



UTS ANNUAL REPORT 2010

FINANCES AND APPENDICES



CONTENTS

FINANCIAL STATEMENTS

University of Technology, Sydney	2
INSEARCH Limited	55
accessUTS Pty Limited	85

APPENDICES

A1 Controlled entities	101
A2 Meetings of Council members	102
A3 Significant committees and their members	104
A4 UTS Council Code of Conduct	104
B1 Executive performance and remuneration	105
B2 Employees	107
B3 Equal employment opportunity trends	108
B4 Safety and wellbeing	109
B5 Overseas travel	109
B6 Equity and diversity	110
C1 Legislative matters	114
C2 Privacy	114
C3 Freedom of information	115
C4 Right to information	120
C5 Guarantee of service	122
D1 Consultants	123
D2 Insurance	128
E1 Works in progress and completed in 2010	128
E2 Land register	129
E3 Heritage management	129

INDEX	130
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Contents: UTS

Statement by appointed officers	3
Independent auditor's report	4
Income statement	6
Statement of comprehensive income	7
Statement of financial position	8
Statement of changes in equity	9
Statement of cash flows	10
Notes to the financial statements	11
1. Summary of significant accounting policies	11
2. Revenue from continuing operations	16
3. Expenses from continuing operations	20
4. Borrowing costs	22
5. Sales of assets	22
6. Income tax	22
7. Key management personnel disclosures	23
8. Remuneration of auditors	25
9. Cash and cash equivalents	25
10. Receivables	25
11. Other financial assets	27
12. Other non-financial assets	27
13. Non-current assets classified as held for sale	28
14. Investments accounted for using the equity method	28
15. Property, plant and equipment	30
16. Intangible assets	32
17. Trade and other payables	34
18. Borrowings	35
19. Provisions	36
20. Other liabilities	36
21. Reserves and retained surplus	37
22. Commitments for expenditure	39
23. Non-cash financing and investing activities	40
24. Defined benefits plans	41
25. Contingent assets and contingent liabilities	44
26. Economic dependency	44
27. Subsidiaries	45
28. Related parties	45
29. Disaggregation information (consolidated)	45
30. Events occurring after the balance sheet date	46
31. Reconciliation of operating result after income tax to net cash flows from operating activities	46
32. Acquittal of Australian Government financial assistance	47
33. Financial risk management	51

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 2010 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 2010* and the Commonwealth Guidelines for the Preparation of Annual Financial Reports for the 2010 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

13th April 2011

Independent auditor's report



GPO BOX 12
Sydney NSW 2001

INDEPENDENT AUDITOR'S REPORT

University of Technology, Sydney

To Members of the New South Wales Parliament

I have audited the accompanying financial statements of the University of Technology, Sydney (the University), which comprise the statement of financial position as at 31 December 2010, income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the consolidated entity. The consolidated entity comprises the University and the entities it controlled at the year's end or from time to time during the financial year.

Auditor's Opinion

In my opinion, the financial statements:

- give a true and fair view of the financial position of the University and the consolidated entity, as at 31 December 2010, and of the financial performance for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 41B of the *Public Finance and Audit Act 1983* (the PF&A Act) and the Public Finance and Audit Regulation 2010
- comply with the 'Financial Statement Guidelines for Australian Higher Education Providers for the 31 December 2010 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*
- comply with International Financial Reporting Standards as disclosed in Note 1(a)

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

Council's Responsibility for the Financial Statements

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

In Note 1(a), the Council also states, in accordance with Accounting Standard AASB 101 'Presentation of Financial Statements', that the financial statements comply with International Financial Reporting Standards.

Independent auditor's report

Auditor's Responsibility

My responsibility is to express an opinion on the financial statements based on my audit. I conducted my audit in accordance with Australian Auditing Standards. These 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 statements are free from material misstatement.

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

I believe 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
- about the effectiveness of their internal control
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about any other information which may have been hyperlinked to/from the financial statements.

Independence

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

- providing that only Parliament, and not the executive government, can remove an Auditor-General, 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 Dyetunji
Director, Financial Audit Services

14 April 2011
SYDNEY

Income statement

FOR THE YEAR ENDED 31 DECEMBER 2010

	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Revenue from continuing operations					
Australian Government financial assistance					
> Australian Government grants	2.1	180,887	197,118	180,887	197,118
> HECS-HELP— Australian Government payments	2.1	73,563	72,458	73,563	72,458
> FEE-HELP	2.1	39,236	34,065	31,945	27,941
State and local government financial assistance	2.2	5,355	3,820	5,355	3,820
HECS-HELP— student payments		22,966	23,525	22,966	23,525
Fees and charges	2.3	205,835	187,001	166,092	146,460
Investment revenue	2.4	15,981	11,216	13,849	10,007
Royalties, trademarks and licences	2.5	762	457	724	416
Consultancy and contracts	2.6	9,279	8,112	7,948	7,498
Other revenue	2.7	17,939	13,628	21,871	16,156
Total revenue from continuing operations		571,803	551,400	525,200	505,399
Gains on disposal of assets	5	6	–	6	–
Investments accounted for using the equity method	14	1,720	2,306	–	–
Other investment income	2.4	–	–	–	–
Other income	2.7	10,503	10,888	11,438	11,794
Total income from continuing operations		584,032	564,594	536,644	517,193
Expenses from continuing operations					
Employee related expenses	3.1	329,361	297,756	305,768	277,526
Depreciation and amortisation	3.2	54,028	53,314	52,466	51,551
Repairs and maintenance	3.3	9,360	8,682	9,160	8,439
Borrowing costs	4	2,962	3,025	2,956	2,949
Impairment of assets	3.4	3,705	683	3,692	437
Losses on disposal of assets	5	10	343	–	282
Deferred super expense	24	440	400	440	400
Other expenses	3.5	150,697	133,336	132,326	116,991
Total expenses from continuing operations		550,563	497,539	506,808	458,575
Operating result before income tax		33,469	67,055	29,836	58,618
Income tax expense	6	17	27	–	–
Operating result from continuing operations		33,452	67,028	29,836	58,618
Operating result attributable to members of the University of Technology, Sydney		33,452	67,028	29,836	58,618
Operating result attributable to members from:					
> continuing operations		33,452	67,028	29,836	58,618
Total		33,452	67,028	29,836	58,618

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

Statement of comprehensive income

FOR THE YEAR ENDED 31 DECEMBER 2010

	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Operating result after income tax for the period		33,452	67,028	29,836	58,618
Exchange differences on translation of foreign operations	21 (b)	65	(2,562)	–	–
Change in fair value of available for sale financial assets	21 (b)	82	(1)	82	(1)
Gain/(loss) on revaluation of property, plant and equipment	21 (b)	36,540	31,845	36,540	31,845
Net actuarial gains (losses) recognised in respect of defined benefit plans	24	(468)	794	(468)	794
Total comprehensive income attributable to members of the University of Technology, Sydney		69,671	97,104	65,990	91,256

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

Statement of financial position

FOR THE YEAR ENDED 31 DECEMBER 2010

	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Assets					
Current assets					
Cash and cash equivalents	9	244,543	244,635	202,785	206,741
Receivables	10	14,681	13,329	12,922	12,452
Other financial assets	11	45	43	45	43
Other non-financial assets	12	18,878	21,010	16,258	18,631
Non-current assets classified as held for sale	13	56,543	–	56,543	–
Total current assets		334,690	279,017	288,553	237,867
Non-current assets					
Receivables	10	289,175	257,436	287,805	255,674
Investments accounted for using the equity method	14	9,148	9,527	–	–
Other financial assets	11	2,132	342	2,211	421
Other non-financial assets	12	147	273	147	273
Property, plant and equipment	15	982,237	949,825	978,364	946,179
Intangible assets	16	19,055	17,959	17,691	17,241
Total non-current assets		1,301,894	1,235,362	1,286,218	1,219,788
Total assets		1,636,584	1,514,379	1,574,771	1,457,655
Liabilities					
Current liabilities					
Trade and other payables	17	40,145	29,041	37,944	27,596
Borrowings	18	3,324	3,328	3,224	3,328
Provisions	19	60,543	54,581	59,005	53,160
Other liabilities	20	26,758	24,905	12,412	10,664
Total current liabilities		130,770	111,855	112,585	94,748
Non-current liabilities					
Borrowings	18	43,077	42,989	42,887	42,989
Provisions	19	302,348	268,759	300,549	267,158
Other liabilities	20	168	226	–	–
Total non-current liabilities		345,593	311,974	343,436	310,147
Total liabilities		476,363	423,829	456,021	404,895
Net assets		1,160,221	1,090,550	1,118,750	1,052,760
Equity					
Parent entity interest					
Reserves	21 (a)	512,031	475,344	513,669	477,047
Retained earnings	21 (d)	648,190	615,206	605,081	575,713
Total equity		1,160,221	1,090,550	1,118,750	1,052,760

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

Statement of changes in equity

FOR THE YEAR ENDED 31 DECEMBER 2010

	Reserves	Retained surplus	Total
Consolidated			
Balance at 1 January 2009	446,062	547,384	993,446
Retrospective changes	-	-	-
Balance as restated	446,062	547,384	993,446
Profit or loss	-	67,028	67,028
Exchange differences on translation of foreign operations	(2,562)	-	(2,562)
Change in fair value of available for sale financial assets	(1)	-	(1)
Gain/(loss) on revaluation of property, plant and equipment	31,845	-	31,845
Net actuarial gains (losses) recognised in respect of defined benefit plans	-	794	794
Total comprehensive income	29,282	67,822	97,104
Balance at 31 December 2009	475,344	615,206	1,090,550
Balance at 1 January 2010	475,344	615,206	1,090,550
Profit or loss	-	33,452	33,452
Exchange differences on translation of foreign operations	65	-	65
Change in fair value of available for sale financial assets	82	-	82
Gain/(loss) on revaluation of property, plant and equipment	36,540	-	36,540
Net actuarial gains (losses) recognised in respect of defined benefit plans	-	(468)	(468)
Total comprehensive income	36,687	32,984	69,671
Balance at 31 December 2010	512,031	648,190	1,160,221
Parent			
Balance at 1 January 2009	445,203	516,301	961,504
Retrospective changes	-	-	-
Balance as restated	445,203	516,301	961,504
Profit or loss	-	58,618	58,618
Exchange differences on translation of foreign operations	-	-	-
Change in fair value of available for sale financial assets	(1)	-	(1)
Gain/(loss) on revaluation of property, plant and equipment	31,845	-	31,845
Net actuarial gains (losses) recognised in respect of defined benefit plans	-	794	794
Total comprehensive income	31,844	59,412	91,256
Balance at 31 December 2009	477,047	575,713	1,052,760
Balance at 1 January 2010	477,047	575,713	1,052,760
Profit or loss	-	29,836	29,836
Changes from comprehensive income	-	-	-
Exchange differences on translation of foreign operations	-	-	-
Change in fair value of available for sale financial assets	82	-	82
Gain/(loss) on revaluation of property, plant and equipment	36,540	-	36,540
Net actuarial gains (losses) recognised in respect of defined benefit plans	-	(468)	(468)
Total comprehensive income	36,622	29,368	65,990
Balance at 31 December 2010	513,669	605,081	1,118,750

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

Statement of cash flows

FOR THE YEAR ENDED 31 DECEMBER 2010

	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Cash flows from operating activities					
Australian Government grants	32	299,198	297,398	291,907	291,274
OS-Help (net)	32	198	(173)	198	(173)
State government grants received	2.2	4,737	3,430	4,737	3,430
Local government grants received	2.2	618	390	618	390
HECS-HELP—student payments		22,890	23,517	22,890	23,517
Receipts from student fees and other customers		261,893	235,115	225,790	198,710
Dividends received		1,610	3,049	14	1,188
Interest received		15,419	13,256	13,116	10,925
Payments to suppliers and employees (inclusive of goods and services tax)		(501,054)	(453,038)	(459,765)	(414,513)
Interest and other costs of finance		(2,962)	(2,949)	(2,956)	(2,949)
Income tax paid		(18)	(16)	–	–
Net cash provided by/(used in) operating activities	31	102,529	119,979	96,549	111,799
Cash flows from investing activities					
Proceeds from sale of property, plant and equipment	5	194	2,398	152	2,361
Proceeds from sale of financial assets		–	–	–	–
Payments for financial assets		–	–	–	–
Purchase of shares		(3,349)	(677)	(3,349)	(676)
Payments for property, plant and equipment		(95,662)	(49,171)	(93,530)	(46,651)
Net cash provided by/(used in) investing activities		(98,817)	(47,450)	(96,727)	(44,966)
Cash flows from financing activities					
Proceeds from borrowings		–	–	–	–
Repayment of borrowings		–	–	–	–
Repayment of finance leases		(3,804)	(3,400)	(3,778)	(3,400)
Net cash provided by/(used in) financing activities		(3,804)	(3,400)	(3,778)	(3,400)
Net increase/(decrease) in cash and cash equivalents					
		(92)	69,129	(3,956)	63,433
Cash and cash equivalents at the beginning of the year		244,635	175,506	206,741	143,308
Effect of exchange rate changes on cash and cash equivalents		–	–	–	–
Cash and cash equivalents at end of year	9	244,543	244,635	202,785	206,741
Financing arrangements	18				
Non-cash financing and investing activities	23				

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

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2010

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The financial statements were authorised for issue by the Council of the University of Technology, Sydney on 13 April 2011.

(a) Basis of preparation

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

- (i) the Australian Accounting Standards including the Australian equivalents to the International Financial Reporting Standards (AIFRS)
- (ii) other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and AASB Interpretations
- (iii) the *Financial Statements Guidelines for Australian Higher Education Providers for the 2010 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 (IFRS)

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

Critical accounting estimates

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

(b) Principles of consolidation

(i) Subsidiaries

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

- > University of Technology, Sydney
- > INSEARCH Limited, a controlled entity of the university
- > INSEARCH Shanghai Limited, a controlled entity of INSEARCH Limited
- > accessUTS Pty Ltd, a controlled entity of the university
- > UTSM Services (Malaysia) Sdn. Bhd (in voluntary liquidation)

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

(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

FOR THE YEAR ENDED 31 DECEMBER 2010

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Revenue recognition

In accordance with AASB 1004 *Contributions* the operating and research grants provided by the 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 on revenue for the period is the tax payable on the current period's taxable income based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities and their carrying amounts in the financial statements and to unused tax losses.

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

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

(f) Leases

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

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

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

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

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

Details of leased assets are provided in note 22.

(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.

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2010

(l) Non-current assets held for sale

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

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

(m) Investments and other financial assets

The group classifies its investments in the following categories:

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

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

(ii) Available-for-sale financial assets

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

(iii) Other financial assets

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

(n) Derivatives

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value. Changes in the fair value of any derivative instrument are recognised immediately in the income statement.

Details of the derivatives held by the group are disclosed in note 33.

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

The library collection is recorded at depreciated replacement cost.

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

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

(ii) Revaluations

Independent valuations are performed with sufficient regularity 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

FOR THE YEAR ENDED 31 DECEMBER 2010

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(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 — major	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 carrying amount. These are included in the income statement.

(q) Intangible assets

(i) Research and development

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

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

(ii) Software

Software, where the software is not an integral part of the related hardware is classified as an intangible asset with a finite life. Amortisation is charged on a straight line basis at the rate of 14.30 per 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 (DEST) the effects of the unfunded superannuation liabilities of the group were recorded in the income statement and the balance sheet for the first time in 1998. The previous practice had been to disclose these liabilities by way of a note to the financial statements.

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

An arrangement exists between the Australian Government and the NSW State Government to meet the unfunded liability for the group's beneficiaries of the State Superannuation Scheme on an emerging cost basis. This arrangement is evidenced by the *State Grants (General Revenue) Amendment Act 1987* (Cwlth), *Higher Education Funding Act 1988* (Cwlth) and subsequent amending legislation. Accordingly the unfunded liabilities have been recognised in the balance sheet under provisions with a corresponding asset recognised under receivables. The recognition of both the asset and the liability consequently does not affect the year end net asset position of the group.

(s) Trade and other payables

Accounts payable, including accruals, represent liabilities for goods and services provided to the economic entity prior to the end of the 2010 reporting period. These amounts are usually settled on 30 day terms.

(t) Borrowings

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

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2010

(u) Finance costs

Finance costs except those incurred for the construction of any qualifying asset are expensed as per AASB 123 *Borrowing Costs*. Finance costs incurred for the construction of any qualifying assets are capitalised as per AASB 123 *Borrowing Costs*.

(v) Provisions

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

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

(w) Employee benefits

(i) Wages 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. Sick leave is included in salaries and wages when the sick leave is taken.

(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 due to the amendment of the trust deed during 2006 (clause 34 of the UniSuper Trust Deed). The plan has been classified as a contribution plan in the parent entity's accounts.

(iv) Termination benefits

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

(x) Joint ventures

For the consolidated entity financial statements, the interest in jointly controlled entities are accounted for using the equity method. Under this method, the share of the profits or losses of the joint venture is recognised in the income statement, whilst 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 2009 comparative figures have been adjusted to conform with the mandatory presentation for the current year. These reclassifications have no effect on the 2009 operating result (or the financial position) of the university.

(aa) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2010 reporting period. The university has not exercised the right to early adopt any new or revised accounting standard.

(ab) Changes in accounting policy

There has been no changes to accounting policy in the 2010 year.

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2010

	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
2. REVENUE FROM CONTINUING OPERATIONS					
2.1 Australian Government financial assistance including HECS-HELP and other Australian Government loan programs					
(a) Commonwealth Grant Scheme and other grants					
	32.1				
Commonwealth Grant Scheme ¹		130,891	117,535	130,891	117,535
Indigenous Support Program		1,086	1,195	1,086	1,195
Partnership and Participation Program ⁴		1,365	135	1,365	135
Workplace Reform Program		-	1,518	-	1,518
Workplace Productivity Program		476	476	476	476
Learning and Teaching Performance Fund		-	4,880	-	4,880
Capital Development Pool		1,409	-	1,409	-
Disability Support Program		318	381	318	381
Diversity and Structural Adjustment Fund ²		759	625	759	625
Transitional Cost Program		1,022	2,020	1,022	2,020
Improving the Practical Component of Teacher Education Initiative		-	257	-	257
Total Commonwealth Grant Scheme and other grants		137,326	129,022	137,326	129,022
(b) Higher Education Loan Programs					
	32.2				
HECS-HELP		73,563	72,458	73,563	72,458
FEE-HELP		39,236	34,065	31,945	27,941
Total Higher Education Loan Programs		112,799	106,523	105,508	100,399
(c) Scholarships					
	32.7				
Australian Postgraduate Awards		2,871	2,033	2,871	2,033
International Postgraduate Research Scholarships		326	306	326	306
Commonwealth Education Cost Scholarships ³		2,407	1,360	2,407	1,360
Commonwealth Accommodation Scholarships		18	1,483	18	1,483
Indigenous Access Scholarships		158	96	158	96
Total scholarships		5,780	5,278	5,780	5,278
(d) DIISR research					
	32.6				
Joint Research Engagement Program ⁵		5,011	5,167	5,011	5,167
Research Training Scheme		9,355	9,139	9,355	9,139
Research Infrastructure Block Grants		2,205	2,608	2,205	2,608
Australian Scheme for Higher Education Repositories		-	237	-	237
Implementation Assistance Program		62	130	62	130
Commercialisation Training Scheme		102	96	102	96
Sustainable Research Excellence in Universities		1,066	-	1,066	-
Small grants		-	-	-	-
Total DIISR research grants		17,801	17,377	17,801	17,377
(e) Australian Research Council					
	32.3				
<i>(i) Discovery</i>					
> Project		5,202	4,760	5,202	4,760
> Federation Fellowships		171	336	171	336
> Future Fellowships		179	87	179	87
> Indigenous Researchers Development		38	(2)	38	(2)
Total Discovery		5,590	5,181	5,590	5,181

	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
<i>(ii) Linkages</i>	32.4				
> Projects		2,993	2,906	2,993	2,906
> International		–	–	–	–
> Infrastructure		674	1,716	674	1,716
Total Linkages		3,667	4,622	3,667	4,622
<i>(iii) Networks and centres</i>	32.5				
> Research networks		(6)	686	(6)	686
> Centres		591	641	591	641
Total networks and centres		585	1,327	585	1,327
(f) Other Capital Funding	32.8				
Better Universities Renewal Funding Grant		–	–	–	–
Teaching and Learning Capital Fund		–	16,042	–	16,042
Education Investment Fund		–	–	–	–
Total Other Capital Funding		–	16,042	–	16,042
(g) Other Australian Government financial assistance					
National Health and Medical Research Council		2,311	2,010	2,311	2,010
Department of Education, Employment and Workplace Relations		1,201	1,592	1,201	1,592
Department of Innovation, Industry, Science and Research		1,508	1,145	1,508	1,145
Department of Health and Ageing		882	1,040	882	1,040
University of New South Wales		588	178	588	178
DEEWR – International Undergraduate Research Scholarships		569	184	569	184
AusAID		399	403	399	403
CSIRO		362	1,154	362	1,154
National Water Commission		286	193	286	193
University of Queensland		70	361	70	361
Department of Environment, Water, Heritage and the Arts		76	109	76	109
Department of Infrastructure, Transport, Regional Development and Local Government		–	8,000	–	8,000
Other		1,886	1,900	1,886	1,900
Total other Australian Government financial assistance		10,138	18,269	10,138	18,269
Total Australian Government financial assistance		293,686	303,641	286,395	297,517
Reconciliation					
Australian Government grants (a+c+d+e+f+g)		180,887	197,118	180,887	197,118
HECS-HELP payments		73,563	72,458	73,563	72,458
FEE-HELP payments		39,236	34,065	31,945	27,941
Total Australian Government financial assistance		293,686	303,641	286,395	297,517

1. Includes the basic Commonwealth Grant Scheme amount, CGS – Regional Loading, CGS – Enabling Loading, Maths and Science Transition Loading and Full Fee Places Transition Loading.

2. Includes Collaboration and Structural Reform Program.

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

4. Includes Equity Support Program.

5. Includes Institutional Grants Scheme.

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2010

	Economic entity (Consolidated)		Parent entity (University)	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
2. REVENUE FROM CONTINUING OPERATIONS (continued)				
(h) Australian Government Grants received — cash basis				
CGS and Other DEEWR Grants	137,326	129,022	137,326	129,022
Higher Education Loan Programs	120,196	101,710	112,905	95,586
Scholarships	5,780	5,278	5,780	5,278
DIISR Research	17,801	17,377	17,801	17,377
ARC grants — Discovery	5,185	4,914	5,185	4,914
ARC grants — Linkages	2,772	4,261	2,772	4,261
ARC grants — network and centres	–	525	–	525
Other Capital Funding	–	16,042	–	16,042
Other Australian Government Grants	10,138	18,269	10,138	18,269
Total Australian Government Grants received — cash basis	299,198	297,398	291,907	291,274
OS-HELP (net)	1,381	703	1,381	703
Total Australian Government funding received — cash basis	300,579	298,101	293,288	291,977
2.2 State and local government financial assistance				
New South Wales State Government	3,713	2,896	3,713	2,896
Other state governments	1,024	534	1,024	534
Local government	618	390	618	390
Total state and local government financial assistance	5,355	3,820	5,355	3,820
2.3 Fees and charges				
Course fees and charges				
Fee-paying overseas students	172,223	154,263	132,292	114,166
Continuing education	5,530	5,065	5,650	5,069
Fee-paying domestic postgraduate students	13,522	12,979	13,522	12,979
Fee-paying domestic undergraduate students	8,853	8,211	8,853	8,211
Other domestic course fees and charges	1,307	956	1,317	956
Total course fees and charges	201,435	181,474	161,634	141,381
Other non-course fees and charges				
Library charges	440	405	1,177	1,100
Student accommodation charges	623	1,096	–	–
Student Union fees	–	–	–	–
Medical fees	590	629	595	629
English Testing Centre	2,686	3,346	2,686	3,346
Other fees and charges	61	51	–	4
Total other non-course fees and charges	4,400	5,527	4,458	5,079
Total fees and charges	205,835	187,001	166,092	146,460

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2010

	Economic entity (Consolidated)		Parent entity (University)	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
2.4 Investment revenue and income				
Interest	15,967	10,028	13,835	8,819
Dividends received	14	1,188	14	1,188
Total investment revenue	15,981	11,216	13,849	10,007
Change in fair value of financial assets designated at fair value through profit and loss	-	-	-	-
Change in fair value of financial assets classified as held for trading	-	-	-	-
Total other investment income	-	-	-	-
Net investment income	15,981	11,216	13,849	10,007
2.5 Royalties, trademarks and licences	762	457	724	416
2.6 Consultancy and contracts				
Contract research	5,853	5,099	5,853	5,099
Consultancy	3,426	3,013	2,095	2,399
Total consultancy and contracts	9,279	8,112	7,948	7,498
2.7 Other revenue and income				
Other revenue				
Contribution from INSEARCH Limited	-	-	4,000	3,000
Donations and bequests	3,381	1,761	3,381	1,580
Foreign exchange gain/(loss) (net) (note (a))	(119)	(17)	(119)	(17)
Non-government grants	502	926	502	926
Scholarships and prizes	2,429	3,109	2,497	3,216
Services	4,863	1,565	5,252	1,626
Sponsorships	2,169	2,088	2,179	2,094
Other	4,714	4,196	4,179	3,731
Total other revenue	17,939	13,628	21,871	16,156
Other income				
Contributions to fixed assets	90	29	90	29
Hire and rental	8,142	8,820	8,819	9,604
Profit/(loss) on sale of shares	(110)	-	(110)	-
Contributions for salary from other entities	1,323	673	1,323	673
Sale of goods	1,058	1,366	1,316	1,488
Total other income	10,503	10,888	11,438	11,794
(a) Net foreign exchange gain/(loss)				
Net foreign exchange gains included in other income for the year	(119)	(17)	(119)	(17)
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)	(119)	(17)	(119)	(17)

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2010

	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
3. EXPENSES FROM CONTINUING OPERATIONS					
3.1 Employee related expenses					
Academic					
Salaries		127,243	115,395	117,422	107,252
Contributions to funded superannuation and pension schemes		18,163	16,871	17,379	16,116
Payroll tax		8,434	8,037	7,820	7,541
Workers' compensation		672	652	617	579
Long service leave expense		4,728	3,007	4,437	2,949
Annual leave		7,911	7,239	7,520	6,839
Total academic		167,151	151,201	155,195	141,276
Non-academic					
Salaries		122,655	110,865	113,950	102,966
Contributions to funded superannuation and pension schemes		18,066	15,962	17,164	15,254
Payroll tax		8,097	8,612	7,535	8,101
Workers' compensation		642	632	592	563
Long service leave expense		3,775	2,638	3,675	2,570
Annual leave		8,410	7,448	7,657	6,796
Other		565	398	-	-
Total non-academic		162,210	146,555	150,573	136,250
Total employee related expenses		329,361	297,756	305,768	277,526
Deferred superannuation expense	24	440	400	440	400
Total employee related expenses, including deferred government employee benefits for superannuation		329,801	298,156	306,208	277,926
3.2 Depreciation and amortisation					
Depreciation property, plant and equipment					
Buildings		29,772	28,820	29,772	28,820
Equipment		10,524	10,472	9,633	9,298
Library		3,111	3,336	3,111	3,336
Motor vehicles		129	142	129	130
Total depreciation property, plant and equipment		43,536	42,770	42,645	41,584
Amortisation property, plant and equipment					
Leasehold improvements		1,014	1,039	1,014	1,039
Plant and equipment under finance leases		3,809	3,409	3,785	3,409
Total amortisation property, plant and equipment		4,823	4,448	4,799	4,448
Total depreciation and amortisation property, plant and equipment		48,359	47,218	47,444	46,032
Amortisation intangibles					
Software		5,669	6,071	5,022	5,519
Patents and trademarks		-	25	-	-
Development		-	-	-	-
Total amortisation intangibles		5,669	6,096	5,022	5,519
Total depreciation and amortisation		54,028	53,314	52,466	51,551

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2010

	Economic entity (Consolidated)		Parent entity (University)	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
3.3 Repairs and maintenance				
Buildings	6,770	6,272	6,770	6,272
Leasehold improvements	–	–	–	–
Plant and equipment	2,590	2,410	2,390	2,167
Total repairs and maintenance	9,360	8,682	9,160	8,439
3.4 Impairment of assets				
Bad debts	104	585	91	585
Increase/(decrease) in provision for doubtful debts	(283)	(813)	(283)	(925)
Impairment of financial assets	3,539	712	3,539	578
Impairment of intangible assets	345	199	345	199
Total impairment of assets	3,705	683	3,692	437
3.5 Other expenses				
Advertising, marketing and promotional expenses	5,601	4,212	4,364	3,657
Building rent and rates	6,858	6,046	2,614	2,563
Cleaning	5,056	4,660	4,788	4,373
Consultancy	16,106	14,774	14,609	13,684
Contributions other	5,188	3,699	5,188	3,699
Contributions research	3,090	3,317	3,090	3,317
Entertainment	3,800	3,597	3,685	3,485
Fees and subscriptions	22,939	20,201	20,294	15,482
Heating and lighting	6,738	5,758	6,446	5,519
Insurance	1,901	1,526	1,816	1,456
Laboratory supplies	1,877	1,830	1,877	1,830
Maintenance software	4,522	3,958	4,277	3,869
Minimum lease payments on operating lease rental expenses	1,349	1,408	1,285	1,353
Non-capitalised equipment	5,381	4,894	5,363	4,880
Other expenses	9,271	8,060	8,648	8,703
Postage	1,259	946	719	573
Printing	1,833	2,111	1,414	1,483
Scholarships and prizes	19,031	15,957	18,690	15,764
Security contract staff	2,789	2,841	2,422	2,504
Stationery	1,488	1,639	1,488	1,639
Telecommunications	2,838	2,676	2,477	2,426
Travel and related staff development and training	14,540	13,520	13,491	12,747
Tuition fees expense	7,242	5,706	3,281	1,985
Total other expenses	150,697	133,336	132,326	116,991

