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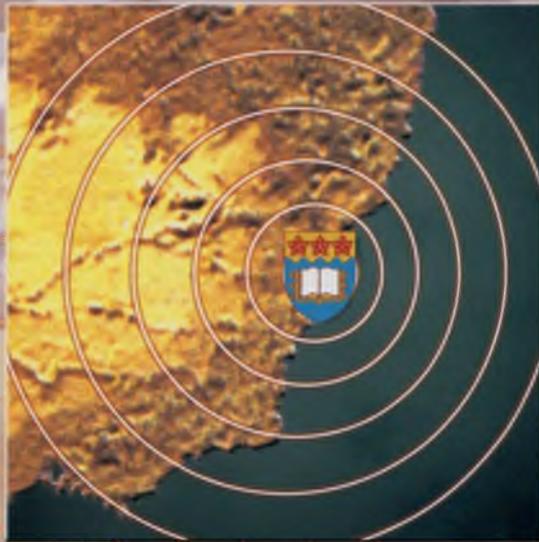
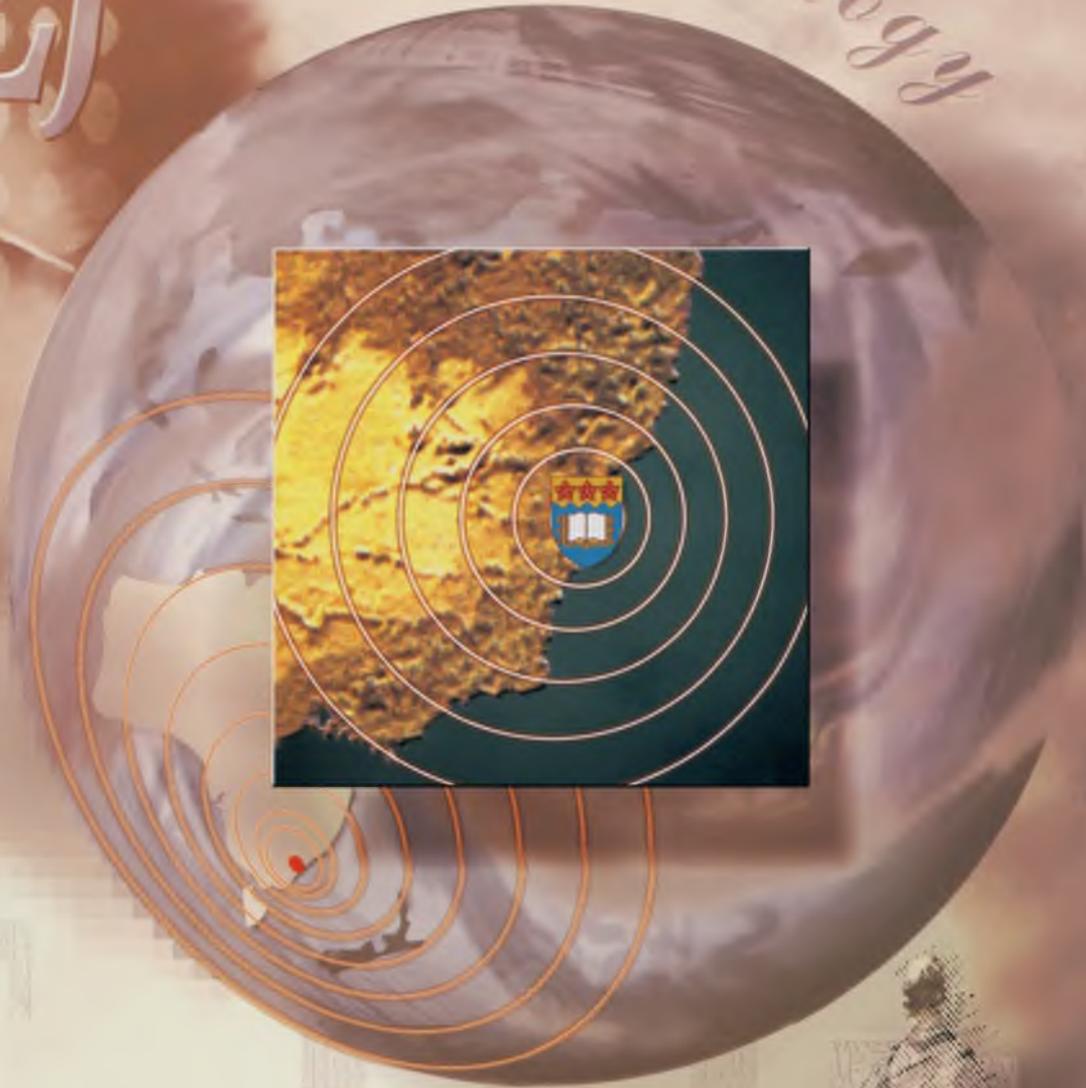
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Illawarra Technology Corporation Annual Report 1991-1992



