry and government across the fields of engineering; nursing, midwifery and health; health sciences; science; design, architecture and building; information technology; education and training; communications and social inquiry; law; business and finance.

This expertise has translated into consulting work including product development, product audit and testing, feasibility studies, scientific and environmental studies, peer reviews, compliance audits, technical testing and analysis, and customised research. accessUTS also offers courses in business and training, and, using University facilities, offers a range of product testing and analysis services in science and engineering.

It provides a resource for the development and submission of significant tenders and manages and oversees various international short-term study tours.

accessUTS identifies its business objectives each year in its annual report to the UTS Council, and reports on performance against those objectives to Council in the following year's report.

#### INSEARCH

INSEARCH Limited is a registered Australian higher education institution and a leading provider of 'pathway' courses that qualify students to enter into university education.

INSEARCH has been educating students for over 20 years and with over 3500 students, is considered an important member of the UTS community.

INSEARCH diploma courses are designed to prepare students for entry into UTS and are equivalent to the first year of university studies. These are developed in consultation with the relevant UTS faculty (and often taught by UTS academics), which then recommends the course to the UTS Academic Board for articulation approval. UTS is represented on the INSEARCH Limited board and the UTS Academic Board is represented on the INSEARCH Academic Board.

INSEARCH also provides English language training for students wishing to improve their spoken, written, and academic English skills. INSEARCH English offers Direct Entry English Program, Academic English Program, International English Language Testing System Preparation and general English. INSEARCH is a renowned publisher of IELTS preparation books, many of which are authored by INSEARCH faculty members.

The special relationship between INSEARCH and UTS means that INSEARCH students benefit from UTS's academic standards and reputation for excellence.

In 2008, INSEARCH graduates passed 80 per cent of their undergraduate subjects at UTS on average.

## APPENDIX B3

## Meetings of Council members

The numbers of meetings of the members of the University of Technology, Sydney's Council and of each Council committee and group held during the year and the numbers of meetings attended by each member, were as follows.

	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
<b>Members of the Council of the University</b>								
Anthony Baker	7	7	-	-	-	-	-	-
Peter Brady (term ended October 2008)	5	5	-	-	-	-	-	-
Christopher Cahill	7	7	-	-	-	-	-	-
Megan Cornelius	7	5	-	-	-	-	6	4
Tim Dugan (term ended November 2008)	2	1	-	-	3	2	-	-
Robert Kelly	7	7	4	4	-	-	-	-
Ross Laidlaw (term ended April 2008)	2	2	-	-	-	-	-	-
Dianne Leckie	7	7	1	1	2	2	6	6
Valerie Levy	7	5	-	-	-	-	-	-
Ross Milbourne	7	7	4	4	3	3	6	5
Michael Nguyen (term ended October 2008)	5	3	-	-	-	-	-	-
Jenny Onyx	7	5	-	-	-	-	-	-
Ron Sandland (appointed November 2008)	2	1	-	-	1	0	-	-
Vicki Sara	7	7	-	-	-	-	-	-
Michael Sexton	7	6	-	-	-	-	-	-
Mayank Sharma (elected November 2008)	2	1	-	-	-	-	-	-
Greg Skilbeck	7	7	-	-	-	-	-	-
Tony Stewart (term ended June 2008)	4	1	-	-	-	-	-	-
Michelle Swainson (elected November 2008)	2	2	-	-	-	-	-	-
Russell Taylor	7	6	4	3	-	-	-	-
Warwick Watkins	7	6	-	-	-	-	-	-
Brian Wilson	7	6	-	-	-	-	6	5
Katherine Woodthorpe	7	4	-	-	3	3	-	-
<b>Names of executive officers</b>								
Shirley Alexander	7	7	-	-	-	-	-	-
Peter Booth	7	7	4	1	3	2	6	5
Rosalind Dubs	7	7	-	-	-	-	-	-
Anne Dwyer	7	6	4	4	-	-	-	-
David Goodman	7	3	-	-	-	-	-	-
Ross Milbourne (see above)	7	-	-	-	-	-	-	-
Susan Rowley	7	6	-	-	3	2	-	-
Patrick Woods	7	7	4	4	3	3	6	5

Total meetings held represents the number of meetings held during the time the member held office or was a member of the committee during the year. Meetings attended represents the number of meetings attended by the member.

Governance Committee		Honorary Awards Committee		Nominations Committee		Student Council Liaison Group		Equity Reference Group		Physical Infrastructure Committee	
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
-	-	1	0	-	-	-	-	-	-	-	-
-	-	-	-	-	-	1	1	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	1	0	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
1	1	-	-	2	2	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	1	1	-	-	-	-	-	-	-	-
-	-	1	1	-	-	-	-	2	2	-	-
1	1	1	1	2	2	-	-	-	-	8	8
-	-	-	-	-	-	1	0	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
1	1	1	1	2	2	-	-	-	-	-	-
1	1	-	-	-	-	1	1	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	1	1	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	1	0	-	-	-	-	-	-	-	-
-	-	1	1	2	0	-	-	-	-	8	8
-	-	-	-	-	-	-	-	-	-	8	8
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	1	1	2	2	-	-
-	-	1	1	-	-	-	-	-	-	-	-
1	1	1	1	2	2	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	8	8

**APPENDIX B4****Legislative matters****Changes in legislation; judicial decisions affecting UTS, students**

- > The most significant legal change affecting UTS in 2008 was the case of *University of Western Australia v Gray* (No 20) in which the Federal Court dismissed claims by UWA to ownership of intellectual property held in the name of Dr Bruce Gray, formerly professor of surgery at UWA. The case distinguished a general duty to carry out research from a duty to invent and could impact generally on intellectual property policies and employment terms for academics. The matter is currently on appeal.
- > A minor change was made to the *University of Technology, Sydney, Act 1989* (NSW), with an amendment to Schedule 2A clause 5(10), where a de facto partner of a member means the other party to a de facto relationship (within the meaning of the *Property (Relationships) Act 1984* (NSW)) with the member.
- > The *Higher Education Support Amendment (2008 Budget Measures) Act 2008* (Cwlth) came into effect in June, changing the *Higher Education Support Act 2003* to phase out full-fee-paying domestic undergraduate students beginning 2009.

**Environmental regulations affecting UTS**

Council endorsed the UTS Environmental Sustainability Policy, which was drafted in 2008. The policy is an up-to-date positioning statement for the University's internal approach to environmental sustainability.

