

ANNUAL REPORT 1998



UNIVERSITY OF TASMANIA



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TO HIS EXCELLENCY, THE HONOURABLE
SIR GUY GREEN, AC, KBE, LLB, HonLLD

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 the year 1998 and to present the financial statements for that year.

A handwritten signature in blue ink that reads "Vertigan." The signature is written in a cursive style with a large initial 'V' and a trailing flourish.

Michael Vertigan
Chancellor

June 1999



Two very different events in 1998 are indicative of the purposes of the University of Tasmania.

The first event was the closure of a major section of Australian Paper's Burnie mill and the University's response of mounting an 'Education Enabling Course' to provide the company's retrenched employees with the knowledge-based skills needed to live and work in

the present era. Making higher education widely accessible, particularly to Tasmanians, and working with communities to ensure that they take advantage of the educational resources available to them, is central to the University's mission. This annual report describes some of the initiatives we have taken to achieve these goals. A survey of changing student needs, and the University Foundation's efforts in establishing scholarships and bursaries, are other examples of the University's commitment to teaching and student support. Data on entry standards, attrition rates, student progress, student satisfaction and graduate outcomes allow a reader to form his or her own opinion about how well the University is accomplishing its teaching mission.

The second event was the celebration of the tenth anniversary of the Menzies Centre for Population Health Research. The Menzies Centre is internationally renowned for

its work on preventative medicine, and was established in the University because Tasmania was judged to be an ideal place to carry out epidemiological research. However, in addition to contributing to international research programs, the centre has made major contributions to the health of Tasmanians. This is an illustration of how the University approaches its research mission. Our research must meet international standards. It should capitalise, as far as possible, on strengths, opportunities and unique features to be found in Tasmania. It should contribute to the welfare of Tasmania. Other examples can be found in this report – research on agriculture and aquaculture, the Antarctic, natural environment and wilderness, support major themes which characterise the University. Again, data are provided to allow assessment of how well the University is achieving its research mission – grants won, trends in research student numbers, and how this University stands relative to others in Australia.

The good outcomes of this year reflect the solid planning of previous years when the University clarified its objectives and set targets for their achievement. Progress towards our objectives has been due to the talent and motivation of the members of the University community. This is a report of their accomplishments.

A handwritten signature in blue ink that reads "Don McNicol". The signature is stylized and written in a cursive-like font.

Don McNicol
Vice-Chancellor



MISSION

The University of Tasmania is committed to the creation, preservation, communication and application of knowledge. It will express this commitment through scholarship which is international in scope but which also reflects the distinctiveness of Tasmania and serves the needs of its community.

GOALS

In pursuing its mission, the University of Tasmania is committed to:

- Securing a national and international reputation for scholarship that will guarantee a permanent place for the University of Tasmania among Australia's best universities.
- Continuing to develop a teaching and learning environment of the highest quality.
- Encouraging and supporting excellent basic and applied research and research training.
- Making important, distinctive and excellent contributions to the community, industry, government and scholarly communities.
- Providing lifelong learning opportunities.
- A lifelong association with its graduates.
- Remaining a strong, independent and autonomous institution.
- Giving practical expression to its role as Tasmania's university by
 - serving the general educational needs of Tasmania
 - enriching the culture and advancing the economic and social interests of Tasmania
 - making important, distinctive and excellent contributions to learning in fields of study of particular relevance to Tasmania.

THE UNIVERSITY AT A GLANCE

	1998	1997
Consolidated operating revenue	\$161,332,000	\$162,080,000
All students	12,468	12,611
Male	5,677	5,765
Female	6,791	6,846
Undergraduates	10,816	10,812
Higher degree – research	806	782
Higher degree – coursework	412	459
Other postgraduate	292	342
Total student load (EFTSU)	10,018	10,243
All FTE staff (including casuals)	1,542	1,640
Academic (excluding casuals)	650	695
Non-academic (excluding casuals)	816	864

CAMPUSES

The University's main campuses are located at Sandy Bay, Hobart and Newnham, Launceston. The University's North- West Centre is located at Burnie. Other significant facilities include, at Hobart, the Clinical School at the Royal Hobart Hospital, the Conservatorium of Music in Sandy Bay Road and the School of Art at Hunter Street, and at Launceston, parts of the Schools of Medicine and Nursing located at the Launceston General Hospital.

FACULTIES

Arts
Commerce and Law
Education
Health Science
Science and Engineering



RESEARCH CENTRES

Commonwealth Special Research Centre

Ore Deposit Research

Cooperative Research Centres

Antarctica and the Southern Ocean
Aquaculture
Australian Maritime Engineering
Sustainable Production Forestry

Other nationally funded centres

Menzies Centre for Population Health Research
Institute of Antarctic and Southern Ocean Studies (IASOS)
National Key Centre for Teaching and Research in Aquaculture
National Key Centre for Research and Learning in Regional
Australia

State joint ventures

Tasmanian Institute for Agricultural Research
Tasmanian Aquaculture and Fisheries Institute

University Strategic Research Centres

Centre for Biodiversity and Evolutionary Biology
Centre for Public Management and Policy
Centre for Regional Economic Analysis
Centre for Tasmanian Historical Studies
Centre for Environmental Accountability Research
Centre for Ceramics in Architecture
Pasture and Dairy Research Centre
Youth Education Studies Centre

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). A sub-target is set for undergraduate enrolments. The Commonwealth applies financial penalties if the University fails to meet targets. The University also admits international students and additional domestic postgraduate coursework students if they pay full course fees. The University does not currently admit domestic students to undergraduate courses on a full-fee basis.

The University met Commonwealth operating grant enrolment targets for 1998, despite unfavourable demographic and school retention patterns in the State. At the census date in second semester, operating grant student load of 8,949 EFTSU was recorded, just 9 EFTSU above target.

Undergraduate student load of 8,198 EFTSU was 0.7% above the target of 8,143 EFTSU. A pleasing feature of this result was the reduced attrition, or drop-out rate during the year. The percentage attrition from mid first semester to mid second semester (March to August) reduced from 4.06% in 1996 to 2.22% in 1998.

The research higher degree load was 546 EFTSU, an increase of 17 EFTSU compared to 1997. Other postgraduate load reduced from 1997 by 134 EFTSU to 206 EFTSU. The reduction follows the University's decision to take most of the 6% Commonwealth operating grant load cuts from 1997-2001 in this category of enrolment, but places are still made available, subject to student demand, on a fee-paying basis.

In the other major category of enrolment, the fee-paying international student load was 657 EFTSU, a reduction of 35 EFTSU from 1997. The number of commencing international students has been maintained despite the Asian economic crisis, and is expected to increase as new markets are developed. However, total load is unlikely to increase significantly because students often arrive with advanced standing for studies completed in their home countries.

The University graduated 2721 people in 1998, based on their 1997 results, distributed by faculty as shown in Table 1.

Of the 2,721 graduates, 1,715 completed their course at Hobart and 895 at Launceston.

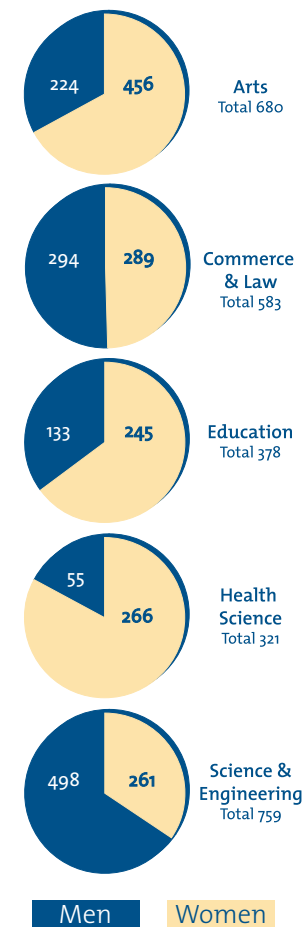
RESEARCH PERFORMANCE

Research is linked with teaching and learning as the University's core business. The University's research performance is important to its standing in the national higher education system, which in turn affects its ability to attract high calibre students and staff.

If account is taken of the differing size of Australian universities, measured by operating grant and student load, it is possible to derive some measure of the University's relative research performance. On such measures, the University usually ranks around eleventh nationally, out of 37 universities (see Table 7, page 23, in the section on Research and Research Training).

The aim is to secure a place in the ten best performing Australian universities, on the basis of size, by the year 2000.

Table 1:
Course Completions, 1997



FINANCIAL PERFORMANCE

The University's annual operating budget is \$161 million and assets total \$323 million.

The University of Tasmania and its controlled entities recorded an operating surplus of \$13.8 million, for the year ended 31 December 1998. The consolidated result includes the operations of Unitas Consulting Limited and the University of Tasmania Foundation Inc. The surplus is largely attributable to favourable investment performance, donations and bequests, and surpluses on funds received to be applied to future periods. Accumulated performance on investments for the year was 9.2%.

The financial position of the University is sound with the ratio of liquid assests to current liabilities at 163% (202% for 1997), and the ratio of total assets to total liabilities at 764% (712% for 1997).

CHANGING STUDENT NEEDS

Students' views on their experience of the first year of academic study and the degree to which their expectations of the University match, or fail to match, the institution's expectations of them, was the focus of discussions at the Vice-Chancellor's Colloquium held at the Hobart and Launceston campuses in October.

An extensive survey of students confirmed that student diversity is increasing and that 'non standard students' (in terms of membership of Commonwealth Government defined equity groups) comprise more than 50 per cent of the student body.

The traditional image of the full-time student direct from school, financially supported by parents, free to engage in all that campus life can offer, with time to do so, and challenged

and fascinated by intellectual pursuit for its own sake, is decreasingly valid. University Council is now considering a revision of student services policies, given the diverse background of students and their needs.

SCHOLARSHIPS AND BURSARIES

The Tasmania Scholarships scheme completed its fourth intake of students. Despite increasing competition from other universities, the scheme continues to be an attractive program for Tasmanian students, allowing the University to retain many of the most academically accomplished students in this State for their important years of higher education. Of the top-scoring school-leavers, 28 of 41 enrolled for the University's courses.

There has been an increase in the number of awards with an equity focus. Particularly noteworthy is the West North-West Bursary program, an initiative of the North West Advisory Board and the University Foundation. They have encouraged local businesses to provide financial support to regionally-based students for whom university study has traditionally not been easily accessible. Five awards were provided for 1998 with an expanded program anticipated in subsequent years.

NEW PARTNERSHIPS

The establishment of TAFI (Tasmanian Aquaculture and Fisheries Institute) represented a significant research partnership formed with the State Government during the year. The University and the Department of Health and Human Services signed a 'Partners In Health' agreement in December, initiating five joint projects in the areas of communication, research, teaching and education, workforce, and health outcomes. In addition, the University began to forge another important partnership with the State, through Tourism

Tasmania, in moves to become a member of the CRC (Cooperative Research Centre) for Sustainable Tourism.

HONORARY DEGREES AND FELLOWSHIPS

The University conferred the following honorary awards:

Mr Kenneth Axton, AO	Fellow
Sir Max Bingham, Kt, QC	LLD
The Hon. Dr Neal Blewett, AC	DLitt
Mr Damian Bugg, QC	Fellow
Mr Nicholas Cretan	Fellow
Mr Ian Farquhar	Fellow
Mr Kenroku Fujii, Hon. AO	LLD
Mr Rex Moncur	Fellow
Datuk Effendi Norwawi	LLD
Dr Henry Reynolds	DLitt
Dr Eric Wigglesworth	MD

DISTINGUISHED ALUMNI AWARDS

Two Distinguished Alumni Awards were made in 1998. The award for support to the University was made to Dr Glenn Kile. The Hon. Justice Peter Heerey received his award for service to the community. Justice Heerey, who graduated from the University in 1964, is only the second Tasmanian to be appointed to the Federal Court of Australia. Dr Kile graduated in 1973 and is the Chief of the CSIRO Division of Forestry and Forest Products.

UNIVERSITY FOUNDATION

The Foundation, established in 1994, was restructured to enable it to play an increasingly important funding and promotional role in University and community life.

INITIATIVE FOR RETRENCHED EMPLOYEES

The North-West Centre organised a specially tailored 'Education Enabling Course' for retrenched Australian Paper employees, designed to prepare them for entry to university, TAFE or other post-secondary educational options.

TENTH ANNIVERSARY FOR THE MENZIES CENTRE

The Menzies Centre for Population Health Research celebrated its tenth anniversary in November and strengthened its position as a renowned international research institution working in the area of preventative medicine – particularly noteworthy is its ground-breaking work into the causes of Sudden Infant Death Syndrome (SIDS).

NATIONAL AWARD

The University was successful for the second year in obtaining a national award for 'Services to Australian Students'. This year the award was won jointly with the University of Queensland. This award was for the IT Help Desk.

ACADEMIC RESTRUCTURING

From 1 January 1998 five faculties and thirty-four schools replaced seven schools and fifty-one departments, and five administrative divisions were reduced to three, as the University completed restructuring begun in 1996 as one response to reducing Commonwealth grants.

Council is the University's governing body, established by the *University of Tasmania Act 1992*, and comprising twenty-four members appointed as follows:

- Three ex officio members: Chancellor; Vice-Chancellor; Chairperson of the Academic Senate or, if the Vice-Chancellor occupies that office, the Deputy-Chairperson of the Academic Senate.
- One person appointed by the Visitor of the University.
- Two Council appointments.
- Two joint ministerial/Council appointments.
- Two ministerial appointments.
- Two parliamentary representatives.
- Five elected representatives of the academic staff.
- Two elected representatives of the general staff.
- Two student representatives.
- Three elected representatives of the graduates.

Council is chaired by the Chancellor, who is appointed by members of the Council. The present Chancellor is Dr Michael Vertigan, who succeeded the late Mr Justice William Zeeman in November 1998. During 1998, the Deputy Chancellor, Ms Kim Boyer, served as Acting Chancellor from March to October.

The positions of both Chancellor and Deputy Chancellor are honorary.

Council is advised by its standing committees: the Finance Committee, Buildings and Campus Committee, Legislation Committee, Ceremonial and Honorary Degrees Committee and Senior Personnel Committee. The Academic Senate provides advice on academic matters.

During 1998, Council met five times. Major issues dealt with included: approval of Part IV of the *University Plan for 1998 – 2000*; University response to the *Final report of the West Review of Higher Education Financing and Policy*; finalisation of academic restructuring commenced in 1997, by approval of a revised ordinance of the *Academic Senate*, assignment of the disciplines to schools, and establishment of degree boards within faculties; approval of a revised investment policy; initiation of a review by Finance Committee of University business enterprises; approval of revised rules for the University Foundation; adoption of an intellectual property policy; initiation of a University review of the Schools of Art; approval of revised appointment procedures for Levels D and E academic staff; adoption of proposals for revising the role of the Visitor.

