



UNIVERSITY OF TASMANIA ANNUAL REPORT 2004

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

May it please Your Excellency:

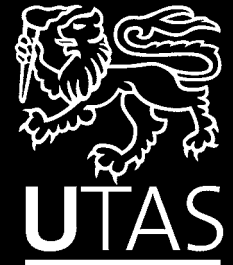
The Council of the University of Tasmania, in conformity with the provisions of the *University of Tasmania Act 1992*, has the honour to report, for Your Excellency's information, the proceedings of the University for 2004 and to present the financial statements for that year.

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

Michael Vertigan AC
Chancellor
May 2005



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



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U BELONG



Mission



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

Vision

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

THE CHANCELLOR'S MESSAGE



During 2004 the University continued to focus on enhancing excellence in teaching and research, growing student numbers, expanding community engagement and service, establishing a long-term sustainable financial position and further developing governance arrangements.

The strategic decisions taken to reposition the University around the EDGE (excellence, distinctiveness, growth and engagement) agenda resulted in significant achievements, many of which are detailed later in this report. Council undertook a comprehensive review of longer-term strategic goals and also adopted a fiscal planning framework and a set of financial planning parameters for the management of the University budget, including a Fiscal Forecast 2005 – 2010.

The UTAS brand was launched in February 2004, and has been important in developing the University's identity and image. This was well demonstrated through the University's contribution to the bicentenary celebrations throughout Tasmania, which involved a substantial program of activities under the banner *Island Minds*, with many of the contributors being UTAS alumni.

The University recorded significant growth in student numbers, both domestic and overseas, and in Commonwealth income and income from fee-paying students. The University Foundation made significant progress in building the scholarships endowment. A major Council initiative was the decision not to increase HECS fees for the 2005 academic year.

The higher education reform agenda continued to dominate national policy and the University continued its program to bring governance in line with national priorities. The University of Tasmania Act was amended in 2004 to enable compliance with the National Governance Protocols for Higher Education Institutions. Council set the framework for the establishment of governance level principles to which operational policies and an improved structure of delegations are to be linked.

The climate in which university governance and operations occur is increasingly challenging with commensurate requirements and expectations of all members of the University community. I should therefore like to express my appreciation to members of University Council for their continued very high level of contribution and support during 2004. Similarly, I would record my appreciation to the Vice-Chancellor, management and all staff of the University for their contributions to a year of significant achievement for the University.

Dr Michael Vertigan AC

THE VICE-CHANCELLOR'S MESSAGE

In its 2004 Planning Conference, University Council reaffirmed the broad concept and directions of the EDGE agenda. The overarching message from Council was that EDGE has emerged from a wide consultation process, and is everyone's business. We are all committed to seeking excellence in all that we do, to processes and outcomes that are distinctive and well recognised globally, to fostering growth and development in all our enterprises and to engaging our individual and collective communities in sharing these objectives.

Growth targets for 2004 were ambitious and UTAS achieved 8.7% overall growth. Internal non-research operating grant load exceeded the Commonwealth-funded target by 7.4%, and onshore international student load increased by 15.9% on 2003. The transnational (offshore) load was 116% above target – an outstanding result.

The Government provided a range of Commonwealth Scholarships, adding to the already substantial Tasmania University Scholarship Program funded through the growing University Foundation Endowment. In the context of our growth agenda, the provision of more scholarships increases the opportunity for a wider range of students to access university, particularly Tasmanians.

The Graduate School and the development of a range of taught postgraduate programs was another crucial development emerging from EDGE and the subject of EDGE project funding. We identified a major gap in our course profile at taught masters level, where we lag well behind the Go8. The Graduate School is a portal for the development and marketing of an integrated suite of such courses.

In February 2004 we launched a new UTAS brand. We retain the University arms for formal and ceremonial occasions but for public branding we have adopted the red heraldic lion as our key symbol. Drawn from the coat of arms, the lion represents our history, refers to the State lion and, linked with the UTAS label, also points to our island geography. The branding is contemporary, more memorable and appealing to a wider audience.

The logo is only part of the branding exercise. Our drive for distinctiveness is crucial to our reputation and influence nationally and internationally.

One outcome of EDGE has been a reassessment of our themes in research and advanced learning. Clearly the themes have projected excellence and distinctiveness and the aim of our review was to broaden the range of endeavours encapsulated under the banners of uniqueness. In the process of creating a suite of new, more inclusive themes we wanted to reflect a more integrated approach to both Research and Teaching & Learning. This has produced a re-clustering and focus of existing themes and the addition of two new theme areas – Frontier Technologies and Community, Place & Change.

In reworking the State and University Partnership, there was a re-emphasis on social and community development through the Tasmania Together program. Community, Place & Change ideally relates to this renewal. The translation of our research – the Tasmanian laboratory – into social and environmental policy and programs has worked superbly well in other theme areas, and will be used globally as models for other regional communities.

PRIORITY OBJECTIVES

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

Excellence – it must be the hallmark of all activities.

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

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

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

UTAS hosted the establishment of the International Antarctic Institute, launched late in 2004 with a mission to create a framework for those institutions engaged in Antarctic studies from both the northern and southern hemispheres to cooperate and share educational and polar resources, exchange courses and accreditation ideas and increase mobility between institutions.

In 2004 we decided to take a more coordinated approach to community engagement, and commissioned a review to map present activity, to develop a community engagement framework and to suggest future policy direction. The report, produced in October, acknowledged the positive attitude to community engagement across the University and, through interviews with staff and other people in the community, identified and summarised strong examples. The framework will be developed for adoption through incentives and improved management systems.

We joined with the Tasmanian community in mourning the passing of Jim Bacon, premier and great friend and supporter of UTAS. Jim saw the University as a major player in the future of Tasmania and was well aware of the need to transform the Tasmanian economy, and to shape the future around new business enterprises, many of them requiring advanced levels of education and research generated through the University. To this end he created the State-University Partnerships as a unique way of drawing the two entities together. The renewal of the Partnership Agreement is a worthwhile legacy to his vision.



A handwritten signature in black ink, appearing to read 'Daryl Le Grew'. The signature is stylized with a large, sweeping 'D' and a horizontal line extending to the right.

Professor Daryl Le Grew

2004

At a glance

Campuses

The University of Tasmania Hobart

Churchill Avenue, Sandy Bay, Hobart TAS 7005

Private Bag, Hobart TAS 7001

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

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

The University of Tasmania Launceston

Newnham Drive, Newnham, Launceston

Locked Bag, Launceston TAS 7250

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

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

The University of Tasmania Cradle Coast

Mooreville Road, Burnie 7320

PO Box 3502, Burnie TAS 7320

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

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

Faculties

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

Financial performance

During the year, the operating surplus for the University of Tasmania and its controlled entities was \$11.8 million (m), representing a financial margin of 4.8%. Revenue increased by \$23.9m to \$240.9m, with expenditure of \$229m. Revenue from the Australian Government increased by \$11m, and revenue from fee-paying students increased by \$4.3m.

The University is expecting significant growth in student numbers over the next six years, with an average increase of 5% per year to 2010, representing an additional 4000 students. Total annual revenue over this period is expected to increase from \$240m to \$330m. In order to plan for and accommodate this growth, the University has adopted a long-term fiscal plan in line with the University's strategic plan. This includes projected statements of financial performance (profit and loss statements), financial position (balance sheet) and cash flows.

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

The financial position of the University is sound, with the ratio of current assets to current liabilities at 3.9 (2.7 for 2003).

Consolidated

operating revenue **\$240,943,000**

All students 15,901

Male 6,961

Female 8,940

Undergraduates 12,957

Higher degree – research 1,001

Higher degree – coursework 383

Other postgraduates 515

Total student load (EFTSU) 12,427

FTE: All staff
 (including casuals) 1,787

Persons: Academic
 (excluding casuals) 676

 Non-academic
 (excluding casuals) 874

Capital management

2004 saw the amalgamation of Asset Management Services (ASM) and the Design and Acquisition sections to form a new AMS. The new structure allows a more focused approach in supporting the aims and objectives of the University Plan and the EDGE agenda.

Considerable effort was undertaken during 2004 to improve all processes surrounding the identification, prioritisation and approval of capital works for the University. A sub-committee of Planning and Resources, the Capital Management Plan Review Committee (CMPRC), was established. Its primary role is to undertake a strategic screen of all capital submissions to ensure they align with the broader objectives of the University Plan.

The Built Environment Committee (BEC) was also reinvigorated in 2004. It reviewed and approved the landscape master plan for the Sandy Bay campus and approved a whole-of-university master planning consultancy, which will commence in the first half of 2005.

2004 saw more focus on planning of projects going forward, including:

- the Faculty of Health Sciences' collocation project, which will see a new home for the Menzies Research Institute and the Tasmanian School of Medicine. The collocated facility will be adjacent to the existing Clinical School building and the Theatre Royal in Hobart;
- the relocation of the School of Architecture to the Exhibition Building at the Inveresk Precinct in Launceston to accommodate growth in student numbers; and
- the creation of learning hubs in the Morris Miller and Launceston campus libraries, at a cost of \$1.54m, to provide contemporary spaces to study with increased access to computing services.

The major capital project completed during 2004 was the multi-million dollar development of student residences on the Sandy Bay campus. The \$12m project provided 173 beds configured in 28 x 6 bedroom apartments and 1 x 5 bedroom apartment and includes a 'social hearth' between the existing colleges and the new facilities catering for all residents.

UNIVERSITY COUNCIL

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

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

The Council consists of the Chancellor (Chair), the Vice-Chancellor, the Chair of the Academic Senate, and 15 other appointed or elected members.

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

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

During 2004, Council set the framework for the establishment of governance-level principles, plans and policies. Governance-level principles are established by the Council to apply across the University. They are statements of the principles under which the University will operate, covering:

- University governance;
- code of conduct;
- academic standards and course requirements;
- occupational health and safety;
- intellectual property;
- environmental management;
- public relations and communications;
- investment;
- procurement and contracts (including consultancies); and
- risk management.

Under the framework, Council approves high-level statements of policy (Council principles). The Vice-Chancellor approves operational policies that link to the Council principles and provide for their implementation.

In order to fully realise its Vision and Mission the University undertook a comprehensive review during 2004 to establish longer-term goals.

The four strategic elements identified during this process were excellence, distinctiveness, growth and engagement – the UTAS EDGE agenda, which are outlined in Council's University Plan, along with headline and operational performance indicators. Each faculty and division produces its own plans, which are based on these elements.

Risk management

The University of Tasmania is committed to the ongoing development and implementation of best practice mechanisms to manage risk and enable continuous improvement in performance while minimising adverse outcomes.

During the year the University began a project to bring its existing risk management practices together into a formal risk management structure, with the associated reporting requirements and accountabilities (as set out in Australian Standard AS/NZS 4360). Council, through the Audit Committee, monitors all aspects of the risk management process.

In 2004 Council approved a governance-level principle on risk management which links to the risk management policy approved by the Vice-Chancellor. High-level risk areas have been selected for the initial rollout of the risk management implementation plan and the results will determine whether any changes need to be made as the process is expanded throughout the whole University.

Other risk management controls and processes in place at the University include:

- the provision of budget reports and supporting information, which are reviewed monthly by the Planning and Resources Committee and quarterly by the Finance Committee;
- the continuous improvement of business processes, including the use of information technology to gradually decrease paper-based processes;
- a recent review of the University's purchasing policies and tender guidelines; and
- the recent approval of a financial delegations framework as part of the governance policy framework project outlined above.

Freedom of information

The University is subject to the provisions of the *Freedom of Information Act 1991* (the Act). During the year the University processed five applications for access to information under the provisions of the Act. As at 31 December 2004 two of those applications were the subject of an external review with the Ombudsman.

Public interest disclosures

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

Audit

The Tasmanian Audit Office audits the University's activities annually. In addition to this annual review of its financial operations, the University has appointed KPMG to conduct internal audit activities – separated into two elements:

- core audit activity, which includes a recurrent program of assessment of the adequacy of, and compliance with, key University processes, controls and policies; and

- non-core activity, which includes other discrete special projects identified by the Audit Committee. The University continues to build on risk management and compliance policies and procedures, particularly through the risk management implementation program outlined above.

Other external environmental factors that impact on the preparation of Financial Statements by the University are:

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

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

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

Performance against Plan

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

Key achievements in 2004 included:

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

COUNCIL MEMBERSHIP

1 JANUARY 2004 – 31 DECEMBER 2004

Ex Officio

Dr Michael Vertigan AC	Chancellor
Professor Daryl Le Grew	Vice-Chancellor
Professor John Williamson	Chair of Academic Senate
Mrs Elizabeth Daly	Chair of the Alumni
Mr Mark Carrington	Deputy Chair of the Alumni

Appointed by Minister for Education

Ms Jenny Williams (to 26 October 2004)
Dr Martyn Forrest
Mr Rod Roberts

Appointed by Council

Dr Xiaoling Liu
Mr Damian Bugg
Mr Robert Ruddick

Elected by Academic Staff

Professor Jamie Kirkpatrick
Professor Jim Reid
Mr Rick Snell

Elected by General Staff

Mrs Zita Mitchell

Elected by Students

Ms Tammie McCarthy
Mr John Moore

Appointed by Council

Optional international member
(vacant)

Secretary

Ms Belinda Webster,
University Secretary

COUNCIL COMMITTEES

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

1 JANUARY 2004 – 31 DECEMBER 2004

Audit Committee

Chair	Mr Bob Ruddick
Members	Mr Rod Roberts Mr Harvey Gibson Mr Berend Stubbe (from 26 March 2004)

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

Governance



Built Environment Committee

Chair	Ms Jenny Williams (to 26 October 2004)
Members	Professor Daryl Le Grew (Acting Chair from 26 October 2004) Professor Roger Fay Mr Richard Bevan (from 21 May 2004) Ms Susan Gough (from 21 May 2004) Mr Leigh Woolley (from 21 May 2004)

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

Ceremonial and Honorary Degrees Committee

Chair	Dr Michael Vertigan AC
Members	Professor Daryl Le Grew Professor John Williamson Mr Ian Roberts Mrs Elizabeth Daly Dr Martyn Forrest Professor Jeff Summers (to 24 September 2004) Professor Barbara Hatley (to 24 September 2004)

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; the conferring of degrees ceremonies; and other ceremonial matters.

Finance Committee

Chair	Mr Rod Roberts
Members	Professor Daryl Le Grew Professor John Williamson Mr Bob Ruddick Mr Mark Carrington (to 27 February 2004) Professor Rob Clark Dr Martyn Forrest Mr Miles Hampton Mr Val Smith Mr Richard Pringle-Jones (from 21 May 2004)

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

Above: Janet Counsell with English Language Centre students

Investment Subcommittee (to 21 May 2004)

Chair	Mr Rod Roberts
Members	Professor Daryl Le Grew Mr Bob Ruddick Mr David Catchpole Professor Rob Clark Mr Richard Pringle-Jones

At its May 2004 meeting, Council agreed to merge the Investment Subcommittee with the Finance Committee and agreed that the existing members of the Finance Committee and Investment Subcommittee continue as members of the merged committee until Council's first meeting in 2005.

Legislation Committee

Chair	Mr Damian Bugg
Members	Professor Jim Reid Mr Rick Snell

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

Nominations Committee

Chair	Dr Michael Vertigan AC
Members	Professor Daryl Le Grew Dr Martyn Forrest Mrs Elizabeth Daly

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

Remuneration Committee

Chair	Dr Michael Vertigan AC
Members	Dr Martyn Forrest Mr Rod Roberts

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

Identity

Enrolment performance



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

Overall enrolments were up by 996 EFTSU on 2003, 1.2% above the internal enrolment load target with a growth of 8.7%. Non-research operating grant load at 9,372 EFTSU was 7.4% above the Department of Education, Science and Training (DEST) funded load target of 8,732 EFTSU.

The final result in research load was within 5.5% of target but the census 2 load represents a 7.6% improvement on 2003 performance. Postgraduate fee-paying load grew by 14.9% on 2003 enrolments reaching 305 EFTSU but was 16% below the University internal target.

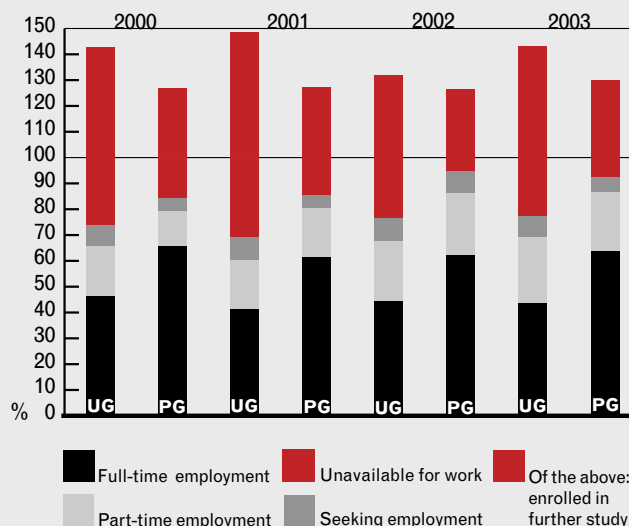
The onshore international student load exceeded target by 74 EFTSU (6.1%) and this represented a 15.9% increase on 2003 enrolments. Offshore load was 462 EFTSU – 116% above target.

