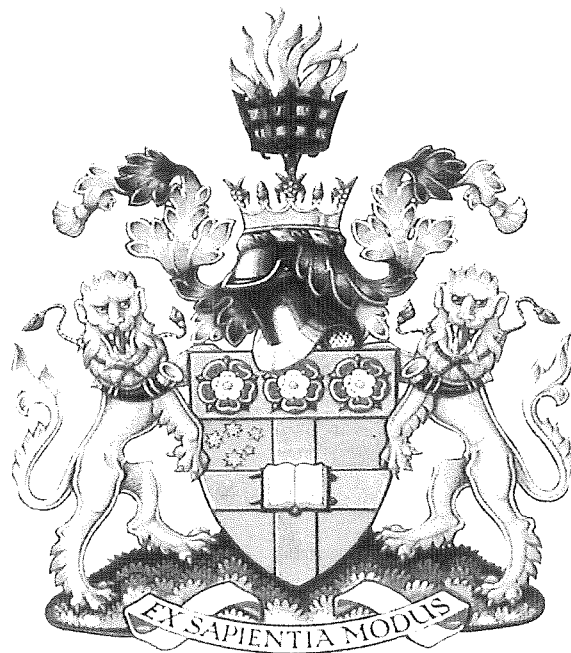


University of New England



**Financial Report
for the year ended
31 December, 2007**



GPO BOX 12
Sydney NSW 2001

INDEPENDENT AUDITOR'S REPORT

UNIVERSITY OF NEW ENGLAND AND CONTROLLED ENTITIES

To Members of the New South Wales Parliament

I have audited the accompanying financial report of University of New England (the University), and the University and controlled entities (the consolidated entity), which comprises the balance sheet as at 31 December 2007, and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes. The consolidated entity comprises the University and the entities it controlled at the year's end or from time to time during the financial year.

Auditor's Opinion

In my opinion, the financial report:

- presents fairly, in all material respects, the financial position of the University and the consolidated entity as of 31 December 2007, and of their financial performance and their cash flows for the year then ended in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations)
- is in accordance with section 41B of the *Public Finance and Audit Act 1983* (the PF&A Act) and the Public Finance and Audit Regulation 2005
- complies with the 'Financial Statement Guidelines for Australian Higher Education Providers for the 2007 Reporting Period', issued by the Australian Government Department of Education, Employment and Workplace Relations, pursuant to the *Higher Education Support Act 2003*, the *Higher Education Funding Act 1988* and the *Australian Research Council Act 2001*.

Council's Responsibility for the Financial Report

The Council is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the PF&A Act. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Council as well as evaluating the overall presentation of the financial report.

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

My opinion does *not* provide assurance:

- about the future viability of the University or the consolidated entity,
- that they have carried out their activities effectively, efficiently and economically, or
- about the effectiveness of their internal controls.

Independence

In conducting this audit, the Audit Office has complied with the independence requirements of the Australian Auditing Standards and other relevant ethical requirements. The PF&A Act further promotes independence by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General, and
- mandating the Auditor-General as auditor of public sector agencies but precluding the provision of non-audit services, thus ensuring the Auditor-General and the Audit Office are not compromised in their role by the possibility of losing clients or income.



G J Gibson FCPA
Assistant Auditor General

28 April 2008
SYDNEY

University of New England

Report by the Members of the Council

The members of the Council present their report on the consolidated entity consisting of the University of New England and the entities it controlled at the end of, or during, the year ended 31 December 2007.

Members

The following persons were members of the Council of the University of New England during the whole of the year and up to the date of this report:

Associate Professor Herman Beyersdorf
Mr John Cassidy
Ms Fiona Giuseppi
Mr James Harris
Ms Kay Hemsall
Ms Jill Hickson
The Hon William Lloyd Lange
Associate Professor Jeanne Madison
Ms Ann Maurer
Ms Jan McClelland
Professor Alan Pettigrew - Vice-Chancellor
Dr Laurie Piper
Rev Judy Redman
The Hon Richard Torbay MP
Mr Leslie Wells
Mr Scott Williams

The following persons were appointed members in 2007 and continue in office at the date of this report:

Dr Col Gellatly (appointed 2 July 2007)
Professor Ellis Magner (appointed 5 February 2007)

The following persons were members in 2007:

Professor Majella Franzmann (resigned 5 February 2007)

Meetings of Members

The numbers of meetings of the members of the University of New England's Council and each Committee of Council and Committee reporting to Council held during the year ended 31 December 2007, and the numbers of meetings attended by each member is attached.

Principal Activities

During the year the principal continuing activities of the University consisted of:

- (a) the provision of facilities for education and research;
- (b) the provision of courses of study across a range of disciplines;
- (c) the conferring of degrees at Bachelor, Master and Doctoral levels as well as the awarding of other diplomas and certificates;
- (d) the encouragement, dissemination and advancement of knowledge through free enquiry;
- (e) participation in public discourse;
- (f) administration in support of teaching, learning and research activities; and
- (g) community engagement in cultural, sporting professional, technical and vocational services.

There were no significant changes in the nature of the activities of the University during the year.

Review of Operations

A review of the operations of the University of New England during the year is provided in the Vice Chancellor's report.

Significant Changes in the State of Affairs

No significant changes in the nature of the activities of the consolidated entity occurred during the year.

Matters Subsequent to the End of the Financial Year

There has not been any matter or circumstance, other than that referred to in the financial statements and notes following, that has arisen, significantly affected, or may significantly affect, the operations of the University, the results of those operations, or the state of affairs in future financial years.

Likely Developments and Expected Results of Operations

In 2006, the University, following extensive consultation, announced plans for the restructuring of UNE's Academic Organisational Structure and released its Strategic Plan for 2007 - 2010, Achieving Regional and Global Impact.

During 2007 the reorganisation of Faculties and Schools of the University were completed with the replacement of four Faculties with two Faculties, the Faculty of the Professions and the Faculty of Arts and Sciences. Transitional Heads of Schools and academic Directors for these schools were put in place following an internal recruitment process. An international recruitment process for the permanent Heads of Schools and for new positions for the smaller Senior Management Team reporting directly to the Vice-Chancellor were advertised internationally during late 2007.

The establishment of the new Faculties and Schools has enabled surplus buildings to be decommissioned for demolition. The costs of their decommissioning and a provision for their removal have been included in the 2007 annual accounts.

In July 2006, the Prime Minister announced the establishment of a joint medical programme between the University of New England and the University of Newcastle in conjunction with Hunter New England Area Health Service. The Commonwealth approved funding for 80 student places, 20 at the University of Newcastle and 60 at the University of New England, with admissions to commence at the beginning of the 2008 academic year.

The University of New England completed its capital upgrade programme for the Medical school on schedule with the first intake of students commencing in early 2008.

Environmental regulation

During the year there were no significant environmental regulations of the University other than that referred to in the financial statements and notes following.

The significant environmental regulations to which the University is subject are as follows:

- Environmental Planning and Assessment Act 1979 No 203
- Environmental Planning and Assessment (Affordable Housing) Act 2000 No 29
- Environmental Planning and Assessment (Infrastructure and Other Planning Reform) Act 2005 No 43
- Environmental Trust Act 1998 No 82
- Environmental Hazardous Chemicals Act 1985 No 14
- Heritage Act 1977 No 136

Insurance of officers

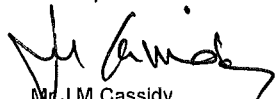
In 2007, the University held comprehensive insurance policies in relation to Directors and Officers, Industrial Special Risk (including machinery breakdown), Professional Indemnity, Motor Vehicle, Personal Accident (including travel), Goods in Transit, Marine and Workers' Compensation.

The annual premium of \$40,250 for Directors and Officers Insurance covered the period 1 November 2006 to 31 October 2007. Insurance has been renewed for the period 1 November 2007 to 31 October 2008 at a cost of \$51,350.

Proceedings on behalf of the University

There are no material matters resulting in claims against the university that are required to be reported in this Report or in the financial report.

This report is made in accordance with a resolution of the members of Council of the University of New England.



M. J. M. Cassidy
Chancellor
Member of Council of the University of New England
Armidale NSW
11 April 2008

Council Meeting Attendance

In 2007, there were seven Council meetings. Attendance was as follows:

Council Member	No of Meetings Attended	
	Possible	Actual
Associate Professor Herman Beyersdorf	7	6
Mr John Cassidy	7	7
Professor Majella Franzmann (resigned 5/2/2007)	0	0
Dr Col Gellatly	4	3
Ms Fiona Giuseppi	7	6
Mr James Harris	7	7
Ms Kay Hemsall	7	6
Ms Jill Hickson	7	6
The Hon William Lloyd Lange	7	4
Associate Professor Jeanne Madison	7	7
Professor Ellis Magner	7	7
Ms Ann Maurer	7	6
Ms Jan McClelland	7	6
Professor Alan Pettigrew	7	7
Dr Laurie Piper	7	5
Rev Judy Redman	7	6
The Hon Richard Torbay, MP	7	4
Mr Leslie Wells	7	7
Mr Scott Williams	7	7

Standing Committee of Council - Attendance Record

Committee Member	No of Meetings Attended (out of 7 unless otherwise indicated) #
Mr John Cassidy	5
Ms Fiona Giuseppi	3 (out of 3)
Mr James Harris	6
Professor Alan Pettigrew	7
Professor Ellis Magner	6
Dr Laurie Piper	5
Mr Scott Williams	6

Audit and Compliance Committee - Attendance Record

Committee Member	No of Meetings Attended (out of 7 unless otherwise indicated) #
Mr John Cassidy	6
Ms Fiona Giuseppi	7
Mr James Harris	7
The Hon William Lloyd Lange	5
Ms Ann Maurer	4
Professor Alan Pettigrew	5
Mr Scott Williams	7

Infrastructure (Buildings and Grounds) Committee - Attendance Record

Committee Member	No of Meetings Attended (out of 8 unless otherwise indicated) #
Mr John Cassidy	5
Mr James Harris	8
Ms Kay Hempsall	7
Ms Jill Hickson	3
Professor Eilis Magner	5
Professor Alan Pettigrew	6
Dr Laurie Piper	7

Finance Committee - Attendance Record

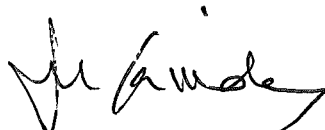
Committee Member	No of Meetings Attended (out of 10 unless otherwise indicated) #
Associate Professor Herman Beyersdorf	7
Mr John Cassidy	7
Ms Fiona Giuseppi	10
Mr James Harris	9
Professor Eilis Magner	7
Ms Ann Maurer	6
Professor Alan Pettigrew	8
Mr Scott Williams	10

Data for Council members only

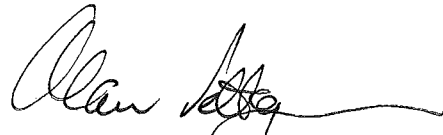
University of New England
FINANCIAL REPORT

In accordance with a resolution of the Council of the University of New England and pursuant to Sections 41C (1B) and (1C) of the Public Finance and Audit Act 1983, we state that:

- 1 The financial report represent a true and fair view of the consolidated financial position of the University and its controlled entities at 31 December 2007 and the result of their operations and transactions of the economic entity for the year then ended;
- 2 The financial reports have been prepared in accordance with the provisions of the New South Wales Public Finance and Audit Act 1983 and the Commonwealth's Financial Statement Guidelines for Australian Higher Education Providers for the 2007 Reporting period;
- 3 The financial reports have been prepared in accordance with Australian Accounting Standards, including the Australian Accounting Interpretations, and other authoritative pronouncements of the Australian Accounting Standards Board;
- 4 We are not aware of any circumstances which would render any particulars included in the financial report to be misleading or inaccurate;
- 5 There are reasonable grounds to believe that the University will be able to pay its debts as and when they fall due;
- 6 The amount of Commonwealth financial assistance expended during the reporting period was for the purpose(s) for which it was provided; and
- 7 The University has complied in full with the requirements of various programme guidelines that apply to the Commonwealth financial assistance identified in these financial report.



Mr J.M. Cassidy
Chancellor



Professor A. Pettigrew
Vice-Chancellor

Being Councillors of the University authorised in accordance with a resolution of Council pursuant to 41C(1C) of the Public Finance and Audit Act, as amended.

University of New England
Armidale, NSW
11 April 2008

Income statement

For the year ended 31 December 2007

		Consolidated		Parent entity	
	Notes	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
Revenue from continuing operations					
Australian Government financial assistance					
Australian Government grants	3	105,236	91,418	105,236	91,418
HECS-HELP - Australian Government payments	3	31,930	30,997	31,930	30,997
FEE-HELP	3	2,827	1,878	2,827	1,878
State and local Government financial assistance	4	2,140	1,324	2,140	1,324
HECS-HELP - Student Payments		7,178	6,600	7,178	6,600
Fees and charges	5	41,934	45,209	31,132	34,689
Investment income	6	3,413	2,721	2,727	2,191
Royalties, trademarks and licences	7	693	299	693	299
Consultancy and contracts	8	817	586	817	586
Other Revenue	9	9,534	10,225	5,440	6,728
Total revenue from continuing operations		205,702	191,257	190,120	176,710
Gain on disposal of assets		14	-	-	-
Shares of net results of associates and joint venture partnership accounted for using the equity method		46	7	-	-
Other Income	9	145	-	-	-
Total income from continuing operations before deferred Government superannuation contributions		205,907	191,264	190,120	176,710
Deferred Government Superannuation Contributions		(21,700)	(27,123)	(21,700)	(27,123)
Total revenue and income from continuing operations		184,207	164,141	168,420	149,587
Expenses from continuing operations					
Employee related expenses	10	115,120	113,313	106,412	104,923
Depreciation and amortisation	11	12,295	11,810	11,453	11,044
Repairs and maintenance	12	8,692	3,933	8,523	3,770
Finance costs	13	122	155	98	116
Losses on disposal of assets		2,243	252	2,237	272
Other expenses	14	63,360	60,207	57,430	54,207
Total expenses from continuing operations before deferred employee benefits for superannuation		201,832	189,670	186,153	174,332
Deferred Employee Benefits for Superannuation	10	(21,700)	(27,123)	(21,700)	(27,123)
Total expenses from continuing operations		180,132	162,547	164,453	147,209
Operating result before income tax		4,075	1,594	3,967	2,378

Income statement (continued)

	Consolidated		Parent entity	
Notes	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
Income tax expense	-	-	-	-
Operating result from continuing operations	4,075	1,594	3,967	2,378
Operating result from discontinued operations	-	1,619	-	-
Operating result after income tax for the period	4,075	3,213	3,967	2,378
Operating result attributable to minority interest	-	-	-	-
Operating result attributable to members of the University of New England	4,075	3,213	3,967	2,378

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

Balance sheet

As at 31 December 2007

	Notes	Consolidated		Parent entity	
		2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
ASSETS					
Current assets					
Cash and cash equivalents	15	40,880	36,594	34,295	28,960
Receivables	16	8,004	7,091	5,464	5,066
Inventories	17	608	998	317	672
Other non-financial assets	19	5,729	5,875	5,527	5,598
Biological assets	21	461	769	461	769
Total current assets		55,682	51,327	46,064	41,065
Non-current assets					
Receivables	16	74,996	96,693	74,902	96,602
Other financial assets	18	3,986	2,313	2,385	2,096
Investments accounted for using the equity method	20	7,045	6,999	-	-
Property, plant and equipment	22	219,371	213,939	212,957	211,453
Intangible assets	23	7,641	8,164	6,965	7,481
Total non-current assets		313,039	328,108	297,209	317,632
Total assets		368,721	379,435	343,273	358,697
LIABILITIES					
Current liabilities					
Trade and other payables	24	2,353	2,262	1,109	897
Borrowings	25	344	692	286	634
Provisions	26	31,749	27,270	30,642	26,193
Other liabilities	27	18,522	17,931	17,359	17,083
Total current liabilities		52,968	48,155	49,396	44,807
Non-current liabilities					
Borrowings	25	703	339	609	228
Provisions	26	82,208	106,705	81,293	106,006
Total non-current liabilities		82,911	107,044	81,902	106,234
Total liabilities		135,879	155,199	131,298	151,041
Net assets		232,842	224,236	211,975	207,656
EQUITY					
Parent entity interest					
Reserves	28(a)	28,895	27,743	28,865	27,743
Retained surplus	28(b)	203,947	196,493	183,110	179,913
Total equity		232,842	224,236	211,975	207,656

The above balance sheet should be read in conjunction with the accompanying notes.

