FINANCIAL REPORT

CONTENTS

FINANCIAL REPORT

ACT AUDITOR-GENERAL'S OFFICE

A09/56

Professor Ingrid Moses
Chancellor
University of Canberra
CANBERRA ACT 2601

Dear Professor Moses

AUDIT REPORT ON THE FINANCIAL STATEMENTS OF THE UNIVERSITY OF CANBERRA FOR THE YEAR ENDED 31 DECEMBER 2009

The Audit Office has completed the audit of the financial statements of the University of Canberra for the year ended 31 December 2009.

I am pleased to attach the audited financial statements and the **unqualified** audit report.

I have provided a copy of the audited financial statements and the audit report to the Minister for Education and Training, Mr Andrew Barr MLA.

Yours sincerely

T. Pham

Tu Pham
Auditor-General
23 April 2010

c.c. Professor Stephen Parker, Vice Chancellor
Mr Matt Easdown, Chief Financial Officer
Mr Greg Jones, Director, Audit and Governance
Ms Margaret Gillespie, Chair, Audit and Risk Management Committee

ACT AUDITOR-GENERAL'S OFFICE

INDEPENDENT AUDIT REPORT

UNIVERSITY OF CANBERRA

To the Members of the ACT Legislative Assembly

Report on the financial statements

I have audited the financial statements of the University of Canberra (the University) for the year ended 31 December 2009. The financial statements are comprised of the income statement, statement of comprehensive income, statement of financial position, statement of changes in equity, cash flow statement and accompanying notes.

Responsibility for the financial statements

The Council of the University is responsible for the preparation and fair presentation of the financial statements in accordance with the *University of Canberra Act 1989*. This includes responsibility for maintaining adequate accounting records and internal controls that are designed to prevent and detect fraud and error and for the accounting policies and estimates used in the preparation of the financial statements.

The auditor's responsibility

My responsibility is to express an independent audit opinion on the financial statements of the University based on my audit as required by the *University of Canberra Act 1989*.

The audit was conducted in accordance with Australian Auditing Standards to provide reasonable assurance that the financial statements are free of material misstatement.

I formed the audit opinion by performing audit procedures to obtain evidence about the amounts and disclosures in the financial statements. As these procedures are influenced by the use of professional judgement, selective testing of evidence supporting the amounts and other disclosures in the financial statements, inherent limitations of internal control and the availability of persuasive rather than conclusive evidence, an audit cannot guarantee that all material misstatements have been detected.

Although the effectiveness of internal controls is considered when determining the nature and extent of audit procedures, the audit was not designed to provide assurance on internal controls.

The audit is not designed to provide assurance on the prudence of decisions made by the University.

Electronic presentation of the audited financial statements

Those viewing an electronic presentation of these financial statements should note that the audit does not provide assurance on the integrity of information presented electronically and does not provide an opinion on any other information which may have been hyperlinked to or from this report. If users of the report are concerned with the inherent risks arising from the electronic presentation of information, they are advised to refer to the printed copy of the audited financial statements to confirm the accuracy of this electronically presented information.

Independence

I followed applicable independence requirements of Australian professional ethical pronouncements in conducting the audit.

Audit opinion

In my opinion, the financial statements of the University for the year ended 31 December 2009:

(i) are presented in accordance with the *University of Canberra Act 1989*, generally accepted accounting principles, Australian Accounting Standards and other mandatory financial reporting requirements in Australia; and

(ii) present fairly the financial position of the University as at 31 December 2009 and the results of its operations and its cash flows for the year then ended.

This audit opinion should be read in conjunction with the above information.

T. Pham

Tu Pham
Auditor-General
23 April 2010

UNIVERSITY OF CANBERRA

REPORT BY THE MEMBERS OF THE UNIVERSITY OF CANBERRA COUNCIL

FOR THE YEAR ENDED 31 DECEMBER 2009

In accordance with a resolution of the Council of the University of Canberra, being responsible for the preparation of the annual financial statements of the University and the judgements exercised in preparing it, we state that:

In our opinion, the following financial statements provide a true and fair view of the financial results of the University.

The financial statements have been prepared in accordance with the *Financial Management Act 1996* as amended by the *University of Canberra Act 1989*, Australian Accounting Standards and other mandatory professional reporting requirements.

In our opinion, at the time of this report there are reasonable grounds to believe that the University will be able to pay its debts as and when they fall due.

The amount of the Australian Government financial assistance expended during the reporting period was for the purpose for which it was intended and the University of Canberra has complied with applicable legislation, contracts, agreements and programme guidelines in making expenditure.

On behalf of the Council

Signed in Canberra this 23 day of April 2010

Professor Ingrid Moses
Chancellor

Professor Stephen Parker
Vice-Chancellor

UNIVERSITY OF CANBERRA

REPORT BY THE MEMBERS OF THE UNIVERSITY OF CANBERRA COUNCIL

FOR THE YEAR ENDED 31 DECEMBER 2009

Members of the University Council

Chancellor of the University
Ingrid Moses, DiplSozWirt Erlangen-Nürnberg, GradDipTertEd DDIAE-SQld, MA, PhD Qld, HonDLitt UTS, CSU-S, FACE, FSRHE, FACEL
Appointed to Council 1 January 2006. Reappointed 1 January 2008. Tenure expires 31 December 2010.

Deputy Chancellor
Bob Prosser, MA Oxon, FICAA, FICAEW, SA Fin - Appointed by Council from 2 October 2005 to 22 March 2007. Appointed by the Chief Minister 23 March 2007. Tenure expired 31 December 2009. Appointed Deputy Chancellor 5 December 2008.

Vice-Chancellor
Stephen Parker, LLB Newcastle UK, PhD Wales, Solicitor of the Supreme Court of England & Wales, Barrister and Solicitor ACT, Barrister-at-Law Qld - Appointment commenced 1 March 2007. Tenure expires 29 February 2012.

Chair, Academic Board
George Cho, AM, BA Malaya, MA Br Col, PhD, LLB ANU - Appointment commenced 1 January 2008. Current tenure expires 31 December 2010.

Appointed by the ACT Chief Minister
Tom Calma, AssocDipSocialWork SAIT - Appointed by the Chief Minister 21 October 2008. Tenure expires 20 October 2011.

Rosemary Follett, BA Admin Canberra CAE - Appointed by the Chief Minister 21 October 2008. Tenure expires 20 October 2011.

Margaret Gillespie - Appointed by the Chief Minister 21 October 2008. Tenure expires 20 October 2011.

Marion Reilly, BA Admin Canberra - Appointed by Chief Minister 26 March 2004. Reappointed by the Chief Minister 23 March 2007. Tenure expired 31 December 2009.

Sarah Ryan, BSc (Agric) (Hons), PhD W.Aust. GradDipDevelopmentStudies Deakin - Appointed by the Chief Minister 21 October 2008. Tenure expires 20 October 2011.

Sarah Schoonwater, BA(Econ) W'gong, LLB (Hons) UNE - Appointed by the Chief Minister 21 October 2008. Tenure expires 20 October 2011.

Maria Storti, BEc ANU, MBA Canberra, FCA, GAICD - Appointed by the Chief Minister 21 October 2008. Tenure expires 20 October 2011.

Elected by the Academic Staff
Dale Kleeman, BSc (Hons) ANU, GradDip OpRes Canberra CAE, AIAA - Elected to Council 27 September 2000; re-elected 27 September 2002, 2006 and 2007. Tenure expired 26 September 2009.

Greg Barrett, BAgrEc NE, MAgrEc ANU - Elected to Council 27 September 2009. Tenure expires 26 September 2011.

Elected by the General Staff
Stacey Durrell, BA Admin Canberra - Elected to Council 27 September 2005; re-elected 27 September 2007. Resigned 13 March 2009.

Luke Garner, GradCert Prof Dev Ed Canberra - Elected to Council 1 April 2009. Tenure expired 26 September 2009.

Mara Eversons, BEd Canberra - Elected to Council 27 September 2009. Tenure expires 26 September 2011.

Elected by the Students
Elizabeth (Liz) Bennett, Grad Cert Management SA, MBA SA - Elected to Council by undergraduate students on 27 September 2008. Tenure expired 26 September 2009.

Ikram Ullah - Elected to Council by postgraduate students 13 March 2009. Tenure expired 26 September 2009.

Geoffrey Wakeford - Elected to Council by undergraduate students 27 September 2009. Tenure expires 26 September 2010.

Rohan Goyne, BA Social Sciences, Canberra CAE, LLB Canberra, Graduate Diploma in Industrial Relations Canberra, Graduate Diploma in Legal Practice College of Law, Solicitor of the Supreme Court of the ACT - Elected to Council by postgraduate students 27 September 2009. Tenure expires 26 September 2010.

UNIVERSITY OF CANBERRA

REPORT BY THE MEMBERS OF THE UNIVERSITY OF CANBERRA COUNCIL

FOR THE YEAR ENDED 31 DECEMBER 2009

MEETINGS OF MEMBERS

The number of meetings of the members of the University of Canberra Council and of each board or committee meeting held during the year ended 31 December 2009, and the number of meetings attended by each member were:

	Board Meetings		Meetings of Committees: Audit and Risk Management		Finance		Nomination and Senior Appointments		Environment and Works		Legislation	
	A	B	A	B	A	B	A	B	A	B	A	B
Mr Greg Barrett	3	3			2	2						
Ms Liz Bennett	5	5			5	4						
Mr Tom Calma	8	5									2	2
Professor George Cho	8	8					3	3			2	2
Ms Stacey Durrell	1	1							1	1		
Ms Mara Eversons	3	2							2	2		
Ms Rosemary Follett	8	8					3	3	6	6		
Mr Luke Garner	4	3							3	2		
Ms Margaret Gillespie	8	7			7	7	3	2				
Mr Rohan Goyne	3	2	1	0							1	1
Mr Dale Kleeman	5	5	3	3	5	2			4	4		
Professor Ingrid Moses	8	8	4	3	7	5	3	3	6	3	2	2
Professor Stephen Parker	8	8			7	6	3	3	6	3	2	2
Mr Bob Prosser	8	7			7	7	3	3				
Ms Marion Reilly	8	8	4	3					6	5		
Dr Sarah Ryan	8	7							6	6		
Ms Sarah Schoonwater	8	6	4	2								
Ms Maria Storti	8	8	4	4	7	6						
Mr Ikram Ullah	4	4										
Mr Geoffrey Wakeford	3	2							2	2		

A = Number of meetings held during the time that the member held office or was a member of the committee during the year
B = Number of meetings attended

FINANCIAL REPORT

UNIVERSITY OF CANBERRA

REPORT BY THE MEMBERS OF THE UNIVERSITY OF CANBERRA COUNCIL

FOR THE YEAR ENDED 31 DECEMBER 2009

Introduction

The year under review was one of renewal and consolidation but also marked by strong growth in several areas. The year was the third of the five-year program aimed at re-making the University, and the strategic and operational initiatives of 2007 and 2008 led to strong student growth during the year which will allow the University to meet and exceed enrolment targets in 2010. The positive turn around in the financial results of the University in 2008, which resulted in an operating surplus of $0.2 million, continued in 2009 with an operating surplus of $1.7 million. The two major initiatives in 2009 were the introduction of the Academic Renewal program and the implementation of a revitalised capital works program, partly built on external grants won by the University from 2008. The largest single capital works project, the $11 million National Centre for Social and Economic Modelling (NATSEM) International Micro simulation Centre, commenced in August 2009.

As outlined below, numerous initiatives commenced in 2009 to strengthen the University and assure the University's prospects in the future. The benefits of initiatives in 2007 and 2008 also started to impact, especially in relation to a growth in student numbers and the University's increased ability to attract external grants.

Principal Activities

During the year the principal activities of the University and the consolidated entity (including the University of Canberra College Pty. Limited, UCU Ltd and NATSEM Pty. Ltd.) consisted of the:

- Provision of education to Australian and international students;
- Research and consulting activities;
- Hospitality and recreational services; and
- Service to the community.

There were no significant changes in the nature of the principal activities of the University and the consolidated entity during the year.

Review of Operations

The University commenced or completed the following major processes during 2009:

- The strategic planning exercise of 2007, which led to the adoption by the University Council in December 2007 of a new strategic plan (The University of Canberra's Thirty-Nine Steps) was augmented through the Step 40 strategy, endorsed by the Council in 2009. This strategy includes establishing strong links with nearby high schools and colleges and other external organisations to form the genesis of a whole-of-life educational experience and provide educational and learning opportunities on the Bruce campus of the University from early childhood education to 'third age' programs;
- The Step 40 strategy also included major initiatives in strengthening the diploma and pre-tertiary pathways to university courses, either through courses offered by UC College or examining other organisational structures in the registered training and vocational education sectors;
- The University devoted significant effort in expanding and strengthening strategic links with the ACT Government and the benefits of these developments were evident in the initiatives identified under the Step 40 strategy;
- The University embraced the Academic Renewal program designed to strengthen the research base of the University and thus enhance the learning experience of students at the University;
- The advantages flowing from the 2007-2008 review of administrative structures started to impact positively on administrative processes and enhanced the effectiveness and efficiency of many services and processes;

UNIVERSITY OF CANBERRA

REPORT BY THE MEMBERS OF THE UNIVERSITY OF CANBERRA COUNCIL

FOR THE YEAR ENDED 31 DECEMBER 2009

Review of Operations (Continued)

- The planning phase and implementation strategy for the new three-teaching period structure, to be implemented from 2010, was completed and the initial academic program for the first of the third teaching periods was finalised;
- A new enterprise agreement was finalised to form a basis for staff employment conditions into the future and underpin the Academic Renewal program, which forms an integral element of the University's strategy to establish a sustainable financial and academic foundation in a more competitive higher education environment;
- A campus master planning exercise, originally due to be completed in 2008 and designed to facilitate appropriate, sustained development of the University's campus, was completed in 2009 with the adoption of a new Master Plan for the University;
- The first stage of the construction of new student residences, comprising 300 of an eventual 520 beds, was completed in late 2008 and occupied from early 2009. Associated parking and landscaping projects were completed during 2009;
- major capital works and maintenance program was developed during 2009 and projects commenced from November 2009, including a redevelopment of part of the University Library; and
- The audit by the Australian Universities Quality Agency (AUQA) was completed in October 2008 and during 2009 the University finalised an implementation plan to allow it to respond to the recommendations contained in the AUQA report.

Also, during the year, as foreshadowed in previous annual reports, stronger collaborative links with the Australian National University were forged and these should provide strong benefits for both institutions.

Significant Changes in State of Affairs

The terms of two of the eight members of Council, appointed by the Chief Minister under section 11(1) (d) of the *University of Canberra Act 1989*, expired at the end of 2009. Two new members were appointed by the Chief Minister from I January 2010.

