

ENVIRONMENTAL MANAGEMENT

Environmental concerns rate highly on our agenda, both in terms of research (see pages 29-30, 31, 33, 44) and in managing our resources.

We hold four environmental licences, for:

- the Gatton bulk volume fermenter;
- St Lucia garage;
- Gatton sewerage treatment plant; and
- the Pinjarra Hills incinerator.

The Department of Environment and Heritage randomly selected the bulk volume fermenter for a compliance audit, indicating some changes to improve its performance. We undertook major capital works to rectify an odour issue, and are assessing the success of this work. Other activities are all proceeding according to licence conditions.

We maintained environmental certification for the St Lucia campus under the standard ISO 14001:1996 Environmental Management Systems (EMS), and in early 1998 established a new EMS faculties sub-committee comprising laboratory and departmental managers.

To promote implementation of EMS, this group has focused on raising awareness and establishing processes to improve environmental management on campus. All departments with activities likely to impact on the environment now have an EMS manual incorporating procedures for air quality, energy, noise, waste and water; and we have plans to develop EMS for all other campuses and sites (see page 41).

We conducted environmental audits on energy consumption, fume hood and cupboard emissions, and the University lakes. We found all areas were functioning well, and identified audit procedures in need of updating.

Our Heron Island Research Station (HIRS), situated on a coral cay on the Great Barrier Reef, operates in remote and environmentally delicate surroundings and during 1998 we continued to improve its environmental performance.

We show all new clients a videotape and give them EMS user manuals outlining their roles and responsibilities when conducting research on the reef. A purpose-built chemical store is now fully operational. It is used to hold bulk chemicals used for research, waste chemicals prior to return to the mainland for disposal, and solvents and paints required for maintenance.

PhD student Mark Hamann takes part in a project at the University's Heron Island Research Station, monitoring turtle populations and breeding rates. Research on Heron Island continually builds on the reservoir of knowledge about the reef, its origins and management. Photo courtesy David Sproule, The Australian

1998 OPERATING BUDGET EXPENDITURE

Category	Percentage
Teaching and Research	55.57%
Research Only	6.41%
Libraries	6.97%
Other Academic Services	3.23%
Student Services	1.22%
Commercial Services	0.28%
University Overheads	3.98%
Scholarships	1.12%
Administration	8.27%
Property and Facilities	7.18%
Public Services	0.35%
University Press	0.05%
Capital	5.37%

FINANCE

Our 1998 financial operations resulted in a surplus of \$31 million – similar to the surplus of \$30.1 million achieved in the previous year.

The result was determined after the capitalisation of property, plant and equipment (\$70.59 million) less depreciation (\$38.277 million) and the recording of a surplus of \$4.393 million in specific research funds, special purpose funds, capital works and other restricted funds. In addition, the Ipswich campus was brought to account at a valuation of \$6.967 million.

Funds received by the University include government grants, contributions by students through the Higher Education Contribution Scheme, tuition fees, research grants and contracts, bequests, donations and miscellaneous revenue.

Our Operating Budget represents approximately two-thirds of our total income and is used to support major teaching and research activities and associated support services. The rest of our income derives from specific research grants and contracts, from services to the community and from funds for scholarships, prizes and other special purposes nominated by donors.

1998 CONSULTANCIES EXPENDITURE

CATEGORY	EXPENDITURE
Management	\$235,135
Human Resource Management	\$12,089
Communications	\$34,600
Professional/Technical	\$3,394,037
TOTAL	\$3,675,861

Because of uncertainty about future levels of government funding and the need to meet unfunded salary increases in 1998, all sections of the University adopted a very conservative approach to the management of operations during the year.

Restructuring of departmental operations continued in a number of areas (see page 35). Other departments did not replace departing staff and held all aspects of non-salary expenditure to the minimum possible levels.

As a result, we achieved a small budget surplus of \$1.856 million for the year and this, when added to balances brought forward from previous years, provided an accumulated budget surplus of \$37.1 million. Most of these funds will be required in 1999 as a large number of projects throughout the University reach fruition.



In 1996 we received 43.5 percent of our income from sources other than the Operating Grant provided by the Commonwealth Government, and one of the Operational Priorities in our Strategic Plan calls for us to increase this to 50 percent by 2002.