Statement of changes in equity

For the year ended 31 December 2007

	Consolidated		Parent entity		
	Notes	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
Total equity at the beginning of the year		224,236	213,602	207,656	198,820
Gain on revaluation of land and buildings, net of tax		-	6,512	-	6,354
Change in fair value of available-for-sale financial assets		352	104	352	104
Share of revaluation of land and buildings by joint venture, net of tax		-	805	-	-
Equity of newly acquired entity		4,179	-	-	-
Net income recognised directly in equity		4,531	7,421	352	6,458
Operating result for the year		4,075	3,213	3,967	2,378
Total recognised income and expense for the year		8,606	10,634	4,319	8,836
Total equity at the end of the year		232,842	224,236	211,975	207,656

The above statement of changes in equity should be read in conjunction with the accompanying notes.

Cash flow statement

For the year ended 31 December 2007

	Consolidated		Parent entity	
Notes	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
Cash flows from operating activities				
Australian Government Grants received	137,936	127,785	137,936	127,587
State Government Grants received	2,140	1,324	2,140	1,324
HECS-HELP - Student payments	7,178	6,600	7,178	6,600
Receipts from student fees and other customers	58,482	63,265	43,506	48,731
Dividends received	54	46	54	46
Interest received	3,107	2,491	2,637	1,981
Payments to suppliers and employees (inclusive of goods and services tax)	(180,307)	(185,948)	(165,307)	(165,955)
Interest and other costs of finance paid	(117)	(193)	(98)	(163)
GST recovered/paid	(5,990)	-	(5,864)	(5,093)
Net cash provided by / (used in) operating activities				
ii)	22,483	15,370	22,182	15,058
Cash flows from investing activities				
Proceeds from sale of property, plant and equipment	490	3,390	431	712
Proceeds from controlled entity	436	-	-	-
Payments for property, plant and equipment	(17,723)	(10,869)	(17,311)	(10,222)
Payments for financial assets	(1,384)	(1,304)	-	-
Net cash provided by / (used in) investing activities				
	(18,181)	(8,783)	(16,880)	(9,510)
Cash flows from financing activities				
Repayment of borrowings	(15)	(1,905)	-	(1,181)
Repayment of finance leases	(1)	(886)	33	(851)
Net cash provided by / (used in) financing activities				
	(16)	(2,791)	33	(2,032)
Net increase / (decrease) in cash and cash equivalents	4,286	3,796	5,335	3,516
Cash and cash equivalents at the beginning of the financial year	36,594	32,798	28,960	25,444
Cash and cash equivalents at the end of the financial year				
i)	40,880	36,594	34,295	28,960

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

Notes to the Cash Flow Statement

i) Components of cash

For the purposes of the Cash Flow Statement, the University considers cash to include cash on hand and deposits at call. Cash as shown in the Cash Flow Statement is reconciled to the Balance Sheet as follows:

	Consolidated		Parent entity	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
Cash	3,881	4,892	3,034	3,757
Deposits at Call	36,999	31,702	31,261	25,203
Cash as at end of reporting period	40,880	36,594	34,295	28,960

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ii) Reconciliation of operating result after income tax to net cash flow provided by / (used in) operating activities

	Consolidated		Parent entity	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
Operating result for the period	4,075	3,213	3,967	2,378
Depreciation and amortisation	12,282	11,810	11,453	11,044
Provision for impaired receivables	65	(473)	71	(463)
Deferred Superannuation Contribution Income	(21,700)	(27,123)	(21,700)	(27,123)
Deferred Superannuation Contribution Expense	21,700	27,123	21,700	27,123
Share in Operating Result of Joint Venture	(46)	(7)	-	-
Net (gain) / loss on sale of non-current assets	4,815	(1,361)	4,811	271
Increase/(Decrease) in Payables and Prepaid Income	(222)	1,321	196	2,124
Increase/(Decrease) in Provision for Employee Entitlements	(25,004)	(29,662)	(25,184)	(29,362)
Increase/(Decrease) in Provision for Annual Leave	1,418	(131)	1,335	(175)
Increase/(Decrease) in Other Provisions	3,585	3,225	3,585	3,228
Increase/(Decrease) in Trust Funds	291	170	291	170
(Increase)/Decrease in Receivables and Prepaid Expenses	20,803	27,335	21,302	25,984
(Increase)/Decrease in Inventories	421	(70)	355	(141)
Net cash provided by / (used in) operating activities	22,483	15,370	22,182	15,058

Notes to the financial statements
For the year ended 31 December 2007

University of New England
2007 Financial Report

Notes to and forming part of the financial statements

	Note
Summary of Significant Accounting Policies	Note 1.
Disaggregated information	Note 2.
Income	
	Note 3. Australian Government financial assistance including HECS-HELP and other Australian Government loan programmes
	Note 4. State and Local Government financial assistance
	Note 5. Fees and charges
	Note 6. Investment income
	Note 7. Royalties, trademarks and licences
	Note 8. Consultancy and contracts
	Note 9. Other revenue and income
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	Note 10. Employee related expenses
	Note 11. Depreciation and amortisation
	Note 12. Repairs and maintenance
	Note 13. Finance costs
	Note 14. Other expenses
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	Note 15. Cash and cash equivalents
	Note 16. Receivables
	Note 17. Inventories
	Note 18. Other financial assets
	Note 19. Other non-financial assets
	Note 20. Investments accounted for using the equity method
	Note 21. Biological assets
	Note 22. Property, plant and equipment
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	Note 24. Trade and other payables
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	Note 29. Key management personnel disclosures
	Note 30. Remuneration of auditors
	Note 31. Contingencies
	Note 32. Commitments
	Note 33. Controlled entities
	Note 34. Interest in Joint Ventures
	Note 35. Financial risk management
Acquittal DEEWR Financial Assistance	
	Note 36. Acquittal of Australian Government financial assistance
New Australian Accounting Standards issued but not effective	Note 37.
	Note 38. Related parties

Note 1. Summary of Significant Accounting Policies

(a) Basis of Accounting

University of New England ("the University") is a "statutory body" in terms of the Public Finance and Audit Act, 1983. The Financial Report of the University is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards (AAS), other authoritative pronouncements of the Australian Accounting Standards Board (AASB), the Public Finance and Audit Act 1983 and the Public Finance and Audit Regulation 2005.

Pursuant to the Higher Education Funding Act 1988, the University has presented the accounts in the format required by the Financial Statement Guidelines for Australian Higher Education Providers for the 2007 Reporting Period, as issued by the Department of Education, Employment and Workplace Relations (DEEWR). The only exception being that the management information system utilised by the University, has precluded the Institution from complying with DEEWR requirements for disclosure of, superannuation and pension breakdowns in note 10.0.

The Consolidated Financial Report of the University of New England has been prepared in accordance with the historical cost convention and, except where indicated, do not reflect current valuations of non-monetary assets. It has been prepared on a full accrual accounting basis.

The consolidated financial report has been prepared in accordance with Australian Equivalents to International Financial Reporting Standards, including Australian Accounting Interpretations. Australian Accounting Standards contain requirements specific to not-for-profit entities that are inconsistent with international Financial Reporting Standard requirements.

Report Format

Where an accounting term is used, and is not defined below, the definition contained in the Australian Accounting Standards applies.

Academic means members of staff, whether full-time or part-time, who are employed wholly or principally in teaching and/or research or to whom such persons are responsible in relation to their teaching or research. It excludes members of staff (e.g. technicians, research assistants, etc.) employed wholly or principally in support of other members of staff who are employed in research.

ARCA means *The Australian Research Council Act 2001*.

Australian Government Financial Assistance means financial assistance provided by the Australian Government under the HESA, the HEFA and the ARCA.

Buildings and Grounds means expenses relating to the planning, design, repair and maintenance of the plant, equipment and buildings of the institution and the maintenance of its grounds.

DEEWR means the Australian Government Department of Education, Employment and Workplace Relations.

Entity - Parent or Economic have the same meaning as defined in paragraph 11 of Australian Accounting Standard, AASB 101 "*Presentation of Financial Statements*".

Executive means the Chief Executive Officer and/or any person in a senior management position considered to be part of the University's executive group who is directly accountable and responsible for the strategic direction and operational management of the entity.

FEE-HELP is the Higher Education Loan Programme that provides a loan to eligible students, who are not Commonwealth supported, for part or all of their tuition fees for units of study undertaken with a body which is approved as a higher education provider under the HESA.

HECS-HELP was formerly known as HECS. HECS-HELP provides eligible Commonwealth supported students with assistance in paying their student contribution amount for Commonwealth supported units of study. It provides a loan to cover their student contribution and/or a discount if they choose to pay all, or at least \$500, of their student contribution up-front.

Higher Education means University as defined by the Australian Bureau of Statistics. See definition of University below.

HECS means Higher Education Contribution Scheme.

HEFA means the *Higher Education Funding Act 1988*.

HEP means an Australian institution of higher education as defined by section 4 of the *Higher Education Funding Act 1988* and/or an Australian higher education provider approved under Division 16 of the *Higher Education Support Act 2003*.

HESA means the *Higher Education Support Act 2003*.

Institution means an Australian Institution of higher education as defined by section 4 of the Higher Education Funding Act 1988.

Non-academic means members of staff who are not academic staff.

Remuneration has the same meaning as defined in paragraph Aus 9.1 of Australian Accounting Standard AASB 124 "Related Party Disclosures".

Responsible Person means a person in a position of fiduciary responsibility including trustees and members of governing bodies of the economic entity of the University.

State Government means State or Territory government.

VET (Vocational Education and Training) means units of a higher education provider which are designated vocational education and training courses.

University means units mainly engaged in providing university undergraduate or postgraduate teaching or research. (ABS definition.)

(b) Principles of Consolidation

The Consolidated Financial Report combines the Financial Report of all entities that comprise the economic entity, being the University of New England and its controlled entities as defined in AASB 127 "Consolidated and Separate Financial Statements". AASB 127 defines control as "the power to govern the financial and operating policies of an entity or business so as to obtain benefits from its activities."

The effects of all material transactions, between entities included in the consolidated accounts, have been eliminated in full. The entities, which have been consolidated are: UNE Partnerships Pty Limited, Agricultural Business Research Institute (company limited by guarantee), International Livestock Research & Information Centre Ltd (company limited by guarantee), Services UNE Limited (company limited by guarantee), The University of New England Sports Association (Sport UNE), UNE Vision Pty Limited and Remarkspdf Pty Ltd (formerly UNE Rural Properties Pty Ltd).

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

(c) Authorisation of the Financial Report

The consolidated financial report for the year ended 31 December 2007 was authorised for issue in accordance with a resolution of the Council on 11 April 2008.

(d) Changes in Accounting Policies

During 2005, UNE changed its accounting policy to comply with AIFRS. These standards were implemented to the financial statement retrospectively. The University has consistently applied all accounting policies applicable under AIFRS in 2007.

(e) Reclassification of Financial Information and Comparatives

Where necessary, comparative information has been reclassified to achieve consistency in disclosure with current financial year amounts and other disclosures.

(f) **Valuation of Non-Current Assets (includes Biological)**

Items of property, plant and equipment have been recognised in the Financial Report as follows:

(i) **Land and Buildings**

Land controlled by the University was revalued (Desktop Update) as at 31 December 2006 by L.M.Knight AAPI, DURP a registered Land Valuer.

The value determined herein is the Fair Value of the Asset for accounting (Financial reporting) purposes in accordance with AASB 1041 "Revaluation of Non-Current Assets" and AASB 116 "Property, Plant and Equipment". The concept of "Fair Value" is founded on the belief that market measurement of the highest and best use of an asset is consistent with rational economic behaviour, being that the seller will always seek the best price and the buyer that offers the best price will always be the buyer that has the highest and best use of the asset. This determination proceeds on that basis.

Buildings controlled by the University were revalued as at 31 December 2005, by Edward Rushton Australia Pty Ltd and represent written down fair value, in accordance with AASB 116 "Property, Plant and Equipment" para 31-42. Buildings were previously revalued as at 31 December 2002

The University has adopted the Gross Valuation Method in bringing to account the reinstated new value and subsequent Accumulated Depreciation for Buildings.

(ii) **Biological Assets (Current)**

In accordance with AASB 141 "Agriculture" UNE has classified Livestock as a Biological Asset net of point-of-sale costs.

(iii) **Plant and Equipment**

Plant and equipment, including computer software, with an initial purchase price of \$5,000 or greater, owned by the University, as at 31 December 2007, has been recognised at written-down acquisition cost in accordance with Treasury guidelines. Assets purchased for less than \$5,000 are expensed and 'attractive' Plant and Equipment owned by the subsidiaries of the University are valued at original cost less accumulated depreciation in accordance with accounting standards.