Four new staff and student members of Council were elected from September 2009.

Subsequent Events

At the time of signing the University's financial statements there are no significant subsequent events of a material nature to report.

Future Developments

The adoption of a new campus masterplan in 2009 will lead to significant development of the University campus, and improvements to teaching and research facilities. A significant capital works program has been initiated in 2009 through to 2011.

The University may initiate further strategies to support the Academic Renewal Program, which may lead to further enhancement of the research profile of the academic staff community of the University. The transfer of some human resource and payroll functions to external service providers during 2010 will mark the completion of the administrative review undertaken in 2008 and implemented during 2008 through 2010. The evaluation and monitoring of structures and functions is ongoing and further strategic and operational initiatives may be introduced during 2010.

UNIVERSITY OF CANBERRA

REPORT BY THE MEMBERS OF THE UNIVERSITY OF CANBERRA COUNCIL

FOR THE YEAR ENDED 31 DECEMBER 2009

Environmental Regulation

During the year, the University complied with ACT Government water restrictions. There are no other particular and significant environmental regulations affecting it under the Australian Government, State or Territory law.

Insurance of Employees

Members of Council and employees of the University of Canberra are insured to the limit of $10 million per claim against wrongful acts. For these purposes, such acts include: any actual or alleged breach of duty or trust, neglect, error, misstatement, misleading statement, omission, breach of warranty or authority, or other act done or attempted by, or other matter claimed against, any Council Members or Officers of the University, wherever and whenever while acting in their individual or collective capacities on behalf of the University.

Legal Proceedings

The University had the following insurance and legal matters pending as at 31 December 2009.

- A claim by a student to the ACT Discrimination Tribunal. The claim has not been progressed for some time;
- Proceedings for damages for injuries suffered to an infant at the University campus. The proceedings are currently being defended by the University and the claim is covered by the University's insurer, UniMutual;
- A claim by a former client in Pakistan relating to English language (IELTS) testing;
- A claim relating to the personal injury of a student due to a fall. The insurers have not assessed the prospects of the claim and proceedings have not been commenced; and
- A potential claim relating to the personal injury of an employee in the gymnasium. The insurers have not assessed the prospects of the claim.

No new legal proceedings commenced during 2009.

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

On behalf of the Council

Signed at Canberra this 23 day of April 2010

Stephen Parker

Professor Stephen Parker
Vice-Chancellor

UNIVERSITY OF CANBERRA

INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2009

	Notes	Consolidated 2009 $'000	Consolidated 2008 $'000	University 2009 $'000	University 2008 $'000
Income from continuing operations					
Australian Government financial assistance					
Australian Government grants	3(a), (c-g)	71,202	64,207	71,202	64,119
HECS-HELP- Australian Government receipts	3(b)	30,102	26,550	30,102	26,550
FEE-HELP - Australian Government receipts	3(b)	530	674	530	674
HECS-HELP - student receipts		7,109	6,479	7,109	6,479
State and Local Government financial assistance	4	955	2,034	955	2,034
Fees and charges	5	31,075	24,216	26,372	21,417
Investment revenue and income	6	2,750	872	2,655	812
Consultancies and research contracts	7	5,368	4,592	5,369	4,592
Other revenue	8	1,162	549	1,162	549
Other income	8	16,832	15,185	13,123	10,882
Total income from continuing operations		167,085	145,358	158,579	138,108
Expenses from continuing operations					
Employee related expenses	9	106,059	92,609*	101,471	88,303*
Depreciation and amortisation	10	9,800	9,980*	9,583	9,730*
Repairs and maintenance	11	1,973	1,063	1,971	1,062
Finance costs	12	175	88	175	88
Impairment losses	13	725	91	678	58
Investment loss	14	645	237	645	237
Other expenses	15	45,589	41,343	42,342	38,424
Total expenses from continuing operations		164,966	145,411*	156,865	137,903*
Operating surplus/(deficit)	28(c)	2,119	(53)*	1,714	205*

* The figures have changed from the audited 2008 statements. Please refer to Note 41: Correction of prior period errors for further details.
The above Income Statement should be read in conjunction with the accompanying notes.

UNIVERSITY OF CANBERRA

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2009

	Notes	Consolidated 2009 $'000	Consolidated 2008 $'000	University 2009 $'000	University 2008 $'000
Operating surplus/(deficit)	28(c)	2,119	(53)*	1,714	205*
Increase on revaluation of land, buildings and infrastructure	28(b)	26,582	-	26,582	-
(Decrement) on revaluation of library collection	28(b)	-	(3,881)	-	(3,881)
(Decrement) on revaluation of works of art	28(b)	(403)	-	(403)	-
Total comprehensive income		28,298	(3,934)*	27,894	(3,676)*

* The figures have changed from the audited 2008 statements. Please refer to Note 41: Correction of prior period errors for further details.
The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

UNIVERSITY OF CANBERRA

STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 31 DECEMBER 2009

	Notes	Consolidated 2009 $'000	Consolidated 2008 $'000	University 2009 $'000	University 2008 $'000
ASSETS					
Current assets					
Cash at bank and cash equivalents	16	9,866	10,627	6,524	9,015
Trade and other receivables	17	12,664	10,055	13,138	9,594
Other financial assets	18	134	81	134	81
Other non-financial assets	19	2,524	2,298	2,505	2,298
Total current assets		25,188	23,061	22,301	20,988
Non-current assets					
Investment property	21	7,039	7,662	7,039	7,662
Property, plant and equipment	22	292,457	253,474*	291,831	252,825*
Investments	20	1,770	847	2,394	847
Intangible assets	23	2,264	3,628	2,264	3,628
Total non-current assets		303,530	265,611*	303,528	264,962*
Total assets		328,718	288,672*	325,829	285,950*
LIABILITIES					
Current liabilities					
Trade and other payables	24	7,387	4,770	7,214	4,208
Borrowings	25	774	389	774	389
Provisions	26	17,025	16,217*	16,580	15,859*
Other financial liabilities	27	9,601	8,782	9,168	8,407
Total current liabilities		34,787	30,158*	33,736	28,863*
Non-current liabilities					
Borrowings	25	3,111	224	3,111	224
Provisions	26	1,861	1,643	1,826	1,614
Other financial liabilities	27	10,680	6,667	10,680	6,667
Total non-current liabilities		15,652	8,534	15,617	8,505
Total liabilities		50,439	38,692*	49,353	37,368*
Net assets		278,279	249,980*	276,476	248,583*
EQUITY					
Issued Capital	28(a)	1	-	-	-
Asset revaluation reserve	28(b)	227,233	201,054*	225,401	199,222*
Retained surplus	28(c)	51,045	48,926*	51,075	49,361*
Total Equity		278,279	249,980*	276,476	248,583*

* The figures have changed from the audited 2008 statements. Please refer to Note 41: Correction of prior period errors for further details.

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

FINANCIAL REPORT

UNIVERSITY OF CANBERRA

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2009

Consolidated

	Notes	Equity and reserves $'000	Retained surplus $'000	Total $'000
Balance at 1 January 2008				
Total equity at the beginning of the financial year		213,158	50,227	263,385
Net effect of correction of prior period errors	28(b),(c), 41	(8,223)*	(1,248)*	(9,471)
Revaluation decrement of library assets	28(b)	(3,881)	-	(3,881)
Operating surplus	28(c)	-	(53)*	(53)
Balance at 31 December 2008		201,054*	48,926*	249,980
Balance at 1 January 2009				
Total equity at the beginning of the financial year		201,054*	48,926*	249,980
Issued Capital - NATSEM	28(a)	1	-	1
Revaluation increment of land, buildings and infrastructure	28(b)	26,582	-	26,582
Revaluation decrement of works of art	28(b)	(403)	-	(403)
Operating surplus	28(c)	-	2,119	2,119
Balance at 31 December 2009		227,234	51,045	278,279

University

	Notes	Equity and reserves $'000	Retained surplus $'000	Total $'000
Balance at 1 January 2008				
Total equity at the beginning of the financial year		211,326	50,404	261,730
Net effect of correction of prior period errors	28(b),(c), 41	(8,223)*	(1,248)*	(9,471)
Revaluation decrement of library assets	28(b)	(3,881)	-	(3,881)
Operating surplus	28(c)	-	205*	205
Balance at 31 December 2008		199,222*	49,361*	248,583
Balance at 1 January 2009				
Total equity at the beginning of the financial year		199,222*	49,361*	248,583
Revaluation increment of land, buildings and infrastructure	28(b)	26,582	-	26,582
Revaluation decrement of works of art	28(b)	(403)	-	(403)
Operating surplus	28(c)	-	1,714	1,714
Balance at 31 December 2009		225,401	51,075	276,476

* The figures have changed from the audited 2008 statements. Please refer to Note 41: Correction of prior period errors for further details.
The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

UNIVERSITY OF CANBERRA

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2009

	Note	Consolidated 2009 $'000	Consolidated 2008 $'000	University 2009 $'000	University 2008 $'000
Cash flows from operating activities					
Australian Government grants		94,934	84,459	94,934	84,459
Other Commonwealth grants		2,203	2,455	2,203	2,455
State Government grants		955	2,034	955	2,034
HECS-HELP student payments		7,109	6,479	7,109	6,479
Receipts from student fees and other customers		57,110	45,712	46,808	37,075
Investment income		1,735	829	1,649	769
Total inflows		164,046	141,968	153,658	133,271
Payments to suppliers and employees		(151,718)	(133,113)	(142,532)	(124,785)
Interest and other costs of finance paid		(175)	(88)	(175)	(88)
Total outflows		(151,893)	(133,201)	(142,707)	(124,873)
Net cash provided by operating activities	35(b)	12,153	8,767	10,951	8,398
Cash flows from investing activities					
Proceeds from sale of property, plant, equipment		19	83	19	73
Payments for property, plant, equipment		(12,737)	(3,674)	(12,593)	(3,603)
Net cash (used in) investing activities		(12,718)	(3,591)	(12,574)	(3,530)
Cash flows from financing activities					
Proceeds on borrowings		(1,167)	5,834	(1,167)	5,835
Repayments of borrowings/Lease		(75)	(115)	(75)	(115)
Net cash (used in)/provided by financing activities		(1,242)	5,719	(1,242)	5,720
Net (decrease)/increase in cash and cash equivalents		(1,806)	10,895	(2,865)	10,588
Cash and cash equivalents at the beginning of the year*		11,011	(555)	8,728	(1,860)
Cash at bank and cash equivalents at the end of the year	35(a)	9,205	10,340	5,863	8,728
Financing arrangement - CGS Grant Advance	27(c)	6,667	10,834	6,667	10,834
Financing arrangement - Cash advance and bank overdraft facilities	25(a)	3,661	287	3,661	287
Non-cash financing and investing activities	25(a)	224	327	224	327

* Cash and cash equivalents at the beginning of the year includes NATSEM opening balance.

The above Cash Flow Statement should be read in conjunction with the accompanying notes.

UNIVERSITY OF CANBERRA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2009

Note 1. Summary of significant accounting policies

(a) Statement of compliance

The financial statements are general purpose financial statements and have been prepared and are presented in accordance with:

1. *The Financial Management Act 1996* as amended by the *University of Canberra Act 1989*;
2. The Financial Statement Guidelines for Australian Higher Education Providers for the 2009 Reporting Period issued by the Australian Government Department of Education, Employment and Workplace Relations (DEEWR); and
3. Accounting standards including Australian equivalents to International Financial Reporting Standards ('AIFRS'). Compliance with AIFRS ensures that the financial statements and notes of the University and the Group comply with International Financial Reporting Standards ('IFRS').

(b) Basis of preparation

The financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise specified.

(c) Critical accounting estimates and judgements

The preparation of these financial statements in conformity with 'AIFRS' requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the University's accounting policies. The areas involving a high degree of judgement, or areas where assumptions and estimates are significant to the financial statements are disclosed below.

The resulting accounting estimates will, by definition, seldom equal the related actual results. These estimates and assumptions have been based on the most current information available.

Significant accounting estimates and judgements are disclosed below:

1. Trade and student receivables – Allowance for impairment losses
   The University has made a significant judgement in calculating the allowance for impaired receivables. The allowance is based on objective evidence of each receivable. Where the receivable is assessed as unlikely to be collected, it is then written off or a provision is provided for a subsequent write-off.
2. Plant and equipment – Depreciation
   Note 1(h): 'Property, Plant and equipment' discloses that plant and equipment are systematically depreciated over their estimated useful lives. The estimated useful lives of plant and equipment are re-assessed every year and adjusted when conditions and other factors affecting the useful lives warrants an adjustment to useful lives and the depreciation rate.
3. Impairment
   Note 1(j): 'Impairment' discloses that the assets are regularly assessed for impairment. If the assessment indicates that an asset is impaired, then an assessment of that asset's recoverable amount is estimated to determine whether an impairment loss should be recognised.
4. Investments
   Note 1(o): 'Investments' discloses that the investment in the Centre for Customs and Excise Studies (CCES) is measured at fair value. The fair value of this equity investment has been estimated based on the proportion of the University's interest in the underlying net assets of the CCES.
5. Public Private Partnerships (PPP)
   A significant accounting estimate and judgement has been made in regard to a Public Private Partnerships, please refer to Note:1(z): Public Private Partnerships for further details.

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UNIVERSITY OF CANBERRA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2009

Note 1. Summary of significant accounting policies (continued)

(d) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the University and entities controlled by the University (subsidiaries include, the University of Canberra College Pty Limited (the College), UCU Ltd and the National Centre for Social and Economic Modelling (NATSEM). Together with the University these entities are referred to as 'the Group' in the financial statements). Control is achieved where the University has the power to govern the financial and operating policies of an entity so as to obtain benefits from the Group's activities.

The result of the subsidiary (NATSEM) acquired during the year are included in the consolidated income statement from the effective date of acquisition (16 September 2009).

All inter-group transactions, balances, income and expenses are eliminated in full on consolidation. Where necessary, adjustments are made to the financial statements of the subsidiaries to bring their accounting policies into line with those used by other members of the group. Note that some amounts in the consolidated column may be lower than those in the University column after inter-entity transactions are eliminated.

(e) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable.

The revenue described in this note is revenue relating to the core operating activities of the University.

1. Australian Government financial assistance

   Government financial assistance is recognised as income, based on AASB 1004 – Accounting for Government Grants, when the University obtains the control of the grant; it is probable that the economic benefits comprised in the grants will flow to the University; and the amount of receipts can be measured reliably. (Refer 1(f) Financial Assistance Income below).

2. Fees and charges

   Fees and charges are recognised as income when the University obtains the control of the fees and charges; it is probable that the economic benefits comprised in the fees and charges will flow to the University; and the amount of receipts can be measured reliably.

