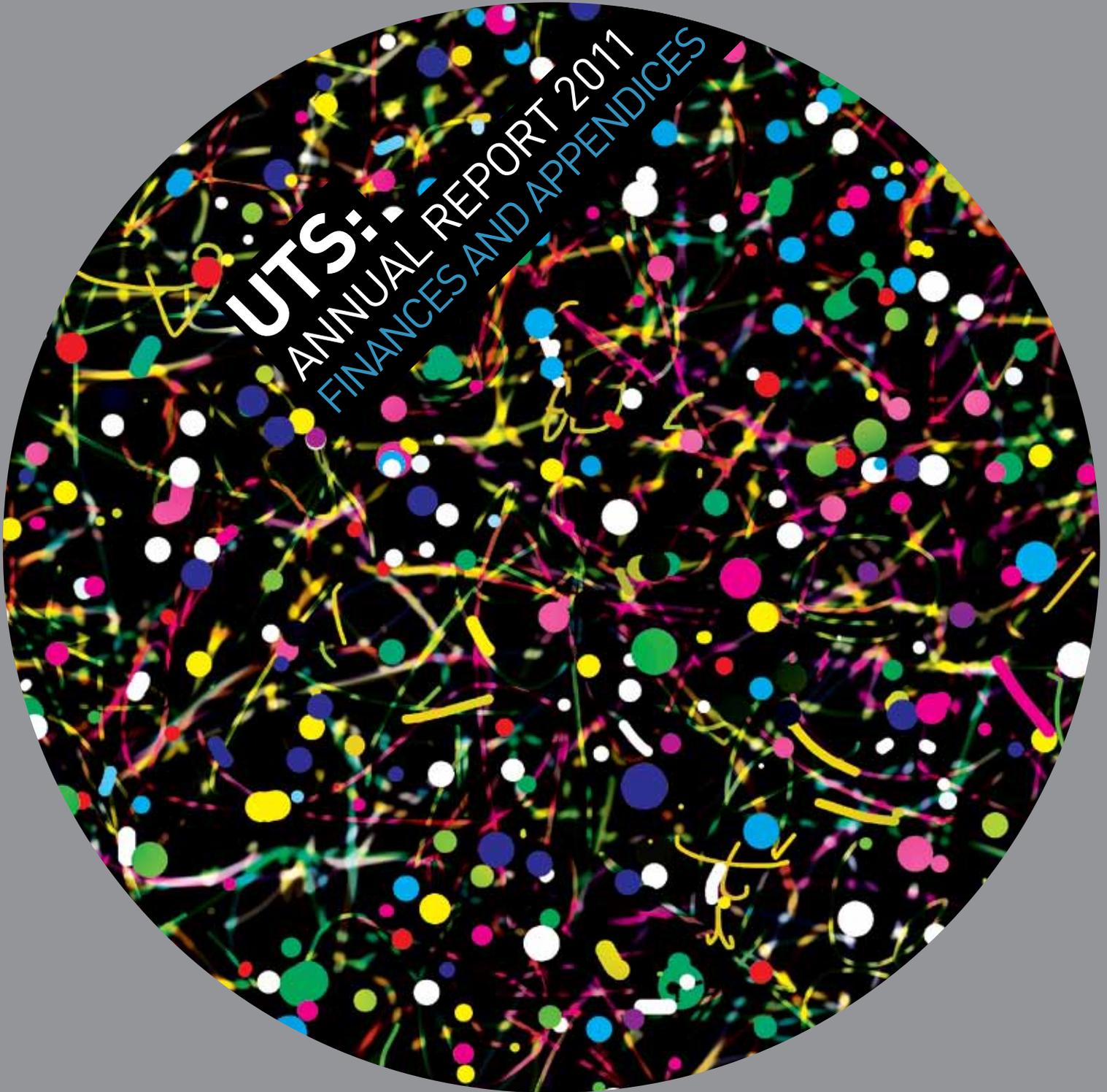




UTS:
ANNUAL REPORT 2011
FINANCES AND APPENDICES



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Statement by appointed officers

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

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

1. the financial statements present a true and fair value of the financial position of the University at 31 December 2011 and the results of its operations and transactions of the University for the year then ended
2. the financial statements have been prepared in accordance with the provisions of the New South Wales *Public Finance and Audit Act 1983*, *Public Finance and Audit Regulation 2010* and the Commonwealth Guidelines for the Preparation of Annual Financial Reports for the 2011 Reporting Period by Australian Higher Education Providers issued by the Australian Government of Education, Employment and Workplace Relations (now administered by the Department of Industry, Innovation, Science, Research and Tertiary Education)
3. the financial report has been prepared in accordance with Australian Accounting Standards (AASB), AASB interpretations and other mandatory professional reporting requirements
4. we are not aware of any circumstances which would render any particulars included in the financial statements to be misleading or inaccurate
5. there are reasonable grounds to believe that the University will be able to pay its debts as and when they fall due
6. the amount of Commonwealth grants expended during the reporting period was for the purposes for which it was granted, and
7. the University has complied in full with the requirements of various program guidelines that apply to the Commonwealth financial assistance identified in these financial statements.



R D Milbourne
Vice-Chancellor



B Wilson
Chair, Finance Committee

18th April 2012

Independent auditor's report



INDEPENDENT AUDITOR'S REPORT

University of Technology, Sydney

To Members of the New South Wales Parliament

I have audited the accompanying financial statements of the University of Technology, Sydney (the University), which comprise the statement of financial position as at 31 December 2011, the income statement, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information of the University and the consolidated entity. The consolidated entity comprises the University and the entities it controlled at the year's end or from time to time during the financial year.

Opinion

In my opinion, the financial statements:

- give a true and fair view of the financial position of the University and the consolidated entity, as at 31 December 2011, and of the financial performance and cash flows for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 41B of the *Public Finance and Audit Act 1983* (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 2011 Reporting Period' (the DEEWR Guidelines), issued by the Australian Government Department of Education, Employment and Workplace Relations (now administered by the Department of Industry, Innovation, Science, Research and Tertiary Education), pursuant to the *Higher Education Support Act 2003*, the *Higher Education Funding Act 1988* and the *Australian Research Council Act 2001*.

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

University Council's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

Independent auditor's report

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 of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Council, as well as evaluating the overall presentation of the financial statements.

I believe 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
- mandating the Auditor-General as auditor of public sector agencies but precluding the provision of non-audit services, thus ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their role by the possibility of losing clients or income.



Sally Bond
Director, Financial Audit Services

18 April 2011
SYDNEY

Income statement

FOR THE YEAR ENDED 31 DECEMBER 2011

	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Revenue from continuing operations					
Australian Government financial assistance					
> Australian Government grants	2.1	192,351	180,887	192,351	180,887
> HECS-HELP — Australian Government payments	2.1	79,181	73,563	79,181	73,563
> FEE-HELP	2.1	45,494	39,236	39,570	31,945
State and local government financial assistance	2.2	7,425	5,355	7,425	5,355
HECS-HELP — student payments		22,005	22,966	22,005	22,966
Fees and charges	2.3	213,175	205,835	181,049	166,092
Investment revenue	2.4	17,813	15,981	15,722	13,849
Royalties, trademarks and licences	2.5	745	762	709	724
Consultancy and contracts	2.6	11,115	9,279	9,805	7,948
Other revenue	2.7	18,391	17,939	23,259	21,871
Total revenue from continuing operations		607,695	571,803	571,076	525,200
Gains on disposal of assets	5	–	6	–	6
Share of profit on investments accounted for using the equity method	14	1,377	1,720	–	–
Other investment income	2.4	–	–	–	–
Other income	2.7	15,133	10,503	16,226	11,438
Total income from continuing operations		624,205	584,032	587,302	536,644
Expenses from continuing operations					
Employee related expenses	3.1	363,873	329,361	339,728	305,768
Depreciation and amortisation	3.2	58,226	54,028	55,371	52,466
Repairs and maintenance	3.3	9,799	9,360	9,486	9,160
Borrowing costs	4	3,011	2,962	3,022	2,956
Impairment of assets	3.4	374	3,705	325	3,692
Losses on disposal of assets	5	1,460	10	1,431	–
Deferred super expense	3.1	441	440	441	440
Other expenses	3.5	159,753	150,697	150,530	132,326
Total expenses from continuing operations		596,937	550,563	560,334	506,808
Operating result before income tax		27,268	33,469	26,968	29,836
Income tax expense	6	41	17	–	–
Operating result from continuing operations		27,227	33,452	26,968	29,836
Operating result attributable to members of the University of Technology, Sydney		27,227	33,452	26,968	29,836
Operating result attributable to members from:					
> continuing operations		27,227	33,452	26,968	29,836
Total		27,227	33,452	26,968	29,836

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

Statement of comprehensive income

FOR THE YEAR ENDED 31 DECEMBER 2011

	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Operating result after income tax for the period		27,227	33,452	26,968	29,836
Exchange differences on translation of foreign operations	21 (b)	363	65	–	–
Gain/(loss) on revaluation of available for sale financial assets	21 (b)	(326)	82	(326)	82
Gain/(loss) on revaluation of property, plant and equipment	21 (b)	51,362	36,540	51,362	36,540
Net actuarial gains (losses) recognised in respect of defined benefit plans	24	(949)	(468)	(949)	(468)
Total comprehensive income attributable to members of the University of Technology, Sydney		77,677	69,671	77,055	65,990

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 2011

	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Assets					
Current assets					
Cash and cash equivalents	9	253,650	244,543	216,393	202,785
Receivables	10	15,104	14,681	13,113	12,922
Other financial assets	11	47	45	47	45
Other non-financial assets	12	18,299	18,878	15,722	16,258
Non-current assets classified as held for sale	13	–	56,543	–	56,543
Total current assets		287,100	334,690	245,275	288,553
Non-current assets					
Receivables	10	411,862	289,175	410,694	287,805
Investments accounted for using the equity method	14	9,493	9,148	–	–
Other financial assets	11	1,833	2,132	4,700	2,211
Other non-financial assets	12	514	147	514	147
Property, plant and equipment	15	1,127,653	982,237	1,114,311	978,364
Intangible assets	16	20,327	19,055	18,375	17,691
Total non-current assets		1,571,682	1,301,894	1,548,594	1,286,218
Total assets		1,858,782	1,636,584	1,793,869	1,574,771
Liabilities					
Current liabilities					
Trade and other payables	17	37,830	40,145	34,408	37,944
Borrowings	18	3,555	3,324	3,311	3,224
Provisions	19	77,568	60,543	75,600	59,005
Other liabilities	20	27,992	26,758	13,125	12,412
Total current liabilities		146,945	130,770	126,444	112,585
Non-current liabilities					
Borrowings	18	43,242	43,077	42,930	42,887
Provisions	19	430,631	302,348	428,690	300,549
Other liabilities	20	66	168	–	–
Total non-current liabilities		473,939	345,593	471,620	343,436
Total liabilities		620,884	476,363	598,064	456,021
Net assets		1,237,898	1,160,221	1,195,805	1,118,750
Equity					
Parent entity interest					
Reserves	21(a)	563,430	512,031	564,705	513,669
Retained earnings	21(d)	674,468	648,190	631,100	605,081
Total equity		1,237,898	1,160,221	1,195,805	1,118,750

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 2011

	Reserves	Retained surplus	Total
Consolidated			
Balance at 1 January 2010	475,344	615,206	1,090,550
Retrospective changes	-	-	-
Balance as restated	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
Balance at 1 January 2011	512,031	648,190	1,160,221
Profit or loss	-	27,227	27,227
Exchange differences on translation of foreign operations	363	-	363
Change in fair value of available for sale financial assets	(326)	-	(326)
Gain/(loss) on revaluation of property, plant and equipment	51,362	-	51,362
Net actuarial gains (losses) recognised in respect of defined benefit plans	-	(949)	(949)
Total comprehensive income	51,399	26,278	77,677
Balance at 31 December 2011	563,430	674,468	1,237,898
Parent			
Balance at 1 January 2010	477,047	575,713	1,052,760
Retrospective changes	-	-	-
Balance as restated	477,047	575,713	1,052,760
Profit or loss	-	29,836	29,836
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
Balance at 1 January 2011	513,669	605,081	1,118,750
Profit or loss	-	26,968	26,968
Changes from comprehensive income	-	-	-
Exchange differences on translation of foreign operations	-	-	-
Change in fair value of available for sale financial assets	(326)	-	(326)
Gain/(loss) on revaluation of property, plant and equipment	51,362	-	51,362
Net actuarial gains (losses) recognised in respect of defined benefit plans	-	(949)	(949)
Total comprehensive income	51,036	26,019	77,055
Balance at 31 December 2011	564,705	631,100	1,195,805

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 2011

	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Cash flows from operating activities					
Australian Government grants	32	318,791	299,198	312,867	291,907
OS-Help (net)	32	(277)	198	(277)	198
State government grants received	2.2	6,011	4,737	6,011	4,737
Local government grants received	2.2	1,414	618	1,414	618
HECS-HELP — student payments		22,005	22,890	22,005	22,890
Receipts from student fees and other customers		283,323	261,893	255,233	225,790
Dividends received		1,280	1,610	256	14
Interest received		18,778	15,419	16,431	13,116
Payments to suppliers and employees (inclusive of goods and services tax)		(536,875)	(501,054)	(504,493)	(459,765)
Interest and other costs of finance		(3,022)	(2,962)	(3,022)	(2,956)
Income tax paid		(41)	(18)	–	–
Net cash provided by/(used in) operating activities	31	111,387	102,529	106,425	96,549
Cash flows from investing activities					
Proceeds from sale of property, plant and equipment	5	55,621	194	55,618	152
Proceeds from sale of financial assets		–	–	–	–
Payments for financial assets		–	–	(2,815)	–
Purchase of shares		–	(3,349)	–	(3,349)
Payments for property, plant and equipment		(154,022)	(95,662)	(141,906)	(93,530)
Net cash provided by/(used in) investing activities		(98,401)	(98,817)	(89,103)	(96,727)
Cash flows from financing activities					
Proceeds from borrowings		–	–	–	–
Repayment of borrowings		–	–	–	–
Repayment of finance leases		(3,879)	(3,804)	(3,714)	(3,778)
Net cash provided by/(used in) financing activities		(3,879)	(3,804)	(3,714)	(3,778)
Net increase/(decrease) in cash and cash equivalents		9,107	(92)	13,608	(3,956)
Cash and cash equivalents at the beginning of the year		244,543	244,635	202,785	206,741
Effect of exchange rate changes on cash and cash equivalents		–	–	–	–
Cash and cash equivalents at end of year	9	253,650	244,543	216,393	202,785
Financing arrangements	18(b)				
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 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied by all entities to all the years presented, unless otherwise stated. The financial statements includes separate financial statements for the University of Technology, Sydney as an individual entity and the consolidated entity consisting of University of Technology, Sydney and its subsidiaries. The financial statements were authorised for issue by the Council of the University of Technology, Sydney on 18 April 2012.

(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 2011 Reporting Period* issued by the Commonwealth Department of Industry, Innovation, Science, Research and Tertiary Education (DIISTRE)
- (iv) the *Public Finance and Audit Act 1983* (NSW) and the *Public Finance and Audit Regulation 2010* (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 judgement in the process of applying the University of Technology, Sydney's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are the calculation of the long service leave and doubtful debt provisions.

(b) Principles of consolidation

(i) Subsidiaries

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

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

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 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Revenue recognition

In accordance with AASB1004 *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. The corresponding rental obligations, net of finance charges, are included in other short-term and long-term payables. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases are depreciated over the shorter of the asset's useful life and the lease term.

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

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

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

Details of leased assets are provided in note 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 2011

(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 UTS 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 2011

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 on-line 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 materially affect the year end net asset position of the group.

(s) Trade and other payables

Accounts payable, including accruals, represent liabilities for goods and services provided to the economic entity prior to the end of the 2011 reporting period. These amounts are usually settled on 30 day terms.

(t) Borrowings

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

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

(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*.

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2011

(v) Provisions

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

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

(w) Employee benefits

(i) Wages, salaries, annual leave and sick leave

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

In 2011, the University engaged KPMG to conduct an actuarial assessment of the long service leave provision to satisfy the requirements of AASB 119 *Employee Benefits*. The actuarial assessment updated the previous assessment conducted in 2005. The increase in the provision was partly due to:

- (a) the reduction in the government bond rate from 5.72 per cent in January 2011 to 4.01 per cent in December 2011. The University anticipates further reductions in the government bond rate in 2012, and
- (b) change in payment patterns of staff taking long service leave.

(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. In addition the share of movements in reserves are recognised in the statement of comprehensive income and the statement of changes in equity. Details of joint ventures are set out in note 14.

(y) Goods and services tax

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

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

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

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

(z) Comparative figures

Where necessary, the classifications of 2010 comparative figures have been adjusted to conform with the mandatory presentation for the current year. These reclassifications have no effect on the 2010 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 2011 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 2011 year.

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2011

	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'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		136,895	130,891	136,895	130,891
Indigenous Support Program		982	1,086	982	1,086
Partnership and Participation Program ⁴		2,365	1,365	2,365	1,365
Workplace Reform Program		–	–	–	–
Workplace Productivity Program		–	476	–	476
Learning and Teaching Performance Fund		–	–	–	–
Capital Development Pool		1,058	1,409	1,058	1,409
Disability Support Program		205	318	205	318
Diversity and Structural Adjustment Fund ²		–	759	–	759
Transitional Cost Program		562	1,022	562	1,022
Improving the Practical Component of Teacher Education Initiative		–	–	–	–
Total Commonwealth Grant Scheme and other grants		142,067	137,326	142,067	137,326
(b) Higher Education Loan Programs					
	32.2				
HECS-HELP		79,181	73,563	79,181	73,563
FEE-HELP		45,494	39,236	39,570	31,945
Total Higher Education Loan Programs		124,675	112,799	118,751	105,508
(c) Scholarships					
	32.7				
Australian Postgraduate Awards		3,645	2,871	3,645	2,871
International Postgraduate Research Scholarships		370	326	370	326
Commonwealth Education Cost Scholarships ³		2,189	2,407	2,189	2,407
Commonwealth Accommodation Scholarships		5	18	5	18
Indigenous Access Scholarships		127	158	127	158
Total scholarships		6,336	5,780	6,336	5,780
(d) DIISR research					
	32.6				
Joint Research Engagement Program ⁵		4,837	5,011	4,837	5,011
Research Training Scheme		9,719	9,355	9,719	9,355
Research Infrastructure Block Grants		2,080	2,205	2,080	2,205
Australian Scheme for Higher Education Repositories		–	–	–	–
Implementation Assistance Program		–	62	–	62
Commercialisation Training Scheme		133	102	133	102
Sustainable Research Excellence in Universities		1,335	1,066	1,335	1,066
Small grants		–	–	–	–
Total DIISR research grants		18,104	17,801	18,104	17,801

	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
(e) Australian Research Council	32.3				
<i>(i) Discovery</i>					
> Project		5,687	5,202	5,687	5,202
> Federation Fellowships		(119)	171	(119)	171
> Future Fellowships		901	179	901	179
> Indigenous Researchers Development		34	38	34	38
Total Discovery		6,503	5,590	6,503	5,590
<i>(ii) Linkages</i>	32.4				
> Projects		3,070	2,993	3,070	2,993
> International		-	-	-	-
> Infrastructure		130	674	130	674
Total Linkages		3,200	3,667	3,200	3,667
<i>(iii) Networks and centres</i>	32.5				
> Research networks		6	(6)	6	(6)
> Centres		110	591	110	591
Total networks and centres		116	585	116	585
(f) Other Capital Funding	32.8				
Better Universities Renewal Funding Grant		-	-	-	-
Teaching and Learning Capital Fund		-	-	-	-
Education Investment Fund		4,800	-	4,800	-
Total Other Capital Funding		4,800	-	4,800	-
(g) Other Australian Government financial assistance					
National Health and Medical Research Council		2,156	2,311	2,156	2,311
Department of Health and Ageing		1,927	882	1,927	882
Department of Education, Employment and Workplace Relations		925	1,770	925	1,770
Department of Innovation, Industry, Science and Research		871	1,508	871	1,508
CSIRO		836	362	836	362
AusAID		509	399	509	399
University of Queensland		385	70	385	70
University of New South Wales		237	588	237	588
National Water Commission		198	286	198	286
Department of Environment, Water, Heritage and the Arts		-	76	-	76
Other		3,181	1,886	3,181	1,886
Total other Australian Government financial assistance		11,225	10,138	11,225	10,138
Total Australian Government financial assistance		317,026	293,686	311,102	286,395

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 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 2011

	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
2. REVENUE FROM CONTINUING OPERATIONS (continued)					
Reconciliation					
Australian Government grants (a+c+d+e+f+g)		192,351	180,887	192,351	180,887
HECS-HELP payments		79,181	73,563	79,181	73,563
FEE-HELP payments		45,494	39,236	39,570	31,945
Total Australian Government financial assistance		317,026	293,686	311,102	286,395
(h) Australian Government Grants received — cash basis					
CGS and Other DEEWR Grants		142,067	137,326	142,067	137,326
Higher Education Loan Programs		127,755	120,196	121,831	112,905
Scholarships		6,336	5,780	6,336	5,780
DIISR Research		18,104	17,801	18,104	17,801
ARC grants — Discovery		5,873	5,185	5,873	5,185
ARC grants — Linkages		2,631	2,772	2,631	2,772
ARC grants — network and centres		–	–	–	–
Other Capital Funding		4,800	–	4,800	–
Other Australian Government Grants		11,225	10,138	11,225	10,138
Total Australian Government Grants received — cash basis		318,791	299,198	312,867	291,907
OS-HELP (net)		1,441	1,381	1,441	1,381
Total Australian Government funding received — cash basis		320,232	300,579	314,308	293,288
2.2 State and local government financial assistance					
New South Wales State Government		4,491	3,713	4,491	3,713
Other state governments		1,520	1,024	1,520	1,024
Local government		1,414	618	1,414	618
Total state and local government financial assistance		7,425	5,355	7,425	5,355
2.3 Fees and charges					
Course fees and charges					
Fee-paying overseas students		175,700	172,223	143,523	132,292
Continuing education		5,947	5,530	5,949	5,650
Fee-paying domestic postgraduate students		8,532	13,522	8,532	13,522
Fee-paying domestic undergraduate students		3,541	5,785	3,541	5,785
Other domestic course fees and charges		15,197	4,375	15,231	4,385
Total course fees and charges		208,917	201,435	176,776	161,634