It accommodates demands in the *National Greenhouse and Energy Reporting Act 2007* (Cwlth), *Energy and Utilities Administration Act 1987* (NSW), *Occupational Health and Safety Act 2000* (NSW) and the Building Code of Australia.

Other environmental regulations we are subject to include the *Environmentally Hazardous Chemicals Act 1985* (NSW), *Protection of Environment Operations Act 1997* (NSW), *Radiation Control Act 1990* (NSW), *Contaminated Land Management Act 1997* (NSW), *Environmental Planning and Assessment Act 1979* (NSW) and *Heritage Act 1977* (NSW).

**APPENDIX B5****Significant committees and their members****Academic Board**

Shirley Alexander  
Tom Anderson  
Tim Aubrey  
Anthony Baker  
Peter Booth  
Spike Boydell  
Robin Braun  
Alex Byrne  
Chris Cahill  
Arthur Chan  
Clive Chappell  
Chris Chase  
Michael Cortie  
John Daly  
Theresa Dinh  
Kees Dorst  
Rosalind Dubs  
Anne Dwyer  
Doug Elliott  
Ruchi Gera  
David Goodman  
Roy Green  
Layna Groen  
Siggi Gudergan  
Tony Hall  
Bruce Hayllar  
Sean (Xiangjian) He  
Chris Hepperlin  
Anurag Hingorani  
Lesley Hitchens  
Doan Hoang  
Christian Hofman  
Ben Hunt  
Elaine Jeffreys  
Rosemary Johnston  
Archie Johnston  
Sandra Kaji-O'Grady  
Angelo Karantonis  
Diana Khodr  
Emma Lancaster  
David Latham  
Elaine Lawrence  
Andrew Litchfield  
Lin Lock (for Denise Dignam)  
Desley Luscombe  
Zoltan Matolcsy

Jo McKenzie  
Jill McKeough  
Peter McNeil  
Louise McWhinnie  
Ross Milbourne  
Ken Miller  
Bruce Millthorpe  
Geoff Monahan  
Andrew Mowbray  
Stephen Muecke  
Martin Nakata  
Hung Nguyen  
Bronwyn Olliffe  
Kuppal Palaniappan  
Carolyn (Tally) Palmer  
Ian Palmer  
Anita Piper  
Alex Pulkownik  
Richard Raban  
Anthony Reed  
Sam Reisenfeld  
Geoffrey Riordan  
Anne Ross-Smith  
Sue Rowley  
Bijan Samali  
Hermine Scheeres  
Erik Schlögl  
Katrina Schlunke  
Greg Skilbeck  
Diana Slade  
Rachel Smith (for Joanne Gray  
PEP Spring 08)  
Anita Stuhmcke  
Katie Sullivan  
Tracy Taylor  
Mark Tennant  
Andrew Toland  
Douglas Tomkin  
Theo van Leeuwen  
Michael Wallach  
Stuart White  
David Wilson  
Patrick Woods  
Aileen Wyllie  
Nong Zhang  
Jianguo Zhu

**Audit and Review**

Robert Kelly  
Di Leckie  
Ross Milbourne  
Rory O'Connor  
Bill Rock  
Russell Taylor

**Commercial Activities**

Tim Dugan  
Ross Milbourne  
Gary Phillips  
Ron Sandland  
Katherine Woodthorpe

**Finance**

Meg Cornelius  
Di Leckie  
John Leotta  
Matthew McLellan  
Ross Milbourne  
Brian Wilson

**Physical Infrastructure**

John Hill  
Graham Jahn  
Brian Wilson  
Ross Milbourne  
Penny Sharpe  
Warwick Watkins

## APPENDIX C1

### Complaints

#### Student Administration Unit

The unit received 20 individual student complaints through the year (either directly, or through the student centres, Vice-Chancellor's office or Registrar's office). They were about transferral into a particular subject or course; services (e.g. delays to an e-request or servicedesk request); and enrolment/timetabling.

#### Student Discipline and Appeals

SDA received nine complaints from students about other students in 2008 due to physical abuse (one), antisocial behaviour (three), pornography (one), theft (one), assault (one), academic misconduct (one) and damage to property (one).

#### Student Ombuds Office

The Ombuds Office received 22 formal complaints in 2008 due to appeals (five), lecturer conduct (two), enrolment (two), faculty (one), fees (five), graduation (three), special consideration (three) and withdrawing (one).

## APPENDIX C2

### Privacy at UTS

The University respects the privacy of each individual's personal and health information and is committed to protecting the information it holds and uses about all individuals. The University is bound by the 12 Information Protection Principles contained within the *Privacy and Personal Information Protection Act 1998* (NSW). 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. UTS is also bound by the 15 Health Privacy Principles contained within the *Health Records and Information Protection 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 above-mentioned Acts. 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. Our Privacy Management Plan has been lodged with the NSW Privacy Commissioner. The UTS Privacy Management Plan is currently under review as part of an overall review of the University's privacy framework. Part of the review process in 2009 will include a review of privacy policies.

#### Privacy complaints

During 2008, two privacy complaints were received by the University. One of these complaints was subject to internal review under the *Privacy and Personal Information Protection Act 1998* (NSW). Upon the request of the applicant, the second complaint was dealt with informally.

## APPENDIX C3

### Publications and promotion

We print a range of UTS-focused publications, including magazines and books, and maintain a comprehensive website.

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).

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 provides some general information about the University.

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

The *Statement of Affairs* contains a description of our 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 UTS 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.

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 for staff, students and members of the external community.

We also publish *Money@Uni*, a book for year 12 and university students that covers topics such as the cost of going to uni. It was created by the Equity and Diversity Unit and the Financial Assistance Service in the Student Services Unit. SSU also publishes *Parents' guide to university*.

UTS: Alumni maintains contact with the University's alumni through its monthly online publication *e:CONNECT* and biannual *Stay Connected* magazine.

Most of the publications listed above are published on the UTS website ([www.uts.edu.au](http://www.uts.edu.au)).

## APPENDIX C4

### Freedom of information

In accordance with the *Freedom of Information Act 1989* (NSW), the University published a *Summary of Affairs* in June and December 2008 in the *Government Gazette of the State of New South Wales*. The University also published a *Statement of Affairs* in December 2008. Both documents are available on the University's FOI website, and copies are also available from the UTS FOI 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). References to sections and schedules within tables are to the FOI Act.