3. Interest revenue.

   Interest revenue is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable at that time.

4. Consultancy and contract revenue.

   Consultancy and contract revenue is recognised as income when the outcome of the contract/consultancy can be estimated reliably.

5. Other revenue and income.

   Revenue from the disposal of non-current assets is recognised when control of the asset has passed to the buyer.

   Goods or services received free of charge that is non-reciprocal transfers, are recognised as revenue when and only when a fair value of the service can be reliably determined.

   Revenue from sale of goods and services is recognised upon the delivery of those goods or services to students and customers.

Note 1. Summary of significant accounting policies (continued)

(f) Financial assistance income – Australian Government financial assistance, higher education contribution scheme, State Government financial assistance and other research financial assistance and contracts

Financial assistance from Commonwealth, State and Local Government agencies for the current year is recognised in the income statement as income on receipt. However, in 2008 and in 2009 the University negotiated to receive future year grants in advance to cover any short term cash flow shortages. Each year these receipts have been treated as advance income but it will be recognised as income when it is probable that the economic benefits associated with the transaction will flow to the University.

To meet the requirements of DEEWR, information regarding the amounts received, accrued and expended pursuant to the *Higher Education Funding Act 1988* is disclosed in Note 40 – 'Acquittal of Australian Government financial assistance' of the financial statements. This treatment is consistent with revenue recognition described in Note 1(e) Revenue recognition above.

(g) Investment property

Carrying Value
The investment property, which is property held by the University, at Hayden Drive to earn rentals and for capital appreciation is measured initially at cost, including transaction costs. Subsequent to initial recognition, investment property is measured at fair value. Gains and losses arising from changes in the fair value of investment property are included in the income statement in the period in which they arise. The fair value of investment property is determined by an independent valuation by the Australian Valuation Office (AVO) every three years.

(h) Property, plant and equipment

Land and buildings held for providing services, or for administrative purposes, are carried in the statement of financial position at fair value. Fair value is determined on the basis of an independent valuation prepared by external valuation experts, the Australian Valuation Office. Revaluations are performed every three years on land and buildings, infrastructure, works of art and library collections to keep them at fair value. Any revaluation increase arising on the revaluation of land and buildings is recognised in other comprehensive income and transferred to the revaluation reserve, except to the extent that it reverses the revaluation decrease for any of the assets previously recognised as an expense in the income statement, in which case the increase is credited to the income statement to the extent of the decrease previously charged. A decrease in carrying amount arising on the revaluation of on land and buildings, infrastructure, works of art is charged as an expense in the income statement. However to the extent that it exceeds the balance, if any, held in the revaluation reserve relating to previous revaluation of those assets, the decrease reduces the revaluation reserve and is recognised in other comprehensive income.

Motor vehicles, computing equipment and plant and equipment are stated at cost less accumulated depreciation and impairment.

Work in progress is stated at cost. Cost includes expenditure that is directly attributable to the construction of the asset. Assets under construction are capitalised with reference to the stage of completion.

The gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the income statement.

Threshold
The threshold to capitalise property, plant and equipment is $5,000 and software is $100,000. For computers and works of art, no threshold applies.

UNIVERSITY OF CANBERRA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2009

Note 1. Summary of significant accounting policies (continued)

(i) Depreciation and amortisation

Depreciation is provided on property, plant and equipment, infrastructure, library reference collection but excluding land and works of arts. Depreciation is calculated on a straight-line basis so as to write-off the net cost or revalued amount of each asset over the expected useful life to each asset's estimated residual value. The estimated useful lives, residual values, depreciation rates and methods are reviewed annually and, where changed, will be accounted as a change in accounting estimate. Where depreciation rates or methods are changed, the net written down value of the asset is depreciated from the date of the change in accordance with the new depreciation rate or method. Depreciation recognised in prior financial years will not be changed, that is the change in depreciation rate or method shall be accounted for on a prospective basis.

Assets under finance lease are amortised over their expected useful lives on the same basis as the University owned assets.

The following useful lives are used in the calculation of depreciation:

	Years
Buildings	4 to 50
Plant and equipment	4
Motor vehicles	4
Computing equipment	3
Infrastructure	7 to 50
Library reference collections	10
Software	5

The amortisation and depreciation charges are disclosed in Note 10 Depreciation and amortisation.

(j) Impairment

At each reporting date, the University assesses whether any assets are impaired. If there is an indication of impairment, then an estimate of the recoverable amount will be made. Any resulting impairment loss is recognised immediately in the income statement. However, where assets are carried at fair value the impairment loss is recognised as a decrease to the asset revaluation reserve. Where the impairment loss is greater than the balance in the asset revaluation reserve, the difference is expensed in the income statement. Also, the carrying amount of the asset is reduced to the asset's recoverable amount.

An impairment loss is the amount by which the carrying amount of an asset (or a cash-generating unit) exceeds the asset's recoverable amount. The recoverable amount is the higher of 'fair value less the costs to sell' and asset's 'value in use'. For the University an asset's 'value in use' is the depreciated replacement cost.

(k) Provisions

Provisions are recognised when the University has a legal, equitable or constructive obligation to make a future sacrifice of economic benefits to other entities as a result of past transactions or other past events, it is probable that a future sacrifice of economic benefits will be required and a reliable estimate can be made of the amount of obligations.

(l) Employee benefits

Liabilities for salaries are recognised in employee benefits in respect of employee's services recognised at the reporting date to the extent that the liabilities have not been settled.

These liabilities are classified as 'short-term employee benefits' and they are due within twelve months of balance date and are therefore measured at their nominal value. The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability.

UNIVERSITY OF CANBERRA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2009

Note 1. Summary of significant accounting policies (continued)

(l) Employee benefits (continued)

Leave
The liability for employee benefits includes provision for annual leave and long service leave. No provision has been made for sick leave as all sick leave is non-vesting and the average sick leave taken in future years by the employees of the University is estimated to be less than the annual entitlement for sick leave.
The leave liabilities are calculated on the basis of employees' remuneration including on-costs at the estimated salary rates that will apply at the time the leave is taken, including the University's employer superannuation contribution rates to the extent that the leave is likely to be taken during service rather than paid out on termination

Long Service Leave
The long service liabilities are measured at the present value of future cash outflows to be made in respect of services rendered by the employees up to the reporting date.

The liability for long service leave has been determined by reference to the work of an actuary as at 31 December 2009. The University uses the work of an actuary every three years. The estimate of the present value of the liability takes into account on-costs, attrition rates and pay increase through promotion and inflation. During the intervening years the short-hand methodology supplied by the Actuary will be used to value the long service liability.

Long service leave liability is classified as current in the statement of financial position when a legal obligation to pay long service leave to an employee within twelve months exists at the reporting date, otherwise it is classified as non-current.

(m) Superannuation

The University has no liability for superannuation benefits. All superannuation obligations are covered by the external service providers, including all defined benefit options. Further explanation of the University's superannuation arrangements are as follows:

(1) Background.

The UniSuper Defined Benefit Division (DBD) is a defined benefit plan under Superannuation Law but, as a result of Clause 34 of the UniSuper Trust Deed, a defined contribution plan under Accounting Standard AASB 119 Employee Benefits.

(2) Financial Position.

As at 30 June 2009, the assets of the DBD in aggregate were estimated to be $1,396 million in deficiency of vested benefits. The vested benefits are benefits which are not conditional upon continued membership (or any factor other than leaving the service of the participating institution) and include the value of CPI indexed pensions being provided by the DBD.

As at 30 June 2009, the assets of the DBD in aggregate were estimated to be $39 million in deficiency of accrued benefits. The accrued benefits have been calculated as the present value of expected future benefit payments to members and CPI indexed pensioners which arise from membership of UniSuper up to the reporting date.

The vested benefit and accrued benefit liabilities were determined by the Fund's actuary, Russell Employee Benefits, using the actuarial demographic assumptions outlined in their report dated 12 June 2009 on the actuarial investigation of the DBD as at 31 December 2008. The financial assumptions used were:

	Vested Benefits	Accrued Benefits
Gross of tax investment return	7.25 % p.a.	8.50 % p.a.
Net of tax investment return	6.75 % p.a.	8.00 % p.a.
Consumer Price Index	2.75 % p.a.	2.75 % p.a.
Inflationary salary increases long term	3.75 % p.a.	3.75 % p.a.

Assets have been included at their net market value, i.e. allowing for realisation costs.

UNIVERSITY OF CANBERRA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2009

Note 1. Summary of significant accounting policies (continued)

(n) Trust funds

Funds administered by the University in respect of scholarships and certain research activities are accounted for as trust funds and are reported in Note 37 Assets and liabilities of trusts for which the University of Canberra is a trustee.

(o) Investments

All investments are brought to account at fair value except for investments held with the Centre for the Customs and Excise Studies (CCES) as at 31 December 2009. All investments are in accordance with the powers given to the University under Section 7(2) (n) of the *University of Canberra Act 1989*.

The University holds a 25% investment in the CCES. This year the current value of this investment has been adjusted to reflect the fair value based on the entity's underlying net asset position as at 31 December 2009.

(p) Insurances

The University has insurance cover in relation to a variety of risk exposures including property loss and damage, public liability, professional indemnity and limited personal accident cover for students.

Workers' compensation, safety and rehabilitation are administered through the Commission for the Safety, Rehabilitation and Compensation of Commonwealth Employees (COMCARE).

(q) Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash net of any bank overdraft. Cash includes cash on hand, cash at bank, deposits held at call and money market investments which can be readily converted to cash and are subject to an insignificant risk of changes in value except on bank overdraft. The University currently has access to an undrawn overdraft facility of $17m ($21m 2008).

(r) Trade & other receivables

Trade and other receivables that have fixed and determinable payments that are not quoted in the active market are classified as receivables. The receivables are measured at amortised cost that is original invoice amount less an allowance for impairment loss. An allowance for impairment losses is made when there is objective evidence that as a result of one or more events that occurred after the initial recognition of the financial asset the estimated future cash flows of the investment have been impacted.

(s) Payables

Supplier and other payables are recognised at amortised cost. Liabilities are recognised to the extent that the goods or services have been received (and irrespective of having been invoiced).

(t) Borrowings

All loans are measured at amortised cost. Interest is recognised at the effective interest rate.

UNIVERSITY OF CANBERRA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2009

Note 1. Summary of significant accounting policies (continued)

(u) Advances

Advances category in the financial statements includes:

Commonwealth Grant Scheme (CGS) advance

Any negotiated special purpose payments from the Department of Education, Employment and Workplace Relations (DEEWR) are shown as advances in the statement of financial position. These advances are adjusted against funding receivable from DEEWR in subsequent years; and

Advances

Fees received from students before the commencement of a new semester are treated as Advances. Advances will be recognised as revenue when:

The revenue and transaction costs incurred can be reliably measured; and

It is probable that the economic benefits associated with the transaction will flow to the University.

(v) Other entities

Under separate contractual agreements, the University makes annual partner contributions to three Cooperative Research Centres (CRCs). The University does not receive any financial benefit from these CRCs hence contributions are treated as expense.

(w) Comparative figures

The comparatives figures are reclassified to facilitate a comparison with the current year's presentation.

(x) Economic dependency

The normal operating activities of the University are dependent on appropriation of monies from the Australian Government.

(y) Rounding

Amounts in the financial statements and notes have been rounded. The multiple levels of rounding may cause the displayed numbers or summations to be out by one or two units.

(z) Public Private Partnerships (PPP)

In 2007, the University of Canberra entered into a thirty year lease agreement at a peppercorn rental with a private company Campus Living Villages to fully fund, manage and construct a new student accommodation building. The Building will revert to University of Canberra at the end of the lease, with Campus Living Villages to manage the complex and collect all rentals during the term of the lease.

The University retains all the risks and rewards of ownership to the underlying student accommodation land. Therefore the lease over the land will be treated as an operating lease. The fair value of the land is included in the University's property, plant and equipment.

The University does not have the significant risks and rewards in relation to the newly constructed student accommodation during the PPP concession period. The University does however have a right to receive the residual value of the building (significant risks and rewards) at the end of the period.

To better reflect the substance of the transaction the fair value of the right to receive the building has been included in the University's property, plant and equipment; however it will not be depreciated, as the asset is not in a state ready for use by the University. The University has also recorded the corresponding deferred income for the receipt of the building. This deferred income will be recognised in the income statement on a straight line basis over the lease term.

The University estimates that the fair value of the student accommodation at the end of the concession period will be $8.5 million. The fair value was determined by independent valuation (CBRE Valuation & Advisory Service) and takes into account the discounted cash flows of rental receipts in perpetuity at a discount rate of 9%. In adopting a 9% discount rate, the University has had regard to current discounts rates for investment properties of 8% and added a premium to reflect the length of time.

UNIVERSITY OF CANBERRA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2009

Note 2. Disaggregated information

The University is located in the Australian Capital Territory and operates primarily in Australia to provide tertiary education at undergraduate and postgraduate levels.

The consolidated financial statements state the outcomes of the University that operates primarily in a single industry and two geographic segments, being the provision of higher education services in Australia and Asia.

	Revenue		Results		Assets	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Geographical						
Australia	165,558	143,417	2,097	(52)*	328,718	288,672
Asia	1,527	1,941	22	(1)*	-	-
	167,085	145,358	2,119	(53)*	328,718	288,672

* The figures have changed from the audited 2008 statements. Please refer to Note 41: Correction of prior period errors for further details.