(iv) **Library Collections**

A valuation of the UNE Library Books and Periodicals was provided by Australia Pacific Valuers as at 31 December 2005 at Fair Value.

(v) **Museums and Other Collections (including Works of Art)**

The University's Museums and Other Collections, existing as at 31 December 2007, have been recognised in the accounts following an independent valuation.

Works of Art were revalued, at 31 December 2004, by the New England Regional Art Museum. The revaluation resulted in the establishment of an Asset Revaluation Reserve for Works of Art. The previous valuation was provided by the New England Regional Art Museum in 2000.

(vi) **Infrastructure Assets**

Infrastructure assets, existing at 31 December 2007, were revalued by L M Knight & Co and represent the written down replacement costs. The previous valuation was provided by L M Knight & Co during 2003.

The report was prepared for Financial Reporting purposes having regard to the requirements of the then AASB 1041 "Revaluation of Non-Current Assets" and AASB 116 "Property, Plant and Equipment". The carrying amount identified herein is considered to represent the Fair Value determined for the Infrastructure items being the current replacement cost less accumulated depreciation.

(vii) **Research and Development, Patents, Trademarks and Licences and Other Assets**

Costs incurred are deferred to future periods to the extent that such costs are expected, beyond any reasonable doubt, to be recoverable. Deferred costs are amortised from the commencement of the sale of these materials, on a straight line basis, over the period of their expected useful life.

(viii) **Intangible Assets**

UNE recognises intangible assets in accordance with AASB 138 "Intangible Assets". Those intangible assets with a definite useful life are amortised over the period of their remaining useful life on a straight line basis.

(ix) **Impairment of Assets**

UNE conducts regular impairment reviews in accordance with AASB 136 "Impairment of Assets". Items of plant, property and equipment are assessed for impairment when there is an indication that impairment may have occurred whilst intangible assets are reviewed on annual basis for impairment.

(g) **Revaluation of Non-Current Assets**

In the normal course of events, revaluations of non-current assets will occur at three yearly intervals.

(h) **Depreciation**

Depreciation is calculated on a straight line basis to write off the net cost or revalued amount of each item of property, plant and equipment over its expected useful life. Land, Buildings under construction, Rare Books and Museums/Collections are not subject to depreciation. Estimates of remaining useful lives are made on a regular basis for all assets. In 2007, the life expectancy of a specific building has been reduced to 10 yrs while a new item of infrastructure has been identified to have a life expectancy of 10 yrs.

Buildings 10 - 60 yrs,	Furniture and Fittings - 10 yrs,
Infrastructure 10 - 60 yrs,	Other Plant and Equipment - 7 - 10 yrs,
Computing Implementation Costs & Software - 10 yrs,	Computing Equipment / Software - 3 - 5 yrs,
Motor Vehicles - 5 yrs,	Research and Development - 3 yrs,
Patents, Trademarks and Licences - 10 yrs,	Intangible Assets - 10 yrs,
Library Collection - 10 yrs,	Biological Assets (NA)

(i) **Inventories**

All inventories are stated at the lower of cost and current replacement cost, in accordance with AASB 102 "Inventories" unless otherwise indicated. Costs are assigned to individual items of stock on the following basis:

Inventory Type and Valuation Method

Printing and Binding Materials - FIFO
Petrol and Oils - Average Cost
College Stores - FIFO
Central Stores - Motor Pool - FIFO/Average Cost
Fodder and Produce - Average Cost
Other Stocks - FIFO

(j) **Non-Current Assets Constructed by the University**

The cost of non-current assets, constructed by the University, includes the cost of all direct labour and materials used in construction and interest on borrowings whilst under construction.

(k) **Maintenance and Repairs**

Maintenance, repair costs and minor renewals are charged to the Income Statement in the period in which the expenses are incurred.

(l) **Investments**

Investments are classified in the following categories: financial assets at fair value through profit or loss, receivables, deposits at call, term deposits, listed shares and unlisted shares. The classification depends on the purpose for which the investments were acquired.

Interests in listed and unlisted securities were brought to account at market value for the first time in 1995, previously at cost. As these investments are not traded, this class of asset will be revalued periodically in accordance with University policy, and dividend income recognised when received. All interest, accrued at year end, has been brought to account. At 31 December 2007, the University had total investments under management of \$33,646,056 (2006: \$27,298,982).

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term.

Receivables

Receivables are non derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the balance sheet date which are classified as non-current assets.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the University's management has the positive intention and ability to hold to maturity.

Fair Value

Shares are revalued each year at current market value on 31 December.

Increases or decreases in the value of non-current asset investments are required, by Australian Accounting Standards, to be credited directly to the asset revaluation reserve unless they are reversing a previous decrement charged to the Income Statement, in which case, the increment is credited to the Income Statement.

Decreases in the value of non-current asset investments are charged as investment losses, in the Income Statement, unless they reverse a previous increment credited to asset revaluation reserve, in which case, the decrement is debited to the asset revaluation reserve.

Where no ready market exists for investments, they are carried at the lower of cost or estimated recoverable amount, with any decrements charged to the Income Statement as investment losses.

Impairment

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

(m) Employee Benefits

The 2007 liability has been calculated as follows:

Annual leave, Sick Leave and Long Service Leave

Annual leave is treated as a current liability. Long service leave expected to be settled within twelve months is treated as a current liability and where settlement is expected beyond twelve months this is treated as a non-current liability. No material liability exists for sick leave. The long service leave liability is calculated for employees from date of appointment, inclusive of balances transferred from within the industry.

Employee benefits for untaken annual leave are accrued using the nominal method, at current pay rates, including appropriate salary on costs.

On 23 January 2008 UNE received an actuarial valuation of the accrued long service leave liability as at 31 December 2007 from KPMG Actuaries Pty Ltd Sydney. The actuarial estimate of the long service leave liability amounted to \$18.244m (comprised of \$15.461m current and \$2.783m non-current liability). The estimate was calculated on the basis of a \$16.849m net liability plus superannuation and on-costs of \$1.395m. The discounting of the future liability was based on yields obtainable from Commonwealth government bonds of various terms corresponding to the terms of the LSL cash flows. The discount rate used was gross of tax and in accordance with the requirements of AASB 119 "Employee Benefits". UNE has relied upon the results of this assessment to determine the balance of its long service leave provisions.

(n) Insurances

The University uses outside insurance for the following classes of cover:
Workers Compensation; Industrial Special Risks; General and Products Liability; Professional Indemnity; Medical Malpractice; Motor Vehicle; Corporate Travel; Marine Hull; Marine Cargo; Student Personal Accident, Directors and Officers, Contract Works, Public Liability and Asbestos Liability.

The policies for the insurances are current.

(o) Trade Receivables and Impairment

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost less provision for impairment. The terms of trade for trade receivables is 30 days from invoice date, unless specific contract arrangements deem otherwise.

The provision for impaired receivables is made in accordance with AASB 137 "Provisions and Contingent Liabilities." All bad debts are written off in the year in which they are recognised and are charged against the Income Statement.

Provision for impaired receivables is established by reference to any doubts as to the collectability of debts. This examination covered all classes of debtors. The Provision for impaired receivables, at 31 December 2007, was for UNE Parent \$533,289 (2006: \$462,709).

(p) Cash

For the purposes of the Cash Flow Statement, cash includes deposits, at call, which are readily convertible to cash on hand and which are used in the cash management function on a day-to-day basis, net of outstanding bank overdrafts.

(q) Financial Instruments

Financial Instruments give rise to positions that are a financial asset of either the University or its counterpart and a financial liability (or equity instrument) of the other party. For the University, these include cash at bank, receivables, investments, creditors, and borrowings. In accordance with AASB132 "Financial Instruments: Presentation", information is disclosed in note 35.0, in respect of the credit risk and interest rate risk of financial instruments. All such amounts are carried, in the accounts, at net fair value unless otherwise stated. The specific accounting policy, in respect of each class of such financial instrument, is stated hereunder.

Classes at cost	Other Classes at University Discretion
Cash, Receivables, Creditors, Borrowing Other Amounts Owing	Listed and Unlisted Shares

(r) New Australian Accounting Standards issued but not effective

- (i) The University did not early adopt any new accounting standards that are not yet effective.
- (ii) New Accounting Standards have not been adopted and are not yet effective are as set out in the schedule under note 37.

The University has assessed the impact of these new Standards and Interpretations and considers the impact are as set out in the schedule.

(s) Joint Ventures and Co-operative Research Centres

The University uses the equity method prescribed under AASB 131 "Interest in Joint Ventures", to account for its interest in National Marine Science Centre Pty Limited.

The University is a core support partner in research centres for Meat Quality and Sustainable Production of Cotton. The implications of AASB 131 "Interest in Joint Ventures" have been determined as not applicable for the current reporting period and, as such, their provisions have not been applied to these centres.

Investments in joint venture entities are accounted for, in the consolidated financial reports, using the equity method. Under this method, the consolidated entity's share of profits or losses of the joint venture entity is recognised as revenue in the consolidated Income Statement. Further information is disclosed in note 34.0.

(t) Revenue Recognition

UNE recognises revenue in accordance with AASB 118 "Revenue". Revenue is measured as fair value of the consideration received or receivable. In general, revenue is recognised, where it can be reliably measured, in the period to which it relates. However, where there is not an established pattern of income flow, revenue is recognised on a cash receipts basis.

(u) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset, or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to ATO is included with other receivables or payables in the balance

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

(v) Leased Non-Current Assets

Leased plant and equipment, over which the University or its controlled entities assume substantially all the risks and benefits of ownership, are classified as finance leases. Other leases are classified as operating leases.

Finance leases are capitalised. A lease asset and lease liability, equal to the present value of the minimum lease payments, are recorded at the inception of the lease. Capitalised lease assets are amortised on a straight line basis over the term of the relevant lease, or where it is likely the consolidated entity will obtain ownership of the asset, the life of the asset. Lease liabilities are reduced by repayment of principal. The interest components, of the lease payments, are charged to borrowing costs in the Income Statement.

For 2007, the interest expense associated with Finance Leases was \$97,927 (2006: \$97,253).

Payments made under operating leases are charged against profits, in equal instalments, over the accounting periods covered by the lease terms.

(w) Presentation in Australian Currency

All amounts are expressed in Australian currency

Notes to the financial statements
 31 December 2007
 (continued)

Note 2. Disaggregated information

Geographical [Consolidated Entity]

	Revenue		Results		Assets	
	2007	2006	2007	2006	2007	2006
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Australia	203,156	187,625	3,541	769	368,466	378,744
Asia	1,258	2,226	265	591	166	573
US/Canada	754	677	136	137	50	70
Other	739	484	133	97	39	48
	<u>205,907</u>	<u>191,012</u>	<u>4,075</u>	<u>1,594</u>	<u>368,721</u>	<u>379,435</u>

Note 3. Australian Government financial assistance including HECS-HELP and other Australian Government loan programmes

Notes	Consolidated		Parent entity	
	2007	2006	2007	2006
	\$'000	\$'000	\$'000	\$'000
(a) Commonwealth Grant Scheme and Other Grants				
36.1				
Commonwealth Grant Scheme#	57,092	50,055	57,092	50,055
Indigenous Support Fund	751	706	751	706
Equity Support Programme	627	546	627	546
Workplace Reform Programme	826	785	826	785
Workplace Productivity Programme	2,519	589	2,519	589
Learning & Teaching Performance Fund	1,506	2,218	1,506	2,218
Capital Development Pool	5,122	1,065	5,122	1,065
Collaboration and Structural Reform Programme	71	375	71	375
Total Commonwealth Grant Scheme and Other Grants	<u>68,514</u>	<u>56,339</u>	<u>68,514</u>	<u>56,339</u>
(b) Higher Education Loan Programmes				
36.2				
HECS-HELP	31,930	30,997	31,930	30,997
FEE-HELP	2,827	1,878	2,827	1,878
Total Higher Education Loan Programmes	<u>34,757</u>	<u>32,875</u>	<u>34,757</u>	<u>32,875</u>
(c) Scholarships				
36.3				
Australian Postgraduate Awards	1,281	1,259	1,281	1,259
International Postgraduate Research Scholarship	236	251	236	251
Commonwealth Education Cost Scholarships	719	487	719	487
Commonwealth Accommodation Scholarships	907	541	907	541
Total Scholarships	<u>3,143</u>	<u>2,538</u>	<u>3,143</u>	<u>2,538</u>
(d) DEEWR - Research				
36.4				
Institutional Grants Scheme	3,370	3,478	3,370	3,478
Research Training Scheme	7,946	8,201	7,946	8,201
Systemic Infrastructure Initiative		2,570		2,570
Research Infrastructure Block Grants	1,766	2,095	1,766	2,095
Regional Protection Scheme	584	510	584	510
Implementation Assistance Programme	46	-	46	-
Australian Scheme for Higher Education Repositories	101	-	101	-
Commercialisation Training Scheme	69	-	69	-
Graduate Skills Assessment	150	200	150	200
Total DEEWR - Research Grants	<u>14,032</u>	<u>17,054</u>	<u>14,032</u>	<u>17,054</u>
(e) Voluntary Student Unionism				
36.5				
VSU Transition Fund	3,900	-	3,900	-
Support for Small Businesses	380	-	380	-
Total VSU	<u>4,280</u>	<u>-</u>	<u>4,280</u>	<u>-</u>
(f) Australian Research Council				
36.6				
(i) Discovery				
36.6(a)				
Project	1,698	1,607	1,698	1,607
Total Discovery	<u>1,698</u>	<u>1,607</u>	<u>1,698</u>	<u>1,607</u>
(ii) Linkages				
36.6(b)				
Infrastructure Projects		175		175
	646	906	646	906
Total linkages	<u>646</u>	<u>1,081</u>	<u>646</u>	<u>1,081</u>

Includes the basic CGS grant amount, CGS - Regional Loading, CGS - Enabling Loading and HEFA Transition Fund.

