

People-centred

Place-based but globally connected

Right-sized and responsive

Regionally networked

ANNUAL REPORT 2018
UNIVERSITY OF TASMANIA

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UNIVERSITY OF TASMANIA

ANNUAL REPORT 2018

This report is made in accordance with a resolution of the members of the Council of the University of Tasmania on 3 May, 2019.

To Her Excellency

Professor the Honourable Kate Warner AC

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, on the proceedings of the University for 2018 and to present the financial statement for that year.



The Honourable Michael Field AC
Chancellor

3 May, 2019



Conversation and collegiality are at the heart of universities, and this year we have been having rich discussions around a series of themes that could guide our future.

These conversations have shaped a view that our university be place-based, but globally connected and excellent, and right-sized and responsive. Also, that it shifts its operating approach from a hub-and-spoke model to one which is regionally networked and designed to deliver quality and access to higher education for the whole State.

We have highlighted the importance of a people-centred approach, of working with each other through the college model to deliver our mission, and to find simpler ways to operate so more of our time is spent on what matters.

From the Introduction to the University of Tasmania Strategic Direction, November 2018
For further information: <http://www.utas.edu.au/vc/strategic-direction>

Cover image: Distinctly Tasmanian: the deciduous beech, or fagus, here depicted in its autumnal glory, is found nowhere else in the world. Credit: Chris Crerar.

Institutional Overview



**Professor Rufus Black,
Vice-Chancellor**

The University of Tasmania plays a fundamental role in shaping the social, cultural and economic future of the State, working in partnership with communities, government and industry. We are very much committed to creating a prosperous, inclusive and sustainable future for the Island.

In 2018, the University engaged in a consultative process to re-evaluate its mission and in doing so identified the steps needed to ensure that over the next decade or so we could consolidate our place in the very heart of the Tasmanian community.

That process was driven by new leadership at the highest level, with the support of the University Council.

In March 2018, following the arrival of Vice-Chancellor Professor Rufus Black, the appointment of Professor Jane Long as the new Provost was announced. At the same time, in a bid to simplify decision-making and improve two-way communication, the University Executive Team was established, replacing SENEX and the Senior Management Team that previously operated concurrently.

In July 2018, the first meeting of the University Leaders' Network (ULN), comprising about 140 people across the community and each of the campuses, was held. To convene twice a year, this particular forum is intended to help inform and guide the University's institutional strategy and to engage with a broader group around where we are heading as an institution. Thinking around this should always be a group task and the ULN serves that very important function.

The inaugural meeting saw a spirited conversation around the need to make life simpler for staff, and that led to the formation of a small team to help implement the principles of Lean, a well-established process improvement methodology.

A new way of cascading information through the organisation and of getting staff involved in strategic discussions was then unveiled. This

enabled a university-wide conversation about our future that importantly was two-way. It ensured as wide a range of people as possible got a chance to talk about three fundamental questions that go to the issue of purpose and to feed their thoughts into the whole-of-university conversation.

The questions posed were: What sort of university should we aspire to be – the global model in Tasmania or place-based and globally connected? Do we want to continue the growth model or move to a right-size model? What are the parameters for equity, quality and regional presence we are committed to for the delivery of higher education in Tasmania?

Wonderfully rich contributions from a great many people were made through the cascading conversations offering a terrific breadth and depth of perspective. This provided a rich resource for us all. Space for such conversations should always be available. The University Strategic Forum, in its review of the Cascading Conversations feedback, identified common ground about the idea that the University should focus its efforts on being place-based and both globally connected and globally excellent; right-sized and responsive; creating equivalent educational opportunity, experience and outcomes; and that we seek to be a networked university across our regions rather than continue a hub-and-spoke model. The importance of reforming how we work to make ourselves truly people-centred was a widely held view as was the need to move to longer-term planning and to simplify how we work.

The University of Tasmania Strategic Direction 2018 paper, released in late November, aimed to capture those conversations and honour the contribution of hundreds of members of our community, drawing together the basis of a new strategic direction for our university community.

The paper posited that for the University's place-based mission to be successful, and for the Northern Transformation Project to be fully realised, academic leadership in the North and

Institutional Overview

Continued

North-West should be strengthened. To this end, two new positions at Pro Vice-Chancellor level were created.

To get the new college model right, a process was instigated to give the colleges more autonomy and strategic freedom, with one important step being the devolution of authority and accountability to the heads of schools, institutes and disciplines. To strengthen the model of colleges and academic-related divisions working together, the four colleges and the Academic Division came into one portfolio under the Provost, with the Research Division to join them in early 2019.

To ensure staff and students are free to work and learn in a place they feel safe and secure, an independent, external review of current policies and procedures relating to sexual assault and harassment was commissioned. That report, *An Initial Review of Sexual Assault and Sexual Harassment Prevention and Response at the University of Tasmania*, highlighted several areas where the University's practices were not good enough and areas where we could do better. The University resolved to implement all 45 of the report's recommendations, except those that are ongoing, by the year's end.

While focused on shaping its future direction, the University has also worked very hard to address a number of pressing shorter-term issues, notably around student accommodation and flood damage to the Sandy Bay campus in May 2018.

In response to the housing market challenges which continue to confront Tasmania, and mindful that it is a significant player in terms of creating demand and providing accommodation, the University announced a series of measures to meet current and future student demand.

It secured private investment to underwrite a new student accommodation complex of 420 beds, adjacent to the existing Hobart

City Apartments in Melville Street, due for completion at the start of 2021.

Purchases of the Midcity and Fountainside hotels, each for refurbishment along with the Theatre Royal Hotel, and the greenlighting of a plan to expand the existing College Road precinct in Sandy Bay with quality, pre-fabricated accommodation, will deliver more than 300 extra student beds during 2019.

More broadly, progress was made in 2018 on the development of the new campuses at Inveresk/Willis Street and West Park. Architects were selected for both projects and work on the design of the West Park campus began while master planning proceeded on the new Launceston campus. There was much community engagement with the design of the West Park campus, and by year-end, a development application was ready for submission.

A great deal was achieved in 2018 and much more set in train. It was our people that made all of this possible. As we pause to reflect we should always remind ourselves that people are at the heart of what a university such as ours is all about. The University of Tasmania can only ever be as good as the people who choose to work with us, without whom, we simply would not be the very special institution that we are.

We feel confident that 2018 will come to be seen as an important year for shaping the University's direction.

**Professor Rufus Black,
Vice-Chancellor**

**The Honourable Michael Field,
AC, Chancellor**

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.

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 members of the University Executive Team.

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

COMPLIANCE WITH THE VOLUNTARY CODE OF BEST PRACTICE FOR THE GOVERNANCE OF AUSTRALIAN UNIVERSITIES

The University complies with the Voluntary Code of Best Practice for the Governance of Australian Universities.

AUDIT AND RISK**Risk Management**

Risk management at the University is overseen and supported by Council through the Audit and Risk Committee. The focus for risk management during 2018 was to:

- Review and update the Council-approved Whole of University Strategic Risk Profile and facilitate individual detailed risk revisions as management engage formally with the Audit and Risk Committee;

- Work collaboratively with the Strategy and Planning Unit in aligning risk information in the annual planning process;
- Provide support to colleges as they analyse, assess and report on key risks, particularly as they engage formally with the Audit and Risk Committee;
- Review and update the University's response to sexual harm through:
 - Updating the risk management measurement framework to incorporate descriptors of sexual assault and sexual harassment and
 - Undertake a risk assessment to understand the risk of sexual harm to staff, students and others in the University's operation.

Internal Audit

During 2018, the University focused on providing assurance to safeguard operations most critical to enabling success. The University undertook a significant body of internal audit activity with major elements of the program including:

- Consideration of frameworks, systems and processes in respect to procurement, payroll, student accommodation infrastructure builds and domestic coursework scholarships;
- Continued focus on workplace health and safety, fraud assessment and Information Technology systems and security and
- Consideration of the adequacy of the University's framework for Privacy Act compliance.



The 2018 University Council: from left, standing, Professor Kwong Lee Dow, Corey Peterson, Professor Dianne Nicol, Rhys Edwards, Harvey Gibson, Susan Chen, Distinguished Professor Jaime Kirkpatrick, Pip Leedham and Paul Gregg; seated, Jenny Gale, Professor Rufus Black, the Honourable Michael Field AC, Leanne Topfer and Tania Price. *Photo: Alastair Bett.*

TABLE 1 : 2018 Review of Operations

\$M	CONSOLIDATED			UNIVERSITY		
	2018	2017	% increase/ decrease	2018	2017	% increase/ decrease
Total revenue from continuing operations	712.3	679.2	4.9%	763.9	664.8	14.9%
Total expenses from continuing operations	653.2	620.3	5.3%	644.8	610.7	5.6%
Net result	59.1	58.9	0.3%	119.1	54.1	120.1%
Total equity	971.4	912.3	6.5%	962.1	843.1	14.1%

Compliance

The compliance function:

- Continued to develop a new compliance management framework to facilitate and support compliance activity;
- In conjunction with the Audit and Risk team, delivered conflict of interest and fraud and corruption awareness training to internal stakeholders;
- Reviewed the University's Policy Framework to simplify policy drafting and approval processes, as well as providing support to enhance skills capability for policy managers;
- Assumed the project lead role for the University's implementation of recommendations from the Change the Course report and the Rosenthal and Banks report into sexual assault and sexual harassment.

The Auditor-General, through the Tasmanian Audit Office, conducts the annual statutory audit of the University financial statements.

Right to information

During the year, the University received seven applications for access to information under the assessed disclosure provisions of the Right to Information Act 2009, six of which were dealt with under the provisions of the Act.

Public Interest Disclosures

The University's procedures developed in compliance with its obligations under the Public Interest Disclosures Act 2002 may be accessed via the University's website: <http://www.utas.edu.au/legal-office/public-interest-disclosures-act-2002>. There were no relevant disclosures under the Act during 2018.

COUNCIL MEMBERSHIP MEMBERS

These people were members of University Council during the whole of 2018 (unless otherwise indicated):

Chancellor (ex officio)

Hon Michael Field AC

Chancellor since 1 January, 2013, and a member of the University Council since 16 July, 2012.

Vice-Chancellor and President (ex officio)

Professor Rufus Black

Vice-Chancellor of the University of Tasmania and member of the University Council since 1 March, 2018. Professor Mike Calford was Acting Vice-Chancellor from 1 January, 2018 to 28 February, 2018.

Chair of Academic Senate (ex officio)

Professor Dianne Nicol

Chair of Academic Senate and member of

the University Council since 1 January, 2013. Professor Dom Geraghty was Acting Chair of Academic Senate from 1 January, 2018 to 28 February, 2018 while Professor Nicol was in the position of Acting Provost.

Two members appointed by the Minister for Education

Mrs Susan Chen

A member of the University Council since 1 January, 2012.

Ms Jennifer Gale

A member of the University Council from 1 January, 2018 to 9 November, 2018.

**Up to six members appointed by Council
Mr Rhys Edwards**

A member of the University Council since 1 January, 2007. Mr Edwards' term finished on 31 December, 2018.

Deputy Chancellor Mr Harvey Gibson

A member of the University Council since 1 January, 2009 and Deputy Chancellor since 1 January, 2013.

Mr Paul Gregg

A member of the University Council since 1 January, 2009.

Ms Phillipa Leedham

A member of the University Council since 1 January, 2012.

Professor Kwong Lee Dow

A member of the University Council since 3 March, 2014.

Ms Leanne Topfer

A member of the University Council since 16 January, 2015.

**One member elected by academic staff
Distinguished Professor Jamie Kirkpatrick**

A member of the University Council since 1 January, 2017.

**One member elected by professional staff
Mr Corey Peterson**

A member of the University Council since 1 January, 2013.

**A minimum of one student appointed by
the Council**

Ms Tania Price

A member of the University Council from 1 January, 2018 until 31 December, 2018.

**Secretary to Council
Mr Alastair McDougall**

Secretary to the University Council since 1 January, 2017.

COUNCIL COMMITTEE MEMBERSHIP

1 January, 2018 – 31 December, 2018

The Chancellor is an ex-officio member of every board, faculty and committee of the University, but listed here only for those committees normally attended. The Vice-Chancellor is also an ex-officio member of every board, faculty and committee of the University, with the exception of the Audit and Risk Committee, and is also listed here only for those committees normally attended.

Audit and Risk Committee

Chair

Mr Harvey Gibson

Members

Mr Rhys Edwards

(ex-officio Chair of Finance Committee)

Distinguished Professor Jamie Kirkpatrick

Professor Kwong Lee Dow

Ms Janelle O'Reilly

Ms Leanne Topfer

The Audit and Risk Committee has responsibility for overseeing the risk management framework and monitoring the performance of internal and external audit functions. It reviews and endorses the annual financial statements; receives and reviews internal audit reports and management responses, monitors the establishment of and compliance with, an appropriate framework of internal control and oversees the effectiveness of the University's compliance framework.

**Built Environment and Infrastructure
Committee**

Chair

Mrs Susan Chen

Members

Professor Rufus Black

Mr David Button

Dr Peter Davis

Dr Ceridwen Owen (to 20 June, 2018)

Professor Dianne Nicol (from 21 June, 2018)

Mr Corey Peterson

Professor Elaine Stratford

The Built Environment and Infrastructure 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; the preventative maintenance program; buildings and grounds plans, design standards for building works and landscaping and policies in respect of the built environment and sustainability.

Ceremonial and Honorary Degrees Committee

Chair

Hon Michael Field AC

Members

Professor Rufus Black

Mr Harvey Gibson

Professor Dianne Nicol

Damian Bugg (Chair, UTAS Foundation)

Associate Professor Ashley Townsend (UTAS Alumni association)

Mr Young Dawkins (to 11 May 2018)

(Executive Director, UTAS Foundation)

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, graduation ceremonies and other ceremonial matters.

Finance Committee

Chair

Mr Paul Gregg

Members

Professor Rufus Black

(ex-officio Vice-Chancellor)

Professor Dom Geraghty

(ex-officio Chair, Academic Senate (Acting)) (1 January 2018 to

28 February 2018)

Mr Harvey Gibson (ex-officio Chair of Audit and Risk Committee)

Mr Paul Gregg

Ms Pip Leedham

Professor Dianne Nicol (ex-officio Chair of Academic Senate) (from 1 March 2018)

Mr James Groom – (from 3 August 2018)

The Finance Committee provides strategic advice to Council on the University's financial performance and sustainability and on the financial implications of future plans. It makes recommendations to Council on financial activities of the University, including reviewing the University's annual operating budget; capital management plans and associated budget, proposals for the creation of new entities or participation in significant external enterprises, business cases for major developments or strategic projects. It also monitors financial performance against the University's operating and capital budgets, considers proposals impacting the borrowings of the University and monitors.

Remuneration and Nominations Committee

Chair

Hon Michael Field AC

(Chancellor, ex officio)

Members

Mr Harvey Gibson

(Deputy Chancellor, ex officio)

Mr Rhys Edwards

(Chair of Finance Committee, ex officio)

Professor Rufus Black

(Vice-Chancellor, ex officio)

The Remuneration and Nominations Committee ensures the strategic alignment of human resource management and industrial negotiations with the University's plan. It also makes recommendations to Council on appointments, setting remuneration (within bands approved by Council), extension and removal of the Vice-Chancellor, the Provost, the Deputy Vice-Chancellors and the Chief

Operating Officer. It considers and recommends to Council nominations for appointment to any position to which Council appoints, other than to Council itself (appointments to Council itself are considered by the extended nominations committee set up for that purpose).

University Foundation Committee

Chair

Hon Michael Field AC

Members

Ms Andrea McAuliffe

(Vice-Chancellor's nominee)

Mr David Clerk

(Chief Operating Officer, ex-officio)

Dr Damian Bugg AM QC

(Council-appointed member)

Mrs Yvonne Rundle

(Council-appointed member)

Associate Professor Ashley Townsend

(Alumni Committee member)

Ms Susan Gough

(Friends of the University member)

Dr David Warren

(Friends of the University member)

Mr Peter Worrall

(Friends of the University member)

In accordance with Ordinance 20 (University Foundation Committee), this committee was established by the University Council on 23 March, 2018. Members were appointed to the committee at the 11 May, 2018 meeting of Council.

The mission of the committee is to ensure that the University's philanthropy practices and policies are consistent with its mission and goals and that trusts and funds provided through philanthropy are compliant with the wishes of donors, used for educational, research and other purposes of the University.

The Academic Division, led by the Provost, has key stewardship roles in academic leadership, supporting the advancement of academic and scholarly life across the University's campuses; leading the institution in embedding the University's Aboriginal strategy; delivery of a quality student experience; and leadership of the University's community and schools engagement, library, and partnerships and regional development.

TEQSA REGISTRATION

The University applied for renewal of registration as a higher education provider with the Tertiary Education Quality and Standards Agency (TEQSA) in May. The University remains registered, pending renewal, until TEQSA's determination.

SaFCU ESTABLISHED

The Safe and Fair Community Unit (SaFCU) was established in response to the Australian Human Rights Commission Report on student experiences of sexual assault and harassment. SaFCU has responsibility for response, management and reporting of all complaints concerning student behaviour and allegations of general misconduct including sexual assault and harassment.

STUDENT ACCOMMODATION

Significantly higher numbers of applications for University accommodation in Hobart for 2019 presented unique challenges in supporting new and returning residents. Innovative solutions, including property acquisition and renovation of existing properties, were required to provide additional student beds.

