



UNIVERSITY OF TASMANIA ANNUAL REPORT 2005

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**To His Excellency the Honourable  
William Cox AC, RFD, ED  
Governor of Tasmania**

May it please Your Excellency:

The Council of the University of Tasmania, in conformity with the provisions of the *University of Tasmania Act 1992*, has the honour to report, for Your Excellency's information, the proceedings of the University for 2005 and to present the financial statements for that year.

A handwritten signature in white ink, reading "Vertigan.", with a long horizontal flourish extending to the left.

Michael Vertigan AC  
Chancellor  
May 2006



The University of Tasmania is the State's university. It is a generator of ideas and knowledge and makes a significant contribution to the economic, social and cultural fabric of the Tasmanian community. It has a crucial role to play in the State's long prosperity.



# Contents

Mission and Vision	2
The Chancellor's Message	3
The Vice-Chancellor's Message	4
2005 at a glance	6
Governance	7
Performance	13
Teaching & Learning	25
Research & Research Training	29
Our People	34
Community Engagement	37
Development	40
Financials	43

U BELONG





# Mission



*The University of Tasmania is committed to excellence in the creation, preservation, communication and application of knowledge and to scholarship that is international in scope, reflecting the distinctiveness of Tasmania and serving the needs of its community. The University will continue to provide leadership within its community, contributing to the cultural, economic and social development of Tasmania.*

# Vision

*By 2010, the University of Tasmania will be ranked among the top echelon of research-led universities in Australia. The University will be a world leader in its specialist, thematic areas and will be recognised for its contribution to state and national development.*



# THE CHANCELLOR'S MESSAGE



The University has maintained its pursuit of excellence in teaching and research and commitment to community engagement throughout 2005. Details of performance and achievements are provided throughout this report.

During the year, the operation of the University was subject to detailed scrutiny by the Australian Universities Quality Agency (AUQA). The report of that audit was generally very positive, with a high number of commendations and affirmations, and the University has put in place an implementation plan to ensure we take full benefit of the external review panel's recommendations.

Council allocated strategic funds towards activities calculated to assist the University in making accelerated leaps in the areas of research and teaching and learning. Several new professors were appointed in strategically important areas, including medical research, and awards for teaching excellence were expanded.

The UTAS partnership with the State Government continued to play an important role, with the strengthening of the relationship providing benefits to both the University and the State in areas such as aquaculture, forestry and agricultural research.

To ensure that the University will receive maximum available Commonwealth funding over the next few years, governance and operating arrangements were modified to ensure compliance with the National Governance Protocols and the higher education workplace reform requirements. Governance continues to be enhanced through further development of a comprehensive policy framework, continued work on financial strategy to ensure longer-term fiscal sustainability, and through Council self-review.

Australian universities are increasingly impacted by expanding legislative and regulatory requirements and by increased competition within the higher education sector. The obligations and expectations of members of University Council continue to expand as a consequence of these developments.

The University of Tasmania is fortunate to be served by an excellent Council and I would like to express my appreciation for the contributions of Council members during 2005.

The continued record of achievement and progress of the University is the product of the leadership and contributions of the Vice-Chancellor, management and all staff, and I wish to acknowledge their continued dedication and commitment to excellence.

A handwritten signature in black ink, reading "Dr Michael Vertigan AC". The signature is fluid and cursive, with a large initial 'D'.

Dr Michael Vertigan AC

# THE VICE-CHANCELLOR'S MESSAGE

This year the UTAS strategic agenda, EDGE, received endorsement from the Australian Universities Quality Agency (AUQA). The report, by an independent panel and following a major review exercise on our campus and at our overseas locations, was highly complimentary of the University's overall quality and performance. This is a testament to the strong, internationally benchmarked scholarly tradition of the University, but also to its style, identity and the strength of its management and support for core activities of research, teaching and learning.

To further reinforce this good news, several of our research institutes were lifted to new levels by external recognition. The Tasmania Aquaculture and Fisheries Institute, which continues to fuel the regional and national economy through its R & D, was renewed for a further period of 10 years in funding agreements with the State Government and industry. CODES, our Centre for Ore Deposit Research, gained more than \$30 million as an ARC Centre for Excellence, and a raft of other research achievements continue to place UTAS within the top 10 Australian universities for research performance. When measured against much larger institutions, UTAS punches well above its weight.

UTAS continues to grow strongly. We have grown in terms of student numbers by 25 per cent over the past four years, a major achievement that brought more Tasmanians into higher education and increased our profile by a strong growth in international students. Independent studies of the impact of UTAS growth and development on the Tasmanian economy indicate that we are a key growth centre for the State's economic development. With a budget approaching \$300 million, UTAS is Tasmania's third largest employer, and with ever-increasing numbers of graduates filling new Tasmanian jobs, the University is driving a new knowledge-based economy for the island.

Not that our focus is entirely Tasmanian. Our international linkages continue to grow, especially in our areas of strength. To indicate a few of these linkages – our geoscience doctoral students, working with CODES, are located all over the world; our philosophers teach programs at the Venice International University with other global partners; more and more of our undergraduates are linking with our partnering global universities and exchange programs; our medical researchers at the Menzies Research Institute are tackling different health conundrums in Vietnam; and our engineers join with colleagues in German and Japanese universities in the search for alternative energy sources. This year we formed the International Antarctic Institute – a network of major global universities with graduate programs in Antarctic sciences. About 14 institutes have joined UTAS to share courses, students and expertise. In these and many other ways, UTAS is building its international reputation, especially in its areas of strength and distinctiveness.

## PRIORITY OBJECTIVES

*To enable the University to build a strong and vibrant institution and fully realise its Mission & Vision the following four cornerstones have been identified:*

**Excellence** – *it must be the hallmark of all activities.*

**Distinctiveness** – *UTAS must develop its own distinctive, recognisable and attractive character.*

**Growth** – *UTAS must continue to expand its delivery of teaching and research services.*

**Engagement** – *UTAS must serve its communities and become a sought-after local, national and international partner across all its fields of endeavour.*

In summary, 2005 has been both a year for growth and further innovation, while consolidating our gains of the past three years. I thank my UTAS colleagues and our students for their continued contributions to the University. As you can see from the financial report, we are in an extremely sound position and are poised to deploy these resources to take UTAS to its next higher level of achievement. It has been, once again, my pleasure to work with my colleagues on Council and all of our external stakeholders to mark out a new pathway for UTAS. Long may it continue.



A stylized handwritten signature in black ink, consisting of a large 'D' followed by a horizontal line and a vertical stroke.

Daryl Le Grew  
Vice-Chancellor



# 2005

# AT A GLANCE

## Campuses

### The University of Tasmania Hobart

Churchill Avenue, Sandy Bay, Hobart TAS 7005

Private Bag, Hobart TAS 7001

Telephone (03) 6226 2999 International + 61 3 6226 2999

Facsimile (03) 6226 2018 International + 61 3 6226 2018

### The University of Tasmania Launceston

Newnham Drive, Newnham, Launceston

Locked Bag, Launceston TAS 7250

Telephone (03) 6324 3999 International + 61 3 6324 3999

Facsimile (03) 6324 3799 International + 61 3 6324 3799

### The University of Tasmania Cradle Coast

Mooreville Road, Burnie 7320

PO Box 3502, Burnie TAS 7320

Telephone (03) 6430 4999 International + 61 3 6430 4999

Facsimile (03) 6430 4950 International + 61 3 6430 4950

## Faculties

Arts; Commerce; Education; Health Science; Law; Science, Engineering & Technology.

## Financial Performance

During the year, the operating surplus for the University of Tasmania and its controlled entities was \$33.8 million (m). This includes specific tied grant funding for capital and infrastructure projects of \$12.9m and a net increase in restricted research and trust funds of \$8.5m. Revenue increased by \$40.0m to \$286.3m, with expenditure of \$252.5m. Revenue from the Australian Government increased by \$26.6m, and revenue from fee-paying students increased by \$1.7m.

Over the next six years, the University is expecting significant growth in student numbers, with an average increase of 5% per year. Total annual revenue over this period is expected to increase by \$50m to \$336m. In order to plan for and accommodate this growth, the University has adopted a long-term fiscal plan in line with the University's strategic plan. This includes projected statements of financial performance (profit and loss statements), financial position (balance sheet) and cash flows.

On an annual basis, faculty and divisional plans and budget submissions form key elements of the overall planning process. The fiscal plan includes a current benchmark operating result of 3% of total revenue, with a key component being the capital management plan, which considers the longer-term capital expenditure requirements required to provide the infrastructure to support the University's growth.

The financial position of the University is sound, with the ratio of current assets to current liabilities at 5.5 (2004: 5.3).

### Consolidated

**operating revenue** **\$286,313,000**

All students 18,150

Male 7,997

Female 10,153

Undergraduates 15,824

Higher degree – research 1,140

Higher degree – coursework 559

Other postgraduates 627

Total student load (EFTSL) 12,712

FTE: All staff  
(including casuals) 1,865

Persons: Academic  
(excluding casuals) 796

Non-academic  
(excluding casuals) 1,037

## UNIVERSITY COUNCIL

The Council is the governing body of the University, established under the *University of Tasmania Act 1992*. Under that Act, the Council has responsibility for high-level strategic direction, major financial planning, monitoring management performance and compliance, staff appointments and the allocation of funds.

The Act was amended in 2001 to make the functions and structure of the Council consistent with contemporary governance practices. In 2004 a further Bill amended the ability of the University to comply with the National Governance Protocols for Higher Education Institutions.

The Council consists of the Chancellor (Chair), the Vice-Chancellor, the Chair of the Academic Senate, 11 other appointed members and four elected members.

Council delegates broad powers to the Vice-Chancellor (the managerial and academic leader) to manage the operations of the University in conformity with agreed plans, principles and policies. The Vice-Chancellor, in turn, empowers other key members of the Senior Management Team.

Council is advised by its committees (Audit, Built Environment, Ceremonial and Honorary Degrees, Finance, Legislation, Nominations, Remuneration), its working parties, and (in relation to academic matters) the Academic Senate.

During 2005, work continued on the implementation of the governance-level policy framework.

Under the framework, Council has approved high-level statements of policy (Council principles). The Vice-Chancellor has approved operational policies that link to the Council principles and provide for their implementation. Council has also approved top-level plans (to assist in the implementation of the UTAS Strategic Plan) and delegations to the Senior Management Team.

Work continues on the University-wide review of policies and on the revision and codification of further delegations and the creation of a delegations register.

In September 2005, the UTAS Council trialled the "Governance of Strategy in Higher Education" for the University Governance Professional Development Program.

The management of risk is an important component of the University's accountability framework. The University seeks to promote a risk-aware culture in all areas of University activity.

A number of processes and structures are in place for identifying and managing risk. The Vice-Chancellor and Senior University Officers are responsible for overall risk management oversight. Senior University Managers have delegated responsibility for risk management within their area and are responsible for identifying and reporting on risk issues as part of the budget planning and reporting cycle.

Governance Policy  
Framework

University Governance  
Professional  
Development

Risk Management

# Governance

The Audit and Finance Committees of Council exercise significant risk management accountabilities:

#### Finance Committee

- oversight of financial risks of the University
- oversight of the external placement of University investments
- oversight of University entities

#### Audit Committee

- oversight of audit and risk issues
- monitors all aspects of the risk management process.

Operational units have specific risk mitigation programs, e.g. OH&S, environmental health and safety.

During the year the University advanced its risk management agenda in a number of important ways:

- appointment of a Director Risk Management and Audit Assurance, reporting functionally to the Audit Committee and the assignment of risk management coordination, internal audit and compliance oversight to that position;
- development of a charter for the Office of Risk Management and Audit Assurance (RMAA);
- development of a risk management framework;
- a project to undertake a University-wide risk assessment.

The University-wide risk assessment will identify matters of significant risk to the achievement of the University's stated objectives, and review the risk mitigation strategies currently in place to manage those risks and, where necessary, develop action plans to improve those risk mitigation strategies. Appropriate reporting frameworks will also be developed. This process is being coordinated by the Director RMAA and overseen by the University's Senior Management Team.

## Freedom of Information

The University is subject to the provisions of the *Freedom of Information Act 1991* (the Act). During the year the University processed six applications for access to information under the provisions of the Act. As at 31 December 2005, one of those applications was the subject of an external review with the Ombudsman.

## Public Interest Disclosures

The University is subject to the provisions of the *Public Interest Disclosure Act 2002*. The main objective is to "encourage and facilitate the making of disclosures of improper conduct (or detrimental action) by public officers and public bodies". (*Public Interest Disclosure Act 2002*, Ombudsman's Guidelines, November 2003, page 5.) During the year the University conducted one investigation under the Public Interest Disclosure Act.

## Audit

The University's audit processes are overseen by the Director Risk Management and Audit Assurance (RMAA), a new position created during 2005.

The Tasmanian Audit Office conducts a statutory audit of the University's financial statements on an annual basis.

The University has contracted KPMG to conduct internal audit activities as directed by the Director RMAA. An annual audit plan is submitted to the Audit Committee for approval and the Director RMAA is responsible for implementing





# Governance

that plan and reporting quarterly against the plan to the Audit Committee. Considerable reliance is placed on internal audit activities by the Auditor-General.

Internal audit reports are focused on:

- core financial systems compliance audits, which include a recurrent program of assessment of the adequacy of, and compliance with, key University processes, controls and policies;
- IT controls review; and
- other discrete special projects approved by the Audit Committee. The University continues to build on risk management and compliance policies and procedures, particularly through the risk management implementation program outlined above.

Other external environmental factors that impact on the preparation of financial statements by the University are:

- *Financial Management and Audit Act 1990 (Tasmania)*;
- DEST Financial Reporting guidelines; and
- Australian and International Accounting Standards.

The Audit Committee consists of a number of external members with relevant experience and skills. The Committee monitors risk and compliance issues continually through its quarterly meetings and provides the Council with recommendations in regard to audit matters.

The University recognises that good corporate governance and risk management are extremely important matters, and is endeavouring to ensure that the appropriate levels of accountability and audit oversight are in place.

## Performance against Plan

As part of continual performance monitoring, the University Council receives a comprehensive report on Performance against Plan every year. The extent to which the University's goals are achieved is monitored through the longer-term headline performance indicators (HPI) included in the plan.

Key achievements in 2005 included:

- exceeding overall enrolment targets by 1.2%;
- increasing the number of Tasmanians studying undergraduate programs at UTAS;
- significantly increasing research higher degree (RHD) completion rates;
- increasing income through the University Foundation;
- significantly increasing the proportion of international enrolments; and
- increasing Tasmania's share of Australian Government funding.

## COUNCIL MEMBERSHIP

**1 JANUARY 2005 – 31 DECEMBER 2005**

### Ex Officio

Dr Michael Vertigan AC	Chancellor
Professor Daryl Le Grew	Vice-Chancellor
Professor John Williamson	Chair of Academic Senate

### Appointed by Minister for Education

Mrs Elizabeth Daly  
Dr Martyn Forrest  
Ms Brenda Richardson  
Ms Yvonne Rundle (from 8 April)

### Appointed by Council

Mr Damian Bugg AM  
Dr Peter Davis (from 1 July)  
Dr Xiaoling Liu (to 30 June)  
Mr Rod Roberts  
Mr Robert Ruddick

### Elected by Academic Staff

Professor Pamela Allen  
Professor Jim Reid  
Mr Rick Snell

### Elected by General Staff

Mr Mark Bennett

### Elected by Students

Ms Emma Catchpole  
Ms Kirsten Koh (from 8 April)  
Ms Tammie McCarthy (to 18 March)

### Appointed by Council

Optional international member (vacant)

### Secretary

Ms Belinda Webster, Director  
Governance & Legal

## COUNCIL COMMITTEES

The Chancellor and Vice-Chancellor are ex officio members of every board, faculty and committee of the University, but are listed here only for those committees normally attended.

**1 JANUARY 2005 – 31 DECEMBER 2005**

### Audit Committee

<b>Chair</b>	Mr Bob Ruddick
<b>Members</b>	Mr Rod Roberts Mr Harvey Gibson Mr Berend Stubbe

The Audit Committee has responsibility for the internal audit policy, charter and plan and oversees the outsourcing of the internal audit function. It receives and reviews the reports of the Internal Auditor and management responses, oversees risk management monitoring and reporting, and reports to Council on both internal and external audit matters.

### Built Environment Committee

<b>Chair</b>	Professor Daryl Le Grew (Acting Chair)
<b>Members</b>	Mr Ian Cooper (from 1 July) Dr Peter Davis (from 18 November) Professor Roger Fay Mr Richard Bevan (to 20 January) Ms Susan Gough Mr Leigh Woolley

The Built Environment Committee has responsibility for considering, reviewing and advising Council on the development, approval and implementation of campus framework plans; priorities for major capital works; strategic asset management planning; preventative maintenance program; buildings and grounds plans and design standards for building works and landscaping.

## Ceremonial and Honorary Degrees Committee

<b>Chair</b>	Dr Michael Vertigan AC
<b>Members</b>	Mrs Elizabeth Daly Dr Martyn Forrest Professor Daryl Le Grew Mr Ian Roberts (to 22 February) Mr David Rowell (from 22 February) Professor John Williamson

The Ceremonial and Honorary Degrees Committee makes recommendations to Council for recognition by the University of individuals and organisations; the naming of buildings or facilities; and the conferring of degrees ceremonies; and other ceremonial matters.

## Finance Committee

<b>Chair</b>	Mr Rod Roberts
<b>Members</b>	Professor Daryl Le Grew Professor John Williamson Mr Bob Ruddick Dr Martyn Forrest Mr Miles Hampton (to 8 April) Mrs Yvonne Rundle (from 8 April) Mr Val Smith (to 8 April) Mr Richard Pringle-Jones (to 8 April)

The Finance Committee monitors the financial activities of the University and makes recommendations to Council on financial matters, including: submitting the University's audited annual financial report; reviewing the University's triennial budget; overseeing the investment of University funds; advising Council about levels of fees and charges imposed by the University; and reviewing the University's financial plan.

## Legislation Committee

<b>Chair</b>	Mr Damian Bugg AM
<b>Members</b>	Professor Jim Reid Mr Rick Snell

The Legislation Committee drafts and recommends any ordinances, rules and by-laws necessary to implement the decisions of the Council.

## Nominations Committee

<b>Chair</b>	Dr Michael Vertigan AC
<b>Members</b>	Mrs Elizabeth Daly Dr Martyn Forrest

The Nominations Committee calls for nominations, considers and makes recommendations on the filling of all positions to which Council is required to make appointments, including Council itself and its committees.

## Remuneration Committee

<b>Chair</b>	Dr Michael Vertigan AC
<b>Members</b>	Dr Martyn Forrest Mr Rod Roberts

The Remuneration Committee ensures the strategic alignment of human resource management and industrial negotiations with the University's plan. It also determines policy for senior executive remuneration and performance appraisal, determines the remuneration and the renewal of contracts for senior executives, and considers reports on remuneration of staff employed by entities created by the University.



# Governance

2005 attendance at Council and Committee meetings							
Council Members	Council	Audit Committee	Built Environment Committee	Ceremonial & Honorary Degrees Committee	Finance Committee	Nominations Committee	Remuneration Committee
Dr Michael Vertigan AC	7/7			2/2	-	2/2	3/3
Professor Daryl Le Grew	7/7		6/6	2/2	4/4	2/2	3/3
Dr Pamella Allen	6/7						
Mr Mark Bennett	5/7						
Mr Damian Bugg	3/7						
Ms Emma Catchpole	5/7						
Mrs Elizabeth Daly	7/7			1/2		2/2	
Dr Peter Davis	3/3		1/1				
Dr Martyn Forrest	5/7			1/2	4/4	1/2	3/3
Ms Kirsten Koh	5/6						
Dr Xiaoling Liu	1/4						
Ms Tammie McCarthy	0/1						
Professor Jim Reid	7/7						
Ms Brenda Richardson	5/7						
Mr Rod Roberts	6/7	2/4			3/4		3/3
Mr Robert Ruddick	7/7	4/4			4/4		
Ms Yvonne Rundle	5/6				3/3		
Mr Rick Snell	6/7						
Prof. John Williamson	7/7			0/2	3/4		
<b>Committee Members (non-council)</b>							
Mr Harvey Gibson	4/4						
Mr Berend Stubbe	4/4						
Professor Roger Fay			4/6				
Ms Susan Gough			5/6				
Mr Leigh Woolley			6/6				
Mr Ian Cooper			2/4				
Mr Miles Hampton					1/1		
Mr Val Smith					1/1		
Mr Richard Pringle-Jones					0/1		
Mr David Rowell				2/2			

## Enrolment Performance

The University receives an operating grant from the Commonwealth related to an enrolment target expressed in terms of student load or equivalent full-time student load (EFTSL). The University also admits international students and additional domestic undergraduate and postgraduate coursework students on a fee-paying basis.

There were quite significant challenges to meeting the operating grant target in 2005. As a consequence of the introduction of a prep year in 1992, the Tasmanian Year 12 cohorts in 2004-05 are smaller than normal and there were 185 less Year 12 applicants for 2005. Year 12 student deferral rates also increased from 271 to 409. The final load for the year was 9,099 EFTSL. This was within the 1% tolerance (0.6%) allowed by the Department of Education, Science and Training (DEST) for our target of 9,160 EFTSL and there will be no adjustment to the Commonwealth Grants Scheme payments for 2005.

Overall enrolments were up by 282 EFTSL on 2004, a growth of 2.3%.

Non-research operating grant load at 9,372 EFTSU was 7.4% above the DEST-funded load target of 8,732 EFTSU.

The final result in research load represented a 6.3% improvement on 2004 performance.

Postgraduate fee-paying load decreased by 8.9% on 2004 enrolments, reaching 295 EFTSL.

The onshore international student load was under target by 8 EFTSL (-0.5%), but this represented a 17.2% increase on 2004 enrolments. Offshore load was up by 323 EFTSL and was 74% above target.

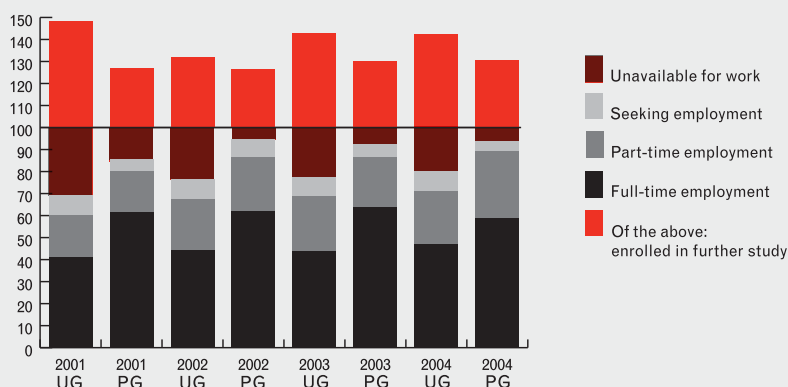
## Entry Standards

Entry standards are monitored at university, faculty and course levels. Table 1 shows entry scores obtained by Year 12 students continuing to the University over the past three years. The figures are converted to the Interstate Transfer Index to allow for a better comparison with other Australian universities.