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2011

	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Other non-course fees and charges					
Library charges		459	440	1,251	1,177
Student accommodation charges		647	623	–	–
Student Union fees		–	–	–	–
Medical fees		702	590	702	595
English Testing Centre		2,320	2,686	2,320	2,686
Other fees and charges		130	61	–	–
Total other non-course fees and charges		4,258	4,400	4,273	4,458
Total fees and charges		213,175	205,835	181,049	166,092
2.4 Investment revenue and income					
Interest		17,557	15,967	15,466	13,835
Dividends received		256	14	256	14
Total investment revenue		17,813	15,981	15,722	13,849
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		17,813	15,981	15,722	13,849
2.5 Royalties, trademarks and licences					
		745	762	709	724
2.6 Consultancy and contracts					
Contract research		7,501	5,853	7,501	5,853
Consultancy		3,614	3,426	2,304	2,095
Total consultancy and contracts		11,115	9,279	9,805	7,948
2.7 Other revenue and income					
Other revenue					
Contribution from INSEARCH Limited		–	–	5,001	4,000
Donations and bequests		1,610	3,381	1,610	3,381
Foreign exchange gain/(loss) (net) (note (a))		47	(119)	28	(119)
Non-government grants		1,479	502	1,479	502
Scholarships and prizes		4,118	2,429	4,164	2,497
Services		2,234	4,863	2,150	5,252
Sponsorships		2,014	2,169	2,014	2,179
Other		6,889	4,714	6,813	4,179
Total other revenue		18,391	17,939	23,259	21,871

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2011

	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
2. REVENUE FROM CONTINUING OPERATIONS (continued)					
Other income					
Contributions to fixed assets		32	90	32	90
Hire and rental		11,611	8,142	12,407	8,819
Profit/(loss) on sale of shares		–	(110)	–	(110)
Contributions for salary from other entities		2,458	1,323	2,544	1,323
Sale of goods		1,032	1,058	1,243	1,316
Total other income		15,133	10,503	16,226	11,438
(a) Net foreign exchange gain/(loss)					
Net foreign exchange gains included in other income for the year		47	(119)	28	(119)
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)		47	(119)	28	(119)
3. EXPENSES FROM CONTINUING OPERATIONS					
3.1 Employee related expenses					
Academic					
Salaries		135,051	127,243	124,194	117,422
Contributions to funded superannuation and pension schemes		18,935	18,163	18,935	17,379
Payroll tax		8,845	8,434	8,217	7,820
Workers' compensation		676	672	604	617
Long service leave expense		12,119	4,728	11,928	4,437
Annual leave		8,568	7,911	8,220	7,520
Total academic		184,194	167,151	172,098	155,195
Non-academic					
Salaries		131,535	122,655	121,550	113,950
Contributions to funded superannuation and pension schemes		18,461	18,066	18,461	17,164
Payroll tax		8,494	8,097	7,955	7,535
Workers' compensation		668	642	606	592
Long service leave expense		10,919	3,775	10,667	3,675
Annual leave		9,271	8,410	8,391	7,657
Other		331	565	–	–
Total non-academic		179,679	162,210	167,630	150,573
Total employee related expenses		363,873	329,361	339,728	305,768
Deferred superannuation expense	24	441	440	441	440
Total employee related expenses, including deferred government employee benefits for superannuation		364,314	329,801	340,169	306,208

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2011

	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
3.2 Depreciation and amortisation					
Depreciation property, plant and equipment					
Buildings		32,418	29,772	32,418	29,772
Equipment		11,949	10,524	10,125	9,633
Library		2,927	3,111	2,927	3,111
Motor vehicles		157	129	134	129
Total depreciation property, plant and equipment		47,451	43,536	45,604	42,645
Amortisation property, plant and equipment					
Leasehold improvements		467	1,014	467	1,014
Plant and equipment under finance leases		3,924	3,809	3,765	3,785
Total amortisation property, plant and equipment		4,391	4,823	4,232	4,799
Total depreciation and amortisation property, plant and equipment		51,842	48,359	49,836	47,444
Amortisation intangibles					
Software		6,384	5,669	5,535	5,022
Patents and trademarks		-	-	-	-
Development		-	-	-	-
Total amortisation intangibles		6,384	5,669	5,535	5,022
Total depreciation and amortisation		58,226	54,028	55,371	52,466
3.3 Repairs and maintenance					
Buildings		6,889	6,770	6,889	6,770
Leasehold improvements		-	-	-	-
Plant and equipment		2,910	2,590	2,597	2,390
Total repairs and maintenance		9,799	9,360	9,486	9,160
3.4 Impairment of assets					
Bad debts		20	104	11	91
Increase/(decrease) in provision for doubtful debts		293	(283)	253	(283)
Impairment of financial assets		-	3,539	-	3,539
Impairment of intangible assets		61	345	61	345
Total impairment of assets		374	3,705	325	3,692

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2011

	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
3. EXPENSES FROM CONTINUING OPERATIONS (continued)					
3.5 Other expenses					
Advertising, marketing and promotional expenses		5,378	5,601	3,784	4,364
Building rent and rates		7,333	6,858	2,569	2,614
Cleaning		5,625	5,056	5,397	4,788
Consultancy		18,049	16,106	16,209	14,609
Contributions other		4,599	5,188	4,599	5,188
Contributions research		2,647	3,090	2,647	3,090
Entertainment		3,699	3,800	3,502	3,685
Fees and subscriptions		24,621	22,939	32,744	20,294
Heating and lighting		7,787	6,738	7,435	6,446
Insurance		2,005	1,901	1,881	1,816
Laboratory supplies		2,105	1,877	2,105	1,877
Maintenance software		4,797	4,522	4,311	4,277
Minimum lease payments on operating lease rental expenses		2,290	1,349	2,245	1,285
Non-capitalised equipment		5,614	5,381	5,509	5,363
Other expenses		8,847	9,271	8,662	8,648
Postage		973	1,259	671	719
Printing		1,856	1,833	1,410	1,414
Scholarships and prizes		19,123	19,031	18,787	18,690
Security contract staff		3,357	2,789	2,966	2,422
Stationery		1,620	1,488	1,617	1,488
Telecommunications		3,439	2,838	2,923	2,477
Travel and related staff development and training		15,211	14,540	13,932	13,491
Tuition fees		8,778	7,242	4,625	3,281
Total other expenses		159,753	150,697	150,530	132,326

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2011

	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
4. BORROWING COSTS					
Gross borrowing costs		3,011	2,962	3,022	2,956
Less: amount capitalised		–	–	–	–
Total borrowing costs expensed		3,011	2,962	3,022	2,956
5. SALES OF ASSETS					
Proceeds from sale					
Property, plant and equipment		55,621	194	55,618	152
Carrying amount of assets sold					
Property, plant and equipment		57,081	198	57,049	146
Total carrying amount of assets		57,081	198	57,049	146
Net gain or (loss) on sale of assets		(1,460)	(4)	(1,431)	6
(a) Net gain on disposal of property, plant and equipment					
The consolidated net loss on disposal of property, plant and equipment in 2011 includes a loss of \$443,000 (2010 loss: \$0) on disposal of buildings.					
6. INCOME TAX					
The income tax expense represents tax liabilities for overseas entities in China.					
		41	17	–	–

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2011

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, AO

The late Ms Dianne Leckie (until April 2011)

Associate Professor Sally Varnham (appointed January 2011)

Mr Christopher Cahill

Ms Megan Cornelius, AM

Professor Ross Milbourne

Mr Michael G Sexton, SC

Mr Warwick Watkins, AM (ended July 2011)

Ms Michelene Collopy (appointed October 2011)

Ms Patricia Azarias

Mr Su-Ming Wong

Ms Rachael Durrant

Mr Robert Kelly

Professor Jenny Onyx

Mr Brian Wilson

Mr Thomas Robertson (appointed May 2011)

Dr Ron Sandland, AM

The Hon Penelope Sharpe, MLC (ended October 2011)

Mr Russell Taylor

Professor Greg Skilbeck

Mr Peter Bennett

Mr Siddharth Mehta (ended February 2011)

INSEARCH Limited

The late Ms Dianne Leckie (until April 2011)

Professor Ross Milbourne

Mr Jon Hutchison, AM

Professor William Purcell

Mr Peter Bennett (appointed May 2011)

Ms Dianne Hill

Mr Patrick Woods

Mr Mack Williams

Professor Bruce Milthorpe

accessUTS Pty Limited

Dr Jane Morrison

Mr Blair McRae

Professor Denise Dignam (ended November 2011)

Professor Theo van Leeuwen

Mr Jeffrey Francis

Associate Professor Paul Jonson (appointed August 2011)

(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

Ms Anne Dwyer

Professor Shirley Alexander

Professor Attila Brungs

Professor William Purcell

Professor Ross Milbourne

Mr Patrick Woods

INSEARCH Limited

Mr Timothy Laurence

Ms Belinda Howell (appointed November 2011)

Mr Alex Murphy

Mr Peter Harris

Ms Carol Churches

Mr James Butler (ended March 2011)

Mr Nathan Patrick

accessUTS Pty Limited

Mr Blair McRae

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2011

	Economic entity (Consolidated)		Parent entity (University)	
	2011	2010	2011	2010
(c) Remuneration of board members and executives				
The University's responsible persons do not receive any remuneration in respect of their work as members of Council.				
Remuneration of board members				
\$0 to \$9,999	2	-	-	-
\$20,000 to \$29,999	1	-	-	-
\$30,000 to \$39,999	2	3	-	-
\$60,000 to \$69,999	1	1	-	-
	6	4	-	-
Remuneration of executive officers				
\$10,000 to \$19,999	-	-	-	-
\$30,000 to \$39,999	1	-	-	-
\$90,000 to \$99,999	1	-	-	-
\$100,000 to \$109,999	-	1	-	-
\$120,000 to \$129,999	-	1	-	-
\$150,000 to \$159,999	-	-	-	-
\$170,000 to \$179,999	-	-	-	-
\$180,000 to \$189,999	-	1	-	-
\$190,000 to \$199,999	-	1	-	-
\$200,000 to \$209,999	1	2	-	-
\$220,000 to \$229,999	-	1	-	-
\$230,000 to \$239,999	1	-	-	-
\$240,000 to \$249,999	2	-	-	-
\$340,000 to \$349,999	-	1	-	1
\$350,000 to \$359,999	-	1	-	1
\$360,000 to \$369,999	-	1	-	1
\$370,000 to \$379,999	1	-	-	-
\$380,000 to \$389,999	2	1	2	1
\$390,000 to \$399,999	2	-	2	-
\$430,000 to \$439,999	-	1	-	1
\$440,000 to \$449,999	-	1	-	1
\$460,000 to \$469,999	2	-	2	-
\$710,000 to \$719,999	-	1	-	1
\$770,000 to \$779,999	1	-	1	-
	14	14	7	7
Key management personnel compensation				
Short-term employee benefits	\$3,772,361	\$3,587,105	\$3,266,529	\$3,050,384
Post-employment benefits	\$34,444	-	-	-
Termination benefits	-	-	-	-
	\$3,806,805	\$3,587,105	\$3,266,529	\$3,050,384

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2011

	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
8. REMUNERATION OF AUDITORS					
Fees paid to Audit Office of New South Wales for audit and review of financial reports		402	399	230	231
Fees paid to non-audit firms for the audit or review of financial reports of any entity in the consolidated group		199	288	-	-
Total remuneration for audit services		601	687	230	231
9. CASH AND CASH EQUIVALENTS					
Cash at bank and on hand		15,606	11,033	1,816	3,265
Deposits at call		55,544	50,510	49,577	44,520
Fixed term deposits		182,500	183,000	165,000	155,000
Total cash and cash equivalents		253,650	244,543	216,393	202,785
(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		253,650	244,543	216,393	202,785
> less: bank overdrafts		-	-	-	-
Balance as per cash flow statement		253,650	244,543	216,393	202,785
(b) Cash at bank and on hand					
Cash at bank are interest bearing with interest rates ranging between 0.10% and 3.25%. Cash on hand are non-interest bearing.					
(c) Deposits at call and term deposits					
The deposits at call are bearing floating interest rates between 4.15% and 4.75% (2010 4.65% and 5.25%). Term deposits are interest bearing with rates ranging between 5.25% and 6.45%. These deposits have an average maturity of 90 days.					
10. RECEIVABLES					
Current					
Trade debtors – other		13,583	13,785	11,141	11,650
> less: provision for impaired receivables		(611)	(359)	(571)	(359)
		12,972	13,426	10,570	11,291
Trade debtors—student		2,034	1,238	1,153	761
> less: provision for impaired receivables		(300)	(279)	(259)	(219)
		1,734	959	894	542
		14,706	14,385	11,464	11,833
Amounts receivable from wholly owned subsidiaries					
> INSEARCH Limited		-	-	356	599
> accessUTS Pty Limited		-	-	895	194
Amounts receivable from related entities					
> Sydney Educational Broadcasting Limited		398	296	398	296

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2011

	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Total current receivables		15,104	14,681	13,113	12,922
Non-current					
Deferred government contribution for superannuation		410,694	287,805	410,694	287,805
Trade debtors – other		1,168	1,370	–	–
Total non-current receivables		411,862	289,175	410,694	287,805
Total trade and other receivables		426,966	303,856	423,807	300,727

	Economic entity (Consolidated)	
	2011 \$'000	2010 \$'000
(a) Impaired receivables		
As at 31 December 2011, current receivables of the group with a nominal value of \$1,038,000 (2010: \$5,577,000) were impaired. The amount of the provision was \$911,000 (2010: \$638,000). The nominal impaired receivables includes a 100% provision for \$729,000. It is anticipated that a portion of the impaired receivables will be recovered. The impaired receivables for the parent entity are \$957,000 (2010: \$6,358,340) with the amount of the provision being \$830,000 (2010: \$578,000).		
The ageing of these receivables is as follows:		
> 0 to 6 months	551	5,091
> over 6 months	487	486
	1,038	5,577
As at 31 December 2011, receivables of \$16,145,000 (2010: \$11,112,000) 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	14,374	9,474
> over 6 months	1,771	1,638
	16,145	11,112
Movements in the provision for impaired receivables are as follows:		
> at 1 January	638	969
> provision for impairment recognised during the year	293	(227)
> receivables written off during the year as uncollectible	(20)	(104)
> unused amounts reversed	–	–
	911	638

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

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2011

	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
10. RECEIVABLES (continued)					
(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		425,376	303,316	424,538	301,116
> Canadian dollar		-	-	-	-
> Chinese renminbi		77	-	40	-
> Euro		7	47	7	47
> British pound		1,378	989	36	-
> United States dollar		1,024	39	1	39
> New Zealand dollar		15	103	15	103
> Thai baht		-	-	-	-
		427,877	304,494	424,637	301,305
Current receivables		16,015	15,319	13,943	13,500
Non-current receivables		411,862	289,175	410,694	287,805
		427,877	304,494	424,637	301,305

(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 2011

	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
11. OTHER FINANCIAL ASSETS					
Current					
Other financial assets at fair value through profit or loss					
Managed funds — New South Wales Treasury Corporation	33(d)	47	45	47	45
Total current other financial assets at fair value through profit or loss		47	45	47	45
Total current other financial assets		47	45	47	45
Non-current					
Available-for-sale financial assets					
Australian listed equity securities		1,581	1,907	1,581	1,907
Unlisted shares		–	–	–	–
Total non-current available-for-sale financial assets		1,581	1,907	1,581	1,907
Other financial assets at cost					
Shares in subsidiaries		–	–	185	185
Shares in other entities		119	119	119	119
Interest in joint venture partnerships and investment in associates		–	–	2,815	–
Other unlisted securities — security deposits		133	106	–	–
Total non-current other financial assets at cost		252	225	3,119	304
Total non-current other financial assets		1,833	2,132	4,700	2,211

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.

	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
12. OTHER NON-FINANCIAL ASSETS					
Current					
Accrued income		3,570	4,992	3,417	4,692
Prepayments		14,729	13,886	12,305	11,566
Total current other non-financial assets		18,299	18,878	15,722	16,258
Non-current					
Prepayments		514	147	514	147
Total non-current other non-financial assets		514	147	514	147
Total other non-financial assets		18,813	19,025	16,236	16,405

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2011

	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'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		9,493	9,148	–	–
Total investments accounted for using the equity method		9,493	9,148	–	–
Reconciliation					
Balance at 1 January		9,148	9,527	–	–
Share of profit for the year		1,377	1,720	–	–
Dividends		(1,024)	(1,596)	–	–
Foreign currency translation		9	(423)	–	–
Additional equity income		–	(80)	–	–
Joint venture reclassified		(17)	–	–	–
Balance at 31 December		9,493	9,148	–	–

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 2011. The University has relied on the statutory accounts to the 30 June 2011 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)

3. Sydney Institute of Language and Commerce (SILC)

The Sydney Institute of Language and Commerce (SILC) is a joint venture between the University of Technology, Sydney (UTS) and Shanghai University to provide education programs and courses in China. In 2011, INSEARCH transferred its interest in SILC to UTS due to government requirements in China.

4. 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.

5. Labshare Ltd

This is a joint venture between the University of Technology, Sydney and Curtin University of Technology for the purpose to promote the sharing of laboratory and experimental resources for teaching, training and research, whether in the tertiary or secondary sector.

(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 2011

	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
(c) Summarised financial information in respect of associates is set out below					
Financial position					
Current assets		4,108	7,266	-	-
Non-current assets		6,736	4,749	-	-
Total assets		10,844	12,015	-	-
Current liabilities		1,338	2,747	-	-
Non-current liabilities		13	120	-	-
Total liabilities		1,351	2,867	-	-
Share of net assets		9,493	9,148	-	-
Financial performance					
Revenues		4,424	9,472	-	-
Expenses		3,047	7,752	-	-
Share of profit/(loss)		1,377	1,720	-	-
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 2011. 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 2011 \$'000	In-kind contributions in 2011 \$'000	Total contributions in 2011 \$'000
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.	134	172	306
CRC CARE (Contamination Assessment and Remediation of the Environment) Pty Ltd	The CRC for Contamination Assessment and Remediation of the Environment.	100	96	196
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	67	117
		284	335	619

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2011

	Construction in progress	Freehold land	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 2010									
> 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
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
Year ended 31 December 2011									
Opening net book amount	78,319	295,510	555,281	27,119	573	6,241	16,832	2,362	982,237
Exchange differences	-	-	-	-	-	-	-	-	-
Revaluation surplus/(deficit)	-	51,515	(153)	-	-	-	-	-	51,362
Acquisition of subsidiary	-	-	-	-	-	-	-	-	-
Additions	(7,720)	2,379	115,219	29,654	231	4,282	2,341	48	146,434
Assets classified as held for sale and other disposals	-	-	(442)	(86)	-	(9)	(1)	-	(538)
Depreciation charge	-	-	(32,418)	(12,106)	(467)	(3,924)	(2,927)	-	(51,842)
Closing net book amount	70,599	349,404	637,487	44,581	337	6,590	16,245	2,410	1,127,653
At 31 December 2011									
> cost	70,599	-	-	126,709	2,971	12,225	-	-	212,504
> valuation	-	349,404	1,235,940	-	-	-	108,648	2,410	1,696,402
Accumulated depreciation	-	-	(598,453)	(82,128)	(2,634)	(5,635)	(92,403)	-	(781,253)
Net book amount	70,599	349,404	637,487	44,581	337	6,590	16,245	2,410	1,127,653

1. Plant and equipment includes all operational assets.

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

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2011

	Construction in progress	Freehold land	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 2010									
> 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
Year ended 31 December 2011									
Opening net book amount	78,017	295,510	555,281	23,838	573	5,951	16,832	2,362	978,364
Revaluation surplus/(deficit)	-	51,515	(153)	-	-	-	-	-	51,362
Additions	(9,335)	2,379	115,219	20,195	231	3,849	2,341	48	134,927
Assets classified as held for sale and other disposals	-	-	(442)	(56)	-	(7)	(1)	-	(506)
Depreciation charge	-	-	(32,418)	(10,259)	(467)	(3,765)	(2,927)	-	(49,836)
Closing net book amount	68,682	349,404	637,487	33,718	337	6,028	16,245	2,410	1,114,311
At 31 December 2011									
> cost	68,682	-	-	104,734	2,971	11,480	-	-	187,867
> valuation	-	349,404	1,235,940	-	-	-	108,648	2,410	1,696,402
Accumulated depreciation	-	-	(598,453)	(71,016)	(2,634)	(5,452)	(92,403)	-	(769,958)
Net book amount	68,682	349,404	637,487	33,718	337	6,028	16,245	2,410	1,114,311

1. Plant and equipment includes all operational assets.

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

(a) Valuations of land and buildings

The valuation basis of land and buildings is fair value being the amounts for which the assets could be exchanged between willing parties in an arms length transaction, based on current prices in an active market for similar properties in the same location and condition. The 2011 revaluations were based on independent assessments by Colliers International as at 31 December 2011. 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 2011

	Development costs \$'000	Patents and trademarks \$'000	Software \$'000	Licences perpetual \$'000	Goodwill \$'000	Total \$'000
16. INTANGIBLE ASSETS						
Consolidated						
At 1 January 2010						
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	-	-	-	-	-	-
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
Year ended 31 December 2011						
Opening net book amount	-	-	16,114	2,941	-	19,055
Additions	-	-	5,860	1,857	-	7,717
Disposals	-	-	-	-	-	-
Acquisition of subsidiary	-	-	-	-	-	-
Impairment charge	-	-	-	(61)	-	(61)
Amortisation charge	-	-	(6,384)	-	-	(6,384)
Closing net book amount	-	-	15,590	4,737	-	20,327
At 31 December 2011						
Cost	-	249	57,329	5,342	-	62,920
Accumulated amortisation and impairment	-	(249)	(41,739)	(605)	-	(42,593)
Net book amount	-	-	15,590	4,737	-	20,327
Closing net book amount	-	-	15,590	4,737	-	20,327