NEW CURRICULUM MODEL

Supporting our contemporary curriculum, approximately 70% of bachelor and combined bachelor courses were renewed under the University's new curriculum model. The Akari™ system was implemented to manage creation, approval, monitoring, review and publication of unit outlines and data on courses; and work began on a course and unit builder tool to enable sequential and collaborative online design and integration with other systems. Under the University's new Short Course Strategy, three such courses were launched, with a larger program to be instigated in 2019.

ABORIGINAL ENGAGEMENT

Initiatives delivering on the Strategic Plan for Aboriginal Engagement 2017-2020 included senior Indigenous scholarships to support senior Aboriginal community members to undertake research of community importance; provision of additional cultural leave for Indigenous staff; and specialised workshops

for Indigenous Higher Degree by Research candidates. An improved Aboriginal presence within the University's website and the development of Best Practice in Aboriginal and Torres Strait Islander Research Ethics guidelines and practices for University researchers were also achieved.

IMPROVING ACCESS

Projects to further improve Tasmanians' access and aspiration to higher education included support for a regional study hub on the West Coast and the subsequent West Coast Education Project; extension of the Children's University Tasmania to 10 schools on the North-West Coast supported by the Tasmanian Community Fund, and 15 research projects underway in the Peter Underwood Centre, valued at \$2.35 million. Supported by the Department of Education, UniHubs were established at Newstead and Claremont colleges, providing guidance and support for students transitioning to university.

The Student Journey Mapping Initiative was a critical aspect of improving students' experience of our current business processes and systems throughout the academic lifecycle.

CULTURAL COLLECTIONS

The University's Cultural Collections website was launched to increase discoverability and access to these treasures.

EMBEDDING OUR COLLEGE MODEL

In 2017 a new college model structure was implemented to create a more effective and efficient university. It recognised that academic capability is best created through disciplines and that by integrating multiple disciplines into schools and institutes, the University can develop distinctive academic and professional capabilities. In 2018, a distributed leadership model was introduced that devolves authority to those best positioned to pursue our mission. This includes the introduction of new position descriptions and appropriate delegated authority for our heads of schools, institutes and disciplines. To support this, an Academic Leadership Development Program was scoped and commissioned for implementation in 2019.

TABLE 2: Student Load (EFTSL) 2014-2018

EFTSL	2014	2015	2016	2017	2018	CAGR
Total	18,986.39	19,790.10	21,048.04	21,804.87	21,197.38	2.20%
On-shore	17,993.26	18,833.85	20,089.51	20,834.47	20,250.63	2.40%
Off-shore	993.13	956.25	958.53	970.4	946.75	-1.00%
Domestic/International						
Domestic	15,448.30	15,871.55	16,786.43	16,766.28	15,635.58	0.20%
International	3,538.09	3,918.55	4,261.61	5,038.59	5,561.81	9.50%
Commencing/Continuing						
Commencing	9,358.81	9,863.76	10,409.71	10,770.18	9,796.33	0.90%
Continuing	9,627.58	9,926.33	10,638.34	11,034.69	11,401.05	3.40%
Reporting Fee Type						
Operating Grant	14,526.43	14,918.25	15,868.62	15,887.47	14,810.95	0.40%
International Onshore	2,199.81	2,539.46	2,843.30	3,601.35	4,125.01	13.40%
International Offshore	993.13	953.38	957.03	970.4	946.75	-1.00%
Domestic Full Fee	302.25	312.88	272.81	257.44	238.19	-4.70%
Domestic HDR	619.37	640.05	644.99	621.18	586.19	-1.10%
International HDR	345.16	425.71	461.28	466.85	490.04	7.30%
Other	0.25	0.38	0	0.19	0.25	0.00%

\$2.35m

15 research projects underway in the Peter Underwood Centre, valued at \$2.35 million.

University College (UC) entered its second year of teaching in 2018 and achieved some important milestones, including its first graduating cohort. There were also some significant changes in UC's leadership.

Professor Justin Walls joined UC in January 2018 as the Deputy Principal (Academic), replacing Professor Greg Hannan, with a concurrent appointment as the University's Pro Vice-Chancellor, Teaching Scholarship.

Dayna Broun moved to the new role of UC's Operations Manager, also commencing in January 2018.

UC's Foundation Principal Professor Janelle Allison retired from this role on 31 March, 2018. After an international recruitment process, Lee Whiteley was appointed to the role of Chief Executive, University College.

Three new courses were added to the suite of UC, approved for delivery from 2019: Associate Degree in Applied Health and Community Support, Diploma of Sustainable Living and Diploma of Pharmacy Studies. In addition, a new nursing pathway was added to the Diploma of University Studies.

UC moved to new premises in Launceston, bringing together all of its northern team. It also received approval to develop a mobile site, the Mobile Integrated Learning and Engagement vehicle, a 12-metre semi-trailer with expandable walls which will take UC to communities across Tasmania.

Celebrating the success of our first graduating students – a group of Tasmanian government school staff undertaking the Associate Degree of Applied Business through a partnership with the Department of Education – at Government House was a highlight of the year.

The University of Tasmania has a long history of research excellence, with five overarching themes: Environment, Resources and Sustainability; Creativity, Culture and Society; Better Health; Marine, Antarctic and Maritime; and Data, Knowledge and Decisions.

OUR IMPACT

The University reported \$100.3 million in external research income in the Australian Government's 2018 Higher Education Research Data Collection. This income represented 2.5 per cent of the \$3.94 billion total research income reported by higher education providers nationally; the 10th-highest result in the country, and the third year in a row that the University has exceeded \$100 million.

OUR RESEARCH

In 2018, our academics led or participated in 694 research projects (334 of them new). The University worked with 119 Australian industry collaborators and received \$9 million in cash and in-kind support from industry.

GLOBAL REACH

Between 2013 and 2018, of the 13,646 recorded publications produced by University researchers, more than 9,900 were in collaboration with academics from 3,053 institutions around the globe (Figure 1).

OUR RESEARCHERS

Recognition for our excellence in research was again highlighted in 2018 with multiple honours from national and international academies. Of particular note, Emeritus Distinguished Professor of Chemistry Paul Haddad received the California Separation Science Society (CASSS) international Award for Outstanding Achievements in Separation Science.

Our Higher Degree by Research (HDR) candidates are a key element of our place-based, globally-connected institution. Our embedded research training culture enables us to develop world-class researchers through the creation of new knowledge and utilising existing research in innovative ways across the University, industry and community.

We had 1,813 HDR candidates enrolled at the University in 2018 (39 per cent international). A total of 366 students commenced, and 225 students completed their studies.

INNOVATION AND COMMERCIALISATION

The University saw its algorithm for the control of neonatal oxygen delivery licensed to a world-leading supplier of ventilation systems, the UK firm SLE Ltd, for use in its Oxigenie™.

The University's Tourism Tracer™ was licensed to Tourism Research Technology Pty Ltd, a company spun out by long-time collaborative industry partner Ionata Pty Ltd.

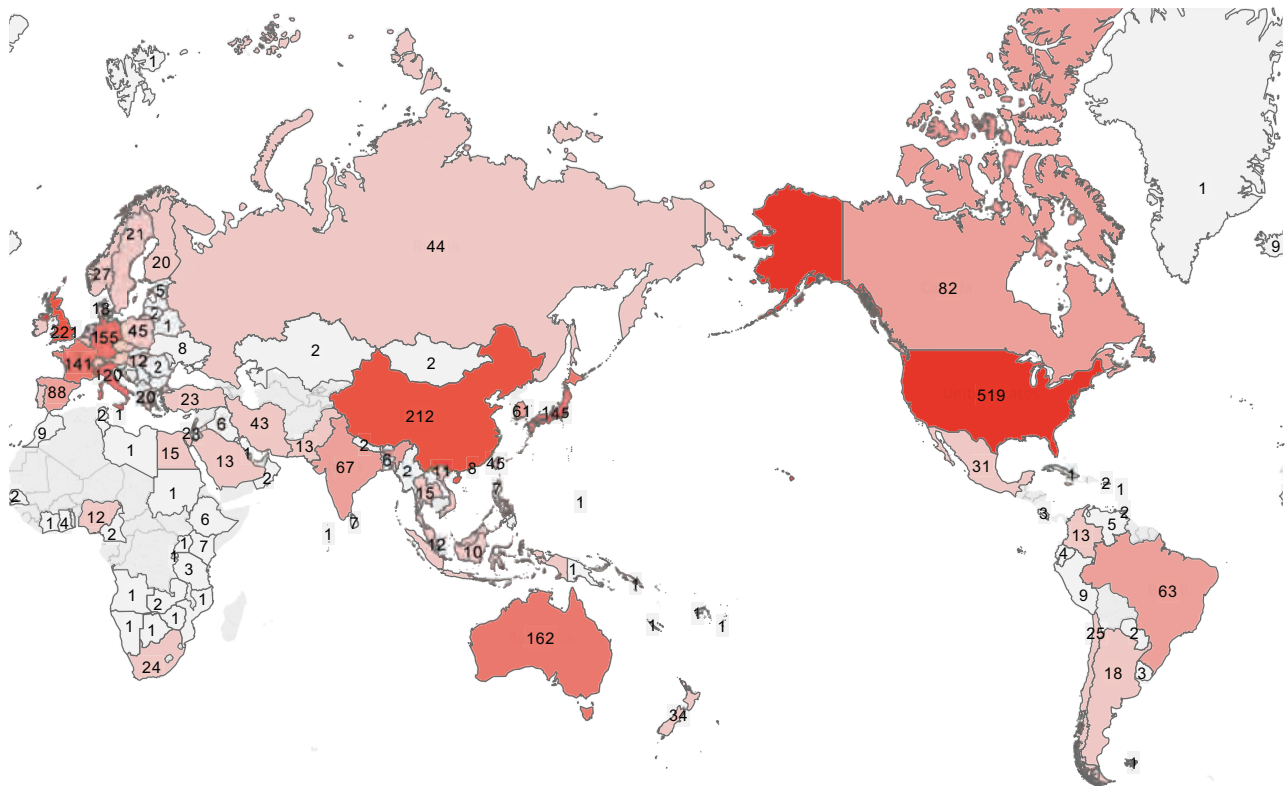
The financial returns from commercialisation continue to grow, approaching \$250,000 in 2018. The slow rate of growth reflects long lead times for royalties to flow back to the University.

The biotechnology company Neuroscientific Biopharmaceuticals Pty Ltd, which the University has holdings in, listed on the Australian Stock exchange (ASX:NSB) in July, boosting our returns.

\$100.3m

The University reported \$100.3 million in external research income in the Australian Government's 2018 Higher Education Research Data Collection.

FIGURE 1: NUMBER OF COLLABORATING INSTITUTIONS ON PUBLICATIONS BY COUNTRY, 2013 - 2018



Data source: Elsevier's SciVal – www.scival.com. Date of access: 12 March 2019

ADVANCEMENT

The Advancement Office connects people to the University of Tasmania with meaningful and distinctive experiences.

UNIVERSITY OF TASMANIA FOUNDATION

An external review of the Foundation in 2017/18 made several key recommendations to the University concerning Foundation processes and governance, with the aim of developing more contemporary operations and structure. With responsibilities transferred across to a newly established committee of University Council, chaired by Chancellor the Honourable Michael Field AC, in 2018, Advancement was placed more centrally within the University's operations.

Foundation assets were also transferred across to the University as per the review's recommendations. With preservation assured under Ordinance 20 (www.utas.edu.au/university-foundation-committee) and continued clear separation of funds from operational University finances, donor intentions continue to be honoured and recognised.

Supporting the extensive scholarship program remains at the heart of our philanthropic efforts, enabling the University to increase access to education. Throughout 2018, the program supported 380 new and continuing students, thanks to the generosity of individuals and organisations from across Tasmania, nationally and internationally.

ALUMNI AND EVENTS

The Alumni Office works to engage and strengthen ties with the University's 120,000 alumni in more than 115 countries around the world.

The University hosted alumni at 40 events, throughout Australia as well as in New York, Boston, San Francisco, Hong Kong, Kuala Lumpur, Indonesia and Singapore, which provided opportunities for alumni to network and connect with their alma mater.

The University continued to recognise individual achievements through the Alumni Awards. Dr Emma Lee, a Tasmanian Indigenous researcher who has worked in the field of indigenous rights and land management for the past two decades, was awarded the Foundation Graduate Award. The Tasmanian Symphony Orchestra (TSO) Managing Director, Nicholas Heyward, received the Distinguished Alumni Award. Mr Heyward retired from his position with the TSO after 17 years of dedicated service.

In addition, the Events and Protocol team were involved in the management and delivery of more than 300 lectures and public forums (many of which were live-streamed), plus graduation ceremonies, corporate events and dinners and many smaller networking and community partnership receptions, providing engagement activities and life-long learning opportunities for the University's global community.

TABLE 3: University of Tasmania Foundation

	2018 up to 30 April 2018	2017
Income		
Donations and bequests	\$0.97 million	\$4.23 million
University contributions	\$0.39 million	\$2.00 million
Other income	\$ -	\$0.12 million
Investment income	\$0.44 million	\$4.34 million
Expenditure		
Funding support for University programs (including scholarships, research, teaching and facilities)	\$1.94 million	\$4.16 million
Other expenses	\$0.41 million	\$1.53 million
Net Operating Result	(\$0.55 million)	\$5.01 million
Total funds managed by Foundation at EOY	\$ -	\$58.8 million

* Reporting is on funds managed by the Foundation in 2018, not income

120,000 alumni

The Alumni Office works to engage and strengthen ties with the University's 120,000 alumni in more than 115 countries around the world.

CHIEF OPERATING OFFICER DIVISION

The Chief Operating Officer Division's fundamental role is to support the University's new strategic direction through a complementary set of enabling functions.

PEOPLE

The University of Tasmania Staff Agreement 2017-2021 was approved by the Fair Work Commission on 21 December, 2018, enabling the agreement to officially operate from December 28, 2018. The parties to the agreement are working to implement its key initiatives.

As a university that is purpose- and people-centred, we have committed to developing a relational approach to staff rather than a transactional one. In practical terms, this means more secure employment. In 2018 a process of review commenced with the intention of transferring some longstanding fixed-term employees to permanent status.

INFRASTRUCTURE WORKS

New infrastructure works dominated in 2018. After extensive engagement with staff, students and the community, a principal architect was engaged for the Inveresk (Launceston) and West Park (Burnie) sites, and work began to progress the design and construction of both campuses. At West Park, a development application was submitted for a building design that was positively received by the community and initial site ground works were completed. At Inveresk, a revised master plan is under development.

The construction of The Hedberg, a development devoted to creative industries and performing arts, co-located with the Theatre Royal in Hobart's Wapping district,

progressed to plan during 2018, with completion due in mid-2019. Several strategic acquisitions were made in central Hobart, including the ex-Forestry building at 79-83 Melville Street, as the University Council prepared to consider in early 2019 options for the future location of its southern campus.

The University continued to plan for additional student accommodation, with an agreement signed with Spark Living for a building to house 422 students on Melville Street, to be completed by 2021. The purchase and conversion of the Midcity Hotel was an initiative to meet increasing demand in the interim. In December, the University announced its intention to purchase the Fountainside Hotel to meet further demand.

Crown land adjacent to the Institute of Marine and Antarctic Studies site at Taroona was purchased, primarily as an innovation precinct for future aquaculture research.

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The University continued to plan for additional student accommodation, with an agreement signed with Spark Living for a building to house 422 students on Melville Street, to be completed by 2021.

TABLE 4: HR Statistics (as at 31 December, 2018)

	HEADCOUNT			FTE		
	2016	2017	2018	2016	2017	2018
Continuing Appointments						
Academic Continuing	662	595	645	605	567	609
Professional Continuing	990	950	1065	911	871	976
TOTAL FTE CONTINUING	1652	1545	1710	1516	1438	1585
Fixed-term Appointments						
Academic Fixed-term	544	583	610	468	489	506
Professional Fixed-term	566	579	573	467	499	490
TOTAL FIXED-TERM	1110	1162	1183	935	989	996
TOTAL	2762	2707	2893	2451	2427	2581
Age						
Academic Average Age	-	-		48	48	48
Professional Average Age	-	-		44	45	45
AVERAGE AGE	-	-		46	46	46
Gender						
Female	1520		1622	1307	1302	1406
Male	1242		1271	1144	1125	1175
Length of Service - Current Position						
Academic Average Length of Service	-	-		7.59	7.74	7.57
Professional Average Length of Service	-	-		6.88	6.81	6.69

TABLE 5: Statistics at a Glance – 2018

	HEADCOUNT	FTE
All Staff (excluding Casuals)	2893	2581
Academic (excluding Casuals)	1255	1115
Professional (excluding Casuals)	1638	1466

GLOBAL DIVISION

The Global Division works in partnership with the colleges, disciplines and divisions, playing a significant facilitative role in ensuring the University of Tasmania is recognised locally, nationally and globally for its unique strengths and valued for its contributions to knowledge, learning and scholarships.

2018 saw the Global Division strengthening connectivity and working collaboratively across a wide range of projects, with a strong emphasis on new partnerships. A change in the senior leadership team took place, focusing on a service-based culture and networked partnerships.

Aligned with the University's Strategic Direction, the English Language Centre underwent a review of student experience and curriculum, implementing a new place-based curriculum and delivering a greater student experience, with enhanced learning facilities and mentoring programs introduced. These measures resulted in an increased interest in our study tours, and for the first time, the University welcomed Silpakorn University in Thailand.

A notable achievement by the Global Division was our ranking as the number one regional university for New Colombo scholars.

Our recruitment teams have seen a 5% increase across our domestic and international student cohorts. We believe that an interstate presence is critical to our Tasmanian brand and as such have increased our interstate curriculum delivery through our health programs.