TABLE 1 – Entry scores, Year 12 entrants, 2002-2004

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

U GROW

TABLE 2 – Destinations of UTAS graduates



Entry standards

Entry standards are monitored at university, faculty and course levels. Table 1 shows entry scores obtained by Year 12 students continuing to the University over the past three years. The figures are converted to the Interstate Transfer Index to allow for a better comparison with other Australian universities. 70.2% of the top quartile of Year 12 students either enrolled or were granted a formal deferral by the University, compared with 68.3% in 2003.

Graduate outcomes

Table 2 shows the outcomes (destinations) of students who completed an undergraduate or postgraduate degree in 2003. The table shows that outcomes for those completing an undergraduate degree remain good, with the vast majority of graduates in employment or further study. The percentage of graduates who are in work has increased for both undergraduates and postgraduates compared with 2002.

Student satisfaction

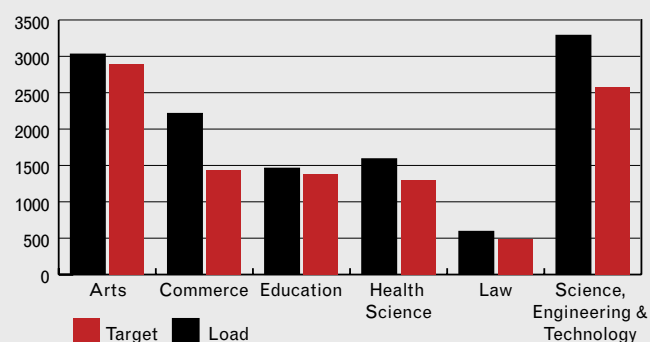
The Course Experience Questionnaire (CEQ) is a national survey of graduates. Respondents rate aspects of their course on a scale from 1 (very negative) to 5 (very positive). The Department of Science, Education and Training (DEST) produces indicators on undergraduate responses on the three scales.

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

TABLE 3
Average score on key CEQ scales (on 1-5 range) – all respondents

CEQ Scale	Gender	2000	2001	2002	2003
Good teaching	Females	3.4	3.4	3.5	3.4
	Males	3.3	3.3	3.4	3.3
	All students	3.3	3.3	3.4	3.4
Generic skills	Females	3.7	3.7	3.7	3.6
	Males	3.7	3.7	3.6	3.6
	All students	3.7	3.7	3.7	3.6
Overall satisfaction	Females	3.8	3.7	3.8	3.6
	Males	3.7	3.6	3.7	3.6
	All students	3.8	3.7	3.7	3.6

TABLE 4 – Load vs target by faculty



Identity

Overall Course Satisfaction: this question averaged 3.6. Of 1,820 respondents, 1,164 (64%) rated their overall satisfaction as either 4 or 5, down slightly relative to 2001 (69%). Overall, UTAS results on the three scales are close to the sector average and have been consistent over 2002 and 2003.

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

TABLE 5 – Load by faculty 2000-2004

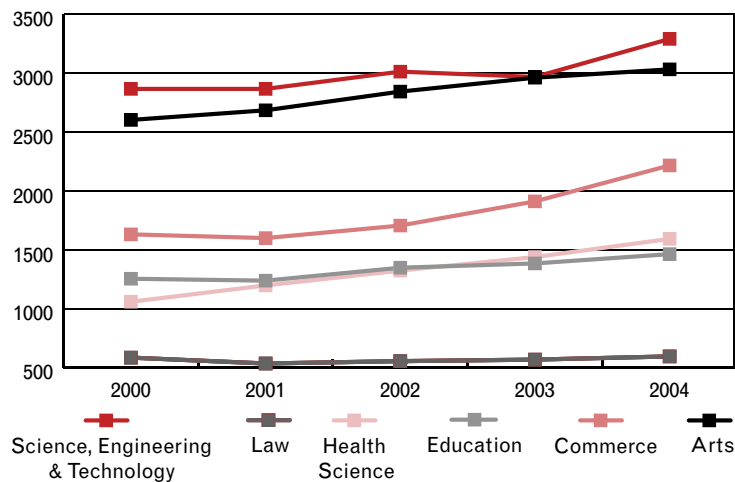
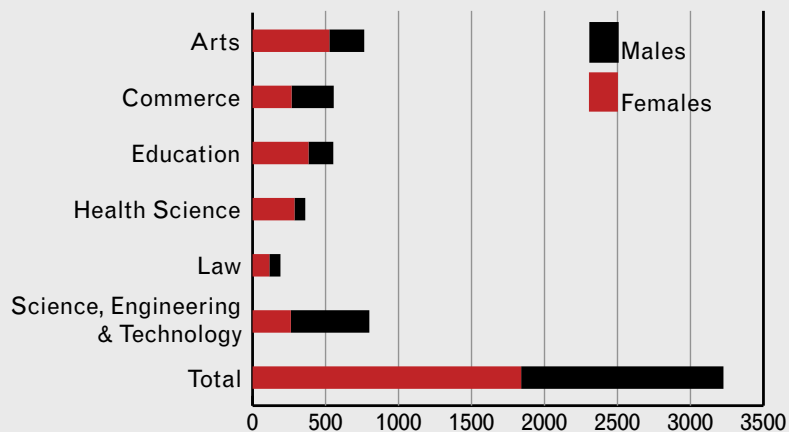


TABLE 6 – 2003 Course completions by faculty





Identity

GRADUATIONS

Eighteen graduation ceremonies were held in Hobart and Launceston in August and December 2004 with 3,187 candidates admitted to degrees and diplomas. Additionally, 58 candidates chose to have their degrees conferred at a meeting of the University's Council. Typically, such graduands are candidates for research higher degrees who wish to have their degrees conferred before proceeding overseas for employment or postdoctoral study, or graduands who have studied offshore.

The graduation ceremonies provide the University with an opportunity to showcase the talent of Conservatorium of Music students. In the December 2004 round of ceremonies, music featured Robert Smith playing organ and Daniel Wahl on violin. Mr Wahl played at his own ceremony when he was awarded the Graduate Diploma of Music Studies.

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

Mr Jim Bacon MHA (Doctor of Laws – posthumously) – former Premier of Tasmania

Mr Lu Zhan Gong (Doctor of Laws) – Governor of Fujian Province and Acting Secretary of Fujian Provincial Committee of the Communist Party of China
Kimbra Boyer, BA, MHum Tas, GradDipMan, GradCertHealthEcon Monash, JP (Fellow of the University of Tasmania) – former Deputy Chancellor

Janet Mansfield (Doctor of Letters) – Ceramicist and Editor

Rex Hobcroft AM, DipMus Melb, HonFSCM

(Doctor of Letters) – Foundation Head, Tasmanian Conservatorium of Music

*Above: Rex Hobcroft, Foundation
Director of the Tasmanian
Conservatorium of Music*

*Below: Margaret Lennon, Tasmanian
Premier Paul Lennon, Sir Guy Green
AC, KBE, Honey Bacon and Chancellor
Michael Vertigan AC, after the conferral
of Jim Bacon's honorary degree*



Identity



INTERNATIONAL

The international activities of the University of Tasmania continued to expand and diversify during 2004. These include the number of international students enrolled at the University, participation in international research projects, staff exchanges, transnational education programs, the internationalisation of the curriculum and the number of UTAS students undertaking part of their course overseas.

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

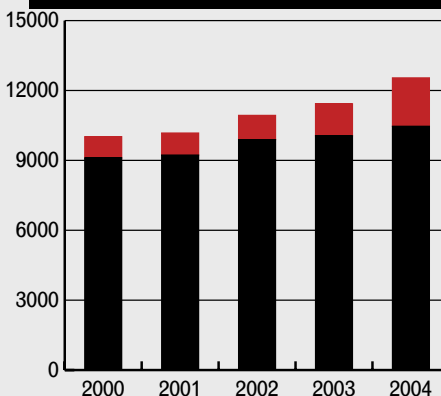
In 2004 the two committees responsible for international activities were amalgamated to form a single entity – the International Committee.

During the year, international students represented more than 20% of the total student population of the University and generated \$21.30 million in income. The markets of India and China represent the biggest opportunity for growth and the University was very active in these markets in 2004. The majority of onshore students originated from Asian countries, with nearly 80% of onshore students coming from this region.

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

Above: Graduating international students

TABLE 7 – International student load (EFTSU)



■ Actual load for all non FFPOS*
 ■ International load (onshore and offshore)
 * Full-fee-paying overseas students

TABLE 8 – International student enrolments (onshore) Semester 2



Transnational education

The University offers degrees in conjunction with partners, taught wholly or partly at offshore locations, as part of its Transnational Education (TNE) programs (formerly Offshore). In September 2004 the University commissioned an external review of all transnational activities to identify improvements. The report's recommendations are being implemented. The University is also pursuing International Organization for Standardization (ISO) accreditation. ISO standards specify the requirements for state-of-the-art services, processes and managerial and organisational practice.

UTAS currently conducts Transnational Education Programs in Malaysia, Indonesia, New Zealand, Vietnam and China. In September 2004 the University offered a three-year Bachelor of Commerce degree at the Shanghai Fisheries University, and already has 90 students enrolled.

Table 7 shows the growth in international student numbers as a proportion of all students (presented as EFTSU – equivalent full-time student units) and the growth in onshore international student enrolments.

SCHOLARSHIPS AND BURSARIES

The Tasmania Scholarships program

The program, which provides scholarships and bursaries for undergraduate students, continues to grow in both the number and the value of awards offered. In 2004 just over \$2 million was provided in support of nearly 700 students.

Table 9 on the next page shows the number of scholarships and bursaries provided in 2003 and 2004.

Support for the University Foundation's initiative to obtain community and business support for students reached \$600,000 in the year but the most significant single factor in the increased value of support was the introduction of the Commonwealth Learning Scholarships – a new equity program. The University received 260 awards valued at \$800,000 in 2004 and is to receive ongoing support of a similar scale in future years.

Significant newly endowed scholarships in 2004 included a gift to the University from Mr Lloyd Harris to establish the first privately funded National Undergraduate Scholarship in science for a student from the Cradle Coast area, and a new research scholarship in engineering or environmental science funded by Hydro Tasmania and named in memory of Dr Sergio Giudici, one of Tasmania's foremost engineers.

Postgraduate research scholarships

The University invests \$2.9 million annually in approximately 253 postgraduate research scholarships funded at the Australian Postgraduate Award (APA) rate (48 of which are co-funded with a school contribution). Schools, institutes or faculties offer an additional 143 scholarships. The APA system currently funds 150 scholarships plus 43 APAs (Industry). There are currently a total of 570 scholarships for research higher degree students.

Identity



International Scholarships

The University's International Scholarships program (allocated \$794,000 in 2004) is designed to attract higher-quality international students to the University by offering a 25% fee waiver to high-achieving applicants. The program has been very successful in attracting new international applicants of strong academic background. In 2004, 106 international students were awarded these scholarships and 66% of these students completed all units at credit level or above.

TABLE 9

ACADEMIC SCHOLARSHIPS	2003	2004
Four-year scholarships (\$10,000 p.a. 4 years)	9	9
Four-year scholarships (\$3,000 p.a. 4 years)	15	15
Overseas scholarships (\$2,500 each)	12	12
Sponsored scholarships (average \$3,000 p.a. x 4 years)	23	45
Honours scholarships (average \$4,000)	38	60
Postgraduate scholarships	4	5
Endowed scholarships, various values, (\$2000 p.a. – \$4,500 p.a.)	11	11
EQUITY SCHOLARSHIPS		
Accommodation bursaries (\$1,000 each)	106	89
West North-West bursaries (\$3,000 p.a. up to 4 years)	15	16
Regional Tasmania bursaries (\$3,000 p.a. x 4 years)	5	8
Endowed equity scholarships (up to \$3,000 p.a. x 3 years)	7	6
Sponsored equity scholarships (average \$3,000 p.a. x 4 years)	9	7
Springboard to Higher Education bursaries (\$500 in Years 11,12 and 1st yr UTAS)	10	29
Commonwealth Learning Scholarships (140 @ \$4,000 p.a. x 4 years; 120 @ \$2,000 p.a. x 4 years)		260

Teaching & Learning



Major course developments

As the only university in the State, UTAS has a comprehensive course profile and seeks to capitalise on its unique Tasmanian identity by providing distinctive courses aligned with the University's theme areas and collaborative arrangements to meet the State's educational needs. The University of Tasmania Plan 2005-2007 identifies teaching as a core function of UTAS and Teaching and Learning (T&L) activities remain integral to the realisation of the plan and the University's mission.

During 2004 there has been an increasing emphasis on collaborative approaches to teaching and curriculum design and on university-wide, strategic approaches to teaching and course offerings. Systematic and comprehensive quality assurance processes must accompany this emphasis on striving for and demonstrating quality. The Teaching and Learning Development Plan 2004-2006 outlines the initiatives that will contribute to the University's vision.

During 2004 the university-wide Graduate School was established to plan for and market postgraduate coursework.

The following new courses were approved in 2004 for inclusion in 2005.

- Bachelor of Antarctic Studies
- Bachelor of Environmental Science
- Bachelor of Music Studies
- Bachelor of Medical Research
- Bachelor of Psychology with Honours
- A combined Bachelor of Music and Bachelor of Laws
- Graduate Certificate, Graduate Diploma and Master of Regional Development Policy
- Graduate Certificate, Graduate Diploma and Master of Criminology and Corrections
- Graduate Certificate and Master of International Business
- Graduate Certificate and Master of Marketing
- Graduate Certificate in E-Learning
- Graduate Certificate in University Learning and Teaching
- Graduate Certificate and Graduate Diploma of Natural Environmental Management
- Graduate Diploma in Environmental Planning
- Graduate Certificate in Environmental Studies

U NURTURE

Teaching & Learning



Course and school reviews

The University Teaching and Learning Committee (UT&LC) supports T&L initiatives, develops policy and conducts quality assurance and performance reviews.

Faculties provide UT&LC with annual course reports that summarise strengths, weaknesses and plans for improvement. Schools and courses continue to be reviewed at regular intervals and the *Teaching and Learning Quality Assurance Manual* sets out detailed procedures for these reviews.

Teaching Development Grants

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

Cradle Coast campus

In 2004 the 'North-West Centre' changed its name to 'Cradle Coast campus', in recognition of the growth agenda for the region. The Cradle Coast Authority provides local government leadership for the whole region. Many organisations are adopting the name Cradle Coast in recognition of the region's brand. The University Council approved the name change at its October meeting. The change recognises the new vision for the North-West Centre, moving it from a small centre for higher education studies to a satellite campus of the state university. The growth targets of 1200 to 1500 students by 2010 deliver expectations of expansion in courses and physical infrastructure to support this load.

The University Preparation Program (UPP) is offered from the Cradle Coast campus in flexible mode throughout the State to assist adults without Years 11/12 to return to study. Numbers have grown to 61 EFTSU in 2004 and evaluations show many UPP students have excelled in their academic careers.

Academic Development Project

The Academic Development Project, a strategic initiative of the University, commenced in 2004 aiming to develop distinctive course programs offered to completion at the Cradle Coast campus and establish best practice models for flexible delivery of teaching and learning at the campus. These programs are being developed with significant community input and will reflect the education needs of the region.

Dr Tony McCall has been seconded from the School of Government to the Cradle Coast campus to lead the project.

Flexible teaching and learning

The University has a comprehensive range of strategies to support and enhance the quality of teaching. The Flexible Education Unit (FEU) was established in 2002 to support T&L through a range of programs and services.

The FEU provides staff development for academic and general staff in the area of teaching and learning. In 2004 teaching and learning staff development activities focused on the development of school-based workshops on issues including development of unit outlines, assessment issues, peer review of teaching, problem-based learning, teaching and assessing generic graduate attributes, and case-based learning. In addition, four central, generic workshops and three school-based workshops were run on basic teaching skills for sessional teaching staff, with approximately 100 staff participating.

Eighty-eight staff development workshops were run, with 887 participants. Most of these were school-based and topics included assessment, peer review of teaching, teaching online using WebCT (including converting to the new platform, Vista) and embedding graduate attributes. Table 11 shows the increase in the number of participants over the past three years since the establishment of the FEU.

In a nation-wide first, UTAS created UNIaccess, a statewide resource to help off-campus students in regional areas access university resources. A specially designed kit was developed to send to access centres with detailed information about flexibly delivered courses, library help sheets and University contact information. UTAS facilitators also held information sessions in each community, and met with online access centre staff. The program is a collaboration between the University and the Tasmanian Government, through the State Library and Tasmanian Communities Online.

TABLE 10
Number of units that include WebCT online components 2001-2004

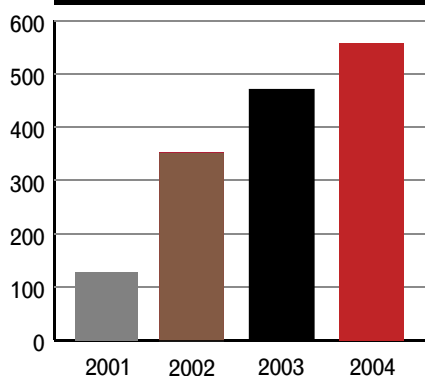


TABLE 11
Staff development programs conducted by the Flexible Education Unit

Year	Number of participants	Number of workshops
2002	700	61
2003	882	62
2004	887	88

(excludes Grad Cert & TAUT)

Central workshops were also run in December on academic integrity and managing plagiarism.

