UNIVERSITY OF CANBERRA

ANNUAL REPORT

VOLUME TWO: FINANCIALS

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 2010. The financial statements are comprised of the income statement, statement of comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows 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 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 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 evaluate the prudence of decisions made by the University.

Electronic presentation of the audited financial statements

Those viewing an electronic presentation of the 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 the financial statements. If users of the financial statements 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 2010:

(a) are presented in accordance with the *University of Canberra Act 1989*, Accounting Standards and other mandatory financial reporting requirements in Australia; and

(b) present fairly the financial position of the University as at 31 December 2010 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.

Bernie Sheville
Acting Auditor-General
21 April 2011

UNIVERSITY
OF CANBERRA

UNIVERSITY OF CANBERRA CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2010

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UNIVERSITY OF CANBERRA

REPORT BY THE MEMBERS OF THE UNIVERSITY CANBERRA COUNCIL
FOR THE YEAR ENDED 31 DECEMBER 2010

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 20th day of April 2011

Mr John Mackay
Chancellor

Professor Stephen Parker
Vice-Chancellor

UNIVERSITY OF CANBERRA

REPORT BY THE MEMBERS OF THE UNIVERSITY CANBERRA COUNCIL FOR THE YEAR ENDED 31 DECEMBER 2010

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 expired 31 December 2010.

Deputy Chancellor
Rosemary Follett (Deputy Chancellor), AO, BA Admin Canberra CAE - Appointed by the Chief Minister 21 October 2008. Tenure expires 20 October 2011. Appointed Deputy Chancellor 12 February 2010.

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 28 February 2015.

Chair, Academic Board
George Cho, AM, B.A. (Hons) Malaya, M.A. UBC; Ph.D, ANU; LLB(G) ANU, Grad Cert Higher Ed UC, Barrister-at-Law, Supreme Court of New South Wales; Barrister and Solicitor, Supreme Court of the Australian Capital Territory; Barrister-at-law, High Court of Australia. - Appointment commenced 1 January 2008. Current tenure expires 31 December 2012.

Appointed by the ACT Chief Minister
Tom Calma, HonDLitt CDU, AssocDipSocialWork SAIT - 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.

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. Resigned from Council 5 March 2010.

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

John Mackay, AM, BA Admin *Canberra*, Hon PhD *Canberra*, FAIM – Appointed by the Chief Minister 1 January 2010. Appointed as Chancellor-designate by Council on 6 August 2010. Tenure expires 31 December 2013.

Prue Power, MPH ANU, SFCDA, AFCHSM - Appointed by the Chief Minister 1 January 2010. Tenure expires 31 December 2012.

Dennis Trewin, BSc (hons) (Melbourne), BEc ANU, MSc (London) - Appointed by the Chief Minister 21 December 2010. Tenure expires 20 December 2013.

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

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

Elected by the Students
Geoffrey Wakeford - Elected to Council by undergraduate students 27 September 2009. Tenure expired 31 December 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 expired 31 December 2010.

UNIVERSITY OF CANBERRA

REPORT BY THE MEMBERS OF THE UNIVERSITY CANBERRA COUNCIL
FOR THE YEAR ENDED 31 DECEMBER 2010

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 2010 and the number of meetings attended by each member were:

	Council Meetings		Meetings of Committees											
			Audit and Risk Management		Finance		Nomination and Senior Appointments		Environment and Works		Legislation		Honorary Degrees	
	A	B	A	B	A	B	A	B	A	B	A	B	A	B
Mr Greg Barrett	8	8			6	6								
Mr Tom Calma	8	6							4	2	2	2		
Professor George Cho	8	7					4	4	3	3	2	2	2	2
Ms Mara Eversons	8	5							4	4				
Ms Rosemary Follett	8	8					4	3	3	2				
Ms Margaret Gillespie	8	7	5	5	6	4	4	3						
Mr Rohan Goyne	8	6	5	4							2	2		
Mr John Mackay	8	8			6	3							2	2
Professor Ingrid Moses	8	8	5	5	6	4	4	4	4	3	2	2	2	2
Professor Stephen Parker	8	8	5	5	6	6	4	3	4	2	2	2	2	1
Ms Prue Power	8	6	5	4										
Dr Sarah Ryan	8	7							4	4				
Ms Sarah Schoonwater	1	0												
Ms Maria Storti	8	7	5	3	6	6								
Mr Geoffrey Wakeford	8	4							4	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

University of Canberra
Report by the Members of the University of Canberra Council
For the year ended 31 December 2010

Introduction

The year under review was one marked by growth in several areas, with strong student enrolments during the year and the completion of major new capital works and refurbishments. The year was the fourth of the five-year program aimed at re-making the University, and the strategic and operational initiatives of the four years should allow the University to meet the opportunities and challenges of the more competitive higher education sector from 2012; as Commonwealth funding follows the student rather than allocated to course clusters at each institution. The positive turn around in the financial results of the University in 2008 and 2009, which resulted in an operating surplus in each of the two years, continued in 2010 and is evidence of a continued strengthening of the University's financial position. However the surplus relies partly on grant income and the University has yet to achieve a sustainable surplus based solely on ongoing operating income.

As outlined below, numerous initiatives were commenced in 2010 to strengthen the University and assure its prospects in the future. The benefits of initiatives in previous years continued to impact and strengthen, especially in relation to 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, NATSEM Pty Limited, and UCU Ltd) consisted of the:

- Provision of education to domestic 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 2010:

- 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 commitment to a *Step 40* strategy, known as "UC for Life" in the Commonwealth Government's interim compact agreement in 2009. This strategy was further developed in 2010, including the establishment of 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. In 2010 the University signed a formal agreement with the ACT Department of Education and Training which will result, from 2011, in the re-naming of a high school and secondary college under the University's banner;
- 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. This process continued through 2010, including formal discussions with the Canberra Institute of Technology, regarding their potential involvement;
- The University devoted significant effort to expanding and strengthening its student numbers, especially International students, in preparation for the new higher education environment from 2012. The University introduced a third term (the Winter Term), which attracted enrolments beyond expectations, and, contrary to sector trends, maintained and grew International student enrolments;
- The University submitted a Structural Adjustment Fund application which, if successful, will allow the University to establish new boutique campuses in Cooma and Goulburn and redevelop the University's field station at Jervis Bay;
- The University submitted a number of applications for major grants and was successful in attracting significant funding, including a $1.4 million grant to expand the University's clinical placement capacity. Many of the applications were in the health and allied health fields;
- A major capital works and maintenance program initiated in 2009 resulted in the completion and opening in August 2010 of the $11 million NATSEM International Microsimulation Centre, the completion of major refurbishments to parts of the Library, Refectory and the student media centre;
- The first "sod" was turned by the ACT Minister for Education and Training on the new $7 million INSPIRE Centre which will deliver education and applied research in Information and Technology Communication; and
- The University completed and launched its first Reconciliation Action Plan and developed and approved a new Indigenous Employment Strategy for the University.

Also, during the year, as foreshadowed in previous annual reports, stronger collaborative links with the Australian National University were forged through the signing of a formal memorandum of understanding between the two institutions.

University of Canberra
Report by the Members of the University of Canberra Council
For the year ended 31 December 2010

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 and two new members were appointed by the Chief Minister from 1 January 2010. One member appointed by the Chief Minister resigned in March 2010 and a replacement appointment was made in December 2010. An additional new member was appointed in December 2010 to fill the vacancy from 1 January 2011 resulting from the appointment of a new Chancellor.

The terms of the two student members of Council were extended to 31 December 2010 to reflect the introduction of new rules governing the election of student members, which introduced terms based on the calendar year.

Subsequent Events

The University purchased the Scrivener Building, at 27 Thynne Street in Bruce, for a total of $9.5 million on 15 February 2011. The building has 4,500 square metres of space on a block of about 10,500 square metres, with over 100 car parking spaces. At the time of signing the University's financial statements there had been no other subsequent or significant events after 31 December 2010.

Future Developments

The adoption of a new campus masterplan in 2009 has led to significant development of the University campus, and improvements to teaching and research facilities. The capital works and refurbishment program commenced in 2009 and 2010 will continue through 2011.

The University may initiate further strategies to support the Academic Renewal program, which aim to further enhance the research profile of the academic staff of the University. The review of disciplines, to be initiated in 2011, should further enhance the academic program of the University and strengthen the financial base of the University.

The University expects to adopt *Step 40* as a formal strategy in 2011, which will see an expansion of the University's reach into early childhood education, years kinder to 12, pre-university and pathway courses through a new polytechnic institution, and post-university life-long education. Commonwealth funding applications have the potential to lead to the establishment of additional campuses in Cooma and Goulburn and the redevelopment of several off-site facilities. The University is also examining options for the purchase of off-site buildings adjacent to the current campus, to expend the current facilities available to support the objectives of the University.

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 legal matters pending as at 31 December 2010:

- Four claims which are covered by the University's insurer; and
- One claim by a former client in Pakistan relating to English language (IELTS) testing.

No new legal proceedings commenced during 2010 which were pending at the close of the year.