The division focused on expanding into areas beyond our traditional market, strengthening our international student cohort and repositioning and connecting our brand to our place-based mission. These activities delivered a 12% increase in our international student cohort, an important milestone as this cohort brings with them significant social, cultural and economic benefits to both the University and State.

INTERNATIONAL AND DOMESTIC STUDENT LOAD

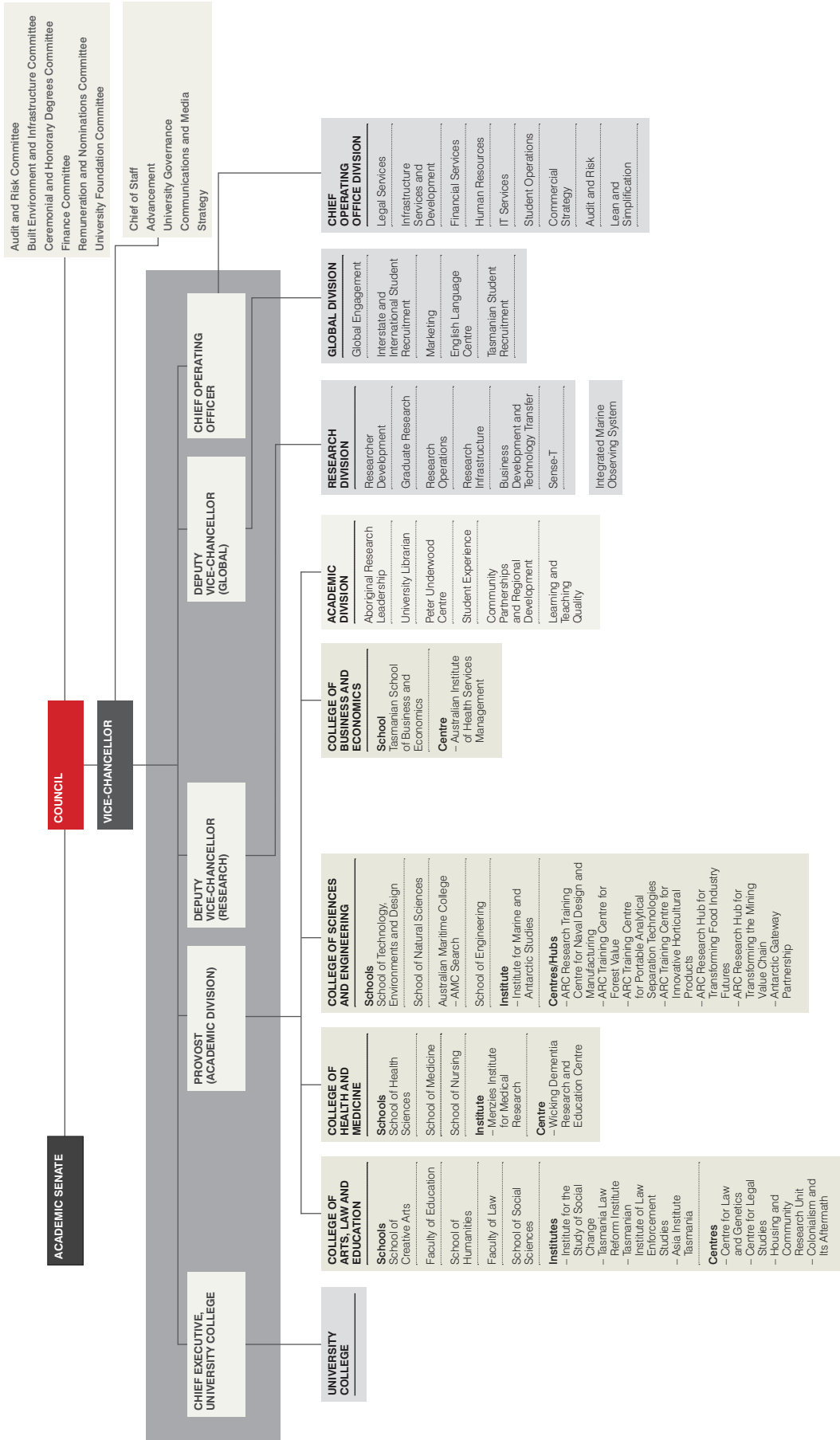
TABLE 6: Domestic Applicants

Course Level	Applications submitted				Offers made				Offers accepted			
	2018	2017	% Var	Var	2018	2017	% Var	Var	2018	2017	% Var	Var
Undergraduate	14,784	15,043	-2%	-259	13,248	14,723	-10%	-1,475	10,725	11,297	-5%	-572
Pre-Degree	1,798	787	128%	1,011	3,602	1,136	217%	2,466	2,159	799	170%	1360
Postgraduate	4,820	4,650	4%	170	2,158	2,146	1%	12	1,795	1,790	0%	5
Total	21,402	20,480	5%	922	19,008	18,005	6%	1,003	14,679	13,886	6%	793

TABLE 7: International Students

Course Level	Applications submitted				Offers made				Offers accepted			
	2018	2017	% Var	Var	2018	2017	% Var	Var	2018	2017	% Var	Var
Undergraduate	4,495	4,379	3%	116	2,565	2,888	-11%	-323	1,016	1,125	-10%	-109
Pre-Degree	158	136	16%	22	151	131	15%	20	133	123	8%	10
Postgraduate	7,389	6,213	19%	1,176	4,804	4,224	14%	580	1,939	1,831	6%	108
Total	12,042	10,728	12%	1,314	7,520	7,243	4%	277	3,088	3,079	0%	9

ORGANISATIONAL CHART AS AT 31 DECEMBER, 2018



ANNUAL FINANCIAL STATEMENTS

31 DECEMBER 2018

STATEMENTS

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Comprehensive
Income**

**Statement of
Financial Position**

**Statement of
Changes in Equity**

Statement of Cash Flows

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FIVE YEAR SUMMARY

ENDED 31 DECEMBER 2018 – UNIVERSITY

	2018		2017		2016		2015		2014	
	\$'000	%	\$'000	%	\$'000	%	\$'000	%	\$'000	%
INCOME										
Australian Government financial assistance										
Australian Government grants	219,472	28.7	232,573	35.0	232,163	38.5	201,667	34.3	198,736	36.5
HELP Australian Government payments	78,943	10.3	72,368	10.9	69,105	11.5	72,692	12.3	71,184	13.1
Scholarships and research	152,671	20.0	120,548	18.1	118,981	19.7	132,367	22.5	121,305	22.3
State and Local Government financial assistance	24,626	3.2	29,245	4.4	21,690	3.6	24,216	4.1	12,165	2.2
HECS-HELP student payments	6,627	0.9	8,076	1.2	8,852	1.5	5,637	1.0	13,454	2.5
Fees and charges	143,617	18.8	124,313	18.7	93,904	15.6	85,013	14.4	71,836	13.2
Investment revenue	11,310	1.5	28,223	4.2	14,934	2.5	22,809	3.9	16,796	3.1
Consultancy and contracts	30,173	3.9	30,015	4.5	25,717	4.3	28,148	4.8	26,531	4.9
Gain on disposal of assets	-	0.0	3,063	0.5	603	0.1	-	0.0	86	0.0
Other income	96,543	12.6	16,350	2.5	16,825	2.8	16,154	2.7	12,208	2.2
TOTAL INCOME	763,982	100.0	664,774	100.0	602,774	100.0	588,703	100.0	544,301	100.0
EXPENDITURE										
Academic salary costs	191,670	29.7	192,896	31.6	188,815	31.7	174,028	29.9	167,439	30.7
Non-academic salary costs	183,862	28.5	174,135	28.5	167,262	28.1	158,117	27.2	153,830	28.2
Depreciation and amortisation	34,678	5.4	35,732	5.9	32,859	5.5	30,966	5.3	28,465	5.2
Repairs and maintenance	17,452	2.7	14,498	2.4	13,745	2.3	14,702	2.5	13,779	2.5
Impairment of assets	6,593	1.0	0.0	0.0	12,554	2.1	11,569	2.0	446	0.1
Loss on disposal of assets	126	0.0	-	-	-	-	9,796	1.7	-	0.0
Other expenses	210,533	32.6	193,423	31.7	180,046	30.2	183,176	31.5	180,639	33.2
TOTAL EXPENDITURE	644,914	100.0	610,684	100.0	595,281	100.0	582,354	100.0	544,598	100.0
NET RESULT	119,068		54,090		7,493		6,349		(297)	
KEY RATIOS										
1. Financial stability and liquidity										
- Current ratio	0.6		0.5		0.3		0.5		0.7	
- Net cash balances	33,877		32,822		7,159		32,389		43,296	
- Net assets	962,098		843,115		847,201		842,906		827,955	
2. Revenue										
- Australian Government grants including HECS	302,340		303,017		302,020		279,996		276,874	
- Australian Government capital grants	2,702		10,000		8,100		-		6,500	
- Scholarships and research	152,671		120,548		118,981		132,367		121,305	
- Other University income	306,269		231,209		173,673		176,340		139,622	
TOTAL UNIVERSITY INCOME	763,982		664,774		602,774		588,703		544,301	
Australian Government operating grants including HECS as a % of total income	40%		46%		50%		48%		51%	
Commonwealth funded students (full-time equivalents)*	14,811		15,888		15,869		14,919		14,530	
Average Commonwealth recurrent grant	20,413		19,072		19,032		18,768		19,055	

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

FIVE YEAR SUMMARY

ENDED 31 DECEMBER 2018 – CONSOLIDATED

	2018		2017		2016		2015		2014	
	\$'000	%	\$'000	%	\$'000	%	\$'000	%	\$'000	%
INCOME										
Australian Government financial assistance										
Australian Government grants	219,472	30.8	232,573	34.2	232,163	37.6	201,667	33.6	201,036	35.8
HELP Australian Government payments	78,943	11.1	72,368	10.7	69,105	11.2	72,692	12.1	71,184	12.7
Scholarships and research	152,671	21.4	120,548	17.7	118,981	19.3	132,367	22.1	121,305	21.6
State and Local Government financial assistance	24,626	3.5	29,245	4.3	21,690	3.5	24,216	4.0	12,165	2.2
HECS-HELP student payments	6,627	0.9	8,076	1.2	8,852	1.4	5,637	0.9	13,454	2.4
Fees and charges	144,653	20.3	125,198	18.4	93,640	15.2	84,360	14.1	71,836	12.8
Investment revenue	11,736	1.6	33,511	4.9	18,342	3.0	24,668	4.1	19,720	3.5
Consultancy and contracts	30,173	4.2	30,004	4.4	25,717	4.2	28,128	4.7	26,531	4.7
Gain on disposal of assets	-	0.0	3,063	0.5	401	0.1	-	0.0	86	0.0
Other income	43,559	6.1	24,653	3.6	29,152	4.7	25,875	4.3	24,041	4.3
TOTAL INCOME	712,460	100.0	679,239	100.0	618,043	100.0	599,610	100.0	561,358	100.0
EXPENDITURE										
Academic salary costs	193,140	29.6	194,341	31.3	190,153	31.5	175,085	29.6	168,250	30.2
Non-academic salary costs	186,720	28.6	177,252	28.6	170,594	28.3	161,642	27.4	156,662	28.1
Depreciation and amortisation	34,960	5.4	36,033	5.8	33,091	5.5	31,149	5.3	28,641	5.1
Repairs and maintenance	17,483	2.7	14,504	2.3	13,752	2.3	14,711	2.5	13,784	2.5
Impairment of assets	6,593	1.0	-	-	11,478	1.9	11,569	2.0	446	0.1
Loss on disposal of assets	126	0.0	-	0.0	-	0.0	9,791	1.7	-	0.0
Other expenses	214,309	32.8	198,180	31.9	184,041	30.5	186,745	31.6	189,882	34.0
TOTAL EXPENDITURE	653,330	100.0	620,310	100.0	603,109	100.0	590,692	100.0	557,665	100.0
NET RESULT	59,129		58,929		14,934		8,918		3,693	

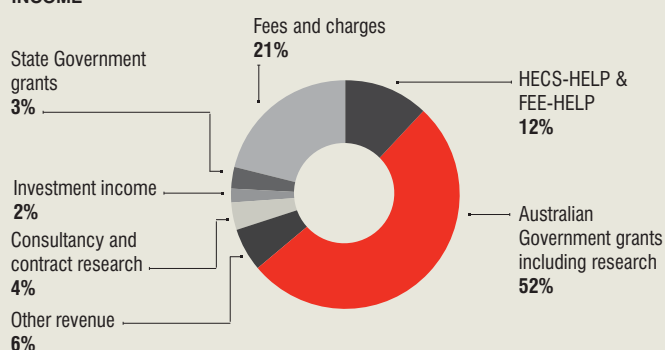
KEY RATIOS

1. Financial stability and liquidity

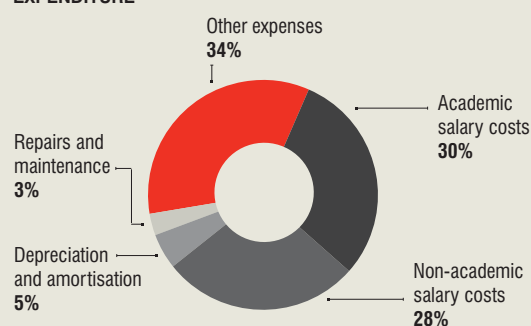
- Current ratio	0.6	0.6	0.4	0.6	0.7
- Net cash balances	37,092	41,989	17,437	44,277	48,241
- Net assets	971,362	912,318	911,565	899,829	882,309

CONSOLIDATED INCOME AND EXPENDITURE 2018

INCOME



EXPENDITURE



INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	Consolidated		Parent entity	
		2018	2017	2018	2017
		\$'000	\$'000	\$'000	\$'000
INCOME FROM CONTINUING OPERATIONS					
Australian Government financial assistance					
Australian Government grants	2.1	372,143	353,121	372,143	353,121
HELP - Australian Government payments	2.1	78,943	72,368	78,943	72,368
State and Local Government financial assistance	2.2	24,626	29,245	24,626	29,245
HECS-HELP - student payments		6,627	8,076	6,627	8,076
Fees and charges	2.3	144,653	125,198	143,617	124,313
Investment income	2.4	11,736	33,511	11,310	28,223
Consultancy and contracts	2.5	30,173	30,004	30,173	30,015
Gain (Loss) on disposal of assets		(126)	3,063	(126)	3,063
Other income	2.6	43,559	24,653	96,543	16,350
Total income from continuing operations		712,334	679,239	763,856	664,774

EXPENSES FROM CONTINUING OPERATIONS

Employee related expenses	3.1	379,860	371,593	375,532	367,031
Depreciation and amortisation	8, 9	34,960	36,033	34,678	35,732
Repairs and maintenance		17,483	14,504	17,452	14,498
Borrowing costs	3.2	4,972	4,824	4,972	4,824
Impairment of assets	3.3	6,593	-	6,593	-
Other expenses	3.4	209,337	193,356	205,561	188,599
Total expenses from continuing operations		653,204	620,310	644,788	610,684

Net result from continuing operations		59,129	58,929	119,068	54,090
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This statement should be read in conjunction with the accompanying notes.
The above Income Statement has been prepared in accordance with Australian Accounting Standards.
The summary below provides a breakdown of the composition of the net result as it relates to the University.
It should not be interpreted that noting these key components in any way draws attention away from the statutory total result.

KEY COMPONENTS OF THE RESULT

The following reconciliation highlights the key components of the University result:

Result from core activities *		(3,630)	8,724	(1,469)	9,837
Net movements in statutory funds (excluding investment allocations)		23,398	4,918	23,398	4,254
Investment income (interest and dividends)		26,348	15,120	25,890	12,259
Realised gains/(losses) on investments		52	616	66	445
Unrealised gains/(losses) on investments		(14,664)	17,775	(14,646)	15,519
Borrowing costs		(4,972)	(4,824)	(4,972)	(4,824)
Capital grants		23,037	27,075	23,037	27,075
Net Settlement of Insurance Claim		4,617	-	4,617	-
Transfer of assets from the University of Tasmania Foundation Fund		-	-	58,203	-
Other non operating income		6,906	-	6,906	-
Restructuring costs		(1,962)	(10,475)	(1,962)	(10,475)
Net result from continuing operations		59,129	58,929	119,068	54,090

* The core activities of the University are:
- learning and teaching;
- research, knowledge transfer and research training;

- community engagement; and
- activities incidental to undertaking the above.
Restructure programs are not included.