Our People

Staff Numbers at 31 March 2004

All Staff (including casuals)	1,787 FTE
Academic (excluding casuals)	676 FTE
Non-academic (excluding casuals)	874 FTE

Senior staff appointments

SENIOR EXECUTIVE APPOINTMENT

Acting Executive Director,
Finance & Administration

Mr Richard Easther

PROFESSORIAL APPOINTMENTS

Aquaculture

Professor Chris Carter

Earth Sciences

Professor Jocelyn McPhie

Geography & Environmental Studies

Professor Richard Coleman

Information Systems

Professor Peter Marshall

Management

Professor Michael Hess

Mathematics & Physics

Professor John Dickey

Psychology

Professor Douglas Paton

Leadership and Management program

In 2004 the University instigated its Leadership and Management program to support newly appointed Heads. The Heads program was the first initiative. It had two streams in 2004, a year-long orientation program for new and acting Heads (Orienting Heads) and a program for all current Heads, including new and acting Heads, to provide responsive and energising forums on current issues (Talking Heads). In all, 16 new and acting Heads and 11 administrative officers attended the Orienting Heads program. Talking Heads registered 171 attendances of academic Heads and 39 attendances of administrative Heads. In all, 47 academic Heads and 14 administrative Heads participated in the program.

Staff development

In 2004 the University, through its Corporate Staff Development fund, supported approximately 64 activities through Human Resources. A new Staff Development Policy was developed through a consultative process and approved by Council in July 2004. New sections include the overview, principles, and an expanded section on responsibility for Staff Development and Training that defines responsibilities of Deans and Heads of Division, Heads of School and Section, of Contributing Units, individual staff members and Staff Development Committee faculty representatives.

In Semester 2 the Central Orientation Seminar program was expanded to include General, Research, and Teaching and Learning Orientations, and new staff were personally invited to attend the program of their choice. The General Orientation program was redesigned to include an expo and campus tours. Registrations in the seminar program increased from 36 in Semester 1 to 75 in Semester 2 when the new format was introduced. In all, 87 new staff attended in 2004, representing 37% of new starters.

USTRIVE



Our People

In late 2004 the Women in Leadership series was launched. This initiative developed from meetings of the Senior Women's Reference Group. The first stream (Leadership Development for Women) is a year-long program for a cohort of 22 women, both levels C and D academics and HEO levels 8-10 general staff. A number of equal employment opportunity (EEO) activities have continued in 2004, including Collegial Support Groups, Equity Focus Groups and the online harassment and anti-discrimination training course. In November 2004 a new Staff Development and Training website was launched. Staff can now access activities, policies and information from all contributing units at the one site. A unique collaboration between Woolworths Ltd and the University to invigorate research emphasis on IT and Systems began in 2004. Professor Peter Marshall was named the new Chair of Information Technology and Systems. Woolworths will fund the position at \$100,000 a year for the next 10 years.

AWARDS

Student awards

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

Claire Lily BERLYN	Faculty of Arts
Emily Helen WHELAN	Faculty of Arts
William David LANE	Faculty of Arts
Sandra Elaine SILVA	Faculty of Commerce
Ian Lindsay DWYER	Faculty of Education
Susan Julie GOODMAN	Faculty of Law
Sarah Elizabeth JONES	Faculty of Science, Engineering & Technology
Leigh Howard de la MOTTE	Faculty of Science, Engineering & Technology
Guy WESTMORE	Faculty of Science, Engineering & Technology
Andrew John MEIJERS	Faculty of Science, Engineering & Technology
Rowan TREBILCO	Faculty of Science, Engineering & Technology
David Matthew UNWIN	Faculty of Science, Engineering & Technology

Staff awards

The Vice-Chancellor's Awards for Exceptional Performance by General Staff were awarded to:

Individual

School of Plant Science	Mr Ian CUMMINGS
School of Agricultural Science	Mr Louis HANSLOW

Team

Accommodation Services	Paddy BARBOUR	James MCIVOR
	Nathan WATCHORN	Wanda WHITE
	Claire HOWARD	Will HOHMAN
	Kim MARTIN	Tania HARVEY
	Lisa GIBSON	Rodney WILLOX
	Greg CLEMENTS	

Above: Tracey Thomas and Associate Professor Carey Denholm

Our People

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

Individual

Flexible Education Unit

Lorraine HAMILTON

Team

Faculty of Arts

Liz TYNAN & Tracey THOMAS

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

Individual

Dean Graduate Studies

Associate Professor Carey DENHOLM

Team

School of Visual and Performing Arts

Michael EDGAR

Cultural Activities Office

Malcom BYWATERS

Teaching excellence awards

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

Individual

School of Asian Languages and Studies

Dr Pam ALLEN

School of Education

Dr Margot BOARDMAN

School of English, Journalism

and European Languages

Dr Anna JOHNSTON

School of Plant Science

Dr Robert WILTSHIRE

New Academic Staff

School of Management

Mr Colin JONES

Conservatorium of Music

Mr Andrew LEGG

Program/Team

Scientific Communication Skills Project

Faculty of Science, Engineering & Technology

Software Engineering Project

Faculty of Science, Engineering & Technology

During 2004 the University developed the Research and Research Training Management Plan (RRTMP) 2005-2007.

Using the EDGE terminology, research at UTAS aims for:

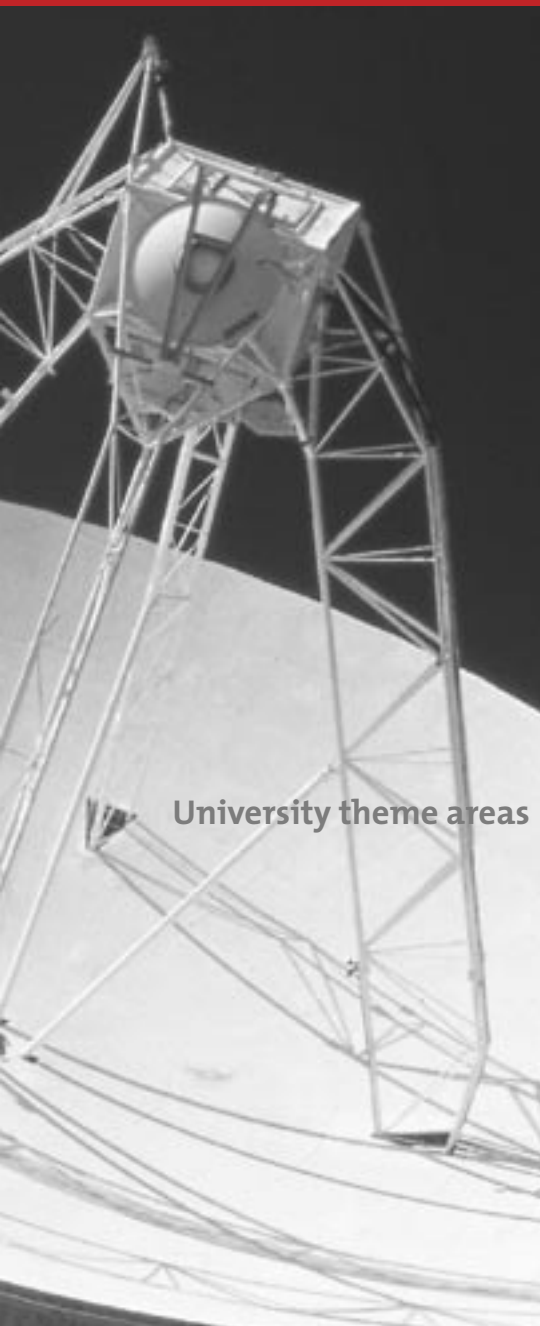
Excellence – focus on centres of excellence and quality research

Distinctiveness – focus on thematic areas of research

Growth – major growth in research higher degree (RHD) load and research income

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

Research & Research Training



University theme areas

UTAS is a research-led university with a commitment to scholarship of the highest quality. It seeks to develop its own research identity through its thematic areas (see below) and to contribute locally, nationally and globally. The University currently ranks in the 'top ten' research universities on a per capita basis and now seeks to expand the size, quality and impact of its research in line with the EDGE agenda.

In its Institution Assessment Framework 2004 Assessment Portfolio for UTAS, the Department of Education Science and Training wrote: *"Overall, the research performance of the University is very strong. Research intensity is high and continuing to improve. Research income and publications have been increasing. There is a high completions to separations ratio, suggesting good completion rates for postgraduate research students. The University also performs well on research productivity measures."*

In 2004, the Research College Board offered mentoring assistance to schools in constructing research plans to ensure the RRTMP is taken up across all levels of the University.

As part of ongoing postgraduate student evaluation, comprehensive information packages were developed in 2004 with information on grievance procedures, provision of funding and fees and costs.

The average time for completion of a PhD is four years, and 2.7 years for a masters degree.

After adopting a thematic approach to research in 1996, the following theme areas were adopted by Council in 2004:

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

The major research centres/institutes supporting these themes include the Centre for Ore Deposit Research (CODES), the Institute for Antarctic and Southern Ocean Studies (IASOS), the Menzies Research Institute, the Tasmanian Aquaculture and Fisheries Institute (TAFI), the Tasmanian Institute of Agricultural Research (TIAR), the Tasmanian Institute of Law Enforcement Studies (TILES), the Tasmania Law Reform Institute (TLRI) and the cooperative research centres (CRCs).

In 2004, approximately 88% of research income was in theme areas.



Research & Research Training



RESEARCH PARTNERSHIPS

Cooperative research centres

The University is a partner in five CRCs that also link closely with the theme areas.

ANTARCTIC CLIMATE AND ECOSYSTEMS (ACE)

The ACE CRC is a partnership dedicated to sustainable management of Antarctic marine ecosystem resources and the study of atmospheric and oceanic processes of the Southern Ocean and their role in global and regional climate change. Partners include the Australian Antarctic Division, CSIRO and the Australian Bureau of Meteorology.

SUSTAINABLE PRODUCTION FORESTRY (SPF)

This CRC brings together the six major universities providing forestry education in Australia, the CSIRO, state forest research organisations and 14 industry partners in a collaboration worth \$87 million over seven years, comprising \$27 million from the Australian Government and \$60 million from the partners.

SUSTAINABLE TOURISM (STCRC)

The STCRC was established under the Australian Government's Cooperative Research Centres Program to underpin the development of a dynamic, internationally competitive and sustainable tourism industry. The STCRC is a not-for-profit company owned by its industry, government and university partners.

AQUAFIN

The Aquafin CRC is a research and education provider for the sustainable aquaculture of finfish in Australia. It is a joint venture of a large group of research institutions, universities, industry associations, companies and the Fisheries Research and Development Corporation. The main research emphasis is on Atlantic salmon and southern bluefin tuna.

SMART INTERNET TECHNOLOGY

Smart Internet Technology CRC is a joint venture between industry, leading universities and the Australian and State governments to research and develop world-class Internet technologies that present Australia with global commercial opportunities.

State Government

The formal partnership (and joint venture agreements) with the State Government and industry are extremely important to the University. The partnership enables the University to pursue its mission of contributing to the economic and social development of Tasmania. A joint review of the partnership (and its core objectives) in 2004 sought to develop a focus on solutions to wider strategic issues facing the State and the University. A new framework agreement was developed with plans to ratify it in early 2005.

During 2004 the State Government agreed to contribute \$12 million for the establishment of the Medical Education and Research Centre to bring together facilities for the Menzies Research Institute and the Tasmanian School of Medicine. The Menzies Research Institute also secured \$7.5 million in funding for the

*Above: Dr Arthur Ritar and
Dr Greg Smith at the Tasmanian
Aquaculture & Fisheries Institute*

Research & Research Training

In 2004, UTAS received external income of \$1 million for the Australian Centre for Research on Separation Science (ACROSS), which it established with Monash University and RMIT University. ACROSS is an applicant for ARC Centre of Excellence funding.

collocation project from Atlantic Philanthropies, an international foundation, and the Australian Government also committed \$12 million towards the project.

The joint venture arrangements of the Tasmanian Aquaculture and Fisheries Institute (TAFI) and the Tasmanian Institute of Agricultural Research (TIAR) are significant contributors to Australian primary industry research with a growing income base and large RHD numbers.

Following a review of TIAR by the University and the State Government in 2002-2003, a new 10-year plus joint venture was signed in early 2004. Income allocated to activities grew from \$9.8 million in 2003 to \$10.9 million, and 2004 also saw TIAR finalising negotiations for several new R&D initiatives such as the National Processing Potato R&D Program, a Red Meats Targets Program and a Centre for Food Innovation Systems at the Cradle Coast campus in partnership with the Cradle Coast Authority, with funding from the University of Tasmania and the Australian Government's Sustainable Regions Programme.



Associate Professor Gustaaf Hallegraef won the prestigious Sherman Eureka Prize for Environmental Research for a 15-year Australian campaign that resulted in a global agreement to save the world's oceans from marine pests dumped in ships' ballast water. Professor Hallegraef's team, including BHP shipping engineers Dr Geoff Rigby and Alan Taylor, shared in the prize of \$10,000.

Pictured at the award are (from left to right) Associate Professor Hallegraef, Brian Sherman (President Australian Museum), Dr Geoff Rigby and Alan Taylor.

The Australian Food Safety Centre of Excellence, a partnership between TIAR and Food Science Australia, has made significant progress following its establishment in 2003. In 2004 the Centre was asked to participate in global food safety research activities and Professor Martin Cole was awarded an International Association of Food Protection Leadership Award.

The TAFI joint venture arrangement between the University and the State Government was reviewed in 2003-2004 and a 10-year continuation of the partnership from 2005 was recommended.

Through the partnership between the University and the Tasmanian Department of Police and Public Safety, the Tasmanian Institute of Law Enforcement Studies (TILES) has undertaken specific research tasks for Tasmania Police and other law enforcement agencies into areas such as youth crime prevention, drug law enforcement, forensics and policing. TILES staff also presented papers at national and international policing and criminology conferences.

The Tasmania Law Reform Institute (TLRI) established between the State Government, the University and the Law Society is now the premier law reform body in Tasmania. TLRI conducted studies and released reports and issues papers during 2004, some at the request of the Tasmanian Attorney-General.

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

Research & Research Training

Commercialisation and IP management

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

In 2004 the Unit attracted funding of over \$275,000 (with over \$50,000 from IP management services) and has continued to grow the University's IP portfolio. There are currently seven patent applications on the University's IP register; of these, three have entered national phase in the past year. Approximately 40 new disclosures were received in the past year, some 50% from the Science, Engineering & Technology and Health Science faculties, with the remainder from the administrative divisions and non-science faculties. Seventeen non-disclosure agreements were signed with potential investors to enable them to conduct in-depth due diligence on University technologies, and 12 applications for investment were submitted to the pre-seed funds.

The Unit has continued to grow contract research activity, with a number of projects signed and undertaken during 2004, including the continuation of a commercial contract with a Melbourne manufacturing firm for design improvements on a gaming (chip washing) machine. A market research project into the pros and cons of gas heaters versus heat pumps was completed with a Tasmanian-based company, as well as the development of human resource management software with another company. Contract research agreements with two major pharmaceutical companies have brought income in the order of \$218,600 to the University.

Additional collaborative relationships have been established with other universities and commercial organisations to develop University technology, including UniQuest, the University of Western Australia and Edith Cowan University. The Unit also continued to work closely with the State Government to further activities such as the provision of advice and support to small and medium sized enterprises and the provision of educational programs to CRCs, government and industry.

Revenue in the past year has resulted from the licensing of IP, contract research and the provision of IP management services.

Research & Research Training

RESEARCH STORIES

INTERNATIONAL ANTARCTIC INSTITUTE

Delegates from thirty-nine institutions engaged in research and teaching Antarctic and marine studies gathered for an historic forum resulting in an agreement to establish an International Antarctic Institute. Participants from Japan, France, the USA, the UK, Brazil, Germany, Malaysia, Norway, New Zealand and Australia travelled to Tasmania for the forum, hosted by the University of Tasmania, which culminated in the establishment of the Tasmanian-International Antarctic Institute Steering Group.

The International Antarctic Institute aims to develop a joint model of cooperation including as many of the international Antarctic institutions as possible. The vision is for a multidisciplinary educational program both at graduate and undergraduate level, with cross-credit study programs, joint curricula, cross-accreditation for teaching, and shared educational, human and other resources and facilities.

The Institute would promote:

- international opportunities in Antarctic undergraduate education;
- sharing of teaching resources between partner institutions;
- development of new and innovative Antarctic courses;
- development of clear articulation pathways between degrees to encourage student and staff mobility; and
- international cooperation engendered in the Antarctic Treaty System.

A secretariat would be responsible for publicity and promotion, for day-to-day administration and identification of funding opportunities and would rotate between member institutions.