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2010

	Economic entity (Consolidated)		Parent entity (University)	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
4. BORROWING COSTS				
Gross borrowing costs	2,962	3,025	2,956	2,949
Less: amount capitalised	-	-	-	-
Total borrowing costs expensed	2,962	3,025	2,956	2,949
5. SALES OF ASSETS				
Proceeds from sale				
Property, plant and equipment	194	137	152	100
Carrying amount of assets sold				
Property, plant and equipment	198	480	146	382
Total carrying amount of assets	198	480	146	382
Net gain or (loss) on sale of assets	(4)	(343)	6	(282)
(a) Net gain on disposal of property, plant and equipment				
The consolidated net loss on disposal of property, plant and equipment in 2010 includes a loss of \$0 (2009 loss: \$89,670) on disposal of buildings.				
6. INCOME TAX				
The income tax expense represents tax liabilities for overseas entities in China and Malaysia.				
	17	27	-	-

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2010

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 Robert Kelly
Ms Dianne Leckie	Professor Jenny Onyx
Dr Valerie Levy (ended October 2010)	Mr Brian Wilson
Professor Thomas Clarke	Mr Tim Dugan (ended March 2010)
Mr Christopher Cahill	Dr Ron Sandland
Ms Megan Cornelius, AM	Ms Michelle Swainson (ended October 2010)
Professor Ross Milbourne	Mr Mayank Sharma (ended February 2010)
Mr Michael G Sexton, SC	The Hon. Penelope Sharpe, MLC
Mr Warwick Watkins	Mr Russell Taylor
Dr Katherine Woodthorpe (ended October 2010)	Professor Greg Skilbeck
Ms Patricia Azarias (appointed November 2010)	Mr Peter Bennett (appointed November 2010)
Mr Su-Ming Wong (appointed November 2010)	Mr Siddharth Mehta (appointed November 2010)
Ms Rachael Durrant (appointed November 2010)	Mr Sudarshan Zanwar (appointed June 2010, ended October 2010)

INSEARCH Limited

Ms D Leckie	Ms D Hill
Professor R Milbourne	Mr P Woods
Mr J Hutchison, AM	Mr M Williams
Professor W Purcell	Professor B Milthorpe

accessUTS Pty Limited

Dr Jane Morrison	Professor Theo Van Leeuwen
Mr Blair McRae	Mr Jeffrey Francis
Professor Denise Dignam	

(b) Other key management personnel

The following persons also had authority and responsibility for planning, directing and controlling the activities of the university during the financial year:

University

Professor Peter Booth	Professor William Purcell
Ms Anne Dwyer	Professor Ross Milbourne
Professor Shirley Alexander	Mr Patrick Woods
Professor Attila Brungs	

INSEARCH Limited

Mr T Laurence	Ms CA Churches
Mr S Crayn (ended February 2010)	Mr JR Butler
Mr A Murphy	Mr N Patrick (appointed February 2010)
Mr P Harris (appointed August 2010)	

accessUTS Pty Limited

Mr Blair McRae

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2010

	Economic entity (Consolidated)		Parent entity (University)	
	2010	2009	2010	2009
7. KEY MANAGEMENT PERSONNEL DISCLOSURES (continued)				
(c) Remuneration of board members and executives				
The university's responsible persons do not receive any remuneration in respect of their work as members of Council.				
Remuneration of board members				
\$20,000 to \$29,999	-	1	-	-
\$30,000 to \$39,999	3	2	-	-
\$40,000 to \$49,999	-	1	-	-
\$60,000 to \$69,999	1	-	-	-
	4	4	-	-
Remuneration of executive officers				
\$10,000 to \$19,999	-	1	-	-
\$20,000 to \$29,999	-	1	-	-
\$80,000 to \$89,999	-	1	-	1
\$100,000 to \$109,999	1	1	-	-
\$120,000 to \$129,999	1	-	-	-
\$150,000 to \$159,999	-	1	-	-
\$170,000 to \$179,999	-	1	-	-
\$180,000 to \$189,999	1	-	-	-
\$190,000 to \$199,999	1	-	-	-
\$200,000 to \$209,999	2	2	-	-
\$220,000 to \$229,999	1	2	-	1
\$260,000 to \$269,999	-	1	-	1
\$280,000 to \$289,999	-	1	-	1
\$300,000 to \$309,999	-	1	-	1
\$310,000 to \$319,999	-	1	-	1
\$340,000 to \$349,999	1	-	1	-
\$350,000 to \$359,999	1	-	1	-
\$360,000 to \$369,999	1	-	1	-
\$380,000 to \$389,999	1	-	1	-
\$400,000 to \$409,999	-	2	-	2
\$430,000 to \$439,999	1	-	1	-
\$440,000 to \$449,999	1	-	1	-
\$670,000 to \$679,999	-	1	-	1
\$710,000 to \$719,999	1	-	1	-
	14	17	7	9
Key management personnel compensation				
Short-term employee benefits	\$4,697,384	\$4,335,210	\$3,050,384	\$2,967,210
Post-employment benefits	\$0	\$0	-	-
Termination benefits	\$0	\$0	-	-
	\$4,697,384	\$4,335,210	\$3,050,384	\$2,967,210

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2010

	Economic entity (Consolidated)		Parent entity (University)	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
8. REMUNERATION OF AUDITORS				
Fees paid to Audit Office of New South Wales for audit and review of financial reports	399	370	231	215
Fees paid to non-audit firms for the audit or review of financial reports of any entity in the consolidated group	288	175	-	-
Total remuneration for audit services	687	545	231	215
9. CASH AND CASH EQUIVALENTS				
Cash at bank and on hand	11,033	10,896	3,265	5,362
Deposits at call	50,510	31,739	44,520	26,379
Fixed term deposits	183,000	202,000	155,000	175,000
Total cash and cash equivalents	244,543	244,635	202,785	206,741
(a) Reconciliation to cash at the end of the year				
The above figures are reconciled to cash at the end of the year as shown in the cash flow statement as follows:				
> balances as above	244,543	244,635	202,785	206,741
> less: bank overdrafts	-	-	-	-
Balance as per cash flow statement	244,543	244,635	202,785	206,741
(b) Cash at bank and on hand				
Cash at bank are interest bearing with interest rates ranging between 0.10% and 4.25%. Cash on hand are non-interest bearing.				
(c) Deposits at call and term deposits				
The deposits at call are bearing floating interest rates between 4.65% and 5.25% (2009: 3.65% and 4.25%). Term deposits are interest bearing with rates ranging between 5.81% and 6.45%. These deposits have an average maturity of 90 days.				
10. RECEIVABLES				
Current				
Trade debtors — other	13,785	12,997	11,650	12,186
> Less: provision for impaired receivables	(359)	(575)	(359)	(575)
	13,426	12,422	11,291	11,611
Trade debtors — student	1,238	1,076	761	448
> less: provision for impaired receivables	(279)	(394)	(219)	(285)
	959	682	542	163
	14,385	13,104	11,833	11,774
Amounts receivable from wholly owned subsidiaries				
> INSEARCH Limited	-	-	599	47
> accessUTS Pty Limited	-	-	194	406
Amounts receivable from related entities				
> Sydney Educational Broadcasting Limited	296	225	296	225
Total current receivables	14,681	13,329	12,922	12,452
Non-current				
Deferred government contribution for superannuation	287,805	255,674	287,805	255,674
Trade debtors — other	1,370	1,762	-	-
Total non-current receivables	289,175	257,436	287,805	255,674
Total trade and other receivables	303,856	270,765	300,727	268,126

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2010

	Economic entity (Consolidated)	
	2010 \$'000	2009 \$'000
10. RECEIVABLES (continued)		
(a) Impaired receivables		
As at 31 December 2010 current receivables of the group with a nominal value of \$5,577,000 (2009: \$2,069,000) were impaired. The amount of the provision was \$638,000 (2009: \$969,000). The nominal impaired receivables includes a 100% provision for \$540,138. It is anticipated that a portion of the impaired receivables will be recovered. The impaired receivables for the parent entity are \$6,358,340 (2009: \$1,960,000) with the amount of the provision being \$578,000 (2009: \$860,000).		
The ageing of these receivables is as follows:		
> 0 to 6 months	5,091	1,621
> over 6 months	486	448
	5,577	2,069
As at 31 December 2010, receivables of \$11,112,000 (2009: \$13,991,000) 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	9,474	11,931
> over 6 months	1,638	2,060
	11,112	13,991
Movements in the provision for impaired receivables are as follows:		
> at 1 January	969	1,788
> provision for impairment recognised during the year	(227)	(234)
> receivables written off during the year as uncollectible	(104)	(585)
> unused amounts reversed	-	-
	638	969

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

	Economic entity (Consolidated)		Parent entity (University)	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
(b) Foreign exchange and interest rate risk				
The carrying amounts of the group's and parent entity's current and non-current receivables are denominated in the following currencies:				
Australian dollar	303,316	269,816	301,116	268,830
Canadian dollar	-	5	-	5
Chinese renminbi	-	34	-	34
Euro	47	69	47	69
British pound	989	1,796	-	34
United States dollar	39	5	39	5
New Zealand dollar	103	9	103	9
Thai baht	-	-	-	-
	304,494	271,734	301,305	268,986
Current receivables	15,319	14,298	13,500	13,312
Non-current receivables	289,175	257,436	287,805	255,674
	304,494	271,734	301,305	268,986

(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

FOR THE YEAR ENDED 31 DECEMBER 2010

	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
11. OTHER FINANCIAL ASSETS					
Current					
Other financial assets at fair value through profit or loss					
Managed funds — New South Wales Treasury Corporation	33	45	43	45	43
Total current other financial assets at fair value through profit or loss		45	43	45	43
Total current other financial assets		45	43	45	43
Non-current					
Available-for-sale financial assets					
Australian listed equity securities		1,907	7	1,907	7
Unlisted shares		—	—	—	—
Total non-current available-for-sale financial assets		1,907	7	1,907	7
Other financial assets at cost					
Shares in subsidiaries		—	—	185	185
Shares in other entities		119	229	119	229
Interest in joint venture partnerships and investment in associates		—	—	—	—
Other unlisted securities — security deposits		106	106	—	—
Total non-current other financial assets at cost		225	335	304	414
Total non-current other financial assets		2,132	342	2,211	421

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

(a) Investments in related parties

Refer to note 14 and note 27 for information on the carrying amount of investments in subsidiaries, joint ventures and associates.

(b) Fair value

Refer note 33 for a comparison between fair value and carrying amount for the above other financial assets.

(c) Risk exposure

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

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

	Economic entity (Consolidated)		Parent entity (University)	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
12. OTHER NON-FINANCIAL ASSETS				
Current				
Accrued income	4,992	7,808	4,692	7,651
Prepayments	13,886	13,202	11,566	10,980
Total current other non-financial assets	18,878	21,010	16,258	18,631
Non-current				
Prepayments	147	273	147	273
Total non-current other non-financial assets	147	273	147	273
Total other non-financial assets	19,025	21,283	16,405	18,904

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2010

	Economic entity (Consolidated)		Parent entity (University)	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
13. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE				
Current				
Land	56,151	–	56,151	–
Buildings and infrastructure	392	–	392	–
Motor vehicles	–	–	–	–
Total non-current assets classified as held for sale	56,543	–	56,543	–
14. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD				
Interest in joint venture entity and investment in associates	9,148	9,527	–	–
Total investments accounted for using the equity method	9,148	9,527	–	–
Reconciliation				
Balance at 1 January	9,527	10,439	–	–
Share of profit for the year	1,720	2,306	–	–
Dividends	(1,596)	(1,861)	–	–
Foreign currency translation	(423)	(1,357)	–	–
Additional equity income	(80)	–	–	–
Additions	–	–	–	–
Balance at 31 December	9,148	9,527	–	–

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.

Australian Technology Park Innovation Proprietary Limited (ATPI) has a reporting date of 30 June 2010. The university has relied on the statutory accounts to the 30 June 2010 for Australian Technology Park Innovation Proprietary Limited.

(a) Joint venture partnerships

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

1. 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.

2. 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)

3. AustLII Foundation Ltd

This is a joint venture between the University of New South Wales and the University of Technology, Sydney to provide free access to public legal information in Australia by means of an electronic public library.

(b) Investment in associates

1. Sydney Institute of Marine Science Limited (SIMS)

SIMS is a not-for-profit entity to develop and operate a marine science research facility. The University of Technology, Sydney has a 25 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 (ATPI)

The ATPI is an organisation involving the University of Technology, Sydney, Australian National University, University of Sydney and the University of New South Wales. The University of Technology, Sydney has a 25 per cent share of issued share capital. The organisation facilitates the incubation of research activity. The statutory accounts are prepared as at 30 June which differs from the university's year end of 31 December. The difference in reporting periods is not regarded as being material.

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2010

	Economic entity (Consolidated)		Parent entity (University)	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
(c) Summarised financial information in respect of associates is set out below				
Financial position				
Current assets	7,266	8,762	-	-
Non-current assets	4,749	3,612	-	-
Total assets	12,015	12,374	-	-
Current liabilities	2,747	2,837	-	-
Non-current liabilities	120	10	-	-
Total liabilities	2,867	2,847	-	-
Share of net assets	9,148	9,527	-	-
Financial performance				
Revenues	9,472	10,052	-	-
Expenses	7,752	7,746	-	-
Share of profit/(loss)	1,720	2,306	-	-
Share of commitments				
Lease commitments	-	-	-	-
Other commitments (other than for the supply of inventories)	-	-	-	-
Total expenditure commitments	-	-	-	-
Capital commitments	-	-	-	-

(d) Contingent liabilities relating to joint ventures

No material losses are anticipated in respect to contingent liabilities.

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

The university has an interest in the following joint ventures. The contributions are for year to 31 December 2010. Contributions in cash and in-kind are expensed and included in the income statement. In the event that a CRC research results in a move to commercialisation a separate legal entity is established and the university's share of the new entity is treated as an investment, joint venture, associate or subsidiary in the balance sheet as appropriate.

Name	Description	Cash contributions in 2010 \$'000	In-kind contributions in 2010 \$'000	Total contributions in 2010 \$'000
CRC for Sustainable Tourism Pty Limited	The Sustainable Tourism CRC aims to provide global leadership in strategic R&D to improve the sustainability of the tourism industry to maximise the economic, environmental and social benefits it delivers to Australia.	4	-	4
Capital Markets CRC Ltd	The Capital Markets CRC Ltd's strategy is to target its research to current and future challenges faced by the capital markets.	75	194	269
Australasian CRC for Interaction Design Pty Ltd	The Australasian CRC for Interaction Design is the R&D leader in experience design. It finds better ways for people to interact using communications technologies.	50	56	106
CRC CARE (Contamination Assessment and Remediation of the Environment) Pty Ltd	The CRC for Contamination Assessment and Remediation of the Environment.	85	152	237
CRC for Cotton Catchment Communities Ltd	The Cotton Catchment Communities CRC's (previously CRC for Australian Cotton) principal activity is to enhance the development and growth of the Australian cotton industry through the application of collaborative research, education and the adoption of sustainable farming systems.	50	34	84
		264	436	700

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2010

	Construction in progress	Freehold land ³	Freehold buildings	Plant and equipment ¹	Leasehold improvements	Leased plant and equipment	Library	Other property, plant and equipment ²	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
15. PROPERTY, PLANT AND EQUIPMENT									
Consolidated									
At 1 January 2009									
> cost	7,433	-	-	91,869	2,340	10,139	-	-	111,781
> valuation	-	324,967	1,041,583	-	-	-	101,677	1,607	1,469,834
Accumulated depreciation	-	-	(508,363)	(66,847)	(240)	(4,606)	(83,175)	-	(663,231)
Net book amount	7,433	324,967	533,220	25,022	2,100	5,533	18,502	1,607	918,384
Year ended 31 December 2009									
Opening net book amount	7,433	324,967	533,220	25,022	2,100	5,533	18,502	1,607	918,384
Exchange differences	-	-	-	-	-	-	-	-	-
Revaluation surplus/(deficit)	-	10,655	20,796	-	-	-	-	394	31,845
Additions	3,973	-	21,224	14,686	428	4,045	2,454	412	47,222
Assets classified as held for sale and other disposals	-	-	(90)	(188)	-	(6)	(11)	(113)	(408)
Depreciation charge	-	-	(28,820)	(10,614)	(1,039)	(3,409)	(3,336)	-	(47,218)
Closing net book amount	11,406	335,622	546,330	28,906	1,489	6,163	17,609	2,300	949,825
At 31 December 2009									
> cost	11,406	-	-	102,021	2,768	11,643	-	-	127,838
> valuation	-	335,622	1,069,203	-	-	-	104,050	2,300	1,511,175
Accumulated depreciation	-	-	(522,873)	(73,115)	(1,279)	(5,480)	(86,441)	-	(689,188)
Net book amount	11,406	335,622	546,330	28,906	1,489	6,163	17,609	2,300	949,825
Year ended 31 December 2010									
Opening net book amount	11,406	335,622	546,330	28,906	1,489	6,163	17,609	2,300	949,825
Exchange differences	-	-	-	-	-	-	-	-	-
Revaluation surplus/(deficit)	-	15,577	20,922	-	-	-	-	41	36,540
Acquisition of subsidiary	-	-	-	-	-	-	-	-	-
Additions	66,913	462	18,193	9,030	98	3,897	2,358	21	100,972
Assets classified as held for sale and other disposals	-	(56,151)	(392)	(164)	-	(10)	(24)	-	(56,741)
Depreciation charge	-	-	(29,772)	(10,653)	(1,014)	(3,809)	(3,111)	-	(48,359)
Closing net book amount	78,319	295,510	555,281	27,119	573	6,241	16,832	2,362	982,237
At 31 December 2010									
> cost	78,319	-	-	101,356	2,740	11,710	-	-	194,125
> valuation	-	295,510	1,121,590	-	-	-	106,308	2,362	1,525,770
Accumulated depreciation	-	-	(566,309)	(74,237)	(2,167)	(5,469)	(89,476)	-	(737,658)
Net book amount	78,319	295,510	555,281	27,119	573	6,241	16,832	2,362	982,237

1. Plant and equipment includes all operational assets.

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

3. A portion of the Kuring-gai site has been zoned residential and conditional approval has been obtained from the New South Wales Government to explore disposal options. The residential component has been transferred to note 13.

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2010

	Construction in progress	Freehold land ³	Freehold buildings	Plant and equipment ¹	Leasehold improvements	Leased plant and equipment	Library	Other property, plant and equipment ²	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Parent entity									
At 1 January 2009									
> cost	7,343	-	-	82,305	2,340	10,139	-	-	102,127
> valuation	-	324,967	1,041,583	-	-	-	101,677	1,607	1,469,834
Accumulated depreciation	-	-	(508,363)	(59,659)	(240)	(4,606)	(83,175)	-	(656,043)
Net book amount	7,343	324,967	533,220	22,646	2,100	5,533	18,502	1,607	915,918
Year ended 31 December 2009									
Opening net book amount	7,343	324,967	533,220	22,646	2,100	5,533	18,502	1,607	915,918
Revaluation surplus/(deficit)	-	10,655	20,796	-	-	-	-	394	31,845
Additions	3,973	-	21,224	12,237	428	4,045	2,454	412	44,773
Assets classified as held for sale and other disposals	-	-	(90)	(105)	-	(6)	(11)	(113)	(325)
Depreciation charge	-	-	(28,820)	(9,428)	(1,039)	(3,409)	(3,336)	-	(46,032)
Closing net book amount	11,316	335,622	546,330	25,350	1,489	6,163	17,609	2,300	946,179
At 31 December 2009									
> cost	11,316	-	-	90,091	2,768	11,643	-	-	115,818
> valuation	-	335,622	1,069,203	-	-	-	104,050	2,300	1,511,175
Accumulated depreciation	-	-	(522,873)	(64,741)	(1,279)	(5,480)	(86,441)	-	(680,814)
Net book amount	11,316	335,622	546,330	25,350	1,489	6,163	17,609	2,300	946,179
Year ended 31 December 2010									
Opening net book amount	11,316	335,622	546,330	25,350	1,489	6,163	17,609	2,300	946,179
Revaluation surplus/(deficit)	-	15,577	20,922	-	-	-	-	41	36,540
Additions	66,701	462	18,193	8,364	98	3,581	2,358	21	99,778
Assets classified as held for sale and other disposals	-	(56,151)	(392)	(114)	-	(8)	(24)	-	(56,689)
Depreciation charge	-	-	(29,772)	(9,762)	(1,014)	(3,785)	(3,111)	-	(47,444)
Closing net book amount	78,017	295,510	555,281	23,838	573	5,951	16,832	2,362	978,364
At 31 December 2010									
> cost	78,017	-	-	88,810	2,740	11,396	-	-	180,963
> valuation	-	295,510	1,121,590	-	-	-	106,308	2,362	1,525,770
Accumulated depreciation	-	-	(566,309)	(64,972)	(2,167)	(5,445)	(89,476)	-	(728,369)
Net book amount	78,017	295,510	555,281	23,838	573	5,951	16,832	2,362	978,364

1. Plant and equipment includes all operational assets.

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

3. A portion of the Kuring-gai site has been zoned residential and conditional approval has been obtained from the New South Wales Government to explore disposal options. The residential component has been transferred to note 13.

(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 2010 revaluations were based on independent assessments by Colliers International as at 31 December 2010. The revaluation surplus was credited/debited to the asset revaluation reserve in equity (note 21).

(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

FOR THE YEAR ENDED 31 DECEMBER 2010

	Development costs \$'000	Patents and trademarks \$'000	Software \$'000	Licences perpetual \$'000	Goodwill \$'000	Total \$'000
16. INTANGIBLE ASSETS						
Consolidated						
At 1 January 2009						
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
Year ended 31 December 2009						
Opening net book amount	-	40	15,628	1,793	-	17,461
Additions	-	-	6,227	638	-	6,865
Disposals	-	(15)	(57)	-	-	(72)
Impairment charge	-	-	-	(199)	-	(199)
Amortisation charge	-	(25)	(6,071)	-	-	(6,096)
Closing net book amount	-	-	15,727	2,232	-	17,959
At 31 December 2009						
Cost	-	249	45,385	2,431	-	48,065
Accumulated amortisation and impairment	-	(249)	(29,658)	(199)	-	(30,106)
Net book amount	-	-	15,727	2,232	-	17,959
Year ended 31 December 2010						
Opening net book amount	-	-	15,727	2,232	-	17,959
Additions	-	-	6,056	1,054	-	7,110
Disposals	-	-	-	-	-	-
Acquisition of subsidiary	-	-	-	-	-	-
Impairment charge	-	-	-	(345)	-	(345)
Amortisation charge	-	-	(5,669)	-	-	(5,669)
Closing net book amount	-	-	16,114	2,941	-	19,055
At 31 December 2010						
Cost	-	249	51,801	3,485	-	55,535
Accumulated amortisation and impairment	-	(249)	(35,687)	(544)	-	(36,480)
Net book amount	-	-	16,114	2,941	-	19,055
Closing net book amount	-	-	16,114	2,941	-	19,055

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2010

	Development costs \$'000	Patents and trademarks \$'000	Software \$'000	Licences perpetual \$'000	Goodwill \$'000	Total \$'000
Parent entity						
At 1 January 2009						
Cost	-	-	35,011	1,793	-	36,804
Accumulated amortisation and impairment	-	-	(20,579)	-	-	(20,579)
Net book amount	-	-	14,432	1,793	-	16,225
Year ended 31 December 2009						
Opening net book amount	-	-	14,432	1,793	-	16,225
Additions	-	-	6,153	638	-	6,791
Disposals	-	-	(57)	-	-	(57)
Impairment charge	-	-	-	(199)	-	(199)
Amortisation charge	-	-	(5,519)	-	-	(5,519)
Closing net book amount	-	-	15,009	2,232	-	17,241
At 31 December 2009						
Cost	-	-	41,051	2,431	-	43,482
Accumulated amortisation and impairment	-	-	(26,042)	(199)	-	(26,241)
Net book amount	-	-	15,009	2,232	-	17,241
Year ended 31 December 2010						
Opening net book amount	-	-	15,009	2,232	-	17,241
Additions	-	-	4,763	1,054	-	5,817
Disposals	-	-	-	-	-	-
Acquisition of subsidiary	-	-	-	-	-	-
Impairment charge	-	-	-	(345)	-	(345)
Amortisation charge	-	-	(5,022)	-	-	(5,022)
Closing net book amount	-	-	14,750	2,941	-	17,691
At 31 December 2010						
Cost	-	-	46,174	3,485	-	49,659
Accumulated amortisation and impairment	-	-	(31,424)	(544)	-	(31,968)
Net book amount	-	-	14,750	2,941	-	17,691
Closing net book amount	-	-	14,750	2,941	-	17,691

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2010

	Economic entity (Consolidated)		Parent entity (University)	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
17. TRADE AND OTHER PAYABLES				
Current				
OS-HELP Liability to Australian Government	242	44	242	44
Deputy Commissioner of Taxation – PAYG	–	–	–	–
Office of State Revenue – Payroll Tax	2,632	2,534	2,632	2,534
Trade creditors and accruals	17,255	13,143	15,608	12,113
Capital accruals	9,533	4,412	9,533	4,412
Other payroll accruals	8,295	6,505	8,295	6,505
Other	2,188	2,403	1,634	1,988
Total trade and other payables	40,145	29,041	37,944	27,596
(a) Foreign currency risk				
The carrying amounts of the group's and parent entity's trade and other payables are denominated in the following currencies:				
> Australian dollar	39,586	28,743	37,503	27,313
> Canadian dollar	5	20	5	20
> Chinese renminbi	–	1	–	–
> Danish krone	3	3	3	3
> Euro	31	87	31	87
> British pound	48	100	48	93
> Japanese yen	13	1	13	1
> Malaysian ringgit	–	–	–	–
> Thai baht	9	9	9	9
> New Zealand dollar	1	1	1	1
> Indian rupee	118	2	–	–
> United States dollar	325	74	325	69
> Singapore dollar	3	–	3	–
> Hong Kong dollar	3	–	3	–
	40,145	29,041	37,944	27,596

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2010

	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
18. BORROWINGS					
Current					
Secured					
Lease liabilities	22	3,324	3,328	3,224	3,328
Total current secured borrowings		3,324	3,328	3,224	3,328
Unsecured					
Loans		-	-	-	-
Total current unsecured borrowings		-	-	-	-
Total current borrowings		3,324	3,328	3,224	3,328
Non-current					
Secured					
Lease liabilities	22	3,077	2,989	2,887	2,989
Total non-current secured borrowings		3,077	2,989	2,887	2,989
Unsecured					
TCorp loans		40,000	40,000	40,000	40,000
Total non-current unsecured borrowings		40,000	40,000	40,000	40,000
Total non-current borrowings		43,077	42,989	42,887	42,989
Total borrowings		46,401	46,317	46,111	46,317
(a) Assets pledged as security					
Non-current					
Finance lease					
Plant and equipment	15	11,710	11,643	11,396	11,643
Total non-current assets pledged as security		11,710	11,643	11,396	11,643
(b) Financing arrangements					
Unrestricted access was available at balance date to the following lines of credit:					
Loan facilities					
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		-	-	-	-
Borrowing commitments					
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
Total borrowing commitments		40,000	40,000	40,000	40,000
(c) Interest rate risk exposures					
Details of the entity's exposure to interest rate changes on borrowings are set out in note 33.					
(d) Fair value disclosures					
Details of fair value of borrowings for the entity are set out in note 33.					
(e) Borrowing classes					
The university's borrowings comprise a TCorp loan and lease liabilities. Details of the borrowings are listed in note 33.					
(f) Risk exposure					
At 31 December 2010, 100 per cent of the group's borrowings are at a fixed rate of interest. The carrying amount of the economic entity's borrowings are denominated in Australian dollars. Details of risk exposure of borrowings for the entity are set out in note 33.					