Council also held two planning conferences during 1998, the first in February to consider amendments to the University Plan, and the second, in September, to discuss the development of University themes, and policy issues relating to student services and University business enterprises.

COUNCIL MEMBERS

Ex officio members

Dr Michael Vertigan (Chancellor) from 1 October
Professor Don McNicol (Vice-Chancellor)
Professor Jim Reid (Chair, Academic Senate)

Appointed members

Ms Kim Boyer (Deputy Chancellor)
The Hon. Mr Justice Ewan Crawford
Dr Martyn Forrest
Mrs Sandra French
Dr Stephen Gumley
Ms Janine Healey
Mr Peter Purtell

Parliamentary representatives

The Hon. Mr Ross Ginn (to 17 July)
The Hon. Dr Frank Madill
The Hon. Mr Jim Wilkinson (from 18 September)

Elected (graduates)

Ms Emily Hilder
Mrs Margaret Ruffels
Ms Marguerite Scott

Elected (academic staff)

Associate Professor David Blest
Dr John Donaldson
Professor Jay Garfield
Dr Ann Mihkelson
Dr Lee Weller

Elected (general staff)

Mr David Abbott (from 18 September)
Mr Peter Cohen (to 17 July)
Mrs Jeanette Gatenby

Student members

Mr Gilbert Astorga
Mr Paddy Dorney



Council members process with the Mayor of Launceston in the 1998 'Town and Gown' Parade.

COMMITTEES OF COUNCIL

Buildings and Campus Committee:

Chair: Ms Kim Boyer
 Members: Mr Gilbert Astorga
 Professor Young Choi
 Mr Peter Cohen (to 17 July)
 Mr Nick Cretan
 Mr Paddy Dorney
 Professor Campbell Macknight
 Professor Jim Reid
 Mrs Margaret Ruffels

Ceremonial and Honorary Degrees Committee:

Chair: Dr Michael Vertigan
 Members: Ms Kim Boyer
 Professor John Braithwaite
 Professor Ross Large
 Professor Don McNicol
 Mr Peter Purtell
 Professor Jim Reid

Finance Committee:

Chair: Dr Stephen Gumley
 Members: Associate Professor
 Bruce Felmingham
 The Hon. Mr Ross Ginn (to 17 July)
 Ms Janine Healey
 Professor Don McNicol
 Professor Jim Reid
 Ms Marguerite Scott
 Mr Val Smith

Audit Sub-Committee

Chair: Dr Stephen Gumley
 Members: Mr Harvey Gibson
 Professor Don McNicol
 Mr Rod Moore

Investment Sub-Committee

Chair: Dr Stephen Gumley
 Members: Mr David Catchpole
 Professor Don McNicol
 Mr Richard Pringle-Jones

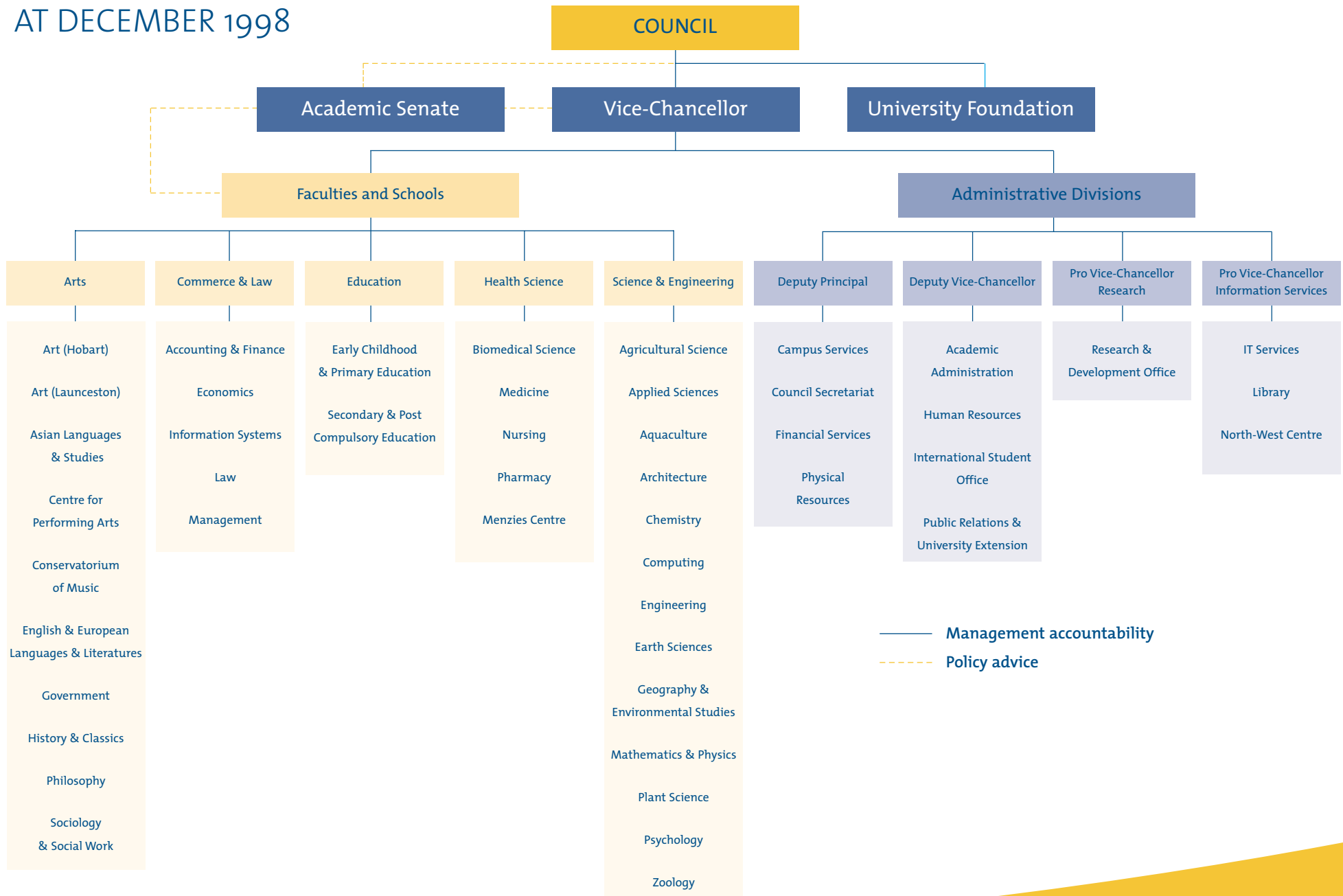
Legislation Committee:

Chair: The Hon. Mr Justice Ewan Crawford
 Members: Professor Jim Reid
 Dr Lee Weller

Senior Personnel Committee:

Chair: Dr Michael Vertigan
 Members: Ms Kim Boyer
 Dr Stephen Gumley

AT DECEMBER 1998



Organisational chart

In order to foster a sustainable competitive advantage, and a more obvious identity for the University in Australia's higher education system, resources are being concentrated in targeted areas or themes. Development of the themes is the responsibility of the Vice-Chancellor, Pro Vice-Chancellor (Research), Academic Senate, deans and heads of relevant schools.

The University is promoting teaching, learning and research expressing the agreed theme areas of Antarctic and Southern Ocean Studies; Population and Community Studies; National and State Development (agriculture, aquaculture, fisheries, forestry, mining and tourism); and Natural Environment and Wilderness.

In each, the University already has, or has the potential to develop, comparative strengths which exploit the University's location. The themes are chosen to link research, postgraduate training and undergraduate education. They are multidisciplinary, drawing on expertise in a wide range of academic schools.

During 1998, 30 'Strategic Scholarships', collectively worth some \$1.5 million over three years, were established for postgraduate students in the four theme areas.

NATIONAL AND STATE DEVELOPMENT

Responsibility: Professor Paul Haddad, Dean, Faculty of Science and Engineering

National and State Development encompasses research and education that will benefit directly or indirectly the economic well-being of the nation, and of Tasmania in particular. Areas of particular significance are agriculture, aquaculture, fisheries, forestry, mining and tourism. Other relevant research areas include primary industry (e.g. mineral resources and energy supply, animal production), manufacturing and downstream processing industries.

Noteworthy teaching and research strengths include:

- Research and research training through the Cooperative Research Centres for Aquaculture and Sustainable Production Forestry and the Special Research Centre, the Centre for Ore Deposit Research.
- The success of the School of Agriculture in pertinent research and development in the State through the Tasmanian Institute of Agricultural Research (TIAR), and of the Schools of Aquaculture and Zoology through the Tasmanian Aquaculture and Fisheries Institute (TAFI).
- Well-established undergraduate programs leading to the Bachelor of Aquaculture, Bachelor of Agricultural Science, Bachelor of Applied Science (Horticulture), Bachelor of Applied Science (Agriculture), and Bachelor of Science (Forest Ecology).
- Postgraduate coursework programs leading to the Master of Economic Geology and Master of Exploration Geoscience.
- Economic research and modelling in the Centre for Regional Economic Analysis, including the construction of regional economic models, estimation of the economic consequences

of major projects and events, microeconomic reform, technical change and policy evaluations.

- Development of a degree in Tourism and planned membership of the Cooperative Research Centre for Sustainable Tourism.

ANTARCTIC AND SOUTHERN OCEAN STUDIES

Responsibility: Professor Paul Haddad, Dean, Faculty of Science and Engineering

Antarctic and Southern Ocean Studies are of major international scientific, environmental, political, strategic and economic interest. The region is governed under international law through the Antarctic Treaty System. Tasmania, because of its geographical proximity and policy interests, is in a key position to be one of the most active players in the Antarctic area. Areas of research that are relevant involve such disciplines as administration, biology, chemistry, engineering, geography, law, mathematics, physics and political science.

This theme exploits the existence in Hobart of the Institute of Antarctic and Southern Ocean Studies, the Cooperative Research Centre for Antarctica and the Southern Ocean, the Australian Antarctic Division, the CSIRO Marine Research Division, the Antarctic activities of the Bureau of Meteorology, the various international secretariats such as the Commission for the Conservation of Antarctic Marine Living Resources (CCAMLR), the Council of Managers of National Antarctic Programs (COMNAP) and Global Change and Antarctica (GLOCHANT), and the large tourist facility 'Antarctic Adventure'.

At undergraduate level, there are defined Antarctic programs in the general Bachelor of Science degree as well as the Bachelor of Science (Marine, Freshwater and Antarctic Biology).

The University also offers the Graduate Diploma of Science (Antarctic and Southern Ocean Studies) and Bachelor of Antarctic Studies (Honours).

NATURAL ENVIRONMENT AND WILDERNESS

Responsibility: Professor Malcolm Waters, Dean, Faculty of Arts

Natural Environment and Wilderness is concerned with the understanding, management and interpretation of natural environments and wilderness. Areas of research that are relevant include: natural ecosystem patterns and processes; ecosystem and wilderness management; cultural heritage management in natural areas; people management in natural areas; natural area ecological engineering; information systems in natural area management; interpretation literature and environment, art and environment, music and environment, environmental design, interpretation skills; philosophy, politics, law and administration of the natural environment and wilderness, the relationships between tourism and natural environments and wilderness.

Teaching programs involve most faculties in the University and vary from the depiction of natural environments and wilderness in art, natural processes in natural environments and wilderness, wilderness and natural environment management, to the sociology and history of the interaction of people with wilderness, management and accounting and their role in wilderness and natural environment.

Courses available include a major in Natural Environment and Wilderness within the Bachelor of Arts degree and the Bachelor of Science (Honours) in Natural Environment and Wilderness Management.

Programs already involve more than 30 staff, including five professors, in the Schools of Plant Science, Zoology, Geography and Environmental Studies, Government, and Sociology and Social Work. Further development of this theme to lift its national profile will include a new bachelor degree in Environmental Studies.



POPULATION AND COMMUNITY STUDIES

Responsibility: Professor Bill Mulford, Dean, Faculty of Education

Population and Community Studies, from a research perspective, is committed to promoting research on populations, institutions and communities, with a special focus on Tasmania. Areas of generic research interest include: the distribution of population characteristics and behaviours across particular communities; how institutions shape the distribution of population attributes across different social groups and communities; identifying and evaluating the effects of government policies on key institutions, measuring the performance of public institutions, and developing composite indices of the 'state of the State', incorporating disaggregated measures of economic activity and social well-being.

Current research is concentrated in the Menzies Centre for Population Health Research, which celebrated its tenth anniversary in November. Earlier in the year, a new Genetic Epidemiology Unit (GEU) was formally established in it as a collaborative venture with the Australian research-based pharmaceutical and biotechnology company AMRAD. Researchers in the GEU are now using the genealogy of multi-generation Tasmanian families to discover the genetic basis of a number of common diseases.

The theme also draws on schools in the Faculties of Arts, Education, Commerce and Law and Health Science, including the Commonwealth funded University Department of Community and Rural Health.

Rural and community health is an important State issue and work is well advanced, in partnership with the State Department of Health and Human Services, on a proposal for a Centre for Rural Health, building on existing Commonwealth-supported initiatives at the University.

Teaching and learning are fundamental activities of the University. Responsibility for organising and delivering programs of study lies with the faculties and schools. Academic Senate and the Teaching and Learning Committee have special responsibilities for developing and monitoring University-wide policies and for quality assurance of teaching and learning activities.

The University is seeking to ensure that:

- Students throughout Tasmania have improved access to a general education in the sciences, arts and commerce, offered at a competitive national standard.
- Accredited courses are offered for a wide range of professions, so that Tasmanians have access to professional careers and the University produces professionally trained graduates to meet identified employment requirements in Tasmania and more generally, Australia.
- There is an increased awareness in Tasmania and in selected national and international markets of the opportunities available for study at the University of Tasmania, leading to increased demand from well-qualified applicants.
- Access to University courses is improved for Tasmanians and for people from particular educationally disadvantaged groups in Tasmania.
- Internal and external stakeholders are provided with reliable and credible comparisons of teaching and learning processes and outcomes at the University of Tasmania to appropriate national standards.

ENTRY STANDARDS

Entry standards are monitored at university, faculty and course levels. Table 2 below shows entry scores obtained by Year 12 students continuing to the University over the past four years, converted to the Interstate Transfer Index (ITI) to allow for better comparability with other universities.

