

management and resources

CONSULTANCIES

Category	Expenditure \$
Management	204,023
Human resource management	9383
Information technology advice	3, 317,245
Communications	39,460
Professional/technical*	7,730,375
TOTAL	11,300,486

* includes fees of \$3,929,678 relating to the Institute for Molecular Bioscience building project (see pages 24,43), paid by Property and Facilities Division

In 2000, we spent \$121,000 (including \$16,000 from the Environment Protection Agency for energy management work) on:

- ▶ environmental projects;
- ▶ EMS (Environmental Management Systems) and certification;
- ▶ audits;
- ▶ consultancies (including energy management);
- ▶ environmental licensing; and
- ▶ environmental clean-ups/emergency response.

We met requirements for the new Environmental Protection (Waste Management) Regulation 2000 thanks to our 10-year plan to develop EMS for all campuses and high-risk sites.

A volumetric analysis by our waste contractor of the general waste-stream at our St Lucia campus confirmed that:

- ▶ no regulated (e.g. clinical, chemical, biological) wastes are entering our system, and
- ▶ 60 percent of general waste is recyclable through existing facilities.

We are looking at new ways to capture wastes, to reduce collection costs and the volumes going to landfill.

This year's audits investigated air, water and energy issues. Energy use at St Lucia exceeded predictions, mostly because of a mild winter (requiring more air-conditioning than usual) and underestimation

of energy use in new buildings. We are reviewing ways to cut future consumption.

SMOOTH MOVE TO GST

Our financial and related administrative systems converted to GST smoothly and without incident on July 1 – a major coup given our large budget and the complexity of our operations. Business Activity Statements have also been filed efficiently to date.

Many of our services as an educational provider are GST-free, and we are registered for the deferred GST scheme on imported goods, the diesel and alternative fuels grants scheme and the educational textbook subsidy scheme.

Preparations for the July 1, 2000 changeover began in late 1999 when we reviewed all systems and completed a briefing paper. System specifications were then written for various modules of the Departmental Accountant (our University-wide system) and forwarded to our computer programmers.

They released the first GST version of the system in April, 2000 for extensive testing in Business Services Division. It was then road-tested at the Dental School and the School of Social Work and Social Policy before being released to departments on May 18.

Between April 17 and June 30, about 45 Business Services staff and 285 departmental staff attended 20 all-day GST training sessions at St Lucia, UQ Gatton and the Medical School.

Attendance was compulsory for administrative officers before they could download the new version of Departmental Accountant – and when they turned on their PCs on July 1, the system automatically converted to the full GST version for a trouble-free transition. Business Services Division appointed extra staff over the first few months to check transactions and ensure compliance.

OUR FINANCES: AN OVERVIEW

Our 2000 financial operations produced a surplus of \$12.6 million which represented a significant increase on the \$3.1 million reported in the previous year. There was a substantial growth in income received for Research Projects and for Bequests and Donations.

We determined our operating result after

- ▶ capitalising property, plant and equipment (\$41 million) less depreciation (\$48.1 million) and
- ▶ recording surpluses of \$22 million in restricted funds. These represent Bequests and Donations (see pages 36-37), Specific Research Grants and Other Funds.



SECOND-YEAR DIPLOMA IN ANIMAL PRODUCTION STUDENTS ROBERT STEPHENS (LEFT) AND STEVEN DUNCAN TEND NEW ARRIVALS AT THE UQ GATTON PIG RESEARCH FACILITY.

Our Operating Budget represents about two-thirds of our total income and supports major teaching and research activities and associated support services. We derive the remainder of our income from

- ▶ specific research grants and contracts,
- ▶ provision of services to the community and
- ▶ funds for scholarships, prizes and other special purposes nominated by donors.

The financial pressure we experienced during 1999 continued in 2000 and Operating Budget expenditure exceeded income by \$22.9 million. This reduced the cumulative budget surplus to \$3.775 million – the lowest level recorded for many years.

We expect financial pressure to increase during 2001 as the next instalment of the Enterprise Bargaining agreement becomes due for all staff in July that year (see page 40). We expect to complete the year with a significant budget deficit.