**Table 1 – Entry scores, Year 12 entrants, 2002-2005**

Year	Mean ITI	Median ITI
2002	77.5	80.8
2003	77.2	79.5
2004	78.4	80.9
2005	78.6	81.1

# Performance



**Table 2 – Destinations of 2001-2004 graduates**

## Graduate Outcomes

Table 2 shows the outcomes (destinations) of students who completed an undergraduate or postgraduate degree in 2004. The table shows that outcomes for those completing an undergraduate degree remain good, with the vast majority of graduates in employment or further study. The percentage of graduates who are in work has increased for both undergraduates and postgraduates compared with 2003.

## Student Satisfaction

The Course Experience Questionnaire (CEQ) is a national survey of graduates. Respondents rate aspects of their course on a scale from 1 (very negative) to 5 (very positive). DEST produces indicators on undergraduate responses on the three scales.

Satisfaction on each of these scales is measured by the percentage of graduates who 'broadly agree' with statements in the CEQ (that is, graduates responding 3, 4 or 5 respectively to statements in the questionnaire as a percentage of all respondents). These data can be used for benchmarking against the national averages and selected benchmark partners.

Overall Course Satisfaction: this question averaged 3.7. Of 1,903 respondents, 1,300 (68%) rated their overall satisfaction as either 4 or 5, an increase relative to 2003 (64%). Overall, UTAS results on the three scales are close to the sector average and have been consistent over 2003 and 2004.

The time series data in Table 3 indicate that students continue to rate the University favourably, with no significant gender differences between the experiences of students.

**Table 3 – Average score on key CEQ scales (on 1–5 range) – all respondents**

CEQ Scale	Gender	2001	2002	2003	2004
Good teaching	Females	3.4	3.5	3.4	3.5
	Males	3.3	3.4	3.3	3.4
	All students	3.3	3.4	3.4	3.4
Generic skills	Females	3.7	3.7	3.7	3.7
	Males	3.7	3.6	3.6	3.7
	All students	3.7	3.7	3.7	3.7
Overall satisfaction	Females	3.7	3.8	3.6	3.8
	Males	3.6	3.7	3.6	3.7
	All students	3.7	3.7	3.6	3.7

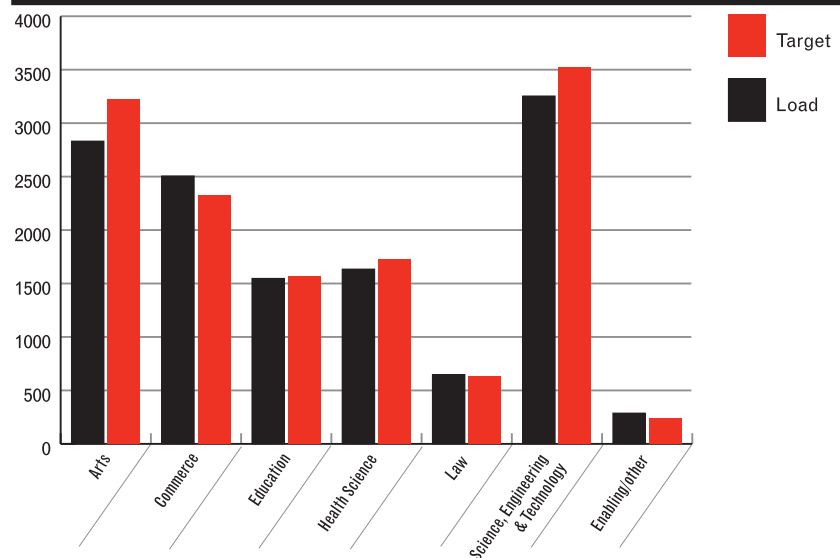




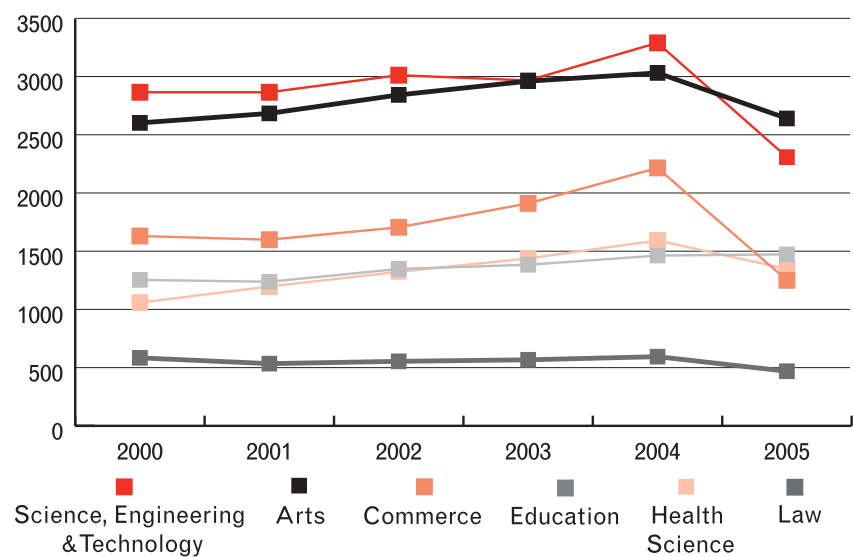
# Performance

## Faculty Performance Indicators

**Table 4 – 2005 Load versus target by faculty**

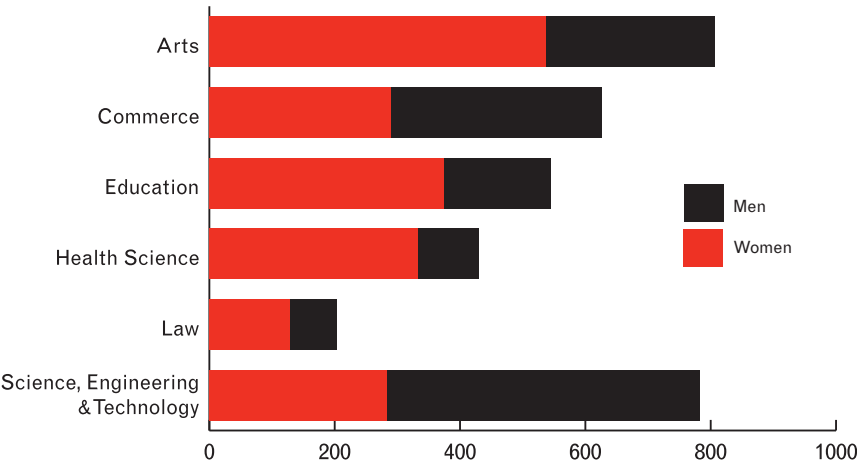


**Table 5 - Load by faculty 2000-2005**



# Performance

Table 6 – 2004 course completions by faculty



## Australian Universities Quality Agency (AUQA) 2005

In 2005, the Australian Universities Quality Agency (AUQA) appointed an audit panel to carry out a quality audit of the University of Tasmania. In all, the audit panel spoke with about 370 people during the various audit visits, including visits to offshore partner institutions.

A summary of commendations, affirmations and recommendations follows. Note that these are not prioritised by the audit panel. They are listed below in the order in which they appear in the report.



## COMMENDATIONS

AUQA commends UTAS for:

1. The inclusive development and wide ownership of the EDGE agenda with evidence of a good planning cascade and the application of strategic funding to advance the agenda.
2. The positive and well-regarded leadership by the Vice-Chancellor and his senior management group and the effective role played by Council in the governance of UTAS.
3. The early adoption of quality audit and the comprehensive self-review leading up to the AUQA audit.
4. The processes of planning and review related to T&L provision, through mechanisms such as comprehensive and well-integrated school and course review processes, and through an increase in the performance-based funding of the teaching component of the University's budget.
5. The evident commitment to assuring quality teaching and learning and active consideration of student feedback through the use of the Student Evaluation of Teaching and Learning 'agreed norm' in delineating, implementing and reporting improvement strategies in unit teaching and learning.
6. The mechanisms in place for supporting, enhancing and rewarding teaching practice as evidenced from the implementation of the Teaching Development Fund and introduction of the teaching excellence and merit.
7. The suite of activities designed to support student access, participation and transition.
8. Identifying appropriately themed research areas; the aligning of resources with research priorities, including the link to National Research Priorities, and with the state areas of research strength.
9. Its research training management system and its mentoring and support of PhD students.
10. The implementation of the well-received and effective Orienting Heads and Talking Heads leadership and management development programs for Heads of School.
11. The work it has undertaken in developing and refining the Performance Management System so that it both informs and responds to the performance related aspects of the University's staff recruitment, probation, promotion, and staff development policies and procedures.
12. Developing positive relationships with councils, for the Edge Radio operation, and for the activities of the University Foundation.
13. The very positive engagement with the Tasmanian community including several strong partnerships: A key partnership with the state government; and the development of University activity in the northwest through the Cradle Coast Campus.
14. Promoting an international dimension to the student experience.
15. Negotiating partnerships with some well-regarded offshore partners, including the introduction of the Joint Management Committees to oversee relationship management; and for commissioning the Guthrie and Johnston reviews of TNE operations.

## AFFIRMATIONS

1. While noting the intention of UTAS to undertake a progressive implementation of the Council policy framework, AUQA urges the University to complete this in a timely manner and in a way that will assist the further development of the University's 'PIRI' Quality System.
2. AUQA affirms the intention of UTAS to strengthen risk management across the University.
3. AUQA affirms UTAS plans to develop a more strategic relationship between the Flexible Education Unit, Heads of School and Deans.
4. While noting the work being done to embed and evaluate graduate attributes in certain sections of the University, AUQA observes that progress is variable across the UTAS curriculum and affirms the need for further attention to implementation.
5. AUQA affirms the UTAS initiatives designed to improve the use of videoconferencing in teaching and learning.
6. AUQA affirms the UTAS decision to strengthen the definition of 'research active' and the use of this to drive the EDGE research agenda.
7. While noting positively the establishment and operation of the statewide human research ethics committee for social and medical research (a network of three ethics committees) AUQA affirms that further attention is required in relation to the streamlining of the work of the medical and health ethics committees.
8. AUQA affirms the University's intention to fully implement the outcomes of recent reviews of research, research services and research and development commercial services at UTAS.
9. AUQA affirms the recognition by UTAS of the need to increase the level of research commercialisation activity and industry linkage, but notes that this will require a more active program across the University and related research groups in gaining acceptance of the need for commercialisation.
10. AUQA affirms the UTAS commitment to develop research activity in specific areas that are currently underperforming, such as medical and health-related research, and in education and business.
11. AUQA affirms the UTAS decision requiring agreed workload models to be negotiated in all schools by 2006, and encourages the University to ensure that its policy relating to the recognition of TNE teaching load is fully implemented.
12. AUQA affirms the UTAS decision to introduce a suite of programs to improve the University's equity performance; including identifying gender targets for senior academic and management appointments, and Indigenous and NESB students.
13. AUQA affirms the UTAS intention to finalise and implement the proposed new policy framework for community engagement, to take it to a new level.
14. In affirming the review activity applied to the TNE operation, AUQA supports UTAS in its progress on and further intentions to implement the recommendations arising from the TNE reviews, but also encourages careful analysis of the advantages and risks of further growth in this sector, including maintaining appropriate entry and exit standards of English language proficiency.





# Performance

*Chancellor Mike Vertigan with His Excellency, the Honourable William Cox, Governor of Tasmania, and Vice-Chancellor Professor Daryl Le Grew at the ceremony to confer the Governor's honorary Doctor of Laws degree.*

## RECOMMENDATIONS

1. AUQA recommends that, to ensure the momentum gathered from the self-review activities leading up to the AUQA Audit is not lost, UTAS considers whether to now adopt a more fully-articulated 'Quality System', one that extends beyond the current description of the 'PIRI' quality improvement loop.
2. AUQA recommends that UTAS pays further attention to the induction and training of tutors and sessional staff across the University.
3. AUQA recommends that, when implementing the actions outlined in Affirmation 3, UTAS pays further attention to addressing the variation in the use of and quality of the web-enhanced teaching across academic organisational units.
4. AUQA recommends that UTAS reviews its current approach to the general induction and orientation of academic and general staff.
5. AUQA recommends that UTAS investigates opportunities to further develop relationships with the Tasmanian TAFE and schools sectors.
6. AUQA recommends that UTAS pays further attention to involving Aboriginal students and the Aboriginal community in appropriate university curricular and extra-curricular events.
7. AUQA recommends that UTAS identifies and implements ways to promulgate information about the University's TNE operation amongst its staff, students and other stakeholders more effectively.

In its report, the panel concluded that the relatively high ratio of affirmations (14) to recommendations (seven) could be attributed to the thoroughness of the UTAS self-review process.

UTAS was subsequently invited to submit seven entries for inclusion in the AUQA Good Practices Database. These relate to: the inclusive development and wide ownership of the EDGE agenda; planning and review processes related to Teaching & Learning; the Student Evaluation of Teaching & Learning (SETL) instrument; mechanisms for supporting, enhancing and rewarding good teaching practices; management and development programs for Heads of School; the linkage of the performance management system to other human resource processes; and positive engagement initiatives with the Tasmanian community.



*UTAS Director of International Services, Paul Rigby, and the Minister for Economic Development, Lara Giddings, at the Tasmanian Export Awards ceremony, at which UTAS was named Tasmanian Exporter of the Year.*

## Capital Management

In 2005 the amalgamation of Asset Management Services (AMS) and the Design and Acquisition sections was completed and a unified AMS operational plan was prepared to incorporate all of the new responsibilities. 2005 was very much a transition period to the new structure, with 2006/07 viewed as consolidation years.

Efforts to improve the operation of the Capital Management Plan (CMP) and to ensure that funding decisions were strategically oriented continued, and the Capital Management Plan Review Committee (CMPRC) was conscious of the need to align the CMP projects with the University Plan.

A campus-wide Master Planning Consultancy commenced, with the selection of Lyons Architecture in early 2005. The consultants have undertaken a number of workshops on each campus that involved a range of staff. Towards the end of 2005 they presented an options paper to a number of different University committees for feedback. The final master plan is scheduled for endorsement by UTAS Council in late 2006.

In 2005 there was a focus on projects designed to improve learning spaces, with the construction of:

- two flexible learning spaces, one in the Sir Raymond Ferrall Centre at Newnham and the other below the Studio Theatre on the Sandy Bay campus;
- two learning hubs were completed, one in the Newnham Library and the other in the Morris Miller Library, Sandy Bay;
- three satellite hubs were designed, with construction undertaken during the 2005-06 Christmas holiday period. These hubs are located in the Centre for the Arts, Hunter Street, Hobart; the Life Sciences Building, Sandy Bay campus; and the Sir Raymond Ferrall Centre, Newnham.

At the beginning of 2005 a change in policy resulted in the majority of 'general' learning spaces (seminar rooms, tutorial rooms, etc.) becoming centrally managed spaces and an upgrade program commenced. To date, most of the expenditure (\$200,000 p.a.) has been on audiovisual equipment and furniture.

Additional capital works activity includes:

- refining the new building requirements for the co-location of the Faculty of Health Science and the Menzies Research Institute in the Hobart CBD;
- construction of a new building on the Burnie Hospital site for the North West Rural Clinical School, completed by the end of 2005;
- refurbishment of space within the Launceston General Hospital for use by medical students;
- letting of a contract to refurbish the old Asset Management Services building to collocate Asset Management Services, Information Technology Resources and Financial Services; and
- design work continued for the new Architecture Building at Inveresk, development of a PC2 Mouse House on the Sandy Bay campus and extensions to the Cradle Coast campus buildings.



# Performance

*Honorary degree recipient Rhonda Ewart (Master of Arts) with Professor Jan Pakulski, Dean of the Faculty of Arts.*

## GRADUATIONS

Seventeen graduation ceremonies were held in Hobart and Launceston in August and December 2005 with 3,412 candidates admitted to degrees and diplomas. Additionally, 75 candidates chose to have their degrees conferred at a meeting of the University's Council. Typically, such graduands are candidates for research higher degrees who wish to have their degrees conferred before proceeding overseas for employment or postdoctoral study, or graduands who have studied offshore.

The graduation ceremonies provide the University with an opportunity to showcase the talent of Conservatorium of Music students. In the December 2005 round of ceremonies, music featured Benjamin Mackey playing organ and Christopher Pidcock on cello. Both musicians were admitted to the degree of Bachelor of Music.

Honorary degrees were conferred on the following in recognition of their outstanding service to Tasmania or the University:

His Excellency the Honourable William Cox, AC, RFD, ED, BA, LLB (Doctor of Laws), Governor of Tasmania

Ms Rhonda Ewart (Master of Arts)

## INTERNATIONAL

The University of Tasmania built on the strong foundations of previous years in the international sphere with strong growth in international enrolments on its major campuses in Tasmania. In recognition of this growth, UTAS won the Tasmanian Exporter of the Year award in 2005.

There was also growth in participation in international research projects, staff exchanges, the internationalisation of the curriculum and the number of UTAS students undertaking part of their course overseas.

Internationalisation of the curriculum involves learning and teaching activities that provide global perspectives within a subject/discipline/professional area. The University offers academic staff the opportunity to take study leave in an international destination as an avenue for enhancing the quality of their research and teaching.

During the year, international students represented more than 21.4% of the total student population of the University and generated \$19.85 million in income. The majority of onshore students originated from Asian countries, with nearly 80% of onshore students coming from this region. This region also recorded the largest growth in 2005 and is expected to do so for the foreseeable future.

The University has exchange partners in over 30 countries and approximately 50 institutions around the world. The formal agreements UTAS has with these institutions provide students with the opportunity to participate in overseas exchanges, and as part of this strategy it has made scholarships available to support them. Overseas scholarships are designed to assist students with the costs (up to \$3,000) associated with travel for an approved international exchange with another university, or to undertake an approved cultural program or a practicum.

# Performance



## Transnational Education

UTAS jointly delivers a range of its degrees with offshore partners in Malaysia (Commerce, Law and Biomedical Science), Singapore (Commerce), Indonesia (Commerce), New Zealand (Commerce), Vietnam (Engineering) and China (Commerce and Computing).

These Transnational Education (TNE) programs are, in some cases, delivered in full in the host country, and in others require students to complete part of their degree in Tasmania. Table 7 shows current enrolments by country. Table 8 shows the growth in international student numbers as a proportion of all students (presented as EFTSL – equivalent full-time student load), and the growth in onshore international student enrolments. Table 9 shows the growth in UTAS TNE operations over the past four years.

In its 2005 Report on UTAS, the Australian Universities Quality Agency (AUQA) commended the University on its choice of TNE partners.

Table 7 – Current enrolments by country	
China	1549
Indonesia	39
Malaysia	144
Singapore	49
New Zealand	14

Table 8 – EFTSL

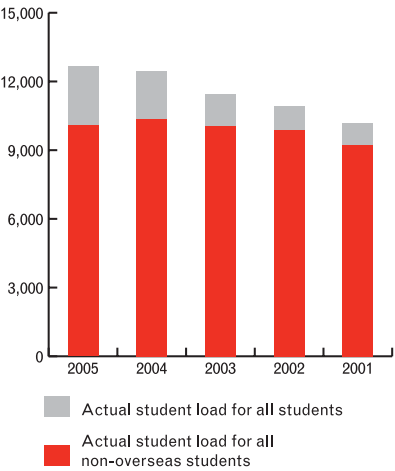
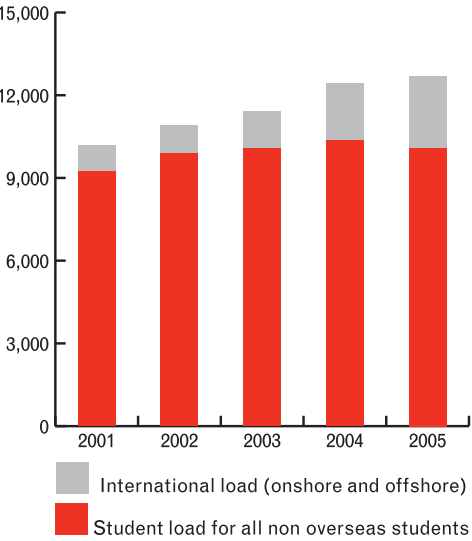


Table 9 – International student load (EFTSU)





*Left: International students celebrating after graduation from UTAS.*

## SCHOLARSHIPS AND BURSARIES

### The Tasmania Scholarships Program

The University's flagship program to recruit quality students celebrated its 10th anniversary in 2005 with greater support than ever available for students at UTAS. The fact that around 1100 undergraduate students this year obtained financial support of some description from University funds is an indication of the change implemented over the decade.

In 2005, just over \$3 million was provided in support of these students. A major part of this assistance for undergraduate students came through the University Foundation's initiative to increase the involvement of the community and business with UTAS. This reached \$700,000 for the year. However, the most significant single factor in the increased value of support was the continued growth in the University's allocation of Commonwealth Learning Scholarships – an equity scholarships program. The University received 299 additional awards in 2005, valuing the program this year at \$1.7 million, and is to receive similar ongoing funding in future years.

There was pleasing growth in new endowed scholarships in 2005, including a major initiative to support Cradle Coast students through the Gordon Cahill Memorial Scholarship; a new law scholarship – the Zoe Ewart Memorial Scholarship; the Rose-Marie LeRoi Fine Arts Scholarship and the Elizabeth Wade Scholarship in Music.

The table on the following page shows the number of scholarships and bursaries provided in 2004 and 2005.

### Postgraduate Research Scholarships

The University invests \$3.87 million annually in approximately 328 graduate research scholarships funded at the APA rate (70 of which are co-funded with a school contribution). School/institutes or faculties offer an additional 109 scholarships. The APA system currently funds 145 scholarships plus 45 APA(I). There are currently a total of 627 scholarships for research higher degree students.

### International Scholarships

The University's International Scholarships program (allocated \$850,000 in 2005) is designed to attract higher quality international students to the University by offering a 25% fee waiver to high achieving applicants. The program has been very successful in attracting new international applicants of strong academic background. The scholarship scheme has increased the number of students continuing on to honours and masters level programs as the scholarship program has been extended to all masters by coursework programs. In 2005, 140 international students were awarded a scholarship and approximately 60% of these students completed all units at credit level or above.

