



2005 BOND UNIVERSITY

# ANNUAL REPORT

BRINGING AMBITION TO LIFE

2005 BOND UNIVERSITY - ANNUAL REPORT

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CRICOS CODE 00017B





Everyone has expectations for their future...  
And success means different things to different people.  
Some are happy to live from day to day.  
Others - like yourself - want much more.  
You think bigger. You want to move faster.  
You want to go further.  
You're determined to achieve something extraordinary.  
At Bond University, we recognise your passion  
and fast-track your progress.

**BOND UNIVERSITY. WE SHARE YOUR AMBITION.  
WE BRING IT TO LIFE.**

## VISION AND MISSION

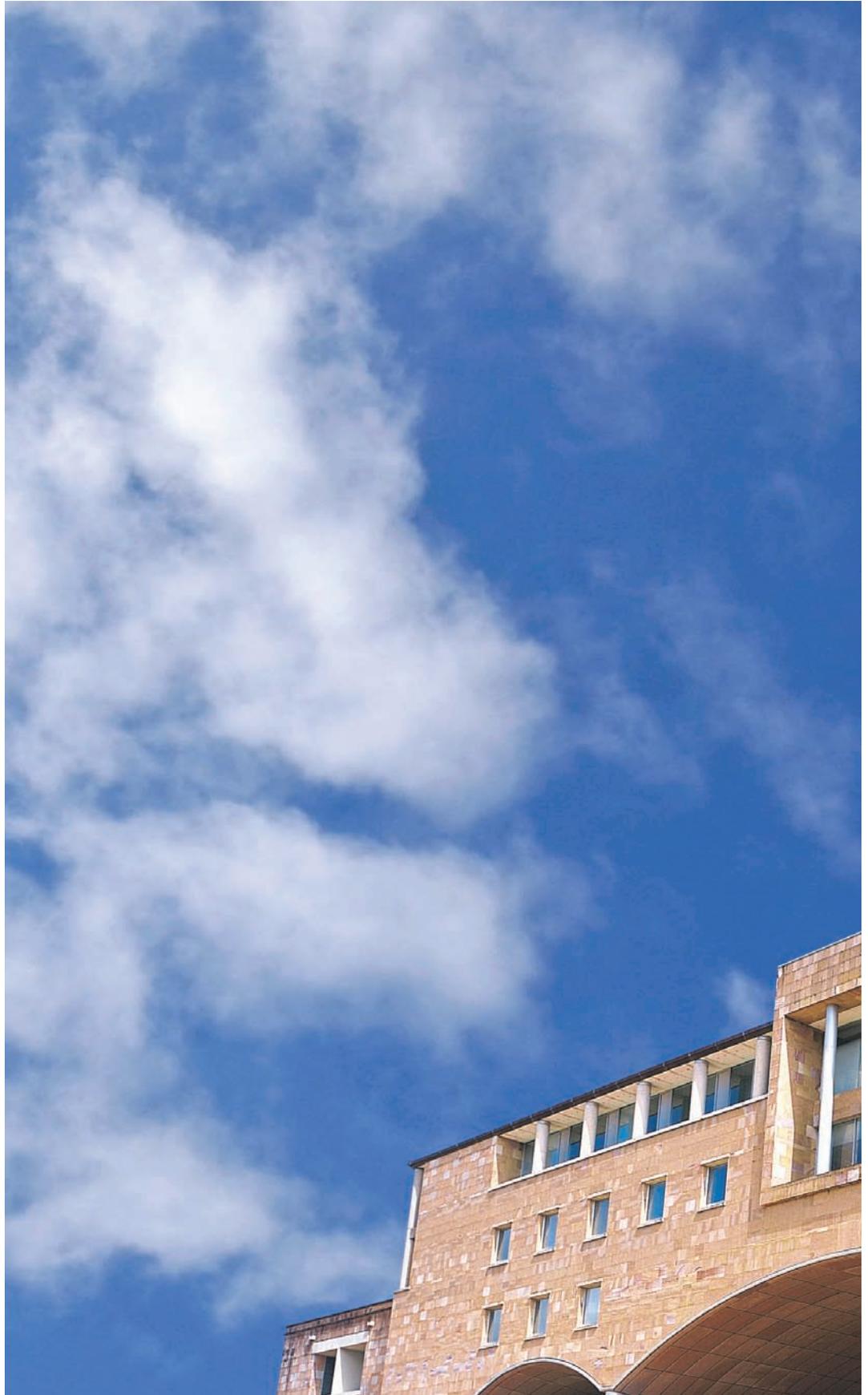
### OUR VISION

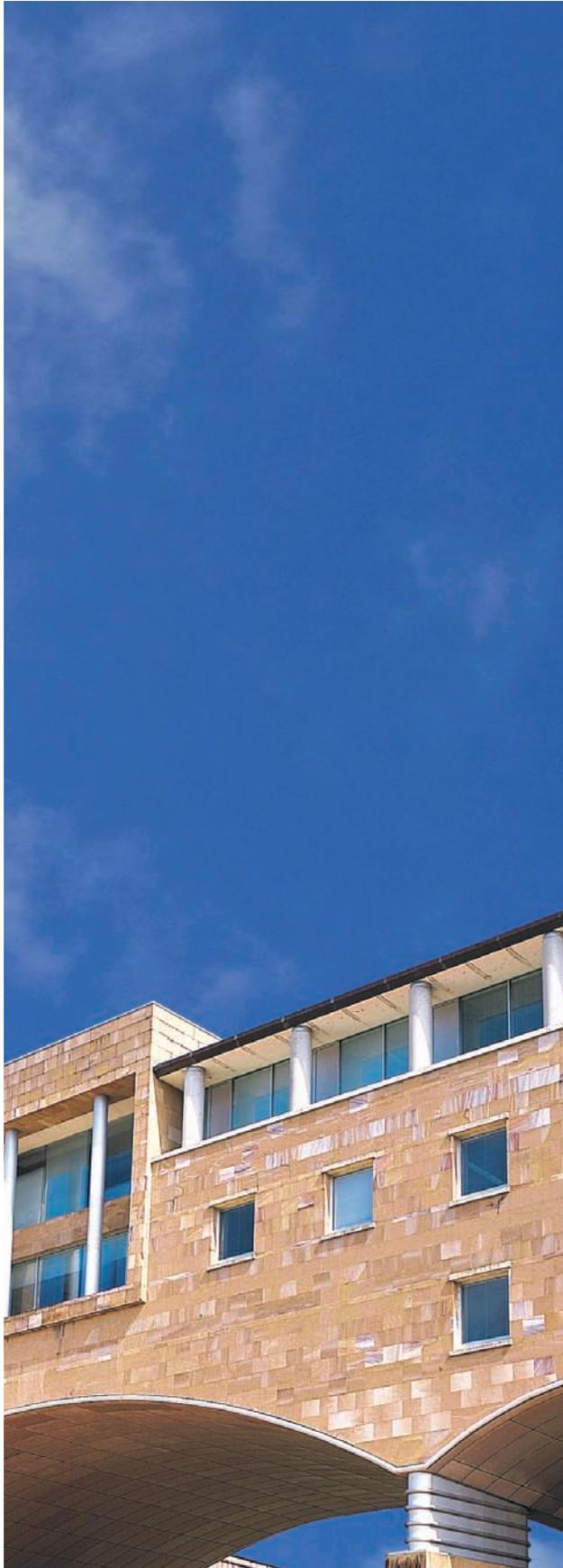
Bond University seeks to be one of the world's leading independent universities, Australian in character yet international in perspective, producing uniquely identifiable graduates who are leaders and thinkers, imbued with initiative, enterprise and a continuing quest for life-long learning.

### OUR MISSION

Bond University is committed to achieving excellence in tertiary education through:

- Teaching, learning and research of the highest quality
- Contributing to the diversity and quality of tertiary education
- Incorporating new technologies
- Cooperating with other institutions of learning throughout the world
- Producing uniquely identifiable graduates, committed to life-long learning
- Remaining independent, distinctive yet innovative





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## BOND AT A GLANCE

### GRADUATE SUCCESS

According to research compiled by the Graduate Careers Council of Australia (GCCA), in comparison to Australia's 'Group of Eight' leading universities Bond ranks...

#1 in student satisfaction with course quality

#1 in average starting salary

### FINANCIAL HIGHLIGHTS



Total Revenue for the year at \$81.480M represented growth of 5.7% over the previous year.



Tuition income at \$61.062M for the year grew by 10.3% over the previous year.



Total Assets at \$101.858M increased by \$16.115M



Net Assets at \$30.835M represented growth of 10.4% over the previous year.

### GOOD MEDICINE

Gold Coast-based ophthalmologist and Associate Professor, Dr John Kearney, provided a scholarship for one of Bond's new medical students to accompany him and his team to East Timor in June.

As the inaugural recipient of the Alison Kearney East Timor Research Scholarship, Fleur Dwyer spent a week in Bacau, observing Dr Kearney and his team at their eye clinic, where they treat and operate on hundreds of visually impaired patients.

On her return, Fleur was given the opportunity to meet East Timor President, Xanana Gusmao when he visited the Bond campus as guest speaker at a fund-raising luncheon for the East Timor Eye Program.

A total of \$15,000 was raised for the clinic, with lunch guests including Deputy Vice-Chancellor Mr Gary Bugden, Member for McPherson, Margaret May MP, Gold Coast Mayor Ron Clarke, Principal of Weathered Howe Engineers John Howe, Sue Thoreburn from the

Allamanda Hospital Group, Bond's Health Sciences and Medicine Dean Professor Chris Del Mar and the Eye Team's volunteer surgeons and nurses.

### INNOVATIVE IN APPROACH

- Joining the ranks of world-class educational institutions such as Harvard, Oxford, MIT and Cambridge, Bond has signed a landmark agreement with China's leading business university. Under the ground-breaking student exchange agreement, Bond University postgraduate students can apply to study for a semester at Tsinghua University in Beijing as part of their MBA degree.
- In June, Bond combined its Information Technology and Business disciplines to create a new 'super-faculty'. The amalgamation has allowed students to take greater advantage of the strong interdisciplinary synergies that exist between IT and business, and follows many other top-tier Australian and international IT schools that have combined information technology with science, economics, commerce, business, and other related faculties.

### MAKING THE HEADLINES

- Bond's Professor of Australian Studies, Dr Steve Webb made world headlines when he and his team discovered a series of human footprints dating back to the last Ice Age in the Willandra Lakes region of Mungo National Park in far west NSW.
- The world-renowned Buros Institute of Mental Measurements in the USA honoured the Faculty of Humanities and Social Sciences Professor of Psychology, Dr Gregory Boyle with the Buros Institute Distinguished Reviewer Award.
- A joint Commonwealth Government funding application by Bond University, Tweed Heads Hospital and Griffith University will result in the establishment of the Tweed Education and Clinical Research Institute in 2006/7.
- Under the leadership of Pro Vice-Chancellor for Research and Faculty of Health Sciences & Medicine Dean, Professor Chris Del Mar, the research productivity continued to prosper for the Faculty of Health Sciences & Medicine, who attracted over \$1M in grant funding.

### COMPETITIVE SPIRIT

- Bond Law students continue to perform at the highest level, both in Australian and international competitions, with a team from Bond representing Australia in the European Law Students' Association WTO Moot Competition in Geneva.
- Bond's Faculty of Business team swept the awards at the National Students in Free Enterprise (SIFE) competition. The team took out the Ernst and Young Best Entrepreneurship Project, the Best Team Spirit of SIFE and were only narrowly beaten in the finals.
- Bond staff and students swept the Warner Roadshow Studios 19th Queensland New Filmmakers Awards in April, taking out five categories, including Best Overall Film.
- Bond students were up on the winner's podium again at the Shorts of All Sorts short film competition and Shorts Around Sydney Short Film Festival later in the year, taking out top honours in both arenas.
- In another major acknowledgement of Bond's international recognition in this field, the Gabarron Foundation, headquartered in the US and Spain, has identified our Centre for Film, Television and Screen-based Media as one of the ten best film schools in the world.

### RECOGNITION

- Harry Messel, who is best known to the Bond community for laying the financial foundation for the future of Bond University as Chancellor from 1992 to 1997 received a Companion in the General Division of the Order of Australia Medal (AC).
- Bond University's Fitness Centre was runner-up in the 2005 Sport and Community Recreation Queensland Community Service Award for its work in reaching out to the wider community.
- Bond University Library's dedication to providing excellent customer service and support has earned it a place in the prestigious Australian Universities Quality Agency Good Practice Database (AGPD) - an international database of good practices in higher education.
- For the fifth consecutive year, the Gold Coast Business Excellence Awards honoured Bond University

for its innovative and personalised approach to education, nominating the 'MyBond MBA' program as a finalist in the Information Technology category. This state-of-the-art bilingual program uses a global e-enabled education strategy to export high quality management development programs to overseas students.

## ENROLMENTS ON THE RISE



New undergraduate degree enrolments up by 21.9%



New domestic undergraduate enrolments up by 46.3%



Faculty of Business domestic undergraduate degree enrolments up by 15.2%



Faculty of Humanities domestic undergraduate degree enrolments up by 17.6%



Faculty of Law domestic undergraduate degree enrolments up by 14.7%



Faculty of Law postgraduate degree enrolments up by 19.3%



The Prime Minister of Australia, The Hon John Howard MP announced a \$4.5M grant towards the University's Faculty of Health Sciences & Medicine building.



\*Compared to Australia's Group of Eight leading universities, Graduate Careers Australia, 2005 Graduate Destination Survey and Course Experience Questionnaire.

## CHANCELLOR'S MESSAGE

Bond University continues to progress in terms of achieving recognition as Australia's only independent, private 'blue-chip' educational experience. Bond University is an institution where our students gain a university degree that is recognised by Australian and international employers as having added value and workplace relevance. It is also an institution where our students gain the leadership skills, focus and determination they need to excel at the very highest echelons of their chosen discipline.

There is a significant shortfall of medical practitioners in Australia, and Bond University has responded to the need for more Australian trained doctors with the establishment of an innovative 4.6 year undergraduate medical program. It has been an exceptional success for Bond University with strong demand for student places.

The contribution that Bond-trained medical practitioners will make has been recognised with two large grants of \$4.5M each from the Australian Government and the Queensland Government. These grants represent a landmark for Bond as it is the first time in the history of the University that government at any level has provided such significant funding.

The Australian Medical Council's (AMC) Accreditation Team visited in April 2006 assessing Bond University's Medical Program. The Team advised that it had seen exceptional developments in the implementation of the new Medical School at Bond University. It also commented that the School has much to be proud of, and that it is well placed to address the challenges ahead, and thereby making an enduring contribution to the health of the community.

All of us at Bond are indebted to the Prime Minister of Australia, The Hon John Howard MP, and the Premier of Queensland, The Hon Dr Peter Beattie MP and their respective Governments for their matching grants for the Bond University Health Sciences & Medicine Building.

I am also most appreciative of the Australian Government's initiative for the extension of the Fee-Help arrangements, as announced in the 2006/7 Budget. The funding boost means private education is now more accessible than ever, and marks the significant commitment by our

Government to a pluralistic approach to higher education in this country.

During 2005 Bond reconnected with the business community and actively reviewed its business programs. I, with the Vice-Chancellor and the Dean of the Faculty of Business, Technology and Sustainable Development, hosted several functions for high profile business leaders throughout the year. These functions have been an excellent opportunity to raise the profile of Bond and the Bond graduate with blue chip employers.

The Vice-Chancellor, the Dean of the Faculty of Business, Technology and Sustainable Development and I visited various Australian and overseas corporations to determine the needs of employers of Bond University Business graduates. This understanding of employer needs, together with inclusion of leadership and communication skills as part of the curriculum, ensures that Bond University graduates are 'work' ready!

The Business Leaders Roundtable successfully commenced last year. I was privileged to speak at the inaugural event to students, staff and the community on 'Leadership Challenges in Uncertain Times'. Subsequent speakers have included David Liddy (Managing Director, Bank of Queensland) and Bob Mansfield (Chairman, McDonalds Australia).

From a financial perspective, Bond had another year of profit for reinvestment into the University, at \$3.594M; a 13.2% increase over adjusted one-offs in 2004.

After a detailed market analysis and marketing review, the University successfully launched its new Marketing and Student Recruitment program, 'bringing ambition to life'. The reinvigorated marketing campaign, and a consistent and focussed approach to marketing and student recruitment University-wide, is important in an increasingly competitive tertiary education environment.

It was with great sadness that the Bond community learnt of the untimely deaths of Brian and Kathy Ray. Both Brian and Kathy were long time supporters and friends of Bond University. Brian served as a member of Council from 1996-2003 and as a community member of Bond University Limited from 2003 until his death while Kathy was actively involved

during the early days of Bond through the Art Gallery committee and various fundraising events.

Governance is a strong element of the University. The governance structure that has been in place since 2003 is aligned with the recent Australian Government Legislative changes for public universities.

Bond University has a diverse and committed Council. I was pleased to welcome Professor Dennis Gibson AO, Foundation Vice-Chancellor of the Queensland University of Technology (QUT) and current Chancellor of Melbourne's RMIT University, as a member in March 2005. Professor Gibson initially served on Bond's Planning Council back in the late 1980s, helping to set the direction of Australia's first private, not-for-profit university. His wealth of experience in the higher education environment has been an excellent complement to the University Council.

I would like to pay tribute to my Council colleagues for their contribution and support during the year. The Council is reflective of the independent, private nature of Bond University, and brings wide-ranging business, professional and academic expertise and experience to the issues that are considered by Council and, consequently, contributes to realising our shared vision for Bond University.

Bond University continues to be extraordinarily well represented and supported by our local Federal Member, Mrs Margaret May MP. We are indebted to Margaret May for her support and assistance.

We at Bond University are also blessed by our broad community support.

Finally, on my behalf and that of Council, I would like to express my appreciation to the Vice-Chancellor and President, Professor Robert Stable, for the leadership, commitment and passion that he brings to the management leadership of Bond University. The Vice-Chancellor is ably supported by the leadership and commitment of our Deans, Senior Management Group and the academic and general staff with their unstinting commitment and outstanding contribution to our students and the University during the past year.



Trevor C Rowe AM - Chancellor  
FCIS, FAICD, ACPA



## VICE-CHANCELLOR'S REPORT

2005 was a year of very significant and exciting progress. The introduction of our innovative undergraduate medical (MBBS) program, the expansion of our Faculty of Business and a suite of new programs under consideration were just some of the many highlights.

### TEACHING AND LEARNING

Construction of the Faculty of Health Sciences and Medicine building commenced in late 2004 and was completed with exceptional commitment and professionalism by the whole Project Team just prior to the May 2005 semester. The then Federal Minister for Education, Science and Training, The Hon Dr Brendan Nelson, toured the state-of-the-art building and met with students during the first week of the program.

The inaugural cohort of medical students comprised 65 domestic and 7 international students. It has been widely recognised that there is a significant shortage of doctors in Australia, and our new medical program will provide well-trained medical graduates who will contribute greatly to the provision of high quality health services in Australia.

It was very pleasing indeed that the importance of our new model of medical education was recognised and endorsed at both the State and Australian Government levels. Both have committed very significant capital funding to Bond University to support the medical program and I would like to recognise the enormous amount of work that our Chancellor, Mr Trevor C Rowe AM, has done in facilitating this funding.

In other areas of the University, detailed consideration and consultation with industry resulted in the Faculty of Information Technology being incorporated as a School within the Faculty of Business. Employers told us that they need highly trained IT professionals with business training who are prepared to step up into the upper echelons of corporate management and the move was immediately endorsed by business leaders and organisations across Australia.

Further expansion of the Faculty of Business included the introduction of a new School of Sustainable Development. Bond University is situated in a rapidly developing region of Australia and the University has recognised the need for comprehensive education to encourage and enhance the development of sustainable communities. The vision

for the new School of Sustainable Development is a multidisciplinary school bringing together business, technology, infrastructure and design, environmental studies and social science in the living laboratory of the Gold Coast and Northern Rivers of New South Wales areas.

The School, headed by new Deputy Dean Professor George Earl, will work with industry, government, professional bodies and the community to create new knowledge around the issues and problems of sustainable development and liveable communities and disseminate that knowledge through innovative degree programs and professional development courses. The School will offer postgraduate and undergraduate courses from 2006.

In line with all these changes, we felt the Faculty of Business deserved a new name and it has been rechristened the Faculty of Business, Technology and Sustainable Development.

Another significant benefit for our students this year was a major upgrade of the John and Alison Kearney Law Library - now one of the largest academic law libraries in Queensland. Federal Attorney-General, The Hon Philip Ruddock, officially opened the newly-refurbished facility in March and students have since been enjoying wireless access for laptop computers, more computer workstations, more areas for group study and the new Law Postgraduate Research Centre. The library is named in honour of QC and Honorary Doctor of the University, John Kearney AM and his wife Alison, who have both made very significant contributions to the University since it opened in 1989.

Our Law students can also look forward to the expanded study facilities that will be available in the new Legal Skills Centre, due to commence construction in 2006. This building will adjoin the current Law Faculty and provide cutting edge technology and specially designed teaching spaces for skills such as dispute resolution, negotiation and mooting; all of which will ensure that Bond Law maintains its national and international recognition as one of the top three Law faculties in Australia.

The Faculty of Humanities and Social Sciences has also had an outstanding year. Highlights included the success of the Centre for Film, Television and

Screen Based Media with students receiving recognition, and indeed awards, at both national and international film festivals.

### RESEARCH

I am very pleased to report that the University has been growing its research profile, with a doubling in Department of Education, Science and Training funding for 2005 and an increased number of staff applying for grants.

A Vice Chancellor's Research Grant Scheme was implemented by the University Council in early 2006 in recognition of both the tremendous research capacity of our academic staff and the strategic importance of research to the University.

### STUDENT SUPPORT AND SERVICES

In keeping with the University's focus on our students, we created a student administration precinct on campus, providing a streamlined service centre with all student focussed administrative services in one convenient location. The relocation of various services allowed vacated areas in the University Centre to be returned to teaching space, adding an extra ten classrooms.

A Blackboard project team commenced in 2005, and has been working on implementing a web based learning platform - iLearn@Bond. This important enhancement of our state-of-the-art teaching facilities and equipment will be launched for use by staff and students in mid 2006.

### 'BRINGING AMBITION TO LIFE'

A new Director of Marketing and Student Recruitment, alumnus Andrea Harcourt, commenced in January, and following a detailed review of our marketing approach, an updated branding campaign, 'Bringing Ambition to Life' was launched. It is very pleasing indeed that this new campaign has been extremely well received by potential undergraduate and postgraduate students as well as the wider community.

### THE BOND COMMUNITY

It is with great sadness that I record the passing of six outstanding members and supporters of the Bond community. Brian and Kathy Ray and Dick Newton, and staff members Maggie Grey, Maree Hall and Paul Johnson passed away during 2005. They were all wonderful people and are all greatly missed.

I would also like to place on record, both personally and on behalf of the whole University community, very sincere appreciation to our Chancellor, Mr Trevor C Rowe AM, for his enormous contribution to the success of the University. Despite his extensive business and personal commitments, he always has time for the University and both he and his wife Julie are great friends and supporters of Bond.

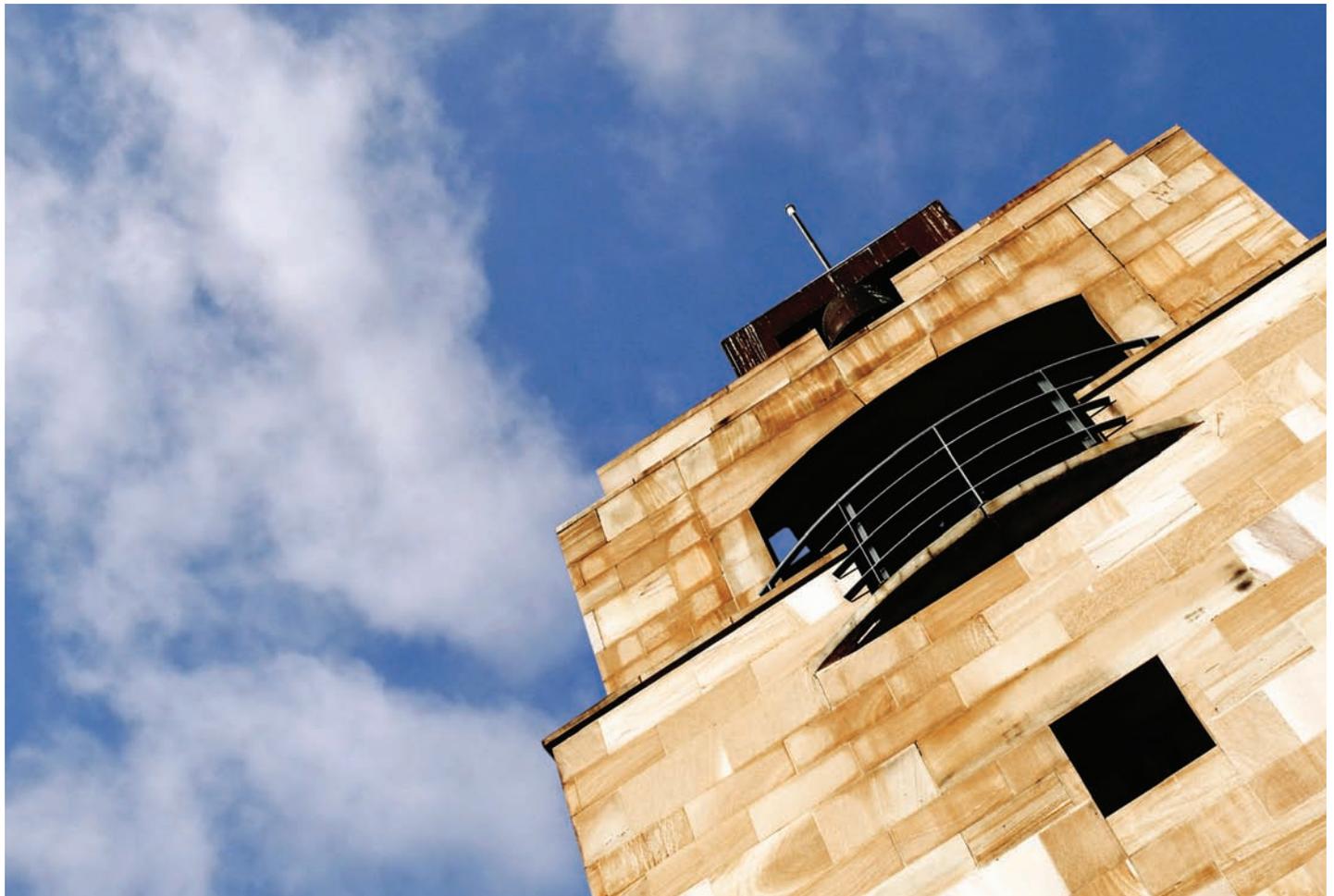
I also express my appreciation to my colleagues on the University Council for their wise counsel and their solid support and passion for the University. It is not widely recognised that all of my colleagues on the University Council, including the Chancellor, serve the University in a voluntary, unpaid capacity in order to ensure the success of our not-for-profit institution. We are very fortunate indeed to have such highly recognised and successful leaders in the Australian community prepared to contribute to the University as members of the Council.

Finally, I thank my colleagues in the Senior Management Group: The Deans and Directors, the Chair of the Academic Senate, Professor Laurence Boulle, all the other teaching, research and general staff and contractors, the members of the Student Council and all the students, the volunteers and the other members of the Bond community for their support for both the University and for me personally, and for their boundless enthusiasm and commitment to quality higher education. I especially recognise my office staff, Hayley Orevich and Rachel Irving.

It is a real pleasure sharing the vision and the dream that is Bond University with such a great team as the Bond community.



Professor Robert L Stable -  
Vice-Chancellor & President  
MBBS Qld., MHP NSW., DUni Qld.UT, FRACGP,  
FRACMA, FCHSE, FAIM, FAICD



## FACULTY OF BUSINESS, TECHNOLOGY & SUSTAINABLE DEVELOPMENT

SCHOOL OF BUSINESS  
SCHOOL OF INFORMATION TECHNOLOGY  
SCHOOL OF SUSTAINABLE DEVELOPMENT

The past twelve months have heralded some exciting new developments in the Business Faculty, resulting in a change of name to the Faculty of Business, Technology and Sustainable Development.

In June 2005, the Faculty of Information Technology merged with the Faculty of Business, in line with many other top-tier Australian and international IT schools that have combined IT with economics, commerce, business and other related faculties.