#### Section A: new FOI requests

FOI request received, discontinued or completed		Number of FOI applications					
		Personal		Other		Total	
		2007	2008	2007	2008	2007	2008
A1	New	4	3	8	–	12	3
A2	Brought forward	–	–	–	–	–	–
A3	Total to be processed	4	3	8	–	12	3
A4	Completed	4	2	6	–	10	2
A5	Discontinued	–	1	2	–	2	1
<b>A6</b>	<b>Total processed</b>	<b>4</b>	<b>3</b>	<b>8</b>	<b>–</b>	<b>12</b>	<b>3</b>
A7	Unfinished (carried forward)	–	–	–	–	–	–

#### Section B: discontinued applications

Why were FOI applications discontinued?		Number of discontinued FOI applications					
		Personal		Other		Total	
		2007	2008	2007	2008	2007	2008
B1	Request transferred to another agency (s.20)	–	–	–	–	–	–
B2	Applicant withdrew request	–	1	1	–	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	–
<b>B5</b>	<b>Total discontinued</b>	<b>–</b>	<b>1</b>	<b>2</b>	<b>–</b>	<b>2</b>	<b>1</b>

#### Section C: completed applications

What happened to completed FOI applications?		Number of completed FOI applications					
		Personal		Other		Total	
		2007	2008	2007	2008	2007	2008
C1	Granted or otherwise available in full	3	–	4	–	7	–
C2	Granted or otherwise available in part	1	1	2	–	3	1
C3	Refused	–	–	–	–	–	–
C4	No documents held	–	1	–	–	–	1
<b>C5</b>	<b>Total completed</b>	<b>4</b>	<b>2</b>	<b>6</b>	<b>–</b>	<b>10</b>	<b>2</b>

**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	
		2007	2008	2007	2008	2007	2008
D1	Provided to the applicant	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	-	-	-	-	-	-
<b>D8</b>	<b>Total granted or otherwise available in full</b>	<b>3</b>	<b>-</b>	<b>4</b>	<b>-</b>	<b>7</b>	<b>-</b>

**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	
		2007	2008	2007	2008	2007	2008
E1	Provided to the applicant	1	1	2	1	3	1
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	-	-	-	-	-	-
<b>E8</b>	<b>Total granted or otherwise available in full</b>	<b>1</b>	<b>1</b>	<b>2</b>	<b>-</b>	<b>3</b>	<b>1</b>

**Section F: refused FOI applications**

Why was access to the documents refused?		Number of refused FOI applications					
		Personal		Other		Total	
		2007	2008	2007	2008	2007	2008
F1	Exempt	-	-	-	-	-	-
F2	Deemed refusal	-	-	-	-	-	-
<b>F3</b>	<b>Total refused</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



**Section G: exempt documents**

Why were the documents classified as exempt? (identify one reason only)	Number of FOI applications (refused or accesses granted or otherwise available in part only)					
	Personal		Other		Total	
	2007	2008	2007	2008	2007	2008
<i>Restricted documents:</i>						
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)	-	-	-	-	-	-
<i>Documents requiring consultation:</i>						
G5 Documents affecting intergovernmental relations (c.5)	-	-	-	-	-	-
G6 Documents affecting personal affairs (c.6)	1	1	2	-	3	1
G7 Documents affecting business affairs (c.7)	-	-	-	-	-	-
G8 Documents affecting the conduct of research (c.8)	-	-	-	-	-	-
<i>Documents otherwise exempt:</i>						
G9 Schedule 2 exempt agency	-	-	-	-	-	-
G10 Documents containing information confidential to Olympic Committees (c.22)	-	-	-	-	-	-
G11 Documents relating to threatened species, Aboriginal objects or Aboriginal 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 (eg: c.20, 22a and 26)	-	-	-	-	-	-
<b>G27 Total applications including exempt documents</b>	<b>1</b>	<b>1</b>	<b>2</b>	<b>-</b>	<b>3</b>	<b>1</b>

**Section H: ministerial certificates (s.59)**

How many ministerial certificates were issued?	Number	
	2007	2008
H1 Ministerial certificates issued	-	-

**Section I: formal consultations**

How many formal consultations were conducted?		Number	
		2007	2008
I1	Number of applications requiring formal consultation	4	1
I2	Number of persons formally consulted	4	4

**Section J: amendment of personal records**

How many applications for amendment of personal records were agreed or refused?		Number	
		2007	2008
J1	Agreed in full	-	-
J2	Agreed in part	-	-
J3	Refused	-	-
<b>J4</b>	<b>Total</b>	<b>-</b>	<b>-</b>

**Section K: notation of personal records**

How many applications for notation of personal records were made [s.46]?		Number	
		2007	2008
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	
		2007	2008	2007	2008
L1	All completed applications	\$690	\$300	\$330	\$60

**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	
		2007	2008	2007	2008	2007	2008
M1	Processing fees waived in full	-	1	-	-	-	1
M2	Public interest discounts	-	-	-	-	-	-
M3	Financial hardship discounts – pensioner/child	-	-	-	-	-	-
M4	Financial hardship discounts – non-profit organisation	-	-	-	-	-	-
<b>M5</b>	<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Section N: fee refunds**

How many fee refunds were granted as a result of significant correction of personal records?		Number	
		2007	2008
N1	Number of fee refunds were 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?		Number of completed FOI applications					
		Personal		Other		Total	
		2007	2008	2007	2008	2007	2008
O1	0-21 days – statutory determination period	4	1	3	–	7	1
O2	22-35 days – extended statutory determination period for consultation or retrieval of archived records (s.59B)	–	1	3	–	3	1
O3	Over 21 days – deemed refusal where no extended determination period applies	–	–	–	–	–	–
O4	Over 35 days – deemed refusal where no extended determination period applies	–	–	–	–	–	–
<b>O5</b>	<b>Total</b>	<b>4</b>	<b>–</b>	<b>6</b>	<b>–</b>	<b>10</b>	<b>–</b>

**Section P: processing time**

How long did it take to process completed applications?		Number of completed FOI applications					
		Personal		Other		Total	
		2007	2008	2007	2008	2007	2008
P1	0-10 hours	4	1	6	–	10	1
P2	11-20 hours	–	–	–	–	–	–
P3	21-40 hours	–	1	–	–	–	1
P4	Over 40 hours	–	–	–	–	–	–
<b>P5</b>	<b>Total</b>	<b>4</b>	<b>–</b>	<b>6</b>	<b>–</b>	<b>10</b>	<b>–</b>

**Section Q: number of reviews**

How many reviews were finalised		Number of completed reviews	
		2007	2008
Q1	Internal reviews	1	–
Q2	NSW Ombudsman reviews	–	–
Q3	Administrative Decisions Tribunal reviews	–	–

**Section R: what were the results of internal reviews finalised?**

Grounds on which internal review was requested		Number of internal reviews					
		Personal		Other		Total	
		Original agency decision upheld	Original agency decision variety	Original agency decision upheld	Original agency decision variety	Original agency decision upheld	Original agency decision variety
R1	Access refused	–	–	–	–	–	–
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	–	–	–	–	–	–
<b>R8</b>	<b>Total</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>

## APPENDIX C5

### 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](http://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 our commitment to providing a relevant education to students. This includes flexible and work-based modes of learning and the ongoing internationalisation of the curriculum.