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2010

	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
19. PROVISIONS					
Current provisions expected to be settled within 12 months					
Employee benefits					
> annual leave	1 (v)/1(w)	15,169	14,191	14,029	13,347
> long service leave	1 (v)/1(w)	3,714	4,944	3,655	4,878
Subtotal		18,883	19,135	17,684	18,225
Make good provision		220	190	220	190
Total current provisions expected to be settled within 12 months		19,103	19,325	17,904	18,415
Current provisions expected to be settled after more than 12 months					
Employee benefits					
> annual leave	1 (v)/1(w)	8,574	7,625	8,682	7,441
> long service leave	1 (v)/1(w)	32,866	27,631	32,419	27,304
Subtotal		41,440	35,256	41,101	34,745
Total current provisions		60,543	54,581	59,005	53,160
Non-current					
Employee benefits					
> long service leave	1 (v)/1(w)	8,363	7,358	7,765	6,979
> defined benefit obligation		292,784	260,179	292,784	260,179
Subtotal		301,147	267,537	300,549	267,158
Make good provision		1,201	1,222	-	-
Total non-current provisions		302,348	268,759	300,549	267,158
Total provisions		362,891	323,340	359,554	320,318
20. OTHER LIABILITIES					
Current					
Unearned Commonwealth grants – HECS					
		-	-	-	-
Prepaid student fees		21,978	21,551	10,324	9,273
Other		4,780	3,354	2,088	1,391
Total current other liabilities		26,758	24,905	12,412	10,664
Non-current					
Other					
		168	226	-	-
Total non-current other liabilities		168	226	-	-
Total other liabilities		26,926	25,131	12,412	10,664

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2010

	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
21. RESERVES AND RETAINED SURPLUS					
(a) Reserves comprise					
Property, plant and equipment revaluation reserve					
> freehold land		271,700	256,123	271,700	256,123
> buildings		107,976	96,029	107,976	96,029
> building infrastructure		132,135	123,160	132,135	123,160
> art works		1,654	1,613	1,654	1,613
> library		116	116	116	116
> other assets		1	1	1	1
Available for sale investments revaluation reserve		87	5	87	5
Foreign currency translation reserve		(1,638)	(1,703)	-	-
Reserves from associates		-	-	-	-
Total reserves		512,031	475,344	513,669	477,047
(b) Movements in reserves					
Property, plant and equipment revaluation reserve					
Balance 1 January		477,042	445,197	477,042	445,197
Increase/(decrease) revaluation	15	36,540	31,845	36,540	31,845
Transfer of reserve to retained earnings		-	-	-	-
Balance 31 December		513,582	477,042	513,582	477,042
Available-for-sale investments revaluation reserve					
Balance 1 January		5	6	5	6
Increase/(decrease) revaluation		82	(1)	82	(1)
Balance 31 December		87	5	87	5
Foreign currency translation reserve					
Balance 1 January		(1,703)	859	-	-
Net exchange differences on translation of foreign controlled entity		65	(2,562)	-	-
Balance 31 December		(1,638)	(1,703)	-	-
Share of reserves from associates					
Balance 1 January		-	-	-	-
Increase/(decrease) in reserves from associates		-	-	-	-
Balance 31 December		-	-	-	-
Total reserves		512,031	475,344	513,669	477,047

(c) Nature and purpose of reserves

Property, plant and equipment revaluation reserve refer note 1(p) for details of nature and purpose of reserve.

Available-for-sale investments revaluation reserve refer note 1(m)(iii) for details of nature and purpose of reserve.

Foreign currency translation reserve refer note 1(c)(iii) for details of nature and purpose of reserve.

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2010

	Economic entity (Consolidated)		Parent entity (University)	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
21. RESERVES AND RETAINED SURPLUS (continued)				
(d) Retained surplus				
Movements in retained surplus were as follows:				
> retained surplus at 1 January	615,206	547,384	575,713	516,301
> operating result for the period	33,452	67,028	29,836	58,618
> net actuarial gains (losses) recognised in respect of defined benefit plans	(468)	794	(468)	794
> transferred from revaluation reserve	-	-	-	-
> transferred from reserve from associates	-	-	-	-
Retained surplus at the end of the year	648,190	615,206	605,081	575,713

(e) Reclassification of 2009 comparatives

- (i) The university has reclassified certain income and expenditure relating to offshore courses and impairment of financial assets which offset within the income statement and therefore does not affect the reported surplus for 2009.

	Reported balance as at 31 December 2009 \$'000	Reclassification \$'000	Revised balance as at 31 December 2009 \$'000
Income statement (extract)			
Parent entity			
Fees and charges	145,748	712	146,460
Total revenue from continuing operations	504,687	712	505,399
Total revenue and income from continuing operations	516,481	712	517,193
Impairment of assets	(141)	578	437
Other expenses	116,857	134	116,991
Total expenses from continuing operations	457,863	712	458,575
Economic entity			
Fees and charges	186,289	712	187,001
Total revenue from continuing operations	550,688	712	551,400
Total revenue and income from continuing operations	563,882	712	564,594
Impairment of assets	(29)	712	683
Total expenses from continuing operations	496,827	712	497,539

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2010

	Economic entity (Consolidated)		Parent entity (University)	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
22. COMMITMENTS FOR EXPENDITURE				
(a) Capital expenditure commitments				
Commitments for the acquisition of property, plant and equipment contracted for at the reporting date but not recognised as liabilities are payable as follows:				
Building works				
> not later than one year	66,021	43,332	63,952	43,332
> later than one year and not later than five years	-	41,821	-	41,821
Plant and equipment				
> not later than one year	2,045	638	1,745	620
Intangible assets				
> not later than one year	-	-	-	-
Total capital commitments	68,066	85,791	65,697	85,773
(b) Lease commitments				
Commitments in relation to leases contracted for at the reporting date but not recognised as liabilities are payable as follows:				
> within one year	8,441	7,572	2,708	3,379
> later than one year but not later than five years	9,876	9,710	2,734	2,142
> later than five years	1,388	1,210	1,171	1,210
Total lease commitments	19,705	18,492	6,613	6,731
Representing:				
> cancellable operating leases	-	-	-	-
> non-cancellable operating leases	19,212	18,063	6,151	6,302
> future finance charges on finance leases	493	429	462	429
	19,705	18,492	6,613	6,731
Operating leases				
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:				
Premises				
> within one year	6,689	5,698	987	1,505
> later than one year and not later than five years	8,780	8,577	1,638	1,009
> later than five years	1,388	1,210	1,171	1,210
	16,857	15,485	3,796	3,724
Motor vehicles				
> within one year	1,224	1,465	1,224	1,465
> later than one year and not later than five years	698	967	698	967
	1,922	2,432	1,922	2,432
Equipment				
> within one year	190	118	190	118
> later than one year and not later than five years	243	28	243	28
	433	146	433	146
Total operating leases	19,212	18,063	6,151	6,302

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2010

	Economic entity (Consolidated)		Parent entity (University)	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
22. COMMITMENTS FOR EXPENDITURE (continued)				
Finance leases				
The University of Technology, Sydney leases various plant and equipment with a carrying amount of \$5,950,622 (2009: \$6,163,918) under finance leases expiring within one to five years.				
Commitments for minimum lease payments in relation to finance leases are payable as follows:				
Equipment				
> within one year	3,649	3,619	3,531	3,619
> later than one year and not later than five years	3,245	3,127	3,042	3,127
Total minimum finance lease payments	6,894	6,746	6,573	6,746
Future finance charges	(493)	(429)	(462)	(429)
Recognised as a liability	6,401	6,317	6,111	6,317
Representing lease liabilities				
> current liability	18	3,324	3,328	3,224
> non-current liability	18	3,077	2,887	2,989
	6,401	6,317	6,111	6,317
The weighted average interest rate implicit in the leases is 6.72 per cent (2009: 6.28 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	4,050	792	4,040	782
> later than one year and not later than five years	10	20	-	-
	4,060	812	4,040	782
Remuneration commitments				
> not later than one year	1,035	720	-	-
> later than one year and not later than five years	285	-	-	-
	1,320	720	-	-
Total other expenditure commitments	5,380	1,532	4,040	782
Commitments for expenditure are recorded on a GST inclusive basis except for finance leases which are recorded on a GST exclusive basis. The potential GST credit on the above commitments is \$8,303,000 (2009: \$9,515,000) for the economic entity and \$6,899,000 (2009: \$8,442,000) for the parent entity.				

	Economic entity (Consolidated)		Parent entity (University)	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
23. NON-CASH FINANCING AND INVESTING ACTIVITIES				
Acquisition of plant and equipment by means of finance leases	3,897	4,045	3,581	4,045

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2010

24. DEFINED BENEFITS PLANS

During the 2010 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 State Authorities Superannuation Trustee Corporation (STC). The university maintains a reserve account within the STC to assist in financing the employer contributions to the state schemes.

The 2010 calculation of the liabilities of SSS, SASS and SANCS is based on the requirements of AASB 119.

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:

	2010 %	2009 %
Discount rate at 31 December	5.6	5.8
Expected return on plan assets at 31 December	8.6	8.3
Expected salary increases	3.5	3.5
Expected rate of CPI increase	2.5	2.5

The history of experience adjustments is as follows:

	2010 \$	2009 \$	2008 \$	2007 \$	2006 \$
Fair value of plan assets	(154,890,936)	(167,672,974)	(176,037,558)	(238,834,228)	(225,668,894)
Present value of defined benefit obligation	447,675,230	427,851,774	476,959,268	368,971,033	380,703,892
Surplus/(deficit)	292,784,294	260,178,800	300,921,710	130,136,805	155,034,998
Experience adjustments on plan liabilities	16,625,778	(45,319,798)	111,148,497	(25,005,519)	(33,141,853)
Experience adjustments on plan assets	5,431,356	(1,130,734)	55,168,529	(4,569,263)	(14,851,914)

	SASS		SANCS		SSS		Total	
	2010 \$	2009 \$	2010 \$	2009 \$	2010 \$	2009 \$	2010 \$	2009 \$
Fair value of plan assets	(40,732,846)	(40,172,352)	(4,528,733)	(5,246,633)	(109,629,357)	(122,253,989)	(154,890,936)	(167,672,974)
Present value of defined benefit obligation	45,659,934	44,268,211	9,507,552	9,751,700	392,507,744	373,831,863	447,675,230	427,851,774
Surplus/(deficit)	4,927,088	4,095,859	4,978,819	4,505,067	282,878,387	251,577,874	292,784,294	260,178,800
Experience adjustments on plan liabilities	936,917	(1,655,903)	163,584	(744,355)	15,525,277	(42,919,540)	16,625,778	(45,319,798)
Experience adjustments on plan assets	814,369	(188,500)	304,743	(49,667)	4,312,244	(892,567)	5,431,356	(1,130,734)

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2010

24. DEFINED BENEFITS PLANS (continued)

Financial impact for funds guaranteed by Commonwealth Government

	SASS		SANCS		SSS		Total	
	2010 \$	2009 \$	2010 \$	2009 \$	2010 \$	2009 \$	2010 \$	2009 \$
Present value obligations — 2010								
Opening defined benefit obligation	44,268,211	47,090,940	9,751,700	11,500,535	373,831,863	418,367,793	427,851,774	476,959,268
Current service cost	1,727,647	1,905,379	441,201	541,309	985,120	1,558,485	3,153,968	4,005,173
Interest cost	2,426,774	1,831,372	520,856	435,241	21,092,784	16,671,196	24,040,414	18,937,809
Contributions from plan participants	771,841	785,327	–	–	1,299,494	1,714,528	2,071,335	2,499,855
Actuarial losses/(gains)	936,917	(1,655,903)	163,584	(744,355)	15,525,277	(42,919,540)	16,625,778	(45,319,798)
Past service costs	–	–	–	–	–	–	–	–
Losses/(gains) on curtailments	–	–	–	–	–	–	–	–
Liabilities extinguished on settlements	–	–	–	–	–	–	–	–
Liabilities assumed in a business combination	–	–	–	–	–	–	–	–
Exchange differences on foreign plans	–	–	–	–	–	–	–	–
Benefits paid	(4,471,456)	(5,688,904)	(1,369,789)	(1,981,030)	(20,226,794)	(21,560,599)	(26,068,039)	(29,230,533)
Closing defined benefit obligation	45,659,934	44,268,211	9,507,552	9,751,700	392,507,744	373,831,863	447,675,230	427,851,774
Present value of plan assets — 2010								
Opening fair value of plan assets	40,172,352	40,006,987	5,246,633	5,964,782	122,253,989	130,065,789	167,672,974	176,037,558
Expected return on plan assets	3,238,224	3,126,878	521,701	576,125	9,576,489	9,893,587	13,336,414	13,596,590
Actuarial gains/(losses)	(814,369)	188,500	(304,743)	49,667	(4,312,244)	892,567	(5,431,356)	1,130,734
Exchange differences on foreign plans	–	–	–	–	–	–	–	–
Contributions from the employer	1,836,255	1,753,564	434,932	637,090	1,038,422	1,248,118	3,309,609	3,638,772
Contributions from plan participants	771,841	785,327	–	–	1,299,494	1,714,527	2,071,335	2,499,854
Benefits paid	(4,471,457)	(5,688,904)	(1,369,790)	(1,981,031)	(20,226,793)	(21,560,599)	(26,068,040)	(29,230,534)
Assets acquired in a business combination	–	–	–	–	–	–	–	–
Assets distributed on settlements	–	–	–	–	–	–	–	–
Closing fair value of plans assets	40,732,846	40,172,352	4,528,733	5,246,633	109,629,357	122,253,989	154,890,936	167,672,974
Reimbursement rights								
Opening value of reimbursement right	4,095,859	7,083,953	–	–	251,577,874	288,302,004	255,673,733	295,385,957
Change in value	831,229	(2,988,094)	–	–	31,300,514	(36,724,130)	32,131,743	(39,712,224)
Closing value of reimbursement right	4,927,088	4,095,859	–	–	282,878,388	251,577,874	287,805,476	255,673,733

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2010

	SASS		SANCS		SSS		Total	
	2010 \$	2009 \$	2010 \$	2009 \$	2010 \$	2009 \$	2010 \$	2009 \$
Net liability								
Defined benefit obligation	45,659,934	44,268,211	9,507,552	9,751,700	392,507,744	373,831,863	447,675,230	427,851,774
Fair value of plan assets	(40,732,846)	(40,172,352)	(4,528,733)	(5,246,633)	(109,629,357)	(122,253,989)	(154,890,936)	(167,672,974)
Net liability/(asset) in balance sheet (note 19)	4,927,088	4,095,859	4,978,819	4,505,067	282,878,387	251,577,874	292,784,294	260,178,800
Expense recognised								
Current service cost	1,727,647	1,905,379	441,201	541,309	985,120	1,558,485	3,153,968	4,005,173
Interest on obligation	2,426,774	1,831,372	520,856	435,242	21,092,784	16,671,196	24,040,414	18,937,810
Expected return on plan assets	(3,238,223)	(3,126,878)	(521,700)	(576,125)	(9,576,489)	(9,893,587)	(13,336,412)	(13,596,590)
Expected return on reimbursement rights	-	-	-	-	-	-	-	-
Past service costs	-	-	-	-	-	-	-	-
Losses/(gains) arising from curtailments or settlements	-	-	-	-	-	-	-	-
Adjustments for restriction on the defined benefit asset	-	-	-	-	-	-	-	-
Expense/(income)	916,198	609,873	440,357	400,426	12,501,415	8,336,094	13,857,970	9,346,393
Actual returns								
Actual return on plan assets	1,749,188	4,091,350	216,958	625,792	5,196,618	12,665,018	7,162,764	17,382,160
Actual return on reimbursement right	-	-	-	-	-	-	-	-
Other comprehensive income								
Actuarial losses/(gains) on defined benefit	936,917	(1,655,903)	163,584	(744,355)	15,525,277	(42,919,540)	16,625,778	(45,319,798)
Actuarial losses/(gains) on plan assets	814,369	(188,500)	304,743	(49,667)	4,312,244	(892,567)	5,431,356	(1,130,734)
Change in reimbursement rights	(1,751,286)	1,844,403	-	-	(19,837,521)	43,812,107	(21,588,807)	45,656,510
Recognised in other comprehensive income	-	-	468,327	(794,022)	-	-	468,327	(794,022)
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	43,947,837	42,854,628	9,005,482	9,324,517	301,921,034	291,595,356	354,874,353	343,774,501
Net market value of fund assets	(40,732,846)	(40,172,352)	(4,528,733)	(5,246,633)	(109,629,356)	(122,253,990)	(154,890,935)	(167,672,975)
Net (surplus)/deficit	3,214,991	2,682,276	4,476,749	4,077,884	192,291,678	169,341,366	199,983,418	176,101,526

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2010

24. DEFINED BENEFITS PLANS (continued)

Financial impact for funds guaranteed by Commonwealth Government (continued)

UniSuper Management Limited

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

- The UniSuper Defined Benefit Division (DBD) is a defined benefit plan.
- During the 2006 year clause 34 of the UniSuper Trust Deed was amended, which substantially transfers the actuarial risks from the employer to the employee. The amendment to the trust deed has resulted in the UniSuper defined benefit fund to be reclassified as a defined contribution fund for the purposes of AASB 119 *Employee Benefits*.
- As at 30 June 2010 the assets of the DBD in aggregate were estimated to be \$1,217 million in deficiency 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 DBD.

As at 30 June 2010 the assets of the DBD in aggregate were estimated to be \$312 million in excess of accrued benefits. The accrued benefits have been calculated as the present value of expected future benefit payments to members and CPI indexed pensioners which arise from membership of UniSuper up to the reporting date.

- 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 12 June 2009 on the actuarial investigation of the DBD as at 31 December 2008. The financial assumptions used were:

	Vested benefits	Accrued benefits
	% p.a	% 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

- Assets have been included at their net market value, that is allowing for realisation costs.
- The Defined Benefit Division as at 30 June 2010 is in an 'unsatisfactory financial position' as defined by Superannuation Industry (Supervision) Regulations 1994 regulation 9.04. An 'unsatisfactory financial position' for a defined benefit fund is defined as when 'the value of the assets of the Fund is inadequate to cover the value of the liabilities of the Fund in respect of benefits vested in the members of the Fund'. The actuary and the trustee have followed the procedure required by section 130 of the *Superannuation Industry (Supervision) Act 1993* (Cwlth) when funds are found to be in an unsatisfactory financial position.
- The actuary currently believes, in respect of the long-term financial condition of the fund, that assets as at 30 June 2010, together with the current contribution rates, are expected to be sufficient to provide for the current benefit levels for both existing members and anticipated new members if experience follows the 'best estimate' assumptions.
- 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:
 - 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.
 - If, after the next two succeeding actuarial investigations and valuations of UniSuper (made in a period of not less than 4 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.

25. 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.

26. ECONOMIC DEPENDENCY

The university has no economic dependency on any other economic entity not clearly discernable in the income statement or balance sheet.

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2010

Name of entity	Principal activities	Country of incorporation	Ownership interest/control		Equity	
			2010 %	2009 %	2010 \$'000	2009 \$'000
27. SUBSIDIARIES						
Parent entity						
University of Technology, Sydney	Education services	Australia	–	–	1,123,047	1,057,079
Controlled entities						
INSEARCH Limited (company limited by guarantee) ¹	Education services	Australia	100	100	36,434	32,990
INSEARCH (Shanghai) Limited	Education services	China	100	100	176	193
INSEARCH Education International Pty Limited	Education services	Australia	100	100	349	182
Australia Centre Thailand	Education services	Thailand	81	81	–	–
accessUTS Pty Limited	Consulting	Australia	100	100	215	90
UTSM Services (Malaysia) Sdn. Bhd (in voluntary liquidation)	Education services	Malaysia	100	100	–	16

1. INSEARCH Limited is a controlled entity as defined by the Australian accounting standards.

2. Approval has been granted to establish a new organisation—UTS Global—to be operational in 2011.

28. 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 27.

(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 (2009: \$3,000,000) were paid or payable to the ultimate controlling entity.

(2) Sale of services and fees \$6,331,269 (2009: \$3,686,717) to the wholly owned University of Technology, Sydney group.

(3) Purchase of services and fees \$3,228,726 (2009: \$254,910) by the wholly owned University of Technology, Sydney group.

(4) Purchase of shares in a subsidiary \$0 (2009: \$0) by the wholly owned University of Technology, Sydney group.

(e) Outstanding balances

	Economic entity (Consolidated)		Parent entity (University)	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Current receivables				
Subsidiaries	–	–	758	418
Current receivables (loans)				
Subsidiaries	–	–	35	35

Included in the total doubtful debts provision in the parent entity is a provision of \$11,111 (2009: \$22,338) for doubtful debts for outstanding balances due from related parties.

	Revenue		Results		Assets	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
29. DISAGGREGATION INFORMATION (CONSOLIDATED)						
Geographical (consolidated entity)						
Australia	581,279	561,070	33,043	69,596	1,634,306	1,511,450
China	2,284	2,455	357	(802)	183	197
United Kingdom	–	369	(271)	118	1,739	2,509
South-East Asia	469	700	323	(1,884)	356	223
Total	584,032	564,594	33,452	67,028	1,636,584	1,514,379

(a) Includes discontinued operations

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2010

30. EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

The university effectively exchanged contracts on the sale of the Kuring-gai development site on 21 February 2011. The GST inclusive proceeds received on the sale is \$60 million. The Kuring-gai development site is treated as assets held for sale in the university's statutory accounts.

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

	Economic entity (Consolidated)		Parent entity (University)	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
31. RECONCILIATION OF OPERATING RESULT AFTER INCOME TAX TO NET CASH FLOWS FROM OPERATING ACTIVITIES				
Operating result for the period	33,452	67,028	29,836	58,618
Depreciation, amortisation and impairment PPE and intangibles	54,373	53,513	52,811	51,750
Impairment of financial assets	3,539	578	3,539	578
Non-cash donations	(1,900)	-	(1,900)	-
Increase/(decrease) in provisions:				
> annual leave	1,927	1,228	1,923	1,020
> doubtful debts	(331)	(819)	(282)	(928)
> long service leave	5,010	967	4,678	907
> deferred superannuation	32,605	(40,743)	32,605	(40,743)
> other provisions	-	76	-	-
Decrease/(increase) in receivables	(629)	(4,343)	(188)	(4,743)
Decrease/(increase) in non-current receivables	(32,132)	39,712	(32,132)	39,712
Decrease/(increase) in prepayments and accrued income	2,096	977	2,337	1,456
Decrease/(increase) in inventories	-	-	-	-
(Decrease)/increase in accounts payable	2,804	504	2,048	2,002
(Decrease)/increase in current tax liabilities	-	-	-	-
(Decrease)/increase in income in advance	1,795	1,805	1,748	1,094
Decrease/(increase) in derivatives — asset	-	-	-	-
(Profit)/loss on sale of assets	4	343	(6)	282
Write back of motor vehicles	-	-	-	-
Increase in share of profit of joint venture not received as dividends or distribution	384	(1,641)	-	-
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	-	-	-	-
Actuarial gain/(loss) on deferred superannuation	(468)	794	(468)	794
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	102,529	119,979	96,549	111,799

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2010

32. ACQUISITION OF AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE
32.1 DEEWR — CGS and other DEEWR grants

	Parent entity (University) only															
	Commonwealth Grant Scheme ¹		Indigenous Support Program		Partnership and Participation Program ²		Workplace Reform Program		Workplace Productivity Program		Learning and Teaching Performance Fund		Capital Development Pool		Disability Support Program	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the programs)	130,891	117,535	1,086	1,195	1,365	135	-	1,518	476	476	-	4,880	1,409	-	318	381
Net accrual adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Revenue for the period	130,891	117,535	1,086	1,195	1,365	135	-	1,518	476	476	-	4,880	1,409	-	318	381
Surplus/(deficit) from the previous year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total revenue including accrued revenue	130,891	117,535	1,086	1,195	1,365	135	-	1,518	476	476	-	4,880	1,409	-	318	381
Less expenses including accrued expenses	(130,891)	(117,535)	(1,086)	(1,195)	(1,365)	(135)	-	(1,518)	(476)	(476)	-	(4,880)	(1,409)	-	(318)	(381)
Surplus/(deficit) for reporting period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Parent entity (University) only															
	Diversity and Structural Adjustment Fund ²		Transitional Cost Program		Improving the Practical Component of Teacher Education Initiative		Total									
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the programs)	759	625	1,022	2,020	-	-	257	137,326	129,022	-	-	-	-	-	-	-
Net accrual adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Revenue for the period	759	625	1,022	2,020	-	-	257	137,326	129,022	-	-	-	-	-	-	-
Surplus/(deficit) from the previous year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total revenue including accrued revenue	759	625	1,022	2,020	-	-	257	137,326	129,022	-	-	-	-	-	-	-
Less expenses including accrued expenses	(759)	(625)	(1,022)	(2,020)	-	-	(257)	(137,326)	(129,022)	-	-	-	-	-	-	-
Surplus/(deficit) for reporting period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	1. Includes the basic CGS grant amount, CGS — Regional Loading, CGS — Enabling Loading, Maths and Science Transition Loading and Full Fee Places Transition Loading.															
	2. Includes Collaboration and Structural Reform Program.															
	3. Includes Equity Support Program.															

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2010

32. ACQUITTAL OF AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE (continued)

32.2 Higher Education Loan Programs (excluding OS-HELP)

							Parent entity (University) only	
		HECS-HELP (Australian Government payments only)		FEE-HELP		Total		
Notes	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000		
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the programs)	78,077	72,792	34,828	22,794	112,905	95,586		
Net accrual adjustments	(4,514)	(334)	(2,883)	5,147	(7,397)	4,813		
Revenue for the period	2.1 (b)	73,563	72,458	31,945	27,941	105,508	100,399	
Surplus/(deficit) from the previous year	-	-	-	-	-	-	-	
Total revenue including accrued revenue		73,563	72,458	31,945	27,941	105,508	100,399	
Less expenses including accrued expenses		(73,563)	(72,458)	(31,945)	(27,941)	(105,508)	(100,399)	
Surplus/(deficit) for reporting period		-	-	-	-	-	-	

32.3 Australian Research Council grants

(a) Discovery

												Parent entity (University) only			
		Discovery — Projects		Discovery — Federation Fellowships		Discovery — Future Fellowships		Discovery — Indigenous Researchers Development		Total					
Notes	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000					
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the programs)	4,797	4,493	171	336	179	87	38	(2)	5,185	4,914					
Net accrual adjustments	405	267	-	-	-	-	-	-	405	267					
Revenue for the period	2.1 (e)(i)	5,202	4,760	171	336	179	87	38	(2)	5,590	5,181				
Surplus/(deficit) from the previous year	3,162	3,558	160	169	87	-	-	2	3,409	3,729					
Total revenue including accrued revenue		8,364	8,318	331	505	266	87	38	-	8,999	8,910				
Less expenses including accrued expenses		(5,001)	(5,156)	(303)	(345)	(186)	-	-	-	(5,490)	(5,501)				
Surplus/(deficit) for reporting period		3,363	3,162	28	160	80	87	38	-	3,509	3,409				

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2010

32.4 Australian Research Council grants

(b) Linkages

	Notes	Parent entity (University) only							
		Linkage — projects		Linkage — international		Linkage — infrastructure		Total	
		2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the programs)		2,608	2,861	–	–	164	1,400	2,772	4,261
Net accrual adjustments		385	45	–	–	510	316	895	361
Revenue for the period	2.1 (e)(ii)	2,993	2,906	–	–	674	1,716	3,667	4,622
Surplus/(deficit) from the previous year		2,514	1,992	44	44	1,908	830	4,466	2,866
Total revenue including accrued revenue		5,507	4,898	44	44	2,582	2,546	8,133	7,488
Less expenses including accrued expenses		(2,717)	(2,384)	(4)	–	(1,604)	(638)	(4,325)	(3,022)
Surplus/(deficit) for reporting period		2,790	2,514	40	44	978	1,908	3,808	4,466

32.5 Australian Research Council grants

(c) Networks and centres

	Notes	Parent entity (University) only					
		Research networks		Centres		Total	
		2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the programs)		–	525	–	–	–	525
Net accrual adjustments		(6)	161	591	641	585	802
Revenue for the period	2.1 (e)(iii)	(6)	686	591	641	585	1,327
Surplus/(deficit) from the previous year		285	665	545	341	830	1,006
Total revenue including accrued revenue		279	1,351	1,136	982	1,415	2,333
Less expenses including accrued expenses		(227)	(1,066)	(705)	(437)	(932)	(1,503)
Surplus/(deficit) for reporting period		52	285	431	545	483	830

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2010

32. ACQUISITION OF AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE (continued)

32.6 DIISR research

Notes	Parent entity (University) only														Total				
	Joint Research Engagement Program ¹		Research Training Scheme		Small Grants		Research Infrastructure Block Grants		Australian Scheme for Higher Education Repositories		Implementation Assistance Program		Commercialisation Training Scheme			Sustainable Research Excellence in Universities			
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000		2010 \$'000	2009 \$'000		
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the programs)	5,011	5,167	9,355	9,139	-	-	2,205	2,608	-	237	62	130	102	96	1,066	-	17,801	17,377	
Net accrual adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Revenue for the period	5,011	5,167	9,355	9,139	-	-	2,205	2,608	-	237	62	130	102	96	1,066	-	17,801	17,377	
Surplus/(deficit) from the previous year	-	-	-	-	-	40	725	808	181	149	175	-	25	37	-	-	1,106	1,034	
Total revenue including accrued revenue	5,011	5,167	9,355	9,139	-	40	2,930	3,416	181	386	237	130	127	133	1,066	-	18,907	18,411	
Less expenses including accrued expenses	(5,011)	(5,167)	(9,355)	(9,139)	-	(40)	(2,801)	(2,691)	(181)	(205)	(237)	45	(93)	(108)	(902)	-	(18,580)	(17,305)	
Surplus/(deficit) for reporting period	-	-	-	-	-	-	129	725	-	181	-	175	34	25	164	-	327	1,106	

1. Includes Institutional Grants Scheme.

32.7 Scholarships

Notes	Parent entity (University) only														Total
	Australian Postgraduate Awards		International Postgraduate Research Scholarships		Commonwealth Education Cost Scholarships ¹		Commonwealth Accommodation Scholarships ¹		Indigenous Access Scholarships		Sustainable Research Excellence in Universities		Total		
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000	
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the programs)	2,871	2,033	326	306	2,407	1,360	18	1,483	158	96	5,780	5,278	-	-	
Net accrual adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Revenue for the period	2,871	2,033	326	306	2,407	1,360	18	1,483	158	96	5,780	5,278	-	-	
Surplus/(deficit) from the previous year	(100)	95	29	58	605	(829)	(48)	2,004	(8)	31	478	1,359	-	-	
Total revenue including accrued revenue	2,771	2,128	355	364	3,012	531	(30)	3,487	150	127	6,258	6,637	-	-	
Less expenses including accrued expenses	(2,897)	(2,228)	(345)	(335)	(2,562)	74	(369)	(3,535)	(162)	(135)	(6,335)	(6,159)	-	-	
Surplus/(deficit) for reporting period	(126)	(100)	10	29	450	605	(399)	(48)	(12)	(8)	(77)	478	-	-	

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

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2010

32.8 Other capital funding

	Notes	Parent entity (University) only							
		Better Universities Renewal Funding		Teaching and Learning Capital Fund		Education Investment Fund		Total	
		2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the programs)		-	-	-	16,042	-	-	-	16,042
Net accrual adjustments		-	-	-	-	-	-	-	-
Revenue for the period	2.1 (f)	-	-	-	16,042	-	-	-	16,042
Surplus/(deficit) from the previous year		-	11,108	16,042	-	-	-	16,042	11,108
Total revenue including accrued revenue		-	11,108	16,042	16,042	-	-	16,042	27,150
Less expenses including accrued expenses		-	(11,108)	(4,462)	-	-	-	(4,462)	(11,108)
Surplus/(deficit) for reporting period		-	-	11,580	16,042	-	-	11,580	16,042

32.9 Higher Education Loan programs

	Parent entity (University) only	
	OS-HELP	
	2010 \$'000	2009 \$'000
Cash received during the reporting period	1,381	703
Cash spent during the reporting period	(1,183)	(876)
Net cash received	198	(173)
Cash surplus/(deficit) from previous period	44	217
Cash surplus/(deficit) for reporting period	242	44

33. FINANCIAL RISK MANAGEMENT

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

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

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

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

(a) Market risk

Foreign exchange risk

The group's exposure to market risk for changes in foreign exchange rates relates primarily to the group's payments to overseas suppliers in payables and to a lesser extent foreign currency trade debtor invoices in receivables. The group's foreign currency payments and receipts are not significant and university practice is to 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 mainly by fixed interest rate loans. At 31 December 2010, 100 per cent of the group's borrowings are at a fixed rate of interest.