Table 2:
Entry Scores, Year 12 Entrants, 1995-1998

Year	Year 12 Entrants	Mean ITI	Median ITI
1995	1,543	83	82.5
1996	1,409	85	84.5
1997	1,475	86	85.5
1998	1,513	84	84.0

Issues of access and equity are important in Tasmania, which lags behind the Australian average in terms of Year 12 retention and higher education participation rates. The proportion of the qualified Year 12 cohort enrolling at the University has remained constant: 57% in 1992 and 58% in 1998.

ATTRITION RATES

The University monitors student withdrawals in first semester. Following extension in 1998 of support programs for first-year students, pre-census attrition has been reduced considerably: attrition to 31 March and 30 April reduced by 6.2% and 11.0% respectively from 1997 to 1998. Attrition of student load between the first and second census dates is also monitored, and again attrition rates in recent years have improved. Load attrition for this period in 1998 was 2.2% compared with 3.0%

in 1997 and 4.1% in 1996. Attrition rates will be monitored long term and the results compared with other measures, including outcomes of student evaluation of the effectiveness of learning support programs. The University has also conducted longitudinal analysis of cohorts (completions, continuations and lapses) since 1994.

STUDENT PROGRESS

Table 3 below shows overall improved student progress from 1995-1998.

Table 3:
Student Progress Ratios by Attendance and Gender, 1995-1998

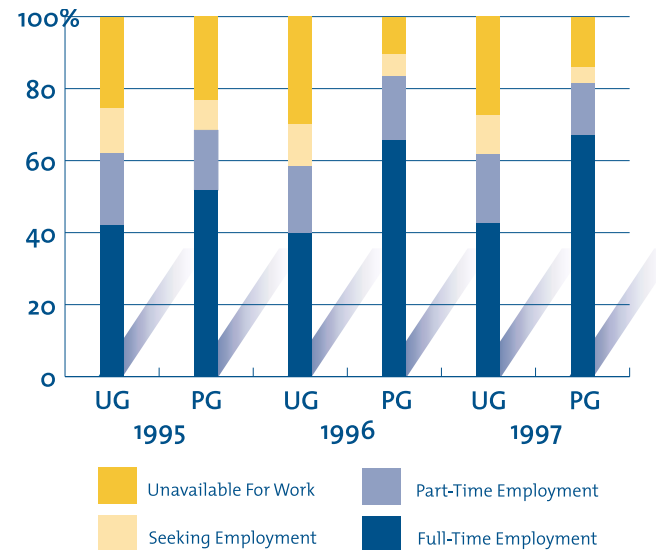
Student Progress Ratio is the ratio of successful results to all results for units of study.

Year	Full-time		Part-time		All
	Female	Male	Female	Male	
1995	0.86	0.80	0.81	0.75	0.82
1996	0.87	0.81	0.84	0.75	0.84
1997	0.88	0.81	0.82	0.78	0.84
1998	0.90	0.84	0.76	0.65	0.84

GRADUATE OUTCOMES

Table 4 shows that outcomes for those completing an undergraduate degree are improving, with the proportions in full-time employment and further study both at three-year highs. The outcomes for those completing a postgraduate qualification have improved significantly, with the rate of full-time employment up from 52% to 67% from 1995 to 1997.

Table 4:
Destinations of 1995-1997 University of Tasmania Graduates



Of those graduates unavailable for work in 1997, 41.8% were involved in an undergraduate course, 24.9% in a postgraduate course.

STUDENT SATISFACTION

The Course Experience Questionnaire (CEQ) is a national survey of graduates. The results for the University from the survey of 1997 graduates, on a 1:5 scale, were:

Good Teaching questions: 571 of 1,262 respondents (45%) averaged a 4 or 5, and the average for the questions was 3.3. Individual questions averaged from 3.3 to 3.5 in all but one case. This result matches the national average for the questions.

Generic Skills questions: 830 of 1,262 respondents (66%) averaged a 4 or 5, and the average for all questions was 3.6. This is close to the national average. The average for the questions ranged from 3.2 to 3.9.

Overall Course Satisfaction: averaged 3.7, matching the national average. 854 of 1,255 respondents (68%) rated their overall satisfaction as either 4 or 5, which is above the national average of 65%.

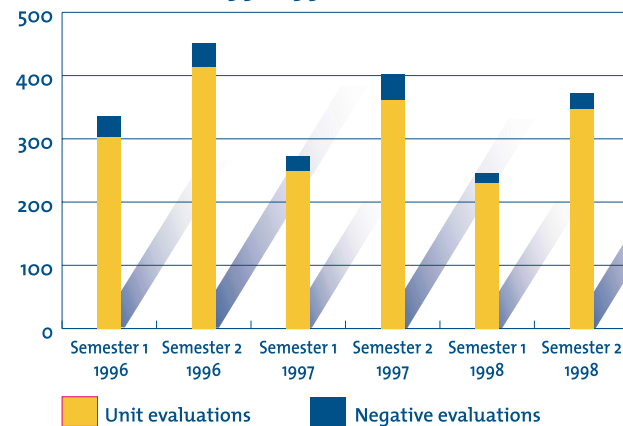
The time series data in Table 5 indicates that students rate the University favourably compared to national standards, with no significant gender differences between the experiences of students.

Additionally, the University has had institution-wide instruments for Student Evaluation of Teaching and Learning (SETL) of units since 1994. Reports are required of faculties outlining circumstances of, and proposed remedial action for, units that show a degree of negative student opinion (at least three items with mean responses over 2.9). The proportion of units with negative evaluations in 1996-97 is shown in Table 6.

Table 5:
Average Score on Key CEQ Scales (on 1-5 range)

CEQ Scale	Gender	1995	1996	1997
Good Teaching (1996 national average = 3.2)				
	Females	3.2	3.3	3.4
	Males	3.2	3.3	3.3
	All students	3.2	3.3	3.4
Generic Skills (1996 national average = 3.6)				
	Females	3.6	3.7	3.7
	Males	3.7	3.7	3.6
	All students	3.6	3.7	3.7
Overall Satisfaction (1996 national average = 3.7)				
	Females	3.6	3.7	3.8
	Males	3.7	3.8	3.7
	All students	3.7	3.7	3.8

Table 6:
SETL Evaluations 1996-1998





University Medallist and 1998 Rhodes Scholar, Susan Dando with Professor Graham Hutchinson, National Secretary Rhodes Trust, and Professor Don McNicol. Photo courtesy The Mercury.

TEACHING AND LEARNING COMMITTEE

In 1998 a more streamlined approach to quality assurance and course accreditation was introduced in the University, focused in the faculties and their degree boards. This included the establishment of a Teaching and Learning Committee, which reports jointly to the Vice-Chancellor and the Academic Senate.

During the year the Committee made recommendations to Academic Senate on a number of new courses, commenced discussions on flexible delivery, developed a framework for benchmarking of teaching and learning and approved University-wide guidelines for the conduct of course and school reviews.

MAJOR COURSE DEVELOPMENTS

The following new courses were approved in 1998 for introduction in 1999:

Bachelor of Business Administration (Tourism Management): a collaborative, fully-articulated program for diplomates of the Drysdale Diploma/Advanced Diploma of Tourism to complete a university qualification. The course will enhance the opportunity for education in tourism management within the State.

Doctor of Education (by research): a professional doctorate by research that is responsive to the individual's professional goals and aspirations and to the needs of the education community.

Combined degrees of Bachelor of Arts and Bachelor of Fine Arts; Bachelor of Arts and Bachelor of Applied Science, and Bachelor of Arts and Bachelor of Science: introduced to meet student demand and provide added advantage in the labour market.

Bachelor of Performing Arts (Honours): to meet demand from selected graduates of the Bachelor of Performing Arts wishing to undertake further, research-oriented study.

Bachelor of Natural Environment and Wilderness Management: an interdisciplinary approach to understanding natural environments preparing graduates for employment in emerging areas like ecotourism.

Major amendments to existing courses approved during the year included:

Bachelor of Engineering: following the 1997 Review of Engineering Education in Tasmania, a common 1.75 year program has been established across engineering disciplines in Hobart, and Launceston students may transfer into the third year of the Bachelor of Engineering course at Hobart after the successful completion of two years of study offered by the Australian Maritime College .

Bachelor of Commerce: two new majors have been introduced in Information Systems and Business Economics.

Bachelor of Information Systems; Graduate Diploma in Information Systems: amendments provide for the rapid development of the field of Electronic Commerce.

New majors include Journalism and Media Studies in the Bachelor of Arts, Art and Design Theory in the Bachelor of Fine Arts, and a Social Ecology major in the Bachelor of Arts, and Bachelor of Social Science.

BENCHMARKING OF TEACHING AND LEARNING

In October a framework for benchmarking of teaching and learning at the institutional, faculty and school levels was approved. The framework will be used for strategic planning and quality assurance purposes. Faculties and schools were provided with comparative institutional benchmarking data in teaching and learning and guidelines to benchmark these activities in an appropriate and meaningful way.

COURSE AND SCHOOL REVIEWS

In May a framework for review of courses and schools was approved, providing procedures to underpin the University's approach to course and school reviews. A key element of this policy is the inclusion of external, independent membership of review committees.

During the year program and school reviews were conducted by the Deans of the Faculty of Arts and Faculty of Science and Engineering of the Tasmanian Schools of Art and the School of Architecture and Urban Design respectively.

TEACHING DEVELOPMENT PLAN

The University's 1998-1999 *Teaching Development Plan* will promote and develop good teaching practice across the University, and includes suggesting strategies for improving teaching practice, and implementing targets and indicators. The redrafted plan took into account references in the University Plan and identified as areas for improvement: client service orientation; development of teaching skills; delivery modes; efficiency; community responsiveness; performance indicators; benchmarking; individual staff performance; faculty funding and partnerships.

TEACHING RESEARCH PROJECT

Professor David Hogan, from the Faculty of Education, received one of nine National Teaching Development Grants for a project targeting the teaching of the skills, understandings and attitudes associated with research practice. The project aims to develop, trial and evaluate teaching resources designed for use in undergraduate, graduate and staff development contexts, with a particular focus on the social sciences and related fields.

ACCREDITATION OF THE SCHOOL OF MEDICINE

The Australian Medical Council (AMC) has affirmed in 1998 the accreditation of the School of Medicine until December 2001.

Research and research training across a wide range of disciplines is fundamental to the mission of the University of Tasmania. The Pro Vice-Chancellor (Research) has responsibility for overall research management in the University and, with the advice of the Research Committee, for the development and monitoring of research policy.

The University is seeking to ensure that:

- The research culture is informed by national and international standards of performance, in which all of the University's researchers and research trainees aspire to best practice in their research, yielding results of genuine significance and commensurable publications.*
- Significant improvements are made to the research performance of the Faculty of Health Science, to narrow the performance gap between the University of Tasmania and comparable institutions.*
- Significant growth is achieved in sponsorship of research projects, research commissions and the formation of partnerships with government and private sector interests for the development, commercialisation and marketing of research output.*
- Research training programs suitably prepare candidates for careers as researchers in their field of choice.*
- Internal and external stakeholders are provided with reliable and credible comparisons of research and research training processes and outcomes at the University of Tasmania, to appropriate national standards.*

Recognising that it is not possible to achieve national and international excellence in all areas of scholarship, the University has adopted a strategic approach. It gives particular attention to the development of research in the four theme areas (Antarctic and Southern Ocean Studies, National and State Development, Natural Environment and Wilderness, and Population and Community Studies).

In order to develop nationally and internationally competitive research programs, the University is seeking to:

- Appoint staff with strong research capability or potential, giving preference to those with interests in theme areas, and providing programs to assist early career researchers to establish their research.
- Maintain existing and develop new programs to assist researchers to be at least nationally competitive in their research, and to establish global networks with their peers.
- Invest in research training through scholarships.
- Maintain and improve the research infrastructure essential for contemporary research through both internal funding and through leveraging funds from external agencies.
- Reward areas that perform well in research by means of the allocation of the Research Quantum and the Research Improvement Fund.
- Develop new research initiatives by means of the strategic allocation of funding.

KEY PERFORMANCE INDICATORS AND OUTCOMES

The University's key research quality improvement measures are Australian Research Council (ARC) Large Grant Income, Research Infrastructure Block Grant Income [based on relative success in National Competitive Grant (NCG)], Research Quantum Income, and postgraduate research student enrolments. Table 7 shows the University's actual and desired rank order position, relative to the other 37 Australian universities, after adjusting for institutional size on the basis of the operating grant and on the basis of student load (EFTSU).

Table 7:
University of Tasmania Rank Order Position
Relative to other Australian Universities

	1997 Operating Grant	Z1997 EFTSU	1998 Operating Grant	1998 EFTSU	2000 Bench- mark
ARC Large Grant Income	11th	12th	14th	14th	10th
Research Infrastructure Block Grant Income	11th	12th	12th	11th	10th
Research Quantum Income	11th	10th	10th	10th	10th
Percentage of EFTSU as postgraduate	n.a.	12-14th	n.a.	10th	10th

*Deputy Vice-Chancellor, Professor Rudi Lidl, Mr John Grace, Managing Director AMRAD, and Professor Terry Dwyer, Director of the Menzies Centre at the launch of the Genetic Epidemiology Unit.
Photo courtesy of The Mercury.*

In terms of research grants won and research postgraduate enrolments, the University's performance over a five year period has shown significant improvement:

	Total 1993	Total/FTE staff 1993	Total 1997	Total/FTE staff 1997	Total 1998	Total/FTE staff 1998
Number of ARC Large Grants held	36	0.05	50	0.07	49	0.08
Number of NCGs held	170	0.22	233	0.34	242	0.37
Number of new NCGs held	83	0.11	136	0.20	126	0.19
Number of research grants held	290	0.37	365	0.53	385	0.59
Research Postgraduate EFTSU	433	0.55	624	0.90	627	0.96



Research & research training



Demand for research training continues to be very high. On relative demand, the University had the fifth highest demand factor of all Australian universities. About 35% of all graduate students have completed their first degree outside Tasmania. These factors give the University of Tasmania a strong competitive advantage in postgraduate research student training.

Using the four broad performance measures described above, the University continues to rank in the top third of Australian universities. The target set for the year 2000 is to be in the top ten research universities on a per capita basis.

The combined performance of University researchers in the most recent round of ARC Large Grants, announced in late 1998 for 1999, came in the top ten in that round of grants. This is encouraging for the future. The University attracted a total of almost \$ 4.6 million in Large Grants, Fellowships, and Strategic Partnerships with Industry for Research and Training (SPIRT) Grants for 1999, a \$ 0.5 million increase on 1998.