As part of this newly-formed 'super Faculty', the School of Information Technology is in a strong position to build on its established reputation as one of Australia's leading IT schools, grooming students for executive-level IT careers in the upper echelons of corporate management.

It also means that this Faculty now offers every aspect of business education linking management disciplines such as finance, accounting and marketing with vital IT skills such as database management and multi-media applications.

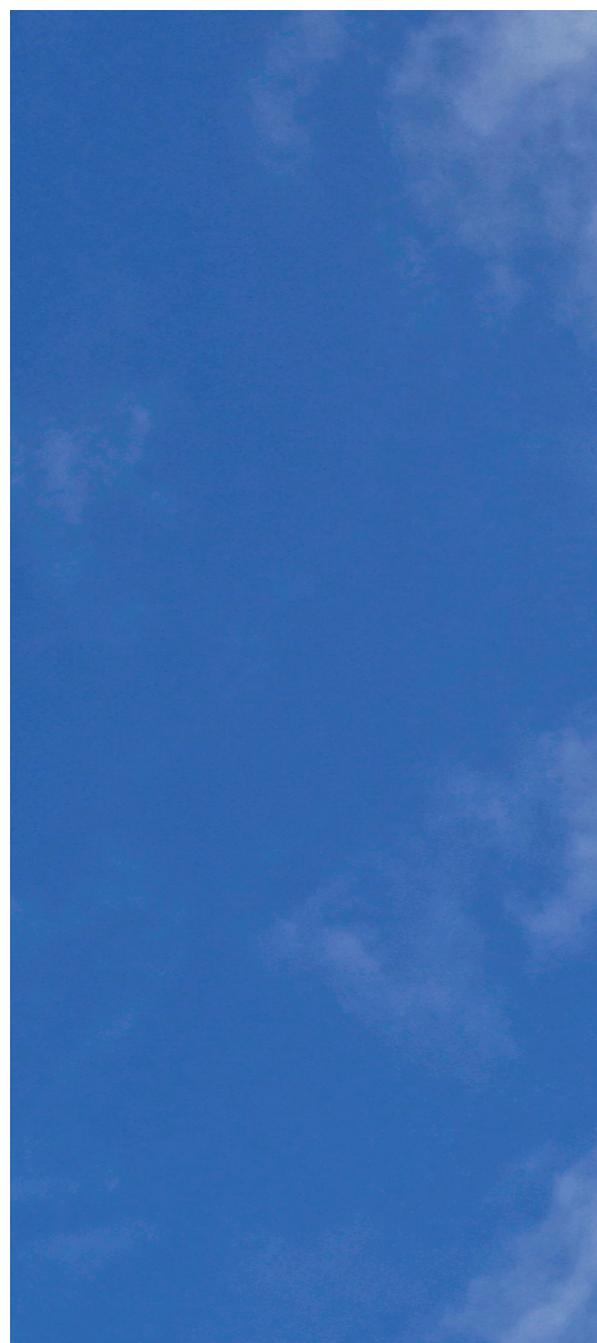
The other major news from the Faculty is the establishment of a new entity - the School of Sustainable Development.

With the first courses scheduled to start in 2006, this will be the first designated planning and design school in Australia that fully integrates environmental, urban planning and architectural disciplines with the core practical issues of financial viability and societal expectations.

Most current degree programs focus heavily on engineering and architecture disciplines, resulting in urban development outcomes that are design-driven. The cutting edge courses offered by Bond's School of Sustainable Development will place environmentally sustainable planning and design within the context of business, societal, financial, legal and IT applications, fostering developments that offer value for the long term.

The new school will also be home to the Australian Research Centre for Sustainable Property, Planning and Infrastructure. Leveraging on the research partnerships between Bond University and industry, this centre aims to develop knowledge and awareness of the interrelationship between planning practice, property development and environmental, social and economically sustainable development and design.

**Professor Garry Marchant**  
*Dean of Business, Technology  
& Sustainable Development*





Professor Garry Marchant -  
Dean of Business, Technology  
& Sustainable Development  
BCom, AM, PhD



FACULTY OF BUSINESS, TECHNOLOGY  
& SUSTAINABLE DEVELOPMENT



ANZ Bank CEO, John McFarlane delivered the Occasional Address at Bond's 45th Graduation Ceremony in February. His overwhelming message to the graduands focussed on the importance of being passionate about everything they undertake in life.



## ACHIEVEMENTS FROM 2005

### NEW EMBA TAKES EXECUTIVE TRAINING TO A NEW LEVEL

Bond's Executive MBA has been significantly overhauled with a complete restructure of the program's content and delivery. Designed exclusively for upper echelon managers and executives, the new Executive MBA program focuses on global business, leadership skills and the development of a strong strategic mindset.

Applicants must have at least eight years' work experience and the program is now delivered in a series of one and two-week in-residence sessions, spaced over a twelve-month period.

In line with this revamp, the Business School has also introduced an EMBA program tailored to executive leaders in the health sector. This unique program represents a collaboration with the Faculty of Health Sciences and Medicine, giving candidates access to some of Australia's most experienced health managers, including the former Director-General of Queensland Health.

### FAMILY BUSINESS PARTNERSHIP WITH INTERNATIONAL ADVISORS

The new partnership forged between Bond University's Australian Centre for Family Business (ACFB) and international firm of chartered accountants and advisors, BDO, will give family-run businesses access to expert advice and the latest research.

The ACFB addresses the unique challenges faced by family-run businesses, such as generational transitions, ownership, management succession, strategy and government, conflict management and the roles of family and non-family members.

### BOND MOOT TEAM TO REPRESENT AUSTRALIA

Bond's MBA team has been chosen to represent Australia at the world-renowned International Moot Corp Competition.

MBA students, Drew Blaxland, Veronica Boulton, Laurie Martyn and Daniel Noordzy, dominated the inaugural John Heine Entrepreneurial Challenge, being judged the overall winner, as well as taking out the Academic Advisors' Award and the 60-second 'elevator pitch' competition.

They presented their Nudleman™ business plan to a panel of venture capitalists, entrepreneurs and CEOs, out-shining finalist teams from Monash, Deakin and Swinburne Universities and the Queensland University of Technology.

### EXCELLENCE AWARD FOR MYBOND MBA

For the fifth consecutive year, the Faculty's 'MyBond MBA' program was a finalist in the Gold Coast Business Excellence Awards.

Nominated in the Information Technology category, the accolade acknowledges Bond's innovative and personalised approach to education.

MyBond MBA's state-of-the-art bilingual program has earned an international reputation for its global e-enabled education strategy which allows the University to export high quality management development training to overseas students.

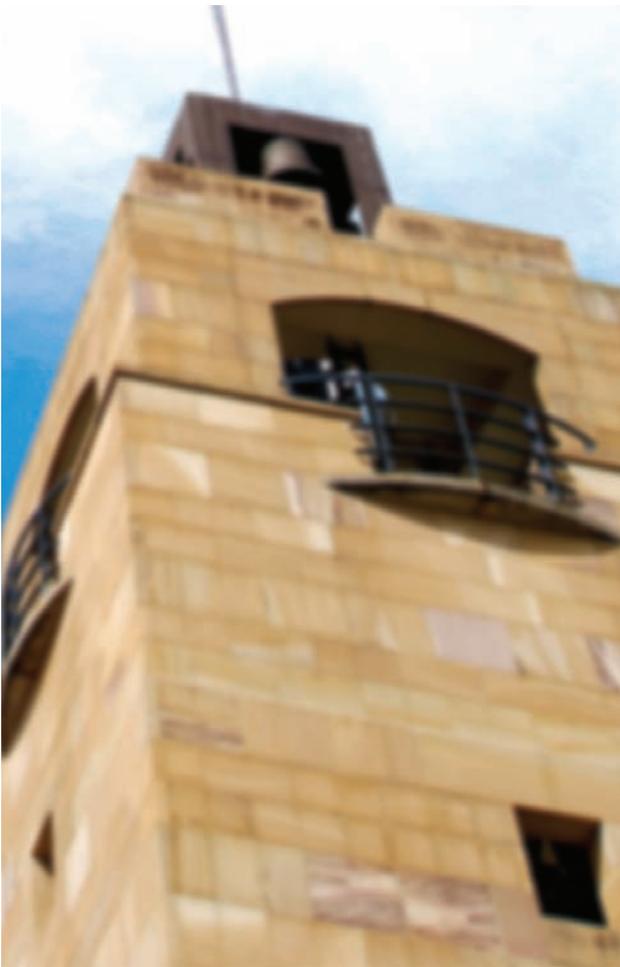
### BUSINESS LEADERS INSPIRE COMMUNITY

In 2005, the Faculty launched the Business Leaders Round Table series, giving Bond and the wider Gold Coast community the opportunity to hear and question some of Australia's most respected and high profile business personalities.

More than 250 business people from the Brisbane and Gold Coast region joined Bond students and alumni at the inaugural event, featuring Bond University Chancellor Trevor Rowe and special guest speaker, Bank of Queensland Managing Director David Liddy.

### TOWARDS 2006

Looking ahead, the Faculty will launch a new executive education centre in the coming twelve months. The International Executive Education Centre will provide world leading-edge management education for senior managers and is designed to be a premium provider of fully accredited short professional development courses for those looking to make a difference in their organisation.



## FACULTY OF HEALTH SCIENCES & MEDICINE

In May 2005, the Faculty of Health Sciences and Medicine welcomed Bond's inaugural class of medical students.

The Bond University Medical Program is not only a first for Bond but also a first for the establishment of an Australian private medical program. Above all, it is a tribute to many years of careful planning and development, and the professional commitment of Faculty staff.

In addition to providing an outstanding, state-of-the-art teaching environment for our medical students, Bond's considerable investment in establishing the \$20M Health Sciences and Medicine building has yielded significant dividends for the Faculty as a whole.

With these purpose-built facilities, we have been able to extend the range of programs offered.

In answer to the critical skills shortage in the forensics field, the Faculty has developed new undergraduate and postgraduate programs in Forensic Science. The appointment of Associate Professor Angela van Daal, a recognised international expert in DNA profiling, together with the distinctive reputation of Associate Professor Walter Wood in the area of human osteology enables us to offer a unique blend of forensic specialisation which also draws on the forensic psychology and criminology expertise of the Law and Humanities faculties.

Strong growth also continued in the Sports Science and Management programs underpinned by the industry relevance of these programs and the attractive career pathways available. A number of students who completed professional industry experience were offered employment, thereby affirming the Faculty's approach of consulting industry about desired graduate attributes. The appointment of Dr Greg Gass as Professor of Exercise Science and Sport will inject a new dynamism into what is already a vibrant and expanding area of the faculty.

Similarly, our Children's Services program, which incorporates extensive industry experience, achieved a 100% employment rate on graduation.

The global shortage of health professionals in a range of disciplines continues to stimulate students' interest in undertaking health science programs. The impressive facilities now available at Bond, coupled with the equally impressive calibre of our teaching staff provides a strong education platform for students to develop the theoretical knowledge and practical skills required by industry.

*Professor Chris Del Mar  
Dean of Health Sciences & Medicine*



Benefactors of the Bond University Faculty of Health Sciences and Medicine, ophthalmologists Drs Darryl Gregor and Peter Heiner of The Eye Centre, Southport with Vice-Chancellor & President, Professor Robert L Stable (left).



Professor Chris Del Mar -  
Dean of Health Sciences & Medicine  
BSc, MA (Cantab), MB BChir, MD, FRACGP, DRCOG, FAFPHM  
"One of the Top 50 most influential people  
in general practice" - *Australian Doctor Magazine*



## FACULTY OF HEALTH SCIENCES & MEDICINE



Premier of Queensland and Treasurer, The Hon Dr Peter Beattie, announced a \$4.5M capital grant to Bond University's Faculty of Health Sciences and Medicine. Pictured with Chancellor Trevor Rowe, Dean of Faculty of Health Sciences and Medicine Professor Chris Del Mar and Vice Chancellor Professor Robert Stable.



## ACHIEVEMENTS FROM 2005

### BACHELOR OF MEDICINE BACHELOR OF SURGERY (MBBS): THE STORY SO FAR

Demand for our medical places significantly outstripped the number available. A rigorous selection process was applied, with the interview component involving members of the medical and wider community.

The Faculty's commitment to the highest standards of scholarship assured a positive response to our national recruitment campaign for academic staff. Key appointments included Professor Kuldip Bedi, Professor Russ Chess-Williams, Professor Ian Hamilton-Craig, Professor Shirley McIlvenny, Associate Professor Bulent Turman and Associate Dean (Clinical) Dr Vivienne O'Connor.

Their expertise is complemented by that of local doctors who share their considerable clinical knowledge and experience in their role as tutors.

The medical community also extended significant financial support, with generous donations from Dr Darryl Gregor and Dr Peter Heiner and their families, as well as Professor David Weedon. The principal lecture theatre and pathology museum have been named in their honour.

Backed by this wealth of teaching and practical support, our first 72 medical students commenced their studies on May 16, 2005. This inaugural cohort comprised a majority of school-leavers, as well as graduates from a number of different disciplines. Some 90% of students are Australian and all of them are committed to making a positive difference to the quality of health care available to their community.

A number of students determined early on that rural medicine would be their vocation of choice and quickly established linkages with eminent rural health clinicians such as Dr Col Owen. Mentorship from such highly qualified and respected practitioners is an important part of the Faculty's education process.

Late in 2005 and in 2006, bolstered by the program's growing reputation, the Queensland Government and Federal Government both awarded \$4.5M grants in recognition of the University's investment in the medical program and the Faculty's active role in producing skilled and capable medical graduates for the future.

This represented the single largest financial vote of confidence in the University since foundation.

### COMMUNITY PARTNERSHIPS DEDICATED TO IMPROVING HEALTH SYSTEM

A joint Commonwealth Government funding application by Bond University, Tweed Heads Hospital and Griffith University will result in the establishment of the Tweed Education and Clinical Research Institute in 2006/7.

To be located on the Tweed Hospital campus, the facility will provide student amenities and teaching spaces, as well as supporting clinical research.

The Faculty is also working closely with the Gold Coast Health Service District to plan the new Gold Coast University Hospital, and as part of this, future opportunities for innovative health workforce design, education and research.

### MORE HEALTH SCIENCES PROGRAMS ON OFFER

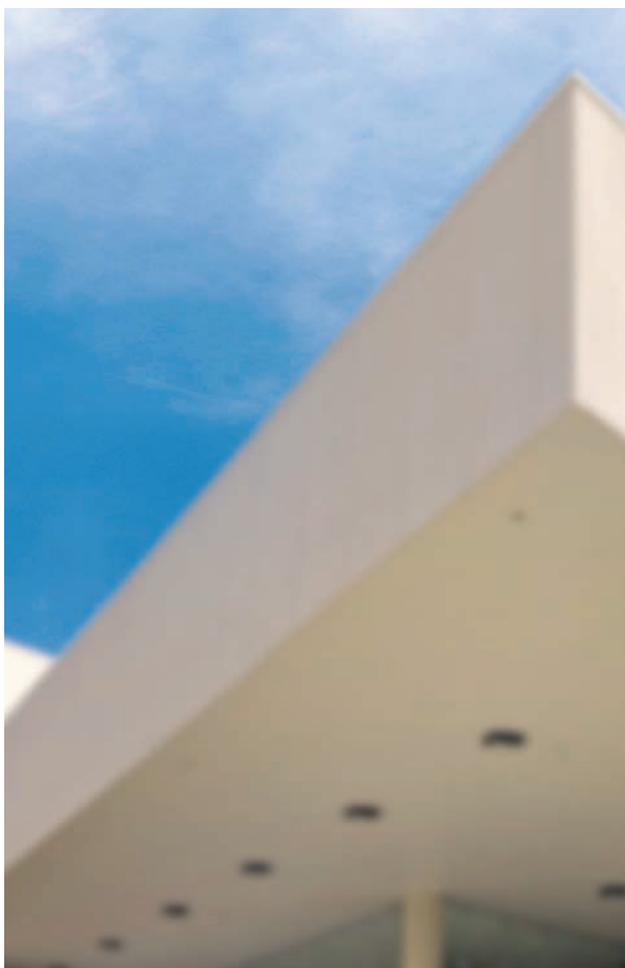
Following a detailed planning study undertaken by Professor Libby Gass and Associate Professor Mike Pahoff, Bond University Council gave the Faculty the green light to proceed with the development of a Bachelor of Exercise Science and Master of Physiotherapy. Both programs are due to commence in 2007 and the Faculty is working closely with the profession to ensure outstanding quality.

### FACULTY RESEARCH FUNDING TOPS \$1M

Under the leadership of Pro Vice-Chancellor for Research and Faculty Dean, Professor Chris Del Mar, our research productivity continued to prosper, attracting over \$1M in grant funding.

A Commonwealth grant of \$990,000 was awarded under the Primary Health Care, Research, Evaluation and Development Strategy to increase the pool of primary health care researchers by up-skilling early to mid-career researchers.

Another Commonwealth grant, totalling nearly \$300,000, was awarded to continue the outstanding work of the Cochrane Acute Respiratory Group. This group is part of a global collaboration responsible for examining all controlled trials of interventions in the prevention, treatment and rehabilitation of acute respiratory infections and was consulted as an authoritative source in evaluating treatment for Avian Bird Flu.



## FACULTY OF HUMANITIES & SOCIAL SCIENCES

The Faculty of Humanities and Social Sciences continues to develop programs and initiatives in response to industry demand and the constant evolution of a dynamic workplace.

New programs for 2005 included the Bachelor of International Relations (Business) which is designed for graduates seeking a career in the global sphere of business or government.

Prompted by skills shortages in the education sector and a renewed interest in teaching careers, the Faculty also introduced a Postgraduate Diploma in Education. Accredited by the Queensland Board of Teacher Registration, this program gives graduates the opportunity to gain a teaching qualification in just eight months (two semesters) thanks to Bond's accelerated three-semester-per-year schedule.

The new Master of Psychology (Forensic) represents a cross-faculty collaboration, combining the Humanities Faculty's respected expertise in psychology and criminology with specialist forensic and legal subjects offered by the faculties of Law and Health Sciences and Medicine. This postgraduate study program has received provisional accreditation from the Australian Psychology Society, with classes commencing in January 2006.

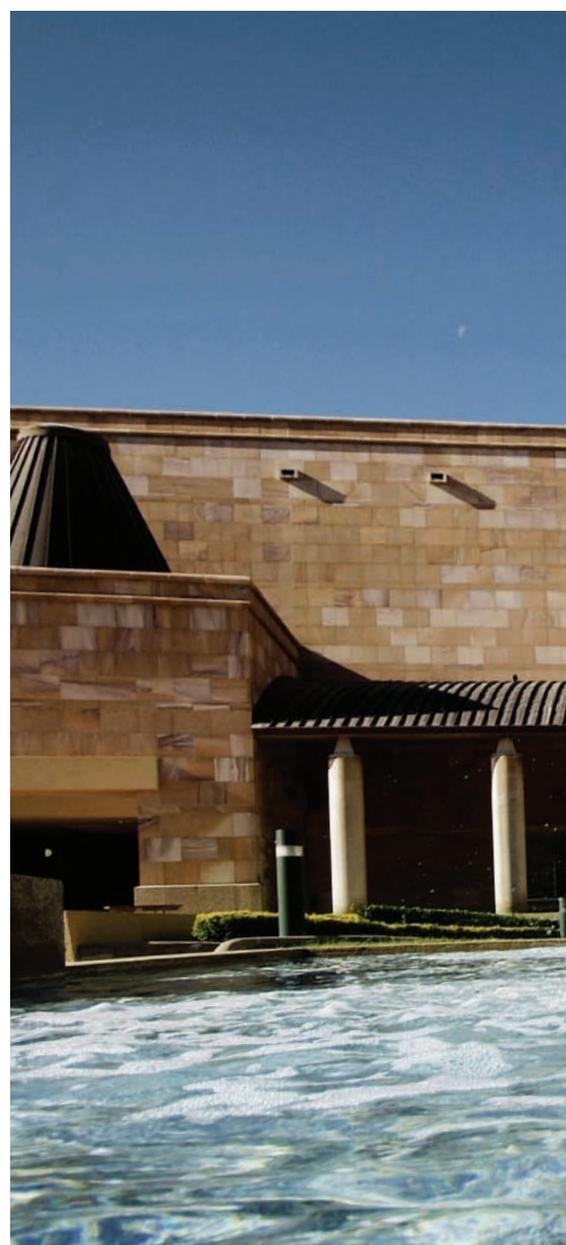
The past twelve months has also seen the faculty build further on our strong relationships with industry and expand our internship and work experience programs.

An increasing number of students traded campus life for the workforce, undertaking internships with local, national and international organisations such as the Australian Embassy in Paris, Gefro Oil Services in Norway, TBWA in South Africa, MTV Sydney, the Brisbane Broncos, the Foundation for Economic Development and AAP Brisbane, just to name a few.

Not only does this industry experience complement their university qualifications, it helps them make valuable contacts in their chosen profession and, in many cases, leads to job offers on graduation.

For our overseas students, another key faculty initiative was the launch of the English Help program. Located in the Humanities building, the English Help Centre offers advice to students from all faculties on problems ranging from general English and study areas through to specific questions relating to an essay, sentence construction and writing style. The program also offers one-on-one tuition and online assistance, with English professionals available to answer questions via email.

*Professor Raoul Mortley  
Dean of Humanities & Social Sciences*





**Professor Raoul Mortley -  
Dean of Humanities & Social Sciences**  
BA (Syd), MA (Monash), D.3e cycle, D.Litt (Strasbourg),  
Hon.D.Univ (N'cle,NSW), FAHA



## FACULTY OF HUMANITIES & SOCIAL SCIENCES

### BOND UNIVERSITY ENGLISH LANGUAGE INSTITUTE (BUELI)

Specialising in offering English language courses to overseas students, the Bond University English Language Institute (BUELI) welcomed students from around the globe, including Japan, South Korea, Taiwan, Brazil, Hong Kong, China, France, UAE, Thailand, New Caledonia, Germany, Switzerland, Sweden, Italy and Spain.

The Institute also hosted a number of study tours from leading educational establishments such as Daegu University, Aichi Gakuin University, Aichi University and AIEC.



The Bond University Women's Network hosted presentations by two inspiring African women in August. Mercy Senahe and Patience Vormawor shared with students their experience of slavery in Ghana where 3000 slaves and their children are still held captive.



## ACHIEVEMENTS FROM 2005

### LIGHTS! CAMERA! ACTION!

The Bond University Film and Television Awards (BUFTA) night is always a highlight of the faculty year.

Open to secondary school students Australia-wide, this short film competition attracted over 100 entries from 70 schools, representing every state in Australia. Their four-minute productions were judged in the categories of Drama, Comedy, Documentary, Animation, Experimental and Others, with prizes also awarded for technical skills such as cinematography and sound.

The gala awards and screening night for 2005 was held on November 25 at the Cerum Theatre. Finalists who weren't able to attend in person were able to watch the action live on their home PCs thanks to internet streaming.

Humanities and Social Sciences is a major sponsor of the awards, offering the grand prize of a full tuition scholarship to study a Bachelor of Film and Television degree at Bond to the Best Overall Filmmaker. This year, the scholarship was won by South Australian student Cameron Edser for 'The Bushman of Bunyip Billabong'. He commences his studies at Bond in early 2006.

Other major sponsors of the awards include AV Central, Avid and Gold Medal Products, with thanks also due to the Faculty's awards coordinator, Alex Fischer.

### PROFESSOR WILSON HONOURED FOR TEACHING AND RESEARCH EXCELLENCE

The Faculty's Chair of Criminology, Professor Paul Wilson OAM received the 2005 Vice-Chancellor's Research Excellence Award.

Recognised nationally and internationally as one of Australia's leading criminological researchers, Dr Wilson has authored or co-authored more than 30 books and 150 articles. He is renowned as a most inventive researcher with a talent for creating new avenues of inquiries and developing innovative approaches.

Dr Wilson was also honoured with the 2005 Dean's Award for Excellence in Teaching and Learning.

### BUROS INSTITUTE NAMES DISTINGUISHED REVIEWER

The world-renowned Buros Institute of Mental Measurements in the USA honoured the Faculty's Professor of Psychology, Dr Gregory Boyle with the Buros Institute Distinguished Reviewer Award.

## RESEARCH CAPACITY EXTENDED

The Faculty has been actively involved in strengthening, promoting and enhancing its research area in 2005:

- Assistant Professor of Psychology, Dr Mark Bahr was invited to contribute a chapter dealing with conducting research on adolescents for a book on adolescent development being published by ACER
- Head of Journalism, Dr Mark Pearson was commissioned to complete the third edition of 'The Journalist's Guide to Media Law', published by Allen and Unwin, which is widely used in newsrooms across Australia
- Associate Professor of International Relations, Dr Rosita Dellios is researching 'Indonesian Philosophy in the Strategic Context' with Indonesian author, Naning Pranoto for an academic article that will form the basis of a future book. Dr Dellios is also working on an academic article on China's space program for the Geo Strategy Journal
- Professor of History and Philosophy, Dr Peter Harrison is currently working on his ARC Discovery Grant titled 'Science and Religion in Early Modern Europe', which is due for completion in 2006
- Assistant Professor of International Relations, Dr James Ferguson has completed a two-year research project on 'Sino Central Asian Relations in the 21st Century'
- Assistant Professor, Dr Wendy Wan is working on a research project looking at the roles of personal relationship and service quality in services marketing strategies, which was funded by an International Research Grant awarded by the City University of Hong Kong

## VALE

The Faculty was saddened by the deaths of two staff members - Maggie Grey and Maree Hall. Both had long involvements with the University (Maree was one of the first students) and were well known and respected by students.



## FACULTY OF LAW

2005 was a year of growth and achievement for the Faculty of Law.

Strong demand for its degrees continued, both across Australia and internationally, consolidating Bond Law's reputation as one of the premier destinations for tomorrow's leading lawyers.

To maintain our edge in learning and teaching, the Faculty undertook an extensive review of the curriculum, ensuring that the programs on offer continue to be internationally recognised as the benchmark for legal education.

Of particular note was the development of innovative teaching programs in conjunction with our partner universities from around the world. During the September semester four Gothenburg University professors were on campus for the Australian trial of a new approach to teaching developed by Gothenburg's International Capital Management Program.

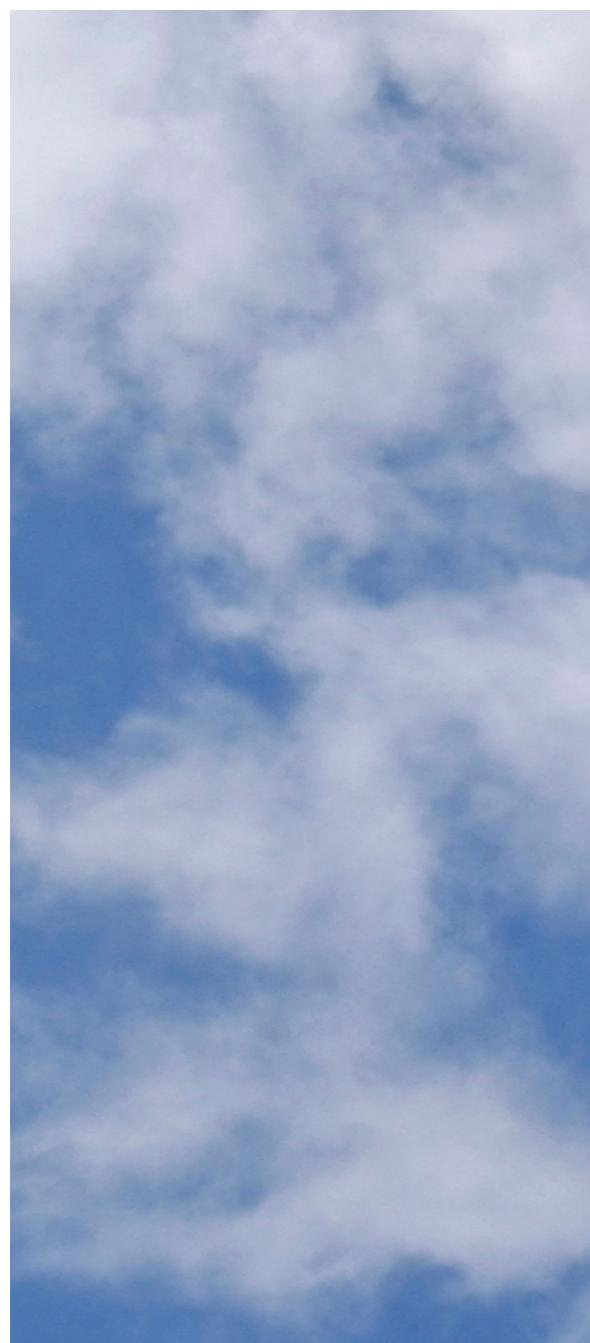
These worldwide networks have been further enhanced by the Faculty's international postgraduate program. With full-time residential postgraduate law programs becoming increasingly rare, Bond's Masters degrees are notable, not just for their quality, but also for the bonding that takes place between students as they spend eight months together on campus in full-time study. The friendships and contacts they make during this time will last a lifetime, benefiting their individual careers and strengthening Bond Law's worldwide network.