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

Instruments used by the group

The group has a fixed interest rate loan in the normal course of business in order to hedge exposure to fluctuations in interest rates for a TCorp long-term loan.

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2010

33. 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 increase by up to 0.5 per cent in the 2011 year.

	Carrying amount	Interest rate risk				Foreign exchange risk				
		\$'000	0.5%		-0.5%		10%		-10%	
			Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000
31 December 2010										
Financial assets										
Cash and cash equivalents	244,543	1,223	1,223	(1,223)	(1,223)	-	-	-	-	
Receivables	303,856	-	-	-	-	(118)	(118)	118	118	
Managed funds	45	0	0	(0)	(0)	-	-	-	-	
Shares in other organisations	2,132	-	-	-	-	-	-	-	-	
Total financial assets	550,576	-	-	-	-	-	-	-	-	
Financial liabilities										
Payables	40,145	-	-	-	-	56	56	(56)	(56)	
TCorp loan	40,000	-	-	-	-	-	-	-	-	
Finance leases	6,401	-	-	-	-	-	-	-	-	
Total financial liabilities	86,546	-	-	-	-	-	-	-	-	
Total increase/(decrease)	-	1,223	1,223	(1,223)	(1,223)	(62)	(62)	62	62	

	Carrying amount	Interest rate risk				Foreign exchange risk				
		\$'000	1.0%		-1.0%		10%		-10%	
			Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000
31 December 2009										
Financial assets										
Cash and cash equivalents	244,635	2,446	2,446	(2,446)	(2,446)	-	-	-	-	
Receivables	270,765	-	-	-	-	(192)	(192)	192	192	
Managed funds	43	-	-	-	-	-	-	-	-	
Shares in other organisations	342	-	-	-	-	-	-	-	-	
Total financial assets	515,785	-	-	-	-	-	-	-	-	
Financial liabilities										
Payables	29,041	-	-	-	-	30	30	(30)	(30)	
TCorp loan	40,000	-	-	-	-	-	-	-	-	
Finance leases	6,317	-	-	-	-	-	-	-	-	
Total financial liabilities	75,358	-	-	-	-	-	-	-	-	
Total increase/(decrease)	-	2,446	2,446	(2,446)	(2,446)	(162)	(162)	162	162	

(b) Credit risk

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

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

(c) Liquidity risk

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

The government has commenced phasing out full fee paying domestic undergraduate student fees from 1 July 2009. In 2010 the fee income received by the university for this category of student was \$5.8 million (2009: \$8.2 million).

The university has not entered into any financial guarantee contracts.

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2010

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

	Average interest rate %	Variable interest rate \$'000	Less than 1 year \$'000	1 to 5 years \$'000	5+ years \$'000	Non-interest \$'000	Total
31 December 2010							
Financial assets							
Cash and cash equivalents	6.53	-	244,543	-	-	-	244,543
Receivables	-	-	-	-	-	303,856	303,856
Managed funds	5.00	45	-	-	-	-	45
Shares in other organisations	-	-	-	-	-	2,132	2,132
Total financial assets	-	45	244,543	-	-	305,988	550,576
Financial liabilities							
Payables	-	-	-	-	-	40,145	40,145
TCorp loan	6.41	-	-	-	40,000	-	40,000
Finance leases	6.72	-	3,324	3,077	-	-	6,401
Total financial liabilities	-	-	3,324	3,077	40,000	40,145	86,546

	Average interest rate %	Variable interest rate \$'000	Less than 1 year \$'000	1 to 5 years \$'000	5+ years \$'000	Non-interest \$'000	Total
31 December 2009							
Financial assets							
Cash and cash equivalents	4.96	-	244,635	-	-	-	244,635
Receivables	-	-	-	-	-	270,765	270,765
Managed funds	4.70	43	-	-	-	-	43
Shares in other organisations	-	-	-	-	-	342	342
Total financial assets	-	43	244,635	-	-	271,107	515,785
Financial liabilities							
Payables	-	-	-	-	-	29,041	29,041
TCorp loan	6.41	-	-	-	40,000	-	40,000
Finance leases	6.28	-	3,328	2,989	-	-	6,317
Total financial liabilities	-	-	3,328	2,989	40,000	29,041	75,358

(d) Fair value estimation

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

	2010		2009	
	Carrying amount \$'000	Fair value \$'000	Carrying amount \$'000	Fair value \$'000
Financial assets				
Cash and cash equivalents	244,543	244,543	244,635	244,635
Receivables	303,856	303,856	270,765	270,765
Managed funds	45	45	43	43
Shares in other organisations	2,132	2,132	342	342
Total financial assets	550,576	550,576	515,785	515,785
Financial liabilities				
Payables	40,145	40,145	29,041	29,041
TCorp loan	40,000	41,206	40,000	40,796
Finance leases	6,401	6,401	6,317	6,317
Total financial liabilities	86,546	87,752	75,358	76,154

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2010

33. FINANCIAL RISK MANAGEMENT (continued)

(d) Fair value estimation (continued)

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

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

	\$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
At 31 December 2010				
Financial assets				
Receivables	287,805	–	287,805	–
Other financial assets — managed funds	45	45	–	–
Other financial assets — Australian listed securities	1,907	1,907	–	–
Total	289,757	1,952	287,805	–
Financial liabilities				
Not applicable to financial liabilities at amortised cost	–	–	–	–
Total	–	–	–	–

	\$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
At 31 December 2009				
Financial assets				
Receivables	255,674	–	255,674	–
Other financial assets — managed funds	43	43	–	–
Other financial assets — Australian listed securities	7	7	–	–
Total	255,724	50	255,674	–
Financial liabilities				
Not applicable to all financial liabilities at amortised cost	–	–	–	–
Total	–	–	–	–

END OF AUDITED FINANCIAL STATEMENTS

Contents: INSEARCH Limited

Report of the directors	56
Directors' declaration	58
Independent auditor's report	59
Auditor's independence declaration	61
Statement of comprehensive income	62
Statement of financial position	63
Statement of cash flows	64
Statement of changes in equity	65
Notes to the financial statements	66
1. The company	66
2. Statement of significant accounting policies	66
3. Income	71
4. Expenses	71
5. Income tax expense	72
6. Current assets — cash and cash equivalents	73
7. Current assets — trade and other receivables	73
8. Current assets — inventories	73
9. Current assets — other financial assets	73
10. Non-current assets — investments accounted for using the equity method	74
11. Non-current assets — plant and equipment	75
12. Non-current assets — intangible assets	76
13. Non-current assets — other financial assets	77
14. Non-current assets — trade and other receivables	77
15. Current liabilities — trade and other payables	78
16. Current liabilities — provisions	78
17. Current liabilities — other	78
18. Non-current liabilities — provisions	78
19. Current liabilities — borrowings (secured)	78
20. Non-current liabilities — borrowings (secured)	79
21. Retained profits and reserves	79
22. Key management personnel	80
23. Remuneration of auditors	80
24. Commitments	80
25. Employee benefit and related on-cost liabilities	81
26. Related parties	81
27. Reconciliation of cash and cash equivalents	82
28. Reconciliation of profit for the year to net cash flows from operating activities	82
29. Financial instruments	82
30. Subsequent events	84

Report of the directors

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

DIRECTORS

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

	Note 22
	Date of appointment
Mr M Williams (Chair from 23 Nov 08)	26 Jun 08
Ms DN Hill	27 Mar 08
Mr JM Hutchison, AM	27 Nov 08
Mrs DM Leckie	28 Feb 08
Professor B Milthorpe	1 Aug 09
Mr A Murphy	3 Sep 07
Professor W Purcell	21 May 09
Mr P Woods	24 May 07

COMPANY SECRETARY

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

Mr NL Patrick (appointed 21 October 2010)

ACTIVITIES

The activities of the company during the financial year ended 31 December 2010 were the provision of English language, foundation 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, INSEARCH also reported a profit of \$4m, after the payment of a donation to the University of Technology, Sydney of \$4m (note 4(c)). This profit added to the prior year accumulated profits brings the balance of the accumulated funds to \$37m.

MATTERS SUBSEQUENT TO END OF YEAR

Since 31 December 2010 the only matter that has arisen that is a significant change to INSEARCH Limited's operations is the proposed transfer of INSEARCH's interest in SILC to the University of Technology, Sydney at fair value. This is an accreditation requirement of the People's Republic of China's Ministry of Education. The transaction is likely to settle on 1 May 2011, but will be effective 1 March 2011. There will be no material impact on the financial statements of INSEARCH Limited.

BUSINESS STRATEGIES AND FUTURE DEVELOPMENTS

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

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

DIRECTORS' BENEFITS

No director of the company has, during and since the end of the financial year, received or become entitled to receive a benefit, other than the benefit included in the aggregate amount of director's compensation shown on note 22 of the financial report.

INFORMATION ON DIRECTORS

Mack Williams

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

Mr Williams had a long career in the Australian Diplomatic Service – including as High Commissioner to Bangladesh and Ambassador to the Philippines and the Republic of Korea and senior positions in Canberra. He followed this with a range of consultancies in the commercial (including Coca Cola Amatil) and academic (including the Vice-Chancellor of the University of Sydney) sectors as well as active participation in the boards of a number of not-for-profit organisations.

Mr Williams has been Vice President of the Australia Korea Business Council, a member of the Australia Korea Foundation Board, President of the NSW Branch of Australian Institute of International Affairs and member of the Board of the Research Institute for Asia and the Pacific at the University of Sydney.

Currently he is Chairman of the Cooperative Research Centre for Environmental Biotechnology, a Director on the Clean Up Australia and the World boards, Chairman of the Advisory Board of the Korea Research Institute at the University of New South Wales and a Director of the Sight for Life Board at the Sydney Eye Hospital.

Dianne Hill, FCA, FAICD, MRSA, AIPM, BA Accounting

Non-Executive Director, Chair of the Audit and Risk Committee

Ms Hill is a Chartered Accountant and former NSW President and National Councillor. She is a current member of the CA Advisory Group providing an ethical counselling service to members. Following her background in professional services and executive roles Ms Hill set up Sector Research Pty Ltd, providing consulting to blue chip companies and government organisations.

Ms Hill is a director of Austraining International Limited, a former Director of the Australian Consumers Association (awarded Life Membership) and the Internal Audit Bureau of NSW.

Jon Hutchison, AM, BCom, CPA

Non-Executive Director, Member of Remuneration Committee

Mr Hutchison is the Chief Executive Officer of Business Events Sydney (formerly Sydney Convention & Visitors Bureau). Prior to this appointment, he held the position of Managing Director of the Australian Tourist Commission.

Mr Hutchison is an Adjunct Professor at the University of Technology, Sydney and is Chair of the Australian Centre for Event Management Advisory Board, UTS. He is also a director of Tasman Cargo Airlines.

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

Dianne Leckie, BBus, MEcon, FCPA, MAICD

Non-Executive Director, Chair of Board Nomination Committee, Member of Audit and Risk Committee

Ms Leckie has over 25 years experience in the banking and funds management industries. She is also a member of the Council, University of Technology, Sydney, and Finance Committee, Audit and Risk Committee and Honorary Awards Committee of UTS.

Bruce Milthorpe, BSc(Hons), PhD, FIEAust, FICE, FTSE, MAICD,

BA(Hons) PhD, GradDipHEd

Non-Executive Director

Professor Milthorpe is the Dean, Faculty of Science at the University of Technology, Sydney. He has 28 years of experience in biomedical engineering and 11 years of experience in senior leadership roles in the tertiary education sector.

Professor Milthorpe is a director at the Sydney Institute of Marine Science, and an Editorial Board member for the International Journal of Biomaterials and the Journal Materials Science: Materials in Medicine.

He is also a member of the Australian Research Council LEIF grant selection panel and a NHMRC grant review panel.

Report of the directors

Alex Murphy, BA(Hons)
Managing Director

Mr Murphy has been Managing Director of INSEARCH since 2007. He has been with INSEARCH for 20 years, previously working in the roles of General Manager Sales and Marketing, Offshore Project Manager and Coordinator of Asian and European Languages.

Mr Murphy majored in Linguistics and Indonesian and Malayan Studies at the University of Sydney. Following the completion of his Bachelor of Arts (Honours) in 1984, he undertook research in Indonesian linguistics at the University of Sydney and lived in Indonesia from 1986 to 1989.

He has undertaken training in leadership and organisational dynamics through the Australian Institute of Socio-Analysis and the Tavistock Institute in the UK and has been a member of the St James Ethics Centre since 1997.

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

Professor Purcell is Deputy Vice-Chancellor and Vice-President (International and Development) at the University of Technology, Sydney. He was formerly Deputy Vice-Chancellor (International) and Dean of Business at the University of Newcastle. He has also held substantive positions at the University of New South Wales and The University of Tokyo.

Professor Purcell has held numerous board positions including Chairman and CEO of UON Singapore Pte Ltd, IDP Australia Ltd, Australian Higher Education Association Ltd and Sydney Educational Broadcasting Company Ltd.

Professor Purcell is currently Chairman of Sydney Educational Broadcasting Ltd, and sits on the boards of International Education Association of Australia Ltd, and the Mitsui Education Foundation. He also serves on the PVC/DVCI Executive Committee of Universities Australia.

Professor Purcell held the positions of Foundation Professor of International Business at both the University of Newcastle and the University of New South Wales. He has also been a business and government advisor and consultant in Australia and across Asia. His expert fields are in the areas of international joint ventures, cross cultural management and multinational enterprise operations and has published more than 100 refereed papers in these fields. He is a fluent speaker of both Japanese and Korean.

Patrick Woods, BSc, MBA, ACPA, FAICD
Non-Executive Director, Member of Audit Committee, Member of Board Nomination Committee

Mr Woods is the Deputy Vice-Chancellor (Resources) at the University of Technology, Sydney.

Prior to joining the University of Technology, Sydney in 2006, Mr Woods spent 28 years in the private corporate sector and held numerous roles as Chief Executive Officer and company officeholder in various local and international companies in North America, Asia and the Middle East.

Mr Woods is also a board member of the Pain Management Research Institute.

INFORMATION ON COMPANY SECRETARY

Mr Nathan Patrick, BBus, FCA
Appointed 21 October 2010

Mr Patrick is a Chartered Accountant with 25 years of finance experience in audit and insolvency as well as commercial roles in the manufacturing, construction and professional services sectors.

Mr Patrick is the Chair of the Professional Administrators Group.

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 \$3,928 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 table below.

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.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the Auditor's Independent Declaration as required under section 307C of the *Corporations Act 2001* is set out on page 61 of this report.

For and on behalf of the directors signed at Sydney this 5th day of April 2011.



Mack Williams
Director



Alex Murphy
Director

DIRECTORS' MEETINGS

The number of directors' meetings (including meetings of committees) held, and the number of meetings each director was eligible to attend and actually attended during the financial year, are as follows. The Board Nomination Committee did not hold any meetings during the year.

Director	Board meetings (8)		Audit and Risk Management Committee meetings (4)		Remuneration Committee meetings (2)	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Mack Williams	8	7	-	-	2	2
Dianne Hill	8	8	4	4	-	-
Jon Hutchison	8	7	-	-	2	2
Dianne Leckie	8	5	4	3	-	-
William (Bill) Purcell	8	7	-	-	2	2
Bruce Milthorpe	8	7	-	-	-	-
Alex Murphy	8	8	-	4*	-	-
Patrick Woods	8	7	4	4	-	-

* Director attended the committee meeting at the invitation of committee members

Directors' declaration

The Directors of INSEARCH Limited declare that in the Directors' opinion:

1. the financial statements and notes are in accordance with the *Corporations Act 2001*, and:
 - (a) comply with accounting standards and the Corporations Regulations 2001; and
 - (b) give a true and fair view of the company's and consolidated entity's financial position as at 31 December 2010 and of their performance for the financial year ended on that date
2. there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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

Signed on behalf of the Board of Directors



Mack Williams
Director

5 April 2011



Alex Murphy
Director

5 April 2011

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 comprise the statements of financial position as at 31 December 2010, the statements of comprehensive income, the statements of changes in equity and the statements of cash flows for the year then ended, notes comprising a summary of significant accounting policies other explanatory information, 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 positions as at 31 December 2010 and of their performance for the year ended on that date
 - 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 2010.

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

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. Those 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 (continued)

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

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

My opinion does *not* provide assurance:

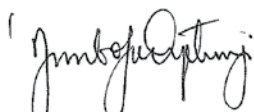
- about the future viability of the Company or consolidated entity,
- that they have carried out their activities effectively, efficiently and economically
- about the effectiveness of their internal control
- about the security and controls over the electronic publication of the audited financial report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

Independence

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

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

I confirm that the independence declaration required by the *Corporations Act 2001*, provided to the Directors of Insearch Limited on 5 April 2011, would be in the same terms if provided to the Directors as at the date of this auditor's report.



A Oyetunji
Director, Financial Audit Services

6 April 2011
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 2010, 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

5 April 2011
SYDNEY

Statement of comprehensive income

FOR THE YEAR ENDED 31 DECEMBER 2010

	Notes	Consolidated entity		Parent entity	
		2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Continuing operations					
Revenue from continuing operations	3	52,928	48,694	54,524	50,554
Other income	3	635	758	620	1,026
Share of net profits from joint venture partnerships accounted for using the equity method	10 (d)	1,719	2,240	–	–
Total income		55,282	51,692	55,144	51,580
Employee benefits expense	4 (a)	(23,172)	(19,781)	(23,015)	(19,638)
Depreciation and amortisation expense	4 (b)	(1,560)	(1,803)	(1,557)	(1,795)
Finance costs		(12)	–	(12)	–
Other expenses	4 (c)	(26,560)	(22,596)	(26,723)	(21,858)
Total expenses		(51,304)	(44,180)	(51,307)	(43,291)
Profit before income tax expense		3,978	7,512	3,837	8,289
Income tax expense	5	–	(182)	–	(179)
Profit for the year from continuing operations		3,978	7,330	3,837	8,110
Profit for the year		3,978	7,330	3,837	8,110
Other comprehensive income					
Exchange differences on translation of foreign operations	21 (b)	(468)	(1,626)	–	–
Other comprehensive income for the year, net of tax		(468)	(1,626)	–	–
Total comprehensive income for the year		3,510	5,704	3,837	8,110
Profit is attributable to:					
Equity holders of INSEARCH Limited		3,978	7,330	3,837	8,110
Total comprehensive income is attributable to:					
Equity holders of INSEARCH Limited		3,510	5,704	3,837	8,110

The accompanying notes form part of the financial statements.

Statement of financial position

AS AT 31 DECEMBER 2010

	Notes	Consolidated entity		Parent entity	
		2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Current assets					
Cash and cash equivalents	6 & 27	40,885	37,285	40,520	36,914
Trade and other receivables	7	4,513	3,230	4,471	3,186
Inventories	8	41	16	41	16
Investments and other financial assets	9	300	157	300	157
Total current assets		45,739	40,688	45,332	40,273
Non-current assets					
Investments accounted for using the equity method	10 (a)	4,625	4,925	-	-
Plant and equipment	11	3,864	3,858	3,843	3,853
Intangible assets	12	1,364	718	1,364	718
Other financial assets	13	107	107	416	432
Trade and other receivables	14	1,370	1,892	1,284	1,762
Total non-current assets		11,330	11,500	6,907	6,765
Total assets		57,069	52,188	52,239	47,038
Current liabilities					
Trade and other payables	15	888	696	881	693
Provisions	16	2,080	2,063	2,080	2,063
Short-term borrowings	19	100	-	100	-
Other liabilities	17	15,220	13,960	15,214	13,957
Total current liabilities		18,288	16,719	18,275	16,713
Non-current liabilities					
Provisions	18	1,632	2,020	1,632	2,020
Long-term borrowings	20	190	-	190	-
Total non-current liabilities		1,822	2,020	1,822	2,020
Total liabilities		20,110	18,739	20,097	18,733
Net assets		36,959	33,449	32,142	28,305
Equity					
Retained profits	21 (a)	38,597	34,619	32,142	28,305
Reserves	21 (b)	(1,638)	(1,170)	-	-
Total equity		36,959	33,449	32,142	28,305

The accompanying notes form part of the financial statements.

Statement of cash flows

FOR THE YEAR ENDED 31 DECEMBER 2010

	Notes	Consolidated entity		Parent entity	
		2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Cash flows from operating activities					
Receipts from customers (inclusive of goods and services tax)		50,996	49,528	49,047	50,227
Donation paid to the University of Technology, Sydney		(4,000)	(2,999)	(4,000)	(1,554)
Payment to suppliers and employees (inclusive of goods and services tax)		(46,544)	(40,687)	(44,652)	(42,804)
Income tax paid		–	(2)	–	–
		452	5,840	395	5,869
Interest received		1,958	1,120	1,958	1,119
Distributions from interest in joint venture partnerships		1,596	1,861	1,596	1,861
Input tax credit refund from Australian Taxation Office		1,560	1,109	1,560	1,109
Net cash inflow from operating activities	28	5,566	9,930	5,509	9,958
Cash flows from investing activities					
Payments for plant and equipment and intangible assets		(1,952)	(2,786)	(1,930)	(2,786)
Proceeds from sale of plant and equipment		42	37	39	37
Net cash outflow from investing activities		(1,910)	(2,749)	(1,891)	(2,749)
Cash flows from financing activities					
Finance lease payments		(3)	–	(3)	–
Net cash outflow from financing activities		(3)	–	(3)	–
Net increase in cash and cash equivalents		3,653	7,181	3,615	7,209
Cash and cash equivalents at the beginning of the financial year		37,285	31,427	36,914	29,483
Effects of exchange rate changes on the balances of cash held in foreign currencies at the beginning of the financial year		(53)	(1,323)	(9)	222
Cash and cash equivalents at the end of the financial year	27	40,885	37,285	40,520	36,914

The accompanying notes form part of the financial statements.

Statement of changes in equity

FOR THE YEAR ENDED 31 DECEMBER 2010

	Notes	Reserves	Retained earnings	Total equity
		\$'000	\$'000	\$'000
Consolidated entity				
Balance at 1 January 2009	21 (a)/(b)	456	26,986	27,442
Profit for the year	21 (a)	–	7,330	7,330
Exchange differences on translation of foreign operations	21 (b)	(1,626)	–	(1,626)
Total comprehensive income		(1,626)	7,330	5,704
Transactions with equity holders in their capacity as equity holders		–	303	303
Total equity at the end of the financial year		(1,170)	34,619	33,449
Balance at 1 January 2010	21 (a)/(b)	(1,170)	34,619	33,449
Profit for the year	21 (a)	–	3,978	3,978
Exchange differences on translation of foreign operations	21 (b)	(468)	–	(468)
Total comprehensive income		(468)	3,978	3,510
Transactions with equity holders in their capacity as equity holders		–	–	–
Adjustments to retained profits on disposal of previously controlled entity	21 (a)	–	–	–
Total equity at the end of the financial year		(1,638)	38,597	36,959
Parent entity				
Balance at 1 January 2009	21 (a)/(b)	(222)	20,195	19,973
Adjustment of prior year amounts	21 (b)	222	–	222
Adjusted equity		–	20,195	20,195
Profit for the year	21 (a)	–	8,110	8,110
Total comprehensive income		–	8,110	8,110
Transactions with equity holders in their capacity as equity holders		–	–	–
Total equity at the end of the financial year		–	28,305	28,305
Balance at 1 January 2010	21 (a)/(b)	–	28,305	28,305
Adjustment of prior year amounts	21 (b)	–	–	–
Adjusted equity		–	28,305	28,305
Profit for the year	21 (a)	–	3,837	3,837
Total comprehensive income		–	3,837	3,837
Transactions with equity holders in their capacity as equity holders		–	–	–
Total equity at the end of the financial year		–	32,142	32,142

The accompanying notes form part of the financial statements.

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2010

1. THE COMPANY

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

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, held the controlling interest in Australia Centre (Thailand) Limited until its disposal on 30 November 2009. INSEARCH Education is a company registered as a charity in the United Kingdom and was formed in 2004. INSEARCH (Shanghai) Limited provides consulting, marketing support and other services to INSEARCH Limited. INSEARCH (Shanghai) Limited was formed in 2001 in the People's Republic of China.

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

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

(a) Basis of preparation

The financial report is a general purpose financial report, which 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 Act 1983* (NSW), the Public Finance and Audit Regulation 2010 (NSW) and the *Corporations Act 2001* (Cwlth). Where there are inconsistencies between the above requirements, the legislative provisions have prevailed.

The financial statements include the separate financial statements of the company and the consolidated financial statements of the group.

The consolidated financial report for the year ended 31 December 2010 was authorised for issue in accordance with a resolution of the directors on 17 March 2011.

Statement of compliance

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

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

Early adoption of standards

The group has elected to apply the amendments to AASB 8 *Operating Segments* effective from 1 January 2010 to the annual reporting period beginning 1 January 2009. This allows for exclusion to the disclosure requirements of segment reporting.

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 Accounting 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 2010 and the results of all the controlled entities for the year then ended. INSEARCH Limited and its controlled entities INSEARCH (Shanghai) Limited, INSEARCH Education and INSEARCH Education International Pty 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 de-consolidated from the date control ceases.

All inter and intra group transactions, balances, income and unrealised gains on transactions between group entities are eliminated in full.

Unrealised losses between group entities are also eliminated unless the transaction provides evidence of the impairment of the asset transferred.

The financial statements of the controlled entities are prepared for the same reporting period as the parent entity, using consistent accounting policies. Investments in controlled entities held by INSEARCH Limited are accounted for at cost in the separate financial statements of the parent entity less any impairment charges.

(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 AASB 131 *Interests in Joint Ventures*. Under the equity method, the share of profits and losses of the partnership is recognised in the statement of comprehensive income, and the share of movement in reserves is recognised in reserves in the statement of financial position. Details relating to the partnerships are set out in note 10.

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2010

(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, 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 statement of comprehensive income.

(iii) Group companies

The results and financial position of all of the group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- > assets and liabilities for each statement of financial position presented are translated at the closing rate of the statement of financial position
- > for all other entities statements of comprehensive income are translated at the average exchange rate
- > the resulting exchange differences are recognised as a separate component of equity, except for INSEARCH Essex which is recognised through the statement of comprehensive income.

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

(iv) Foreign currency translation reserve

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

(d) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable.

(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.

(e) Expense recognition

(i) Direct expenses

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

(ii) Other expenses

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

(f) Income tax

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

Income tax was incurred in 2009 in the parent as a result of the disposal of the operations in the United Kingdom.

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

(g) Goods and Services Tax (GST)

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

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

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

(h) Acquisition of assets

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

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2010

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) 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 the end of each reporting period.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which they are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

(j) 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 0.10 per cent and 4.25 per cent (2009: 0 per cent and 3.00 per cent). Deposits at call are bearing a floating interest rate between 3.65 per cent and 4.65 per cent (2009: 2.90 per cent and 4.15 per cent). Fixed term deposits are bearing interest rates between 4.55 per cent and 5.81 per cent (2009: 3.52 per cent and 4.25 per cent).

(k) Trade and other receivables

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

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

The amount of the impairment loss is recognised in the statement of comprehensive income within other expenses. When a 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 statement of comprehensive income.

(l) Inventories

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

(m) 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 statement of financial position.

There were no non-current assets classified as held for sale identified in the group at the end of the reporting period.

(n) Investments and other financial assets

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

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

(o) 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 statement of comprehensive income during the financial period in which they are incurred.

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

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2010

(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	3–5 years
Motor vehicles	5 years
Computer equipment	3–5 years

(iii) Disposal

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

(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.

(p) 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 the end of the reporting period.

(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 IELTS 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, editorial and proofreading. 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	2–7 years
Curriculum and course development	3–5 years
Preparation for IELTS publications	3 years
Website development	3 years

(q) Leases

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

Leases of property in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of comprehensive income on a straight-line basis, over the period of the lease.