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

On behalf of the Council

Signed at Canberra this 20th day of April 2011

Professor Stephen Parker
Vice-Chancellor

UNIVERSITY OF CANBERRA

INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2010

	Notes	Consolidated 2010 $'000	Consolidated 2009 $'000	University 2010 $'000	University 2009 $'000
Income from continuing operations					
Australian Government financial assistance					
Australian Government grants	3(a), (c-g)	79,767	71,202	79,558	71,202
HECS-HELP- Australian Government receipts	3(b)	34,482	30,102	34,482	30,102
FEE-HELP - Australian Government receipts	3(b)	2,628	530	2,628	530
HECS-HELP - student receipts		7,143	7,109	7,143	7,109
State and Local Government financial assistance	4	913	955	830	955
Fees and charges	5	42,968	31,075	30,469	26,372
Investment revenue and income	6	762	2,750	545	2,655
Consultancies and research contracts	7	3,871	5,368	3,871	5,369
Other revenue	8	390	1,162	396	1,162
Other income	8	21,207	16,832	17,067	13,123
Total income from continuing operations		194,131	167,085	176,989	158,579
Expenses from continuing operations					
Employee related expenses	9	121,115	106,059	108,809	101,471
Depreciation and amortisation	10	8,679	9,800	8,448	9,583
Repairs and maintenance	11	3,131	1,973	3,090	1,971
Finance costs	12	410	175	410	175
Impairment losses	13	1,149	725	1,099	678
Investment loss	14	716	903	716	903
Other expenses	15	49,913	45,593	46,383	42,342
Total expenses from continuing operations		185,113	165,228	168,955	157,123
Operating surplus before tax	28(b)	9,018	1,857	8,034	1,456
Income tax - NATSEM Pty Limited		8	-	-	-
Operating surplus after tax	28(b)	9,026	1,857	8,034	1,456

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 2010

		Consolidated		University	
		2010	2009	2010	2009
	Notes	$'000	$'000	$'000	$'000
Operating surplus	28(b)	9,026	1,857	8,034	1,456
Revaluation (decrement)/increment of land, buildings and infrastructure	28(a)	(211)	26,582	(211)	26,582
(Decrement) on revaluation of works of art	28(a)	-	(403)	-	(403)
Total comprehensive income		8,815	28,036	7,823	27,635

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 2010

		Consolidated		University	
		2010	2009	2010	2009
	Notes	$'000	$'000	$'000	$'000
ASSETS					
Current assets					
Cash at bank and cash equivalents	16	7,026	9,866	3,796	6,524
Trade and other receivables	17	11,940	12,664	10,817	13,138
Other financial assets	18	497	134	497	134
Other non-financial assets	19	3,143	2,520	2,673	2,505
Total current assets		22,606	25,185	17,783	22,301
Non-current assets					
Other non-financial assets	18	13,721	-	13,721	-
Investments	20	1,373	1,770	1,739	2,136
Investment property	21	6,720	7,039	6,720	7,039
Property, plant and equipment	22	300,272	292,457	299,743	291,831
Intangible assets	23	1,954	2,264	1,951	2,264
Total non-current assets		324,040	303,530	323,874	303,270
Total assets		346,646	328,715	341,657	325,571
LIABILITIES					
Current liabilities					
Trade and other payables	24	12,075	9,581	11,349	9,353
Borrowings	25	644	774	644	774
Provisions	26	16,347	14,831	15,753	14,441
Other financial liabilities	27	10,259	9,601	9,667	9,168
Total current liabilities		39,325	34,787	37,413	33,736
Non-current liabilities					
Borrowings	25	10,004	3,111	10,004	3,111
Provisions	26	2,885	1,861	2,857	1,826
Other financial liabilities	27	7,342	10,680	7,342	10,680
Total non-current liabilities		20,231	15,652	20,203	15,617
Total liabilities		59,556	50,439	57,616	49,353
Net assets		287,090	278,275	284,041	276,218
EQUITY					
Asset revaluation surplus	28(a)	225,190	225,401	225,190	225,401
Retained surplus	28(b)	61,900	52,874	58,851	50,817
Total Equity		287,090	278,275	284,041	276,218

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

UNIVERSITY OF CANBERRA

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2010

Consolidated

	Notes	Asset Revaluation Surplus $'000	Retained surplus $'000	Total $'000
Total equity at 1 January 2009		199,222	51,017	250,239
Revaluation increment of land, buildings and infrastructure	28(a)	26,582	-	26,582
Revaluation decrement of works of art	28(a)	(403)	-	(403)
Operating surplus	28(b)	-	1,857	1,857
Balance at 31 December 2009		225,401	52,874	278,275
Total equity at 1 January 2010		225,401	52,874	278,275
Revaluation decrement of land, buildings and infrastructure	28(a)	(211)	-	(211)
Operating surplus	28(b)	-	9,026	9,026
Balance at 31 December 2010		225,190	61,900	287,090

University

	Notes	Asset Revaluation Surplus $'000	Retained surplus $'000	Total $'000
Total equity at 1 January 2009		199,222	49,361	248,583
Revaluation increment of land, buildings and infrastructure	28(a)	26,582	-	26,582
Revaluation decrement of library assets	28(a)	(403)	-	(403)
Operating surplus	28(b)	-	1,456	1,456
Balance at 31 December 2009		225,401	50,817	276,218
Total equity at 1 January 2010		225,401	50,817	276,218
Revaluation decrement of land, buildings and infrastructure	28(a)	(211)	-	(211)
Operating surplus	28(b)	-	8,034	8,034
Balance at 31 December 2010		225,190	58,851	284,041

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

UNIVERSITY OF CANBERRA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2010

	Note	Consolidated 2010 $'000	Consolidated 2009 $'000	University 2010 $'000	University 2009 $'000
Cash flows from operating activities					
Australian Government grants		115,226	94,934	115,226	94,934
Other Commonwealth grants		5,805	2,203	5,805	2,203
State Government grants		830	955	830	955
HECS-HELP student payments		7,206	7,109	7,206	7,109
Receipts from student fees and other customers		68,079	57,110	50,289	46,808
Investment income		829	1,735	652	1,649
Total inflows		197,975	164,046	180,008	153,658
Payments to suppliers and employees		(171,208)	(151,718)	(153,272)	(142,532)
Interest and other costs of finance paid		(410)	(175)	(410)	(175)
Total outflows		(171,618)	(151,893)	(153,682)	(142,707)
Net cash provided by operating activities	35(b)	26,357	12,153	26,326	10,951
Cash flows from investing activities					
Proceeds from sale of property, plant, equipment		272	19	106	19
Payments for property, plant, equipment		(32,065)	(12,737)	(31,756)	(12,593)
Net cash (used in) investing activities		(31,793)	(12,718)	(31,650)	(12,574)
Cash flows from financing activities					
Proceeds from borrowings		7,000	(1,167)	7,000	(1,167)
Repayments of borrowings/finance leases		(4,280)	(75)	(4,280)	(75)
Net cash provided by/(used in) financing activities		2,720	(1,242)	2,720	(1,242)
Net (decrease) in cash and cash equivalents		(2,716)	(1,806)	(2,604)	(2,865)
Cash and cash equivalents at the beginning of the year		9,205	11,011	5,863	8,728
Cash at bank and cash equivalents at the end of the year	35(a)	6,489	9,205	3,259	5,863
Financing arrangement - Commonwealth Grants Scheme Grant Advance	27(c)	2,500	6,667	2,500	6,667
Financing arrangement - Cash advance and bank overdraft facilities	25(a)	10,537	3,661	10,537	3,661
Non-cash financing and investing activities	25(a)	111	224	111	224

The above Statement of Cash Flows 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 2010

Note 1. Summary of significant accounting policies

(a) Statement of compliance

The financial statements are general purpose financial statements and have been prepared and 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 2010 Reporting Period issued by the Australian Government Department of Education, Employment and Workplace Relations (DEEWR); and
3. Australian Accounting Standards.

(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 Australian Accounting Standards 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 estimating 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 allowances for impairment losses is recognised.

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 warrant 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 initially recognised at cost and adjusted thereafter for the post-acquisition change in the University's share of the net assets of 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(y): Public Private Partnerships for further details.

6. Fair Value of Property, plant and equipment
   The University has made significant judgements regarding the fair value of its assets. Assets valued at fair value have been recorded at the market value of similar properties as determined by an independent valuer. This valuation uses significant judgements and estimates to determine the fair value, including appropriate indexation figure and quantum of assets held.

7. Employee benefits
   Significant judgements have been applied in estimating the liability for employee benefits. The estimated liability requires a consideration of future wage and salary levels, experience of employee departures and period of service. The estimate also includes an assessment of the probability that employees will meet the minimum service period required to qualify for long service leave, and that on-costs will become payable. Further information is provided in Note. 1(l); "Employee benefits".

UNIVERSITY OF CANBERRA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2010

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, being the University of Canberra College Pty Limited (the College), UCU Ltd and NATSEM Pty Limited. 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.

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 when the University obtains the control of the right to receive 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 income 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 in proportion to the stage of completion of the transaction at the reporting date.

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.

UNIVERSITY OF CANBERRA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2010

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 when the University obtains control of the contribution or the right to receive the contribution; it is probable that economic benefits comprising the contribution will flow to the University, and the amount of the contribution can be measured reliably.

(g) Investment property

Investment property is property held either to earn rental income or for capital appreciation purposes or for both, but not for sale in the ordinary course of business, use in the supply of services or for administrative purposes. Investment is measured at fair value with any changes therein recognised in the income statement.

(h) Property, plant and equipment

All property, plant and equipment are measured at cost less accumulated depreciation and impairment losses except for leasehold land, buildings, infrastructure, library collection, right to receive accommodation and works of art. Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials, direct labour and any other costs directly attributable to bringing the assets to a working condition for their intended use.

Leasehold land, buildings, infrastructure, library collection and works of art are initially recognised at cost and subsequently measured 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 Collection is revalued every five years. Any revaluation increase is recognised in other comprehensive income and transferred to the revaluation surplus, 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 recognised. A decrease in carrying amount arising from a revaluation is recognised as an expense in the income statement. However to the extent that it exceeds the balance, if any, held in the revaluation surplus relating to previous revaluation of those assets, the decrease reduces the revaluation surplus and is recognised in other comprehensive income.

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.

<u>Threshold</u>
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 2010

Note 1. Summary of significant accounting policies (continued)

(i) Depreciation and amortisation

Depreciable property, plant and equipment assets are depreciated over the estimated remaining useful lives to the University using the straight line method of depreciation.

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

	Years
Buildings	4 to 50
Equipment	4
Motor vehicles	4
Computer Equipment	3
Infrastructure	7 to 50
Library collection	10
Software	5

Leasehold land and works of art are assessed as having an indefinite useful life and are not depreciated.

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 is 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 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 2010

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 increases through promotion and inflation.

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 2010, the assets of the DBD in aggregate were estimated to be $1,217 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 2010, the assets of the DBD in aggregate were estimated to be $312 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 2010 on the actuarial investigation of the DBD as at 31 December 2009. 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 2010

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 except for investment in the Centre for Customs and Excise Studies (CCES) are brought to account at fair value as at 31 December 2010. Investment in CCES is recorded using equity method of accounting for investments. All investments are in accordance with the powers given to the University under Section 7(2) (n) of the *University of Canberra Act 1989*.