UTS also aims to ensure 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 few years and will continue to be refined. Improvements delivered during 2008 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 D1

### Works in progress and completed in 2008

Building/ property	Project	\$'000
1	Upgrade of amenities, disability access and entry doors for levels 4a and 4b	950
1	Relocation of Marketing and Communication Unit from level 3 to level 26	750
1	Upgrade of public spaces on levels 3, 4 and 5	2,950
1	Redevelop level 7 for Alumni and Development Offices	430
1	Energy efficient boiler heat recovery project – central plant upgrade to reduce gas consumption	210
1	Redevelop level 3 for International Office	700
1	Upgrade air conditioning ducting for levels 18-27	900
2	Redevelop careers service offices on level 3 for new peer learning centre	110
2	Upgrade public spaces on level 4	1,000
3	Upgrade computer lab for the Faculty of Arts and Social Sciences	150
3	Lift upgrade	390
4	Improve utilisation of building to accommodate research facilities for the Faculty of Science	800
4	Public domain works in Thomas Street and Harris Street adjacent to building	337
4	Upgrade laboratory facilities for the Faculty of Science	125
5	New lunch room and mail-sorting area for the Faculty of Business in block C of City campus, Haymarket	460
5	Improve student learning and teaching facilities at Haymarket, block C	2,250
5	Redevelop office and research facilities for the Faculty of Business in D block	2,000
5	Lift upgrade in block A	330
6	Fabrication workshops and photo media laboratories for Faculty of Design, Architecture and Building	3,300
6	Lift upgrade	350
6	Replace air conditioning controls to Building Management System	350
10	Redevelop office and classroom space for research facilities and support facilities for Faculty of Arts and Social Sciences	3,070
10	Redevelopment to accommodate research facilities for the Faculty of Engineering and Information Technology	700
10	Redevelop level 7 for new function centre	7,000
10	Redevelop level 6 training rooms	395
10	Undertake changes to smoke control and stairwell pressurisation system	390
Kuring-gai campus	Upgrade existing clinical practice labs for the Faculty of Nursing, Midwifery and Health	1,250
645 Harris Street	Research hub for the Faculty of Business	1,500
St Leonards campus	Create Health Psychology Unit	600
Terraces on Broadway	Relocate 2SER-FM from Building 1	685
<b>Total</b>		<b>34,432</b>

## APPENDIX D2

## Land disposals

UTS disposed of four buildings at the St Leonards campus during 2008 with gross sales' proceeds totalling \$2.5 million.

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 properties no longer matched strategic requirements in the Campus Development Plan and the proceeds of the sale have been retained for future planned investment in educational facilities.

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

## APPENDIX D3

## Land register

Property/building number	Campus	Use	Building/ infrastructure valuation	Land valuation
			\$'000	\$'000
<b>Broadway</b>				
Building 1 (Tower)	city	educational	–	–
Building 2 (annex to Tower)	city	educational	–	–
Building 3 (Bon Marche)	city	educational	–	–
Building 4	city	educational	–	–
The Terraces (9-13 Broadway)	city	educational	–	–
The Loft	city	educational	–	–
Building 6 (Peter Johnson)	city	educational	–	–
Alumni Green (ex-TAFE building)	city	educational	–	–
Broadway subtotal			276,560	112,716
<b>Other buildings</b>				
Building 5 – Haymarket	city	educational	76,160	67,261
Blackfriars campus	city	educational/childcare	3,175	12,071
Building 10	city	educational	103,623	39,993
Kuring-gai campus	Lindfield	educational	34,117	52,023
Gumal Ngurang student housing	city	student housing	26,062	16,258
Bulga Ngurra student housing	city	student housing	6,839	3,848
Geegal student housing	city	student housing	4,272	2,473
Yarrowood Conference and Research Centre	Yarramundi	educational/research	245	1,855
Stroud Research Field station	Stroud	research station	60	220
Vice-Chancellor's residence	Pymont	housing	1,978	–
14 Ultimo Road	city	commercial	129	16,250
<b>Total</b>			<b>533,220</b>	<b>324,967</b>

Note 1: values are based on Collier's valuation dated 31 December 2008.

Note 2: in April 2008 UTS disposed of the Royal North Shore Hospital buildings.

## APPENDIX D4

### Heritage management

The University's Heritage Asset Management Strategy has been submitted to the Heritage Branch of the New South Wales Department of Planning and is undergoing minor amendment before onward submission to the Heritage Council of New South Wales for acceptance.

The UTS heritage property portfolio comprises several buildings at our City campus:

- > Building 3 – Bon Marche
- > Building 8 – The Terraces
- > Building 9 – The Loft
- > Building 11 – Bradshaw Building
- > Blackfriars Campus

For our heritage portfolio we annually review the conservation status of the assets, inspect once every three years to check overall condition and address any minimum maintenance issues as they arise.

## APPENDIX E1

### Occupational health and safety

#### Accident/incidents and workers' compensation insurance

A total of 229 accident/incident reports were received by Human Resources' Environment, Health and Safety branch during 2008. Consequently, 78 notifications were made to our workers' compensation insurer and of these notifications nine remained notifications only with no further action; 12 were journey/recess claims which did not affect the University's workers' compensation insurance premium; and the remaining 57 were premium-impacting claims.

The EHS branch's focus during the year was on preventative measures as well as the early return to work of injured and ill staff. This assisted in keeping the workers' compensation insurance premium lower than the industry tariff rate set by the WorkCover Authority. The industry tariff rate for 2008 was set at 0.622 per cent of wages, while the University's premium was 0.471 per cent of wages (\$1.111 million), representing a saving of approximately \$355,000. Average cost per claim was \$2950, total net incurred costs were \$168,173.