As we move into 2006, Bond Law is committed to building on all of these areas; ensuring that we continue to produce graduates of outstanding quality who reinforce the reputation of the University and the Faculty as a leader in higher education.

*Professor Duncan Bentley  
Dean of Law*



Attorney-General, the Hon. Philip Ruddock MP at the opening of the John & Alison Kearney Law Library.





Professor Duncan Bentley -  
Dean of Law  
BA, LLB (Cape Town) LLM (London),  
LLM (Corp & Comm) (Bond) FCA, FTIA



BOND UNIVERSITY LAW  
#1 FOR COURSE QUALITY\*

\*Compared to Australia's Group of Eight leading universities, Graduate Careers Australia, 2005 Graduate Destination Survey and Course Experience Questionnaire.

## FACULTY OF LAW



Shadow Justice Minister of Zimbabwe, the honourable David Coltart delivered the 5th annual Gerard Brennan Lecture at the Cerum Theatre in July.

Dr Coltart is an internationally recognised human rights lawyer and activist, and a long-time critic of Robert Mugabe's regime. He addressed an audience of students, academics, legal practitioners and leaders of the Australian and international legal profession on 'The erosion of law in Zimbabwe (2000-2005)'.



## ACHIEVEMENTS FROM 2005

### BOND MOOT TEAM REPRESENTS AUSTRALIA

Bond Law students continue to perform at the highest level, both in Australian and international competitions, with a team from Bond representing Australia in the European Law Students' Association WTO Moot Competition in Geneva.

The strength of our participation in internal and external competitions is testament to the depth of competence students develop through the Faculty's Legal Skills program.

### INTERNATIONAL EXPERTISE STRENGTHENS TEACHING PROGRAMS

Promotions and appointments of staff in key areas, together with the creation of a cohort of new academics has added depth to the Faculty's teaching programs.

Included in the appointments was Associate Professor Vai lo Lo whose extensive academic experience in the US, China and Japan will reinforce our international and comparative law programs; while Assistant Professor Brenda Marshall's expertise in Trade Practices Law and her outstanding teaching credentials add to our existing strengths in commercial law and teaching excellence.

### MORE LIBRARY IMPROVEMENTS

2005 saw the finishing touches added to the refurbishment of the John and Alison Kearney Law Library with the redevelopment of dedicated research space for higher degree students.

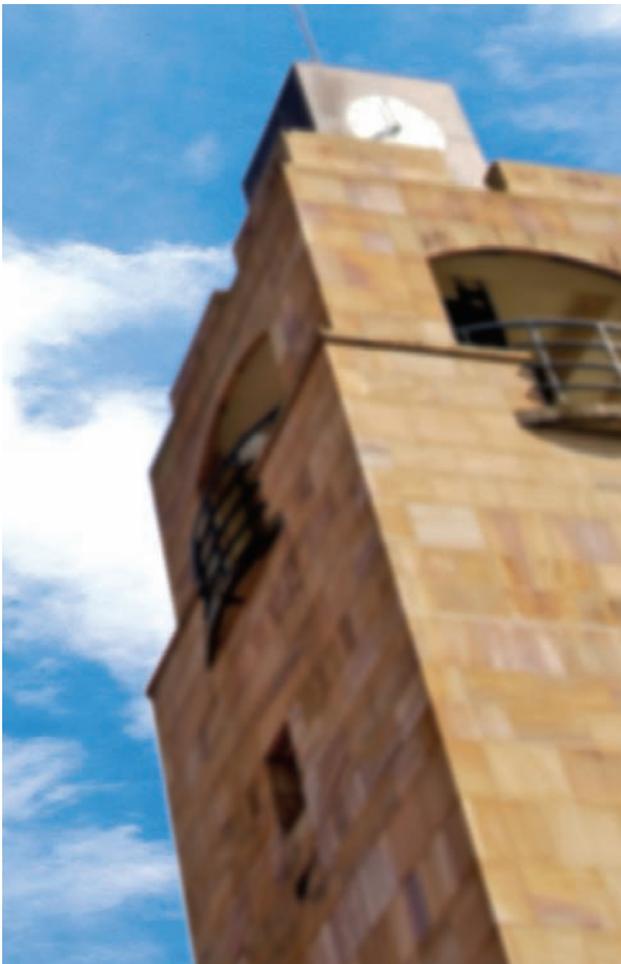
### RESEARCH CENTRE ADDRESSES GLOBAL ISSUES

The Faculty's teaching programs are reinforced by a substantial research effort through the Tim Fischer Centre for Global Trade and Finance which is regarded as a leader in its field.

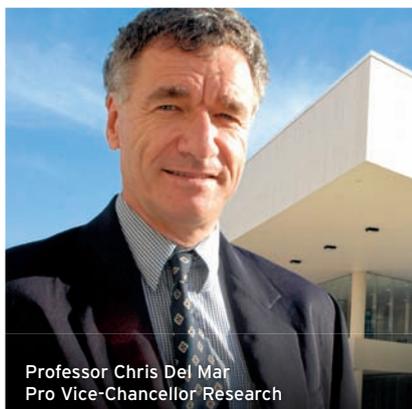
Among the notable achievements for 2005 was the publication of the fourth edition of Professor Eric Colvin's Criminal Law in Queensland and Western Australia, while Professor Laurence Boullé's Mediation: Principles Process Practice is now the standard mediation text in a number of countries around the world.

## TOWARDS 2006

Looking ahead, one of the much-anticipated developments for the Law Faculty is the new Legal Skills building. This state-of-the-art facility will enhance the delivery of programs on offer with the most advanced and technologically sophisticated systems used in the practice of law today. Detailed specification and planning has been completed, and construction is scheduled for 2006.



## RESEARCH



Professor Chris Del Mar  
Pro Vice-Chancellor Research

We have seen some extraordinary developments in research at Bond University over the past twelve months, with academics in all Faculties involved in cutting-edge projects.

The University's commitment to increase its research profile has resulted in a sharp rise in the number of applications, and success in, research grants. Many of these projects represent joint studies with other leading universities, here in Australia and overseas; while others have been commissioned by private enterprise and government authorities to develop better commercial-application products and lifestyle services.

We have also seen Bond discoveries attracting national and international headlines, such as Professor Steve Webb's discovery of the oldest and largest collection of human footprints ever found in Australia.

Students, too, have benefited from all this research activity. Not only do they have a hands-on involvement in a wide range of academics' projects, we have also seen a substantial increase in the number of higher degree by research students working on their own innovative studies.

As a smaller university with a network of close industry links, many of our research projects are geared towards practical application, ensuring that our research is more likely to benefit end-users in the wider community.

Above all, we recognise that research is too important to be neglected: It better informs our teaching; it ensures that we are at the cutting edge of our disciplines; and it allows the University to contribute to the intellectual growth of the community we serve.

Professor Chris Del Mar  
Pro Vice-Chancellor Research

### BUSINESS, TECHNOLOGY & SUSTAINABLE DEVELOPMENT

- Funded by a \$100,000 AusIndustry R&D START Graduate Grant, Associate Dean of Research and Innovation in IT, Dr Michael Rees, is working with Caradata Pty Ltd to develop software that will allow sexual health clinic professionals to access patient information via a confidential web-based application. Based on Caradata's Sexual Health Information Program (SHIP) software, the new SHIPWeb program may also assist a wide range of other specialised medical disciplines, such as family planning clinics.
- Internationally recognised as an expert in the field of service-learning, Associate Professor of Management, Dr Amy Kenworthy-U'Ren has launched a major teaching initiative that could see course-based community service integrated into university education Australia-wide.
- Director of the Australian Centre for Family Business (ACFB), Dr Ken Moores and his team are looking at the leadership roles women play in family firms, with the preliminary results from this study being presented at international conferences during 2006.
- Associate Professor of Economics, Dr Jeff Kline has received an Australian Research Council (ARC) Discovery Grant of \$78,000 to investigate the area of 'Memory, Induction and Strategic Behaviour in Economic and Social Situations' in relation to Game Theory.
- Professor of Management, Dr Cynthia Fisher, has recently completed a ten-year study of short-term emotional experiences in the workplace.
- Deputy Dean, Dr George Earl has been selected to take a key role in the largest-ever national study into the needs of retirement village residents. Sponsored by 25 industry partners representing community care organisations, state and local government, developers, planning authorities and financiers, the study is designed to develop a blueprint for retirement living in the future.
- Director of Bond University's Software Assurance Centre, Dr Paddy Krishnan is collaborating with

KJRoss and Associates, an organisation with specialist expertise in testing services, to develop a process that will replace the time-consuming and expensive method of manual software testing currently used. Dr Krishnan has also made inroads on IT programming that will prevent viruses from executing when they infiltrate a computer system.

### HEALTH SCIENCES & MEDICINE

- The Cochrane Research Acute Respiratory Infections (ARI) Group is currently investigating the effectiveness of topical analgesics for treating acute otitis media, particularly in young children. They were also the recipients of a grant from the British National Health Service and The Cochrane Collaborations Steering Committee based in Oxford to update all the current literature on national and international Avian Bird 'Flu policy.
- Associate Professor of Biomedical Sciences and internationally recognised expert in DNA profiling, Dr Angela van Daal has made some key breakthroughs linking genetic markers to complex human characteristics such as height, pigmentation and facial features. Her findings will hopefully enable forensic investigators to create a photo identikit of a crime suspect in the absence of eyewitnesses, using just the smallest trace of DNA left at the scene.
- Professor of Anatomy and Histology, Dr Kuldeep Bedi is currently researching why diet restriction leads to a longer life span and whether drugs can be developed that mimic the cellular effects of dieting. Dr Bedi's research will contribute significantly to our understanding of the mental decline and other degenerative brain changes that often accompany old age.

### HUMANITIES & SOCIAL SCIENCES

- Associate Professor of Communication and Media Studies Dr Jeff Brand took part in a major study for SBS Television and Radio's 'Connecting Diversity' project, looking at how young Australians

from a wide range of different cultural and linguistic backgrounds use various forms of media to become more involved in political and social life. Another project of Dr Brand's - looking at the effect of video and computer games on adolescents' learning and behaviour - generated national media interest and has prompted the Federal Government to revisit its policy on video game rating.

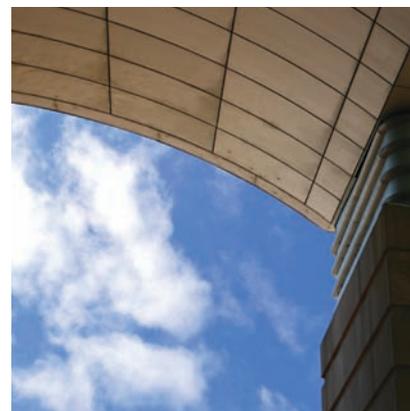
- Psychology Chair, Dr Greg Boyle, headed the Australian team of an international group of researchers examining how universities in North America and Australia have changed their hiring policies over the past 30 years in line with political correctness. Following the success of his recent four volume international handbook on the Psychology of Individual Differences (SAGE Publishers, London), Dr Boyle has also been awarded additional SAGE publishing contracts in conjunction with two North American colleagues for two new international handbooks on personality theories and assessment.
- High profile criminologist and Bond's Chair of Criminology, Professor Paul Wilson, is currently undertaking Australia's first rigorous research into the effectiveness of CCTV in preventing crime in public places especially in relation to alcohol-related crimes such as assault. The study has been funded by an ARC Linkage Grant and is being carried out in partnership with Queensland Rail, Community Safety and Support Policy Unit (formerly Crime Prevention Queensland), and the Gold Coast Safety Camera Network, in cooperation with the Queensland Police Service.
- Professor of Australian Studies, Dr Steve Webb and his team discovered a series of more than 450 human footprints left by children, adolescents and adults, dating back to the last Ice Age (20,000BC) in the Willandra Lakes region of Mungo National Park in far west NSW. The series is the largest collection of its kind in the world and the oldest discovered in Australia. The discovery has been reported in the Journal of Human Evolution as well as worldwide by all major print media, including WWW, Time Magazine and National Geographic Magazine.

- The Australian Press Council awarded its very first research grant to Bond's Coordinator of Journalism, Professor Mark Pearson. The \$5000 grant, supplemented by Faculty funding, has been allocated towards research into the impact of privacy laws on press freedom both here in Australia and overseas. Dr Pearson is also working on a National Crime Reporting Database, supported by HERDC funding, and the third edition of his sole-authored textbook, 'The Journalist's Guide to Media Law'.



## LAW

- Director of the Tim Fischer Centre for Global Trade and Finance, Professor Ross Buckley has focussed extensive research on how the guidelines set down by the International Monetary Fund have worsened, rather than solved, economic crises in developing countries.
- Assistant Professor of Law, Dr Dan Svantesson, from Bond's Faculty of Law is examining how legal actions have motivated the use of Internet technologies that restrict access to websites based on the web-surfer's geographical location.



## HIGHER DEGREE BY RESEARCH STUDENTS

Several HDR students are doing fascinating research, including:

- Shane Bracher is undertaking an IT research placement at Siemens Research Lab in Munich, Germany;
- Matthew Carter is studying an applied project that involves networking kitchens with Gold Coast company Homes Interactive;
- Michael Carey is undertaking a research internship with Eracom;
- Ping Zhang is undertaking Breast Cancer prediction modelling with Gold Coast Hospitals.

## ALUMNI SUCCESS STORIES

The Bond Alumni Network has nine chapters in Australia and 27 worldwide in destinations ranging from London, Paris and New York to New Zealand, Norway and the Netherlands.

Through their networking events and Bond's 'old school ties' loyalties, we are able to keep up to date with how our graduates are bringing their ambitions to life.

Some of the stellar career success stories from the past twelve months include:

### LEAH CAMPBELL, KATE GIBSON

Two Bond graduates have been walking the halls of power in The Hague. Since graduating with degrees in International Relations and Law in 2002, Vice-Chancellor Scholar, Leah Campbell, has worked as Associate to the Honourable Justice Philippides in the Queensland Supreme Court. In February 2004, she moved to The Netherlands to work with the United Nations as an intern at the International Criminal Tribunal for the former Yugoslavia on the case against Slobodan Milosevic. Fellow law graduate and Vice-Chancellor Scholar, Kate Gibson, went on to the prestigious University of Cambridge in the UK after leaving Bond. Graduating with her LL.M., she secured a position as Law Clerk to Judge Neroni Slade at the International Criminal Court. Since mid 2005, she has been working as part of the Defence team of General Kabiligi at the United Nations International Criminal Tribunal for Rwanda, in Tanzania.

### NICK JONSSON

After completing his Bachelor of Communication degree in 2003 and a Master of Public Relations in 2004, Nick Jonsson from Sweden is in Thailand with Public Relations company Spark Communications. Nick is working as an Account Director, serving major international clients such as TNT, O2, Electrolux and Lenovo. Before departing Australia, Nick won a Golden Target Award from the Public Relations Institute of Australia for his charitable efforts with The Make-A-Wish Foundation - the only student being awarded by PRIA in 2004.

### SIMONE DONOGHUE

Bond Law graduate and Faculty of Law staff member, Simone Donoghue was honoured with the Young Leadership Award at the Gold Coast's 2005 10th Annual International Women's Day celebrations. The Young Leadership Award is given to a woman under the age of 28 who demonstrates strong leadership qualities and the potential to take on a leadership role in society. Simone left Bond later in the year after being accepted to study for a semester at the European School of Management in Paris and secured an associateship for 2006, working with Queensland Supreme Court Judge, the Honourable Justice Philippides in the Trial Division.

### JASON CHAI

Bond Law graduate, Jason Chai, completed a twelve-month placement as an Australian Youth Ambassador for Development in China, working as a research analyst with the Asian Development Bank in Beijing. Jason was part of a team created from a partnership between the Global Environmental Facility and the People's Republic of China on land degradation. The partnership aimed to alleviate land degradation problems within six of the most impoverished provinces in western China. Jason graduated from Bond with a Juris Doctor in 2003 and is currently working as a policy officer at the Department of Foreign Affairs and Trade.

### ALICIA WILSON

1999 Bachelor of Communications (Bus) graduate, Alicia Wilson, has been appointed Vice President, Head of Marketing - Global Markets Asia for Deutsche Bank Singapore.

### NATASHA SCHOT

Law graduate, Natasha Schot, was one of only three students chosen Australia-wide for a four-week internship with the Australian Law Reform Commission in Sydney.

### JAMIE LEVY

Malleson Stephen Jaques lawyer and Bond alumnus, Jamie Levy won the prestigious 2005 NSW Young Lawyers' Golden Gavel Competition. The former president of the Law Students' Association (1999-2000) had the audience rolling in the aisles with his presentation on 'How can I treat my client as God when I'm agnostic?' at the Law Society's most prestigious public speaking competition for young lawyers.

### MIA PENDRY

Just five years out of university, Mia Pendry (Bachelor of Communications (Business) - 2001) is now National Promotions Manager for international franchise company Lenard's Pty Ltd. Working on national retail marketing strategies and in control of budgets in excess of \$4M pa, Mia knows her success, at such a young age, is due to the invaluable experience gained during her time at Bond.

## ALUMNI JOIN CURRENT STUDENTS AT BONDSTOCK

October saw alumni returning from far and wide to join current students for a week-long festival of social, cultural and academic events.

The jam-packed BONDSTOCK program included high profile guest speakers such as Justice Callinan of the High Court of Australia, who presided over a forum-style presentation.

A Women in Education luncheon, Alumni Speaker Series and law staff versus student debate were interspersed with lighter moments provided by the Bond Revue and a screening of Bond's award-winning short films from the past two years.

Organisers plan to make BONDSTOCK a regular event.

## GRADUATES SHARE THEIR SUCCESS

Bond Alumni swapped their corporate roles to take on starring roles in a series of newspaper ads for their alma mater. The ads showcased the outstanding career success of:

- Law/commerce alumnus, Andrew Twaits - named Young Achiever of the Year by the Australian Corporate Lawyers Association in 2002;
- Honours law graduate Sawathey Ek - awarded the Order of Australia medal in 2001;
- Law alumnus, Katie Davenport - now one of Australia's fashion industry young guns; and
- Current law student, Nandini Kumar.

Andrew Twaits featured in our latest campaign.



## WHERE DO YOU SEE YOURSELF FIVE YEARS FROM NOW?

Whether you see yourself as an international diplomat, high-flying business executive or defending the rights of others, every individual has the potential to achieve something extraordinary. Bond University recognises your passion and fast-tracks your progress. Through a personalised education approach, Bond works with every student to reach the outer limits of their own potential. To see why Bond ranks as Australia's number 1\* university in both student satisfaction and graduate employment, call 1800 074 074 or visit [bond.edu.au/ambition](http://bond.edu.au/ambition).

\*Australian graduates compared to the Group of Eight universities, Graduate Careers Council of Australia, Graduate Destination Survey 2004.



## CORPORATE PARTNERSHIPS

### FACULTY OF HUMANITIES & SOCIAL SCIENCES

#### Advertising

Beyondedge Interactive Media  
Billabong  
Blank Ink  
Clemenger BBDO  
George Patterson Y&R, Brisbane  
Logan Meo Walters  
McCann Erickson  
Publicis MOJO  
TBWA, South Africa

#### Communication & Marketing

ZiC Integrated Communications, Sydney  
Brisbane Broncos  
Brisbane City Council  
Dodo Internet, Melbourne  
Family Planning, Gold Coast  
GEFRO Oil Services, Norway  
MTV, Sydney  
Stellar Communications, Sydney  
THIESS, Brisbane  
Wicked Travel, Byron Bay

#### Criminology

Bravehearts  
Brisbane Youth Detention  
Redcliffe City Council  
Queensland Fire Investigation Unit  
Queensland Police

#### Film & Television

Able Video Productions  
Beyondedge  
Blizzard Media  
Channel V  
Freshwater Pictures  
GFN Productions  
Granada Productions  
Home & Away  
House of Wax  
Jeopardy 3  
Jonathan Shiff Productions  
Peter Pan (Warner Bros. Studio)  
Resort Television, Sanctuary Cove  
RTL TV, Germany  
Southampton TV, London

#### International Relations

ANIP, Canberra  
Austrade, Paris  
Foundation for Economic Development,  
Gold Coast City Council  
Ministry of Foreign Affairs  
Steven Ciobo MP

#### Journalism

4CRB  
AAP, Brisbane  
ABC, Coast FM  
ABC Stateline  
Canberra Times  
Channel 10, Gold Coast  
Channel 9, Gold Coast  
Courier Mail  
Daily Mercury, Mackay  
Eureka Street Magazine  
Gold Coast Bulletin  
Media Link, Brisbane  
NBN  
SBS

That's Life Magazine  
Today Tonight  
Tweed Daily News

#### Public Relations

Brisbane City Council  
CORE Institute, Canada  
Cysitic Fibrosis, Queensland  
Directions Media  
Haines Hunter  
Haystac Public Relations, Melbourne  
Hill & Knowlton  
Hopewell Hospice/Paradise Kids  
Life Gold Coast Magazine (PR Division)  
Media Merchants  
Promedia Public Relations  
Ray Group (SALT)  
Red Cross, Minnesota  
Red Cross, Qld  
The Media Men, Gold Coast  
Winning Directions

#### FACULTY OF BUSINESS, TECHNOLOGY & SUSTAINABLE DEVELOPMENT

Australian Stock Exchange  
AusIndustry Grant with Caradata  
Australian Human Resource Institute  
Australian Institute of Banking & Finance  
BMW  
Boeing  
Booz Allen  
Celesio AG, Germany  
Centrelink  
Cerum  
Cisco  
Citigroup  
CPA Australia  
Danske Bank, Denmark  
Delfin  
Deloitte Touché Tohmatsu  
Deutsche Bank  
Deutsche Securities Asia Ltd  
Development and Innovation  
Dreamspring  
EDUSS  
Eracom  
Ernst and Young  
First Data Corporation, USA  
Founders Forum  
Fraport AG (Frankfurt Airport)  
Gnetech  
Gold Coast City Council  
Gold Coast City Council  
Goldman Sachs  
HLB Mann-Judd  
Home Interactive  
Hyatt Hotels  
IBM  
JB Were  
JPMorgan  
KJ Ross & Associates  
KPMG  
Lend Lease  
LexisNexis  
Macquarie Bank  
Marina Mirage Shopping Complex  
Masterfoods Australia/New Zealand  
McGraw-Hill Australia  
MFS  
Microsoft  
Olympus Corporation, Japan  
Pearson Education Australia

PricewaterhouseCoopers

QIC  
Queensland Audit Office  
Queensland Government Department of  
State Development & Innovation  
Reuters  
Reuters (USA)  
Rothschields  
Royal Children's Hospital  
Salomon Smith Barney  
Siemens Research Laboratory, Germany  
Softgineering Specialists  
Telstra  
The Mindshifts Group Pty Ltd  
Thiess-John Holland  
Timsco Pty Ltd  
Timsco's InQBator  
Virgin Blue  
Williams Partners Independent Audit

#### FACULTY OF HEALTH SCIENCES & MEDICINE

Allamanda Private Hospital  
Association of Surfing Professionals  
Fuji International Kindergarten  
Gold Coast Dolphins NRL Consortium  
Gold Coast Health Service District  
Gold Coast Titans  
Lady Gowrie Child Care Centres (National)  
Pindara Private Hospital  
Sunkids  
Sunkids Childrens Centres (National)  
The John Flynn Hospital  
The John Tonge Centre  
The Tweed Hospital

#### FACULTY OF LAW

Allens Arthur Robinson  
Austrade, Paris  
Australian Internships  
Baker & McKenzie  
Bar Association of Queensland  
Blake Dawson Waldron Lawyers  
Campbell Muscat Lawyers  
Carter Capner Lawyers  
CCH  
Clayton Utz  
Deacons Lawyers  
Detta Samen & Co, Malaysia  
Ebsworth and Ebsworth  
Freehills  
Gold Coast Community Legal Advice Centre  
Hynes Lawyers  
Jones Mitchell Lawyers  
LexisNexis  
Mallesons Stephen Jaques  
McCullough Robertson Lawyers  
Minter Ellison  
Mylne Lawyers  
Norman Waterhouse  
Philip Roberts Lawyers  
Pilgrim Geddes  
Price and Roobottom Solicitors  
Prisoners Legal Service  
QPILCH  
Sparta Matrix  
Taxation Institute of Australia  
Ramsden Faes Lawyers  
Universal Legal, Mumbai, India

## INTERNATIONAL PARTNERSHIPS



### EXCHANGE PROGRAMS

Bond University's worldwide network of exchange links extends the educational experience by giving students the opportunity to live and study overseas.

Through our exchange programs, students enrol in our partner universities for a semester, studying courses relevant to their degree. The results are credited towards their studies at Bond so that they still complete their degree in the minimum time.

In addition to enhancing their global outlook, these exchanges build self-confidence, foster independent thinking and serve as the foundation of a global contact network that will be of immeasurable benefit in their future careers.

Bond currently has 45 exchange partnerships with leading universities in 19 countries:

#### EUROPE

University of Sunderland,  
United Kingdom

Robert Schuman (IECS)  
University, France

ESCP-EAP European School  
of Management, France

Bonn University, Germany

European Business School, Germany

Marburg University,  
Germany (Law)

Fachhochschule Wurzberg,  
Germany (FITV)

Ghent University,  
Belgium (Law)

University of Maastricht,  
The Netherlands (Psychology)

Leiden University,  
The Netherlands (Law)

Aalborg University, Denmark

Copenhagen Business School,  
Denmark

University of Oslo, Norway

Norwegian School of Management -  
BI, Norway

Norwegian University of Science  
& Technology, Norway

University of Bergen, Norway (Law)

Goteborg University, Sweden

Lund University, Sweden  
(final year BN students)

Malmo University, Sweden

University of Stockholm, Sweden (Law)

Tampere University of Technology,  
Finland

Abo Akademi University, Finland

University of Turku, Finland

Turku School of Economics & Business  
Administration, Finland

Koc University, Turkey

University Alcalá, Spain  
(Spanish Language)

#### ASIA

Nanyang Technological University,  
Singapore

Soochow University, China

Tsinghua University, China (MBA)

Obirin University, Japan

Aichi Gakuin, Japan

Chaoyang University of Technology,  
Taiwan

Yonsei University, South Korea

Daegu University, South Korea

University-Thai Chamber of Commerce,  
Thailand

#### NORTH AMERICA

Washington College, Maryland, USA

Clemson University,  
South Carolina, USA

University of Pittsburgh,  
Pennsylvania, USA

University of Delaware,  
Delaware, USA

Lally School of Management,  
New York, USA

Duke University,  
North Carolina, USA (Law)

Northwestern University,  
Illinois, USA (Law)

University of Western Ontario, Ontario,  
Canada (Law)

University of British Columbia,  
Vancouver, Canada (Law)

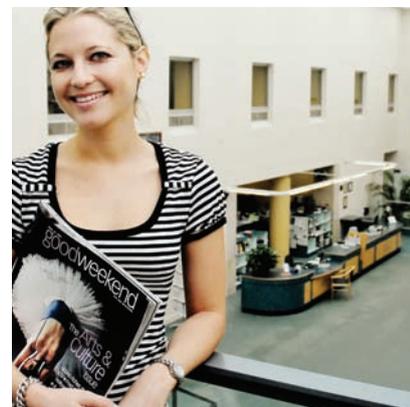
Georgia College & State University,  
Georgia, USA

## FACILITIES

The University maintains a continuous process for the review and upgrade of campus facilities to ensure the on-campus educational environment is at the highest possible standard. In keeping with these principals the University undertook significant projects in areas of teaching and learning, student services, accommodation facilities and new buildings.