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2011

	Development costs \$'000	Patents and trademarks \$'000	Software \$'000	Licences perpetual \$'000	Goodwill \$'000	Total \$'000
Parent entity						
At 1 January 2010						
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	-	-	-	-	-	-
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
Year ended 31 December 2011						
Opening net book amount	-	-	14,750	2,941	-	17,691
Additions	-	-	4,423	1,857	-	6,280
Disposals	-	-	-	-	-	-
Acquisition of subsidiary	-	-	-	-	-	-
Impairment charge	-	-	-	(61)	-	(61)
Amortisation charge	-	-	(5,535)	-	-	(5,535)
Closing net book amount	-	-	13,638	4,737	-	18,375
At 31 December 2011						
Cost	-	-	50,265	5,342	-	55,607
Accumulated amortisation and impairment	-	-	(36,627)	(605)	-	(37,232)
Net book amount	-	-	13,638	4,737	-	18,375
Closing net book amount	-	-	13,638	4,737	-	18,375

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2011

	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
17. TRADE AND OTHER PAYABLES					
Current					
OS-HELP Liability to Australian Government		–	242	–	242
Office of State Revenue — Payroll Tax		2,743	2,632	2,743	2,632
Trade creditors and accruals		18,837	17,255	16,813	15,608
Capital accruals		3,728	9,533	3,728	9,533
Other payroll accruals		9,101	8,295	9,101	8,295
Other		3,421	2,188	2,023	1,634
Total trade and other payables		37,830	40,145	34,408	37,944
(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		35,864	39,586	34,255	37,503
> Canadian dollar		2	5	2	5
> Swiss franc		8	–	8	–
> Danish krone		–	3	–	3
> Euro		22	31	22	31
> British pound		35	48	35	48
> Japanese yen		–	13	–	13
> Malaysian ringgit		–	–	–	–
> Thai baht		–	9	–	9
> New Zealand dollar		–	1	–	1
> Indian rupee		–	118	–	–
> United States dollar		86	325	86	325
> Singapore dollar		1,813	3	–	3
> Hong Kong dollar		–	3	–	3
		37,830	40,145	34,408	37,944

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2011

	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
18. BORROWINGS					
Current					
Secured					
Lease liabilities	22	3,555	3,324	3,311	3,224
Total current secured borrowings		3,555	3,324	3,311	3,224
Unsecured					
Loans		-	-	-	-
Total current unsecured borrowings		-	-	-	-
Total current borrowings		3,555	3,324	3,311	3,224
Non-current					
Secured					
Lease liabilities	22	3,242	3,077	2,930	2,887
Total non-current secured borrowings		3,242	3,077	2,930	2,887
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		43,242	43,077	42,930	42,887
Total borrowings		46,797	46,401	46,241	46,111
(a) Assets pledged as security					
Non-current					
Finance lease					
Plant and equipment	15	12,225	11,710	11,480	11,396
Total non-current assets pledged as security		12,225	11,710	11,480	11,396
(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		40,000	-	40,000	-
Later than five years		-	40,000	-	40,000
Total borrowing commitments		40,000	40,000	40,000	40,000

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2011

18. BORROWINGS (continued)

(c) Interest rate risk exposures

Details of the entity's exposure to interest rate changes on borrowings are set out in the financial instruments note 33.

(d) Fair value disclosures

Details of fair value of borrowings for the entity are set out in financial instruments note 33.

(e) Borrowing classes

The University's borrowings comprise a TCorp loan and lease liabilities. Details of the borrowings are listed in the financial instruments note 33.

(f) Risk exposure

At 31 December 2011, 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 financial instruments note 33.

	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
19. PROVISIONS					
Current provisions expected to be settled within 12 months					
Employee benefits					
> annual leave	1(v)/1(w)	16,326	15,169	15,242	14,029
> long service leave	1(v)/1(w)	4,107	3,714	4,041	3,655
Subtotal		20,433	18,883	19,283	17,684
Make good provision		430	220	430	220
Total current provisions expected to be settled within 12 months		20,863	19,103	19,713	17,904
Current provisions expected to be settled after more than 12 months					
Employee benefits					
> annual leave	1(v)/1(w)	9,790	8,574	9,698	8,682
> long service leave	1(v)/1(w)	46,915	32,866	46,189	32,419
Subtotal		56,705	41,440	55,887	41,101
Total current provisions		77,568	60,543	75,600	59,005
Non-current					
Employee benefits					
> long service leave	1(v)/1(w)	13,073	8,363	12,385	7,765
> defined benefit obligation		416,305	292,784	416,305	292,784
Subtotal		429,378	301,147	428,690	300,549
Make good provision		1,253	1,201	-	-
Total non-current provisions		430,631	302,348	428,690	300,549
Total provisions		508,199	362,891	504,290	359,554

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2011

	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
20. OTHER LIABILITIES					
Current					
Unearned Commonwealth Grants — CGS and HECS		1,339	–	1,339	–
Prepaid student fees		21,413	21,978	11,010	10,324
Other		5,240	4,780	776	2,088
Total current other liabilities		27,992	26,758	13,125	12,412
Non-current					
Other		66	168	–	–
Total non-current other liabilities		66	168	–	–
Total other liabilities		28,058	26,926	13,125	12,412
21. RESERVES AND RETAINED SURPLUS					
(a) Reserves comprise					
Property, plant and equipment revaluation reserve					
> freehold land		323,214	271,700	323,214	271,700
> buildings		98,959	107,976	98,959	107,976
> building infrastructure		141,000	132,135	141,000	132,135
> art works		1,654	1,654	1,654	1,654
> library		116	116	116	116
> other assets		1	1	1	1
Available for sale investments revaluation reserve		(239)	87	(239)	87
Foreign currency translation reserve		(1,275)	(1,638)	–	–
Reserves from associates		–	–	–	–
Total reserves		563,430	512,031	564,705	513,669

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2011

	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
21. RESERVES AND RETAINED SURPLUS (continued)					
(b) Movements in reserves					
Property, plant and equipment revaluation reserve					
Balance 1 January		513,582	477,042	513,582	477,042
Increase/(decrease) revaluation	15	51,362	36,540	51,362	36,540
Transfer of reserve to retained earnings		-	-	-	-
Balance 31 December		564,944	513,582	564,944	513,582
Available-for-sale investments revaluation reserve					
Balance 1 January		87	5	87	5
Increase/(decrease) revaluation		(326)	82	(326)	82
Balance 31 December		(239)	87	(239)	87
Foreign currency translation reserve					
Balance 1 January		(1,638)	(1,703)	-	-
Net exchange differences on translation of foreign controlled entity		363	65	-	-
Balance 31 December		(1,275)	(1,638)	-	-
Share of reserves from associates					
Balance 1 January		-	-	-	-
Increase/(decrease) in reserves from associates		-	-	-	-
Balance 31 December		-	-	-	-
Total reserves		563,430	512,031	564,705	513,669
(c) Nature and purpose of reserves					
Property, plant and equipment revaluation reserve refer note 1(p) for details of nature and purpose of reserve.					
Available-for-sale investments revaluation reserve refer note 1(m)(ii) for details of nature and purpose of reserve.					
Foreign currency translation reserve refer note 1(c)(iii) for details of nature and purpose of reserve.					
(d) Retained surplus					
Movements in retained surplus were as follows:					
> retained surplus at 1 January		648,190	615,206	605,081	575,713
> operating result for the period		27,227	33,452	26,968	29,836
> net actuarial gains (losses) recognised in respect of defined benefit plans		(949)	(468)	(949)	(468)
> transferred from revaluation reserve		-	-	-	-
> transferred from reserve from associates		-	-	-	-
Retained surplus at the end of the year		674,468	648,190	631,100	605,081

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2011

	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'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		39,280	66,021	38,870	63,952
> later than one year and not later than five years		-	-	-	-
Plant and equipment					
> not later than one year		2,303	2,045	2,248	1,745
Intangible assets					
> not later than one year		-	-	-	-
Total capital commitments		41,583	68,066	41,118	65,697
(b) Lease commitments					
Commitments in relation to leases contracted for at the reporting date but not recognised as liabilities are payable as follows:					
> within one year		9,861	8,441	3,773	2,708
> later than one year but not later than five years		10,211	9,876	4,121	2,734
> later than five years		1,221	1,388	1,221	1,171
Total lease commitments		21,292	19,705	9,115	6,613
Representing:					
> cancellable operating leases		-	-	-	-
> non-cancellable operating leases		20,631	19,212	8,516	6,151
> future finance charges on finance leases		661	493	599	462
		21,292	19,705	9,115	6,613

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2011

	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
22. COMMITMENTS FOR EXPENDITURE (continued)					
Operating leases					
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:					
Premises					
> within one year		7,785	6,689	1,759	987
> later than one year and not later than five years		8,605	8,780	2,515	1,638
> later than five years		1,221	1,388	1,221	1,171
		17,610	16,857	5,495	3,796
Motor vehicles					
> within one year		1,188	1,224	1,188	1,224
> later than one year and not later than five years		872	698	872	698
		2,060	1,922	2,060	1,922
Equipment					
> within one year		426	190	426	190
> later than one year and not later than five years		535	243	535	243
		961	433	961	433
Total operating leases		20,631	19,212	8,516	6,151
Finance leases					
The University of Technology, Sydney leases various plant and equipment with a carrying amount of \$6,028,416 (2010: \$5,950,622) 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		3,995	3,649	3,710	3,531
> later than one year and not later than five years		3,463	3,245	3,130	3,042
Total minimum finance lease payments		7,458	6,894	6,840	6,573
Future finance charges		(661)	(493)	(599)	(462)
Recognised as a liability		6,797	6,401	6,241	6,111
Representing lease liabilities					
> current liability	18	3,555	3,324	3,311	3,224
> non-current liability	18	3,242	3,077	2,930	2,887
		6,797	6,401	6,241	6,111

The weighted average interest rate implicit in the leases is 8.36 per cent (2010: 6.72 per cent).

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2011

	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
(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		4,007	4,050	3,795	4,040
> later than one year and not later than five years		188	10	-	-
		4,195	4,060	3,795	4,040
Remuneration commitments					
> not later than one year		907	1,035	-	-
> later than one year and not later than five years		128	285	-	-
		1,035	1,320	-	-
Total other expenditure commitments		5,230	5,380	3,795	4,040
Commitments for expenditure are recorded on a GST inclusive basis except for finance leases which are recorded on a GST exclusive basis. The potential GST credit on the above commitments is \$6,037,000 (2010: \$8,303,000) for the economic entity and \$4,857,182 (2010: \$6,899,000) for the parent entity.					
23. NON-CASH FINANCING AND INVESTING ACTIVITIES					
Acquisition of plant and equipment by means of finance leases		4,282	3,897	3,849	3,581

24. DEFINED BENEFITS PLANS

During the 2011 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 2011 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:

	2011 %	2010 %
Discount rate at 31 December	3.7	5.6
Expected return on plan assets at 31 December	8.6	8.6
Expected salary increases	2.5	3.5
Expected rate of CPI increase	2.5	2.5

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2011

24. DEFINED BENEFITS PLANS (continued)

The history of experience adjustments is as follows:

	2011 \$	2010 \$	2009 \$	2008 \$	2007 \$
Fair value of plan assets	(133,902,652)	(154,890,936)	(167,672,974)	(176,037,558)	(238,834,228)
Present value of defined benefit obligation	550,207,192	447,675,230	427,851,774	476,959,268	368,971,033
Surplus/(deficit)	416,304,540	292,784,294	260,178,800	300,921,710	130,136,805
Experience adjustments on plan liabilities	98,877,188	16,625,778	(45,319,798)	111,148,497	(25,005,519)
Experience adjustments on plan assets	13,042,871	5,431,356	(1,130,734)	55,168,529	(4,569,263)

	SASS		SANCS		SSS		Total	
	2011 \$	2010 \$	2011 \$	2010 \$	2011 \$	2010 \$	2011 \$	2010 \$
Fair value of plan assets	(39,258,228)	(40,732,846)	(4,258,371)	(4,528,733)	(90,386,053)	(109,629,357)	(133,902,652)	(154,890,936)
Present value of defined benefit obligation	48,128,009	45,659,934	9,869,364	9,507,552	492,209,819	392,507,744	550,207,192	447,675,230
Surplus/(deficit)	8,869,781	4,927,088	5,610,993	4,978,819	401,823,766	282,878,387	416,304,540	292,784,294
Experience adjustments on plan liabilities	1,958,886	936,917	420,622	163,584	96,497,680	15,525,277	98,877,188	16,625,778
Experience adjustments on plan assets	2,691,420	814,369	528,868	304,743	9,822,583	4,312,244	13,042,871	5,431,356

Financial impact for funds guaranteed by Commonwealth Government

Present value obligations — 2011

Opening 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
Current service cost	1,685,996	1,727,647	402,499	441,201	607,429	985,120	2,695,924	3,153,968
Interest cost	2,394,400	2,426,774	487,025	520,856	21,295,593	21,092,784	24,177,018	24,040,414
Contributions from plan participants	737,805	771,841	—	—	1,033,652	1,299,494	1,771,457	2,071,335
Actuarial losses/(gains)	1,958,886	936,917	420,622	163,584	96,497,680	15,525,277	98,877,188	16,625,778
Past service costs	—	—	—	—	—	—	—	—
Losses/(gains) on curtailments	—	—	—	—	—	—	—	—
Liabilities extinguished on settlements	—	—	—	—	—	—	—	—
Liabilities assumed in a business combination	—	—	—	—	—	—	—	—
Exchange differences on foreign plans	—	—	—	—	—	—	—	—
Benefits paid	(4,309,012)	(4,471,456)	(948,334)	(1,369,789)	(19,732,279)	(20,226,794)	(24,989,625)	(26,068,039)
Closing defined benefit obligation	48,128,009	45,659,934	9,869,364	9,507,552	492,209,819	392,507,744	550,207,192	447,675,230

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2011

	SASS		SANCS		SSS		Total	
	2011 \$	2010 \$	2011 \$	2010 \$	2011 \$	2010 \$	2011 \$	2010 \$
Present value of plan assets — 2011								
Opening 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
Expected return on plan assets	3,259,963	3,238,224	448,569	521,701	8,434,908	9,576,489	12,143,440	13,336,414
Actuarial gains/(losses)	(2,691,420)	(814,369)	(528,868)	(304,743)	(9,822,583)	(4,312,244)	(13,042,871)	(5,431,356)
Exchange differences on foreign plans	-	-	-	-	-	-	-	-
Contributions from the employer	1,528,046	1,836,255	758,271	434,932	842,998	1,038,422	3,129,315	3,309,609
Contributions from plan participants	737,805	771,841	-	-	1,033,652	1,299,494	1,771,457	2,071,335
Benefits paid	(4,309,012)	(4,471,457)	(948,334)	(1,369,790)	(19,732,279)	(20,226,793)	(24,989,625)	(26,068,040)
Assets acquired in a business combination	-	-	-	-	-	-	-	-
Assets distributed on settlements	-	-	-	-	-	-	-	-
Closing fair value of plans assets	39,258,228	40,732,846	4,258,371	4,528,733	90,386,053	109,629,357	133,902,652	154,890,936
Reimbursement rights								
Opening value of reimbursement right	4,927,088	4,095,859	-	-	282,878,388	251,577,874	287,805,476	255,673,733
Change in value	3,942,693	831,229	-	-	118,945,378	31,300,514	122,888,071	32,131,743
Closing value of reimbursement right	8,869,781	4,927,088	-	-	401,823,766	282,878,388	410,693,547	287,805,476
Net liability								
Defined benefit obligation	48,128,009	45,659,934	9,869,364	9,507,552	492,209,819	392,507,744	550,207,192	447,675,230
Fair value of plan assets	(39,258,228)	(40,732,846)	(4,258,371)	(4,528,733)	(90,386,053)	(109,629,357)	(133,902,652)	(154,890,936)
Net liability/(asset) in balance sheet (note 19)	8,869,781	4,927,088	5,610,993	4,978,819	401,823,766	282,878,387	416,304,540	292,784,294
Expense recognised								
Current service cost	1,685,996	1,727,647	402,499	441,201	607,429	985,120	2,695,924	3,153,968
Interest on obligation	2,394,400	2,426,774	487,025	520,856	21,295,592	21,092,784	24,177,017	24,040,414
Expected return on plan assets	(3,259,963)	(3,238,223)	(448,569)	(521,700)	(8,434,908)	(9,576,489)	(12,143,440)	(13,336,412)
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)	820,433	916,198	440,955	440,357	13,468,113	12,501,415	14,729,501	13,857,970
Actual returns								
Actual return on plan assets	(783,975)	1,749,188	(80,299)	216,958	(2,081,471)	5,196,618	(2,945,745)	7,162,764
Actual return on reimbursement right	-	-	-	-	-	-	-	-

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2011

24. DEFINED BENEFITS PLANS (continued)

	SASS		SANCS		SSS		Total	
	2011 \$	2010 \$	2011 \$	2010 \$	2011 \$	2010 \$	2011 \$	2010 \$
Other comprehensive income								
Actuarial losses/(gains) on defined benefit	1,958,886	936,917	420,622	163,584	96,497,680	15,525,277	98,877,188	16,625,778
Actuarial losses/(gains) on plan assets	2,691,420	814,369	528,868	304,743	9,822,583	4,312,244	13,042,871	5,431,356
Change in reimbursement rights	(4,650,306)	(1,751,286)	-	-	(106,320,263)	(19,837,521)	(110,970,569)	(21,588,807)
Recognised in other comprehensive income	-	-	949,490	468,327	-	-	949,490	468,327
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	45,155,887	43,947,837	9,030,687	9,005,482	308,627,106	301,921,034	362,813,680	354,874,353
Net market value of fund assets	(39,258,228)	(40,732,846)	(4,258,371)	(4,528,733)	(90,386,053)	(109,629,356)	(133,902,652)	(154,890,935)
Net (surplus)/deficit	5,897,659	3,214,991	4,772,316	4,476,749	218,241,053	192,291,678	228,911,028	199,983,418

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 2011 the assets of the DBD in aggregate were estimated to be \$906.5 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 indexed pensions being provided by the DBD.

As at 30 June 2011 the assets of the DBD in aggregate were estimated to be \$426.7 million in excess of accrued benefits. The accrued benefits have been calculated as the present value of expected future benefit payments to members and indexed pensioners which arise from membership of UniSuper up to the reporting date.

- The vested benefit and accrued benefit liabilities were determined by the fund's actuary Russell Employee Benefits using the actuarial demographic assumptions outlined in their report dated 9 November 2011 on the actuarial investigation of the DBD as at 30 June 2011. The financial assumptions used were:

	Vested benefits % p.a	Accrued benefits % p.a
> gross of tax investment return	7.25	8.5
> net of tax investment return	6.75	8.0
> consumer price index	2.75	2.75
> inflationary salary increases short term (two years)	5.0	5.0
> inflationary salary increases long term	3.75	3.75

- Assets have been included at their net market value, that is, allowing for realisation costs.

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2011

6. The Defined Benefit Division as at 30 June 2011 is therefore in an 'unsatisfactory financial position' as defined by SIS 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.
7. Clause 34 of the UniSuper Trust Deed was initiated following the 31 December 2008 actuarial investigation and it has again been initiated following the 30 June actuarial investigation.
8. The actuary currently believes, in respect of the long term financial condition of the fund, that assets as at 30 June 2011, 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.
9. Clause 34 of the UniSuper Trust Deed outlines the process UniSuper must undertake (including employer notifications and notice periods) in order to reduce benefits to beneficiaries of the UniSuper defined benefit scheme in the event of insufficient assets held by the fund. The main points are:
- (a) If, after an actuarial investigation and valuation of UniSuper, the Trustee considers that UniSuper is or may be insufficient to provide benefits payable under the Deed, the Trustee must notify each Employer.
- (b) If, after the next two succeeding actuarial investigations and valuations of UniSuper (made in a period of not less than four years) the Trustee still considers that UniSuper is or may be insufficient to provide the benefits payable under the Deed, the Trustee must reduce the benefits (including benefits in the course of payment) payable under Division A and Division B on a fair and equitable basis.

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.

Name of entity	Principal activities	Country of incorporation	Ownership interest/control		Equity	
			2011 %	2010 %	2011 \$'000	2010 \$'000
27. SUBSIDIARIES						
Parent entity						
University of Technology, Sydney	Education services	Australia	-	-	1,198,820	1,123,047
Controlled entities						
INSEARCH Limited (company limited by guarantee) ¹	Education services	Australia	100	100	38,289	36,434
INSEARCH (Shanghai) Limited	Education services	China	100	100	222	176
INSEARCH Education International Pty Limited	Education services	Australia	100	100	339	349
Australia Centre Thailand	Education services	Thailand	81	81	-	-
accessUTS Pty Limited	Consulting	Australia	100	100	228	215
UTS Global Pty Ltd	Marketing services	Australia	100	-	-	-

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

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 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 \$5,000,000 (2010: \$4,000,000) were paid or payable to the ultimate controlling entity.

(2) Sale of services and fees \$20,736,685 (2010: \$6,331,269) to the wholly owned University of Technology, Sydney group.

(3) Purchase of services and fees \$15,243,664 (2010: \$3,228,726) by the wholly owned University of Technology, Sydney group.

(4) Purchase of shares in a subsidiary \$0 (2010: \$0) by the wholly owned University of Technology, Sydney group.

(e) Outstanding balances

	Economic entity (Consolidated)		Parent entity (University)	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Current receivables				
Subsidiaries	–	–	1,216	758
Current receivables (loans)				
Subsidiaries	–	–	35	35

Included in the total doubtful debts provision in the parent entity is a provision of \$0 (2010: \$11,111) for doubtful debts for outstanding balances due from related parties.