Notes to the financial statements

31 December 2007

(continued)

Note 3. Australian Government financial assistance including HECS-HELP and other Australian Government loan programmes (continued)

Notas	Consolidated		Parent entity	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
(g) Other Australian Government financial assistance				
Co-operative Research Centres	2,917	3,289	2,917	3,289
Other Research Financial Assistance	6,324	8,714	6,324	8,714
Non-Research Financial Assistance	3,682	795	3,682	795
Total other Australian Government financial assistance	12,923	12,798	12,923	12,798
Total Australian Government financial assistance	139,993	124,292	139,993	124,292
Reconciliation				
Australian Government grants [a + c + d + e + f + g]	105,236	91,417	105,236	91,417
HECS-HELP - Australian Government payments	31,930	30,997	31,930	30,997
Other Australian Government loan programmes [FEE-HELP]	2,827	1,878	2,827	1,878
Total Australian Government financial assistance	139,993	124,292	139,993	124,292
(h) Australian Government Grants received - cash basis				
CGS and Other DEEWR Grants	68,641	58,338	68,641	58,338
Higher Education Loan Programmes	32,564	34,205	32,564	34,205
Scholarships	3,142	2,531	3,142	2,531
DEEWR research	14,032	17,054	14,032	17,054
Voluntary Student Unionism	4,280	-	4,280	-
ARC grants - Discovery	1,698	1,615	1,698	1,615
ARC grants - Linkages	646	1,082	646	1,082
Other Australian Government Grants	12,923	12,994	12,923	12,796
Total Australian Government Grants received - cash basis	137,926	127,819	137,926	127,621
OS-HELP (Net)	8	(34)	8	(34)
Total Australian Government funding received - cash basis	137,934	127,785	137,934	127,587
Note 4. State and Local Government financial assistance				
State Government Financial Assistance for various purposes were received by the University during the reporting period	2,140	1,324	2,140	1,324
Note 5. Fees and charges				
Course fees and charges				
Fee-paying overseas students	10,408	11,246	10,408	11,246
Fee-paying domestic postgraduate students	3,234	2,645	3,234	2,645
Fee-paying domestic undergraduate students	944	2,290	944	2,290
Fee-paying domestic non-award students	211	231	211	231
Other domestic course fees and charges	4,875	4,923	38	498
Total course fees and charges	19,672	21,335	14,835	16,910
Other non-course fees and charges				
Amenities and service fees	594	555	594	555
Student service fees	47	1,675	47	1,675
Parking fees	203	205	203	205
Conference income	831	598	831	598
College Residential Rental	11,207	11,530	11,207	11,530
Other Fees and Charges	9,380	9,311	3,415	3,216
Total other fees and charges	22,262	23,874	16,297	17,779
Total fees and charges	41,934	45,209	31,132	34,689
Note 6. Investment income				
Investment Income	3,359	2,675	2,673	2,145
Dividend Income	54	46	54	46
Total investment income	3,413	2,721	2,727	2,191
Note 7. Royalties, trademarks and licences	693	299	693	299
Note 8. Consultancy and contracts				
Consultancy	345	329	345	329
Contract research	472	257	472	257
Total consultancy and contracts	817	586	817	586

Notes to the financial statements
31 December 2007
(continued)

Notes	Consolidated		Parent entity	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
Note 13. Finance costs				
Reconciliation of Finance costs				
Finance lease interest rate	122	155	98	116
Less : amount capitalised	-	-	-	-
Total finance costs expensed	122	155	98	116
Note 14. Other expenses				
Scholarships, grants and prizes	6,613	6,795	6,612	6,792
Non-capitalised equipment	3,129	2,848	3,043	2,740
Advertising, marketing and promotional expenses	2,024	1,625	1,681	1,259
Utilities	3,564	4,871	3,310	4,710
Inventory Used	5,071	5,471	3,697	3,567
Postal and Telecommunications	2,595	2,794	2,059	2,209
Travel and Entertainment	5,792	5,671	5,149	4,894
Books, Serials and Other Library Media	2,137	1,954	2,117	1,943
Operating Lease Rental Charges	562	3,087	461	2,981
Consultants	4,512	3,027	4,062	2,119
External Contributions	3,503	2,449	3,503	2,450
Catering Services	4,370	4,145	4,370	4,145
Fees for Services	10,778	12,147	10,399	11,707
Net Losses on derecognition of assets	2,574	-	2,574	-
Foreign exchange loss	41	3	41	3
Bad Debts	119	194	57	157
Doubtful debts	65	(455)	71	(463)
Other Expenditure	5,911	3,581	4,224	2,994
Total other expenses	63,360	60,207	57,430	54,207
Note 15. Cash and cash equivalents				
Cash on hand	16	23	3	8
Cash at bank	4,280	4,869	3,031	3,749
At call investments	36,564	31,702	31,261	25,203
Total cash and cash equivalents	40,860	36,594	34,295	28,960
Note 16. Receivables				
Current				
Trade and Other Debtors	8,594	7,614	5,998	5,529
Less: Provision for impaired receivables	(590)	(523)	(534)	(463)
Total current receivables	8,004	7,091	5,464	5,066
Non-current				
Trade and Other Debtors	94	91	-	-
Deferred government contribution for superannuation				
* emerging cost of superannuation	74,902	96,602	74,902	96,602
Total non-current receivables	74,996	96,693	74,902	96,602
Total receivables	83,000	103,784	80,366	101,668

* The Commonwealth Government has a commitment to fund Superannuation obligations, relating to past service by university employees in the state superannuation schemes, based on the fact that since 1987 the Commonwealth has met this commitment and at this point of time there is no reason to suggest that it will not continue to do so.

As at 31 December 2007, trade receivables of the group with a nominal value of \$8,004m (2006: \$7,091m) were impaired and fully provided for:

Movements in the provision for impaired receivables are as follows:

As at 1 January	(523)	(996)	(463)	(926)
Charge for the year	(881)	(463)	(881)	(463)
Written Off	814	936	810	926
	(590)	(523)	(534)	(463)

Notes to the financial statements
31 December 2007
(continued)

	Notes	Consolidated		Parent entity	
		2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
Note 17. Inventories	1(i)				
Current					
Printing / binding materials		181	182	95	93
Petrol and oils		9	15	9	15
Central stores - Motor Pool		3	3	3	3
College stores		7	3	7	3
Fodder and produce		144	484	144	484
Other stocks		264	311	59	74
Total current inventories		608	998	317	672
Note 18. Other financial assets	1(i)				
Non-current					
Summary of portfolio as at 31 December:					
Shares in Private Companies *		2,811	1,426	1,210	1,209
Available for sale		1,175	887	1,175	887
Total non-current other financial assets		3,986	2,313	2,385	2,096
* Shares and units not traded in the market place					
Note 19. Other non-financial assets					
Current					
Accrued Income		1,489	1,434	1,447	1,347
Prepaid Expenses		4,240	4,441	4,080	4,251
Total current other non-financial assets		5,729	5,875	5,527	5,598
Note 20. Investments accounted for using the equity method					
Interest in joint venture entity - NMSC	34	7,045	6,999	-	-
Total investments accounted for using the equity method		7,045	6,999	-	-
Note 21. Biological assets					
Trees		5	5	5	5
Livestock		456	764	456	764
Total biological assets		461	769	461	769
Reconciliation of changes in the carrying amount of biological assets					
Balance as at 1 January		769	1,228	769	1,228
Purchases		41	37	41	37
Sales		(349)	(496)	(349)	(496)
Balance as at 31 December		461	769	461	769

Notes to the financial statements
31 December 2007
(continued)

Note 22. Property, plant and equipment

	Infrastructure \$'000	Freehold land \$'000	Freehold buildings \$'000	Buildings & infrastructure under construction \$'000	Plant and equipment \$'000	Motor Vehicles \$'000	Computer equipments \$'000	Furniture & fittings \$'000	Leasehold improvements \$'000	Leased plant & equipment \$'000	Library Collections \$'000	Library rare books \$'000	Museums & collections at valuations \$'000	Works of Arts \$'000	MIS Works In Progress \$'000	Total \$'000
Consolidated																
At 1 January 2006																
- Cost	2,000	60	815	596	15,958	1,112	4,999	2,393	609	5,797	24,650	-	99	6	-	59,104
- Valuation	11,741	15,466	378,050	-	-	-	-	-	-	-	-	1,867	3,767	998	-	411,889
Accumulated depreciation	(620)	-	(242,402)	-	(11,258)	(713)	(3,815)	(1,663)	(33)	(1,930)	-	-	-	-	-	(262,444)
Net book amount	13,121	15,526	136,463	596	4,700	399	1,184	730	576	3,867	24,650	1,867	3,866	1,004	-	208,549
Year ended 31 December 2006																
Opening net book amount	13,121	15,526	136,463	596	4,700	399	1,184	730	576	3,867	24,650	1,867	3,866	1,004	-	208,549
Accumulated depreciation change on revaluation	1,001	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,001
Depreciation written back on disposal	14	-	176	-	14	9	29	(8)	-	448	90	-	-	-	-	772
Transfers	408	-	(245)	(163)	477	(24)	(53)	-	(207)	-	-	-	-	-	-	193
Revaluation surplus	2,289	3,064	-	-	-	-	-	-	-	-	-	-	-	-	-	5,353
Additions	1,242	-	625	2,551	1,089	277	1,202	120	-	369	2,160	-	-	-	698	10,333
Assets included in a disposal group classified as held for sale and other disposals	(218)	-	(270)	-	(14)	(60)	(33)	-	-	(1,118)	(90)	-	-	-	-	(1,803)
Depreciation charge	(364)	-	(4,489)	-	(1,168)	(132)	(670)	(163)	(21)	(698)	(2,554)	-	-	-	-	(10,459)
Closing net book amount	17,493	18,590	132,260	2,984	5,098	469	1,659	679	348	2,668	24,256	1,867	3,866	1,004	698	213,939
At 31 December 2006																
- Cost	59	60	1,569	2,984	16,571	1,692	6,085	2,498	382	5,047	26,720	-	98	6	698	64,469
- Valuation	17,434	18,530	377,505	-	-	-	-	-	-	-	-	1,867	3,768	998	-	420,102
Accumulated depreciation	-	-	(246,814)	-	(11,473)	(1,223)	(4,426)	(1,819)	(34)	(2,379)	(2,464)	-	-	-	-	(270,632)
Net book amount	17,493	18,590	132,260	2,984	5,098	469	1,659	679	348	2,668	24,256	1,867	3,866	1,004	698	213,939

Notes to the financial statements
31 December 2007
(continued)

Note 22. Property, plant and equipment (continued)

	Infrastructure \$'000	Freehold land \$'000	Freehold buildings \$'000	Buildings & Infrastructure under construction \$'000	Plant and equipment \$'000	Motor Vehicles \$'000	Computer equipments \$'000	Furniture & fittings \$'000	Leasehold Improvements \$'000	Leased plant & equipment \$'000	Library Collections \$'000	Library rare books \$'000	Museums & collections at valuations \$'000	Works of Arts \$'000	MIS Works in Progress \$'000	Total \$'000
Year ended 31 December 2007																
Opening net book amount	17,483	18,590	132,260	2,984	5,098	489	1,659	679	348	2,668	24,256	1,867	3,866	1,004	698	213,939
Depreciation written back on disposal	-	-	5,079	-	464	105	425	23	-	172	-	-	-	-	-	6,268
Transfers	125	-	2,379	(2,508)	(62)	(77)	713	4	-	-	-	-	-	-	(681)	(107)
Derecognition	-	-	(2,574)	-	-	-	-	-	-	-	-	-	-	-	-	(2,574)
Additions	4,931	-	712	7,922	2,213	180	3,271	96	-	68	2,162	-	31	-	182	21,768
Assets classified as held for sale and other disposals	-	-	(7,420)	-	(473)	(195)	(431)	(23)	-	(419)	-	-	-	-	-	(8,951)
Depreciation charge	(544)	-	(4,556)	-	(1,309)	(127)	(802)	(168)	(23)	(675)	(2,758)	-	-	-	-	(10,952)
Closing net book amount	22,005	18,590	125,880	8,398	5,931	355	4,835	611	325	1,814	23,660	1,867	3,897	1,004	199	219,371
At 31 December 2007																
- Cost	5,114	60	4,660	8,398	18,264	1,625	9,754	2,607	368	4,696	28,882	-	129	6	199	84,752
- Valuation	17,434	18,530	360,775	-	-	-	-	-	-	-	-	1,867	3,768	998	-	403,372
Accumulated depreciation	(543)	-	(239,555)	-	(12,333)	(1,270)	(4,919)	(1,996)	(43)	(2,882)	(5,222)	-	-	-	-	(268,763)
Net book amount	22,005	18,590	125,880	8,398	5,931	355	4,835	611	325	1,814	23,660	1,867	3,897	1,004	199	219,371

Notes to the financial statements
31 December 2007
(continued)

Note 22. Property, plant and equipment (continued)

	Buildings & Infrastructure under construction												MIS Works In Progress \$'000	Total \$'000				
	Infrastructure \$'000	Freehold land \$'000	Freehold buildings \$'000	Infrastructure under construction \$'000	Plant and equipment \$'000	Motor Vehicles \$'000	Computer equipments \$'000	Furniture & fittings \$'000	Leasehold improvements \$'000	Leased plant & equipment \$'000	Library collections \$'000	Library rare books \$'000			Museums & Collections at valuations \$'000	Works of Arts \$'000		
Parent entity																		
At 1 January 2006																		
- Cost	2,000	-	-	596	13,298	972	4,744	2,234	-	5,797	24,650	-	99	6	-	-	-	54,396
- Valuation	11,741	15,466	378,050	-	-	-	-	-	-	-	-	1,867	3,767	998	-	-	-	411,889
Accumulated depreciation	(620)	-	(242,423)	-	(9,226)	(849)	(3,650)	(1,556)	-	(1,930)	-	-	-	-	-	-	-	(260,254)
Net book amount	13,121	15,466	135,627	596	4,072	123	1,094	678	-	3,867	24,650	1,867	3,866	1,004	-	-	-	206,031
Year ended 31 December 2006																		
Opening net book amount	13,121	15,466	135,627	596	4,072	123	1,094	678	-	3,867	24,650	1,867	3,866	1,004	-	-	-	206,031
Accumulated depreciation change on revaluation	1,001	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,001
Depreciation written back on disposal	14	-	176	-	14	9	29	-	-	448	90	-	-	-	-	-	-	780
Transfers	408	-	(246)	(163)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Revaluation surplus	2,289	3,064	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5,353
Additions	1,242	-	624	2,551	867	194	1,179	116	-	369	2,160	-	-	-	697	-	-	9,899
Assets included in a disposal group classified as held for sale and other disposals	(218)	-	(270)	-	(14)	(25)	(29)	-	-	(1,118)	(90)	-	-	-	-	-	-	(1,764)
Depreciation charge	(964)	-	(4,469)	-	(796)	(71)	(647)	(149)	-	(698)	(2,554)	-	-	-	-	-	-	(9,948)
Closing net book amount	17,493	18,530	131,443	2,984	4,143	230	1,626	645	-	2,668	24,256	1,867	3,866	1,004	697	-	-	211,452
At 31 December 2006																		
- Cost	59	-	624	2,984	14,151	1,140	5,894	2,350	-	5,047	26,720	-	98	6	697	-	-	59,770
- Valuation	17,434	18,530	377,505	-	-	-	-	-	-	-	-	1,867	3,768	998	-	-	-	420,102
Accumulated depreciation	-	-	(246,666)	-	(10,006)	(910)	(4,268)	(1,705)	-	(2,379)	(2,464)	-	-	-	-	-	-	(268,420)
Net book amount	17,493	18,530	131,443	2,984	4,143	230	1,626	645	-	2,668	24,256	1,867	3,866	1,004	697	-	-	211,452