Antarctic and marine studies is one of the distinctive teaching and research themes for the University of Tasmania. The Centre for Marine Science brings together staff involved in marine studies and the Institute of Antarctic and Southern Ocean Studies (IASOS) provides a focus for Antarctic-related research and teaching. Activities in this area are enhanced by significant national collaborative activities with the Australian Antarctic Division, CSIRO Marine Research and the Antarctic Climate and Ecosystems Cooperative Research Centre. These activities include climate change and variability, oceanography, marine chemistry and geoscience, marine biology, wild fisheries, marine biotechnology, policy and international relations, Antarctic ecosystems, flora and fauna and Antarctic policy and international relations.

By international agreement the Antarctic continent is set aside for scientific collaboration and the large-scale research programs in Antarctica and the Southern Ocean over the past half century have shown that international cooperation is the key to research success.



Above: Tasmanian Minister for Economic Development, Employment and the Arts Lara Giddings being shown an ice core by Dr Tas van Ommen at the Institute of Antarctic and Southern Ocean Studies

MAPPING THE EUCALYPT GENOME

Scientists from around the world have agreed to collaborate on sequencing the complete eucalyptus genome, with the formation of the International Eucalyptus Genome Consortium at a meeting held in Hobart. The consortium includes Australia's CRC for Sustainable Production Forestry, the University of Tasmania, Southern Cross University and the Australian Genome Research Facility, as well as scientists from the US, Brazil, South Africa, Thailand and Vietnam.

Australia has already provided a major breakthrough. A specialist with the University of Tasmania's Cooperative Research Centre for Sustainable Production Forestry has become the first person to decode the DNA sequence of an Australian native plant. Dr Dorothy Steane, a specialist in the study of eucalypt DNA, worked in collaboration with the Australian Genome Research Facility to sequence part of the Tasmanian blue gum (*Eucalyptus globulus*).

Knowing the actual DNA code of eucalypts will be a major breakthrough, leading to innovative applications in plantation forestry and sustainable forest management. It will revolutionise our ability to understand how eucalypts grow and interact with their environment. While native to Australia, gum trees, or eucalypts, are the most widely planted tree in the world for pulpwood production. There are over 10 million hectares of eucalypt plantations worldwide. Using state-of-the-art molecular genetic techniques similar to those used to study the human genome, scientists are searching for genes including those that control the growth and wood properties. Like the human genome project, once completed the eucalypt sequence will be placed in the public domain.

HATCHERY-REARED LOBSTERS

Scientists at the Tasmanian Aquaculture and Fisheries Institute (TAFI) have produced Australia's first hatchery-reared rock lobster. Dr Arthur Ritar and his team of researchers reared the larval lobsters from eggs spawned in captivity at the Marine Research Laboratories in Taroona. The milestone is the result of almost \$6.5 million in research funding over the past seven years from the Australian and Tasmanian governments. Attempts to develop the aquaculture of southern rock lobster started at TAFI in 1997.

The delicate lobster larvae normally progress through 11 stages of development for up to two years in the open ocean before the final metamorphosis into a tiny colourless lobster called the puerulus. They then settle onto inshore reefs where they grow into adults. The researchers have already shortened this larval period to 12 months in the hatchery. The research has created a better understanding and control of larval health. The methods will place Australia at an advantage in the commercialisation and sustainability of lobster farming in the future.

HYDROGEN RESEARCH

The University of Tasmania School of Engineering has designed and developed the first laboratory in Australia specifically for applied hydrogen research. The Hydro Tasmania Hydrogen Energy Research Facility is supported by \$350,000 from



Research & Research Training

Hydro Tasmania for ongoing funding of a postdoctoral researcher and laboratory equipment. The new facility will investigate potential hydrogen applications in automotive technology and electrical engineering in collaboration with German and Danish research teams.

Hydrogen is a key option for storage to extend the penetration of renewable energy in remote area power supplies. The engineering research team within the University will provide expertise to support the development of Tasmania's hydrogen economy and build on advanced hydrogen research in the United States, Germany and Japan. They aim to establish pilot projects for hydrogen as an alternative energy carrier with minimal environmental impact, such as the 'silent scooter' and 'postie bike'.

The School of Engineering's Associate Professor Vishy Karri and the Hydrogen and Allied Technologies (HART) research team have created a silent scooter that runs on hydrogen fuel cells, which produce almost no noise at all and a 'postie' bike that runs entirely on hydrogen – the first of its kind in Australia. This pilot program – the first Australian program of its kind to establish hydrogen fuel cells as an alternative energy source for two-wheeled transport – is the result of collaboration between the University of Tasmania and the Technical University of Nuremberg in Germany.

EFFECTS OF OESTROGEN TREATMENT FOR TALL STATURE IN GIRLS

Researchers at the Menzies Research Institute, led by Dr Alison Venn, have investigated the use of oestrogen in adolescence to reduce the adult height of tall girls and its association with impaired fertility in later life.

The collaborative research between the Menzies Research Institute, La Trobe University's Mother and Child Health Research and the Murdoch Children's Research Institute was published in the prestigious British medical journal, *The Lancet*.

While the possibility of adverse reproductive effects of oestrogen treatment for tall stature in girls had been acknowledged for many years, this research was the first to report long-term follow-up of the reproductive experiences of a large group of girls undergoing treatment.

The research team identified 1,432 individuals from the medical records of Australian paediatricians who assessed or treated tall girls from 1959 to 1993, as well as self-referrals. More than 1,200 of these women were traced and nearly 800 agreed to participate in the research, half of whom received therapy and the other half who were assessed but were not given hormone treatment.

The research findings have implications for our understanding of reproductive biology and for families who are considering treatment for their tall daughters. For women who have already had oestrogen treatment for tall stature, it is reassuring that the likelihood of conceiving and having a live birth is only slightly lower than that for untreated women, though treated women took longer to conceive and more of them required fertility services.

Above: Sponsors and members of the Hydrogen and Allied Technology team with the hydrogen 'postie bike'

State & Community Development



PUBLIC & COMMUNITY RELATIONS

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

In 2004 the University commissioned a review to map present activity, develop a community engagement framework and suggest a future policy direction to provide a more coordinated approach to community engagement. The *Report on Community Engagement at the University of Tasmania* acknowledges there is a positive attitude to community engagement and the EDGE agenda across the University. Interviews with staff and people in the community identified a wide range of current community activities.

The University has a unique relationship with the State Government, expressed in a practical way through the various joint ventures carried out under terms of the recently renewed Partnership Agreement.

It also values the relationship it has with various local governments. The Vice-Chancellor has accepted a position on the Hobart City Council Economic Development Advisory Forum. The University signed a memorandum of understanding and cooperation (MoUC) with the Launceston City Council, providing a formal framework for collaboration on activities such as initiating scholarships for students through Council funding, locating the School of Architecture at the Inveresk site in Launceston, and undertaking joint cultural activities between the Queen Victoria Museum and Art Gallery and the University's Academy of the Arts.

The Academy of the Arts at Inveresk brings UTAS and the Institute of TAFE Tasmania together in a new teaching partnership to deliver an innovative arts program.

A UTAS initiative, *Skilling the Cradle Coast*, received a grant of \$631,500 over three years to encourage young people to undertake science at school and university, with the expectation that these students will pursue careers in science relevant to the region's skills needs. The project, located at the Cradle Coast campus, commenced mid-2004. Partners in the program include the Education Department, Burnie TAFE and a number of regional science-based industries and businesses.

The Cradle Coast campus is nationally recognised for its successful regional engagement. The national award received in 2003 provided funding to contribute to the *Creative Pathways Project* activities in 2004, which included:

- A project officer (a TAFE staff member), based at the University on industry release for two days per week, to undertake a community development project (*Learning Arts*) with neighbouring aged-care residence Umina Park Lodge. \$30,000 was received from the Tasmanian Community Fund for the project.

Above: Professor Daryl Le Grew with Van Diemen's Land Pastoral Company director Colin Armer at the 'Skilling the Cradle Coast' launch near Smithton

State & Community Development

- Burnie City Council committing \$10,000 to commence the Mooreville Road Education Precinct master plan. The plan is a streetscape project that uses landscape design elements and artworks to provide visual links along the road joining the four educational institutions within the Mooreville Road Education Precinct (Burnie Primary School, Hellyer College, TAFE and the University). It will commence in 2005.

The Cradle Coast Authority (CCA) is an organisation created by local government councils within the Cradle Coast region. The Director of the UTAS Cradle Coast campus is the Education Director on the CCA. The CEO/Chairman of the CCA is a member of the UTAS North West Advisory Board. The University committed \$25,000, the second of three annual funding commitments, to the *Stronger Learning Pathways* project. The project is a joint initiative of the CCA, the University, TAFE Tasmania, the Tasmanian Department of Education and the Australian Government's Sustainable Regions program. Its aim is to develop and implement innovative post-compulsory education participation strategies for the region.

The University Department of Rural Health (UDRH) has enhanced its statewide network of Rural Health Teaching Sites (RHTS) with the establishment in Queenstown of a new accommodation and study facility for health science students. The sites, situated close to where the new Queenstown hospital will be built, will provide living and study quarters for students from the University of Tasmania while undertaking clinical placements in the Queenstown area. The development was a collaborative process. The property is owned by the Tasmanian Department of Health and Human Services. The Australian Government, through the Department of Health and Ageing, funded the \$75,000 refurbishment and the University managed the project.

The University's School of Agricultural Science (through its science education program) initiated TasSTAR in early 2004. The program, which links university students as 'peer tutors' with high school or senior college classes, is in place on all three UTAS campuses, with 10 students in pre-tertiary science classes at Hellyer College (Burnie), Newstead College (Launceston) and in Hobart College. The Ian Potter Foundation provided seed money for the project.

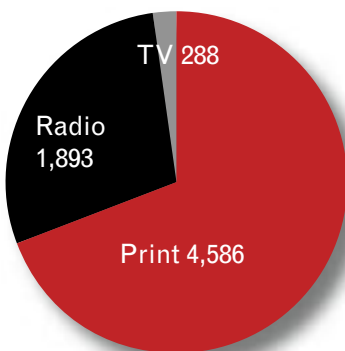
In May 2004 the University and the State Department of Economic Development combined forces to bring the Innovation Festival to Tasmania. The Festival is a national celebration of the development and implementation of new ideas, which encourages and recognises better ways for operating across all industries.

Media

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

During 2004, the Media Office prepared and released approximately 200 media releases. Media coverage is gathered by Rehame, a professional media monitoring company. Table 12 above provides a summary of media coverage for 2004.

TABLE 12 – Media stories relating to UTAS/University issues



State & Community Development

UNIVERSITY OF TASMANIA FOUNDATION

The University of Tasmania Foundation Inc. was established in 1994 as the major fundraising arm of the University. It raises funds and gifts through bequests, the annual appeal, its sponsored scholarships and bursaries program, and capital donations to the Scholarships Endowment. These donations also benefit areas such as research, the University Fine Art Collection and the Classics Museum.

At the end of 2004 the Foundation was managing more than \$16.22 million and during the year received more than \$3.62 million in donations and other funding support.

The Foundation's key objective is to support areas of need related to the University and its activities. These include:

- scholarships and bursaries;
- research and research facilities; and
- adding to the cultural capital of the University for the benefit of all Tasmanians.

Total financial membership of the Foundation increased by 40 (or 32%) to 165 over the year – comprising:

Patrons	20	Benefactors	7
Fellows	33	Members	105

Annual dinner

The sixth Foundation Annual Awards Dinner was held in March and attracted a capacity crowd of more than 525 guests, making it one of the important corporate events of its type in the State.

The recipients of the Foundation Graduate Awards for 2004 were Dr Sarah Pethybridge, internationally recognised plant pathologist, and Brenda Richardson, Vice-President (IT & Business Initiatives) Ford Australia and the first woman appointed to Ford Australia's Operating Committee. These awards recognise high-achieving UTAS graduates who demonstrate leadership in their professions and the community.

The Tasmania Scholarships Endowment

The Tasmania Scholarships Endowment, launched in 2000, has been a major initiative of the Foundation. By the end of 2004 the consolidated Scholarships Endowment stood at \$10.7 million.

Sponsored scholarships & bursaries program

This program, which allows sponsors to pay for named scholarships and bursaries on an annual basis, continues to grow and many new sponsors now support scholarships and bursaries at UTAS. In 2004, business, industry, state and local governments, community bodies and individuals contributed over \$650,000. This is an increase of 20% on 2003 and 62% on 2002.

Marie Edwards Gift Exhibition

In December an exhibition of paintings and drawings, donated to the Foundation by Tasmanian artist Marie Edwards, was held to raise funds for fine arts scholarships. The exhibition raised more than \$33,000 from the sale of artworks.



State & Community Development

Directors

The University of Tasmania Foundation Board of Directors 2004:

Mr Ian Roberts (Chair); Mr Saul Eslake; Mr Rod Hayes (resigned Nov. 2004); Mr Russell Paterson; Mr David Rowell (President of the Foundation Board of Governors); Ms Elizabeth Thomas and Mr Richard Watson AM. Two non-voting members also served on the Board – Mr John Brodie (representing University Council) and Vice-Chancellor Professor Daryl Le Grew.

CULTURAL ACTIVITIES

The University Cultural Activities Committee oversees a program of innovative, high-quality cultural events and exhibitions contributing towards the enrichment of university and community life. The committee distributes \$300,000 for the program, funds the University's Fine Art Collection of over 2,000 pieces of contemporary Australian art and sculpture, and the John Elliott Classics Museum.

For the Bicentenary of Tasmania in 2004, the Bicentenary State Advisory Committee placed an emphasis on what Tasmanians, both immigrant and native born, have achieved over the past two centuries. University events during 2004 were presented under the banner *Island Minds*, recognising and celebrating the University's broad input as a major contributor to the State's cultural life and economic development.

The following examples illustrate the extent of the project.

- In collaboration with Arts Tasmania, *Reflections of Tasmania* featured internationally celebrated Tasmanian arts practitioners who returned to reflect publicly on the influence of Tasmania on their lives. Artists included UTAS alumni Peter Conrad, Christopher Koch, Peter Sculthorpe and Sir Guy Green.
- The Cradle Coast campus *Returning Home* series featured UTAS alumni from the Cradle Coast region, including Professor Tim McCormack, now Foundation Red Cross Professor of Humanitarian Law at the University of Melbourne, and Rick Snell from the UTAS School of Law.
- The Inveresk Academy Gallery exhibition calendar included an exploration of the history of ideas associated with the perception, representation and conservation of the natural environment under the title *The Walls of Jerusalem*.
- CentrStage productions at the Annex Theatre attracted a growing audience and featured *Conviction*, by Launceston playwright Stella Kent.

Above: Greek terracotta warrior plaque (4 BC) at the John Elliott Classics Museum

State & Community Development



ALUMNI

The University of Tasmania Alumni operates independently within the University, reporting annually to the Council of the University. The Alumni Committee manages the affairs of the Alumni. The Chair and Deputy Chair of the Alumni Committee have been members of the Council.

The aim of the Alumni is to further the development of 'lifelong professional and personal relationships between the University and its graduates'. It does this through the publication of *Alumni News*, general meetings, a branch network and a program of events in Australia and overseas.

The year was marked by an historic joint meeting in March between the Alumni and the University Foundation to set joint planning objectives and strategies. In response to the University's EDGE agenda, the Alumni and Foundation are moving closer together to develop a coordinated approach to 'friendraising' and 'fundraising' and to raise the profile of the University in the community and overseas.

Distinguished Alumni Awards were presented to Ms Kim Boyer, formerly Deputy Chancellor of the University (for her service to the University), and to Associate Professor Christopher Newell (for his service to the community through advocacy and support for people with disabilities).

The ordinance, *Alumni*, has been changed to make all graduates and diplomates members of the Alumni by right. In 2004 all graduates were issued an Alumni membership card at the time of graduation. The card gives all graduates immediate access to Alumni Services including continued use for one year of their University of Tasmania email address.

As at 31 December 2004, 51,511 records were held on the Alumni database.