	Revenue		Results		Assets	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
29. DISAGGREGATION INFORMATION (CONSOLIDATED)						
Geographical (consolidated entity)						
Australia	621,565	581,279	26,590	33,043	1,856,312	1,634,306
China	2,538	2,284	531	357	320	183
United Kingdom	–	–	59	(271)	1,796	1,739
South-East Asia	102	469	47	323	354	356
Total	624,205	584,032	27,227	33,452	1,858,782	1,636,584

(a) Includes discontinued operations

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2011

30. EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

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

	Economic entity (Consolidated)		Parent entity (University)	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
31. RECONCILIATION OF OPERATING RESULT AFTER INCOME TAX TO NET CASH FLOWS FROM OPERATING ACTIVITIES				
Operating result for the period	27,227	33,452	26,968	29,836
Depreciation, amortisation and Impairment PPE and Intangibles	58,287	54,373	55,432	52,811
Impairment of financial assets	–	3,539	–	3,539
Non-cash donations	–	(1,900)	–	(1,900)
Increase/(decrease) in provisions:				
> annual leave	2,373	1,927	2,229	1,923
> doubtful debts	273	(331)	252	(282)
> long service leave	19,152	5,010	18,776	4,678
> deferred superannuation	123,520	32,605	123,521	32,605
> other provisions	–	–	–	–
Decrease/(increase) in receivables	(495)	(629)	(444)	(188)
Decrease/(increase) in non-current receivables	(122,889)	(32,132)	(122,889)	(32,132)
Decrease/(increase) in prepayments and accrued income	344	2,096	301	2,337
Decrease/(increase) in inventories	–	–	–	–
(Decrease)/increase in accounts payable	2,305	2,804	1,084	2,048
(Decrease)/Increase in current tax liabilities	–	–	–	–
(Decrease)/increase in income in advance	1,132	1,795	713	1,748
Decrease/(increase) in derivatives — asset	–	–	–	–
(Profit)/loss on sale of assets	1,460	4	1,431	(6)
Increase in share of profit of joint venture not received as dividends or distribution	(353)	384	–	–
Actuarial gain/(loss) on deferred superannuation	(949)	(468)	(949)	(468)
Net cash provided by operating activities	111,387	102,529	106,425	96,549

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2011

32. ACQUISITION OF AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE

32.1 DEWR — CGS and other DEWR 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			
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000		
Notes																		
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the programs)	136,895	130,891	982	1,086	2,365	1,365	-	-	476	-	-	-	1,058	1,409	205	318		
Net accrual adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Revenue for the period	2.1(a)	136,895	982	1,086	2,365	1,365	-	-	476	-	-	-	1,058	1,409	205	318		
Surplus/(deficit) from the previous year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total revenue including accrued revenue	136,895	130,891	982	1,086	2,365	1,365	-	-	476	-	-	-	1,058	1,409	205	318		
Less expenses including accrued expenses	(136,895)	(130,891)	(982)	(1,086)	(2,365)	(1,365)	-	-	(476)	-	-	-	(1,058)	(1,409)	(205)	(318)		
Surplus/(deficit) for reporting period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Parent entity (University) only																	
	Diversity and Structural Adjustment Fund ³		Transitional Cost Program		Improving the Practical Component of Teacher Education Initiative		Total											
	Notes	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the programs)		-	759	562	1,022	-	-	-	-	-	-	-	-	-	-	-	-	-
Net accrual adjustments		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Revenue for the period	2.1(a)	-	759	562	1,022	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(deficit) from the previous year		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total revenue including accrued revenue		-	759	562	1,022	-	-	-	-	-	-	-	-	-	-	-	-	-
Less expenses including accrued expenses		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(deficit) for reporting period		-	(759)	(562)	(1,022)	-	-	(562)	(1,022)	-	-	-	-	(142,067)	(137,326)	-	-	-

1. Includes the basic CGS grant amount, CGS — Regional Loading, CGS — Enabling Loading, Maths and Science Transition Loading and Full Fee Places Transition Loading.

2. Includes Equity Support Program.

3. Includes Collaboration and Structural Reform Program.

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2011

32.2 Higher Education Loan Programs (excluding OS-HELP)

Parent entity (University) only							
	Notes	HECS-HELP (Australian Government payments only)		FEE-HELP		Total	
		2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the programs)		80,483	78,077	41,348	34,828	121,831	112,905
Net accrual adjustments		(1,302)	(4,514)	(1,778)	(2,883)	(3,080)	(7,397)
Revenue for the period	2.1(b)	79,181	73,563	39,570	31,945	118,751	105,508
Surplus/(deficit) from the previous year		–	–	–	–	–	–
Total revenue including accrued revenue		79,181	73,563	39,570	31,945	118,751	105,508
Less expenses including accrued expenses		(79,181)	(73,563)	(39,570)	(31,945)	(118,751)	(105,508)
Surplus/(deficit) for reporting period		–	–	–	–	–	–

32.3 Australian Research Council grants

(a) Discovery

Parent entity (University) only											
	Notes	Discovery — Projects		Discovery — Federation Fellowships		Discovery — Future Fellowships		Discovery — Indigenous Researchers Development		Total	
		2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the programs)		5,057	4,797	(119)	171	901	179	34	38	5,873	5,185
Net accrual adjustments		630	405	–	–	–	–	–	–	630	405
Revenue for the period	2.1(e)(i)	5,687	5,202	(119)	171	901	179	34	38	6,503	5,590
Surplus/(deficit) from the previous year		3,363	3,162	28	160	80	87	38	–	3,509	3,409
Total revenue including accrued revenue		9,050	8,364	(91)	331	981	266	72	38	10,012	8,999
Less expenses including accrued expenses		(4,703)	(5,001)	91	(303)	(444)	(186)	(66)	–	(5,122)	(5,490)
Surplus/(deficit) for reporting period		4,347	3,363	–	28	537	80	6	38	4,890	3,509

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2011

32. ACQUITTAL OF AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE (continued)

32.4 Australian Research Council grants

(b) Linkages

	Parent entity (University) only								
	Notes	Linkage — projects		Linkage — international		Linkage — infrastructure		Total	
		2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the programs)		2,631	2,608	–	–	–	164	2,631	2,772
Net accrual adjustments		439	385	–	–	130	510	569	895
Revenue for the period	2.1(e)(iii)	3,070	2,993	–	–	130	674	3,200	3,667
Surplus/(deficit) from the previous year		2,790	2,514	40	44	978	1,908	3,808	4,466
Total revenue including accrued revenue		5,860	5,507	40	44	1,108	2,582	7,008	8,133
Less expenses including accrued expenses		(5,512)	(2,717)	–	(4)	(1,030)	(1,604)	(6,542)	(4,325)
Surplus/(deficit) for reporting period		348	2,790	40	40	78	978	466	3,808

32.5 Australian Research Council grants

(c) Networks and centres

	Parent entity (University) only						
	Notes	Research networks		Centres		Total	
		2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the programs)		–	–	–	–	–	–
Net accrual adjustments		6	(6)	110	591	116	585
Revenue for the period	2.1(e)(iii)	6	(6)	110	591	116	585
Surplus/(deficit) from the previous year		52	285	431	545	483	830
Total revenue including accrued revenue		58	279	541	1,136	599	1,415
Less expenses including accrued expenses		(58)	(227)	(447)	(705)	(505)	(932)
Surplus/(deficit) for reporting period		–	52	94	431	94	483

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2011

32.6 DIISR research

	Parent entity (University) only																	
	Joint Research Engagement Program		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		Total	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	
Notes																		
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the programs)	4,837	5,011	9,719	9,355	-	-	2,080	2,205	-	-	-	62	133	102	1,335	1,066	18,104	17,801
Net accrual adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Revenue for the period	4,837	5,011	9,719	9,355	-	-	2,080	2,205	-	-	62	133	102	1,335	1,066	18,104	17,801	
Surplus/(deficit) from the previous year	-	-	-	-	-	-	129	725	-	181	-	175	34	25	164	-	327	1,106
Total revenue including accrued revenue	4,837	5,011	9,719	9,355	-	-	2,209	2,930	-	181	-	237	167	127	1,499	1,066	18,431	18,907
Less expenses including accrued expenses	(3,247)	(5,011)	(9,719)	(9,355)	-	-	(1,409)	(2,801)	-	(181)	-	(237)	(135)	(93)	(1,388)	(902)	(15,898)	(18,580)
Surplus/(deficit) for reporting period	1,590	-	-	-	-	-	800	129	-	-	-	-	32	34	111	164	2,533	327

1. Includes Institutional Grants Scheme.

32.7 Scholarships

	Parent entity (University) only																	
	Australian Postgraduate Awards				International Postgraduate Research Scholarships				Commonwealth Education Cost Scholarships				Commonwealth Accommodation Scholarships ¹		Indigenous Access Scholarships		Total	
	2011 \$'000	2010 \$'000	Notes	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the programs)	3,645	2,871		370	326			2,407	2,189			5	18	158	5,780			
Net accrual adjustments	-	-		-	-			-	-			-	-	-	-	-	-	
Revenue for the period	3,645	2,871	2.1(c)	370	326			2,407	2,189			5	18	158	5,780			
Surplus/(deficit) from the previous year	(126)	(100)		10	29			605	450			(399)	(48)	(8)	(77)	478		
Total revenue including accrued revenue	3,519	2,771		380	355			3,012	2,639			(394)	(30)	150	6,258			
Less expenses including accrued expenses	(3,087)	(2,897)		(351)	(345)			(2,562)	(1,531)			-	(369)	(162)	(5,096)			
Surplus/(deficit) for reporting period	432	(126)		29	10			450	1,108			(394)	(399)	(12)	1,163			

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

Notes to the financial statements

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32. ACQUITTAL OF AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE (continued)

32.8 Other capital funding

Parent entity (University) only								
	Better Universities Renewal Funding		Teaching and Learning Capital Fund		Education Investment Fund		Total	
Notes	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the programs)	-	-	-	-	4,800	-	4,800	-
Net accrual adjustments	-	-	-	-	-	-	-	-
Revenue for the period	2.1(f)	-	-	-	4,800	-	4,800	-
Surplus/(deficit) from the previous year	-	-	11,580	16,042	-	-	11,580	16,042
Total revenue including accrued revenue	-	-	11,580	16,042	4,800	-	16,380	16,042
Less expenses including accrued expenses	-	-	(8,313)	(4,462)	-	-	(8,313)	(4,462)
Surplus/(deficit) for reporting period	-	-	3,267	11,580	4,800	-	8,067	11,580

32.9 Higher Education Loan programs

Parent entity (University) only		
OS-HELP		
	2011 \$'000	2010 \$'000
Cash received during the reporting period	1,441	1,381
Cash spent during the reporting period	(1,718)	(1,183)
Net cash received	(277)	198
Cash surplus/(deficit) from previous period	242	44
Cash surplus/(deficit) for reporting period	(35)	242

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 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 that 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 2011, 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.

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2011

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.

Summarised sensitivity analysis

The following table summarises the sensitivity of the group's financial assets and financial liabilities to interest rate risk and foreign exchange risk. The group anticipates that interest rates may decrease by up to 0.5 per cent in the 2012 year.

	Carrying amount \$'000	Interest rate risk				Foreign exchange risk			
		0.5%		-0.5%		10%		-10%	
		Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000
31 December 2011									
Financial assets									
Cash and cash equivalents	253,650	1,268	1,268	(1,268)	(1,268)	-	-	-	-
Receivables	426,966	-	-	-	-	(250)	(250)	250	250
Managed funds	47	0	0	(0)	(0)	-	-	-	-
Shares in other organisations	1,833	-	-	-	-	-	-	-	-
Total financial assets	682,496	-	-	-	-	-	-	-	-
Financial liabilities									
Payables	37,830	-	-	-	-	197	197	(197)	(197)
TCorp loan	40,000	-	-	-	-	-	-	-	-
Finance leases	6,797	-	-	-	-	-	-	-	-
Total financial liabilities	84,627	-	-	-	-	-	-	-	-
Total increase/(decrease)	-	1,268	1,268	(1,268)	(1,268)	(54)	(54)	54	54
31 December 2010									
Financial assets									
Cash and cash equivalents	244,543	1,223	1,223	(1,268)	(1,268)	-	-	-	-
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	1,233	(1,268)	(1,268)	(62)	(62)	62	62

(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.

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2011

33. FINANCIAL RISK MANAGEMENT (continued)

(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 commenced phasing out full fee paying domestic undergraduate student fees from 1 July 2009. In 2011, the fee income received by the University for this category of student was \$3.5 million (2010: \$5.8 million).

The University has not entered into any financial guarantee contracts.

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

	Average interest rate %	Variable interest rate \$'000	Less than 1 year \$'000	1 to 5 years \$'000	5+ years \$'000	Non-interest \$'000	Total
31 December 2011							
Financial assets							
Cash and cash equivalents	6.90	-	253,650	-	-	-	253,650
Receivables	-	-	-	-	-	426,966	426,966
Managed funds	5.23	47	-	-	-	-	47
Shares in other organisations	-	-	-	-	-	1,833	1,833
Total financial assets	-	47	253,650	-	-	428,799	682,496
Financial liabilities							
Payables	-	-	-	-	-	37,830	37,830
TCorp loan	6.41	-	-	40,000	-	-	40,000
Finance leases	8.36	-	3,555	3,242	-	-	6,797
Total financial liabilities	-	-	3,555	43,242	-	37,830	84,627
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

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2011

(d) Fair value estimation

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

	2011		2010	
	Carrying amount \$'000	Fair value \$'000	Carrying amount \$'000	Fair value \$'000
Financial assets				
Cash and cash equivalents	253,650	253,650	244,543	244,543
Receivables	426,966	426,966	303,856	303,856
Managed funds	47	47	45	45
Shares in other organisations	1,833	1,833	2,132	2,132
Total financial assets	682,496	682,496	550,576	550,576
Financial liabilities				
Payables	37,830	37,830	40,145	40,145
TCorp loan	40,000	44,129	40,000	41,206
Finance leases	6,797	6,797	6,401	6,401
Total financial liabilities	84,627	88,756	86,546	87,752

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.

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2011

33. FINANCIAL RISK MANAGEMENT (continued)

(d) Fair value estimation (continued)

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 2011				
Financial assets				
Receivables	410,694	–	410,694	–
Other financial assets—managed funds	47	47	–	–
Other financial assets—Australian listed securities	1,833	1,833	–	–
Total	412,574	1,880	410,694	–
Financial liabilities				
Not applicable to financial liabilities at amortised cost	–	–	–	–
Total	–	–	–	–
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 all financial liabilities at amortised cost	–	–	–	–
Total	–	–	–	–

END OF AUDITED FINANCIAL STATEMENTS

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Report of the directors

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

DIRECTORS

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

	Note 21
	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 (until 15 Apr 11)*	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
Mr P Bennett	25 May 11

*Mrs Leckie passed away on 15 April 2011.

COMPANY SECRETARY

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

Mr NL Patrick

ACTIVITIES

The activities of the company during the financial year ended 31 December 2011 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 \$650,000, after the payment of a donation to the University of Technology, Sydney of \$5m (note 4(c)). This profit added to the prior year accumulated profits brings the balance of the accumulated funds to \$38.0m.

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 21 of the financial report.

INFORMATION ON DIRECTORS

Mack Williams

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

Mr Williams had a long career in the Australian Diplomatic Service – including as High Commissioner to Bangladesh, Ambassador to the Philippines and the Republic of Korea, and senior positions in Canberra. He followed this with 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 on 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, Chairman of the Korea Research Institute at the University of New South Wales and a member of the Sight for Life Board at Sydney Eye Hospital.

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

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

Ms Hill has 30 years of experience as a Chartered Accountant and is a former NSW President and National Councillor. She is a current member of the CA Advisory Group providing an ethical counselling service to members.

Ms Hill is a director of Job Futures Limited, Austraining International Limited and of her management consulting company, Sector Research Pty Ltd.

She is also 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 was the Chief Executive Officer of Business Events Sydney (formerly Sydney Convention & Visitors Bureau) from 1998 to July 2011. 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, a tourism and business events Consultant and the Chairman of the Business Events Council of Australia.

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.

The late **Dianne Leckie**, BBus, MEcon, FCPA, MAICD
Non-Executive Director, Member of Audit and Risk Committee

Ms Leckie had over 25 years experience in the banking and funds management industries. She was 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, GMAICD, BA(Hons), PhD, GradDipHEd
Non-Executive Director

Professor Milthorpe is the Dean, Faculty of Science at the University of Technology, Sydney. He has 29 years experience in biomedical engineering and 11 years experience in senior leadership roles in the tertiary education sector.

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

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), MAICD
Managing Director

Mr Murphy has 20 years experience with INSEARCH. He joined INSEARCH Language Centre in 1992, teaching Indonesian language and coordinating teaching and curriculum development in Asian and European Languages, subsequently taking on the role of project manager for offshore delivery of English language programs.

In 2000, Mr Murphy was appointed Head of Marketing to INSEARCH Limited, a merger of three previously separate entities. In that role, Mr Murphy was responsible for developing the UTS:INSEARCH brand and positioning and implementing channel management systems, before taking on the role of Managing Director in September 2007.

Mr Murphy's background is in Linguistics, and Indonesian and Malay Studies, having undertaken research at the University of Sydney, before living and working in Jakarta from 1986 to 1989. A member of the St James Ethics Centre since 1997, Mr Murphy has also been undertaking leadership development and group relations with the Australian Institute of Socio-Analysis and Tavistock Institute (UK) over the past fifteen years.

William (Bill) Purcell, BCom(Hons) (UNSW),
DipJapSt (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 20 years of experience as a senior manager especially in the area of corporate internationalisation and international joint venturing.

Professor Purcell has held a number of corporate board positions including Chairman and CEO of UON Singapore Pte Ltd, IDP Education Australia Ltd and Australian Higher Education Association Ltd.

Professor Purcell is currently a Director of Sydney Educational Broadcasting Ltd, International Education Association of Australia Ltd, UTS Global Ltd and is a Trustee of the Mitsui Education Foundation. Professor Purcell is the current Chair of the Universities Australia DVCI Committee.

Professor Purcell has served as both a business and government advisor and consultant in Australia and across Asia for the past 25 years.

Patrick Woods, BSc, MBA, ACPA, FAICD
Non-Executive Director, Member of Audit and Risk 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 and the Finance Committee of Australian University Sport Inc.

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

Mr Bennett has 30 years of experience in accounting and finance, including senior executive roles in the finance industry and the consumer goods industry in the Asia Pacific region.

He is also a member of the UTS Council and a Director of First Super.

INFORMATION ON COMPANY SECRETARY

Mr Nathan Patrick, BBus, GradDip ACG, FCA, ACSA, ACIS, GAICD
Company Secretary

Mr Patrick was appointed the Chief Financial Officer of INSEARCH in February 2010. Prior to joining INSEARCH, Mr Patrick had 25 years of experience in senior financial and management roles in the professional services, manufacturing and construction industries.

He has a Bachelor of Business and has a Graduate Diploma in Applied Corporate Governance from Chartered Secretaries Australia. He is a Fellow of the Institute of Chartered Accountants and recently completed the Company Directors Diploma with the Australian Institute of Company Directors.

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 \$4,123 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 Independence Declaration, as required under section 307C of the *Corporations Act 2001* (Cwth), is set out on page 65 of this report.

For and on behalf of the directors signed at Sydney this 30th day of March 2012.



Mack Williams
Director

Alex Murphy
Director

DIRECTORS' MEETINGS

The number of Director's 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.

Director	Board meetings (7)		Audit and Risk Management Committee meetings (5)		Remuneration Committee meetings (2)	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Mack Williams	7	7	-	1	2	2
Dianne Hill	7	7	5	5	-	-
Jon Hutchison	7	7	-	1	2	2
Dianne Leckie*	2	0	1	0	-	-
William (Bill) Purcell	7	7	-	1	2	2
Bruce Milthorpe	7	7	-	-	-	-
Alex Murphy	7	7	-	5	-	-
Patrick Woods	7	6	5	5	-	-
Peter Bennett	5	5	4	4	-	-

Note. Directors have an open invitation to attend any Audit and Risk Management Committee meeting.

* Dianne Leckie passed away on 15 April 2011.

Directors' declaration

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

- 1 the financial statements and notes, as set out on pages 66 to 88 are in accordance with the *Corporations Act 2001* (Cwlth) and:
 - (a) complying with accounting standards and the *Public Finance and Audit Act 1983* (NSW) and the Public Finance and Audit Regulation 2010, as stated in accounting policy Note 2 to the financial statements and
 - (b) give a true and fair view of the financial position as at 31 December 2011 and of the performance for the year ended on that date of the consolidated group.
- (2) In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed on behalf of the Board of Directors



Mack Williams

Director
30 March 2012



Alex Murphey

Director
30 March 2012

Independent auditor's report



INDEPENDENT AUDITOR'S REPORT

Insearch Limited

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

I have audited the accompanying financial statements of Insearch Limited (the Company), which comprise the statement of financial position as at 31 December 2011, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies other explanatory information, and the directors' declaration of 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.

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 and consolidated entity's financial positions as at 31 December 2011 and of their 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

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 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 statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on the financial statements based on my audit. I conducted my audit in accordance with Australian Auditing Standards. Those 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 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 directors, as well as evaluating the overall presentation of the financial statements.

Independent auditor's report (continued)

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

My opinion does *not* provide assurance:

- about the future viability of the Company and 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, *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 29 March 2012, would be in the same terms if provided to the directors as at the date of this auditor's report.

S. Bond

Sally Bond
Director, Financial Audit Services

30 March 2012
SYDNEY

Auditor's independence declaration



To the Directors
Insearch Limited

Auditor's Independence Declaration

As auditor for the audit of the financial statements of Insearch Limited for the year ended 31 December 2011, 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.

S Bond.