The Menzies Centre celebrated its tenth anniversary in November and established the Genetic Epidemiology Unit with funding of \$ 2.5 million from AMRAD.

The Centre for Ore Deposit Research completed a major research project funded by the Australian Research Council and the Australian Mineral Industry Research Association (AMIRA). Industry support came from Aberfoyle, BHP, Cominco, North, Inco, MIM, Normandy, Billiton, Noranda, Pasminco, and RGC. The external project funding was worth \$ 678,000 and involved 17 researchers from the University.

The establishment of the Tasmanian Aquaculture and Fisheries Institute in May 1998 represented a major strategic partnership between the State government and the University.

SENIOR STAFF APPOINTMENTS

Pro Vice-Chancellor (Research):

Professor Andrew Glenn

Dean, Faculty of Health Science:

Professor Allan Carmichael

Chairs:

Psychology	Professor Jeff Summers
Surgery	Professor Peter Stanton
Director of TAFI	Professor Colin Buxton
<i>Director of International Services:</i>	Mr Paul Rigby

PROFESSORS EMERITUS APPOINTED IN 1998

Professor Nigel Forteath
Professor Phillip Hamilton
Professor Robert Menary
Professor Ian Murfet
Professor Rodney Thomson
Professor Richard Varne
Professor Geoff Parr
Professor John Hunn

RECOGNITION BY SCHOLARLY AND PROFESSIONAL SOCIETIES

Mr Phil Collier, Fellow, Australian Computer Society
Professor John Goldsmid, President, Australasian College of Tropical Medicine
Dr Charles Lakos, Fellow, Australian Computer Society
Professor Ross Large, Distinguished Lecturer, International Society for Economic Geologists

Professor Stewart Leech, Chair, Information Systems Section of American Accounting Association

Professor Bill Mulford, Fellow, Australian Council for Educational Administration

AWARDS

Professor Terry Dwyer, Member of the Order of Australia, General Division (AM)

Professor Vincent McGrath, award , 4th International Biennale for Ceramics

Professor Tom McMeekin, Australian Institute of Food Science and Technology Award of Merit

Dr Greg Walker, American Society of Mechanical Engineers Melville Medal

PUBLIC APPOINTMENTS

Professor Allan Carmichael, Chair, Tasmanian Council of Obstetric and Paediatric Mortality and Morbidity

Professor Don Chalmers, Chair, Australian Health Ethics Committee

Mr Desmond Fearnley Sander, member, International Programme Committee on the Future of the Teaching and Learning of Algebra, International Commission on Mathematical Instruction

Dr Sue Kilpatrick, Chair, Tasmanian FarmBIS State Planning Group

Dr Jenna Mead, State Convenor of the Tasmania Women's Consultative Council

Professor Don McNicol, Chair, Hobart International Airport Limited

TEACHING EXCELLENCE AWARD

Ms Lesley Harrison, School of Secondary and Post-compulsory Education

TEACHING MERIT CERTIFICATES

Ms Christl Berg, Tasmanian School of Art

Mrs Margot Boardman, Early Childhood and Primary Education

Dr Shane Breen, Riawunna

Ms Cecilia Craft, Sociology and Social Work

Mrs Judy Hodgman, Secondary and Post-compulsory Education

Dr Vishvanath Karri, Civil and Mechanical Engineering

Dr Anthony Koutoulis, Plant Science

Dr Richard Langman, Electrical Engineering and Computer Science

Dr Iain Montgomery, Psychology

Mr Stephen Tristram, Biomedical Science

SIGNIFICANT STUDENT HONOURS

Dr Amanda Banks, Anglo Australian Postdoctoral Fellowship

Ms Susan Dando, Rhodes scholar

Mr Christian Davis, Photography Award of the National Tertiary Art Prize

Ms Emma Habermann, Country Club Casino Theatrical Development Award

Mr Jabra Latham, Australian Music Examinations Board trophy

Mr Richard Loney and Mr Mac Young, 1998 Forestry Tasmania Wood Production Award

Mr Andrew Maynard and Mr Stephen Mees, 1998 Graphisoft Prize, an international design competition

Ms Sarah Pethybridge, Queen's Trust Young Achiever Award

Ms Jessica Treblico, Gold Medal at the Biology Olympiad held in Germany.

UNIVERSITY MEDAL WINNERS

University medals were awarded in 1998 to the following graduates on the basis of their first class results in honours programs:

Mr Mark Beaumont	Bachelor of Economics with Honours
Ms Kate Cuthbertson	Bachelor of Laws with Honours
Ms Susan Dando	Bachelor of Arts-Bachelor of Laws with Honours in Law
Mr Kurt Fienberg	Bachelor of Science with Honours
Ms Tania Hingston	Bachelor of Medicine-Bachelor of Surgery with Honours
Mr Matthew Howlett	Bachelor of Science with Honours
Ms Belinda Pike	Bachelor of Education with Honours
Ms Catherine Robinson	Bachelor of Arts with Honours
Ms Franziska Schroeder	Bachelor of Music with Honours
Mr Tristan Taylor	Bachelor of Arts with Honours
Ms Melanie Webb	Bachelor of Science with Honours

Recognising its special responsibilities as Tasmania's university, the University seeks to enrich the culture and advance the social and cultural interests of the State, consistent with its own objectives. The development of appropriate relationships with external bodies is the responsibility of the Vice-Chancellor, divisional heads, deans and heads of school.

*Inaugural West North-West Bursary winners with their sponsors.
Courtesy The Advocate.*



UNIVERSITY FOUNDATION

The University Foundation was established in 1994 to assist the University to fulfil its mission and goals, particularly by strengthening the moral, physical and financial support for the institution within the community. The past year has, in many ways, been the most important so far for the Foundation. Mr Nick Cretan stepped down from the position of Chairman of the Board in 1998, but not before putting in train a range of recommendations that have had a wide-ranging effect on the Foundation. Mr Cretan is continuing as a director. The University honoured his contribution with a University Fellowship, conferred at a December graduation ceremony.

Mr Ian Roberts was elected Chairman of the Board of Directors in May and began implementation of organisational changes designed to enable the Foundation to play an increasingly important funding and promotional role in University and community life.

The Foundation has now established three new core divisions and has instituted a membership structure that provides incentive and opportunity through recognition of the partnership of each donor with the organisation.

Other initiatives included:

- The establishment of a comprehensive bequest program to be introduced to the community in 1999.
- The Foundation Graduate Awards, which are designed to recognise outstanding young graduates of the University who are emerging as the leaders of tomorrow.
- The West North-West Bursary program that provides opportunity, through community-based sponsorship, for financially disadvantaged students in the region to undertake university study.

ALUMNI

In 1998, in addition to undertaking its continuing program, the Alumni extended its activities in key new directions. Much stronger working links were established with the University Foundation and the Alumni strategic plan was amended to incorporate this policy.

The Alumni will also support the West North-West Bursary program as an on-going project.

A new Alumni branch was established in Sarawak in Malaysia, the third to be established in the South-East Asia region.

By the end of the year, data on nearly 40,000 Alumni was available and membership had reached 25% of the mailing list.

TASMANIA 2010

Intelligent Leadership was the title of the Tasmanian 2010 Forum held in July 1998. Alistair Mant, a distinguished leader who helps public and private organisations throughout the world to develop people-friendly strategies, was the keynote speaker. The forum was attended by more than 80 of Tasmania's business and community leaders.

CULTURAL ACTIVITIES

The Cultural Activities Committee is responsible for fostering and promoting cultural events and development. The \$300,000 program has the two-fold benefit of enriching University life, and strengthening links with the wider community.

The Committee sponsors a rich and broad range of activities across the State, including music and dramatic performances, literary events and productions, visiting speakers, and art exhibitions.

Some highlights of the year in the various areas included:

- The *Writers and Readers Festival* held in September which attracted audiences statewide.
- An extensive exhibition program held in the University's galleries. Many exhibitions toured the State and mainland Australia. The exhibition *Time and tide* was accepted as a contributor to *A sea change*, part of the Sydney 2000 Olympics Arts Festival.
- University Forum public lecture series in Hobart and Launceston, which attracted audiences in the hundreds to hear speakers such as David Hill, Jane Haley, Henry Reynolds, and Robert Dessaix.
- The John Elliott Classics Museum at the Sandy Bay campus was refurbished. More than 2,000 visitors passed through the newly-developed space.
- The Conservatorium of Music's recital series continued to be popular. The music program also included a successful Chamber Music Festival, a performance of Mendelssohn's 'Elijah' in Launceston, and a performance of the Bach 'Mass in B minor' at St Mary's Cathedral.
- A broad program of events at the North-West Centre which featured art exhibitions, performances, and literary functions.
- Six Centre Stage productions by the Centre for Performing Arts at University and public venues.

In addition, through the allocation of \$200,000 in 1998, the Cultural Activities Committee was able to undertake a number of important initiatives.

Projects included: funding for a Port Arthur Fellowship; purchase of a new Stuart & Sons grand piano; redevelopment of the John Elliott Classics Museum; the Creative Pathways and Natureway recreation projects at the North-West Centre; various programs designed to draw the wider community close to the University, such as the 'Access University' media promotion and University Week in Launceston.

The University seeks to establish an international dimension within its teaching, research and service functions, through:

- The establishment of an international scope as an essential and central aspect of the University's teaching and learning and research.
- International student enrolments at or above the national average as a proportion of all students.

These are responsibilities of all deans, divisional heads and heads of schools.



INTERNATIONAL SCOPE IN TEACHING AND LEARNING AND RESEARCH

Internationalisation of the University is being promoted through a range of activities. These include: ensuring a significant proportion of international students on campus, development of outbound study abroad opportunities for local students, twinning arrangements, internationalisation of the curriculum, mounting joint research projects with international partners, formal exchange agreements, and visiting scholars.

INTERNATIONAL STUDENT ENROLMENTS

The University is international in its outlook, attracting staff and students from many countries. As well as a strong Tasmanian base, students come to study at the University of Tasmania from other States and from overseas, particularly from the Asian region, including Malaysia, Singapore, Indonesia and Thailand. There is also an increasing number of students arriving for semester-long study abroad programs from the United States of America and Canada.

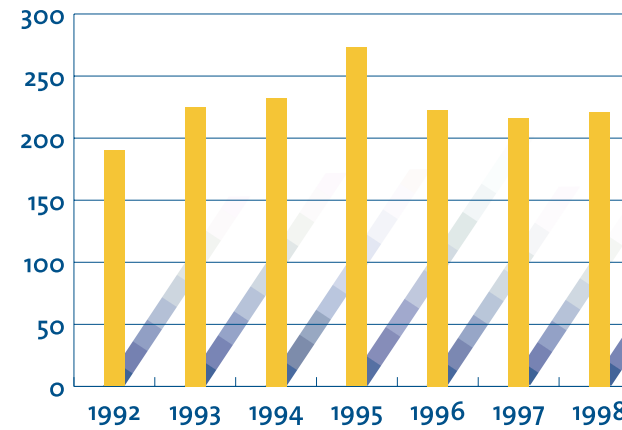
Overall student numbers are approximately constant, despite increased intakes, reflecting changes in student profile which have happened in recent years. Firstly, a significant proportion of students arrive with advanced standing – 34% of the total intake in 1996, 28% in 1997 and 25% in 1998 – so take fewer years to complete their courses. Secondly, there has been growth in study abroad students from the USA, most staying for just one semester and none more than a year.

Datuk Effendi Norwawi received an honorary Doctor of Laws in May.



Semester one intakes in recent years have been as follows:

Students



Approximately one third of new students come from Malaysia, and numbers from that country are likely to fall, given the preference for programs in-country. Two years in Malaysia followed by one in Australia (2+1) and full degree programs in-country (3+0) are now quite common. New approaches to recruiting students in Malaysia are being developed to retain the University's market share. In addition, the University is seeking to diversify, to establish a presence in emerging markets like India, China, the Philippines, Vietnam and some countries in Europe and South America. Intense competition from other countries, and other States, suggests that the University needs a much stronger marketing program, and a more active role from State Government.

Dr Kenroku Fujii, Hon. AO and Ms Elaine McKay with Vice-Chancellor, Professor Don McNicol in City Park for the 'Town and Gown' Parade.

ENTERPRISE AGREEMENTS

In the area of Human Resources, two significant events which have been designed to bring about significant benefits both for the University and its employees, were the conclusion of the enterprise bargaining process and, as part of the agreements reached, moves towards the introduction of performance management in the institution.

The Enterprise Bargaining Agreements were ratified following lengthy consultation with both academic and general staff, and the University engaged the consulting firm McPhee Andrewartha to report and make recommendations on a Performance Management System for the University. Since that report in September, a process for instituting performance management for all staff in the University has been developed.

RESTRUCTURING

From 1 January 1998 five faculties and thirty-four schools replaced seven schools and fifty one departments and five administrative divisions were reduced to three, as the University refined and restructured its operations in an increasingly competitive environment. The revised structure is defined in a new ordinance of *Academic Structure*, replacing separate ordinances of *Departments, of Faculties and of Schools*. There have also been changes to the constitution of the Academic Senate.

INVESTMENT POLICY

A revised investments policy was approved by Council during the year and funds management put to competitive tender. Schroder Investment Management (Australasia) Ltd were subsequently appointed as funds manager. Finance Committee appointed a small, expert Investment Sub-Committee to oversee investments.