UNIVERSITY OF CANBERRA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2009

Note 3. Australian Government financial assistance including HECS-HELP and FEE-HELP Government loan programmes

	Notes	Consolidated 2009 $'000	Consolidated 2008 $'000	University 2009 $'000	University 2008 $'000
(a) Commonwealth Grants Scheme and Other Grants	40.1				
Australian Scheme for Higher Education Repositories		189	255	189	255
Commonwealth Grants Scheme#		47,847	42,071	47,847	42,071
Commercialisation Training Scheme		30	26	30	26
Diversity & Sturctural Adjustment Fund		753	677	753	677
Higher Education Equity Support Programs+		128	177	128	177
Improving the Practical Component of Teacher Education Program		301	418	301	418
Implementation Assistance Program		76	72	76	72
Indigenous Support Program		312	311	312	311
Learning and Teaching Performance Fund		551	1,929	551	1,929
Superannuation Program		323	392	323	392
Transitional Cost Program		370	852	370	852
Workplace Reform Program		629	601	629	601
Workplace Productivity Program		1,112	1,305	1,112	1,305
Total Commonwealth Grants Scheme and Other Grants		52,621	49,086	52,621	49,086
(b) Higher Education Loan Programs	40.2				
HECS-HELP		30,102	26,550	30,102	26,550
FEE-HELP		530	674	530	674
Total Higher Education Loan Programs		30,632	27,224	30,632	27,224
(c) Learning Scholarships	40.3				
Australian Postgraduate Awards Scheme		590	461	590	461
Commonwealth Education Cost Scholarships		415	402	415	402
Commonwealth Accommodation Scholarships		755	683	755	683
International Postgraduate Research Scholarship Scheme		97	134	97	134
Indigenous Access Scholarships		79	73	79	73
National Accommodation Scholarships		212	-	212	-
National Priority Scholarships		44	-	44	-
Total Scholarships		2,192	1,753	2,192	1,753
(d) Commonwealth Research	40.4				
Institutional Grants Scheme		1,557	1,605	1,557	1,605
Research Infrastructure Block Grants		455	478	455	478
Research Training Scheme		2,611	2,575	2,611	2,575
Total Commonwealth Research Grants		4,623	4,658	4,623	4,658
(e) Other Capital Funding	40.5				
Better Universities Renewal Funding		-	4,694	-	4,694
Teaching and Learning Capital Funding		5,442	-	5,442	-
Microsimulation Centre Capital Funding		2,700	-	2,700	-
Total Other Capital Funding		8,142	4,694	8,142	4,694
(f) Australian Research Council					
(i) Discovery	40.6(i)				
Projects		667	653	667	653
Total Discovery		667	653	667	653
(ii) Linkage	40.6(ii)				
Projects		503	819	503	819
Total Linkages		503	819	503	819
(iii) Linkage - Infrastructure	40.6(iii)				
Projects		150	-	150	-
Total Linkage- Infrastructure		150	-	150	-
(iv) Future - Fellowship	40.6(iv)				
Projects		101	-	101	-
Total Future - Fellowship		101	-	101	-
Total Australian Research Council		1,421	1,472	1,421	1,472

Includes the basic Commonwealth Grant Scheme grant amount and Commonwealth Grant Scheme-Enabling Loading.
+ Includes amounts for Higher Education Equity Support Programme, Additional Support for Students with Disabilities and Disability Performance Funding.

UNIVERSITY OF CANBERRA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2009

Note 3. Australian Government financial assistance including HECS-HELP and other Australian Government loan programmes (Continued)

	Consolidated		University	
	2009	2008	2009	2008
	$'000	$'000	$'000	$'000
(g) Other Australian Government financial assistance				
Attorney-General's Department	-	40	-	40
Austrade	-	88	-	-
Australian Antarctic Division	25	24	25	24
Australian Centre for International Agricultural Research	301	364	301	364
Australian Federal Police	49	60	49	60
Australian Public Service Commission	5	5	5	5
Caring for our Country	-	36	-	36
Centrelink	15	-	15	-
Commonwealth Scientific and Industrial Research Organisation	15	-	15	-
Defence Science and Technology Organisation	7	96	7	96
Department of Agriculture, Fisheries and Forestry	10	10	10	10
Department of Broadband, Communications and the Digital Economy	10	-	10	-
Department of Education, Employment and Workplace Relations	237	309	237	309
Department of Families, Housing, Community Services and Indigenous Affairs	30	10	30	10
Department of Finance and Deregulation	20	10	20	10
Department of Health and Ageing	36	10	36	10
Department of Immigration and Citizenship	20	-	20	-
Department of Innovation, Industry, Science and Research	115	-	115	-
Department of the Treasury	20	-	20	-
Family Court of Australia	-	10	-	10
Land and Water Resources Research and Development Corporation	44	-	44	-
Murray Darling Basin Commission	1	156	1	156
National Archives of Australia	7	8	7	8
National Health and Medical Research Council	1,099	854	1,099	854
National Portrait Gallery	7	-	7	-
National Water Commission	105	268	105	268
Productivity Commission	15	185	15	185
Rural Industries Research and Development Corporation	10	-	10	-
Total other Australian Government financial assistance	2,203	2,543	2,203	2,455
Total Australian Government financial assistance	101,834	91,430	101,834	91,342

FINANCIAL REPORT

UNIVERSITY OF CANBERRA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2009

Note 3. Australian Government financial assistance including HECS-HELP and other Australian Government loan programmes (Continued)

	Consolidated		University	
	2009	2008	2009	2008
	$'000	$'000	$'000	$'000
Reconciliation				
Australian Government Grants (a + c + d + e + f +g)	71,202	64,206	71,202	64,118
HECS -HELP - Australian Government Payments	30,102	26,550	30,102	26,550
FEE-HELP - Australian Government Payments	530	674	530	674
Total Australian Government financial assistance	101,834	91,430	101,834	91,342
(h) Australian Government Grants received				
Commonwealth Grant Scheme and Other Grants	52,621	49,086	52,621	49,086
Higher Education Loan Programmes	30,632	27,223	30,632	27,223
Scholarships	2,192	1,755	2,192	1,755
Commonwealth research	4,623	4,658	4,623	4,658
Other Capital Funding	8,142	4,694	8,142	4,694
Australian Research Council Grants - Discovery	667	653	667	653
Australian Research Council Grants - Linkages	503	819	503	819
Australian Research Council Grants -Infrastructure	150	-	150	-
Australian Research Council Grants - Fellowship	101	-	101	-
Other Australian Government Grants	2,203	2,543	2,203	2,454
Total Australian Government Grants received-cash basis	101,834	91,430	101,834	91,342
Overseas Study-HELP (Net)	(184)	15	(184)	15
Total Australian Government funding received	101,650	91,445	101,650	91,357

UNIVERSITY OF CANBERRA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2009

Note 4. State and Local Government financial assistance

	Consolidated		University	
	2009	2008	2009	2008
	$'000	$'000	$'000	$'000
Australian Capital Territory	314	673	314	673
South Australia	15	10	15	10
New South Wales	521	1,222	521	1,222
Queensland	53	52	53	52
Northern Territory	1	-	1	-
Victoria	51	77	51	77
Total State and Local Government financial assistance	955	2,034	955	2,034

Note 5. Fees and charges

Course fees and charges

Continuing education	5,707	3,695	918	821
Fee-paying overseas students	19,597	16,802	19,597	16,802
Fee-paying domestic postgraduate students	1,285	175	1,285	175
Fee-paying domestic undergraduate students	170	206	170	206
Fee-paying domestic non-award students	37	45	37	46
Total course fees and charges	26,796	20,923	22,007	18,050

Non-course fees and charges

Student accommodation charges	61	114	139	189
Other	4,218	3,179	4,226	3,178
Total non-course fees and charges	4,279	3,293	4,365	3,367
Total fees and charges	31,075	24,216	26,372	21,417

Note 6. Investment revenue and income

Investment revenue

Bank account interest	54	58	7	23
Bank bill interest	505	587	458	561
Call account interest	109	183	108	184
Student loan interest	-	1	-	1
Dividends received	1,075	-	1,075	-
Total investment revenue	1,743	829	1,648	769

Investment income

Increase in fair value - shares	1,007	43	1,007	43
Total investment income	1,007	43	1,007	43
Total investment revenue and income	2,750	872	2,655	812

UNIVERSITY OF CANBERRA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2009

Note 7. Consultancies and research contracts

	Consolidated		University	
	2009	2008	2009	2008
	$'000	$'000	$'000	$'000
Research				
Contracts	3,239	3,281	3,239	3,281
Other				
Consultancy	2,129	1,311	2,130	1,311
Total consultancies and research contracts	5,368	4,592	5,369	4,592

Note 8. Other revenue and income

Other revenue				
Donations and bequests	753	121	753	121
Scholarships and prizes	345	402	345	402
Net gain on disposal of property, plant and equipment	64	26	64	26
Total other revenue	1,162	549	1,162	549
Other income				
Travel and travel related recoveries	100	194	100	194
Administrative charges	1,056	879	1,745	1,226
Hire of facilities	212	302	42	92
Miscellaneous	1,381	1,562	1,257	1,306
Copying	223	205	223	205
Rent	1,206	1,207	1,246	1,216
Salaries and cost recovery services	5,677	3,792	5,668	3,792
Sales and service income/publications	6,888	6,872	2,753	2,679
Insurance recoveries	89	172	89	172
Total other income	16,832	15,185	13,123	10,882
Total other revenue and income	17,994	15,734	14,285	11,431

UNIVERSITY OF CANBERRA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2009

Note 9. Employee related expenses

	Consolidated		University	
	2009	2008	2009	2008
	$'000	$'000	$'000	$'000
Academic				
Salaries	41,117	37,018	39,964	36,013
Contributions to superannuation and pension schemes	6,302	5,825	6,185	5,728
Payroll tax	3,431	2,923	3,341	2,849
Workers' compensation	183	244	183	244
Long service leave and annual leave	1,715	1,892	1,667	1,876
Redundancy payments	3,275	236	3,275	234
Total academic	56,023	48,138	54,615	46,944
Non-academic				
Salaries	37,857	33,942	35,230	31,356
Contributions to superannuation and pension schemes	5,597	4,978	5,349	4,728
Payroll tax	3,015	2,513	2,962	2,468
Workers' compensation	255	283	156	205
Long service leave and annual leave	1,474	1,611	1,321	1,458
Redundancy payments - restructure	1,838	1,144	1,838	1,144
Total non-academic	50,036	44,471	46,856	41,359
Total employee and related expenses	106,059	92,609	101,471	88,303

Note 10. Depreciation and amortisation

	Consolidated		University	
	2009	2008	2009	2008
	$'000	$'000	$'000	$'000
Depreciation				
Buildings	4,819	4,804	4,819	4,804
Plant and equipment	1,480	1,245	1,270	1,005
Computers	663	950	656	940
Motor vehicles	63	98	63	98
Infrastructure	850	854	850	854
Library	389	-	389	-
Total depreciation	8,264	7,951	8,047	7,701
Amortisation				
Computer software	1,536	2,029	1,536	2,029
Total amortisation	1,536	2,029	1,536	2,029
Total depreciation and amortisation	9,800	9,980	9,583	9,730

FINANCIAL REPORT

UNIVERSITY OF CANBERRA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2009

Note 11. Repairs and maintenance

	Consolidated		University	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Repairs and maintenance	1,973	1,063	1,971	1,062
Total repairs and maintenance	1,973	1,063	1,971	1,062

Note 12. Finance costs

Interest expense	175	88	175	88
Total finance costs	175	88	175	88

Note 13. Impairment losses

Impaired receivables	725	91	678	58
Total impairment losses	725	91	678	58

Note 14. Investment loss

Loss on revaluation of assets	645	237	645	237
Total investment losses	645	237	645	237

UNIVERSITY OF CANBERRA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2009

Note 15. Other expenses

	Consolidated		University	
	2009	2008	2009	2008
	$'000	$'000	$'000	$'000
Advertising	1,597	1,387	1,508	1,379
Audit	203	275	142	215
Books and publications	632	808	630	812
Commissions	1,711	212	1,335	100
Conference and facilities hire	611	564	668	598
Consultants fees	5,835	5,575	5,677	5,441
Contract services	1,879	1,886	1,654	1,704
Copyright charges	135	256	135	256
Equipment expensed	1,124	1,166	1,087	1,158
Freight and postage	356	294	353	283
General materials	909	711	910	718
Insurances	549	604	522	569
Licence fees	2,123	2,092	2,099	2,075
Printing and stationery	1,201	978	1,182	967
Recruitment and staff development	1,705	1,363	1,702	1,345
Rent	49	49	37	49
Student scholarship	2,007	1,687	2,002	1,666
Other student expenses	1,982	2,856	1,980	2,858
Subscriptions	2,357	1,988	2,464	2,041
Travel	2,926	2,552	2,820	2,485
Utilities	2,985	3,090	2,940	3,052
Entertainment	642	880	510	511
Fringe benefits tax	152	181	149	180
Rates and taxes	1,115	891	1,115	891
Legal fees	367	338	367	338
Agency fees	578	898	576	896
Ceremonial expenses	88	75	88	75
Operating lease charges	755	566	749	566
Grant and research expenses-external entities	1,868	3,294	2,397	3,293
Contribution to other entities	540	389	540	389
Outsource management fees	2,697	-	2,671	-
Cost of goods sold - UCU Ltd	1,572	1,625	-	-
Administration expenses - NATSEM	592	-	-	-
Credit card expense	7	-	7	-
Other	1,740	1,813	1,326	1,514
Total other expenses	45,589	41,343	42,342	38,424

FINANCIAL REPORT

UNIVERSITY OF CANBERRA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2009

Note 16. Cash at bank and cash equivalents

	Consolidated 2009 $'000	Consolidated 2008 $'000	University 2009 $'000	University 2008 $'000
Cash at bank and on hand	9,866	10,627	6,524	9,015
Total cash at bank and cash equivalents	9,866	10,627	6,524	9,015

Note 17. Trade and other receivables

Current

	Consolidated 2009 $'000	Consolidated 2008 $'000	University 2009 $'000	University 2008 $'000
Financial assistance to students	27	45	27	45
Trade receivables	5,251	8,269	5,389	8,137
Less : Allowance for impaired receivables	(1,225)	(735)	(1,204)	(715)
Other receivables	3,187	1,932	3,502	1,583
OS-HELP receivable from the Australian Government	184	-	184	-
CGS Grant income accrued	5,240	544	5,240	544
Total current receivables	12,664	10,055	13,138	9,594
Total trade and other receivables	12,664	10,055	13,138	9,594
The ageing of trade receivables is as follows:				
Under 30 days	1,186	4,120	1,392	4,029
Over 30 days and under 60 days	1,246	1,468	1,258	1,452
Over 60 days	2,819	2,681	2,739	2,656
	5,251	8,269	5,389	8,137

	Consolidated 2009 $'000	Consolidated 2008 $'000	University 2009 $'000	University 2008 $'000
Past due but not impaired (receivables over 90 days)	2,435	4,253	2,358	4,200

Approach - impairment review on receivables

The faculties and business units evalauates the recoverability of the individual debts on monthly basis, and based on their recommendation a specific provision is being made for impairement of receivables.