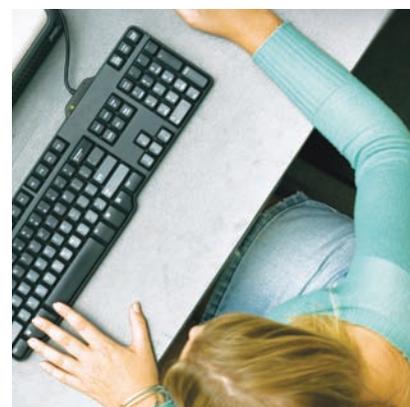
### ACADEMIC BUILDINGS AND STUDENT SUPPORT SERVICES

- In May 2005, the University completed the construction of a Faculty of Health Sciences and Medicine building on time, and within budget. This represented a substantial investment for the University and the feedback from students, staff and the medical community has been extremely positive.
- The University continued to refurbish carpet and external sandstone on existing buildings.
- The Student Court was established and the student support areas of cashiers and finance, student administration, student services, facilities management and security were relocated into this area of the campus.
- The ongoing student accommodation refurbishment program saw the South Tower refurbished during the second semester.
- The Career Development Centre and the Human Resources Office were relocated to offices adjoining the bookshop. This area of campus provides a one-stop-shop environment for students, that also includes the Sports and Fitness Centre.



### TECHNOLOGY SERVICES

A strategic review was undertaken in 2005 with the vision to develop, support and maintain a flexible, reliable and secure standard of IT and AV services that met campus needs and accommodated new ideas and business requirements as they occurred. Against this background a progressive review is being undertaken to determine priorities.



### TEACHING AND LEARNING

- The University invested in Blackboard, an electronic teaching and learning aid that will enable the University to extend and enhance educational effort through integration with other systems including course catalogue information, enrolment data, staff assignment and organisational data. The system is being progressively implemented across Faculty.
- The staff/student email system was upgraded to Microsoft Exchange to enhance the connectivity across other Microsoft products and between staff and students.
- The Storage Area Network was substantially upgraded with additional disc storage capacity to provide the required storage for email and coursework for staff and students.
- The University maintains a Master Lease Facility that enables the turnover of equipment and technology on a three-year cycle. During the year a substantial upgrade of equipment occurred in the teaching labs.

## LIBRARY

The Library contributed to the success of the University by supporting the teaching, learning and research needs in a number of ways throughout the year.

### QUALITY

Bond University Library's dedication to providing excellent customer service and support has earned it a place in the prestigious AUQA (Australian Universities Quality Agency) Good Practice Database - an international database of good practices in higher education.

### NEW FACILITIES AND SERVICES

On March 24, the John and Alison Kearney Library was officially opened by the Commonwealth Attorney General, The Hon Philip Ruddock after a major renovation. Long time Bond benefactors John and Alison Kearney's contribution to the renovations was recognized at the Opening. The Law Library now boasts a brand new facility - the Postgraduate Research Centre - to accommodate the growing number of research postgraduate students of the Law Faculty.

All computers for student use in both Main and Law libraries were replaced with new PCs to provide faster and more reliable access to information resources and software applications. The printing and copying service was also upgraded to enable students to access this service by simply using their student cards and network accounts. The computer furniture in the Main Library has been replaced to provide more comfortable and accessible study spaces for both individual and group study.

The number of group study rooms in both libraries has been increased. These rooms are very popular as students enjoy working in small groups on their projects or to practice their presentations.

### NEW RESOURCES

- The Library acquired 7,087 books and audiovisual materials and subscribed to 68 electronic information databases providing access to over 30,000 electronic books and journals.
- The Library has been chosen as the custodian of a prestigious collection of Buddhist philosophy and teachings. The collection was originally donated by Master Chin

Kung to the Gold Coast City and was awarded on permanent loan to Vice-Chancellor, Robert Stable by Mayor Ron Clarke. The set of 168 volumes comprises the Qianlong Great Buddhist Canon which was officially certified by the Emperor Qianlong of China 1711-1799.

- The Electronic Course Reserve Database was launched to provide 24/7 access to course readings such as journal articles, book chapters and other resources students are required to read. This initiative has been well received by students and academic staff as it provides access to required readings anytime and anywhere in a much more convenient way and at the same time, ensuring compliance with digital copyright.
- The Bond in Pictures project, a collection of digitised historical photos mainly from the early days of Bond was launched by the Vice-Chancellor at the Cerum Theatre during the year. Tom Betts, a long standing member of staff presented a selection of interesting photographs with stories.
- In preparation for the new medical degree program, the Library has worked closely with the Faculty of Medicine staff to build the medical collections to support the new course. The collection includes major electronic resources such as Science, Nature, Health and Medical Complete, Harrison's Online and Therapeutic Guidelines. Large numbers of medical textbooks and journals have also been purchased.

### STATISTICS

- 125,000 books were borrowed
- 500,000 visits to the Library were recorded
- 195,000 virtual visits to the Library website were recorded
- 150,000 books were shelved
- 1,300,000 pages were printed/copied
- 4,266 students were taught by librarians in library research skills
- 3,600 items were borrowed from other libraries for our students and staff
- 5,000 out of date and little used books were withdrawn to create space for new books and audio-visual materials.



## SPORT & RECREATION CENTRE

Bond University's Fitness Centre was honoured for its work in reaching out to the wider community by being named runner-up in the 2005 Sport and Community Recreation Queensland Community Service Award.

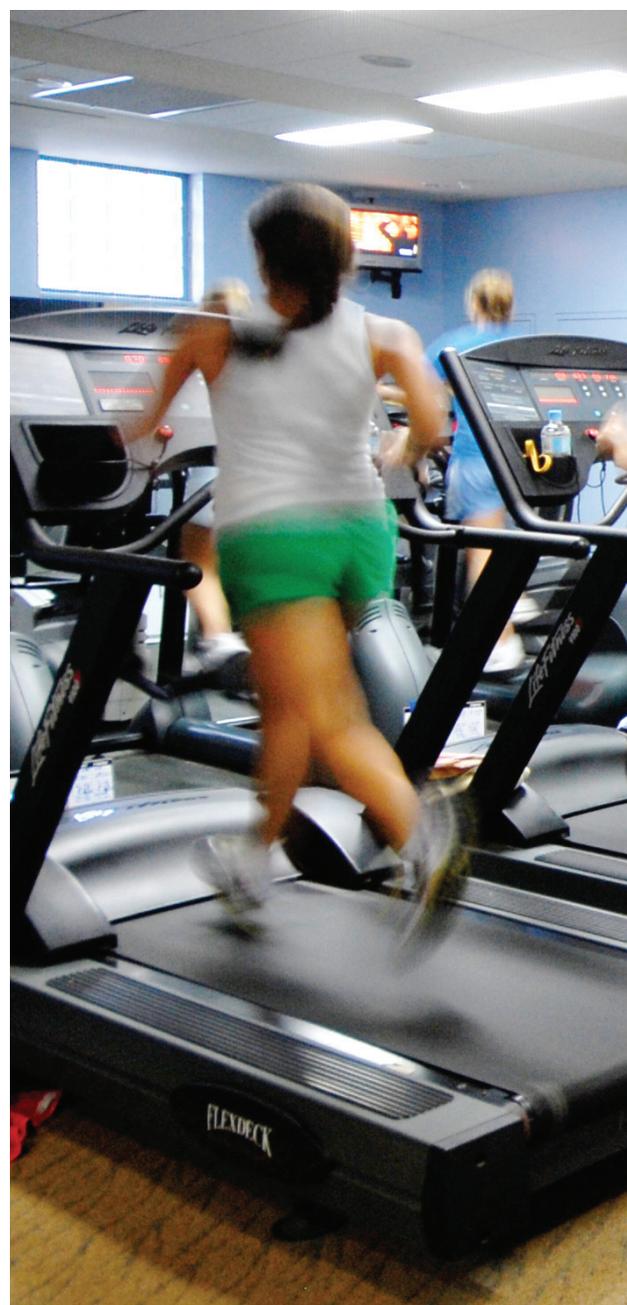
The acknowledgement was given for the Centre's wide range of innovative programs, such as Mature and Motivated - a program of daily supervised exercise for people in the over-50 age group; and the Healthy Heart program, run in conjunction with the Vietnam Veterans' Counselling Service. The Fitness Centre team also dedicate their time to train and support TAFE trainees and work experience students.

There were also several improvements at the Sports Centre during 2005. In addition to the upgrade of the gymnasium, swimming pool, tennis courts and beach volleyball court, new rooms were added to accommodate yoga and pilates, group exercise, student recreation, personal training, the boxing circuit and spinning.

### SPECIAL GUESTS

Tennis legend Andre Agassi and professional Scott Draper teamed up for a game of racquet ball at the Sport and Recreation Centre squash courts as part of a cross-training session while Andre was in town training for the Australian Open in January.

High performance sessions were also held for the Brisbane Lions, Australian Swimming, Australian Surf Lifesaving, the Essendon Australian Rules Football Club and the new Gold Coast Titans Rugby League team.





High performance sessions for Brisbane Lions



FINANCIAL ANALYSIS



A key measurement for the University is the achievement of budget targets and compliance with Bank Covenants, both of which were satisfied by the University for the year.

## 2005 AT A GLANCE

- The University recorded a net profit from operations of \$3.594M compared with \$4.940M in the prior year - a positive outcome in view of the fact that the prior year result benefited from one-off adjustments for a donation of \$1M and the write back of a provision for doubtful debts of \$0.766M.



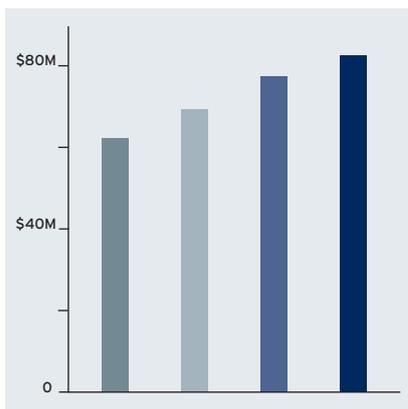
Tuition income up 10.3% on prior year at \$61.062M

- Total liabilities at \$71.022M increased by \$13.204M over the prior year, principally due to additional borrowings required for the construction of the Medical building.
- Net assets at \$30.835M represented growth of 10.4% over the prior year.



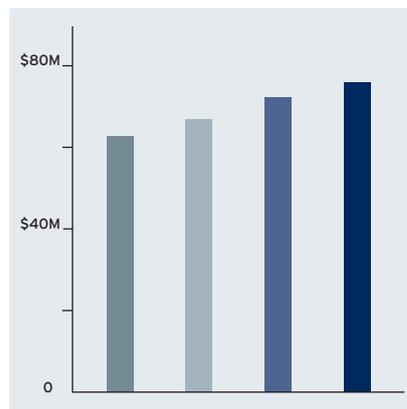
Minister for Foreign Affairs, the Hon Alexander Downer MP delivers the undergraduate address at a Bond University Graduation Ceremony.

### 1.1 REVENUE



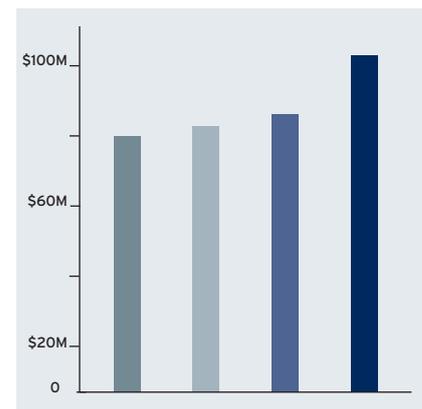
Total revenue for the year at \$81.480M represented growth of 5.7% over the prior year.

### 1.2 EXPENDITURE



Total expenditure at \$77.886M grew by 7.9% over the prior year.

### 1.3 ASSETS



Total assets at \$101.858M increased by \$16.115M, principally through property assets in the construction of the Medical Faculty building and increased cash and reserves.

2002 2003 2004 2005

## DIRECTORS' REPORT

BOND UNIVERSITY LIMITED  
A.C.N. 010 694 121  
AND CONTROLLED ENTITIES

### COMPANY PARTICULARS

#### The Directors

Trevor Rowe AM - Chancellor  
Robert Stable - Vice Chancellor  
Gary Bugden - Deputy Chancellor  
Neil Balnaves  
Benjamin Chow  
Dennis Gibson AO  
Kathryn Greiner AO  
Ian Kortlang  
Bronwyn Morris

#### Secretary

Alan Finch

#### Registered Office

Bond University Limited  
Level 6, The Arch  
Bond University Qld 4229

#### Auditors

PricewaterhouseCoopers  
Waterfront Place  
1 Eagle Street  
Brisbane Qld 4000

#### Solicitors

Minter Ellison  
Waterfront Place  
1 Eagle Street  
Brisbane Qld 4000  
Corrs Chambers Westgarth  
Waterfront Place  
1 Eagle Street  
Brisbane Qld 4000

#### Bankers

ANZ Banking Group Limited  
324 Queen Street  
Brisbane Qld 4000

### DIRECTORS' REPORT

The directors present their report on the consolidated entity consisting of Bond University Limited and the entities it controlled at the end of, or during, the year ended 31 December 2005.

#### DIRECTORS

The following persons were directors of Bond University Limited during the whole of the financial year and up to the date of this report:

- Trevor Rowe AM - Chancellor
- Robert Stable - Vice Chancellor
- Gary Bugden - Deputy Chancellor
- Neil Balnaves
- Benjamin Chow
- Kathryn Greiner AO
- Ian Kortlang
- Bronwyn Morris
- Dennis Gibson AO was appointed a director on 4 February 2005 and continues in office at the date of this report.

### PRINCIPAL ACTIVITIES

The principal activity of the consolidated entity is the promotion and operation of Bond University in Queensland. The University also has an agreement with Business Breakthrough Inc. (BBT) Japan for the delivery of a Masters of Business Administration program in Japan.

Bond University also provides English language courses through a subsidiary, Lashkar Pty Ltd (trading as Bond University English Language Institute).

In addition to this, through a subsidiary, Campus Operations Pty Limited, Bond University Limited operates a student accommodation facility.

In May 2005, the University commenced an undergraduate degree in Medicine in a new building constructed to accommodate the Faculty of Health Sciences and Medicine.

### DIVIDENDS

Bond University Limited is a not for profit company limited by guarantee. Accordingly, no dividend was declared.

### REVIEW OF OPERATIONS

The University achieved a profit of \$3.594M for the year. This compares with \$4.940M in the prior year which benefited from a donation of \$1 million in support of the Medical School and the reversal of a debt provision of \$0.766M. Adjusted for these, the profit increase in 2005 over 2004 approximates 13.2%.

The parent company reported a profit for the year of \$22.073M. This was a result of an internal management charge by the parent company to recoup prior years overheads incurred on behalf of a subsidiary. Without this internal charge the parent company would have reported a loss of \$13,340. This internal management charge had no impact upon the consolidated profit achieved by the University.

**A summary of the consolidated revenues and expenses are as follows:**

| REVENUES                            |                   |                   | EXPENSES                                |                   |                   |
|-------------------------------------|-------------------|-------------------|---|-------------------|-------------------|
|                                     | \$<br>2005        | \$<br>2004        |   | \$<br>2005        | \$<br>2004        |
| Tuition revenue - University        | 61,062,613        | 55,349,875        | Salaries and related expenses           | 40,939,732        | 39,628,117        |
| Tuition revenue - External Programs | 3,641,030         | 3,999,749         | Facilities management and maintenance   | 7,282,585         | 7,811,216         |
| Tuition revenue - Language Centre   | 2,321,624         | 2,701,301         | Utilities and outgoings                 | 2,878,287         | 2,905,311         |
| Sale of goods - food and beverages  | 4,476,400         | 5,067,112         | Marketing and promotional expenses      | 4,971,204         | 4,487,308         |
| Student accommodation rent          | 3,491,159         | 2,875,143         | Depreciation and amortisation expenses  | 5,985,175         | 4,781,906         |
| Non-refundable student income       | 894,538           | 593,448           | Borrowing costs expense                 | 3,408,150         | 2,916,244         |
| Other student fees and charges      | 852,950           | 714,960           | Food and beverage cost                  | 1,775,520         | 1,995,135         |
| Fitness centre income               | 621,227           | 697,795           | Service fee - BBT                       | 2,148,982         | 2,188,263         |
| Student activities fee income       | 526,969           | 561,956           | Consumables                             | 1,406,766         | 1,213,461         |
| Sundry income                       | 1,821,388         | 1,792,896         | Minor equipment                         | 1,286,022         | 390,755           |
| Interest                            | 1,041,081         | 869,245           | Other expenses from ordinary activities | 5,803,644         | 3,818,158         |
| Grants and donations                | 729,246           | 1,853,065         |   |                   |                   |
|                                     | <b>81,480,225</b> | <b>77,076,545</b> |   | <b>77,886,067</b> | <b>72,135,874</b> |

**Comments on the operations:**

**Revenues**

**(a) Tuition revenue - University**

The University enrolled its first intake of Medical students in May 2005. Domestic degree enrolments experienced strong growth, again offset in part by a continuing decline in international degree enrolments. The yield per student improved mainly through price movements.

**(b) Tuition revenue - External programs**

This is tuition revenue from the Masters of Business Administration program in Japan delivered through Business Breakthrough Inc (BBT). Enrolments into the executive program declined over the prior year.

**(c) Tuition revenue - Language centre**

The University operates an English Language training centre. Enrolments into general English programs continued to decline compared with the prior year.

**(d) Sale of goods - food and beverage and Student accommodation rent**

The University has a set number of on-campus accommodation rooms. The demand for on-campus accommodation exceeded capacity levels on campus during the first and third semester. The decline in revenue over the prior year was due to a change in the meal package.

**(e) Sundry income**

Included in sundry income are consulting income, language training tours and study tours and rents.

**(f) Interest**

As a treasury function the University invests funds received in short-term deposit cycles that support drawdowns required to meet University commitments. The increase in interest income is linked to the increase in revenue and cash reserves during the year.

**(g) Grants and donations**

The University discloses as part of revenue any donations received. Included in 2004 was a \$1 million donation in support of the commencement of a Faculty of Medicine.

**Expenses**

**(a) Salaries and related expenses**

Growth over the prior year, apart from merit and cost of living adjustments, were associated with the Faculty of Medicine commencement, recruitment costs, staff training and amenities.

**(b) Facilities management and maintenance**

This includes contract services for maintaining buildings, mechanical and electrical infrastructure, maintenance and repair of buildings and grounds.

**(c) Utilities and outgoings**

These include electrical, telecommunications, rates and insurance costs.

**(d) Marketing and promotional expenses**

These include travel, commissions for recruitment of students, promotional materials and advertising. The increase over the prior year is associated with a revamp of the University marketing and recruitment strategy.

**(e) Depreciation and amortisation**

The increase is attributable to the construction of a new building, fitout and technology infrastructure under finance lease.

**(f) Borrowing costs**

These are associated with debt and additional borrowings for the construction of the Medical building and growth in lease financing for technology infrastructure.

**(g) Food and beverage cost of sale**

The on-campus student accommodation facility operated at similar capacity levels to the prior year, with a reduction in food cost associated with changes to the meal plan.

**(h) Service fee - BBT**

This is the contractual delivery cost associated with the Masters of Business Administration program in Japan.

**(i) Minor equipment**

The increase is attributable to purchases relating to the School of Medicine.

**(j) Other expenses**

Other expenses include course materials, subscriptions, professional services, consumables, rent and hire costs, bad debts expense and other fees and charges. The increase is attributable to an increase in consulting costs associated with the revision of the master plan and a bad debt reversal in the prior year.

## DIRECTORS' REPORT

### SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Significant changes in the state of affairs of the consolidated entity during the financial year were as follows:

- The University in May 2005 enrolled its first students into an undergraduate program in Medicine.
- The University undertook a structural change with the Faculty of Information Technology being restructured as a School within the Faculty of Business.
- A Centre for Research was formally established and staffed within the University.

### MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

Subsequent to balance date the University received capital grants from the State and Federal governments to be applied towards the debt raised by the University for the construction of a Faculty of Health Sciences & Medicine building.

The University Council approved the introduction of a School of Sustainable Development which is expected to enrol its first students in September 2006.

No other matter or circumstance other than what has been referred to above has arisen since 31 December 2005 that has significantly affected or may significantly affect:

- (a) the consolidated entity's operations in future financial years, or
- (b) the results of those operations in future financial years, or
- (c) the consolidated entity's state of affairs in future financial years.

### LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

A Legal Skills Centre is to be constructed as an extension to the Faculty of Law building. The University is also seeking to construct a building to accommodate the addition of a School of Sustainable Development within the Faculty of Business, Technology and Sustainable Development and a Centre for Innovation and Research.

The University Council has approved the University proceeding with an application for accreditation of a Masters in Physiotherapy which, if approved, is scheduled to offer enrolments in September 2006.

No other activities or operations, other than those existing as at the balance date, are planned to commence in the forthcoming year.

### ENVIRONMENTAL REGULATION

The company is not subject to significant environmental regulation.



## INFORMATION ON DIRECTORS

| Director  | Experience  | Special Responsibilities   |
|---|---|--|
| <b>Chairman - Non-executive</b>   |   |  |
| <b>T C Rowe AM</b><br>CA, CPA, FCIS, FAICD  | Independent non-executive director and Chairman for three years<br>Extensive global investment and banking experience<br>Chairman, Investment Banking, N M Rothschild & Sons (Australia) Limited<br>Chairman of Queensland Investment Corporation<br>Chairman of Queensland BioCapital Fund Limited<br>Director of the Australian Stock Exchange<br>Chairman of United Group Limited<br>Chairman of Telecorp Limited<br>Member of the Commonwealth of Australia's Foreign Affairs Council<br>Member of the Board of Guardians of the Future Fund.                     | Chancellor and Chairman<br><br>Chairman of Finance & Commercial Committee<br><br>Chairman of Alumni Committee<br><br>Member of Nominations Advisory Committee          |
| <b>Executive director</b>   |   |  |
| <b>R Stable</b><br>MBBS (Qld), MHP (NSW),<br>DUni (QUT), FRACGP,<br>FRACMA, FCHSE, FAIM,<br>FAICD | Executive director and Vice-Chancellor for two years<br>Director of Australian Rural and Remote Workforce Agencies Group  | Vice-Chancellor and President<br><br>Member of Finance & Commercial Committee<br><br>Member of Alumni Committee  |
| <b>Non-executive directors</b>  |   |  |
| <b>G Bugden</b><br>DipL, MAICD  | Non-executive director for three years.<br>Currently a consultant lawyer and former partner of Mallesons Stephen Jaques, specialising in property law<br>Chairman of Purchasers Strata Inspections Pty Ltd<br>Chairman of Domain Resorts Pty Ltd<br>Chairman of Ray Group Management Pty Ltd<br>Director of SPB Investments (Australia) Pty Ltd<br>Director of SPB Developments Pty Ltd<br>Director of SPB (Australia) Pty Ltd<br>Director of Bugden R&D Pty Ltd<br>Director of Nitarae Nominees Pty Ltd  | Deputy Chancellor<br><br>Chairman of Nominations Advisory Committee<br><br>Member of Audit & Risk Management Committee<br><br>Member of Finance & Commercial Committee |
| <b>N Balnaves</b>   | Non-executive director for three years<br>Extensive experience in the entertainment and media industry<br>Director of Sevanlab Nominees Pty Ltd<br>Director of Sevanlab Investments Pty Ltd<br>Director of Sevanlab Star Investments Pty Ltd<br>Director of Rigby Hall Pty Ltd<br>Director of Rigby Hall Investments Pty Ltd<br>Director of Technicolor Pty Ltd<br>Director of Macquarie Leisure Management Limited<br>Director of Macquarie Leisure Operations Limited<br>Director of Southern Cross Broadcasting (Australia) Ltd<br>Director of Balnaves Foundation | Member of Audit & Risk Management Committee<br><br>Member of Alumni & Corporate Communications Committee   |

# DIRECTORS' REPORT

## INFORMATION ON DIRECTORS (CONTINUED)

### Non-executive directors (continued)

|  |  |   |
|--|--|---|
| <p><b>B Chow</b><br/>BEng (Syd)</p>  | <p>Non-executive director for one year<br/>Civil engineer and property development consultant<br/>Director of Sydney Subdivision Pty Ltd<br/>Director of Trenton Developments Pty Ltd<br/>Director of Jabroo Investments Pty Ltd<br/>Director of Chain Reaction Foundation Ltd<br/>Chairman of Council for Multicultural Australia<br/>Council member of the National Museum of Australia</p>  |   |
| <p><b>D Gibson AO</b><br/>BSc Hull, MSc, Newcastle (UK),<br/>PhD Newcastle (UK), DSc,<br/>DUniv (Sunshine Coast)</p> | <p>Non-executive director for one year<br/>Chancellor of RMIT University<br/>Chairman of M&amp;MD Pty Ltd<br/>Chairman of QID Pty Ltd<br/>Chairman of GCCA Ltd<br/>Director of RMIT Vietnam Holdings</p>   |   |
| <p><b>K Greiner AO</b><br/>BSW (UNSW), MAICD</p>   | <p>Non-executive director for two years<br/>Strong background in local government, former<br/>Councillor of the City of Sydney, broad<br/>interests in education and training<br/>Chairman of Bio Tech Capital<br/>Chairman of Velocity Pty Ltd<br/>Chairman of Bell Shakespeare Foundation<br/>Director of Gabane Pty Ltd<br/>Director of Australian Ireland Fund</p>   | <p>Member of Nominations<br/>Advisory Committee</p> <p>Member of Finance &amp;<br/>Commercial Committee</p> <p>Member of Alumni<br/>Committee (appointed 3<br/>February 2006)</p> |
| <p><b>I Kortlang</b><br/>BA (Qld)</p>  | <p>Non-executive director for two years<br/>Extensive public sector experience including<br/>consultancy and diplomatic service<br/>Global experience in mergers, acquisitions and<br/>privatisations, currently a Corporate<br/>Communications Adviser<br/>Director of Kortlang Pty Ltd<br/>Director of My Sydney Concierge Pty Ltd<br/>Director of Media Monitors Australia Pty Ltd<br/>Director of Sinclair Thomas Pty Ltd<br/>Former Australian Diplomat and Infantry Officer<br/>with the Australian Regular Army</p> |   |
| <p><b>B Morris</b><br/>BCom (Qld), FCA, MAICD</p>  | <p>Non-executive director for two years<br/>Former Partner of KPMG, director of publicly-<br/>listed companies, government and charitable<br/>organisations, strong interests in corporate<br/>governance and risk management<br/>Chairman of Queensland Rail<br/>Director of Stanwell Corporation Limited<br/>Director of Colorado Group Limited<br/>Director of Office of Economic Development for the<br/>City of Brisbane Ltd (trading as Velocity Brisbane)</p>   | <p>Chairman of Audit &amp; Risk<br/>Management Committee.</p>   |

## COMPANY SECRETARY

The company secretary is Mr Alan Finch BA (Melb), FAIM. Mr Finch was appointed to the position of company secretary in 1996. He is employed by Bond University as the Registrar.

## MEETINGS OF DIRECTORS

The numbers of meetings of the company's board of directors and of each board committee held during the year ended 31 December 2005, and the numbers of meetings attended by each director were:

|            | Full Meetings of Directors |                      | Meetings of Committee                       |                      |                                |                      |                                     |                      |
|------------|----------------------------|----------------------|---|----------------------|--------------------------------|----------------------|-------------------------------------|----------------------|
|            | No. of Mtgs Held *         | No. of Mtgs Attended | Alumni & Corporate Communications Committee |                      | Nominations Advisory Committee |                      | Audit and Risk Management Committee |                      |
|            | No. of Mtgs Held *         | No. of Mtgs Attended | No. of Mtgs Held *                          | No. of Mtgs Attended | No. of Mtgs Held *             | No. of Mtgs Attended | No. of Mtgs Held *                  | No. of Mtgs Attended |
| T Rowe     | 9                          | 9                    | 2   | 2                    | 2                              | 2                    | **                                  | **                   |
| R Stable   | 9                          | 9                    | 2   | 2                    | **                             | **                   | **                                  | **                   |
| G Bugden   | 9                          | 9                    | **  | **                   | 2                              | 2                    | 5                                   | 4                    |
| N Balnaves | 9                          | 8                    | **  | **                   | **                             | **                   | 5                                   | 3                    |
| B Chow     | 9                          | 7                    | **  | **                   | **                             | **                   | **                                  | **                   |
| D Gibson   | 9                          | 8                    | **  | **                   | **                             | **                   | **                                  | **                   |
| K Greiner  | 9                          | 8                    | **  | **                   | 2                              | 1                    | **                                  | **                   |
| I Kortlang | 9                          | 6                    | 2   | -                    | **                             | **                   | **                                  | **                   |
| B Morris   | 9                          | 8                    | **  | **                   | **                             | **                   | 5                                   | 5                    |

\* Number of meetings held during the time the director held office or was a member of the committee during the year

\*\* Not a member of the relevant committee

The Finance & Commercial Committee did not hold any meetings during the year. The Alumni & Corporate Communications Committee was dissolved on 4 November 2005. A new Alumni Committee was formed on 3 February 2006.