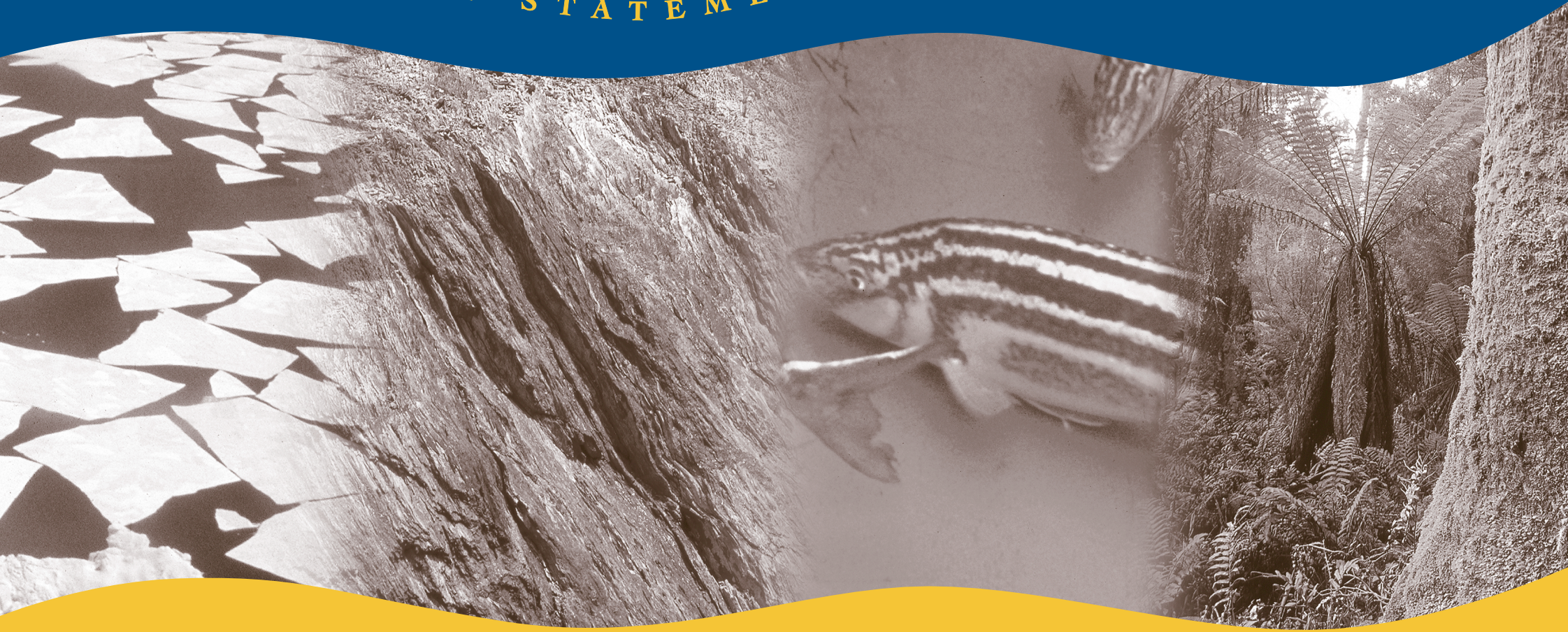
UNIVERSITY BUSINESS ENTERPRISES

During 1998 Finance Committee started a review of University business enterprises – activities owned and managed by the University and funded primarily from fees and charges. A common accounting policy was adopted and a working party established to review business plans and develop policy recommendations for consideration by Finance Committee and Council.

FINANCIAL MANAGEMENT INFORMATION SYSTEM

During 1998 the University completed the development of a new Financial Management and Information System (FMIS). The system encompasses modern graphical user interface, Web-enabling technology and work-flow tools. Business processes were redesigned to improve internal control and achieve efficiency gains from the new FMIS. The University's finance policy and procedures manual was updated and made available via Web technology to provide context sensitive on-line help.

FINANCIAL STATEMENTS 1998



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		Consolidated		University	
	Note	1998 \$'000	1997 \$'000	1998 \$'000	1997 \$'000
OPERATING REVENUE					
Commonwealth government grants	2	95,509	100,533	95,509	100,533
Higher Education Contribution Scheme	3	29,885	26,257	29,885	26,257
Tasmanian government grants	4	3,594	3,103	3,594	3,103
Other research grants and contracts		2,729	3,860	2,729	3,860
Scholarships and prizes		550	525	550	525
Donations and bequests		1,898	1,336	1,673	1,174
Investment income		7,028	5,666	6,922	5,560
Fees and charges	5	11,995	12,743	11,228	11,960
Other	6	8,144	8,057	7,192	7,251
Total operating revenues before abnormal items		161,332	162,080	159,282	160,223
OPERATING EXPENSES					
	7, 8				
Academic activities		93,926	90,737	93,926	90,737
Libraries		5,912	5,196	5,912	5,196
Other academic support services		8,715	9,127	8,715	9,127
Student services		4,741	4,935	4,741	4,935
Public services		2,222	2,290	2,222	2,290
Buildings and grounds		7,282	6,238	7,282	6,238
Administration & other general institutional services		21,500	19,568	21,500	19,568
Other		3,228	3,226	1,323	1,282
Total operating expenses before abnormal items		147,526	141,317	145,621	139,373
Operating result before abnormal items		13,806	20,763	13,661	20,850
Abnormal Items	11		(5,705)		(5,705)
Operating result		13,806	15,058	13,661	15,145
Add accumulated funds at beginning of year	21 (iii)	59,769	46,644	58,328	45,494
Less adjustment to opening accumulated funds	21 (iii)				(378)
		73,575	61,702	71,989	60,261
Transfers:					
to restricted funds		304	1,933	304	1,933
from restricted funds					
ACCUMULATED FUNDS AT END OF YEAR		73,271	59,769	71,685	58,328

*The Operating Statement is to be read in conjunction
with the notes to and forming part of the accounts
set out on pages 39 to 69.*

	Note	Consolidated		University	
		1998 \$'000	1997 \$'000	1998 \$'000	1997 \$'000
CURRENT ASSETS					
Cash		469	337	469	337
Receivables	13 (i)	2,634	2,243	2,222	1,983
Investments	14 (i)	42,997	47,402	41,875	46,244
Inventories	15	663	340	663	340
Other	16	735	116	728	90
Total current assets		47,498	50,438	45,957	48,994
NON-CURRENT ASSETS					
Receivables	13 (ii)	–	3	–	3
Investments	14 (ii)	37,902	30,466	37,902	30,466
Property, plant and equipment	17	323,868	318,967	323,724	318,785
Total non-current assets		361,770	349,436	361,626	349,254
Total assets		409,268	399,874	407,583	398,248
CURRENT LIABILITIES					
Creditors	18	16,020	17,368	15,992	17,329
Borrowings	19	67	344	67	262
Accrued liabilities	20 (i)	13,006	13,444	12,969	13,414
Total current liabilities		29,093	31,156	29,028	31,005
NON-CURRENT LIABILITIES					
Accrued liabilities	20 (ii)	24,493	24,976	24,493	24,976
Total non-current liabilities		24,493	24,976	24,493	24,976
Total liabilities		53,586	56,132	53,521	55,981
NET ASSETS					
Net assets		355,682	343,742	354,062	342,267
EQUITY					
Reserves	21 (ii)	270,966	272,832	270,932	272,798
Restricted funds	21 (i)	11,445	11,141	11,445	11,141
Accumulated funds	21 (iii)	73,271	59,769	71,685	58,328
Total equity		355,682	343,742	354,062	342,267

The Statement of Financial Position is to be read in conjunction with the notes to and forming part of the accounts set out on pages 39 to 69.

	Note	Consolidated		University	
		1998 \$'000 Inflows (Outflows)	1997 \$'000 Inflows (Outflows)	1998 \$'000 Inflows (Outflows)	1997 \$'000 Inflows (Outflows)
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts					
Higher Education Contribution Scheme					
Student payments		3,462	3,282	3,462	3,282
Higher Education Trust Fund		26,111	22,947	26,111	22,947
Other research grants and contracts		3,307	4,033	3,307	4,033
Scholarships and prizes		550	525	550	525
Donations and bequests		1,629	1,091	1,404	929
Interest received		6,851	5,666	6,745	5,560
Abnormal income		0	3,068	0	3,068
Fees and charges		11,613	12,552	10,846	11,769
Other revenue		7,962	8,814	7,048	8,012
Payments					
Staff salaries and related costs		(91,504)	(87,502)	(91,067)	(86,963)
Other expenses		(48,469)	(49,921)	(46,758)	(48,627)
Net cash provided or used by operating activities	22 (iv)	(78,488)	(75,445)	(78,352)	(75,465)
CASH FLOWS FROM INVESTING ACTIVITIES					
Payments for investments		(30,480)	(4,635)	(31,474)	(4,587)
Payments for property, plant and equipment 22 (v)		(15,458)	(11,591)	(15,458)	(11,563)
Proceeds from sale of property, plant and equipment		1,345	1,037	1,345	1,037
Net cash provided or used by investing activities		(44,593)	(15,189)	(45,587)	(15,113)
CASH FLOWS FROM GOVERNMENT					
Commonwealth government grants		89,696	94,034	89,696	94,034
Tasmanian government grants		3,606	3,186	3,606	3,186
Other (ie government departments and/or agencies)		5,578	6,000	5,578	6,000
Net cash from government		98,880	103,220	98,880	103,220
CASH AT END OF REPORTING PERIOD					
Net increase/(decrease) in cash held		(24,201)	12,586	(25,059)	12,642
Cash at beginning of reporting period	22 (i)	45,847	33,261	45,583	32,941
Cash at end of reporting period	22 (i)	21,646	45,847	20,524	45,583

The Statement of Cash Flows is to be read in conjunction with the notes to and forming part of the accounts set out on pages 39 to 69.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant policies which have been adopted by the University of Tasmania in the preparation of the financial statements are as follows:

a) Basis of accounting

The financial statements of the University of Tasmania for the year ended 31 December 1998 have been prepared in accordance with the requirements of the following:

1. *Financial Management and Audit Act 1990*;
2. *University of Tasmania Act 1992*;
3. Applicable Australian Accounting Standards and Concepts;
4. Streamlined financial reporting guidelines issued by DETYA.

The format and presentation guidelines for reporting financial data are detailed in the DETYA publication *Instructions for the Preparation of Annual Financial Reports by Australian Higher Education Institutions*.

The University of Tasmania's financial statements include an Operating Statement, a Statement of Financial Position, a Statement of Cash Flows and accompanying notes.

The principal accounting policies adopted by the University of Tasmania and its controlled entities are stated to assist in a general understanding of the accounts. These policies have been consistently applied and except where there is a note of a change in accounting policy, are consistent with those of the previous year.

The financial statements have been prepared on an accrual basis and except where otherwise indicated, on a historical cost basis. In accordance with the DETYA instructions, amounts in the financial statements have been rounded to the nearest one thousand dollars, unless specifically stated otherwise.

b) Reporting entity/principles of consolidation

The consolidated financial reports comprise the accounts of the University, being the primary entity, and the entities under its control at the end of the financial year or that it controlled at any time during the financial year. This includes all administrative and

organisational structures established by the University for the purposes of conducting its activities. The effect of all material transactions between entities included in the consolidated accounts have been eliminated in full.

The major activities of the University, as the primary entity, are teaching and research. The University relies predominantly on Commonwealth support for its recurrent activities. Commonwealth support is based on agreed student load and discipline profile.

The University's major functional areas are:

- academic activities
- libraries
- other academic support services
- student services
- public services
- buildings and grounds
- administration and other general institutional services.

The consolidated entity encompasses all other operations controlled by the University Council. The major consolidated entities are Unitas Consulting Limited and the University of Tasmania Foundation Inc.

The two major tests applied to determine whether control existed were either:

- the capacity to dominate decision-making, either directly or indirectly, in relation to financial and operating policies; or
- exposure to the majority of financial risks.

Where the University is merely a management agent for an operation then the entity is not consolidated. Therefore the Australian Music Examinations Board and the Cooperative Research Centres (CRCs) are not consolidated but reported by way of note (refer Note 23).

c) Doubtful debts

A provision is raised for any doubtful debts based on a review of all outstanding amounts at year end. All known bad debts are written off during the period in which they are recognised.

d) Investments

Investment properties are those which return an income to the University. University investment properties were re-valued by Mr Chris Tuttle FVLE (Val & Econ) of the Australian Valuation Office in December 1994 on the basis of market value for existing use as at 31 December 1994. Investment property acquisitions since then are carried at the lower of cost (represented by purchase price and capital improvements) and recoverable amount. It is a policy that valuations are reviewed periodically, at least every five years.

University non-property investments such as Government and semi-government securities, fixed interest and other marketable securities are brought to account at the lower of market value and recoverable amount. University investments in non-listed shares are reported at recoverable amount.

The University of Tasmania Foundation Inc, which is consolidated with the accounts of the University, reports its investments at market value.

e) Inventories

Inventories are carried at the lower of cost and net realisable value. Costs are assigned to inventory quantities on hand and in store at balance date using the first in first out principle. No values have been placed on issues to operating departments. Physical stock-takes of inventories are carried out just prior to year end. The major inventories carried by the University are of a consumable nature.

f) Plant and equipment

General

Plant and equipment includes furniture; computer, scientific and office equipment; plant generally; motor vehicles; works of art; and any other item of value to the University. Items such as lifts and air conditioning systems, which are integral to a building, are treated as part of buildings. All items of plant and equipment are depreciated over their useful lives to the University commencing from the time the asset is held ready for use. Plant and equipment is carried at the lower of cost less accumulated depreciation, and recoverable amount.

For reasons of practicality, a capitalisation threshold of \$5,000 is applied to fixed assets. Where appropriate, aggregation of individual assets within asset categories is made. Items with a value under the capitalisation threshold are expensed in the year in which they are purchased.

Works of art, museums & other cultural collections

Works of art, museums and other cultural collections are valued at market value or where no approximation of market value is available, at cost. It is a policy that valuations are reviewed periodically, at least every five years. A revaluation will be made in 1999. These items, because of their nature, are not depreciated.

Additions to collections are recognised at their acquisition cost. Additions acquired other than by an exchange transaction (e.g. donations, bequests) are recognised at their fair value.

Library collections

The University's library collections are valued in-house. The valuation is based on its three major collections – monographs, non-book materials and serials. These collections are identified as either 'current use' which are seen to have a finite useful life and 'permanently retained' which are acquired with the intention that they be held in perpetuity.

Both monographs and non-book materials are classified by the University Library as being permanently retained collections. They are valued in a similar manner to cultural collections and are not depreciated. The serials collection is regarded as having a pattern of declining use and is valued at depreciated replacement cost.

Additions to collections are recognised at their acquisition cost. Additions acquired other than by an exchange transaction (e.g. donations, bequests) are recognised at their fair value.

A complete stocktake of the collection is impractical, however in 1997, the University undertook statistical tests aimed at verifying the completeness of the collection.

g) Land and buildings

Land

Land holdings controlled by the University (i.e. land holdings for which the University either holds title or controls and which are held for non-investment purposes) are valued according to most

recent government valuation. The process of revaluation follows the Valuer-General's revaluation cycle, which may result in a part of a class of asset being revalued, without revaluing the entire class of asset. Land acquired after this date is reported at cost.

The Hobart campus centred on Churchill Avenue is vested in the University under the *University of Tasmania Act 1992*.

The main campus of the University at Launceston is held in the name of the Government of Tasmania. The transfer of the property to the University is presently being negotiated. The adjoining (ex Brooks High School) campus is subject to a draft lease from the Government of Tasmania. Final details of the lease are under negotiation but will be similar to other University leases, that is a 'peppercorn' rent and a long duration.