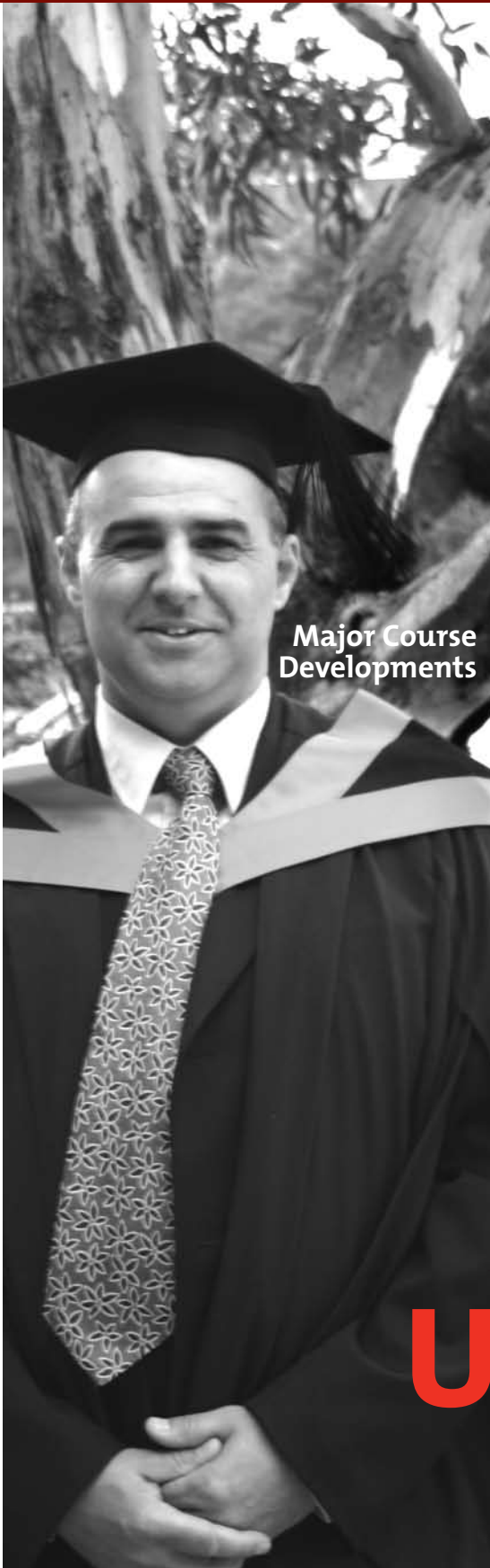


**Table 10**

	2004	2005
<b>ACADEMIC SCHOLARSHIPS</b>		
Four-year scholarships (\$10,000 p.a. 4 years)	9	9
Four-year scholarships (\$3,000 p.a. 4 years)	15	17
Overseas scholarships (\$2,500 each)	12	12
Sponsored scholarships (average \$3,000 p.a. x 4 years)	45	60
Honours scholarships (average \$4,000)	60	78
Postgraduate scholarships	5	7
Endowed scholarships various values (\$2,000 p.a. – \$4,500 p.a.)	11	10
<b>EQUITY SCHOLARSHIPS</b>		
Accommodation bursaries (\$1,000 each)	89	87
West North-West bursaries (\$3,000 p.a. up to 4 years))	16	15
Regional Tasmania bursaries (\$3,000 p.a. x 4 years)	8	7
Endowed equity scholarships up to \$3,000 p.a x 3 years)	6	6
Sponsored equity scholarships (average \$3,000 p.a. x 4 years)	7	5
Springboard to Higher Education Bursaries (\$500 in Years 11, 12 and 1st year UTAS)	29	26
Commonwealth Learning Scholarships (140 @ \$4,000 p.a. x 4 years; 120 @ \$2,000 p.a. x 4 years)	260	299

# Teaching & Learning

*Colin Jones, a lecturer in UTAS School of Management, was named best Early Career Academic at the 2005 Australian University Teaching awards.*



## Major Course Developments

As the only university in the State, UTAS has a comprehensive course profile and seeks to capitalise on its unique Tasmanian identity by providing distinctive courses aligned with the University's theme areas and collaborative arrangements to meet the State's educational needs.

The University of Tasmania Plan 2005-2007 identifies teaching as a core function of UTAS and Teaching and Learning (T&L) activities remain integral to the realisation of the plan and the University's mission.

During 2005 a series of initiatives was accorded high priority by the University Teaching and Learning Committee (UT&LC). The initiatives included: developing new postgraduate coursework programs in response to demand and to meet targets; refining teaching and learning quality assurance processes for offshore programs; implementing strategies to ensure adoption and evaluation of a framework for managing academic integrity and minimising plagiarism; progressively implementing admissions policy and reforming procedures to streamline university recruitment, admission and transition support services.

In addition to the initiatives listed above, the UT&LC was significantly involved during 2005 in preparing the T&L chapter of the UTAS portfolio for the AUQA audit and in participating in the audit.

The following new courses were approved in 2005 for introduction in 2006, including a number of two-year associate degrees:

- Associate Degree in Arts
- Associate Degree in Business Management
- Associate Degree in Design
- Associate Degree in Furniture Design
- Associate Degree in General Studies
- Associate Degree in Music Studies
- Bachelor of Design Teaching
- Bachelor of Visual Communication
- Bachelor of Business and Bachelor of Economics
- Bachelor of Engineering and MBA
- Bachelor of Health Science and Bachelor of Teaching
- Bachelor of Marine Science
- Bachelor of Regional Resource Management
- Bachelor of Environmental Science with Honours
- Graduate Certificate, Master of Business and Master of Business (Specialisation)

# UNURTURE

# Teaching & Learning

- Graduate Certificate in General Studies
- Graduate Certificate in Learning and Teaching for Health Professionals
- Graduate Certificate and Graduate Diploma in Marine Sciences
- Master of Contemporary Arts (Specialisation)
- Master of Electronic Business and  
Master of Electronic Business (Specialisation)
- Master of Music Therapy
- Master of Visual Communication

Significant amendments to existing courses included the development of the new five-year Bachelor of Medicine and Bachelor of Surgery and its subsequent successful six-year accreditation by the Australian Medical Council. Other developments included significant amendments to the Bachelor of Adult and Vocational Education in collaboration with TAFE Tasmania.

## Course and School Reviews

The UT&LC supports T&L initiatives, develops policy and conducts quality assurance and performance reviews. Faculties provide the UT&LC with annual course reports that summarise strengths, weaknesses and plans for improvement. Schools and courses continue to be reviewed at regular intervals and the *Teaching and Learning Quality Assurance Manual* sets out detailed procedures for these reviews.

During 2005 schools and courses reviewed included: School of Medicine and courses; School of Pharmacy and courses; School of Government and courses; School of Zoology; School of Architecture and courses; School of Agricultural Science and courses; Centre for Legal Studies; and postgraduate coursework education courses.

In addition two major reviews of service providers were completed, namely of the University Library and the Flexible Education Unit (FEU), both culminating in positive outcomes and constructive recommendations. Recommendations for the FEU focused on the need for further embedding the work of the unit with that of schools, including a closer alignment of plans. This is being implemented through a partnership approach. The name of the unit has also been changed to better reflect its broad range of responsibilities – the Centre for the Advancement of Learning and Teaching (CALT).

CALT provides staff development for academic and general staff in the area of teaching and learning. In 2005 teaching and learning staff development activities focused on the development of faculty/school-based activities on issues including assessment issues, peer review of teaching, academic integrity, internationalisation/teaching offshore, graduate attributes and improving CEQ scores. In addition, 16 workshops, both central and school-based, were run on basic teaching skills for sessional teaching staff, with 194 staff participating.

Ninety-three staff development workshops (central and school-based) were run, with 966 participants, and topics included assessment, peer review of teaching, and teaching online using WebCT Vista. The following table shows the increase in the number of participants over the past four years since the establishment of the FEU.



# Teaching & Learning

Senior Lecturer in the School of Nursing and Midwifery Dr Andrew Robinson, Alliance PhD Scholarship recipient Sue Lawrence and the Federal Minister for Ageing, the Hon. Julie Bishop at the launch of the UTAS nursing placement project.

**Table 11 – Staff development programs conducted by the Flexible Education Unit**

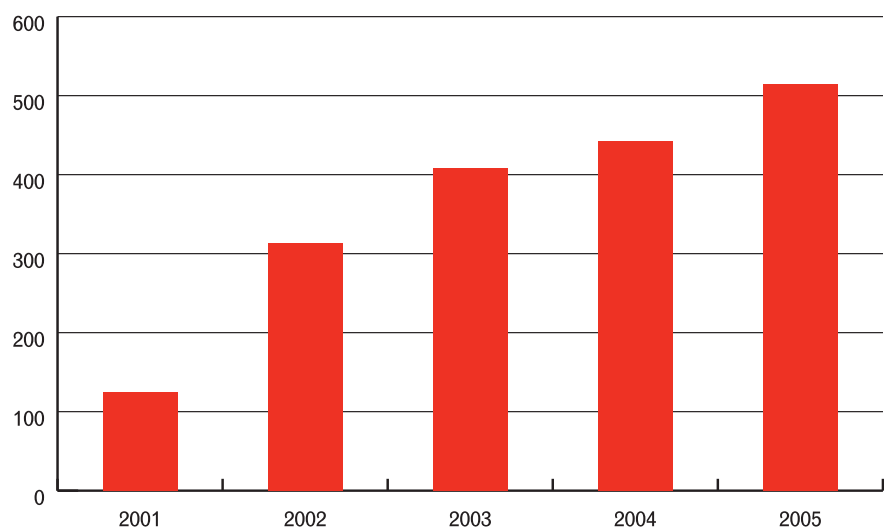
Year	Number of participants	Number of workshops
2002	700	61
2003	882	62
2004	888*	88*
2005	966*	93*

\*This figure does not include graduate certificate numbers.

Thirty-nine new staff members attended the TAUT program, the first unit in the Graduate Certificate in University Learning and Teaching, which introduces the principles of teaching at UTAS. A total of 111 staff enrolled in the graduate certificate, with 12 graduating in 2005.

The year culminated once again in the annual teaching and learning showcase, 'Teaching Matters', which attracted 212 participants.

**Table 12 – Number of units that include WebCT online components 2001-2005**



## Teaching Development Grants and Awards

Twelve Teaching Development Grants were awarded: eight individual, three intra-faculty grants involving the faculties of Science, Engineering and Technology and Health Science and one inter-faculty grant involving Law and Commerce. The grants are awarded primarily to support the development of innovative teaching approaches with potential university-wide extension.

Colin Jones from the UTAS School of Management was recognised nationally as the best Early Career Academic in the prestigious 2005 Australian Awards for Australian University Teaching.

# Teaching & Learning

## Cradle Coast Campus

The Cradle Coast campus is nationally recognised for its successful regional engagement.

The UTAS initiative *Skilling the Cradle Coast* continued in 2005. The project encourages young people to undertake science at school and university, with the expectation that these students will pursue careers in science relevant to the region's skills needs. Partners in the program include the Education Department, BurnieTAFE and a number of regional science-based industries and businesses.

### Academic Development Project

- Tertiary Education Regional Needs Assessment partly funded by the Department of Transport and Regional Services through a grant under the Sustainable Regions Program. Outcomes identified demand for well-educated organisational generalists.
- Establishment of the first distinctive campus-based course, Bachelor of Regional Resource Management, hosted by the Faculty of Science, Engineering and Technology. Course developed and approved for offering in 2006.

### Physical Infrastructure

- **CampusLink:** A suite of four rooms at the BurnieTAFE campus in Mooreville Road was refurbished to provide additional teaching and learning space for the growing student and staff population. CampusLink provided a research room to accommodate honours, masters and PhD students. A new computer laboratory, space for Bachelor of Computing students (a Mac lab) and a curriculum teaching room are included in this suite.
- **Capital Management Plan** approved the commitment of \$6.4 million to the establishment of new infrastructure at the campus. This included a \$2 million grant from DEST for a Community Learning Centre.
- **Rural Clinical School** facilities were completed adjacent to the North West Regional Hospital.

UTAS Associate Professor Adrian West with Dr Fiona Wood and Research Fellow Dr Roger Chung at the Clinical School.





Using the EDGE terminology, research at UTAS aims for:

**Excellence** – focus on centres of excellence and quality research

**Distinctiveness** – focus on thematic areas of research

**Growth** – major growth in research higher degree load and research income

**Engagement** – commitment to significant partnerships in research, and alignment to the needs of Tasmania, while setting international standards.

# Research & Research Training



University  
Theme Areas

The University seeks to build on its established, well-defined areas of research strength, its areas of natural advantage, and to expand into strategically important new areas so that it makes a significant contribution to Australia's research effort and provides benefits to Tasmania.

The allocation of strategic funding has seeded the development of initiatives such as:

- the Australian Centre of Excellence in Food Safety
- the Australian Centre for Research on Separation Science
- the Tasmanian Institute for Law Enforcement Studies
- the Centre for Clinical Research
- enhanced facilities in super-computing and molecular biology
- increased postgraduate research scholarships.

The average completion time for a PhD in 2005 was 3.9 years. The average completion time for a masters degree was 2.3 years.

In 1996 the University adopted a theme area approach to research, building on areas of comparative advantage and strength based on staff profile, collaborative relations and opportunities in Tasmania.

The current theme areas, confirmed in 2005, are:

- Antarctic and Marine Studies
- Community, Place and Change
- Environment
- Frontier Technologies
- Population and Health
- Sustainable Primary Production

UTAS is Australia's internationally recognised university for polar studies. Through its Institute for Antarctic and Southern Ocean Studies (IASOS) and the International Antarctic Institute it has global links with key universities in polar studies including Cambridge, Tromsø, Canterbury and Brest. In its strong alliance with the Australian Antarctic Division, CSIRO Marine Research and the Bureau of Meteorology, the University has excellent access to infrastructure support and collaboration.

# U EXPLORE

# Research & Research Training



Photo: Peter Mathew

*Research scholar Dr Hafez A Hafez with Associate Professor Vishy Karri from the Hydrogen and Allied Renewable Technology research group, and the hydrogen/diesel hybrid engine.*

Over the past decade UTAS has produced over 80% of all RHD completions in Antarctic studies in Australia. It is the only university partner (and the headquarters) of the Antarctic Climate and Ecosystems Cooperative Research Centre (ACECRC). Marine science (and associated policy/law studies) at UTAS is internationally significant. Following an analysis of marine science strengths in Australia, CSIRO Marine Research established a substantial alliance with UTAS in the successful quantitative marine science program, involving research training and joint research programs.

With its Centre for Marine Science, UTAS has formal collaborative links with the French national marine science agency IFREMER, with Woods Hole Oceanographic Institute in the US and James Cook University in Australia.

*Community, Place and Change* is one of the new themes at UTAS. It has internationally significant strength in historical and colonialism studies, an international reputation for its work in law and genetics and a national reputation for its work in law reform and law enforcement studies.

Research capacity in *Environment* is distributed across a number of schools and institutes. UTAS is associated with three CRCs with a strong focus on environment, including the Bushfires CRC, the Forestry CRC and the Sustainable Tourism CRC. There is strength of national significance in resource management.

The major strengths in *Frontier Technologies* are astronomy, separation science and alternative energy technologies, especially hydrogen power. The astronomy group is of international significance through its many collaborative activities in, for example, Very Long Baseline Interferometry. There are two radio telescopes (in Tasmania and South Australia) and an optical telescope.

The Australian Centre for Research on Separation Science (ACROSS) is a major, internationally competitive centre in this field. Its 2005 external income was close to \$1.3 million. Research into hydrogen as an energy source is nationally significant, having developed new technologies for hybrid engines that may have wide application.

In *Population and Health* the Menzies Research Institute has an international reputation for its work on the epidemiology of disease. Work on diabetes, neurorepair and respiratory diseases are of international strength. Emerging areas of rural health and pharmacy (especially in the area of pharmacy informatics) have state and national significance.

The *Sustainable Primary Production* theme currently makes a major contribution to research performance. The Tasmanian Institute of Agricultural Research (TIAR) and the Tasmanian Aquaculture and Fisheries Institute (TAFI) have international significance in their fields of temperature agriculture and aquaculture/fisheries. In aquaculture UTAS is a partner in the Aquafin CRC. In forestry research UTAS produces more PhD graduates than any other Australian university. It is a partner in the Forestry CRC and a world leader in eucalypt genetics. In exploration geosciences UTAS is a world leader through its Centre for Ore Deposit Research (CODES), an ARC Centre of Excellence. CODES has a high level of support from its industry partners.

# Research & Research Training

## Performance to date for achieving R&RT objectives

In alliance with Hydro Tasmania, UTAS is actively exploring a strengthening of research in renewable energy. This partnership has already created a major Hydrogen Research Laboratory.

The alliance between UTAS and the Department of Police and Public Safety was strengthened in 2005 with additional funding for a new senior position.

TIAR has developed a number of significant research program activities, including one worth \$14.5 million for the Australian potato industry. This emerging trend is away from a very large number of projects towards a smaller number of major programs.

In 2005, approximately 95% of research income was in theme areas.

The outcomes of the Research and Research Training Management Plan 2003-05 have been evaluated and a Performance against Plan document presented to the Research College Board and the Academic Senate, and distributed to all faculties and schools. A short summary of key outcomes is shown below.

**Table 13 – Performance against Plan**

Indicator	2003-05 Target	Outcomes
Total income	\$40.85M by 2005	\$38.2M in 2004
Total share of national research funds	3% by 2005	2.7% by 2003
RHD total load	832 by 2005	801 in 2005
Centrally funded research scholarships (excluding co-funding)	\$2.3-2.5M p/a	\$2.9M in 2004 and \$3.5M in 2005
Significant partnership in CRCs	5-7 CRC partnerships	5 CRCs in 2004 (6 in 2005)
Income from CRCs	\$3.5-4.0M p/a	\$5M in 2004

## RESEARCH PARTNERSHIPS

### CRCs and Centres of Excellence

The University has a policy of seeking significant involvement in a small number of CRCs that fit with its strategic directions and the needs of the State and also link closely with the theme areas.

Links to the Bushfires CRC were established in 2005. It joined the other five current CRCs – Antarctic Climate and Ecosystems; Aquafin; Forestry; Smart Internet Technology; and Sustainable Tourism.

The University was awarded an ARC Centre of Excellence for the Centre for Ore Deposit Research (CODES). CODES will receive ARC funding of \$15 million over five years plus an additional \$15 million over five years from industry, the State Government and UTAS.

# Research & Research Training

## State Government

The University and the State Government have formed major research partnerships in agriculture, and aquaculture and fisheries, namely the Tasmanian Institute of Agricultural Research (TIAR) established in 1997, and the Tasmanian Aquaculture and Fisheries Institute (TAFI) established in 1998. The University and State Government have signed renewals of both these Joint Ventures for a period of 10 years (with a further 10 year option) in 2004 (TIAR) and 2005 (TAFI). The Tasmanian Institute of Law Enforcement Studies commenced in 2002, with joint funding from the Department of Police and Public Safety and the University.

## Partnerships with Industry

A new collaborative agreement was signed in 2005 with the Tasmanian Museum and Art Gallery. The University received funding in 2004 from 273 entities, including 189 from non-government entities; about 32 of these were based overseas. This will involve joint research programs, use of facilities and cooperation in research training. A summary of funding sources is outlined below in Table 14.

The University has identified growth in partnerships with industry as a major priority. The University is a member of the Tasmanian Chamber of Commerce and Industry (TCCI).

All of these collaborations enable the University to be an important part of the community contributing new information for economic development and the social wellbeing of all Tasmanians.

**Table 14 – Summary of funding sources 2001-04**

Type of Funding Body	Number of Funding Bodies			
	2001	2002	2003	2004
Australian Government	32	29	31	32
Tasmanian Government	10	8	14	21
Local Government – Tasmanian	7	7	8	8
Other Government	11	13	17	21
CRCs	4	3	2	2
Other Australian Universities	9	12	11	14
R&D Corporations/Council/Board	10	10	11	11
Industry – Tasmanian	41	43	48	45
Industry – Other Australian	37	44	46	51
Australian Foundations/Charities/Non-Profit	22	25	25	34
Overseas	19	21	27	32
<b>Total External Funding Bodies</b>	<b>202</b>	<b>215</b>	<b>243</b>	<b>273</b>



# Research & Research Training

## Conflict of Interest Policies

The University has reviewed its Conflict of Interest Policy (2005). Specific guidelines for researchers have been developed in a draft code of conduct currently under consideration. Advice has been received from the International Visitor to the Research College Board, and a proposal regarding the management of potential conflicts has been circulated to stakeholders for comment.

## Commercialisation and IP Management

The Commercialisation Unit, established as a University Business Enterprise in 2002, has been responsible for the management and commercialisation of University intellectual property (IP), including all the activities associated with identifying, developing, managing and exploiting University IP. The unit has also continued to develop and implement the policies and procedures that support its activity.

From the start of 2005 all commercialisation, consultancy and full cost recovery contract research is administered through the University-owned company UTAS Innovation Ltd. The company has a board of experienced local business people.

If emerging technology appears to have market potential, UTAS Innovation, with external advice, works out a plan to develop the technology, including potential industry partners/investors.

To assist this process, an internal pre-seed fund of \$2.5 million has been established to take promising technology to 'proof of concept' stage and invest in the commercialisation of University IP.

The University has sold breeding technology in relation to the pyrethrum industry, it has licensed its Research Management Database software to Callista, and has established a spin-off company, Southern Ice Porcelain Pty Ltd, arising out of research in the School of Art in Hobart.

The University is a trust member of the SciVentures™ Pre-Seed Fund, with an investment of \$500,000, and an equity partner in In-tellinc Pty Ltd, the BITS incubator in Tasmania. This company, funded originally through the Intelligent Island program and currently through the BITS-2 program, invests in promising IT technology.

*Above: Tasmanian Premier's Young Achiever of the Year, UTAS medical researcher Jyoti Chuckowree, was also awarded a prestigious CJ Martin Biomedical Fellowship.*



# Our People



## Staff Numbers at 31 March 2005

All Staff (including casuals)	1,865 FTE
Academic (excluding casuals)	796 FTE
Non-academic (excluding casuals)	1,037 FTE

## Senior Staff Appointments

### SENIOR EXECUTIVE APPOINTMENT

Executive Director, Finance & Administration	Mr Bernard Lillis
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### PROFESSORIAL APPOINTMENTS

Accounting & Corporate Governance	Professor Gary O'Donovan
Australian Innovation Research Centre	Professor Jonathon West
Australian Innovation Research Centre	Professor Keith Smith
Centre for Environment	Professor Ted Lefroy
Computing	Professor Christopher Lueg
Education	Professor Jeff Sigafoos
Graduate School	Professor James Everett
Medicine	Professor Mark Nelson
Menzies Research Institute	Professor Simon Foote
Nursing & Midwifery	Associate Professor Claire Rickard
Vice-Chancellor's Division	Professor Carey Denholm

## Staff Development

In 2005 the University, through its Corporate Staff Development fund, supported 91 group training activities. In addition, 41 individual consultancies occurred.

In Human Resources, the Leadership and Management program was consolidated and more programs added. The Heads program, with a total target population of 71, had 123 attendances of academics and 42 attendances of Administrative Heads. Fifty-six Academic Heads and all Section Heads participated in the program.