(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 overdraft facility of $21m of which $10m is undrawn ($17m 2009). Bank overdrafts are included in Cash and Cash Equivalents in the Statement of Cash Flows but not in the Cash and Cash Equivalent line on the Statement of Financial Position.

(r) Trade and 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 initially recognised at fair value. Subsequent to initial recognition, receivables are measured at amortised cost less any impairment losses. 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 asset have been impacted.

In estimating impairment losses, the Group assess the recoverability of each debtor over 60 days. The impairment losses are determined based on management's judgement of the credit worthiness, ageing of the receivable and the likelihood of recoverability.

(s) Payables

Trade and other payables are initially recognised at the fair value of the consideration to be paid for the goods and services and subsequently 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 initially recognised at fair value and subsequent measurement is at amortised cost. Interest expense is recognised in the income statement using the effective interest rate.

UNIVERSITY OF CANBERRA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2010

Note 1. Summary of significant accounting policies (continued)

(u) 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 an expense.

(v) Intangibles

Intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and impairment losses. Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

Amortisation is recognised in the income statement on a straight line basis to write off the cost of intangibles to their estimated residual values over their estimated useful lives. The estimated useful lives for the current and comparative years are as follows:

Computer Software	5 years

(w) Economic dependency

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

(x) 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.

(y) Public Private Partnerships (PPP)

New Accommodation

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 the University at the end of the lease. Campus Living Villages manage the complex and collect rentals during the term of the lease.

Campus Living Villages will pay the University annuity payments equal to 13.65% of total residence fees (excluding GST) throughout the lease term. The University has recorded a finance lease receivable to recognise the discounted value of minimum lease payments (annuity payments) receivable over the lease term.

The University does not have the significant risks and rewards in relation to the newly constructed student accommodation during the thirty year lease period. The University does, however, have a right to receive at no cost 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 the University will only start to amortise it at the end of the lease term when the building reverts back to the University and is in a state ready for use by the University.

The University estimates that the fair value of the student accommodation at the end of the thirty year lease period will be $8.5 million. The fair value was determined by independent valuation (CBRE Valuation & Advisory Service) based on rental receipts in perpetuity discounted at the rate of 9% per annum.

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.

Existing Accommodation

Campus Living Villages will additionally operate, maintain and refurbish University of Canberra's existing student accommodation for a period of thirty years from the date of agreement.

Campus Living Villages retains rental revenues earned from the operation of the existing student accommodation and as the University does not provide a minimum revenue guarantee on the residence fees, the risk is fully borne by Campus Living Villages. The University is essentially transferring the majority of risks and rewards associated with the operation of the existing student accommodation to Campus Living Villages and as such, the lease of the existing buildings is classified as a finance lease. Therefore, the carrying value of the existing buildings has been derecognised from the University's Property, Plant and Equipment.

UNIVERSITY OF CANBERRA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2010

Note 1. Summary of significant accounting policies (continued)

(y) Public Private Partnerships (PPP) (continued)

Existing Accommodation (continued)

Campus Living Villages will pay the University annuity payments equal to 13.65% of total residence fees (excluding GST) from 1 August 2009 (date of occupancy readiness) throughout the lease term. The University has recorded a finance lease receivable to recognise the discounted value of minimum lease payments (annuity payments) receivable over the lease term.

The University does however have a right to receive the buildings at the end of the lease term at no cost. To better reflect the substance of the transaction the fair value of the right to receive the buildings has been included in the University's property, plant and equipment. However the University will only start to amortise it at the end of the lease term when the buildings revert back to the University and is in a state ready for use by the University.

The University estimates that the fair value of the student accommodation at the end of the thirty-year lease period will be $7.6 million. The fair value was determined by independent valuation (CBRE Valuation and Advisory Services) based on rental receipts in perpetuity discounted at the rate of 9% per annum.

The land component of the existing student accommodation is deemed to have an infinite economic life as per paragraph 14 of AASB 117- Leases, and if title is not expected to pass to the lessee, the lessee does not receive substantially all the risks and rewards incidental to ownership. As such, the lease of the land component of existing student accommodation is treated as an operating lease by the University and the University will continue to account for the land as its own asset.

The University has also recorded deferred income, being the difference between the carrying value of existing accommodation disposed of in exchange for the lease receivable and the fair value of the new and existing accommodation that will revert to the University at the end of the lease term. The deferred income will be recognised in the income statement on a straight line basis over the lease term.

(z) Accounting Standards yet to be applied

The following new standards, amendment or interpretations, considered to be applicable to the University, have been issued by the Australian Accounting Standards Board but are effective for future reporting periods. It is estimated that the impact of adopting these pronouncements when effective will have no material financial impact on future reporting periods.

AASB 9 Financial Instruments
AASB 2009-10 Amendments to Australian Accounting Standards – Classification of Rights Issues [AASB 132]
AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and interpretations 10 & 12]
AASB 124 Related Party Disclosures (December 2009)
AASB 2009-12 Amendments to Australian Accounting Standards [AASBs 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 & 1031 and interpretations 2, 4, 16, 1039 & 1052]
AASB 2009-14 Amendments to Australian Interpretation – Prepayments of a Minimum Funding Requirement
AASB 2010-1 Amendments to Australian Accounting Standards – Limited Exemption from Comparative AASB 7 Disclosures for First-time Adopters
AASB 1053 Application of Tiers of Australian Accounting Standards
AASB 2010-2 Amendments to Australian Accounting Standards arising from reduced disclosure requirements
AASB 2010-3 Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 3, AASB 7, AASB 121, AASB 128, AASB 131, AASB 132 & AASB 139]
AASB 2010-4 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 1, AASB 7, AASB 101, AASB 134 and Interpretation 13]
Interpretation 19 Extinguishing Financial Liabilities with Equity Instruments
AASB 2010-5 Amendments to Australian Accounting Standards [AASB 1, 3, 4, 5, 101, 107, 112, 118, 119, 121, 132, 133, 134, 137, 139, 140, 1023 & 1038 and interpretations 112, 115, 127, 132 & 1042]
AASB 2010-6 Amendments to Australian Accounting Standards – Disclosures on Transfers of Financial Assets [AASB 1 & AASB 7]
IFRS 9 Amendments Fair Value Option for Financial Liabilities

UNIVERSITY OF CANBERRA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

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	
	2010	2009	2010	2009	2010	2009
	$'000	$'000	$'000	$'000	$'000	$'000
Geographical						
Australia	192,386	165,300	8,945	1,835	346,646	328,715
Asia	1,745	1,527	81	22	-	-
	194,131	166,827	9,026	1,857	346,646	328,715

UNIVERSITY OF CANBERRA
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

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

	Notes	Consolidated		University	
		2010	2009	2010	2009
		$'000	$'000	$'000	$'000
(a) Commonwealth Grants Scheme and Other Grants	40.1				
Australian Scheme for Higher Education Repositories		-	189	-	189
Commonwealth Grants Scheme#		51,972	47,847	51,972	47,847
Commercialisation Training Scheme		31	30	31	30
Diversity and Structural Adjustment Fund		-	753	-	753
Partnership and Participation Program+		615	128	615	128
Improving the Practical Component of Teacher Education Program		-	301	-	301
Implementation Assistance Program		39	76	39	76
Indigenous Support Program		304	312	304	312
Learning and Teaching Performance Fund		-	551	-	551
Superannuation Program		158	323	158	323
Transitional Cost Program		73	370	73	370
Workplace Reform Program		-	629	-	629
Workplace Productivity Program		2,158	1,112	2,158	1,112
Total Commonwealth Grants Scheme and Other Grants		55,349	52,621	55,349	52,621
(b) Higher Education Loan Programs	40.2				
HECS-HELP		34,482	30,102	34,482	30,102
FEE-HELP		2,628	530	2,628	530
Total Higher Education Loan Programs		37,110	30,632	37,110	30,632
(c) Learning Scholarships	40.3				
Australian Postgraduate Awards Scheme		859	590	859	590
Commonwealth Education Cost Scholarships		90	415	90	415
Commonwealth Accommodation Scholarships		135	755	135	755
International Postgraduate Research Scholarship Scheme		101	97	101	97
Indigenous Access Scholarships		128	79	128	79
National Accommodation Scholarships		-	212	-	212
National Priority Scholarships		1,057	44	1,057	44
Total Scholarships		2,370	2,192	2,370	2,192
(d) Commonwealth Research	40.4				
Joint Research Engagement Program		1,640	1,557	1,568	1,557
Research Infrastructure Block Grants		518	455	446	455
Research Training Scheme		2,718	2,611	2,653	2,611
Sustainable Research Excellence		540	-	540	-
Total Commonwealth Research Grants		5,416	4,623	5,207	4,623
(e) Other Capital Funding	40.5				
Teaching and Learning Capital Funding		-	5,442	-	5,442
Microsimulation Centre Capital Funding		8,300	2,700	8,300	2,700
Capital Development Poll Funding		1,409	-	1,409	-
Total Other Capital Funding		9,709	8,142	9,709	8,142
(f) Australian Research Council					
(i) Discovery	40.6(i)				
Projects		551	667	551	667
Total Discovery		551	667	551	667
(ii) Linkage	40.6(ii)				
Projects		361	503	361	503
Total Linkages		361	503	361	503
(iii) Linkage - Infrastructure	40.6(iii)				
Projects		-	150	-	150
Total Linkage- Infrastructure		-	150	-	150
(iv) Future - Fellowship	40.6(iv)				
Projects		205	101	205	101
Total Future - Fellowship		205	101	205	101
Total Australian Research Council		1,117	1,421	1,117	1,421

Includes the basic Commonwealth Grant Scheme grant amount and Commonwealth Grant Scheme-Enabling Loading.
+ Includes amounts for Partnership and Participation Program, 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 2010