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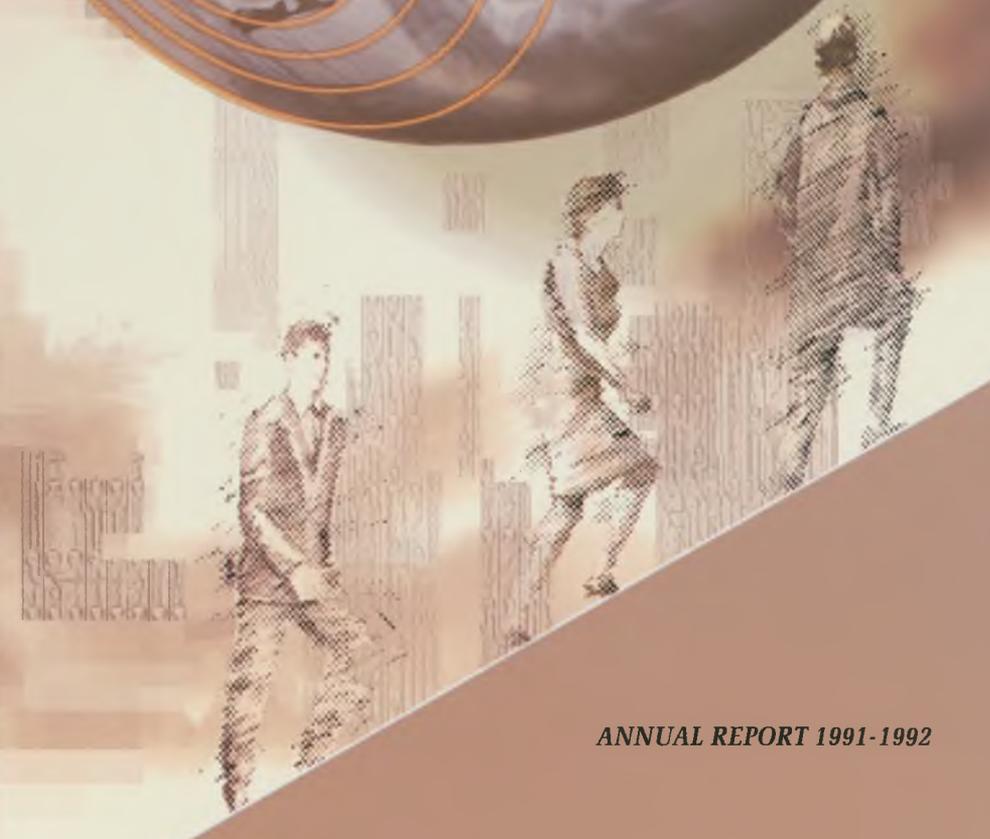
Technology



**The Illawarra Technology
Corporation Limited**

**The Research & Development Company
of the University of Wollongong**

ANNUAL REPORT 1991-1992







THE ILLAWARRA TECHNOLOGY CORPORATION LIMITED

THE ILLAWARRA TECHNOLOGY CORPORATION LIMITED

ANNUAL REPORT 1991-1992

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ANNUAL REPORT 1991-1992

The Illawarra Technology Corporation Limited is the research and development company of the University of Wollongong. It is a company limited by guarantee and shares, with 100 per cent of the shares being held by the Council of the University of Wollongong.

The Board of The Illawarra Technology Corporation Limited comprises senior representatives of industry and commerce, together with shareholder representatives.

History

The Corporation has grown in twelve years from the establishment in 1981 of UNIADVICE as a consulting division within The Friends of the University of Wollongong Ltd.

In 1984 The Illawarra Technology Centre Limited was established as an incubator facility for new technologies.

In 1987 UNIADVICE was established as a separate operating company, limited by guarantee.