## INSURANCE OF OFFICERS

The company has entered into an agreement with its insurer to indemnify all directors of the company including executive officers of the company and its controlled entities against all liabilities to persons which arise out of the performance of their normal duties as director or executive officer unless the liability relates to conduct involving a lack of good faith.

The liabilities insured are costs and expenses that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as directors or executive officers of entities in the consolidated entity unless the conduct involves a wilful breach of duty or an improper use of inside information or position to gain advantage.

The directors and officers are insured for liabilities up to a maximum amount of \$30M. Disclosure of the amount of premium paid is prohibited under the terms of the insurance contract.

## AUDITOR

PricewaterhouseCoopers continues in office in accordance with section 327 of the Corporations Act 2001.

A copy of the auditors' independence declaration as required under section 307C of the Corporations Act 2001 is set out on the next page.

This report is made in accordance with a resolution of the directors.



**T C Rowe**  
Director and Chancellor  
Brisbane  
28 April 2006

Pricewaterhousecoopers  
ABN 52 780 433 757

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## Auditors' Independence Declaration

As lead auditor for the audit of Bond University Limited for the year ended 31 December 2005, I declare that to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Bond University Limited and the entities it controlled during the period.



**M Linz**  
Partner  
PricewaterhouseCoopers

Brisbane  
28 April 2006

Liability is limited by a scheme approved under Professional Standards Legislation.



## FINANCIAL REPORT 31 DECEMBER 2005



This financial report covers both Bond University Limited as an individual entity and the consolidated entity consisting of Bond University Limited and its controlled entities. The financial report is presented in Australian currency.

Bond University Limited is a company limited by guarantee, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Bond University Limited  
Level 6, The Arch  
Bond University Qld 4229

A description of the nature of the consolidated entity's operations and its principal activities is included in the directors' report on pages 38 - 43, which is not part of this financial report.

The financial report was authorised for issue by the directors on 28 April 2006. The company has the power to amend and reissue the financial report.

## INCOME STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2005

|  | Notes | Consolidated     |                  | Parent Entity     |                  |
|--|-------|------------------|------------------|-------------------|------------------|
|  |       | 2005<br>\$       | 2004<br>\$       | 2005<br>\$        | 2004<br>\$       |
| <b>Revenue from continuing operations</b>                        | 3     | 81,480,225       | 77,076,545       | 92,956,090        | 65,962,633       |
| Other income   | 4     | -                | 8,959            | -                 | 5,067            |
| Salaries and related expenses                                    |       | 40,939,732       | 39,628,117       | 4,833,451         | 3,284,630        |
| Facilities management and maintenance                            |       | 7,282,585        | 7,811,216        | 7,172,041         | 6,244,178        |
| Utilities and outgoings  |       | 2,878,287        | 2,905,311        | 2,691,093         | 2,336,983        |
| Marketing and promotional expenses                               |       | 4,971,204        | 4,487,308        | 4,832,914         | 4,350,524        |
| Depreciation and amortisation expenses                           |       | 5,985,175        | 4,781,906        | 5,975,810         | 4,771,405        |
| Finance costs  | 5     | 3,408,150        | 2,916,244        | 3,408,150         | 2,916,244        |
| Food and beverage cost - Conference Centre                       |       | 1,775,520        | 1,995,135        | -                 | -                |
| Service fee - BBT  |       | 2,148,982        | 2,188,263        | 2,148,982         | 2,188,263        |
| Consumables  |       | 1,406,766        | 1,213,461        | 1,133,769         | 906,228          |
| Minor equipment  |       | 1,286,022        | 390,755          | 1,248,717         | 358,650          |
| Management fees  |       | -                | -                | 33,016,445        | 32,712,862       |
| Other expenses from ordinary activities                          |       | 5,803,644        | 3,827,117        | 4,421,890         | 2,596,473        |
| <b>Profit before income tax</b>                                  |       | <b>3,594,158</b> | <b>4,940,671</b> | <b>22,072,828</b> | <b>3,301,260</b> |
| Income tax expense   | 1(e)  | -                | -                | -                 | -                |
| <b>Profit for the year</b>                                       |       | <b>3,594,158</b> | <b>4,940,671</b> | <b>22,072,828</b> | <b>3,301,260</b> |
| <b>Profit attributable to members of Bond University Limited</b> |       | <b>3,594,158</b> | <b>4,940,671</b> | <b>22,072,828</b> | <b>3,301,260</b> |

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

# FINANCIAL REPORT 31 DECEMBER 2005

## BALANCE SHEETS AS AT 31 DECEMBER 2005

|                                      | Notes | Consolidated       |                   | Parent Entity      |                   |
|--------------------------------------|-------|--------------------|-------------------|--------------------|-------------------|
|                                      |       | 2005<br>\$         | 2004<br>\$        | 2005<br>\$         | 2004<br>\$        |
| <b>ASSETS</b>                        |       |                    |                   |                    |                   |
| <b>CURRENT ASSETS</b>                |       |                    |                   |                    |                   |
| Cash and cash equivalents            | 6     | 15,056,414         | 10,530,349        | 13,495,325         | 9,718,144         |
| Receivables                          | 7     | 2,894,125          | 4,034,208         | 2,712,165          | 3,912,974         |
| Inventories                          | 8     | 72,449             | 91,319            | –                  | –                 |
| <b>Total current assets</b>          |       | <b>18,022,988</b>  | <b>14,655,876</b> | <b>16,207,490</b>  | <b>13,631,118</b> |
| <b>NON-CURRENT ASSETS</b>            |       |                    |                   |                    |                   |
| Available-for-sale financial asset   | 9     | 11,000             | –                 | 11,000             | –                 |
| Other financial assets               | 10    | –                  | 11,000            | 9                  | 11,009            |
| Property, plant and equipment        | 11    | 82,805,703         | 70,013,466        | 82,803,193         | 70,007,700        |
| Intangible assets                    | 12    | 1,018,644          | 1,063,405         | 1,018,644          | 1,057,298         |
| <b>Total non-current assets</b>      |       | <b>83,835,347</b>  | <b>71,087,871</b> | <b>83,832,846</b>  | <b>71,076,007</b> |
| <b>Total assets</b>                  |       | <b>101,858,335</b> | <b>85,743,747</b> | <b>100,040,336</b> | <b>84,707,125</b> |
| <b>LIABILITIES</b>                   |       |                    |                   |                    |                   |
| <b>CURRENT LIABILITIES</b>           |       |                    |                   |                    |                   |
| Payables                             | 13    | 11,041,150         | 7,483,038         | 20,163,723         | 36,403,912        |
| Interest bearing liabilities         | 14    | 1,621,970          | 4,148,649         | 1,621,970          | 4,148,649         |
| Provisions                           | 15    | 2,281,225          | 2,320,829         | 131,936            | 103,408           |
| Other                                | 16    | 8,769,495          | 8,570,513         | 7,704,276          | 7,088,413         |
| <b>Total current liabilities</b>     |       | <b>23,713,840</b>  | <b>22,523,029</b> | <b>29,621,905</b>  | <b>47,744,382</b> |
| <b>NON-CURRENT LIABILITIES</b>       |       |                    |                   |                    |                   |
| Interest bearing liabilities         | 17    | 45,159,245         | 33,814,972        | 45,159,245         | 33,814,972        |
| Derivative financial instruments     | 18    | 683,475            | –                 | 683,475            | –                 |
| Provisions                           | 19    | 1,465,989          | 1,480,643         | 86,170             | 47,583            |
| <b>Total non-current liabilities</b> |       | <b>47,308,710</b>  | <b>35,295,615</b> | <b>45,928,890</b>  | <b>33,862,555</b> |
| <b>Total liabilities</b>             |       | <b>71,022,549</b>  | <b>57,818,644</b> | <b>75,550,795</b>  | <b>81,606,937</b> |
| <b>Net assets</b>                    |       | <b>30,835,786</b>  | <b>27,925,103</b> | <b>24,489,541</b>  | <b>3,100,188</b>  |
| <b>EQUITY</b>                        |       |                    |                   |                    |                   |
| Contributed equity                   | 20    | –                  | –                 | –                  | –                 |
| Reserves                             | 21    | (683,475)          | –                 | (683,475)          | –                 |
| Retained profits                     | 21    | 31,519,261         | 27,925,103        | 25,173,016         | 3,100,188         |
| <b>Total equity</b>                  |       | <b>30,835,786</b>  | <b>27,925,103</b> | <b>24,489,541</b>  | <b>3,100,188</b>  |

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

**STATEMENTS OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2005**

|   | Notes | Consolidated |            | Parent Entity |            |
|---|-------|--------------|------------|---------------|------------|
|   |       | 2005<br>\$   | 2004<br>\$ | 2005<br>\$    | 2004<br>\$ |
| <b>Total equity at the beginning of the financial year</b>          |       | 27,925,103   | 22,984,432 | 3,100,188     | (201,072)  |
| Adjustment on adoption of AASB 132<br>and AASB 139, net of tax, to: |       |              |            |               |            |
| Reserves  | 21    | (912,056)    | -          | (912,056)     | -          |
| Cash flow hedges  | 21    | 228,581      | -          | 228,581       | -          |
| <b>Net expense recognised directly in equity</b>                    |       | (683,475)    | -          | (683,475)     | -          |
| <b>Profit for the year</b>  |       | 3,594,158    | 4,940,671  | 22,072,828    | 3,301,260  |
| <b>Total recognised income and expense for the year</b>             |       | 2,910,683    | 4,940,671  | 21,389,353    | 3,301,260  |
| <b>Total equity at the end of the financial year</b>                |       | 30,835,786   | 27,925,103 | 24,489,541    | 3,100,188  |

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

# FINANCIAL REPORT 31 DECEMBER 2005

## CASH FLOW STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2005

|   | Notes | Consolidated        |                    | Parent Entity       |                    |
|---|-------|---------------------|--------------------|---------------------|--------------------|
|   |       | 2005<br>\$          | 2004<br>\$         | 2005<br>\$          | 2004<br>\$         |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                                     |       |                     |                    |                     |                    |
| Receipts from customers (inclusive of goods and services tax)                   |       | 87,176,908          | 80,808,703         | 74,537,943          | 67,749,109         |
| Receipts on behalf of controlled entities (inclusive of goods and services tax) |       | -                   | -                  | 7,297,480           | 7,520,985          |
| Payments to suppliers and employees (inclusive of goods and services tax)       |       | (74,607,850)        | (68,390,990)       | (33,065,767)        | (25,024,117)       |
| Payments on behalf of controlled entities (inclusive of goods and services tax) |       | -                   | -                  | (33,609,661)        | (33,023,990)       |
| Interest received   |       | 1,041,081           | 869,245            | 966,400             | 672,165            |
| Interest paid   |       | (3,506,439)         | (2,900,133)        | (3,506,439)         | (2,900,133)        |
| <b>Net cash inflow from operating activities</b>                                | 28    | <b>10,103,700</b>   | <b>10,386,825</b>  | <b>12,619,956</b>   | <b>14,994,019</b>  |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                                     |       |                     |                    |                     |                    |
| Payments for property, plant and equipment                                      |       | (15,681,428)        | (8,528,645)        | (15,681,428)        | (8,323,425)        |
| Payments for intangible assets  |       | (462,586)           | (1,099,475)        | (462,584)           | (1,099,475)        |
| Loan repaid by (advanced to) Bond University Foundation                         |       | 64,616              | 43,694             | 64,616              | 43,694             |
| Proceeds from sale of property, plant and equipment                             |       | 179,834             | 10,791             | 179,378             | 6,899              |
| <b>Net cash outflow from investing activities</b>                               |       | <b>(15,899,564)</b> | <b>(9,573,635)</b> | <b>(15,900,018)</b> | <b>(9,372,307)</b> |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                                     |       |                     |                    |                     |                    |
| Advances to controlled entities   |       | -                   | -                  | (3,661,544)         | (1,476,231)        |
| Proceeds from borrowings  |       | 10,000,000          | -                  | 10,000,000          | -                  |
| Repayment of borrowings   |       | (2,187,500)         | (2,500,000)        | (2,187,500)         | (2,500,000)        |
| Repayment of lease liabilities  |       | (1,946,009)         | (1,761,380)        | (1,946,009)         | (1,761,380)        |
| <b>Net cash inflow/(outflow) from financing activities</b>                      |       | <b>5,866,491</b>    | <b>(4,261,380)</b> | <b>2,204,947</b>    | <b>(5,737,611)</b> |
| <b>NET INCREASE/(DECREASE) IN CASH HELD</b>                                     |       |                     |                    |                     |                    |
| Cash at the beginning of the financial year                                     |       | 2,531,686           | 5,979,875          | 3,083,502           | 3,199,401          |
| <b>Cash at the end of the financial year</b>                                    | 6     | <b>2,602,313</b>    | <b>2,531,686</b>   | <b>2,008,387</b>    | <b>3,083,502</b>   |
| Financing arrangements  | 17    |                     |                    |                     |                    |
| Non-cash investing and financing activities                                     | 29    |                     |                    |                     |                    |

The above cashflow statements should be read in conjunction with the accompanying notes.



## NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

The financial report includes separate financial statements for Bond University Limited as an individual entity and the consolidated entity consisting of Bond University Limited and its subsidiaries.

### (A) BASIS OF PREPARATION

This general purpose financial report has been prepared in accordance with Australian equivalents to International Financial Reporting Standards (AIFRS), other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations and the Corporations Act 2001.

#### *Application of AASB 1 First-time Adoption of Australian Equivalents to International Financial Reporting Standards*

These financial statements are the first Bond University Limited financial statements to be prepared in accordance with AIFRS. AASB 1 First-time Adoption of Australian Equivalents to International Financial Reporting Standards has been applied in preparing these financial statements.

Financial statements of Bond University Limited until 31 December 2004 had been prepared in accordance with previous Australian Generally Accepted Accounting Principles (AGAAP). AGAAP differs in certain respects from AIFRS. When preparing Bond University Limited 2005 financial statements, management has amended certain accounting, valuation and consolidation methods applied in the AGAAP financial statements to comply with AIFRS. With the exception of financial instruments, the comparative figures in respect of 2004 were restated to reflect these adjustments. The consolidated entity has taken the exemption available under AASB 1 to only apply AASB 132 and AASB 139 from 1 January 2005.

Reconciliations and descriptions of the effect of transition from previous AGAAP to AIFRS on the consolidated entity's equity and its net income are given in note 30.



Dean of Law Professor Duncan Bentley with McDonalds Australia Chairman Mr Bob Mansfield, AO, at the Bond University Business Leaders Round Table event.

# NOTES TO THE FINANCIAL STATEMENTS

## 31 DECEMBER 2005

### *Historical Cost Convention*

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and liabilities (including derivative instruments) at fair value.

### (B) PRINCIPLES OF CONSOLIDATION

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Bond University Limited ('company' or 'parent entity') as at 31 December 2005 and the results of all subsidiaries for the year then ended. Bond University Limited and its subsidiaries together are referred to in this financial report as the Group or the consolidated entity.

Subsidiaries are all those entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the assets transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

### (C) FOREIGN CURRENCY TRANSLATION

(i) *Functional and presentation currency*  
Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Australian dollars, which is Bond University Limited's functional and presentation currency.

(ii) *Transactions and balances*  
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at

the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in the income statement.

### (D) REVENUE RECOGNITION

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances and duties and taxes paid. Revenue is recognised for the major business activities as follows:

- Tuition and student food and accommodation revenue are recognised monthly as the services are provided to students. Tuition revenue is net of financial aid provided to students by the University.
- Other food and beverage income is recognised upon provision to customers.
- Interest revenue is recognised using the effective interest method.
- Donations and government grants are recognised as income when received.
- Other income is recognised when the service is provided. It is the University's policy to recognise as revenue non-refundable student tuition income.

### (E) INCOME TAX

The Company, Bond University Limited, and its controlled entities, Bond University Staff Services Pty Ltd, Bond University Services Pty Ltd, Campus Operations Pty Limited, Lashkar Pty Limited and Themis Pty Ltd are exempt from income tax under section 50-5 of the Income Tax Assessment Act 1997.

### (F) LEASES

Leases of property, plant and equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases (note 11). Finance leases are capitalised at the lease's inception at the lower of the fair value of the leased property and the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other long term payables. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The interest element of the finance cost is charged to the income statement over the lease period so as to produce a constant

periodic rate of interest on the remaining balance of the liability for the period. The property, plant and equipment acquired under finance lease is depreciated over the shorter of the asset's useful life and the lease term.

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases (note 24). Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

### (G) ACQUISITION OF ASSETS

The purchase method of accounting is used for all acquisitions of assets regardless of whether equity instruments or other assets are acquired. Cost is measured as the fair value of the assets given or liabilities incurred or assumed at the date of exchange plus costs directly attributable to the acquisition.

### (H) IMPAIRMENT OF ASSETS

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Value in use has been determined as the depreciated replacement cost of the asset. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

### (I) CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the purposes of the cash flows statement, cash excludes monies held in trust.

# NOTES TO THE FINANCIAL STATEMENTS

## 31 DECEMBER 2005

### (J) TRADE RECEIVABLES

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for doubtful debts. Trade receivables are due for settlement no more than 30 days from the date of recognition.

Collectibility of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for doubtful receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is recognised in the income statement.

### (K) INVENTORIES

Food, beverages and general stores stock are stated at the lower of cost and net realisable value. Costs are assigned to inventory quantities on hand at balance date on the basis of weighted average costs.

### (L) INVESTMENTS AND OTHER FINANCIAL ASSETS

#### From 1 January 2004 to 31 December 2004

The Group has taken the exemption available under AASB 1 to apply AASB 132 and AASB 139 only from 1 January 2005. The Group has applied previous AGAAP to the comparative information on financial instruments within the scope of AASB 132 and AASB 139.

Under previous AGAAP, interests in listed and unlisted securities, other than subsidiaries and associates, are brought to account at cost.

#### Adjustments on transition date: 1 January 2005

The nature of the main adjustment to make this information comply with AASB 132 and AASB 139 is that unquoted equity securities held have been reclassified from other financial assets to available-for-sale financial assets. For further information reference should be made to note 9.

### (M) DERIVATIVES

#### From 1 January 2004 to 31 December 2004

The Group has taken the exemption available under AASB 1 to apply AASB 132 and AASB 139 from 1 January 2005. The Group has applied previous AGAAP to the comparative information on financial instruments within the scope of

AASB 132 and AASB 139.

The following sets out how derivatives are accounted for under the previous AGAAP.

#### *Interest rate swaps*

The net amount receivable or payable under interest rate swap agreements is progressively brought to account over the period to settlement. The amount recognised is accounted for as an adjustment to interest and finance charges during the period and included in other debtors or other creditors at each reporting date.

#### Adjustments on transition date: 1 January 2005

The nature of the main adjustments to make this information comply with AASB 132 and AASB 139 are that derivatives are measured on a fair value basis. Changes in fair value are either taken to the income statement or an equity reserve (refer below). At the date of transition (1 January 2005) changes in the carrying amounts of derivatives are taken to retained earnings or reserves, depending on whether the criteria for hedge accounting are satisfied at the transition date.

For further information concerning the adjustments on transition date reference should be made to:

- Derivative financial instruments - note 18
- Reserves and retained profits - note 21
- Explanation of transition to AIFRS - note 30: section 5 of this note discloses the adjustment to each line item in the financial statements on transition date.

#### From 1 January 2005

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designated its derivative as a hedge of highly probable forecast transactions (cash flow hedge).

The Group documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various

hedge transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in fair values or cash flows of hedged items.

The fair values of various derivative financial instruments used for hedging purposes are disclosed in note 18. Movements in the hedging reserve in equity are shown in note 21.

#### *Cash flow hedge*

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in equity in the hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in the income statement.

Amounts accumulated in equity are recycled in the income statement in the periods when the hedged item will affect profit or loss.

When a hedging instrument expires or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the income statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the income statement.

### (N) FAIR VALUE ESTIMATION

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

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques. The fair value of interest-rate swaps is calculated as the present value of the estimated future cash flows.

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values.

#### (O) PROPERTY, PLANT AND EQUIPMENT

All property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Land and artworks are not depreciated. Depreciation on other assets is calculated using the straight line method to allocate their cost over their estimated useful lives, as follows:

|                            |             |
|----------------------------|-------------|
| Buildings                  | 10-50 years |
| Computer Equipment         | 3 years     |
| Other Plant and Equipment  | 5 years     |
| Furniture and Fitout       | 5 years     |
| Library Books and Journals | 5 years     |
| Motor vehicles             | 5 years     |

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 1(h)).

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the income statement.

#### (P) INTANGIBLE ASSETS

Computer software has a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight line method to allocate the cost of computer software over their estimated useful life of 3 years.

#### (Q) TRADE AND OTHER PAYABLES

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

#### (R) BORROWINGS

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost.

#### (S) BORROWING COSTS

Borrowing costs are expensed in the period to which they relate. Any prepayment of interest is recorded as part of current receivables.

Borrowing costs for the consolidated entity include interest on long-term borrowings and finance lease charges.

#### (T) EMPLOYEE BENEFITS

##### (i) Wages and Salaries, Annual Leave and Sick Leave

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for sick leave are recognised when the leave is taken and measured at the rates paid or payable.

##### (ii) Long Service Leave

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

##### (iii) Retirement benefit obligations

All employees of the Group are entitled to benefits on retirement, disability or death from the Group's superannuation plan. The Group has a defined contribution plan that receives fixed contributions from Group companies and the Group's legal or constructive obligation is limited to these contributions.

Contributions to the defined contribution fund are recognised as an expense as they become payable.

## NOTE 2. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks; credit risk, liquidity risk and cash flow interest rate risk. The Group's overall risk management program focuses on the predictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses derivative financial instruments such as interest rate swaps to hedge certain risk exposures.

Risk management is carried out under principles approved by the Board of Directors. Treasury identifies, evaluates and hedges financial risks.

#### (A) CREDIT RISK

The Group has no significant concentrations of credit risk. Tuition and accommodation fees are payable in advance for each semester.

#### (B) LIQUIDITY RISK

Prudent liquidity management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities.

#### (C) CASH FLOW RISK

The Group's interest-rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. The Group manages its cash flow interest-rate risk by using floating-to-fixed interest rate swaps. Such interest rate swaps have the economic effect of converting borrowings from floating rates to fixed rates. Generally, the Group raises long term borrowings at floating rates and swaps them into fixed rates that are lower than those available to the Group borrowed at fixed rates directly. Under the interest-rate swap, the Group agrees to exchange, quarterly, the difference between fixed contract rates and floating-rate interest amounts calculated by reference to the agreed notional principal amounts.

## NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2005

### NOTE 3. REVENUE

|                                     | Consolidated      |                   | Parent Entity     |                   |
|-------------------------------------|-------------------|-------------------|-------------------|-------------------|
|                                     | 2005<br>\$        | 2004<br>\$        | 2005<br>\$        | 2004<br>\$        |
| <b>FROM CONTINUING OPERATIONS</b>   |                   |                   |                   |                   |
| <b>Sales Revenue</b>                |                   |                   |                   |                   |
| Tuition revenue - University        | 61,062,613        | 55,349,875        | 61,062,613        | 55,349,875        |
| Tuition revenue - External Programs | 3,641,030         | 3,999,749         | 3,641,030         | 3,999,749         |
| Tuition revenue - Language Centre   | 2,321,624         | 2,701,301         | -                 | -                 |
| Sale of goods - food and beverages  | 4,476,400         | 5,067,112         | -                 | -                 |
| Student accommodation rent          | 3,491,159         | 2,875,143         | -                 | -                 |
| Non-refundable student income       | 894,538           | 593,448           | 323,332           | 593,448           |
| Other student fees and charges      | 852,950           | 714,960           | 542,237           | 312,378           |
| Fitness centre income               | 621,227           | 697,795           | -                 | -                 |
| Student activities fee income       | 526,969           | 561,956           | 526,969           | 561,956           |
| Sundry income                       | 1,821,388         | 1,792,896         | 1,435,500         | 1,260,608         |
|                                     | <b>79,709,898</b> | <b>74,354,235</b> | <b>67,531,681</b> | <b>62,078,014</b> |
| <b>Other Revenue</b>                |                   |                   |                   |                   |
| Interest                            | 1,041,081         | 869,245           | 966,400           | 672,165           |
| Grants and donations                | 729,246           | 1,853,065         | 729,246           | 1,853,065         |
| Management fee                      | -                 | -                 | 23,728,763        | 1,359,389         |
|                                     | <b>81,480,225</b> | <b>77,076,545</b> | <b>92,956,090</b> | <b>65,962,633</b> |

Tuition revenue is net of scholarships provided by the University to students which amounted to \$7,012,785 in 2005 and \$6,533,158 in 2004.

Included in the management fee was an amount of \$22,086,168 charged during the year by Bond University Limited (BUL) to Campus Operations Pty Ltd (COPS) to recoup prior years overheads incurred by BUL on behalf of COPS.

### NOTE 4. OTHER INCOME

|   |   |       |   |       |
|---|---|-------|---|-------|
| Net gain on disposal of plant and equipment | - | 8,959 | - | 5,067 |
|---|---|-------|---|-------|

## NOTE 5. EXPENSES

|   | Consolidated |            | Parent Entity |            |
|---|--------------|------------|---------------|------------|
|   | 2005<br>\$   | 2004<br>\$ | 2005<br>\$    | 2004<br>\$ |
| <b>PROFIT FOR THE YEAR INCLUDES THE FOLLOWING SPECIFIC EXPENSES:</b>  |              |            |               |            |
| <b>Depreciation</b>   |              |            |               |            |
| Buildings   | 1,363,894    | 991,736    | 1,363,894     | 991,736    |
| Plant and equipment   | 344,324      | 253,628    | 343,423       | 252,565    |
| Furniture and fitout  | 1,169,404    | 771,883    | 1,168,279     | 770,757    |
| Motor vehicles  | 1,230        | 1,227      | -             | -          |
| Library   | 807,083      | 803,667    | 807,083       | 803,250    |
| Total depreciation  | 3,685,935    | 2,822,141  | 3,682,679     | 2,818,308  |
| <b>Amortisation</b>   |              |            |               |            |
| Plant and equipment under finance leases                              | 1,564,451    | 1,656,933  | 1,564,451     | 1,656,933  |
| Motor vehicles under finance leases                                   | 227,442      | 118,567    | 227,442       | 118,567    |
| Computer software   | 507,347      | 184,264    | 501,238       | 177,596    |
| Total amortisation  | 2,299,240    | 1,959,764  | 2,293,131     | 1,953,096  |
| <b>Finance costs - net</b>  |              |            |               |            |
| Interest and finance charges paid/payable                             | 3,408,150    | 2,916,244  | 3,408,150     | 2,916,244  |
| Amount capitalised  | -            | -          | -             | -          |
| Finance costs expensed  | 3,408,150    | 2,916,244  | 3,408,150     | 2,916,244  |
| Net loss on disposal of property, plant and equipment                 | 182,634      | -          | 183,088       | -          |
| Rental expense relating to operating leases<br>Minimum lease payments | 347,757      | 493,394    | 347,757       | 493,394    |
| Defined contribution superannuation expense                           | 4,411,163    | 4,206,185  | 406,555       | 114,720    |

## NOTE 6. CURRENT ASSETS - CASH AND CASH EQUIVALENTS

|                          |            |            |            |           |
|--------------------------|------------|------------|------------|-----------|
| Cash at bank and on hand | 15,056,414 | 10,530,349 | 13,495,325 | 9,718,144 |
|--------------------------|------------|------------|------------|-----------|

### (A) RECONCILIATION TO CASH AT THE END OF THE YEAR

The above figures are reconciled to cash at the end of the financial year as shown in the statement of cash flows as follows:

|                                      |            |            |            |           |
|--------------------------------------|------------|------------|------------|-----------|
| Balances as above                    | 15,056,414 | 10,530,349 | 13,495,325 | 9,718,144 |
| Less:                                |            |            |            |           |
| Monies held in trust (note 16)       | 8,243,429  | 7,998,663  | 7,276,266  | 6,634,642 |
| Fee-Help advance (note 13)           | 4,210,672  | -          | 4,210,672  | -         |
| Balances per statement of cash flows | 2,602,313  | 2,531,686  | 2,008,387  | 3,083,502 |

Monies held in trust relates to students fees received in advance.