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

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2010

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(r) Trade and other payables

These amounts represent liabilities for goods and services provided to the group prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

(s) Provisions

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

(t) Employee benefits

(i) Wages and salaries

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

(ii) Annual leave

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 end of the reporting period. The expected future payments of this leave provision is discounted using published market yield of the two-year Treasury Bond at the end of the reporting period of 5.11 per cent (2009: 4.58 per cent).

(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 end of the reporting period. Consideration is given to on costs, expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using published market yield of the 10-year Treasury Bond at the end of each reporting period of 5.51 per cent (2009: 5.65 per cent).

(iv) Superannuation

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

(u) 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.

(v) Rounding of amounts

The company is of a kind referred to in Class Order 98/0100, issued by the Australian Securities and Investments Commission, relating to the 'rounding off' of amounts in the financial statements. Amounts in the financial statements 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.

(w) Standards issued not yet applied

Certain new accounting standards and interpretations have been published that are not mandatory for adoption for the 31 December 2010 reporting period. The group and parent entities assessment of the impact of these new standards and interpretations are set out below.

As at the date of this report there are a number of new Australian Accounting Standards that have been issued but are not yet effective. The company has assessed the impact of these new Australian Accounting Standards and has concluded that they will have no impact on the recognition and measurement criteria of the policies noted above, but may have a minor impact on the disclosure within the financial statements.

(x) Comparative information

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

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2010

	Consolidated entity		Parent entity	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
3. INCOME				
Revenue from continuing operations				
Fees	50,674	47,351	50,674	47,351
Other fees and charges	153	157	153	157
Interest	2,101	1,186	2,101	1,185
Distributions from interest in joint venture partnership	–	–	1,596	1,861
Total revenue	52,928	48,694	54,524	50,554
Other income				
Net gain/(loss) on sale of non-current assets	(10)	119	(13)	(61)
Other	645	639	633	1,087
	635	758	620	1,026
Total revenue from continuing operations	53,563	49,452	55,144	51,580
Total income	53,563	49,452	55,144	51,580
4. EXPENSES				
Expenses from continuing operations				
(a) Employee benefits expense				
Salaries and wages	18,222	15,643	18,126	15,553
Superannuation	1,686	1,463	1,686	1,463
Payroll tax	1,176	1,007	1,176	1,007
Other	2,088	1,668	2,027	1,615
Total employee benefits expense	23,172	19,781	23,015	19,638
(b) Depreciation and amortisation expense				
<i>Depreciation</i>				
Office equipment	65	67	65	67
Furniture and fittings	387	673	385	670
Motor vehicles	–	13	–	8
Computer equipment	461	473	460	473
Total depreciation	913	1,226	910	1,218
<i>Amortisation</i>				
Software	647	552	647	552
Patents, trademarks and course curriculum	–	25	–	25
Total amortisation	647	577	647	577
Total depreciation and amortisation expense	1,560	1,803	1,557	1,795

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2010

	Consolidated entity		Parent entity	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
4. EXPENSES (continued)				
(c) Other expenses				
Donation to the University of Technology, Sydney	4,000	2,999	4,000	1,554
Donation to INSEARCH Education	-	-	-	181
Occupancy	5,812	5,010	5,788	4,980
Security	367	337	367	337
Communications	913	612	885	595
Channel partner commissions	6,178	4,754	6,178	4,754
Homestay and welcome	576	948	576	948
Educational expenses	1,322	1,189	1,322	1,189
Registration and accreditation	307	314	307	314
Scholarships	341	190	341	190
Library fees	866	815	866	815
Promotion	1,157	487	1,146	482
Overseas travel	564	525	564	473
Local travel	190	132	132	90
Staff appointments	418	258	418	258
Audit and accounting fees	444	317	438	313
Legal fees	196	49	193	49
Consultancy	671	714	671	714
Subscription and membership	221	150	221	150
Printing and stationery	419	629	418	616
Bad and doubtful debt provisions	13	112	13	109
(Gain)/loss on foreign exchange	290	688	290	685
Impairment losses of investments	-	147	16	532
Exhibition and interview program	205	232	205	232
Offshore representation expenses	68	28	382	361
Other	1,022	960	986	937
Total other expenses	26,560	22,596	26,723	21,858

(d) Individually significant items

A donation of \$4,000,000 was paid to the University of Technology, Sydney in 2010 (2009: \$2,998,695).

	Consolidated entity		Parent entity	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
5. INCOME TAX EXPENSE				
Current tax	-	182	-	179
Total income tax expense	-	182	-	179
Income tax expense is attributable to:				
> profit from continuing operations	-	182	-	179
Total income tax expense	-	182	-	179

Refer note 2(f).

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2010

	Consolidated entity		Parent entity	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
6. CURRENT ASSETS — CASH AND CASH EQUIVALENTS				
Cash at bank and on hand	7,248	5,264	6,883	4,893
Deposits at call	5,637	5,021	5,637	5,021
Term deposits	28,000	27,000	28,000	27,000
Total cash and cash equivalents	40,885	37,285	40,520	36,914

7. CURRENT ASSETS — TRADE AND OTHER RECEIVABLES

Trade receivables	1,826	652	1,826	652
Other receivables	427	465	386	421
Less: provision for impairment of other receivables	(60)	(109)	(60)	(109)
Prepayments	2,320	2,222	2,319	2,222
Total trade and other receivables	4,513	3,230	4,471	3,186

(a) Impaired trade receivables

As at 31 December 2009, current trade receivables of the group with a nominal value of \$108,861 were impaired. The individually impaired receivables mainly relate to student tuition fees which were uncollectable from students who have graduated. In 2010, \$49,032 was written-off during the year. The remaining provision for impairment of \$59,828 was deemed adequate to cover impaired receivables for 2010.

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

	Consolidated entity		Parent entity	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
At 1 January	109	–	109	–
Provision for impairment recognised during the year	–	109	–	109
Receivables written-off during the year as uncollectible	(49)	–	(49)	–
	60	109	60	109

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

(b) Past due but not impaired

As of 31 December 2010, the group trade and other receivables of \$1,143,281 (2009: \$549,877) and the parent trade and other receivables of \$1,149,997 (2009: \$555,352) were past due but not impaired. The ageing analysis of the receivables is as follows:

	Consolidated entity		Parent entity	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
> up to 3 months	1,089	505	1,086	505
> 3 to 6 months	48	5	49	5
> over 6 months	6	39	15	45
	1,143	549	1,150	555

8. CURRENT ASSETS — INVENTORIES

Finished goods at cost	41	16	41	16
Total inventories	41	16	41	16

9. CURRENT ASSETS — OTHER FINANCIAL ASSETS

Accrued interest	300	157	300	157
Total other financial assets	300	157	300	157

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2010

	Consolidated entity	
	2010 \$'000	2009 \$'000
10. NON-CURRENT ASSETS — INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD		
(a) Joint ventures with:		
> Shanghai University (SILC)	2,745	3,262
> IDP Education Australia (ACET)	1,880	1,663
Total investments accounted for using the equity method	4,625	4,925

The company has joint ventures in the People's Republic of China (PRC) and Vietnam, for which investments are accounted for using the equity method per AASB 131 *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 (ACET)

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 ACET 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 \$'000	ACETs \$'000	Total \$'000
(b) Consolidated entity			
Carrying amount at start of year	3,262	1,663	4,925
Distribution received/receivable	(689)	(907)	(1,596)
Share of profit	382	1,337	1,719
Foreign currency exchange differences	(210)	(213)	(423)
Carrying amount at end of year	2,745	1,880	4,625
(c) Share of assets and liabilities of joint ventures			
Current assets	3,398	2,335	5,733
Non-current assets	858	81	939
Current liabilities	(1,402)	(536)	(1,938)
Non-current liabilities	(109)	–	(109)
Share of net assets	2,745	1,880	4,625
(d) Share of joint ventures' profits			
Revenues	4,749	3,596	8,345
Expenses	(4,367)	(2,259)	(6,626)
Share of profit from joint ventures	382	1,337	1,719

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2010

	Consolidated entity		Parent entity	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
11. NON-CURRENT ASSETS — PLANT AND EQUIPMENT				
Office equipment at cost	954	920	947	916
Less accumulated depreciation	(769)	(749)	(766)	(745)
Carrying value	185	171	181	171
Furniture and fittings at cost	6,660	6,469	6,644	6,439
Less accumulated depreciation	(5,122)	(4,752)	(5,108)	(4,727)
Carrying value	1,538	1,717	1,536	1,712
Motor vehicles at cost	27	27	27	27
Less accumulated depreciation	(27)	(27)	(27)	(27)
Carrying value	-	-	-	-
Computer equipment at cost	3,122	2,721	3,101	2,716
Less accumulated depreciation	(2,068)	(1,626)	(2,062)	(1,621)
Carrying value	1,054	1,095	1,039	1,095
Capital work in process	1,087	875	1,087	875
Total plant and equipment at cost	11,850	11,012	11,806	10,973
Less accumulated depreciation	(7,986)	(7,154)	(7,963)	(7,120)
Carrying value of plant and equipment	3,864	3,858	3,843	3,853

Reconciliations

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

	Office equipment	Furniture and fittings	Motor vehicles	Computer equipment	Capital work in process	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Consolidated entity						
Year 2009						
Carrying amount at start of year	194	1,265	44	891	63	2,457
Additions	46	1,169	-	685	812	2,712
Disposals	-	(43)	(31)	(8)	-	(82)
Foreign currency exchange differences	(2)	-	-	-	-	(3)
Depreciation and amortisation	(67)	(673)	(13)	(473)	-	(1,226)
Carrying amount at end of year	171	1,717	-	1,095	875	3,858
Year 2010						
Carrying amount at start of year	171	1,717	-	1,095	875	3,858
Additions	88	208	-	443	212	951
Disposals	(13)	-	-	(39)	-	(52)
Foreign currency exchange differences	4	-	-	16	-	20
Depreciation and amortisation	(65)	(387)	-	(461)	-	(913)
Carrying amount at end of year	185	1,538	-	1,054	1,087	3,864

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2010

	Office equipment	Furniture and fittings	Motor vehicles	Computer equipment	Capital work in process	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000

11. NON-CURRENT ASSETS — PLANT AND EQUIPMENT (continued)

Parent entity

Year 2009

Carrying amount at start of year	192	1,256	39	890	63	2,440
Additions	46	1,169	-	685	812	2,712
Disposals	-	(43)	(31)	(7)	-	(81)
Foreign currency exchange differences	-	-	-	-	-	-
Depreciation and amortisation	(67)	(670)	(8)	(473)	-	(1,218)
Carrying amount at end of year	171	1,712	-	1,095	875	3,853

Year 2010

Carrying amount at start of year	171	1,712	-	1,095	875	3,853
Additions	88	209	-	443	212	952
Disposals	(13)	-	-	(39)	-	(52)
Foreign currency exchange differences	-	-	-	-	-	-
Depreciation and amortisation	(65)	(385)	-	(460)	-	(910)
Carrying amount at end of year	181	1,536	-	1,039	1,087	3,843

	Consolidated entity		Parent entity	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
12. NON-CURRENT ASSETS — INTANGIBLE ASSETS				
Patents, trademarks and course curriculum	73	73	73	73
Less accumulated amortisation	(73)	(73)	(73)	(73)
Carrying amount	-	-	-	-
Software	5,367	4,075	5,367	4,075
Less accumulated amortisation	(4,003)	(3,357)	(4,003)	(3,357)
Carrying amount	1,364	718	1,364	718
Total intangible assets	1,364	718	1,364	718

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2010

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 entity				
Year 2009				
Carrying amount at start of year	1,196	40	1,236	
Additions	74	–	74	
Disposals	–	(15)	(15)	
Amortisation	(552)	(25)	(577)	
Carrying amount at end of year	718	–	718	
Year 2010				
Carrying amount at start of year	718	–	718	
Additions	1,293	–	1,293	
Disposals	–	–	–	
Amortisation	(647)	–	(647)	
Carrying amount at end of year	1,364	–	1,364	
Parent entity				
Year 2009				
Carrying amount at start of year	1,196	40	1,236	
Additions	74	–	74	
Disposals	–	(15)	(15)	
Amortisation	(552)	(25)	(577)	
Carrying amount at end of year	718	–	718	
Year 2010				
Carrying amount at start of year	718	–	718	
Additions	1,293	–	1,293	
Disposals	–	–	–	
Amortisation	(647)	–	(647)	
Carrying amount at end of year	1,364	–	1,364	
	Consolidated entity		Parent entity	
	2010	2009	2010	2009
	\$'000	\$'000	\$'000	\$'000
13. NON-CURRENT ASSETS — OTHER FINANCIAL ASSETS				
INSEARCH (Shanghai) Limited	–	–	177	193
Interest in joint venture partnerships	–	–	136	136
Other	107	107	103	103
Total other financial assets	107	107	416	432
14. NON-CURRENT ASSETS — TRADE AND OTHER RECEIVABLES				
Other receivables	1,370	1,892	1,284	1,762
Total trade and other receivables	1,370	1,892	1,284	1,762

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2010

	Consolidated entity		Parent entity	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
15. CURRENT LIABILITIES — TRADE AND OTHER PAYABLES				
Trade creditors	699	677	699	676
University of Technology, Sydney	106	16	106	16
Other creditors	83	3	76	1
Total payables	888	696	881	693
16. CURRENT LIABILITIES — PROVISIONS				
Provision for annual leave	1,032	1,028	1,032	1,028
Provision for long service leave	506	393	506	393
Provision for make good	335	–	335	–
Income tax	–	476	–	476
Lease incentives	207	166	207	166
Total current provisions	2,080	2,063	2,080	2,063
17. CURRENT LIABILITIES — OTHER				
Accrued expenses	3,126	1,635	3,126	1,632
Student fees received in advance	2,387	2,403	2,387	2,403
Prepaid course fees	9,129	9,308	9,129	9,308
Other	578	614	572	614
Total other	15,220	13,960	15,214	13,957
18. NON-CURRENT LIABILITIES — PROVISIONS				
Provision for long service leave	598	379	598	379
Provision for make good	866	1,415	866	1,415
Lease incentives	168	226	168	226
Total non-current provisions	1,632	2,020	1,632	2,020

(a) Make good provision

The provision for make good in relation to office operating leases is required to be provided for under AASB 116 *Property, plant and equipment*. The make good obligations are expected to be settled within the next one to four financial years.

(b) Movements in make good provision

	Consolidated entity	Parent entity
	2010 \$'000	2010 \$'000
Carrying amount at start of year	1,415	1,415
Charged to statement of comprehensive income — unwinding of discount	63	63
Adjustment to reflect an updated professional assessment to both existing and new leased properties	(277)	(277)
Carrying amount at end of year	1,201	1,201

	Consolidated entity		Parent entity	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
19. CURRENT LIABILITIES — BORROWINGS (SECURED)				
At amortised cost:				
> finance lease liability	100	–	100	–
Total borrowings	100	–	100	–

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2010

	Consolidated entity		Parent entity	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
20. NON-CURRENT LIABILITIES — BORROWINGS (SECURED)				
At amortised cost:				
> finance lease liability	190	–	190	–
Total borrowings	190	–	190	–
Details on borrowings				
Total current and non-current secured liabilities	290	–	290	–
Amount of assets pledged as security:				
Plant and equipment	289	–	289	–

The group lease computer equipment with a carrying amount of \$289,035 under finance leases expiring within three years. Under the terms of the leases, the group has the option to acquire the leased assets on expiry of the leases by paying the difference amount between the value of the goods financed under the relevant lease schedule and the present value of the lease instalments.

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

	Consolidated entity		Parent entity	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
21. RETAINED PROFITS AND RESERVES				
(a) Retained profits				
Retained profits at the beginning of the year	34,619	26,986	28,305	20,195
Adjustments to retained profits on disposal of previously controlled entity ¹	–	303	–	–
Profits from operating activities	3,978	7,330	3,837	8,110
Retained profits at the end of the year	38,597	34,619	32,142	28,305
(b) Reserves				
Foreign currency translation reserve	(1,638)	(1,170)	–	–
Reserves at the end of the year	(1,638)	(1,170)	–	–
Movements:				
Foreign currency translation reserve				
> balance at the beginning of the year	(1,170)	456	–	(222)
> adjustment to prior year accounts	–	–	–	222
> translation of foreign operations	(468)	(1,626)	–	–
Foreign currency translation reserve balance at the end of the year	(1,638)	(1,170)	–	–

1. The adjustments to retained profits during 2009 is a result of the disposal of Australia Centre (Thailand) Limited on 30 November 2009 for zero consideration.

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2010

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)

D Leckie

D Hill

J Hutchison, AM

P Woods

W Purcell

B Milthorpe

(ii) Executive director

A Murphy

	Consolidated entity		Parent entity	
	2010 \$	2009 \$	2010 \$	2009 \$
(b) Directors' compensation				
Short-term employee benefits	536,721	464,666	536,721	464,666
Post-employment benefits	38,378	39,889	38,378	39,889
	575,099	504,555	575,099	504,555

(c) Other key management personnel

CA Churches

N Patrick (commenced 24 February 2010)

TM Laurence

P Harris (commenced 2 August 2010)

J Butler

S Crayn (ended 15 February 2010)

	Consolidated entity		Parent entity	
	2010 \$	2009 \$	2010 \$	2009 \$
23. REMUNERATION OF AUDITORS				
The Audit Office of New South Wales				
> audit of financial report – INSEARCH Limited	156,500	144,700	148,000	144,700
	156,500	144,700	148,000	144,700

24. COMMITMENTS

(a) Capital commitments

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

> not later than one year

	2,369	20	2,369	20
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Input tax recoverable from the Australian Taxation Office	215	2	215	2
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(b) Operating lease commitments

Commitments for minimum lease payments, in relation to non-cancellable operating leases, contracted for at the end of the reporting period but not recognised as liabilities, payable with the input tax recoverable from the Australian Taxation Office.

> not later than one year

	5,700	4,610	5,677	4,585
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> later than one year but not later than five years	7,142	8,325	7,142	8,325
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> later than five years	217	–	217	–
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Total inclusive of GST	13,059	12,935	13,036	12,910
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Input tax recoverable from the Australian Taxation Office	1,185	1,174	1,185	1,174
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Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2010

	Consolidated entity		Parent entity	
	2010 \$	2009 \$	2010 \$	2009 \$
(c) Finance lease commitments				
Payable — minimum lease payments				
> not later than one year	130	–	130	–
> later than one year but not later than five years	223	–	223	–
> later than five years	–	–	–	–
Total minimum finance lease payments	353	–	353	–
Less future finance charges	(34)	–	(34)	–
Present value of minimum lease payments	319	–	319	–
Input tax recoverable from the Australian Taxation Office	29	–	29	–
(d) Remuneration commitments				
Commitments for payment of salaries under employment contracts not recognised as liabilities.				
> not later than one year	1,035	720	1,035	720
> later than one year but not later than five years	285	–	285	–
	1,320	720	1,320	720
(e) Other expenditure commitments				
Commitments for trade creditors contracted for at the end of the reporting period but not recognised as liabilities, payable with the input tax recoverable from the Australian Taxation Office.				
> not later than one year	11	11	11	11
> later than one year but not later than five years	11	22	11	22
Total inclusive of GST	22	33	22	33
Input tax recoverable from the Australian Taxation Office	2	3	2	3
25. EMPLOYEE BENEFIT AND RELATED ON-COST LIABILITIES				
Included in other — current liabilities	23	33	23	33
Provision for employee benefits — current liabilities	1,538	1,422	1,538	1,422
Provision for employee benefits — non-current liabilities	598	379	598	379
	2,159	1,834	2,159	1,834

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 (2009: \$2,998,695)
 - > sales of services and fees \$1,885,431 (2009: \$2,769,276)
- (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 Limited entered into the following transactions during the period with these entities:
- > consulting service income between INSEARCH (Shanghai) Limited and INSEARCH Limited (\$313,743)
 - > consulting service expense between INSEARCH Limited and INSEARCH (Shanghai) Limited \$313,743

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2010

27. RECONCILIATION OF CASH AND CASH EQUIVALENTS

For the purposes of the statement of cash flows, 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 reporting period as shown in the statement of cash flows are reconciled to the related items in the statement of financial position as follows:

	Consolidated entity		Parent entity	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Cash at bank and on hand	7,248	5,264	6,883	4,893
Deposits at call	5,637	5,021	5,637	5,021
Term deposits	28,000	27,000	28,000	27,000
	40,885	37,285	40,520	36,914

28. RECONCILIATION OF PROFIT FOR THE YEAR TO NET CASH FLOWS FROM OPERATING ACTIVITIES

Profit for the year	3,978	7,330	3,837	8,110
Depreciation	913	1,226	910	1,218
Amortisation	647	577	647	577
Provision for impairment of receivables	13	109	13	109
Foreign currency exchange difference	(23)	1,365	(26)	-
Net (gain)/loss on sale of non-current assets	10	60	13	59
Write down of investments to recoverable amount	-	-	16	532
Share of profit of joint venture partnerships not received as dividends or distributions	(123)	(379)	-	-
Changes in assets and liabilities				
Trade and other receivables	(762)	(332)	(807)	(200)
Inventories	(25)	42	(25)	42
Other financial assets	(143)	(53)	(143)	(54)
Trade and other payables	370	(457)	188	(914)
Provisions	(746)	803	(371)	803
Other liabilities	1,457	(361)	1,257	(324)
Net cash flows from operating activities	5,566	9,930	5,509	9,958

29. FINANCIAL INSTRUMENTS

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

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2010

INSEARCH Limited principal financial instruments

	Notes	Category	Consolidated entity	
			2010 \$'000	2009 \$'000
Financial assets				
Cash and cash equivalents	6	Current asset	40,885	37,285
Receivables — current	7	Current asset	2,253	1,117
Receivables — non-current	14	Non-current asset	1,370	1,892
Other financial assets	9, 13	Current and non-current assets	407	264
Total financial assets			44,915	40,558
Financial liabilities				
Payables	15	Current liability	888	696
Other financial liabilities	17	Current liability	9,129	9,308
Total financial liabilities			10,017	10,004

(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 the majority of tuition fees prior to the provision of services. The group's position with regard to credit risk is monitored monthly with outstanding items being actively managed.

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

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

(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 and capital expenditures.

Liquidity is managed by the group through the preparation and review of monthly statement of cash flow 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, except the finance lease 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 not have an exposure to changes in income due to fluctuations in interest rates.

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

Expected interest rate increases will increase the group's return on cash investments in 2011.

(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 operations in China and Vietnam 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 operations on the statement of financial position of the group.

INSEARCH Limited has a receivable from the United Kingdom from a sale of a business in 2009. The stated balance will be subject to currency fluctuations until fully paid in 2019.

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

The movement in exchange rates in 2010 have contributed to the Australian dollar decrease in profits for INSEARCH Limited.

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2010

29. FINANCIAL INSTRUMENTS (continued)

INSEARCH Limited principal financial instruments (continued)

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

	Carrying amount	Interest rate risk				Foreign exchange risk			
		+1%		-1%		+10%		-10%	
		Profit \$'000	Equity \$'000	Profit \$'000	Equity \$'000	Profit \$'000	Equity \$'000	Profit \$'000	Equity \$'000
2010									
Financial assets									
Cash and cash equivalents	40,885	405	-	(405)	-	-	55	-	(55)
Receivables — current	2,253	-	-	-	-	-	29	-	(29)
Receivables — non-current	1,370	-	-	-	-	-	137	-	(137)
Other financial assets	407	3	-	(3)	-	-	-	-	-
Total financial assets	44,915	408	-	(408)	-	-	221	-	(221)
Financial liabilities									
Trade and other payables	888	-	-	-	-	-	-	-	1
Other financial liabilities	9,129	-	-	-	-	-	-	-	-
Total financial liabilities	10,017	-	-	-	-	-	-	-	1
2009									
Financial assets									
Cash and cash equivalents	37,285	364	-	(364)	-	-	86	-	(86)
Receivables — current	1,117	-	-	-	-	-	26	-	(26)
Receivables — non-current	1,892	-	-	-	-	-	176	-	(176)
Other financial assets	264	2	-	(2)	-	-	-	-	-
Total financial assets	40,558	366	-	(366)	-	-	288	-	(288)
Financial liabilities									
Trade and other payables	696	-	-	-	-	-	-	-	1
Other financial liabilities	9,308	-	-	-	-	-	-	-	-
Total financial liabilities	10,004	-	-	-	-	-	-	-	1

All financial instruments are carried at fair value.

30. SUBSEQUENT EVENTS

Due to an accreditation requirement of the People's Republic of China's Ministry of Education, INSEARCH Limited's interest in SILC will be transferred to the University of Technology, Sydney at fair value. The transaction is likely to settle on 1 May 2011 but will be effective 1 March 2011. There will be no material impact on the financial statements of INSEARCH Limited.

INSEARCH Limited will continue to provide the curriculum for the English Language and Business Diploma programs at SILC but will be remunerated on a fee for service basis.

The directors are not aware of any other matter or circumstance that has occurred since the end of the financial year that has significantly affected or may affect operations of the group, the results of the group, or the state of affairs of the group in subsequent years.

END OF AUDITED FINANCIAL REPORT

Contents: accessUTS Pty Limited

Directors' report	86
Directors' declaration	88
Independent auditor's report	89
Auditor's independence declaration	91
Statement of comprehensive income	92
Statement of financial position	92
Statement of changes in equity	93
Statement of cash flows	93
Notes to the financial statements	94
1. Corporate information	94
2. Summary of significant accounting policies	94
3. Segment information	95
4. Revenue	95
5. Expenses	96
6. Income tax expense	96
7. Cash and cash equivalents	96
8. Trade and other receivables	96
9. Plant and equipment	97
10. Trade and other payables	97
11. Contributed equity	98
12. Accumulated losses	98
13. Reconciliation of operating profit for the year with cash flows from operating activities	98
14. Auditors' remuneration	98
15. Directors' remuneration	98
16. Contingent liabilities	99
17. Significant events after the balance date	99
18. Economic dependency	99
19. Related party transactions	99
20. Financial risk and management objectives and policies	99

Directors' report

Your directors submit their report for the year ended 31 December 2010.

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
- > Denise Miriam Dignam
- > Theodoor Jacob van Leeuwen

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 2010 was \$257,152 (2009 loss of \$29,069).

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 2010 year.

Significant changes in the state of affairs

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

Significant events after the balance date

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

Environmental regulation

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

Likely developments

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

Directors' report

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 2010 has been received and can be found on page 91.

Signed in accordance with a resolution of the directors:



Jeffrey Francis



Blair Peter McRae

Sydney
18 April 2011

Directors' declaration

accessUTS Pty Limited
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) and the *Public Finance and Audit Act 1983* (NSW), including:
 - (i) giving a true and fair view of the company's financial position as at 31 December 2010 and of the company's performance for the year ended on that date, and
 - (ii) complying with Australian Accounting Standards and Corporations Regulations 2001, and
- (b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

On behalf of the board:



Jeffrey Francis



Blair Peter McRae

Sydney
18 April 2011

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 Pty Limited

I have audited the accompanying financial statements of accessUTS Pty Limited (the Company), which comprise the statement of financial position as at 31 December 2010, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

Auditor's Opinion

In my opinion the financial statements:

- are in accordance with the *Corporations Act 2001*, including:
 - giving a true and fair view of the Company's financial position as at 31 December 2010 and its performance for the year ended on that date
 - complying with Australian Accounting Standards and the Corporations Regulations 2001
- are in accordance with section 41B of the *Public Finance and Audit Act 1983* (the PF&A Act) and the Public Finance and Audit Regulation 2010
- comply with International Financial Reporting Standards as disclosed in Note 2(b)

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

Directors' Responsibility for the Financial Statements

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

In Note 2(b), the directors also state, in accordance with Accounting Standard AASB 101 'Presentation of Financial Statements', that the financial statements comply with International Financial Reporting Standards.

Auditor's Responsibility

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

Independent auditor's report (continued)

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

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

My opinion does *not* provide assurance:


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

Independence

In conducting my audit, I have complied with the independence requirements of the Australian Auditing Standards, *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
- mandating the Auditor-General as auditor of public sector agencies but precluding the provision of non-audit services, thus ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by the possibility of losing clients or income.

I confirm that the independence declaration required by the *Corporations Act 2001*, provided to the directors of accessUTS Pty Limited on 18 April 2011, would be in the same terms if provided to the directors as at the date of this auditor's report.



A Oyetunji
Director, Financial Audit Services

19 April 2011
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 statements of accessUTS Pty Limited for the year ended 31 December 2010, 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 blue ink, appearing to read "A Oyetunji".