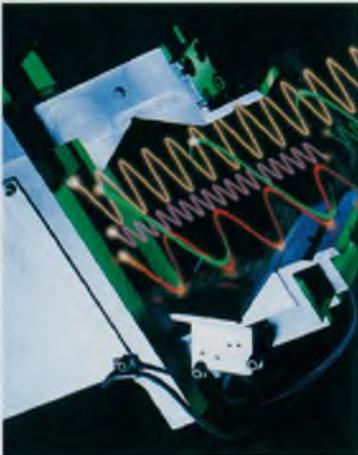
In 1990 the process began of winding up of subsidiary companies and establishing a single "umbrella" company, The Illawarra Technology Corporation Limited, which is limited by guarantee and shares. This process is now complete.

Mission Statement

The mission of The Illawarra Technology Corporation Limited is:

- ~ to become the leading Australian, university-based, self-supporting research and development company, by 1995;
- ~ to develop and coordinate value-added commercial activities in support of the research, teaching and student community of the University of Wollongong;
- ~ to contribute through those activities to the long-term development of the University and its services, both nationally and internationally.

The mission will be achieved through excellence in three strategic areas.



Research and Development

The planning, coordination and management of innovative research and development in the areas of technological application which will benefit the regional economy and enhance Australia's international competitiveness.

Consulting Services

The provision of expert, adaptable and internationally competitive consulting services, in all fields connected with economic, social and technological development.

Training and Education

The development and commercialisation of relevant training and educational services, which are responsive to changing market requirements and conditions.



Report of the Directors on Activities 1991-1992

The Directors are pleased to report a very encouraging year ending 30 June 1992, despite adverse economic conditions in Australia and abroad. The Corporation has undergone significant restructuring, with the winding up of all subsidiary companies and the reorganisation of all activities into divisions - a process which began during the previous financial year.

The financial accounts of the Corporation show an operating profit of \$224,000, before abnormal items. It is also pleasing to note that a modest increase in total turnover was achieved, from \$13.6 million in 1990-91 to \$14.4 million in 1991-92. This is particularly encouraging as several contracts for services will extend beyond the financial year under review.

However, the Directors must advise that revised accounting standards, changes to Section 294 of the Corporations Law, and the imminent necessity of consolidation of the Corporation's accounts by the University, have affected property valuation principles. Note twelve (12) to the accounts outlines the course of action necessary to be taken by the Directors to comply with the new legislative requirements. The resultant write-down of the building by \$2,200,149 is an abnormal item brought to account after broad consultation and thorough consideration of relevant factors. Over the past five years the Corporation has built and expanded the Illawarra Technology Centre on behalf of the University of Wollongong. The building resides on University land, and the University of Wollongong ultimately retains the benefit of the building. This application of valuation principles in no way diminishes any rights of the University to the benefits established.

The Illawarra Technology Centre was purpose-built, with clear tenancy criteria and strategies in mind. The building is fully let and reflects the advantages and diversity which result from such an innovative concept. Moreover, following the usual establishment phase, the building is now self-supporting, cash flow positive and an asset in every sense.

The University Council has resolved to make the Illawarra Technology Centre building an asset of the University, and steps have been taken to implement this decision.

The Board of the Corporation has also been restructured, and the former Deputy Chairman, Mr George Maltby, has been appointed Chairman of the Board. The Board noted with regret the resignation of the Vice-Chancellor and Principal of the University of Wollongong, Professor Ken McKinnon, as chairman of the Corporation.

The Directors wish to place on record the enormous debt the Corporation owes to Professor McKinnon for his outstanding contributions to its establishment and successful development. Professor McKinnon's vision



Mr G F Maltby
Chairman



Mr J W Langridge
Managing Director



Dr C Beare



Dr B S Gillett



Dr B Hickman

has seen the Illawarra Technology Corporation Limited grow from modest beginnings to the present situation where it is a well-respected, growing and profitable organisation, playing a significant role in the development of the University of Wollongong and as a business enterprise. The Directors are pleased that Professor McKinnon will remain as a Director.



Professor K R McKinnon

The Directors also wish to acknowledge the valuable contribution to the management of the organisation by the following Directors, who have relinquished their positions during the previous 12 months: Professor Gerard Sutton, Professor Gerry Freed, Professor Ron Johnston, Associate Professor Max Lowrey, Mr Jim Pearce and Mr John Peedom.



Mr G M Parker

The year ended 30 June 1992 has been a very difficult trading period, primarily due to the severe recession in Australia and most international economies. The Corporation's operating performance reflects the reduced levels of activity and demand for services in both the private sector and with government instrumentalities. Parts of the Corporation were restructured as a result of the current economic climate.