Buildings

Buildings include all physical structures, improvements and fixtures and fittings where they clearly form part of a building. In December 1994 Mr Chris Tuttle FVLE (Val & Econ) of the Australian Valuation Office provided values for buildings and structures owned and controlled by the University. On campus buildings and structures and those of a specialised nature located off campus, were valued at depreciated replacement cost. All non-specialised buildings and structures located off campus, that are readily saleable in the normal real estate market, were valued on the basis of Market Value for existing use as at 31 December 1994. The revaluation process resulted in an upward adjustment of \$73.0 million which was credited to the Asset Revaluation Reserve. Future acquisitions will be carried at cost (represented by purchase price and capital improvements). It is a policy that valuations are reviewed periodically, at least every five years.

Improvements and additions to buildings are disclosed separately at cost.

Buildings on University controlled land which are not owned or controlled by the University are not recognised in the statement of financial position. They are:

- CONNECT Credit Union facility;
- Tasmanian Museum and Art Gallery's Herbarium;

- CSIRO Forestry building (except that section housing the CRC);
- St John Fisher College;
- TAFE Building.

The property sub-leased by the University to Jane Franklin Hall Incorporated is subject to a 99 year lease from the Government of Tasmania.

Leasehold improvements

The University is party to a number of property lease agreements which transfer substantially all the risks and benefits incidental to ownership to the University. The terms of the agreements range from 21 years and upwards. The associated lease payments are at 'peppercorn' rents. In respect to buildings, leasehold improvements are capitalised and valued in accordance with the principles outlined for buildings previously. Leasehold improvements were also included in the buildings and structures revaluation undertaken by the Australian Valuation Office.

Details of the University's major property leases are as follows:

- the Clinical School of the Medical Faculty located in Collins Street (Hobart) is controlled by the University on a 99 year lease from the Royal Hobart Hospital Board; and
- the Centre for the Arts at Hunter Street (Hobart) is subject to a draft 50 year lease from the Government of Tasmania.

Buildings under construction

The valuation of buildings under construction is recognised to the extent of completion of construction work as represented by progress payments to date.

Contracts signed for the purpose of building projects which are not completed at balance date are disclosed as a capital expenditure commitment. The commitment disclosed is the value of contracts signed less progress payments made to balance date.

h) Depreciation and amortisation

The depreciable amount of all fixed assets including buildings but excluding freehold land, are depreciated 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

a depreciation charge. In relation to leasehold improvements, the amortisation charge is based on the unexpired period of the lease or the useful life of the improvements, whichever is the shorter.

The depreciable asset categories and their rates are as follows:

Motor Vehicles	4.0%
Computing equipment, photocopiers	20.0%
Other plant and equipment	10.0%
Library (serials) (current use)	10.0%
Buildings	1.0%

i) Creditors

Creditors as at 31 December 1998 are reported in the statement of financial position. The creditors liability is based on invoices received in relation to 1998 activity but not paid as at balance date.

j) Accrued expenses

Expenses incurred at year end but not paid are accrued.

k) Employee entitlements

Provisions are made for employee entitlements for annual and long-service leave and superannuation.

Annual leave

Payments for annual leave taken in-service or on termination are expensed in the current year. Annual leave for academic staff is administered by the Heads of School and records are not maintained centrally. 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 calculated at current wage rates.

The University recognises this liability in accordance with AAS 30, Accounting for Employee Entitlements. In order to comply with that standard, entitlements for annual leave include on-costs calculated at 25% of total salary.

Long service leave

The University recognises this liability in accordance with AAS 30, Accounting for Employee Entitlements. These entitlements are accrued in respect of all employees based on future

remunerations including an allowance for promotions (i.e. using an inflation rate of 8.1%) and discounting the entitlement by using the rates applicable to government guaranteed securities.

The University recognises as a current liability, the portion of long service leave accruing to employees with ten or more years of service.

Superannuation

The University has a policy of compulsory superannuation for continuing staff members. The majority of University staff are members of schemes known as 'Uni Super'. These schemes consist of the Superannuation Scheme for Australian Universities (SSAU) and the Tertiary Education Superannuation Scheme (TESS). These schemes are fully funded and thus no liability exists. University contributions are expensed as incurred.

Mr Grant Harslett of Towers Perrin performed the last actuarial review of this fund on 12 May 1995 in respect of the financial year ended 31 December 1994.

University of Tasmania Staff Superannuation and Additional Benefits Scheme

The University of Tasmania Staff Superannuation and Additional Benefits Scheme was closed on 31 December 1982 and wound up. Prior to this the University of Tasmania had a pension scheme based upon endowment insurance policies. In addition to these, there was a supplementary pension scheme whereby, based upon service, staff members were guaranteed a pension set at a proportion of their indexed salary. The pensions are indexed by movements in academic salaries, two aspects of the scheme remain.

(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 Grant Harslett of Towers Perrin dated 31 January 1996, the present value of the University's liability at 31 December 1995 in respect of supplementary pensions being paid and all reversionary pensions which may become payable to spouses in the future was \$17.15 million. This is a closed scheme.

The value of the liability as at 31 December 1998 was \$15.94 million, the decrease being attributable to payments made in the year.

The greatest annual pension payout is expected to occur in the next 7 to 12 years and the total pension liability is likely to be extinguished in approximately 60 years. Past payments have tracked the original projections made by the Actuary.

It is anticipated that further actuarial reviews of the scheme will be undertaken every three to five years, with the next review due in 1999.

Provision for 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 *Retirement Benefits (Transferred Tasmanian College of Advanced Education Employees) Act 1980* provides for past service liability of staff transferring to the University as at 1 January 1981 to be met by the Tasmanian Government.

In a report dated 26 April 1996 by Brian Bendzulla of Financial Synergy, Tasmania Pty Ltd, the value of past service liabilities at 31 December 1995 was \$7.109 million. The value of the liability as at 31 December 1998 was \$6.495 million, with the decrease being attributable to payments made in the year.

It is anticipated that further actuarial reviews of the scheme will be undertaken every three to five years, with the next review due in 1999.

l) Income tax status

The activities of the University are exempt from income tax.

m) Financial Instruments Disclosure

1) Significant accounting policies, terms and conditions.

The University's accounting policies, including the terms and conditions of each class of financial asset and financial liability are as follows:

<u>Recognised financial instrument</u>	<u>Accounting policies</u>	<u>Terms</u>
(a) Financial assets		
Bank Call Deposits	Bank call deposits are stated at cost.	Bank call deposit interest rate is determined by the official Money Market 11 AM call rate.
Receivables	Receivables are carried at nominal amounts due less any provision for doubtful debts.	Accounts receivable credit terms are 30 days.
Investments	Investments are brought to account at market value.	Investments mainly comprise investments in managed funds. These financial instruments are traded in an organised financial market. There are no internal derivative transactions at balance date.
Unlisted Shares	Unlisted shares are carried at the lower of cost or recoverable amount.	Dividend income is recognised when received.
(b) Financial liabilities		
Creditors and Accrued Liabilities	Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not invoiced to the University.	Creditors are normally settled on 30 Day terms.

Managed funds include government and semi government securities, bank bills and at call deposits. Any risks are managed for the fund by the fund manager. The Investment Sub-committee and senior management receive monthly performance reports on University portfolios. Finance Committee receives a comprehensive report on a quarterly basis.

2) Interest rate exposures

The University's exposure to the effect of future changes in prevailing interest rates on financial instruments at balance date is:

i) Financial Assets 1997

	Non Interest bearing \$'000	1 year or less \$'000	Over 1 year to 5 years \$'000	More than five years \$'000	Carrying amount as per balance sheet \$'000	Weighted effective interest rate %
Cash	337				337	N/A
Receivables	2,246				2,246	N/A
Managed Funds		44,527	9,260	12,882	66,669	6.6
Bank Call Deposits		2,875			2,875	5.73
Shares unlisted	107				107	N/A
Total Financial Assets	2,690	47,402	9,260	12,882	72,234	

ii) Financial Liabilities 1997

Creditors	17,368				17,368	N/A
Accrued Liabilities	38,420				38,420	N/A
Total Liabilities	55,788				55,788	

ii) Financial Assets 1998

	Non Interest bearing	1 year or less	Over 1 year to 5 years	More than five years	Carrying amount as per balance sheet	Weighted effective interest rate
	\$'000	\$'000	\$'000	\$'000	\$'000	%
Cash	469				469	4.5
Receivables	2,634			2,634		N/A
Managed Funds		25,907	14,175	15,293	55,375	9.1
Bank Call Deposits		17,090			17,090	4.5
Shares unlisted	107			107		N/A
Total Financial Assets	3,210	42,997	14,175	15,293	75,675	
ii) Financial Liabilities 1998						
Creditors	16,645			16,645		N/A
Accrued Liabilities	36,874			36,874		N/A
Total Liabilities	53,519				53,519	

3) Credit Risk Exposures

The University does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the University.

n) Events subsequent to balance date

After balance date, in January 1999, the University purchased from St John Fisher College Inc the lease vesting in the college, all plant and equipment, fixtures and fittings and stock on hand for the sum of \$697,370. The University has continued to operate St John Fisher College as a residential college.

Note: The information provided in this note is provided pursuant to the Instructions for the Preparation of Annual Reports issued by DETYA which requires the provision of University figures only.

	University	
	1998 \$'000	1997 \$'000
2. COMMONWEALTH GOVERNMENT GRANTS		
(i) Commonwealth Government grants		
The following Commonwealth Government grants were received by the University in the reporting period		
Pursuant to the <i>Higher Education Funding Act 1988</i> :		
Operating purposes excluding HECS	79,113	82,250
Special research assistance		
Large research grants	2,481	2,374
Small research grants	735	697
SPIRT collaborative research grants	968	830
Research infrastructure grants		
Block grants	1,981	1,866
Equipment & facilities	480	499
Key centres of teaching and research	–	–
Research fellowships	521	265
Postgraduate awards		
Australian Postgraduate Awards	1,816	1,945
SPIRT grant (including APAI)	497	849
Overseas postgraduate research scholarships	260	284
International research fellowship	8	44
Adjustment to previous years grants		
Teaching hospitals	133	131
Capital	100	1,674
Special research centres	838	825
Special research initiatives		–
Sub-total <i>Higher Education Funding Act 1988</i>	89,931	94,533
Other Commonwealth Government grants:		
Child care	219	466
Civil Aviation Authority	–	–
Employment, Education & Training	476	672
Environment, Sport & Territories	261	154
Human Services & Health	2,572	2,152
Industry Technology & Commerce	197	346
Primary Industry & Energy	1,489	1,083
Other	330	1,023
Veterans Affairs	34	104
Total Commonwealth Government grants	95,509	100,533

	University	
	1998	1997
	\$'000	\$'000
(ii) Amounts provided pursuant to the Higher Education Funding Act 1988 & amounts expended		
Operating purposes excluding HECS:		
<i>Grant received in previous period:</i>		
advance payment received in previous period	6,174	6,699
carry-over from previous period	790	1,623
sub-total amount received in previous period	6,964	8,322
<i>Grant received in the reporting period</i>	78,953	81,725
<i>Amount attributable to future period:</i>		
advance payment received in respect of next period	(6,014)	(6,174)
under-expenditure in the reporting period	(399)	(790)
sub-total amount attributable to future period	(6,413)	(6,964)
Amount expended in the reporting period	79,503	83,083
Large research grants:		
<i>Grant received in previous period:</i>		
advance payment received in previous period	131	125
carry-over from previous period	425	634
sub-total amount received in previous period	556	759
<i>Grant received in the reporting period</i>	2,481	2,380
<i>Amount attributable to future period:</i>		
advance payment received in respect of next period	(131)	(131)
under-expenditure in the reporting period	(524)	(425)
sub-total amount attributable to future period	(655)	(556)
Amount expended in the reporting period	2,381	2,583
Small research grants:		
<i>Grant received in previous period:</i>		
advance payment received in previous period		-
carry-over from previous period	111	118
sub-total amount received in previous period	111	118
<i>Grant received in the reporting period</i>	735	697
<i>Amount attributable to future period:</i>		
advance payment received in respect of next period		
under-expenditure in the reporting period	(179)	(111)
sub-total amount attributable to future period	(179)	(111)
Amount expended in the reporting period	667	704

	University	
	1998 \$'000	1997 \$'000
SPIRT collaborative grants:		
<i>Grant received in previous period:</i>		
advance payment received in previous period	489	435
carry-over from previous period	106	17
sub-total amount received in previous period	595	452
<i>Grant received in the reporting period</i>	585	884
<i>Amount attributable to future period:</i>		
advance payment received in respect of next period	(106)	(489)
under-expenditure in the reporting period	(383)	(106)
sub-total amount attributable to future period	(489)	(595)
Amount expended in the reporting period	691	741
Research infrastructure – block grants		
<i>Grant received in previous period:</i>		
advance payment received in previous period		–
carry-over from previous period	246	203
sub-total amount received in previous period	246	203
<i>Grant received in the reporting period</i>	2,119	1,866
<i>Amount attributable to future period:</i>		
advance payment received in respect of next period	(138)	–
under-expenditure in the reporting period	(246)	(246)
sub-total amount attributable to future period	(384)	(246)
Amount expended in the reporting period	1,981	1,823
Research infrastructure – equipment & facilities		
<i>Grant received in previous period:</i>		
advance payment received in previous period		40
carry-over from previous period		164
sub-total amount received in previous period	–	204
<i>Grant received in the reporting period</i>	480	459
<i>Amount attributable to future period:</i>		
advance payment received in respect of next period		–
under-expenditure in the reporting period		–
sub-total amount attributable to future period	–	–
Amount expended in the reporting period	480	663

	University	
	1998 \$'000	1997 \$'000
Special research and key centres		
<i>Grant received in previous period:</i>		
advance payment received in previous period	67	66
carry-over from previous period	18	–
sub-total amount received in previous period	85	66
<i>Grant received in the reporting period</i>	771	826
<i>Amount attributable to future period:</i>		
advance payment received in respect of next period		(67)
under-expenditure in the reporting period	(82)	(18)
sub-total amount attributable to future period	(82)	(85)
Amount expended in the reporting period	774	807
Special research initiatives		
<i>Grant received in previous period:</i>		
advance payment received in previous period	26	23
carry-over from previous period	32	131
sub-total amount received in previous period	58	154
<i>Grant received in the reporting period</i>	547	268
<i>Amount attributable to future period:</i>		
advance payment received in respect of next period	(52)	(26)
under-expenditure in the reporting period	(106)	(32)
sub-total amount attributable to future period	(158)	(58)
Amount expended in the reporting period	447	364