	Consolidated 2009 $'000	Consolidated 2008 $'000	University 2009 $'000	University 2008 $'000
Impaired receivables at the beginning of the year	735	1,818	715	1,818
Add: Impairment losses recognised during the year	698	421	646	388
	1,433	2,239	1,361	2,206
Less: Write - off made during the year	(172)	(818)	(141)	(805)
Less: Impaired losses reversed during the year	(36)	(686)	(16)	(686)
Impaired receivables at the end of the year	1,225	735	1,204	715

UNIVERSITY OF CANBERRA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2009

Note 18. Other financial assets

	Consolidated 2009 $'000	Consolidated 2008 $'000	University 2009 $'000	University 2008 $'000
Current				
Advances	134	81	134	81
Total current other financial assets	134	81	134	81
Total other financial assets	134	81	134	81

Note 19. Other non-financial assets

	Consolidated 2009 $'000	Consolidated 2008 $'000	University 2009 $'000	University 2008 $'000
Current				
Prepayments	2,520	2,298	2,505	2,298
Deferred Tax Assets - NATSEM	4	-	-	-
Total current other non-financial assets	2,524	2,298	2,505	2,298
Total other non-financial assets	2,524	2,298	2,505	2,298

Note 20. Investments

	Consolidated 2009 $'000	Consolidated 2008 $'000	University 2009 $'000	University 2008 $'000
National Centre for Social and Economic Modelling	-	585	1,124	585
Centre for Customs and Excise Studies	1,258	250	1,258	250
Shares - other entities	12	12	12	12
Term Deposit - NATSEM	500	-	-	-
Total investments	1,770	847	2,394	847

Interest in controlled entities

Name of entity	Percentage of equity interest held by the University 2009 $'000	2008 $'000
University of Canberra College Pty Limited Country of incorporation - Australia	100%	100%
UCU Limited Country of incorporation - Australia	100%	100%
National Centre for Social and Economic Modelling Country of incorporation - Australia	100%	-

FINANCIAL REPORT

UNIVERSITY OF CANBERRA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2009

Note 21. Investment property

	Consolidated		University	
	2009	2008	2009	2008
	$'000	$'000	$'000	$'000
At Fair value				
Balance at the beginning of the year	7,662	7,899	7,662	7,899
Revaluation (decrement) on - investment property	(623)	(237)	(623)	(237)
Balance at the end of the year	7,039	7,662	7,039	7,662

Leasing arrangements

The investment property at Haydon Drive is occupied by five tenants. As at 31 December 2009, each tenant had varying rental arrangements with the University. Each tenant entered into a lease/licence type arrangement with the University.

	Consolidated		University	
	2009	2008	2009	2008
	$'000	$'000	$'000	$'000
Rental income	248	233	248	233
Total Rental income	248	233	248	233

FINANCIAL REPORT

UNIVERSITY OF CANBERRA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2009

Note 22. Property, plant and equipment

	Work in Progress $'000	Leasehold Land $'000	Buildings $'000	Infrastructure $'000	Computer Equipment $'000	Motor Vehicle $'000	Equipment $'000	Library Collection $'000	Works of Art $'000	Total $'000
Consolidated										
As at 1 January 2008										
Cost/Valuation	3,944	22,720	219,810	5,755	11,273	842	15,837	8,305	2,019	290,505
Accumulated depreciation	-	-	(4,475)	(841)	(9,895)	(683)	(12,921)	-	-	(28,815)
Net book amount	3,944	22,720	215,335	4,914	1,378	159	2,916	8,305	2,019	261,690
Year ended 31 December 2008										
Opening net book amount	3,944	22,720	215,335	4,914	1,378	159	2,916	8,305	2,019	261,690
Revaluation (decrement)	-	-	-	-	-	-	-	(3,880)	-	(3,880)
Additions	1,974	-	3,723	-	400	85	1,217	-	20	7,419
Disposals and transfers out	(3,723)	-	-	-	(62)	-	(18)	-	-	(3,803)
Depreciation	-	-	(4,804)	(854)	(951)	(98)	(1,245)	-	-	(7,952)
Closing net book amount	2,195	22,720	214,254	4,060	765	146	2,870	4,425	2,039	253,474
As at 31 December 2008										
Cost	2,195	22,720	223,534	5,755	11,399	927	16,915	8,305	2,039	293,789
Valuation	-	-	-	-	-	-	-	(3,880)	-	(3,880)
Accumulated depreciation	-	-	(9,280)	(1,695)	(10,634)	(781)	(14,045)	-	-	(36,435)
Net book amount	2,195	22,720	214,254	4,060	765	146	2,870	4,425	2,039	253,474
Year ended 31 December 2009										
Opening net book amount**	2,195	22,720	214,254	4,060	765	146	2,929	4,425	2,039	253,533
Revaluation increment/(decrement)	-	5,900	17,867	2,815	-	-	-	-	(403)	26,179
Additions*	9,711	-	8,808	797	719	-	2,375	-	24	22,434
Disposals and transfers out	(1,415)	-	-	-	(6)	-	(4)	-	-	(1,425)
Depreciation	-	-	(4,819)	(850)	(663)	(63)	(1,480)	(389)	-	(8,264)
Closing net book amount	10,491	28,620	236,110	6,822	815	83	3,820	4,036	1,660	292,457
As at 31 December 2009										
Cost	10,491	22,720	232,343	6,552	9,687	879	17,772	4,425	2,063	306,932
Valuation	-	5,900	17,867	2,815	-	-	-	-	(403)	26,179
Accumulated depreciation	-	-	(14,100)	(2,545)	(8,872)	(796)	(13,952)	(389)	-	(40,654)
Net book amount	10,491	28,620	236,110	6,822	815	83	3,820	4,036	1,660	292,457

*Work in progress additions includes assets under construction, assets under sale and lease back and assets accrued but not yet capitalised. Buildings additions includes new student accommodation $8.5m. Please refer to Note 1 (z): Public Private Partnerships (PPP) for further details.

**Opening net book amount includes opening net book value of NATSEM equipment .

UNIVERSITY OF CANBERRA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2009

Note 22. Property, plant and equipment (Continued)

	Work in Progress $'000	Leasehold Land $'000	Buildings $'000	Infrastructure $'000	Computer Equipment $'000	Motor Vehicle $'000	Equipment $'000	Library Collection $'000	Works of Art $'000	Total $'000
University										
As at 1 January 2008										
Cost/Valuation	3,944	22,720	219,810	5,755	11,170	841	11,766	8,305	2,019	286,330
Accumulated depreciation	-	-	(4,475)	(841)	(9,806)	(683)	(9,681)	-	-	(25,486)
Net book amount	3,944	22,720	215,335	4,914	1,364	158	2,085	8,305	2,019	260,844
Year ended 31 December 2008										
Opening net book amount	3,944	22,720	215,335	4,914	1,364	158	2,085	8,305	2,019	260,844
Revaluation (decrement)	-	-	-	-	-	-	-	(3,880)	-	(3,880)
Additions	1,974	-	3,723	-	393	85	1,151	-	20	7,346
Disposals and transfers out	(3,723)	-	-	-	(62)	-	-	-	-	(3,785)
Depreciation	-	-	(4,804)	(854)	(940)	(97)	(1,005)	-	-	(7,700)
Closing net book amount	2,194	22,720	214,254	4,060	755	146	2,231	4,425	2,039	252,825
As at 31 December 2008										
Cost	2,195	22,720	223,534	5,755	11,289	927	12,813	8,305	2,039	289,577
Valuation	-	-	-	-	-	-	-	(3,880)	-	(3,880)
Accumulated depreciation	-	-	(9,280)	(1,695)	(10,534)	(781)	(10,582)	-	-	(32,872)
Net book amount	2,195	22,720	214,254	4,060	755	146	2,231	4,425	2,039	252,825
Year ended 31 December 2009										
Opening net book amount	2,195	22,720	214,254	4,060	755	146	2,231	4,425	2,039	252,825
Revaluation increment/(decrement)	-	5,900	17,867	2,815	-	-	-	-	(403)	26,179
Additions*	9,711	-	8,808	797	716	-	2,242	-	24	22,298
Disposals and transfers out	(1,415)	-	-	-	(6)	-	(3)	-	-	(1,424)
Depreciation	-	-	(4,819)	(850)	(656)	(63)	(1,270)	(389)	-	(8,047)
Closing net book amount	10,491	28,620	236,110	6,822	809	83	3,200	4,036	1,660	291,831
As at 31 December 2009										
Cost	10,491	22,720	232,343	6,552	9,633	879	13,406	4,425	2,063	302,512
Valuation	-	5,900	17,867	2,815	-	-	-	-	(403)	26,179
Accumulated depreciation	-	-	(14,100)	(2,545)	(8,824)	(796)	(10,205)	(389)	-	(36,860)
Net book amount	10,491	28,620	236,110	6,822	809	83	3,200	4,036	1,660	291,831

*Work in progress additions includes assets under construction, assets under sale and lease back and assets accrued but not yet capitalised. Buildings additions includes new student accommodation $8.5m.
Please refer to Note 1 (z): Public Private Partnerships (PPP) for further details.

FINANCIAL REPORT

UNIVERSITY OF CANBERRA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2009

Note 23. Intangible assets

Computer Software	Consolidated	University
	$'000	$'000
As at 1 January 2008		
Cost	10,130	10,130
Accumulated amortisation	(4,473)	(4,473)
Net book amount	5,657	5,657
Year ended 31 December 2008		
Opening net book amount	5,657	5,657
Additions	-	-
Amortisation	(2,029)	(2,029)
Closing net book amount	3,628	3,628
As at 31 December 2008		
Cost	10,130	10,130
Accumulated amortisation	(6,502)	(6,502)
Net book amount	3,628	3,628
Year ended 31 December 2009		
Opening net book amount	3,628	3,628
Additions	172	172
Amortisation	(1,536)	(1,536)
Closing net book amount	2,264	2,264
As at 31 December 2009		
Cost	10,302	10,302
Accumulated amortisation	(8,038)	(8,038)
Net book amount	2,264	2,264

UNIVERSITY OF CANBERRA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2009

Note 24. Trade and other payables

	Consolidated		University	
	2009	2008	2009	2008
	$'000	$'000	$'000	$'000
(a) Trade and other payables				
Current				
Payables	3,257	2,383	3,428	1,882
OS-HELP Liability to the Australian Government	-	15	-	15
Accrued expenses	4,130	2,372	3,786	2,311
Total current trade payables	7,387	4,770	7,214	4,208
Total trade and other payables	7,387	4,770	7,214	4,208

Note 25. Borrowings

	Consolidated 2009 $'000	Consolidated 2008 $'000	University 2009 $'000	University 2008 $'000
Current				
Unsecured				
Finance lease+	113	102	113	102
Bank overdraft - CBA*	661	287	661	287
Total current unsecured interest bearing liabilities	774	389	774	389
Non-current				
Unsecured				
Cash advance facility - Westpac*	3,000	-	3,000	-
Finance lease+	111	224	111	224
Total non-current unsecured interest bearing liabilities	3,111	224	3,111	224
Total borrowings	3,885	613	3,885	613
Finance lease capital repayment	102	115	102	115
(a) Financing arrangements				
*Cash financing activities				
Cash advance facility - Westpac	3,000	-	3,000	-
Bank overdraft - CBA	661	287	661	287
Total cash financing and investing activities	3,661	287	3,661	287
+Non-cash financing activities				
Finance lease (current)	113	102	113	102
Finance lease (non-current)	111	224	111	224
Total non-cash financing and investing activities	224	326	224	326

UNIVERSITY OF CANBERRA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2009

Note 26. Provisions

	Consolidated		University	
	2009	2008	2009	2008
	$'000	$'000	$'000	$'000
(a) Current - due at reporting date				
Accrued salaries and wages	2,194	1,984	2,139	1,950
Provision for long service leave	6,023	5,947	5,838	5,784
Provision for annual leave	8,808	8,286	8,603	8,125
Total current provisions	17,025	16,217	16,580	15,859
(b) Non-current - not due at reporting date				
Provision for long service leave	1,861	1,643	1,826	1,614
Total non-current provisions	1,861	1,643	1,826	1,614
Total provisions	18,886	17,860	18,406	17,473

Note 27. Other financial liabilities

	Consolidated 2009	Consolidated 2008	University 2009	University 2008
(a) Current				
CGS Grant advance less than 1 year*	4,167	4,167	4,167	4,167
Fees received in advance	5,152	4,615	4,719	4,240
Deferred income+	282	-	282	-
Total current other financial liabilities	9,601	8,782	9,168	8,407
(b) Non-current				
CGS Grant advance greater than 1 year*	2,500	6,667	2,500	6,667
Deferred income+	8,180	-	8,180	-
Total non-current other financial liabilities	10,680	6,667	10,680	6,667
Total other financial liabilities	20,281	15,449	19,848	15,074
(c) Financing arrangements*				
CGS Grant Advance (current)	4,167	4,167	4,167	4,167
CGS Grant Advance (non-current)	2,500	6,667	2,500	6,667
Total financing arrangements	6,667	10,834	6,667	10,834

+ Deferred income includes new student accommodation $8.5m. Please refer to Note 1 (z): Public Private Partnerships (PPP) for further details.

UNIVERSITY OF CANBERRA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2009

Note 28. Reserves and retained surplus

	Consolidated		University	
	2009	2008	2009	2008
	$'000	$'000	$'000	$'000
(a) Issued Capital				
Issued Capital -NATSEM	1	-	-	-
Reserves at the end of the year	1	-	-	-
(b) Reserves				
Asset revaluation reserve at the beginning of the year	201,054*	213,158	199,222*	211,326
Net effect of correction of prior period errors	-	(8,223)*	-	(8,223)*
Revaluation (decrement) of library assets	-	(3,881)	-	(3,881)
Revaluation increment of land, buildings and infrastructure	26,582	-	26,582	-
Revaluation (decrement) of works of art	(403)	-	(403)	-
Reserves at the end of the year	227,233	201,054*	225,401	199,222*
(c) Retained surplus				
Retained surplus at the beginning of the year	48,926*	50,227	49,361*	50,404
Net effect of correction of prior period errors	-	(1,248)*	-	(1,248)*
Operating surplus	2,119	(53)*	1,714	205*
Retained surplus at the end of the year	51,045	48,926*	51,075	49,361*
Total Equity	278,279	249,980	276,476	248,583

* The figures have changed from the audited 2008 statements. Please refer to Note 41: Correction of prior period errors for further details.

UNIVERSITY OF CANBERRA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2009

Note 29. Key management personnel disclosures

(a) Section 9 of the *University of Canberra Act 1989* states that the governing authority of the University is the Council.

The following persons were members of University Council during the year and up to the date of this report.