Mr R G Williams

Although the difficult trading climate is expected to continue for most of the 1992-93 financial year, the Directors believe the Corporation is well placed to capitalise on the consolidation process of the past year. The emphasis now on key areas of activity in the food industry, telecommunications and waste technology, should continue to see growth in turnover and net profit. The international activities of the Corporation, especially programs involving servicing of English language courses and Foundation Studies Programs on behalf of the University, continue to be in strong demand, and support the University, as the Shareholder, in achieving its international objectives.



Mr P M Beniuk
Company Secretary

The Corporation is also making good progress in marketing its capabilities to the major multilateral organisations, such as the World Bank, the Asian Development Bank, the United Nations Development Program and Australia's own Australian International Development Assistance Bureau.

The Board of Directors wishes to express its appreciation to the executive and staff of the Corporation for their loyalty and efforts during a difficult trading year. The Directors also wish to express their appreciation to the staff of the University of Wollongong and other external organisations who have rendered services to the Corporation during the year.

A handwritten signature in black ink, appearing to read 'G F Maltby'.

G F Maltby
Chairman

A handwritten signature in black ink, appearing to read 'J W Langridge'.

J W Langridge
Managing Director



Managing Director's Overview

The Illawarra Technology Corporation Limited continued to develop its role as a leader in research and development during 1991-1992, despite continuing economic difficulties in Australia. The Corporation posted an increase in turnover to \$14.4 million and an operating profit of \$224,000 before abnormal items, a very pleasing result.

The Corporation built on the process of consolidation which began in the previous financial year, and is now functioning as a streamlined, market-sensitive organisation. The basis of this consolidation was the decision in 1990 to structure the commercial activities of the University of Wollongong as divisions and establish a single, umbrella organisation. This process is now complete.

The Corporation continued to support the University of Wollongong in marketing its teaching and research expertise internationally.



Mr J W Langridge



Establishing a business organisation to give commercial direction to a university's intellectual endeavour is a courageous experiment in Australia. The development of business opportunities, strategic commercial alliances, and the commercialisation of intellectual property and facilities on behalf of the university is still a novel approach in this country.

Despite the high risks of such a venture, the Corporation has undertaken an active campaign to promote and market our comprehensive range of skills covering the three principal areas of endeavour - research and development, consultancy and training.

As an example, a task force was established in the second half of the year with the specific mandate to introduce a sales culture into the organisation. This follows an earlier decision to make the Corporation market-driven, rather than technology-pushed, and I am indebted to a number of chief executive officers for their support of this initiative. The work of the task force is expected to bear fruit during the next financial year.

The Corporation continued to support the University of Wollongong in marketing its teaching and research expertise internationally.

The Corporation is now registered with major multilateral organisations such as the Asian Development Bank, the World Bank, the United Nations Development Program, and the World Health Organisation, and has continued to promote its capabilities and those of the University in the areas of education, transport (particularly ports and shipping), health delivery systems, and the economic evaluation of agricultural technology and policy.

A major milestone in establishing the Corporation in international markets was the first sale of the pre-set line, developed for the airline catering industry, to an international airline in Asia. The project has been licensed to an Australian manufacturer, and is now being constructed in Brisbane. This is seen as a model for the development of intellectual property.