Sally Bond
Director, Financial Audit Services

29 March 2012
SYDNEY

Statement of comprehensive income

FOR THE YEAR ENDED 31 DECEMBER 2011

	Notes	Consolidated entity		Parent entity	
		2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Continuing operations					
Revenue from continuing operations	3	54,897	52,928	55,920	54,524
Other income	3	560	635	3,700	620
Share of net profits from joint venture partnerships accounted for using the equity method	9(b)	1,491	1,719	-	-
Total income		56,948	55,282	59,620	55,144
Employee benefits expense	4(a)	(23,868)	(23,172)	(23,674)	(23,015)
Depreciation and amortisation expense	4(b)	(2,843)	(1,560)	(2,823)	(1,557)
Finance costs		(25)	(12)	(32)	(12)
Other expenses	4(c)	(29,563)	(26,560)	(29,622)	(26,723)
Total expenses		(56,299)	(51,304)	(56,151)	(51,307)
Profit for the year from continuing operations		649	3,978	3,469	3,837
Profit for the year		649	3,978	3,469	3,837
Other comprehensive income					
Exchange differences on translation of foreign operations	20(b)	363	(468)	-	-
Other comprehensive income for the year		363	(468)	-	-
Total comprehensive income for the year		1,012	3,510	3,469	3,837
Profit is attributable to: Equity holders of INSEARCH Limited		649	3,978	3,469	3,837
Total comprehensive income is attributable to: Equity holders of INSEARCH Limited		1,012	3,510	3,469	3,837

The accompanying notes form part of the financial statements.

Statement of financial position

AS AT 31 DECEMBER 2011

	Notes	Consolidated entity		Parent entity	
		2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Current assets					
Cash and cash equivalents	5 & 26	33,705	40,885	33,297	40,520
Trade and other receivables	6	4,783	4,513	4,804	4,471
Inventories	7	93	41	93	41
Investments and other financial assets	8	153	300	153	300
Total current assets		38,734	45,739	38,347	45,332
Non-current assets					
Investments accounted for using the equity method	9(a)	2,109	4,625	–	–
Plant and equipment	10	13,349	3,864	13,253	3,843
Intangible assets	11	1,953	1,364	1,953	1,364
Other financial assets	12	133	107	393	416
Trade and other receivables	13	1,168	1,370	1,124	1,284
Total non-current assets		18,712	11,330	16,723	6,907
Total assets		57,446	57,069	55,070	52,239
Current liabilities					
Trade and other payables	14	1,117	888	1,105	881
Provisions	15	2,343	2,080	2,341	2,080
Short-term borrowings	18	244	100	244	100
Other liabilities	16	13,689	15,220	13,687	15,214
Total current liabilities		17,393	18,288	17,377	18,275
Non-current liabilities					
Provisions	17	1,770	1,632	1,770	1,632
Long-term borrowings	19	312	190	312	190
Total non-current liabilities		2,082	1,822	2,082	1,822
Total liabilities		19,475	20,110	19,459	20,097
Net assets		37,971	36,959	35,611	32,142
Equity					
Retained profits	20(a)	39,246	38,597	35,611	32,142
Reserves	20(b)	(1,275)	(1,638)	–	–
Total equity		37,971	36,959	35,611	32,142

The accompanying notes form part of the financial statements.

Statement of cash flows

FOR THE YEAR ENDED 31 DECEMBER 2011

	Notes	Consolidated entity		Parent entity	
		2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Cash flows from operating activities					
Receipts from customers (inclusive of goods and services tax)		53,739	50,996	53,668	49,047
Donation paid to the University of Technology, Sydney		(5,000)	(4,000)	(5,000)	(4,000)
Payment to suppliers and employees (inclusive of goods and services tax)		(50,268)	(46,544)	(49,991)	(44,652)
		(1,529)	452	(1,323)	395
Interest paid		(36)	–	(36)	–
Interest received		2,173	1,958	2,172	1,958
Distributions from interest in joint venture partnerships		–	1,596	–	1,596
Input tax credit refund from Australian Taxation Office		1,704	1,560	1,704	1,560
Net cash inflow from operating activities	27	2,312	5,566	2,517	5,509
Cash flows from investing activities					
Payments for plant and equipment and intangible assets		(12,530)	(1,952)	(12,434)	(1,930)
Proceeds from sale of joint ventures		2,832	–	2,832	–
Proceeds from sale of plant and equipment		3	42	3	39
Net cash outflow from investing activities		(9,695)	(1,910)	(9,599)	(1,891)
Cash flows from financing activities					
Finance lease payments		(151)	(3)	(151)	(3)
Net cash outflow from financing activities		(151)	(3)	(151)	(3)
Net increase in cash and cash equivalents		(7,534)	3,653	(7,233)	3,615
Cash and cash equivalents at the beginning of the financial year		40,885	37,285	40,520	36,914
Effects of exchange rate changes on the balances of cash held in foreign currencies at the beginning of the financial year		354	(53)	10	(9)
Cash and cash equivalents at the end of the financial year	26	33,705	40,885	33,297	40,520

The accompanying notes form part of the financial statements.

Statement of changes in equity

FOR THE YEAR ENDED 31 DECEMBER 2011

	Notes	Reserves	Retained earnings	Total equity
		\$'000	\$'000	\$'000
Consolidated entity				
Balance at 1 January 2010	20(a) & (b)	(1,170)	34,619	33,449
Profit for the year	20(a)	–	3,978	3,978
Exchange differences on translation of foreign operations	20(b)	(468)	–	(468)
Total comprehensive income		(468)	3,978	3,510
Transactions with equity holders in their capacity as equity holders		–	–	–
Total equity at the end of the financial year		(1,638)	38,597	36,959
Balance at 1 January 2011	20(a) & (b)	(1,638)	38,597	36,959
Profit for the year	20(a)	–	649	649
Exchange differences on translation of foreign operations	20(b)	363	–	363
Total comprehensive income		363	649	1,012
Transactions with equity holders in their capacity as equity holders		–	–	–
Adjustments to retained profits on disposal of previously controlled entity	20(a)	–	–	–
Total equity at the end of the financial year		(1,275)	39,246	37,971
Parent entity				
Balance at 1 January 2010	20(a) & (b)	–	28,305	28,305
Adjustment of prior year amounts	20(b)	–	–	–
Adjusted equity		–	28,305	28,305
Profit for the year	20(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
Balance at 1 January 2011	20(a) & (b)	–	32,142	32,142
Adjustment of prior year amounts	20(b)	–	–	–
Adjusted equity		–	32,142	32,142
Profit for the year	20(a)	–	3,469	3,469
Total comprehensive income		–	3,469	3,469
Transactions with equity holders in their capacity as equity holders		–	–	–
Total equity at the end of the financial year		–	35,611	35,611

The accompanying notes form part of the financial statements.

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2011

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 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 Peoples 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 the group comprising INSEARCH Limited and its subsidiaries.

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards, interpretations, other authoritative pronouncements of the Australian Accounting Standards Board (AASB), the *Public Finance and Audit Act 1983* (NSW), the Public Finance and Audit Regulations 2010 (NSW) and the *Corporations Act 2001* (Cwlth). Where there are inconsistencies between the above requirements, the legislative provisions have prevailed.

The consolidated financial report for the year ended 31 December 2011 was authorised for issue in accordance with a resolution of the directors on 20 March 2012.

Statement of compliance

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

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

Historical cost convention

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

Critical accounting estimates

The preparation of financial statements in conformity with Australian 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 2011 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 *AASB131 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 9.

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2011

(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* (Cwlth).

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 that are recoverable from, or payable to the taxation authority, are presented as operating cash flow.

(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 2011

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 that 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 3.75 per cent (2010: 0.10 per cent and 4.25 per cent). Deposits at Call are bearing a floating interest rate between 4.15 per cent and 4.65 per cent (2010: 3.65 per cent and 4.65 per cent). Fixed term deposits are bearing interest rates between 5.25 per cent and 5.81 per cent (2010: 4.55 per cent and 5.81 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 performance.

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.

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2011

(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.

(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

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2011

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(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 short 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 risk and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received by 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.

(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 3.16 per cent (2010: 5.11 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 3.74 per cent (2010: 5.51 per cent).

(iv) Superannuation

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

(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 28 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 2011 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 2011

	Consolidated entity		Parent entity	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
3. INCOME				
Revenue from continuing operations				
Fees	52,798	50,674	52,798	50,674
Other fees and charges	73	153	73	153
Interest	2,026	2,101	2,025	2,101
Distributions from interest in joint venture partnership	–	–	1,024	1,596
Total revenue	54,897	52,928	55,920	54,524
Other income				
Net gain/(loss) on sale of non-current assets	(29)	(10)	(29)	(13)
Net gain/(loss) on disposal of operations	(15)	–	(15)	–
Net gain/(loss) on sale of joint venture investments	–	–	2,777	–
Other	604	645	967	633
	560	635	3,700	620
Total revenue from continuing operations	55,457	53,563	59,620	55,144
4. EXPENSES				
Expenses from continuing operations				
(a) Employee benefits expense				
Salaries and wages	18,807	18,222	18,686	18,126
Superannuation	1,729	1,686	1,729	1,686
Payroll tax	1,167	1,176	1,167	1,176
Other	2,165	2,088	2,092	2,027
Total employee benefits expense	23,868	23,172	23,674	23,015
(b) Depreciation and amortisation expense				
<i>Depreciation</i>				
Office equipment	78	65	77	65
Furniture and fittings	1,342	387	1,327	385
Motor vehicles	24	–	24	–
Reimbursement of motor vehicles for salary packaging	(13)	–	(13)	–
Computer equipment	563	461	559	460
Total depreciation	1,994	913	1,974	910
<i>Amortisation</i>				
Software	849	647	849	647
Patents, trademarks and course curriculum	–	–	–	–
Total amortisation	849	647	849	647
Total depreciation and amortisation expense	2,843	1,560	2,823	1,557

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2011

	Consolidated entity		Parent entity	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
4. EXPENSES (continued)				
(c) Other expenses				
Donation to the University of Technology, Sydney	5,000	4,000	5,000	4,000
Occupancy	6,383	5,812	6,310	5,788
Security	391	367	391	367
Communications	756	913	729	885
Channel partner commissions	5,857	6,178	5,857	6,178
Homestay and welcome	538	576	538	576
Educational expenses	1,815	1,322	1,815	1,322
Registration and accreditation	106	307	106	307
Scholarships	336	341	336	341
Library fees	918	866	918	866
Promotion	1,883	1,157	1,875	1,146
Overseas travel	695	564	695	564
Local Travel	254	190	206	132
Staff appointments	138	418	138	418
Audit and accounting fees	355	444	354	438
Legal fees	246	196	244	193
Consultancy	572	671	572	671
Subscription and membership	248	221	248	221
Printing and stationery	445	419	442	418
Bad and doubtful debt provisions	9	13	9	13
(Gain)/loss on foreign exchange	353	290	376	290
Impairment losses of investments	–	–	(34)	16
Exhibition and interview program	249	205	249	205
Offshore representation expenses	67	68	508	382
Other	1,949	1,022	1,741	986
Total other expenses	29,563	26,560	29,622	26,723

(d) Individually significant items

A donation of \$5,000,000 was paid to the University of Technology, Sydney in 2011 (2010: \$4,000,000).

	Consolidated entity		Parent entity	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
5. CURRENT ASSETS — CASH AND CASH EQUIVALENTS				
Cash at bank and on hand	10,609	7,248	10,201	6,883
Deposits at call	5,596	5,637	5,596	5,637
Term deposits	17,500	28,000	17,500	28,000
Total cash and cash equivalents	33,705	40,885	33,297	40,520

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2011

	Consolidated entity		Parent entity	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
6. CURRENT ASSETS — TRADE AND OTHER RECEIVABLES				
Trade receivables	881	1,826	897	1,826
Other receivables	1,749	427	1,598	386
Less: provision for impairment of other receivables	(201)	(60)	(41)	(60)
Prepayments	2,354	2,320	2,350	2,319
Total trade and other receivables	4,783	4,513	4,804	4,471

(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 that were uncollectable from students who have graduated. In 2010, \$49,032 was written-off and in 2011, \$18,540 was written off during the year. The remaining provision to cover impaired receivables of \$41,288 was deemed adequate to cover impaired receivables for 2011. An additional \$160,000 was provided for in relation to SILC profits in January and February 2011.

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

	Consolidated entity		Parent entity	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
At 1 January	60	109	60	109
Provision for impairment recognised during the year	160	–	–	–
Receivables written-off during the year as uncollectible	(19)	(49)	(19)	(49)
	201	60	41	60

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 2011, the group trade and other receivables of \$863,778 (2010: \$1,143,281) and the parent trade and other receivables of \$961,563 (2010: \$1,149,997) were past due but not impaired. The ageing analysis of the receivables is as follows:

	Consolidated entity		Parent entity	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
> up to 3 months	768	1,089	753	1,086
> 3 to 6 months	81	48	179	49
> over 6 months	15	6	30	15
	864	1,143	962	1,150

7. CURRENT ASSETS — INVENTORIES

Finished goods at cost	93	41	93	41
Total inventories	93	41	93	41

8. CURRENT ASSETS — OTHER FINANCIAL ASSETS

Accrued interest	153	300	153	300
Total other financial assets	153	300	153	300

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2011

	Consolidated entity	
	2011 \$'000	2010 \$'000
9. NON-CURRENT ASSETS — INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD		
(a) Joint ventures with:		
> Shanghai University (SILC)	–	2,745
> IDP Education Australia (ACETs)	2,109	1,880
Total investments accounted for using the equity method	2,109	4,625

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*. SILC was equity accounted for until March 2011, when INSEARCH transferred its equity interest in SILC to UTS for a consideration equal to the investment value.

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

This was a joint venture between INSEARCH Limited and Shanghai University, to provide English language and business courses. INSEARCH Limited had a 50 per cent ownership interest in SILC and was 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 ACETs and is entitled to a 40 per cent share of its retained earnings.

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

	SILC \$'000	ACETs \$'000	Total \$'000
(b) Consolidated entity			
Carrying amount at start of year	2,745	1,880	4,625
Disposal of joint ventures	(2,832)	–	(2,832)
Distribution received/receivable	(160)	(1,024)	(1,184)
Share of profit	240	1,251	1,491
Foreign currency exchange differences	7	2	9
Carrying amount at end of year	–	2,109	2,109
(c) Share of assets and liabilities of joint ventures			
Current assets	–	2,560	2,560
Non-current assets	–	76	76
Current liabilities	–	(527)	(527)
Non-current liabilities	–	–	–
Share of net assets	–	2,109	2,109
(d) Share of joint ventures' profits			
Revenues	485	3,146	3,631
Expenses	(245)	(1,895)	(2,140)
Share of profit from joint ventures	240	1,251	1,491

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2011

	Consolidated entity		Parent entity	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
10. NON-CURRENT ASSETS — PLANT AND EQUIPMENT				
Office equipment at cost	958	954	953	947
Less accumulated depreciation	(769)	(769)	(768)	(766)
Carrying value	189	185	185	181
Furniture and fittings at cost	14,974	6,660	14,879	6,644
Less accumulated depreciation	(5,882)	(5,122)	(5,859)	(5,108)
Carrying value	9,092	1,538	9,020	1,536
Motor vehicles at cost	198	27	198	27
Less accumulated depreciation	(51)	(27)	(51)	(27)
Carrying value	147	–	147	–
Computer equipment at cost	3,540	3,122	3,516	3,101
Less accumulated depreciation	(2,328)	(2,068)	(2,324)	(2,062)
Carrying value	1,212	1,054	1,192	1,039
Capital work in process	2,709	1,087	2,709	1,087
Total plant and equipment at cost	22,379	11,850	22,255	11,806
Less accumulated depreciation	(9,030)	(7,986)	(9,002)	(7,963)
Carrying value of plant and equipment	13,349	3,864	13,253	3,843

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 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
Year 2011						
Carrying amount at start of year	185	1,538	–	1,054	1,087	3,864
Additions	85	8,921	171	726	1,622	11,525
Disposals	(2)	(26)	–	(4)	–	(32)
Foreign currency exchange differences	–	–	–	–	–	–
Depreciation and amortisation	(79)	(1,341)	(24)	(564)	–	(2,008)
Carrying amount at end of year	189	9,092	147	1,212	2,709	13,349

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2011

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

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

Parent entity

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

Year 2011

Carrying amount at start of year	181	1,536	–	1,039	1,087	3,843
Additions	84	8,837	171	715	1,622	11,429
Disposals	(2)	(26)	–	(4)	–	(32)
Foreign currency exchange differences	–	–	–	–	–	–
Depreciation and amortisation	(78)	(1,327)	(24)	(558)	–	(1,987)
Carrying amount at end of year	185	9,020	147	1,192	2,709	13,253

	Consolidated entity		Parent entity	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
11. NON-CURRENT ASSETS — INTANGIBLE ASSETS				
Patents, trademarks and course curriculum	–	73	–	73
Less accumulated amortisation	–	(73)	–	(73)
Carrying amount at end of year	–	–	–	–
Software	6,805	5,367	6,805	5,367
Less accumulated amortisation	(4,852)	(4,003)	(4,852)	(4,003)
Carrying amount at end of year	1,953	1,364	1,953	1,364
Total intangible assets	1,953	1,364	1,953	1,364

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2011

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 2010			
Carrying amount at start of year	718	–	718
Additions	1,293	–	1,293
Amortisation	(647)	–	(647)
Carrying amount at end of year	1,364	–	1,364
Year 2011			
Carrying amount at start of year	1,364	–	1,364
Additions	1,438	–	1,438
Amortisation	(849)	–	(849)
Carrying amount at end of year	1,953	–	1,953
Parent entity			
Year 2010			
Carrying amount at start of year	718	–	718
Additions	1,293	–	1,293
Amortisation	(647)	–	(647)
Carrying amount at end of year	1,364	–	1,364
Year 2011			
Carrying amount at start of year	1,364	–	1,364
Additions	1,438	–	1,438
Amortisation	(849)	–	(849)
Carrying amount at end of year	1,953	–	1,953

	Consolidated entity		Parent entity	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
12. NON-CURRENT ASSETS — OTHER FINANCIAL ASSETS				
INSEARCH (Shanghai) Limited	–	–	211	177
Interest in joint venture partnerships	–	–	80	136
Other	133	107	102	103
Total other financial assets	133	107	393	416
13. NON-CURRENT ASSETS — TRADE AND OTHER RECEIVABLES				
Other receivables	1,168	1,370	1,124	1,284
Total trade and other receivables	1,168	1,370	1,124	1,284

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2011

	Consolidated entity		Parent entity	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
14. CURRENT LIABILITIES — TRADE AND OTHER PAYABLES				
Trade and other creditors	761	782	749	775
University of Technology, Sydney	356	106	356	106
Total payables	1,117	888	1,105	881
15. CURRENT LIABILITIES — PROVISIONS				
Provision for annual leave	1,176	1,032	1,175	1,032
Provision for long service leave	793	506	792	506
Provision for make good	237	335	237	335
Lease incentives	137	207	137	207
Total current provisions	2,343	2,080	2,341	2,080
16. CURRENT — OTHER LIABILITIES				
Accrued expenses	3,081	3,126	3,081	3,126
Student fees received in advance	1,910	2,387	1,910	2,387
Prepaid course fees	7,810	9,129	7,810	9,129
Other	888	578	886	572
Total other	13,689	15,220	13,687	15,214
17. NON-CURRENT LIABILITIES — PROVISIONS				
Provision for long service leave	688	598	688	598
Provision for make good	1,016	866	1,016	866
Lease incentives	66	168	66	168
Total non-current provisions	1,770	1,632	1,770	1,632

(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
	2011 \$'000	2011 \$'000
Carrying amount at start of year	1,201	1,201
Charged to statement of comprehensive income — unwinding of discount	65	65
Adjustment to reflect an updated professional assessment to both existing and new leased properties	(13)	(13)
Carrying amount at end of year	1,253	1,253

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2011

	Consolidated entity		Parent entity	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
18. CURRENT LIABILITIES — BORROWINGS (SECURED)				
At amortised cost				
finance lease liability	244	100	244	100
Total borrowings	244	100	244	100
19. NON-CURRENT LIABILITIES — BORROWINGS (SECURED)				
At amortised cost				
finance lease liability	312	190	312	190
Total borrowings	312	190	312	190
Details on borrowings				
Total current and non-current secured liabilities	556	290	556	290
Amount of assets pledged as security:				
Plant and equipment	561	289	561	289

The group lease computer equipment with a carrying amount of \$560,590 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	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
20. RETAINED PROFITS AND RESERVES				
(a) Retained profits				
Retained profits at the beginning of the year	38,597	34,619	32,142	28,305
Adjustments to retained profits on disposal of previously controlled entity	–	–	–	–
Profits from operating activities	649	3,978	3,469	3,837
Retained profits at the end of the year	39,246	38,597	35,611	32,142
(b) Reserves				
Foreign currency translation reserve	(1,275)	(1,638)	–	–
Reserves at the end of the year	(1,275)	(1,638)	–	–
Movements:				
Foreign currency translation reserve				
> balance at the beginning of the year	(1,638)	(1,170)	–	–
> adjustment to prior year accounts	–	–	–	–
> translation of foreign operations	363	(468)	–	–
Foreign currency translation reserve balance at the end of the year	(1,275)	(1,638)	–	–

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2011

21. KEY MANAGEMENT PERSONNEL

(a) Directors

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

(i) Non-executive directors

M Williams (Chair)
 D Leckie (until 15 April 2011)
 D Hill
 J Hutchison, AM
 P Woods
 W Purcell
 B Milthorpe
 P Bennett (commenced 25 May 2011)

(ii) Executive director

A Murphy

	Consolidated entity		Parent entity	
	2011 \$	2010 \$	2011 \$	2010 \$
(b) Directors' compensation				
Short-term employee benefits	505,832	536,721	505,832	536,721
Post-employment benefits	34,444	38,378	34,444	38,378
	540,276	575,099	540,276	575,099

22. REMUNERATION OF AUDITORS

The Audit Office of New South Wales

> audit of financial report – INSEARCH Limited	156,901	156,500	145,000	148,000
	156,901	156,500	145,000	148,000

23. 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	423	2,369	423	2,369
Input tax recoverable from the Australian Taxation Office	38	215	38	215