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2018

		Consolidated		Parent entity	
		2018	2017	2018	2017
	Notes	\$'000	\$'000	\$'000	\$'000
Net result for the period		59,129	58,929	119,068	54,090
Items that will not be reclassified to profit or loss					
Gain/(loss) on revaluation of property, plant and equipment	8	-	(58,130)	-	(58,130)
Net actuarial gains/(losses) in respect of superannuation plans	26	(85)	(46)	(85)	(46)
Total comprehensive income		59,044	753	118,983	(4,086)

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

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2018

	Notes	Consolidated		Parent entity	
		2018	2017	2018	2017
		\$'000	\$'000	\$'000	\$'000
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	4	37,092	41,989	33,877	32,822
Receivables	5	28,713	25,889	29,616	25,449
Inventories		701	740	701	740
Non-current assets classified as held for sale	6	-	925	-	925
Prepayments		10,256	8,783	10,182	8,768
Total current assets		76,762	78,326	74,376	68,704
NON-CURRENT ASSETS					
Receivables	5	6,580	6,719	6,580	6,719
Investments	7	404,254	419,633	397,435	360,181
Property, plant and equipment	8	667,732	603,651	666,734	602,391
Intangible assets	9	51,220	51,049	51,220	51,049
Service concession asset	10	140,824	143,512	140,824	143,512
Total non-current assets		1,270,611	1,224,564	1,262,793	1,163,852
Total assets		1,347,372	1,302,890	1,337,169	1,232,556
LIABILITIES					
CURRENT LIABILITIES					
Trade and other payables	11	30,600	34,409	30,661	34,188
Borrowings	12	-	-	-	-
Provisions	13	62,359	65,310	61,467	64,493
Other liabilities	14	42,751	38,627	42,690	38,569
Total current liabilities		135,710	138,346	134,818	137,250
NON-CURRENT LIABILITIES					
Borrowings	12	93,600	93,600	93,600	93,600
Provisions	13	25,074	24,603	25,027	24,568
Other liabilities	14	121,626	134,023	121,626	134,023
Total non-current liabilities		240,300	252,226	240,253	252,191
Total liabilities		376,010	390,572	375,071	389,441
Net assets		971,362	912,318	962,098	843,115
EQUITY					
Statutory funds	15	196,900	173,541	196,900	114,786
Reserves	15	217,100	217,100	217,100	217,100
Retained earnings	15	557,362	521,677	548,098	511,229
Total equity		971,362	912,318	962,098	843,115

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

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2018

Consolidated		Statutory funds	Reserves	Retained earnings	Total
	Notes	\$'000	\$'000	\$'000	\$'000
Balance at 1 January 2017		162,297	275,230	474,038	911,565
Net result		-	-	58,929	58,929
Transfer to statutory funds		11,244	-	(11,244)	-
Gain/(loss) on revaluation of property, plant and equipment		-	(58,130)	-	(58,130)
Other comprehensive income		-	-	(46)	(46)
Total comprehensive income		11,244	(58,130)	47,639	753
Balance at 31 December 2017		173,541	217,100	521,677	912,318
Balance at 1 January 2018		173,541	217,100	521,677	912,318
Net result		-	-	59,129	59,129
Transfer to statutory funds	15	23,359	-	(23,359)	-
Gain/(loss) on revaluation of property, plant and equipment	15	-	-	-	-
Other comprehensive income	15	-	-	(85)	(85)
Total comprehensive income		23,359	-	35,685	59,044
Balance at 31 December 2018		196,900	217,100	557,362	971,362
Parent Entity					
		Statutory funds	Reserves	Retained earnings	Total
		\$'000	\$'000	\$'000	\$'000
Balance at 1 January 2017		108,551	275,230	463,420	847,201
Net result		-	-	54,090	54,090
Transfer to statutory funds		6,235	-	(6,235)	-
Reclassification of statutory funds		-	-	-	-
Gain/(loss) on revaluation of property, plant and equipment		-	(58,130)	-	(58,130)
Other comprehensive income		-	-	(46)	(46)
Total comprehensive income		6,235	(58,130)	47,809	(4,086)
Balance at 31 December 2017		114,786	217,100	511,229	843,115
Balance at 1 January 2018		114,786	217,100	511,229	843,115
Net result	15	-	-	119,068	119,068
Transfer to statutory funds	15	23,910	-	(23,910)	-
Transfer of assets from the University of Tasmania Foundation Fund	15	58,204	-	(58,204)	-
Gain/(loss) on revaluation of property, plant and equipment	15	-	-	-	-
Other comprehensive income	15	-	-	(85)	(85)
Total comprehensive income		82,114	-	36,869	118,983
Balance at 31 December 2018		196,900	217,100	548,098	962,098

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

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2018

		Consolidated		Parent entity	
		2018	2017	2018	2017
		\$'000	\$'000	\$'000	\$'000
	Notes	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)
CASH FLOWS FROM OPERATING ACTIVITIES					
Australian Government grants		433,076	405,338	432,817	405,338
OS-HELP (net)		147	78	147	78
Superannuation supplementation		625	649	625	649
State and Local Government financial assistance		16,505	19,403	16,505	19,403
HECS-HELP - student payments		6,627	8,076	6,627	8,076
Receipts from student fees and other customers		143,457	126,772	142,509	125,901
Dividends received		22,630	12,268	22,098	9,562
Interest received		1,797	2,828	1,719	2,443
Interest and other costs of finance		(4,959)	(3,807)	(4,959)	(3,807)
Other receipts		98,008	70,405	92,166	62,226
Payments to suppliers and employees (inclusive of GST)		(641,025)	(593,393)	(631,452)	(582,916)
Net cash inflow/(outflow) from operating activities	22(b)	76,886	48,615	78,801	46,951
CASH FLOWS FROM INVESTING ACTIVITIES					
Capital grants		23,037	27,075	23,037	27,075
Proceeds from sale of property, plant and equipment		6,625	12,649	6,625	12,649
Payments for property, plant and equipment		(103,702)	(64,267)	(103,682)	(64,252)
Payments for intangibles		(6,937)	(8,722)	(6,937)	(8,722)
Payments for investments		(126,403)	(155,727)	(119,698)	(146,254)
Proceeds from disposal of investments		127,170	42,860	126,067	36,716
Proceeds from licensing of student accommodation		-	132,608	-	132,608
Movement in loans to controlled entities		-	-	(1,598)	(581)
Movement in bonds and deposits		(2,205)	547	(2,192)	559
Movement in monies held on behalf of other entities		632	(1,586)	632	(1,586)
Net cash inflow/(outflow) from investing activities		(81,783)	(14,563)	(77,746)	(11,788)
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from borrowings		-	-	-	-
Repayment of borrowings		-	(9,500)	-	(9,500)
Net cash inflow/(outflow) from financing activities		-	(9,500)	-	(9,500)
Net increase/(decrease) in cash held		(4,897)	24,552	1,055	25,663
Cash at beginning of reporting period		41,989	17,437	32,822	7,159
Cash at end of reporting period	4	37,092	41,989	33,877	32,822

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied for all years reported unless otherwise stated. The financial statements include separate statements for the University of Tasmania (University) as the parent entity and the consolidated entity consisting of the University and its controlled entities.

1.1 BASIS OF PREPARATION

The annual financial statements represent the audited general purpose financial statements of the University of Tasmania. They have been prepared on an accrual basis and comply with the Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. The University of Tasmania applies Tier 1 reporting requirements.

Additionally, the statements have been prepared in accordance with the following statutory requirements:

- University of Tasmania Act 1992
- Higher Education Support Act 2003 (Financial Statement Guidelines)
- Australian Charities and Not-for-Profits Commission Act 2012

The University is a not-for-profit entity and these financial statements have been prepared on that basis. Some of the Australian Accounting Standards requirements for not-for-profit entities are inconsistent with the IFRS requirements.

Date of authorisation for issue

The financial statements were authorised for issue by the University Council on 14 February 2019.

Historical cost convention

These financial statements have been prepared under the historical cost convention, except for debt and equity

financial assets (including derivative financial instruments) that have been measured at fair value either through other comprehensive income or profit or loss, certain classes of property, plant and equipment and investment properties.

Critical accounting estimates

The preparation of financial statements in conformity with Australian Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the University's accounting policies. The estimates and underlying assumptions are reviewed on an ongoing basis. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed below:

Note 3.3 – Impairment of assets

Note 8 – Fair value, depreciation and amortisation of property, plant and equipment

Note 9 – Intangibles

Note 10 & 14 – Service Concession Asset

Note 13 & 26 – Superannuation provision

Note 13 – Long service leave provision

Note 13 – Restructuring provision

1.2 BASIS OF CONSOLIDATION

The consolidated financial statements incorporate the assets and liabilities of all controlled entities of the University ("parent entity") as at 31 December 2018 and the results of all controlled entities for the year then ended. The University and its controlled entities together are referred to in these financial statements as the consolidated entity.

A controlled entity is any entity controlled by the University. The consolidated entity has control over a controlled entity when it is exposed, or has rights, to variable returns from its involvement with the controlled entity, and has the ability to

affect those returns through its power over the controlled entity. Power over the controlled entity exists when the consolidated entity has existing rights that give it current ability to direct the relevant activities of the controlled entity. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the consolidated entity controls another entity. A list of controlled entities is contained in Note 21 to the financial statements. Controlled entities are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases. The acquisition method of accounting is used to account for the acquisition of controlled entities. Intercompany transactions, balances and unrealised gains on transactions between entities within the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of controlled entities are changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

1.3 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 consolidated entity'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 transaction. Amounts payable or receivable in foreign currencies at balance date are

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

converted into Australian currency at market exchange rates at balance date. Currency conversion gains and losses are recognised in profit or loss.

1.4 TAX STATUS

Income tax

The consolidated 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.

Fringe benefits tax

The consolidated entity 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 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 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 Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows 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 presented as operating cash flows.

1.5 JOINT VENTURE AND COLLABORATIVE AGREEMENTS

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

1.6 ROUNDING OF AMOUNTS

Amounts in the financial statements are rounded to the nearest \$1,000.

1.7 COMPARATIVE AMOUNTS

Where necessary, comparative information has been reclassified to enhance comparability in respect of the changes in presentation adopted in the current year.

1.8 IMPACTS OF NEW ACCOUNTING STANDARDS AND INTERPRETATIONS

The following standards have been issued but are not mandatory for 31 December 2018 reporting periods. The consolidated entity has elected not to early adopt any of these standards. The entity's assessment of the impact of these new standards and interpretations is set out below:

AASB15 (1 Jan 2019 [early adoption not permitted by the Department of Education and Training]). AASB 15 Revenue from Contracts with Customers establishes a single and comprehensive framework which sets out how and when revenue is recognised. The core principle of AASB 15 is that revenue is recognised when transfers of goods or services to customers occur in exchange for consideration which the vendor expects to be entitled to in exchange for the provision of those goods or services (i.e. fulfilment of performance obligations). Revenue will only be recognised when control over the goods or services is transferred to the customer, which is either over time or at a point in time. It is estimated that \$85m of research contract revenue will transfer from equity to deferred income as at 1 January 2019 as a result of this new standard.

AASB16 (1 Jan 2019 [early adoption not permitted by the Department of Education and Training]). AASB 16 Leases introduces a single lessee accounting model and requires a lessee

to recognise assets and liabilities for all leases with a term of more than 12 months. The standard applies to annual reporting periods beginning on or after 1 January 2019. It is estimated that leases with a Present Value of \$15.1m will be reclassified from an operating lease commitment to a lease liability and right to use asset on the Statement of Financial Position.

The AASB Board released an action alert on 5 September 2018 proposing a temporary option for not-for-profit lessees to not initially fair value a right of use asset arising from leases that have significantly below-market terms when AASB 1058 Income of Not-for-Profit Entities and AASB 16 Leases become effective from 1 January 2019. The optional relief is expected to remain in place until further guidance has been developed. Entities choosing the temporary relief would value the right-of-use assets at the present value of the payments required. The University expects to use this temporary option for below-market leases. Management have assessed the overall impact of future lease payments on below-market leases is immaterial. The University will not allocate a right-of-use asset or lease liability to these leases.

AASB1058 (1 Jan 2019 [early adoption not permitted by the Department of Education and Training]). AASB 1058 amends the income recognition requirements that apply to not-for-profit entities and establishes principles for not-for-profit entities that apply to:

- (a) transactions where the consideration to acquire an asset is significantly less than fair value principally to enable a not-for-profit entity to further its objectives;
- (b) the receipt of volunteer services; and
- (c) transfers made to enable an entity to acquire or construct a non-financial asset for its own use.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

The University intends to adopt the 'modified retrospective' approach to the initial application of the Standards above. That approach applies the new standards from the date of initial application on 1 January 2019 and will not result in the restatement of comparative financial information.

A number of other new or revised standards, amendments to standards and interpretations applicable to future reporting periods have been issued, none of which are expected to have a material impact on the consolidated entity's future financial statements.

1.9 INITIAL APPLICATION OF AUSTRALIAN ACCOUNTING STANDARD

Adoption of AASB 9 and Interpretation 22 is made in accordance with the transitional provisions. The nature and effect of the changes as a result of adoption of these new accounting standards and interpretations are described below.

AASB9 Financial Instruments

AASB9.7.2.1, 7.2.21, 7.2.22, AASB7.7.42Q

AASB9 Financial Instruments replaces AASB139 Financial Instruments: Recognition and Measurement for annual periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting. There is no impact on the consolidated entity as a result of adopting AASB9.

Interpretation 22 Foreign Currency Transactions and Advance Consideration

This interpretation addresses how to determine the 'date of transaction' for the purpose of determining the exchange rate to use on initial recognition of an asset, expense or income, when consideration for that item has been paid or received in advance in a foreign currency which resulted in the recognition

of a non-monetary asset or non-monetary liability (e.g. a non-refundable deposit or deferred revenue). The Interpretation specifies that the date of transaction is the date on which the entity initially recognises the non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration. If there are multiple payments or receipts in advance, the Interpretation requires an entity to determine the date of transaction for each payment or receipt of advance consideration. The Interpretation is effective for annual periods beginning on or after 1 January 2018. Entities can apply the Interpretation either retrospectively or prospectively. Specific transition provisions apply to prospective application. The consolidated entity considers that they already account for transactions involving the payment or receipt of advance consideration in a foreign currency in a way that is consistent with the interpretation and therefore, there is no impact arising from the application of this interpretation.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

2. REVENUE FROM CONTINUING OPERATIONS

	Notes	Consolidated		Parent entity	
		2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
2.1 Australian Government financial assistance including Australian Government Loan Programs (HELP)					
(a) Commonwealth Grant Scheme and other grants					
Commonwealth Grant Scheme	27.1	199,640	206,260	199,640	206,260
Access and Participation Fund	27.1	6,841	6,701	6,841	6,701
Disability Performance Funding	27.1	175	186	175	186
National Institutes Funding	27.1	7,677	7,564	7,677	7,564
Promotion of Excellence in Learning and Teaching	27.1	-	30	-	30
Indigenous Student Success Program	27.1	2,613	1,832	2,613	1,832
Australian Maths & Science Partnership Program	27.1	(176)	-	(176)	-
Total Commonwealth Grants Scheme and other grants		216,770	222,573	216,770	222,573
(b) Higher Education Loan Programs (HELP)					
HECS-HELP	27.2	75,350	68,192	75,350	68,192
FEE-HELP	27.2	2,303	2,917	2,303	2,917
SA-HELP	27.2	1,290	1,259	1,290	1,259
Total Higher Education Loan Programs		78,943	72,368	78,943	72,368
(c) EDUCATION Research					
Research Training Program	27.3	24,657	24,251	24,657	24,251
Research Support Program	27.3	23,489	22,203	23,489	22,203
Total EDUCATION Research		48,146	46,454	48,146	46,454
(d) Other capital funding					
Education Investment Fund	27.5	2,000	10,000	2,000	10,000
Linkage Infrastructure, Equipment and Facilities grant	27.5	702	-	702	-
Total other capital funding		2,702	10,000	2,702	10,000
(e) Australian Research Council (ARC)					
Discovery	27.6	8,264	8,228	8,264	8,228
Linkages	27.6	2,866	4,369	2,866	4,369
Networks and Centres	27.6	-	53	-	53
Special Research Initiatives	27.6	8,532	8,406	8,532	8,406
Total Australian Research Council		19,662	21,056	19,662	21,056

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

2. REVENUE FROM CONTINUING OPERATIONS (continued)

	Consolidated		Parent entity		
	2018	2017	2018	2017	
	Notes	\$'000	\$'000	\$'000	\$'000
(f) Other Australian Government financial assistance					
Non-capital					
National Health and Medical Research Council		4,300	4,606	4,300	4,606
Australian Government Research (non-ARC)		22,491	21,406	22,491	21,406
Other Australian Government income		48,072	25,506	48,072	25,506
Total non-capital		74,863	51,518	74,863	51,518
Capital					
National Rental Affordability Scheme (NRAS)		-	1,520	-	1,520
Other Australian Government capital income		10,000	-	10,000	-
Total capital		10,000	1,520	10,000	1,520
Total other Australian Government financial assistance		84,863	53,038	84,863	53,038
Total Australian Government financial assistance		451,086	425,489	451,086	425,489
Reconciliation					
Australian Government grants		372,143	353,121	372,143	353,121
Higher Education Loan Programs		78,943	72,368	78,943	72,368
Total Australian Government financial assistance		451,086	425,489	451,086	425,489

Accounting policy

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

The consolidated entity recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the consolidated entity and specific criteria have been met for each of the consolidated entity's activities as described below. Revenue is recognised for the major business activities as follows:

Revenue type	Recognition
Government Grants	Grants from the government are recognised at their fair value where the consolidated entity obtains control of the right to receive the grant, it is probable that economic benefits will flow to the consolidated entity and it can be reliably measured.
HELP payments	Revenue from HELP is categorised into those received from the Australian Government and those received directly from students. Revenue is recognised and measured in accordance with the revenue recognition disclosure.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

2. REVENUE FROM CONTINUING OPERATIONS (continued)

	Notes	Consolidated		Parent entity	
		2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
2.2 State and Local Government financial assistance					
Non-capital					
Institute for Marine and Antarctic Studies		2,899	3,118	2,899	3,118
Tasmanian Institute of Agriculture		5,577	5,654	5,577	5,654
Menzies Research Institute		1,048	1,076	1,048	1,076
Other income		4,823	6,281	4,823	6,281
Total non-capital		14,347	16,129	14,347	16,129
Capital					
Other capital income		10,279	13,116	10,279	13,116
Total capital		10,279	13,116	10,279	13,116
Total State and Local Government financial assistance		24,626	29,245	24,626	29,245

Accounting policy

State and Local Government financial assistance is measured and recognised in accordance with the policy set out in Note 2.1.