A Oyetunji
Director, Financial Audit Services

18 April 2011
SYDNEY

Statement of comprehensive income

FOR THE YEAR ENDED 31 DECEMBER 2010

	Notes	2010 \$	2009 \$
Continuing operations			
Revenue	4	2,541,332	2,056,189
Consulting fees and SLA	5(a)	(2,189,402)	(2,023,246)
Employee benefits expense	5(b)	(4,034)	(5,153)
Depreciation and amortisation expenses		(1,522)	(1,868)
Other expenses	5(c)	(89,222)	(54,991)
Profit/(loss) before income tax		257,152	(29,069)
Income tax expense	6	-	-
Net profit/(loss) for the period		257,152	(29,069)
Other comprehensive income		-	-
Total comprehensive income/(loss) for the period		257,152	(29,069)
Total comprehensive income/(loss) for the period is attributable to:			
> owners of the parent		257,152	(29,069)

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 2010

	Notes	2010 \$	2009 \$
Assets			
Current assets			
Cash and cash equivalents	7	873,394	580,128
Trade and other receivables	8	658,791	392,179
Total current assets		1,532,185	972,307
Non-current assets			
Plant and equipment	9	-	10,166
Total non-current assets		-	10,166
Total assets		1,532,185	982,473
Liabilities			
Current liabilities			
Trade and other payables	10	1,184,604	892,044
Total current liabilities		1,184,604	892,044
Total liabilities		1,023,098	892,044
Net assets		347,581	90,429
Equity			
Contributed equity	11	450,001	450,001
Accumulated losses	12	(102,420)	(359,572)
Total equity		347,581	90,429

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 2010

	Share capital \$	Accumulated losses \$	Total \$
Balance at 1 January 2009	450,001	(330,503)	119,498
Profit/(loss) for the period	–	(29,069)	(29,069)
Balance at 31 December 2009 (opening balance at 1 January 2010)	450,001	(359,572)	90,429
Profit/(loss) for the period	–	257,152	257,152
Balance at 31 December 2010	450,001	(102,420)	347,581

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

Statement of cash flows

FOR THE YEAR ENDED 31 DECEMBER 2010

	Notes	2010 \$	2009 \$
Cash flows from operating activities			
Receipts from customers and the parent entity		2,231,026	2,290,058
Payments to suppliers and the parent entity		(1,966,650)	(2,401,194)
Interest received		28,890	23,423
Net cash provided by/(used in) operating activities	13	293,266	(87,713)
Cash flows from investing activities			
Purchase of plant and equipment		–	(3,736)
Net cash provided by/(used in) investing activities		–	(3,736)
Net increase/(decrease) in cash and cash equivalents			
Cash and cash equivalents at the beginning of the year		580,128	671,577
Cash and cash equivalents at the end of the year	7	873,394	580,128

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

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2010

1. CORPORATE INFORMATION

The financial report of accessUTS Pty Limited for the year ended 31 December 2010 was authorised for issue in accordance with a resolution of the directors on 18 April 2011.

accessUTS Pty Limited is a company limited by shares and is incorporated and domiciled in Australia and is a wholly owned subsidiary of the University of Technology, Sydney. The 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 2010.

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) and the *Public Finance and Audit Act 1983* (NSW), 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 notes thereto, complies with International Financial Reporting Standards (IFRS).

(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 (GST)

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

- (i) where the amount of GST is not recoverable from the Australian Taxation Office, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- (ii) receivables and payables, which are stated with the amount of GST included, 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.

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2010

(h) Cash and cash equivalents

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

(i) Investments

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

(j) Plant and equipment

Cost and valuation

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

Depreciation

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

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

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

	Rates (%)
Plant and equipment	40 to 50
Furniture and fittings	10 to 50

(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.

(m) New and revised Australian Accounting Standards

With the exception of AASB 101 *Presentation of Financial Statements*, certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2010 reporting period. accessUTS Pty Limited has not exercised the right to early adopt any new or revised accounting standard.

3. SEGMENT INFORMATION

The company operates predominantly in one industry—consulting services, and in one geographical area—Australia.

	2010 \$	2009 \$
4. REVENUE		
Consulting fees	2,510,561	2,032,766
Interest received or receivable	30,771	23,423
Total revenue	2,541,332	2,056,189

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2010

	2010 \$	2009 \$
5. EXPENSES		
(a) Consulting fees and SLA		
Consulting fees	1,537,409	1,680,807
Service level agreement — Commercial Service Unit	651,993	342,439
	2,189,402	2,023,246
(b) Employee benefits expense		
Salaries and fees	2,550	3,675
Other	1,484	1,478
	4,034	5,153
(c) Other expenses		
General and administrative expenses	89,222	54,991
	89,222	54,991
6. INCOME TAX EXPENSE		
The income tax expense provided in the accounts is calculated as follows:		
> tax on operating profit/(loss) at 30%	77,146	(8,720)
add/(less)		
> current year tax losses not brought to account	–	14,495
> current year temporary difference not brought to account	(336)	(5,775)
> tax losses not previously tax effected — recouped this year	(76,810)	–
Income tax expense	–	–
Deferred tax assets/(liabilities) have not been recognised in the statement of financial position in respect of:		
> deductible temporary differences	(3,502)	(2,382)
Unused tax losses	113,729	369,761
7. CASH AND CASH EQUIVALENTS		
Cash at bank	519,701	241,030
Cash on deposit	353,693	339,098
	873,394	580,128
8. TRADE AND OTHER RECEIVABLES		
Current		
Trade and other receivables	654,941	390,210
Interest receivable	3,850	1,969
Prepayments	–	–
	658,791	392,179

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2010

	2010 \$	2009 \$
9. PLANT AND EQUIPMENT		
At cost	–	29,783
Less accumulated depreciation	–	(19,617)
	–	10,166

Movements in carrying amounts

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

	Plant and equipment \$
Balance at the beginning of the financial year	10,166
Additions	–
Disposals	(8,644)
Depreciation expense	(1,522)
Carrying amount at the end of the financial year	–

	2010 \$	2009 \$
10. TRADE AND OTHER PAYABLES		
Current		
Trade payables	–	44,766
GST payable	18,633	–
Deposits received	43,722	–
Accrued expenses	610,351	231,853
Amounts payable to parent entity	476,898	580,425
Loan from parent entity (unsecured)	35,000	35,000
Total	1,184,604	892,044

Loan from parent entity

The loan from the parent entity is unsecured, interest-free and repayable on demand.

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2010

	2010 \$	2009 \$
11. CONTRIBUTED EQUITY		
Issued and paid up capital		
Ordinary shares fully paid	450,001	450,001
Movements in shares on issue		
Issued capital at the beginning of the year	450,001	450,001
Capital issued during the year	-	-
Issued capital at the end of the year	450,001	450,001
12. ACCUMULATED LOSSES		
Accumulated losses at the beginning of the year	(359,572)	(330,503)
Net profit/(loss) attributable to the member	257,152	(29,069)
Accumulated losses at the end of the year	(102,420)	(359,572)
13. RECONCILIATION OF OPERATING PROFIT FOR THE YEAR WITH CASH FLOWS FROM OPERATING ACTIVITIES		
Operating profit/(loss) after income tax	257,152	(29,068)
Non-cash items		
Amortisation	39	178
Depreciation	1,483	1,690
Loss on disposal of plant and equipment	8,644	-
Changes in operating assets and liabilities		
Decrease/(increase) in trade receivables	(293,916)	15,928
Increase/(decrease) in trade payables	319,864	(305,543)
Net cash inflow/(outflow) from operating activities	293,266	(340,238)
14. AUDITORS' REMUNERATION		
Amounts received or due and receivable by the auditors of accessUTS Pty Limited for:		
> an audit or review of the financial statements	10,300	10,300

15. 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 86 of this report.

Remuneration of specified directors

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

	Salary and fees \$	Superannuation \$	Cash bonus \$	Non-cash benefits \$	Other \$	Total \$
2010						
Jane Morrison	2,550	-	-	-	-	2,550
2009						
Jane Morrison	3,675	-	-	-	-	3,675

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2010

16. CONTINGENT LIABILITIES

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

17. 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.

18. ECONOMIC DEPENDENCY

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

19. RELATED PARTY TRANSACTIONS

(a) Directors

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

There have been no transactions with directors or director-related entities during the financial year, other than remuneration as detailed at note 15.

(b) Parent entity

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

Transactions with the parent entity

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

Services provided by UTS

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

Faculty costs charged by UTS

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

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

	2010 \$	2009 \$
Amounts payable to parent entity — current	476,898	580,425
Loans from parent entity (unsecured)	35,000	35,000

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

(c) Wholly owned group

The wholly owned group consists of University of Technology, Sydney (UTS) and its controlled entities, accessUTS Pty Limited, INSEARCH Limited and INSEARCH (Shanghai) Limited.

20. FINANCIAL RISK AND MANAGEMENT OBJECTIVES AND POLICIES

(a) Instruments reported by categories of financial assets and liabilities

	2010 \$	2009 \$
Loans and receivables		
Cash and cash equivalents	873,394	580,128
Trade and other receivables	658,791	392,179
	1,532,185	972,307
Other financial liabilities		
Trade and other payables	1,184,604	892,044
	1,184,604	892,044

(b) Risk exposures and responses

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

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

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2010

20. FINANCIAL RISK AND MANAGEMENT OBJECTIVES AND POLICIES (continued)

(c) Net fair values

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

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

(d) Credit risk

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

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

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

(e) Hedging transactions

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

(f) Interest risk

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

	2010		2009	
	Carrying amount \$	Net fair value \$	Carrying amount \$	Net fair value \$
Financial assets				
Cash and cash equivalents	873,394	873,394	580,128	580,128
Trade and other receivables	658,791	658,791	392,179	392,179
	1,532,185	1,532,185	972,307	972,307
Financial liabilities				
Trade and other payables	1,184,604	1,184,604	892,044	892,044
	1,184,604	1,184,604	892,044	892,044

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

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

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

	Equity higher/(lower)		Post-tax profit higher/(lower)	
	2010 \$	2009 \$	2010 \$	2009 \$
Judgments of reasonably possible movements				
+0.5% (50 basis points)	3,057	2,030	3,057	2,030
-0.5% (50 basis points)	(3,057)	(2,030)	(3,057)	(2,030)

END OF AUDITED FINANCIAL STATEMENTS

APPENDIX A1

Controlled entities

accessUTS Pty Limited

accessUTS Pty Limited is our dedicated commercial consulting and services company formed to connect university expertise to outside organisations. The company also delivers short courses, study tours and short course administration services on behalf of UTS.

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; and 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 and manages short courses across all university disciplines.

It provides a resource for the development and submission of significant tenders and manages 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 in the following year's report.

INSEARCH Limited

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 5000 students, is considered an important member of the UTS community.

INSEARCH diploma courses are designed to prepare students for entry into UTS and the majority are equivalent to the first year of university study. These courses are developed in consultation with the relevant UTS faculty, and the course is then recommended 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 the Direct Entry English Program, Academic English Program, International English Language Testing System (IELTS) Preparation and General English. INSEARCH is a renowned publisher of IELTS preparation books, which are authored by INSEARCH English staff members.

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

APPENDIX A2

Meetings of Council members

The numbers of meetings of the members of the UTS Council and of each committee and group held during the year ended 31 December 2010, and the number of meetings attended by each member were:

	Council		Audit and Review Committee		Commercial Activities Committee		Finance Committee	
	Total meetings held ¹	Meetings attended ²	Total meetings held	Meetings attended	Total meetings held	Meetings attended	Total meetings held	Meetings attended
Members of the Council of the University								
Ms Patricia Azarias (appointed 1 November 2010)	2	2	-	-	-	-	-	-
Mr Peter Bennett (appointed 1 November 2010)	2	1	-	-	-	-	-	-
Mr Christopher Cahill	8	7	-	-	-	-	-	-
Professor Thomas Clarke	8	8	-	-	-	-	-	-
Ms Megan Cornelius, AM	8	7	-	-	1	1	6	4
Mr Tim Dugan (ended 16 March 2010)	2	1	-	-	1	0	-	-
Ms Rachael Durrant (appointed 1 November 2010)	2	1	-	-	-	-	-	-
Mr Robert Kelly	8	8	3	3	-	-	-	-
Ms Dianne Leckie	8	5	3	2	-	-	7	5
Dr Valerie Levy (ended 31 October 2010)	6	6	-	-	-	-	-	-
Mr Siddharth Mehta (appointed 1 November 2010)	2	0	-	-	-	-	-	-
Professor Ross Milbourne	8	8	-	-	5	3	7	5
Professor Jenny Onyx	8	8	-	-	-	-	-	-
Dr Ron Sandland, AM	8	7	-	-	5	5	-	-
Professor Vicki Sara, AO	8	8	1	1	2	1	-	-
Mr Michael G Sexton, SC	8	8	-	-	-	-	-	-
Mr Mayank Sharma (ended 24 February 2010)	1	1	-	-	-	-	-	-
The Hon. Penelope Sharpe, MLC	8	4	-	-	-	-	-	-
Professor Greg Skilbeck	8	8	-	-	-	-	-	-
Ms Michelle Swainson (ended 31 October 2010)	6	5	-	-	-	-	-	-
Mr Russell Taylor	8	5	2	2	-	-	-	-
Mr Warwick Watkins, AM	8	7	-	-	-	-	-	-
Mr Brian Wilson	8	7	-	-	-	-	7	6
Mr Su-Ming Wong (appointed 1 November 2010)	2	2	-	-	-	-	-	-
Dr Katherine Woodthorpe (ended 31 October 2010)	6	4	-	-	2	1	-	-
Mr Sudarshan Zanwar (appointed 1 June 2010; ended 31 October 2010)	3	3	-	-	-	-	-	-
Senior executive management								
Professor Shirley Alexander	8	8	-	-	-	-	-	-
Professor Peter Booth	8	7	-	-	5	3	7	6
Professor Attila Brungs	8	8	-	-	5	3	-	-
Ms Anne Dwyer	8	8	-	-	-	-	-	-
Professor Ross Milbourne (see above)								
Professor William Purcell	8	7	-	-	-	-	-	-
Mr Patrick Woods	8	8	-	-	5	5	7	7

1. 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.

2. 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	1	-	-	-	-	-	-	-	-
-	-	-	-	-	-	1	1	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
2	2	-	-	-	-	-	-	-	-	-	-
-	-	1	1	-	-	-	-	-	-	-	-
-	-	1	1	-	-	-	-	2	2	-	-
-	-	-	-	-	-	-	-	-	-	-	-
2	2	1	1	2	2	-	-	-	-	6	5
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	2	2	-	-	-	-	-	-
2	2	1	1	2	2	-	-	-	-	-	-
2	1	-	-	2	2	1	1	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	6	3
-	-	1	1	-	-	-	-	-	-	2	2
-	-	-	-	-	-	1	1	-	-	-	-
-	-	1	0	-	-	-	-	-	-	-	-
-	-	1	1	-	-	-	-	-	-	6	5
-	-	-	-	-	-	-	-	-	-	6	5
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
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-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	6	6

APPENDIX A3**Significant committees and their members****Academic Board**

Shirley Alexander	Dikai Liu
Adel Al-Jumaily	Desley Luscombe
Paul Allatson	Jill McKeough
Tim Aubrey	Paul McLachlan
Chris Bajada	Louise McWhinnie
Anthony Thomas Baker	Neha Madhok
Richard Baldwin	Ross Milbourne
Larissa Behrendt (acting)	Bruce Milthorpe
Peter Booth	Hung Nguyen
Attila Brungs	Bronwyn Olliffe
Anthony Burke	Anita Piper
Alex Byrne	William Purcell
Leticia Centrone	Anne Reich
Thomas Clarke	Toni Robertson
John Daly	Suzanne Rochester
Simon Darcy	Sandy Schuck
Kees Dorst	Greg Skilbeck
Christine Duffield	Nicky Solomon (acting)
David Eager	Keri Spooner
Lesley Farrell	Georgia Symons
James Goodman	Tracy Taylor
Katherine Gordon	Paul Thomas
Kim Gould	Rowan Trayler
Joanne Gray	Theo Van Leeuwen
Roy Green	Sally Varnham
Layna Groen	Lawrence Wallen
Bechar Hamdan	Mary Anne Williams
Paula Hamilton	
Tony He	Audit and Risk
Anurag Hingorani	Patricia Azarias
Lesley Hitchens	Robert Kelly
Emilie Ho	Dianne Leckie
Doan Hong	Rory O'Connor (ended 31 October 2010)
Jack Andrew Kelly	Bill Rock
Paul Kennedy	Russell Taylor (ended 31 October 2010)
Les Kirkup	
Andrea Leigh	

Commercial Activities

Meg Cornelius, AM (commenced 1 November 2010)

Tim Dugan (ended 16 March 2010)

Ross Milbourne

Gary Phillips

Ron Sandland, AM

Bill Trestrail

Su-Ming Wong (commenced 1 November 2010)

Katherine Woodthorpe (ended 31 October 2010)

Finance

Peter Bennett (commenced 1 November 2010)

Meg Cornelius, AM (ended 31 October 2010)

Dianne Leckie

John Leotta

Matthew McLellan

Ross Milbourne

Brian Wilson

Governance

John Hartigan

Robert Kelly

Ross Milbourne

Vicki Sara, AO

Michael Sexton

Physical Infrastructure

John Hill

Graham Jahn (ended 23 July 2010)

Ross Milbourne

Gabrielle Morrish

Penny Sharpe

Greg Skilbeck (commenced 1 November 2010)

Warwick Watkins, AM

Brian Wilson

APPENDIX A4**UTS Council Code of Conduct**

Under Council resolution COU/03/112.4, Council adopted a code of conduct for its members that summarises the standard of conduct and responsibilities of UTS Council members. The code provides an ethical framework for Council members, in the context of their duties and liabilities under law, and embodies the principles covering appropriate conduct.

Members of the Council must:

1. act with loyalty to the institution
2. exercise the powers of a member of Council in the interests of the University as a whole and only for proper purposes
3. act honestly with due care, skill and diligence
4. attend meetings of the Council
5. avoid conflicts of interest with the institution and declare any conflicts of interest whether of a general or commercial nature. In particular, members must disclose any interest in any company, institution or other entity where those interests may lead to a conflict of interest. Where any conflict of interest occurs, members must refrain from participating in the debate and from voting on the matter concerned
6. avoid use of the institution's property or information that is not in the interests of the University as a whole
7. avoid use of opportunities presented by the holding of office that is not in the interests of the University as a whole
8. observe confidence in relation to confidential information obtained in the course of one's duties as a Council member
9. prepare for participation in Council meetings by becoming acquainted with the relevant materials
10. have appropriate knowledge of the financial resources of the University and the manner in which they are expended
11. seek additional information on any matter in order to be able effectively to carry out their duties
12. act at all times in the interests of the University
13. represent the University appropriately in the community
14. speak publicly on behalf of the University only with the express authority of the Council, the Chancellor or the Vice-Chancellor.

APPENDIX B1

Executive performance and remuneration

Number of executive staff of the university by gender

	2009	2010
Female	2	2
Male	5	5
Total	7	7

Executive remuneration approach and structure

UTS Council recognises that the university operates in a global environment and that our performance depends on the quality of our people. Remuneration and benefits are used to ensure the attraction and retention of quality executive leaders to guarantee the long-term sustainability of the university.

Key principles of our executive remuneration model

- > To provide competitive rewards to attract, motivate and retain highly skilled executive leaders
- > To ensure remuneration arrangements are equitable and reflect appropriate relativities within our industry sector in Australia
- > To provide flexibility in the structure of the remuneration package to create maximum value to the individual within the specified total package cost
- > To hold the executive leaders jointly and individually accountable for a demanding set of key performance indicators (KPIs) including both academic and organisational sustainability outcomes
- > To link a component of pay to performance outcomes.

Components of executive remuneration

The remuneration paid and payable to members of the UTS Senior Executive comprises fixed and at-risk components. The manner in which these are determined is outlined below.

Component	Policy
1. Base salary	<ul style="list-style-type: none"> > Reviewed annually based on contribution and market relativities. > Targeted at industry average levels for comparable roles in universities of similar complexity and size. > Hay Group Guide Chart — Profile Method of Job Evaluation is used to determine the relative 'size' or importance of all senior staff jobs at UTS. > Market data from the Australian higher education sector (including a benchmark group of 10 most relevant comparator universities) and the general market is used to benchmark salary levels.
2. Retirement benefit	<ul style="list-style-type: none"> > Provide industry norm level of employer contribution (17 per cent) to choice of defined benefit or accumulation superannuation fund. > Provide the option for an individual to reduce the employer contribution level to the SGA complying level (9 per cent) with the difference paid as additional salary.
3. Market loading	<ul style="list-style-type: none"> > Market loading may be paid in addition to base salary where needed to attract and/or retain an employee where the salary range for the job-size band is not sufficient to meet the market average. > Reviewed every two years against benchmarked market data.
4. Other benefits	<ul style="list-style-type: none"> > All non-cash benefits are provided on a salary-sacrifice basis. > Senior executive members can elect non-cash benefits based on individual preferences. > The only exceptions to this are the residence and vehicle provided for use by the Vice-Chancellor. > The value of the FBT payable on the market value is included in the calculation of the value of these benefits.
5. At-risk incentive	<ul style="list-style-type: none"> > As part of the performance planning process each calendar year, a number of key deliverables/strategic goals are articulated for each executive staff member. > In July each year the Vice-Chancellor (in the case of Deputy Vice-Chancellors) or the Council Remuneration Committee (in the case of the Senior Deputy Vice-Chancellor and Vice-Chancellor) makes decisions on each of the senior executive staff member's overall performance for the prior calendar year with specific reference to the university's performance outcomes, the individual workplan objectives and levels of performance against those objectives. This assessment determines the level of payment from the at-risk component. Thus the performance component paid in 2010 relates to performance in 2009. > Where service in the 12-month performance plan period is greater than three and less than nine months payment is pro rated.

Executive performance and remuneration (continued)

The sum of the values of remuneration elements 1–4 are reported as 2010 remuneration package in the table below¹.

At-risk incentive (or performance-based pay) is reported separately as required by the regulation².

Executive performance and remuneration³

Name	Position and level ⁴	2010 remuneration package (not including performance incentive)	Market relativity	Payment based on 2009 performance	Results
Professor Ross Milbourne	Vice-Chancellor and President — senior staff level 7	\$638,610 (including salary: \$379,695, superannuation: \$64,547, vehicle (inclusive of FBT): \$30,963 and accommodation (inclusive of FBT): \$163,405)	At/around median for Vice-Chancellors in our selected comparator group of universities	\$77,663	The university performed strongly in 2010. Professor Milbourne successfully met the performance criteria contained in his performance agreement.
Professor Peter Booth	Senior Deputy Vice-Chancellor and Senior Vice-President — senior staff level 6	\$386,569 (including salary: \$330,401 and superannuation: \$56,168)	At/around median for Senior Deputy Vice-Chancellors in our selected comparator group of universities	\$49,050	Professor Booth successfully met performance criteria in his performance agreement including planning, assessment reporting against KPIs, review of the academic profile, and external representation on behalf of UTS.
Professor Shirley Alexander	Deputy Vice-Chancellor and Vice-President (Teaching, Learning and Equity) — senior staff level 5	\$305,469 (including salary: \$261,085 and superannuation: \$44,384)	At/around median for Deputy Vice-Chancellors in our selected comparator group of universities	\$40,875	Professor Alexander successfully met the performance criteria in her performance agreement including improvements to student life and leadership initiatives, development of learning spaces for the campus development plan, support for casual staff, student security and equity initiatives.
Professor Attila Brungs	Deputy Vice-Chancellor and Vice-President (Research) — senior staff level 5	\$325,086 (including salary: \$298,244 and superannuation: \$26,842)	At/around median for Deputy Vice-Chancellors in our selected comparator group of universities	\$30,656 (pro rata payment based on part-year service in 2009)	Professor Brungs successfully met the performance criteria in his performance agreement including a review of the research strategy, a deepening of research partnerships and research education initiatives.
Ms Anne Dwyer	Deputy Vice-Chancellor and Vice-President (Corporate Services) — senior staff level 5	\$323,965 (including salary: \$276,730 and superannuation: \$47,235)	At/around median for Deputy Vice-Chancellors in our selected comparator group of universities	\$43,600	Ms Dwyer successfully met the performance criteria in her performance agreement including risk and assurance program, enterprise bargaining, information technology improvements and took on additional responsibilities for student administration and Registrar functions.
Professor William Purcell	Deputy Vice-Chancellor and Vice-President (International and Development) — senior staff level 5	\$325,915 (including salary: \$281,241 and superannuation: \$44,674)	At/around median for Deputy Vice-Chancellors in our selected comparator group of universities	\$54,500	Professor Purcell successfully met the performance criteria in his performance agreement including a new internationalisation plan including new international partners, student recruitment initiatives, a new global leadership program, and alumni and development initiatives.
Mr Patrick Woods	Deputy Vice-Chancellor and Vice-President (Resources) — senior staff level 5	\$393,926 (including salary: \$261,689, market-loading: \$75,000 and superannuation: \$57,237)	At/around median for chief financial officers in the general market in similar sized organisations	\$54,500	Mr Woods successfully met the performance criteria in his performance agreement including delivery of the City Campus Master Plan, revised long-term financial plan, successful negotiation with external parties, and completion of business continuity planning.

1. As defined for remuneration package (c) in the Annual Reports (Statutory Bodies) Regulation 2010 (NSW).

2. In section 11.3(c) of the Annual Reports (Statutory Bodies) Regulation 2010 (NSW).

3. Key management personnel disclosures, including remuneration of executive officers, are also included in note 7 of the UTS financial statements on page 23.

4. All members of the executive were in their positions for the full 2010 calendar year.

APPENDIX B2

Employees

Workforce size: full-time equivalent (FTE)¹ and headcount

	Academic	Support	Total
FTE staff (continuing and fixed term)			
2008	852.2	1212.2	2064
2009	890.9	1294.1	2185
2010	929.0	1377.0	2306
Casual staff			
2008	325.2	213.9	539
2009	328.8	227.0	556
2010	340.3	234.7	575
Headcount² (continuing and fixed-term staff only)			
2008	890.0	1266.0	2156
2009	933.9	1343.3	2277
2010	973.9	1433.7	2408

Total FTE staff increased during 2010. Academic staff represent 44 per cent of staff.

1. FTE is averaged over the calendar year.

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

Profile of academic staff by classification

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

	2008	2009	2010
Professor	14.0	14.0	13.5
Associate Professor	12.4	12.3	11.1
Senior Lecturer	33.4	33.0	33.8
Lecturer	31.9	31.9	34.6
Associate Lecturer	8.3	8.8	7.1

During 2010, the proportion of academics at professorial, associate professor and senior lecturer levels decreased, while there was an increase in lecturer and associate lecturer levels.

1. These figures exclude casual academic staff, however include the substantive appointment of senior staff group academics.

Staff turnover

In the 12 months ending 31 December 2010, the staff turnover rate due to resignations decreased slightly from 6.88 per cent to 6.85 per cent.

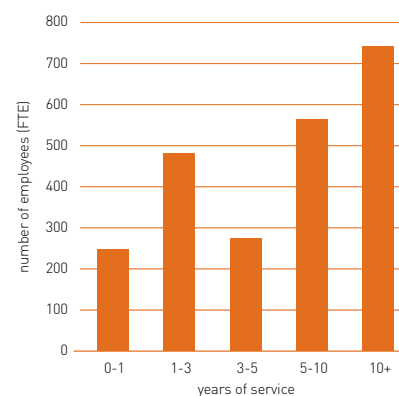
Professional Experience Programs (PEP)

Number of academic staff proceeding on a PEP during 2010:

	Male	Female	Total
Professor	9	4	13
Associate Professor	10	7	17
Senior Lecturer	23	21	44
Lecturer	7	11	13
Associate Lecturer	2	1	1
Total	44	44	88

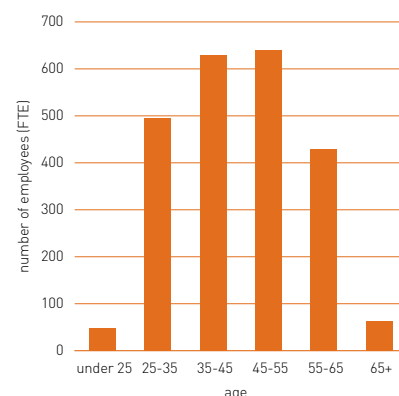
During 2010, 88 academic staff undertook a PEP, an increase of 10 from 2009. There was an increase in the percentage of females undertaking PEP, from 41.2 per cent of staff on PEP in 2009 to 50 per cent in 2010.

Length of service profile



As at 31 December 2010 the largest group of staff in terms of service is those with 10 years service and above.

Age profile



As at 31 December 2010 the university's workforce was predominantly middle aged.

APPENDIX B3

Equal employment opportunity (EEO) trends

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

Table A: Trends in the representation of EEO groups¹

	Benchmark or target	% of total staff ²				
		2006	2007	2008	2009	2010
General staff						
Women	50	57	57	57	58	59
Aboriginal people and Torres Strait Islanders	2	1.8	1.4	1.3	1.8	1.9
People whose language first spoken as a child was not English	19	32	34	35	35	35
People with a disability	12	10	9	8	9	9
People with a disability requiring adjustment at work	7	2.5	2.1	1.5	1.6	1.5
Academic staff						
Women	50	40	41	43	44	44
Aboriginal people and Torres Strait Islanders	2	1.7	1.4	1.7	1.8	1.9
People whose language first spoken as a child was not English	19	28	29	30	31	34
People with a disability	12	8	8	8	8	8
People with a disability requiring adjustment at work	7	2.6	2.7	2.9	3.2	2.9

Table B: Trends in the distribution of EEO groups¹

	Benchmark	Distribution index ²				
		2006	2007	2008	2009	2010
General staff						
Women	100	90	92	92	93	92
Aboriginal people and Torres Strait Islanders	100	97	–	–	93	96
People whose language first spoken as a child was not English	100	92	93	93	93	93
People with a disability	100	95	95	97	99	93
People with a disability requiring adjustment at work	100	96	100	100	102	100
Academic staff						
Women	100	90	90	92	90	90
Aboriginal people and Torres Strait Islanders	100	–	–	–	–	–
People whose language first spoken as a child was not English	100	88	87	89	90	90
People with a disability	100	101	100	96	102	105
People with a disability requiring adjustment at work	100	101	101	103	101	106

Table C: Number and percentage of female executive officers

	2006	2007	2008	2009	2010
Number	2	4	4	2	2
%	25	50	50	50	28

1. Information is provided on the actual number of all permanent, probationary and fixed-term contract full-time and part-time staff. Staff records are consistent with the Department of Education, Employment and Workplace Relations (formerly Department of Education, Science and Training) data collections of the same date.