The Fee-Help advance relates to an overpayment of Fee-Help from the Department of Education, Science and Training.

### (B) CASH AT BANK AND ON HAND

Cash at bank bears a floating interest rate of 5.45% (2004: 5.20%) and cash on hand is non-interest bearing.

## NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2005

### NOTE 7. CURRENT ASSETS - RECEIVABLES

|  | Consolidated |            | Parent Entity |            |
|--|--------------|------------|---------------|------------|
|  | 2005<br>\$   | 2004<br>\$ | 2005<br>\$    | 2004<br>\$ |
| Trade receivables                        | 1,095,810    | 2,344,141  | 1,045,717     | 2,265,178  |
| Less: Provision for doubtful receivables | (155,000)    | (139,000)  | (150,000)     | (134,000)  |
|  | 940,810      | 2,205,141  | 895,717       | 2,131,178  |
| Other receivables                        | 591,146      | 970,182    | 531,354       | 969,908    |
| Prepayments                              | 1,297,551    | 789,965    | 1,284,894     | 782,886    |
| Security deposits                        | 64,618       | 68,920     | 200           | 29,002     |
|  | 2,894,125    | 4,034,208  | 2,712,165     | 3,912,974  |

**(a) Bad and doubtful trade receivables**

The Group has recognised a loss of \$112,097 (2004: gain of \$741,035) in respect of bad and doubtful trade receivables during the year ended 31 December 2005. The loss has been included in 'other expenses' in the income statement.

**(b) Other Receivables**

These are debtors other than students and Campus Operations debtors. There is no interest charged on overdue amounts. Collateral is not normally obtained.

### NOTE 8. CURRENT ASSETS - INVENTORIES

**AT COST**

|                |        |        |   |   |
|----------------|--------|--------|---|---|
| Food           | 19,398 | 26,572 | - | - |
| Beverages      | 38,603 | 44,381 | - | - |
| General stores | 14,448 | 20,366 | - | - |
|                | 72,449 | 91,319 | - | - |

### NOTE 9. NON-CURRENT ASSETS - AVAILABLE-FOR-SALE FINANCIAL ASSETS

**UNLISTED SECURITIES**

|                   |        |   |        |   |
|-------------------|--------|---|--------|---|
| Equity securities | 11,000 | - | 11,000 | - |
|                   | 11,000 | - | 11,000 | - |

**TRANSITION TO AASB 132 AND AASB 139**

The Group has taken the exemption available under AASB 1 to apply AASB 132 Financial Instruments: Disclosure and Presentation and AASB 139 Financial Instruments: Recognition and Measurement from 1 January 2005. At the date of transition to these standards of 1 January 2005, equity securities with a carrying amount of \$11,000 that were classified in the balance sheet under previous AGAAP as other financial assets were designated and re-classified as available-for-sale financial assets.

### NOTE 10. NON-CURRENT ASSETS - OTHER FINANCIAL ASSETS

|  |   |        |   |        |
|--|---|--------|---|--------|
| Shares in controlled entities (note 26)        | - | -      | 9 | 9      |
| Other unlisted securities<br>Equity securities | - | 11,000 | - | 11,000 |
|  | - | 11,000 | 9 | 11,009 |

These financial assets are carried at cost.

**NOTE 11. NON-CURRENT ASSETS -  
PROPERTY, PLANT AND EQUIPMENT**

**Land and Buildings**

Freehold land - at cost

Buildings - at cost

Less: Accumulated depreciation

Total land and buildings

**Plant and equipment and other assets**

Plant and equipment - at cost

Less: Accumulated depreciation

Plant and equipment under finance lease

Less: Accumulated amortisation

Furniture, fitout and other assets - at cost

Less: Accumulated depreciation

Motor vehicles - at cost

Less: Accumulated depreciation

Motor vehicles under finance lease

Less: Accumulated amortisation

Library - at cost

Less: Accumulated depreciation

Total plant and equipment and other assets

Total property, plant and equipment

|  | Consolidated |            | Parent Entity |            |
|--|--------------|------------|---------------|------------|
|  | 2005<br>\$   | 2004<br>\$ | 2005<br>\$    | 2004<br>\$ |
| Freehold land - at cost                      | 10,717,000   | 10,717,000 | 10,717,000    | 10,717,000 |
| Buildings - at cost                          | 65,734,449   | 54,288,834 | 65,734,449    | 54,288,834 |
| Less: Accumulated depreciation               | 6,735,825    | 5,371,931  | 6,735,825     | 5,371,931  |
|  | 58,998,625   | 48,916,903 | 58,998,625    | 48,916,903 |
| Total land and buildings                     | 69,715,625   | 59,633,903 | 69,715,625    | 59,633,903 |
| <b>Plant and equipment and other assets</b>  |              |            |               |            |
| Plant and equipment - at cost                | 5,829,914    | 4,993,034  | 5,498,567     | 4,626,040  |
| Less: Accumulated depreciation               | 4,643,319    | 4,380,005  | 4,311,972     | 4,013,912  |
|  | 1,186,595    | 613,029    | 1,186,595     | 612,128    |
| Plant and equipment under finance lease      | 5,172,195    | 5,667,424  | 5,172,195     | 5,667,424  |
| Less: Accumulated amortisation               | 2,014,169    | 2,839,757  | 2,014,169     | 2,839,757  |
|  | 3,158,026    | 2,827,667  | 3,158,026     | 2,827,667  |
| Furniture, fitout and other assets - at cost | 15,284,915   | 13,218,082 | 13,553,222    | 11,348,658 |
| Less: Accumulated depreciation               | 9,938,917    | 8,935,800  | 8,208,815     | 7,069,092  |
|  | 5,345,998    | 4,282,282  | 5,344,407     | 4,279,566  |
| Motor vehicles - at cost                     | 35,789       | 35,791     | 14,020        | 14,020     |
| Less: Accumulated depreciation               | 34,870       | 33,642     | 14,020        | 14,020     |
|  | 919          | 2,149      | -             | -          |
| Motor vehicles under finance lease           | 1,573,841    | 799,598    | 1,573,841     | 799,598    |
| Less: Accumulated amortisation               | 280,112      | 163,117    | 280,112       | 163,117    |
|  | 1,293,729    | 636,481    | 1,293,729     | 636,481    |
| Library - at cost                            | 17,736,731   | 17,311,613 | 17,674,160    | 17,249,046 |
| Less: Accumulated depreciation               | 15,631,920   | 15,293,658 | 15,569,349    | 15,231,089 |
|  | 2,104,811    | 2,017,955  | 2,104,811     | 2,017,955  |
| Total plant and equipment and other assets   | 13,090,078   | 10,379,563 | 13,087,569    | 10,373,797 |
| Total property, plant and equipment          | 82,805,703   | 70,013,466 | 82,803,193    | 70,007,700 |

**(a) Valuations of land and buildings**

Land and buildings are measured on the cost basis. An independent valuation of land and buildings was carried out during the financial year ended 31 December 2004 in accordance with bank covenants on the basis of the highest and best use of land other than for University purposes. The market value was calculated at \$65,000,000 on the basis of alternate use.

**(b) Non-current assets pledged as security**

Refer to note 17 for information on non-current assets pledged as security by the parent entity or its controlled entities.

**(c) Reconciliations**

Reconciliations of the carrying amounts of each class of property, plant and equipment at the beginning and end of the current financial year are set out below.

## NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2005

### NOTE 11. NON-CURRENT ASSETS - PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

|                                    | Opening net<br>book amount<br>at 1 January<br>2004<br>\$ | Additions<br>\$   | Disposals<br>\$ | Depreciation/<br>amortisation<br>charge<br>\$ | Closing<br>net book<br>amount at<br>31 December<br>2004<br>\$ |
|------------------------------------|--|-------------------|-----------------|---|---|
| <b>Consolidated</b>                |  |                   |                 |   |   |
| Land                               | 10,717,000   | -                 | -               | -   | 10,717,000  |
| Buildings                          | 45,206,593   | 4,702,046         | -               | 991,736                                       | 48,916,903  |
| Plant and equipment                | 558,205  | 308,453           | -               | 253,629                                       | 613,029   |
| Leased plant and equipment         | 2,949,634  | 1,534,966         | -               | 1,656,933                                     | 2,827,667   |
| Furniture, fitout and other assets | 2,297,245  | 2,756,920         | -               | 771,883                                       | 4,282,282   |
| Motor vehicles                     | 3,376  | -                 | -               | 1,227   | 2,149   |
| Leased motor vehicles              | 377,459  | 377,589           | -               | 118,567                                       | 636,481   |
| Library                            | 2,065,715  | 770,825           | 14,918          | 803,667                                       | 2,017,955   |
| <b>Total</b>                       | <b>64,175,227</b>  | <b>10,450,799</b> | <b>14,918</b>   | <b>4,597,642</b>                              | <b>70,013,466</b>   |
| <b>Parent entity</b>               |  |                   |                 |   |   |
| Land                               | 10,717,000   | -                 | -               | -   | 10,717,000  |
| Buildings                          | 45,206,593   | 4,702,046         | -               | 991,736                                       | 48,916,903  |
| Plant and equipment                | 556,240  | 308,453           | -               | 252,565                                       | 612,128   |
| Leased plant and equipment         | 2,949,634  | 1,534,966         | -               | 1,656,933                                     | 2,827,667   |
| Furniture, fitout and other assets | 2,293,403  | 2,756,920         | -               | 770,757                                       | 4,279,566   |
| Leased motor vehicles              | 377,459  | 377,589           | -               | 118,567                                       | 636,481   |
| Library                            | 2,065,298  | 770,825           | 14,918          | 803,250                                       | 2,017,955   |
| <b>Total</b>                       | <b>64,165,627</b>  | <b>10,450,799</b> | <b>14,918</b>   | <b>4,593,808</b>                              | <b>70,007,700</b>   |
|                                    | Opening net<br>book amount<br>at 1 January<br>2005<br>\$ | Additions<br>\$   | Disposals<br>\$ | Depreciation/<br>amortisation<br>charge<br>\$ | Closing<br>net book<br>amount at<br>31 December<br>2005<br>\$ |
| <b>Consolidated</b>                |  |                   |                 |   |   |
| Land                               | 10,717,000   | -                 | -               | -   | 10,717,000  |
| Buildings                          | 48,916,903   | 11,445,616        | -               | 1,363,894                                     | 58,998,625  |
| Plant and equipment                | 613,029  | 925,917           | 8,027           | 344,324                                       | 1,186,595   |
| Leased plant and equipment         | 2,827,667  | 1,894,810         | -               | 1,564,451                                     | 3,158,026   |
| Furniture, fitout and other assets | 4,282,282  | 2,410,984         | 177,864         | 1,169,404                                     | 5,345,998   |
| Motor vehicles                     | 2,149  | -                 | -               | 1,230   | 919   |
| Leased motor vehicles              | 636,481  | 1,056,293         | 171,603         | 227,442                                       | 1,293,729   |
| Library                            | 2,017,955  | 898,911           | 4,972           | 807,083                                       | 2,104,811   |
| <b>Total</b>                       | <b>70,013,466</b>  | <b>18,632,531</b> | <b>362,466</b>  | <b>5,477,828</b>                              | <b>82,805,703</b>   |
| <b>Parent entity</b>               |  |                   |                 |   |   |
| Land                               | 10,717,000   | -                 | -               | -   | 10,717,000  |
| Buildings                          | 48,916,903   | 11,445,616        | -               | 1,363,894                                     | 58,998,625  |
| Plant and equipment                | 612,128  | 925,917           | 8,027           | 343,423                                       | 1,186,595   |
| Leased plant and equipment         | 2,827,667  | 1,894,810         | -               | 1,564,451                                     | 3,158,026   |
| Furniture, fitout and other assets | 4,279,566  | 2,410,984         | 177,864         | 1,168,279                                     | 5,344,407   |
| Leased motor vehicles              | 636,481  | 1,056,293         | 171,603         | 227,442                                       | 1,293,729   |
| Library                            | 2,017,955  | 898,911           | 4,972           | 807,083                                       | 2,104,811   |
| <b>Total</b>                       | <b>70,007,700</b>  | <b>18,632,531</b> | <b>362,466</b>  | <b>5,474,572</b>                              | <b>82,803,193</b>   |

**NOTE 12. NON-CURRENT ASSETS -  
INTANGIBLE ASSETS**

|                                | Consolidated   |                 | Parent Entity   |                               |   |
|--------------------------------|--|-----------------|-----------------|-------------------------------|---|
|                                | 2005<br>\$   | 2004<br>\$      | 2005<br>\$      | 2004<br>\$                    |   |
| Computer software              | 2,765,856  | 2,321,272       | 2,763,362       | 2,300,778                     |   |
| Less: Accumulated amortisation | 1,747,212  | 1,257,866       | 1,744,718       | 1,243,480                     |   |
|                                | 1,018,644  | 1,063,405       | 1,018,644       | 1,057,298                     |   |
|                                | \$<br>Opening net<br>book amount<br>at 1 January<br>2004 | \$<br>Additions | \$<br>Disposals | \$<br>Amortisation<br>charge* | \$<br>Closing<br>net book<br>amount at<br>31 December<br>2004 |
| <b>Consolidated</b>            |  |                 |                 |                               |   |
| Computer software              | 148,194  | 1,099,475       | -               | 184,264                       | 1,063,405   |
| <b>Parent entity</b>           |  |                 |                 |                               |   |
| Computer software              | 135,419  | 1,099,475       | -               | 177,596                       | 1,057,298   |
|                                | \$<br>Opening net<br>book amount<br>at 1 January<br>2005 | \$<br>Additions | \$<br>Disposals | \$<br>Amortisation<br>charge* | \$<br>Closing<br>net book<br>amount at<br>31 December<br>2005 |
| <b>Consolidated</b>            |  |                 |                 |                               |   |
| Computer software              | 1,063,405  | 462,586         | -               | 507,347                       | 1,018,644   |
| <b>Parent entity</b>           |  |                 |                 |                               |   |
| Computer software              | 1,057,298  | 462,584         | -               | 501,238                       | 1,018,644   |

\*Amortisation of \$507,347 (2004: \$184,264) is included in depreciation and amortisation expense in the income statement. Computer software has a finite useful life of 3 years.

**NOTE 13. CURRENT LIABILITIES -  
PAYABLES**

|                                 | Consolidated |            | Parent Entity |            |
|---------------------------------|--------------|------------|---------------|------------|
|                                 | 2005<br>\$   | 2004<br>\$ | 2005<br>\$    | 2004<br>\$ |
| Trade payables                  | 4,756,522    | 5,390,475  | 3,720,265     | 3,887,771  |
| Other payables                  | 6,284,628    | 2,092,563  | 4,363,686     | 63,898     |
| Amounts payable to subsidiaries | -            | -          | 12,079,772    | 32,452,243 |
|                                 | 11,041,150   | 7,483,038  | 20,163,723    | 36,403,912 |

Other payables include a Fee-Help overpayment of \$4,210,672 that is repayable to the Department of Education, Science and Training (DEST).

## NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2005

### NOTE 14. CURRENT LIABILITIES - INTEREST BEARING LIABILITIES

|   | Consolidated     |                  | Parent Entity    |                  |
|---|------------------|------------------|------------------|------------------|
|   | 2005<br>\$       | 2004<br>\$       | 2005<br>\$       | 2004<br>\$       |
| <b>Secured</b>  |                  |                  |                  |                  |
| Bank loan   | -                | 2,500,000        | -                | 2,500,000        |
| Lease liabilities (note 24)                               | 1,621,970        | 1,648,649        | 1,621,970        | 1,648,649        |
| <b>Total secured current interest bearing liabilities</b> | <b>1,621,970</b> | <b>4,148,649</b> | <b>1,621,970</b> | <b>4,148,649</b> |

Details of the security relating to each of the secured liabilities and further information on the bank loan are set out in note 17.

### NOTE 15. CURRENT LIABILITIES - PROVISIONS

|                   |           |           |         |         |
|-------------------|-----------|-----------|---------|---------|
| Employee benefits | 2,281,225 | 2,320,829 | 131,936 | 103,408 |
|-------------------|-----------|-----------|---------|---------|

### NOTE 16. CURRENT LIABILITIES - OTHER

|                         |                  |                  |                  |                  |
|-------------------------|------------------|------------------|------------------|------------------|
| Deferred income         |                  |                  |                  |                  |
| - student fees (note 6) | 8,243,429        | 7,998,663        | 7,276,266        | 6,634,642        |
| - scholarships          | 428,010          | 453,770          | 428,010          | 453,771          |
| - fitness centre        | 98,056           | 118,080          | -                | -                |
|                         | <b>8,769,495</b> | <b>8,570,513</b> | <b>7,704,276</b> | <b>7,088,413</b> |

### NOTE 17. NON-CURRENT LIABILITIES - INTEREST BEARING LIABILITIES

|   |                   |                   |                   |                   |
|---|-------------------|-------------------|-------------------|-------------------|
| <b>Secured</b>  |                   |                   |                   |                   |
| Bank loan   | 42,187,500        | 31,875,000        | 42,187,500        | 31,875,000        |
| Lease liabilities (note 24)                           | 2,971,745         | 1,939,972         | 2,971,745         | 1,939,972         |
| <b>Total non-current interest bearing liabilities</b> | <b>45,159,245</b> | <b>33,814,972</b> | <b>45,159,245</b> | <b>33,814,972</b> |

#### (a) Total Secured Liabilities (current and non-current)

|                                  |                   |                   |                   |                   |
|----------------------------------|-------------------|-------------------|-------------------|-------------------|
| Bank loan                        | 42,187,500        | 34,375,000        | 42,187,500        | 34,375,000        |
| Lease liabilities                | 4,593,715         | 3,588,621         | 4,593,715         | 3,588,621         |
| <b>Total secured liabilities</b> | <b>46,781,215</b> | <b>37,963,621</b> | <b>46,781,215</b> | <b>37,963,621</b> |

#### (b) Assets Pledged as Security

The bank loan is secured by:

- first registered mortgages over the freehold land and buildings;
- first registered company charge over all assets and undertakings of all entities in the consolidated entity;
- cross guarantee between Bond University Limited and all entities in the consolidated entity.

Lease liabilities are effectively secured as the rights to the leased asset recognised in the financial statements revert to the lessor in the event of default.

**NOTE 17. NON-CURRENT LIABILITIES -  
INTEREST BEARING LIABILITIES  
(CONTINUED)**

The following financial covenants apply to the bank loan:

- net fee-paying students to be not less than 96% of the base case financial model;
- student fees not to fall below 4% of prior year actual;
- EBITDA to be within 85% of budget forecasts;
- revenue or EBITDA not to decline by 4% or more on a rolling three semester basis;
- debt service cover ratio to be more than 1.3 times; and
- the company is not to incur other debt or operating leasing greater than \$5,000,000 in aggregate without the prior written consent of the bank.

The carrying amounts of assets pledged as security for current and non-current interest bearing liabilities are:

|   | Consolidated |            | Parent Entity |            |
|---|--------------|------------|---------------|------------|
|   | 2005<br>\$   | 2004<br>\$ | 2005<br>\$    | 2004<br>\$ |
| <b>CURRENT</b>  |              |            |               |            |
| <b>Floating charge</b>  |              |            |               |            |
| Cash and cash equivalents   | 15,056,414   | 10,530,349 | 13,495,325    | 9,718,144  |
| Receivables   | 2,894,125    | 4,034,208  | 2,712,165     | 3,912,974  |
| Inventories   | 72,449       | 91,319     | -             | -          |
| Total current assets pledged as security  | 18,022,988   | 14,655,876 | 16,207,490    | 13,631,118 |
| <b>NON-CURRENT</b>  |              |            |               |            |
| <b>First mortgage</b>   |              |            |               |            |
| Freehold land and buildings   | 69,715,625   | 59,633,903 | 69,715,625    | 59,633,903 |
| <b>Finance lease</b>  |              |            |               |            |
| Plant and equipment under finance lease   | 3,158,026    | 2,827,667  | 3,158,026     | 2,827,667  |
| Motor vehicles under finance lease  | 1,293,729    | 636,481    | 1,293,729     | 636,481    |
|   | 4,451,755    | 3,464,148  | 4,451,755     | 3,464,148  |
| <b>Floating charge</b>  |              |            |               |            |
| Available-for-sale financial assets   | 11,000       | -          | 11,000        | -          |
| Other financial assets  | -            | 11,000     | 9             | 11,009     |
| Plant and equipment   | 8,638,323    | 6,915,415  | 8,635,813     | 6,909,649  |
| Intangible assets   | 1,018,644    | 1,063,405  | 1,018,644     | 1,057,298  |
|   | 9,667,967    | 7,989,820  | 9,665,467     | 7,977,956  |
| Total non-current assets pledged as security  | 83,835,347   | 71,087,871 | 83,832,846    | 71,076,007 |
| Total assets pledged as security  | 101,858,335  | 85,743,747 | 100,040,336   | 84,707,125 |
| <b>(c) Financing Arrangements</b>   |              |            |               |            |
| Unrestricted access was available at balance date to the following lines of credit: |              |            |               |            |
| <b>Credit standby arrangements</b>  |              |            |               |            |
| Total facilities  |              |            |               |            |
| Lease finance facility  | 343,000      | 343,000    | 343,000       | 343,000    |
| Interest rate management facility   | 3,000,000    | 3,000,000  | 3,000,000     | 3,000,000  |
| Financial guarantee   | 12,000,000   | 5,000,000  | 12,000,000    | 5,000,000  |
|   | 15,343,000   | 8,343,000  | 15,343,000    | 8,343,000  |

## NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2005

### NOTE 17. NON-CURRENT LIABILITIES - INTEREST BEARING LIABILITIES (CONTINUED)

#### (c) Financing Arrangements (continued)

##### Used at balance date

|                                   |            |           |            |           |
|-----------------------------------|------------|-----------|------------|-----------|
| Lease finance facility            | -          | -         | -          | -         |
| Interest rate management facility | -          | -         | -          | -         |
| Financial guarantee               | 12,000,000 | 5,000,000 | 12,000,000 | 5,000,000 |
|                                   | 12,000,000 | 5,000,000 | 12,000,000 | 5,000,000 |

##### Unused at balance date

|                                   |           |           |           |           |
|-----------------------------------|-----------|-----------|-----------|-----------|
| Lease finance facility            | 343,000   | 343,000   | 343,000   | 343,000   |
| Interest rate management facility | 3,000,000 | 3,000,000 | 3,000,000 | 3,000,000 |
| Financial guarantee               | -         | -         | -         | -         |
|                                   | 3,343,000 | 3,343,000 | 3,343,000 | 3,343,000 |

##### Bank loan facilities

|                        |            |            |            |            |
|------------------------|------------|------------|------------|------------|
| Total facilities       | 42,500,000 | 45,000,000 | 42,500,000 | 45,000,000 |
| Used at balance date   | 42,187,500 | 34,375,000 | 42,187,500 | 34,375,000 |
| Unused at balance date | 312,500    | 10,625,000 | 312,500    | 10,625,000 |

The financial guarantee is in favour of the Department of Education, Science and Training for the purpose of Fee Help. A further facility limit of \$5,645,000 (2004: \$7,245,000) is available on the interchangeable facility which includes payroll facility, foreign currency dealing facility, fleet lease facility, vendor solutions (leasing) facility and credit card facility. The amount unused at balance date is \$1,849,240 (2004: \$3,977,272).

The current interest rates on the bank loans drawn range between 7.48% and 7.98% (2004: 7.54%).

#### (d) Interest Rate Risk Exposures

The following table sets out the consolidated entity's exposure to interest rate risk, including the contractual repricing dates and the effective weighted average interest rate by maturity periods. Exposures arise predominantly from liabilities bearing variable interest rates as the consolidated entity intends to hold fixed rate liabilities to maturity.

|                                   | Fixed interest rate             |                         |                            |                            |                            |                            |                       | Total<br>\$ |
|-----------------------------------|---------------------------------|-------------------------|----------------------------|----------------------------|----------------------------|----------------------------|-----------------------|-------------|
|                                   | Floating<br>interest rate<br>\$ | 1 year or<br>less<br>\$ | Over 1 to 2<br>years<br>\$ | Over 2 to 3<br>years<br>\$ | Over 3 to 4<br>years<br>\$ | Over 4 to 5<br>years<br>\$ | Over 5<br>years<br>\$ |             |
| <b>2005</b>                       |                                 |                         |                            |                            |                            |                            |                       |             |
| Bank loan (note 17)               | 42,187,500                      | -                       | -                          | -                          | -                          | -                          | -                     | 42,187,500  |
| Lease liabilities<br>(note 17)    | -                               | 1,621,970               | 1,414,165                  | 1,096,496                  | 444,264                    | 16,820                     | -                     | 4,593,715   |
| Interest rate swap<br>(note 18)   | (42,187,500)                    | 2,500,000               | 2,500,000                  | 2,500,000                  | 34,687,500                 | -                          | -                     | -           |
|                                   | -                               | 4,121,970               | 3,914,165                  | 3,596,496                  | 35,131,764                 | 16,820                     | -                     | 46,781,215  |
| Weighted average<br>interest rate |                                 | 7.84%                   | 7.71%                      | 7.83%                      | 7.61%                      | 6.21%                      | -                     |             |
| <b>2004</b>                       |                                 |                         |                            |                            |                            |                            |                       |             |
| Bank loan (note<br>17)            | 34,375,000                      | -                       | -                          | -                          | -                          | -                          | -                     | 34,375,000  |
| Lease liabilities<br>(note 17)    | -                               | 1,648,649               | 1,008,666                  | 591,238                    | 229,239                    | 110,829                    | -                     | 3,588,621   |
| Interest rate swap<br>(note 18)   | (34,375,000)                    | 2,500,000               | 2,500,000                  | 2,500,000                  | 2,500,000                  | 24,375,000                 | -                     | -           |
|                                   | -                               | 4,148,649               | 3,508,666                  | 3,091,238                  | 2,729,239                  | 24,485,829                 | -                     | 37,963,621  |
| Weighted average<br>interest rate |                                 | 7.66%                   | 7.72%                      | 7.47%                      | 7.57%                      | 7.48%                      | -                     |             |

#### (e) Fair Value

The fair value of all interest bearing liabilities (including those arising from interest rate swap agreements) of the consolidated entity approximates their carrying amounts.

## NOTE 18. DERIVATIVE FINANCIAL INSTRUMENTS

### Non-current liabilities

Interest rate swap contracts - cash flow hedges

| Consolidated |            | Parent Entity |            |
|--------------|------------|---------------|------------|
| 2005<br>\$   | 2004<br>\$ | 2005<br>\$    | 2004<br>\$ |
| 683,475      | -          | 683,475       | -          |

### (A) TRANSITION TO AASB 132 AND AASB 139

The Group has taken the exemption available under AASB 1 to apply AASB 132 Financial Instruments: Disclosure and Presentation and AASB 139 Financial Instruments: Recognition and Measurement from 1 January 2005. At the date of transition to these standards of 1 January 2005: For the Group and parent entity, a net adjustment of a \$912,056 decrease in net assets was recognised representing a reclassification of interest rate cash flow hedges under AASB 139 to derivative financial instrument liabilities and re-measurement to fair value of \$912,056.

For more information refer to note 1(m) and section 5 of note 30.

### (B) INSTRUMENTS USED BY THE GROUP

The Group is party to derivative financial instruments in the normal course of business in order to hedge exposure to fluctuations in interest rates.

#### Interest rate swap contracts - cash flow hedges

Bank loans of the Group currently bear an average interest rate of 7.03%. In order to protect the loans from exposure to increasing interest rates, the Group has entered into an interest rate swap contract under which it is obliged to receive interest at variable rates and to pay interest at fixed rates.

The swap currently in place covers 100% (2004: 100%) of the loan principal outstanding and is timed to expire as each loan repayment falls due. The fixed interest rate is 6.23% plus a pricing margin of 1.25% to 1.75% (2004: 6.23% plus a pricing margin of 1.25%) and the variable rate is the 90 day bank bill swap rate which at balance date was 5.66% (2004: 6.68%) plus a margin of 1.25% to 1.75%.

The contracts require settlement of net interest receivable or payable each 90 days. The settlement dates coincide with the dates on which interest is payable on the underlying debt. The contracts are settled on a net basis.

The gain or loss from remeasuring the hedging instruments at fair value is deferred in equity in the hedging reserve, to the extent that the hedge is effective, and reclassified to profit and loss when the hedged interest expense is recognised. The ineffective portion is recognised in income immediately.