2.3 Fees and charges					
Course fees and charges					
Fee-paying overseas students - onshore		114,423	93,250	114,423	93,250
Fee-paying overseas students - offshore		2,778	2,588	2,778	2,588
Fee-paying domestic postgraduate students		1,747	1,867	1,747	1,867
Total course fees and charges		118,948	97,705	118,948	97,705
Other fees and charges					
Student Services and Amenities Fees from students		4,152	3,996	4,152	3,996
Accommodation charges		14,532	15,862	13,697	14,959
Vocational Education and Training student fees		1,141	1,270	1,141	1,270
Other		5,880	6,365	5,679	6,383
Total other fees and charges		25,705	27,493	24,669	26,608
Total fees and charges		144,653	125,198	143,617	124,313

Accounting policy

Fees and charges are recognised as income in the year of receipt, except to the extent that fees and charges relate to courses to be held in future periods. Such receipts (or portion thereof) are treated as income in advance in liabilities. Conversely, fees and charges relating to debtors are recognised as revenue in the year to which the prescribed course relates.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

2. REVENUE FROM CONTINUING OPERATIONS (continued)

	Notes	Consolidated		Parent entity	
		2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
2.4 Investment revenue and income					
Interest		1,891	2,629	1,813	2,244
Dividends		24,457	12,491	24,077	10,015
Realised gains/(losses)		52	616	66	445
Unrealised gains/(losses)		(14,664)	17,775	(14,646)	15,519
Total investment revenue and income		11,736	33,511	11,310	28,223

Accounting policy

Interest

Recognised on a proportional basis taking into account the interest rates applicable to the financial asset.

Dividends

Revenue is recognised when (a) the HEP's right to receive the payment is established, which is generally when shareholders approve the dividend, (b) it is probable that the economic benefits associated with the dividend will flow to the entity; and (c) the amount of the dividend can be measured reliably.

Derivatives that do not qualify for hedge accounting

A derivative measured at fair value through profit or loss may be designated as a hedging instrument (except for some written options as per AASB9.B6.2.4) which do not qualify for hedge accounting. Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognised immediately in the income statement and are included in other income.

2.5 Consultancy and contracts					
Industry and other research		20,087	19,853	20,087	19,864
Research consultancies		58	190	58	190
Research donations and bequests		4,080	2,859	4,080	2,859
Industry support to ARC Linkage projects		657	1,006	657	1,006
Industry support to other Commonwealth research		5,291	6,096	5,291	6,096
Total consultancy and contracts		30,173	30,004	30,173	30,015

Accounting policy

Revenue is recognised as income in the year of receipt. A liability is recognised for completed grants where unspent grant monies are required to be refunded to the funding body.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

2. REVENUE FROM CONTINUING OPERATIONS (continued)

	Notes	Consolidated		Parent entity	
		2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
2.6 Other income					
Donations and bequests		3,288	4,953	2,318	1,408
Scholarships and prizes		1,686	944	1,686	944
Contract revenue (other than consultancy and contract research)		9,434	10,768	3,091	3,474
Sale of goods		3,957	3,570	3,958	3,572
Miscellaneous income		25,194	4,418	85,490	6,952
Total other income		43,559	24,653	96,543	16,350

The Parent Entity's miscellaneous income includes \$58.2m of assets transferred from the University of Tasmania Foundation Fund (see note 15) and insurance recoveries of \$14.8m relating to flood damage to the University's Sandy Bay campus.

Accounting policy

Revenue type

Donations and bequests
Scholarships and prizes
Contract revenue
Sale of goods

Recognition

Recognised when the right to receive the funds has been established.
Recognised when the right to receive the funds has been established.
Recognised upon the delivery of the service to the customer or as performance obligations are met.
Recognised upon the delivery of goods to the customer.

3. EXPENSES FROM CONTINUING OPERATIONS

	Notes	Consolidated		Parent entity	
		2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
3.1 Employee related expenses					
Academic					
Salaries		138,615	136,279	137,444	135,272
Contribution to superannuation and pension schemes		22,033	21,876	21,888	21,537
Payroll tax		10,793	10,575	10,680	10,522
Workers' compensation		141	549	141	543
Long service leave expense		4,263	3,029	4,261	3,012
Annual leave		10,902	10,434	10,863	10,411
Restructuring costs		1,430	6,381	1,430	6,381
Other expenses		4,963	5,218	4,963	5,218
Total academic		193,140	194,341	191,670	192,896

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

3. EXPENSES FROM CONTINUING OPERATIONS (continued)

	Notes	Consolidated		Parent entity	
		2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
3.1 Employee related expenses (continued)					
Non-Academic					
Salaries		136,003	128,759	133,752	126,143
Contribution to superannuation and pension schemes		21,612	20,044	21,304	19,900
Payroll tax		10,133	9,677	10,132	9,580
Workers' compensation		262	101	229	83
Long service leave expense		4,190	2,736	4,103	2,698
Annual leave		11,178	9,473	11,009	9,275
Restructuring costs		532	4,094	532	4,094
Other expenses		2,809	2,368	2,801	2,362
Total non-academic		186,720	177,252	183,862	174,135
Total employee benefits and on costs		379,860	371,593	375,532	367,031

Accounting policy

Refer to Note 13 for accounting policy.

3.2 Borrowing costs					
Interest expense		4,972	5,292	4,972	5,292
Less amount capitalised		-	(468)	-	(468)
Total borrowing costs expensed		4,972	4,824	4,972	4,824

Interest rates payable:

Current (Tascorp overdraft facility - Official Cash Rate + 0.65%)

Non-current (Tascorp loan maturing March 2023 - fixed interest only, 5.11% payable six monthly in arrears)

Accounting policy

Borrowing costs incurred for the construction of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period for which they are incurred.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

3. EXPENSES FROM CONTINUING OPERATIONS (continued)

	Notes	Consolidated		Parent entity	
		2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
3.3 Impairment of assets					
Impairment of flood damaged assets		5,891	-	5,891	-
Impairment of receivables (Note 5 and 24)		702	-	702	-
Total impairment of assets		6,593	-	6,593	-

Key estimates, judgements and accounting policy

Assets that have an indefinite useful life are not subject to amortisation or depreciation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets that are subject to amortisation or depreciation 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, except to the extent that the write-down can be debited to an asset revaluation reserve applicable to that class of asset. The recoverable amount is the higher of an asset's fair value less costs to sell, and value in use.

3.4 Other expenses					
Scholarships and prizes		29,972	27,896	28,015	25,039
Non-capitalised equipment		9,300	8,311	9,241	8,248
Advertising, marketing and promotional expenses		8,912	8,651	8,846	8,550
Telecommunications		3,602	3,934	3,578	3,911
Travel and staff development		19,886	18,703	19,405	18,097
Consumables		13,307	13,171	12,991	12,764
Office administration		3,902	3,442	3,811	3,365
Information technology operating costs		11,047	10,004	11,021	9,967
Advisory and consultancy services		34,206	31,872	35,020	31,922
Research sub-contractors		21,262	19,491	21,262	19,491
Conjoints, secondments and employment agency costs		2,472	2,617	2,472	2,617
Books, serials and subscriptions		8,550	7,580	8,524	7,537
Electricity and heating fuel		8,593	5,895	8,592	5,904
Cleaning		5,998	5,993	5,984	5,976
Security		3,221	2,969	3,209	2,969
Property and building operating costs		3,842	2,781	3,711	2,770
Council and director fees		611	568	611	582
Audit and assurance services		753	874	724	850
Operating lease payments		3,794	3,628	3,958	3,803
Insurance		2,382	1,924	2,352	1,925
New appointment expenses		1,544	1,428	1,543	1,428
Hire of plant and equipment		288	349	429	344
Other		11,893	11,275	10,262	10,540
Total other expenses		209,337	193,356	205,561	188,599

Accounting policy

Other expenses are recognised on an accrual basis.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

4. CASH AND CASH EQUIVALENTS

	Notes	Consolidated		Parent entity	
		2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Current					
Cash at bank and on hand		34,599	19,530	33,877	12,822
Short term deposits and bills		2,493	22,459	-	20,000
Total current cash and cash equivalents		37,092	41,989	33,877	32,822

(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 Statement of Cash Flows as follows:

	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Balances as above	37,092	41,989	33,877	32,822
Balance per the Statement of Cash Flows	37,092	41,989	33,877	32,822

Cash at bank accounts are bearing floating interest rates between 1.40% and 1.90% (2017: 1.30% and 2.00%). Cash on hand is non-interest bearing. Short term deposits and bills as at 31 December 2018 are bearing interest rates of between 2.32% and 2.61% (2017: 2.50%).

Accounting policy

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

5. RECEIVABLES

	Notes	Consolidated		Parent entity	
		2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Current					
Trade receivables		17,991	18,952	16,880	18,028
Loans to controlled entities		-	-	3,255	1,657
Less provision for impaired receivables		(1,081)	(542)	(2,157)	(1,618)
		16,910	18,410	17,978	18,067
Deferred Government contribution for superannuation	26	627	643	627	643
Bonds and deposits		3,088	488	3,067	480
Accrued revenue		5,920	2,843	5,694	2,691
GST		2,168	3,505	2,250	3,568
Total current receivables		28,713	25,889	29,616	25,449

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

5. RECEIVABLES (continued)

	Notes	Consolidated		Parent entity	
		2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Non-current					
Deferred Government contribution for superannuation	26	6,580	6,719	6,580	6,719
Sundry loans and advances		300	300	300	300
Less provision for impaired receivables		(300)	(300)	(300)	(300)
Total non-current receivables		6,580	6,719	6,580	6,719
Total receivables		35,293	32,608	36,196	32,168

Trade receivables are non-interest bearing and are generally on terms of 30 days.

Set out below is the movement in the allowance for expected credit losses of trade receivables:

At 1 January		542	669	1,618	1,745
Provision for expected credit losses		756	425	756	425
Unused amount reversed		(217)	(552)	(217)	(552)
At 31 December		1,081	542	2,157	1,618

Accounting policy

Trade receivables

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

The collection of trade receivables is reviewed on an ongoing basis. Debts known to be uncollectible are written off. A provision for impaired receivables is established where there is evidence the consolidated entity will not be able to collect all amounts due according to the original terms of the receivable. The amount of any movement in the provision is recognised in the Income Statement, with the balance of the provision recognised in the Statement of Financial Position.

Impairment

For trade receivables the Consolidated Entity applies a simplified approach in calculating expected credit losses ("ECLs"). Therefore, the Entity does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Consolidated Entity has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

6. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

	Notes	Consolidated		Parent entity	
		2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Current					
Non-current assets classified as held for sale		-	925	-	925
Total non-current assets classified as held for sale		-	925	-	925

Accounting policy

Non-current assets are classified as held for sale and stated at the lower of their carrying amount and fair value less costs of disposal 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 statement of financial position.

7. INVESTMENTS

	Notes	Consolidated		Parent entity	
		2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Non-current					
At fair value through profit or loss:					
Trust investments		23,678	16,924	23,678	16,924
Investment funds		380,575	402,708	370,222	339,722
At cost:					
Shares - unlisted		1	1	1	1
Investment in subsidiaries (AMC Search Limited)		-	-	3,534	3,534
Total investments		404,254	419,633	397,435	360,181
The funds comprise:					
Australian equities		70,102	90,921	65,867	74,777
Overseas equities		101,819	94,505	99,714	80,020
Australian property		720	696	-	-
International property		19,229	-	19,075	-
Alternatives		113,783	77,531	112,870	66,546
Australian fixed interest		44,033	59,145	42,055	49,791
Overseas fixed interest		16,609	30,399	16,476	26,092
Cash and cash equivalents		14,280	49,511	14,165	42,496
Total investment funds		380,575	402,708	370,222	339,722

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

7. INVESTMENTS (continued)

Investment Funds

The Investment funds are invested wholly in managed funds. 80% of the managed funds (up from 79% in 2017) are investments with fund managers who are signatories to the United Nations. Investments are classified as non-current in line with the University strategy of holding them long term. The majority of the investments could be redeemed within 30 days if required.

Accounting policy

The consolidated entity's investment funds are held in managed portfolios and cash management accounts.

The investments are measured at either fair value (at ex-distribution prices) through profit or loss, where changes in fair value are taken to the Income Statement, or at cost.

The consolidated entity currently classifies its financial assets in the following categories: investments (comprising financial assets at fair value through profit or loss, or at cost), derivative financial instruments, and loans and receivables. The classification depends on the purpose for which the financial assets 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

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

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

8. PROPERTY, PLANT AND EQUIPMENT

(a) Consolidated - \$'000	Notes	Land	Buildings	Capital WIP	Leasehold improvements	Plant and equipment	Library	Works of art	Total
At 1 January 2017									
At cost		-	-	90,127	15	139,162	52,503	-	281,807
At valuation		87,426	530,598	-	21,211	-	-	8,615	647,850
Accumulated depreciation and impairment		-	(12,941)	-	(549)	(84,095)	(48,203)	-	(145,788)
Net book amount		87,426	517,657	90,127	20,677	55,067	4,300	8,615	783,869
Year ended 31 December 2017									
Opening net book amount		87,426	517,657	90,127	20,677	55,067	4,300	8,615	783,869
Additions		6,801	1,335	47,211	-	3,815	109	511	59,782
Transfers from capital works in progress		-	90,538	(106,897)	2,556	13,803	-	-	-
Revaluation increment/ (decrement)	15	(4,610)	(53,520)	-	-	-	-	-	(58,130)
Service concession asset	10	-	(143,512)	-	-	-	-	-	(143,512)
Disposals		(4,370)	(4,544)	-	-	(643)	-	-	(9,557)
Depreciation charge		-	(14,956)	-	(606)	(12,854)	(385)	-	(28,801)
Closing net book amount		85,247	392,998	30,441	22,627	59,188	4,024	9,126	603,651

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

8. PROPERTY, PLANT AND EQUIPMENT (continued)

(a) Consolidated - \$'000	Notes	Land	Buildings	Capital WIP	Leasehold improvements	Plant and equipment	Library	Works of art	Total
At 31 December 2017									
At cost		-	-	30,441	15	153,125	51,564	-	235,145
At valuation		85,247	412,395	-	23,767	-	-	9,126	530,535
Accumulated depreciation and impairment		-	(19,397)	-	(1,155)	(93,937)	(47,540)	-	(162,029)
Net book amount		85,247	392,998	30,441	22,627	59,188	4,024	9,126	603,651
Year ended 31 December 2018									
Opening net book amount		85,247	392,998	30,441	22,627	59,188	4,024	9,126	603,651
Additions		7,783	36,412	46,839	-	4,956	94	242	96,326
Transfers from capital works in progress		-	1,690	(10,501)	2,402	6,409	-	-	-
Revaluation increment/ (decrement)	15	-	-	-	-	-	-	-	-
Service concession asset	10	-	-	(1,075)	-	-	-	-	(1,075)
Disposals		(67)	-	-	-	(706)	-	-	(773)
Impairment		-	-	-	-	(4,933)	-	-	(4,933)
Depreciation charge		-	(11,348)	-	(864)	(12,861)	(391)	-	(25,464)
Closing net book amount		92,963	419,752	65,704	24,165	52,053	3,727	9,368	667,732
At 31 December 2018									
At cost		-	-	65,704	15	152,339	51,656	-	269,714
At valuation		92,963	450,498	-	26,169	-	-	9,368	578,998
Accumulated depreciation and impairment		-	(30,746)	-	(2,019)	(100,286)	(47,929)	-	(180,980)
Net book amount		92,963	419,752	65,704	24,165	52,053	3,727	9,368	667,732

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

8. PROPERTY, PLANT AND EQUIPMENT (continued)

(b) Parent Entity - \$'000	Notes	Land	Buildings	Capital WIP	Leasehold improvements	Plant and equipment	Library	Works of art	Total
At 1 January 2017									
At cost		-	-	90,127	-	136,549	52,503	-	279,179
At valuation		87,426	530,598	-	21,211	-	-	8,615	647,850
Accumulated depreciation and impairment		-	(12,941)	-	(544)	(83,018)	(48,203)	-	(144,706)
Net book amount		87,426	517,657	90,127	20,667	53,531	4,300	8,615	782,323

At 1 January 2017									
Opening net book amount		87,426	517,657	90,127	20,667	53,531	4,300	8,615	782,323
Additions		6,801	1,335	47,211	-	3,798	109	511	59,765
Transfers from capital works in progress		-	90,538	(106,897)	2,556	13,803	-	-	-
Revaluation increment/(decrement)	15	(4,610)	(53,520)	-	-	-	-	-	(58,130)
Service concession asset	10	-	(143,512)	-	-	-	-	-	(143,512)
Disposals		(4,370)	(4,544)	-	-	(643)	-	-	(9,557)
Depreciation charge		-	(14,956)	-	(604)	(12,553)	(385)	-	(28,498)
Closing net book amount		85,247	392,998	30,441	22,619	57,936	4,024	9,126	602,391

At 31 December 2017									
At cost		-	-	30,441	-	150,494	51,564	-	232,499
At valuation		85,247	412,395	-	23,767	-	-	9,126	530,535
Accumulated depreciation and impairment		-	(19,397)	-	(1,148)	(92,558)	(47,540)	-	(160,643)
Net book amount		85,247	392,998	30,441	22,619	57,936	4,024	9,126	602,391

Year ended 31 December 2018									
Opening net book amount		85,247	392,998	30,441	22,619	57,936	4,024	9,126	602,391
Additions		7,783	36,412	46,839	-	4,925	94	242	96,295
Transfers from capital works in progress		-	1,690	(10,501)	2,402	6,409	-	-	-
Revaluation increment/(decrement)	15	-	-	-	-	-	-	-	-
Service concession asset	10	-	-	(1,075)	-	-	-	-	(1,075)
Disposals		(67)	-	-	-	(690)	-	-	(757)
Impairment		-	-	-	-	(4,933)	-	-	(4,933)
Depreciation charge		-	(11,348)	-	(862)	(12,586)	(391)	-	(25,187)
Closing net book amount		92,963	419,752	65,704	24,159	51,061	3,727	9,368	666,734

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

8. PROPERTY, PLANT AND EQUIPMENT (continued)

(b) Parent Entity - \$'000	Notes	Land	Buildings	Capital WIP	Leasehold improvements	Plant and equipment	Library	Works of art	Total
At 31 December 2018									
At cost		-	-	65,704	-	149,704	51,656	-	267,064
At valuation		92,963	450,498	-	26,169	-	-	9,368	578,998
Accumulated depreciation and impairment		-	(30,746)	-	(2,010)	(98,643)	(47,929)	-	(179,328)
Net book amount		92,963	419,752	65,704	24,159	51,061	3,727	9,368	666,734

Key estimates, judgements and accounting policy

Property, plant and equipment

Land, buildings, leasehold improvements and works of art are shown at fair value based on periodic valuations by external independent valuers, less subsequent depreciation for buildings and leasehold improvements. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Other classes of property, plant and equipment are stated at cost or fair value less depreciation. The valuation methodology adopted for asset classes is as follows:

Asset Class	Valuation basis	Detail
Property (land, buildings and leasehold improvements)	Fair Value	Freehold land, buildings and leasehold improvements were revalued as at 31 December 2017
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	Fair Value	A valuation of the works of art was undertaken in 2014

Revaluations are made with sufficient regularity to ensure that the carrying amount of land, buildings, leasehold improvements and works of art does not differ materially from their fair value at reporting date.