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

	Consolidated		University	
	2010 $'000	2009 $'000	2010 $'000	2009 $'000
(g) Other Australian Government financial assistance				
Australian Antarctic Division	24	25	24	25
Australian Centre for International Agricultural Research	362	301	362	301
Australian Federal Police	20	49	20	49
Australian Public Service Commission	5	5	5	5
Centrelink	15	15	15	15
Commonwealth Scientific and Industrial Research Organisation	23	15	23	15
Defence Science and Technology Organisation	8	7	8	7
Department of Agriculture, Fisheries and Forestry	10	10	10	10
Department of Broadband, Communications and the Digital Economy	10	10	10	10
Department of Climate Change and Energy Efficiency	34	-	34	-
Department of Education, Employment and Workplace Relations	239	237	239	237
Department of Families, Housing, Community Services and Indigenous Affairs	30	30	30	30
Department of Finance and Deregulation	20	20	20	20
Department of Foreign Affairs and Trade	46	-	46	-
Department of Environment, Water, Heritage and Arts	20	-	20	-
Department of Health and Ageing	3,555	36	3,555	36
Department of Immigration and Citizenship	20	20	20	20
Department of Innovation, Industry, Science and Research	215	115	215	115
Department of the Treasury	20	20	20	20
Great Barrier Reef Marine Park Authority	14	-	14	-
Land and Water Resources Research and Development Corporation	-	44	-	44
Murray Darling Basin Commission	30	1	30	1
National Archives of Australia	22	7	22	7
National Capital Authority	30	-	30	-
National Health and Medical Research Council	975	1,099	975	1,099
National Portrait Gallery	4	7	4	7
National Water Commission	40	105	40	105
Productivity Commission	15	15	15	15
Rural Industries Research and Development Corporation	-	10	-	10
Total other Australian Government financial assistance	5,806	2,203	5,806	2,203
Total Australian Government financial assistance	116,877	101,834	116,668	101,834

UNIVERSITY OF CANBERRA
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

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

	Consolidated		University	
	2010	2009	2010	2009
	$'000	$'000	$'000	$'000
Reconciliation				
Australian Government Grants (a + c + d + e + f +g)	79,767	71,202	79,558	71,202
HECS -HELP - Australian Government Payments	34,482	30,102	34,482	30,102
FEE-HELP - Australian Government Payments	2,628	530	2,628	530
Total Australian Government financial assistance	116,877	101,834	116,668	101,834
(h) Australian Government Grants received				
Commonwealth Grant Scheme and Other Grants	55,349	52,621	55,349	52,621
Higher Education Loan Programmes	37,110	30,632	37,110	30,632
Scholarships	2,370	2,192	2,370	2,192
Commonwealth Research	5,416	4,623	5,207	4,623
Other Capital Funding	9,709	8,142	9,709	8,142
Australian Research Council Grants - Discovery	551	667	551	667
Australian Research Council Grants - Linkages	361	503	361	503
Australian Research Council Grants - Infrastructure	-	150	-	150
Australian Research Council Grants - Fellowship	205	101	205	101
Other Australian Government Grants	5,806	2,203	5,806	2,203
Total Australian Government Grants received-cash basis	116,877	101,834	116,668	101,834
Overseas Study-HELP (Net)	63	(184)	63	(184)
Total Australian Government funding received	116,940	101,650	116,731	101,650

UNIVERSITY OF CANBERRA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2010

Note 4. State and Local Government financial assistance

	Consolidated		University	
	2010	2009	2010	2009
	$'000	$'000	$'000	$'000
Australian Capital Territory	571	314	571	314
South Australia	-	15	-	15
New South Wales	170	521	87	521
Queensland	-	53	-	53
Northern Territory	-	1	-	1
Tasmania	136	-	136	-
Victoria	16	51	16	51
Western Australia	20	-	20	-
Total State and Local Government financial assistance	913	955	830	955

Note 5. Fees and charges

Course fees and charges

Continuing education	7,231	5,707	363	918
Fee-paying overseas students	27,953	19,597	27,953	19,597
Fee-paying domestic postgraduate students	1,722	1,285	1,722	1,285
Fee-paying domestic undergraduate students	182	170	182	170
Fee-paying domestic non-award students	62	37	62	37
Total course fees and charges	37,150	26,796	30,282	22,007

Non-course fees and charges

Student accommodation charges	16	61	5	139
Other	5,802	4,218	182	4,226
Total non-course fees and charges	5,818	4,279	187	4,365
Total fees and charges	42,968	31,075	30,469	26,372

Note 6. Investment revenue and income

Investment revenue

Bank account interest	39	54	19	7
Bank bill interest	406	505	250	458
Call account interest	286	109	275	108
Dividends received	-	1,075	-	1,075
Interest - Term Deposit	30	-	-	-
Loan Interest	1	-	1	-
Total investment revenue	762	1,743	545	1,648

Investment income

Increase in fair value - shares	-	1,007	-	1,007
Total investment income	-	1,007	-	1,007
Total investment revenue and income	762	2,750	545	2,655

UNIVERSITY OF CANBERRA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2010

Note 7. Consultancies and research contracts

	Consolidated		University	
	2010 $'000	2009 $'000	2010 $'000	2009 $'000
Research				
Contracts	2,580	3,239	2,580	3,239
Other				
Consultancy	1,291	2,129	1,291	2,130
Total consultancies and research contracts	3,871	5,368	3,871	5,369

Note 8. Other revenue and income

	Consolidated		University	
	2010 $'000	2009 $'000	2010 $'000	2009 $'000
Other revenue				
Donations and bequests	126	753	126	753
Scholarships and prizes	214	345	214	345
Net gain on disposal of property, plant and equipment	50	64	56	64
Total other revenue	390	1,162	396	1,162
Other income				
Travel and travel related recoveries	65	100	33	100
Administrative charges	535	1,056	1,346	1,745
Hire of facilities	362	212	1	42
Miscellaneous	3,207	1,381	1,843	1,257
Copying	232	223	232	223
Rent	1,162	1,206	1,526	1,246
Salaries and cost recovery services	8,959	5,677	8,959	5,668
Sales and service income/publications*	5,997	6,888	2,439	2,753
Insurance recoveries	311	89	311	89
Amortisation of deferred income	377	-	377	-
Total other income	21,207	16,832	17,067	13,123
Total other revenue and income	21,597	17,994	17,463	14,285

*Sales and service income/publications includes UCU Ltd income $3.7million in 2010 and $3.6 million in 2009.

UNIVERSITY OF CANBERRA

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FOR THE YEAR ENDED 31 DECEMBER 2010

Note 9. Employee related expenses

	Consolidated		University	
	2010	2009	2010	2009
	$'000	$'000	$'000	$'000
Academic				
Salaries	49,130	41,117	44,679	39,964
Contributions to superannuation and pension schemes	7,395	6,302	6,903	6,185
Payroll tax	3,924	3,431	3,587	3,341
Workers' compensation	180	183	138	183
Long service leave and annual leave	2,518	1,715	2,365	1,667
Redundancy payments	476	3,275	473	3,275
Total academic	63,623	56,023	58,145	54,615
Non-academic				
Salaries	44,212	37,857	38,560	35,230
Contributions to superannuation and pension schemes	6,398	5,597	5,838	5,349
Payroll tax	3,275	3,015	3,066	2,962
Workers' compensation	283	255	115	156
Long service leave and annual leave	1,946	1,474	1,707	1,321
Redundancy payments - restructure	1,378	1,838	1,378	1,838
Total non-academic	57,492	50,036	50,664	46,856
Total employee related expenses	121,115	106,059	108,809	101,471

Note 10. Depreciation and amortisation

	Consolidated 2010	Consolidated 2009	University 2010	University 2009
Depreciation				
Buildings	4,082	4,819	3,974	4,819
Infrastructure	911	850	911	850
Computers	544	663	530	656
Motor vehicles	45	63	45	63
Equipment	1,776	1,480	1,669	1,270
Library	388	389	388	389
Total depreciation	7,746	8,264	7,517	8,047
Amortisation				
Computer software	933	1,536	931	1,536
Total amortisation	933	1,536	931	1,536
Total depreciation and amortisation	8,679	9,800	8,448	9,583

UNIVERSITY OF CANBERRA

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FOR THE YEAR ENDED 31 DECEMBER 2010

Note 11. Repairs and maintenance

	Consolidated		University	
	2010	2009	2010	2009
	$'000	$'000	$'000	$'000
Repairs and maintenance	3,131	1,973	3,090	1,971
Total repairs and maintenance	3,131	1,973	3,090	1,971

Note 12. Finance costs

Interest expense	410	175	410	175
Total finance costs	410	175	410	175

Note 13. Impairment losses

Impaired receivables	1,149	725	1,099	678
Total impairment losses	1,149	725	1,099	678

Note 14. Investment loss

NATSEM Pty Ltd	-	280	-	280
Centre for Customs and Excise Studies (CCES)	397	-	397	-
Investment property at 170 Haydon Drive	319	623	319	623
Total investment losses	716	903	716	903

UNIVERSITY OF CANBERRA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2010

Note 15. Other expenses

	Consolidated		University	
	2010	2009	2010	2009
	$'000	$'000	$'000	$'000
Advertising	1,407	1,597	1,336	1,508
Audit	219	203	145	142
Books and publications	593	632	573	630
Commissions	2,333	1,711	1,418	1,335
Conference and facilities hire	791	611	786	668
Consultants fees	5,338	5,835	4,835	5,677
Contract services	2,134	1,879	2,046	1,654
Copyright charges	2	135	2	135
Equipment expensed	2,217	1,124	1,962	1,087
Freight and postage	361	356	345	353
General materials	1,232	909	1,163	910
Insurances	556	549	556	522
Licence fees	2,419	2,123	2,363	2,099
Printing and stationery	1,423	1,201	1,322	1,182
Recruitment and staff development	3,373	1,705	3,293	1,702
Rent	47	49	54	37
Student scholarship	1,784	2,007	1,775	2,002
Other student expenses	2,108	1,982	2,054	1,980
Subscriptions	2,254	2,357	2,115	2,464
Travel	2,990	2,926	2,774	2,820
Utilities	3,031	2,985	2,988	2,940
Entertainment	836	642	677	510
Fringe benefits tax	195	152	190	149
Rates and taxes	708	1,115	708	1,115
Legal fees	348	367	348	367
Agency fees	19	578	14	576
Ceremonial expenses	57	88	56	88
Operating lease charges	1,091	755	1,046	749
Grant and research expenses - external entities	562	1,868	1,994	2,397
Contribution to other entities	677	540	677	540
Outsource management fees	3,592	2,697	3,511	2,671
Cost of goods sold - UCU Ltd	1,947	1,572	-	-
Administration expenses - external entities	-	592	-	-
Credit card expense	636	7	610	7
Other	2,633	1,740	2,647	1,326
Total other expenses	49,913	45,589	46,383	42,342