Member	Date appointed, reappointed, elected, or term ended if occurring in 2009
Professor Ingrid Moses	Reappointed 1 January 2008
Mr Bob Prosser	Appointed 5 December 2008
Professor Stephen Parker	Appointed 1 March 2007
Professor George Cho	Appointed 1 January 2008
Mr Tom Calma	Appointed 21 October 2008
Ms Rosemary Follett	Appointed 21 October 2008
Ms Margaret Gillespie	Appointed 21 October 2008
Ms Marion Reilly	Tenure expired 31 December 2009
Ms Sarah Ryan	Appointed 21 October 2008
Ms Sarah Schoonwater	Appointed 21 October 2008
Ms Maria Storti	Appointed 21 October 2008
Mr Dale Kleeman	Tenure expired 26 September 2009
Mr Greg Barrett	Elected 27 Setpember 2009
Ms Stacy Durrell	Resigned 13 March 2009
Mr Luke Garner	Tenure expired 26 September 2009
Ms Mara Eversons	Elected 27 September 2009
Ms Elizabeth Bennett	Tenure expired 26 September 2009
Mr Ikram Ullah	Tenure expired 26 September 2009
Mr Geoffrey Wakeford	Elected 27 September 2009
Mr Rohan Goyne	Elected 27 September 2009

(b) Apart from full-time members of staff receiving salaries, no members of the University Council received remuneration for services provided to the University during the year other than:

	Consolidated		University	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Provision of annual maintenance and support for the TRIM administrative software application was provided to the University by Tower Software in which Mr Brand Hoff has an interest.	-	6	-	6
Payment of sponsorship made by University to Australian Computer Society in which Ms Marion Reilly has an interest.	2	-	2	-
Provision of consultancy services for the proposed student accommodation project and taxation matters was provided to the University by PricewaterhouseCoopers in which Mr Bob Prosser has an interest.	-	50	-	50
Provision of internal audit and consultancy services on taxation matters provided to the University by Ernst & Young in which Ms Maria Storti has an interest.	200	89	200	89

Payments to Tower Software, PricewaterhouseCoopers and Ernst & Young for services rendered in 2009 to the University were on arms length basis.

UNIVERSITY OF CANBERRA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2009

Note 29. Key management personnel disclosures (Continued)

(c) Fees are payable to some members of Council since January 2008. Employees of the University who serve on Council do not receive remuneration for Council service in addition to their salaries. According to the DEEWR guidelines (based on AASB 124 Related Party Disclosures), key management personnel of Higher Education Providers are persons having authority and responsibility for planning, directing and controlling the activities of the whole of the University. The number of University key management staff whose total remuneration cost to the University falls within the following bands in excess of $100,000 are:

	Consolidated		University	
	2009	2008	2009	2008
$100,000 - $139,999	-	1	-	1
$140,000 - $149,999	1	-	1	-
$190,000 - $199,999	2	3	2	3
$200,000 - $209,999	-	1	-	1
$210,000 - $219,999	2	-	2	-
$220,000 - $229,999	-	4	-	4
$240,000 - $249,999	2	-	2	-
$260,000 - $269,999	2	-	2	-
$290,000 - $299,999	-	1	-	1
$360,000 - $369,999	-	1	-	1
$370,000 - $379,999	1	-	1	-
	10	11	10	11
The aggregate of the remuneration for staff included above:	$2,357,148	$2,463,712	$2,357,148	$2,463,712

Note 30. Remuneration of auditors

	Consolidated		University	
	2009	2008	2009	2008
Assurance services	$'000	$'000	$'000	$'000
a). Audit services				
Amounts paid or payable to the external auditors for auditing the financial statements:				
ACT Auditor General's Office*	190	175	143	130
RSM Bird Cameron	13	-	-	-
Total remuneration of auditors	203	175	143	130

*No other services were provided by the ACT Auditor-General's Office.

b). Non-audit services				
Taxation services	284	5	284	5
Other services	192	79	192	79
Total remuneration of non-audit services	476	84	476	84

UNIVERSITY OF CANBERRA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2009

Note 31. Contingencies

Contingent liabilities

The University has five legal matters pending for action (2008 – eight legal matters). Of these one legal matter is not covered by the University's insurer, hence, the total estimated contingent liabilities for the University is $100,000.

Guarantees

The University has a guarantee of $115,000 to the Department of Immigration and Citizenship as a security deposit for training services provided to the Training Centre of China National Audit Office.

The University has undertaken to guarantee the financial obligations of the University of Canberra College Pty Limited. At the date of this report no amounts were expected to be paid under this guarantee.

The University has undertaken to guarantee a maximum of $20 towards meeting the financial obligations of the UCU Ltd, if the UCU Ltd is wound up. At the date of this report, no amounts were expected to be paid under this guarantee.

UNIVERSITY OF CANBERRA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2009

Note 32. Commitments

The University has commitments which have not been provided for in this financial report as they are not liabilities.
These amounts relate to:

	Consolidated		University	
	2009	2008	2009	2008
	$'000	$'000	$'000	$'000
(a) Capital expenditure commitments				
Commitments payable:				
- within twelve months	9,760	918	9,760	918
	9,760	918	9,760	918
(b) Other expenditure commitments				
Commitments payable:				
- within twelve months	446	446	446	446
- twelve months or longer and not longer than five years	669	1,114	669	1,114
	1,115	1,560	1,115	1,560
(c) Operational expenditure commitments				
Commitments payable:				
- within twelve months	1,187	850	1,187	850
	1,187	850	1,187	850
(d) Lease commitments				
Operating leases				
Commitments payable:				
- within twelve months	1,179	526	1,015	526
- twelve months or longer and not longer than five years	1,449	266	1,388	266
	2,628	792	2,403	792
Finance leases				
Commitments payable:				
- within twelve months	131	131	131	131
- twelve months or longer and not longer than five years	118	249	118	249
	249	380	249	380

UNIVERSITY OF CANBERRA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2009

Note: 33 Other entities

Cooperative Research Centres

CRC - eWater

The CRC eWater (ACN 115 422 903) is a partnership between private and public water businesses and research groups across eastern Australia. The CRC eWater seeks to produce practical products that bring economic, commercial and environmental benefits from the smart management of water.

The CRC eWater builds on the knowledge, end-user networks and business systems of two successful water CRC's: Catchment Hydrology and Freshwater Ecology. The CRC eWater has a strong market-orientation and commercial focus.

The CRC eWater commenced operations on 1 July 2005. The University's cash and in-kind contributions in the form of funds and staff resources will have an approximate value of $1,820,000 over seven years from 1 July 2005. Each year, the University contributes $100,000 in cash and 1.6 full time equivalent staff in kind.

CRC - Invasive Animals

The CRC Invasive Animals (ACN 114 965 276) was funded by the Commonwealth Government in the 2004 CRC selection round and builds on the strong foundation provided by the previous Pest Animal Control CRC. The centre aims to counteract the impact of invasive animals through the development and application of new technologies and by integrating approaches across agencies and jurisdictions. It is the first time that research, industry, environmental, commercial and government agencies will work together to create and apply solutions for invasive animal threats.

The CRC Invasive Animals commenced operations on 1 July 2005. The University's cash and in-kind contributions in the form of funds and staff resources will have an approximate value of $1,300,000 over seven years from 1 July 2005. In each year the University contributes $130,000 in cash and 1.0 full time equivalent staff in kind.

CRC - Sustainable Tourism

The CRC for Sustainable Tourism Pty Limited (ACN 007 407 286) is a company incorporated in the Australian Capital Territory. The company has been established for the purposes of advancing and encouraging scientific knowledge and research into economic, social, cultural and ecological sustainability of the travel and tourism industry. The University does not share in the assets and liabilities or operating result of the venture. The University's cash and in-kind contributions in the form of funds and staff resources will have an approximate value of $900,000 over seven years from 2003, that is a cost of about $128,000 per year. As at the end of 2009, the seven year contributions have been completed and no further future contributions are committed as at the reporting date.

Corporate Bodies

National Centre for Social and Economic Modelling (NATSEM)

The University held a 50% share interest until 15 September 2009, with no present ability of control, in the National Centre for Social and Economic Modelling Pty Ltd (ACN 095 483 686). As of 15 September 2009, the University acquired the remaining 50% ownership of NATSEM. The NATSEM is now a fully owned subsidiary of the University.

NATSEM operates for the purpose of developing micro-simulation models and in undertaking a wide range of social and economic research.

Centre for Customs and Excise Studies (CCES)

The University holds a 25% share interest, with no present ability of control, in the Centre for Customs and Excise Studies Pty Ltd (ACN 106 153 271). This company was established to deliver training in customs studies and to research and publish customs knowledge.

UNIVERSITY OF CANBERRA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2009

Note 34. Events occurring after the balance date

There are no subsequent or significant events in 2009.

Note 35. Reconciliation of the operating surplus to net cash flows provided by/(used in) operating activities

(a) Reconciliation of cash

For the purposes of the cash flow statement, cash includes cash on hand, cash at bank and short term deposits which can be readily converted to cash and are subject to an insignificant risk of changes in value net of any bank overdraft. Cash at the end of the reporting period in the cash flow statement is reconciled to the related item in the statement of financial position.

	Note	Consolidated		University	
		2009 $'000	2008 $'000	2009 $'000	2008 $'000
Cash	16	9,866	10,627	6,524	9,015
Bank overdraft	25	(661)	(287)	(661)	(287)
Cash at bank and cash equivalents at the end of the year		9,205	10,340	5,863	8,728

(b) Reconciliation of the operating surplus to net cash flows provided by/(used in) operating activities

	Note	Consolidated 2009 $'000	Consolidated 2008 $'000	University 2009 $'000	University 2008 $'000
Operating surplus/(deficit)	28(c)	2,119	(53)	1,714	205
Add/(deduct) expenses from non-cash transactions					
Revaluation assessment on investment properties	21	623	237	623	237
Depreciation and amortisation	10	9,800	9,980	9,583	9,730
Impairment losses		489	(1,103)	489	(1,103)
Donated assets		-	(21)	-	(21)
Gain on disposal of assets		(12)	(4)	(12)	(12)
Non-cash items-NASTEM		10	-	-	-
		10,910	9,089	10,683	8,831
Add/(deduct) the effect of accruals					
Increase in annual leave provision		509	2,211	478	2,201
Increase in long service leave provision-current		72	136	54	119
Increase in long service leave provision-non current		225	38	214	33
Increase in accrued salaries and wages		209	1,079	190	1,064
Decrease/(increase) in receivables		483	(3,011)	649	(3,021)
(Increase)/decrease in other financial assets		(18)	49	(53)	(22)
(Increase) in other non-financial assets		(227)	(362)	(208)	(363)
(Increase) in investments		(1,547)	(43)	(1,547)	(43)
Increase in payables		4,489	377	3,846	257
Increase in other financial liabilities		(5,071)	(743)	(5,069)	(863)
		(876)	(269)	(1,446)	(638)
Net cash provided by operating activities		12,153	8,767	10,951	8,398

UNIVERSITY OF CANBERRA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2009

Note 36. Non-cash financing activities

	Note	Consolidated 2009 $'000	Consolidated 2008 $'000	University 2009 $'000	University 2008 $'000
Finance lease liability - Current	25	113	103	113	103
Finance lease liability - Non-current	25	111	224	111	224
Total non-cash financing activities		224	327	224	327

Note 37. Assets and liabilities of trusts for which the University of Canberra is a Trustee

Endowments are received by the University to fund scholarships, prizes and certain research activities.

The balances of these funds as at 31 December were as follows:

	Consolidated 2009 $'000	Consolidated 2008 $'000	University 2009 $'000	University 2008 $'000
Balance of funds at beginning of the year	3,773	3,618	3,773	3,618
Income				
Donations and gifts received	5	5	5	5
Interest	157	266	157	266
Total income	162	271	162	271
Total funds available	3,935	3,889	3,935	3,889
Expenditure				
Scholarships / Prize awards	27	37	27	37
Total expenditure	27	37	27	37
Transfer: Mulanggarri - Scholarship	-	79	-	79
Balance of funds at end of the year	3,908	3,773	3,908	3,773
Comprises :				
WJ Weeden Family Trust - Scholarship	3,812	3,674	3,812	3,674
Public administration - Scholarship	96	99	96	99
	3,908	3,773	3,908	3,773

UNIVERSITY OF CANBERRA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2009

38. Financial instruments

A) Significant accounting policies

Details of the significant accounting policies and methods adopted (including the criteria for recognition, the bases of measurement, and the bases for recognition of income and expenses), for each class of financial asset, financial liability and equity instrument are disclosed in Note 1 to the financial statements.

B) Categories of financial instruments

	Consolidated Carrying Amount		University Carrying Amount	
	2009	2008	2009	2008
	$'000	$'000	$'000	$'000
Financial assets				
Loans and receivables				
Cash & cash equivalents	9,866	10,627	6,524	9,015
Trade & other receivables	7,240	9,469	7,714	9,005
Receivables from University of Canberra College Pty Limited	-	-	526	46
Advances	134	81	134	81
At fair value through profit or loss				
Investments	1,258	835	2,382	835
Carrying amount of financial assets	18,498	21,012	17,280	18,982
Financial liabilities				
At amortised cost				
Payables	3,257	2,398	3,428	1,897
Finance lease	249	380	249	380
Bank overdraft - CBA	661	287	661	287
Cash advance facility - Westpac	3,000	-	3,000	-
Carrying amount of financial liabilities	7,167	3,065	7,338	2,564

The carrying values of financial instruments listed above presented in the University's statement of financial position approximate their fair values. The fair value of the equity investments which are mainly unlisted equities has been calculated based on the proportion of the University's interest in the underlying net assets of the investment entities.

Fair value measurements recognised in the statement of financial position

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3, based on the subjectivity involved in the fair value measurement techniques (Level 1 being least subjective, and Level 3 being most subjective).

Level 1 fair value measurements are those derived from quoted prices in active markets for identical assets or liabilities.

Level 2 fair value measurements are those derived from inputs (other than those in Level 1), either directly (i.e. as prices) or indirectly (i.e. derived from prices). Currently there are no financial instruments classified as level 2.

Level 3 fair value measurements are those derived from valuation techniques that include inputs that are not based on observable market data.

Consolidated
As at 31 December 2009

	Level 1 Listed equities	Level 2 Unlisted equities	Level 3 Unlisted equities	Total
	$'000	$'000	$'000	$'000
Financial asset at fair value through profit or loss				
Investments				
- Listed equities	12	-	-	12
- Unlisted equities	-	-	1,258	1,258
				1,270

Reconciliation of Level 3 fair value measurement of financial assets	Unlisted equities $'000
Opening balance - 1 January 2009	835
Total gains/losses in profit or loss	1,007
Purchases	-
Settlements	-
Transfer out of Level 3 **	(584)
Closing balance (consolidated) - 31 December 2009	1,258

Consolidated
As at 31 December 2008

	Level 1 Listed equities	Level 2 Unlisted equities	Level 3 Unlisted equities	Total
	$'000	$'000	$'000	$'000
Financial asset at fair value through profit or loss				
Investments				
- Listed equities	12	-	-	12
- Unlisted equities	-	-	835	835
				847

FINANCIAL REPORT

UNIVERSITY OF CANBERRA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2009

38. Financial instruments (continued)

Reconciliation of Level 3 fair value measurement of financial assets	Unlisted equities $'000
Opening balance - 1 January 2008	792
Total gains on investment in NATSEM	43
Purchases	-
Settlements	-
Transfer out of Level 3	-
Closing balance - 31 December 2008	835

The financial statements include holdings in unlisted shares which are measured at fair value. Fair value is estimated based on the proportion of the University's interest in the underlying net assets of the investment entities. Management believes that the net assets of the investment entities approximate their fair values. Please refer to Note 39 - 'Financial risk management' for the sensitivity analysis for these investments.