Where land, buildings, leasehold improvements or works of art are subject to revaluation, any increment is recognised in other comprehensive income and accumulated in equity under the heading asset revaluation reserve. To the extent that the increment reverses a previous decrement recognised in profit or loss, the increment is first recognised in profit or loss. Decrements that reverse previous increments of the same asset class are also recognised in other comprehensive income to the extent of the remaining reserve attributable to the asset class. All other decrements are charged to the Income Statement.

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

Work in progress (WIP)

Capital work in progress 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.

Intangibles work in progress represents the cost associated with the development of software which has not been commissioned.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

8. PROPERTY, PLANT AND EQUIPMENT (continued)

Depreciation

Depreciation is calculated using the straight-line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives, as follows:

Depreciable assets	2018	2017
Buildings	1.7% - 25%	2.5%
Plant and equipment	2.5% - 33%	2.5% - 33%
Library collections	5%	5%
Leasehold improvements	2.5% - 5%	2.5% - 5%
Intangibles	6.6% - 33%	6.6% - 33%

Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements. Land and works of art are not depreciated.

Useful lives of assets are reviewed on an annual basis.

9. INTANGIBLE ASSETS

	Notes	Consolidated		Parent entity	
		2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Opening net book amount		51,049	49,590	51,049	49,590
Additions		328	4,348	328	4,348
Additions to intangibles work in progress		6,609	4,374	6,609	4,374
Disposals		(104)	(29)	(104)	(29)
Impairment		(957)	-	(957)	-
Amortisation charge		(5,705)	(7,234)	(5,705)	(7,234)
Closing net book amount		51,220	51,049	51,220	51,049
Cost		71,058	66,655	71,058	66,655
Accumulated amortisation and impairment		(28,366)	(22,899)	(28,366)	(22,899)
Intangibles work in progress		8,528	7,293	8,528	7,293
Net book amount		51,220	51,049	51,220	51,049

Accounting policy

Intangible assets that are acquired, developed or constructed by the consolidated entity 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:

Core business systems software	10 - 15 years
Other minor software applications	3 years

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

10. SERVICE CONCESSION ASSET

	Notes	Consolidated		Parent entity	
		2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Non-current					
Opening balance at valuation		143,512	-	143,512	-
Addition		1,075	143,512	1,075	143,512
Accumulated depreciation and impairment		(3,763)	-	(3,763)	-
Total service concession asset		140,824	143,512	140,824	143,512

Accounting policy

The University executed a market transaction in respect of Purpose Built Student Accommodation (PBSA) assets. It granted a 30 year licence to receive net rentals from these assets from 31 December 2017 in exchange for payment of an upfront amount. The licensee will be responsible for maintaining the asset condition to a pre-set regime and the University retains the operations of the premises. At the conclusion of the arrangement the asset will revert back to the University's control at a pre-agreed condition at which time the University will assume asset risk and rental revenue. The service concession asset will be revalued under the same policy as revaluations of property, plant and equipment. The transaction is accounted for under AASB 1059 'Service Concession Arrangements – Grantor' and the University has early adopted this standard. The University has not identified any other transactions in the scope of the standard and on that basis there is no further reporting requirements for the current or comparative periods.

11. TRADE AND OTHER PAYABLES

	Notes	Consolidated		Parent entity	
		2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Current					
Creditors and accruals		30,382	34,338	30,443	34,117
OS-HELP liability to Australian Government		218	71	218	71
Total current trade and other payables		30,600	34,409	30,661	34,188

Accounting policy

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the year which are unpaid. The amounts are unsecured, are recognised at cost and are normally settled within 30 days.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

12. BORROWINGS

	Notes	Consolidated		Parent entity	
		2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Current					
Unsecured loan - interest bearing		-	-	-	-
Total current borrowings		-	-	-	-
Non-current					
Unsecured loan - interest bearing		93,600	93,600	93,600	93,600
Total non-current borrowings		93,600	93,600	93,600	93,600
Total borrowings		93,600	93,600	93,600	93,600

Accounting policy

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Income Statement over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities, which are not an incremental cost relating to the actual draw-down of the facility, are recognised as prepayments and amortised on a straight-line basis over the term of the facility.

Borrowings are removed from the Statement of Financial Position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in other income or other expenses.

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

The University's loan facilities with Tascorp are made under a Master Loan Facility Agreement; the facility restricts other financial indebtedness and encumbrances that can be incurred. The borrowings are unsecured, however, require the University to maintain cash reserves including financial investments at a level no less than the outstanding amount loaned.

	2018	2017	2018	2017
(a) Financing arrangements				
At balance date the following lines of credit were established:				
Loan facilities				
Total loan facility - Tascorp	100,000	100,000	100,000	100,000
Total overdraft facility	50,000	50,000	50,000	50,000
Used at balance date	(93,600)	(93,600)	(93,600)	(93,600)
Unused at balance date	56,400	56,400	56,400	56,400
Business card facility				
Total facility	9,000	8,000	9,000	8,000
Used at balance date	-	-	-	-
Unused at balance date	9,000	8,000	9,000	8,000

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

13. PROVISIONS

	Notes	Consolidated		Parent entity	
		2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Current					
Annual leave		29,180	27,265	28,774	26,892
Long service leave		28,176	27,051	27,690	26,607
Restructuring costs		3,637	9,544	3,637	9,544
Superannuation	26	1,366	1,450	1,366	1,450
Total current provisions		62,359	65,310	61,467	64,493
Non-current					
Long service leave		13,640	12,437	13,593	12,402
Restructuring costs		-	-	-	-
Superannuation	26	11,434	12,166	11,434	12,166
Total non current provisions		25,074	24,603	25,027	24,568
Total provisions		87,433	89,913	86,494	89,061
(1) Annual leave liabilities include the following non-employee on-costs		1,638	1,506	1,608	1,479
(2) Long service leave liabilities include the following non-employee on-costs		2,657	2,524	2,618	2,489

Key estimates, judgements and accounting policy

Provisions are recognised when the consolidated entity has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated.

Provisions are measured at the present value of management's best estimate of expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as a finance cost.

Employee benefits:

Wages and salaries, and sick leave

Liabilities for short-term employee benefits including wages and salaries are measured at the amount expected to be paid when the liability is settled, if it is expected to be settled wholly before 12 months after the end of the reporting period, and is recognised in other payables in respect of employees' services up to the reporting date. Sick leave entitlements provided to the employees of the consolidated entity are non-vesting and are based on a cumulative sick leave system. Costs for non-accumulating sick leave are recognised when leave is taken.

Annual leave

Liabilities for annual leave for all employees 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 are included in the provision.

Long service leave

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

13. PROVISIONS (continued)

Superannuation

Employee contributory superannuation funds exist to provide benefits for the consolidated entity's employees and their dependants on retirement, disability or death of the employee. The contributions made to these funds by the consolidated entity are recorded as an expense as they become payable.

Restructure costs

Restructure costs are recognised as an expense and liability when the consolidated entity has approved a detailed and formal restructuring plan, and the restructuring has either commenced or been announced.

14. OTHER LIABILITIES

	Notes	Consolidated		Parent entity	
		2018	2017	2018	2017
		\$'000	\$'000	\$'000	\$'000
Current					
Revenue in advance		24,417	22,047	24,356	21,989
Bonds and deposits held		1,201	806	1,201	806
Monies held on behalf of other entities		4,023	3,391	4,023	3,391
Grant of right to operate		5,491	5,491	5,491	5,491
Australian Government unspent financial assistance		7,619	6,892	7,619	6,892
Total current other liabilities		42,751	38,627	42,690	38,569
Non-current					
Grant of right to operate		121,626	127,117	121,626	127,117
Australian Government unspent financial assistance		-	6,906	-	6,906
Total non-current other liabilities		121,626	134,023	121,626	134,023
Total other liabilities		164,377	172,650	164,316	172,592

Accounting policy

Revenue in advance

Refer to note 2.3 for accounting policy.

Grant of right to operate

The University has executed a market transaction in respect of Purpose Built Student Accommodation (PBSA) assets (note 10). It has granted a 30 year licence to receive net rentals from these assets from 31 December 2017 in exchange for payment of an upfront amount. The upfront amount will be amortised over the 30 year life of the agreement.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

15. EQUITY

	Notes	Consolidated		Parent entity	
		2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Reserves					
Asset revaluation reserve					
Balance at end of previous year		217,100	275,230	217,100	275,230
Add: revaluation increment/(decrement) on land	8	-	(4,610)	-	(4,610)
Add: revaluation increment/(decrement) on buildings	8	-	(53,520)	-	(53,520)
Add: revaluation increment/(decrement) on leasehold improvements	8	-	-	-	-
Add: revaluation increment/(decrement) on works of art	8	-	-	-	-
Balance at end of year		217,100	217,100	217,100	217,100

Statutory funds					
Balance at end of previous year as previously reported		173,541	162,297	114,786	108,551
Transfer of assets from the University of Tasmania Foundation Fund		-	-	58,204	-
Current year movements		23,359	11,244	23,910	6,235
Statutory funds balance		196,900	173,541	196,900	114,786

On the 30th April 2018, the assets of the University of Tasmania Foundation Fund were transferred into the University of Tasmania.

Retained earnings					
Balance at end of previous year		521,677	474,038	511,229	463,420
Other comprehensive income		(85)	(46)	(85)	(46)
Result		59,129	58,929	119,068	54,090
Movement and transfer in statutory funds		(23,359)	(11,244)	(82,114)	(6,235)
Total retained surplus		557,362	521,677	548,098	511,229

Accounting policy

Statutory funds

The statement of comprehensive income combines a number of funds which, under granting conditions, cannot be utilised for general purpose expenditure. These are referred to as Statutory Funds, and comprise:

Trust funds – donations for endowments and specified purposes such as prizes and scholarships, and
Other statutory funds – specific research grants, consultancies and other contract funds.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

16. KEY MANAGEMENT PERSONNEL DISCLOSURES

Remuneration of Council Members

The Council is the governing body of the University. The number of Council Members where the total remuneration (including salary, superannuation and other benefits) for the reporting period was paid within bands of \$15,000 were:

	Notes	Consolidated		Parent entity	
		2018 No.	2017 No.	2018 No.	2017 No.
\$15,000 to \$29,999		5	8	5	8
\$30,000 to \$44,999		3	2	3	2
\$45,000 to \$59,999		1	-	1	-
\$60,000 to \$74,999		-	1	-	1
\$75,000 to \$89,999		1	-	1	-
		10	11	10	11
Aggregate remuneration of Council Members		\$338,147	\$347,494	\$338,147	\$347,494

Members of the University Council are: Mr Rhys Edwards, Mrs Susan Chen, Ms Leanne Topfer, Ms Phillipa Leedham, Mr Corey Peterson, Professor Kwong Lee Dow, Professor Jamie Kirkpatrick, Mr Harvey Gibson, Mr Paul Gregg and Hon. Michael Field.

Remuneration of executive officers

The number of executive positions where the total remuneration (including salary, superannuation and other benefits) for the reporting period was paid within bands of \$15,000 were:

	Notes	Consolidated		Parent entity	
		2018 No.	2017 No.	2018 No.	2017 No.
150,000 to 164,999		1	-	1	-
180,000 to 194,999		1	-	1	-
210,000 to 224,999		1	-	1	-
225,000 to 239,999		-	1	-	1
330,000 to 344,999		2	-	2	-
375,000 to 389,999		-	1	-	1
450,000 to 464,999		-	1	-	1
465,000 to 479,999		1	-	1	-
540,000 to 554,999		-	1	-	1
555,000 to 569,999		1	1	1	1
585,000 to 599,999		-	1	-	1
885,000 to 899,999		1	-	1	-
975,000 to 989,999		-	1	-	1
1,020,000 to 1,034,999*		1	-	1	-
		9	7	9	7
Aggregate remuneration of executives		\$4,168,785	\$3,754,980	\$4,168,785	\$3,754,980

* includes separation payment.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

16. KEY MANAGEMENT PERSONNEL DISCLOSURES (continued)

Executive officers are defined as the Vice-Chancellor and members of the University Executive Team who report directly to the Vice-Chancellor, and who are responsible for whole of University strategy. The list of senior executives comprises: Professor Rufus Black (Vice-Chancellor), Professor Jane Long (Provost), Professor Brigid Heywood (Deputy Vice-Chancellor (Research)), Mr Rob Atkinson (Deputy Vice-Chancellor (Global)), Mr Lee Whiteley (Chief Executive - University of Tasmania College), and Mr David Clerk (Chief Operating Officer). Professor Monique Skidmore (Deputy Vice-Chancellor (Global)), Professor Mike Calford (Provost) and Professor Janelle Allison (Principal - University of Tasmania College), were members for part of 2018.

Other transactions with key management personnel

All transactions with members of Council and key management personnel or their related entities are conducted at arm's length, at normal market prices and on normal commercial terms.

The following activity occurred during 2018:

Mr Harvey Gibson is a Partner with Wise, Lord & Ferguson. Mr Gibson's Council remuneration is paid to Wise, Lord and Ferguson. Professor Rufus Black (Vice-Chancellor) donated a proportion of his salary to the University for Scholarships.

17. REMUNERATION OF AUDITORS

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

	Consolidated		Parent entity	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
Audit of the financial statements				
Tasmanian Audit Office	140	181	131	154
Total remuneration for audit services	140	181	131	154

The fee for the 2018 audit of consolidated financial statements is \$169,010 (2017: \$162,500).

Other audit and assurance services

Fees paid to other firms for internal audit, audit of grant monies and other assurance services:

Tasmanian Audit Office	16	14	16	14
Deloitte	560	520	560	520
Assurance Pty Ltd	66	36	66	36
ShineWing	-	30	-	30
Altus Page Kirkland	1	-	1	-
Ausmeat	2	1	2	1
Dept of Agriculture and Water Resources	-	1	-	1
Synectic	-	1	-	1
Total remuneration for other audit and assurance services	645	603	645	603

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

18. CONTINGENCIES

The consolidated entity had the following contingent liabilities at 31 December 2018:

University of Tasmania:

Contract performance guarantee in respect of leased premises with the Australian Broadcasting Corporation

- 2018: \$35k (2017: \$35k)

Contract performance guarantee in respect of a lease with the Australian National Maritime Museum (2 Murray Street, Pyrmont)

- 2018: \$175k (2017: \$175k)

Contract performance guarantee with Premium Custody Services Pty Ltd:

- 2018: \$25k (2017: \$25k)

AMC Search Ltd:

Bank guarantee to Commonwealth of Australia in relation to the Pacific Patrol Boat training contract from 2013 to 2019

- 2018: \$1m (2017: \$1m)

The consolidated entity has no other material contingent liabilities. There were no contingent assets as at 31 December 2018.

19. COMMITMENTS

	Notes	Consolidated		Parent entity	
		2018	2017	2018	2017
		\$'000	\$'000	\$'000	\$'000
Capital expenditure commitments					
Contracted but not provided for and payable not later than one year		94,643	74,954	94,643	74,954
Total capital expenditure commitments		94,643	74,954	94,643	74,954

Capital expenditure commitments include the following significant building works: \$46.8m for "The Hedberg" creative industries and performing arts development, property acquisitions \$22.9m, Launceston campus development \$13.2m, \$4.0m for Mid City refurbishment and \$3.1m for the IMAS pump station.

Operating lease commitments

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

Within one year		2,841	2,070	2,841	2,070
Later than one year but not later than five years		7,741	3,881	7,741	3,881
Later than five years		2,749	1,698	2,749	1,698
Total lease commitments		13,331	7,649	13,331	7,649

Operating lessor commitments

Commitments in relation to property and equipment leases contracted for at the reporting date but not recognised as assets, receivable:

Within one year		640	719	640	719
Later than one year but not later than five years		380	2,549	380	2,549
Later than five years		314	3,143	314	3,143
Total lessor commitments		1,334	6,411	1,334	6,411

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

19. COMMITMENTS (continued)

Accounting policy

Leases of property, plant and equipment where the consolidated entity, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the lower of the fair value of the leased property and the present value of the minimum lease payments.