UNIVERSITY OF CANBERRA

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FOR THE YEAR ENDED 31 DECEMBER 2010

Note 16. Cash at bank and cash equivalents

	Consolidated		University	
	2010 $'000	2009 $'000	2010 $'000	2009 $'000
Cash at bank and on hand	7,026	9,866	3,796	6,524
Total cash at bank and cash equivalents	7,026	9,866	3,796	6,524

Note 17. Trade and other receivables

Current

	Consolidated 2010	Consolidated 2009	University 2010	University 2009
Financial assistance to students	15	27	15	27
Trade receivables	10,994	5,251	10,350	5,389
Less : Allowance for impaired receivables	(2,336)	(1,225)	(2,296)	(1,204)
Other receivables	2,067	3,187	1,548	3,502
OS-HELP receivable from the Australian Government	-	184	-	184
CGS Grant income accrued	1,200	5,240	1,200	5,240
Total current receivables	11,940	12,664	10,817	13,138
Total trade and other receivables	11,940	12,664	10,817	13,138
The ageing of trade receivables is as follows:				
Under 30 days	2,137	1,186	1,819	1,392
Over 30 days and under 60 days	2,257	1,246	2,088	1,258
Over 60 days	6,600	2,819	6,443	2,739
	10,994	5,251	10,350	5,389

	Consolidated		University	
	2010 $'000	2009 $'000	2010 $'000	2009 $'000
Past due but not impaired (receivables over 90 days)	6,960	2,435	6,065	2,358

Reconciliation of the allowance for impairment review losses

	Consolidated		University	
	2010 $'000	2009 $'000	2010 $'000	2009 $'000
Allowance for impaired receivables at the beginning of the year	1,225	735	1,204	715
Add: Impairment losses recognised during the year	1,117	698	1,098	646
	2,342	1,433	2,302	1,361
Less: Write - off made during the year	(6)	(172)	(6)	(141)
Less: Impaired losses reversed during the year	-	(36)	-	(16)
Allowance for impaired receivables at the end of the year	2,336	1,225	2,296	1,204

UNIVERSITY OF CANBERRA

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FOR THE YEAR ENDED 31 DECEMBER 2010

Note 18. Other financial assets

	Consolidated		University	
	2010 $'000	2009 $'000	2010 $'000	2009 $'000
Current				
Advances	-	134	-	134
Finance lease receivable*	497	-	497	-
	497	134	497	134
Non-current				
Finance lease receivable*	13,721	-	13,721	-
Total non current other non-financial assets	13,721	-	13,721	-
Total other financial assets	14,218	134	14,218	134

* Finance lease receivable

The University leases its student accommodation to Campus Living Villages under a PPP agreement (see Note 1(y) Public Private Partnerships).

Finance lease receivables as at 31 December 2010 are as follows:

	Future minimum lease receipts $'000	Interest $'000	Present value of minimum lease receipts $'000
Less than one year	1,408	900	508
Between one and five years	5,633	3,602	2,031
More than five years	48,421	36,742	11,679
Total			14,218

Note 19. Other non-financial assets

	Consolidated		University	
	2010 $'000	2009 $'000	2010 $'000	2009 $'000
Current				
Prepayments	2,850	2,520	2,673	2,505
Inventories - UCU Ltd	293	-	-	-
Total current other non-financial assets	3,143	2,520	2,673	2,505
Total other non-financial assets	3,143	2,520	2,673	2,505

Note 20. Investments

	Consolidated 2010	Consolidated 2009	University 2010	University 2009
Investment in Controlled Entity				
National Centre for Social and Economic Modelling	-	-	866	866
	-	-	866	866
Other Investments				
Centre for Customs and Excise Studies	861	1,258	861	1,258
Shares - other entities	12	12	12	12
Term Deposit - NATSEM Pty Limited	500	500	-	-
	1,373	1,770	873	1,270
Total investments	1,373	1,770	1,739	2,136

Interest in controlled entities

	Percentage of equity interest held by the University	
Name of entity	2010	2009
University of Canberra College Pty Limited Country of incorporation - Australia	100%	100%
UCU Ltd Country of incorporation - Australia	100%	100%
NATSEM Pty Limited Country of incorporation - Australia	100%	100%

UNIVERSITY OF CANBERRA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2010

Note 21. Investment property

	Consolidated		University	
	2010	2009	2010	2009
	$'000	$'000	$'000	$'000
At Fair value				
Balance at the beginning of the year	7,039	7,662	7,039	7,662
Revaluation (decrement) on investment property	(319)	(623)	(319)	(623)
Balance at the end of the year	6,720	7,039	6,720	7,039

Leasing arrangements

The investment property at Haydon Drive is occupied by five tenants. As at 31 December 2010, each tenant had varying rental arrangements with the University. Each tenant entered into a lease/licence type arrangement with the University.

	Consolidated		University	
	2010	2009	2010	2009
	$'000	$'000	$'000	$'000
Rental income	80	248	152	248
Total Rental income	80	248	152	248

UNIVERSITY OF CANBERRA
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Note 22. Property, plant and equipment

	Leasehold Land $'000	Buildings $'000	Right to receive Accommodation $'000	Infrastructure $'000	Library Collection $'000	Works of Art $'000	Work in Progress $'000	Computer Equipment $'000	Motor Vehicles $'000	Equipment $'000	Total $'000
	At Fair Value						At Cost				
Consolidated											
As at 1 January 2009											
Opening value	22,720	223,534	-	5,755	8,305	2,039	2,195	11,399	927	16,915	293,789
Valuation	-	-	-	-	(3,880)	-	-	-	-	-	(3,880)
Accumulated depreciation	-	(9,280)	-	(1,695)	-	-	-	(10,634)	(781)	(14,045)	(36,435)
Net book amount	22,720	214,254	-	4,060	4,425	2,039	2,195	765	146	2,870	253,474
Year ended 31 December 2009											
Opening net book amount**	22,720	214,254		4,060	4,425	2,039	2,195	765	146	2,929	253,533
Revaluation increment/(decrement)	5,900	17,867	-	2,815	-	(403)	-	-	-	-	26,179
Additions*	-	346	8,462	797	-	24	9,711	719	-	2,375	22,434
Disposals and transfers out	-	-	-	-	-	-	(1,415)	(6)	-	(4)	(1,425)
Depreciation	-	(4,819)	-	(850)	(389)	-	-	(663)	(63)	(1,480)	(8,264)
Closing net book amount	28,620	227,648	8,462	6,822	4,036	1,660	10,491	815	83	3,820	292,457
As at 31 December 2009											
Opening value	22,720	223,881	8,462	6,552	4,425	2,063	10,491	9,687	879	17,772	306,932
Valuation	5,900	17,867	-	2,815	-	(403)	-	-	-	-	26,179
Accumulated depreciation	-	(14,100)	-	(2,545)	(389)	-	-	(8,872)	(796)	(13,952)	(40,654)
Net book amount	28,620	227,648	8,462	6,822	4,036	1,660	10,491	815	83	3,820	292,457
Year ended 31 December 2010											
Opening net book amount	28,620	227,648	8,462	6,822	4,036	1,660	10,491	815	83	3,820	292,457
Revaluation (decrement)	-	(211)	-	-	-	-	-	-	-	-	(211)
Additions*	-	12,182	7,570	181	7	28	28,240	1,472	-	2,202	51,882
Disposals and transfers out	-	(22,991)	-	-	-	-	(13,049)	(22)	-	(48)	(36,110)
Depreciation	-	(4,082)	-	(911)	(388)	-	-	(544)	(45)	(1,776)	(7,746)
Closing net book amount	28,620	212,546	16,032	6,092	3,655	1,688	25,682	1,721	38	4,198	300,272
As at 31 December 2010											
Opening value	28,620	217,226	16,032	7,022	4,432	1,688	25,682	6,193	728	17,060	324,683
Valuation	-	-	-	-	-	-	-	-	-	-	-
Accumulated depreciation	-	(4,680)	-	(930)	(777)	-	-	(4,472)	(690)	(12,862)	(24,411)
Net book amount	28,620	212,546	16,032	6,092	3,655	1,688	25,682	1,721	38	4,198	300,272

*Work in progress additions includes assets under construction, assets under sale and lease back and assets accrued but not yet capitalised. Right to receive accommodation additions includes new student accommodation $8.5m in 2009 and old student accommodation $7.6m in 2010. Please refer to Note 1 (y): Public Private Partnerships (PPP) for further details.
**Opening net book amount includes opening net book value of NATSEM Pty Ltd equipment .