Notes to the financial statements
31 December 2007
(continued)

Note 22. Property, plant and equipment (continued)

Parent entity	Infrastructure \$'000	Freehold land \$'000	Freehold buildings \$'000	Buildings & infrastructure under construction \$'000	Plant and equipment \$'000	Motor Vehicles \$'000	Computer equipments \$'000	Furniture & fittings \$'000	Leasehold Improvements \$'000	Leased plant & equipment \$'000	Library collections \$'000	Library rare books \$'000	Museums & Collections at valuations \$'000	Works of Arts \$'000	MIS Works In Progress \$'000	Total \$'000
Year ended 31 December 2007																
Opening net book amount	17,493	18,530	131,443	2,984	4,143	230	1,626	645	-	2,667	24,256	1,867	3,866	1,004	697	211,451
Depreciation written back on disposal	-	-	5,079	-	464	96	424	23	-	172	-	-	-	-	-	6,258
Transfers	126	-	2,379	(2,508)	-	-	680	4	-	-	-	-	-	-	(661)	-
Derecognition	-	-	(2,574)	-	-	-	-	-	-	-	-	-	-	-	-	(2,574)
Additions	883	-	710	7,923	1,818	36	3,165	81	-	68	2,162	-	31	-	183	17,060
Assets classified as held for sale and other disposals	-	-	(7,420)	-	(473)	(161)	(481)	(23)	-	(419)	-	-	-	-	-	(8,927)
Depreciation charge	(543)	-	(4,535)	-	(842)	(66)	(735)	(157)	-	(675)	(2,758)	-	-	-	-	(10,311)
Closing net book amount	17,959	18,530	125,082	8,399	5,110	135	4,729	573	-	1,813	23,660	1,867	3,897	1,004	199	212,957
At 31 December 2007																
- Cost	1,068	-	3,713	8,399	15,496	1,015	9,308	2,412	-	4,696	28,882	-	129	6	199	75,323
- Valuation	17,434	18,530	360,775	-	-	-	-	-	-	-	-	1,867	3,768	998	-	403,372
Accumulated depreciation	(543)	-	(239,406)	-	(10,386)	(860)	(4,579)	(1,839)	-	(2,883)	(5,222)	-	-	-	-	(265,738)
Net book amount	17,959	18,530	125,082	8,399	5,110	135	4,729	573	-	1,813	23,660	1,867	3,897	1,004	199	212,957

Notes to the financial statements
31 December 2007
(continued)

	Notes	Consolidated		Parent entity	
		2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
Note 23. Intangible assets	1(f)viii				
Development Cost					
At 1 January					
Cost		14,898	14,494	12,484	11,800
Accumulated amortisation and impairment		(6,734)	(5,976)	(5,003)	(3,907)
Net book amount		<u>8,164</u>	<u>8,518</u>	<u>7,481</u>	<u>7,893</u>
Year ended 31 December					
Opening net book amount		8,164	8,518	7,481	7,893
Additions		860	997	625	684
Amortisation charge		(1,383)	(1,351)	(1,141)	(1,096)
Closing net book amount		<u>7,641</u>	<u>8,164</u>	<u>6,965</u>	<u>7,481</u>
At 31 December					
Cost		15,558	14,898	12,907	12,484
Accumulated amortisation and impairment		(7,915)	(6,734)	(5,942)	(5,003)
Closing Net book amount		<u>7,641</u>	<u>8,164</u>	<u>6,965</u>	<u>7,481</u>
Note 24. Trade and other payables					
Current					
OS-HELP Liability to Australian Government		-	-	-	-
Trade Payables		2,352	2,262	1,108	897
Refundable Receipts		1	-	1	-
Total current trade and other payables		<u>2,353</u>	<u>2,262</u>	<u>1,109</u>	<u>897</u>

Notes to the financial statements
31 December 2007
(continued)

	Notes	Consolidated		Parent entity	
		2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
Note 25. Borrowings					
Current					
Commercial Loan					
Other		24	58	-	-
Total commercial loan		24	58	-	-
Finance Lease (i)					
Other		34	-	-	-
National Australia Bank		134	589	134	589
Westpac Banking Corporation (Honeywell)		152	45	152	45
Total finance lease		320	634	286	634
Total current borrowings		344	692	286	634
Non-current					
Commercial Loan					
Other		26	50	-	-
Total commercial loan		26	50	-	-
Finance Lease					
Other		88	61	-	-
Westpac Banking Corporation (Honeywell)		514	-	514	-
National Australia Bank		95	228	95	228
Total finance lease		677	228	609	228
Total non-current borrowings		703	278	609	228
Total borrowings		1,047	970	895	862
(i) Secured by the assets leased (note 22)					
The following facilities are available as at balance date:					
- Master lease agreements - \$3million					
- Credit card facility - \$1million					
Defaults or breaches					
During the current and prior years there were no defaults or breaches on any of the borrowings					
Note 26. Provisions	1(m)				
Current					
Annual leave					
The estimated liability, as at 31 December, is fully provided. Movements in the provision are :					
Balance brought forward from prior year		7,027	7,179	6,236	6,411
Add : Current Year Provision		6,820	6,047	6,681	5,905
Less : Payments from Fund		(5,372)	(6,199)	(5,346)	(6,080)
Balance as at 31 December		8,475	7,027	7,571	6,236
Long service leave					
The estimated liability, as at 31 December, is fully provided. Movements in the provision are :					
Balance brought forward from prior year		16,088	16,686	15,932	16,547
Add : Current Year Provision		2,726	2,419	2,696	2,254
Less : Payments from Fund		(3,150)	(2,887)	(3,167)	(2,869)
Balance as at 31 December		15,664	16,218	15,461	15,932
During 2006 the Vice-Chancellor announced changes to the academic organisation and operation of the University. The implementation of these changes commenced in 2007 and will continue through 2008.					
Staffing		3,115	2,757	3,115	2,757
Other		4,495	1,268	4,495	1,268
Total Current Provision		31,749	27,270	30,842	26,193

Notes to the financial statements
31 December 2007
(continued)

Notes	Consolidated		Parent entity	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
Current provisions expected to be settled within 12 months				
Employee benefits				
Annual Leave	8,475	6,535	7,571	5,744
Long service leave	3,339	3,346	3,136	3,060
Staffing	3,115	2,757	3,115	2,757
Other	4,495	1,268	4,495	1,268
Subtotal	<u>19,424</u>	<u>13,906</u>	<u>18,317</u>	<u>12,829</u>
Current provisions expected to be settled after more than 12 months				
Employee benefits				
Annual Leave	-	492	-	492
Long service leave	12,325	12,872	12,325	12,872
Subtotal	<u>12,325</u>	<u>13,364</u>	<u>12,325</u>	<u>13,364</u>
Total current provisions	<u>31,749</u>	<u>27,270</u>	<u>30,642</u>	<u>26,193</u>
Summary movements current provisions				
Movements in the Provision Account are:				
Balance brought forward from prior year	27,270	24,722	26,193	23,755
Current year movement in provision				
- Annual Leave	1,442	(152)	1,335	(175)
- Long Service Leave	(548)	(468)	(471)	(615)
- Staffing	358	1,960	358	1,960
- Other	3,227	1,208	3,227	1,268
Total Current Provisions	<u>31,749</u>	<u>27,270</u>	<u>30,642</u>	<u>26,193</u>
Non-current Provisions				
Employee benefits				
Long service leave				
The estimated liability, as at 31 December, is fully provided. Movements in the provision account are:				
Balance brought forward from prior year	3,294	3,628	2,594	2,693
Add : Current Year Provision	227	(229)	-	-
Less : Payments from Fund	177	(105)	189	(98)
Balance as at 31 December	<u>3,898</u>	<u>3,294</u>	<u>2,783</u>	<u>2,595</u>
Deferred government benefits for superannuation				
State Superannuation Scheme (SSS)				
Liability	188,201	201,473	188,201	201,473
Less : Equity	(111,532)	(103,457)	(111,532)	(103,457)
	<u>76,669</u>	<u>98,016</u>	<u>76,669</u>	<u>98,016</u>
State Authorities Superannuation Scheme (SASS)				
Liability	24,699	24,031	24,699	24,031
Less : Equity	(28,006)	(26,877)	(28,006)	(26,877)
	<u>(3,307)</u>	<u>(2,846)</u>	<u>(3,307)</u>	<u>(2,846)</u>
State Authorities Non-Contributory Scheme (SANCS)				
Liability	5,690	6,123	5,690	6,123
Less : Equity	(4,150)	(4,692)	(4,150)	(4,692)
	<u>1,540</u>	<u>1,431</u>	<u>1,540</u>	<u>1,431</u>
Total deferred government benefits for superannuation	<u>74,902</u>	<u>96,601</u>	<u>74,902</u>	<u>96,601</u>
Accrued Liability Professorial Superannuation	3,608	6,810	3,608	6,810
Total Superannuation Liability	<u>78,510</u>	<u>103,411</u>	<u>78,510</u>	<u>103,411</u>
Total Non-current provisions	<u>82,208</u>	<u>106,705</u>	<u>81,293</u>	<u>106,006</u>
Summary movements employee benefits				
Movements in the Provision Account are:				
Balance brought forward from prior year	106,705	135,687	108,006	134,752
Current year movement in provision				
- Professorial Superannuation	(3,202)	(1,525)	(3,202)	(1,525)
- Other Superannuation	(21,700)	(27,123)	(21,700)	(27,123)
- Long Service Leave	405	(334)	189	(98)
Total Non-current provision for Employee Benefits	<u>82,208</u>	<u>106,705</u>	<u>81,293</u>	<u>106,006</u>

Notes to the financial statements
31 December 2007
(continued)

Notes on Superannuation

The University makes superannuation contributions on behalf of employees to six (6) superannuation schemes. Four schemes are contributory schemes, that is employee contributions are matched with employer contributions. Those schemes are:

State Superannuation Scheme (SSS)
State Authorities Superannuation Scheme (SASS)
UniSuper
UNE Professorial Superannuation Fund

The other two schemes are principally constructed for the capturing of mandatory employer superannuation support as determined through an industrial award, NSW State legislation or the Federal Government's Superannuation Guarantee legislation. Those schemes are :

State Authorities Non-contributory Scheme (SANCS)
UniSuper Accumulation Super 1 Scheme

Only two schemes accept new members :

UniSuper - Defined Benefit Plan or Investment Choice Plan
UniSuper Accumulation Super 1 Scheme

UniSuper

The superannuation scheme currently available to staff members is UniSuper (formerly Superannuation Scheme for Australian Universities SSAU). This is a defined benefit superannuation scheme with the entitlements of the scheme being fully met by UniSuper from contributions paid by the University and its employees.

UniSuper is not considered to be controlled by the University and therefore the net shortfall (excess of accrued benefits over assets) has not been included in the University's accounts.

State Superannuation Scheme

The University contributes to the State Superannuation Scheme, a non compulsory scheme for academic and general staff, in respect of present and former employees who are, or were, members of the Fund. The Fund was closed to new staff on 30 June 1985.

Notes to the financial statements
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(continued)

State Authorities Superannuation Scheme

On 1 April 1988, the State Authorities Superannuation Scheme commenced, and on 1 July 1989 all members of the State Public Service Superannuation Fund were transferred compulsorily to that scheme. This scheme was closed to new members on 31 December 1992.

An emerging liability exists, for superannuation, for staff who were members of the former State Public Service Superannuation Fund, due to the funding formula imposed by DEEWR on the University. This scheme was incorporated into the State Authorities Superannuation Scheme.

State Authorities Non-Contributory Superannuation Scheme

The State Authorities Non-Contributory Superannuation Act 1988, provides the governing regulations for this scheme which commenced on 1 April 1988. The Act names the University as a scheduled employer and staff, as a member of either SSS and SASS schemes, have a 3% benefit accrued in this scheme. Staff who have this 3% benefit are exempted under the Award Plus Plan Award 1988 (a federally registered industrial award) in accordance with clause 9(b) namely:

"The terms of this Award shall not apply to..... Employees in respect of whom the employer contributes or is required to contribute a superannuation payment to a State or Commonwealth or Territory Government Superannuation Scheme provided that employees who contribute to UniSuper shall not be exempt."

Should this scheme be closed to NSW Universities, the UniSuper Accumulation Super 1 Scheme provisions would be invoked which would not materially change the level of employer contributions. Unlike other STC Trustee Corporation schemes, the responsibility for meeting the superannuation liability is not met on an emerging cost basis, as the Commonwealth Government provides total funding in the University's Operating Financial Assistance.

The University provides for superannuation, based on information and a formula provided by Pillar Administration, in respect of contributors to the State Superannuation Scheme, the State Authorities Superannuation Scheme and the State Non-contributory Scheme.

The Commonwealth Government, in the State Grants (General Revenue) Amendment Act 1987, has indicated that it will meet the cost of State Superannuation Schemes in excess of 14 per cent of superannuable salaries.

Provision for other Superannuation

There are deferred or potential for deferred liabilities, in respect of schemes administered by Pillar Administration, and the schemes' actuary has determined the following liabilities, with equity balances, being supplied by the Corporation.

In arriving at the assessment, the actuary adopted the following assumptions:

- Rate of investment (after tax and investment related expenses) 7.6% for 2007;
- Rate of salary increases 4.0% pa to June 2008; 3.5% pa thereafter
- Rate of increase in the Consumer Price Index (all groups) 2.5% for 2007.

Additional notes on Professorial Superannuation

The University Council approved, on 15 February 1995, the purchase of a corporate trustee vehicle for the Fund to become a 'Regulated Superannuation Scheme' as prescribed in the Superannuation Industry (Supervision) Act 1993. The Company, UNE Professorial Superannuation Fund Pty Ltd, was established on 1 April 1996 as a successor to the University of New England Professorial Superannuation Scheme. This scheme was closed to new members in October 1987. Once the transfer of the members from the Scheme into the new fund was complete, the Fund was also closed to new members.