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.

20. RELATED PARTIES

(a) Parent entity

The ultimate parent entity within the consolidated entity is the University of Tasmania.

(b) Controlled entities

Interests in controlled entities are set out in note 21.

(c) Key management personnel

Disclosures relating to Council Members and specified executives are set out in note 16.

	Notes	Consolidated		Parent entity	
		2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
(d) Transactions with related parties					
Sale of goods and services to controlled entities		-	-	3,519	3,261
Purchase of goods and services from controlled entities		-	-	278	1,809
Funding provided to controlled entities		-	-	1,550	2,001
Funding received from controlled entities		-	-	-	1,302
(e) Loans to/(from) related parties					
Beginning of the year		-	-	1,657	1,076
Loans advanced		-	-	1,598	3,213
Loan repayments received		-	-	-	(2,632)
End of year		-	-	3,255	1,657
(f) Outstanding balances					
Current payables (purchases of goods)					
Controlled entities		-	-	439	203
Total current payables		-	-	439	203

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

21. CONTROLLED ENTITIES

Controlled entities

The consolidated financial statements incorporate the assets, liabilities and results of the following controlled entities in accordance with the accounting policy described in note 1.2

	Ownership Interest	
	2018	2017
All entities are incorporated in Australia.	%	%
University of Tasmania Foundation Inc The University Foundation is an Incorporated Association which acts as trustee for the University of Tasmania Foundation Trust. It raises money to endow scholarships, support research and build resources, while developing links between the University, industry and the community. On the 30th April 2018, the assets of the University of Tasmania Foundation Fund were transferred into the University of Tasmania.	100	100
AMC Search Limited AMC Search is a company limited by guarantee which provides maritime training and consulting services.	100	100
Tasmania University Union Inc (TUU) The TUU is an Incorporated Association established in 1899, and is the body of student representation for tertiary students attending the University of Tasmania. As a result of changes to AASB 10 Consolidated Financial Statements, the University of Tasmania now satisfies the definition of control and has consolidated the TUU since 2014.	-	-
UTAS Holdings Pty Ltd UTAS Holdings is a company limited by shares. The company was registered on 15 August 2014 and established to act as a holding company for commercialisation activities of the University of Tasmania.	100	100
Sense-Co Tasmania Pty Ltd Sense-Co Tasmania is a company limited by shares. The company was registered on 19 August 2014 and established to focus on the commercialisation opportunities of sensing technology. The company is a subsidiary of UTAS Holdings Pty Ltd.	80	100

22. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of cash

For the purposes of the Statement of Cash Flows, the consolidated entity considers cash to include cash on hand, short term deposits at call and investments in money market instruments. Cash at the end of the reporting period, as shown in the Statement of Cash Flows, is reconciled to the related items in the Statement of Financial Position as follows:

	Consolidated		Parent entity	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
Cash at bank and on hand	34,599	19,530	33,877	12,822
Short term deposits and bills	2,493	22,459	-	20,000
	37,092	41,989	33,877	32,822

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

22. NOTES TO THE STATEMENT OF CASH FLOWS (continued)

b) Reconciliation of net cash used in operating activities to result

	Consolidated		Parent entity	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
Result	59,129	58,929	119,068	54,090
Capital grants	(23,037)	(27,075)	(23,037)	(27,075)
Depreciation and amortisation	34,960	36,033	34,678	35,732
Non-cash donations	(20)	(429)	(20)	(429)
Transfer of assets from the University of Tasmania Foundation Fund	-	-	(58,203)	-
(Profit)/loss on sale of property, plant and equipment	126	(3,063)	126	(3,063)
Impairment of property, plant and equipment	5,891	-	5,891	-
Movement in realised/unrealised (gains)/losses on investments	14,612	(18,391)	14,580	(15,964)
Net actuarial (gains)/losses in respect of superannuation plans	(85)	(46)	(85)	(46)
Change in Assets and Liabilities				
(Increase)/decrease in receivables	2,453	(724)	2,621	(599)
(Decrease)/increase in provision for impaired receivables	539	(127)	539	(127)
(Increase)/decrease in inventories	39	112	39	112
(Increase)/decrease in accrued revenue	(3,077)	1,465	(3,003)	1,592
(Increase)/decrease in prepayments	(1,473)	(1,032)	(1,414)	(1,331)
(Decrease)/increase in payables	(1,391)	7,937	(1,109)	8,169
(Decrease)/increase in provisions	(2,480)	2,080	(2,567)	2,144
(Decrease)/increase in revenue in advance	(3,121)	1,624	(3,124)	2,424
(Decrease)/increase in unspent financial assistance	(6,179)	(8,678)	(6,179)	(8,678)
Net cash provided or used by operating activities	76,886	48,615	78,801	46,951

23. EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD

No significant events have occurred.

24. FINANCIAL RISK MANAGEMENT

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

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 impairment. The consolidated entity is not materially exposed to any individual or group. Accounts receivable credit terms are 30 days.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

24. FINANCIAL RISK MANAGEMENT (continued)

Foreign currency risk

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 net result for the year.

Liquidity risk

Liquidity risk is the risk that the consolidated entity will not be able to meet its financial obligations as they fall due. The University's approach to managing liquidity is to ensure that it will have sufficient liquidity to meet its liabilities through maintenance of sufficient liquid assets and borrowing facilities and active monitoring of cash flow forecasts.

Interest rate risk

The consolidated entity's exposure to interest rate risk is set out in the following table. The table also details the fair values of financial assets and liabilities. Exposures arise predominantly from assets and liabilities bearing variable interest rates as the consolidated entity intends to hold fixed rate assets and liabilities to maturity.

Consolidated	Non interest bearing	Floating	1 year or less	Over 1 year to 5 years	More than 5 years	Carrying amount as per Statement of Financial Position	Fair value
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
31 December 2018							
Financial assets							
Cash and cash equivalents	-	34,599	2,493	-	-	37,092	37,092
Receivables	35,293	-	-	-	-	35,293	35,293
Investments	1	343,611	-	60,642	-	404,254	404,254
Total financial assets	35,294	378,210	2,493	60,642	-	476,639	476,639
Financial liabilities							
Payables	30,600	-	-	-	-	30,600	30,600
Borrowings	-	-	-	-	93,600	93,600	103,140
Total financial liabilities	30,600	-	-	-	93,600	124,200	133,740
31 December 2017							
Financial assets							
Cash and cash equivalents	-	19,530	22,459	-	-	41,989	41,989
Receivables	32,608	-	-	-	-	32,608	32,608
Investments	1	330,088	-	89,544	-	419,633	419,633
Total financial assets	32,609	349,618	22,459	89,544	-	494,230	494,230
Financial liabilities							
Payables	34,409	-	-	-	-	34,409	34,409
Borrowings	-	-	-	-	93,600	93,600	102,979
Total financial liabilities	34,409	-	-	-	93,600	128,009	137,388

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

25. FAIR VALUE MEASUREMENTS

(a) Fair value measurements

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

Due to the short-term nature of the current receivables, their carrying value is assumed to approximate their fair value and based on credit history it is expected that the receivables that are neither past due nor impaired will be received when due.

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

	Notes	Carrying amount		Fair value	
		2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Financial assets					
Cash and cash equivalents	4	37,092	41,989	37,092	41,989
Receivables	5	35,293	32,608	35,293	32,608
Investments	7	404,254	419,633	404,254	419,633
Total financial assets		476,639	494,230	476,639	494,230
Financial liabilities					
Payables	11	30,600	34,409	30,600	34,409
Borrowings	12	93,600	93,600	103,140	102,979
Total financial liabilities		124,200	128,009	133,740	137,388

The University of Tasmania measures and recognises the following assets and liabilities at fair value on a recurring basis:

- Financial assets at fair value through profit or loss
- Land and buildings
- Leasehold improvements
- Works of art
- Assets classified as held for sale
- Service concession asset

(b) Fair value hierarchy

The University of Tasmania categorises assets and liabilities measured at fair value into a hierarchy based on the level of inputs used in measurement:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 – inputs other than quoted prices within level 1 that are observable for the asset or liability either directly or indirectly

Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

25. FAIR VALUE MEASUREMENTS (continued)

(b) Fair value hierarchy (continued)

i) Recognised fair value measurements

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

Fair value measurements at 31 December 2018		2018	Level 1	Level 2	Level 3
Recurring fair value measurements		\$'000	\$'000	\$'000	\$'000
Financial assets					
Financial assets at fair value through profit or loss					
Investments	7	404,254	381,336	22,918	-
Total financial assets		404,254	381,336	22,918	-
Non-financial assets					
Land	8	92,963	-	92,963	-
Buildings and leasehold improvements	8	443,917	-	-	443,917
Works of art	8	9,368	-	9,368	-
Assets classified as held for sale	6	-	-	-	-
Service concession asset	10	140,824	-	-	140,824
Total non-financial assets		687,072	-	102,331	584,741
Fair value measurements at 31 December 2017					
Recurring fair value measurements		2017	Level 1	Level 2	Level 3
Recurring fair value measurements		\$'000	\$'000	\$'000	\$'000
Financial assets					
Financial assets at fair value through profit or loss					
Investments	7	419,633	403,468	16,165	-
Total financial assets		419,633	403,468	16,165	-
Non-financial assets					
Land	8	85,247	-	85,247	-
Buildings and leasehold improvements	8	415,625	-	-	415,625
Works of art	8	9,126	-	9,126	-
Assets classified as held for sale	6	925	-	925	-
Service concession asset	10	143,512	-	-	143,512
Total non-financial assets		654,435	-	95,298	559,137

There were no transfers between levels 1 and 2 for recurring fair value measurements during the year.

The University of Tasmania's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

25. FAIR VALUE MEASUREMENTS (continued)

ii) Disclosed fair values

The University of Tasmania has a number of assets and liabilities which are not measured at fair value, but for which the fair values are disclosed in the notes.

The carrying value less impairment provision of trade receivables and payables is a reasonable approximation of their fair values due to the short-term nature of trade receivables.

Valuation techniques used to derive level 2 fair values

Land, buildings and leasehold improvements are valued independently at regular intervals. With the expected relocation of campuses in Launceston and Burnie an independent valuation was performed by Gavin Lippelgoes and Matthew Davis from Opteon (Tasmania)

Pty Ltd during 2017 for affected property. A desktop valuation of the remaining assets was undertaken by management in 2017 based on the valuation performed by Messrs Matthew Ward and Daniel Cooke of AssetVal Pty Ltd during 2015. The valuation was performed to determine fair value in accordance with AASB 116 Property, Plant and Equipment. The fair value of land, buildings and leasehold improvements was determined by employing the active and liquid market approach.

Works of art are valued independently at regular intervals. An independent valuation of the University's works of art was performed by Ms Rosanna Cameron during 2014. Works of art were valued by comparing selling prices of present pieces by the same artist.

Valuation techniques used to derive level 3 fair values

Buildings and leasehold improvements are valued independently at regular intervals. With the expected relocation of campuses in Launceston and Burnie, an independent valuation was performed by Gavin Lippelgoes and Matthew Davis from Opteon (Tasmania) Pty Ltd during 2017 for affected property. A desktop valuation of the remaining assets was undertaken by management in 2017 based on the valuation performed by Messrs Matthew Ward and Daniel Cooke of AssetVal Pty Ltd during 2015. The fair value of buildings and leasehold improvements was determined by employing the depreciated replacement cost approach.

26. SUPERANNUATION

Assets recognised in the Statement of Financial Position	2018	2017
	\$'000	\$'000
Current		
Deferred Government contribution for superannuation	627	643
Non-Current		
Deferred Government contribution for superannuation	6,580	6,719
Total superannuation assets	7,207	7,362
Liabilities recognised in the Statement of Financial Position		
Current		
Supplementary Pension Scheme	739	807
Retirement Benefits Fund 643	627	643
Total Current	1,366	1,450
Non-Current		
Supplementary Pension Scheme	4,854	5,447
Retirement Benefits Fund	6,580	6,719
Total Non-Current	11,434	12,166
Total superannuation liability	12,800	13,616

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

26. SUPERANNUATION (continued)

(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.

UniSuper offers eligible members the choice of two schemes known as the Defined Benefit Division (DBD) and Accumulation Super.

The UniSuper Defined Benefit Division (DBD) is a defined benefit plan under Superannuation Law but, as a result of amendments to Clause 34 of the UniSuper Trust Deed, a defined contribution plan under Accounting Standard AASB 119 Employee Benefits.

Accumulation Super is a cash accumulation productivity scheme.

(b) Schemes closed to future membership

i) Supplementary Pension Scheme liability

The University of Tasmania Staff Superannuation and Additional Benefits Scheme was closed on 31 December 1982 and wound up. One aspect of the scheme remains, the supplementary pension scheme.

Characteristics of scheme

The Supplementary Pension Scheme provides retirement benefits to former employees of the University and their dependents in the form of defined benefit pensions. The scheme is closed to new entrants and to the accrual of further

benefits with all current beneficiaries in receipt of a pension. Pension payments are met on an emerging cost basis and no separate assets are held to meet these liabilities. As such, the scheme is not a regulated superannuation scheme.

Future pension payments are linked to general salary increases for current University employees and hence the liabilities are sensitive to these awards. Pensions from the scheme are payable for life and therefore, to the extent that pensioners live longer (or shorter) than assumed, the present value of actual pension payments may differ to the liabilities disclosed.

An actuarial report was prepared by Doug McBirnie of Accurium Limited as at 31 December 2016 including estimates of future year liabilities.

	2018	2017
	\$'000	\$'000
Liabilities recognised in the Statement of Financial Position		
Total liability	5,593	6,254
Current	739	807
Non-current	4,854	5,447
	5,593	6,254
Principal actuarial assumptions		
Discount rate	2.50%	2.50%
Inflation (pensions)	2.50%	2.50%
	\$'000	\$'000
Reconciliation of change in liabilities		
Defined Benefit Obligation at 1 January	6,254	6,967
Service cost	-	-
Interest cost	146	163
Benefits paid	(892)	(922)
Actuarial (gains)/losses arising from changes in assumptions		
Experience (gain)/loss on liabilities	85	46
Defined Benefit Obligation at 31 December	5,593	6,254

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

26. SUPERANNUATION (continued)

Sensitivity analysis

The valuation results are sensitive to changes in the assumptions adopted. The table below highlights this sensitivity to changes in discount rate and salary increase assumptions (with reference to 31 December 2016 actuarial report):

Assumption	Liability as at 31 December 2016	Change in liability
	\$'000	\$'000
Actual	6,967	-
Reduce discount rate by 0.5%	7,198	231
Increase salary increase assumption by 0.5%	7,216	249

ii) Retirement Benefits Fund (RBF)

Characteristics of scheme

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

An arrangement exists between the Australian Government and the State Government to meet the unfunded liability for the University's beneficiaries of the Retirement Benefits Fund on an emerging cost basis. Accordingly the liability of \$7.2m (2017: \$7.4m) is recognised in the Statement of Financial Position and the right to re-imburement from the Commonwealth is recorded as an asset.

The defined benefit section of RBF is closed to new members. All new members receive accumulation only benefits.

Description of the regulatory framework

The scheme operates under the Public Sector Superannuation Reform Act 2016 and the Public Sector Superannuation Reform Regulations 2017. Although the scheme is not formally subject to the Superannuation Industry (supervision) (SIS) legislation, the Tasmanian Government has undertaken (in a Heads

of Government Agreement) to operate the scheme in accordance with the spirit of the SIS legislation. As an exempt public sector superannuation scheme (as defined in the SIS legislation), the scheme is not subject to any minimum funding requirements.

RBF is a complying superannuation fund within the provisions of the Income Tax Assessment Act 1997 such that the fund's taxable income is taxed at a concessional rate of 15%. However RBF is also a public sector superannuation scheme which means that employer contributions may not be subject to the 15% tax (if the RBF board elects) up to the amount of "untaxed" benefits paid to members in the year.

The Superannuation Commission is responsible for the governance of the scheme. As Trustee, the Superannuation Commission has a legal obligation to act solely in the best interests of scheme beneficiaries. The Superannuation Commission has the following roles:

- Administration of the scheme and payment to the beneficiaries when required in accordance with the scheme rules; and
- Management and investment of the scheme assets.

Description of risks

There are a number of risks to which the scheme exposes the University of Tasmania. The more significant risks relating to the defined benefits are:

- Legislative risk – the risk is that Legislative changes could be made which increase the cost of providing the defined benefits.
- Pensioner mortality risk-- the risk is that Pensioner mortality will be lighter than expected, resulting in pensions being paid for a longer period.
- Inflation risk – the risk that Inflation is higher than anticipated, increasing pension payments, and the associated employer contributions.
- Investment risk – the risk that Investment returns will be lower than assumed and employers will need to increase contributions to offset this shortfall over the long term.
- Salary growth risk – the risk that wages or salaries will rise more rapidly than assumed, increasing defined benefit amounts and the associated employer contributions over the long term.

There were no plan amendments, curtailments or settlements during the year.