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Note 22. Property, plant and equipment (Continued)

	Leasehold Land $'000	Buildings $'000	Right to receive Accommodation $'000	Infrastructure $'000	Library Collection $'000	Works of Art $'000	Work in Progress $'000	Computer Equipment $'000	Motor Vehicles $'000	Equipment $'000	Total $'000
	At Fair Value						At Cost				
University											
As at 1 January 2009											
Opening value	22,720	223,534	-	5,755	8,305	2,039	2,195	11,289	927	12,813	289,577
Valuation	-	-	-	-	(3,880)	-	-	-	-	-	(3,880)
Accumulated depreciation	-	(9,280)	-	(1,695)	-	-	-	(10,534)	(781)	(10,582)	(32,872)
Net book amount	22,720	214,254	-	4,060	4,425	2,039	2,195	755	146	2,231	252,825
Year ended 31 December 2009											
Opening net book amount	22,720	214,254	-	4,060	4,425	2,039	2,195	755	146	2,231	252,825
Revaluation increment/(decrement)	5,900	17,867	-	2,815	-	(403)	-	-	-	-	26,179
Additions*	-	346	8,462	797	-	24	9,711	716	-	2,242	22,298
Disposals and transfers out	-	-	-	-	-	-	(1,415)	(6)	-	(3)	(1,424)
Depreciation	-	(4,819)	-	(850)	(389)	-	-	(656)	(63)	(1,270)	(8,047)
Closing net book amount	28,620	227,648	8,462	6,822	4,036	1,660	10,491	809	83	3,200	291,831
As at 31 December 2009											
Opening value	22,720	223,881	8,462	6,552	4,425	2,063	10,491	9,633	879	13,406	302,512
Valuation	5,900	17,867	-	2,815	-	(403)	-	-	-	-	26,179
Accumulated depreciation	-	(14,100)	-	(2,545)	(389)	-	-	(8,824)	(796)	(10,205)	(36,860)
Net book amount	28,620	227,648	8,462	6,822	4,036	1,660	10,491	809	83	3,200	291,831
Year ended 31 December 2010											
Opening net book amount	28,620	227,648	8,462	6,822	4,036	1,660	10,491	809	83	3,200	291,831
Revaluation (decrement)	-	(211)	-	-	-	-	-	-	-	-	(211)
Additions*	-	11,842	7,570	181	7	28	28,131	1,436	-	2,383	51,578
Disposals and transfers out-	-	(22,836)	-	-	-	-	(13,049)	(22)	-	(31)	(35,938)
Depreciation	-	(3,974)	-	(911)	(388)	-	-	(530)	(45)	(1,669)	(7,517)
Closing net book amount	28,620	212,469	16,032	6,092	3,655	1,688	25,573	1,693	38	3,883	299,743
As at 31 December 2010											
Opening value	28,620	215,967	16,032	7,022	4,432	1,688	25,573	5,966	704	14,733	320,737
Valuation	-	-	-	-	-	-	-	-	-	-	-
Accumulated depreciation	-	(3,498)	-	(930)	(777)	-	-	(4,273)	(666)	(10,850)	(20,994)
Net book amount	28,620	212,469	16,032	6,092	3,655	1,688	25,573	1,693	38	3,883	299,743

*Work in progress additions includes assets under construction, assets under sale and lease back and assets accrued but not yet capitalised. Right to receive accommodation additions includes new student accommodation $8.5m in 2009 and old student accommodation $7.6m in 2010. Please refer to Note 1 (y): Public Private Partnerships (PPP) for further details.

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Note 23. Intangible assets

Computer Software	Consolidated	University
	$'000	$'000
As at 1 January 2009		
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
Year ended 31 December 2010		
Opening net book amount	2,264	2,264
Additions	623	618
Amortisation	(933)	(931)
Closing net book amount	1,954	1,951
As at 31 December 2010		
Cost	10,957	10,920
Accumulated amortisation	(9,003)	(8,969)
Net book amount	1,954	1,951

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2010

Note 24. Trade and other payables

	Consolidated		University	
	2010	2009	2010	2009
	$'000	$'000	$'000	$'000
(a) Trade and other payables				
Current				
Payables	3,212	3,257	3,158	3,428
Accrued salaries and wages	4,000	2,194	3,850	2,139
OS-HELP Liability to the Australian Government	63	-	63	-
Accrued expenses	4,800	4,130	4,278	3,786
Total current trade payables	12,075	9,581	11,349	9,353
Total trade and other payables	12,075	9,581	11,349	9,353

Note 25. Borrowings

	Consolidated		University	
	2010	2009	2010	2009
Current				
Unsecured				
Finance lease+	107	113	107	113
Bank overdraft - Commonwealth Bank Australia	537	661	537	661
Total current unsecured interest bearing liabilities	644	774	644	774
Non-current				
Unsecured				
Cash advance facility - Westpac*	10,000	3,000	10,000	3,000
Finance lease+	4	111	4	111
Total non-current unsecured interest bearing liabilities	10,004	3,111	10,004	3,111
Total borrowings	10,648	3,885	10,648	3,885
Finance lease capital repayment	113	102	113	102
(a) Financing arrangements				
*Cash financing activities				
Cash advance facility - Westpac	10,000	3,000	10,000	3,000
Bank overdraft - Commonwealth Bank Australia	537	661	537	661
Total cash financing and investing activities	10,537	3,661	10,537	3,661
+Non-cash financing activities				
Finance lease (current)	107	113	107	113
Finance lease (non-current)	4	111	4	111
Total non-cash financing and investing activities	111	224	111	224

UNIVERSITY OF CANBERRA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2010

Note 26. Provisions

	Consolidated		University	
	2010	2009	2010	2009
	$'000	$'000	$'000	$'000
(a) Current - due at reporting date				
Provision for long service leave	8,866	6,023	8,596	5,838
Provision for annual leave	7,481	8,808	7,157	8,603
Total current provisions	16,347	14,831	15,753	14,441
(b) Non-current - not due at reporting date				
Provision for long service leave	2,885	1,861	2,857	1,826
Total non-current provisions	2,885	1,861	2,857	1,826
Total provisions	19,232	16,692	18,610	16,267

Note 27. Other financial liabilities

	Consolidated 2010 $'000	Consolidated 2009 $'000	University 2010 $'000	University 2009 $'000
(a) Current				
Commonwealth Grants Scheme Grant advance less than one year*	2,500	4,167	2,500	4,167
Fees received in advance	7,493	5,152	6,901	4,719
Deferred income+	266	282	266	282
Total current other financial liabilities	10,259	9,601	9,667	9,168
(b) Non-current				
Commonwealth Grants Scheme Grant advance greater than one year*	-	2,500	-	2,500
Deferred income+	7,342	8,180	7,342	8,180
Total non-current other financial liabilities	7,342	10,680	7,342	10,680
Total other financial liabilities	17,601	20,281	17,009	19,848
(c) Financing arrangements*				
Commonwealth Grants Scheme Grant Advance (current)	2,500	4,167	2,500	4,167
Commonwealth Grants Scheme Grant Advance (non-current)	-	2,500	-	2,500
Total financing arrangements	2,500	6,667	2,500	6,667

+ Deferred income includes old and new student accommodation $8 million. Please refer to Note 1 (y): Public Private Partnerships (PPP) for further details.

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Note 28. Reserves and retained surplus

	Consolidated		University	
	2010	2009	2010	2009
	$'000	$'000	$'000	$'000
(a) Asset Revaluation Surplus				
Asset revaluation surplus at the beginning of the year	225,401	199,222	225,401	199,222
Revaluation (decrement)/increment of land, buildings and infrastructure	(211)	26,582	(211)	26,582
Revaluation (decrement) of works of art	-	(403)	-	(403)
Asset Revaluation Surplus at the end of the year	225,190	225,401	225,190	225,401
(b) Retained Surplus				
Retained surplus at the beginning of the year	52,874	51,017	50,817	49,361
Operating surplus	9,026	1,857	8,034	1,456
Retained Surplus at the end of the year	61,900	52,874	58,851	50,817
Total Equity	287,090	278,275	284,041	276,218

UNIVERSITY OF CANBERRA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2010

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 2010
Professor Ingrid Moses	Term ended 31 December 2010
Professor Stephen Parker	Appointed 1 March 2007
Professor George Cho	Reappointed 5 November 2010
Mr Tom Calma	Appointed 21 October 2008
Ms Rosemary Follett	Appointed 21 October 2008
Ms Margaret Gillespie	Appointed 21 October 2008
Ms Sarah Ryan	Appointed 21 October 2008
Ms Sarah Schoonwater	Resigned 5 March 2010
Ms Maria Storti	Appointed 21 October 2008
Mr John Mackay	Appointed 1 January 2010
Mr Greg Barrett	Elected 27 September 2009
Ms Mara Eversons	Elected 27 September 2009
Mr Geoffrey Wakeford	Term ended 31 December 2010
Ms Prue Power	Appointed 1 January 2010
Mr Rohan Goyne	Term ended 31 December 2010
Mr Dennis Trewin	Appointed 21 December 2010

(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	
	2010 $'000	2009 $'000	2010 $'000	2009 $'000
Payment of sponsorship made by University to Australian Computer Society in which Ms Marion Reilly has an interest.	2	2	2	2
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.	39	200	39	200

Payments to Ernst & Young for services rendered in 2010 to the University were on an arms' length basis.

UNIVERSITY OF CANBERRA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2010

Note 29. Key management personnel disclosures (continued)

(c) Fees are payable to some members of Council. 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	
	2010	2009	2010	2009
$160,000 - $169,999	1	-	1	-
$190,000 - $199,999	-	1	-	1
$200,000 - $209,999	1	-	1	-
$250,000 - $259,999	-	2	-	2
$270,000 - $279,999	1	2	1	2
$300,000 - $309,999	1	-	1	-
$310,000 - $319,999	-	1	-	1
$330,000 - $339,999	2	1	2	1
$340,000 - $349,999	-	2	-	2
$350,000 - $359,999	1	-	1	-
$470,000 - $479,999	-	1	-	1
$600,000 - $609,999	1	-	1	-
	8	10	8	10
The aggregate of the remuneration for staff included above:	$2,587,496	$3,054,031	$2,587,496	$3,054,031

Note 30. Remuneration of auditors

Assurance services

a). Audit services

Amounts paid or payable to the external auditors for auditing the financial statements:				
ACT Auditor-General's Office	214	190	145	143
RSM Bird Cameron	-	13	-	-
Total remuneration of auditors	214	203	145	143

No other services were provided by the ACT Auditor-General's Office or RSM Bird Cameron.

UNIVERSITY OF CANBERRA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2010

Note 31. Contingencies

Contingent liabilities

The University has five legal matters pending for action [2009 – five legal matters]. Of these one legal matter is not covered by the University's insurer and relates to a claim by a former client in Pakistan concerning English language (IELTS) testing.