#### Investigations by the WorkCover Authority of NSW

**30 January 2008** – WorkCover inspector visited to follow up on an incident that had occurred in the previous year involving a chemical spill. Although action had been taken to respond to the incident, the inspector found that risk assessment had not been updated, our material safety data sheets were expired and dangerous goods were not stored correctly. UTS took immediate and thorough actions to rectify these issues.

**20 March 2008** – WorkCover inspector made a quick visit in response to a public complaint regarding the safety of a UTS awning. WorkCover made a suggestion for improvement and were happy with the response.

**4 December 2008** – WorkCover investigated an incident where an electrical flash occurred in a switchboard. WorkCover was impressed by the actions that had been taken to manage risk before and after the incident.

#### Training and assessments

Information on EHS accountabilities and responsibilities was promoted through the EHS Essentials and EHS for Supervisors training sessions in 2008. 169 staff attended EHS Essentials and 74 attended EHS for Supervisors.

More than 90 staff have had one-on-one assessments of their workstation ergonomics, with recommendations on amendments to workstation layout and configuration.

We also held SleepEasy workshops to improve quality of sleep to increase wellness and productivity among staff. There were 17 attendees of these in 2008.

#### Risk management

Two external auditors were commissioned by the UTS Risk and Assurance Unit during 2008 to conduct audits on our broader EHS management system and safety within our research functions.

A rating of three – Control Environment Requires Improvement: several control weaknesses of concern identified – out of a possible five, was assigned to the first audit report. The report was tabled at the Senior Deputy Vice-Chancellor's EHS Advisory Committee meeting in September. The EHS branch began working with key stakeholders to implement recommendations of the audit.

A draft report of the second audit, into the University's EHS management system, was delivered to the Senior Deputy Vice-Chancellor's EHS Advisory Committee meeting in December.

We continued to integrate EHS risk management into teaching and learning by performing EHS risk assessments of curricula at the subject level, with high-risk areas a priority.

EHS risk assessments have been completed across all subjects currently being taught within the Faculty of Science. Where applicable, the outcomes of risk assessments have been incorporated into lab notes and this process will continue in 2009 as subject course notes are reviewed by that faculty's subject coordinators. This process is to be deployed to the faculties of Design, Architecture and Building and Engineering and Information Technology in 2009.

## APPENDIX E2

### Employees

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

	Academic	Support	Total
<b>FTE staff (continuing and fixed term)</b>			
31.12.04	808.6	1214.6	2023
31.12.05	845.0	1216.3	2061
31.12.06	836.9	1199.4	2036
31.12.07	839.4	1180.7	2020
<b>31.12.08</b>	<b>852.2</b>	<b>1212.2</b>	<b>2064</b>
<b>Casual staff</b>			
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	204.6	532
<b>31.12.08</b>	<b>325.2</b>	<b>213.9</b>	<b>539</b>
<b>Actual persons** (continuing and fixed-term staff only)</b>			
31.12.04	846.0	1303.0	2149
31.12.05	885.0	1305.0	2190
31.12.06	877.0	1277.0	2154
31.12.07	876.0	1236.0	2112
<b>31.12.08</b>	<b>890.0</b>	<b>1266.0</b>	<b>2156</b>

\* From 2006 FTE is averaged over the calendar year.

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

Total staff increased during 2008. Academic staff represent 45.2 per cent of staff.

#### Profile of academic staff by classification

Number of academic staff at each level as a percentage of total academic staff:

	31.12.06	31.12.07	31.12.08
Professor	13.0	14.0	9.6
Associate Professor	12.8	13.7	11.9
Senior Lecturer	32.8	34.0	37.5
Lecturer	33.3	30.9	33.0
Associate Lecturer	8.0	7.4	8.0

These figures exclude casual academic staff.

During 2008 the proportion of academics at Professorial and Associate Professor levels decreased relative to those at Senior Lecturer and below.

#### Staff turnover

In the 12 months ending 31.12.08, the staff turnover rate due to resignations decreased slightly from 7.8 per cent to 6.9 per cent.

## APPENDIX E3

### Overseas travel

The University paid \$5.8 million for staff overseas travel in 2008. 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.

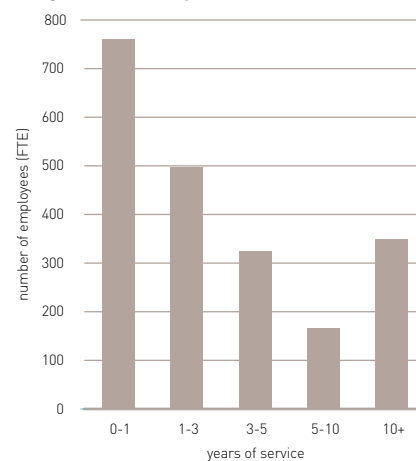
#### Professional Experience Programs

Number of academic staff proceeding on a PEP during 2008

	Male	Female	Total
Professor	9	3	12
Associate Professor	3	4	7
Senior Lecturer	18	18	36
Lecturer	9	13	22
Associate Lecturer	1	1	2
<b>Total</b>	<b>40</b>	<b>39</b>	<b>79</b>

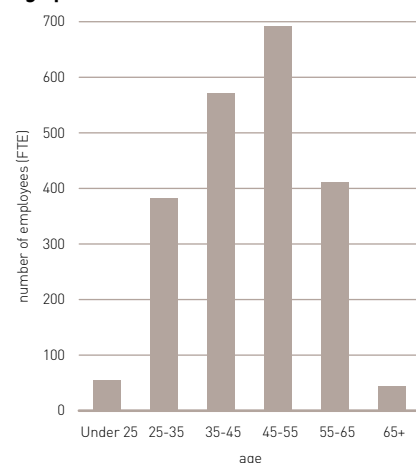
During 2008, 79 academic staff undertook a PEP, a decrease of eight from the 2007 figure. There was an increase in the percentage of females undertaking PEP, from 45 per cent of staff on PEP in 2007 to 49 per cent in 2008.

#### Length of service profile



As at 31.12.08, the largest group of staff in terms of service is those with two years service or less.

#### Age profile



UTS's workforce is predominantly middle aged.