At balance date for both the Group and the parent entity the contract was a liability with a fair value of \$683,475. In the year ended 31 December 2005 there was:

- on the date of transition to AASB 132 and AASB 139 on 1 January 2005 a loss of \$912,056 on re-measurement to fair value; and
- a loss from the decrease in fair value of \$13,173 during the year.

## NOTE 19. NON-CURRENT LIABILITIES - PROVISIONS

Employee benefits

| Consolidated |            | Parent Entity |            |
|--------------|------------|---------------|------------|
| 2005<br>\$   | 2004<br>\$ | 2005<br>\$    | 2004<br>\$ |
| 1,465,989    | 1,480,643  | 86,170        | 47,583     |

## NOTE 20. CONTRIBUTED EQUITY

Bond University Limited was incorporated as a company limited by guarantee on 12 February 1987. Pursuant to the Memorandum and Articles of Association of the company, every member has undertaken in the event of a deficiency on winding up to contribute an amount not exceeding \$10. At 31 December 2005, Bond University Limited had 33 members.

## NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2005

### NOTE 21. RESERVES AND RETAINED PROFITS

#### (a) Reserves

Hedging reserve - cash flow hedges

#### Movements:

|   |           |   |           |   |
|---|-----------|---|-----------|---|
| Balance 1 January   | -         | - | -         | - |
| Adjustment on adoption of AASB 132 and AASB 139 (note 18) | (912,056) | - | (912,056) | - |
| Transfer to income statement                              | 241,754   | - | 241,754   | - |
| Revaluation (note 18)                                     | (13,173)  | - | (13,173)  | - |
| Balance 31 December                                       | (683,475) | - | (683,475) | - |

#### (b) Retained profits

Movements in retained profits were as follows:

|                         |            |            |            |           |
|-------------------------|------------|------------|------------|-----------|
| Balance 1 January       | 27,925,103 | 22,984,432 | 3,100,188  | (201,072) |
| Net profit for the year | 3,594,158  | 4,940,671  | 22,072,828 | 3,301,260 |
| Balance 31 December     | 31,519,261 | 27,925,103 | 25,173,016 | 3,100,188 |

#### (c) Nature and purpose of reserves

The hedging reserve is used to record gains or losses on a hedging instrument in a cash flow hedge that are recognised directly in equity, as described in note 1(m). Amounts are recognised in profit and loss when the associated hedge transaction affects profit and loss.

### NOTE 22. REMUNERATION OF AUDITORS

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

|   | Consolidated |            | Parent Entity |            |
|---|--------------|------------|---------------|------------|
|   | 2005<br>\$   | 2004<br>\$ | 2005<br>\$    | 2004<br>\$ |
| <b>(A) ASSURANCE SERVICES</b>   |              |            |               |            |
| <b>Audit services</b>   |              |            |               |            |
| PricewaterhouseCoopers Australian firm:<br>Audit and review of financial reports and other<br>audit work under the <i>Corporations Act 2001</i> | 131,500      | 97,000     | 86,000        | 75,000     |
| <b>Total remuneration for audit services</b>  | 131,500      | 97,000     | 86,000        | 75,000     |
| <b>Other assurance services</b>   |              |            |               |            |
| PricewaterhouseCoopers Australian firm:   |              |            |               |            |
| Audit of regulatory returns   | 3,000        | 14,709     | 3,000         | 14,709     |
| Controls assurance services   | -            | 18,186     | -             | 18,186     |
| <b>Total remuneration for other assurance services</b>  | 3,000        | 32,895     | 3,000         | 32,895     |
| <b>Total remuneration for assurance services</b>  | 134,500      | 129,895    | 89,000        | 107,895    |
| <b>(B) ADVISORY SERVICES</b>  |              |            |               |            |
| PricewaterhouseCoopers Australian firm:   |              |            |               |            |
| Taxation advice   | -            | 6,300      | -             | 6,300      |
| <b>Total remuneration for advisory services</b>   | -            | 6,300      | -             | 6,300      |

## NOTE 23. CONTINGENCIES

The parent entity and consolidated entity had contingent liabilities at 31 December 2005 in respect of:

### Claims

There is a claim against the University in respect to entry requirements and admission into a medical program at Bond University. There is also a claim in respect to profit share entitlements associated with an executive education program. The University is vigorously defending these claims and based on the information that is available it is not practical to estimate the financial effect of these claims, if any, at this time.

### Guarantees

A financial guarantee amounting to \$12,000,000 is given in favour of the Department of Education, Science and Training in respect of Fee-Help.

## NOTE 24. COMMITMENTS

|  | Consolidated   |                | Parent Entity  |                |
|--|----------------|----------------|----------------|----------------|
|  | 2005<br>\$     | 2004<br>\$     | 2005<br>\$     | 2004<br>\$     |
| <b>(a) Capital Commitments</b>   |                |                |                |                |
| Commitment in relation to a fixed price building contract not recognised as a liability, payable:                  |                |                |                |                |
| Within one year  | -              | 10,700,000     | -              | 10,700,000     |
| <b>(b) Lease Commitments</b>   |                |                |                |                |
| Commitments in relation to leases contracted for at the reporting date but not recognised as liabilities, payable: |                |                |                |                |
| Within one year  | 459,190        | 502,636        | 459,190        | 502,636        |
| Later than one year but not later than 5 years   | 326,539        | 256,432        | 326,539        | 256,432        |
| Later than 5 years   | -              | -              | -              | -              |
|  | <b>785,729</b> | <b>759,068</b> | <b>785,729</b> | <b>759,068</b> |
| <b>Representing:</b>   |                |                |                |                |
| Non-cancellable operating leases   | 210,219        | 359,439        | 210,219        | 359,439        |
| Future finance charges on finance leases   | 575,510        | 399,629        | 575,510        | 399,629        |
|  | <b>785,729</b> | <b>759,068</b> | <b>785,729</b> | <b>759,068</b> |

### (I) OPERATING LEASES

The Group leases various motor vehicles under non-cancellable operating leases expiring within one to four years.

Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:

|  |                |                |                |                |
|--|----------------|----------------|----------------|----------------|
| Within one year                                | 158,995        | 284,625        | 158,995        | 284,625        |
| Later than one year but not later than 5 years | 51,224         | 74,814         | 51,224         | 74,814         |
| Later than 5 years                             | -              | -              | -              | -              |
|  | <b>210,219</b> | <b>359,439</b> | <b>210,219</b> | <b>359,439</b> |

### (II) FINANCE LEASES

The Group leases various plant and equipment with a carrying amount of \$4,451,755 (2004: \$3,464,148) under finance leases expiring within two to five years.

Commitments in relation to finance leases are payable as follows:

|  |                  |                  |                  |                  |
|--|------------------|------------------|------------------|------------------|
| Within one year                                | 1,922,165        | 1,866,660        | 1,922,165        | 1,866,660        |
| Later than one year but not later than 5 years | 3,247,060        | 2,121,590        | 3,247,060        | 2,121,590        |
| Minimum lease payments                         | 5,169,225        | 3,988,250        | 5,169,225        | 3,988,250        |
| Less: Future finance charges                   | 575,510          | 399,629          | 575,510          | 399,629          |
| Total lease liabilities                        | <b>4,593,715</b> | <b>3,588,621</b> | <b>4,593,715</b> | <b>3,588,621</b> |
| <b>Representing lease liabilities:</b>         |                  |                  |                  |                  |
| Current (note 14)                              | 1,621,970        | 1,648,649        | 1,621,970        | 1,648,649        |
| Non-current (note 17)                          | 2,971,745        | 1,939,972        | 2,971,745        | 1,939,972        |
|  | <b>4,593,715</b> | <b>3,588,621</b> | <b>4,593,715</b> | <b>3,588,621</b> |

The weighted average interest rate implicit in the leases is 8.21% (2004: 8.09%).

# NOTES TO THE FINANCIAL STATEMENTS

## 31 DECEMBER 2005

### NOTE 25. RELATED PARTY TRANSACTIONS

#### (a) Parent entity

The ultimate parent entity within the Group is Bond University Limited.

#### (b) Subsidiaries

Interests in subsidiaries are set out in note 26.

#### (c) Key management personnel compensation

|                                   | Consolidated     |                  | Parent Entity    |                |
|-----------------------------------|------------------|------------------|------------------|----------------|
|                                   | 2005<br>\$       | 2004<br>\$       | 2005<br>\$       | 2004<br>\$     |
| Short-term employee benefits      | 1,897,573        | 1,703,507        | 1,505,994        | 316,469        |
| Post-employment benefits          | 374,073          | 335,573          | 296,892          | 62,219         |
| Other long-term employee benefits | -                | 80,649           | -                | -              |
| Termination benefits              | 85,791           | 32,862           | -                | -              |
|                                   | <b>2,357,437</b> | <b>2,152,591</b> | <b>1,802,886</b> | <b>378,688</b> |

#### (d) Other Transactions with Directors and Director-related Entities

A former director, Mr K Ohmae (resigned as director 28 May 2004), is the Managing Director of Business Breakthrough Inc. (BBT). Bond University Limited entered into an arrangement with BBT in 2001 for the delivery of a Masters of Business Administration program in Japan. The arrangement was based on normal commercial terms and conditions. In accordance with the agreement, a service fee is payable by Bond University to BBT for services provided by BBT.

The aggregate amounts of the above transactions with the former director of Bond University Limited up to the date of his resignation:

|             | Consolidated |            | Parent Entity |            |
|-------------|--------------|------------|---------------|------------|
|             | 2005<br>\$   | 2004<br>\$ | 2005<br>\$    | 2004<br>\$ |
| Service fee | -            | 1,621,260  | -             | 1,621,260  |

#### (e) Transactions with subsidiaries and other related parties

The following transactions occurred with related parties:

|                                    | Subsidiary                             | Parent Entity |            |
|------------------------------------|--|---------------|------------|
|                                    |  | 2005<br>\$    | 2004<br>\$ |
| Management fee revenue             | Lashkar Pty Ltd                        | 1,642,595     | 1,359,389  |
|                                    | Campus Operations Pty Ltd              | 22,086,168    | -          |
| Management fee expense             | Bond University Services Pty Ltd       | 18,541,366    | 18,400,087 |
|                                    | Bond University Staff Services Pty Ltd | 14,475,079    | 14,312,464 |
|                                    | Themis Pty Ltd                         | -             | 310        |
| Accommodation and catering expense | Campus Operations Pty Ltd              | 314,571       | 277,630    |
| Audio visual revenue               | Campus Operations Pty Ltd              | 1,000         | 4,006      |

|                                   | Consolidated |            | Parent Entity |            |
|-----------------------------------|--------------|------------|---------------|------------|
|                                   | 2005<br>\$   | 2004<br>\$ | 2005<br>\$    | 2004<br>\$ |
| <b>Loans from related parties</b> |              |            |               |            |
| Loans advanced to:                |              |            |               |            |
| Subsidiaries                      | -            | -          | 29,973,725    | 26,979,235 |
| <b>Loans to related parties</b>   |              |            |               |            |
| Loan repayments from:             |              |            |               |            |
| Bond University Foundation        | 64,616       | 43,694     | 64,616        | 43,694     |

**(f) Outstanding balances**

The following balances are outstanding at the reporting date in relation to transactions with related parties:

|                            | Consolidated |            | Parent Entity |            |
|----------------------------|--------------|------------|---------------|------------|
|                            | 2005<br>\$   | 2004<br>\$ | 2005<br>\$    | 2004<br>\$ |
| <b>Current payables</b>    |              |            |               |            |
| Subsidiaries               | -            | -          | 12,079,772    | 32,452,243 |
| <b>Current receivables</b> |              |            |               |            |
| Bond University Foundation | 8,863        | 73,479     | 8,863         | 73,479     |

**(g) Terms and conditions**

The above transactions were made on commercial terms and conditions and at market rates except where indicated.

There are no fixed terms for the repayment of amounts advanced to Bond University Limited and the amount advanced to Bond University Foundation. All amounts payable are free of interest and unsecured.

During the year Bond University Limited provided accounting and administration assistance to other entities in the wholly owned group and Bond University Foundation. With the exception of Campus Operations Pty Ltd and Lashkar Pty Ltd, all accounting and administration assistance was provided free of charge.

## NOTE 26. SUBSIDIARIES

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1(b).

| Name of Entity                         | Country of Incorporation | Class of shares | Cost of Parent Entity's Investment |            | Equity Holding * |           |
|--|--------------------------|-----------------|------------------------------------|------------|------------------|-----------|
|  |                          |                 | 2005<br>\$                         | 2004<br>\$ | 2005<br>%        | 2004<br>% |
| Bond University Services Pty Ltd       | Australia                | Ordinary        | 2                                  | 2          | 100              | 100       |
| Bond University Staff Services Pty Ltd | Australia                | Ordinary        | 2                                  | 2          | 100              | 100       |
| Campus Operations Pty Ltd              | Australia                | Ordinary        | 2                                  | 2          | 100              | 100       |
| Themis Pty Ltd                         | Australia                | Ordinary        | 2                                  | 2          | 100              | 100       |
| Lashkar Pty Ltd                        | Australia                | Ordinary        | 1                                  | 1          | 100              | 100       |
|  |                          |                 | <u>9</u>                           | <u>9</u>   |                  |           |

\* The proportion of ownership interest is equal to the proportion of voting power held.

## NOTE 27. EVENTS OCCURRING AFTER BALANCE SHEET DATE

Subsequent to balance date the University received capital grants from the State and Federal governments to be applied towards the debt raised by the University for the construction of a Faculty of Health Sciences and Medicine building.

The University Council approved the introduction of a School of Sustainable Development which is expected to enrol its first students in September 2006.

No other events other than what has been referred to above have arisen subsequent to balance date so as to have a material impact on the operating results or financial position of the Company or the consolidated entity.

## NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2005

### NOTE 28. RECONCILIATION OF PROFIT AFTER INCOME TAX TO NET CASH INFLOW FROM OPERATING ACTIVITIES

|  | Consolidated                          |                                       | Parent Entity                         |                                       |
|--|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|
|  | 2005<br>Inflows /<br>(Outflows)<br>\$ | 2004<br>Inflows /<br>(Outflows)<br>\$ | 2005<br>Inflows /<br>(Outflows)<br>\$ | 2004<br>Inflows /<br>(Outflows)<br>\$ |
| Profit from ordinary activities after income tax expense               | 3,594,158                             | 4,940,671                             | 22,072,828                            | 3,301,260                             |
| Depreciation and amortisation  | 5,985,175                             | 4,781,906                             | 5,975,810                             | 4,771,405                             |
| Net (profit) loss on sale of non-current assets                        | 182,634                               | (8,959)                               | 183,088                               | (5,067)                               |
| Provision for doubtful debts increase (decrease)                       | 16,000                                | (66,000)                              | 16,000                                | (66,000)                              |
| Provision for doubtful debts write-back                                | -                                     | (766,800)                             | -                                     | (766,800)                             |
| <b>Change in operating assets and liabilities</b>                      |                                       |                                       |                                       |                                       |
| (Increase) decrease in trade & other debtors                           | 1,059,468                             | (133,209)                             | 1,120,193                             | (239,688)                             |
| (Increase) decrease in inventories                                     | 18,870                                | (17,313)                              | -                                     | -                                     |
| Increase (decrease) in trade and other creditors and employee benefits | (752,605)                             | 1,656,529                             | (16,747,963)                          | 7,998,909                             |
| Net cash inflows from operating activities                             | 10,103,700                            | 10,386,825                            | 12,619,956                            | 14,994,019                            |

Bond University Limited bills and collects student accommodation and food income on behalf of Campus Operations Pty Ltd. Fitness Centre income is also banked by Bond University Limited. The total income collected by Bond University Limited on behalf of Campus Operations Pty Ltd for the year ended 31 December 2005 was \$7,289,441 (2004: \$7,498,682). Income collected by Bond University Limited on behalf of Lashkar Pty Ltd amounted to \$8,039 (2004: \$22,303) for the year ended 31 December 2005.

### NOTE 29. NON-CASH INVESTING AND FINANCING ACTIVITIES

|   | Consolidated |            | Parent Entity |            |
|---|--------------|------------|---------------|------------|
|   | 2005<br>\$   | 2004<br>\$ | 2005<br>\$    | 2004<br>\$ |
| Acquisition of plant and equipment by means of finance leases | 2,951,103    | 1,912,555  | 2,951,103     | 1,912,555  |

## NOTE 30. EXPLANATION OF TRANSITION TO AUSTRALIAN EQUIVALENTS TO IFRS

(1) Reconciliation of equity reported under previous Australian Generally Accepted Accounting Principles (AGAAP) to equity under Australian equivalents to IFRS (AIFRS)

(a) At the date of transition to AIFRS: 1 January 2004

| Notes                                 | Consolidated      |                                  |                   | Parent Entity          |                                  |                   |
|---------------------------------------|-------------------|----------------------------------|-------------------|------------------------|----------------------------------|-------------------|
|                                       | Previous AGAAP \$ | Effect of transition to AIFRS \$ | AIFRS \$          | 2004 Previous AGAAP \$ | Effect of transition to AIFRS \$ | AIFRS \$          |
| <b>CURRENT ASSETS</b>                 |                   |                                  |                   |                        |                                  |                   |
| Cash assets                           | 14,294,464        | -                                | 14,294,464        | 9,773,694              | -                                | 9,773,694         |
| Receivables (a)                       | 2,162,577         | 949,316                          | 3,111,893         | 2,010,232              | 873,948                          | 2,884,180         |
| Inventories                           | 74,006            | -                                | 74,006            | -                      | -                                | -                 |
| Other (a)                             | 949,316           | (949,316)                        | -                 | 873,948                | (873,948)                        | -                 |
| <b>Total current assets</b>           | <b>17,480,363</b> | <b>-</b>                         | <b>17,480,363</b> | <b>12,657,874</b>      | <b>-</b>                         | <b>12,657,874</b> |
| <b>NON-CURRENT ASSETS</b>             |                   |                                  |                   |                        |                                  |                   |
| Investments (d)                       | 11,000            | -                                | 11,000            | 11,009                 | -                                | 11,009            |
| Property, plant and equipment (b)     | 64,323,420        | (148,194)                        | 64,175,226        | 64,301,046             | (135,419)                        | 64,165,627        |
| Intangibles (b)                       | -                 | 148,194                          | 148,194           | -                      | 135,419                          | 135,419           |
| <b>Total non-current assets</b>       | <b>64,334,420</b> | <b>-</b>                         | <b>64,334,420</b> | <b>64,312,055</b>      | <b>-</b>                         | <b>64,312,055</b> |
| <b>Total assets</b>                   | <b>81,814,783</b> | <b>-</b>                         | <b>81,814,783</b> | <b>76,969,929</b>      | <b>-</b>                         | <b>76,969,929</b> |
| <b>CURRENT LIABILITIES</b>            |                   |                                  |                   |                        |                                  |                   |
| Payables                              | 5,734,620         | -                                | 5,734,620         | 29,888,692             | -                                | 29,888,692        |
| Interest bearing liabilities          | 4,120,432         | -                                | 4,120,432         | 4,120,432              | -                                | 4,120,432         |
| Provisions                            | 2,317,057         | -                                | 2,317,057         | -                      | -                                | -                 |
| Other                                 | 8,833,744         | -                                | 8,833,744         | 6,966,378              | -                                | 6,966,378         |
| <b>Total current liabilities</b>      | <b>21,005,853</b> | <b>-</b>                         | <b>21,005,853</b> | <b>40,975,502</b>      | <b>-</b>                         | <b>40,975,502</b> |
| <b>NON-CURRENT LIABILITIES</b>        |                   |                                  |                   |                        |                                  |                   |
| Interest bearing liabilities          | 36,195,499        | -                                | 36,195,499        | 36,195,499             | -                                | 36,195,499        |
| Provisions                            | 1,628,999         | -                                | 1,628,999         | -                      | -                                | -                 |
| <b>Total non-current liabilities</b>  | <b>37,824,498</b> | <b>-</b>                         | <b>37,824,498</b> | <b>36,195,499</b>      | <b>-</b>                         | <b>36,195,499</b> |
| <b>Total liabilities</b>              | <b>58,830,351</b> | <b>-</b>                         | <b>58,830,351</b> | <b>77,171,001</b>      | <b>-</b>                         | <b>77,171,001</b> |
| <b>Net assets (liabilities)</b>       | <b>22,984,432</b> | <b>-</b>                         | <b>22,984,432</b> | <b>(201,072)</b>       | <b>-</b>                         | <b>(201,072)</b>  |
| <b>EQUITY</b>                         |                   |                                  |                   |                        |                                  |                   |
| Contributed equity                    |                   |                                  |                   |                        |                                  |                   |
| Retained profits (accumulated losses) | 22,984,432        | -                                | 22,984,432        | (201,072)              | -                                | (201,072)         |
| <b>Total equity</b>                   | <b>22,984,432</b> | <b>-</b>                         | <b>22,984,432</b> | <b>(201,072)</b>       | <b>-</b>                         | <b>(201,072)</b>  |

## NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2005

### NOTE 30. EXPLANATION OF TRANSITION TO AUSTRALIAN EQUIVALENTS TO IFRS (CONTINUED)

(b) At the end of the last reporting period under previous AGAAP: 31 December 2004

| Notes                                 | Consolidated            |   |                   | Parent Entity                   |   |                   |
|---------------------------------------|-------------------------|---|-------------------|---------------------------------|---|-------------------|
|                                       | Previous<br>AGAAP<br>\$ | Effect of<br>transition to<br>AIFRS<br>\$ | AIFRS<br>\$       | 2004<br>Previous<br>AGAAP<br>\$ | Effect of<br>transition to<br>AIFRS<br>\$ | AIFRS<br>\$       |
| <b>CURRENT ASSETS</b>                 |                         |   |                   |                                 |   |                   |
| Cash assets                           | 10,530,349              | -   | 10,530,349        | 9,718,144                       | -   | 9,718,144         |
| Receivables (a)                       | 3,175,323               | 858,885                                   | 4,034,208         | 3,101,086                       | 811,888                                   | 3,912,974         |
| Inventories                           | 91,319                  | -   | 91,319            | -                               | -   | -                 |
| Other (a)                             | 858,885                 | (858,885)                                 | -                 | 811,888                         | (811,888)                                 | -                 |
| <b>Total current assets</b>           | <b>14,655,876</b>       | <b>-</b>                                  | <b>14,655,876</b> | <b>13,631,118</b>               | <b>-</b>                                  | <b>13,631,118</b> |
| <b>NON-CURRENT ASSETS</b>             |                         |   |                   |                                 |   |                   |
| Investments                           | 11,000                  | -   | 11,000            | 11,009                          | -   | 11,009            |
| Property, plant and equipment (b)     | 71,076,871              | (1,063,405)                               | 70,013,466        | 71,064,998                      | (1,057,298)                               | 70,007,700        |
| Intangibles (b)                       | -                       | 1,063,405                                 | 1,063,405         | -                               | 1,057,298                                 | 1,057,298         |
| <b>Total non-current assets</b>       | <b>71,087,871</b>       | <b>-</b>                                  | <b>71,087,871</b> | <b>71,076,007</b>               | <b>-</b>                                  | <b>71,076,007</b> |
| <b>Total assets</b>                   | <b>85,743,747</b>       | <b>-</b>                                  | <b>85,743,747</b> | <b>84,707,125</b>               | <b>-</b>                                  | <b>84,707,125</b> |
| <b>CURRENT LIABILITIES</b>            |                         |   |                   |                                 |   |                   |
| Payables                              | 7,483,038               | -   | 7,483,038         | 36,403,912                      | -   | 36,403,912        |
| Interest bearing liabilities          | 4,148,649               | -   | 4,148,649         | 4,148,649                       | -   | 4,148,649         |
| Provisions                            | 2,320,829               | -   | 2,320,829         | 103,408                         | -   | 103,408           |
| Other                                 | 8,570,513               | -   | 8,570,513         | 7,088,413                       | -   | 7,088,413         |
| <b>Total current liabilities</b>      | <b>22,523,029</b>       | <b>-</b>                                  | <b>22,523,029</b> | <b>47,744,382</b>               | <b>-</b>                                  | <b>47,744,382</b> |
| <b>NON-CURRENT LIABILITIES</b>        |                         |   |                   |                                 |   |                   |
| Interest bearing liabilities          | 33,814,972              | -   | 33,814,972        | 33,814,972                      | -   | 33,814,972        |
| Provisions                            | 1,480,643               | -   | 1,480,643         | 47,583                          | -   | 47,583            |
| <b>Total non-current liabilities</b>  | <b>35,295,615</b>       | <b>-</b>                                  | <b>35,295,615</b> | <b>33,862,555</b>               | <b>-</b>                                  | <b>33,862,555</b> |
| <b>Total liabilities</b>              | <b>57,818,644</b>       | <b>-</b>                                  | <b>57,818,644</b> | <b>81,606,937</b>               | <b>-</b>                                  | <b>81,606,937</b> |
| <b>Net assets (liabilities)</b>       | <b>27,925,103</b>       | <b>-</b>                                  | <b>27,925,103</b> | <b>3,100,188</b>                | <b>-</b>                                  | <b>3,100,188</b>  |
| <b>EQUITY</b>                         |                         |   |                   |                                 |   |                   |
| Contributed equity                    | -                       | -   | -                 | -                               | -   | -                 |
| Retained profits (accumulated losses) | 27,925,103              | -   | 27,925,103        | 3,100,188                       | -   | 3,100,188         |
| <b>Total equity</b>                   | <b>27,925,103</b>       | <b>-</b>                                  | <b>27,925,103</b> | <b>3,100,188</b>                | <b>-</b>                                  | <b>3,100,188</b>  |

**NOTE 30. EXPLANATION OF TRANSITION  
TO AUSTRALIAN EQUIVALENTS TO IFRS  
(CONTINUED)**

**(2) Reconciliation of profit for the year ended 31 December 2004**

|  | Notes | Consolidated            |   |                  | Parent Entity                   |   |                  |
|--|-------|-------------------------|---|------------------|---------------------------------|---|------------------|
|  |       | Previous<br>AGAAP<br>\$ | Effect of<br>transition to<br>AIFRS<br>\$ | AIFRS<br>\$      | 2004<br>Previous<br>AGAAP<br>\$ | Effect of<br>transition to<br>AIFRS<br>\$ | AIFRS<br>\$      |
| Revenue  | (c)   | 77,094,640              | (18,095)                                  | 77,076,545       | 65,980,728                      | (18,095)                                  | 65,962,633       |
| Other income   | (c)   | -                       | 8,959                                     | 8,959            | -                               | 5,067                                     | 5,067            |
| Salaries and related expenses                                    |       | 39,628,117              | -   | 39,628,117       | 3,284,630                       | -   | 3,284,630        |
| Facilities management and maintenance                            |       | 7,811,216               | -   | 7,811,216        | 6,244,178                       | -   | 6,244,178        |
| Utilities and outgoings  |       | 2,905,311               | -   | 2,905,311        | 2,336,983                       | -   | 2,336,983        |
| Marketing and promotional expenses                               |       | 4,487,308               | -   | 4,487,308        | 4,350,524                       | -   | 4,350,524        |
| Depreciation and amortisation expenses                           |       | 4,781,906               | -   | 4,781,906        | 4,771,405                       | -   | 4,771,405        |
| Finance costs  |       | 2,916,244               | -   | 2,916,244        | 2,916,244                       | -   | 2,916,244        |
| Food and beverage cost   |       | 1,995,135               | -   | 1,995,135        | -                               | -   | -                |
| Service fee - BBT  |       | 2,188,263               | -   | 2,188,263        | 2,188,263                       | -   | 2,188,263        |
| Consumables  |       | 1,213,461               | -   | 1,213,461        | 906,228                         | -   | 906,228          |
| Minor equipment  |       | 390,755                 | -   | 390,755          | 358,650                         | -   | 358,650          |
| Management fees  |       | -                       | -   | -                | 32,712,862                      | -   | 32,712,862       |
| Other expenses   | (c)   | 3,836,253               | (9,136)                                   | 3,827,117        | 2,609,501                       | (13,028)                                  | 2,596,473        |
| <b>Profit before income tax</b>                                  |       | <b>4,940,671</b>        | <b>-</b>                                  | <b>4,940,671</b> | <b>3,301,260</b>                | <b>-</b>                                  | <b>3,301,260</b> |
| Income tax expense   |       | -                       | -   | -                | -                               | -   | -                |
| <b>Profit for the year</b>                                       |       | <b>4,940,671</b>        | <b>-</b>                                  | <b>4,940,671</b> | <b>3,301,260</b>                | <b>-</b>                                  | <b>3,301,260</b> |
| <b>Profit attributable to members of Bond University Limited</b> |       | <b>4,940,671</b>        | <b>-</b>                                  | <b>4,940,671</b> | <b>3,301,260</b>                | <b>-</b>                                  | <b>3,301,260</b> |

**(3) Reconciliation of cash flow statement for the year ended 31 December 2004**

The adoption of AIFRS has not resulted in any material adjustments to the cash flow statement.