	University	
	1998 \$'000	1997 \$'000
International research fellowships:		
<i>Amount received in previous period:</i>		
advance payment received in previous period		–
carry-over from previous period	7	–
sub-total amount received in previous period	7	–
<i>Amount received in the reporting period</i>	8	45
<i>Amount attributable to future period:</i>		
advance payment received in respect of next period		–
under-expenditure in the reporting period		(8)
sub-total amount attributable to future period	–	(8)
Amount expended in the reporting period	15	37
SPIRT grant (including APAI)		
<i>Grant received in previous period:</i>		
advance payment received in previous period		157
carry-over from previous period	82	23
sub-total amount received in previous period	82	180
<i>Grant received in the reporting period</i>	1,816	1,788
<i>Amount attributable to future period:</i>		
advance payment received in respect of next period		–
under-expenditure in the reporting period	(82)	(82)
sub-total amount attributable to future period	(82)	(82)
Amount expended in the reporting period	1,816	1,886
Australian postgraduate awards (industry):		
<i>Grant received in previous period:</i>		
advance payment received in previous period	47	39
carry-over from previous period	187	56
sub-total amount received in previous period	234	95
<i>Grant received in the reporting period</i>	450	857
<i>Amount attributable to future period:</i>		
advance payment received in respect of next period		(47)
under-expenditure in the reporting period	(162)	(187)
sub-total amount attributable to future period	(162)	(234)
Amount expended in the reporting period	522	718

	University	
	1998 \$'000	1997 \$'000
Overseas postgraduate research scholarships		
<i>Grant received in previous period:</i>		
advance payment received in previous period		23
carry-over from previous period	41	6
sub-total amount received in previous period	41	29
<i>Grant received in the reporting period</i>	260	261
<i>Amount attributable to future period:</i>		
advance payment received in respect of next period		
under-expenditure in the reporting period	(66)	(41)
sub-total amount attributable to future period	(66)	(41)
Amount expended in the reporting period	235	249
Teaching hospitals:		
<i>Grant received in previous period:</i>		
advance payment received in previous period	11	10
carry-over from previous period		
sub-total amount received in previous period	11	10
<i>Grant received in the reporting period</i>	133	131
<i>Amount attributable to future period:</i>		
advance payment received in respect of next period	(11)	(10)
under-expenditure in the reporting period		
sub-total amount attributable to future period	(11)	(10)
Amount expended in the reporting period	133	131

(iii) Acquital of Commonwealth Government grants

The following Commonwealth Government grants were under-expended in the 1998 reporting period:

	Grants available for this period \$'000	Expense \$'000	Under- Expenditure \$'000
Operating purposes <u>excluding</u> HECS			
Base operating grant	78,685	78,685	–
Quality Assurance	612	612	–
Higher Education Innovation Program	462	63	399
Equality of Opportunity	144	144	–
Sub-total operating purposes <u>excluding</u> HECS	79,903	79,504	399
HECS Trust Fund	26,423	26,423	–
Special Research Assistance			
Large research grants	2,906	2,382	524
Small research grants	846	667	179
SPIRT collaborative research grants	1,074	691	383
Research infrastructure – block grants	2,227	1,981	246
Research infrastructure – equipment & facilities	480	480	–
Special research and key centres	856	774	82
Research fellowships	553	447	106
International research fellowships	15	15	–
SPIRT grant including APAI	1,898	1,816	82
Australian postgraduate awards (industry)	684	522	162
Overseas postgraduate research scholarships	301	235	66
Teaching hospital	133	133	–
TOTALS	118,299	116,070	2,229

University

1998	1997
\$'000	\$'000

3. HIGHER EDUCATION CONTRIBUTION SCHEME

Higher Education Contribution Scheme revenue was collected by the University as follows during the reporting period.

Received from Higher Education Trust Fund	26,423	22,975
Received from students	3,462	3,282
	29,885	26,257

Note: The information provided in this note is provided pursuant to the Instructions for the Preparation of Annual Reports issued by DETYA who require the provision of University figures only.

4. TASMANIAN GOVERNMENT GRANTS

State Government grants for the following purposes were received by the University during the reporting period.

	Note	Consolidated		University	
		1998 \$'000	1997 \$'000	1998 \$'000	1997 \$'000
(i) Operating activities					
Contribution to clinical sessions and library – Royal Hobart Hospital		175	173	175	173
(ii) Research activities					
Research grants		2,456	2,556	2,456	2,556
Research consultancies		60	61	60	61
(iii) Independent activities					
Centre for Regional Economic Analysis – Department of Treasury		90	135	90	135
Menzies Centre for Population Health Research – Dept of Community and Health Services		311	126	311	126
Tasmanian Agriculture and Fisheries Institute		426	–	426	–
(iv) Other					
Other		76	52	76	52
		3,594	3,103	3,594	3,103

	Note	Consolidated		University	
		1998 \$'000	1997 \$'000	1998 \$'000	1997 \$'000
5. FEES AND CHARGES					
Fees and charges were collected from the following sources during the reporting period:					
Continuing education		777	787	11	3
Full fee-paying overseas students		8,049	7,829	8,049	7,829
Fees-approved postgraduate award students		585	746	585	746
Other by major categories:					
ELICOS		569	808	569	808
Non-award students		20	47	20	47
Child care centre fees		472	615	472	615
Accommodation charges – Hobart		802	653	802	653
Accommodation charges – Launceston			557	1,088	557
Other	1,088	162	170	162	171
		11,994	12,743	11,228	11,960
6. OTHER INCOME					
Other income was collected from the following sources during the reporting period:					
<i>(i) Operating activities</i>					
AMC service teaching		–	114	–	114
Other		168	65	168	65
<i>(ii) Independent activities</i>					
Unitas Consulting Ltd – fees received		952	806	–	–
Menzies Foundation		464	248	464	248
Other		454	196	454	196
<i>(iii) Other</i>					
Consultancies/discretionary funds		3,048	2,271	3,048	2,271
Computer shop		1,731	2,096	1,731	2,096
Sport & recreation		456	454	456	454
Copy card sales		344	357	344	357
Other		527	1,450	527	1,450
		8,144	8,057	7,192	7,251

	Note	Consolidated		University	
		1998 \$'000	1997 \$'000	1998 \$'000	1997 \$'000
7. EXPENSES ATTRIBUTED TO FUNCTIONS					
<i>Academic activities</i>					
Academic staff salaries		34,178	33,392	34,178	33,392
Academic staff salary related costs	8	9,948	9,454	9,948	9,454
Non-academic staff salaries		16,664	16,144	16,664	16,144
Non-academic staff salary related cost	8	4,169	2,851	4,169	2,851
Depreciation expense					
Computing equipment		509	612	509	612
Buildings		1,954	1,959	1,954	1,959
Leasehold		382	382	382	382
Other		1,215	1,223	1,215	1,223
Other operating expenses	7 (i)	25,764	24,721	25,764	24,721
		94,783	90,738	94,783	90,738
<i>Libraries</i>					
Non-academic staff salaries		2,866	2,818	2,866	2,818
Non-academic staff salary related costs	8	620	670	620	670
Depreciation expense					
Computing equipment		75	81	75	81
Buildings		122	122	122	122
Library collections		1,461	1,302	1,461	1,302
Other		72	71	72	71
Other operating expenses	7 (i)	696	132	696	132
		5,912	5,196	5,912	5,196
<i>Other academic support services</i>					
Academic staff salaries		224	176	224	176
Academic staff salary related costs	8	31	23	31	23
Non-academic staff salaries		4,373	4,512	4,373	4,512
Non-academic staff salary related costs	8	515	1,008	515	1,008
Depreciation expense					
Computing equipment		245	438	245	438
Buildings		50	50	50	50
Other		539	536	539	536
Other operating expenses	7 (i)	2,738	2,384	2,738	2,384
		8,715	9,127	8,715	9,127

		Consolidated		University	
	Note	1998 \$'000	1997 \$'000	1998 \$'000	1997 \$'000
<i>Student services</i>					
Non-academic staff salaries		2,021	1,649	2,021	1,649
Non-academic staff salary related costs	8	395	395	395	395
Depreciation expense					
Computing equipment		1	1	1	1
Buildings		300	300	300	300
Leasehold		5	5	5	5
Other		10	8	10	8
Other operating expenses	7 (i)	2,009	2,577	2,009	2,577
		4,741	4,935	4,741	4,935
<i>Public services</i>					
Academic staff salaries		47	51	47	51
Academic staff salary related costs	8	(7)	12	(7)	12
Non-academic staff salaries		1,080	1,226	1,080	1,226
Non-academic staff salary related costs	8	209	241	209	241
Depreciation expense					
Computing equipment		5	7	5	7
Buildings		60	59	60	59
Other		53	78	53	78
Other operating expenses	7 (i)	775	616	775	616
		2,222	2,290	2,222	2,290
<i>Buildings and grounds</i>					
Non-academic staff salaries		2,292	2,082	2,292	2,082
Non-academic staff salary related costs	8	368	490	368	490
Depreciation expense					
Computing equipment		7	8	7	8
Buildings		249	216	249	216
Other		113	53	113	53
Other operating expenses	7 (i)	4,253	3,389	4,253	3,389
		7,282	6,238	7,282	6,238

	Note	Consolidated		University	
		1998 \$'000	1997 \$'000	1998 \$'000	1997 \$'000
<i>Administration and other general institutional services</i>					
Non-academic staff salaries		5,870	5,770	5,870	5,770
Non-academic staff salary related costs	8	2,508	2,150	2,508	2,150
Depreciation expense					
Computing equipment		89	89	89	89
Buildings		224	220	224	220
Other		84	70	84	70
Other operating expenses	7 (i) & (ii)	12,725	11,268	12,725	11,268
		21,500	19,567	21,500	19,567
<i>Other</i>					
Non-academic staff salaries		1,207	1,509	777	986
Non-academic staff salary related costs	8	48	41	48	41
Depreciation expense					
Buildings		81	81	81	81
Other		20	22	6	6
Other operating expenses	7 (i)	1,872	1,573	411	168
		3,228	3,226	1,323	1,282
Total operating expenses before abnormal items		148,383	141,317	146,478	139,373

	Note	Consolidated		University	
		1998 \$'000	1997 \$'000	1998 \$'000	1997 \$'000
7 (i) The following non-salary expenses incurred during the reporting period and included as other operating expenses above:					
Cleaning		967	930	967	930
Communications		2,113	1,516	2,113	1,516
Consultancy services	a)	1,533	1,565	1,533	1,565
Consumables		13,939	13,784	13,939	13,784
Electricity and heating fuels		2,644	2,497	2,644	2,497
Loss on disposal obsolete equipment		2,545		2,545	
Minor equipment		4,557	4,944	4,557	4,944
Minor works		704	453	704	453
Other	b)	5,323	9,064	3,862	4,963
Photocopying		976	976	799	50,832
Postage		989	989	982	
Repairs and maintenance		4,662	3,020	4,662	3,020
Security services		740		740	
Staff development		655	655	493	
Stipends & scholarships		4,545	5,488	4,545	5,488
Subscriptions		575	575	420	
Travel		3,365	3,399	3,365	3,399
		50,832	46,660	49,371	45,253

Notes:

a) This amount was previously shown as part of other expenses.

b) The category 'Other' is represented by a number of items which, individually, are less significant.

7 (ii) The increase in other administration expenses for the year includes the following :

Increased security expenses over prior year	740	740
Increased megalink charges over prior year	260	260
	1,000	1,000

	Note	Consolidated		University	
		1998 \$'000	1997 \$'000	1998 \$'000	1997 \$'000
8. SALARY RELATED EXPENSES					
The following salary related expenses were incurred during the reporting period:					
Contributions to superannuation & pension schemes:					
Emerging costs		1,695	1,837	1,695	1,837
Funded		9,952	9,739	9,952	9,739
Provisions for future emerging costs		238	(345)	238	(345)
Payroll tax		5,180	4,791	5,180	4,791
Workers' compensation		686	676	686	676
Other – allowances		17	637	17	637
		17,768	17,335	17,768	17,335

Note: Annual leave and long service leave payments are included as part of staff salaries. The current year figures reflect changes in the provisions.

9. AUDITORS' REMUNERATION

The amount due and payable to the Auditor-General in connection with auditing the 1998 accounts is \$65,500 (1997: \$65,500). The Auditor-General received no other benefits.

10. EXPENSES

The following expenses were incurred during the reporting period and are included as operating expenses in Note 7 above:					
Depreciation expense					
Computing equipment		931	1,237	931	1,237
Library collections		1,461	1,302	1,461	1,302
Buildings		2,853	2,842	2,853	2,842
Leasehold improvements		387	387	387	387
Other equipment		2,296	2,224	2,282	2,208
		7,928	7,992	7,914	7,976

Note	Consolidated		University	
	1998 \$'000	1997 \$'000	1998 \$'000	1997 \$'000

11. ABNORMAL ITEMS

Note:
 (a) In 1997 the University undertook statistical tests aimed at verifying the completeness of library books. As a result of that exercise, a write-down of \$2,406,000 was recorded to reflect the value of books not existing.
 (b) Investment income on Government and Semi Government investments brought to account for the first time in 1997. [Refer Note 1.(e)].