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 the 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 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 2010

Note 32. Commitments

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

	Consolidated		University	
	2010	2009	2010	2009
	$'000	$'000	$'000	$'000
(a) Capital expenditure commitments				
Commitments payable:				
- within twelve months	11,781	9,760	11,781	9,760
	11,781	9,760	11,781	9,760
(b) Other expenditure commitments				
Commitments payable:				
- within twelve months	446	446	446	446
- twelve months or longer and not longer than five years	223	669	223	669
	669	1,115	669	1,115
(c) Operational expenditure commitments				
Commitments payable:				
- within twelve months	2,309	1,187	2,309	1,187
	2,309	1,187	2,309	1,187
(d) Lease commitments				
Operating leases				
Commitments payable:				
- within twelve months	1,309	1,179	1,309	1,015
- twelve months or longer and not longer than five years	1,199	1,449	1,199	1,388
	2,508	2,628	2,508	2,403
Finance leases				
Commitments payable:				
- within twelve months	119	131	119	131
- twelve months or longer and not longer than five years	4	118	4	118
	123	249	123	249

UNIVERSITY OF CANBERRA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2010

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) was a company incorporated in the Australian Capital Territory. The company was 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 did 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 had an approximate value of $900,000 over seven years from 2003, that is a cost of about $128,000 per year. The CRC ceased operations in September 2010 and there are no further contributions or commitments to this operation.

Corporate Bodies

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 2010

Note 34. Events occurring after the balance date

The University purchased the Scrivener Building, at 27 Thynne Street in Bruce for a total of $9.5 million on 15 February 2011. The building has 4,500 square metres of space on a block of about 10,500 square metres, with over 100 car parking spaces. There have been no other subsequent or significant events after 31 December 2010.

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 Statement of Cash Flows, 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 Statement of Cash Flows is reconciled to the related item in the statement of financial position.

	Note	Consolidated		University	
		2010 $'000	2009 $'000	2010 $'000	2009 $'000
Cash	16	7,026	9,866	3,796	6,524
Bank overdraft	25	(537)	(661)	(537)	(661)
Cash at bank and cash equivalents at the end of the year		6,489	9,205	3,259	5,863

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

	Note	Consolidated 2010 $'000	Consolidated 2009 $'000	University 2010 $'000	University 2009 $'000
Operating surplus	28(b)	9,026	1,857	8,034	1,456
Add/(deduct) expenses from non-cash transactions					
Revaluation assessment on investment properties	21	319	623	319	623
Depreciation and amortisation	10	8,679	9,800	8,448	9,583
Impairment losses		1,149	489	1,099	489
Investment loss		397	-	397	-
Gain on disposal of assets		(50)	(12)	(56)	(12)
Non-cash items-NASTEM Pty Ltd		-	10	-	-
		10,494	10,910	10,207	10,683
Add/(deduct) the effect of accruals					
Increase/(decrease) in annual leave provision		(1,327)	509	(1,445)	478
Increase in long service leave provision-current		2,842	72	2,757	54
Increase in long service leave provision-non current		1,024	225	1,031	214
Increase in accrued salaries and wages		1,779	209	1,710	190
Decrease in receivables		121	483	2,453	649
Decrease/(Increase) in other financial assets		134	(18)	134	(53)
(Increase) in other non-financial assets		(336)	(223)	(168)	(208)
(Increase) in investments		-	(1,289)	-	(1,289)
Increase in payables		1,264	4,489	222	3,846
Increase/(decrease) in other financial liabilities		1,336	(5,071)	1,391	(5,069)
		6,837	(614)	8,085	(1,188)
Net cash provided by operating activities		26,357	12,153	26,326	10,951

UNIVERSITY OF CANBERRA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

Note 36. Non-cash investing and financing activities

		Consolidated		University	
		2010	2009	2010	2009
		$'000	$'000	$'000	$'000
Finance lease liability - Current	25	107	113	107	113
Finance lease liability - Non-current	25	4	111	4	111
Total Non-cash investing and financing activities		111	224	111	224

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		University	
	2010	2009	2010	2009
	$'000	$'000	$'000	$'000
Balance of funds at beginning of the year	3,908	3,773	3,908	3,773
Income				
Donations and gifts received	-	5	-	5
Interest	207	157	207	157
Total income	207	162	207	162
Total funds available	4,115	3,935	4,115	3,935
Expenditure				
Scholarships / Prize awards	50	27	50	27
Total expenditure	50	27	50	27
Balance of funds at end of the year	4,065	3,908	4,065	3,908
Comprises :				
WJ Weeden Family Trust - Scholarship	3,970	3,812	3,970	3,812
Public administration - Scholarship	95	96	95	96
	4,065	3,908	4,065	3,908

UNIVERSITY OF CANBERRA
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

Note 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 Summary of significant accounting policies.

B) Categories of financial instruments

	Consolidated Carrying Amount		University Carrying Amount	
	2010	2009	2010	2009
	$'000	$'000	$'000	$'000
Financial assets				
Loans and receivables				
Cash & cash equivalents	7,026	9,866	3,796	6,524
Trade & other receivables	10,741	7,240	9,617	7,714
Receivables from University of Canberra College Pty Limited	-	-	-	526
Receivables from UCU Ltd	-	-	293	-
Receivables from NATSEM Pty Limited	-	-	137	-
Receivables from Weedon Trust	-	-	1	-
Advances	-	134	-	134
Finance Lease receivables	14,218	-	14,218	-
At fair value through profit or loss				
Investments	861	1,258	1,985	2,382
Carrying amount of financial assets	32,846	18,498	30,047	17,280

Financial liabilities				
At amortised cost				
Payables	3,275	3,257	3,222	3,428
Payable to University of Canberra College Pty Limited	-	-	1,383	-
Finance lease	111	249	111	249
Bank overdraft - Commonwealth Bank Australia	537	661	537	661
Cash advance facility - Westpac	10,000	3,000	10,000	3,000
Carrying amount of financial liabilities	13,923	7,167	15,253	7,338

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 2010

	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	-	-	861	861
				873

Reconciliation of Level 3 fair value measurement of financial assets	Unlisted equities $'000
Opening balance - 1 January 2010	1,258
Total gains/losses in profit or loss	(397)
Purchases	-
Settlements	-
Transfer out of Level 3	-
Closing balance (consolidated) - 31 December 2010	861

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

UNIVERSITY OF CANBERRA
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

Note 38. Financial instruments (continued)

Reconciliation of Level 3 fair value measurement of financial assets	Unlisted equities $'000
Opening balance - 1 January 2009	835
Total gains on investment in Centre for Customs and Excise Studies (CCES)	1,007
Purchases	-
Settlements	-
Transfer out of Level 3**	(584)
Closing balance - 31 December 2009	1,258

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

** At the beginning of 2009 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.

Details of recognised income and expenses in respect of financial instruments are disclosed in Notes 4 to 14.

Note 39. Financial risk management

The University's activities expose it to a variety of financial risks. The University Council through 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 University's 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 employs a 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 obligations as they fall due. Ultimate responsibility for liquidity risk management rests with the University Council through 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 enrolments 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 use its overdraft facility with the bank to meet any shortfall, if a need arises. Note 1(q) 'Investments' sets out details of undrawn facilities that the University has at its disposal to further reduce liquidity risk.

UNIVERSITY OF CANBERRA
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FOR THE YEAR ENDED 31 DECEMBER 2010

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 2010 and 31 December 2009.

As at 31 December 2010

	Maturing within 1 year 2010 $'000	Maturing in 1 to 5 years 2010 $'000	No Set Maturity * 2010 $'000	Total 2010 $'000
Financial assets				
Cash and cash equivalents	7,026	-	-	7,026
Trade and other receivables	10,741	-	-	10,741
Listed and unlisted equities	-	-	873	873
Investment - Term Deposit NATSEM	-	500	-	500
Advances	-	-	-	-
Finance Lease receivables	497	1,990	11,731	14,218
Total	18,264	2,490	12,604	33,358
Financial liabilities				
Trade and other payables	3,212	-	-	3,212
Finance lease liabilities	114	4	-	118
Bank overdraft - Commonwealth Bank Australia	537	-	-	537
Cash advance facility - Westpac	-	10,000	-	10,000
Total	3,863	10,004	-	13,867
Net financial assets/(liabilities)	14,401	(7,514)	12,604	19,491

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 - Commonwealth Bank Australia	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

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

UNIVERSITY OF CANBERRA
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
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Note 39. Financial risk management (continued)
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 2010 and 31 December 2009.

As at 31 December 2010

	Maturing within 1 year 2010 $'000	Maturing in 1 to 5 years 2010 $'000	No Set Maturity * 2010 $'000	Total 2010 $'000
Financial assets				
Cash and Cash equivalents	3,796	-	-	3,796
Trade and other receivables	9,617	-	-	9,617
Receivables from University of Canberra College Pty Limited	-	-	-	-
Receivables from UCU Ltd	-	-	293	293
Receivables from NATSEM Pty Limited	-	-	137	137
Receivables from Weedon Trust	-	-	1	1
Listed and unlisted equities	-	-	1,997	1,997
Finance Lease receivables	497	1990	11,731	14,218
Advances	-	-	-	-
Total	13,910	1,990	14,159	30,059
Financial liabilities				
Trade and other payables	3,158	-	-	3,158
Finance lease liabilities	107	4	-	111
Bank overdraft - Commonwealth Bank Australia	537	-	-	537
Cash advance facility - Westpac	-	10,000	-	10,000
Payable to University of Canberra College Pty Limited	-	-	1,383	1,383
Total	3,802	10,004	1,383	15,189
Net Financial assets/(liabilities)	10,108	(8,014)	12,776	14,870

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 - Commonwealth Bank Australia	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

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

UNIVERSITY OF CANBERRA
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
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Note 39. Financial risk management (continued)

D) Currency risk

Currency risk is the risk that the fair value or 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 especially 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 2010

		University		Consolidated	
	Weighted Average Interest Rate	Variable Rate Financial Instruments 2010 $'000	Fixed Rate Financial Instruments 2010 $'000	Variable Rate Financial Instruments 2010 $'000	Fixed Rate Financial Instruments 2010 $'000
Financial assets					
Cash and cash equivalents	4.08%	3,796	-	7,026	-
Finance Lease receivables	9.00%	-	14,218	-	14,218
Total		3,796	14,218	7,026	14,218
Financial liabilities					
Finance lease liabilities	10.77%	-	111	-	111
Bank overdraft - Commonwealth Bank Australia	9.52%	537	-	537	-
Cash advance facility - Westpac	5.30%	10,000	-	10,000	-
Total		10,537	111	10,537	111
Net financial assets/(liabilities)		(6,741)	14,107	(3,511)	14,107

As at 31 December 2009

	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 - Commonwealth Bank Australia	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)

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 $34k (2009: increase by $14k). 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 floating 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 $18k (2009: increase by $31k). 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 floating rate bank facilities.