Getting aHead, a development program for future Heads, was added. Places were allocated to faculties according to proportion of Academic Heads represented there. The final 12 participants were selected from applicants according to priorities of the Deans. Participants have been invited to Talking Heads activities, and the incoming Heads were invited to a retreat.

Because of the low numbers of new Heads in 2005, and their staggered taking-up of positions, orientation occurred through contact meetings with the Staff Development Manager, followed up by meetings with key university leaders and decision makers, according to the needs of the participant. One new Head took a place in the Getting aHead program. An orientation was held for Deputy Heads. A program for Section Heads was developed in response to their requests. Funds were requested to continue the program in 2006.

# USTRIVE

*Above: UTAS Research Fellow Dr Shane Jackson was named as the 2005 Young Pharmacist of the Year at the Pharmacy Australia Congress national conference.*

# Our People

The Women in Leadership program was expanded. The first Leadership Development for Women program concluded with 17 of the initial 22 participants gaining certificates of completion. The second program was launched in November with 18 participants. StepUp, a nine- to 12-month program for enhancing the research capacity of women, was launched in May with 21 participants. The Senior Women's group has been active in supporting and developing these programs.

The Central Orientation Seminar program continued with seminars for General and Research Orientation. From second semester, Teaching and Learning Orientation was held on an individual basis. Participation has remained under 40% of new starters and will be reviewed in 2006.

A number of equity initiatives have continued in 2005, including the career development program Springboard, equity focus groups and the online harassment and discrimination program.

Increased training opportunities (funded by schools and units) were provided through the central coordination of programs requested, and funded by schools and units. These programs were developed into a calendar and accessed through the website.

## AWARDS

### Student Awards

University Medals were awarded to the following students for outstanding academic performance:

<b>Kylie Therese WICKHAM</b>	Faculty of Arts
<b>Erin Lee KELLY</b>	Faculty of Arts
<b>Scott Edward McNAMARA</b>	Faculty of Commerce
<b>Liza-Jane SOWDEN</b>	Faculty of Commerce
<b>Kim Lynette NANKERVIS</b>	Faculty of Education
<b>Jeffrey Maxwell BECKETT</b>	Faculty of Health Science
<b>Hilary Anne CURE</b>	Faculty of Law
<b>Suellen Saidee COOK</b>	Faculty of Science, Engineering & Technology
<b>Dmitry KAMENETSKY</b>	Faculty of Science, Engineering & Technology
<b>Adam Michael GRAY</b>	Faculty of Science, Engineering & Technology
<b>Rohan Charles LEIGHTON</b>	Faculty of Science, Engineering & Technology

### Staff Awards

The Vice-Chancellor's Awards for Outstanding Community Engagement were awarded to:

#### Individual

University Department of Rural Health **Martin HARRIS**

TAFI Marine Research Laboratories **Dr Christine CRAWFORD**

# Our People



*Author, critic, Nobel Laureate and inaugural  
UTAS Distinguished Visiting Scholar  
JM Coetzee with Deputy Vice-Chancellor  
Professor Rudi Lidl.*

## Team

School of History and Classics

**Dr Alison ALEXANDER**  
**Professor Michael BENNETT**  
**Dr Stefan PETROW**

The Vice-Chancellor's Awards for General Community Engagement were awarded to:

## Individual

School of Sociology & Social Work

**Dr Natalie JACKSON**

## Team

Centre for Applied Philosophy (CAPE)

**Dr Jeff MALPAS**  
**Dr Anna ALOMES**  
**Dr Sonam THAKCHOE**  
**Dr Jack REYNOLDS**  
**Dr David COADY**  
**Dr James CHASE**  
**Ms Sandra KELLETT**  
**Ms Irene SAWFORD**  
**Ms Linn MILLER**

## Teaching Excellence Awards

The University's premier awards for Excellence in Teaching were awarded to:

## Individual

School of Sociology and Social Work

**Dr Natalie JACKSON**

Faculty of Law

**Dr Dianne NICOL**

School of Chemistry

**Associate Professor Brian YATES**

## New Academic Staff

School of English, Journalism  
and European Languages

**Dr Lisa FLETCHER**



# Community Engagement

## PUBLIC & COMMUNITY RELATIONS

### Community Engagement Framework

The University's Mission refers to the distinctiveness of Tasmania and its commitment to provide leadership within the community, contributing to the cultural, economic and social development of the State. UTAS takes a leadership role in advancing the educational, social, cultural and economic interests of Tasmania by targeting and coordinating programs to meet the needs of the community, government, business, industry and other key stakeholders.

The University is committed to strengthening and coordinating its community engagement activities, in order to undertake its functions as outlined in the *University of Tasmania Act 1992* (Tas) s6, cl.(g):

*"(g) ...activities which promote the social, cultural and economic welfare of the community..."*

and meet its targets as outlined in the University of Tasmania Plan 2005-2007.

The Community Engagement Policy (Policy P8), was endorsed by Council in November 2005 for review in 2007. The policy provides a framework within which the University will be well informed about, and give sound and appropriate recognition to, its community engagement activities; provide sufficient support for those activities; and effectively manage and integrate those activities with other core priorities, in particular research and research training, and teaching and learning.

It is suggested that during the first two years of the operation of the policy, UTAS selects the most appropriate key performance indicators from a range of indicators that currently include:

- partnerships that address community needs and aspirations and match UTAS mission and capacity, measured through an annual review of one key community;
- the number of projects, per annum, that meet community needs and strategic directions;
- data on expansion of access and participation of UTAS equity groups;
- number of courses that demonstrate industry/profession input;
- number of promotions involving engagement performance; and
- number of staff involved in community engagement based on survey every three years.

### University & State Government Partnership

In 2000 the University and the State Government signed a very extensive partnership agreement that had specific targets and milestones and was managed by a working party consisting of the senior executive of the University and the heads of the major government agencies.

On 16 February 2005 a new State Government/University of Tasmania Partnership Agreement 2005-2007 was signed. A set of major new projects is being developed including Marine Science, Environment and Ageing. The partnership enables the University to pursue its Mission of contributing to the economic and social development of Tasmania.

*Above: Associate Professor Margaret Barrett (right) from the UTAS Faculty of Education has started a project called 'Young children's world-making through music' with funding from the Australian Research Council.*



# Community Engagement



*Caitlin Pearson, Amy House and Elinor Hortle with their Cradle Coast Science Fair prizes presented by Forestry Tasmania's Brenton Jansen.*

The continuation of these partnerships and the delivery of quality outcomes to the University and State Government will be part of an annual review process.

The strategic committee, the Partnerships Management Group, comprises six senior members of the University and the Government:

- Professor Daryl Le Grew, Vice-Chancellor
- Professor Sue Johnston, Pro Vice-Chancellor (Teaching & Learning) replaced by Professor Gail Hart in October 2005
- Professor Andrew Glenn, Pro Vice-Chancellor (Research)
- Ms Linda Hornsey, Secretary, Department of Premier & Cabinet
- Mr Norm McIlfatrick, Secretary, Department of Economic Development
- Mr Kim Evans, Secretary, Department of Primary Industries, Water & Environment

Four taskforces were established covering the following themes:

- Our Community/Our Democracy
- Our Economy
- Our Culture
- Our Environment

Taskforce members from the University and State Government were brought together to identify project priorities and to provide an avenue for liaison between UTAS and the State Government.

Current projects range from scientific leadership and direction of the Tasmanian Devil Disease program to encouraging participation in higher education through articulation and pathways, and planning 'hypothetical forums' to debate key issues to Tasmanians.

A dinner with State Cabinet members and members of the Council of the University of Tasmania was held in September 2005, highlighting the importance of the UTAS/Government relationship.

## Cradle Coast Campus

The Cradle Coast campus is nationally recognised for its successful regional engagement. Highlights during 2005 included:

- a Department of Transport and Regional Services grant for the establishment of the Cradle Coast Food Innovations System Centre (TIAR).
- *Collaborative and Structural Reform* program (DEST) for 'Renewing the Region' has received \$1 million over three years.
- *Stronger Learning Pathways* steering committee (TAFE Tasmania, Department of Education, Cradle Coast Authority and the University): a consultancy that identified strategies to overcome barriers to post-compulsory participation in the region.

## North West Advisory Board

This committee is chaired by the Vice-Chancellor, and includes eight community members. There are now five meetings annually, each one includes a workshop usually led by a senior University staff member.





# Community Engagement

Locals enjoying the celebrations at the opening of Hobart's new mosque. UTAS donated the mimbar (speaking rostrum or pulpit).

## CULTURAL ACTIVITIES

The University Cultural Activities Committee oversees a program of cultural events and exhibitions contributing towards the enrichment of university and community life. The committee distributes \$300,000 to Visual & Performing Arts Launceston, Concerts Hobart, the Plimsoll Gallery, Literature, Community Music Launceston, the Cradle Coast campus cultural program, the University's Fine Art Collection, and the John Elliott Classics Museum.

Particular highlights during 2005 included:

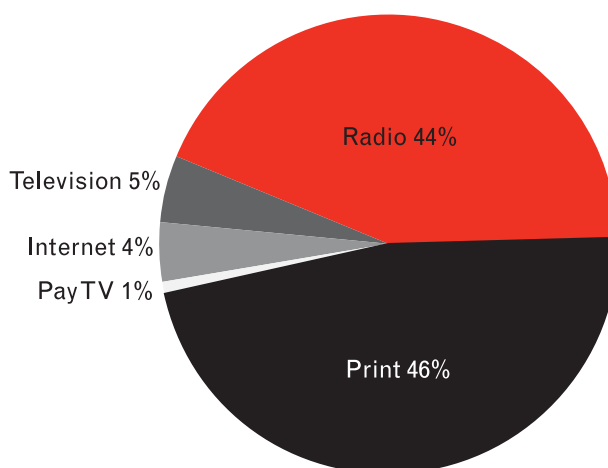
The Conservatorium of Music 40th Anniversary Gala Concert at Wrest Point; Rhapsody 21C, a national conference for museum and gallery curators held at the Academy Gallery Inveresk, incorporating a major survey exhibition of Tasmanian contemporary art; *Flora Tasmanica*, an exhibition of Les Blakebrough's limited edition Southern Ice porcelain plates with illustrations by Lauren Black, opened by HRH Crown Princess Mary of Denmark in the presence of HRH Crown Prince Frederick; the launch of Quintus, a joint publishing venture between the University and Arts Tasmania with *Claiming Ground*, 25 years of Tasmania's Art for Public Buildings Scheme.

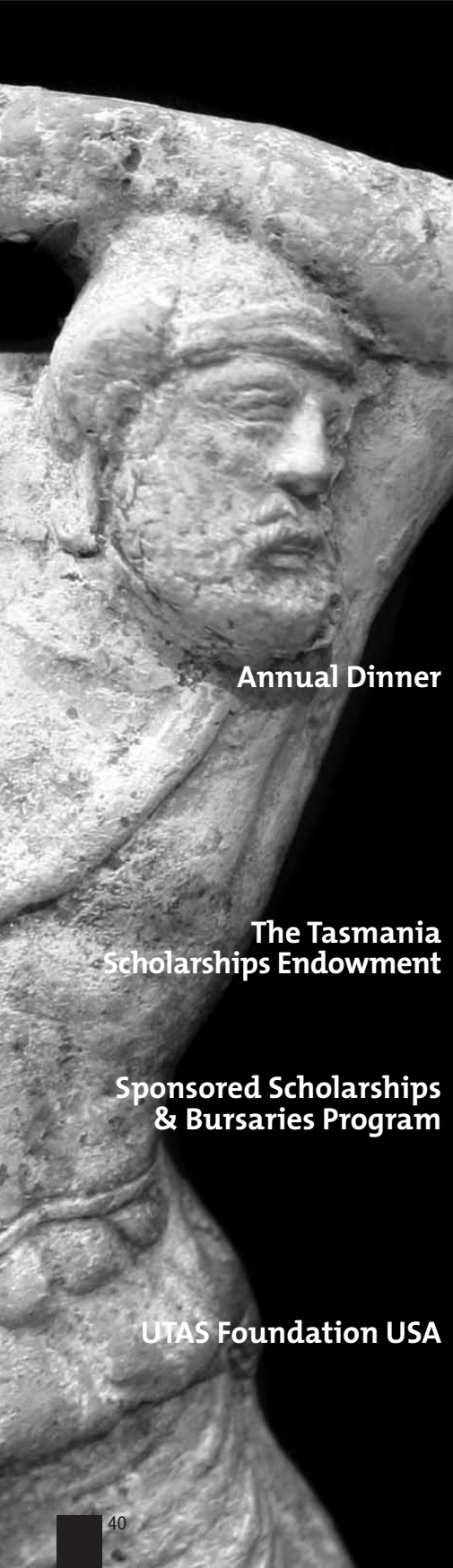
## Media

The Public Relations & University Extension (PRUE) Media Office reports on significant achievements and issues to the University Council. It prepares media releases and facilitates the use of academic staff for expert comment and opinion to local and national media organisations.

During 2005, the Media Office prepared and released approximately 260 media releases and/or advisories. Media coverage is gathered by Rehame, a professional media monitoring company. The table below provides a summary of media coverage for 2005.

**Table 15 – Media stories relating to UTAS/university issues**





## UNIVERSITY OF TASMANIA FOUNDATION

The University of Tasmania Foundation Inc. was established in 1994 as the major fundraising arm of the University. It raises funds through bequests, appeals, its sponsored scholarships and bursaries program, and its endowed gifts program. The Foundation's key objective is to support areas of need related to the University and its activities. These include:

- scholarships and bursaries;
- research and research facilities; and
- adding to the cultural capital of the University for the benefit of all Tasmanians through programs such as the University Fine Art Collection and the Classics Museum.

At the end of 2005 the Foundation was managing \$19.54 million, representing an increase over the year of more than \$3 million, received through donations and other funding support.

Total financial membership of the Foundation increased by 42 (or 25%) to 207 over the year – comprising:

Patrons	28	Benefactors	7
Fellows	43	Members	129

### Annual Dinner

The seventh Foundation Annual Awards Dinner, which has established itself as one of the important corporate events of its type in the State, was held in March and attracted a capacity crowd of over 500.

The evening celebrated 10 years of the Tasmania Scholarships Program and the awarding of the Foundation Graduate Awards for 2005 to Dr Robert Mensah, internationally recognised in the field of agricultural pest management, and Mr Patrick Hall, nationally and internationally acclaimed furniture designer and visual artist.

### The Tasmania Scholarships Endowment

The Tasmania Scholarships Endowment, launched in 2000, has been a major initiative of the Foundation. The endowment generates interest income to fund scholarships and bursaries on a continuing basis. By the end of 2005 the consolidated Scholarships Endowment stood at \$17.5 million.

### Sponsored Scholarships & Bursaries Program

This program, which allows sponsors to pay for named scholarships and bursaries on an annual basis, continues to grow and is building a momentum of its own with many new sponsors now actively seeking to support scholarships and bursaries at UTAS. In 2005, \$711,986 worth of scholarships and bursaries was sponsored by business, industry, state and local government, community bodies and individuals. This is an increase of 8.5% on 2004 and 30% on 2003.

### UTAS Foundation USA

In 2005 the University of Tasmania Foundation USA was formally established. The Foundation, which is an independent entity, will enable US-based graduates and friends to make gifts to the University that will attract US tax-deductible status.

The Foundation's inaugural directors are:

- Professor Michael Sharpe (UTAS graduate 1963) – Chairman & President
- Mr David Thun (son of UTAS benefactor Cynthia Thun) – Secretary & Treasurer
- Mr John Bowden (UTAS benefactor)
- Dr JJ (Kim) Wright (UTAS graduate 1965)

The Foundation will be formally launched by the Vice-Chancellor in the USA in mid-2006.

## Directors

The Directors of the University of Tasmania Foundation Board 2005 were:

Mr David Rowell (Chair); Mr John Bowden; Mr Saul Eslake; Dr Christine Mucha; Mr Russell Paterson (resigned June 2005); Mr Ian Roberts (retired February 2005); Ms Elizabeth Thomas and Mr Richard Watson AM. Two non-voting members also served on the Board – Mr John Brodie (representing University Council) and Vice-Chancellor Professor Daryl Le Grew.

## ALUMNI

The Alumni held two general meetings in 2005. The first was in Hobart in August and followed a public lecture by marine archaeologist Dr Bridgit Buxton. The second was in Launceston in November and followed a book reading and signing by Nobel Laureate JM Coetzee.

The annual general meeting in Hobart in December 2005 was attended by a special guest, UTAS graduate Ms Helene Chung Martin. Ms Chung Martin gave an illustrated public address based on her recent book, *Lazy Man in China*, immediately following the AGM.

The Alumni Committee met formally on two occasions in 2005.

In 2005 the Alumni Committee established a tripartite committee consisting of representatives of the committee, the Foundation Board of Directors and the University, to further enhance the coordination of development activity.

A major initiative in 2005 was the implementation of a new alumni database and networking software package – Raisers' Edge. The database will serve the needs of both the Alumni and the Foundation.

Two Distinguished Alumni Awards were made in 2005, to Dr Peter Smith and to the Hon. Peter Rae, AO. The Alumni Annual Appeal Scholarship for 2005 was awarded to Rosalind Woodworth, who is studying psychology on the Sandy Bay campus, and the Alumni West North West Bursary was awarded in 2005 to Matthew Grubits from Burnie, who is studying arts/law on the Hobart campus.

Active branches now exist in Sydney, Singapore, Sarawak, Sabah and Jakarta. Additionally, groups have been meeting in London and Perth.

A reception for UTAS alumni in Malaysia was hosted by the Australian High Commissioner to Malaysia, His Excellency Mr James Wise (an alumnus of UTAS), in February 2005. The Vice-Chancellor also met UTAS alumni in London in November at a small function arranged by Alumni Committee member Mr John Perry.

As at 31 December 2005, 53,500 records were held on the Alumni database.





# FINANCIAL STATEMENTS

for the year ended 31 December 2005

# UINVEST

UNIVERSITY OF TASMANIA



	2005		2004		2003		2002		2001	
	\$'000	%	\$'000	%	\$'000	%	\$'000	%	\$'000	%
<b>INCOME</b>										
Australian Government Assistance										
Australian Government grants	86,704	30.8	74,065	30.6	64,136	30.0	63,486	31.8	58,752	32.1
HECS-HELP & FEE-HELP	37,451	13.3	37,386	15.5	35,194	16.5	33,247	16.6	31,485	17.2
Scholarships and research	72,597	25.8	58,725	24.3	57,651	27.0	49,138	24.6	43,535	23.8
State Government grants	9,437	3.4	7,599	3.1	6,462	3.0	6,166	3.1	6,927	3.8
HECS-HELP student payments	5,610	2.0	4,171	1.7	3,162	1.5	3,132	1.6	3,448	1.9
Fees & charges	34,293	12.2	32,989	13.6	28,238	13.2	24,159	12.1	18,083	9.9
Superannuation – deferred govt contrib.	921	0.3	(142)	-0.1	(310)	-0.1	35	0.0	393	0.2
Investment income	14,132	5.0	10,326	4.3	2,741	1.3	1,798	0.9	2,165	1.2
Consultancy and contract research	10,110	3.6	6,777	2.8	5,688	2.7	6,174	3.1	7,472	4.1
Other revenue	10,048	3.6	9,820	4.1	10,732	5.0	12,375	6.2	10,556	5.8
<b>Total income</b>	<b>281,303</b>	<b>100.0</b>	<b>241,716</b>	<b>100.0</b>	<b>213,694</b>	<b>100.0</b>	<b>199,710</b>	<b>100.0</b>	<b>182,816</b>	<b>100.0</b>
<b>EXPENDITURE</b>										
Academic salary costs	77,503	30.9	69,960	31.0	64,714	31.3	61,337	30.7	56,424	30.1
Non-academic salary costs	64,116	25.6	58,708	26.0	53,451	25.9	51,896	26.0	50,116	26.7
Depreciation and amortisation	15,815	6.3	16,287	7.2	17,113	8.3	16,994	8.5	16,664	8.9
Buildings & grounds	12,685	5.1	8,485	3.8	6,523	3.2	7,832	3.9	7,509	4.0
Bad & doubtful debts	14	0.0	409	0.2	(66)	0.0	440	0.2	765	0.4
Other expenses	80,498	32.1	72,145	31.9	64,952	31.4	60,987	30.6	56,180	29.9
<b>Total expenditure</b>	<b>250,631</b>	<b>100.0</b>	<b>225,994</b>	<b>100.0</b>	<b>206,687</b>	<b>100.0</b>	<b>199,486</b>	<b>100.0</b>	<b>187,658</b>	<b>100.0</b>
<b>OPERATING RESULT</b>	<b>30,672</b>		<b>15,722</b>		<b>7,007</b>		<b>224</b>		<b>(4,842)</b>	
<b>KEY RATIOS</b>										
1. Financial stability and liquidity										
– Current ratio	4.9		4.7		2.5		2.3		2.0	
– Net cash balances	8,083		8,438		8,319		8,411		8,922	
– Net assets	384,371		353,678		338,880		296,370		296,146	
2. Revenue										
– DEST load/HECS	116,875		114,573		99,492		99,405		93,645	
– DEST capital grants	12,890		1,049		3,000		460		40	
– Scholarships and research	72,597		58,725		57,651		49,138		43,535	
– Other University income	78,941		67,369		53,551		50,707		45,596	
<b>Total University income</b>	<b>281,303</b>		<b>241,716</b>		<b>213,694</b>		<b>199,710</b>		<b>182,816</b>	
DEST load/HECS as a % of total income	42		47		47		50		51	
Commonwealth funded students (full-time equivalents) *	9,099		9,000		8,709		8,704		8,389	
Average Commonwealth recurrent grant (\$)	12,845		12,730		11,424		11,421		11,163	

\* Source: UTAS Statistics – DEST Operating Grant Load (excluding research higher degree students)

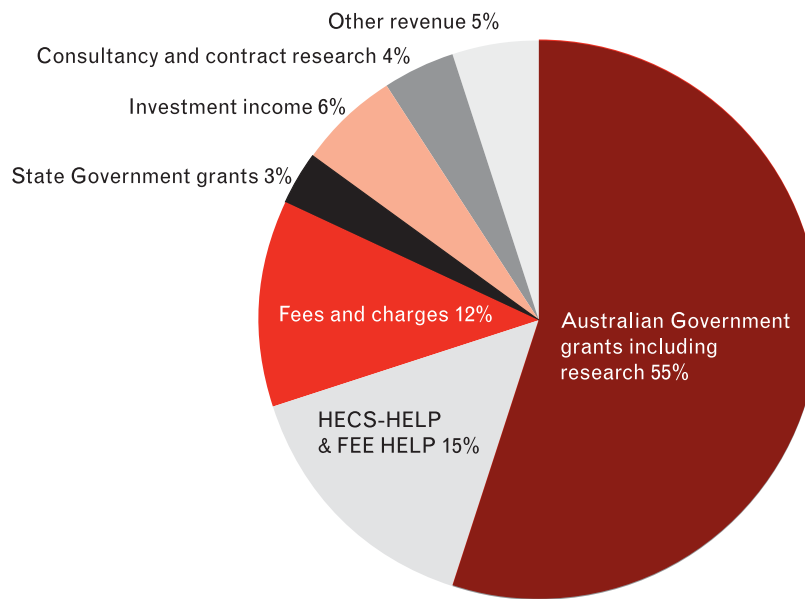
Note: 2005 and 2004 information presented in accordance with International Financial Reporting Standards