Above: Buddhist performers at the international Alumni reception

UINVEST

FINANCIAL STATEMENTS

for the year ended 31 December 2004

UNIVERSITY OF TASMANIA

	2004		2003		2002		2001		2000	
	\$'000	%	\$'000	%	\$'000	%	\$'000	%	\$'000	%
INCOME										
Commonwealth Government grants	132,076	55.5	121,115	56.9	111,742	55.9	101,708	55.6	98,018	57.1
State Government grants	7,599	3.2	6,462	3.0	6,166	3.1	6,927	3.8	6,278	3.6
Higher Education Contribution Scheme										
Student contributions	4,171	1.8	3,162	1.5	3,132	1.6	3,448	1.9	3,988	2.3
Commonwealth payments	35,613	15.0	34,165	16.0	32,523	16.3	31,485	17.2	29,839	17.3
Postgraduate Education Loans Scheme	1,773	0.7	1,029	0.5	724	0.4				
Fees & charges	32,989	13.9	28,238	12.9	24,159	12.1	18,083	9.9	13,960	8.1
Superannuation										
Deferred government contributions	(142)	-0.1	(310)	-0.1	35	0.0	393	0.2		0.0
Commonwealth supplementation	714	0.3	672	0.3	882	0.4	579	0.3	624	0.4
Investment income	2,828	1.2	2,741	1.3	1,798	0.9	2,165	1.2	6,540	3.8
Royalties, trademarks and licences	0	0.0	(22)	0.0	259	0.1				
Consultancy and contract research	6,777	2.8	5,688	2.7	6,174	3.1	7,472	4.1	5,219	3.0
Other revenue	13,516	5.7	10,754	5.1	12,116	6.1	10,556	5.8	7,539	4.4
Total income	237,914	100.0	213,694	100.0	199,710	100.0	182,816	100.0	172,005	100.0
EXPENDITURE										
Academic salary costs	69,960	30.5	64,714	31.4	61,337	30.7	56,424	30.1	51,847	30.0
Non-academic salary costs	58,708	25.6	53,451	26.0	51,896	26.0	50,116	26.7	48,302	27.9
Depreciation and amortisation	16,287	7.1	17,113	8.3	16,994	8.5	16,664	8.9	14,734	8.5
Buildings & grounds	8,485	3.7	6,523	3.2	7,832	4.7	7,509	4.0	6,658	3.8
Bad & doubtful debts	409	0.2	(66)	0.0	440	0.2	765	0.4	39	0.0
Other expenses	75,841	33.0	64,952	31.2	60,987	29.8	56,180	29.9	51,576	29.8
Total expenditure	229,690	100.0	206,687	100.0	199,486	99.9	187,658	100.0	173,156	100.0
OPERATING RESULT	8,224		7,007		224		(4,842)		(1,151)	
KEY RATIOS										
1. Financial stability and liquidity										
– Current ratio	3.4		2.5		2.3		2.0		1.9	
– Net cash balances	8,438		8,319		8,411		8,922		14,749	
– Net assets	349,257		338,880		296,370		296,146		300,988	
2. Revenue										
– Commonwealth Government grants (inc. HECS and PELS)	170,176		156,981		145,871		133,772		128,481	
– Other University income	67,738		56,713		53,839		49,044		43,524	
Total University income	237,914		206,687		199,710		182,816		172,005	
Commonwealth Government grants as a percentage of total income	72		74		73		73		75	
Student (full-time equivalents)*	9,773		9,407		9,415		9,168		9,251	
Average Commonwealth recurrent grant (inc. HECS)	17,413		16,688		15,493		14,591		13,888	

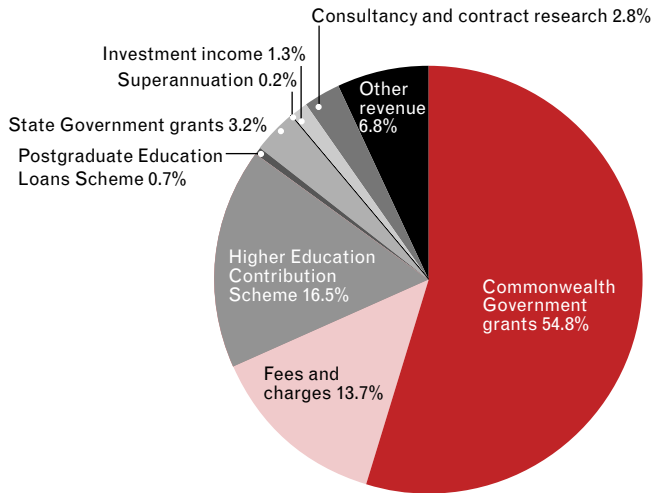
*Source: Statistics 2003 – DEST Operating Grant Load

FIVE-YEAR SUMMARY ENDED 31 DECEMBER 2004 – CONSOLIDATED

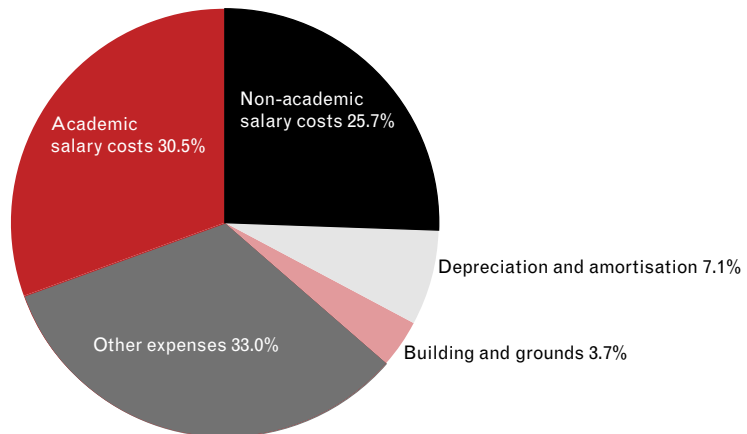
	2004		2003		2002		2001		2000	
	\$'000	%	\$'000	%	\$'000	%	\$'000	%	\$'000	%
INCOME										
Commonwealth Government grants	132,076	54.8	121,115	56.0	111,742	55.6	101,708	54.8	98,018	56.0
State Government grants	7,599	3.2	6,462	3.0	6,166	3.1	6,927	3.7	6,278	3.6
Higher Education Contribution Scheme										
Student contributions	4,171	1.7	3,162	1.5	3,132	1.6	3,448	1.9	3,988	2.3
Commonwealth payments	35,613	14.8	34,165	15.8	32,523	16.2	31,485	16.9	29,839	17.1
Postgraduate Education Loans Scheme	1,773	0.7	1,029	0.5	724	0.4				
Fees & charges	32,989	13.7	28,238	12.7	24,159	12.1	18,082	9.7	13,960	8.0
Superannuation										
Deferred government contributions	(142)	-0.1	(310)	-0.1	35	0.0	393	0.2	0.0	
Commonwealth supplementation	714	0.3	672	0.3	882	0.4	579	0.3	624	0.4
Investment income	3,234	1.3	3,337	1.5	1,747	0.9	2,640	1.4	6,788	3.9
Royalties, trademarks and licences	0	0.0	(22)	0.0	259	0.1				
Consultancy and contract research	6,777	2.8	5,688	2.6	6,174	3.1	7,472	4.0	5,204	3.0
Other revenue	16,139	6.7	13,478	6.2	12,940	6.5	13,275	7.1	9,977	5.7
Total income	240,943	100.0	217,014	100.0	200,483	100.0	186,009	100.0	174,676	100.0
EXPENDITURE										
Academic salary costs	69,960	30.5	64,714	31.0	61,337	30.7	56,511	30.6	51,847	29.7
Non-academic salary costs	58,930	25.7	53,660	25.7	52,129	26.1	50,235	27.3	48,515	27.7
Depreciation and amortisation	16,318	7.1	17,127	8.2	17,012	8.5	16,703	9.1	14,734	8.4
Buildings & grounds	8,485	3.7	6,523	3.1	7,832	4.7	7,509	4.1	6,658	3.8
Bad & doubtful debts	409	0.2	(66)	0.0	539	0.3	672	0.4	39	0.0
Other expenses	74,950	32.7	67,322	31.9	60,987	29.7	52,538	28.5	53,178	30.4
Total expenditure	229,052	100.0	209,280	100.0	199,640	100.0	184,168	100.0	174,971	100.0
OPERATING RESULT										
after related income tax	11,887		7,730		843		1,841		(295)	
KEY RATIOS										
1. Financial stability and liquidity										
– Current ratio	3.9		2.7		2.6		2.5		2.0	
– Net cash balances	8,453		8,393		8,684		8,922		14,749	
– Net assets	363,860		349,820		306,587		296,146		300,988	
2. Revenue										
– Commonwealth Government grants (inc. HECS and PELS)	170,176		156,981		145,871		133,772		128,481	
– Other University income	70,767		60,033		54,612		52,237		46,195	
Total University income	240,943		217,014		200,483		186,009		174,676	
Commonwealth Government grants as a percentage of total income	71		73		73		72		74	
Student (full-time equivalents)*	9,773		9,407		9,415		9,168		9,251	
Average Commonwealth recurrent grant (inc. HECS)	17,413		16,688		15,493		14,591		13,888	

*Source: DEST Operating Grant Load statistics

INCOME



EXPENDITURE



STATEMENTS OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31 DECEMBER 2004

	Notes	Economic Entity (Consolidated)		Parent Entity (University)	
		2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
REVENUE FROM ORDINARY ACTIVITIES	2				
Commonwealth Government financial assistance	2.1	132,790	121,787	132,790	121,787
Higher Education Contribution Scheme					
Student contributions		4,171	3,162	4,171	3,162
Commonwealth payments	2.1	35,613	34,165	35,613	34,165
Postgraduate Education Loans Scheme	2.1	1,773	1,029	1,773	1,029
Tasmanian Government financial assistance	2.2	7,599	6,462	7,599	6,462
Superannuation – deferred government contributions		(142)	(310)	(142)	(310)
Fees & charges	2.3	32,989	28,238	32,989	28,238
Investment income	2.4	3,234	3,337	2,828	2,741
Royalties, trademarks & licences	2.5	-	(22)	-	(22)
Consultancy and contract research	2.6	6,777	5,688	6,777	5,688
Other revenue	2.7	16,139	13,478	13,516	10,754
Share of net result of associates and joint ventures accounted for using the equity method		-	-	-	-
Total revenue from ordinary activities		240,943	217,014	237,914	213,694
EXPENSES FROM ORDINARY ACTIVITIES	3				
Employee benefits	3.1	128,890	118,374	128,668	118,165
Depreciation and amortisation	3.2	16,318	17,127	16,287	17,113
Repairs and maintenance	3.3	8,485	6,523	8,485	6,523
Bad & doubtful debts		409	(66)	409	(66)
Other expenses	3.4	74,950	67,322	75,841	64,952
Total expenses from ordinary activities		229,052	209,280	229,690	206,687
Operating result from ordinary activities before income tax expense		11,891	7,734	8,224	7,007
Income tax related to ordinary activities	4	-	-	-	-
Operating result – after related income tax		11,887	7,730	8,224	7,007
Extraordinary items		-	-	-	-
Net operating result		11,887	7,730	8,224	7,007
Net operating result attributable to outside equity interests		-	-	-	-
Net operating result attributed to parent entity	14	11,887	7,730	8,224	7,007
Increase in asset revaluation reserve	14	2,153	35,503	2,153	35,503
Adjustment resulting from change in accounting policy required by a change in an accounting standard		-	-	-	-
Total revenue, expense and valuation adjustments attributed to the parent entity and recognised directly in equity		2,153	35,503	2,153	35,503
Total changes in equity other than those resulting from transactions with owners as owners		14,040	43,233	10,377	42,510

This statement must be read in conjunction with the attached notes.

	Notes	Economic Entity (Consolidated)		Parent Entity (University)	
		2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
CURRENT ASSETS					
Cash assets		3,264	2,133	3,264	2,133
Inventories		109	205	109	205
Receivables	7	6,599	5,988	6,597	5,735
Other financial assets	8	102,476	89,767	87,835	78,960
Other non-financial assets	9	3,294	1,894	3,266	1,860
Total current assets		115,742	99,987	101,071	88,893
NON-CURRENT ASSETS					
Receivables	7	6,286	7,501	6,286	7,501
Other financial assets	8	6,803	14,570	6,823	14,590
Property, plant and equipment	10	284,779	284,422	284,655	284,376
Total non-current assets		297,868	306,493	297,764	306,467
Total assets		413,610	406,480	398,835	395,360
CURRENT LIABILITIES					
Payables	11	6,315	4,515	6,419	4,489
Provisions	12	15,947	14,593	15,808	14,515
Revenue in advance		3,555	14,943	3,490	14,938
Other liabilities	13	3,530	2,365	3,458	2,294
Total current liabilities		29,347	36,416	29,175	36,236
NON-CURRENT LIABILITIES					
Provisions	12	20,403	20,244	20,403	20,244
Total non-current liabilities		20,403	20,244	20,403	20,244
Total liabilities		49,750	56,660	49,578	56,480
Net assets		363,860	349,820	349,257	338,880
EQUITY					
Reserves	14	242,960	240,807	242,960	240,807
Statutory funds	14	27,131	25,049	27,131	25,049
Accumulated funds	14	93,769	83,964	79,166	73,024
Total equity		363,860	349,820	349,257	338,880

This statement must be read in conjunction with the attached notes.

STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2004

	Notes	Economic Entity (Consolidated)		Parent Entity (University)	
		2004	2003	2004	2003
		\$'000	\$'000	\$'000	\$'000
		Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)
CASH FLOWS FROM OPERATING ACTIVITIES	20				
Commonwealth Government					
Teaching and learning	21.1	68,645	64,658	68,645	64,658
HECS and other loan programs	21.2	34,541	35,321	34,541	35,321
Scholarships	21.3	3,303	2,330	3,303	2,330
DEST research	21.4	25,357	28,322	25,357	28,322
ARC grant – Discovery	21.5(a)	4,671	4,389	4,671	4,389
ARC grant – Linkages	21.5(b)	3,591	3,948	3,591	3,948
Other Commonwealth		20,404	21,525	20,344	22,040
Tasmanian Government		7,882	6,647	7,882	6,647
Higher Education Contribution Scheme – Student Payments		4,171	3,162	4,171	3,162
Fees & charges		33,228	27,727	33,228	27,727
Investment income		3,234	3,337	2,828	2,741
Royalties, trademarks and Licences		-	(22)	-	(22)
Consultancy and contract research		7,414	6,221	7,414	6,221
Other revenue		14,169	12,414	11,294	9,518
GST – net refund from ATO		2,854	2,382	2,854	2,382
Employee benefits		(127,523)	(118,897)	(127,358)	(118,759)
Repairs and maintenance		(9,235)	(7,024)	(9,235)	(7,024)
Other expenses		(76,735)	(68,218)	(77,494)	(65,856)
Net cash inflow (outflow) from operating activities	20	19,971	28,222	16,036	27,745
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from sale of property, plant and equipment		3,696	1,466	3,696	1,466
Payments for investments		(6,012)	(13,216)	(2,119)	(12,533)
Payments for property, plant and equipment		(17,595)	(16,763)	(17,494)	(16,770)
Net cash inflow (outflow) from investing activities		(19,911)	(28,513)	(15,917)	(27,837)
CASH FLOWS FROM FINANCING ACTIVITIES					
Net increase/(decrease) in cash held		60	(291)	119	(92)
Cash at beginning of reporting period		8,393	8,684	8,319	8,411
Cash at end of reporting period	20	8,453	8,393	8,438	8,319

This statement must be read in conjunction with the attached notes.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

- the *Financial Management and Audit Act 1990*;
- the *University of Tasmania Act 1992*;
- the Australian Accounting Standards Board and Urgent Issues Group interpretations; and
- the Guidelines for the Preparation of Annual Financial Reports for the 2004 reporting period by Australian Higher Education Institutions issued by the Australian Government Department of Education, Science and Training (DEST).

The financial report covers the economic entity of the University of Tasmania and controlled entities, and the University of Tasmania as an individual parent entity. This financial report has been prepared on an accruals basis and is based on historical costs. The report does not take into account changing money values or, except where stated, current valuations of non-current assets.

The following is a summary of the material accounting policies adopted by the economic entity in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

a) Significant accounting policy issues

There were no significant changes to accounting policies during the year.

b) International Financial Reporting Standards (IFRS)

The Australian Accounting Standards Board (AASB) is adopting IFRS for application to reporting periods beginning on or after 1 January 2005. The AASB has issued Australian equivalents to IFRS, and the Urgent Issues Group has issued interpretations corresponding to IASB interpretations originated by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee. The adoption of Australian equivalents to IFRS will be first reflected in the consolidated entity's financial statements for the year ending 31 December 2005.

Entities complying with Australian equivalents to IFRS for the first time will be required to restate their comparative financial statements to amounts reflecting the application of IFRS to that comparative period. Adjustments required on transition to IFRS will be made, retrospectively, against opening retained surplus as at 1 January 2004.

The University has established a project team to manage the transition to Australian equivalents to IFRS, including training of staff and system and internal control changes necessary to gather all the required financial information. The project team is chaired by the Assistant Director Corporate Finance and reports to the audit committee. The project team has prepared a timetable for managing the transition. To date, the project team has analysed the Australian equivalents to IFRS and identified a number of accounting policy changes that are required. In some cases choices of accounting policies are available, including elective exemptions under Accounting Standard

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

Major changes identified that will be required to the University's existing accounting policies are (references to new AASB standards below are to the Australian equivalents to IFRS issued in July 2004):

(i) Financial instruments

Under the new **AASB 139 Financial Instruments: Recognition and Measurement** there will be an impact to the Statement of Financial Position as a result of financial assets held by the consolidated entity being subject to classification as either being held at fair value through profit and loss, held-to-maturity, available for sale or loans and receivables and, depending upon classification, measured at fair value or amortised cost.

Financial assets held by the University are to be classified as being measured at fair value, with changes in fair value being recognised through profit and loss. Under previous GAAP these financial assets were valued at cost. The change will result in an increase in the value of Financial Assets of \$932,252 as at 1st January 2004 and another increase in the value of these assets of \$8,977,313 as at 31st December 2004, with a corresponding increase in Accumulated Funds at 1st January 2004 and 31st December 2004.

(ii) Employee benefits

Under the new **AASB 119 Employee Benefits** (July 2004) there will be no impact to the Statement of Financial Position in regard to the UniSuper scheme, as UniSuper has advised the University that it intends to adopt the Multi Employer Provisions of the new standard. The multi employer provisions allow employers with defined benefit obligations to report on a defined contributions basis, with some additional information also reported. AASB 119 states that this is an appropriate solution in cases where:

- the employer does not have access to the information required; or
- there is no reliable basis for allocating the benefit liabilities, assets and costs between employers.