## APPENDIX E4

### Equal employment opportunity trends 2005–2008

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 groups<sup>1</sup>**

	Benchmark or target	% of total staff <sup>2</sup>				
		2004	2005	2006	2007	2008
<b>General staff</b>						
Women	50	56	56	57	57	57
Aboriginal people and Torres Strait Islanders	2	1.0	1.5	1.8	1.4	1.3
People whose language first spoken as a child was not English	19	30	30	32	34	35
People with a disability	12	11	10	10	9	8
People with a disability requiring adjustment at work	7	2.9	2.4	2.5	2.1	1.5
<b>Academic staff</b>						
Women	50	40	40	40	41	43
Aboriginal people and Torres Strait Islanders	2	1.5	1.6	1.7	1.4	1.7
People whose language first spoken as a child was not English	19	27	27	28	29	30
People with a disability	12	10	9	8	8	8
People with a disability requiring adjustment at work	7	3.0	2.6	2.6	2.7	2.9

**Table B. Trends in the distribution of EEO groups<sup>1</sup>**

	Benchmark	Distribution index <sup>3</sup>				
		2004	2005	2006	2007	2008
<b>General staff</b>						
Women	100	91	91	90	92	92
Aboriginal people and Torres Strait Islanders	100	n/a	n/a	97	n/a	n/a
People whose language first spoken as a child was not English	100	92	94	92	93	93
People with a disability	100	94	95	95	95	97
People with a disability requiring adjustment at work	100	97	92	96	100	100
<b>Academic staff</b>						
Women	100	88	89	90	90	92
Aboriginal people and Torres Strait Islanders	100	n/a	n/a	n/a	n/a	n/a
People whose language first spoken as a child was not English	100	89	89	88	87	89
People with a disability	100	102	103	101	100	96
People with a disability requiring adjustment at work	100	106	108	101	101	103

**Table C. number and percentage of female executive officers**

	2004	2005	2006	2007	2008
Number	2	2	2	4	4
%	25	22	25	50	50

#### 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 Federal Department of Education, Employment and Workplace Relations (previously, 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 Office of the Director of Equal Opportunity in Public Employment. The distribution index is not calculated where numbers are statistically small.



## APPENDIX E5

### Equity and diversity

This appendix complements the information in the Industry, Community and Students chapter in the Review of Operations volume of the *UTS Annual Report 2008*. More detailed information on equity group profiles and strategies is contained in the UTS Report to the Director of the Office of Equal Opportunity in Public Employment. Significant achievements and strategies in relation to specific equity groups are listed below.

#### Highlights

- > The University held a major event to mark the historic occasion of the Prime Minister's apology to the Stolen Generations.
- > The UTS Ally network was launched by Sydney Lord Mayor Clover Moore in August supporting sexual diversity and addressing homophobia on campus.
- > UTS launched the next phase of the Wingara Indigenous Employment Strategy, continuing its emphasis on Indigenous employment as a priority strategy since 1993.
- > UTS developed its third Disability Action Plan (DAP) for the years 2009-2013, following a comprehensive review of the current UTS DAP 2003-2008.
- > The University's SHOUTS (Sexual Harassment Out of UTS) Program was nominated for a 2008 Equal Employment for Women in the Workplace Agency Business Achievement Award.
- > UTS hosted the highly successful university experience event, U@UTS Day, involving 182 high school students from 14 priority-funded schools.
- > UTS entered into active community partnerships with The Smith Family, the Country Education Foundation of Australia and the New South Wales Department of Education and Training to collaborate on programs that build aspiration for higher education in school students from disadvantaged backgrounds.
- > Access by inpUTS applicants using the Universities Admissions Index concession increased from 10.1 per cent in 2007 to 11.9 per cent in 2008.
- > Gender equity in non-traditional fields of study grants totalling \$99,958 were provided to faculties.

#### Key strategies for equity and diversity in 2009

- > Work with supervisors and managers throughout the University to implement the UTS Indigenous Employment Strategy.
- > Develop strategies to ensure that gains made by initiatives such as SHOUTS and Ally are sustained over time.
- > Implement the new UTS Disability Action Plan 2009-2013.
- > Develop a new student equity strategy to align with the UTS Strategic Plan 2009-2018, with a focus on forming partnerships with New South Wales Department of Education and Training, schools and other relevant community groups.

#### Staff equity Women

The University's sustained and comprehensive gender equity program has resulted in its eighth consecutive Employer of Choice for Women citation from the Equal Opportunity in the Workplace for Women Agency.

UTS has 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 the eight executive positions; in addition, Professor Vicki Sara holds the position of UTS Chancellor.

In 2008 women constituted 42.6 per cent of academic staff, an increase from 39.5 per cent in 2004, with 28.6 per cent of deans, 36.7 per cent of professors, 36.7 per cent of associate professors and 40.3 per cent of senior lecturers being women.

In 2008 women make up 57 per cent of all general staff. The proportion of women employed in the more senior general staff positions at HEW10 and above increased to 38.6 per cent in 2008 (up from 35.3 per cent in 2004).

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

#### Women@UTS program

Women@UTS was established to provide a comprehensive and integrated program of professional development opportunities for all women working at UTS. The program includes a diverse range of activities aimed at building community for all women on staff. This encompasses professional development opportunities, capacity building initiatives, local and international community development initiatives, work/life balance seminars, and events designed to build an inclusive culture. Women@UTS also conducted a career development program for female support staff. In 2008 there were approximately 850 attendances by women staff at events and workshops organised by Women@UTS.

#### 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. Professional development initiatives during 2008 included assistance in preparing for postgraduate supervision, support in sustaining work/life balance, exploration of teaching/research paradigms, and provision of mentoring for academic women working in research.

#### Women's Human Rights Forum

The Women's Human Rights Forum brought together women's rights leaders, activists and researchers from across the university, and community partners, with the aim of building a community of practice on gender equity locally, nationally and internationally. The forum addressed questions of human rights, social cohesion, education, health and poverty.

#### UTS/University of Sydney Joint Research Peer Mentoring Group for Women

A new initiative was established in 2008 to encourage networking and collaboration between women researchers from UTS and the University of Sydney. Guest speakers at the first event discussed their academic experience, attracting grants, balancing work, and mentoring. Sixty women attended.