Trustees of Australian Prudential Regulation Authority ("APRA") regulated superannuation funds were required to be licensed by 30 June 2006. As UNE Professorial Superannuation Pty Limited ("the former trustee") decided not to apply for a licence, it undertook the process of outsourcing the Fund's trusteeship to an external trustee.

The former trustee signed a Deed of Retirement and Appointment dated 7 June 2006, therefore retiring as the trustee of the University of New England Professorial Superannuation Fund on that day.

Following a due diligence process, the former trustee recommended the appointment of Corporate Combined Superannuation Pty Ltd ("CCSL") to the University, which accepted the former trustee's recommendation. Due to unforeseen circumstances, the appointment of CCSL was not able to take place by 30 June 2006. In order to facilitate the interim operation of the Fund, the former trustee provided an undertaking to APRA which enabled it to continue to manage the Fund members until CCSL's appointment on 28 September 2006.

As a consequence of the above action, the University relinquished its control over the Fund. As in the previous year, the University has recorded only the net liability owed by the University to the Fund.

The Fund provides both defined benefits and accumulation benefits. The accumulation benefits are fully funded. The terms of the Fund provide for the payment of non-contributory and additional contributory pensions to members of the Fund on their retirement.

In arriving at the assessment for 2007, the actuary adopted the following assumptions:

- Average retirement age to be 60 years,
- For current members until pensions commence:
 - Rate of investment return (net of income tax) 8.3% pa,
 - Rate of salary increases 4.0% pa,
- For current members after pensions commence and for current pensioners:
 - Rate of investment return (net of income tax) 8.3% pa,
 - Pension indexation 4.0% pa.

The Non-Contributory (NCP) pensions are entirely unfunded. The Additional (ACP) and Voluntary Spouses (VSP) pensions are funded according to member contributions. In addition, the University matches any member contributions for the VSP. Any excesses, existing in the ACP or VSP, are made available to reduce future funding of either the VSP or alternatively reduce the unfunded NCP.

Notes to the financial statements
31 December 2007
(continued)

	Consolidated		Parent entity	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
Note 27. Other Liabilities				
Current				
(i) Accrued Liabilities				
Salary Related	3,457	3,099	3,457	3,099
Other Accrued Expenditure	6,970	4,450	6,294	4,450
	<u>10,427</u>	<u>7,549</u>	<u>9,751</u>	<u>7,549</u>
(ii) Monies Received in Advance				
Financial Assistance in Advance	3,338	5,580	3,338	5,580
Fees in Advance	3,954	4,290	3,467	3,442
	<u>7,292</u>	<u>9,870</u>	<u>6,805</u>	<u>9,022</u>
(iii) Trust Funds				
Security Deposits	6	5	6	5
Employee Deduction Clearing Accounts	87	39	87	39
Associated Entities	143	134	143	134
Other	567	334	567	334
	<u>803</u>	<u>512</u>	<u>803</u>	<u>512</u>
Total current other liabilities	<u>18,522</u>	<u>17,931</u>	<u>17,359</u>	<u>17,083</u>
Total other liabilities	<u>18,522</u>	<u>17,931</u>	<u>17,359</u>	<u>17,083</u>
Note 28. Reserves and retained surplus				
(a) Reserves				
Revaluation Reserve - Investments	1,121	769	1,121	769
Revaluation Reserve - Buildings	9,412	8,642	9,412	8,642
Revaluation Reserve - Land	11,000	11,000	11,000	11,000
Revaluation Reserve - Infrastructure	7,166	7,144	7,144	7,144
Revaluation Reserve - Works of Art	188	188	188	188
Soccer scholarship fund reserve	8	-	-	-
Total reserves	<u>28,895</u>	<u>27,743</u>	<u>28,865</u>	<u>27,743</u>
Movements				
Asset revaluation reserve - Investments				
Balance 1 January 2007	769	665	769	665
Increment on revaluation	352	104	352	104
Balance 31 December 2007	<u>1,121</u>	<u>769</u>	<u>1,121</u>	<u>769</u>
Asset revaluation reserve - Buildings				
Balance 1 January 2007	8,643	8,714	8,643	8,714
Transfer to/from retained surplus on disposal	770	(72)	770	(72)
Balance 31 December 2007	<u>9,413</u>	<u>8,642</u>	<u>9,413</u>	<u>8,642</u>

Notes to the financial statements
31 December 2007
(continued)

	Consolidated		Parent entity	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
Reserves Continued				
Movements				
Asset revaluation reserve - Land				
Balance 1 January 2007	11,000	7,936	11,000	7,936
Increment on revaluation	-	3,064	-	3,064
Balance 31 December 2007	11,000	11,000	11,000	11,000
Asset revaluation reserve - Infrastructure				
Balance 1 January 2007	7,144	3,966	7,144	3,966
Increment on disposal of assets	-	3,178	-	3,178
Balance 31 December 2007	7,144	7,144	7,144	7,144
Asset revaluation reserve - Works of art				
Balance 1 January 2007	188	188	188	188
Increment on revaluation	-	-	-	-
Balance 31 December 2007	188	188	188	188
(b) Retained surplus				
Movements in retained surplus were as follows:				
Retained surplus at 1 January	196,493	192,133	179,913	177,352
Write off Revaluation Reserve for Demolition of Buildings (AASB 116)	(770)	342	(770)	183
Retained surplus of newly acquired entity	4,149	-	-	-
Share of revaluation of land and buildings by joint venture entity	-	805	-	-
Net Operating Result for the year	4,075	3,213	3,967	2,378
Retained Surplus at 31 December	203,947	196,493	183,110	179,913
(c) Nature and purpose of reserves				
Revaluation Reserve				
The asset revaluation reserve is used to record increments and decrements, on the revaluation of non-current assets, as described in accounting policy note 1(f).				

Notes to the financial statements
31 December 2007
(continued)

Note 29. Key management personnel disclosures

(a) The names of each person holding the position of Member of Council during the year were:

Associate Professor H Beyersdorf	Professor E Magner (appointed 5/2/07)
Mr J M Cassidy (Chancellor)	Ms A Maurer
Professor M Franzmann (expiry of term 5/2/07)	Ms J McClelland
Dr C Gellatly (appointed 2/7/07)	Professor A Pettigrew (Vice-Chancellor)
Ms F Giuseppi	Dr L Piper
Mr J Harris	Rev J Redman
Ms K Hempsall	The Hon R Torbay MP
Ms J Hickson	Mr L Wells
The Hon W L Lange	Mr S Williams
Associate Professor J Madison	

(b) Remuneration of Board Members and Executives

	Consolidated		Parent entity	
	2007	2006	2007	2006
	No.	No.	No.	No.
Remuneration of Board Members				
Nil to \$9,999	53	32	19	26
	<u>53</u>	<u>32</u>	<u>19</u>	<u>26</u>
	\$'000	\$'000	\$'000	\$'000
Aggregate Remuneration of Board Members				
Total Aggregate Remuneration	11	3	5	3
	<u>11</u>	<u>3</u>	<u>5</u>	<u>3</u>
Remuneration of executive officers	No.	No.	No.	No.
\$130,000 to \$139,999	4	1	1	-
\$140,000 to \$149,999	1	-	-	-
\$150,000 to \$159,999	2	1	1	-
\$160,000 to \$169,999	-	1	-	1
\$170,000 to \$179,999	-	1	-	1
\$180,000 to \$189,999	-	2	-	2
\$190,000 to \$199,999	-	-	1	1
\$200,000 to \$209,999	1	1	1	1
\$210,000 to \$219,999	1	-	1	-
\$220,000 to \$229,999	1	-	1	-
\$230,000 to \$239,999	-	3	-	3
\$260,000 to \$269,999	1	-	1	-
\$320,000 to \$329,999	1	-	1	-
\$360,000 to \$369,999	-	1	-	1
\$370,000 to \$379,999	-	-	-	-
\$400,000 to \$409,999	-	1	-	1
\$430,000 to \$439,999	1	-	1	-
	<u>13</u>	<u>12</u>	<u>9</u>	<u>11</u>
	\$'000	\$'000	\$'000	\$'000
Aggregate Remuneration of executive officers				
Total Aggregate Remuneration	3,098	2,870	2,395	2,584
	<u>3,098</u>	<u>2,870</u>	<u>2,395</u>	<u>2,584</u>

Notes to the financial statements
31 December 2007
(continued)

(c) Related party transactions

The University had no material related party transactions for the year ended 31 December, 2007. The University does act as supply agent for its subsidiaries, however these transactions are accounted for on a non profit basis and balances are eliminated on consolidation.

During the year, ended 31 December 2007, the University paid sitting fees to University Council Members totalling \$5,150.

Note 30. Remuneration of auditors

During the year, the following fees were paid for services provided by the auditor of the parent entity, its related practices and non-related audit firms:

	Consolidated		Parent entity	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
Assurance services				
1. Audit services				
Fees paid to The Audit Office of NSW:				
Audit and review of financial reports and other audit work under the <i>Public Finance and Audit Act, 1983</i> and the <i>Corporations Act 2001</i> .	257	218	195	161
Total remuneration for audit services	257	218	195	161
2. Non-audit services				
<u>Audit-related services</u>				
Fees paid to The Audit Office of NSW:				
Quality assurance	1	4	-	-
Total remuneration for audit-related services	1	4	-	-

Note 31. Contingencies

At balance date, no proceeding had been identified as being progressed on behalf of UNE.

At balance date, no contingent liabilities or contingent assets of a material nature to the university or its controlled entities had been identified.

Notes to the financial statements
31 December 2007
(continued)

Note 32. Commitments

(a) Capital Commitments

Capital expenditure contracted for at the reporting date but not recognised as liabilities is as follows:

	Consolidated		Parent entity	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
Property, Plant and Equipment Payable:				
Within one year	10,003	2,061	10,003	2,061
Later than one year but not later than five years	-	-	-	-
Later than five years	-	-	-	-
Total capital commitments	10,003	2,061	10,003	2,061
(b) Lease Commitments				
(i) Operating Leases				
Within one year	147	277	6	150
Later than one year but not later than five years	620	244	6	12
Later than five years	217	95	-	-
Total operating leases	984	616	12	162
(ii) Finance Leases				
Within one year	373	707	339	673
Later than one year but not later than five years	736	280	675	246
Later than five years	-	27	-	-
Total finance leases	1,109	1,014	1,014	919
Total lease commitments	2,093	1,630	1,026	1,081

No lease arrangements, existing as at 31 December, contain contingent rental payments, purchase options, escalation clauses or restrictions imposed by lease arrangements including dividends, additional debt or further leasing.

(c) Other expenditure commitments

Other 2007 Commitments

The value of orders, for goods and services placed, but not filled, as at 31 December 2007, total \$3,101,710. (2006: \$1,807,639). Expenditure for these orders is expected to occur in 2008.

In addition, during 2007, the University entered into contracts for the following operating expenditures:

Within one year	10,203	14,234	10,203	14,234
Later than one year but not later than five years	20,050	19,106	20,050	19,106
Later than five years	-	1,505	-	1,505
Total other expenditure commitments	30,253	34,845	30,253	34,845

(d) Remuneration commitments

There are no remuneration commitments for senior executives other than the normal employment contract provisions available to general staff under work place agreements.

Note 33. Controlled entities

The consolidated financial statements incorporate the assets, liabilities and results of the following controlled entities in accordance with the accounting policy described in note 1(a):

The incorporated entities, that meet the "control" test and which have been consolidated, are UNE Partnerships Pty Limited, Agricultural Business Research Institute (company limited by guarantee), International Livestock Research & Information Centre Ltd (company limited by guarantee), Services UNE Limited (formerly UNE Union Ltd), UNE Vision Pty Limited and Remarkspdf Pty Ltd (formerly UNE Rural Properties Pty Ltd). None of these entities have any subsidiary holdings.

Similarly, the unincorporated entity University of New England Sports Association (Sports UNE) meets the control test from 01 January 2007.

Name of Entity

UNE Partnerships Pty Ltd

UNE Partnerships Pty Ltd is the commercial company of the University of New England (Armidale) and the University owns 100% interest in the entity. The principal activities of the company in 2008, included the commercialisation and delivery of education and training programs.

The Agricultural Business Research Institute

The Agricultural Business Research Institute (ABRI) was incorporated in Australia as a public company limited by guarantee, on 11 January 1993. The principal activities of the company are to provide data processing services, computer software products and educational services to improve the productivity and efficiency of agribusiness and rural based industries.

International Livestock Resources And Information Centre Ltd

International Livestock Resources And Information Centre Ltd (ILRIC) was incorporated, in Australia as a public company limited by guarantee, on 2 July, 2002. The principal activities of the company is to provide research, educational and informational services for the livestock industry.

Services UNE Limited (formerly UNE Union Ltd)

Services UNE Limited (formerly UNE Union Ltd) is an Australian Public Company limited by guarantee. The company is a controlled entity of the University of New England, effective from 1 October 2005.

UNE Vision Pty Limited

UNE Vision Pty Limited was incorporated in Australia on 24 May 2007 as a proprietary company limited by shares and the University of New England (UNE) owns 65% interest in the entity. The company has not traded since it incorporated on 24 May 2007.

Remarkspdf Pty Ltd (formerly UNE Rural Properties Pty Ltd)

Remarkspdf Pty Ltd (formerly UNE Rural Properties Pty Ltd) was incorporated in Australia on 9 September 2005 as a proprietary company limited by shares and the University of New England (UNE) is the parent entity. The company has not traded since it incorporated on 9 September 2005.

Sports UNE

VSU had a significant impact on Sports UNE's operations resulting in the University of New England Sports Association reporting a net loss of \$471,299 for the year ending 31 December 2006. As a result the University of New England has provided \$400,000 annual support to the operations of Sport UNE since 1 January 2007.

Concurrently the management and staffing model was changed with the Executive Director reporting through the Chief Executive Officer to the University of New England while continuing to receive the support of the Sports UNE Board of Management.

The University of New England Sports Association (Sports UNE) is currently an unincorporated entity. The UNE Council has confirmed that Sports UNE became an incorporated entity of the University.

The objective of Sports UNE is to provide sporting and recreational facilities and activities for students and staff of the university and for the wider community and to facilitate sporting and recreational activities at the regional and national

Financial Accounts for Subsidiaries

The financial accounts for the subsidiaries, which form part of the University's annual report tabled in Parliament, are available on the University's website www.edu.au.

Notes to the financial statements
31 December 2007
(continued)

Note 34. Interest in Joint Ventures

The University has adopted AASB 131 "Interests in Joint Ventures" to calculate an equity interest in the net assets of the joint venture.