2. Casual staff are not included.

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

APPENDIX B4

Safety and wellbeing

Accidents/incidents and workers compensation insurance

The August introduction of the hazard and incident reporting online (HIRO) system saw an increase in the total number of reported accidents/incidents during 2010: up from 293 to 325.

As a result, there was also an increase in notifications made to our workers compensation insurer: a total of 135 were made in 2010. From these notifications, 20 remained notifications only with no further action; 36 were journey/recess claims (which do not affect the university's workers compensation insurance premium); and the remaining 79 were premium-impacting claims.

Our workers compensation insurance premium remains lower than the industry tariff rate set by the WorkCover Authority of NSW. The industry tariff rate for 2010 was set at 0.622 per cent of wages, while the university's premium was 0.502 per cent of wages (\$1.408 million), representing a saving of approximately \$335,000.

Workers compensation statistics

Number of premium-impacting claims	79
Net incurred costs	\$181,277
Average cost per claim	\$2,295
Premium cost	\$1,408,699

Training and assessments

The safety and wellbeing branch conducted 194 one-on-one assessments of staff members' workstation ergonomics, with staff members receiving recommendations on amendments to workstation layout and configuration.

The branch also provided safe manual handling training to 24 staff.

Wellbeing

Staff wellbeing was promoted through a variety of activities and events in 2010.

Once again, the popular 10,000 Steps program was held. One hundred and twenty-six staff took on this walking challenge in June, taking over 80 million steps in 12 weeks.

The main wellbeing event held during 2010 was the safety and wellbeing month held in August. As well as the launch of the HIRO system, this event included a number of workshops covering a wide range of topics.

The workshops provided were based on the results of a university-wide health survey and loosely based on life stages, such as resources for soon-to-be and first-time fathers, coping with being the parent of an HSC student, Weight Watchers at Work, back care, improving the quality of sleep to increase wellbeing and productivity, vocal health and stamina for public speakers, how to retire well, and the launch of new online financial wellbeing and work/life balance resources.

Response to UTS student satisfaction survey

In the student satisfaction survey, students were asked to rate 89 items relating to every aspect of their experience at UTS. Student responses to the statement 'I feel safe on campus' ranked second highest; further evidence of UTS's commitment to providing a safe and friendly campus environment for students and staff.

APPENDIX B5

Overseas travel

The university paid \$6.4 million for staff overseas travel in 2010. These payments supported a wide range of activities, including attendance and presentation of research papers at international conferences, staff development, and research and teaching at affiliated institutions.

APPENDIX B6

Equity and diversity

This appendix expands on the equity and diversity information provided in the Review of Operations volume of the *UTS Annual Report 2010*.

Further information on the university's equity programs and activities is available from the Equity and Diversity Unit and at: www.equity.uts.edu.au

UTS's equity achievements and strategies for the year are outlined below.

2010 highlights

- > The UTS disability action plan was launched in March by Professor Ron McCallum, AO, chair of the United Nations Committee on the Rights of Persons with Disabilities.
- > The UTS widening participation strategy (WPS) was developed in 2010 as the university's response to the federal government's higher education equity agenda. The strategy aims to increase access to university for disadvantaged students.
- > UTS joined five other Sydney basin universities to hold the inaugural Sydney widening participation in higher education forum in February. This forum brought together over 100 school principals and university representatives to discuss strategies for increasing the representation of low socioeconomic status (low-SES) students.
- > UTS held an on campus parents' information workshop for 80 culturally and linguistically diverse background parents of students from low SES schools in the south-western Sydney region.
- > The UTS HSC assistant tutors scheme was introduced as a pilot project funded through the WPS. The scheme involved UTS students tutoring and mentoring HSC students in after-school sessions at New South Wales Department of Education and Training priority schools.
- > UTS held the 'Make it Reel' cineliteracy summer school program in January and the 'Make a Real Robot' winter school in July. Sixty-two students from 15 priority funded high schools in the south-western Sydney region participated in the program.
- > UTS conducted its first comprehensive, organisation-wide gender pay equity audit this year; the results of which will help inform policy development in this area.

- > UTS staff were invited to take part in the piloting of Courageous Conversations—a challenging professional development program that develops, sustains and deepens the dialogue around the subject of race, racism, gender, disability and sexuality.
- > The university launched 'UTS inclusive language and diversity resource'—a web-based resource with readings, information and guidelines for teaching and learning in a culturally diverse community.
- > Two hundred staff, students and members of the public attended the 2010 Human Rights Awards event at UTS in October, with the national director of GetUp! Simon Sheikh as guest speaker.
- > Over 140 people attended the 2010 Clare Burton Memorial Lecture 'Beyond token women: The need for radical reform in corporate Australia' given by Dr Linley Lord from Curtin University.
- > UTS was recognised as a 2010 Employer of Choice for Women by the Equal Opportunity for Women in the Workplace Agency (EOWA).

Staff and student equity

Women

UTS has a long-term commitment to equal opportunity for women. The recognition of UTS as a best practice employer of choice for women by EOWA is a public acknowledgment of this commitment and the quality of the UTS gender equity programs.

The development of senior women managers and academics and the participation of women in research are key gender equity issues for the university. The UTS strategic plan includes a gender equity key performance indicator of 38 per cent in 2010 for representation of senior academic women.

In 2010 women represented 44 per cent of academic staff at UTS. Women constitute 44.7 per cent of senior lecturers and 39.2 per cent of associate professors. The representation of women at professorial positions (level E) has dropped from 33.6 per cent in 2009 to 30.1 per cent in 2010.

As a result, the representation of senior academic women (level D, E and senior staff group) is 36.1 per cent, below the target of 38 per cent. These changes in representation of women at professorial level arose due to active recruitment activity in research disciplines where women tend to be under-represented.

Women comprise 58.9 per cent of general staff. However, the proportion of women employed in senior general staff positions has slightly decreased to 37.2 per cent in 2010. While UTS still performs well in comparison to other universities, representation of women at senior levels remains an equity priority for the university.

Key gender equity activities for 2010 included the following.

Women@UTS program

Mentoring, networking and other professional development opportunities for women are coordinated through the Women@UTS program. A monthly newsletter, speaker events, leadership programs, community engagement and celebrations facilitate connections and networking for support and academic women at all levels across the university.

Women@UTS celebrated International Women's Day 2010 with a stimulating panel discussion, 'Gender equality before the law: are we there yet?', which featured speakers from the Faculty of Law.

Contemporary Chinese women artists, saving for retirement, information for parents on cyber bullying and Indigenous literacy were some of the topics covered in seminars held during 2010.

Women@UTS also offered professional development opportunities for support staff women through the future pathways program. In 2010, this included a refresher workshop for past participants to review and further develop their career planning and leadership skills and the facilitation of formal and informal networking opportunities.

Women in research

The early career women researchers' network is coordinated by the Equity and Diversity Unit to promote academic research participation and opportunities for women. The Deputy Vice-Chancellor and Vice-President (Research) facilitated an informative discussion on the university's research strategy and the vision for research at UTS over the next few years at the network's first meeting of the year.

In addition, comprehensive data on male and female academic research performance, on a faculty basis, was compiled through the university's Research and Innovation Office in 2010. This data will provide the university with a clearer picture of gender differences in research performance and opportunity, and enable the development of targeted strategies where required.

Mentoring for academic promotion

One major strategy for increasing the number of women in more senior positions is to improve their participation and success rates in the academic promotion process. Research has shown that female academics can be more hesitant in applying for promotion than their male peers, and that specialised workshops can encourage them to apply and can make a difference to their success rates.

In 2010 UTS offered a targeted support program to women applying for promotion to the professoriate. The program included a preparation for promotion workshop that focused on application and interview preparation, a role-play workshop, peer mentoring for promotion opportunities, and one-on-one application advice and support.

Australian Technology Network of universities women's executive development

UTS sponsored three senior women academics to attend the women's executive development (WEXDEV) academic leadership program in 2010. This is an extensive program involving development opportunities for women from across the five ATN universities. It also promotes measures that will increase appreciation of diversity.

Participants are mentored by senior UTS staff and executive members, and attended two programs of workshops over the year. The national WEXDEV program is coordinated from within the university's Equity and Diversity Unit, and chaired by the Deputy Vice-Chancellor and Vice-President (Corporate Services).

Review of UTS gender strategy

The final report of Professor Ross-Smith's comprehensive review of the UTS gender equity strategy was submitted to the Women@UTS executive advisory group for comment and feedback. The Equity and Diversity Unit is considering the report findings and identifying recommendations that can inform the forthcoming gender equity strategy. As part of this process we are consulting with other relevant stakeholders within UTS.

Pay equity audit

One of the gender equity strategy review's recommendations was that UTS conduct an extensive pay equity audit by faculty, unit and staff level, using total remuneration. The Equity and Diversity Unit conducted this audit, with the support of the Human Resources Unit and payroll.

The audit provided a comprehensive picture of the gender pay gap at UTS, highlighting the gendered impact of differences in representation at senior levels and in the allocation of above award allowances and market loadings. The university will include information from the audit in its annual report to EOWA.

Indigenous people

The recruitment, employment and development of Indigenous staff continued to be supported at UTS through the Wingara strategy. In addition to ongoing activities, in 2010 the Vice-Chancellor provided strategic funding over the next three years to co-fund two Indigenous academic internships and two traineeships. These initiatives build on successful placements in 2009 and are aimed at growing UTS's Indigenous talent pool, as well as offering support and increased opportunities for staff development.

UTS maintained its strong commitment to reconciliation through events such as the anniversary of the apology to the Stolen Generations morning tea and the flag-raising ceremony and lunch during reconciliation week. Both events were very well attended by staff, students and the local Indigenous community and have become an integral part of the UTS calendar.

The Equity and Diversity Unit continued to run its popular Indigenous cultural awareness sessions, facilitated by equity and diversity coordinator Joan Tranter. Joan was also acknowledged at the 2010 UTS Human Rights Awards by being awarded the Reconciliation Award in honour of her lifetime commitment to the advancement of reconciliation between Indigenous and non-Indigenous people.

People with disabilities

Professor Ron McCallum, AO, chair of the United Nations Committee on the Rights of Persons with Disabilities, officially launched the UTS Disability Action Plan 2010–2014 in March. The Vice-Chancellor and over 100 UTS staff and students attended the celebratory event.

The disability action plan committee is responsible for overseeing the activities initiated under the plan and established priorities for the year via its annual planning session in February.

Enhancement of the academic liaison officer network

Academic liaison officers (ALOs) are academic members of staff in each faculty who are designated contact people for students with disabilities. The role is a critical one within the university but differs from faculty to faculty in terms of responsibilities and recognition. A project is underway to look into these differences with a view to making recommendations in 2011 for improvements in consistency of service and recognition across the university.

Workplace adjustments for staff with disabilities

The Equity and Diversity Unit and the Human Resources Unit have been collaborating to establish a workplace adjustments procedures document for use by supervisors and staff when establishing workplace adjustments for staff with disabilities. A communication and education plan will be rolled out in 2011 to ensure all staff at UTS are aware of these procedures and how to implement them.

Mental health awareness training

The Student Services Unit, with support from the Equity and Diversity Unit, continued to run mental health awareness training for UTS staff. These popular sessions are now in their fourth year and attract academic and support staff from across the university who wish to develop their understanding of mental health issues, and how to respond appropriately to students who may disclose or present with a mental illness.

Accessible environments advisory group

This sub-group of the disability action plan committee ensures that the UTS built environment is accessible for people with disabilities. With the inception of the UTS City Campus Master Plan, the accessible environments advisory group provided expert advice at university project meetings, and an accessible environments policy is now embedded in the UTS design guidelines. With new Australian building access codes due to be introduced in 2011, UTS is well placed to be compliant under the new code.

Other ongoing initiatives included the Equity and Diversity Unit's workplace disability fund. This funding allows for workplace adjustments to assist staff with disabilities to effectively perform the inherent requirements of their job.

Another fund, the disability project fund, allocates moneys that are raised through parking fines incurred by non-eligible vehicles in designated accessible parking spaces to areas of need for students with disabilities. In 2010, the fund continued its support for the second phase of the AccessAbility website project, which is aimed at providing information and support for students with disabilities. The creators of this innovative website were awarded the 2010 Elizabeth Hastings Memorial Award for Student Community Contribution in the 2010 UTS Human Rights Awards.

UTS also continued its ongoing successful partnership with the Commonwealth Rehabilitation Service to provide opportunities for work placements for people with disabilities. This partnership provides relevant training, work experience and support to enable people to compete for advertised positions both within the university and in the wider workforce.

Equity and diversity (continued)

Multicultural policies and services

In 2010 the Equity and Diversity Unit focused on enhancing respect and understanding among staff and students through training to develop the skills and competencies to work, study and live in our highly diverse global environment. This is in line with the university's wider objective to internationalise the student experience to support the UTS model and the future student profile.

Courageous Conversations staff development workshops

A series of cultural diversity workshops were organised at UTS in July to increase staff capacity to work in a contemporary and diverse learning environment. Courageous Conversations professional development training is significantly different from other models of cultural diversity training. Focusing on cultural competence, it aimed to engage, sustain and deepen the dialogue around the challenging subjects of race, racism, gender, disability and sexuality.

Drawing on the expertise of colleagues from the University of Western Australia, the Equity and Diversity Unit sponsored a week-long program of workshops, with over 80 staff from various units and faculties attending. A rigorous evaluation of this pilot program was undertaken to assess the applicability of this training model for the UTS community. Outcomes from this evaluation will inform future plans for cultural diversity training at UTS.

Developing diversity leadership project

This project began in 2009 and culminated in 2010 with a variety of activities aimed at increasing staff and students' capacity to work and study in a culturally diverse environment such as UTS. Eight training sessions were held for student leaders, focusing on developing students' capabilities around understanding difference and enhancing their personal and community leadership skills and styles. Approximately 150 students attended and the courses are now being integrated into student programs run through the Student Services Unit. Two 'world cafe' events on diversity leadership were held for staff in July. These lively and innovative information sharing events were attended by 85 staff who were given an opportunity to give feedback and share ideas about how to maintain and further enhance UTS as an inclusive environment.

The Equity and Diversity Unit also launched the 'UTS inclusive language and diversity resource' at the world cafe. This web-based resource provides readings, information and guidelines for teaching and learning in a culturally diverse community. The examples and case studies provide additional assistance on a range of challenges that staff and students may face.

Student services initiatives

The Student Services Unit continued to be active and committed to organising activities that celebrated UTS's diverse student population. The annual Infusion festival, the network cafes, the student resident life program and the UTS peer network all contributed throughout the year by offering music, dance, food, public campaigns, education and training.

English language and communication project

This project, initiated in 2009 by the ELSSA Centre, involves the implementation of a systematic approach to ensure that all UTS students have the necessary academic English language ability to complete their studies. After the completion of pilot studies and extended funding in 2010, the Vice-Chancellor provided strategic funding for the continuation of the project so that it can be extended to all UTS faculties from Autumn 2011.

Parents' day

Eighty parents, predominantly from culturally and linguistically diverse backgrounds, attended a parents' information workshop run as part of the UTS widening participation strategy. It was organised in collaboration with New South Wales Department of Education and Training community partnership officers for parents of children at priority schools in south-western Sydney.

The half-day program included presentations from the university's careers service, a financial assistance officer and the ELSSA Centre, and covered information about careers and courses, costs and fees, and support at university. Parents also attended faculty and campus tours to give them an experience of the university environment.

Widening Participation Strategy

The UTS Widening Participation Strategy 2010–2015 (WPS) was implemented to assist in increasing the representation and success of low socioeconomic status (low-SES) students in higher education. The strategy is supported by key performance indicators for low SES and Indigenous student participation, and is linked to objective 3 of the university's strategic plan: to 'enhance our strong and inclusive university environment through state-of-the-art learning, research and social spaces, infrastructure and highly responsive services'.

In 2010 UTS funded over 20 new projects under the four WPS themes of building aspiration, widening access, success and retention, and inclusive community.

Outreach activities

On campus and school visit programs aimed to raise the aspiration for higher education in students in over 30 disadvantaged high schools. The university worked with principals, career advisers, community groups and the NSW Department of Education and Training to run these activities.

In 2010 key outreach activities included:

- > U@UTS, a one-day university 'taster', attended by 200 year 10 students
- > the 'Make it Reel' cineliteracy summer school program and the 'Make a Real Robot' engineering and IT winter school attended by students from 15 priority schools
- > a reunion and career development sessions for past summer school attendees held on UTS open day
- > school visits by UTS students and staff who participated in the summer and winter schools, to showcase the work produced by students during these intensive programs and to provide information about university pathways
- > the UTS HSC assistant tutor scheme involving UTS students tutoring HSC students at five priority schools.

Access schemes

inpUTS educational access scheme

The inpUTS educational access scheme is open to current and non-current school leavers who demonstrate educational disadvantage and who have never enrolled in university-level study. Eligible applicants receive a 10 point Australian Tertiary Admission Rank (ATAR) concession on standard entry for UTS courses.

In 2010 a larger number of inpUTS students gained entry to courses without requiring an ATAR concession. Overall inpUTS student numbers (concession entry plus non-concession entry) remained relatively stable at 662 in 2010 compared to 720 in 2009. Once at university, the success rates for these students are broadly on par with the success rates of all students.

UTS special admission scheme

The UTS special admission scheme is open to non-current school leavers (and some current school leavers) who demonstrate educational disadvantage, refugee status, or who are elite athletes/performers. Eligible applicants receive a concession on standard entry for UTS courses.

Access scheme	2007	2008	2009	2010
inpUTS (concession entry)	523	591	631	562
Special admission — educational disadvantage	19	33	38	12
Special admission — elite athlete and performers	22	21	39	34
Special admission — refugees	7	9	10	9
Refugee scholarships	3	3	3	6

Financial support

Our strategies to boost students' success included offering personal, academic and financial support. In 2010, UTS provided or administered financial support of \$1,193,000 through the following equity scholarships and financial support.

- > UTS diversity access scholarships, valued at between \$1000 and \$4000, were awarded to 1161 students demonstrating financial hardship.
- > UTS equity grant fund, valued at \$180,000 in 2010, is administered by the Student Services Unit to assist students in severe financial hardship.

In addition, UTS continued to offer individual equity scholarships that are discipline-specific or related to specific cohorts of students.

Inclusive community for staff and students

To foster an inclusive community, UTS implemented a range of programs and activities this year to enrich the university environment.

SHOUTS sex-based harassment and bullying out of UTS project

The SHOUTS campaign aims to improve awareness of rights and responsibilities in relation to sex-based, race-based and other forms of harassment and bullying. It featured an online training module for staff, developed by EOWA, and a short video, that was shown at lectures at the beginning of the year. The video featured regularly on the UTS video monitors placed around campus and is available on all UTS computers.

In addition all staff, staff and student organisations, and senior managers were sent information about the program at the beginning of the year. Those who had not completed the online training were encouraged to do so. In response, a total of 180 staff had registered for the online training program by the end of June.

Ally program

The UTS ally program continued to support sexual diversity and to address homophobia on campus via a network of UTS staff who are trained as 'allies'. Allies are available to offer confidential support and assistance to staff and students.

Human rights awards

Almost 200 staff, students and members of the public attended the 2010 UTS Human Rights Awards event held in October. The awards ceremony is a biennial event that highlights and celebrates the inspiring human rights work undertaken by UTS staff and students.

Simon Sheikh, the national director of GetUp!, was the guest speaker and he, along with the Vice-Chancellor and Chancellor, paid tribute to nominees and award recipients. A new award category—the UTS Social Inclusion Award—was introduced this year to recognise staff working to increase the involvement in education of disadvantaged individuals or communities. Thirty-three nominations were received under the seven award categories.

Outlook and priorities for 2011

Building sustainable social and organisational change takes time. In 2011, the Equity and Diversity Unit will continue to work on the priorities set in 2010.

Opening UTS to disadvantaged students

- > continue to develop and coordinate the UTS widening participation strategy to attract, support and retain more low-SES students
- > continue to build partnerships with other New South Wales universities, TAFEs, schools and community groups to improve higher education access for disadvantaged students on a state-wide basis.

Increasing Indigenous employment within UTS

- > increase the number of Indigenous staff recruited to a range of mainstream positions across UTS, in addition to targeted initiatives such as the creation of Indigenous academic internships.

Implementing social inclusion initiatives

- > develop policies, training and resources with the Student Services Unit, the Human Resources Unit (HRU) and safety and wellbeing to support staff and students with mental health issues and help supervisors manage these situations
- > continue to provide a more inclusive environment for staff and students with disabilities via the implementation of the disability action plan
- > review current policies and procedures for handling staff and student complaints to provide clear guidance to complainants, respondents and supervisors.

Gender equity: getting down to the detail

- > 2010 audits of pay equity and research activity to inform the gender equity agenda for 2011–12
- > work closely with HRU to integrate equity into the university's workforce planning
- > support the promotion of women to the professoriate.

Enhancing cultural competence

- > build on the understanding and energy generated by the 2010 diversity leadership and Courageous Conversations programs to promote understanding and increase the ability of staff and students to work and communicate across difference in a respectful and productive way.

APPENDIX C1

Legislative matters

The most significant judicial decision affecting UTS in 2010 was the case of *University of Western Australia v Gray* (22 February 2010), in which the High Court of Australia refused special leave to appeal from the Full Federal Court's decision in *University of Western Australia v Gray* (2009) 259 ALR 224.

The Full Federal Court upheld the earlier decision, dismissing claims by the University of Western Australia (UWA) to ownership of the intellectual property rights in certain medical inventions developed by Dr Bruce Gray, formerly professor of surgery at UWA.

The court found there was no express term in Dr Gray's employment contract that provided for an assignment of the intellectual property rights in inventions developed in the course of his employment, nor was there any term that could be implied into his contract that would have this effect. While Dr Gray's contract included a duty to conduct research, this did not infer a duty to invent.

The case is impacting generally on intellectual property policies and employment terms for academics.

The other significant decision was *Roadshow Films Pty Ltd v iiNet Limited (No. 4)* (2010) FCA 645 (25 June 2010) in which the Federal Court of Australia determined that internet service providers are not liable for the copyright infringement of their users or subscribers when their subscribers download films where they infringe copyright. This has impacted on UTS's practice in relation to copyright.

2010 changes in legislation

- > The *Government Information (Public Access) Act 2009* (NSW) (the GIPA Act) came into effect in 2010. The GIPA Act includes a presumption that government information (such as university information) will be released to the public unless there is an 'overriding public interest against disclosure'. The GIPA Act implements the view that government departments and agencies, and the university sector, should be more open and transparent especially in the electronic age where convenient access to government information can be provided efficiently. The act requires the university to make available significant amounts of information to the public as a matter of course.

- > The unfair contract terms provisions of the *Australian Consumer Law* came into effect in 2010 in New South Wales and the balance of the legislation comes into effect on 1 January 2011. An unfair term can be void and of no effect, although the contract can continue to bind the parties if it is capable of operating without the unfair term. This legislation provides for a single, national consumer law through cooperative legislation of the various states and territories across Australia. It replaces the *Fair Trading Act 1987* (NSW) and parts of the *Trade Practices Act 1974* (Cwlth) and is administered by the Australian Competition and Consumer Commission.
- > *Health Practitioner Regulation National Law Act 2009* (NSW) came into effect in 2010. It is an Australia-wide registration scheme for all health practitioners, which now applies to students in health-related vocational programs.
- > Residential Tenancies Regulation 2010 (NSW) still exempts most university residential colleges from the *Residential Tenancies Act 2010* (NSW), but if National Rental Affordability Scheme (NRAS) funding is provided, then the Residential Tenancies Act will apply to those residential colleges funded under NRAS.
- > The *Fair Work Act 2009* (Cwlth), which came into effect in mid-2009, has had an impact on the university during 2010. New information must be provided to all staff and a review of the impact of this legislation on students obtaining work experience in various capacities has been prompted.

APPENDIX C2

Privacy

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.

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

The university is also bound by the 15 health privacy principles contained 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 the university is required to develop and implement a privacy management plan. The plan is a statement of how we comply, or intend to comply, with the abovementioned 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. The privacy management plan has been lodged with the New South Wales Privacy Commissioner.

The UTS Privacy Management Plan is currently under review as part of an overall review of the university's privacy framework.

Privacy complaints

During 2010, one privacy complaint was received by the university. This complaint was subject to internal review under the Privacy and Personal Information Protection Act and the review was completed in line with the legislative obligations.

APPENDIX C3

Freedom of information

The *Freedom of Information Act 1989* (NSW) (the FOI Act) was replaced by the *Government Information (Public Access) Act 2009* (NSW) (the GIPA Act) on 1 July 2010.

In accordance with the FOI Act, the university published its last Summary of Affairs in June 2010 in the *NSW Government Gazette*. This document is available on the UTS right to information website (www.gsu.uts.edu.au/gipa), and copies are also available from the UTS right to information contact officer.

Freedom of information application statistics

The following statistics are provided in accordance with the FOI Act and the *Annual Reports (Statutory Bodies) Act 1984* (NSW) for the period 1 January 2010 to 30 June 2010.

Application statistics under the GIPA Act are provided in Appendix C4.

Section A: new FOI requests

FOI request received, discontinued or completed		Number of FOI applications					
		Personal		Other		Total	
		2009	2010	2009	2010	2009	2010
A1	New	3	1	3	1	6	2
A2	Brought forward	-	-	-	-	-	-
A3	Total to be processed	3	1	3	1	6	2
A4	Completed	3	1	3	0.5	6	2
A5	Discontinued	-	-	-	0.5	-	-
A6	Total processed	3	1	3	1	6	2
A7	Unfinished (carried forward)	-	-	-	-	-	-

Section B: discontinued applications

Why were FOI applications discontinued?		Number of discontinued FOI applications					
		Personal		Other		Total	
		2009	2010	2009	2010	2009	2010
B1	Request transferred to another agency (s 20)	-	-	-	-	-	-
B2	Applicant withdrew request	-	-	-	-	-	-
B3	Applicant failed to pay advanced deposit (s 22)	-	-	-	0.5	-	0.5
B4	Applicant failed to amend request that would have been an unreasonable diversion of resources to complete (s 25(1)(a1))	-	-	-	-	-	-
B5	Total discontinued	-	-	-	0.5	-	0.5

Section C: completed applications

What happened to completed FOI applications?		Number of completed FOI applications					
		Personal		Other		Total	
		2009	2010	2009	2010	2009	2010
C1	Granted or otherwise available in full	2	-	2	0.5	4	0.5
C2	Granted or otherwise available in part	1	1	1	-	3	1
C3	Refused	-	-	-	-	-	-
C4	No documents held	-	-	-	-	-	-
C5	Total completed	3	1	3	1	6	1.5

Freedom of information (continued)

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	
		2009	2010	2009	2010	2009	2010
D1	Provided to the applicant	2	–	2	0.5	4	0.5
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	–	–	–	–	–	–
D8	Total granted or otherwise available in full	2	–	2	0.5	4	0.5

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	
		2009	2010	2009	2010	2009	2010
E1	Provided to the applicant	1	1	1	–	2	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	–	–	–	–	–	–
E8	Total granted or otherwise available in part	1	1	1	–	2	1

Section F: refused FOI applications

Why was access to the documents refused?		Number of refused FOI applications					
		Personal		Other		Total	
		2009	2010	2009	2010	2009	2010
F1	Exempt	–	–	–	–	–	–
F2	Deemed refusal	–	–	–	–	–	–
F3	Total refused	–	–	–	–	–	–

Section G: exempt documents

Why were the documents classified as exempt? (identify one reason only)		Number of FOI applications (refused or access granted or otherwise available in part only)					
		Personal		Other		Total	
		2009	2010	2009	2010	2009	2010
<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	1	-	2	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)	-	-	-	-	-	-
G27	Total applications including exempt documents	1	1	1	-	2	1

Section H: ministerial certificates

How many ministerial certificates were issued?		Number	
		2009	2010
H1	Ministerial certificates issued (s 59)	-	-

Freedom of information (continued)

Section I: formal consultations

How many formal consultations were conducted?		Number	
		2009	2010
I1	Number of applications requiring formal consultation	2	–
I2	Number of persons formally consulted	3	–

Section J: amendment of personal records

How many applications for amendment of personal records were agreed or refused?		Number	
		2009	2010
J1	Agreed in full	1	–
J2	Agreed in part	–	–
J3	Refused	–	–
J4	Total	1	–

Section K: notation of personal records

How many applications for notation of personal records were made?		Number	
		2009	2010
K1	Applications for notation (s 46)	–	–

Section L: fees and costs

What fees were assessed and received for FOI applications processed (excluding applications transferred out)		Assessed costs		Fees received	
		2009	2010	2009	2010
L1	All completed applications	\$510	\$330	\$150	\$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	
		2009	2010	2009	2010	2009	2010
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	–	–	–	–	–	–
M5	Total	1	–	–	–	1	–

Section N: fee refunds

How many fee refunds were granted as a result of significant correction of personal records?		Number	
		2009	2010
N1	Number of fee refunds granted as a result of significant correction of personal records	–	–

Section O: days taken to complete request

How long did it take to process completed applications?		Number of completed FOI applications					
		Personal		Other		Total	
		2009	2010	2009	2010	2009	2010
O1	0–21 days — statutory determination period	3	1	3	1	6	2
O2	22–35 days — extended statutory determination period for consultation or retrieval of archived records (s 59B)	–	–	–	–	–	–
O3	Over 21 days — deemed refusal where no extended determination period applies	–	–	–	–	–	–
O4	Over 35 days — deemed refusal where no extended determination period applies	–	–	–	–	–	–
O5	Total	3	1	3	1	6	2

Section P: processing time

How long did it take to process completed applications?		Number of completed FOI applications					
		Personal		Other		Total	
		2009	2010	2009	2010	2009	2010
P1	0–10 hours	3	1	3	1	6	2
P2	11–20 hours	–	–	–	–	–	–
P3	21–40 hours	–	–	–	–	–	–
P4	Over 40 hours	–	–	–	–	–	–
P5	Total	3	1	3	1	6	2

Section Q: number of reviews

How many reviews were finalised?		Number of completed reviews	
		2009	2010
Q1	Internal reviews	–	–
Q2	NSW Ombudsman reviews	–	–
Q3	Administrative Decisions Tribunal reviews	–	–

Section R: results of internal reviews

Grounds on which internal review was requested		Number of internal reviews					
		Personal		Other		Total	
		Original agency decision upheld	Original agency decision variety	Original agency decision upheld	Original agency decision variety	Original agency decision upheld	Original agency decision variety
		2009	2010	2009	2010	2009	2010
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	–	–	–	–	–	–
R8	Total	–	–	–	–	–	–

APPENDIX C4

Right to information

The *Government Information (Public Access) Act 2009* (NSW) (the GIPA Act) commenced on 1 July 2010.