(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	5,478	5,700	5,360	5,677
> later than one year but not later than five years	5,636	7,142	5,451	7,142
> later than five years	–	217	–	217
Total inclusive of GST	11,114	13,059	10,811	13,036
Input tax recoverable from the Australian Taxation Office	1,013	1,185	1,013	1,185

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2011

	Consolidated entity		Parent entity	
	2011 \$	2010 \$	2011 \$	2010 \$
(c) Finance lease commitments				
Payable — minimum lease payments				
> not later than one year	314	130	314	130
> later than one year but not later than five years	366	223	366	223
> later than five years	–	–	–	–
Total minimum finance lease payments	680	353	680	353
Less future finance charges	(68)	(34)	(68)	(34)
Present value of minimum lease payments inclusive of GST	612	319	612	319
Input tax recoverable from the Australian Taxation Office	56	29	56	29
(d) Remuneration commitments				
Commitments for payment of salaries under employment contracts not recognised as liabilities.				
> not later than one year	907	1,035	907	1,035
> later than one year but not later than five years	128	285	128	285
	1,035	1,320	1,035	1,320
(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	212	11	212	11
> later than one year but not later than five years	188	11	188	11
Total inclusive of GST	400	22	400	22
Input tax recoverable from the Australian Taxation Office	36	2	36	2
24. EMPLOYEE BENEFIT AND RELATED ON-COST LIABILITIES				
Included in other — current liabilities	39	23	39	23
Provision for employee benefits — current liabilities	1,969	1,538	1,969	1,538
Provision for employee benefits — non-current liabilities	688	598	688	598
	2,696	2,159	2,696	2,159

25. RELATED PARTIES

Wholly owned group

- (i) The parent entity in the wholly owned group is INSEARCH Limited. The controlling entity of INSEARCH Limited is the University of Technology, Sydney. INSEARCH Limited entered into the following transactions with the University of Technology, Sydney
- > donation to the University of Technology, Sydney \$5,000,000 (2010: \$4,000,000)
 - > sales of services and fees to the University of Technology, Sydney \$6,249,287 [2010: \$1,523,792]
 - > services rendered by the University of Technology, Sydney to INSEARCH \$3,518,484 [2010: \$3,409,223]
- (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 reporting period with these entities:
- > consulting service income between INSEARCH (Shanghai) Limited and INSEARCH Limited (\$441,288)
 - > consulting service expense between INSEARCH Limited and INSEARCH (Shanghai) Limited \$441,288

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2011

26. 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	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Cash at bank and on hand	10,609	7,248	10,201	6,883
Deposits at call	5,596	5,637	5,596	5,637
Term deposits	17,500	28,000	17,500	28,000
	33,705	40,885	33,297	40,520

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

Profit for the year	649	3,978	3,469	3,837
Depreciation	2,008	913	1,987	910
Amortisation	849	647	849	647
Provision for impairment of receivables	9	13	9	13
Foreign currency exchange difference	(16)	(23)	(24)	(26)
Net (gain)/loss on sale of non-current assets	29	10	(2,748)	13
Write down of investments to recoverable amount	-	-	-	16
Share of profit of joint venture partnerships not received as dividends or distributions	(307)	(123)	-	-
Changes in assets and liabilities				
Trade and other receivables	(77)	(762)	(183)	(807)
Inventories	(52)	(25)	(52)	(25)
Other financial assets	121	(143)	113	(143)
Trade and other payables	229	370	224	188
Provisions	401	(746)	399	(371)
Other liabilities	(1,531)	1,457	(1,526)	1,257
Net cash flows from operating activities	2,312	5,566	2,517	5,509

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2011

28. FINANCIAL INSTRUMENTS

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

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

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

INSEARCH Limited principal financial instruments

	Notes	Category	Consolidated entity	
			2011 \$'000	2010 \$'000
Financial assets				
Cash and cash equivalents	5	Current asset	33,705	40,885
Receivables – current	6	Current asset	2,630	2,253
Receivables – non-current	13	Non-current asset	1,168	1,370
Other financial assets	8, 12	Current and non-current assets	286	407
Total financial assets			37,789	44,915
Financial liabilities				
Payables	14	Current liability	1,117	888
Other financial liabilities	16	Current liability	11,779	12,833
Total financial liabilities			12,896	13,721

(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 Ltd 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 receivables relates to a contractual obligation associated with the sale of the operations in the United Kingdom.

Cash and cash equivalents comprise of 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 Ltd maintains adequate cash balances to ensure that it has sufficient funds to meet future operating expenditure and capital expenditure.

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

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

(c) Market risk

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

(i) Interest rate risk

INSEARCH Ltd has no borrowings and therefore no associated payable risk as a result of fluctuating interest rates. INSEARCH Ltd does 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 2012.

(ii) Foreign exchange risk

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

INSEARCH Ltd 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 2011 have contributed to the Australian dollar decrease in profits for INSEARCH Ltd.

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2011

28. 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
2011									
Financial assets									
Cash and cash equivalents	33,705	331	-	(331)	-	-	76	-	(76)
Receivables — current	2,630	-	-	-	-	-	29	-	(29)
Receivables — non-current	1,168	-	-	-	-	-	117	-	(117)
Other financial assets	286	2	-	(2)	-	-	-	-	-
Total financial assets	37,789	333	-	(333)	-	-	222	-	(222)
Financial liabilities									
Trade and other payables	1,117	-	-	-	-	-	(1)	-	1
Other financial liabilities	11,779	-	-	-	-	-	-	-	-
Total financial liabilities	12,896	-	-	-	-	-	(1)	-	1
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)	-	1
Other financial liabilities	12,833	-	-	-	-	-	-	-	-
Total financial liabilities	13,721	-	-	-	-	-	(1)	-	1

All financial instruments are carried at fair value.

29. EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

The directors are not aware of any matter or circumstance since the end of the financial year that has significantly affected or may affect the 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

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Directors' report

accessUTS Pty Limited

ABN 55 098 424 312

DIRECTORS' REPORT

Your directors submit their report for the year ended 31 December 2011.

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	
Theooroor Jacob Van Leeuwen	
Paul Jonson	appointed 24 August 2011
Denise Dignam	resigned 31 October 2011

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

Principal Activities

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

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

Operating Result

The loss after income tax for the year ended 31 December 2011 was \$119,874 (2010 profit of \$257,152).

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 2011 year.

Significant Changes in the State of Affairs

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

Significant Events After the Balance Date

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

Environmental Regulation

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

Likely Developments

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

Indemnification and Insurance of Officers and Auditors

Indemnification

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

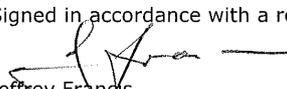
Insurance Premiums

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

Auditor's Independence Declaration

The Auditor's Independence Declaration for the year to 31 December 2011 has been received and can be found on page 2.

Signed in accordance with a resolution of the directors:


Jeffrey Francis

Sydney, 20 April 2012


Blair Peter McRae

Directors' declaration

accessUTS Pty Limited

ABN 55 098 424 312

DIRECTORS' DECLARATION

FOR THE YEAR ENDED 31 DECEMBER 2011

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 and the Public Finance and Audit Act 1983, including:
 - (i) giving a true and fair view of the company's financial position as at 31 December 2011 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
Sydney, 20 April 2012


Blair Peter McRae

Independent auditor's report



INDEPENDENT AUDITOR'S REPORT

accessUTS Pty Limited

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

I have audited the accompanying financial statements of accessUTS Pty Limited (the Company), which comprise the statement of financial position as at 31 December 2011, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

Opinion

In my opinion the financial statements:

- are in accordance with the *Corporations Act 2001*, including:
 - giving a true and fair view of the Company's financial position as at 31 December 2011 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.

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.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including 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 of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

Independent auditor's report

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 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.

SBond .

Sally Bond
Director, Financial Audit Services

20 April 2012
SYDNEY

Auditor's independence declaration



To the Directors
accessUTS Pty Limited

Auditor's Independence Declaration

As auditor for the audit of the financial statements of accessUTS Pty Limited for the year ended 31 December 2011, 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.

S. Bond

Sally Bond
Director, Financial Audit Services

20 April 2012
SYDNEY

Statement of comprehensive income

FOR THE YEAR ENDED 31 DECEMBER 2011

	Notes	2011 \$	2010 \$
Continuing operations			
Revenue	4	3,001,733	2,541,332
Consulting fees and SLA	5(a)	(2,933,419)	(2,189,402)
Employee benefits expense	5(b)	(10,054)	(4,034)
Depreciation and amortisation expenses		-	(1,522)
Other expenses	5(c)	(178,135)	(89,222)
Profit/(loss) before income tax		(119,874)	257,152
Income tax expense	6	-	-
Net profit/(loss) for the period		(119,874)	257,152
Other comprehensive income		-	-
Total comprehensive income/(loss) for the period		(119,874)	257,152
Total comprehensive income/(loss) for the period is attributable to: > owners of the parent		(119,874)	257,152

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 2011

	Notes	2011 \$	2010 \$
Assets			
Current assets			
Cash and cash equivalents	7	3,551,899	873,394
Trade and other receivables	8	819,407	658,791
Total current assets		4,371,306	1,532,185
Total assets		4,371,306	1,532,185
Liabilities			
Current liabilities			
Trade and other payables	9	2,331,030	1,140,802
Other liabilities	10	1,812,569	43,722
Total current liabilities		4,143,599	1,184,604
Total liabilities		4,143,599	1,023,098
Net assets		227,707	347,581
Equity			
Contributed equity	11	450,001	450,001
Accumulated losses	12	(222,294)	(102,420)
Total equity		227,707	347,581

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 2011

	Share capital \$	Accumulated losses \$	Total \$
Balance at 1 January 2010	450,001	(359,572)	90,429
Total comprehensive income/(loss) for the year	–	257,152	257,152
Balance at 31 December 2010 (opening balance at 1 January 2011)	450,001	(102,420)	347,581
Total comprehensive income/(loss) for the year	–	(119,874)	(119,874)
Balance at 31 December 2011	450,001	(222,294)	227,707

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 2011

	Notes	2011 \$	2010 \$
Cash flows from operating activities			
Receipts from customers and the parent entity		4,631,969	2,231,026
Payments to suppliers and the parent entity		(2,018,120)	(1,966,650)
Interest received		64,655	28,890
Net cash provided by/(used in) operating activities	13	2,678,504	293,266
Net increase/(decrease) in cash and cash equivalents		2,678,504	293,266
Cash and cash equivalents at the beginning of the year		873,394	580,128
Cash and cash equivalents at the end of the year	7	3,551,898	873,394

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 2011

1. CORPORATE INFORMATION

The financial report of accessUTS Pty Limited for the year ended 31 December 2011 was authorised for issue in accordance with a resolution of the directors on 20 April 2012.

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 2011.

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

(d) Impairment of assets

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

(e) Goods and Services Tax (GST)

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

- (i) where the amount of GST is not recoverable from the Australian Taxation Office, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable;
- (ii) receivables and payables, which are stated with the amount of GST included; 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 2011

(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) Trade and other payables

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

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

(k) Loans and borrowings

All loans are measured at the principal amount.

(l) New and revised Australian Accounting Standards

Certain new Accounting Standards and Interpretations have been published that are not mandatory for 31 December 2011 reporting period. accessUTS Pty Limited has not exercised the right to early adopt any new or revised accounting standard.

(m) Translation of foreign currency transactions

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

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

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

3. SEGMENT INFORMATION

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

	2011 \$	2010 \$
4. REVENUE		
Consulting fees	2,094,226	1,806,684
Training courses	363,879	366,377
Short course administration	460,000	337,500
Interest received or receivable	64,654	30,771
Foreign exchange	18,974	–
Total revenue	3,001,733	2,541,332
5. EXPENSES		
(a) Consulting fees and SLA		
Consulting fees	2,053,338	1,537,409
Service level agreement — Commercial Service Unit	880,081	651,993
	2,933,419	2,189,402
(b) Employee benefits expense		
Salaries and fees	7,700	2,550
Other	2,354	1,484
	10,054	4,034
(c) Other expenses		
General and administrative expenses	178,135	89,222
	178,135	89,222

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2011

	2011 \$	2010 \$
6. INCOME TAX EXPENSE		
The income tax expense provided in the accounts is calculated as follows:		
> tax on operating profit/(loss) at 30%	(35,962)	77,146
add/(less)		
> current year tax losses not brought to account	57,646	-
> current year temporary difference not brought to account	(21,684)	(336)
> 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	(75,783)	(3,502)
Unused tax losses	305,884	113,729
7. CASH AND CASH EQUIVALENTS		
Cash at bank	3,181,339	519,701
Cash on deposit	370,559	353,693
	3,551,899	873,394
8. TRADE AND OTHER RECEIVABLES		
Current		
Trade and other receivables	772,620	654,941
Allowance for doubtful debts	(40,000)	-
GST receivable	86,787	-
Interest receivable	-	3,850
	819,407	658,791
9. TRADE AND OTHER PAYABLES		
Current		
Trade creditors	689,952	-
GST payable	-	18,633
Accrued expenses	754,631	610,351
Amounts payable to parent entity	851,447	476,898
Loan from parent entity (unsecured)	35,000	35,000
	2,331,030	1,140,882
Loan from Parent Entity		
The loan from the parent entity is unsecured, interest-free and repayable on demand.		
10. OTHER CURRENT LIABILITIES		
Current		
Income received in advance	1,812,569	43,722
	1,812,569	43,722

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2011

	2011 \$	2010 \$
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	(102,420)	(359,572)
Net profit/(loss) attributable to the member	(119,874)	257,152
Accumulated losses at the end of the year	(222,294)	(102,420)
13. RECONCILIATION OF OPERATING PROFIT FOR THE YEAR WITH CASH FLOWS FROM OPERATING ACTIVITIES		
Operating profit/(loss) after income tax	(119,874)	257,152
Non-cash items		
Amortisation	-	39
Depreciation	-	1,483
Loss on disposal of plant and equipment	-	8,644
Provision for doubtful debts	40,000	-
Changes in operating assets and liabilities		
Decrease/(increase) in trade receivables	(200,616)	(293,916)
Increase/(decrease) in trade payables	1,190,146	319,864
Decrease/(increase) in income in advance	1,768,848	-
Net cash inflow/(outflow) from operating activities	2,678,504	293,266
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	15,000	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 90 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 \$
2011						
Jane Morrison	7,700	-	-	-	-	7,700
2010						
Jane Morrison	2,550	-	-	-	-	2,550

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2011

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 90 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.

Training and development services provided to UTS

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

Amounts included in revenue during the financial year

	2011 \$	2010 \$
Certification fees charged to the parent entity	24,055	25,315

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

	2011 \$	2010 \$
Amounts payable to parent entity – current	1,433,992	476,898
Loans from parent entity (unsecured)	35,000	35,000

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

(c) Wholly owned group

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

20. FINANCIAL RISK AND MANAGEMENT OBJECTIVES AND POLICIES

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

	2011 \$	2010 \$
Loans and receivables		
Cash and cash equivalents	3,551,899	873,394
Trade and other receivables	819,407	658,791
	4,371,306	1,532,185
Other financial liabilities		
Trade and other payables	2,331,030	1,140,882
Income received in advance	1,812,569	43,722
	4,143,599	1,184,604

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2011

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

(b) Risk exposures and responses

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

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

(c) Net fair values

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

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

(d) Credit risk

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

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

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

(e) Hedging transactions

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

(f) Interest risk

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

	2011		2010	
	Carrying amount \$	Net fair value \$	Carrying amount \$	Net fair value \$
Financial assets				
Cash and cash equivalents	3,551,899	3,551,899	873,394	873,394
Trade and other receivables	819,407	819,407	658,791	658,791
	4,371,306	4,371,306	1,532,185	1,532,185
Other financial liabilities				
Trade and other payables	2,331,030	2,331,030	1,140,882	1,402,882
Income received in advance	1,812,569	1,812,569	43,722	43,722
	4,143,599	4,143,599	1,184,604	1,184,604

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)	
	2011 \$	2010 \$	2011 \$	2010 \$
Judgments of reasonably possible movements				
+0.5% (50 basis points)	12,432	3,057	20,358	3,057
-0.5% (50 basis points)	(12,432)	(3,057)	(20,358)	(3,057)

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 business and finance; communications and social inquiry; design, architecture and building; education and training; engineering; health sciences; information technology; law; nursing, midwifery and health; and science.

The expertise provided has translated into consulting work that includes 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.

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

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 25 years and, with over 2500 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. INSEARCH also delivers UTS Foundation Studies on behalf of UTS.

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 language skills. INSEARCH English offers the Direct Entry English Program, Academic English Program, International English Language Testing System (IELTS) Preparation and General English.

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 2011, and the number of meetings attended by each member were:

	Council		Audit and Risk Committee		Commercial Activities Committee		Finance Committee		Governance Committee	
	Total meetings held ¹	Meetings attended ²	Total meetings held	Meetings attended	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	7	7	4	3	–	–	–	–	–	–
Mr Peter Bennett	7	7	–	–	–	–	6	5	–	–
Mr Christopher Cahill	7	7	–	–	–	–	–	–	–	–
Ms Michelene Collopy (appointed October 2011)	2	2	1	1	–	–	1	1	–	–
Ms Megan Cornelius, AM	7	6	–	–	6	5	–	–	–	–
Ms Rachael Durrant	7	7	–	–	–	–	–	–	–	–
Mr Robert Kelly	7	7	4	4	–	–	–	–	4	4
The late Ms Dianne Leckie (ended April 2011)	3	–	1	–	–	–	2	–	–	–
Mr Siddharth Mehta (ended February 2011)	1	–	–	–	–	–	–	–	–	–
Professor Ross Milbourne	7	7	–	–	6	5	6	5	4	4
Professor Jenny Onyx	7	7	–	–	–	–	–	–	–	–
Mr Thomas Robertson (appointed May 2011)	4	3	–	–	–	–	–	–	–	–
Dr Ron Sandland, AM	7	6	–	–	6	4	–	–	–	–
Professor Vicki Sara, AO	7	7	2	2	–	–	2	2	4	4
Mr Michael G Sexton, SC	7	4	–	–	–	–	–	–	4	3
The Hon Penelope Sharpe, MLC (ended October 2011)	5	2	–	–	–	–	–	–	–	–
Professor Greg Skilbeck	7	6	–	–	–	–	–	–	–	–
Mr Russell Taylor	7	5	–	–	–	–	–	–	–	–
Associate Professor Sally Varnham (appointed January 2011)	7	7	–	–	–	–	–	–	–	–
Mr Warwick Watkins, AM (ended July 2011)	4	4	–	–	–	–	–	–	–	–
Mr Brian Wilson	7	6	–	–	–	–	6	5	–	–
Mr Su-Ming Wong	7	4	–	–	6	4	–	–	–	–

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.

Honorary Awards Committee		Nominations Committee		Student Council Liaison Group		Equity Reference Group		Physical Infrastructure Committee		Remuneration Committee		Joint Audit and Risk and Finance Committee		Total	
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	Total meetings held	Meetings attended	Total meetings held	Meetings attended
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	11	10
-	-	-	-	-	-	-	-	-	-	-	-	-	-	13	12
-	-	-	-	3	3	-	-	-	-	-	-	-	-	10	10
-	-	-	-	-	-	-	-	-	-	-	-	-	-	4	4
1	1	-	-	-	-	-	-	-	-	-	-	-	-	14	12
-	-	-	-	3	-	-	-	-	-	-	-	-	-	10	7
-	-	-	-	-	-	-	-	-	-	-	-	1	1	16	16
-	-	-	-	-	-	-	-	-	-	-	-	1	-	7	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	1	-
1	1	-	-	-	-	-	-	6	6	-	-	-	-	30	28
1	1	-	-	-	-	-	-	-	-	-	-	-	-	8	8
-	-	-	-	2	2	-	-	-	-	-	-	-	-	6	5
-	-	-	-	-	-	-	-	-	-	-	-	-	-	13	10
1	1	-	-	-	-	-	-	2	2	1	1	-	-	19	19
-	-	-	-	3	3	-	-	-	-	-	-	-	-	14	10
-	-	-	-	-	-	-	-	5	-	-	-	-	-	10	2
-	-	-	-	-	-	-	-	6	5	-	-	-	-	13	11
1	-	-	-	-	-	2	2	-	-	-	-	-	-	10	7
1	-	-	-	-	-	-	-	-	-	-	-	-	-	8	7
-	-	-	-	-	-	-	-	3	2	-	-	-	-	7	6
1	-	-	-	-	-	-	-	6	5	1	1	1	-	22	17
-	-	-	-	-	-	-	-	-	-	-	-	-	-	13	8

APPENDIX A3

Significant committees and their members

Academic Board

Shirley Alexander	Andrea Leigh
Adel Al-Jumaily	Dikai Liu
Paul Allatson	Desley Luscombe
Tim Aubrey	Paul McLachlan
Chris Bajada	Michael McDaniel
Anthony Baker	Jill McKeough
Richard Baldwin	Louise McWhinnie
Mal Booth	Peter Meier
Peter Booth	Ross Milbourne
Attila Brungs	Bruce Milthorpe
Anthony Burke	Liam Morgan
Michael Carey	Hung Nguyen
Leticia Centrone	Bronwyn Olliffe
Thomas Clarke	William Purcell
John Daly	Anne Reich
Simon Darcy	Toni Robertson
Kees Dorst	Rose Short
Christine Duffield	Greg Skilbeck
David Eager	Nicky Solomon
Lesley Farrell	Keri Spooner
James Goodman	Georgia Symons
Katherine Gordon	Tracy Taylor
Kim Gould	Paul Thomas
Joanne Gray	Rowan Trayler
Roy Green	Theo van Leeuwen
Layna Groen	Sally Varnham
Bechar Hamdan	Lawrence Wallen
Paula Hamilton	Mary Anne Williams
Tony He	
Anurag Hingorani	
Lesley Hitchens	
Emily Ho	
Doan Hoang	
Mursheda Islam	
Jack Kelly	
Paul Kennedy	
Les Kirkup	

Audit and Risk

Patricia Azarias
Michelene Collopy (commenced 4 October 2011)
Robert Kelly
The late Dianne Leckie (until April 2011)
Bill Rock
Chris Westworth

Commercial Activities

Meg Cornelius, AM
Ross Milbourne
Gary Phillips
Ron Sandland, AM
Bill Trestrail
Su-Ming Wong

Finance

Peter Bennett
Michelene Collopy (commenced 4 October 2011)
The late Dianne Leckie (until April 2011)
John Leotta
Matthew McLellan
Ross Milbourne
Brian Wilson

Governance

John Hartigan
Robert Kelly
Ross Milbourne
Vicki Sara, AO
Michael Sexton, SC

Physical Infrastructure

John Hill
Ross Milbourne
Gabrielle Morrish
Penny Sharpe (ended 11 October 2011)
Vicki Sara, AO (acting chair from July 2011 until vacancy filled)
Greg Skilbeck
Warwick Watkins, AM (ended 14 July 2011)
Brian Wilson

APPENDIX A4

UTS Council Code of Conduct

Council has adopted a Code of Conduct ('Code') for Council and external Committee members ('Members') that summarises the standard of conduct and responsibilities of Members. The Code provides an ethical framework for Members, in the context of their duties and liabilities under the law, and embodies the principles covering appropriate conduct. Members who are also University members of staff are also subject to the University's Code of Conduct.