** At the beginning of the year the University held 50% equity ownership in NATSEM. In September 2009 the University acquired the remaining 50% ownership in NATSEM and therefore NATSEM has become a wholly owned subsidiary of the University from September 2009 (see Note 33 - Other entities).
Details of recognised income and expenses in respect of financial instruments are disclosed in Notes 4 to 14 of the Notes to and forming part of the financial statements.

Note 39. Financial risk management
The University's activities expose it to a variety of financial risks. The Audit and Risk Management Committee monitors and manages the financial risks relating to the operations of the University. These risks include credit risk, liquidity risk and market risk (including currency risk, interest rate risk and price risk).

The University does not enter into or trade financial instruments for speculative purposes. Compliance with policies and exposure limits in relation to financial instruments is reviewed by the internal auditors.

A) Credit risk
Credit risk is the risk that a counterparty to a financial asset of the University will fail to discharge an obligation when it falls due, resulting in the University incurring a financial loss.

Financial assets consist of cash and short term investments and receivables. The University's maximum exposure to credit risk is limited to the carrying amount of these financial assets, as shown in Note 38 (B)'Categories of financial instruments'.

The University limits its exposure to risks by:
a) Placing cash and cash equivalents in regulated and creditworthy financial institutions. This is in accordance with the University's investment policy managed by the University's Treasury section. The cash and short-term investments are currently held with the Commonwealth Bank.

b) Undertaking background credit checks on overseas debtors, prior to entering into debtor relationship. For research related debtors there are no specific controls in place as the majority of the debtors are Government organisations. For student debtors, academic transcripts are withheld until debts are fully settled. The University currently employes a robust debt management system and recovery techniques to minimise debt impairment. Ageing of past due but not impaired receivables and movement in the allowances for impaired receivables are disclosed in the Note 17- 'Trade and other receivables'.

B) Liquidity risk
Liquidity risk is the risk that the University will encounter difficulties in meeting its financial obligation as they fall due. Ultimate responsibility for liquidity risk management rests with the University's Audit and Risk Management Committee, which has established an appropriate liquidity risk management framework for the management of the University's short, medium and long-term funding and liquidity management requirements. The University manages liquidity risk by maintaining adequate reserves and banking facilities, and by continuously monitoring forecast and actual cash flows.

The University currently holds sufficient cash on hand to meet its immediate operating requirements. Commonwealth funding received for operational requirements, such as to manage student enrollments and capital expenditure activities, are paid on a fortnightly basis throughout the year. Income from other operational activities are invoiced progressively throughout the year to manage cash flow.

The University can utilise its overdraft facility with the bank to meet any shortfall, if a need arises. Note 1(o) 'Investments' sets out details of undrawn facilities that the University has at its disposal to further reduce liquidity risk.

UNIVERSITY OF CANBERRA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2009

Note 39. Financial risk management (continued)
C) Maturity Analysis

The following tables detail the University's remaining contractual maturity for its financial assets and liabilities with agreed repayment periods. The cash flows of financial liabilities are based on the earliest date on which the University can be required to pay. The tables include both interest and principal cash flows.

Consolidated

The following tables set out the University of Canberra 's maturity analysis for the consolidated financial assets and financial liabilities as at 31 December 2009 and 31 December 2008.

As at 31 December 2009

	Maturing within 1 year 2009 $'000	Maturing in 1 to 5 years 2009 $'000	No Set Maturity * 2009 $'000	Total 2009 $'000
Financial assets				
Cash and cash equivalents	9,866	-	-	9,866
Trade and other receivables	7,240	-	-	7,240
Listed and unlisted equities	-	-	1,270	1,270
Investment - Term Deposit NATSEM		500	-	500
Advances	134	-	-	134
Total	17,240	500	1,270	19,010
Financial liabilities				
Trade and other payables	3,257	-	-	3,257
Finance lease liabilities	131	118	-	249
Bank overdraft - CBA	661	-	-	661
Cash advance facility - Westpac	-	3,000	-	3,000
Total	4,049	3,118	-	7,167
Net financial assets/(liabilities)	13,191	(2,618)	1,270	11,843

As at 31 December 2008

	Maturing within 1 year 2008 $'000	Maturing in 1 to 5 years 2008 $'000	No Set Maturity * 2008 $'000	Total 2008 $'000
Financial assets				
Cash and cash equivalents	10,627	-	-	10,627
Trade and other receivables	9,465	-	-	9,465
Listed and unlisted equities	-	-	847	847
Advances	81	-	-	81
Total	20,173	-	847	21,020
Financial liabilities				
Trade and other payables	2,398	-	-	2,398
Finance lease liabilities	131	249	-	380
Bank overdraft - CBA	287	-	-	287
Total	2,816	249	-	3,065
Net financial assets/(liabilities)	17,357	(249)	847	17,955

* - These instruments do not have a specified maturity date.

UNIVERSITY OF CANBERRA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2009

Note 39. Financial risk management
C) Maturity Analysis (continued)

University

The following tables set out the University of Canberra 's maturity analysis for the financial assets and financial liabilities as at 31 December 2009 and 31 December 2008.

As at 31 December 2009

	Maturing within 1 year 2009 $'000	Maturing in 1 to 5 years 2009 $'000	No Set Maturity * 2009 $'000	Total 2009 $'000
Financial assets				
Cash and Cash equivalents	6,524	-	-	6,524
Trade and other receivables	7,714	-	-	7,714
Receivables from University of Canberra College Pty Limited	-	-	526	526
Listed and unlisted equities	-	-	2,394	2,394
Advances	134	-	-	134
Total	14,372	-	2,920	17,292
Financial liabilities				
Trade and other payables	3,428	-	-	3,428
Finance lease liabilities	131	118	-	249
Bank overdraft - CBA	661	-	-	661
Cash advance facility - Westpac	-	3,000	-	3,000
Total	4,220	3,118	-	7,338
Net Financial assets/(liabilities)	10,152	(3,118)	2,920	9,954

As at 31 December 2008

	Maturing within 1 year 2008 $'000	Maturing in 1 to 5 years 2008 $'000	No Set Maturity * 2008 $'000	Total 2008 $'000
Financial assets				
Cash and Cash equivalents	9,015	-	-	9,015
Trade and other receivables	9,005	-	-	9,005
Receivables from University of Canberra College Pty Limited	-	-	46	46
Listed and unlisted equities	-	-	847	847
Advances	81	-	-	81
Total	18,101	-	893	18,994
Financial liabilities				
Trade and other payables	1,897	-	-	1,897
Finance lease liabilities	131	249	-	380
Bank overdraft - CBA	287	-	-	287
Total	2,315	249	-	2,564
Net Financial assets/(liabilities)	15,786	(249)	893	16,430

* - These instruments do not have a specified maturity date.

UNIVERSITY OF CANBERRA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2009

Note 39. Financial risk management

D) Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign currency rate.

The University's exposure to market risk arising from currency risk is immaterial. Currency risks associated with overseas students debts are managed by contracts with foreign currency agents who guarantee the value of the receivable in Australian dollars.

E) Other price Risk

The University is exposed to equity price risks arising from equity investments. Equity investments held for trading purposes consists of listed and unlisted securities.

The listed securities are immaterial in nature, hence any price movement will not have any impact on the profit or equity. In 2009 the unlisted securities espcially the CCES shares had increased in value due to decision by the directors to revalue the Intellectual property based on the current market value and the licensing contract in the Middle East.

F) Interest Rate Risk

Interest rate risk is the risk that the value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. A significant proportion of the University's financial assets consist of cash and cash equivalents which are held in floating interest rate arrangements. The University has bank overdraft and cash advance facility, which are subject to floting interest rates. Therefore the University is exposed to movements in the market interest rates.

The University holds the following interest-bearing financial assets and financial liabilities. The interest rate risk analysis below depicts interest rate risk on the University's and consolidated financial assets and financial liabilities.

As at 31 December 2009

		University		Consolidated	
	Weighted Average Interest Rate	Variable Rate Financial Instruments 2009 $'000	Fixed Rate Financial Instruments 2009 $'000	Variable Rate Financial Instruments 2009 $'000	Fixed Rate Financial Instruments 2009 $'000
Financial assets					
Cash and cash equivalents	4.08%	6,524	-	9,866	-
Total		6,524	-	9,866	-
Financial liabilities					
Finance lease liabilities	10.77%	-	249	-	249
Bank overdraft - CBA	8.89%	(661)	-	(661)	-
Cash advance facility - Westpac	4.79%	(3,000)	-	(3,000)	-
Total		(3,661)	249	(3,661)	249
Net financial assets/(liabilities)		2,863	249	6,205	249

As at 31 December 2008

	Weighted Average Interest Rate	Variable Rate Financial Instruments 2008 $'000	Fixed Rate Financial Instruments 2008 $'000	Variable Rate Financial Instruments 2008 $'000	Fixed Rate Financial Instruments 2008 $'000
Financial assets					
Cash and cash equivalents	6.14%	9,015	-	10,627	-
Total		9,015	-	10,627	-
Financial liabilities					
Finance lease liabilities	10.77%	-	380	-	380
Bank overdraft - CBA	10.34%	287	-	287	-
Total		(287)	(380)	(287)	(380)
Net financial assets/(liabilities)		8,728	(380)	10,340	(380)

Interest rate sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates at the end of the reporting period. For floating rate instruments, the analysis is prepared assuming the amount of the liability at the end of the reporting period was outstanding for the whole year. A 0.5% increase or decrease represents the University's assessment of the reasonably possible change in interest rates.

If interest rates had been 0.5% higher and all other variables were held constant, the University's net profit and equity would decrease by $14k (2008: increase by $44k). This is mainly attributable to the University's exposure to interest rates on its variable rate cash and cash equivalents, which is off set by the interest payable on floting rate bank facilities.

If interest rates had been 0.5% higher and all other variables were held constant, the consolidated entities profit and equity would decrease by $31k (2008: increase by $52k). This is mainly attributable to the University's exposure to interest rates on its variable rate cash and cash equivalents, which is off set by the interest payable on floting rate bank facilities.

UNIVERSITY OF CANBERRA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2009

Note 39. Financial risk management (continued)

G) Capital risk management

The University manages its capital to ensure that it will be able to continue as a going concern through the optimisation of bank facility and Commonwealth funding. The Group's overall strategy remains unchanged from 2008.

The capital structure of the University consists of net debt (overdraft as detailed in Note 1 (q) - 'Cash & cash equivalent' offset by cash at bank balances and short term deposits), Commonwealth financial assistance, reserves and retained earnings as detailed in Note 3 - 'Commonwealth and Other Grants' scheme and Note 28 -'Reserves and retained surplus'.

The University's Audit and Risk Management Committee oversees the capital risk management of the University.

(H) Valuation techniques and assumptions applied for the purposes of measuring fair value

The fair values of financial assets and financial liabilities are determined as follows:

(a) The fair values of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices (includes listed equities).

(b) The fair value of the unlisted equity investments has been calculated based on the proportion of the University's interest in the underlying net assets of the investment entities. The University believe that the net assets of the investment entities approximate fair value.

UNIVERSITY OF CANBERRA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2009

Note 40. Acquittal of Australian Government financial assistance

As indicated in Note 1(e) to the financial statements, the following information is provided to meet the Department of Education, Employment and Workplace Relations (DEEWR) disclosure requirements. As the information is only relevant to the University, no consolidated figures are provided.

40.1 DEEWR - Commonwealth Grant Schemes and Other DEEWR Grants

	Note	Commonwealth Grants 2009 $'000	Commonwealth Grants 2008 $'000	Indigenous Support Program 2009 $'000	Indigenous Support Program 2008 $'000	Learning and Teaching Performance Fund 2009 $'000	Learning and Teaching Performance Fund 2008 $'000	Commercialisation Training Scheme 2009 $'000	Commercialisation Training Scheme 2008 $'000
Financial assistance received in cash during the reporting period (total cash received from the Australian Government)	3(a)	47,847	41,443	312	311	551	1,929	30	26
Net accrual adjustment		-	629	-	-	-	-	-	-
Revenue for the period		47,847	42,072	312	311	551	1,929	30	26
Surplus from the previous year		-	-	-	-		1,401	17	-
Total revenue including accrued revenue		47,847	42,072	312	311	551	3,330	47	26
Less expenses including accrued expenses		(47,847)	(42,072)	(312)	(311)	(551)	(3,330)	(6)	(9)
Surplus		-	-	-	-	-	-	41	17

	Note	Superannuation Program 2009 $'000	Superannuation Program 2008 $'000	Higher Education Equity Support Program 2009 $'000	Higher Education Equity Support Program 2008 $'000	Australian Scheme for Higher Education Repositories 2009 $'000	Australian Scheme for Higher Education Repositories 2008 $'000	Workplace Reform Program 2009 $'000	Workplace Reform Program 2008 $'000
Financial assistance received in cash during the reporting period (total cash received from the Australian Government)	3(a)	323	392	128	177	189	255	629	601
Revenue for the period		323	392	128	177	189	255	629	601
Surplus from the previous year		-	-	84	-	174	-	-	-
Total revenue including accrued revenue		323	392	212	177	363	255	629	601
Less expenses including accrued expenses		(323)	(392)	(206)	(93)	(363)	(81)	(629)	(601)
Surplus		-	-	6	84	-	174	-	-

FINANCIAL REPORT

UNIVERSITY OF CANBERRA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2009

FINANCIAL REPORT

Note 40. Acquittal of Australian Government financial assistance

As indicated in Note 1(e) to the financial statements, the following information is provided to meet the Department of Education, Employment and Workplace Relations (DEEWR) disclosure requirements. As the information is only relevant to the University, no consolidated figures are provided.