# FIVE-YEAR SUMMARY ENDED 31 DECEMBER 2005 – CONSOLIDATED

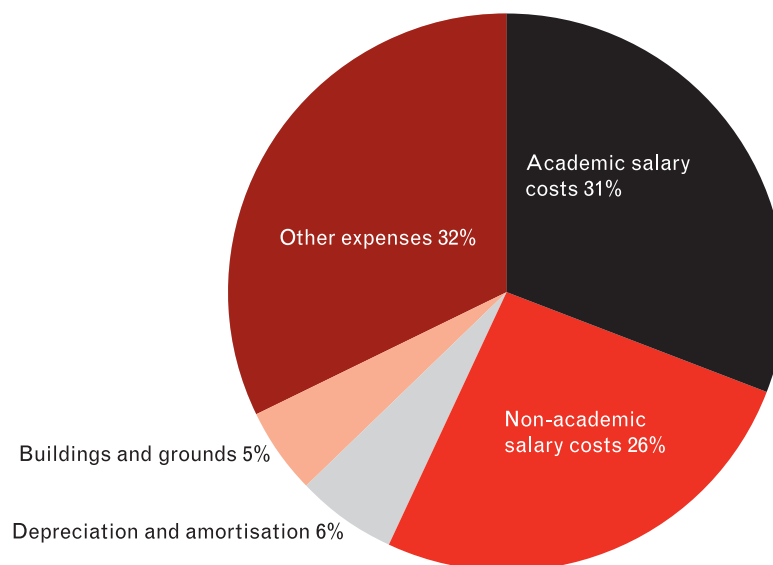
	2005		2004		2003		2002		2001	
	\$'000	%	\$'000	%	\$'000	%	\$'000	%	\$'000	%
<b>INCOME</b>										
Australian Government assistance										
Australian Government grants	86,704	30.3	74,065	30.1	64,136	29.6	63,486	31.7	58,752	31.6
HECS-HELP & FEE-HELP	37,451	13.1	37,386	15.2	35,194	16.2	33,247	16.6	31,485	16.9
Scholarships and research	72,597	25.4	58,725	23.8	57,651	26.6	49,138	24.5	43,535	23.4
State Government grants	9,437	3.3	7,599	3.1	6,462	3.0	6,166	3.1	6,927	3.7
HECS-HELP student payments	5,610	2.0	4,171	1.7	3,162	1.5	3,132	1.6	3,448	1.9
Fees & charges	34,293	12.0	32,989	13.4	28,238	13.0	24,159	12.1	18,082	9.7
Superannuation – deferred govt contrib.	921	0.3	(142)	-0.1	(310)	-0.1	35	0.0	393	0.2
Investment income	16,495	5.8	12,332	5.0	3,337	1.5	1,747	0.9	2,640	1.4
Consultancy and contract research	10,110	3.5	6,777	2.8	5,688	2.6	6,174	3.1	7,472	4.0
Other revenue	12,695	4.4	12,443	5.1	13,456	6.2	13,199	6.6	13,275	7.1
<b>Total income</b>	<b>286,313</b>	<b>100.0</b>	<b>246,345</b>	<b>100.0</b>	<b>217,014</b>	<b>100.0</b>	<b>200,483</b>	<b>100.0</b>	<b>186,009</b>	<b>100.0</b>
<b>EXPENDITURE</b>										
Academic salary costs	77,503	30.7	69,960	31.0	64,714	31.0	61,337	30.7	56,511	30.6
Non-academic salary costs	64,665	25.6	58,930	26.1	53,660	25.7	52,129	26.1	50,235	27.3
Depreciation and amortisation	15,817	6.3	16,318	7.2	17,127	8.2	17,012	8.5	16,703	9.1
Buildings & grounds	12,685	5.0	8,485	3.8	6,523	3.1	7,832	4.7	7,509	4.1
Bad & doubtful debts	14	0.0	409	0.2	(66)	0.0	539	0.3	672	0.4
Other expenses	81,813	32.4	71,258	31.6	67,322	31.9	60,987	29.7	52,538	28.5
<b>Total expenditure</b>	<b>252,497</b>	<b>100.0</b>	<b>225,360</b>	<b>100.0</b>	<b>209,280</b>	<b>100.0</b>	<b>199,640</b>	<b>100.0</b>	<b>184,168</b>	<b>100.0</b>
<b>OPERATING RESULT</b>	<b>33,816</b>		<b>20,985</b>		<b>7,730</b>		<b>843</b>		<b>1,841</b>	
<b>KEY RATIOS</b>										
1. Financial stability and liquidity										
– Current ratio	5.5		5.3		2.7		2.6		2.5	
– Net cash balances	11,008		8,453		8,393		8,684		8,922	
– Net assets	403,839		370,002		349,820		306,587		296,146	
2. Revenue										
– DEST load/HECS	116,875		114,573		99,492		99,405		93,645	
– DEST capital grants	12,890		1,049		3,000		460		40	
– Scholarships and research	72,597		58,725		57,651		49,138		43,535	
– Other University income	83,951		71,998		56,871		51,480		48,789	
<b>Total University income</b>	<b>286,313</b>		<b>246,345</b>		<b>217,014</b>		<b>200,483</b>		<b>186,009</b>	

Note: 2005 and 2004 information presented in accordance with International Financial Reporting Standards

## INCOME



## EXPENDITURE



# INCOME STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2005

		<b>Economic Entity (Consolidated)</b>		<b>Parent Entity (University)</b>	
	Note	<b>2005 \$'000</b>	<b>2004 \$'000</b>	<b>2005 \$'000</b>	<b>2004 \$'000</b>
<b>REVENUE FROM CONTINUING OPERATIONS</b>	<b>2</b>				
Australian Government financial assistance					
Australian Government grants	2.1	159,301	132,790	159,301	132,790
HECS-HELP – Australian Government payments	2.1	36,134	35,613	36,134	35,613
FEE-HELP	2.1	1,317	1,773	1,317	1,773
Tasmanian Government financial assistance	2.2	9,437	7,599	9,437	7,599
HECS-HELP – student payments		5,610	4,171	5,610	4,171
Fees & charges	2.3	34,293	32,989	34,293	32,989
Investment income	2.4	16,495	12,332	14,132	10,326
Consultancy and contract research	2.5	10,110	6,777	10,110	6,777
Other revenue	2.6	12,695	12,443	10,048	9,820
		285,392	246,487	280,382	241,858
Superannuation – deferred government contributions		921	(142)	921	(142)
<b>Total revenue from continuing operations</b>		<b>286,313</b>	<b>246,345</b>	<b>281,303</b>	<b>241,716</b>
<b>EXPENSES FROM CONTINUING OPERATIONS</b>	<b>3</b>				
Employee benefits	3.1	142,168	128,890	141,619	128,668
Depreciation and amortisation	3.2	15,817	16,318	15,815	16,287
Repairs and maintenance	3.3	12,685	8,485	12,685	8,485
Bad & doubtful debts	3.4	14	409	14	409
Other expenses	3.5	81,803	71,254	80,498	72,145
<b>Total expenses from continuing operations</b>		<b>252,487</b>	<b>225,356</b>	<b>250,631</b>	<b>225,994</b>
<b>Operating result before income tax</b>		<b>33,826</b>	<b>20,989</b>	<b>30,672</b>	<b>15,722</b>
Income tax expense		10	4	-	-
<b>Operating result for the year</b>		<b>33,816</b>	<b>20,985</b>	<b>30,672</b>	<b>15,722</b>

This statement should be read in conjunction with the accompanying notes.

		Economic Entity (Consolidated)		Parent Entity (University)	
	Note	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
<b>CURRENT ASSETS</b>					
Cash and cash equivalents	4	11,008	8,453	8,083	8,438
Receivables	5	9,590	7,189	9,417	7,175
Inventories	6	161	109	148	109
Other financial assets at fair value through profit or loss	7	137,969	110,417	121,527	94,070
Other non-financial assets	8	4,120	2,128	4,112	2,112
		162,848	128,296	143,287	111,904
Non-current assets classified as held for sale	9	11,265	-	11,265	-
<b>Total current assets</b>		<b>174,113</b>	<b>128,296</b>	<b>154,552</b>	<b>111,904</b>
<b>NON-CURRENT ASSETS</b>					
Receivables	5	8,973	8,012	8,973	8,012
Other financial assets at fair value through profit or loss	7	1,395	6,803	1,395	6,823
Property, plant and equipment	10	286,350	284,779	286,347	284,655
Intangible assets	11	1,000	-	1,000	-
<b>Total non-current assets</b>		<b>297,718</b>	<b>299,594</b>	<b>297,715</b>	<b>299,490</b>
<b>Total assets</b>		<b>471,831</b>	<b>427,890</b>	<b>452,267</b>	<b>411,394</b>
<b>CURRENT LIABILITIES</b>					
Payables	12	15,678	9,008	16,213	9,040
Provisions	13	7,609	8,155	7,530	8,016
Other liabilities	14	8,607	6,916	8,055	6,851
<b>Total current liabilities</b>		<b>31,894</b>	<b>24,079</b>	<b>31,798</b>	<b>23,907</b>
<b>NON-CURRENT LIABILITIES</b>					
Provisions	13	36,098	33,809	36,098	33,809
<b>Total non-current liabilities</b>		<b>36,098</b>	<b>33,809</b>	<b>36,098</b>	<b>33,809</b>
<b>Total liabilities</b>		<b>67,992</b>	<b>57,888</b>	<b>67,896</b>	<b>57,716</b>
<b>Net assets</b>		<b>403,839</b>	<b>370,002</b>	<b>384,371</b>	<b>353,678</b>
<b>EQUITY</b>					
Reserves	15	194,221	194,200	194,221	194,200
Statutory funds	15	45,511	36,972	26,458	20,745
Retained surplus	15	164,107	138,830	163,692	138,733
<b>Total equity</b>		<b>403,839</b>	<b>370,002</b>	<b>384,371</b>	<b>353,678</b>

This statement should be read in conjunction with the accompanying notes.



## STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2005

	Note	Economic Entity (Consolidated)		Parent Entity (University)	
		2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
Total equity at the beginning of the financial year		370,002	346,864	353,678	335,803
Increase in asset revaluation reserve	15	21	2,153	21	2,153
Net income recognised directly in equity		21	2,153	21	2,153
Operating result for the year		33,816	20,985	30,672	15,722
Total recognised income and expense for the year		33,837	23,138	30,693	17,875
<b>Total equity at the end of the financial year</b>		<b>403,839</b>	<b>370,002</b>	<b>384,371</b>	<b>353,678</b>

This statement should be read in conjunction with the accompanying notes.

## CASH FLOW STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2005

		Economic Entity (Consolidated)		Parent Entity (University)	
		2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
	Note	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Australian Government					
CGS and other DEST loans		86,704	63,595	86,704	63,595
Higher Education Loan Programs		37,397	37,386	37,397	37,386
Scholarships		4,135	3,303	4,135	3,303
DEST research		32,683	27,562	32,683	27,562
ARC grant – Discovery		5,501	4,671	5,501	4,671
ARC grant – Linkages		3,539	2,643	3,539	2,643
ARC grant – Centres		968	948	968	948
Other Australian Government grants		28,880	21,557	28,880	21,557
Tasmanian Government		10,380	8,358	10,380	8,358
HECS-HELP – student payments		5,610	4,171	5,610	4,171
OS-HELP (net)		54	-	54	-
Fees & charges		35,694	31,383	35,345	31,070
Investment income		9,772	2,422	8,264	2,137
Other revenue		26,705	24,046	24,079	21,437
Payments to suppliers and employees (inclusive of GST)		(241,770)	(212,969)	(239,318)	(213,584)
<b>Net cash inflow (outflow) from operating activities</b>	20	<b>46,252</b>	<b>19,076</b>	<b>44,221</b>	<b>15,254</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Proceeds from sale of property, plant and equipment		923	3,696	923	3,696
Payments for investments		(27,158)	(8,663)	(27,918)	(4,891)
Payments for property, plant and equipment		(15,999)	(16,110)	(16,118)	(16,001)
Reduction in bonds held		(6)	91	(6)	91
Reduction in monies held on behalf of CRCs		(1,457)	1,970	(1,457)	1,970
<b>Net cash inflow (outflow) from investing activities</b>		<b>(43,697)</b>	<b>(19,016)</b>	<b>(44,576)</b>	<b>(15,135)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
<b>Net cash inflow (outflow) from financing activities</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net increase/(decrease) in cash held		2,555	60	(355)	119
Cash at beginning of reporting period		8,453	8,393	8,438	8,319
<b>Cash at end of reporting period</b>	20	<b>11,008</b>	<b>8,453</b>	<b>8,083</b>	<b>8,438</b>

This statement should be read in conjunction with the accompanying notes.

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

### a) Basis of preparation

This financial report is a general purpose financial report that has been prepared in accordance with:

- the *Financial Management and Audit Act 1990*;
- the *University of Tasmania Act 1992*;
- Australian equivalents to International Financial Reporting Standards (AIFRS);
- Urgent Issues Group Interpretations adopted by the Australian Accounting Standards Board; and
- the requirements of the Department of Education, Science and Training (DEST).

### Compliance with IFRS

Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the consolidated financial statements and notes comply with International Financial Reporting Standards (IFRS). However, the financial statements and notes comply with the Australian Accounting Standards, some of which contain requirements specific to not-for-profit entities that are inconsistent with IFRS requirements.

### Application of AASB 1 First-time Adoption of Australian Equivalents to International Financial Reporting Standards

These financial statements are the first financial statements of the University to be prepared in accordance with AIFRS. AASB 1 'First-time Adoption of Australian Equivalents to International Financial Reporting Standards' has been applied in preparing these financial statements.

Financial statements of the University, until 31 December 2004, had been prepared in accordance with previous Australian Generally Accepted Accounting Principles (AGAAP). AGAAP differs in certain respects from AIFRS. When preparing the 2005 financial statements, management has amended certain accounting and valuation methods applied in the AGAAP financial statements to comply with AIFRS. Comparative figures in respect of 2004 have been restated to reflect these adjustments.

Reconciliations and descriptions of the effect of transition from previous AGAAP to AIFRS on the University's equity and its net operating result are provided in Note 26.

### Early adoption of standard

The University has elected to apply AASB 119 Employee Benefits (issued in December 2004) to the annual reporting period beginning 1 January 2005. This includes applying AASB 119 to the comparatives in accordance with AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors.

### Historical cost convention

The financial report has been prepared on the accrual basis of accounting using the historical cost convention, as modified by the revaluation of financial assets at fair value through profit or loss.

### b) Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all controlled entities of the University (parent entity) as at 31 December 2005 and the results of all controlled entities for the year then ended. The University and its controlled entities together are referred to in this financial report as the Group or consolidated entity.

A controlled entity is any entity controlled by the University of Tasmania. Control exists where the University has the capacity to control decision making in relation to the financial and operating policies of another entity so that the other entity operates with the University to achieve University objectives. A list of controlled entities is contained in Note 18 to the financial statements.

The purchase method of accounting is used to account for the acquisition of controlled entities (refer Note 1(f)).

The financial statements for the consolidated entity include all controlled entities, with all inter-company balances and transactions having been eliminated on consolidation.

There were no changes to controlled entities during the year.

### c) Revenue recognition

Australian Government operating grants received under the *Higher Education Funding Act 1988*, and revenues received from other government sources, are recognised as revenue at the time of receipt. A liability is recognised where unspent monies are required to be refunded to the funding body.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Dividend revenue is recognised when the right to receive a dividend has been established.

Donations and bequests are recognised when the right to receive the funds has been established.

Revenue from the sale of goods is recognised upon the delivery of goods to customers.

Revenue from the rendering of a service is recognised upon the delivery of the service to customers.

Revenue from consulting and contract research, relating to the University's subsidiary UTAS Innovation Ltd, is recognised on a percentage of completion basis. Unearned revenue is brought to account over the life of the contracts to coincide with the relevant stage of completion.

All revenue is stated net of the amount of goods and services tax (GST).

### d) Foreign currency translation

#### Functional and presentation currency

Items included in the financial statements 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's functional and presentation currency.

## Transactions and balances

Transactions made using foreign currency are converted into Australian currency at market exchange rates applicable at the date of the transactions. Amounts payable or receivable in foreign currencies at balance date are converted into Australian currency at market exchange rates at balance date. Currency conversion gains and losses are included in the operating result for the year.

## e) Tax status

### Income tax

The University entity does not provide for Australian income tax as it is exempt from income tax in accordance with the provisions of Division 50 of the *Income Tax Assessment Act 1997*. However, Southern Ice Porcelain Pty Ltd, a subsidiary of the University, is subject to the provisions of this Act.

### Fringe benefits tax

The University is liable to pay fringe benefits tax, and this is included in the income statement.

### Goods and services tax (GST)

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 Tax Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the 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.

Cash flows are included in the cash flow statement on a gross basis. 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.

## f) Acquisitions of assets

The purchase method of accounting is used to account for all acquisitions of assets (including business combinations) regardless of whether equity instruments or other assets are acquired. Cost is measured as the fair value of the assets given, shares issued or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition.

## g) Impairment of assets

Assets that have an indefinite 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.

## h) Cash and cash equivalents

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

## i) Receivables

All receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for doubtful debts. Receivables are typically due for settlement no more than 30 days from the date of recognition.

The collection of receivables is reviewed on an ongoing basis. Debts known to be uncollectible are written off. A provision for doubtful debts is established where there is evidence the University will not be able to collect all amounts due according to the original terms of receivables. The amount of any movement in the provision is recognised in the income statement, with the balance of the provision recognised in the balance sheet.

## j) Inventories

Inventories are valued at the lower of cost or net realisable value. Cost is assigned on a weighted average basis. Stocks are valued on a first-in first-out basis.

## k) Investments and other financial assets

The University has not taken the exemption available under AASB 1 to apply AASB 132 and AASB 139 only from 1 January 2005. Therefore both 31 December 2004 and 31 December 2005 are presented and measured in accordance with AASB 132 and AASB 139.

The nature of the adjustments needed to comply with AASB 132 and AASB 139 is that, with the exception of loans and receivables which are measured at amortised cost, fair value is the measurement basis. The University's investments are being measured at fair value through profit or loss, therefore changes in fair value are taken to the income statement. At the date of transition (1 January 2004) changes to carrying amounts are taken to retained earnings.

Further detail of the adjustments made is included in Note 26 – Explanation of transition to Australian equivalents to IFRS.

The University currently classifies its investments in the following two categories: financial assets at fair value through profit or loss, and loans and receivables. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at each reporting date.

### Financial assets at fair value through profit or loss

This category relates to those assets designated at fair value through profit or loss on initial recognition. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. The policy of management is to designate a financial asset if there exists the possibility it will be sold in the short term or the asset is subject to frequent changes in fair value.

These assets comprise:

- Investment and trust funds – the University's investments are managed as pooled funds by a number of independent portfolio managers. Funds are invested in cash deposits, Australian equities, overseas equities, fixed interest securities and property trusts under an approved investment policy. The majority of specific-purpose endowments received by the University to fund research activities, scholarships and prizes are also managed in this pooled investment fund.

- Investment properties – these are properties owned by the University and rented. Income received is brought to account as revenue in the income statement.
- Unlisted shares.

Investments are initially recognised at fair value, and subsequently carried at fair value.

#### Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the University provides money, goods or services directly to a debtor with no intention of selling the receivable. They are included in current assets, except for those with maturities greater than 12 months after the balance sheet date which are classified as non-current assets. Loans and receivables are included in receivables in the balance sheet.

The University assesses at each balance date whether there is objective evidence that a financial asset is impaired.

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

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

An impairment loss is recognised for any initial or subsequent write down of the asset to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell, but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset is recognised at the date of derecognition.

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

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

#### m) Capital works in progress

Capital works in progress on buildings represents the cost associated with the construction of buildings and other projects of a capital nature, which have not reached their date of practical completion.

#### n) Property, plant and equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation. The valuation methodology adopted for asset classes is as follows:

Asset Class	Valuation basis	Detail
Property (Land & buildings)	Fair value	Freehold land and buildings were revalued during 2003 by an independent valuer, Mr Frank Julier AAPI from Edward Rushton Australia Pty Ltd.
Plant and equipment	Cost	All plant and equipment items with a cost equal to or exceeding \$10,000 have been capitalised.
Library	Cost	
Works of art and cultural collections	Fair value	Valuations for works of art were carried out in 2004 by an independent valuer, Mr Steven Joyce from Despard Gallery, in relation to the fine art collection and Dr Paul Gallivan from the University of Tasmania in relation to the John Elliott Classics Museum.

The depreciable amount of all property, plant and equipment including buildings, but excluding freehold land and works of art, is depreciated on a straight-line basis over their useful lives to the University commencing from the time the asset is held ready for use.

Depreciation rates applicable during 2005 are as follows, and are consistent with the prior year:

Asset Class	%
Buildings	2
Plant and equipment	10 - 33
Library collections	5

Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

Useful lives of assets are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Where land and buildings or works of art are subject to revaluation, any increment is taken to the asset revaluation reserve.

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



## o) Intangible assets

Intangible assets that are acquired by the University are stated at cost less accumulated amortisation and impairment losses.

Subsequent expenditure on capitalised intangible assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

Where intangible assets have a definite useful life, amortisation is charged to the income statement on a straight-line basis over the estimated useful life. Amortisation commences from the date they are available for use. The estimated useful lives are as follows:

- Right of use 15 years

## p) Payables

These amounts represent liabilities for goods and services provided to the University prior to the end of the year which are unpaid. The amounts are unsecured and are normally settled within 30 days.

## q) Employee benefits

### Wages and salaries, and sick leave

Liabilities for wages and salaries are recognised as payables in respect of employees' services up to the reporting date. Sick leave entitlements provided to the employees of the University are non-vesting and are based on a cumulative sick leave system. Liabilities for non-accumulating sick leave are recognised when the leave is taken.

### Annual leave

Liabilities for annual leave in respect to non-academic staff are recognised and measured as the amount unpaid at the reporting date at current pay rates in respect of employees' service up to that date. Related on-costs have been included in the provision. Annual leave for academic staff is deemed to be taken in the year in which it is accrued, hence no provision is made in respect of these employees.