An actuarial report was prepared by Dr David Knox (Fellow of the Institute of Actuaries of Australia) at Mercer as at 30 June 2018.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

26. SUPERANNUATION (continued)

	2018	2017
	\$'000	\$'000
Liabilities recognised in the statement of financial position		
Defined benefit obligations	9,078	9,107
Fair value of plan assets	(1,871)	(1,745)
Net liability	7,207	7,362
Current	627	643
Non-current	6,580	6,719
	7,207	7,362
Reconciliation of the fair value of scheme assets		
Fair value of scheme assets at beginning of the year	1,745	1,584
Interest income	54	40
Actual return on scheme assets less interest income	296	364
Employer contributions	635	645
Benefits paid	(859)	(873)
Taxes, premiums and expenses paid	-	(15)
Fair value of scheme assets at end of the year	1,871	1,745
Reconciliation of the Defined Benefit Obligation		
Present value of Defined Benefit Obligations at beginning of the year	9,107	10,171
Current service cost	-	15
Net interest	286	263
Actuarial (gains)/losses arising from changes in demographic assumptions	-	(308)
Actuarial (gains)/losses arising from changes in financial assumptions	209	(446)
Actuarial (gains)/losses arising from liability experience	335	299
Benefits paid	(859)	(872)
Taxes, premiums and expenses paid	-	(15)
Present value of Defined Benefit Obligations at end of the year	9,078	9,107
Significant actuarial assumptions		
Discount rate (active members)	3.30%	2.70%
Discount rate (pensioners)	3.30%	2.70%
Expected rate of increase of compulsory preserved amounts	3.00%	4.50%
Expected salary increase	3.00%	3.00%
Expected pension increase rate	2.50%	2.50%
Assumptions to determine Defined Benefit Obligation		
Discount rate (active members)	3.00%	3.30%
Discount rate (pensioners)	3.00%	3.30%
Expected salary increase	3.00%	3.00%
Expected rate of increase of compulsory preserved amounts	3.00%	3.00%
Expected pension increase rate	2.50%	2.50%

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

26. SUPERANNUATION (continued)

Funding arrangements

The employer contributes a percentage of each lump sum or pension benefit payment. This percentage may be amended by the Minister on the advice of the Actuary.

Sensitivity analysis

The Defined Benefit Obligation as at 31 December 2018 under several scenarios is presented below.

Scenario A and B relate to discount rate sensitivity. Scenario C and D relate to expected pension increase rate sensitivity.

Scenario A: 1.0% pa lower discount rate assumption

Scenario B: 1.0% pa higher discount rate assumption

Scenario C: 1.0% pa lower expected pension increase rate assumption

Scenario D: 1.0% pa higher expected pension increase rate assumption

	Base Case	Scenario A -1.0% pa discount rate	Scenario B +1.0% pa discount rate	Scenario C -1.0% pa pension increase rate	Scenario D +1.0% pa pension increase rate
Discount rate	3.00% pa	2.00% pa	4.00% pa	3.00% pa	3.00% pa
Pension increase rate	2.50% pa	2.50% pa	2.50% pa	1.50% pa	3.50% pa
Defined Benefit Obligation	9,078	9,839	8,413	8,442	9,792

The Defined Benefit Obligation has been recalculated by changing the assumptions as outlined above, whilst retaining all other assumptions.

Financial year ending	2018	2017
	\$'000	\$'000
Expected employer contributions	627	643

The weighted average duration of the defined benefit obligation is 7.6 years (2017: 7.7 years)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

26. SUPERANNUATION (continued)**(c) Amounts recognised in statements**

	2018	2017
	\$'000	\$'000
Amounts recognised in the Income Statement		
Supplementary Pension Scheme liability		
Current service cost	-	-
Interest expense	146	163
Retirement Benefits Fund		
Current service cost	-	15
Interest expense	286	263
Interest income	(54)	(40)
Deferred Government contribution		
Current service cost	-	(15)
Interest expense	(286)	(263)
Interest income	54	40
Total expense recognised in the Income Statement	146	163
Amount recognised in other comprehensive income		
Supplementary Pension Scheme liability		
Actuarial gains/(losses) arising from changes in financial assumptions	-	-
Actuarial gains/(losses) arising from liability experience	(85)	(46)
Retirement Benefits Fund		
Actuarial gains/(losses) arising from changes in financial assumptions	(209)	446
Actuarial gains/(losses) arising from liability experience	(335)	(299)
Deferred Government contribution		
Actuarial (gains)/losses arising from changes in financial assumptions	209	(446)
Actuarial (gains)/losses arising from liability experience	335	299
Total amount recognised in other comprehensive income	(85)	(46)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

27. ACQUITTAL OF AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE Parent Entity only

27.1 EDUCATION – CGS and other education grants

	Commonwealth Grant Scheme		Indigenous Support Success Program		Access and Participation Program		Disability Performance Funding		National Institutes	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assistance received in cash during reporting period	200,225	201,714	2,354	2,091	6,841	6,701	175	186	7,677	7,564
Net accrual adjustments	(585)	4,546	259	(259)	-	-	-	-	-	-
Revenue for the period	199,640	206,260	2,613	1,832	6,841	6,701	175	186	7,677	7,564
Surplus/(deficit) from the previous year	-	-	-	334	-	-	(59)	(17)	-	-
Funds available for the period	199,640	206,260	2,613	2,166	6,841	6,701	116	169	7,677	7,564
Less expenses including accrued expenses	(199,640)	(206,260)	(2,613)	(2,166)	(6,841)	(6,701)	(310)	(228)	(7,677)	(7,564)
Surplus/(deficit) for the reporting period	-	-	-	-	-	-	(194)	(59)	-	-

	Promotion of Excellence in Learning and Teaching		Australian Maths & Science Partnership		Total	
	2018	2017	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assistance received in cash during reporting period	-	30	(176)	-	217,096	218,286
Net accrual adjustments	-	-	-	-	(326)	4,287
Revenue for the period	-	30	(176)	-	216,770	222,573
Surplus/(deficit) from the previous year	207	346	1,066	1,493	1,214	2,156
Funds available for the period	207	376	890	1,493	217,984	224,729
Less expenses including accrued expenses	(100)	(169)	198	(427)	(216,983)	(223,515)
Surplus/(deficit) for the reporting period	107	207	1,088	1,066	1,001	1,214

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

27. ACQUITTAL OF AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE Parent Entity only (continued)

27.2 Higher Education Loan Programs (excluding OS-HELP)

	HECS-HELP		FEE-HELP		SA-HELP		Total	
	2018	2017	2018	2017	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash payable/(receivable) at beginning of year	12,038	16,448	131	(13)	29	-	12,198	16,435
Financial assistance received in cash during the reporting period	68,457	63,782	2,426	3,061	1,290	1,288	72,173	68,131
Cash available for the period	80,495	80,230	2,557	3,048	1,319	1,288	84,371	84,566
Revenue earned	(75,350)	(68,192)	(2,303)	(2,917)	(1,290)	(1,259)	(78,943)	(72,368)
Cash payable/(receivable) at end of year	5,145	12,038	254	131	29	29	5,428	12,198

27.3 Department of Education and Training Research

	Research Training Program		Research Support Program		Total	
	2018	2017	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assistance received in cash during reporting period	24,657	24,251	23,489	22,203	48,146	46,454
Net accrual adjustments	-	-	-	-	-	-
Revenue for the period	24,657	24,251	23,489	22,203	48,146	46,454
Surplus/(deficit) from the previous year	-	140	-	475	-	615
Funds available for the period	24,657	24,391	23,489	22,678	48,146	47,069
Less expenses including accrued expenses	(24,657)	(24,391)	(23,489)	(22,678)	(48,146)	(47,069)
Surplus/(deficit) for the reporting period	-	-	-	-	-	-

27.4 Total Research Training Program Expenditure

	Total domestic students		Total overseas students		Total Research Training program	
	2018	2017	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Research Training Program fee offsets	18,152	17,550	663	512	18,815	18,062
Research Training Program stipends	5,345	5,782	488	513	5,833	6,295
Research Training Program allowances	7	34	2	-	9	34
Total for all types of support	23,504	23,366	1,153	1,025	24,657	24,391

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

27. ACQUITTAL OF AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE Parent Entity only (continued)

27.5 Other Capital Funding

	Education Investment Fund		Linkage Infrastructure, Equipment and Facilities Grant		Jobs & Growth in Tasmania Education – Driven Economic Revitalisation of Launceston & Burnie Campuses		Total	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Financial assistance received in cash during reporting period	2,000	10,000	702	-	10,000	-	12,702	10,000
Net accrual adjustments	-	-	-	-	-	-	-	-
Revenue for the period	2,000	10,000	702	-	10,000	-	12,702	10,000
Surplus/(deficit) from the previous year	14,452	15,285	(480)	(280)	-	-	13,972	15,005
Funds available for the period	16,452	25,285	222	(280)	10,000	-	26,674	25,005
Less expenses including accrued expenses	(16,452)	(10,833)	(209)	(200)	(1,853)	-	(18,514)	(11,033)
Surplus/(deficit) for the reporting period	-	14,452	13	(480)	8,147	-	8,160	13,972

27.6 Australian Research Council Grants

	Discovery		Linkages		Networks and Centres		Special Research Initiatives		Total	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Financial assistance received in cash during reporting period	8,264	8,228	2,866	4,369	-	53	8,532	8,406	19,662	21,056
Net accrual adjustments	-	-	-	-	-	-	-	-	-	-
Revenue for the period	8,264	8,228	2,866	4,369	-	53	8,532	8,406	19,662	21,056
Surplus/(deficit) from the previous year	3,539	4,682	590	8,143	-	(8)	9,273	5,642	13,402	18,459
Funds available for the period	11,803	12,910	3,456	12,512	-	45	17,805	14,048	33,064	39,515
Less expenses including accrued expenses	(8,175)	(9,371)	(11,227)	(11,922)	-	(45)	(4,272)	(4,775)	(23,674)	(26,113)
Surplus/(deficit) for the reporting period	3,628	3,539	(7,771)	590	-	-	13,533	9,273	9,390	13,402

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

27. ACQUITTAL OF AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE Parent Entity only (continued)

27.7 Other Australian Government Financial Assistance

	2018	2017
	\$'000	\$'000
Cash received during the reporting period	85,790	55,370
Cash spent during the reporting period	(85,790)	(55,370)
Net cash received	-	-
Cash surplus/(deficit) from the previous year	-	-
Cash surplus/(deficit) for the reporting period	-	-

27.8 OS-HELP

	2018	2017
	\$'000	\$'000
Cash received during the reporting period	1,298	1,349
Cash spent during the reporting period	(1,151)	(1,271)
Net cash received	147	78
Cash surplus/(deficit) from the previous year	71	(7)
Cash surplus/(deficit) for the reporting period	218	71

27.9 Higher Education Superannuation

	2018	2017
	\$'000	\$'000
Cash received during the reporting period	625	649
Cash available	625	649
Cash surplus/(deficit) from the previous year	(85)	(95)
Cash available for the reporting period	540	554
Contributions to specified defined benefit funds	(537)	(639)
Cash surplus/(deficit) for the reporting period	3	(85)

27.10 Student Services and Amenities Fee

	2018	2017
	\$'000	\$'000
Unspent/(overspent) revenue from previous period	334	(100)
SA-HELP revenue earned	1,290	1,259
Student services fees direct from students	4,152	3,996
Total revenue expendable in period	5,776	5,155
Student services expenses during period	(5,810)	(4,821)
Unspent/(overspent) student services revenue	(34)	334



Independent Auditor's Report

To the Members of Parliament

University of Tasmania

Report on the Audit of the Consolidated Financial Report

Opinion

I have audited the financial report of the University of Tasmania and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2018 and the consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies and the declaration by the Members of the Council (the Council).

In my opinion, the accompanying financial report is in accordance with the financial reporting requirements of Section 12 of the *University of Tasmania Act 1992* and Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- a) giving a true and fair view of the Group's financial position as at 31 December 2018 and of its consolidated financial performance and its cash flows for the year then ended
- b) complying with Australian Accounting Standards and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for Opinion

I conducted the audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. I am independent of the Group in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code.

The *Audit Act 2008* further promotes the independence of the Auditor-General. The Auditor-General is the auditor of all Tasmanian public sector entities and can only be removed by Parliament. The Auditor-General may conduct an audit in any way considered appropriate and is not subject to direction by any person about the way in which audit powers are to be exercised. The Auditor-General has for the purposes of conducting an audit, access to all documents and property and can report to Parliament matters which in the Auditor-General's opinion are significant.

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I confirm that the independence declaration required by the *Australian Charities and Not-for-profits Commission Act 2012*, was provided to Council on the same date as this auditor’s report.

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

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial report of the current period. These matters were addressed in the context of my audit of the financial report as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

Why this matter is considered to be one of the most significant matters in the audit	Audit procedures to address the matter included
Land and buildings	
<i>Refer to note 8</i>	
<p>The Group’s property, plant and equipment at 31 December 2018 includes land and buildings totalling \$512.72m recognised at fair value.</p> <p>The fair value of vacant land and general office buildings is valued with reference to observable prices in an active market.</p> <p>The Tasmanian Government reserves the right to resume the land (and improvements) in the event that the current uses ceases. For the purpose of the valuations, it has been assumed the Tasmanian Government will not exercise that right and that the land would remain in the ownership of the Group.</p> <p>The valuation of specific purpose buildings is based on current replacement cost, which requires significant judgement in determining:</p> <ul style="list-style-type: none"> • the cost to acquire or construct a substitute building with similar utility • adjustments for obsolescence which encompass the buildings’ functional, economic and physical obsolescence. <p>The calculation of building depreciation requires estimation of asset useful lives, which involves a high degree of subjectivity. Changes in assumptions can significantly impact depreciation charged.</p>	<ul style="list-style-type: none"> • Assessing the scope, expertise and independence of experts engaged to assist in the valuations. • Evaluating the appropriateness of the valuation methodology applied to determine fair values. • Testing, on a sample basis, the mathematical accuracy of the valuation calculations. • Testing, on a sample basis, disposals and acquisitions during the year. • Evaluating management’s assessment of the useful lives. • Performing substantive analytical procedures on building depreciation expenses. • Testing capital work-in-progress to ensure that active projects will result in usable assets and that assets commissioned are transferred in a timely manner. • Evaluating the adequacy of disclosures made in the financial report, including those regarding key assumptions used.

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Why this matter is considered to be one of the most significant matters in the audit	Audit procedures to address the matter included
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Capital expenditure in 2017–18 totalled \$82.94m. Capital projects can contain a combination of enhancement and maintenance activity which are not distinct and therefore the allocation of costs between capital and operating expenditure is inherently judgemental.

Valuation of Investments

Refer to note 7

The Group holds investments totalling \$404.25m at 31 December 2018 which are recognised at fair value. A significant amount of the investment portfolio is managed by an investment manager and is held in unlisted managed funds. These funds invest in varied investment categories, although the majority of funds invest in listed equities or listed equity derivatives.

The majority of the investments in unlisted managed funds can be valued using market data, and therefore are relatively non-judgemental. However, significant judgement is required for investments where no market data is available.

- Reviewing and evaluating the monitoring controls exercised over the performance of investment manager.
- Obtaining confirmation from the investment manager as to their controls over the existence, completeness and valuation of assets under their management.
- Obtaining direct confirmation of units held in, and unit values of, managed funds from the trustees of those funds.
- Examining, on a sample basis, audited financial statements for selected managed funds.
- Obtaining Auditor Control Reports on the design, implementation and operating effectiveness of controls of managed funds.
- Obtaining confirmations from trustees of managed funds that existing, and any new, controls are still operating effectively from the date of the last Auditor Control Report to the date of the confirmation.
- Obtaining, on a sample basis, direct confirmation of balances held in other investments.
- Evaluating the adequacy of disclosures made in the financial report, including those regarding key assumptions used.

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Responsibilities of the Council for the Financial Report

The Council is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, and the financial reporting requirements of the *University of Tasmania Act 1992* and Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* and for such internal control as they determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Council is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council
- Conclude on the appropriateness of the Council's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusion is based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

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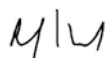
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- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. I am responsible for the direction, supervision and performance of the audit of the Group. I remain solely responsible for my audit opinion.

I communicate with the Council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide Council with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with the Council, I determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



Rod Whitehead
Auditor-General

Tasmanian Audit Office

22 February 2019
Hobart

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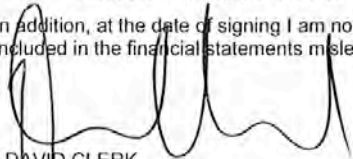
MANAGEMENT CERTIFICATE FOR THE YEAR ENDED 31 DECEMBER 2018

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 2018 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, the Australian Charities and Not-for-profits Commission Act 2012 and the Financial Statement Guidelines for Australian Higher Education Providers for the 2018 Reporting Period (issued by the Department of Education 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;
- (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 program guidelines in making expenditure; and
- (d) the University charged Student Services and Amenities Fees strictly in accordance with the *Higher Education Support Act 2003* and the Administration Guidelines made under the Act. Revenue from the fee was spent strictly in accordance with the Act and only on services and amenities specified in subsection 19-38(4) of the Act.

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.



DAVID CLERK
Chief Operating Officer

14 February 2019

STATEMENT BY THE CHANCELLOR AND THE VICE-CHANCELLOR

In our opinion:

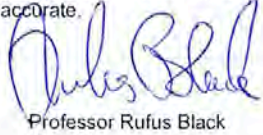
- a) the financial statements present a true and fair view of the financial position of the University and the consolidated entity as at 31 December 2018 and of their performance, as represented by the results of their operations and their cash flows, for the year ended on that date, and comply with Australian Accounting Standards, the Australian Charities and Not-for-profits Commission Act 2012 and the Financial Statement Guidelines for Australian Higher Education Providers for the 2018 Reporting Period (issued by the Department of Education 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;
- 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 program guidelines in making expenditure; and
- d) the University charged Student Services and Amenities Fees strictly in accordance with the *Higher Education Support Act 2003* and the Administration Guidelines made under the Act. Revenue from the fee was spent strictly in accordance with the Act and only on services and amenities specified in subsection 19-38(4) of the Act.

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.



HON. MICHAEL FIELD AC
Chancellor

14 February 2019



Professor Rufus Black
Vice-Chancellor

14 February 2019

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