*ATN WEXDEV*

UTS is a partner in the national Australian Technology Network Women's Executive Development Program (ATN WEXDEV). The program offers senior executive placement opportunities and inter-institutional visits for women in the target group. Participants may undertake short, intensive placements with large national or multinational organisations in the corporate sector, multifunctional local government authorities, large community service organisations and state or Commonwealth government departments. WEXDEV leadership capabilities workshops are held each year and include two women from each ATN university. The 2008 workshop focused on research leadership and the two UTS participants undertook a cross-institutional project examining promotion for women academics across the ATN universities.

*UTS Child Care*

UTS continued to provide funding and in-kind support to UTS Child Care to assist with the running of three campus-based child care centres. Children from over 130 UTS staff and student families attend these centres, with community members also accessing vacancies depending upon demand. UTS provides funding for low-income student parents accessing these centres, subsidising their childcare fees by up to 40 per cent.

*Key strategies for 2009*

- > Continue to implement professional development and community building initiatives through Women@UTS.
- > Further develop the career development program for women support staff.
- > Continue to promote and coordinate Early Career Researchers' Network for women.

**Indigenous staff***Wingara Indigenous Employment and Career Development Strategy*

UTS has implemented employment initiatives for Indigenous Australians since 1994. UTS launched the next phase of the Wingara Employment Strategy 2008–2010 with a major event in October.

*Indigenous professional development initiatives*

A training needs analysis and skills audit of Indigenous staff at UTS was conducted for the purpose of generating a profile of Indigenous staff and their professional development needs. Data collected will be used to formulate a more effective career development plan for Indigenous staff.

*Indigenous Staff Network*

The Indigenous Staff Network was established in 2005 to provide support to Indigenous Australian staff employed throughout the University, and to provide a safe and culturally sensitive environment for members to discuss projects and share knowledge.

*Indigenous Women's Network*

The UTS Indigenous Women's Network ensures equitable access to developmental opportunities for Indigenous women. The program also includes Women's Business @ UTS sessions, which aim to build links between Indigenous and non-Indigenous women at UTS by showcasing individuals and leadership, both at UTS and in community partner organisations.

*Key strategies for 2009*

- > Implement the Wingara Indigenous Employment and Career Development Strategy 2008-2010. Key strategies will include identifying academic internships and support staff traineeships for graduating UTS Indigenous students, and working with faculties to identify targeted Indigenous positions.
- > Provide ongoing coordination of developmental activities for Indigenous employees through the Indigenous Staff Network and Indigenous Women's Network

**People with disabilities***UTS Disability Action Plan*

The UTS Disability Action Plan Committee has representatives from work areas with implementation responsibilities under the DAP, and meets on a quarterly basis to coordinate activities and discuss progress. Subgroups/advisory groups meet regularly to implement strategies in relation to teaching and learning, library services, communication and consultation, and accessible environments. A major focus for 2008 was the review of the Disability Action Plan 2003-2008, and the development of the Disability Action Plan 2009-2013 which was adopted by UTS in August.

*Accessible Environments Advisory Group*

The Accessible Environments Advisory Group (AEAG) was established in 1999 to provide a forum within the University to regularly address disability access issues. The AEAG assists the University to develop a coordinated and strategic approach to identifying, prioritising and resolving built environment access issues, and scheduling implementation in a phased manner based on feedback from stakeholders about priority areas.

*Disability awareness training*

As part of its commitment to disability awareness-raising, the Equity & Diversity Unit coordinates annual deaf awareness training courses for staff and students. The course covers an introduction to hearing impairment, deaf culture, and basic Australian Sign Language. Twenty UTS staff and students undertook the course in 2008.

*Recruitment of people with disabilities*

The Equity & Diversity Unit began organising an employment forum with the Human Resources Unit and key recruitment decision makers at UTS to discuss ways to improve the representation and retention of staff with disabilities. The new Disability Action Plan contains a comprehensive disability employment strategy.

*Work training placements for people with disabilities*

In collaboration with the Commonwealth Rehabilitation Service (CRS), UTS provides opportunities for people with disabilities to undertake paid and unpaid work placements. The aim is to provide competency-based work experience and a current referee in order to make people with disabilities more competitive for advertised positions.

UTS won the CRS Australia NSW/ACT Employer Award, in the category of large business, government and higher education, for demonstrated commitment for employment of people with disabilities. In 2008 eight people undertook placements at UTS through the CRS work training placements scheme. Additionally, over the same period, two paid contract positions for people with a disability were established.

*Workplace disability fund*

The Equity & Diversity Unit provides funds for workplace adjustments to assist staff with disabilities to perform the inherent requirements of their job or assist them to participate more fully beyond the performance of their basic duties. Funding covers the cost of equipment or adjustments of up to \$2000 for any individual staff member within a twelve-month period.

*Information guide for academic staff*

An information guide for academics in relation to students with disabilities was developed and distributed.

*Disability Projects Fund*

The Disability Projects Fund allocates funds raised through parking fines incurred by non-eligible vehicles parking in designated accessible parking spaces. Projects included:

- > "LaunchPAD" – a website for undergraduates designed to raise awareness of disability and nurture an inclusive university culture
- > UTS annual survey of students with disabilities
- > grants for students with a disability in need of financial support.

*Key strategies for 2009*

- > Launch and implement the new UTS Disability Action Plan 2009 – 2014.
- > Continue to coordinate and promote core programs and services for people with disabilities at the University.

**Ethnic Affairs Priority Statement**

The UTS EAPS outlines our commitment as a culturally diverse University that engages with and reflects 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.

*Development of an inclusive language resource*

An updated resource was developed, combining the University's non-discriminatory language guidelines and the Diversity Guidelines for Courses and Subjects.

*Skillmax training*

Skillmax is a free state government program that helps staff from non-English speaking backgrounds 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. Six UTS staff members have attended Skillmax training in 2008.

*Cultural awareness and reconciliation*

Various cultural events were held including the InFusion Festival, National Reconciliation Week exhibition and events, lectures and training activities to contribute to the richness and understanding of cultural diversity at the University. We also provide multi-faith prayer rooms for students and staff, and host the multi-faith chaplaincy to assist in the personal and spiritual growth of members of the University.

*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. Inter-cultural awareness is fostered through discussions on socio-cultural and educational differences and similarities as a means of enriching students' experiences on campus.

*Key strategies for 2009*

- > Develop the new UTS Ethnic Affairs Priority Statement 2009-2012.
- > Launch the new UTS Inclusive Language Online resource.
- > Continue to coordinate participation in the Skillmax program for staff to develop their professional English skills for the workplace
- > Continue 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 outreach, admission, progress and success, and inclusive community.