Based on this information the University will not be required to account for any surpluses or shortfalls in the Defined Benefit Fund in its accounts.

Under the new **AASB 119 Employee Benefits** there will be no net impact to the Statement of Financial Position in regard to the Retirement Benefits Superannuation Fund. Under AASB 119 there is a requirement for a change in the discount rate used to value the liabilities of the fund. The liabilities of the fund have been recalculated for comparative purposes and the subsequent increase in the liability of \$1,725,448 will be reflected in the liabilities of the University; however, an offsetting increase in the assets of the University will negate any changes made. The asset is recognised as the right to re-imburement from the Commonwealth for the unfunded past service liability is recognised in the Statement of Financial Position by the University.

(iii) Investment properties

Under the new **AASB 140 Investment Property** there will be an impact to the Statement of Financial Position as Investment Property is to be measured at its fair value, with changes in fair value to be recognised in profit and loss, or at cost as per AASB 116 Property, Plant and Equipment, where it will be measured at its depreciated cost.

Investment Property held by the University is measured at its fair value, and any changes will be recognised through the profit and loss (in the past changes to the fair value were made against an Asset revaluation reserve). This will result in an initial adjustment to the current Asset revaluation reserve by a decrease of \$13,339,000 as at 1st January 2004, with no further changes as at 31st December 2004. This will result in a subsequent increase in Accumulated Funds of the same value to transfer the increase in the fair value of Investment Properties in past years.

(iv) Library revaluation

Under the new **AASB 116 Property, Plant and Equipment** there will be an impact to the Statement of Financial Position as a result of Library Collections being measured at deemed cost.

As the Library Collection is held at cost rather than fair value, the initial adoption of IFRS will result in an adjustment to the Asset revaluation reserve for Library Collections of \$35,421,000 as at 1st January 2004, with no further changes as at 31st December 2004. This will result in a subsequent increase in Accumulated Funds of the same value.

c) Principles of consolidation

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

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

There were no changes to controlled entities during the year.

d) Tax status

Income tax

The University entity does not provide for Australian income tax as it is exempt from income tax in accordance with the provisions of Division 50 of the *Income Tax Assessment Act 1997*.

Fringe benefits tax

The University is liable to pay fringe benefits tax, and it is included in expenditure reported.

Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances

the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

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

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the 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 classified as operating cash flows.

e) Revenue recognition

Commonwealth Government operating grants received under the *Higher Education Funding Act 1988* in advance, have been treated as reciprocal. In 2004, the payment schedule for such grants was changed, with the advance payment normally received in December 2004 deferred until January 2005. This has resulted in a change to the carrying value of Revenue in Advance in the Statement of Financial Position to reduce from \$14.9m in 2003 to \$3.5m in 2004.

Revenues received from other government sources in respect of future periods are treated as income in the period they are received where the grant is considered non-reciprocal in nature.

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

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

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

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

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

The gross proceeds from the sale of non-current assets are treated as revenue from the time that ownership has passed to the purchaser.

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

f) Inventories

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

g) Capital works in progress

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

h) Property, plant and equipment

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

Asset class

Property (land & buildings)	Fair Value
Motor vehicles	Cost
Computing equipment and photocopiers	Cost
Other plant and equipment	Cost
Library	Cost
Works of art and cultural collection	Fair Value

Property

Freehold land and buildings were revalued during 2003 by an independent valuer, Mr Frank Julier AAPI, from Edward Rushton Australia Pty Ltd.

Plant and equipment

All plant and equipment items with a cost equal to or exceeding \$10,000 have been capitalised.

Library collection

The library collection is recorded at cost.

Works of art

Valuations for works of art were carried out in 2004 by an independent valuer, Mr Steven Joyce from Despard Gallery, in relation to the Fine Art Collection and Dr Paul Gallivan, from the University of Tasmania, in relation to the John Elliott Classics Museum.

Depreciation

The depreciable amount of all fixed assets including building and completed capital projects, but excluding freehold land, is depreciated on a straight line basis over their useful lives to the University commencing from the time the asset is held ready for use. Properties held for investment purposes are not subject to depreciation. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

In 2003, following the revaluation of land and buildings, a review was also undertaken on the depreciation rate used for Buildings. It was determined that the depreciation rate be changed from 2.5% to 2% based on the gross replacement cost of the building asset. The new rate was applied from 1st January 2004. The impact to the University based on 2003 figures is a reduction to the depreciation expense each year of approximately \$2 million.

Depreciation and amortisation rates and methods are reviewed regularly. Depreciation rates applicable during 2004 are as follows:

Asset class	%
Buildings	2
Computing equipment	33
Plant and equipment (general)	10
Audio equipment	20
Photocopiers	25
Motor vehicles	20
Library	
Serials	5
Books	5
Other items	20

i) Employee entitlements

Employee entitlements comprising annual leave, long service leave and superannuation benefits, together with on-costs, have been fully provided. The total liability in respect of employee entitlements has been brought to account in accordance with AASB 1028 – Employee Benefits.

Annual leave

Liabilities for annual leave are recognised and measured as to the amount unpaid at the reporting date at current pay rates in respect of employees' service up to that date.

Annual leave for academic staff is deemed to be taken in the year in which it is accrued, hence no provision is made in respect of these employees. The provision relates to amounts payable to non-academic staff for their pro-rata entitlements.

Long service leave

The liability for long service leave for employees is measured with reference to the present value of the estimated future cash outflows to be made for these entitlements, predictions of when long service leave will be taken and the University's experience of the probability that employees will qualify for long service leave.

Consideration has been given to future increases in salary levels. Related on-costs have been included in the provision. The University recognises, as a current liability, the portion of long service leave accruing to employees with 10 or more years of service.

Sick leave

Sick leave entitlements provided to the employees of the University are non-vested and are based on a cumulative sick leave system. No liability is recorded for sick leave.

Superannuation

The University has a policy of compulsory superannuation for continuing staff members. The majority of University staff are members of schemes known as 'Unisuper'. For additional information regarding superannuation see Note 23 – superannuation commitments.

j) Leases

All University leases are classified as operating leases. Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

k) Investments

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

The investments are valued at cost. Unrealised gains or losses arising from changes in net market value together with any interest, dividend income and other distributions are brought to account in the Statement of Financial Performance in the period in which they are realised.

Investment properties are properties owned by the University and rented. Income received is brought to account as revenue in the Statement of Financial Performance in the period received.

l) Joint venture operations

The University participates in five cooperative research centres, which are disclosed in Note 18. The University's interests are not considered material, and expenditure incurred by the University as a result of its participation is expensed.

m) Controlled entities

Investments in controlled entities are carried in the University's Statement of Financial Position at the lower of cost or recoverable amount. Dividends are brought to account as revenue in the Statement of Financial Performance when received.

n) Other business undertakings

Investments in other business undertakings are carried in the University's Statement of Financial Position at the lower of cost or recoverable amount. Dividends are brought to account as revenue in the Statement of Financial Performance when received.

o) Foreign currency transactions and balances

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

p) Receivables

All debtors are recognised at the amounts receivable, as they are due for settlement no more than 30 days from the date of recognition. The collection of receivables is reviewed on an ongoing basis.

Debts known to be uncollectible are written off. A provision for doubtful debts is raised where some doubt as to collection exists and in any event where the debt is more than 90 days overdue.

q) Payables

Liabilities are recognised for amounts to be paid in the future for goods or services received whether or not billed to the University. Creditors are normally settled within 30 days.

r) Cash

For the purpose of the Statement of Cash Flows, cash includes cash on hand and at-call deposits with banks or financial institutions, net of bank overdrafts and investments in short-term bank bills.

s) Comparative figures

When required by Accounting Standards comparative figures have been adjusted to conform with changes in presentation for the current financial year.

t) Rounding of amounts

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

	Notes	Economic Entity (Consolidated)		Parent Entity (University)	
		2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
2. REVENUE FROM ORDINARY ACTIVITIES					
2.1 Commonwealth Government financial assistance (inc. HECS & other Commonwealth loans)					
(a) DEST – Teaching and learning					
Operating grant*		72,865	63,989	72,865	63,989
Teaching hospitals		151	147	151	147
Capital development pool		1,049	-	1,049	-
Total DEST – Teaching and Learning		74,065	64,136	74,065	64,136
(b) HECS and other Commonwealth loans					
HECS – Commonwealth payments		35,613	34,165	35,613	34,165
PELS		1,773	1,029	1,773	1,029
Total HECS and other Commonwealth loans		37,386	35,194	37,386	35,194
(c) Scholarships					
Australian Postgraduate Awards		2,118	2,079	2,118	2,079
International Postgraduate Research Scholarships		385	251	385	251
Commonwealth Education Costs Scholarships		240	-	240	-
Commonwealth Accommodation Scholarships		560	-	560	-
Total scholarships		3,303	2,330	3,303	2,330
(d) DEST – Research					
Institutional Grants Scheme (inc. Small Grants)		7,359	7,025	7,359	7,025
Research Training Scheme		15,939	14,833	15,939	14,833
Systemic Infrastructure Initiative		-	3,000	-	3,000
Research Infrastructure Block Grant		4,264	3,265	4,264	3,265
Total DEST – Research		27,562	28,123	27,562	28,123
(e) Australian Research Council					
<i>(i) Discovery</i>					
Project		4,341	3,869	4,341	3,869
Fellowships		330	684	330	684
Total discovery		4,671	4,553	4,671	4,553
<i>(ii) Linkages</i>					
Special research initiatives		40		40	
Infrastructure		204	983	204	983
Projects		2,399	2,205	2,399	2,205
Centres		948	926	948	926
Total linkages		3,591	4,114	3,591	4,114
(f) Other Commonwealth Government financial assistance					
National Health & Medical Research Council		2,742	1,866	2,742	1,866
Commonwealth Government Research (non-ARC)		11,013	8,109	11,013	8,109
Commonwealth Government (non-research)		4,523	5,901	4,523	5,901
Other Commonwealth Government income		1,320	2,655	1,320	2,655
Total other Commonwealth Government financial assistance		19,598	18,531	19,598	18,531
Total Commonwealth Government financial assistance		170,176	156,981	170,176	156,981
* Operating grant includes Superannuation and Workplace Reform					
Reconciliation					
Commonwealth Government grants		132,790	121,787	132,790	121,787
HECS – Commonwealth payments		35,613	34,165	35,613	34,165
Commonwealth loans (PELS + BOTPLS)		1,773	1,029	1,773	1,029
Total Commonwealth Government financial assistance		170,176	156,981	170,176	156,981

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2004

	Notes	Economic Entity (Consolidated)		Parent Entity (University)	
		2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
2.2 Tasmanian Government financial assistance					
Tasmanian Aquaculture and Fisheries Institute		2,676	2,683	2,676	2,683
Tasmanian Institute of Agricultural Research		2,162	1,905	2,162	1,905
Menzies Research Institute		1,552	666	1,552	666
Tasmanian Law Reform Institute		57	76	57	76
Other State Government income		1,152	1,132	1,152	1,132
		7,599	6,462	7,599	6,462
2.3 Fees and charges					
Course fees and charges					
Fee-paying overseas students		20,541	16,723	20,541	16,723
Fee-paying domestic postgraduate students		919	914	919	914
Fee-paying domestic undergraduate students		1,237	1,507	1,237	1,507
Fee-paying domestic non-award students		27	15	27	15
Total course fees and charges		22,724	19,159	22,724	19,159
Other fees and charges					
Child Care Centre fees		988	922	988	922
Accommodation charges		5,013	3,870	5,013	3,870
Services and Amenities fees		2,918	2,798	2,918	2,798
Other		1,346	1,489	1,346	1,489
Total other fees and charges		10,265	9,079	10,265	9,079
		32,989	28,238	32,989	28,238
2.4 Investment income					
Parent entity		3,232	3,333	2,828	2,741
Wholly-owned controlled entities		2	4		
		3,234	3,337	2,828	2,741
Total restricted investment income – trusts		593	885	189	293
Total unrestricted investment income		2,641	2,452	2,639	2,448
Total investment income		3,234	3,337	2,828	2,741
2.5 Royalties, trademarks & licences		-	(22)	-	(22)
2.6 Consultancy and contract research					
Industry and other research		3,025	2,955	3,025	2,955
Research consultancies		1,553	1,124	1,553	1,124
Research donations and bequests		570	296	570	296
Industry support to linkage projects		890	724	890	724
Industry support to other Commonwealth research		356	377	356	377
Industry support to research centres		383	212	383	212
		6,777	5,688	6,777	5,688
2.7 Other revenue					
Donations and bequests		3,315	2,067	1,288	1,031
Scholarships and prizes		133	113	133	113
Contract revenue (other than consultancy and contract research)		392	505	392	505
Proceeds from sale of assets	4	3,696	1,466	3,696	1,466
Sale of goods		1,790	1,582	1,790	1,582
Miscellaneous income		6,813	7,745	6,217	6,057
		16,139	13,478	13,516	10,754

	Notes	Economic Entity (Consolidated)		Parent Entity (University)	
		2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
3. EXPENSES FROM ORDINARY ACTIVITIES					
3.1 Employee benefits					
Academic					
Salaries		54,019	50,215	54,019	50,215
Contribution to superannuation & pension schemes:					
Deferred employee benefits for superannuation		(77)	(168)	(77)	(168)
Emerging costs		1,489	1,806	1,489	1,806
Funded		7,921	7,297	7,921	7,297
Provisions for future emerging costs		(316)	(413)	(316)	(413)
Payroll tax		3,708	3,431	3,708	3,431
Workers' Compensation		270	276	270	276
Long service leave expense		1,812	1,214	1,812	1,214
Other expenses		1,134	1,056	1,134	1,056
Total academic		69,960	64,714	69,960	64,714
Non-Academic					
Salaries		46,776	42,800	46,554	42,591
Contribution to superannuation & pension schemes:					
Deferred employee benefits for superannuation		(64)	(142)	(64)	(142)
Emerging costs		685	838	685	838
Funded		6,457	6,061	6,457	6,061
Provisions for future emerging costs		(261)	(349)	(261)	(349)
Payroll tax		3,125	2,916	3,125	2,916
Workers' Compensation		223	234	223	234
Long service leave expense		1,496	1,027	1,496	1,027
Annual leave – change in provision		343	113	343	113
Other expenses		150	162	150	162
Total non-academic		58,930	53,660	58,708	53,451
Total employee benefits		128,890	118,374	128,668	118,165
3.2 Depreciation and amortisation					
Computing equipment		1,563	1,424	1,563	1,424
Library collections		2,783	2,684	2,783	2,684
Buildings		7,983	9,007	7,983	9,007
Leasehold improvements		1,025	1,110	1,025	1,110
Other equipment		2,964	2,902	2,933	2,888
		16,318	17,127	16,287	17,113
3.3 Repairs and maintenance					
		8,485	6,523	8,485	6,523

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2004

	Notes	Economic Entity (Consolidated)		Parent Entity (University)	
		2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
3.4 Other expenses					
Scholarships and prizes		12,631	10,322	11,399	9,317
Non-capitalised equipment		6,363	6,965	6,363	6,965
Public relations and marketing		2,741	2,282	2,733	2,243
Telecommunications		1,072	1,237	1,062	1,230
Travel and staff development		7,600	6,377	7,589	6,373
Consumables		11,063	11,305	11,050	11,299
Carrying amount of assets sold	4	3,080	2,481	3,080	2,481
Office administration		3,547	3,348	3,502	3,303
Electricity & heating fuel		3,542	3,146	3,542	3,146
Consultancy services		6,594	4,680	6,481	4,555
Library materials		1,841	1,282	1,841	1,282
Cleaning		1,883	1,941	1,883	1,941
Security		1,064	1,011	1,064	1,011
Audit fees – external		68	73	68	68
Audit fees – internal		187	133	181	133
Transfer to University Foundation		-	-	2,634	-
Operating lease payments		256	322	256	322
Insurance		1,116	1,139	1,107	1,134
Service & Amenities fees paid to student unions		2,648	2,605	2,648	2,605
Other		7,654	6,673	7,358	5,544
		74,950	67,322	75,841	64,952
4. SALES OF ASSETS					
Proceeds from Sale Property Plant & Equipment		3,696	1,466	3,696	1,466
Carrying Amount of Assets Sold Property Plant & Equipment		3,080	2,481	3,080	2,481
		616	(1,015)	616	(1,015)
5. REMUNERATION OF EXECUTIVES					
The number of executive positions where the total remuneration (including salary, superannuation and other benefits) for the reporting period exceeded \$100,000 within bands of \$10,000 were:		No.	No.	No.	No.
\$120,000 to \$129,999		1		1	
\$140,000 to \$149,999			1		1
\$150,000 to \$159,999		1	3	1	3
\$160,000 to \$169,999		3	1	3	1
\$170,000 to \$179,999		1		1	
\$180,000 to \$189,999			1		1
\$190,000 to \$199,999			2		2
\$200,000 to \$209,999		2	2	2	2
\$210,000 to \$219,999		2		2	
\$330,000 to \$339,999			1		1
\$350,000 to \$359,999		1		1	
		11	11	11	11
Aggregate remuneration of executives		2,140	2,106	2,140	2,106
"Executives" are defined as including the Vice-Chancellor and those senior staff who report to him as the Chief Executive Officer					