An operational priority in our Strategic Plan for 2000-2004 (see pages 10-15) is to increase our income from sources outside the Commonwealth Operating Grant to 55 percent of total income, by 2004. We made positive moves towards this target in 2000 by achieving 53 percent of total income from outside sources – up from 49 percent in the previous year.

OPERATING BUDGET AND ACTUAL EXPENDITURE

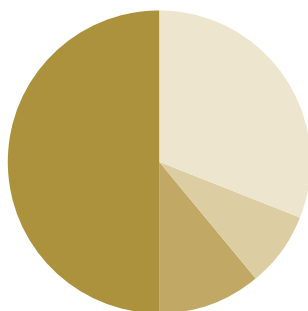
1999 Actual \$'000		2000 Budget \$'000	2000 Actual \$'000	2001 Budget \$'000
INCOME				
290,923	Higher Education Funding Act	294,087	300,478	304,927
49,186	Other Income	48,096	57,740	58,188
340,109	TOTAL INCOME	342,183	358,218	363,115
EXPENDITURE				
Academic Activities				
187,215	Faculties	193,171	199,768	189,859
4,853	Scholarships	5,463	5,529	6,213
21,668	Research Only	18,033	23,335	18,301
8,223	Strategic Initiatives	603	9,724	13,796
14,104	Ipswich Campus	7,250	17,228	16,700
Support Services				
21,686	Library	22,189	22,856	21,475
4,936	Information Technology Services	6,670	7,755	6,403
26,815	Central Administration	28,046	29,958	26,522
3,312	Student Services	3,148	3,291	3,240
22,131	Property & Facilities	21,548	22,797	20,810
Other Costs University Overheads				
4,583	Power, Lighting and Heating	4,347	4,805	4,597
7,831	Other Overheads	9,143	10,245	10,493
1,050	Commercial Services	610	1,174	103
1,010	Public Services	872	814	784
150	UQP Operating Grant	150	150	150
2,422	Minor Works	1,073	2,128	2,073
82	Budget Adjustment	1,075	32	1,000
18,435	Capital	19,123	19,533	20,596
350,506	TOTAL EXPENDITURE	342,514	381,122	363,115
(10,397)	SURPLUS/(DEFICIT) FOR THE YEAR	(331)	(22,904)	0

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OUR INVESTMENT POLICY IS TO

- ▶ maintain a high level of security of capital funds,
- ▶ maximise income flow commensurate with that security, and
- ▶ protect the portfolio against the effects of inflation.

INVESTMENT PORTFOLIO AS AT DECEMBER 31, 2000



- Equities (50%)
- Fixed Interest Trust (31%)
- Property Trusts (8%)
- Cash Deposits and Balances (11%)

At the end of 2000, our long-term investment portfolio had a market value of \$67 million. Invesco (previously County Investment Management Limited) manages this portfolio and achieved a return of 6.7 percent for the year – just short of the benchmark return of 7.3 percent.

In addition to managing effectively our

- ▶ Government grants,
- ▶ competitively-awarded research funding (see pages 25-26, 31) and
- ▶ investments and endowments,

we were again active in direct fund-raising (see pages 36-37). The tenth Annual Appeal, renamed the Chancellor's Fund, raised a record \$1,064,377 (see page 36).

This supported a range of activities including scholarships, research, equipment, library resources and UQ-Link (see pages 20-21), our special-entry program for students from disadvantaged backgrounds.

THE YEAR 2001

- ▶ We will introduce a new academic structure for faculties from January 2001. This will be based on schools, which will be fewer in number and larger in size than many departments, and will achieve more flexible and strategic use of our resources.
- ▶ All students will enrol online using **mySI.Net**, and **my.UQ** will expand to include pages for staff and more online services such as WebCT.
- ▶ We will consult key stakeholders in preparing a user brief for Stage Three, UQ Ipswich – a purpose-built Library and Resource Centre scheduled for completion by early 2003 – and appoint consultants to prepare the \$9.5 million project for tender.
- ▶ Environmentally-friendly renovations to our pig research facilities at Pinjarra Hills and UQ Gatton will include recycling sludges from the waste-treatment ponds as a soil conditioner.