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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 2009.

The capital structure of the University consists of net debt (overdraft as detailed in Note 1 (q) - 'Cash & cash equivalents' offset by cash at bank balances and short term deposits), Commonwealth financial assistance, reserves and retained earnings as detailed in Note 3 - 'Australian Government Financial Assistance including HECS-HELP and other Australian Government Loan programmes' 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.

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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		Indigenous Support Program		Learning and Teaching Performance Fund		Commercialisation Training Scheme	
		2010 $'000	2009 $'000	2010 $'000	2009 $'000	2010 $'000	2009 $'000	2010 $'000	2009 $'000
Financial assistance received in cash during the reporting period (total cash received from the Australian Government)	3(a)	51,972	47,847	304	312	-	551	31	30
Net accrual adjustment		-	-	-	-	-	-	-	-
Revenue for the period		51,972	47,847	304	312	-	551	31	30
Surplus from the previous year		-	-	-	-			41	17
Total revenue including accrued revenue		51,972	47,847	304	312	-	551	72	47
Less expenses including accrued expenses		(51,972)	(47,847)	(304)	(312)	-	(551)		(6)
Surplus		-	-	-	-	-	-	72	41

	Note	Superannuation Program		Partnership & Participation Program		Australian Scheme for Higher Education Repositories		Workplace Reform Program	
		2010 $'000	2009 $'000	2010 $'000	2009 $'000	2010 $'000	2009 $'000	2010 $'000	2009 $'000
Financial assistance received in cash during the reporting period (total cash received from the Australian Government)	3(a)	158	323	615	128	-	189	-	629
Revenue for the period		158	323	615	128	-	189	-	629
Surplus from the previous year		-	-	6	84		174		
Total revenue including accrued revenue		158	323	621	212	-	363	-	629
Less expenses including accrued expenses		(158)	(323)	(425)	(206)		(363)		(629)
Surplus		-	-	196	6	-	-	-	-

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

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		Diversity and Structural Adjustment Fund		Workplace Productivity Program		Implementation Assistance Program	
		2010 $'000	2009 $'000	2010 $'000	2009 $'000	2010 $'000	2009 $'000	2010 $'000	2009 $'000
Financial assistance received in cash during the reporting period (total cash received from the Australian Government)	3(a)	-	301	-	753	2,158	1,112	39	76
Contribution for other institutions		-	-	-	-	-	-	-	-
Revenue for the period		-	301	-	753	2,158	1,112	39	76
Surplus from the previous year		363	363	1,237	677	712	-	146	103
Cost centre adjustment		-	-	-	-	-	-	-	-
Total revenue including accrued revenue		363	664	1,237	1,430	2,870	1,112	185	179
Less expenses including accrued expenses		(200)	(301)	(739)	(193)	(2,395)	(400)	(68)	(33)
Surplus		163	363	498	1,237	475	712	117	146

	Note	Transitional Cost Program		Total	
		2010 $'000	2009 $'000	2010 $'000	2009 $'000
Financial assistance received in cash during the reporting period (total cash received from the Australian Government)	3(a)	73	370	55,349	52,621
Contribution for other institutions		-	-	-	-
Net accrual adjustment		-	-	-	-
Revenue for the period		73	370	55,349	52,621
Surplus from the previous year		-	-	2,504	1,417
Cost centre adjustment		-	-	-	-
Total revenue including accrued revenue		73	370	57,853	54,038
Less expenses including accrued expenses		(73)	(370)	(56,334)	(51,534)
Surplus		-	-	1,520	2,504

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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	
		2010 $'000	2009 $'000	2010 $'000	2009 $'000	2010 $'000	2009 $'000
Financial assistance received in cash during the reporting period (total cash received from the Australian Government)	3(b)	34,482	30,102	2,628	530	37,110	30,632
Net accrual adjustment		-	-	-	-	-	-
Revenue for the period		34,482	30,102	2,628	530	37,110	30,632
Surplus from the previous year		-	-	-	-	-	-
Total revenue including accrued revenue		34,482	30,102	2,628	530	37,110	30,632
Less expenses including accrued expenses		(34,482)	(30,102)	(2,628)	(530)	(37,110)	(30,632)
Surplus / (deficit)		-	-	-	-	-	-

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

40.3 Learning Scholarships

	Note	Australian Postgraduate Awards Scheme		International Postgraduate Research Scholarship Scheme		Indigenous Access Scholarships		National Priority Scholarships	
		2010 $'000	2009 $'000	2010 $'000	2009 $'000	2010 $'000	2009 $'000	2010 $'000	2009 $'000
Financial assistance received in cash during the reporting period (total cash received from the Australian Government)	3(c)	859	590	101	97	128	79	1,057	44
Net accrual adjustment		-	-	-	-	-	-	-	-
Revenue for the period		859	590	101	97	128	79	1,057	44
Surplus from the previous year			78	24	37	8	14	2	-
Total revenue including accrued revenue		859	668	125	134	136	93	1,059	44
Less expenses including accrued expenses		(706)	(668)	(122)	(110)	(102)	(85)	(922)	(42)
Surplus		153	-	3	24	34	8	137	2

	Note	Commonwealth Education Cost Scholarships		Commonwealth Accommodation Scholarships		National Accommodation Scholarships		Total	
		2010 $'000	2009 $'000	2010 $'000	2009 $'000	2010 $'000	2009 $'000	2010 $'000	2009 $'000
Financial assistance received in cash during the reporting period (total cash received from the Australian Government)	3 (c)	90	415	135	755	-	212	2,370	2,192
Net accrual adjustment		-	-	-	-	-	-	-	-
Revenue for the period		90	415	135	755	-	212	2,370	2,192
Surplus from the previous year		6	135		385	4	-	44	649
Total revenue including accrued revenue		96	550	135	1,140	4	212	2,414	2,841
Less expenses including accrued expenses		(39)	(544)	(56)	(1,140)	(4)	(208)	(1,951)	(2,797)
Surplus		57	6	79	-	-	4	463	44

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

40.4 Commonwealth Research

		Joint Research Engagement Scheme		Research Training Scheme		Research Infrastructure Block Grants		Sustainable Research Excellence		Total	
	Note	2010 $'000	2009 $'000	2010 $'000	2009 $'000	2010 $'000	2009 $'000	2010 $'000	2009 $'000	2010 $'000	2009 $'000
Financial assistance received in cash during the reporting period (total cash received from the Australian Government)	3(d)	1,640	1,557	2,718	2,611	518	455	540	-	5,416	4,623
Net accrual adjustment		-	-	-	-	-	-	-	-	-	-
Revenue for the period		1,640	1,557	2,718	2,611	518	455	540	-	5,416	4,623
Surplus from the previous year			828	-	-		505	-	-	-	1,333
Total revenue including accrued revenue		1,640	2,385	2,718	2,611	518	960	540	-	5,416	5,956
Less expenses including accrued expenses		(1,640)	(2,385)	(2,718)	(2,611)	(518)	(960)	(540)	-	(5,416)	(5,956)
Surplus		-	-	-	-	-	-	-	-	-	-

40.5 Other Capital Funding

		Better Universities Renewal Funding		Teaching and Learning Capital Funding		Microsimulation Centre Capital Funding		Capital Development Poll Funding		Total	
		2010 $'000	2009 $'000	2010 $'000	2009 $'000	2010 $'000	2009 $'000	2010 $'000	2009 $'000	2010 $'000	2009 $'000
Financial assistance received in cash during the reporting period (total cash received from the Australian Government)	3(e)	-	-		5,442	8,300	2,700	1,409	-	9,709	8,142
Contribution for other institutions		-	-	-	-	-	-	-	-	-	-
Net accrual adjustment		-	-	-	-	-	-	-	-	-	-
Revenue for the period		-	-	-	5,442	8,300	2,700	1,409	-	9,709	8,142
Surplus from the previous year		3,074	4,349	5,442	-	438	-	-	-	8,954	4,349
Cost centre adjustment		-	-	-	-	-	-	1,000	-	-	-
Total revenue including accrued revenue		3,074	4,349	5,442	5,442	8,738	2,700	2,409	-	18,663	12,491
Less expenses including accrued expenses		(3,074)	(1,275)	(3,579)	-	(8,230)	(2,262)	(328)	-	(15,211)	(3,537)
Surplus		-	3,074	1,863	5,442	508	438	2,081	-	3,452	8,954

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

40.6 Australian Research Council Grants

		(i) Discovery Projects		(ii) Linkage Projects		(iii) Linkage Infrastructure Projects		(iv) Future Fellowship Projects	
	Note	2010 $'000	2009 $'000	2010 $'000	2009 $'000	2010 $'000	2009 $'000	2010 $'000	2009 $'000
Financial assistance received in cash during the reporting period (total cash received from the Australian Government)	3(f)	551	667	361	503	-	150	205	101
Contribution for other Institutions		(148)	(104)		(37)	-	-	-	-
Net accrual adjustment			(17)		(436)	-	-	-	-
Revenue for the period		403	546	361	30	-	150	205	101
Surplus from the previous year		348	320	199	642	-	-	-	-
Total revenue including accrued revenue		751	866	560	672	-	150	205	101
Less expenses including accrued expenses		(515)	(518)	(443)	(473)		(150)	(62)	(101)
Surplus		236	348	117	199	-	-	143	-

		Total	
	Note	2010 $'000	2009 $'000
Financial assistance received in cash during the reporting period (total cash received from the Australian Government)	3(f)	1,117	1,421
Contribution for other Institutions		(148)	(141)
Net accrual adjustment		-	(453)
Revenue for the period		969	827
Surplus from the previous year		547	963
Total revenue including accrued revenue		1,516	1,790
Less expenses including accrued expenses		(1,020)	(1,242)
Surplus		496	548

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