Proactive release of information

In preparation for the commencement of the GIPA Act in July 2010, UTS undertook a review as required by section 7(3) of the GIPA Act to identify types of information that it should proactively release on its website.

This review considered past applications made under the previous *Freedom of Information Act 1989* (NSW) (the FOI Act) over several years to determine trends with respect to requests for similar types of information. Additionally, the review considered the mandatory requirement to publish information required under section 6 of the GIPA Act, and the current information already available on the UTS website.

The review found that no additional information need be made publicly available on the UTS website.

Access application statistics

Three access applications were lodged during 2010. One application was not due to be completed until 2011, so its outcomes are not reflected in the following statistics.

The following statistics are provided in accordance with Schedule 1 of the *Government Information (Public Access) Regulation 2009* (NSW) for the reporting period of 1 July 2010 to 31 December 2010.

Application statistics under the FOI Act are provided in Appendix C3.

Table A: Number of applications by type of applicant and outcome¹

	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already available	Refuse to deal with application	Refuse to confirm/deny whether information is held	Application withdrawn
Media	–	–	–	–	–	–	–	–
Members of parliament	1	–	–	–	–	–	–	–
Private sector business	–	–	–	–	–	–	–	–
Not-for-profit organisations or community groups	–	–	–	–	–	–	–	–
Members of the public (application by legal representative)	–	–	–	–	–	–	–	–
Members of the public (other)	1	–	–	1	–	–	–	–

1. More than one decision can be made in respect of a particular access application. If so, a recording must be made in relation to each such decision.

Table B: Number of applications by type of application and outcome¹

	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already available	Refuse to deal with application	Refuse to confirm/deny whether information is held	Application withdrawn
Personal information applications ²	1	–	–	1	–	–	–	–
Access applications (other than personal information applications)	1	–	–	–	–	–	–	–
Access applications that are partly personal information applications and partly other	–	–	–	–	–	–	–	–

1. More than one decision can be made in respect of a particular access application. If so, a recording must be made in relation to each such decision.

2. A personal information application is an access application for personal information (as defined in clause 4 of Schedule 4 to the GIPA Act) about the applicant (the applicant being an individual).

Table C: Invalid applications

Reason for invalidity	Number
Application does not comply with formal requirements (s 41)	–
Application is for excluded information of the agency (s 43)	–
Application contravenes restraint order (s 110)	–
Total number of invalid applications received	–
Invalid applications that subsequently became valid applications	–

Table D: Conclusive presumption of overriding public interest against disclosure: matters listed in Schedule 1 to the GIPA Act

Overriding public interest against disclosure	Number of times consideration used ¹
Overriding secrecy laws	–
Cabinet information	–
Executive Council information	–
Contempt	–
Legal professional privilege	–
Excluded information	–
Documents affecting law enforcement and public safety	–
Transport safety	–
Adoption	–
Care and protection of children	–
Ministerial code of conduct	–
Aboriginal and environmental heritage	–

1. More than one public interest consideration may apply in relation to a particular access application and, if so, each such consideration is to be recorded (but only once per application).

Table E: Other public interest considerations against disclosure: matters listed in table to section 14 of Act

Public interest considerations against disclosure	Number of occasions when application not successful ¹
Responsible and effective government	–
Law enforcement and security	–
Individual rights, judicial processes and natural justice	–
Business interests of agencies and other persons	–
Environment, culture, economy and general matters	–
Secrecy provisions	–
Exempt documents under interstate freedom of information legislation	–

1. More than one public interest consideration may apply in relation to a particular access application and, if so, each such consideration is to be recorded (but only once per application).

Table F: Timeliness

	Number
Decided within the statutory timeframe (20 days plus any extensions)	2
Decided after 35 days (by agreement with applicant)	–
Not decided within time (deemed refusal)	–
Total	2

Table G: Number of applications reviewed under Part 5 of the GIPA Act (by type of review and outcome)

Type of review	Decision varied	Decision upheld	Total
Internal review	–	–	–
Review by Information Commissioner ¹	–	–	–
Internal review following recommendation under section 93 of the GIPA Act	–	–	–
Review by Administrative Decisions Tribunal	–	–	–

1. The Information Commissioner does not have the authority to vary decisions, but can make recommendations to the original decision-maker. The data in this case indicates that a recommendation to vary or uphold the original decision has been made by the Information Commissioner.

Table H: Applications for review under Part 5 of the GIPA Act (by type of applicant)

Applicants for review	Number
Applications by access applicants	–
Applications by persons to whom information the subject of access application relates (s 54)	–

APPENDIX C5

Guarantee of service

UTS is a university with an international reputation for quality programs and flexible learning. Our standards for the provision of services are provided through formal policies, guidelines, rules and codes of conduct. Copies of these are available in either hard copy or from the UTS website: www.uts.edu.au

We develop and regularly revise our programs of study in consultation with appropriate industry, government and professional bodies so that our degrees can be based on the latest professional standards and current practices.

Our courses reflect our commitment to providing a relevant education to students. This includes flexible and practice-oriented 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.

We are committed to continuously tracking and improving the quality of both our core activities (teaching, learning, research, external engagement) and the infrastructure and administrative and support systems that underpin them. The UTS Strategic Plan 2009–2018 and the university's planning and improvement framework underpin our continuous improvement activities.

In 2010, we developed a comprehensive process that clearly articulates the delivery of services and support to our students and the wider community, focusing our planning and improvement activities accordingly.

The Planning and Quality Unit's purpose is to facilitate improvement in UTS performance through strategic planning, reporting and quality improvement. The 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, trend and benchmarking data and the course performance report. The results of all performance elements are fed into the UTS continuous improvement cycle—plan, do, review, improve.

The Planning and Quality Unit's service delivery model is focused on adding value for our senior executive and faculties in delivering the UTS strategic plan.

APPENDIX D1

Consultants

The university paid \$30.85 million for external consulting services in 2010, of which \$16.04 million was for capital works. A total of \$4.848 million was paid for consultancies consisting individually of less than \$30,000.

Payments in excess of \$30,000 totalled \$26,010,406.06 and are listed below.

Company	Category	Project	\$
Gehry Partners LLP	architect	Dairy Farmers Building	7,636,648.20
LTC Language & Testing Consultants Pty Ltd	language testing	language proficiency tests	1,619,940.62
The Trustee for DCM Trust t/a Denton Corker Marshall Pty Ltd ATF DCM Trust	architect	Broadway building initial design	1,416,879.31
UniQuest Pty Limited	research	CRB projects	907,990.99
Carrington Associates Asia Pacific Pty Ltd	business consulting	NEO R12 upgrade	475,516.94
Arup Pty Limited t/a Ove Arup Pty Ltd	engineer	podium CB01/CB02 initial design, City campus master plan design	448,065.52
X Pty Ltd t/a Exploring Opportunities	software developer	website design	410,165.67
The Trustee for Ionita Family Trust and the Trustee for Skinner Family Trust t/a Lean Six Sigma and Business Excellence Institute	course facilitation	Six Sigma foundations courses	395,670.81
Highgate Management Pty Ltd	project management	Dairy Farmers Building	357,906.00
The Trustee for Gardner Wetherill Unit Trust t/a Gardner Wetherill & Associates Pty Limited	architect	Facilities Management Unit various projects	342,205.00
Hudson Global Resources (Aust) Pty Ltd	employment agency	Broadway building initial design and student housing	325,981.20
The Trustee for Daryl Jackson Robin Dyke Unit Trust	architect	Dairy Farmers Building	315,904.46
Woods Bagot Pty Ltd	architect	upgrade to Haymarket public spaces, blocks A and B	301,961.80
Clarkson ITT Pty Limited	course facilitation	short courses	273,909.71
Davis Langdon Australia Pty Limited t/a Davis Langdon	quantity surveyor	Broadway building initial design, City campus master plan design	269,805.10
DEGW Asia Pacific Pty Ltd	planning consultants	space utilisation survey for City/Kuring-gai campuses	256,037.18
Gehry Technologies Inc.	architect/design	Dairy Farmers Building	248,113.23
Burtenshaw Scoufis Architecture Pty Ltd	architect	research facilities in faculties of Engineering and Information Technology, and Science's Microstructural Analysis Unit, CB04.1; refurbish central stores	245,995.87
Jeffery and Katauskas Pty Limited	environmental engineer	City campus master plan design	237,851.75
Vim Design Pty Limited and Architecture Office Pty Limited t/a De Manincor Russell Architecture Workshop (DRAW)	architect	Great Hall	214,581.24
Meteora Consulting Group Pty Ltd	project management	Centre for Study of Choice tier 1	205,249.99
Aurecon Australia Pty Ltd	mechanical engineer	relocate UTS Function Centre CB01 to CB10.7, Broadway building initial design	174,256.25
Peddle Thorp & Walker Pty Limited PTW Architects	architect	Multi-purpose Sports Hall project	172,063.00
Government Relations Australia Advisory Pty Ltd	business consulting	strategic advisory firm — public policy and government affairs	154,650.35
University of South Australia	research	Professor White project 6: The Intelligence	153,103.00
PricewaterhouseCoopers	business consulting	executing successful corporate strategies	146,517.07
PJ Doyle & MG Herring & IR Johnson & PM Stockdale & FP Zipfinger t/a Mallesons Stephen Jaques	legal consultant	Dairy Farmers Building	142,532.06
Digital Eskimo Pty Limited	research	DSA remote labs project	138,000.00
Tonkin Zulaikha Greer Pty Limited	architect	CB01 core upgrade	133,303.55
Alliance Recruitment Pty Ltd t/a SouthTech Personnel	employment agency	CB10 tower levels fitout; Faculty of Arts and Social Sciences fitout 5 and 8	133,108.07
Charter Link	business consulting	Kuring-gai EOI project	130,864.78

Consultants (continued)

Company	Category	Project	\$
University of Melbourne t/a The University of Melbourne	research	Professor Iedema: examining organisational project; Professor Slade: resources and methodologies project	129,186.52
Gibbs, Melissa Irene t/a Gibbs Consulting	course facilitation	CLG projects	128,721.16
Johnson Pilton Walker Pty Ltd	project consulting	Podium CB01/CB02 initial design; CB01 core upgrade, all levels, lifts and toilets	126,250.00
Archaeological & Heritage Management Solutions Pty Ltd	heritage consulting	Broadway building initial design	124,940.00
Colliers International Consultancy & Valuation Pty Limited	asset valuation	asset valuation	123,518.50
SharePoint Gurus Pty Ltd	software developer	SharePoint implementation	120,525.00
Agility Consulting	software developer	finance reporting project; business intelligence phase 1	115,000.50
Solution Impact Pty Ltd	research	Motorola various research projects	113,366.82
Bass, Martin t/a Bass Martin	course facilitation	CLG projects	110,000.00
Qubix Pty Ltd	software consulting	finance report and forecast project	101,565.00
Brisbane City Council	research	Professor White: integrated resource plan	100,000.00
Tzannes Associates Pty Limited	architect	relocate UTS Function Centre CB01 to CB10.7	99,947.88
Bradford, Gail Patricia t/a Gail Bradford	research	various research projects	96,570.00
Savills (NSW) Pty Ltd	property advisers	Kuring-gai EOI project	96,084.27
Ensyst Pty Limited	project consulting	student email	94,800.00
SMS Consulting Group Ltd	software consulting	business intelligence phase 1	94,350.00
The Happiness Institute Services Pty Ltd	course facilitation	Executive Certificate in Positive Psychology Coaching	93,192.50
Playground Inspectors of Australia Pty Limited t/a Safety Adventure Forensic Engineering	course facilitation	Faculty of Engineering and Information Technology playground	92,703.93
Energetics Pty Ltd	climate change consultants	energy audit implementation plan, UTS buildings	92,600.00
UTelco Australia Pty Ltd	software developer	identity management	92,000.00
Waterman AHW Pty Ltd	mechanical engineer	Broadway building initial design	90,396.00
Lacoste & Stevenson Architects	architect	Broadway building initial design	90,000.00
Iris Pictures Pty Ltd	research	Associate Professor Burn: anti-slavery project	89,892.00
Dexion Integrated Systems Pty Ltd	commercial workspace providers	library stacker design	88,000.00
Inspirative Pty Ltd	business consulting	business intelligence – Cognos	87,587.50
Linda R Scott & Associates Pty Ltd	course facilitation	workforce planning	86,950.00
Global Integration Technology Pty Ltd	software developer	constellar hub/SOA architecture	86,100.00
Deloitte Touche Tohmatsu	business consulting	financial services	85,569.91
NSW Department of Education and Training t/a Department of Education and Training	public education	various training programs	83,768.72
Hassell Ltd	architect interior design	library stacker design	83,168.00
Duke Training & Consulting Pty Limited	course facilitation	various training and development services	82,320.00
Jungleboys Pty Ltd	business consulting	faculty magazine and microsite	82,170.00
Pureprofile Pty Limited	research	Professor Louviere: public preference feasibility	81,333.47
Rider Levett Bucknall NSW Pty Ltd	quantity surveyor	Dairy Farmers Building	80,533.74
Hanley, Michael Leopold	website developers	faculty magazine and microsite	80,469.75
R & M Ramsay	research	Equity and Diversity Unit summer school	79,362.27
Hollow Road Farms Inc.	research	Research and Innovation Office international initiatives UTS strategic funds	78,925.93

Company	Category	Project	\$
Foran Design Pty Ltd	architect	Faculty of Arts and Social Sciences digital lab/studios, relocation of IELTS to CB02.5	77,118.18
Greythorn Pty Ltd	contractor	science contractor	77,077.10
Haystac Public Affairs Pty Ltd	market research	faculty magazine and microsite	76,400.00
Vox Holdings Pty Limited	marketing agency	Alumni appeal	76,361.50
The University of Queensland	research	Professor Edwards: Asia Pacific Futures research network	72,849.00
Mitchell and Partners Australia Pty Ltd	marketing agency	faculty magazine and microsite	71,800.00
Josh Usher t/a MistyWest	research	Institute for Sustainable Futures projects	70,758.00
Talisma Corporation Pty Ltd	software developer	customer relationship management system	70,310.00
Zarrov Brothers Pty Ltd t/a NorthEdge Consulting	project consulting	Broadway building initial design; podium CB01/CB02 initial design	68,160.00
Repertory Pty Limited	employment agency	constellar hub/SOA architecture	64,425.00
David, Scott	contractor	faculty magazine and microsite	64,350.00
Rubicor Gemteq Pty Ltd	contractor	Neo R12 upgrade	63,961.00
IT Governance Pty Limited	project management	project portfolio management process — IT security office	63,550.00
Advanced Database Systems Pty Ltd	database developer	Marketing and Communication Unit schools liaison database	63,326.25
Emitch Pty Ltd	marketing agency	faculty magazine and microsite	62,917.00
Dhaliwal, Dan	contractor	School of Accounting projects	62,888.76
SD Conlon Services Pty Ltd	research	DSA remote labs project	62,142.71
Oppeus Pty Limited	business consulting	strategic leadership advisers	61,861.80
Kreab Gavin Anderson (Australia) Ltd	business consulting	Dean's discretionary fund	59,806.14
JBA Urban Planning Consultants Pty Ltd	planning consultants	City campus master plan design	59,379.91
Urbis Pty Ltd	heritage consulting	City campus master plan design	58,257.43
Curtin University of Technology	research	Professor White project 5: Intelligent Grid	58,000.00
Rowley, Susan Elizabeth	contractor	creative industries program	56,784.21
Aulich, Christopher Joseph t/a Aulich Associates	criminal law consultants	local government projects	56,494.28
StoneTurn Pty Limited	business consulting	AUQA audit 2012	56,000.00
Prospect Research & Marketing Pty Ltd t/a Robert Lawrence & Associates	research	various research projects	55,315.00
SCP Consulting Pty Ltd	structural engineer	Multi-purpose Sports Hall projects initial design	54,500.00
The Trustee for Veda Trust	business consulting	Social Media Marketing Practice	53,032.50
Queensland University of Technology	business consulting	University Graduate School leap (ATN project), benchmarking	52,665.00
Arina Consulting Pty Ltd	software consulting	Faculty of Arts and Social Sciences CB10 refurbishment, upgrade; Haymarket public spaces blocks A and B	50,200.00
Jennifer Riel	contractor	CRB strategic funded projects	49,990.52
Hopkins, Paul Maurice	research	Professor Green: Centre for Management and Organisation Studies	48,982.79
IBM Australia Ltd	project consulting	CASS Ci upgrade	48,160.35
Whelans InSites Pty Ltd	quantity surveyor/ research	Kuring-gai EOI project; Professor Green: Centre for Management and Organisation Studies	47,604.74
DMSBT Pty Limited	software consulting	Google dashboard sites	47,100.00
Southern Habitat (NSW) Pty Ltd	environmental remediation	Kuring-gai EOI project	47,012.50
Dimension Data Australia Pty Ltd	computer engineering	data storage project	46,972.00

Consultants (continued)

Company	Category	Project	\$
AMR Interactive Pty Ltd t/a Australia Market Research Pty Ltd	market research	various research projects	46,448.00
Rutovitz, Jacqueline t/a Jay Rutovitz	research	various Institute for Sustainable Futures research projects	46,214.00
Commonwealth Scientific and Industrial Research Organisation t/a CSIRO	research	Partridge: healthy by design principles	46,000.00
Colin Wood & Associates Pty Ltd	course facilitation	various building regulations courses	45,753.81
Regal Information Technology Pty Ltd	business consulting	CASS Ci upgrade — implementation	45,630.00
Morrison, Jane Yankovic t/a Morrison Consulting	contractor	commercial activities management — Commercial Unit	45,600.00
Rawson East Pty Ltd	research	Paul Woolley Centre for Capital Market Dysfuncnality	45,454.56
Cyberdesign Works Pty Ltd t/a Cyberdesign Works	graphic design	CLE website project	45,000.00
Reactive Media Pty Ltd t/a Baselocation	website designers	contract management system (PACE CRM), City campus master plan	43,685.00
Environmental Resources Management Australia Pty Limited	environmental sustainability	Kuring-gai EOI project, rezoning Kuring-gai campus	43,253.02
TRA Global Pty Ltd	employment agency	contract management system (PACE CRM)	42,780.00
Douglas, Grahame t/a Grahame Douglas	course facilitation	bushfire protection training Victoria; CLG projects and seminars	42,253.82
The Trustee for the Pan Group t/a Pan Software Pty Ltd	software developer	online incident and hazard reporting	41,998.00
Class Software Pty Ltd	website developers	web applications maintenance	41,000.00
Friday, Kurt Allan t/a SciWare	research	DSA remote labs project, Faculty of Engineering and Information Technology strategic project	40,700.00
DesignInc Sydney Pty Limited	architect	podium CB01/CB02 initial design	40,000.00
Hames Sharley (SA) Pty Ltd	architect	podium CB01/CB02 initial design	40,000.00
The Hackett Group Australia Pty Limited	business consulting	strategic business operations management	39,671.42
Planit Test Management Solutions Pty Ltd	software consulting	customer relationship management system	37,600.00
Ilemar Pty Ltd t/a Project Cost Planning	cost planner	relocate UTS Function Centre, CB01 to CB10.7	37,590.00
Erbas & Associates Pty Ltd	engineer	CB10 tower levels fitout	37,378.00
Marlow Hampshire Pty Limited	HR management	CRB strategic funded projects	37,000.00
Fragomen (Australia) Pty Limited t/a Fragomen Australia	migration consultant	visa application fee	36,757.50
Tomkin, Douglas Fraser	research	Professor Nguyen: infrastructure for design project	36,500.00
Gooding Davies Consultancy Pty Limited t/a Fiona Davies Consultancy	research	Australian Centre of Excellence for Local Government research: local government consolidation	36,428.32
Murray, Leslie Allan	contractor	CAL writer-in-residence program	36,363.64
Aim Overseas Pty Ltd	business consulting	strategic funds — UTS International strategic program	36,270.00
Standards Australia Limited	course facilitation	risk management standards	36,003.61
Lockenet Pty Limited	research	Centre for Health Economics Research and Evaluation general research	36,000.00
Leap, Nicky t/a Nicky Leap Consultancy	contractor	various nursing projects	35,980.02
A & R Consulting Pty Ltd	course facilitation	short courses	35,836.36
Sun Assisted Pty Ltd t/a Irresistible Change	contractor	HR programs — restructure support, capability development	35,600.00
Kingham, Megan t/a Corporate Wellbeing and Diversity	contractor	various HR programs	35,000.00
Joseph Weber	contractor	School of Accounting projects	34,500.00
Currie & Brown (Australia) Pty Ltd t/a Currie & Brown	cost planner	proposed Faculty of Design, Architecture and Building workshop expansion, relocation and refurbishment, CB06.2 and other various projects	34,205.00

Company	Category	Project	\$
Brow, Justin t/a 60Sox	contractor	Creative Industries Innovation Centre projects	33,520.00
Pacific Solutions Pty Ltd	research	research transcription services	33,352.78
Stonecash Associates Pty Limited	course facilitation	air force improvement initial employment training courses	33,181.82
Three Bears Media Pty Ltd	media production and marketing	UTS Shopfront, O'Loughlin: Empty Spaces	33,000.00
Changedrivers Pty Ltd	business consulting	Microsoft Office SharePoint services	32,348.06
Cermak Peterka Petersen Proprietary Ltd	air quality services	Broadway building initial design	31,500.00
The Sysdoc Group Pty Limited	business documentation	Graduation and ceremonial branch projects	31,341.25
Hames Sharley (NSW) Pty Ltd	architect	public spaces upgrade — CB02.4 and Kuring-gai campus, level 5	31,244.00
McKinlay Douglas Ltd	course facilitation	CLG projects	30,823.89
Obelisk Design Pty Ltd	course facilitation	Dr Forsythe, Faculty of Design, Architecture and Building project: My Virtual Built Environment	30,300.00
Granlund, Markus	contractor	School of Accounting projects	30,178.42
@ the Board Table Pty Ltd	business consulting	UTS Council performance evaluation	30,000.00
The trustee for Dr Nic Academy Trust t/a Mocra	research	Fyfe: waste exchange tool	30,000.00
Total			26,010,406.06

APPENDIX D2**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; and 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 UTS benchmarks extremely well among its peers and the policy is placed with insurers with a Standard & Poor's rating of 'A' or above.

APPENDIX E1**Works in progress and completed in 2010**

Building/property	Project	\$'000
Alumni Green	New multi-purpose sports hall	7,700
B1	Redevelopment of level 17 Equity and Diversity Unit	640
B1	Redevelopment of the Great Hall	630
B1	Redevelopment UTS International offices	390
B1	Refurbishment of Faculty of Engineering and Information Technology offices level 20	370
B1	Refurbishment to level 19 Facilities Management Unit offices	250
B1	Access improvements	220
B1	Cycle/shower facilities	200
B1/2	Redevelopment of podium	403
B10	New function centre	4,100
B10	Redevelopment B10 tower levels	3,550
B10	Redevelopment mezzanine area levels 4a and 4b	950
B10	Centre for Local Government level 11	280
B10/B2	Redevelopment of Faculty of Arts and Social Sciences offices	430
B2	New ASRS — Library	390
B3	New Faculty of Arts and Social Sciences digital creative studios	745
B4	New teaching lab level 2	390
B5	Refurbishment to public spaces	900
B5	Redevelopment of IELTS offices level 5	270
B5	Refurbishment to law reception area Block B	240
B6	New student housing	48,600
B6	New Design, Architecture and Building computer labs	1,870
B6	Refurbishment of Design, Architecture and Building offices level 6	750
Fairfax site	New Broadway Building	3,600
Gehry site	New Gehry Building	9,800
Total		87,668

APPENDIX E2

Land register

Building/property	Campus	Use	Building/ infrastructure valuation \$'000	Land valuation \$'000
Broadway			282,000	121,000
Building 1 (Tower)	city	educational	–	–
Building 2 (annex to Tower)	city	educational	–	–
Building 3 (Bon Marche)	city	educational	–	–
Building 4	city	educational	–	–
Building 6 (Faculty of Design, Architecture and Building)	city	educational	–	–
The Terraces (9–13 Broadway)	city	educational	–	–
The Loft (rear of The Terraces)	city	educational	–	–
Broadway subtotal			282,000	121,000
Other buildings				
Building 5 (Haymarket)	city	educational	78,300	69,300
Building 10 (Fairfax)	city	educational	120,600	43,900
Kuring-gai campus ¹	Lindfield NSW	educational	31,700	53,300
Blackfriars campus	city	educational/childcare	3,500	13,000
Bulga Ngurra Student Housing	city	student housing	6,800	4,100
Geegal Student Housing	city	student housing	4,200	2,600
Gumal Ngurang Student Housing	Stroud NSW	student housing	26,600	16,700
Stroud Research Field Station	Stroud NSW	research station	60	240
Yarrowood Research Centre	Yarramundi NSW	educational/research	260	1,590
Vice-Chancellor's residence	Pymont NSW	housing	2,300	–
14 Ultimo Road (ex Dairy Farmers site)	city	commercial	0	17,000
Total			556,320	342,730

1. This is the value that Colliers placed on Kuring-gai, however a different value is used in the accounts based on the conditional sale to Defence Housing Australia.

Note: Values are based on Collier's valuation dated 31 December 2010.

APPENDIX E3

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
- > Blackfriars campus

The State Environmental Planning Policy (Major Projects) 2005 (Amendment No 30) establishes the new zoning and development controls for the UTS Kuring-gai campus buildings. It notes the existing buildings 1, 2, 4 and 5 as heritage items (i.e. all of the main buildings except the gymnasium (building 3)).

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.

Index

- A**
- Academic Board members 104
 - accessUTS Pty Limited 101, see also financial statements
 - access schemes 112
 - appendices 101
 - auditor's statements
 - > accessUTS Pty Limited 89-91
 - > INSEARCH Limited 59-61
 - > UTS 4-5
- B**
- budgets see review of operations volume
 - buildings 128-9
- C**
- campuses 128-9, see also review of operations volume
 - committee members 104
 - complaints 113
 - consultants 123-7
 - controlled entities 101
 - Council see also review of operations volume
 - > code of conduct 104
 - > meetings of 102-3
- D**
- director's statements
 - > accessUTS Pty Limited 86-7
 - > INSEARCH Limited 56-8
 - disability plans 111, see also review of operations volume
- E**
- employees 107, see also review of operations volume
 - > equal employment opportunity trends 108
 - > equity 110-13
 - > profile 107
 - entities see controlled entities
 - environment, health and safety see safety and wellbeing
 - equal employment opportunity 108
 - equity and diversity 110-13, see also review of operations volume
 - ethnic affairs priorities statement see equity and diversity
 - executive see senior executive
- F**
- financial statements
 - > accessUTS Pty Limited 85-100
 - > INSEARCH Limited 55-84
 - > UTS 2-54
 - freedom of information 115-19
- G**
- Government Information (Public Access) Act 2009 120-21
 - guarantee of service 122
- H**
- heritage management 129
 - human resources see employees
- I**
- Indigenous staff 111, see also review of operations volume
 - infrastructure 128-9
 - INSEARCH Limited 101, see also financial statements
 - insurance 128
- K**
- Kuring-gai campus 129
- L**
- land register 129
 - legislation 114
 - liability management see insurance
- M**
- management
 - > accessUTS Pty Limited 86
 - > INSEARCH Limited 80
 - > UTS see senior executive
 - multicultural policies and services 112
- O**
- occupational health and safety see safety and wellbeing
- P**
- privacy 114
 - professional experience programs 107

R	
remuneration.....	105-6
right to information.....	120-21
S	
safety and wellbeing	109, see also review of operations volume
senior executive.....	see also review of operations volume
> performance.....	105-6
> remuneration.....	105-6
> UTS.....	23
staff	see employees
T	
travel.....	109
W	
women.....	see equity and diversity
workers compensation.....	109

THE UTS ANNUAL REPORT 2010 PROVIDES A RECORD OF THE UNIVERSITY'S PERFORMANCE AND ACTIVITIES IN 2010. IT IS PRESENTED IN TWO VOLUMES: VOLUME ONE IS A REVIEW OF OUR OPERATIONS; AND VOLUME TWO CONTAINS OUR FINANCIAL STATEMENTS AND APPENDICES.