	Notes	Economic Entity (Consolidated)		Parent Entity (University)	
		2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
6. REMUNERATION OF AUDITORS					
External audit		68	73	68	68
		68	73	68	68
Note: Audit services for the University Foundation were donated by Wise, Lord and Ferguson.					
7. RECEIVABLES					
Current					
Debtors		5,666	5,165	5,660	4,905
Less provision for doubtful debts		(598)	(475)	(592)	(468)
		5,068	4,690	5,068	4,437
DEST superannuation reimbursement		970	946	970	946
Accrued revenue		311	35	309	35
Sundry loans and advances		250	317	250	317
		6,599	5,988	6,597	5,735
Non-current					
DEST superannuation reimbursement		6,036	6,202	6,036	6,202
Sundry loans and advances		250	1,299	250	1,299
		6,286	7,501	6,286	7,501
Total receivables		12,885	13,489	12,883	13,236
8. OTHER FINANCIAL ASSETS					
Current*					
At call deposits		2,215	3,284	2,200	3,210
Bank bills		2,974	2,976	2,974	2,976
Trust investments		5,119	4,912	5,119	4,912
Investment fund		85,839	78,595	71,213	67,862
Property held for investment purposes at independent valuation market value 2003		6,329	-	6,329	-
		102,476	89,767	87,835	78,960
Non-current					
Shares – unlisted		473	419	493	439
Property held for investment purposes at independent valuation market value 2003		6,330	14,151	6,330	14,151
		6,803	14,570	6,823	14,590
Total other financial assets		109,279	104,337	94,658	93,550
Total restricted other financial assets – trusts		5,119	4,912	5,119	4,912
Unrestricted other financial assets					
At call deposits		2,215	3,284	2,200	3,210
Bank bills		2,974	2,976	2,974	2,976
Investment fund		85,839	78,595	71,213	67,862
Shares – unlisted		473	419	493	439
Property held for investment purposes at independent valuation market value 2003		12,659	14,151	12,659	14,151
Total unrestricted other financial assets		104,160	99,425	89,539	88,638
Total other financial assets		109,279	104,337	94,658	93,550

*Current investments do not include unrealised gains of \$9.910m (Consolidated) which were not brought to account.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2004

	Notes	Economic Entity (Consolidated)		Parent Entity (University)	
		2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
Summarised by maturity date					
Within 1 year		5,189	6,260	5,174	6,186
Within 1 to 2 years		-	-	-	-
Within 2 to 5 years		-	-	-	-
More than 5 years		-	-	-	-
No maturity date (investment fund, trust funds, unlisted shares, property)		104,090	98,077	89,484	87,364
		109,279	104,337	94,658	93,550
9. OTHER ASSETS					
Current					
Prepayments		2,128	1,264	2,112	1,230
GST		1,166	630	1,154	630
Total other assets		3,294	1,894	3,266	1,860
10. PROPERTY, PLANT AND EQUIPMENT					
Land					
at valuation		15,705	15,750	15,705	15,750
accumulated depreciation		-	-	-	-
Written down value		15,705	15,750	15,705	15,750
Buildings					
at valuation		421,551	407,743	421,551	407,743
accumulated depreciation		(234,089)	(226,606)	(234,090)	(226,606)
Written down value		187,462	181,137	187,461	181,137
Capital works in progress					
at cost		779	5,165	739	5,143
accumulated depreciation		-	-	-	-
Written down value		779	5,165	739	5,143
Building improvements and additions					
at cost		-	2,592	-	2,592
accumulated depreciation		-	(65)	-	(65)
Written down value		-	2,527	-	2,527
Leasehold improvements					
at valuation		51,285	51,285	51,285	51,285
accumulated amortisation		(29,400)	(28,374)	(29,400)	(28,374)
Written down value		21,885	22,911	21,885	22,911
Plant and equipment					
at cost		45,705	45,811	45,558	45,736
accumulated depreciation		(31,561)	(31,334)	(31,497)	(31,283)
Written down value		14,144	14,477	14,061	14,453
Library collections					
at cost		53,299	52,644	53,299	52,644
accumulated depreciation		(14,800)	(13,928)	(14,800)	(13,928)
Written down value		38,499	38,716	38,499	38,716
Works of art and cultural collections					
at valuation		6,305	3,739	6,305	3,739
accumulated depreciation		-	-	-	-
Written down value		6,305	3,739	6,305	3,739

	Notes	Economic Entity (Consolidated)		Parent Entity (University)	
		2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
10. PROPERTY, PLANT AND EQUIPMENT (CONT.)					
Total property, plant and equipment					
at cost/valuation		594,629	584,729	594,442	584,632
accumulated depreciation/amortisation		(309,850)	(300,307)	(309,787)	(300,256)
Written down value		284,779	284,422	284,655	284,376
Movements in asset classes during the year					
Land					
Value 1 January		15,750	6,240	15,750	6,240
Add: acquisitions		-	-	-	-
Add: revaluation increment		-	9,835	-	9,835
		15,750	16,075	15,750	16,075
Less: disposals		45	325	45	325
Balance 31 December		15,705	15,750	15,705	15,750
Less: current depreciation expense		-	-	-	-
Value 31 December		15,705	15,750	15,705	15,750
Buildings					
Written down value 1 January		181,137	140,512	181,137	140,512
Add: acquisitions		6,917	451	6,917	451
Add: transfers from investment properties		-	612	-	612
Add: transfers from capital works in progress		5,132	11,314	5,132	11,314
Add: transfers from building improvements and additions		2,527	25,841	2,527	25,841
Add: revaluation increment		-	11,704	-	11,704
		195,713	190,434	195,713	190,434
Less: transfers to investment properties		-	492	-	492
Less: disposals		93	568	93	568
Balance 31 December		195,620	189,374	195,620	189,374
Less: current depreciation expense		8,159	8,237	8,159	8,237
Written down value 31 December		187,461	181,137	187,461	181,137
Capital works in progress					
Value 1 January		5,165	6,736	5,143	6,716
Add: acquisitions		746	12,503	728	12,501
		5,911	19,239	5,871	19,217
Less: transfers to buildings		5,132	11,314	5,132	11,314
Less: transfers to building improvements		-	2,592	-	2,592
Balance 31 December		779	5,333	739	5,311
Less: current depreciation expense		-	168	-	168
Value 31 December		779	5,165	739	5,143
Building improvements and additions					
Written down value 1 January		2,527	26,378	2,527	26,378
Add: transfers from capital works in progress		-	2,592	-	2,592
		2,527	28,970	2,527	28,970
Less: transfers to buildings		2,527	25,841	2,527	25,841
Balance 31 December		-	3,129	-	3,129
Less: current depreciation expense		-	602	-	602
Written down value 31 December		-	2,527	-	2,527

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2004

	Notes	Economic Entity (Consolidated)		Parent Entity (University)	
		2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
10. PROPERTY, PLANT AND EQUIPMENT (CONT.)					
Leasehold improvements					
Written down value 1 January		22,911	14,633	22,911	14,633
Add: acquisitions		-	-	-	-
Add: revaluation increment		-	9,454	-	9,454
		22,911	24,087	22,911	24,087
Less: disposals		-	66	-	66
Balance 31 December		22,911	24,021	22,911	24,021
Less: current depreciation expense		1,026	1,110	1,026	1,110
Written down value 31 December		21,885	22,911	21,885	22,911
Plant and equipment					
Written down value 1 January		14,477	14,810	14,453	14,760
Add: acquisitions		5,655	5,437	5,555	5,437
		20,132	20,247	20,008	20,197
Less: disposals		1,468	1,520	1,451	1,508
Balance 31 December		18,664	18,727	18,557	18,689
Less: current depreciation expense		4,519	4,323	4,496	4,309
Add: adjustments		-	73	-	73
Written down value 31 December		14,145	14,477	14,061	14,453
Library collections					
Written down value 1 January		38,716	39,119	38,716	39,119
Add: acquisitions		2,566	2,295	2,566	2,295
		41,282	41,414	41,282	41,414
Less: disposals		-	-	-	-
Balance 31 December		41,282	41,414	41,282	41,414
Less: current depreciation expense		2,783	2,684	2,783	2,684
Less: adjustments		-	14	-	14
Written down value 31 December		38,499	38,716	38,499	38,716
Works of art and cultural collections					
Value 1 January		3,739	3,739	3,739	3,739
Add: acquisitions		413	-	413	-
Add: revaluation increment		2,153	-	2,153	-
		6,305	3,739	6,305	3,739
Less: disposals		-	-	-	-
Balance 31 December		6,305	3,739	6,305	3,739
Less: current depreciation expense		-	-	-	-
Value 31 December		6,305	3,739	6,305	3,739
Summary					
Written down value 1 January		284,422	252,167	284,376	252,097
Add: acquisitions		16,297	20,686	16,179	20,684
Add: transfers from investment properties		-	612	-	612
Add: revaluation increments		2,153	30,993	2,153	30,993
		302,872	304,458	302,708	304,386
Less: disposals		1,606	2,479	1,589	2,467
Less: transfers to investment properties		-	492	-	492
Balance 31 December		301,266	301,487	301,119	301,427
Less: current depreciation expense		16,487	17,124	16,464	17,110
Less: adjustments		-	(59)	-	(59)
Total property, plant and equipment at written down book value		284,779	284,422	284,655	284,376

	Notes	Economic Entity (Consolidated)		Parent Entity (University)	
		2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
11. ACCOUNTS PAYABLE					
Current		6,315	4,515	6,419	4,489
Total accounts payable		6,315	4,515	6,419	4,489
12. PROVISIONS					
Current					
Annual leave		3,576	3,232	3,558	3,215
Long service leave		9,947	8,881	9,826	8,820
Superannuation*		2,424	2,480	2,424	2,480
		15,947	14,593	15,808	14,515
Non-current					
Long service leave		4,888	4,067	4,888	4,067
Superannuation*		15,515	16,177	15,515	16,177
		20,403	20,244	20,403	20,244
Total provisions		36,350	34,837	36,211	34,759
*Note: The superannuation provision provides for the superannuation schemes outlined in Note 23 (b).					
13. OTHER LIABILITIES					
Current					
Unspent government financial assistance	21.4	-	101	-	101
Other accrued expenses		3,530	2,264	3,458	2,193
Total other liabilities		3,530	2,365	3,458	2,294
14. MOVEMENTS IN EQUITY ACCOUNTS					
Reserves					
Asset revaluation reserve					
Balance at end of previous year		240,807	205,304	240,807	205,304
Add: revaluation increment on land and buildings		-	35,503	-	35,503
Add: revaluation increment on art works		2,153	-	2,153	-
Balance at end of year		242,960	240,807	242,960	240,807
Statutory funds					
The Statement of Financial Performance combines a number of funds which, under granting conditions, can only be utilised for specified expenditure purposes. These statutory funds cannot be allocated to general purpose expenditure categories. Statutory funds comprise:					
Trust funds – donation for endowments and specified purposes such as prizes and scholarships.					
Other restricted funds – specific research grants, consultancies and other contract funds					
Balance at end of previous year		25,049	21,861	25,049	21,861
Transfer from/(to) accumulated funds		2,082	3,188	2,082	3,188
Balance at end of year		27,131	25,049	27,131	25,049
Accumulated funds					
Balance at end of previous year		83,964	79,422	73,024	69,205
Operating result (inclusive of transfers)		11,887	7,730	8,224	7,007
Transfers from/(to) statutory funds		(2,082)	(3,188)	(2,082)	(3,188)
Adjustment to reserves		-	-	-	-
Balance at end of year		93,769	83,964	79,166	73,024

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2004

	Notes	Economic Entity (Consolidated)		Parent Entity (University)	
		2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
15. COMMITMENTS FOR EXPENDITURE					
Contracted but not provided for and payable not later than one year					
Capital expenditure commitments					
		4,762	8,694	4,762	8,694
Other expenditure commitments					
		3,736	3,809	3,736	3,809
16. CONTINGENT LIABILITIES					
<p>The University of Tasmania, together with the University of Sydney and the University of Melbourne, is involved in a legal dispute with Sony Music, Universal Music and EMI Music. The parties are alleging potential copyright breaches by the universities and/or other individuals. The three universities involved are dealing with the matter jointly. The Australian Vice-Chancellors' Committee is supporting the universities and is dealing with the matter as a sector-wide issue. At the time of finalising the 2004 accounts, it is not practical to provide an estimate of the potential effect of this issue.</p> <p>The University of Tasmania is currently negotiating with the Kingborough Council in regard to liability for Council general rates on the property owned by the Crown (through DPIWE) and occupied by the Tasmanian Aquaculture & Fisheries Institute (TAFI). There is no lease on the property, occupation is solely governed by the joint venture agreement, under which the Crown provides access to the property for the purposes of the joint venture.</p> <p>The University is seeking exemption under Sect 87 (1) (d) of the <i>Local Government Act 1993</i>, that is, exemption on the basis that: <i>Land or part of land owned and occupied exclusively for charitable purposes</i>. The potential liability to the University is approximately \$13,000.</p> <p>Other than the items referred to above, the University currently has no significant legal claims outstanding.</p>					
17. LEASE COMMITMENTS					
Operating leases					
Commitments for future lease payments exist under current non-cancellable lease agreements held by the Consolidated Entity.					
Future minimum rental payments for leased photocopiers:					
Payable not later than one year		310	192	310	192
Payable later than one year, not later than two years		283	162	283	162
Payable later than two years, not greater than five years		241	270	241	270
Payable later than five years		-	-	-	-
		834	624	834	624

18. CONSOLIDATED AND OTHER ACTIVITIES

	Ownership Interest	
	2004 %	2003 %
Consolidated entities		
The University is the parent entity or ultimate parent entity of the following entities. All are incorporated in Australia		
University of Tasmania Foundation Inc.	100	100
Raises money to endow scholarships, support research and build resources, while developing links between the University, industry and the community. The auditors for the University Foundation are Wise, Lord and Ferguson.		
UTAS Innovation Limited	100	100
Provides a commercial window or 'shopfront' to the University. Name was changed from Unitas Company Limited in December 2004. The auditors for UTAS Innovation are Deloitte.		
Southern Ice Porcelain Pty Ltd	100	100
Manufacture and sale of high-quality porcelain. The auditors for Southern Ice Porcelain are the Tasmanian Audit Office.		
Other activities		
The University is a managing agent for the following operations, which are not consolidated:		
Australian Music Examinations Board		
Cooperative Research Centre for Antarctic Climate and Ecosystems		
Cooperative Research Centre for Sustainable Production Forestry		

The University also participates as a partner in the CRCs for Sustainable Aquaculture of Finfish, Smart Internet Technology and Sustainable Tourism. The University's contributions to the CRCs have been brought to account as part of the University's consolidated financial statements. Due to the limited term tenure and significant number of partners, the University's level of activity is not separately reported as the amounts are not material.