Progress towards this goal continued in 1998 when income, other than Commonwealth funding of the Operating Grant, was 47.7 percent (up from 47.2 percent in 1997). Income from sources other than the Commonwealth Government amounted to 34.6 percent which compared with the 32.3 percent achieved in 1997.

Our long-term investment portfolio is managed externally and funds are allocated to the various asset classes in consultation with our Investment Committee. The fund had a market value of \$62.77 million at the end of 1998 and returned 10.8 percent for the year. Although this return was similar to that achieved in the previous year, it was

below the benchmark return of 13.2 percent – mainly because the Investment Managers adopted a defensive strategy in the light of the volatile market conditions applying through much of 1998.

Our investment policy is to maintain a high level of security of capital funds, to maximise the income flow commensurate with that security and to protect the portfolio against the effects of inflation. At the end of 1998, the benchmark was for 55 percent to be invested in growth assets (Australian equities 35 percent, overseas equities 12 percent, property trusts 8 percent) and for the balance to be invested in fixed interest and cash. The mandate allows the managers to change the weightings of the asset classes within ranges around the benchmark percentages.

In addition to managing effectively our grants from government, our competitively-awarded research funding and our investments and endowments, we were again active in direct fund-raising (see pages 44-45).

The eighth Annual Appeal (see page 44) raised a record \$701,487. This funded a range of activities including scholarships, research, equipment, library resources and UQ-Link, which assists intellectually able students from disadvantaged backgrounds (see page 19).

INTERNAL AUDITS

Our Internal Audit Office reports to the Vice-Chancellor and Senate (through its Audit Committee) on controls over areas of potential risk. Responsibilities include advising departments and sections and promoting good financial and administrative practice.

Notes to chart, left:

- 1 Costs are expressed in estimated final 1999 cost levels.
- 2 The Teaching and Research budget includes the Aboriginal & Torres Strait Islander Studies Unit, the Teaching & Educational Development Institute and the Institute of Continuing & TESOL Education previously reported in Academic Services.
- 3 The Other Academic Services budget areas of Teaching & Educational Development Institute, Information Technology Services and the Institute of Continuing & TESOL Education have been transferred to other Activities.
- 4 The Aboriginal & Torres Strait Islander Studies Unit budget has been transferred to Teaching and Research. Health Services, Student Support Services and Chaplaincy budgets have been transferred to the General University Services budget.
- 5 Student Services and Information Technology Services budgets have been transferred from Academic Services.
- 6 Strategic Activities includes Ipswich Campus and Strategic Initiatives.

OPERATING BUDGET AND ACTUAL EXPENDITURE					
1997 Actual \$'000		1998 Budget \$'000	1998 Actual \$'000	1999 *1 Budget \$'000	
INCOME					
276,471	Higher Education Funding Act	279,260	282,491	287,967	
39,797	Other Income	39,516	44,633	44,218	
316,268	TOTAL INCOME	318,776	327,124	332,185	
EXPENDITURE					
Academic Activities					
169,504	Teaching and Research	181,646	180,760	188,836	*2
19,881	Research Only	17,216	20,845	16,886	
189,385	<i>Sub-total</i>	198,862	201,605	205,722	
19,048	Libraries	20,454	22,680	21,588	
Academic Services					
5,977	Other Academic Services	7,296	10,520	0	*3
3,592	Student Services	3,420	3,928	0	*4
1,311	Commercial Services	524	905	450	
University Overheads					
5,125	Power, Lighting and Heating	5,210	4,842	4,282	
7,437	Other Overheads	9,911	8,116	8,248	
3,085	Scholarships	3,938	3,633	4,941	
General University Services					
24,817	Administration	25,868	26,900	26,676	
	Student Services			2,783	*5
	Information Technology Services			4,713	*5
12,715	Property & Facilities	16,622	14,881	15,074	
7,754	Alterations, Repairs and Maintenance	6,258	8,452	8,261	
1,120	Public Services	637	1,125	706	
16,973	Capital	17,146	17,465	18,195	
150	Miscellaneous	200	150	150	
	Contingency	1,075	66	1,075	
	Strategic Activities	7,000		25,079	*6
298,489	TOTAL EXPENDITURE	324,421	325,268	347,943	
17,779	SURPLUS/(DEFICIT) FOR THE YEAR	(5,645)	1,856	(15,758)	