National Marine Science Centre Pty Limited

University of New England has 50% interest in a joint venture entity called National Marine Science Centre Pty Limited.

The principal activities, of the joint venture, are to integrate education, environmental research, fisheries research, management, ecotourism and public interpretive facilities.

The company was incorporated in Australia on 23 June 2000 and the joint venture arrangements were finalised on 6 September 2000.

Information, relating to the joint venture entity presented in accordance with the accounting policy described in note 1(s), is set out below:

The National Marine Science Centre Pty Ltd has no subsidiary holdings.

	National Marine Science Centre Pty Limited	
	2007	2006
	\$'000	\$'000
Share of partnership's assets and liabilities		
Current assets	1,224	901
Non-current assets	6,490	6,559
Total assets	<u>7,714</u>	<u>7,460</u>
Current liabilities	669	461
Non-current liabilities	-	-
Total liabilities	<u>669</u>	<u>461</u>
Net Assets	<u><u>7,045</u></u>	<u><u>6,999</u></u>
Share of partnership's revenues, expenses and results		
Revenue	1,554	1,375
Expenses	1,508	1,368
Net operating result before income tax	<u>46</u>	<u>7</u>
Retained earnings attributable to National Marine Science Centre Pty Limited:		
As at beginning of the financial year	6,999	6,187
Share in operating result for the current year	46	7
Share of increment on revaluation of property	-	805
At the end of the financial year	<u><u>7,045</u></u>	<u><u>6,999</u></u>
Movement in the carrying amount of investment in National Marine Science Centre Pty Limited:		
Carrying amount at beginning of financial year	6,999	6,187
Share of net operating result	46	7
Share of increment on revaluation of property	-	805
Carrying amount at end of financial year	<u><u>7,045</u></u>	<u><u>6,999</u></u>

Note 35. Financial risk management

The economic entity's accounting policies, including the terms and conditions of each class of financial asset and financial liability, both recognised and unrecognised at balance date, are as follows:

(a) **Market Risk**

(i) **Terms and conditions**

Recognised Financial Instruments	Balance Sheet Note	Accounting Policies	Terms and Conditions
Financial Assets			
Receivables	16	Receivables are carried at nominal amounts due less any provision for impairment	Accounts Receivable credit terms are 30 days
Deposits At Call	15	Term Deposits are stated at cost	Bank Call Deposits interest rate is determined by the official Money Market
Term Deposits	15	Term Deposits are stated at cost	Term deposits are for a period of up to one year. Interest rates are between 5.61% and 7.21%. Average maturity of 70 days.
Listed Shares	18	Listed Shares are carried at bid price	
Unlisted Shares	18	Unlisted Shares are carried at the lower of cost or recoverable amount	
Financial Liabilities			
Borrowings	25	These borrowings were paid out in full in 2006. No borrowings were taken up in 2007.	
Finance Leasing	25	The lease liability is accounted for in accordance with AASB 117.	Interest rates per market and schedules. Between 6.84% and 8.22%.
Creditors and Accruals	24 & 27.1	Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not invoiced to the economic entity.	Creditors are normally settled on 30 day terms

Note 35. Financial Instruments - continued

(ii) Foreign exchange risk

The economic entity undertakes certain transactions denominated in foreign currencies. These transactions expose the economic entity to exchange rate fluctuations.

As the University recognises all transactions, assets and liabilities in Australian dollars only, the University has minimal exposure to foreign exchange risk.

(iii) Price risk

The economic entity has no direct exposure to equity securities or commodity price risk.

To manage its price risk arising from investments in equity instruments, the University has delegated the risk management to treasury Corporation and has also diversified its portfolio. Diversification of the portfolio is done in accordance with the limits set by the University Investment Policy.

(iv) Cash flow and fair value interest rate risk

The economic entity invests in term deposits with various financial institutions and is exposed to interest rate risk arising from normal interest rate variations.

The University's interest rate risk arises primarily from investments in long term interest bearing financial instruments, due to the potential fluctuation in interest rates. In order to minimise exposure to this risk, the University invests in a diverse range of financial instruments with varying degrees of potential returns.

(v) Summarised sensitivity analysis

The following table summarises the sensitivity of the economic entity's financial assets and liabilities to interest rate risk.

(b) Credit Risk

Credit risk is the risk of financial loss, arising from another party, to a contract or financial position failing to discharge a financial obligation thereunder. The Economic Entity's maximum exposure, to credit rate risk, is represented by the carrying amounts of the financial assets included in the Consolidated Balance Sheet.

For the University, the only material exposure exists in related entity debtors.

For UNEP, ABRI, ILRIC, Services UNE Limited (formerly UNE Union Ltd), Sport UNE, UNE Vision Pty Limited and UNE Rural Properties Pty Ltd no material exposure exists to any individual creditor or class of financial asset.

(c) Liquidity Risk

Liquidity risk refers to the risk that, as a result of operational liquidity requirements, the University:

- will not have sufficient funds to settle a transaction on the due date
- will be forced to sell financial assets at a value which is less than their worth
- may be unable to settle or recover a financial asset at all

The finance committee monitors the actual and forecast cash flow of the economic entity on a regular basis, ensuring that sufficient cash reserves are held to meet the ongoing operations and obligations of the economic entity as they fall due.

(d) Net Fair Values of Financial Assets and Liabilities

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

The economic entity has no derivative financial instruments.

The University's financial assets and liabilities included in current and non-current assets, and current and non-current liabilities, in the Balance Sheet, are considered to be carried at amounts that approximate net fair value.

Note 35. Financial risk management
Summarised sensitivity analysis

The following table summarises the sensitivity of the Group's financial assets and financial liabilities to interest rate risk, foreign exchange risk and other price risk.

31 December 2007	Carrying amount	Interest rate risk				Foreign exchange risk				Other price risk						
		-1%		+1%		-1%		+1%		-1%		+1%				
		Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000			
Financial Assets																
Cash	4,296	(67)	67	67												
Investments-Term Deposits	36,584	(335)	(335)	335												
Receivables	13,733															
Receivable - Commonwealth debtor	74,902															
Receivables - Related Entities	94															
Listed Shares	1,175															
National Marine Science Centre	7,046															
Unlisted Shares	2,810															
Total Financial Assets	140,840															
Financial Liabilities																
Borrowings	1,048	-	-	(1)												
Creditors	2,353															
Other Amounts Owning	18,522															
Total Financial Liabilities	21,923															
Total increase / (decrease)	118,717	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Financial risk management (continued)

Comparative figures for the previous year are as follows:

31 December 2006	Carrying amount	Interest rate risk						Foreign exchange risk						Other price risk					
		-1%			+1%			-1%			+1%			-1%			+1%		
		Result	Equity	Result	Equity	Result	Equity	Result	Equity	Result	Equity	Result	Equity	Result	Equity	Result	Equity		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000		
Financial Assets																			
Cash	4,892	(46)	46	(46)	46	46	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A		
Investments - Term Deposits	31,702	(308)	308	(308)	308	308	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A		
Receivables	12,966																		
Receivable - Commonwealth debtor	96,602																		
Receivables - Related Entities	91																		
Listed Shares	887																		
National Marine Science Centre	6,999																		
Unlisted Shares	1,426																		
Total Financial Assets	155,565																		
Financial Liabilities																			
Borrowings	971																		
Creditors	2,262																		
Other Amounts Owing	17,931																		
Total Financial Liabilities	21,164																		
Total increase / (decrease)	134,401																		

Notes to the financial statements
31 December 2007
(continued)

Note 36. Acquittal of Australian Government financial assistance

	Parant entity (University) Only														
	Commonwealth Grant Scheme#			Indigenous Support Fund			Equity Support Programme			Workplace Reform Programme		Workplace Productivity Programme		Learning & Teaching Performance Fund	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000	
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the Programmes)	57,219	52,053	-	706	-	627	546	-	826	785	2,519	589	1,506	2,218	
Net accrual adjustments	(127)	(1,998)	751	-	-	627	546	-	826	785	2,519	589	1,506	2,218	
Revenue for the period	57,092	50,055	751	706	-	627	546	-	826	785	2,519	589	1,506	2,218	
Surplus / (deficit) from the previous year	1,998	-	73	-	-	279	-	-	-	-	585	-	1,549	-	
Total revenue including accrued revenue	59,090	50,055	824	706	-	906	546	-	826	785	3,104	589	3,055	2,218	
Less expenses including accrued expenses	56,964	48,057	686	633	-	220	267	-	826	785	1,965	4	1,988	669	
Surplus / (deficit) for reporting period	2,126	1,998	138	73	-	686	279	-	-	-	1,139	585	1,067	1,549	

Includes the basic CGS grant amount, CGS-Regional Loading, CGS-Enabling Loading and HEFA Transition Fund.

DEEWR - CGS and Other DEEWR Grants (continued)

	Capital Development Pool			Collaboration & Structural Reform Programme			Total		
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000	
	Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the Programmes)	5,122	1,065	71	375	67,890	58,337	67,890	58,337
Net accrual adjustments	-	-	-	-	624	(1,998)	624	(1,998)	
Revenue for the period	5,122	1,065	71	375	68,514	56,339	68,514	56,339	
Surplus / (deficit) from the previous year	548	2,174	375	-	5,487	2,174	5,487	2,174	
Total revenue including accrued revenue	5,670	3,239	446	375	73,921	58,513	73,921	58,513	
Less expenses including accrued expenses	4,541	2,691	141	-	67,331	53,106	67,331	53,106	
Surplus / (deficit) for reporting period	1,129	548	305	375	6,590	5,407	6,590	5,407	

36.2 Higher Education Loan Programmes

Parent entity (University) Only

	HECS-HELP (Australian Government payments only)		FEE-HELP		Total		OS-HELP	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the Programmes)	30,451	32,727	2,112	1,478	32,563	34,205	8	(34)
Net accrual adjustments	1,479	(1,730)	715	400	2,194	(1,330)	(8)	34
Revenue for the period	31,930	30,997	2,827	1,878	34,757	32,875	-	-
3(b)								
Surplus / (deficit) from the previous year	2,376	646	20	420	2,396	1,066	(14)	20
Total revenue including accrued revenue	34,306	31,643	2,847	2,298	37,153	33,941	(14)	20
Less expenses including accrued expenses	33,409	29,267	3,542	2,278	36,951	31,545	(9)	34
Surplus / (deficit) for reporting period	897	2,376	(695)	20	202	2,396	(5)	(14)

36.3 Scholarships

Parent entity (University) Only

	Australian Postgraduate Awards		International Postgraduate Research Scholarships		Commonwealth Education Costs Scholarships		Commonwealth Accommodation Scholarships		Total	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the Programmes)	1,281	1,259	236	245	719	487	907	541	3,143	2,532
Net accrual adjustments	-	-	-	6	-	-	-	-	-	6
Revenue for the period	1,281	1,259	236	251	719	487	907	541	3,143	2,538
3(c)										
Surplus / (deficit) from the previous year	179	103	-	7	134	14	121	17	434	141
Total revenue including accrued revenue	1,460	1,362	236	258	853	501	1,028	568	3,577	2,679
Less expenses including accrued expenses	1,276	1,183	236	258	435	367	617	437	2,564	2,245
Surplus / (deficit) for reporting period	184	179	-	-	418	134	411	121	1,013	434

Notes to the financial statements
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36.4 DEEWR Research

Parent entity (University) Only

	Institutional Grants Scheme		Research Training Scheme		Systemic Infrastructure Initiative		Research Infrastructure Block Grants		Regional Protection Scheme		Implementation Assistance Programme	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the Programmes)	3,370	3,478	7,946	8,201	-	2,570	1,766	2,095	584	510	46	-
Net accrual adjustments	-	-	-	-	-	-	-	-	-	-	-	-
Revenue for the period	3,370	3,478	7,946	8,201	-	2,570	1,766	2,095	584	510	46	-
3(d)												
Surplus / (deficit) from the previous year	-	-	-	-	2,507	-	-	-	-	-	-	-
Total revenue including accrued revenue	3,370	3,478	7,946	8,201	2,507	2,570	1,766	2,095	584	510	46	-
Less expenses including accrued expenses	3,370	3,478	7,946	8,201	2,507	63	1,766	2,095	584	510	33	-
Surplus / (deficit) for reporting period	-	-	-	-	-	2,507	-	-	-	-	13	-

DEEWR Research (continued)

Parent entity (University) Only

	Australian Scheme for Higher Education Repositories		Commercialisation Training Scheme		Graduate Skills Assessment		Total	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the Programmes)	101	-	69	-	150	200	14,032	17,054
Net accrual adjustments	-	-	-	-	-	-	-	-
Revenue for the period	101	-	69	-	150	200	14,032	17,054
3(d)								
Surplus / (deficit) from the previous year	-	-	-	-	200	-	2,707	-
Total revenue including accrued revenue	101	-	69	-	350	200	16,739	17,054
Less expenses including accrued expenses	10	-	231	-	231	-	16,447	14,347
Surplus / (deficit) for reporting period	91	-	69	-	119	200	292	2,707

36.5 Voluntary Student Unionism

	Parent entity (University) Only				Total
	VSU Transition Fund		Support for Small Businesses		
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000	
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the Programmes)	3,900	-	380	-	4,280
Net accrual adjustments	-	-	-	-	-
Revenue for the period	3,900	-	380	-	4,280
3(e)					
Surplus / (deficit) from the previous year	-	-	-	-	-
Total revenue including accrued revenue	3,900	-	380	-	4,280
Less expenses including accrued expenses	160	-	122	-	282
Surplus / (deficit) for reporting period	3,740	-	258	-	3,998

36.6 Australian Research Council Grants

(a) Discovery	Parent entity (University) Only				Total
	Projects		Indigenous Researchers Development		
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000	
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the Programmes)	1,700	1,615	-	-	1,700
Net accrual adjustments	(2)	(7)	-	-	(2)
Revenue for the period	1,698	1,608	-	-	1,698
3(f)(i)					
Surplus / (deficit) from the previous year	480	576	-	11	480
Total revenue including accrued revenue	2,178	2,184	-	11	2,178
Less expenses including accrued expenses	1,652	1,704	-	11	1,652
Surplus / (deficit) for reporting period	526	480	-	-	526

(b) Linkages

	Parent entity (University) Only				Total
	Infrastructure		Projects		
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000	
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the Programmes)	-	175	639	907	639
Net accrual adjustments	-	-	7	(1)	7
Revenue for the period	-	175	646	906	646
3(f)(ii)					
Surplus / (deficit) from the previous year	-	-	294	394	294
Total revenue including accrued revenue	-	175	940	1,300	940
Less expenses including accrued expenses	-	175	671	1,006	671
Surplus / (deficit) for reporting period	-	-	269	294	269

Notes to the financial statements

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Note 37. New Australian Accounting Standards issued but not effective

The following new accounting standards and Interpretations have been adopted by the Australian Accounting Standards Board but are not yet effective. These standards, where applicable, will be applied on the application dates listed.