### Long service leave

The liability for long service leave for employees is measured as the present value of the estimated future payments to be made in respect of services provided by employees up to the reporting date. Consideration has been given to future increases in salary levels, experience of employee departures and periods of service. Related on-costs have been included in the provision. Expected future payments are discounted using market yields on government bonds at the reporting date.

### Superannuation

The University has a policy of compulsory superannuation for continuing staff members. The majority of University employees are members of UniSuper Limited and are entitled to benefits on retirement, disability or death. UniSuper has a defined benefit section and a defined contribution section within its plan. The defined benefit section provides lump sum benefits based on years of service and final average salary. The defined contribution section receives fixed contributions from the University and the University's legal or constructive obligation is limited to these contributions. As detailed in Note 23, sufficient information is not available for the University to account for the defined benefits provided by the defined benefit plan as a defined benefit plan.

Unfunded superannuation and retirement benefit liabilities relate to the following schemes, all of which are closed to future membership:

- Retirement Benefits Fund;
- Supplementary Pension Scheme; and
- Lump Sum Compensation Benefits.

Unfunded liabilities in respect to the Retirement Benefits Fund and the Supplementary Pension Scheme have been determined by an actuary (refer Note 23 for further detail). Actuarial gains and losses have been recognised immediately in the income statement.

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

## r) Leases

All University leases are operating leases. Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged to the income statement on a straight-line basis over the period of the lease.

## s) Joint venture operations

The University participates in five Co-operative Research Centres. The University interests are not considered material, and expenditure incurred by the University as a result of its participation is expensed.

## t) Rounding of amounts

Amounts in the financial report have been rounded off to the nearest \$1,000.

## 2. REVENUE FROM ORDINARY ACTIVITIES

### 2.1 Australian Government financial assistance including HECS-HELP and other Australian Government loan Programs

#### (a) Commonwealth Grants Scheme and Other Grants

	Note	Economic Entity (Consolidated) 2005 \$'000	2004 \$'000	Parent Entity (University) 2005 \$'000	2004 \$'000
Commonwealth Grants Scheme		74,639	70,367	74,639	70,367
Indigenous Support Fund		771	-	771	-
Equity Programs		848	-	848	-
Workplace Reform Program		963	1,935	963	1,935
Superannuation Program		619	714	619	714
Collaboration and Structural Reform Program		862	-	862	-
	21.1	78,702	73,016	78,702	73,016
Capital Development Pool	21.1	8,002	1,049	8,002	1,049
<b>Total Commonwealth Grants Scheme and Other Grants</b>		<b>86,704</b>	<b>74,065</b>	<b>86,704</b>	<b>74,065</b>

#### (b) Higher Education Loan Programs

HECS-HELP	21.2	36,134	35,613	36,134	35,613
FEE-HELP	21.2	1,317	1,773	1,317	1,773
<b>Total Higher Education Loan Programs</b>		<b>37,451</b>	<b>37,386</b>	<b>37,451</b>	<b>37,386</b>

#### (c) Scholarships

Australian Postgraduate Awards	21.3	2,122	2,118	2,122	2,118
International Postgraduate Research Scholarships	21.3	322	385	322	385
Commonwealth Education Costs Scholarships	21.3	592	240	592	240
Commonwealth Accommodation Scholarships	21.3	1,099	560	1,099	560
<b>Total scholarships</b>		<b>4,135</b>	<b>3,303</b>	<b>4,135</b>	<b>3,303</b>

#### (d) DEST – Research

Institutional Grants Scheme	21.4	7,201	7,359	7,201	7,359
Research Training Scheme	21.4	15,680	15,939	15,680	15,939
Systemic Infrastructure Initiative	21.4	4,888	-	4,888	-
Research Infrastructure Block Grant	21.4	4,914	4,264	4,914	4,264
<b>Total DEST – Research</b>		<b>32,683</b>	<b>27,562</b>	<b>32,683</b>	<b>27,562</b>

#### (e) Australian Research Council

<i>(i) Discovery</i>					
Project	21.5	5,383	4,341	5,383	4,341
Fellowships	21.5	118	330	118	330
<b>Total discovery</b>		<b>5,501</b>	<b>4,671</b>	<b>5,501</b>	<b>4,671</b>
<i>(ii) Linkages</i>					
Special research initiatives	21.5	136	40	136	40
Infrastructure	21.5	914	204	914	204
Projects	21.5	2,489	2,399	2,489	2,399
<b>Total linkages</b>		<b>3,539</b>	<b>2,643</b>	<b>3,539</b>	<b>2,643</b>
<i>(iii) Centres</i>					
Centres	21.5	484	948	484	948
<b>Total centres</b>		<b>484</b>	<b>948</b>	<b>484</b>	<b>948</b>

#### (f) Other Australian Government financial assistance

National Health & Medical Research Council		2,784	2,742	2,784	2,742
Australian Government research (non-ARC)		13,599	11,013	13,599	11,013
Australian Government (non-research)		4,955	4,523	4,955	4,523
Other Australian Government income		4,917	1,320	4,917	1,320
<b>Total other Australian Government financial assistance</b>		<b>26,255</b>	<b>19,598</b>	<b>26,255</b>	<b>19,598</b>

#### Total Australian Government financial assistance

<b>196,752</b>	<b>170,176</b>	<b>196,752</b>	<b>170,176</b>
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	Economic Entity (Consolidated)		Parent Entity (University)	
	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
<b>2. REVENUE FROM ORDINARY ACTIVITIES (continued)</b>				
<b>Reconciliation</b>				
Australian Government grants	159,301	132,790	159,301	132,790
HECS-HELP – Australian Government payments	36,134	35,613	36,134	35,613
Other Australian Government loan programmes (FEE-HELP)	1,317	1,773	1,317	1,773
<b>Total Australian Government financial assistance</b>	<b>196,752</b>	<b>170,176</b>	<b>196,752</b>	<b>170,176</b>
<b>2.2 Tasmanian Government financial assistance</b>				
Tasmanian Aquaculture and Fisheries Institute	2,600	2,676	2,600	2,676
Tasmanian Institute of Agricultural Research	2,221	2,162	2,221	2,162
Menzies Research Institute	985	1,552	985	1,552
Tasmanian Law Reform Institute	56	57	56	57
Institute for Inclusive Learning Communities	2,116	-	2,116	-
Other State Government income	1,459	1,152	1,459	1,152
<b>Total Tasmanian Government financial assistance</b>	<b>9,437</b>	<b>7,599</b>	<b>9,437</b>	<b>7,599</b>
<b>2.3 Fees and charges</b>				
<b>Course fees and charges</b>				
Fee-paying overseas students	23,477	20,541	23,477	20,541
Fee-paying domestic postgraduate students	974	919	974	919
Fee-paying domestic undergraduate students	-	1,237	-	1,237
Fee-paying domestic non-award students	-	27	-	27
<b>Total course fees and charges</b>	<b>24,451</b>	<b>22,724</b>	<b>24,451</b>	<b>22,724</b>
<b>Other fees and charges</b>				
Child Care Centre fees	1,154	988	1,154	988
Accommodation charges	5,046	5,013	5,046	5,013
Services and Amenities fees	2,490	2,918	2,490	2,918
Other	1,152	1,346	1,152	1,346
<b>Total other fees and charges</b>	<b>9,842</b>	<b>10,265</b>	<b>9,842</b>	<b>10,265</b>
<b>Total fees and charges</b>	<b>34,293</b>	<b>32,989</b>	<b>34,293</b>	<b>32,989</b>
<b>2.4 Investment income</b>				
Investment income	16,495	12,332	14,132	10,326
<b>Total investment income</b>	<b>16,495</b>	<b>12,332</b>	<b>14,132</b>	<b>10,326</b>
<b>2.5 Consultancy and contract research</b>				
Industry and other research	5,482	3,025	5,482	3,025
Research consultancies	2,666	1,553	2,666	1,553
Research donations and bequests	524	570	524	570
Industry support to linkage projects	826	890	826	890
Industry support to other Commonwealth research	325	356	325	356
Industry support to research centres	287	383	287	383
<b>Total consultancy and contract research</b>	<b>10,110</b>	<b>6,777</b>	<b>10,110</b>	<b>6,777</b>
<b>2.6 Other revenue</b>				
Donations and bequests	3,538	3,315	1,411	1,288
Scholarships and prizes	154	133	154	133
Contract revenue (other than consultancy and contract research)	701	392	701	392
Sale of goods	1,933	1,790	1,877	1,790
Miscellaneous income	6,369	6,813	5,905	6,217
<b>Total other revenue</b>	<b>12,695</b>	<b>12,443</b>	<b>10,048</b>	<b>9,820</b>

		Economic Entity (Consolidated)		Parent Entity (University)	
		2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
	Note				
3. EXPENSES FROM ORDINARY ACTIVITIES					
3.1 Employee benefits					
Academic					
Salaries		59,602	54,019	59,602	54,019
Contribution to superannuation & pension schemes:					
Deferred employee benefits for superannuation		506	(77)	506	(77)
Emerging costs		1,547	1,489	1,547	1,489
Funded		8,826	7,921	8,826	7,921
Provisions for future emerging costs		(320)	(316)	(320)	(316)
Payroll tax		4,092	3,708	4,092	3,708
Workers' Compensation		333	270	333	270
Long service leave expense		1,585	1,812	1,585	1,812
Annual leave expense		-	-	-	-
Other expenses		1,332	1,134	1,332	1,134
<b>Total academic</b>		<b>77,503</b>	<b>69,960</b>	<b>77,503</b>	<b>69,960</b>
Non-academic					
Salaries		51,077	46,776	50,528	46,554
Contribution to superannuation & pension schemes:					
Deferred employee benefits for superannuation		414	(64)	414	(64)
Emerging costs		669	685	669	685
Funded		7,034	6,457	7,034	6,457
Provisions for future emerging costs		(173)	(261)	(173)	(261)
Payroll tax		3,406	3,125	3,406	3,125
Workers' Compensation		289	223	289	223
Long service leave expense		1,391	1,496	1,391	1,496
Annual leave expense		351	343	351	343
Other expenses		207	150	207	150
<b>Total non-academic</b>		<b>64,665</b>	<b>58,930</b>	<b>64,116</b>	<b>58,708</b>
<b>Total employee benefits</b>		<b>142,168</b>	<b>128,890</b>	<b>141,619</b>	<b>128,668</b>
3.2 Depreciation and amortisation					
Depreciation					
Buildings	10	8,241	7,983	8,241	7,983
Plant and equipment	10	3,794	4,527	3,792	4,496
Library collections	10	2,764	2,783	2,764	2,783
Amortisation					
Leasehold improvements	10	1,018	1,025	1,018	1,025
<b>Total depreciation and amortisation</b>		<b>15,817</b>	<b>16,318</b>	<b>15,815</b>	<b>16,287</b>
3.3 Repairs and maintenance					
Buildings and grounds		12,685	8,485	12,685	8,485
<b>Total repairs and maintenance</b>		<b>12,685</b>	<b>8,485</b>	<b>12,685</b>	<b>8,485</b>
3.4 Bad and doubtful debts					
Debtors		14	409	14	409
<b>Total bad and doubtful debts</b>		<b>14</b>	<b>409</b>	<b>14</b>	<b>409</b>

### 3. EXPENSES FROM ORDINARY ACTIVITIES (continued)

#### 3.5 Other expenses

	Economic Entity (Consolidated)		Parent Entity (University)	
	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
Scholarships and prizes	15,817	12,631	14,725	11,399
Non-capitalised equipment	7,160	6,363	7,160	6,363
Public relations and marketing	3,317	2,741	3,301	2,733
Telecommunications	1,570	1,072	1,556	1,062
Travel and staff development	8,379	7,600	8,330	7,589
Consumables	8,754	11,063	8,746	11,050
Loss/(gain) on sale of property, plant and equipment	704	(616)	704	(616)
Office administration	3,246	3,547	3,224	3,502
Consultancy services	10,255	6,594	10,024	6,481
Library materials	1,664	1,841	1,664	1,841
Electricity and heating fuel	3,590	3,542	3,590	3,542
Cleaning	2,204	1,883	2,204	1,883
Security	1,106	1,064	1,106	1,064
Audit fees – external	82	68	75	68
Audit fees – internal	205	187	205	181
Transfer to University Foundation	-	-	-	2,634
Operating lease payments	330	256	330	256
Insurance	1,152	1,116	1,144	1,107
New appointment expenses	1,060	833	1,060	833
Service & Amenities fees paid to student unions	2,247	2,648	2,247	2,648
Other	8,961	6,821	9,103	6,525
<b>Total other expenses</b>	<b>81,803</b>	<b>71,254</b>	<b>80,498</b>	<b>72,145</b>

### 4. CASH AND CASH EQUIVALENTS

#### Current

Cash at bank and on hand	7,904	5,464	5,123	5,464
Short-term deposits and bills	3,104	2,989	2,960	2,974

<b>Total cash and cash equivalents</b>	<b>11,008</b>	<b>8,453</b>	<b>8,083</b>	<b>8,438</b>
--	---------------	--------------	--------------	--------------

#### (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 statements as follows:

Balances as above	11,008	8,453	8,083	8,438
Balance per cash flow statements:	11,008	8,453	8,083	8,438

#### (b) Cash at bank and on hand

Cash on hand is non-interest bearing.

Cash at bank accounts are bearing floating interest rates between 4.75% and 5.3% (2004: 4.2% and 5.0%).

#### (c) Short-term deposits and bills

The deposits are bearing floating interest rates of 5.5% (2004 5.2%).

These deposits have an average maturity of 90 days.



# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2005

	<b>Economic Entity (Consolidated)</b>		<b>Parent Entity (University)</b>	
	<b>2005 \$'000</b>	<b>2004 \$'000</b>	<b>2005 \$'000</b>	<b>2004 \$'000</b>
<b>5. RECEIVABLES</b>				
<b>Current</b>				
Debtors	7,023	5,666	6,985	5,660
Less provision for doubtful receivables	(536)	(598)	(536)	(592)
	6,487	5,068	6,449	5,068
DEST superannuation reimbursement	879	970	879	970
Accrued revenue	262	311	160	309
GST	1,712	590	1,679	578
Sundry loans and advances	250	250	250	250
	<b>9,590</b>	<b>7,189</b>	<b>9,417</b>	<b>7,175</b>
<b>Non-current</b>				
DEST superannuation reimbursement	8,773	7,762	8,773	7,762
Sundry loans and advances	200	250	200	250
	<b>8,973</b>	<b>8,012</b>	<b>8,973</b>	<b>8,012</b>
<b>Total receivables</b>	<b>18,563</b>	<b>15,201</b>	<b>18,390</b>	<b>15,187</b>
<b>6. INVENTORIES</b>				
<b>Current</b>	161	109	148	109
<b>Total inventories</b>	<b>161</b>	<b>109</b>	<b>148</b>	<b>109</b>
<b>7. OTHER FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>				
<b>Current</b>				
Trust investments	3,087	5,119	3,087	5,119
Investment fund	134,882	98,969	118,440	82,622
Property held for investment purposes at independent valuation market value 2003	-	6,329	-	6,329
	137,969	110,417	121,527	94,070
<b>Non-current</b>				
Shares – unlisted	1	473	1	493
Property held for investment purposes at independent valuation market value 2003	1,394	6,330	1,394	6,330
	<b>1,395</b>	<b>6,803</b>	<b>1,395</b>	<b>6,823</b>
<b>Total other financial assets</b>	<b>139,364</b>	<b>117,220</b>	<b>122,922</b>	<b>100,893</b>
<b>8. OTHER ASSETS</b>				
<b>Current</b>				
Prepayments	4,120	2,128	4,112	2,112
<b>Total other assets</b>	<b>4,120</b>	<b>2,128</b>	<b>4,112</b>	<b>2,112</b>
<b>9. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE</b>				
<b>Current</b>				
Investment property	11,265	-	11,265	-
<b>Total other assets</b>	<b>11,265</b>	<b>-</b>	<b>11,265</b>	<b>-</b>

## 10. PROPERTY, PLANT AND EQUIPMENT

### Economic Entity (Consolidated) – \$'000

	Note	Land	Buildings	Capital WIP	Leasehold Improvts.	Plant & Equipment	Library	Works of Art	Total
<b>At 1 January 2005</b>									
At cost		-	-	779	-	45,705	53,299	-	99,783
At valuation		15,705	421,551	-	51,285	-	-	6,305	494,846
Accumulated depreciation		-	(234,089)	-	(29,400)	(31,561)	(14,800)	-	(309,850)
Net book amount		<b>15,705</b>	<b>187,462</b>	<b>779</b>	<b>21,885</b>	<b>14,144</b>	<b>38,499</b>	<b>6,305</b>	<b>284,779</b>
<b>Movements in asset classes during the year</b>									
Opening net book amount		15,705	187,462	779	21,885	14,144	38,499	6,305	284,779
Add: additions		2,995	1,061	6,925	-	5,662	2,492	183	19,318
Add: transfers from capital works in progress		-	3,555	(3,555)	-	-	-	-	-
Add: revaluation increment		-	-	-	-	-	-	21	21
Less: disposals		-	-	(40)	-	(1,841)	(20)	(50)	(1,951)
Balance 31 December		18,700	192,078	4,109	21,885	17,965	40,971	6,459	302,167
Less: depreciation charge	3.2	-	(8,241)	-	(1,018)	(3,794)	(2,764)	-	(15,817)
<b>Closing net book amount</b>		<b>18,700</b>	<b>183,837</b>	<b>4,109</b>	<b>20,867</b>	<b>14,171</b>	<b>38,207</b>	<b>6,459</b>	<b>286,350</b>
<b>At 31 December 2005</b>									
At cost		-	-	4,109	-	43,173	54,673	-	101,955
At valuation		18,700	426,168	-	51,285	-	-	6,459	502,612
Accumulated depreciation		-	(242,331)	-	(30,418)	(29,002)	(16,466)	-	(318,217)
Net book amount		<b>18,700</b>	<b>183,837</b>	<b>4,109</b>	<b>20,867</b>	<b>14,171</b>	<b>38,207</b>	<b>6,459</b>	<b>286,350</b>

### Parent Entity (University) – \$'000

<b>At 1 January 2005</b>									
At cost		-	-	739	-	45,558	53,299	-	99,596
At valuation		15,705	421,551	-	51,285	-	-	6,305	494,846
Accumulated depreciation		-	(234,090)	-	(29,400)	(31,497)	(14,800)	-	(309,787)
Net book amount		<b>15,705</b>	<b>187,461</b>	<b>739</b>	<b>21,885</b>	<b>14,061</b>	<b>38,499</b>	<b>6,305</b>	<b>284,655</b>
<b>Movements in asset classes during the year</b>									
Opening net book amount		15,705	187,461	739	21,885	14,061	38,499	6,305	284,655
Add: additions		2,995	1,062	6,925	-	5,657	2,492	183	19,314
Add: transfers from capital works in progress		-	3,555	(3,555)	-	-	-	-	-
Add: revaluation increment		-	-	-	-	-	-	21	21
Less: disposals		-	-	-	-	(1,758)	(20)	(50)	(1,828)
Balance 31 December		18,700	192,078	4,109	21,885	17,960	40,971	6,459	302,162
Less: depreciation charge	3.2	-	(8,241)	-	(1,018)	(3,792)	(2,764)	-	(15,815)
<b>Closing net book amount</b>		<b>18,700</b>	<b>183,837</b>	<b>4,109</b>	<b>20,867</b>	<b>14,168</b>	<b>38,207</b>	<b>6,459</b>	<b>286,347</b>
<b>At 31 December 2005</b>									
At cost		-	-	4,109	-	43,150	54,673	-	101,932
At valuation		18,700	426,168	-	51,285	-	-	6,459	502,612
Accumulated depreciation		-	(242,331)	-	(30,418)	(28,982)	(16,466)	-	(318,197)
Net book amount		<b>18,700</b>	<b>183,837</b>	<b>4,109</b>	<b>20,867</b>	<b>14,168</b>	<b>38,207</b>	<b>6,459</b>	<b>286,347</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2005

	Note	Economic Entity (Consolidated)		Parent Entity (University)	
		2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
<b>11. INTANGIBLE ASSETS</b>					
<b>Year ended 31 December 2005</b>					
Opening net book amount		-	-	-	-
Additions		1,000	-	1,000	-
Amortisation charge		-	-	-	-
Closing net book amount		1,000	-	1,000	-
<b>At 31 December 2005</b>					
Cost		1,000	-	1,000	-
Accumulated amortisation		-	-	-	-
Net book amount		1,000	-	1,000	-
<b>12. PAYABLES</b>					
<b>Current</b>					
Creditors and accruals		15,624	9,008	16,159	9,040
OS-HELP liability to Australian Government		54	-	54	-
<b>Total payables</b>		<b>15,678</b>	<b>9,008</b>	<b>16,213</b>	<b>9,040</b>
<b>13. PROVISIONS</b>					
<b>Current</b>					
Annual leave		3,111	3,576	3,067	3,558
Long service leave		2,160	2,155	2,125	2,034
Deferred benefits for superannuation	23(b)	2,338	2,424	2,338	2,424
		<b>7,609</b>	<b>8,155</b>	<b>7,530</b>	<b>8,016</b>
<b>Non-current</b>					
Annual leave		841	-	841	-
Long service leave		13,615	12,680	13,615	12,680
Deferred benefits for superannuation	23(b)	21,642	21,129	21,642	21,129
		<b>36,098</b>	<b>33,809</b>	<b>36,098</b>	<b>33,809</b>
<b>Total provisions</b>		<b>43,707</b>	<b>41,964</b>	<b>43,628</b>	<b>41,825</b>
(1) Annual leave liabilities above include the following on-costs		765	692	756	689
(2) Long service leave liabilities above include the following on-costs		3,053	2,871	3,046	2,848
<b>14. OTHER LIABILITIES</b>					
<b>Current</b>					
Unspent government financial assistance	21.5(c)	484	-	484	-
Revenue in advance		6,225	3,555	5,673	3,490
Bonds and deposits held		255	261	255	261
Monies held on behalf of CRCs		1,643	3,100	1,643	3,100
<b>Total other liabilities</b>		<b>8,607</b>	<b>6,916</b>	<b>8,055</b>	<b>6,851</b>

## 15. EQUITY

### Reserves

#### Asset revaluation reserve

Balance at end of previous year

Add: revaluation increment on art works

**Balance at end of year**

### Economic Entity (Consolidated)

2005  
\$'000

2004  
\$'000

### Parent Entity (University)

2005  
\$'000

2004  
\$'000

194,200

192,047

194,200

192,047

21

2,153

21

2,153

**194,221**

**194,200**

**194,221**

**194,200**

### Statutory funds

The Income Statement combines a number of funds which, under granting conditions, can only be utilised for specified expenditure purposes. These statutory funds cannot be allocated to general purpose expenditure categories. Statutory funds comprise:

**Trust funds** – donations for endowments and specified purposes such as prizes and scholarships.

**Other restricted funds** – specific research grants, consultancies and other contract funds.

Balance at end of previous year

Transfer from/(to) accumulated funds

**Balance at end of year**

36,972

34,890

20,745

20,028

8,539

2,082

5,713

717

**45,511**

**36,972**

**26,458**

**20,745**

### Accumulated funds

Balance at end of previous year

Operating result (inclusive of transfers)

Transfers from/(to) statutory funds

**Balance at end of year**

138,830

119,927

138,733

123,728

33,816

20,985

30,672

15,722

(8,539)

(2,082)

(5,713)

(717)

**164,107**

**138,830**

**163,692**

**138,733**

### Key components of operating result

The operating result reported in the Income Statement is derived after accounting for all income received by the University. The nature of certain types of income is such that significant amounts may be received for capital works, with the future depreciation charge allocated over many years. Also, amounts may be received where there is a significant timing difference between receipt of income, and payment of expenditure, for example research grants.