Members of the Council must:

- act with loyalty to the University
- exercise their powers as a Member in the interests of the University as a whole and only for proper purposes
- act honestly with due care, skill and diligence
- attend meetings of Council and/or Committees (as applicable)
- avoid conflicts of interest with the University 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 and otherwise comply with the duties set out in Schedule 2A of the *University of Technology, Sydney, Act 1989* (NSW), as amended or replaced from time to time
- not use the University's property or information to gain an advantage for the Member or another person or cause detriment to the University
- not use opportunities presented by the holding of office as a Member that is not in the interests of the University as a whole
- observe confidence in relation to confidential information obtained in the course of duties as a Member
- prepare for participation in meetings by becoming acquainted with the relevant materials
- have appropriate knowledge of the financial and other resources of the University and the manner in which they are expended
- seek additional information on any matter in order to be able effectively to carry out their duties
- act at all times in the best interests of the University
- represent the University appropriately in the community
- not speak publicly on behalf of the University except with the express authority of the Council, the Chancellor or the Vice-Chancellor.

This Code provides general guidelines and understanding to Members of what is expected of them as Members. If there are any problems or questions relating to the Code, Members may discuss these with the Chancellor or, in appropriate cases, with the full Council or other relevant committee.

APPENDIX B1

Executive performance and remuneration

Number of executive staff of the University by gender

	2009	2010	2011
Female	2	2	2
Male	5	5	5
Total	7	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 2011 relates to performance in 2010. > 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 2011 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	2011 remuneration package (not including performance incentive)	Market relativity	Payment based on 2010 performance	Results
Professor Ross Milbourne	Vice-Chancellor and President — senior staff level 7	\$667,605 (including salary: \$394,819, superannuation: \$67,119, vehicle (inclusive of FBT): \$31,235 and accommodation (inclusive of FBT): \$174,432)	At/around median for Vice-Chancellors in our selected comparator group of universities	\$106,875	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	\$401,443 (including salary: \$343,114 and superannuation: \$58,329)	At/around median for Senior Deputy Vice-Chancellors in our selected comparator group of universities	\$67,500	Professor Booth successfully met performance criteria in his performance agreement including planning, assessment reporting against KPIs, quality management, oversight of faculty performance and external representation on behalf of UTS.
Professor Shirley Alexander	Deputy Vice-Chancellor and Vice-President (Teaching, Learning and Equity) — senior staff level 5	\$335,838 (including salary: \$287,041 and superannuation: \$48,797)	At/around median for Deputy Vice-Chancellors in our selected comparator group of universities	\$49,500	Professor Alexander successfully met the performance criteria in her performance agreement including support for students' development of English, improvements to student life, development of learning spaces and the library retrieval system as part of the campus development plan and equity initiatives.
Professor Attila Brungs	Deputy Vice-Chancellor and Vice-President (Research) — senior staff level 5	\$338,038 (including salary: \$310,127 and superannuation: \$27,911)	At/around median for Deputy Vice-Chancellors in our selected comparator group of universities	\$55,000	Professor Brungs successfully met the performance criteria in his performance agreement including the development and implementation of a revised Research Investment Plan, UTS's performance in the Excellence in Research for Australia evaluations and the creation of research collaborations and partnerships.
Ms Anne Dwyer	Deputy Vice-Chancellor and Vice-President (Corporate Services) — senior staff level 5	\$338,040 (including salary: \$288,923 and superannuation: \$49,117)	At/around median for Deputy Vice-Chancellors in our selected comparator group of universities	\$49,500	Ms Dwyer successfully met the performance criteria in her performance agreement including improvements in information technology and services to students, successful negotiation and implementation of new enterprise agreements and the development and implementation of risk management plans and communication strategies to mitigate the impacts of UTS's building program.
Professor William Purcell	Deputy Vice-Chancellor and Vice-President (International and Development) — senior staff level 5	\$338,901 (including salary: \$298,349 and superannuation: \$40,552)	At/around median for Deputy Vice-Chancellors in our selected comparator group of universities	\$55,000	Professor Purcell successfully met the performance criteria in his performance agreement including implementation of a new internationalisation plan, the forging of new relationships, particularly in China, exceeding international enrolment targets and successful alumni and development initiatives.
Mr Patrick Woods	Deputy Vice-Chancellor and Vice-President (Resources) — senior staff level 5	\$408,208 (including salary: \$348,896 and superannuation: \$59,312)	At/around median for chief financial officers in the general market in similar sized organisations	\$55,000	Mr Woods successfully met the performance criteria in his performance agreement including delivery of the City Campus Master Plan, the revised long-term financial plan and sustainability initiatives.

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 24.

4. All members of the executive were in their positions for the full 2011 calendar year.

APPENDIX B2

Employees

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

	Academic	Support	Total
FTE staff (continuing and fixed term)			
2009	890.9	1294.1	2185
2010	929.0	1377.0	2306
2011	934.6	1410.7	2345
Casual staff			
2009	328.8	227.0	556
2010	340.3	234.7	575
2011	395.6	246.6	642
Headcount² (continuing and fixed-term staff only)			
2009	933.9	1343.3	2277
2010	973.9	1433.7	2408
2011	996.0	1506.8	2503

Total FTE staff increased during 2011. Academic staff represent 44.5 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:

	2009	2010	2011
Professor	14.0	13.5	14.8
Associate Professor	12.3	11.1	10.2
Senior Lecturer	33.0	33.8	31.4
Lecturer	31.9	34.6	34.8
Associate Lecturer	8.8	7.1	8.9

During 2011, the proportion of academics at associate professor and senior lecturer levels decreased, while there was an increase in professor, lecturer and associate lecturer levels.

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

Staff turnover

In the 12 months ending 31 December 2011, the staff turnover rate due to resignations was 4.83 per cent.

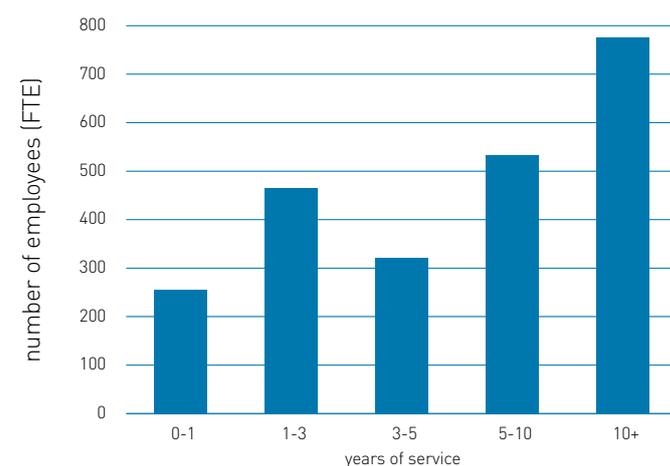
Professional Experience Programs (PEP)

Number of academic staff proceeding on a PEP during 2011:

	Male	Female	Total
Professor	11	4	15
Associate Professor	7	2	9
Senior Lecturer	14	18	32
Lecturer	11	10	21
Associate Lecturer		1	1
Total	43	35	78

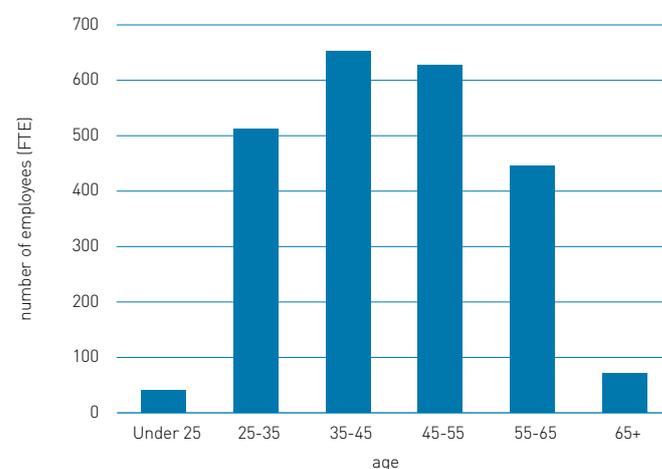
During 2011, 78 academic staff undertook a PEP, a decrease of 10 from the 2010 figure. There was a decrease in the percentage of females undertaking PEP, from 50 per cent of staff on PEP in 2010 to 44.9 per cent in 2011.

Length of service profile



As at 31 December 2011 the largest group of staff in terms of service is those with 10 years service and above.

Age profile



As at 31 December 2011 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				
		2007	2008	2009	2010	2011
General Staff						
Women	50	57	57	58	59	60
Aboriginal people and Torres Strait Islanders	2	1.4	1.3	1.8	1.9	1.3
People whose language first spoken as a child was not English	19	34	35	35	35	37
People with a disability	12	9	8	9	9	8
People with a disability requiring adjustment at work	7	2.1	1.5	1.6	1.5	n/a
Academic staff						
Women	50	41	43	44	44	43
Aboriginal people and Torres Strait Islanders	2	1.4	1.7	1.8	1.9	1.2
People whose language first spoken as a child was not English	19	29	30	31	34	34
People with a disability	12	8	8	8	8	8
People with a disability requiring adjustment at work	7	2.7	2.9	3.2	2.9	2.8

Table B: Trends in the distribution of EEO groups¹

	Benchmark	Distribution index ³				
		2007	2008	2009	2010	2011
General Staff						
Women	100	92	92	93	92	92
Aboriginal people and Torres Strait Islanders	100	n/a	n/a	93	96	n/a
People whose language first spoken as a child was not English	100	93	93	93	93	92
People with a disability	100	95	97	99	93	98
People with a disability requiring adjustment at work	100	100	100	102	100	n/a
Academic staff						
Women	100	90	92	90	90	92
Aboriginal people and Torres Strait Islanders	100	n/a	n/a	n/a	n/a	n/a
People whose language first spoken as a child was not English	100	87	89	90	90	91
People with a disability	100	100	96	102	105	103
People with a disability requiring adjustment at work	100	100	103	101	106	107

Table C: Number and percentage of female executive officers

	2007	2008	2009	2010	2011
Number	4	4	2	2	2
%	50	50	50	28	28

1. Information is provided on the actual number of all permanent, probationary and fixed-term contract full-time and part-time staff. Staff records are consistent with the Department of Education, Employment and Workplace Relations 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

During 2011, a total of 367 reports were submitted via the hazard and incident reporting online (HIRO) system. Twenty-five hazards were reported and 342 reports related to incidents. This continued the trend of increasing numbers of incident reports in effect for the past three years.

A total of 109 notifications to the workers compensation insurer were made in 2011. From these notifications, 20 remained notifications only with no further action; 35 were journey/recess claims (which do not affect the University's workers compensation insurance premium); and the remaining 54 were premium-impacting claims.

While there was a reduction in the total number of workers compensation claims in 2011 compared to 2010 (138 claims), many of the claims were more complex, as indicated by the significant increase in the average claim cost from \$1195 in 2010 to \$5799.

The University's workers compensation insurance premium remains lower than the industry tariff rate set by the WorkCover Authority of NSW (WorkCover). The industry tariff rate for 2011 was set at 0.607 per cent of wages (\$1.925 million), while the University's premium was 0.441 per cent of wages (\$1.401 million), representing a saving of approximately \$523,000.

Workers compensation statistics

Number of premium-impacting claims	54
Net incurred costs	\$313,152
Average cost per claim	\$5,799
Premium cost	\$1,401,837

WorkCover investigations and prosecutions

In June, WorkCover investigated a fatigue complaint regarding academic workload allocation in the Faculty of Nursing, Midwifery and Health, and issued a provisional improvement notice (PIN). Upon application, the University was granted a review of the PIN issuance by WorkCover, and the PIN was subsequently revoked.

There were no prosecutions under the *Occupational Health and Safety Act 2000* (NSW).

Training and assessments

The University created and deployed a safety and wellbeing essentials online training module to ensure ease of access to safety and wellbeing training, and to increase staff and student knowledge of their environment, health and safety (EHS) responsibilities. The module was successfully trialled and is available to all staff and students as part of the University-wide human resources induction process, and is also available in the faculty-specific induction processes. Prior to the implementation of the online module, 61 staff attended the face-to-face EHS essentials training session in 2011.

EHS for supervisors, EHS for academics and moot court training sessions were conducted this year. These sessions form an important platform to provide both support and academic staff supervisors with the information and resources needed to help fulfil their legislative health and safety obligations. During 2011, 41 supervisors and managers attended EHS for supervisors training and 58 academic staff attended EHS for academics training. The moot court was well attended with over one hundred participants.

The Safety & Wellbeing branch conducted 202 one-on-one assessments of staff members' workstation ergonomics, with staff members receiving recommendations on amendments to workstation layout and configuration.

Wellbeing

In 2011, the UTS wellbeing program was broadened to include students (when possible) in addition to staff. The program included a variety of sessions that were very well attended by the UTS community and for which feedback was favourable. The themes of the program were nutrition and exercise, mental health awareness, work/life balance, and workplace adjustment to reasonably accommodate staff members with disabilities.

The 10,000 Steps challenge was held over May, with 29 teams taking more than 20 million steps. With 203 participants, there was a 60 per cent increase in participation over the 2010 initiative.

Nearly 70 participants attended a retiring well seminar as part of the work/life balance theme of August, while in October, national mental health awareness month was recognised with a variety of sessions. A mental health first aid seminar attracted 40 participants, and 55 staff and students attended a presentation by Matthew Johnstone, author of the 'Black Dog' series of books regarding living with depression.

The annual wellbeing expo at our City campus was held again in September with a number of free activities for staff and students. These included massages, iridology, reflexology and various health tests to measure cholesterol, blood pressure, blood sugar levels, weight and nutrition. A similar expo was held at our Kuring-gai campus in November.

UTS again participated in the annual Movember fundraiser in November, supporting men's health, specifically prostate cancer and depression in men.

Response to UTS staff safety and wellbeing consultation and communication survey

In 2010–11, the University conducted a survey to ensure it was meeting its legislative obligations to consult and inform staff on safety and wellbeing matters. This survey followed and built upon knowledge from similar surveys undertaken in 2005 and 2007.

Approximately two-thirds of the staff surveyed rated communication on these issues as 'good', and almost half of all respondents had been consulted about risk assessments in their area. Three-quarters of staff surveyed who had reported a health and safety incident rated their supervisor's response as 'good' or 'excellent'.

However, 20 per cent of respondents said that their supervisor had never discussed safety and wellbeing issues with them, and half of all staff surveyed did not know about the HIRO system, introduced in August 2010.

It was recommended that the Safety & Wellbeing branch, in collaboration with faculties and units, increase the dissemination of information regarding hazard and incident reporting, emergency procedures, and safety and wellbeing responsibilities.

This will be accomplished via the continued provision of safety and wellbeing essentials and mandatory EHS for supervisors and EHS for academics training. In addition, the need for continued, regular email and web-based communication of safety messages, and additional direct service delivery by the Safety & Wellbeing branch was identified.

APPENDIX B5

Overseas travel

The University paid \$6.9 million for staff overseas travel in 2011, compared with \$6.4 million 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 C1

Regulatory matters

The most significant judicial decision affecting UTS in 2011 was the case of *Roadshow Films Pty Ltd and Ors v iiNet Limited* (2011) FCAFC 23. In February 2011, a majority of the Full Federal Court held that iiNet, one of Australia's largest internet service providers, did not authorise its users to engage in copyright infringements by downloading and distributing pirated films.

The Australian Federation Against Copyright Theft (AFACT) argued that iiNet's failure to act on AFACT's takedown notices, by suspending or terminating the infringing users' accounts, constituted authorisation of copyright infringement. While the members of the Full Federal Court were critical of iiNet's conduct, the majority held that iiNet had not been in possession of sufficient information such that it was required to act on the takedown notices. The appeal of the Full Federal Court decision has been heard by the High Court. The High Court has reserved its ruling, with a decision expected in early 2012.

The final High Court decision will impact UTS with regard to its activities in providing internet access to staff and students, where those facilities may be used to download copyright materials. Universities may be required to be more vigilant in addressing inappropriate activities on their networks, where those activities are used to infringe copyright.

Legislative matters

Student services and amenities fee

Legislation was passed on 11 October 2011 allowing universities and others to charge an annual fee, currently capped at \$263 per student, for non-academic services and amenities. It is envisaged that these services will include sporting and recreational facilities, food services, childcare, employment, career advice, etc.

Under the *Higher Education Legislation Amendment (Student Services and Amenities) Act 2011* (Cwlth), it is up to each university whether or not they wish to charge the fee. Those students who qualify for HECS help with their academic fees are entitled to a similar arrangement in relation to their student amenities fee. A university is able to charge different amounts; part-time students must be charged less, for example. Universities are also entitled not to charge a fee at all to certain categories of students and students can be charged the fee whether they propose to use the services or not.

Autonomous Sanctions Act 2011 (Cwlth)

The Department of Foreign Affairs and Trade expects universities to have in place mechanisms and processes that demonstrate compliance with the *Autonomous Sanctions Act 2011* (Cwlth), passed in May 2011.

The Act requires compliance with Australian sanctions (ie punitive measures without use of armed force) against certain countries and their nationals, typically targeting financial sanctions, travel bans and arms embargoes as well as, in UTS's case, sanctions against enrolment of students or hiring staff from sanctioned countries and prohibiting supply or procurement of sanctioned goods or services or conducting business with some countries. More generally, sanctions implemented under the Act may restrict the overseas operations of Australian individuals and businesses and the activities of businesses that are connected to Australia.

Sanctions in Australia are applied:

- > through the *Charter of the United Nations Act 1945* (Cwlth), which provides a framework for the implementation of Australia's international obligations to comply with sanctions that are imposed by resolutions from the Security Council of the United Nations
- > as autonomous sanctions, which are applied by Australia under the Act and are key tools in Australian diplomacy.

The Act does not limit the operation of other laws that impose autonomous sanctions.

The Act will affect the University's operations by imposing obligations on both the University and individual employees and contractors of the University, and impose criminal liability on individuals and the University if it were to contravene the Act.

Work Health and Safety Act 2011 (NSW)

The University has also been through extensive preparation to comply with the *Work Health and Safety Act 2011* (NSW), the Work Health and Safety Regulations 2011 and codes of practice. This legislation provides the framework for the harmonisation of the various state's work health and safety legislation around Australia. While it hasn't been adopted everywhere, New South Wales has passed the *Work Health and Safety Act 2011* (NSW) and the Work Health and Safety Regulations 2011, which took effect on 1 January 2012, along with codes of practice.

The NSW Act is applicable to UTS and requires compliance with new duties to ensure the health and safety of workers, including its employees, contractors and subcontractors, employees of its contractors and subcontractors, apprentices or trainees, students gaining work experience and volunteers. The previous legislation primarily applied only to employees.

Under this new legislation, officers of the University will have a duty to be proactive about occupational health and safety issues. Failure to meet that duty can be a criminal offence, punishable by fine and, in severe cases, imprisonment.

Personal Property Securities Act 2009 (Cwlth)

The University has also been preparing for the commencement of the *Personal Property Securities Act 2009* (Cwlth) on 30 January 2012. The Act reforms the law relating to security interests in personal property. Personal property is essentially anything that is not an interest in land and includes registered and unregistered intellectual property. A security interest is defined broadly as an interest in personal property provided for by a transaction that essentially secures a payment or the performance of an obligation. The Act creates a new public-access personal property security register, which is expected to be a simple, quick and inexpensive 'one-stop shop' for the registration of personal security interests.

Protection of a security interest relating to personal property must be enforceable and will now involve a written agreement containing a sufficient description of the property or the secured party having taken possession of the property or the secured party controlling the property. If the secured party doesn't possess or control the property then the security interest will need to be entered on the register. This is likely to impose an additional administrative workload while staff and management adjust to this new regime.

APPENDIX C2

Privacy

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

The University is bound by the 12 information protection principles contained within the *Privacy and Personal Information Protection Act 1998* (NSW). 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 UTS Privacy Management Plan has been lodged with the NSW Privacy Commissioner and is scheduled for a more substantial review.

Activities during 2011

In 2011, the privacy training program was enhanced with new privacy workshops being run for staff. The workshops are a new level of training that follow the initial privacy awareness training. Positive feedback was received from participants in the preliminary workshops, who particularly valued the in-depth consideration of privacy matters. These workshops will continue in 2012.

During 2011, only one request for an internal privacy review was received by the University. This complaint was subject to internal review under the Privacy and Personal Information Protection Act and the review were completed in line with the legislative obligations.

APPENDIX C3

Right to information

The following information is provided in accordance with section 7 of the *Government Information (Public Access) Act 2009* (NSW) (GIPA Act) and schedule 2 of the Government Information (Public Access) Regulation 2009 (NSW) for the reporting period of 1 January 2011 to 31 December 2011.

Proactive release of information

Consideration has been given to trends in applications under the GIPA Act and the preceding *Freedom of Information Act 1989* (NSW) (repealed), as well as information already released under section 6 of the GIPA Act and other publicly available information on the University's website. As a result, no additional information to that which is already publicly available was identified for proactive release.