Note 1: Statement of significant accounting policies (continued)

Title	Standard affected	Application Date	Nature and impact of impending change
AASB7, AASB 2005-10	AASB 7 Financial Instruments Disclosures	1-Jul-07	Revises disclosure for financial instruments. No material change to the accounting policy anticipated. The amendments will result in changes to the financial instruments disclosures included in the financial report.
2007-1	Amendments to Australian Accounting Standards arising from AASB Interpretation 11 [AASB 2]	1 Mar07	Only applicable to companies issuing share-based payments. Therefore, no impact expected.
2007-2	Amendments to Australian Accounting Standards arising from AASB Interpretation 12 [AASB 1, AASB 117, AASB 118, AASB 120, AASB 121, AASB 127, AASB 131 & AASB 139]	1 Jan 08	Revised accounting for service concession arrangements that is private public partnerships. These amendments are not expected to impact this financial report.
AASB 8, 2007-3	Amendments to Australian Accounting Standards arising from AASB 8 [AASB 5, AASB 6, AASB 102, AASB 107, AASB 119, AASB 127, AASB 134, AASB 136, AASB 1023 & AASB 1038]	1 Jan 09	Revised segment reporting requirements. These amendments have no impact.
2007-4	Amendments to Australian Accounting Standards arising from ED 151 and other amendments: AASB 1,2,3,4,5,6,7,102,107,108,110,112,114,116,117,118,119,120,121,127,128,129,130,131,132,133,134,136,137,138,139,141,1023, 1038	1 Jul 07	Restores options in accounting standards. These amendments are expected to reduce the extent of some disclosures.
2007-5	Accounting standards to Australian Accounting Standards arising from AASB 2007-05	1-Jul-07	This amendment changes AASB 102 inventories so that those held for distribution by Not-for-Profit Entities are measured at cost, adjusted when applicable for any loss of service potential. The University does not expect and financial impact when the Standard is first applied on or after 1 July 2007.
2007-6	Amendments to Australian Accounting Standards arising from AASB 123, [AASB 1, AASB 101, AASB 107, AASB 111, AASB 116 & AASB 138 and Interpretations 1 & 12]	1 Jan 09	The amendments to AASB 123 require that all borrowing costs associated with a qualifying asset are capitalised. The impact of this change has still yet to be determined.
2007-7	Amendments to Australian Accounting Standards: AASB 1, AASB 2, AASB 4, AASB 5, AASB 107, AASB 128	1 Jul07	Restores options in accounting standards. The amendments are not expected to affect this financial report.
AASB 2007-8	Amendments to Australian Accounting Standards arising from AASB 101	1-Jan-09	The amendments arise from the issuance in September 2007 of a revised AASB 101 Presentation of Financial Statements, as a result of the issuance by the IASB of a revised IAS 1 Presentation of Financial Statements
AASB 2007-9	Amendments arising from review of AASB 27,29,31	1-Jan-09	This amendment continues development by the Standards Board of a common frame work for both Profit and Not-for Profit Entities. This is not expected to impact upon these financial statements.

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New Australian Accounting standards (continued)

AASB 1049	Financial Reporting of General Government Sectors by Governments	1-Jul-08	The issue of AASB 1049 is part of the Australian Accounting Standards Board's (AASB's) implementation of a Financial Reporting Council (FRC) broad strategic direction. The standard does not have broader implications beyond general government (GGS) Sector. The Board will consider in due course the extent to which its decisions on GGS financial reporting comprising whole of government financial reporting, the PNFC sector and the PFC sector, as well as phases 2 and 3, comprising financial reporting by government departments, statutory bodies, local governments, universities, government business enterprises and other public sector entities.
AASB-8	Operating segments	1-Jan-09	This standard applies to for-profit entities whose debt or equity instruments are traded in a public market or that files, or is in the process of filing, its financial statements with a securities commission or other regulatory organisation for the purpose of issuing any class of instruments in a public market. This standard is not applicable to the university.
AASB 1048	Interpretation and Application of Standards	30-Sep-07	This standard identifies the Australian Interpretations and classifies them into two groups required - those that correspond to an IASB Interpretation and those that do not. Entities are to apply to each relevant Australian Interpretation in preparing financial reports that are within the scope of the Standard.
AASB's 1, 102, 107, 108, 119, 112, 113, 116, 118, 119, 120, 121, 127, 128, 129, 131, 134, 136, 137, 138, 141	Adopt the IASB Standards	1 Jul 07	AASB's Standards have been changed to adopt the IASB Standards by replacing relevant existing AASB Standards with Australian Standards equivalent to the International Financial Reporting Standards (IFRSs) of the IASB. While some may effect the disclosure in future financial reports none are expected to have no material impact or a financial impact.
AASB 101	Amendment associated with AASB 7	1-Jan-09	Associated with the introduction of AASB 7 a number of accounting standards were amended to reference the new standard or remove the present disclosure requirements.
AASB 132, 114, 117, 133, 139, 4,1023, 1038	Amendments associated with AASB 7	1-Jul-07	while some may effect the disclosure in future financial reports none are expected to have
AASB Interpretation 4	Determining whether an Arrangement contains a lease (revised)	1-Jan-08	This Interpretation was revised and issued in February 2007 to specify that a public to private service concession meets the scope requirements of ASSB Interpretation 12 'Service Concessions Arrangements' as issued in February 2007, it would not be required within the scope of Interpretation 4. At the balance date the university has not entered into any public-to-private service arrangements resulting in no impact when the Interpretation is first applied.
Interpretation 11	Group and Treasury Share Transactions	1-Mar-07	This Interpretation addresses whether certain types of share based payment transactions with employees (or other suppliers of goods and services) should be accounted for as equity-settlements or cash settled transactions under ASSB 2. This interpretation is not expected to impact upon the University's financial reports.

Notes to the financial statements

31 December 2007

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New Australian Accounting standards (continued)

AASB Interpretation 12	Service Concession Arrangements	1-Jan-08	This Interpretation gives guidance on the accounting by operators (usually a private sector entity) for public-to-private service concession arrangements. It does not address the counting by grantors (usually a public sector entity). At balance the University has not entered into any public-to-private service concession arrangements resulting in no impact when the Interpretation is first applied.
Interpretation 13	Customer Loyalty programmes	1-Jul-07	This Interpretation gives guidance on accounting for customer award credits and is not applicable to the university.
Interpretation 14	AASB 19 - the limit on Defined Benefit Asset, Minimum funding requirement and their interaction	1-Jan-08	This Interpretation applies to all post-employment defined benefits and their long term employment defined benefits. This interpretation is not expected to impact upon these financial statements.
Interpretation 113	Jointly Controlled Entities - Non Monetary Contributions by Ventures	1-Jul-07	This Interpretation deals with Venture accounting for non monetary contributions to a Joint Controlled interest in the Joint Controlled Entity. This interpretation is not expected to impact upon these financial statements.
Interpretation 129	Service Concession Arrangement: Disclosures	Feb-07	This Interpretation requires specific disclosure in the notes accompanying financial statements about services concession arrangements entered into whether as grantor or an operator. This interpretation is not expected to impact upon these financial statements
Interpretation 1003	Australian Petroleum Resource Rent Tax	30-Jun-08	This will have no impact upon these financial statements.
Interpretation 1038	Contributions by Owners Made by Wholly-Owned Public Sector Entities	Dec-07	This Interpretation does not apply to a government controlled not-for-profit entity
AASB 116	Property, Plant and Equipment	1-Jul-07	AASB 116 is a compiled standard that incorporates amendments of 2007-4. No impact upon the financial statements is expected .
AASB 123	Borrowing costs	1-Jan-09	This standard requires capitalisation of certain borrowing costs. No impact upon these financial statements is expected.
AASB 132	Financial Instruments Presentations	1-Jul-07	This standard incorporates amendments of 2007-4. No impact upon these financial statements is expected .
AASB 1004 and 1050	Contributions' and 'Administrative Items'	1-Jul-08	AAS 27, 29, 31, with amendments are relocated into AASB 1004. No impact upon these financial statements is expected.
AASB1049	PASS 1049 - Financial Reporting of General Government Sectors by Governments	1-Jul-08	Mandates reporting requirements for the General Government Sector. This standard does not directly impact these whole of government statements.
AASB 1051	Land Under Roads	1-Jul-08	This standard concerns the recognising and reporting of land under roads by certain entities. No impact upon these financial statements is expected.
AASB 1052	Disaggregated disclosures	1-Jul-08	This standard only applies to general purpose financial statements of local government and government redevelopment of a common framework.

Note 38. Related parties

(a) Parent entities

The ultimate parent entity within the group is the University of New England which is incorporated in Australia. The ultimate Australian parent entity is the University of New England.

(b) Subsidiaries

Interest in subsidiaries are set out in note 33.

(c) Key management personnel

Disclosures relating to directors and specified executives are set out in note 29.

(d) Transactions with related parties

Transactions with related parties are on normal terms no more favourable than those available to other parties unless otherwise stated. These are eliminated in full on consolidation.

(f) Guarantees

There have been no guarantees given

(g) Terms and conditions

Related party outstanding balances are unsecured and have been provided on interest-free terms. Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

" End of Audited Financial Statements "

Additional Information

Budgetary Income Statement For the year ended 31 December 2007

	University			
	Actual 2007 \$'000	Budget 2007 \$'000	Variance 2007 \$'000	Budget 2008 \$'000
Income from continuing operations				
Australian Government financial assistance	105,236	90,323	14,913	90,160
State and local Government financial assistance	2,140	1,500	640	2,200
Higher Education Contribution Scheme				
FEE-HELP	2,827	2,203	624	2,254
Commonwealth Payments	31,930	30,093	1,837	32,253
Superannuation - deferred government contributions	(21,700)	(600)	(21,100)	-
HECS-HELP - Student Payments	7,178	2,203	4,975	7,000
Fees and charges	31,132	35,283	(4,151)	36,094
Investment income	2,727	1,563	1,164	2,100
Royalties, trademarks and licences	693	500	193	138
Consultancy and contracts	817	700	117	820
Other Revenue	5,440	5,392	48	8,004
Gain on disposal of fixed assets	-	-	-	350
Total revenue from continuing operations	168,420	169,160	(740)	181,373
Expenses from continuing operations				
Employee related expenses	106,413	107,553	(1,140)	108,428
Depreciation and amortisation	11,453	11,700	(247)	11,807
Finance costs	98	300	(202)	98
Losses on disposal of assets	2,237	-	2,237	-
Other expenses	65,953	52,193	13,760	60,459
Expenses before deferred items	186,154	171,746	14,408	180,792
Deferred government employee benefits for superannuation	(21,700)	(2,740)	(18,960)	-
Total expenses from continuing operations	164,454	169,006	(4,552)	180,792
Operating result	3,966	154	3,812	581
Retained Earnings at beginning of financial year	179,913	177,488	2,425	165,907
Adjustments to Opening Retained Earnings	(770)		(770)	
Retained Earnings at End of financial year	183,109	177,642	5,467	166,488

Budgetary Balance Sheet As at 31 December 2007

	Actual 2007 \$'000	University Budget 2007 \$'000	Variance 2007 \$'000	Budget 2008 \$'000
CURRENT ASSETS				
Cash and cash equivalents	34,295	17,946	16,349	28,014
Receivables	5,464	7,806	(2,342)	7,962
Inventories	317	1,200	(883)	1,200
Other non-financial assets	5,527	-	5,527	-
Biological assets	461	-	461	-
Total current assets	46,064	26,952	19,112	37,176
Non-current assets				
Receivables	74,902	121,967	(47,065)	124,403
Other financial assets	2,385	1,828	557	1,923
Property, plant and equipment	212,957	213,549	(592)	215,547
Intangible assets	6,965	7,893	(928)	7,983
Total non-current assets	297,209	345,237	(48,028)	349,856
Total assets	343,273	372,189	(28,916)	387,032
Current liabilities				
Trade and other payables	1,109	1,006	103	1,006
Borrowings	286	-	286	-
Provisions	30,642	10,344	20,298	10,654
Other liabilities	17,359	14,092	3,267	14,364
Total current liabilities	49,396	25,442	23,954	26,024
Non-current liabilities				
Borrowings	609	-	609	-
Provisions	81,293	155,949	(74,656)	166,777
Total non-current liabilities	81,902	155,949	(74,047)	166,777
Total liabilities	131,298	181,391	(50,093)	192,801
Net assets	211,975	190,798	21,177	194,231
EQUITY				
Reserves	28,865	13,156	15,709	27,743
Retained surplus	183,110	177,642	5,468	166,488
Total equity	211,975	190,798	21,177	194,231

Budgetary Cash Flow Statement for the year ended 31 December 2007

	University			Budget 2008 \$'000
	Actual 2007 \$'000	Budget 2007 \$'000	Variance 2007 \$'000	
Cash flows from operating activities				
Australian Government Grants received	133,654	103,152	30,502	109,360
State Government Grants received	2,140	-	2,140	2,200
HECS-HELP - Student payments	7,178	-	7,178	7,000
Receipts from student fees and other customers	43,506	69,184	(25,678)	67,340
Dividends received	54	-	54	46
Interest received	2,637	1,563	1,074	2,100
Payments to suppliers and employees (inclusive of GST)	(165,307)	(161,135)	(4,172)	(175,041)
GST recovered/paid	(5,864)	(300)	(5,564)	-
Net cash inflow (outflow) from operating activities	17,998	12,464	5,534	13,005
Cash flows from investing activities				
Proceeds from sale of property, plant and equipment	431	-	431	-
Payments for property, plant and equipment	(17,311)	(20,925)	3,614	(13,804)
Net cash inflow (outflow) from investing activities	(16,880)	(20,925)	4,045	(13,804)
Cash flows from financing activities				
Repayment of borrowings	-	-	-	-
Repayment of finance leases	33	-	33	-
Net cash inflow (outflow) from financing activities	33	-	33	-
Net increase (decrease) in cash and cash equivalents	1,151	(8,461)	9,612	(799)
Cash and cash equivalents at the beginning of the financial year	28,960	26,407	2,553	28,813
Cash and cash equivalents at the end of the financial year	34,295	17,946	12,165	28,014