The following reconciliation highlights some key components of the operating result.

Capital Development Pool monies received

Systemic Infrastructure Initiative monies received

Net result from trust and other restricted funds

Results of operational activities

**Operating result as per income statement**

8,002

1,049

8,002

1,049

4,888

-

4,888

-

8,539

2,082

5,713

717

12,387

17,854

12,069

13,956

**33,816**

**20,985**

**30,672**

**15,722**

## 16. COMMITMENTS FOR EXPENDITURE

### Capital expenditure commitments

Contracted but not provided for and payable not later than one year

**Total**

7,955

4,762

7,955

4,762

**7,955**

**4,762**

**7,955**

**4,762**

### Lease commitments

#### Operating leases

Commitments in relation to leases contracted for at the reporting date but not recognised as liabilities, payable:

Within one year

Later than one year but not later than five years

Later than five years

412

310

331

310

394

524

333

524

-

-

-

-

**Total**

**806**

**834**

**664**

**834**

## 17. CONTINGENT LIABILITIES

The consolidated entity had contingent liabilities at 31 December 2005 in respect of:

### Claims

The University's wholly owned subsidiary, UTAS Innovation Ltd, was the subject of a GST audit during the year, and subsequently the Australian Tax Office issued late in December 2005, amended business activity statements for the quarters ended 30 September 2001 to 30 June 2005 inclusive. The resultant additional GST, interest and penalties sought from the company amounted to \$285,099. The company has lodged an objection to these amended assessments.

## 18. SUBSIDIARIES

### Consolidated Entities

The University is the parent entity or ultimate parent entity of the following entities, which are all incorporated in Australia.

#### University of Tasmania Foundation Inc.

The University Foundation is an incorporated association which raises money to endow scholarships, support research and build resources, while developing links between the University, industry and the community.

#### UTAS Innovation Limited

UTAS Innovation is a company limited by guarantee which provides a commercial window or 'shopfront' to the University.

#### Southern Ice Porcelain Pty Ltd

Southern Ice Porcelain is a proprietary company involved in the manufacture and sale of high-quality porcelain.

### Ownership Interest

2005  
%

2004  
%

100

100

100

100

100

100

## 19. DISAGGREGATED INFORMATION (CONSOLIDATED)

	Revenue		Results (i)		Assets (ii)	
	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
<b>Industry</b>						
Higher education	286,313	246,345	33,816	20,985	471,831	427,890
<b>Total</b>	<b>286,313</b>	<b>246,345</b>	<b>33,816</b>	<b>20,985</b>	<b>471,831</b>	<b>427,890</b>
<b>Geographical</b>						
Australia	285,028	245,002	33,875	21,165	470,213	427,009
Asia	1,285	1,343	(59)	(180)	1,618	881
<b>Total</b>	<b>286,313</b>	<b>246,345</b>	<b>33,816</b>	<b>20,985</b>	<b>471,831</b>	<b>427,890</b>

(i) Consolidated operating results

(ii) Total assets



## 20. NOTES TO THE CASH FLOW STATEMENTS

### Reconciliation of Cash

For the purposes of the Cash Flow Statements, the University considers cash to include cash on hand, short-term deposits at call and investments in money market instruments, net of outstanding bank overdrafts. Cash at the end of the reporting period, as shown in the Cash Flow Statements, is reconciled to the related items in the Balance Sheet as follows:

	Economic Entity (Consolidated)		Parent Entity (University)	
	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
Cash	4,374	3,264	1,593	3,264
Cash deposits at call	3,530	2,215	3,530	2,200
Bank bills of exchange	3,104	2,974	2,960	2,974
	<b>11,008</b>	<b>8,453</b>	<b>8,083</b>	<b>8,438</b>

### Reconciliation of net cash used in operating activities to operating result

Operating result	33,816	20,985	30,672	15,722
Depreciation	15,817	16,318	15,815	16,287
(Profit)/loss on sale of property, plant and equipment	704	(616)	704	(616)
Loss on write down of investments	472	-	492	-
Movement in unrealised gains on investments	(6,723)	(9,910)	(5,868)	(8,189)

### Change in assets and liabilities

(Increase)/decrease in receivables	(3,399)	(2,406)	(3,346)	(2,648)
(Decrease)/increase in provision for doubtful debts	(62)	123	(56)	124
(Increase)/decrease in inventories	(52)	96	(39)	96
(Increase)/decrease in sundry loans & advances	50	1,116	50	1,116
(Increase)/decrease in accrued revenue	49	(276)	149	(274)
(Increase)/decrease in prepayments	(1,992)	(864)	(2,000)	(882)
(Decrease)/increase in accounts payable	2,675	2,659	3,178	2,788
(Decrease)/increase in employee entitlements	1,743	3,239	1,803	3,178
(Decrease)/increase in unspent government financial assistance	484	-	484	-
(Decrease)/increase in revenue in advance	2,670	(11,388)	2,183	(11,448)

### Net cash provided or used by operating activities

	<b>46,252</b>	<b>19,076</b>	<b>44,221</b>	<b>15,254</b>
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### Financing arrangements

The consolidated and parent entities have access to the following lines of credit:

Bank overdraft (Commonwealth Bank)				
Total facility	100	100	100	100
Utilised at reporting date	-	-	-	-
Not utilised at reporting date	100	100	100	100
Mastercard facility	5,000	4,000	5,000	4,000

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2005

## UNIVERSITY ONLY

2005	2004	2005	2004	2005	2004
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000

## 21. ACQUITTAL OF AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE

### 21.1 DEST – CGS and other DEST grants

	Operating Financial Assistance excluding HECS		Capital Development Pool		Total	
Financial assistance received in cash during reporting period	78,702	67,596	8,002	1,049	86,704	68,645
Net accrual adjustments	-	5,420	-	-	-	5,420
<b>Revenue for the period</b>	<b>78,702</b>	<b>73,016</b>	<b>8,002</b>	<b>1,049</b>	<b>86,704</b>	<b>74,065</b>
Surplus/(deficit) from the previous year	-	-	-	-	-	-
<b>Funds available for the period</b>	<b>78,702</b>	<b>73,016</b>	<b>8,002</b>	<b>1,049</b>	<b>86,704</b>	<b>74,065</b>
Less expenses including accrued expenses	(78,702)	(73,016)	(111)	(1,049)	(78,813)	(74,065)
<b>Surplus/(deficit) for the reporting period</b>	<b>-</b>	<b>-</b>	<b>7,891</b>	<b>-</b>	<b>7,891</b>	<b>-</b>

### 21.2 Higher education loan programs

	HECS-HELP		FEE-HELP		Total	
Financial assistance received in cash during reporting period	36,134	32,768	1,371	1,773	37,505	34,541
Net accrual adjustments	-	2,845	(54)	-	(54)	2,845
<b>Revenue for the period</b>	<b>36,134</b>	<b>35,613</b>	<b>1,317</b>	<b>1,773</b>	<b>37,451</b>	<b>37,386</b>
Surplus/(deficit) from the previous year	-	-	-	-	-	-
<b>Funds available for the period</b>	<b>36,134</b>	<b>35,613</b>	<b>1,317</b>	<b>1,773</b>	<b>37,451</b>	<b>37,386</b>
Less expenses including accrued expenses	(36,134)	(35,613)	(1,317)	(1,773)	(37,451)	(37,386)
<b>Surplus/(deficit) for the reporting period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

### 21.3 Scholarships

	Australian Postgraduate Awards		International Postgraduate Research Scholarships			
Financial assistance received in cash during reporting period	2,122	2,118	322	385		
Net accrual adjustments	-	-	-	-		
<b>Revenue for the period</b>	<b>2,122</b>	<b>2,118</b>	<b>322</b>	<b>385</b>		
Surplus/(deficit) from the previous year	171	83	49	28		
<b>Funds available for the period</b>	<b>2,293</b>	<b>2,201</b>	<b>371</b>	<b>413</b>		
Less expenses including accrued expenses	(2,089)	(2,030)	(372)	(364)		
<b>Surplus/(deficit) for the reporting period</b>	<b>204</b>	<b>171</b>	<b>(1)</b>	<b>49</b>		

	Commonwealth Education Costs Scholarships		Commonwealth Accommodation Scholarships		Total	
Financial assistance received in cash during reporting period	592	240	1,099	560	4,135	3,303
Net accrual adjustments	-	-	-	-	-	-
<b>Revenue for the period</b>	<b>592</b>	<b>240</b>	<b>1,099</b>	<b>560</b>	<b>4,135</b>	<b>3,303</b>
Surplus/(deficit) from the previous year	5	-	20	-	245	111
<b>Funds available for the period</b>	<b>597</b>	<b>240</b>	<b>1,119</b>	<b>560</b>	<b>4,380</b>	<b>3,414</b>
Less expenses including accrued expenses	(606)	(235)	(1,053)	(540)	(4,120)	(3,169)
<b>Surplus/(deficit) for the reporting period</b>	<b>(9)</b>	<b>5</b>	<b>66</b>	<b>20</b>	<b>260</b>	<b>245</b>

UNIVERSITY ONLY

2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000	2005 \$'000
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## 21. ACQUITTAL OF AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE

### 21.4 DEST Research

	Institutional Grants Scheme	Research Training Scheme	Systemic
Financial assistance received in cash during reporting period	7,201	6,770	15,680
Net accrual adjustments	-	589	-
<b>Revenue for the period</b>	<b>7,201</b>	<b>7,359</b>	<b>15,680</b>
Surplus/(deficit) from the previous year	-	-	-
<b>Funds available for the period</b>	<b>7,201</b>	<b>7,359</b>	<b>15,680</b>
Less expenses including accrued expenses	(7,201)	(7,359)	(15,680)
<b>Surplus/(deficit) for the reporting period</b>	<b>-</b>	<b>-</b>	<b>-</b>

### 21.5 Australian Research Council

	Projects	Fellowships	Total
(a) Discovery			
Financial assistance received in cash during reporting period	5,383	4,341	118
Net accrual adjustments	-	-	-
<b>Revenue for the period</b>	<b>5,383</b>	<b>4,341</b>	<b>118</b>
Surplus/(deficit) from the previous year	1,341	1,237	35
<b>Funds available for the period</b>	<b>6,724</b>	<b>5,578</b>	<b>153</b>
Less expenses including accrued expenses	(5,092)	(4,237)	(153)
<b>Surplus/(deficit) for the reporting period</b>	<b>1,632</b>	<b>1,341</b>	<b>35</b>

	Special Research Initiatives	Infrastructure	Projects
(b) Linkages			
Financial assistance received in cash during reporting period	136	40	914
Net accrual adjustments	-	-	-
<b>Revenue for the period</b>	<b>136</b>	<b>40</b>	<b>914</b>
Surplus/(deficit) from the previous year	-	-	-
<b>Funds available for the period</b>	<b>136</b>	<b>40</b>	<b>914</b>
Less expenses including accrued expenses	(3)	(40)	(805)
<b>Surplus/(deficit) for the reporting period</b>	<b>133</b>	<b>-</b>	<b>109</b>

	Centres of Excellence	Total
(c) Centres		
Financial assistance received in cash during reporting period	968	948
Net accrual adjustments	(484)	(484)
<b>Revenue for the period</b>	<b>484</b>	<b>948</b>
Surplus/(deficit) from the previous year	-	-
<b>Funds available for the period</b>	<b>484</b>	<b>948</b>
Less expenses including accrued expenses	(484)	(948)
<b>Surplus/(deficit) for the reporting period</b>	<b>-</b>	<b>-</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2005

### UNIVERSITY ONLY

2004	2005	2004	2005	2004
\$'000	\$'000	\$'000	\$'000	\$'000

Infrastructure Initiative	Research Infrastructure Block Grant		Total	
-	4,914	3,923	32,683	25,357
-	-	341	-	2,205
-	<b>4,914</b>	<b>4,264</b>	<b>32,683</b>	<b>27,562</b>
3,000	-	-	3,000	3,000
<b>3,000</b>	<b>4,914</b>	<b>4,264</b>	<b>35,683</b>	<b>30,562</b>
-	(4,914)	(4,264)	(29,995)	(27,562)
<b>3,000</b>	<b>-</b>	<b>-</b>	<b>5,688</b>	<b>3,000</b>

4,671

-

**4,671**

1,344

**6,015**

(4,639)

**1,376**

### Total

2,399	3,539	2,643
-	-	-
<b>2,399</b>	<b>3,539</b>	<b>2,643</b>
1,174	1,357	1,174
<b>3,573</b>	<b>4,896</b>	<b>3,817</b>
(2,216)	(3,151)	(2,460)
<b>1,357</b>	<b>1,745</b>	<b>1,357</b>

## 22. FINANCIAL INSTRUMENTS

The University's activities expose it to a variety of financial risks, as follows:

### Market risk

Investments mainly comprise investments in managed investment funds. The Investment Fund has a prudent longer-term investment strategy with a growth-style portfolio including equities. It is acknowledged there may be short-term fluctuations in asset values from time to time with such a strategy. The possibility of a negative return is approximately one year in seven. Historical trends for such a strategy indicate that, with reasonable probability, unrealised losses will be recovered in the short to medium term.

The managers place a great deal of emphasis on risk management and constantly examine the risk and return profiles of the portfolios in terms of both asset allocation and the active management of each asset class within the portfolio. This ensures a well diversified portfolio of assets, which has proven successful in adding value in an environment of risk aversion and falling equity markets.

### Credit risk

The maximum exposure to credit risk on financial assets of the consolidated entity, excluding investments, relates to receivables which are exposed to the risk of financial loss due to the other party to the contract failing to discharge a financial obligation. The maximum credit risk exposure in relation to receivables is the carrying amount less the provision for doubtful debts. The economic entity is not materially exposed to any individual or group. Accounts receivable credit terms are 30 days.

### Foreign currency risk

The University does not hold any foreign currency bank accounts. Amounts payable or receivable in foreign currencies at balance date are converted into Australian currency at market exchange rates at balance date. Currency conversion gains and losses are included in the operating result for the year.

### Interest rate risk

The consolidated entity's exposure to interest rate risk, and the effective weighted average interest rate by class of asset or liability is set out in the table on the following page. The table also details the fair values of financial assets and liabilities. Exposures arise predominantly from asset and liabilities bearing variable interest rates as the consolidated entity intends to hold fixed rate assets and liabilities to maturity.

## 22. FINANCIAL INSTRUMENTS (continued)

	Non interest bearing \$'000	Floating \$'000	1 year or less \$'000	Over 1 year to 5 years \$'000	More than 5 years \$'000	Carrying amount as per balance sheet \$'000	Weighted effective interest rate %	Fair value \$'000
<b>Financial assets 2005</b>								
Cash		7,904				7,904	4.75	7,904
Short-term deposits and bills			3,104			3,104	5.52	3,104
Trade debtors	6,785					6,785	n/a	6,785
Other receivables	1,712					1,712	n/a	1,712
Sundry loans	450					450	n/a	450
Investment fund		111,229	23,163			134,392	13.77	134,392
Trust investments		2,910	177			3,087	10.51	3,087
Shares unlisted	1					1	n/a	1
<b>Total financial assets</b>	<b>8,948</b>	<b>122,043</b>	<b>26,444</b>	<b>-</b>	<b>-</b>	<b>157,435</b>		<b>157,435</b>
<b>Financial liabilities 2005</b>								
Creditors and accruals	16,466					16,466	n/a	16,466
Bonds and deposits	255					255	n/a	255
Monies held on behalf of CRCs		1,643				1,643	5.35	1,643
<b>Total liabilities</b>	<b>16,721</b>	<b>1,643</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>18,364</b>		<b>18,364</b>
<b>Financial assets 2004</b>								
Cash		5,464				5,464	4.20	5,464
Short-term deposits and bills			2,989			2,989	5.25	2,989
Trade debtors	5,068					5,068	n/a	5,068
Other receivables	590					590	n/a	590
Sundry loans	500					500	n/a	500
Investment fund		76,743	22,226			98,969	15.40	98,969
Trust investments		4,547	572			5,119	10.70	5,119
Shares unlisted	473					473	n/a	473
<b>Total financial assets</b>	<b>6,631</b>	<b>86,754</b>	<b>25,787</b>	<b>-</b>	<b>-</b>	<b>119,172</b>		<b>119,172</b>
<b>Financial liabilities 2004</b>								
Creditors and accruals	9,008					9,008	n/a	9,008
Bonds and deposits	261					261	n/a	261
Monies held on behalf of CRCs		3,100				3,100	5.15	3,100
<b>Total liabilities</b>	<b>9,269</b>	<b>3,100</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12,369</b>		<b>12,369</b>



## 23. SUPERANNUATION COMMITMENTS

### (a) Schemes operational and open to membership

#### i) UniSuper Limited

The majority of University staff are members of schemes and plans administered and managed by UniSuper Limited. University contributions are expensed as incurred.

The UniSuper Defined Benefit Plan (DBP) is a defined benefit plan. Sufficient information is not available to account for the defined benefits provided by the DBP as a defined benefit plan. As set out under Paragraph 32(b) of AASB 119, the DBP exposes the participating employers to actuarial risks associated with the current and former employees of other participating employers, with the result that there is no consistent and reliable basis for allocating the obligation, plan asset and cost to participating employers.

As advised by UniSuper, as at 30 June 2005 there is no funding surplus or deficit which currently affects, or is expected to affect, the amount of future contributions payable by participating employers to the DBP. Historically, surplus in the DBP has been used to improve members' benefits and has not affected the amount of participating employers' contributions.

As at 30 June 2005 the assets of the DBP in aggregate were estimated to be \$230 million in excess of vested benefits. The vested benefits are benefits which are not conditional upon continued membership (or any factor other than leaving the service of the participating institution) and include the value of CPI indexed pensions being provided by the DBP.

As at 30 June 2005, the assets of the DBP in aggregate were estimated to be \$1,543 million in excess of accrued benefits. The accrued benefits have been calculated as the present value of expected future benefit payments to members and CPI indexed pensioners which arise from membership of UniSuper up to the reporting date.

The vested benefits and accrued benefit liabilities were determined by the Fund's actuary, Russell Employee Benefits, using the actuarial demographic assumptions outlined in their report dated 16 May 2003 on the actuarial investigation of the DBP as at 31 December 2002. The financial assumptions used were:

	Vested Benefits	Accrued Benefits
Gross of tax investment return	7.00%	9.10%
Net of tax investment return	6.50%	8.60%
Consumer Price Index	2.50%	2.50%
Inflationary salary increases	3.50%	3.50%
(additional promotional salary increases are assumed to apply based on past experience).		

Assets have been included at their net market value, i.e. allowing for realisation costs.

Clause 34 of the UniSuper Trust Deed outlines the process UniSuper must undertake (including employer notifications and notice periods) in order to request additional contributions from employers if the UniSuper assets are considered by the Trustee

to be insufficient to provide benefits payable under the Deed. At least four years notice that such a request may be made is required. Employers must jointly determine the amount (if any) they are willing to contribute as additional contributions to UniSuper. If such a request was agreed to by all the employers, then members must also contribute additional contributions equal to one-half of the rate at which the employers are jointly prepared to contribute. If all the employers do not agree to increase contributions the Trustee must reduce benefits payable to defined benefit members on a fair and equitable basis. The Trustee notified employers during 2003 that such a request may be made in the future but considered that this was unlikely at the time.

### (b) Schemes closed to future membership

The University of Tasmania Staff Superannuation and Additional Benefits Scheme was closed on 31 December 1982 and wound up. Two aspects of the scheme remain, the Lump Sum Compensation Benefits scheme and the Supplementary Pension Scheme.

#### i) Lump Sum Compensation Benefits

As part of the winding up of the University of Tasmania Staff Superannuation and Additional Benefits Scheme it was agreed with members that staff transferring contributions would be compensated at retirement. The calculation of compensation is formula-based and consistent with terms determined by Council in 1982. Compensation is adjusted in line with movements in the Consumer Price Index. It is financed on an emerging cost basis and charged against operating funds.

	2005 \$'000	2004 \$'000
<b>Liabilities recognised in the balance sheet</b>		
Total liability – current	21	21

#### ii) Supplementary Pension Scheme Liability

The University of Tasmania has a liability in respect of pensions paid, being supplementary pensions being paid and reversionary pensions which may become payable to spouses in the future. This is a closed scheme.

In an actuarial report prepared by Mr Brian Bendzulla of Bendzulla Actuarial Pty Ltd, dated 3 January 2006, the University's liability was as follows:

	2005 \$'000	2004 \$'000
<b>Liabilities recognised in the balance sheet</b>		
Total liability	14,307	14,800
Current	1,438	1,433
Non-current	12,869	13,367
	14,307	14,800
<b>Principal actuarial assumptions</b>	%	%
Discount rate	5.40	5.40
Inflation (pensions)	4.50	4.50

## 23. SUPERANNUATION COMMITMENTS (continued)

### iii) Retirement Benefits Fund

The University of Tasmania has a liability in respect of a small number of staff who transferred from the Tasmanian College of Advanced Education and who are members of the State Government scheme, the Retirement Benefits Fund.

The right to re-imbursement from the Commonwealth for the unfunded past service liability of \$9.652m (2004: \$8.732m) is recognised as an asset in Note 5 – Receivables.

In an actuarial report prepared by Catherine Nance of PriceWaterhouseCoopers, dated 12 January 2006, the University's liability was as follows:

	2005 \$'000	2004 \$'000
<b>Liabilities recognised in the balance sheet</b>		
Defined benefit obligations	14,231	13,018
Fair value of plan assets	(4,579)	(4,286)
Net liability	9,652	8,732
Current	879	970
Non-current	8,773	7,762
	9,652	8,732
<b>Movements in the net liability for defined benefit obligations recognised in the balance sheet</b>		
Net liability for defined benefit obligations at 1 January	8,732	
Contributions received	(579)	
Expense recognised in the income statement	1,499	
	9,652	
<b>Expense recognised in the income statement</b>		
Employer service cost	51	
Interest cost	727	
Expected return on plan assets	(291)	
Recognised actuarial losses	1,012	
Expense recognised	1,499	
<b>Principal actuarial assumptions</b>		
Discount rate (gross of tax)	5.30%	6.10%
Expected return on plan assets	7.00%	7.00%
Future salary increases	4.50%	4.50%
Inflation (pensions)	2.50%	2.50%

The expected return on plan assets (net of tax) has been based on the expected long-term returns for each of the major asset classes in which the plan invests.