Access applications in 2011

UTS received four access applications in 2011.

Access applications refused under Schedule 1

UTS received two access applications where some or all information was refused under Schedule 1 of the GIPA Act owing to a conclusive presumption of overriding public interest against disclosure.

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	1	-	-	-	1	-	-	-
Members of parliament	-	-	-	-	-	-	-	-
Private sector business	-	-	-	-	-	-	-	-
Not-for-profit organisations or community groups	-	-	-	-	-	-	-	-
Members of the public (application by legal representative)	-	-	-	-	-	-	-	-
Members of the public (other)	1	1	2	-	-	-	-	-

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

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

Table C: Invalid applications

Reason for invalidity	Number
Application does not comply with formal requirements (s 41)	1
Application is for excluded information of the agency (s 43)	–
Application contravenes restraint order (s 110)	–
Total number of invalid applications received	1
Invalid applications that subsequently became valid applications	1

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

Overriding public interest against disclosure	Number of times consideration used ¹
Overriding secrecy laws	–
Cabinet information	–
Executive Council information	–
Contempt	–
Legal professional privilege	2
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	–

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

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	1
Business interests of agencies and other persons	–
Environment, culture, economy and general matters	–
Secrecy provisions	–
Exempt documents under interstate freedom of information legislation	–

Table F: Timeliness

	Number of applications
Decided within the statutory timeframe (20 days plus any extensions)	4
Decided after 35 days (by agreement with applicant)	–
Not decided within time (deemed refusal)	–
Total	4

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

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

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

Applicants for review	Number of applications for review
Applications by access applicants	1 ¹
Applications by persons to whom information the subject of access application relates (s 54)	–

1. Note that one application was lodged for review late in 2011 with the review to be completed in 2012. As such, the application for review identified in Table H, was not identified in Table G.

APPENDIX C4

Our vision and purpose

The University of Technology, Sydney has a singular vision to be a world-leading university of technology. This commitment is reflected in our flexible and innovative learning and teaching, our high-impact research and our world-class infrastructure that supports our vibrant intellectual environment. Our purpose as a university is to advance knowledge and learning to progress the professions, industry and communities of the world.

Principles

Our values are embedded in the UTS Strategic Plan 2009–2018 and in our day-to-day work practices. They establish the standards by which we conduct our duties with our staff, our students, and our professional and community partners.

Discover and share new knowledge and new ways to lead through our teaching, research, intellectual debate and use of technology.

Engage and collaborate with each other, students, alumni, partners, professions and communities locally and internationally.

Empower each other and students to grow, contribute, challenge and make a difference.

Deliver on our obligations to each other, students, partners and communities while maintaining high standards and ethical behaviour.

Sustain our local and global environment, organisational health and ability to create a positive viable future.

Standards for the delivery of services

Staff

Our service standards are guided by a Code of Conduct. UTS staff and affiliates are expected to perform their duties or functions to the best of their abilities, impartially and diligently in order to contribute to the achievement of the University's goals.

Our research is conducted according to the UTS Responsible Conduct of Research Policy, the Australian Code for the Responsible Conduct of Research, the UTS Human Research Ethics Committee policies and guidelines in relation to the ethical conduct of research for both students and staff, and the National Statement on Ethical Conduct in Research Involving Humans. Elements of the code are elaborated further within other University policies and instruments including:

- > Equal Opportunity Policy
- > Policy on the Prevention of Harassment
- > Acceptable Use of Information Technology Facilities Policy
- > Environment, Health and Safety Policy
- > Vice-Chancellor's Directive—Environment, Health and Safety Responsibilities
- > Fraud and Corruption Prevention and Protected Disclosures Policy

The UTS Academic Standards Framework ensures high quality outcomes for students and beneficiaries of research, engagement and other academic activities. The academic standards are related to other UTS standards, particularly standards of staff and student conduct. The integration of graduate attributes into all courses and the curriculum are guided by the UTS Academic Standards Framework.

Students

The UTS Student Charter clearly outlines students' rights and responsibilities and assists students' understanding of the University environment, and the provisions of rules, policies and procedures made pursuant to the *University of Technology, Sydney, Act 1989* (NSW).

In pursuing its vision, UTS recognises the rights of its students in:

- > academic matters
- > learning support
- > administrative matters
- > participation in the University community

Alumni, the community and the professions

The UTS External Relations Relationship Management Procedures for fundraising, alumni relations, and relationships with the corporate sector are underpinned by the following principles:

- > A strategic and collaborative approach to external relations to be implemented across the entire University
- > External relations activities to be conducted in a highly ethical and collaborative spirit
- > UTS staff engaged in external relations activities to conduct themselves as ambassadors for the entire University
- > Relationships with supporters and external partners to be appropriately managed for the long term
- > In relation to fundraising, there will be a university-wide understanding of a donor-centric fundraising philosophy
- > Fundraising activities will focus on projects defined as fundraising priorities as outlined in UTS's Fundraising Policy
- > Conflicting or inappropriate approaches to external parties to be avoided
- > All relevant data concerning external relations will be stored.

The UTS Library

The main purpose of the UTS Library is to support the teaching, learning and research needs of the students and staff of the University. The library's Client Service Charter clearly states the range of services, quality and service standards and expectations for library staff and clients.

Planning and improvement

The Planning and Improvement Framework outlines the principles and key elements that guide planning and improvement at UTS. The Planning and Improvement Framework provides a clear and comprehensive statement on UTS's approach to the different levels of planning that support the implementation of the University's strategic plan and the mechanisms that drive continuous improvement throughout the organisation.

APPENDIX D1

Consultants

The University paid \$42.81 million for external consulting services in 2011, of which \$26.43 million was for capital works. A total of \$7.19 million was paid for consultancies consisting individually of less than \$50,000.

Payments in excess of \$50,000 totalled \$35,617,524.10 and are listed below.

Company	Category	Project	\$
Gehry Partners LLP	architect	Dr Chau Chak Wing Building	6,809,752.95
The Trustee for DCM Trust t/a Denton Corker Marshall Pty Ltd ATF DCM Trust	architect	Broadway Building initial design	3,751,729.60
LTC Language & Testing Consultants Pty Ltd	language testing	language proficiency tests	1,441,884.20
AECOM Australia Pty Ltd	engineer	Dr Chau Chak Wing Building and Broadway Building initial design	1,439,451.99
The Trustee for Daryl Jackson Robin Dyke Unit Trust	architect	Dr Chau Chak Wing Building	1,376,739.54
Arup Pty Limited t/a Ove Arup Pty Ltd	structural engineer	Dr Chau Chak Wing Building	1,308,420.25
Waterman AHW Pty Ltd	mechanical engineer	Broadway Building initial design	969,747.40
accessUTS Pty Limited	course facilitation	various short courses	927,578.40
Queensland University of Technology	research	Professor White project 7: University Graduate School leap (ATN project)	685,465.00
UniQuest Pty Limited	research	CRB projects	663,533.74
Aurecon Australia Pty Ltd	mechanical engineer	Broadway Building initial design	658,171.81
Gehry Technologies Inc.	architect/design	Dr Chau Chak Wing Building	656,714.68
The University of Queensland	research	Professor White project 2: Market and Eco; Professor White project 1: Control Method	603,000.00
NDY Management Pty Limited	sustainability engineer	energy audit implementation plan, UTS buildings	542,656.00
Davis Langdon Australia Pty Limited t/a Davis Langdon	quantity surveyor	Broadway Building initial design; CB06 podium cold shell; student housing	505,417.00
Highgate Management Pty Ltd	project management	Broadway Building initial design; Dr Chau Chak Wing Building; Thomas Street Building initial design	487,700.39
The Trustee for Gardner Wetherill Unit Trust t/a Gardner Wetherill & Associates Pty Limited	architect	CB06 podium cold shell	405,575.00
Institute of Public Works Engineering Australia Limited	project consulting	Local Government Reform Fund workforce and data project	360,000.00
X Op Pty Ltd t/a Exploring Opportunities	website developers	Broadway Building initial design; Thomas Street Building initial design; Dr Chau Chak Wing Building	357,420.00
Cadence Australia Pty Ltd	project management	Dr Chau Chak Wing Building	349,570.92
Jeffery and Katauskas Pty Ltd	environmental engineer	Dr Chau Chak Wing Building	347,021.29
BVN Architecture Pty Ltd t/a Bligh Voller Nield	architect/design	Thomas Street Building initial design	345,600.00
Burtenshaw Scoufis Architecture Pty Ltd	architect	CB10 Faculty of Nursing, Midwifery and Health design and construction	326,357.70
Rider Levett Bucknall NSW Pty Ltd	cost planner	Dr Chau Chak Wing Building	315,625.00
The Smith Paul & Partners Trust t/a Warren Smith & Partners	hydraulic engineer	Broadway Building initial design; library stacker design	315,519.01
University of South Australia	research	various research projects	300,839.09
Hudson Global Resources [Australia] Pty Ltd	project management	Broadway Building initial design; Thomas Street Building initial design; student housing	271,571.99
University of New South Wales	research	various research projects	270,950.30
DTDigital Pty Ltd t/a DTDigital	website developers	web roadmap	262,273.30

APPENDICES

Company	Category	Project	\$
PJ Doyle & MG Herring & IR Johnson & PM Stockdale & FP Zipfinger t/a Mallesons Stephen Jaques	legal consultant	Broadway Building initial design; Dr Chau Chak Wing Building	256,309.69
Tonkin Zulaikha Greer Pty Ltd	architect	CB01 core upgrade	250,223.24
The Trustee for WL Sandy Trust t/a Total Procurement	contractor	procurement services	247,020.04
DEGW Asia-Pacific Pty Ltd	planning consultants	Thomas Street Building initial design	245,479.27
Colliers International Consultancy & Valuation Pty Limited	asset valuation	assets valuation	237,250.00
Carrington Associates Asia Pacific Pty Ltd	business consulting	Foxpro migration; contract management system (PACE CRM)	220,176.85
Meteora Consulting Group Pty Ltd	project management	Centre for the Study of Choice	219,075.00
Frost Design Pty Ltd	design consultant	UTS wayfinding and public spaces design	206,266.25
Australian Indigenous Mentoring Experience Indigenous Corporation	course facilitation	Indigenous tutoring	200,000.00
Bass, Martin t/a Bass Martin	course facilitation	CLG projects	195,150.00
Erbas & Associates Pty Ltd	mechanical engineer	CB10 Faculty of Nursing, Midwifery and Health design and construction	178,568.00
Hobsons Australia Pty Ltd t/a The Good Guides Group	software consulting	enhancements to international application	169,050.00
Foran Design Pty Ltd	architect	Kuring-gai upgrading project; Faculty of Engineering and Information Technology Advanced Analytics Institute; Blackfriars Building 2, level 1	162,380.90
Kapos Consulting Pty Ltd t/a Callaways Executive Selection	project management	Oracle iProcurement rollout; performance reporting	155,721.25
TRA Global Pty Ltd	project management	exchange managed service	152,688.13
Ken Dysart Consulting Pty Ltd	contractor	Financial Services Unit: manager, strategic planning and budgeting	151,830.77
The Trustee for Australian Museum Trust	archaeological consultant	Dr Chau Chak Wing Building	151,195.00
Urbis Pty Ltd	planning consultants	Haberfield Rowing Club: development application stage	151,193.19
Aquenta Consulting Pty Ltd	quantity surveyor	Multi-Purpose Sports Hall project; Great Hall; CB01 core upgrade	150,307.21
Virtual Business Links Pty Ltd	business consulting	Professor Tom Barker projects	150,000.00
Curtin University of Technology	research	Professor White project 5: Intelligent Grid	149,000.00
Vim Design Pty Limited and Architecture Office Pty Limited t/a DRAW De Manincor Russell Architecture Workshop	architect	Great Hall	148,011.02
Hassell Ltd	architect interior design	library stacker design; Great Hall; Alumni Green design	145,699.00
RPS Australia East Pty Ltd	planning consultants	Thomas Street Building initial design; Dr Chau Chak Wing Building; CB01 core upgrade — library stacker design	140,137.02
Planit Test Management Solutions Pty Ltd	software consulting	customer relationship management system	137,242.50
Steensen Varming (Australia) Pty Ltd	mechanical engineer	Thomas Street Building initial design; library stacker design	132,592.52
AMR Interactive Pty Ltd t/a Australia Market Research Pty Ltd	market research	various surveys	131,051.00
Qubix Pty Ltd	software consulting	performance reporting	128,120.00
Linda R Scott & Associates Pty Ltd	business consulting	academic leadership development	125,691.81
Solution Impact Pty Ltd	research	Centre for the Study of Choice	120,350.00

Company	Category	Project	\$
Government Relations Australia Advisory Pty Ltd	business consulting	strategic advisory service specialising in public policy and government affairs	114,457.28
Bradford, Gail Patricia t/a Gail Bradford	research	various research projects	109,750.00
Pureprofile Pty Limited	research	various research projects	109,689.40
The Trustee for Taylor Thomson Whitting NSW Trust t/a Taylor Thomson Whitting NSW Trust	civil engineer	Thomas Street Building initial design; library stacker design	106,850.00
Ernst & Young	business consulting	Professor Benn: leadership and change	106,224.60
DesignInc Sydney Pty Limited	architect	CB04.7 and CB01.2 new anatomy facilities	104,616.82
The Trustee for Ionita Family Trust & The Trustee for Skinner Family Trust t/a Lean Six Sigma and Business Excellence Institute	course facilitation	George Weston Foods Ltd, Baking Division: Goodman Fielder Asia Pacific in-house training	103,279.92
Alliance Recruitment Pty Ltd t/a Southtech Personnel	project management	CB10 Faculty of Nursing, Midwifery and Health design and construction; CB10.5 and CB10.8 Faculty of Arts and Social Sciences fit out	99,843.47
Woods Bagot Pty Ltd	architect	Haymarket public spaces, blocks A and B upgrade	95,658.20
60SOX Pty Ltd t/a 60SOX	project management	ISIS project	91,875.00
Zarrov Brothers Pty Ltd t/a Northedge Consulting	project consulting	Haberfield Rowing Club: planning consultancy; energy audit implementation plan, UTS buildings	91,325.00
DVE Business Solutions Pty Ltd	business consulting	faculty strategic fund	90,550.00
Beijing Consulting Group Pty Ltd t/a Australia China Alumni Association	alumni organisation	China in-country office, international engagement	87,233.00
Expanding People Solutions Pty Ltd	business consulting	academic leadership development	80,450.00
The Trustee for George Beale Memorial Family Trust t/a Electrolight	light design consultant	Broadway Building initial design	77,400.00
JBA Urban Planning Consultants Pty Ltd	planning consultants	Broadway Building initial design; Thomas Street Building initial design	77,218.57
R & M Ramsay	research	work experience network; nursing summer school	76,500.00
The Trustee Phillips KPA Unit Trust	business consulting	strategic planning and institutional positioning	76,214.65
SThree Australia Pty Ltd	project management	disaster recovery 2011	74,685.00
Talent2 Pty Limited	project management	performance reporting; operational reporting	69,850.00
Digital Eskimo Pty Limited	software consulting	library discovery service enhancement; newsroom	69,377.32
Airin Services Pty Ltd	mechanical engineer	CB04 Faculty of Science: code compliance and maintenance works	68,650.00
Siddiqui Jamshed Ahmed	business consulting	India in-country office VCSF, international development	67,666.36
Hollow Road Farms Inc	business consulting	Research and Innovation Office international initiatives, UTS strategic funds	66,128.03
Renzo Tonin & Associates (NSW) Pty Ltd	acoustic consulting	Broadway Building initial design; CB06 podium cold shell	64,899.53
Playground Inspectors of Australia Pty Limited t/a Safety Adventure Forensic Engineering	course facilitation	Faculty of Engineering and Information Technology playground	64,236.66
Bruce Searles Consulting Pty Ltd & Rainy Hill Pty Ltd t/a Benchmarking Partnerships	business consulting	benchmarking	62,700.00
Assurance Pty Ltd	business consulting	secure technology management and professional services in information systems audit and compliance	60,720.00
Gooding Davies Consultancy Pty Limited t/a Fiona Davies Consultancy	research	Local Government Reform Fund workforce and data project; Australian Centre of Excellence for Local Government research	59,693.17
PDT Architects (NSW) Pty Ltd	architect	CB08 new 2SER reception area; CB03.1 and CB03.2 new production spaces and building works	58,572.50

APPENDICES

Company	Category	Project	\$
McKinlay Douglas Ltd	research	Australian Centre of Excellence for Local Government research projects	58,187.49
Stonecash Associates Pty Limited	course facilitation	air force improvement initial employment training	58,181.82
Peddle Thorp & Walker Pty Ltd t/a PTW Architects	architect	Multi-Purpose Sports Hall project	57,504.00
Rutovitz, Jacqueline t/a Jay Rutovitz	research	Institute for Sustainable Futures contract research expenses	57,479.09
Chaffield Shaw Consultancy	research	CRB strategic funded projects	56,273.00
Australian Trade Commission t/a Austrade	market research	Creative Industries Innovation Centre market research projects	56,067.28
Kevin Hough & Associates Pty Limited t/a Cardwells Project Services	course facilitation	Centre for Local Government projects	55,891.00
Halcrow Pacific Pty Ltd	planning consultants	Broadway Building initial design	54,768.42
Colliers International Project Services Pty Ltd	project consulting	data centre housing	53,300.00
Turner & Townsend Pty Ltd	business consulting	Faculty of Design, Architecture and Building School of Built Environment	53,000.00
Arina Consulting Pty Ltd	architect	UTS facility own teaching space utilisation survey City/Haymarket	52,704.55
Tanner & Associates Pty Ltd	architect	Blackfriars precinct: remedial works to buildings 2, 5 and 7	50,720.91
Prendergast Projects Pty Ltd	business consulting	Institute for Sustainable Futures contract research expenses	51,569.98
TSA Management Pty Limited	project management	GHS emission reduction projects	50,972.62
Val Morgan & Co (Australia) Pty Ltd t/a Val Morgan & Co Pty Ltd	research	Professor Burn project: Anti-slavery	50,472.00
Advanced Database Systems Pty Ltd	database developer	Marketing & Communication Unit schools liaison database	50,051.25
Total			35,617,524.10

APPENDIX D2

Insurance

General insurance

UTS has 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. UTS 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

UTS 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 2011

Building/property		\$'000
Alumni Green	Multi-Purpose Sports Hall	2,042
Alumni Green	Alumni Green	307
B1	Great Hall	11,386
B1	Relocation of Facilities Management Unit to CB01.19	1,941
B1	New anatomy facilities CB04.7 and CB01.2	1,869
B1	New School of Pharmacy facility CB01.13	1,113
B1	Energy audit implementation plan, UTS buildings	594
B1	CB01 core upgrade	586
B1	Provision of staff accessible toilets on CB01.19	322
B1	Faculty of Engineering and Information Technology modifications CB01, levels 18, 21, 23 and 25	305
B1	Minor fit out modifications for the Faculty of Science CB01, levels 11, 12 and 15	272
B10	CB10 Faculty of Nursing, Midwifery and Health design and construction	5,280
B10	Faculty of Arts and Social Sciences fit out CB10, levels 5 and 8	1,200
B10	Relocation of Designing Out Crime CB10.3	362
B2	Public spaces upgrade — CB02.4 and Kuring-gai campus level 5	772
B2	Library stacker	496
B2	Higher degree research centre CB02.3	306
B2	Faculty of Engineering and Information Technology Advanced Analytics Institute, Blackfriars building 2, level 1	208
B3	Faculty of Arts and Social Sciences student production suites — CB03.2M refurbishment	291
B3	New production spaces and building works CB03	204
B5	Upgrade Haymarket public spaces — blocks A and B	3,637
B6	Student housing	33,592
B6	Building 6 podium	12,443
B6	Faculty of Design, Architecture and Building textile workshop CB06.3	808
Fairfax site	Broadway Building	15,808
Gehry site	Dr Chau Chak Wing Building	16,156
Kuring-gai	Kuring-gai upgrading project	738
Student housing	Electronic lock change over for student housing — Bulga Ngurra, Geegal, Gumal Ngurang	220
Student housing	Common study areas for student nursing facilities — Bulga Ngurra, Geegal, Gumal Ngurang	214
Thomas Street site	Thomas Street Building	894
Total		114,366

APPENDIX E2

Land register

Building/property	Campus	Use	Building/ infrastructure valuation \$'000	Land valuation \$'000
Broadway			484,200	215,300
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			484,200	215,300
Other buildings				
Building 5 (Haymarket)	city	educational	78,000	69,300
Kuring-gai campus	Lindfield NSW	educational	28,600	7,200
Blackfriars campus	city	educational/ childcare	3,300	12,700
Bulga Ngurra Student Housing	city	student housing	7,600	4,100
Geegal Student Housing	city	student housing	4,800	2,600
Gumal Ngurang Student Housing	city	student housing	29,100	16,900
Stroud Research Field Station	Stroud NSW	research station	60	240
Yarrowood Research Centre	Yarramundi NSW	educational/ research	200	1,600
Vice-Chancellor's residence	Pyrmont NSW	housing	2,300	–
Frank Gehry Building	city	educational	–	17,700
644 Harris Street	city	educational	75	1,925
Total project expenditure for 2011			638,235	349,565

Notes

1. Values are based on Collier's valuation dated 31 December 2011.
2. Fairfax Building 10 is now included in the Broadway buildings.
3. Yura Mudang Student Housing component is included in Building 6 (Broadway).
4. 14–20 Ultimo Road is now identified as the Frank Gehry Building.
5. Kuring-gai Campus (residential) was sold in 2011.
6. Acquisition of property 644 Harris Street in 2011.

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.

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**THE UTS ANNUAL REPORT 2011 FINANCES AND
APPENDICES PROVIDES A RECORD OF THE UNIVERSITY'S
PERFORMANCE AND ACTIVITIES DURING THE YEAR.
VOLUME ONE OF THIS REPORT CONTAINS OUR
REVIEW OF OPERATIONS.**