40.1 DEEWR - Commonwealth Grant Schemes and Other DEEWR Grants

	Note	Improving the Practical Component of Teacher Education Programme 2009 $'000	2008 $'000	Diversity & Structural Adjustment Fund 2009 $'000	2008 $'000	Workplace Productivity Program 2009 $'000	2008 $'000	Implementation Assistance Program 2009 $'000	2008 $'000
Financial assistance received in cash during the reporting period (total cash received from the Australian Government)	3(a)	301	418	753	677	1,112	1,480	76	72
Contribution for other institutions		-	-	-	-	-	(175)	-	-
Revenue for the period		301	418	753	677	1,112	1,305	76	72
Surplus from the previous year		363	-	677	-	-	-	103	-
Cost centre adjustment		-	-	-	-	-	-	-	31
Total revenue including accrued revenue		664	418	1,430	677	1,112	1,305	179	103
Less expenses including accrued expenses		(301)	(55)	(193)	-	(400)	(1,305)	(33)	-
Surplus		363	363	1,237	677	712	-	146	103

	Note	Transitional Cost Program 2009 $'000	2008 $'000	Total 2009 $'000	2008 $'000
Financial assistance received in cash during the reporting period (total cash received from the Australian Government)	3(a)	370	852	52,621	48,634
Contribution for other institutions		-	-	-	(175)
Net accrual adjustment		-	-	-	629
Revenue for the period		370	852	52,621	49,087
Surplus from the previous year		-	-	1,417	1,571
Cost centre adjustment		-	-	-	31
Total revenue including accrued revenue		370	852	54,038	50,689
Less expenses including accrued expenses		(370)	(852)	(51,534)	(49,272)
Surplus		-	-	2,504	1,417

UNIVERSITY OF CANBERRA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2009

Note 40. Acquittal of Australian Government financial assistance (Continued)

40.2 Higher Education Loan Programmes (excl OS-HELP)

	Note	HECS-HELP (Australian Government payments		FEE-HELP		Total	
		2009 $'000	2008 $'000	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Financial assistance received in cash during the reporting period (total cash received from the Australian Government)	3(b)	30,102	24,505	530	(1,625)	30,632	22,880
Net accrual adjustment		-	2,046	-	2,298	-	4,344
Revenue for the period		30,102	26,551	530	673	30,632	27,224
Surplus from the previous year		-	-	-	-	-	-
Total revenue including accrued revenue		30,102	26,551	530	673	30,632	27,224
Less expenses including accrued expenses		(30,102)	(26,551)	(530)	(673)	(30,632)	(27,224)
Surplus / (deficit)		-	-	-	-	-	-

FINANCIAL REPORT

UNIVERSITY OF CANBERRA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2009

Note 40. Acquittal of Australian Government financial assistance (Continued)

40.3 Learning Scholarships

	Note	Australian Postgraduate Awards 2009 $'000	Australian Postgraduate Awards 2008 $'000	International Postgraduate Research Scholarship Scheme 2009 $'000	International Postgraduate Research Scholarship Scheme 2008 $'000	Indigenous Access Scholarships 2009 $'000	Indigenous Access Scholarships 2008 $'000	National Priority Scholarships 2009 $'000	National Priority Scholarships 2008 $'000
Financial assistance received in cash during the reporting period (total cash received from the Australian Government)	3(c)	590	461	97	134	79	73	44	-
Net accrual adjustment		-	-	-	-	-	-	-	-
Revenue for the period		590	461	97	134	79	73	44	-
Surplus from the previous year		78	142	37	6	14	-	-	-
Total revenue including accrued revenue		668	603	134	140	93	73	44	-
Less expenses including accrued expenses		(668)	(525)	(110)	(103)	(85)	(59)	(42)	-
Surplus		-	78	24	37	8	14	2	-

	Note	Commonwealth Education Cost Scholarships 2009 $'000	Commonwealth Education Cost Scholarships 2008 $'000	Commonwealth Accommodation Scholarships 2009 $'000	Commonwealth Accommodation Scholarships 2008 $'000	National Accommodation Scholarships 2009 $'000	National Accommodation Scholarships 2008 $'000	Total 2009 $'000	Total 2008 $'000
Financial assistance received in cash during the reporting period (total cash received from the Australian Government)	3 (c)	415	402	755	683	212	-	2,192	1,755
Net accrual adjustment		-	-	-	-	-	-	-	-
Revenue for the period		415	402	755	683	212	-	2,192	1,755
Surplus from the previous year		135	129	385	340	-	-	651	617
Total revenue including accrued revenue		550	531	1,140	1,023	212	-	2,843	2,372
Less expenses including accrued expenses		(544)	(396)	(1,140)	(638)	(208)	-	(2,797)	(1,721)
Surplus		6	135	-	385	4	-	46	651

UNIVERSITY OF CANBERRA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2009

Note 40. Acquittal of Australian Government financial assistance (Continued)

40.4 Commonwealth Research

		Institutional Grants Scheme		Research Training Scheme		Research Infrastructure Block Grants		Total	
	Note	2009 $'000	2008 $'000	2009 $'000	2008 $'000	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Financial assistance received in cash during the reporting period (total cash received from the Australian Government)	3(d)	1,557	1,605	2,611	2,575	455	478	4,623	4,658
Net accrual adjustment		-	-	-	-	-	-	-	-
Revenue for the period		1,557	1,605	2,611	2,575	455	478	4,623	4,658
Surplus from the previous year		828	-	-	-	505	331	1,333	331
Total revenue including accrued revenue		2,385	1,605	2,611	2,575	960	809	5,956	4,989
Less expenses including accrued expenses		(2,385)	(777)	(2,611)	(2,575)	(960)	(304)	(5,956)	(3,656)
Surplus		-	828	-	-	-	505	-	1,333

40.5 Other Capital Funding

		Better Universities Renewal Funding		Teaching and Learning Capital Funding		Microsimulation Centre Capital Funding		Total	
		2009 $'000	2008 $'000	2009 $'000	2008 $'000	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Financial assistance received in cash during the reporting period (total cash received from the Australian Government)	3(e)	-	4,694	5,442	-	2,700	-	8,142	4,694
Contribution for other institutions		-	-	-	-	-	-	-	-
Net accrual adjustment		-	-	-	-	-	-	-	-
Revenue for the period		-	4,694	5,442	-	2,700	-	8,142	4,694
Surplus from the previous year		4,349	-	-	-	-	-	-	-
Cost centre adjustment		-	-	-	-	-	-	-	-
Total revenue including accrued revenue		4,349	4,694	5,442	-	2,700	-	8,142	4,694
Less expenses including accrued expenses		(1,275)	(345)	-	-	(2,262)	-	-	(345)
Surplus		3,074	4,349	5,442	-	438	-	8,142	4,349

FINANCIAL REPORT

UNIVERSITY OF CANBERRA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2009

FINANCIAL REPORT

Note 40. Acquittal of Australian Government financial assistance (Continued)

40.6 Australian Research Council Grants

	Note	(i) Discovery Projects 2009 $'000	(i) Discovery Projects 2008 $'000	(ii) Linkage Projects 2009 $'000	(ii) Linkage Projects 2008 $'000	(ii) Linkage Infrastructure Projects 2009 $'000	(ii) Linkage Infrastructure Projects 2008 $'000	(iv) Future Fellowship Projects 2008 $'000	(iv) Future Fellowship Projects 2008 $'000
Financial assistance received in cash during the reporting period (total cash received from the Australian Government)	3(f)	667	653	503	818	150	-	101	-
Contribution for other Institutions		104	104	37	164	-	-	-	-
Net accrual adjustment		17	-	436	-	-	-	-	-
Revenue for the period		546	549	30	654	150	-	101	-
Surplus from the previous year		320	260	642	428	-	-	-	-
Total revenue including accrued revenue		866	809	672	1,082	150	-	101	-
Less expenses including accrued expenses		(518)	(489)	(473)	(440)	(150)	-	(101)	-
Surplus		348	320	199	642	-	-	-	-

	Note	Total 2009 $'000	Total 2008 $'000
Financial assistance received in cash during the reporting period (total cash received from the Australian Government)	3(f)	1,421	1,472
Contribution for other Institutions		141	268
Net accrual adjustment		453	-
Revenue for the period		827	1,204
Surplus from the previous year		963	688
Total revenue including accrued revenue		1,790	1,892
Less expenses including accrued expenses		(1,242)	(929)
Surplus		548	963

UNIVERSITY OF CANBERRA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2009

Note 41.Correction of prior period errors

The University has made a prior period adjustment due to correction of a prior period errors. As this change only materially affected the 2008 year no column for the 2007 year has been included on the face of the balance sheet.

The following prior period errors have been adjusted for:

(a) Annual leave

As disclosed in Note 2 (l) Employee Benefits, employee benefits include wages and salaries, annual leave, long service leave and all applicable on-costs. In previous reporting periods, all applicable on-costs were not included in the estimated annual and long service leave liabilities due to an omission. The inclusion of these on-costs in the current reporting period has resulted in an increase to the liability for employee benefits and the related expense of $1.930 million.

(b) Arscott House

In previous reporting periods, due to an ommission the University has included the fair value of Arscott House (a student accommodation building) in the balance of its' property, plant and equipment. Arscott House is held under a lease arrangement with the ACT Government and the risks and rewards of ownership have not transferred to the University. The University has corrected its' financial statements for this ommission which has resulted in a decrease in the carrying amount of property, plant and equipment of $7.905 million

Restatement of the financial statements as a result of the prior period errors

	Notes	Actual Consolidated 2008 $'000	Actual UC 2008 $'000	Correction of Error 2008 $'000	Corrected Acutal Consolidated 2008 $'000	Corrected Acutal UC 2008 $'000
Income statement extract						
Employee related expenses	9	92,086	87,780	523	92,609	88,303
Depreciation and amortisation		10,139	9,889	(159)	9,980	9,730
Total expenses from continuing operations		*145,047*	*137,539*	*364*	*145,411*	*137,903*
Operating surplus		***311***	***569***	***(364)***	***(53)***	***205***
Statement of comprehensive Income extract						
Operating surplus	*28(c)*	*311*	*569*	*(364)*	*(53)*	*205*
Total comprehensive income		***(3,570)***	***(3,312)***	***(364)***	***(3,934)***	***(3,676)***
Statement of financial position extract						
Property, plant and equipment		261,379	260,730	(7,905)	253,474	252,825
Total non current assets		273,516	272,867	(7,905)	265,611	264,962
Total assets		296,577	293,855	(7,905)	288,672	285,950
Current Provisions	26	14,287	13,929	1,930	16,217	15,859
Total current liabilties		28,186	26,933	1,930	30,116	28,863
Total liabilities		36,762	35,437	1,930	38,692	37,368
Net assets		259,815	258,417	(9,835)	249,980	248,583
Retained surplus	28(c)	50,538	50,972	(1,612)	48,926	49,361
Total Equity		259,815	258,417	(9,835)	249,980	248,583

UNIVERSITY OF CANBERRA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2009

Note 41.Correction of prior period errors (Continued)

Restatement of the financial statements as a result of the prior period errors (Continued)

	Notes	Actual Consolidated 2008 $'000	Actual UC 2008 $'000	Correction of Error 2008 $'000	Corrected Acutal Consolidated 2008 $'000	Corrected Acutal UC 2008 $'000
Statement of changes in equity extract						
Consolidated						
Balance at 1 January 2008						
Total equity at the beginning of the financial year						
Equity and reserves		213,158	211,326	(8,223)	204,935	203,103
Retained surplus		50,277	50,404	(1,298)	48,979	49,156
Operating Surplus		311	569	(364)	(53)	205
Balance at 31 December 2008		259,815	258,417	(9,835)	249,980	248,583
Note 9. Employee related expenses extract						
Academic						
Long service leave and annual leave	9	1,580	1,564	312	1,892	1,876
Total academic		47,826	46,632	312	48,138	46,944
Non-academic						
Long service leave and annual leave	9	1,400	1,247	211	1,611	1,458
Total non-academic		44,260	41,148	211	44,471	41,359
Total employee and related expenses		92,086	87,780	523	92,609	88,303
Note 10. Depreciation and amortisation extract						
Buildings		4,958	4,958	(154)	4,804	4,804
Infrastructure		859	859	(5)	854	854
Total depreciation		8,110	7,860	(159)	7,951	7,701

UNIVERSITY OF CANBERRA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2009

Note 41.Correction of prior period errors (Continued)

Restatement of the financial statements as a result of the prior period errors (Continued)

	Notes	Actual Consolidated 2008 $'000	Actual UC 2008 $'000	Correction of Error 2008 $'000	Corrected Acutal Consolidated 2008 $'000	Corrected Acutal UC 2008 $'000
Note 22. Property, plant and equipment extract						
As at 1 January 2008						
Cost/Valuation						
Leasehold land		23,240	23,240	(520)	22,720	22,720
Buildings		227,238	227,238	(7,428)	219,810	219,810
Infrastructure		6,030	6,030	(275)	5,755	5,755
Accumulated Depreciation						
Buildings		(4,629)	(4,629)	154	(4,475)	(4,475)
Infrastructure		(847)	(847)	6	(841)	(841)
Net book amount						
Leasehold land		23,240	23,240	(520)	22,720	22,720
Buildings		222,609	222,609	(7,274)	215,335	215,335
Infrastructure		5,183	5,183	(269)	4,914	4,914
Year ended 31 December 2008						
Opening net book amount						
Leasehold land		23,240	23,240	(520)	22,720	22,720
Buildings		222,609	222,609	(5,389)	215,335	215,335
Infrastructure		5,069	5,069	(155)	4,914	4,914
Depreaciation						
Buildings		(4,958)	(4,958)	154	(4,804)	(4,804)
Infrastructure		(859)	(859)	5	(854)	(854)
Closing net book amount						
Leasehold land		23,240	23,240	(520)	22,720	22,720
Buildings		221,375	221,375	(7,121)	214,254	214,534
Infrastructure		4,324	4,324	(264)	4,060	4,060
As at 31 December 2008						
Cost/Valuation						
Leasehold land		23,240	23,240	(520)	22,720	22,720
Buildings		221,375	221,375	(7,121)	214,254	214,534
Infrastructure		4,324	4,324	(264)	4,060	4,060
Accumulated Depreciation						
Buildings		(9,587)	(9,587)	307	(9,280)	(9,280)
Infrastructure		(1,706)	(1,706)	11	(1,695)	(1,695)
Net book amount						
Leasehold land		23,240	23,240	(520)	22,720	22,720
Buildings		221,375	221,375	(7,121)	214,254	214,254
Infrastructure		4,324	4,324	(264)	4,060	4,060
Note 26. Provisions extract						
(a) Current - due at reporting date						
Provision for annual leave		6,356	6,195	(1,930)	8,286	8,125
Total current provisions		14,287	13,929	(1,930)	16,217	15,859
Total provisions		15,930	15,543	(1,930)	17,860	17,473
Note 28. Reserves and retained surplus						
Asset revaluation reserve at the beginning of the year		213,158	211,326	(8,223)	204,935	203,103
Retained surplus at the beginning of the year	28	50,227	50,404	(1,248)	48,979	49,156
Operating surplus	28	311	569	(364)	(53)	205
Total Equity		259,815	258,417	(9,835)	249,980	248,583