### Plan assets

	2005	2004
Australian equities	36%	36%
Overseas equities	20%	36%
Fixed interest securities	25%	23%
Property	19%	21%
	100%	116%

### Funded status of defined benefit obligations

	\$'000	\$'000
Funded	5,956	5,390
Unfunded	8,275	7,628
	14,231	13,018

## 24. REMUNERATION OF AUDITORS

During the year the following fees were paid for services provided to the University by the auditor and non-related audit firms:

### Audit services

Fees paid to the Tasmanian Audit Office for the audit of financial reports

Fees paid to other audit firms for the audit of financial reports

### Total remuneration for audit services

### Assurance services

Fees paid to other audit firms:

Internal audit services

Audit of grant monies

### Total remuneration for assurance services

	Economic Entity (Consolidated)		Parent Entity (University)	
	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
	75	68	75	68
	7	5	-	-
	<b>82</b>	<b>73</b>	<b>75</b>	<b>68</b>
	180	161	180	155
	25	26	25	26
	<b>205</b>	<b>187</b>	<b>205</b>	<b>181</b>

## 25. REMUNERATION OF EXECUTIVES

The number of executive positions where the total remuneration (including salary, superannuation and other benefits) for the reporting period exceeded \$100,000 within bands of \$10,000 were:

\$100,000 to \$109,999

\$110,000 to \$119,999

\$120,000 to \$129,999

\$140,000 to \$149,999

\$150,000 to \$159,999

\$160,000 to \$169,999

\$170,000 to \$179,999

\$180,000 to \$189,999

\$200,000 to \$209,999

\$210,000 to \$219,999

\$220,000 to \$229,999

\$350,000 to \$359,999

\$360,000 to \$369,999

	No.	No.	No.	No.
	1	-	1	-
	1	-	1	-
	-	1	-	1
	2	-	2	-
	-	1	-	1
	1	3	1	3
	3	1	3	1
	1	-	1	-
	-	2	-	2
	2	2	2	2
	1	-	1	-
	-	1	-	1
	1	-	1	-
	<b>13</b>	<b>11</b>	<b>13</b>	<b>11</b>

Aggregate remuneration of executives

"Executives" are defined as including the Vice-Chancellor and those senior staff who report to him as the Chief Executive Officer

2,463	2,140	2,463	2,140
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## 26. EXPLANATION OF TRANSITION TO AUSTRALIAN EQUIVALENTS TO IFRS

### 1 Reconciliation of equity reported under previous Australian Generally Accepted Accounting Principles (AGAAP) to equity under Australian equivalents to IFRS (AIFRS)

It is noted that a number of the adjustments below relate to reallocations that are not specifically required by AIFRS, but have been included for completeness.

#### (a) At the date of transition to AIFRS: 1 January 2004

	Note	Previous AGAAP \$'000	Consolidated Effect of Transition to AIFRS \$'000	AIFRS \$'000	Previous AGAAP \$'000	Parent Entity Effect of Transition to AIFRS \$'000	AIFRS \$'000
<b>ASSETS</b>							
<b>Current assets</b>							
Cash and cash equivalents		2,133	-	2,133	2,133	-	2,133
Receivables		5,988	-	5,988	5,735	-	5,735
Inventories		205	-	205	205	-	205
Other financial assets	a	89,767	932	90,699	78,960	811	79,771
Other non-financial assets		1,894	-	1,894	1,860	-	1,860
<b>Total current assets</b>		<b>99,987</b>	<b>932</b>	<b>100,919</b>	<b>88,893</b>	<b>811</b>	<b>89,704</b>
<b>Non-current assets</b>							
Receivables		7,501	-	7,501	7,501	-	7,501
Other financial assets		14,570	-	14,570	14,590	-	14,590
Property, plant and equipment		284,422	-	284,422	284,376	-	284,376
<b>Total non-current assets</b>		<b>306,493</b>	<b>-</b>	<b>306,493</b>	<b>306,467</b>	<b>-</b>	<b>306,467</b>
<b>Total assets</b>		<b>406,480</b>	<b>932</b>	<b>407,412</b>	<b>395,360</b>	<b>811</b>	<b>396,171</b>
<b>LIABILITIES</b>							
<b>Current liabilities</b>							
Payables		4,515	-	4,515	4,489	-	4,489
Provisions	b	14,593	(7,340)	7,253	14,515	(7,340)	7,175
Other liabilities		17,308	-	17,308	17,232	-	17,232
<b>Total current liabilities</b>		<b>36,416</b>	<b>(7,340)</b>	<b>29,076</b>	<b>36,236</b>	<b>(7,340)</b>	<b>28,896</b>
<b>Non-current liabilities</b>							
Provisions	b	20,244	7,340	27,584	20,244	7,340	27,584
<b>Total non-current liabilities</b>		<b>20,244</b>	<b>7,340</b>	<b>27,584</b>	<b>20,244</b>	<b>7,340</b>	<b>27,584</b>
<b>Total liabilities</b>		<b>56,660</b>	<b>-</b>	<b>56,660</b>	<b>56,480</b>	<b>-</b>	<b>56,480</b>
<b>Net assets</b>		<b>349,820</b>	<b>932</b>	<b>350,752</b>	<b>338,880</b>	<b>811</b>	<b>339,691</b>
<b>EQUITY</b>							
Reserves	c	240,807	(48,760)	192,047	240,807	(48,760)	192,047
Statutory funds	d	25,049	9,841	34,890	25,049	(5,021)	20,028
Retained surplus		83,964	39,851	123,815	73,024	54,592	127,616
<b>Total equity</b>		<b>349,820</b>	<b>932</b>	<b>350,752</b>	<b>338,880</b>	<b>811</b>	<b>339,691</b>

#### The adjustments comprise:

	Consolidated	Parent
a Restatement of investments from cost to fair value	* 932	811
b Re-state current and non-current long service leave	7,340	7,340
	(7,340)	(7,340)
c Transfer prior revaluations of library to retained earnings (now deemed cost) \$35.421m and prior revaluations of investment property to retained earnings (now fair value through profit or loss) \$13.339m	* (48,760)	(48,760)
d Correct balance of statutory reserves	* 9,841	(5,021)
Net adjustment to retained surplus (*)	* 39,851	54,592

## 26. EXPLANATION OF TRANSITION TO AUSTRALIAN EQUIVALENTS TO IFRS (continued)

### 1 Reconciliation of equity reported under previous Australian Generally Accepted Accounting Principles (AGAAP) to equity under Australian equivalents to IFRS (AIFRS) (continued)

(b) At the end of the last reporting period under previous AGAAP: 31 December 2004

	Note	Previous AGAAP \$'000	Consolidated Effect of Transition to AIFRS \$'000	AIFRS \$'000	Previous AGAAP \$'000	Parent Entity Effect of Transition to AIFRS \$'000	AIFRS \$'000
<b>ASSETS</b>							
<b>Current assets</b>							
Cash and cash equivalents	a	3,264	5,189	8,453	3,264	5,174	8,438
Receivables	b	6,599	590	7,189	6,597	578	7,175
Inventories		109	-	109	109	-	109
Other financial assets	c	102,476	7,941	110,417	87,835	6,235	94,070
Other non-financial assets	d	3,294	(1,166)	2,128	3,266	(1,154)	2,112
<b>Total current assets</b>		<b>115,742</b>	<b>12,554</b>	<b>128,296</b>	<b>101,071</b>	<b>10,833</b>	<b>111,904</b>
<b>Non-current assets</b>							
Receivables	e	6,286	1,726	8,012	6,286	1,726	8,012
Other financial assets		6,803	-	6,803	6,823	-	6,823
Property, plant and equipment		284,779	-	284,779	284,655	-	284,655
<b>Total non-current assets</b>		<b>297,868</b>	<b>1,726</b>	<b>299,594</b>	<b>297,764</b>	<b>1,726</b>	<b>299,490</b>
<b>Total assets</b>		<b>413,610</b>	<b>14,280</b>	<b>427,890</b>	<b>398,835</b>	<b>12,559</b>	<b>411,394</b>
<b>LIABILITIES</b>							
<b>Current liabilities</b>							
Payables	f	6,315	2,693	9,008	6,419	2,621	9,040
Provisions	g	15,947	(7,792)	8,155	15,808	(7,792)	8,016
Other liabilities	h	7,085	(169)	6,916	6,948	(97)	6,851
<b>Total current liabilities</b>		<b>29,347</b>	<b>(5,268)</b>	<b>24,079</b>	<b>29,175</b>	<b>(5,268)</b>	<b>23,907</b>
<b>Non-current liabilities</b>							
Provisions	i	20,403	13,406	33,809	20,403	13,406	33,809
<b>Total non-current liabilities</b>		<b>20,403</b>	<b>13,406</b>	<b>33,809</b>	<b>20,403</b>	<b>13,406</b>	<b>33,809</b>
<b>Total liabilities</b>		<b>49,750</b>	<b>8,138</b>	<b>57,888</b>	<b>49,578</b>	<b>8,138</b>	<b>57,716</b>
<b>Net assets</b>		<b>363,860</b>	<b>6,142</b>	<b>370,002</b>	<b>349,257</b>	<b>4,421</b>	<b>353,678</b>
<b>EQUITY</b>							
Reserves	j	242,960	(48,760)	194,200	242,960	(48,760)	194,200
Statutory funds		27,131	9,841	36,972	27,131	(6,386)	20,745
Retained surplus		93,769	45,061	138,830	79,166	59,567	138,733
<b>Total equity</b>		<b>363,860</b>	<b>6,142</b>	<b>370,002</b>	<b>349,257</b>	<b>4,421</b>	<b>353,678</b>

#### The adjustments comprise:

	Consolidated	Parent
a Reallocation of short-term deposits and bills from investments to cash	5,189	5,174
b Reallocation of GST asset from other assets to receivables	1,166	1,154
Reallocation of GST liability from other liabilities to receivables	(576)	(576)
	590	578
c Reallocation of short term deposits and bills from investments to cash	(5,189)	(5,174)
Restatement of investments from cost to fair value – current year	*	9,098
Restatement of investments from cost to fair value – prior year	*	932
Reallocation of CRC monies owed to other liabilities	3,100	3,100
	7,941	6,235
d Reallocation of GST asset from other assets to receivables	(1,166)	(1,154)
e Increase in RBF superannuation liability with corresponding increase in receivable	1,726	1,726
Net adjustment to retained surplus (*)		



## 26. EXPLANATION OF TRANSITION TO AUSTRALIAN EQUIVALENTS TO IFRS (continued)

### 1 Reconciliation of equity reported under previous Australian Generally Accepted Accounting Principles (AGAAP) to equity under Australian equivalents to IFRS (AIFRS) (continued)

#### (b) At the end of the last reporting period under previous AGAAP: 31 December 2004

The adjustments comprise:	Consolidated	Parent
f Reallocation of accrued expenses to payables	2,693	2,621
g Restate current and non-current long service leave	(7,792)	(7,792)
h Reallocation of accrued expenses to payables	(2,693)	(2,621)
Reallocation of GST liability from other liabilities to receivables	(576)	(576)
Reallocation of CRC monies owed to other liabilities	3,100	3,100
	(169)	(97)
i Increase in RBF superannuation liability	1,726	1,726
Increase in pensions liability	* 3,888	3,888
Restate current and non-current long service leave	7,792	7,792
	13,406	13,406
j Transfer prior revaluations of library to retained earnings (now deemed cost)	* (35,421)	(35,421)
Transfer prior revaluations of investment property to retained earnings (now fair value through profit or loss)	* (13,339)	(13,339)
	(48,760)	(48,760)
k Correct balance of statutory reserves	* 9,841	(6,386)
Net adjustment to retained surplus (*)	* 45,061	59,567

### 2 Reconciliation of profit for the year ended 31 December 2004

	Note	Previous AGAAP \$'000	Consolidated Effect of Transition AIFRS \$'000	AIFRS \$'000	Previous AGAAP \$'000	Parent Entity Effect of Transition to AIFRS \$'000	AIFRS \$'000
<b>REVENUE FROM CONTINUING OPERATIONS</b>							
Australian Government financial assistance							
Australian Government Grants		132,790	-	132,790	132,790	-	132,790
HECS-HELP – Australian Govt payments		35,613	-	35,613	35,613	-	35,613
FEE-HELP		1,773	-	1,773	1,773	-	1,773
Tasmanian Govt financial assistance		7,599	-	7,599	7,599	-	7,599
HECS-HELP – Student payments		4,171	-	4,171	4,171	-	4,171
Fees & charges		32,989	-	32,989	32,989	-	32,989
Investment income	a	3,234	9,098	12,332	2,828	7,498	10,326
Consultancy and contract research		6,777	-	6,777	6,777	-	6,777
Other revenue	b	16,139	(3,696)	12,443	13,516	(3,696)	9,820
		241,085	5,402	246,487	238,056	3,802	241,858
Superannuation – Deferred							
Govt contribution		(142)	-	(142)	(142)	-	(142)
<b>Total revenue from continuing operations</b>		<b>240,943</b>	<b>5,402</b>	<b>246,345</b>	<b>237,914</b>	<b>3,802</b>	<b>241,716</b>

## 26. EXPLANATION OF TRANSITION TO AUSTRALIAN EQUIVALENTS TO IFRS (continued)

### 2 Reconciliation of profit for the year ended 31 December 2004

	Note	Previous AGAAP \$'000	Consolidated Effect of Transition AIFRS \$'000	AIFRS \$'000	Previous AGAAP \$'000	Parent Entity Effect of Transition to AIFRS \$'000	AIFRS \$'000
<b>EXPENSES FROM CONTINUING OPERATIONS</b>							
Employee benefits		128,890	-	128,890	128,668	-	128,668
Depreciation and amortisation		16,318	-	16,318	16,287	-	16,287
Repairs and maintenance		8,485	-	8,485	8,485	-	8,485
Bad & doubtful debts		409	-	409	409	-	409
Other expenses	b	74,950	(3,696)	71,254	75,841	(3,696)	72,145
<b>Total expenses from continuing operations</b>		<b>229,052</b>	<b>(3,696)</b>	<b>225,356</b>	<b>229,690</b>	<b>(3,696)</b>	<b>225,994</b>
<b>Operating result before income tax</b>		<b>11,891</b>	<b>9,098</b>	<b>20,989</b>	<b>8,224</b>	<b>7,498</b>	<b>15,722</b>
Income tax expense		4	-	4	-	-	-
<b>Operating result for the year</b>		<b>11,887</b>	<b>9,098</b>	<b>20,985</b>	<b>8,224</b>	<b>7,498</b>	<b>15,722</b>

#### The adjustments comprise:

	Consolidated	Parent
a Restatement of investments from cost to fair value	9,098	7,619
b Offset proceeds on sale of PPE against other expenses	3,696	3,696

### 3 Reconciliation of cash flow statement for the year ended 31 December 2004

The adoption of AIFRS has not resulted in any material adjustments to the cash flow statement.

### 4 Adjustments on transition to AASB 132 Financial Instruments: Disclosure and Presentation and AASB 139 Financial Instruments: Recognition and Measurement: 1 January 2005

The University has not taken the exemption available under AASB 1 to apply AASB 132 and AASB 139 only from 1 January 2005. As such, comparative information has been restated to comply with AASB 132 and AASB 139.

**STATEMENT BY PRINCIPAL ACCOUNTING OFFICER**

In my opinion:

- (a) the financial statements present a true and fair view of the financial position of the University and the consolidated entity as at 31 December 2005 and of their performance, as represented by the results of their operations and their cash flows, for the year ended on that date, and comply with Australian Accounting Standards and the Financial Statement Guidelines for Australian Higher Education Providers for the 2005 Reporting Period (issued by the Australian Government Department of Education Science and Training);
- (b) at the time of signing the statements there are reasonable grounds to believe that the University will be able to pay its debts as and when they fall due; and
- (c) the amount of Australian Government financial assistance expended during the reporting period was for the purpose(s) for which it was intended, and the University has complied with applicable legislation, contracts, agreements and programme guidelines in making expenditure.

In addition, at the date of signing I am not aware of any circumstances which would render the particulars included in the financial statements misleading or inaccurate.

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

G.A. HENNESSY  
Director Financial Services  
07 June 2006

**STATEMENT BY THE VICE-CHANCELLOR AND THE CHIEF FINANCIAL OFFICER**

In our opinion:

- a) the financial statements present a true and fair view of the financial position of the University and the consolidated entity as at 31 December 2005 and of their performance, as represented by the results of their operations and their cash flows, for the year ended on that date, and comply with Australian Accounting Standards and the Financial Statement Guidelines for Australian Higher Education Providers for the 2005 Reporting Period (issued by the Australian Government Department of Education Science and Training);
- b) at the time of signing the statements there are reasonable grounds to believe that the University will be able to pay its debts as and when they fall due; and
- c) the amount of Australian Government financial assistance expended during the reporting period was for the purpose(s) for which it was intended, and the University has complied with applicable legislation, contracts, agreements and programme guidelines in making expenditure.

In addition, at the date of signing we are not aware of any circumstances which would render the particulars included in the financial statements misleading or inaccurate.

A handwritten signature in black ink, appearing to read 'D. Le Greu'.

D. LE GREU  
Vice-Chancellor  
07 June 2006

A handwritten signature in black ink, appearing to read 'B.J. Lillis'.

B.J. LILLIS  
Executive Director Finance and Administration  
07 June 2006



## **INDEPENDENT AUDIT REPORT**

**To the Members of the Parliament of Tasmania**

### **UNIVERSITY OF TASMANIA**

Financial Report for the Year Ended 31 December 2005

### **Matters Relating to the Electronic Presentation of the Audited Financial Report**

This audit report relates to the financial report published in both the annual report and on the website of the University of Tasmania for the year ended 31 December 2005. The University's Council members are responsible for the integrity of both the annual report and its website.

The audit report refers only to the financial statements and notes named below. It does not provide an opinion on any other information which may have been hyperlinked to/from the audited financial report.

If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial report in the University of Tasmania's annual report.

### **Scope**

*The financial report and the responsibilities of Members of the University Council*

The financial report comprises the Income Statement, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows, accompanying notes to the financial statements, and the Statement by the Vice-Chancellor and the Chief Financial Officer for the year ended 31 December 2005. The financial report includes the consolidated financial report of the economic entity, comprising the University of Tasmania and the entities it controlled at the financial year's end, or from time to time during the financial year.

The Members of University Council are responsible for the preparation and true and fair presentation of the financial report in accordance, with applicable legislation. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

### **Audit approach**

I conducted an independent audit in order to express an opinion to the Members of the Parliament of Tasmania. My audit was conducted in accordance with Australian Auditing Standards in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgment, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

I performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with applicable legislation, the Accounting Standards and other mandatory financial reporting requirements in Australia, a view which is consistent with my understanding of the University of Tasmania's financial position, and of its performance as represented by the results of its operations and cash flows.

I formed my audit opinion on the basis of these procedures, which included:

- Examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report, and
- Assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the Council.

While I considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of my procedures, my audit was not designed to provide assurance on internal controls.

The audit opinion expressed in this report has been formed on the above basis.

### **Independence**

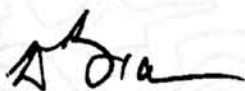
In conducting my audit, I followed applicable independence requirements of Australian professional ethical pronouncements.

### **Audit Opinion**

In my opinion the financial report of the University of Tasmania:

- a) Presents fairly the financial position of the University of Tasmania and the consolidated entity as at 31 December 2005, and the results of its operations, changes in equity and its cash flows for the year then ended; and
- b) Is in accordance with applicable legislation, Accounting Standards and other mandatory financial reporting requirements in Australia.

TASMANIAN AUDIT OFFICE



H M Blake  
**AUDITOR-GENERAL**

9 June 2006  
**HOBART**



The organizational chart of the University of Tasmania is structured as follows:

- COUNCIL**
  - Academic Senate**
    - Faculties and Schools**
      - Arts**
        - Arts (Hobart)
        - Asian Languages & Studies
        - Conservatorium of Music
        - English, Journalism & European Languages
        - Government History & Classics
        - Philosophy
        - Riawunna
        - Sociology & Social Work
        - Visual & Performing Arts (Launceston)
      - Commerce**
        - Accounting & Finance
        - Economics
        - Information Systems Management
      - Education**
        - Education
      - Health Science**
        - Human Life Sciences
        - Medicine
        - Nursing & Midwifery
        - Pharmacy
        - Rural Health
      - Law**
        - Law
        - Tasmania Law Reform Institute
      - Science, Engineering & Technology**
        - Agricultural Science
        - Aquaculture
        - Architecture & Urban Design
        - Chemistry
        - Computing
        - Earth Sciences
        - Engineering
        - Geography & Environmental Studies
        - Mathematics & Physics including: IASOS
        - Plant Science
        - Psychology
        - Zoology
      - Deputy Vice-Chancellor**
        - International Services Including: English Language Centre
        - Transnational Education (UBE)
      - Executive Director Finance & Administration**
        - Academic Administration
        - Accommodation Services (UBE)
        - Asset Management Services
        - Financial & Business Services
        - Governance & Legal
        - Human Resources
        - Information Technology Resources
      - Executive Director Planning & Development**
        - Planning Unit
        - Public Relations & University Extension
        - Student Recruitment
      - Pro Vice-Chancellor Research**
        - Research Services
      - Pro Vice-Chancellor Teaching & Learning**
        - Centre for the Advancement of Learning & Teaching
        - Cradle Coast Campus
        - Graduate School
        - Library
    - Office of the Vice-Chancellor Office of Risk Management and Audit Assurance**
      - Menzies Research Institute**
      - Southern Ice Ltd**
      - UNITAS Consulting Ltd**
      - University Foundation**
    - Administrative Divisions**
      - Audit Committee**
      - Built Environment Committee**
      - Ceremonial & Honorary Degrees Committee**
      - Finance Committee**
      - Legislation Committee**
      - Nominations Committee**
      - Remuneration Committee**
  - Vice-Chancellor**
    - Management Accountability**
    - Policy Advice**

**The University of Tasmania is a member of these cooperative research centres (CRCs)**

- Antarctic Climate and Ecosystems CRC
- CRC for Sustainable Production Forestry
- CRC for Sustainable Aquaculture of Finfish
- CRC for Sustainable Tourism
- CRC for Smart Internet Technology

**CODES: Centre for One Deposit Research**  
**IASOS: Institute of Antarctic & Southern Ocean Studies**  
**TAFI: Tasmanian Aquaculture & Fisheries Institute**  
**TIAR: Tasmanian Institute of Agricultural Research**  
**TILES: Tasmanian Institute of Law Enforcement Studies**