19. DISAGGREGATED INFORMATION (CONSOLIDATED)

	Revenue		Results (i)		Assets (ii)	
	2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
Industry						
Higher Education	240,943	216,265	11,887	7,730	413,610	406,480
Total	240,943	216,265	11,887	7,730	413,610	406,480
Geographical						
Australia	239,963	215,688	12,067	7,876	412,729	406,267
Asia	980	577	(180)	(146)	881	213
Total	240,943	216,265	11,887	7,730	413,610	406,480

(i) Consolidated operating results

(ii) Total assets

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2004

	Notes	Economic Entity (Consolidated)		Parent Entity (University)	
		2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
20. NOTES TO THE STATEMENTS OF CASH FLOWS					
Reconciliation of cash					
For the purposes of the Statements of Cash Flows, the University considers cash to include cash on hand, short-term deposits at call and investments in money market instruments, net of outstanding bank overdrafts. Cash at the end of the reporting period, as shown in the Statements of Cash Flows, is reconciled to the related items in the Statement of Financial Position as follows:					
Cash		3,264	2,133	3,264	2,133
Short-term deposits at call		2,215	3,284	2,200	3,210
Bank bills of exchange		2,974	2,976	2,974	2,976
		8,453	8,393	8,438	8,319
Non-cash financing and investment activities					
During the reporting period, no items of plant and equipment were recorded by way of donation.					
Credit standby arrangement with banks					
A bank overdraft facility of \$100,000 exists with the Commonwealth Bank. This facility was unused during 2004. The total value of credit for Mastercards issued during the year was \$4.0 million.					
Reconciliation of net cash used in operating activities to operating result					
Operating result		11,887	7,730	8,224	7,007
Depreciation		16,318	17,127	16,287	17,113
Change in provision for doubtful debts		123	(359)	124	(359)
Change in assets and liabilities					
(Increase)/decrease in receivables		(501)	111	(755)	(61)
(Increase)/decrease in inventories		96	(28)	96	(28)
(Increase)/decrease in sundry loans & advances		1,116	(866)	1,116	(866)
(Increase)/decrease in accrued revenue		(276)	274	(274)	274
(Increase)/decrease in other assets		(1,258)	1,313	(1,264)	1,297
(Decrease)/increase in revenue in advance		(11,388)	1,866	(11,448)	2,381
(Decrease)/increase in accounts payable		1,800	(479)	1,930	(455)
(Decrease)/increase in accrued expenses		1,161	731	1,164	711
(Decrease)/increase in employee entitlements		1,509	(213)	1,452	(284)
(Profit)/loss on sale of property, plant and equipment		(616)	1,015	(616)	1,015
Net cash provided or used by operating activities		19,971	28,222	16,036	27,745

2004
\$'000

2003
\$'000

21. ACQUITTAL OF COMMONWEALTH GOVERNMENT FINANCIAL ASSISTANCE

21.1 DEST – Teaching and Learning

	Operating Financial Assistance excluding HECS	
Financial assistance in advance (paid during previous reporting period)	5,409	4,887
Plus financial assistance received during reporting period	67,456	64,511
Less financial assistance in advance (received in reporting period for next reporting period)	-	(5,409)
Total from DEST	72,865	63,989
Accrual adjustments	-	-
Revenue attributed to the reporting period	72,865	63,989
Plus surplus/deficit prior year	-	-
Funds available for current period	72,865	63,989
Less expenses for current period	(72,865)	(63,989)
Surplus/deficit for current period	-	-

21.2 HECS and other Commonwealth

Loan Programs

	HECS	
Financial assistance in advance (paid during previous reporting period)	2,845	2,718
Plus financial assistance received during reporting period	32,768	34,292
Less financial assistance in advance (received in reporting period for next reporting period)	-	(2,845)
Total from DEST	35,613	34,165
Accrual adjustments	-	-
Revenue attributed to the reporting period	35,613	34,165
Plus surplus/deficit prior year	-	-
Funds available for current period	35,613	34,165
Less expenses for current period	(35,613)	(34,165)
Surplus/deficit for current period	-	-

21.3 Scholarships

	Australian Postgraduate Awards Pre 2002 Funding	
Financial assistance in advance (paid during previous reporting period)	-	-
Plus financial assistance received during reporting period	306	842
Less financial assistance in advance (received in reporting period for next reporting period)	-	-
Total from DEST	306	842
Accrual adjustments	-	-
Revenue attributed to the reporting period	306	842
Plus surplus/deficit prior year	(13)	(54)
Funds available for current period	293	788
Less expenses for current period	(357)	(801)
Surplus/deficit for current period	(64)	(13)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2004

UNIVERSITY ONLY

2004	2003	2004	2003	2004	2003	2004	2003	2004	2003
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000

Teaching Hospitals

Capital Development Pool

Total

11	11	-	-	5,420	4,898
140	147	1,049	-	68,645	64,658
-	(11)	-	-	-	(5,420)
151	147	1,049	-	74,065	64,136
-	-	-	-	-	-
151	147	1,049	-	74,065	64,136
-	-	-	-	-	-
151	147	1,049	-	74,065	64,136
(151)	(147)	(1,049)	-	(74,065)	(64,136)
-	-	-	-	-	-

PELS

Total

-	-	2,845	2,718
1,773	1,029	34,541	35,321
-	-	-	(2,845)
1,773	1,029	37,386	35,194
-	-	-	-
1,773	1,029	37,386	35,194
-	-	-	-
1,773	1,029	37,386	35,194
(1,773)	(1,029)	(37,386)	(35,194)
-	-	-	-

Australian Postgraduate Awards 2002 Onwards Funding

International Postgraduate Research Scholarships

Commonwealth Education Costs Scholarships

Commonwealth Accommodation Scholarships

Total

-	-	-	-	-	-	-	-	-	-
1,812	1,237	385	251	240	-	560	-	3,303	2,330
-	-	-	-	-	-	-	-	-	-
1,812	1,237	385	251	240	-	560	-	3,303	2,330
-	-	-	-	-	-	-	-	-	-
1,812	1,237	385	251	240	-	560	-	3,303	2,330
96	70	63	75	-	-	-	-	146	91
1,908	1,307	448	326	240	-	560	-	3,449	2,421
(1,673)	(1,211)	(448)	(249)	(235)	-	(540)	-	(3,253)	(2,275)
235	96	-	77	5	-	20	-	196	146

	2004 \$'000	2003 \$'000
Institutional Grants Scheme		
21. ACQUITTAL OF COMMONWEALTH GOVERNMENT FINANCIAL ASSISTANCE (CONT.)		
21.4 DEST Research		
Financial assistance in advance (paid during previous reporting period)	589	561
Plus financial assistance received during reporting period	6,770	7,053
Less financial assistance in advance (received in reporting period for next reporting period)	-	(589)
Total from DEST	7,359	7,025
Accrual adjustments	-	-
Revenue attributed to the reporting period	7,359	7,025
Plus surplus/deficit prior year	-	37
Funds available for current period	7,359	7,062
Less expenses for current period	(7,359)	(7,062)
Surplus/deficit for current period	-	-
21.5 Australian Research Council		
(a) Discovery		Projects
Financial assistance in advance (paid during previous reporting period)	-	177
Plus financial assistance received during reporting period	4,341	3,756
Less financial assistance in advance (received in reporting period for next reporting period)	-	-
Total from DEST	4,341	3,933
Accrual adjustments	-	-
Revenue attributed to the reporting period	4,341	3,933
Plus surplus/deficit prior year	1,237	959
Funds available for current period	5,578	4,892
Less expenses for current period	(4,237)	(3,591)
Surplus/deficit for current period	1,341	1,301
(b) Linkages		Special Research Initiatives
Financial assistance in advance (paid during previous reporting period)	-	-
Plus financial assistance received during reporting period	40	-
Less financial assistance in advance (received in reporting period for next reporting period)	-	-
Total from ARC	40	-
Accrual adjustments	-	-
Revenue attributed to the reporting period	40	-
Plus surplus/deficit prior year	-	-
Funds available for current period	40	-
Less expenses for current period	(40)	-
Surplus/deficit for current period	-	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2004

UNIVERSITY ONLY

2004 2003 2004 2003 2004 2003 2004 2003
\$'000 \$'000 \$'000 \$'000 \$'000 \$'000 \$'000 \$'000

Research Training Scheme		Systemic Infrastructure Initiative		Research Infrastructure Block Grant		Total	
1,275	1,184	-	-	341	260	2,205	2,005
14,664	14,923	-	3,000	3,923	3,346	25,357	28,322
-	(1,275)	-	-	-	(341)	-	(2,205)
15,939	14,832	-	3,000	4,264	3,265	27,562	28,122
-	-	-	-	-	-	-	-
15,939	14,832	-	3,000	4,264	3,265	27,562	28,122
-	-	3,000	33	-	39	3,000	109
15,939	14,832	3,000	3,033	4,264	3,304	30,562	28,231
(15,939)	(14,832)	-	(33)	(4,264)	(3,304)	(27,562)	(25,231)
-	-	3,000	3,000	-	-	3,000	3,000

Fellowships		Total	
-	50	-	227
330	633	4,671	4,389
-	-	-	-
330	683	4,671	4,616
-	-	-	-
330	683	4,671	4,616
107	207	1,344	1,166
437	890	6,015	5,782
(402)	(783)	(4,639)	(4,374)
35	107	1,376	1,408

Infrastructure		Projects (inc. SPIRT)		Centres of Excellence		Total	
-	-	-	130	-	74	-	204
204	983	2,399	2,113	948	852	3,591	3,948
-	-	-	-	-	-	-	-
204	983	2,399	2,243	948	926	3,591	4,152
-	-	-	-	-	-	-	-
204	983	2,399	2,243	948	926	3,591	4,152
-	65	1,174	1,046	-	-	1,174	1,111
204	1,048	3,573	3,289	948	926	4,765	5,263
(204)	(1,048)	(2,216)	(2,115)	(948)	(926)	(3,408)	(4,089)
-	-	1,357	1,174	-	-	1,357	1,174

22. FINANCIAL INSTRUMENTS

The following table details the economic entity's exposure to interest rate risk as at 31 December 2004.

	Non interest bearing \$'000	1 year or less \$'000	Over 1 year to 5 years \$'000	More than 5 years \$'000	Carrying amount as per balance sheet \$'000	Weighted effective interest rate %	Fair (market) value \$'000
Financial assets 2004							
Cash		3,264			3,264	4.2	3,264
Debtors	5,068				5,068	n/a	5,068
Prepayments and advances	3,294				3,294	n/a	3,294
Investment fund	42,159	48,038			90,197	4.9	100,104
Other securities and deposits		760			760	5.2	760
Bank securities and deposits		5,189			5,189	5.6	5,189
Shares unlisted		473			473	n/a	473
Total financial assets	50,521	57,724			108,245		118,152
Financial liabilities 2004							
Revenue in advance	3,555				3,555	n/a	3,555
Creditors	6,315				6,315	n/a	6,315
Accrued liabilities	39,880				39,880	n/a	39,880
Total liabilities	49,750				49,750		49,750
Financial assets 2003							
Cash		2,133			2,133	3.7	2,133
Debtors	4,690				4,690	n/a	4,690
Prepayments and advances	1,894				1,894	n/a	1,894
Investment fund	47,951	34,796			82,747	4.0	83,679
Other securities and deposits		760			760	5.1	760
Bank securities and deposits		6,260			6,260	5.1	6,260
Shares unlisted	419				419	n/a	419
Total financial assets	54,954	43,949			98,903		99,835
Financial liabilities 2003							
Revenue in advance	14,943				14,943	n/a	14,943
Creditors	4,515				4,515	n/a	4,515
Accrued liabilities	37,202				37,202	n/a	37,202
Total liabilities	56,660				56,660		56,660

Interest rate risk

Cash at bank, bank securities and deposits are exposed to the risk that their value will fluctuate due to changes in market interest rates.

Credit risk exposure

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

Market risk

Investments mainly comprise investments in managed investment funds. The Investment Fund has a prudent longer-term investment strategy with a growth-style portfolio

including equities. It is acknowledged there may be short-term fluctuations in asset values from time to time with such a strategy. The possibility of a negative return is approximately one year in seven. Historical trends for such a strategy indicate that, with reasonable probability, unrealised losses will be recovered in the short to medium term.

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

Foreign currency risk

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

Creditors

Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not invoiced to the University.

23. SUPERANNUATION COMMITMENTS

a) Schemes operational and open to membership

i) UniSuper Limited

The majority of University staff are members of schemes and plans administered and managed by UniSuper Limited. University contributions are expensed as incurred. Mr Grant Harslett and Mr Matthew Burgess of Towers Perrin performed the last actuarial review of this fund on 16 May 2003 in respect of the financial year ended 31 December 2002.

The actuary's advice to the Trustee, accompanying the new Funding and Solvency Certificate, confirms that as at 30 June 2003, based on the assumptions required by AAS 25, UniSuper's accrued benefit liability is well covered by the market value of its assets. It further advises that there has been no underlying change to UniSuper's benefits or any material change to its membership since the previous actuarial investigation and concluded that the current rate of contributions of 21% was expected to be sufficient to provide members' future benefits. The next actuarial review is due as at 31 December 2005. In accordance with Australian Accounting Standards AAS30/AASB 1028 – Employee Benefits, UniSuper Limited has advised that the latest available estimate of the value of accrued benefits for University members who are in the defined benefit plan as at 30 June 2004 is as follows:

	2004 \$'000	2003 \$'000
Vested benefits	116,261	109,941
Accrued benefits*	100,010	91,865
Estimated market value of assets	112,565	96,878
Surplus/(Deficit)	12,555	5,013

*The actuary notes that the accrued benefit liability shown here is calculated as the present value of expected future payments of benefits to the members which arise from membership of the Fund up to the reporting date, determined using the actuary's current expectations of earnings of the Fund's assets, future inflation, salary levels and other relevant assumptions.

b) Schemes closed to future membership

The University of Tasmania Staff Superannuation and Additional Benefits Scheme was closed on 31 December 1982 and wound up. Two aspects of the scheme remain: the lump sum compensation benefits scheme and the supplementary pension scheme.

i) Lump Sum Compensation Benefits

As part of the winding up of the University of Tasmania Staff Superannuation and Additional Benefits Scheme, it was agreed with members that staff transferring contributions to SSAU would be compensated at

retirement. The calculation of compensation is formula-based and consistent with terms determined by Council in 1982. Compensation is adjusted in line with movements in the Consumer Price Index. It is financed on an emerging cost basis and charged against operating funds.

ii) Supplementary Pension Scheme Liability

In a report prepared by Mr Brian Bendzulla of Bendzulla Tasmania Pty Ltd, dated 21 May 2004, the present value of the University's liability at 31 December 2004, in respect of supplementary pensions being paid and all reversionary pensions which may become payable to spouses in the future, is \$10.9 million. This is a closed scheme. It is anticipated that further actuarial reviews of the scheme will be undertaken every five years, with the next review due in 2009.

iii) Retirement Benefits Fund

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

The right to re-imburement from the Commonwealth for the unfunded past service liability of \$7.007m is recognised as an asset in Note 7 - Receivables.

In an actuarial valuation report provided by PriceWaterhouseCoopers in July 2004 the University's liability was as follows:

	2004 \$'000	2003 \$'000
Vested benefits	11,335	11,568
Accrued benefits	11,350	11,525
Less: RBF Contributory Scheme Assets	4,343	4,377
Surplus/(Deficit)	(7,007)	(7,148)

(unfunded past service liability)

24. RELATED PARTY DISCLOSURES

The members of Council and the directors of the controlled entities other than Unitas Company Ltd received no remuneration during the year for their services as directors. The directors of Unitas Company Ltd during the year were:

Mr Val Smith
Mr Michael Kent
Mr Euan Hills

The aggregate of income paid or payable, or otherwise made available, in respect of the financial year, to all directors of the company, directly or indirectly, by the company or by any related party was:

	2004 \$'000	2003 \$'000
	5	5

The number of directors of the company whose total income falls within each successive \$10,000 band of income (commencing at \$0) are:

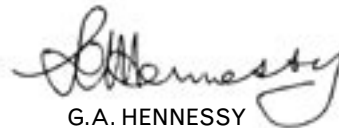
	2003	2002
\$0 to \$9,999	3	3

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 as at 31 December 2004, and have been prepared in accordance with Australian Accounting Standards, Consensus Views of the Urgent Issues Group, other mandatory professional reporting requirements, and the Guidelines for the Preparation of Annual Financial Statements for the 2004 Reporting Period by Australian Higher Education Institutions (issued by the Commonwealth Department of Employment, Science and Training);
- (b) at the time of signing the statements there are reasonable grounds to believe that the University will be able to pay its debts as and when they fall due; and
- (c) the amount of Commonwealth financial assistance expended during the reporting period was for the purpose(s) for which it was provided.

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



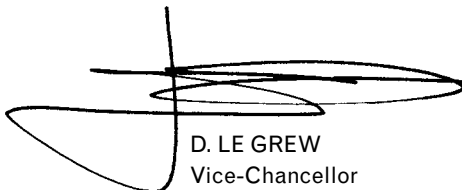
G.A. HENNESSY
A/Director Financial and Business
Services
04 May 2005

STATEMENT BY THE VICE-CHANCELLOR AND THE CHIEF FINANCIAL OFFICER

In our opinion:

- a) the financial statements present a true and fair view of the financial position of the University as at 31 December 2004, and have been prepared in accordance with Australian Accounting Standards, Consensus Views of the Urgent Issues Group, other mandatory professional reporting requirements, and the Guidelines for the Preparation of Annual Financial Statements for the 2004 Reporting Period by Australian Higher Education Institutions (issued by the Commonwealth Department of Employment, Science and Training);
- b) at the time of signing the statements there are reasonable grounds to believe that the University will be able to pay its debts as and when they fall due; and
- c) the amount of Commonwealth financial assistance expended during the reporting period was for the purpose(s) for which it was provided.

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



D. LE GREW
Vice-Chancellor

04 May 2005



R. M. EASTHER
A/Executive Director Finance and
Administration
04 May 2005



INDEPENDENT AUDIT REPORT

To the Members of the Parliament of Tasmania

UNIVERSITY OF TASMANIA

Financial Report for the Year Ended 31 December 2004

Matters Relating to the Electronic Presentation of the Audited Financial Statements

This audit report relates to the financial statements published in both the annual report and on the website of the University of Tasmania for the year ended 31 December 2004. The University's Council members are responsible for the integrity of both the annual report and its website.

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

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

Scope

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

The financial report comprises the Statement of Financial Performance, Statement of Financial Position, Statement of Cash Flows, accompanying notes to the financial statements, and the Statement by the Vice-Chancellor and the Chief Financial Officer for the year ended 31 December 2004. The financial report includes the consolidated financial statements of the economic entity, comprising the University of Tasmania and the entities it controlled at the financial year's end, or from time to time during the financial year.

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

Audit approach

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

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

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

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

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

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

Independence

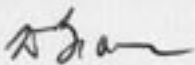
In conducting my audit, I followed applicable independence requirements of Australian professional ethical pronouncements.

Audit Opinion

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

- a) Presents fairly the financial position of the University of Tasmania and the consolidated entity as at 31 December 2004, and the results of its operations and its cash flows for the year then ended; and
- b) Is in accordance with the applicable legislation, Accounting Standards and other mandatory financial reporting requirements in Australia.

TASMANIAN AUDIT OFFICE



H M Blake
AUDITOR-GENERAL

9 May 2005
HOBART

ORGANISATIONAL CHART AS AT DECEMBER 2004