The following abnormal items are included in the operating result:					
Write-down valuation of library collection	(a)	-	(2,406)	-	(2,406)
Cost of redundancy program in 1997			(6,367)	-	(6,367)
Investment income on Government & Semi Government investments brought to account for years prior to 1997	(b)		3,068	-	3,068
		-	(5,705)	-	(5,705)

12. NON-MONETARY RESOURCES RECEIVED FREE OF CHARGE

Non-monetary resources given to the University or its controlled entities:					
Library collections		224	237	224	237
Works of art, cultural collections		45	8	45	8
		269	245	269	245

	Note	Consolidated		University	
		1998 \$'000	1997 \$'000	1998 \$'000	1997 \$'000
13. RECEIVABLES					
<i>(i) Current</i>					
Debtors		1,752	1,828	1,364	1,581
Less provision for doubtful debts	1(c)	36	89	36	89
		1,716	1,739	1,328	1,492
Accrued revenue		918	487	894	474
Sundry loans and advances		–	17	–	17
		2,634	2,243	2,222	1,983
<i>(ii) Non-current</i>					
Sundry loans and advances		–	3	–	3
		–	3	–	3
14. INVESTMENTS					
	1(d)				
<i>(i) Current</i>					
Property Trusts		867	–	867	–
At call deposits at market value		4,087	6,749	2,965	6,485
Shares and securities at market value		19,809	894	19,809	–
Investment with trustee		760	760	760	760
Bank bills at market value		17,090	38,956	17,090	38,956
Gov't & Semi Gov't securities at market value		384	43	384	43
		42,997	47,402	41,875	46,244
<i>(ii) Non-current</i>					
Gov't & Semi Gov't securities at market value		29,468	22,144	29,468	22,144
Shares – unlisted		107	107	107	107
		29,575	22,251	29,575	22,251
Property held for investment purposes					
– at Aust Valuation Office market value 1994		8,035	8,215	8,035	8,215
– at cost		292	–	292	–
		37,902	30,466	37,902	30,466

	Note	Consolidated		University	
		1998 \$'000	1997 \$'000	1998 \$'000	1997 \$'000
15. INVENTORIES	1 (e)				
Current					
Printing and photography materials – at cost		15	71	15	71
Computer shop stores		546	162	546	162
Other materials and stores – at cost		102	107	102	107
		663	340	663	340
16. OTHER CURRENT ASSETS					
Development of new FMIS		514	–	514	–
Prepayments		221	116	214	90
		735	116	728	90
17. PROPERTY, PLANT & EQUIPMENT	1 (f)				
Land	1 (g)				
at government valuation		6,982	6,982	6,982	6,982
at cost		1,470	1,470	1,470	1,470
Buildings					
at AVO market value 1994		1,287	1,287	1,287	1,287
AVO replacement value 1994		266,205	266,205	266,205	266,205
accumulated depreciation		(59,104)	(56,353)	(59,104)	(56,353)
		207,101	209,852	207,101	209,852
Leasehold improvements					
AVO replacement value 1994		38,474	38,474	38,474	38,474
accumulated amortisation		(11,924)	(11,537)	(11,924)	(11,537)
		26,550	26,937	26,550	26,937
Buildings under construction					
at cost		9,522	4,191	9,522	4,191
Buildings: improvements & additions					
at cost		11,420	9,818	11,420	9,818
accumulated depreciation		(286)	(183)	(286)	(183)
		11,134	9,635	11,134	9,635
Plant and equipment					
at cost		52,648	49,341	52,423	49,092
accumulated depreciation		(23,186)	(21,550)	(23,105)	(21,483)
		29,462	27,791	29,318	27,609

	Note	Consolidated		University	
		1998 \$'000	1997 \$'000	1998 \$'000	1997 \$'000
Plant and equipment at University valuation		33,712	33,971	33,712	33,971
accumulated depreciation		(3,352)	(3,149)	(3,352)	(3,149)
		30,360	30,822	30,360	30,822
Total property, plant and equipment – written down book value		323,868	318,967	323,724	318,785

1998 CONSOLIDATED FIGURES ONLY

	Asset value \$'000	Accumulated Depreciation \$'000	Asset value \$'000
Plant and equipment – at cost			
Computing equipment	9,321	6,257	3,064
Motor vehicles	2,833	307	2,526
Works of art, cultural collections	259	–	259
Library collections	13,727	3,001	10,726
Other equipment	26,508	13,621	12,887
	52,648	23,186	29,462
Plant and equipment – at University valuation			
Works of art, cultural collections	1,836	–	1,836
Library collections	31,876	3,352	28,524
	33,712	3,352	30,360

		Consolidated		University	
	Note	1998 \$'000	1997 \$'000	1998 \$'000	1997 \$'000
18. CREDITORS					
<i>Current</i>					
	1(i)				
Creditors		6,119	6,890	6,352	7,080
Income received in advance		9,901	10,478	9,640	10,249
		16,020	17,368	15,992	17,329
19. BORROWINGS					
<i>Current</i>					
Bank overdraft		–	195	–	195
Other		67	149	67	67
		67	344	67	262
20. ACCRUED LIABILITIES					
<i>(i) Current</i>					
Accrued expenses					
	1(j)				
Salaries and wages accrued		1,846	1,787	1,846	1,787
Other		636	384	613	373
		2,482	2,171	2,459	2,160
Provisions					
for annual leave	1(k)	1,875	2,070	1,861	2,051
for long service leave	1(k)	7,503	8,011	7,503	8,011
for superannuation	1(k)	1,146	1,192	1,146	1,192
		10,524	11,273	10,510	11,254
		13,006	13,444	12,969	13,414
<i>(ii) Non-current</i>					
Provisions					
for long service leave	1(k)	3,120	3,078	3,120	3,078
for superannuation	1(k)	21,373	21,898	21,373	21,898
		24,493	24,976	24,493	24,976

21. ACCUMULATED RESULTS OF OPERATIONS

(i) *Restricted Funds*

The Statement of Financial Position combines a number of funds which, under granting conditions, can only be utilised for specified expenditure purposes. These special purposes cannot be allocated to general purpose expenditure categories.

Restricted funds comprise:

(ii) *Trust funds*

– donations for endowments and specified purposes such as prizes and scholarships. These funds are accounted for in a separate ledger and are invested in accordance with the *Trustee Act 1898*.

(i) *Other restricted funds*

– specific research grants and consultancies

	Note	Consolidated		University	
		1998 \$'000	1997 \$'000	1998 \$'000	1997 \$'000
General Trust funds		6,366	6,118	6,366	6,118
Permanent Trust funds	(a)	5,079	5,023	5,079	5,023
		11,445	11,141	11,445	11,141
Balance at end of previous year		11,141	9,208	11,141	9,208
Transfer from/(to) accumulated funds		304	1,933	304	1,933
Balance at end of year		11,445	11,141	11,445	11,141

(a) In 1998 a review of the legality of Trust accounts was carried out. As a result of this exercise, \$712,000 was no longer identified as Trust funds, hence is included as part of general purpose funds.

(ii) *Reserves*

Asset revaluation reserve					
Balance at end of previous year		272,832	270,910	272,798	270,876
Add: revaluation increments on					
– investments			1,922		1,922
Less: revaluation decrements	(a)	(1,866)	(13)	(1,866)	
Balance at end of year		270,966	272,819	270,932	272,798

(a) Movement for year represents revaluation decrements on long term investments.

(iii) *Accumulated funds*

Balance at end of previous year		59,769	46,644	58,328	45,494
Less: liability to consolidated entities not previously recognised					(378)
Adjusted balance at 1 January 1997		59,769	46,644	58,328	45,116
Add: operating result (inclusive of transfers)		13,502	13,125	13,357	13,212
Balance at end of year		73,271	59,769	71,685	58,328

22. NOTES TO THE STATEMENT OF CASH FLOWS

(i) *Reconciliation of cash*

For the purposes of the Statement 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 Statement of Cash Flows, is reconciled to the related items in the Statement of Financial Position as follows:

		Consolidated		University	
	Note	1998 \$'000	1997 \$'000	1998 \$'000	1997 \$'000
Cash		469	337	469	337
Short term deposits at call	14	4,087	6,749	2,965	6,485
Bank bills of exchange	14	17,090	38,956	17,090	38,956
Bank overdraft	19		(195)		(195)
		21,646	45,847	20,524	45,583

(ii) *Non-cash financing and investing activities*

During the reporting period the University acquired plant and equipment with an aggregate fair value of \$269,000 (1997 \$245,000) by means of donations. These acquisitions are not reflected in the Statement of Cash Flows.

(iii) *Credit standby arrangements with banks*

Credit facility	500	500	500	500
Amount used	–	–	–	–
Unused credit facility	500	500	500	500

A bank overdraft facility of \$100,000 exists with the Commonwealth Bank. The total value of credit for Mastercards issued is \$400,000. Interest on overdrawn amounts is at the market rate of interest. The facilities were unused in 1998.

	Note	Consolidated		University	
		1998 \$'000	1997 \$'000	1998 \$'000	1997 \$'000
<i>(iv) Reconciliation of net cash used in operating activities to operating result</i>					
Operating result		13,292	15,058	13,147	15,145
Depreciation		7,950	7,992	8,307	7,976
Provision for doubtful debts		(36)	(28)	(36)	(28)
Change in assets and liabilities					
(Increase)/decrease in Receivables		76	413	217	439
(Increase)/decrease in inventories		(323)	(174)	(323)	(174)
(Increase)/decrease in sundry loans & advances		17	190	17	190
(Increase)/decrease in accrued revenue		(431)	301	(418)	303
(Increase)/decrease in other assets		(105)	259	(121)	261
(Decrease)/increase in income in advance		(577)	(443)	(609)	(435)
(Decrease)/increase in creditors		(146)	2,504	(103)	2,398
(Decrease)/increase in accrued expenses		(314)	518	(326)	511
(Decrease)/increase in employee entitlements		(1,232)	(1,199)	(1,227)	(1,182)
(Decrease)/ increase in other borrowings		(277)	34	(195)	1
Donations property plant & equipment		(269)	(245)	(269)	(245)
Abnormal loss on write-down of library valuation		–	2,406	–	2,406
Loss on sale of property, plant and equipment		2,467	360	2,467	360
Gains on sale of property, plant and equipment		–	(171)	–	(171)
Commonwealth government grants		(89,696)	(94,034)	(89,696)	(94,034)
Tasmanian government grants		(3,306)	(3,186)	(3,606)	(3,186)
Other (i.e. government/agencies)		(5,578)	(6,000)	(5,578)	(6,000)
Net cash provided or used by operating activities		(78,488)	(75,445)	(78,352)	(75,465)
<i>(v) Payments for property, plant and equipment</i>					
Purchases:					
Buildings		6,955	3,704	6,955	3,704
Works of art, cultural collections		21	–	21	–
Library collections		2,041	2,523	2,041	2,523
Motor vehicles		1,627	1,241	1,627	1,241
Computing equipment		1,660	756	1,660	756
Other equipment		3,154	3,367	3,154	3,339
		15,458	11,591	15,458	11,563

23. ACTIVITIES NOT CONSOLIDATED

(i) *Australian Music Examinations Board*

The Conservatorium of Music organises and conducts examinations on behalf of the Australian Music Examinations Board (AMEB). The major sources of income are a grant from the Tasmanian Government and examination entry fees. The University of Tasmania acts as the management agent for the AMEB.

(ii) *Cooperative Research Centres*

In 1991 the Commonwealth Government established its Cooperative Research Centre (CRC) program to conduct large-scale research in areas of economic significance to Australia. To date, the University of Tasmania has been successful with three applications, in collaboration with partners from industry and other research organisations. They are:

- (a) The Cooperative Research Centre for Antarctica and the Southern Ocean
- (b) The Cooperative Research Centre for Temperate Hardwood Forestry
- (c) Co-operative Research Centre for Aquaculture

The Cooperative Research Centre for Antarctica and the Southern Ocean has as partners: the University; the CSIRO Division of Oceanography; the Antarctic Division of the Department of Arts, Sport and the Environment; the Bureau of Meteorology; and the Bureau of Mineral Resources Geology and Geophysics.

The Australian Research Centre for Temperate Hardwood Forestry involves the University; the CSIRO Division of Forestry; the Tasmanian Forestry Commission; Australian Newsprint Mills Ltd; and North Broken Hill Ltd.

The Cooperative Research Centre for Aquaculture involves the University; CSIRO Division of Fisheries; Department of Primary Industry, Queensland; Department of Primary Industry, Fisheries and Energy, Tasmania; NSW Department of Fisheries; James Cook University; University of Technology, Sydney; Australian Institute of Marine Science; SALTAS, Tasmania; Department of Industry and Fisheries, Northern Territory; Darwin Pearl Shell Hatchery; Mossman Central Mill; University of Central Queensland; Northern Territory University; and South Australian Research and Development Institute.

The University's cash and in-kind contributions to the CRCs have been brought to account as part of the University's consolidated financial statements.

	Note	Consolidated		University	
		1998 \$'000	1997 \$'000	1998 \$'000	1997 \$'000
24. COMMITMENTS					
<i>(i) Capital expenditure commitments</i>					
Contracted but not provided for and payable: not later than one year		7,417	3,697	7,417	3,697
<i>(ii) General commitments</i>					
As at 31 December 1998, commitments recorded against funds were as follows:					
General Trust funds		592	461	592	461
Operating funds		3,993	1,251	3,993	1,251
Other discretionary funds		392	170	392	170
Independent activities		164	741	164	741
		5,141	2,623	5,141	2,623
25. INVESTMENT MATURITIES					
Details of the University's non-property investments at market value by maturity date are as follows:					
not later than one year		42,997	47,402	41,875	46,244
later than one year but not later than two years		313	1,046	313	1,046
later than two years but not later than five years		13,862	8,215	13,862	8,215
later than five years		15,293	12,882	15,293	12,882
		72,465	69,545	71,343	68,387
No fixed maturity date:					
Shares – unlisted		107	107	107	107
Sub-total		72,572	69,652	71,450	68,494
Property held for investment		8,327	8,215	8,327	8,215
Total of investments		80,899	77,867	79,777	76,709

Statement of Certification

The accompanying Financial Statements of the University of Tasmania and its controlled entities have been prepared in compliance with the provisions of the *Financial Management and Audit Act 1990* from proper accounts and records to present fairly the financial transactions or the period ended 31 December 1998 and the state of affairs as at 31 December 1998.

At the date of signing we are not aware of any circumstances which would render the particulars included in the Financial Statements misleading or inaccurate.



.....
D. McNicol
Vice-Chancellor & Principal
UNIVERSITY OF TASMANIA



.....
R.M. Easther
Director Financial Services
UNIVERSITY OF TASMANIA

INDEPENDENT AUDIT REPORT

TO THE MEMBERS OF THE UNIVERSITY COUNCIL

UNIVERSITY OF TASMANIA

Scope

I have audited the financial report of the University of Tasmania comprising Operating, Financial Position and Cash Flows Statements and notes thereto, for the year ended 31 December 1998. The financial statements comprise the accounts of the University and the consolidated accounts of the economic entity, being the University and its controlled entities. The members of the Council of the University of Tasmania are responsible for the financial report. I have conducted an independent audit of the financial report in order to express an opinion on it to the members.

The audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the financial report is free of material misstatement. My procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with Australian Accounting Standards, other mandatory professional reporting requirements so as to present a view which is consistent with my understanding of the financial position of the University of Tasmania, the results of its operations and its cash flows.

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

Audit Opinion

In my opinion the financial report presents fairly in accordance with applicable legislation, Accounting Standards and other mandatory professional reporting requirements, the financial position of the University of Tasmania as at 31 December 1998, and the results of its operations and its cash flows for the year then ended.



A J McHugh
AUDITOR-GENERAL

17 June 1999

HOBART

ENQUIRIES

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