**(4) Notes to the reconciliations**

**(a) Prepayments and other current assets**

In accordance with AASB 101 Presentation of Financial Statements, prepayments and security deposits have been included in receivables. These were separately disclosed as other current assets under previous AGAAP.

**(b) Intangible assets**

In accordance with AASB 138 Intangible Assets, computer software has been re-classified as an intangible asset. These were included in property, plant and equipment under previous AGAAP.

**(c) Disposal of plant and equipment**

In accordance with AASB 101 Presentation of Financial Statements, gains or losses on disposal of non-current assets are reported on a net basis by deducting from the proceeds on disposal the carrying amount of the assets.

**(d) Financial instruments**

The Group has elected to apply the exemption from restatement of comparatives for AASB 132 Financial Instruments: Disclosure and Presentation and AASB 139 Financial Instruments: Recognition and Measurement. It has therefore continued to apply previous AGAAP rules to derivatives, financial assets and financial liabilities and also to hedge relationships for the year ended 31 December 2004. The adjustments required for differences between previous AGAAP and AASB 132 and AASB 139 have been determined and recognised at 1 January 2005. Refer to section 5 of this note and note 1 for further details.

## NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2005

### NOTE 30. EXPLANATION OF TRANSITION TO AUSTRALIAN EQUIVALENTS TO IFRS (CONTINUED)

(5) Adjustments on transition to AASB 132 *Financial Instruments: Disclosure and Presentation* and AASB 139 *Financial Instruments: Recognition and Measurement*: 1 January 2005

|                                      | Consolidated              |                  |                         | Parent Entity             |                  |                         |
|--------------------------------------|---------------------------|------------------|-------------------------|---------------------------|------------------|-------------------------|
|                                      | 31 December<br>2004<br>\$ | Adjustment<br>\$ | 1 January<br>2005<br>\$ | 31 December<br>2004<br>\$ | Adjustment<br>\$ | 1 January<br>2005<br>\$ |
| <b>CURRENT ASSETS</b>                |                           |                  |                         |                           |                  |                         |
| Cash assets                          | 10,530,349                | -                | 10,530,349              | 9,718,144                 | -                | 9,718,144               |
| Receivables                          | 4,034,208                 | -                | 4,034,208               | 3,912,974                 | -                | 3,912,974               |
| Inventories                          | 91,319                    | -                | 91,319                  | -                         | -                | -                       |
| <b>Total current assets</b>          | <b>14,655,876</b>         | <b>-</b>         | <b>14,655,876</b>       | <b>13,631,118</b>         | <b>-</b>         | <b>13,631,118</b>       |
| <b>NON-CURRENT ASSETS</b>            |                           |                  |                         |                           |                  |                         |
| Available-for-sale financial assets  | -                         | 11,000           | 11,000                  | -                         | 11,000           | 11,000                  |
| Other financial assets               | 11,000                    | (11,000)         | -                       | 11,009                    | (11,000)         | 9                       |
| Property, plant and equipment        | 70,013,466                | -                | 70,013,466              | 70,007,700                | -                | 70,007,700              |
| Intangibles                          | 1,063,405                 | -                | 1,063,405               | 1,057,298                 | -                | 1,057,298               |
| <b>Total non-current assets</b>      | <b>71,087,871</b>         | <b>-</b>         | <b>71,087,871</b>       | <b>71,076,007</b>         | <b>-</b>         | <b>71,076,007</b>       |
| <b>Total assets</b>                  | <b>85,743,747</b>         | <b>-</b>         | <b>85,743,747</b>       | <b>84,707,125</b>         | <b>-</b>         | <b>84,707,125</b>       |
| <b>CURRENT LIABILITIES</b>           |                           |                  |                         |                           |                  |                         |
| Payables                             | 7,483,038                 | -                | 7,483,038               | 36,403,912                | -                | 36,403,912              |
| Interest bearing liabilities         | 4,148,649                 | -                | 4,148,649               | 4,148,649                 | -                | 4,148,649               |
| Provisions                           | 2,320,829                 | -                | 2,320,829               | 103,408                   | -                | 103,408                 |
| Other                                | 8,570,513                 | -                | 8,570,513               | 7,088,413                 | -                | 7,088,413               |
| <b>Total current liabilities</b>     | <b>22,523,029</b>         | <b>-</b>         | <b>22,523,029</b>       | <b>47,744,382</b>         | <b>-</b>         | <b>47,744,382</b>       |
| <b>NON-CURRENT LIABILITIES</b>       |                           |                  |                         |                           |                  |                         |
| Interest bearing liabilities         | 33,814,972                | -                | 33,814,972              | 33,814,972                | -                | 33,814,972              |
| Derivative financial instruments     | -                         | 912,056          | 912,056                 | -                         | 912,056          | 912,056                 |
| Provisions                           | 1,480,643                 | -                | 1,480,643               | 47,583                    | -                | 47,583                  |
| <b>Total non-current liabilities</b> | <b>35,295,615</b>         | <b>912,056</b>   | <b>36,207,671</b>       | <b>33,862,555</b>         | <b>912,056</b>   | <b>34,774,611</b>       |
| <b>Total liabilities</b>             | <b>57,818,644</b>         | <b>912,056</b>   | <b>58,730,700</b>       | <b>81,606,937</b>         | <b>912,056</b>   | <b>82,518,993</b>       |
| <b>Net assets (liabilities)</b>      | <b>27,925,103</b>         | <b>912,056</b>   | <b>27,013,047</b>       | <b>3,100,188</b>          | <b>912,056</b>   | <b>2,188,132</b>        |
| <b>EQUITY</b>                        |                           |                  |                         |                           |                  |                         |
| Contributed equity                   | -                         | -                | -                       | -                         | -                | -                       |
| Reserves                             | -                         | (912,056)        | (912,056)               | -                         | (912,056)        | (912,056)               |
| Retained profits                     | 27,925,103                | -                | 27,925,103              | 3,100,188                 | -                | 3,100,188               |
| <b>Total equity</b>                  | <b>27,925,103</b>         | <b>(912,056)</b> | <b>27,013,047</b>       | <b>3,100,188</b>          | <b>(912,056)</b> | <b>2,188,132</b>        |

Refer to notes 1(l) and 1(m) for further information on the transition to AASB 132 *Financial Instruments: Disclosure and Presentation* and AASB 139 *Financial Instruments: Recognition and Measurement* on 1 January 2005.



## DIRECTORS' DECLARATION

In the directors' opinion:

- (a) the financial statements and notes set out on pages 46 to 74 are in accordance with the Corporations Act 2001, including:
- (i) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
  - (ii) giving a true and fair view of the company's and consolidated entity's financial position as at 31 December 2005 and of their performance, as represented by the results of their operations, changes in equity and their cash flows, for the financial year ended on that date; and
- (b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.



**T C Rowe**  
Director and Chancellor

Brisbane  
28 April 2006

# INDEPENDENT AUDIT REPORT TO THE MEMBERS OF BOND UNIVERSITY LIMITED

## AUDIT OPINION

In our opinion, the financial report of Bond University Limited:

- gives a true and fair view, as required by the Corporations Act 2001 in Australia, of the financial position of Bond University Limited and the Bond University Limited Group (defined below) as at 31 December 2005, and of their performance for the year ended on that date, and
- is presented in accordance with the Corporations Act 2001, Accounting Standards and other mandatory financial reporting requirements in Australia, and the Corporations Regulations 2001.

This opinion must be read in conjunction with the rest of our audit report.

## SCOPE

### THE FINANCIAL REPORT AND DIRECTORS' RESPONSIBILITY

The financial report comprises the balance sheet, income statement, cash flows statement, statement of changes in equity, accompanying notes to the financial statements, and the directors' declaration for both Bond University Limited (the company) and the Bond University Limited Group (the consolidated entity), for the year ended 31 December 2005. The consolidated entity comprises both the company and the entities it controlled during that year.

The directors of the company are responsible for the preparation and true and fair presentation of the financial report in accordance with the Corporations Act 2001. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

### AUDIT APPROACH

We conducted an independent audit in order to express an opinion to the members of the company. Our audit was conducted in accordance with Australian Auditing Standards, in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected. For further explanation of an audit, visit our website <http://www.pwc.com/au/financialstatementaudit>.

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the Corporations Act 2001, Accounting Standards and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the company's and the consolidated entity's financial position, and of their performance as represented by the results of their operations and cash flows.

We formed our audit opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report, and
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the directors.

Our procedures include reading the other information in the Annual Report to determine whether it contains any material inconsistencies with the financial report.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

Our audit did not involve an analysis of the prudence of business decisions made by directors or management.

## INDEPENDENCE

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements and the Corporations Act 2001.

*PricewaterhouseCoopers*

PricewaterhouseCoopers

*Martin T. Linz*

M Linz  
Partner  
Brisbane  
28 April 2006

# CORPORATE GOVERNANCE

## 1. STRUCTURE

Bond University Limited is a company limited by guarantee and does not have shareholders. The governance arrangements provide for the Company, with a membership of 30 members, to appoint the Council, which is the board of directors of Bond University Limited. The Chair of the Board is the Chancellor of the University.

The Chief Executive Officer of the University, the Vice-Chancellor, is in turn responsible to the Council. The peak academic body of the University, the Academic Senate, which is provided for in the Constitution of the Company, is an advisory body to the Vice-Chancellor on matters relating to the academic activity of the University.

The University's status as a not-for-profit organisation is confirmed in the Constitution of Bond University Limited.

## 2. THE COUNCIL

The University Company, of which the Council is the Board of Directors, is empowered under the Bond University Act (Qld 1987 - 1989) to oversee the operational performance and to set the strategic direction of the University. The Constitution of Bond University Limited provides that the number of Councillors shall not be more than ten. There are currently nine Councillors, only one of whom - the Vice-Chancellor & President - is an executive of the University. The remaining Councillors are all externally appointed on the basis of the skills and experience which they bring to the Council.

The term of office is set out in the Constitution. All Non-Executive Directors must retire no later than three years following their election. A Director may stand for re-election for one additional term. The number of meetings and attendance at meetings by Councillors is set out in the Directors' Report.

### Council Members:

- Chancellor - Trevor C Rowe AM
- Deputy Chancellor - Gary Bugden
- Vice-Chancellor & President - Professor Robert Stable
- Neil Balnaves
- Benjamin Chow
- Professor Dennis Gibson AO
- Kathryn Greiner AO
- Ian Kortlang
- Bronwyn Morris

## DIRECTORS' INDEPENDENCE

Directors are considered independent of management if they are free of any business or management relationship that could be perceived to materially interfere with their exercise of judgment. Only one of Bond University Limited's nine Councillors is an executive of the University. The remaining Councillors are all independent of any business or management relationship with the Company and, moreover, Councillors do not receive any directors' fees and are only reimbursed for approved travel and out of pocket expenses.

## CONFLICTS OF INTEREST

Directors are required to disclose, in accordance with the provisions of the Corporations Act, any conflicts of interest and to abstain from participating in any discussion or voting on any matter in which they have a material personal interest, unless the Councillors who do not have any material personal interest in the matter resolve that they are satisfied that the interest should not disqualify the Councillor from being present or voting.

## CORPORATE REPORTING

The Vice-Chancellor & President and Director of Finance have made certifications to the Board in respect to the financial accounts presenting a true and fair view of the operational results of the University and in accordance with relevant accounting standards, and on the basis of sound systems of internal control and risk management.

## International Financial Reporting Standards (IFRS)

The Audit & Risk Management Committee has worked with the Director of Finance on the transition to AIFRPs from 1 January 2005. The Committee considered the impact on existing accounting policies and in respect to AASB 139 Financial Instruments the current interest rate swap contract that is accounted for as a cash hedge has been remeasured at fair value with any gain or loss recognised in equity in the Balance Sheet. This is the only change considered necessary for IFRS compliance.

## BOARD STRUCTURE AND EFFECTIVENESS

In accordance with the provisions of the Constitution of the Company, Council has adopted a set of policies and procedures

which provide guidance on the attributes which should be sought when nominating Councillors. The collective skill sets which are considered desirable for the Council are:

- (a) Accounting
- (b) Corporate
- (c) Finance
- (d) Legal
- (e) Communications
- (f) Technology
- (g) Private tertiary education
- (h) General business or commercial

The intent is that the Council will be constituted so as to deliver a sound balance of those skills; that Councillors will be prominent in their respective fields of endeavour; and that, by their appointment, they will enhance the reputation of the University in the wider community.

The Nominations Advisory Committee has followed these principles in nominating Councillors for appointment. In 2005 Council conducted a self-evaluation of its performance with individual Councillors providing their assessment both of the way in which Council and its standing committees function, and their own involvement. These evaluations were supplemented by the Chancellor meeting with individual Councillors. These evaluations will continue to be conducted on a regular basis.

## STANDING COMMITTEES OF THE COUNCIL

### 2.1 Audit & Risk Management Committee

The Charter of the Audit & Risk Management Committee specifies its objectives as assisting the Council:

- To ensure the integrity of external financial reporting;
- To safeguard the independence of the external auditor;
- To ensure financial and non-financial information is of high quality;
- To ensure controls are established and maintained in order to safeguard the University's financial and physical resources;
- To ensure systems or procedures are in place so that the University complies with relevant statutory and regulatory requirements;



## CORPORATE GOVERNANCE

- To assess financial risks arising from the University's operations, and consider the adequacy of measures taken to moderate those risks.

During the course of 2005 the Committee has, in addition to its oversight responsibilities, developed, adopted and implemented an internal audit program which is focussed on internal risk management and the adequacy of internal controls, systems and procedures. The internal auditor reports to the Audit & Risk Management Committee.

### Committee Members:

- Bronwyn Morris - Chair
- Neil Balnaves - Councillor
- Gary Bugden - Deputy Chancellor
- Leah Frost -  
Alumni Ordinary Member of BUL
- Dr Stephen Sugden -  
Staff Ordinary Member of BUL

In addition, representatives of the external auditors (PricewaterhouseCoopers) and the internal auditors (Ernst & Young) attend meetings, as do the Vice-Chancellor & President, the Director of Finance and Projects, and the General Manager, Operations and Commercial Services.

### 2.2 Nominations Advisory Committee

The function of the Committee, as defined in its Charter, is to:

- Identify potential candidates for appointment to the University Council;
- Identify potential candidates for admission to membership of the Company;
- Consult with the University Council and the university community about the skills of the potential candidates (without disclosing the identity of persons being considered, or the specific interests of the consideration);
- Report its recommendations to the University Council about the suitability of the potential candidates;
- Comply with the policies and procedures established by the University Council and notified to the Committee from time to time.

### Committee Members

- Gary Bugden - Chair  
(Deputy Chancellor)
- Trevor C Rowe AM - Chancellor
- Kathryn Greiner AO - Councillor
- Associate Professor Jay Forder -  
Staff Ordinary Member of BUL
- Imelda Roche AO -  
Community Ordinary  
Member of BUL
- Christian Faes - Alumni  
Ordinary Member of BUL

### 2.3 Alumni & Corporate Communications Committee

The Alumni & Corporate Communications Committee, which was established under the governance reforms implemented in 2003, was dissolved in 2005 in favor of a new Alumni Committee.

It became clear to Council that the broader range of responsibilities of the Committee lacked a sufficiently clear focus on the needs of the alumni of the University, while areas such as marketing strategy and performance have become standing items on the agenda for each Council meeting, with Council taking a close interest in the performance of the University in those areas.

### 2.4 Alumni Committee

The Alumni Committee was established by Council at its last meeting in 2005. Its objective, as articulated in its Charter, is to oversee the University's relationship with its alumni to ensure the following is achieved:

- (a) Life-long learning and development of alumni that occurs after graduation;
- (b) Regular two-way communication and on-going relations with alumni and Bond;
- (c) Maintenance and enhancements to the alumni database;
- (d) Significant uptake and use of the alumni email addresses offered at no cost to alumni;
- (e) Regular alumni events to be encouraged, both domestically and internationally;
- (f) Negotiation of benefits or special offers for alumni; and
- (g) Maintenance and enhancements to the alumni website and merchandise offerings.

### Committee Members

- Trevor C Rowe AM - Chair  
(Chancellor)
- Professor Robert Stable -  
Vice-Chancellor & President
- Kathryn Greiner AO - Councillor
- Emma Hawley -  
A/Director, Marketing  
& Student Recruitment
- Christian Faes -  
Alumni Ordinary Member of BUL
- Peta Fielding - Alumnus
- Justin Lethlean - Alumnus
- Richard Richards - Alumnus

The Committee is supported by the Alumni Manager, Nicole Bynon

### 2.5 Finance Committee

The Finance Committee comprises the Chancellor, the Vice Chancellor, two Councillors, and one Alumni ordinary member. Its charter is yet to be approved by the Council.

## 3. THE MEMBERSHIP OF THE COMPANY

The membership of Bond University Limited has been constituted so as to be representative of the various stakeholders who have an interest in the viability of the University. The membership comprises 30 members, most of whom are elected by their constituencies. The members of the Company serve for three-year terms, after which they are eligible for re-election or reappointment for a further term. No member may serve more than six consecutive years.

The Constitution of Bond University Limited provides that the membership of the Company appoints, at general meetings, the Councillors of the Company. While the membership does not meet as a group annually beyond the Annual General Meeting of the Company, there is provision under the Constitution and in accordance with the Corporations Act for members to convene a general meeting should they consider such action warranted.

The Chancellor and the Council have also followed a policy of involving the membership of the Company in the work of Council's standing committees by appointing them as members of those committees.

## Bond University Limited

### 12 Alumni Ordinary Members

- Sam Austin
- Christian Faes
- Leah Frost
- Letizia Raschella-Sergi
- Jonathon Ellis
- Truls Fauske
- Benn Watson
- Patrick Wille
- Derek Cronin
- Todd Hiscock
- Robert Ross
- Oliver Wright

### 6 Staff Ordinary Members

- Veronica Boulton - General
- Bernard McCabe - Academic
- Mark Pearson - Academic
- Jay Forder - Academic
- Ben Shaw - Academic
- Stephen Sugden - Academic

### 2 Student Ordinary Members

- Carla Brumpton - Postgraduate
- Nitay Yair Levi - Undergraduate

### 2 Ordinary Members who are Councillors of the Company

- Trevor C Rowe AM (Chancellor)
- Gary Bugden (Deputy Chancellor)

### 8 Community Ordinary Members

- Carolyn Hauff AM
- Denis Jen
- John F Kearney AM QC
- Imelda Roche AO
- Barry Thornton
- T Brian Finn AO
- Gary Pemberton AC
- Basil Sellers

## TRUSTEE MEMBERS

In accordance with the provisions of the Constitution of the Company, Bond University Limited is empowered to appoint Trustee Members who, while not part of the voting membership of the Company, meet with the Chancellor at least annually to discuss the direction of the University and related issues.

- Dr Darryl Gregor
- Dr Peter Heiner
- Dr Kenichi Ohmae
- Dr John F Kearney AM QC

## 4. SENIOR MANAGEMENT GROUP

The Role and Purpose of the Senior Management Group is to advise the Vice-Chancellor on the management of the University by:

- Acting as an information exchange between members of Senior Management;
- Acting as an information exchange between Senior Management and the Vice-Chancellor;
- Discussing and monitoring the strategic direction of the University;
- Developing and evaluating policy documents to enhance governance of the University;
- Promoting a culture of Continuous Quality Improvement.

### Committee Members

- Professor Robert Stable - Chair (Vice-Chancellor and President)
- Professor Chris Del Mar - Dean, Faculty of Health Sciences & Medicine
- Professor Duncan Bentley - Dean, Faculty of Law
- Professor Garry Marchant - Dean, Faculty of Business, Technology and Sustainable Development
- Professor Raoul Mortley - Dean, Faculty of Humanities & Social Sciences
- Alan Finch - Registrar
- Andrea Harcourt - Director of Marketing and Student Recruitment
- John LeLievre - Director of Finance

## 5. THE ACADEMIC SENATE

The Academic Senate is the peak academic body of the University and in accordance with the Constitution of Bond University Limited, is advisory to the Vice-Chancellor & President.

### Term of Office

One year for the elected representatives with no restrictions on standing for election for subsequent terms.

### Standing Committees of Academic Senate

Academic Senate is proposing to undertake a review of its role and function during 2006 and this may

result in some changes to the current committee structure and to the terms of reference and composition of some committees. In 2005, the Academic Senate was supported by the following standing committees:

### 5.1 QUALITY TASK FORCE

A Quality Task Force, chaired by the Pro-Vice-Chancellor (Quality), Professor Mortley, was appointed to review quality assurance processes within the University, and to prepare for the AUQA audit. The Task Force reports directly to the Council, but typically via the Vice-Chancellor & President and Academic Senate. The terms of reference of the Committee are:

- Raise the awareness of Bond quality processes amongst stakeholders and staff at all levels of the university;
- Assist in the facilitation of change processes associated with quality outcomes;
- Facilitation of the quality improvement framework and quality cycle that supports the functions and activities of the university;
- Provide advice and assistance to determine best practice and benchmarking;
- Monitor the integration of quality practices that feed into the balanced Scorecard;
- Support and monitor the implementation of quality improvement practices;
- Determine the appropriateness and suitability of quality procedures through critical reflection.

### 5.2 RESEARCH COMMITTEE

The Research Committee is chaired by the Pro-Vice-Chancellor (Research), Professor Del Mar. The terms of reference of the Committee are:

#### Terms of Reference - Research

- To advise the Academic Senate and the Pro Vice-Chancellor (Research) on the promotion of research, scholarship and other creative work both within the University and externally;
- To promote research and research opportunities to members of the academic staff and to Faculty research committees;

## CORPORATE GOVERNANCE

- To develop, recommend to the Academic Senate, and regularly review policy and procedures supporting the University's strategic objectives in relation to research and identify resource needs arising from those policies;
- To consult with Faculty research committees and with staff undertaking research on relevant aspects of their work when developing or revising policy or procedures;
- To develop, oversee and monitor processes for the effective implementation of research policy, procedures and good practice, and identify resource needs arising from such policies;
- To monitor issues relating to quality in research and research activities, and to make recommendations to the Academic Senate as appropriate;
- To obtain information or reports from any Faculty Research Committee or other academic unit on academic matters relating to research;
- To receive regular reports from, and provide advice to, the Pro Vice-Chancellor (Research), on the development of policy and procedures relating to research;
- To receive regular reports from the Research Office and advise the Academic Senate on the activities of bodies established to support research;
- To provide an annual report on its activities under its terms of reference to the Academic Senate and the Senior Management Group;
- To consider and report on any matter referred to it by the Academic Senate, the Vice-Chancellor, Senior Management Group or the Pro Vice Chancellor (Research);
- Rank potential candidates for specified research prizes and awards.

### Terms of Reference – Higher Degree Research

- To advise Academic Senate on the development and administration of higher degrees by research policy and practice within the University on all matters of policy relating to postgraduate courses in which the research component is at least 66%,

including the degrees of Doctor of Philosophy and Masters by Research, and to other doctorates comprising research and coursework;

- To provide policy advice to the Academic Senate in regard to the research components of Doctor of Legal Science (SJD- postgraduate course in which the research component is less than 66%) on matters such as requirements of research supervision and guidelines on the appointment of examiners;
- To monitor and review the implementation of higher degrees by research policy and practice within the University and report on its effectiveness;
- To develop guidelines for the management of higher degrees by research within the University;
- To develop guidelines for the assessment and examination of higher degree theses consistent with University regulations and Academic Senate policy and guidelines and oversee their implementation and management;
- To collaborate with Academic Senate and the Pro Vice-Chancellor (Research) in the development and implementation of the University's Research and Research Training Management Plan, monitor its implementation and regularly review it and our reporting for the Commonwealth Department of Education, Science & Technology (DEST);
- To assist Academic Senate to meet its responsibilities to inform the Divisions regarding the implementation of approved policy and procedures for Higher Degree Research;
- To advise the University Teaching and Learning Committee on educational policy as it pertains to higher degrees by research;
- To advise Academic Senate on any other matters referred to the Committee by Academic Senate;
- To review and make recommendations on all proposed new research higher degrees and major course changes. (Faculties have delegated responsibility for all minor course changes);

- To ensure consistency in adherence with regulations governing research higher degree courses administered by the University. For this purpose, admissions of candidature and appointment of examiners approved by the Pro Vice-Chancellor (Research) or his delegate shall be reported to both the Research Committee and the Academic Senate;
- To advise the Academic Senate through the Research Committee on non confirmation or non-acceptance of conversions and terminations of candidature for all Higher Degree Research programs;
- Rank potential candidates for specified postgraduate prizes and awards.

### 5.3 TEACHING AND LEARNING COMMITTEE

The Teaching and Learning Committee, which has, among other things, been responsible for the ongoing implementation of Blackboard to support the teaching and learning environment at Bond, is chaired by the Pro-Vice-Chancellor (Teaching & Learning) Professor Duncan Bentley. The terms of reference of the Committee are:

- To formulate and implement the University Teaching and Learning Plan, oversee Faculty Teaching & Learning Plans and ensure alignment with the University vision, mission and values;
- To provide a peak forum for communication, coordination and information sharing on teaching and learning at Bond University;
- To consult and provide University-level advice, through its Chair, to both the Senior Management Group and to the Academic Senate in relation to opportunities and priorities for initiatives and improvement in teaching and learning and related support mechanisms;
- To encourage commitment, understanding and support for initiatives intended to improve teaching and learning at Bond University;
- To provide advice on matters relating to quality assurance of teaching and learning activities, other than those concerned with postgraduate research;

- To work in cooperation with the Quality Task Force with the ongoing objective of improving the quality of teaching and learning in the University.

#### 5.4 COURSEWORK COMMITTEE

The Coursework Committee, which is chaired by the Deputy Chair of Academic Senate, Professor Gavin Finnie, is constituted to keep under review and to advise the Academic Senate from time to time on: Regulations, policies and procedures governing undergraduate and postgraduate coursework programs and their administration;

- Assessment, academic progress, and disciplinary regulations and procedures;
- Examination and grading processes and conventions;
- Such other matters as are referred by Academic Senate.

#### 5.5 LIBRARY ADVISORY COMMITTEE

The Library Advisory Committee is also chaired by the Deputy Chair of Academic Senate. The terms of reference of the Committee are:

- To consider and advise on the direction and development of policy for information access and service in order to ensure the best support for teaching, learning and research;
- To contribute to the development and review of policies regarding the provision of library and information services;
- To facilitate communication and liaison between the Library and the academic units of the University;
- To advise the Director, Library Services, on the library requirements of the University;
- To report to the Academic Senate on significant Library initiatives;
- To consider and advise on such matters as the Academic Senate, the Vice-Chancellor, the Registrar, and the Director Library Services may refer it to.

#### THE ACADEMIC SENATE

##### Ex Officio

Vice-Chancellor  
Deans  
Registrar  
Director, University Library Services

##### Appointed:

One member of the staff of each School, nominated by the Dean (usually the Associate Dean (Academic) or equivalent)

##### Elected

One member of academic staff from each School, elected by the academic staff of the School. Any staff member holding at least a two year term appointment or a continuing appointment to be eligible for election.

##### Students

Two students to be appointed by Student Council, with a preference for an international/domestic and undergraduate/postgraduate mix.

##### 2005 Members

##### Office Bearers

Professor Laurence Boule - Chair  
Professor Gavin Finnie - Deputy Chair

##### Ex Officio

Gulcin Cribb  
Alan Finch  
Professor Robert Stable

##### Faculty of Business

Professor Garry Marchant - Dean  
Professor George Earl

##### Faculty of Health Sciences & Medicine

Professor Chris Del Mar - Dean  
Professor Debra Henly  
Professor Kuldip Bedi

##### Faculty of Humanities & Social Sciences

Professor Raoul Mortley - Dean  
Associate Professor Ann Cullen  
Associate Professor Phillip Fourie

##### Faculty of Law

Professor Duncan Bentley - Dean  
Associate Professor Michael Weir  
Associate Professor Jay Forder

##### Student Members

Sam Cochrane  
Jessica Woskett

##### Secretary

Karl Ashton