The University's student equity objectives are to:

- > 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 to their full potential.

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

**Entry through special admissions programs in 2008**

The UTS enrolment target for students coming through the inpUTS Educational Access Scheme is 10 per cent of all undergraduate commencing places. This target was reached for the first time in 2007, and in 2008 inpUTS student enrolments increased to 11.9 per cent of the total 4956 undergraduate commencing places. The inpUTS Scheme provides a UAI concession of 10 points to students demonstrating significant educational disadvantage or attendance at New South Wales Priority Funded Schools.

Scheme	Number of students entering UTS	
	2007	2008
inpUTS Educational Access Scheme	523	591
Educational disadvantage	19	33
Refugee	7	9
Elite athlete/performer	22	21
Temporary Protection Visa refugee scholarship	3	3

**Schools Outreach Program**

The Schools Outreach Program conducted a range of on-campus and school-based activities for Priority Funded Schools in the south and south-west Sydney regions. U@UTS Day hosted 182 students from 14 schools, including three country schools for the first time.

**Make it Reel Cineliteracy Summer School**

This highly successful pilot had its Orientation Day in November 2008 and ran for three weeks in January 2009. Ten Priority Funded high schools were represented by 30 year 9 and 10 students, who worked with UTS staff and students to produce three short films culminating in a film festival graduation ceremony for friends and family. The resource materials were developed by a UTS academic for the New South Wales Department of Education and Training to promote the improvement numeracy and literacy skills. UTS developed the on-campus program to build familiarity with and confidence in the university environment with the aim of creating aspiration for university education.

**Parents' Guide to University**

This publication is for parents of prospective students to help them understand about the post-secondary education choices available to their children. It has been translated into three community languages and covers topics such as the benefits and costs of university study, careers, and transition from school to university. It can be downloaded from the UTS website.

**Gender Equity and Access Scheme**

The Gender Equity in Non-Traditional Fields of Study Grants awarded \$99,958 in funding to four faculty-initiated projects in engineering, architecture and construction management, information technology and materials science.

- > Engineering: engaging female senior secondary students with 'hands-on' workshops
- > Information Technology: summer school and scholarships for five young women who enrol in IT at UTS
- > Science (physics/maths/chemistry): hands on workshops in the enabling sciences
- > DAB (architecture and construction): production of a DVD for schools and university students focussing on successful women in the workforce.

### Equity scholarships

UTS provides a range of equity scholarships to students demonstrating financial hardship, comprising Commonwealth Scholarships and UTS Diversity Access Scholarships (DAS). The DAS are one-off grants paid in the year of application. In 2008 the Equity & Diversity Unit awarded a total of 565 DAS, valued at \$446,000. An additional \$40,000 was paid from DAS funding to support equity scholarships awarded through the Country Education Foundation of Australia and The Smith Family.

A total of 669 commencing students were awarded Commonwealth Scholarships for students demonstrating financial disadvantage. Forty Indigenous students received Indigenous Access Scholarships as well as the ordinary Commonwealth Scholarship.

Emergency grants totalling \$101,000 were provided to 300 students in 2008, along with \$18,000 for crisis accommodation and rental subsidies, \$6000 to students with disabilities, and \$5000 for book vouchers. In addition, Rio Tinto Emergency Grants for Indigenous students provided \$12,000 in 2008.

The newly established Laurie Cowled Scholarship for an Indigenous female student from the country, valued at \$20,000, was awarded for the first time in 2008, along with five George Alexander Scholarships for Indigenous students in financial hardship, valued at \$2000 each.

In the Faculty of Engineering, the value of the Linden Little Scholarship for a commencing student from an educationally disadvantaged background was increased to \$24,000 over two years; the faculty also awards two Keycorp Memorial Scholarships valued at \$5000 for high achieving equity group students.

### Key strategies for 2009

The new UTS Student Equity Strategy 2009-2018 will be developed to align with the UTS Strategic Plan 2009-2018, and will:

- > expand the Schools Outreach Program to include government, schools and community partnerships
- > develop new transition strategies to improve retention and success of students in first year, in particular Indigenous students and students entering UTS via alternative pathways
- > investigate improvements to entry pathways for students from educationally disadvantaged backgrounds.

### Inclusive community for staff and students SHOUTS Sex-Based Harassment Out of UTS Project

SHOUTS was a three-year campaign to improve awareness of rights and responsibilities in relation to sex-based and other forms of harassment at UTS. Over 850 UTS staff participated in Equal Opportunity for Women in the Workplace Agency-facilitated workshops on sex-based harassment, discrimination and bullying, with a focus on the value of staff diversity, rights and responsibilities, relevant legislation and UTS policies. In 2008, online modules of sex-based harassment training were piloted. One hundred and forty-seven staff registered for the online training.

### UTS Human Rights Awards

UTS continues to offer annual awards to recognise staff and student contributions to equity and social justice, with the aims of:

- > acknowledging staff and student contributions to equity and social justice at UTS
- > celebrating achievements in advancing human rights
- > heightening awareness of and commitment to social justice values by UTS staff and students.

A new award category was introduced in 2008 to complement the introduction of the Ally Network – the UTS Ally Award, celebrating and supporting sexual and gender diversity. This award recognises work being done by UTS students and staff to improve human rights for people from the lesbian, gay, bisexual, transgender, transsexual, intersex and queer communities.

### The Ally Program

The Ally network was launched as part of the Ally Program which supports sexual diversity and addresses homophobia on campus. UTS currently has 40 staff across a broad range of faculties and work areas who have trained as 'Allies'.

### Reconciliation Working Party

The UTS Reconciliation Working Party monitors implementation of the UTS Reconciliation Statement and organises activities to promote awareness of reconciliation issues. A major event was held in February 2008 to mark the historic occasion of the Prime Minister's apology to the Stolen Generations. Over 300 staff and students attended the event which comprised a lecture on the impact of government policies on Indigenous Australians, a live broadcast of the apology and a panel discussion.

### Key strategies for 2009

- > Coordinate Ally networking opportunities and conduct training for more staff on providing support for lesbian, gay, bisexual, transgender, transsexual, intersex and queer students and staff.
- > Promote and celebrate the UTS Human Rights Awards in October 2009.
- > Implement recommendations arising from the UTS Reconciliation Statement, including the development of a Reconciliation Action Plan.

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