

# Financial review

The University continued to strengthen its financial position this year as a solid base for continued growth in all aspects of its operations.

Results for the year (as shown in the financial statements, page 70) included an operating surplus of \$8.09 million, with an operating margin of 11 percent. The University is thus well-placed to pursue plans to:

- increase emphasis on research performance on the research themes of (1) regional engagement and (2) sustainability; and
- diversify revenue sources through growth in fee-paying international and domestic students.

## Income and expenditure

Total income for the year was \$79.69 million—an increase of \$12.32 million on the previous year. The increase was driven primarily by strong growth in Commonwealth-funded student places and fee-paying international students (page 15). Funds derived from government sources totalled \$58.82 million or 74 percent of revenue, an increase from the \$48.98 million (20 percent) received in the previous year.

Expenses for the year totalled \$71.61 million—an increase of \$9.86 million on the previous year. This was due in part to a 21 percent (\$7.73 million) increase in employee benefits, flowing from:

- increased teaching activities due to extra student places; and
- greater provision for long-service leave due to staff retention.

## Asset growth

At year's end, the University's net assets totalled \$158.66 million—\$15.72 million (11 percent) more than in the previous year. This reflected the revaluation of existing buildings and major building activity, including two building completions (page 16).

The University spent \$16.35 million on capital projects during the year and \$1.48 million on building maintenance and minor works.

## The year 2008

Next year, the University will begin a Triennium Budget for 2009–2011. This will be developed within the University Planning Framework. The Triennium Budget will consider greater linkages of forward budget estimates based on load modelling, workforce planning and space management in advancing the University's strategic objectives.

The Administrative Productivity Improvement Project will also be a major focus. Partly funded by a \$3.22 million grant under the Commonwealth Government's Workplace Productivity Program, it will boost administrative capacity and services for staff, students and linked external organisations through the re-engineering of business processes and functions. The project will have two phases:

- Student Administration and Human Resources/Payroll; followed by
- upgrade or replacement of the Finance system (scheduled for completion in 2009).

The introduction of key financial indicators to assess the University's financial performance and benchmarking against the higher education sector will become a part of regular financial reviews during 2008; and other priorities will include:

- ensuring the University maintains a sound financial base while operating in pursuit of its mission;
- ensuring resources are deployed within budget targets; and
- staff training to optimise the Administrative Productivity Improvement Project.