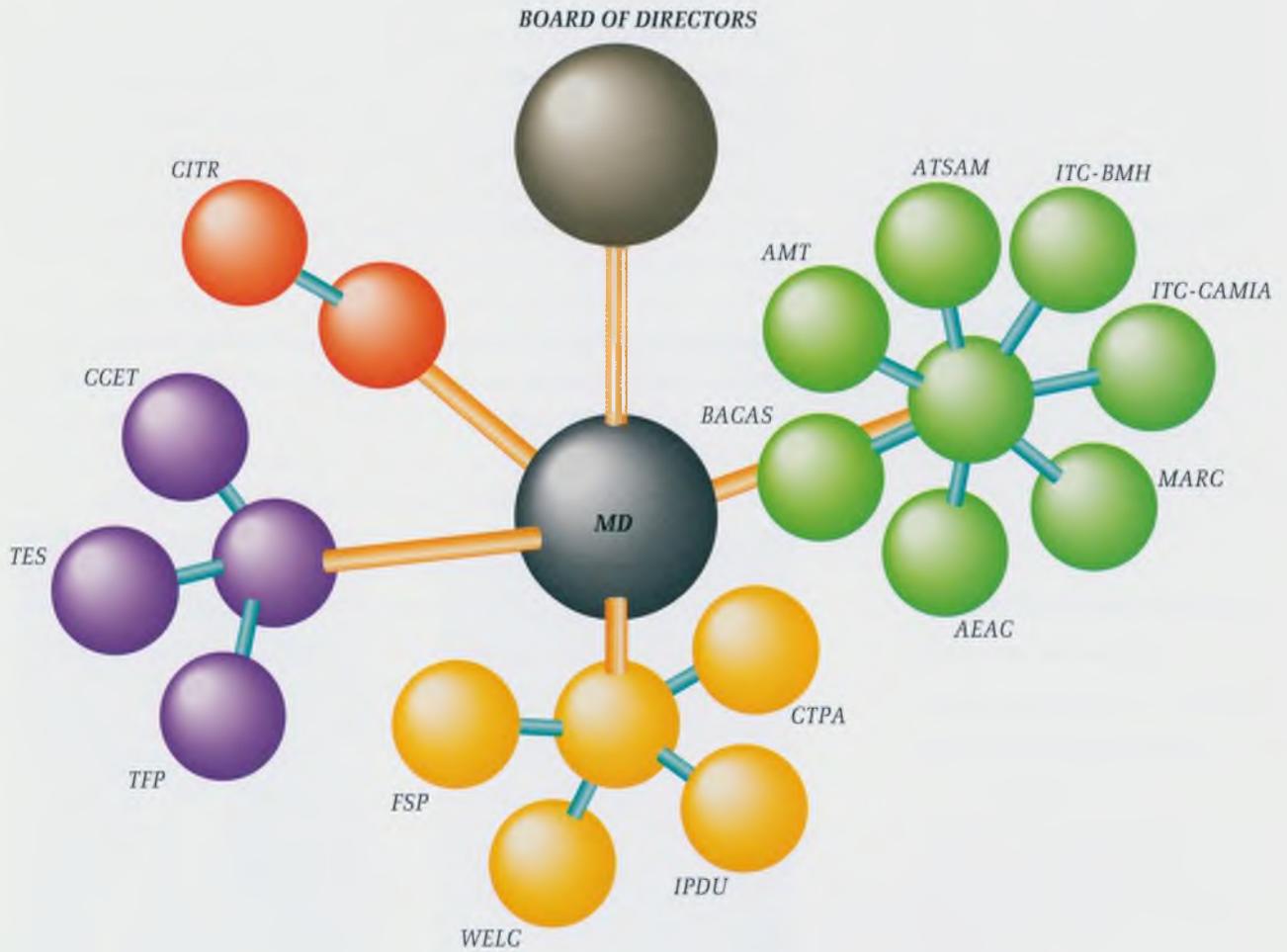
Despite the recession, the Corporation has continued to improve its position as a provider of high quality research and development, consulting and training services. The opportunity was taken during the year to strengthen activities which give the Corporation a distinct advantage in the marketplace, and special emphasis is being placed on marketing our services to the food industry, telecommunications and waste management sectors.

The year under review has been one of considerable achievement for the Corporation. We remain on target to achieve our goal of becoming Australia's leading university-based, self-supporting research and development company by 1995.

*We remain on target to achieve our goal
of becoming Australia's leading
university-based, self-supporting research
and development company by 1995.*



THE CORPORATION AT A GLANCE



International

- CTPA - Centre for Transport Policy Analysis
- FSP - Foundation Studies Program
- WELC - Wollongong English Language Centre
- IPDU - International Project Development Unit

Resources

- BACAS - Biological and Chemical Analytical Services
- AEAG - Automation and Engineering Applications Centre
- AMT - Advanced Manufacturing Technology
- ATSAM - Australian Training School for Advanced Manufacturing
- ITC-BMH - ITC Bulk Materials Handling
- MARC - Microwave Applications Research Centre
- ITC-CAMIA - ITC Centre for Advanced Manufacturing and Industrial Automation

■ MD - Managing Director

— Administration

Information Technology

- CITR - Centre for Information Technology Research

Training And Education

- CCET - Centre for Continuing Education and Training
- TES - Training and Education Services
- TFP - The Frameworks Project



For further information, contact:



***The Illawarra Technology
Corporation Limited***

*The Research & Development Company
of the University of Wollongong*

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