UNIVERSITY OF CANBERRA
AUSTRALIA'S CAPITAL UNIVERSITY

UNIVERSITY OF CANBERRA

ANNUAL REPORT

VOLUME TWO: FINANCIALS

UNIVERSITY OF CANBERRA

ANNUAL REPORT

VOLUME TWO: FINANCIALS

ACT AUDITOR-GENERAL'S OFFICE

ACT Government

INDEPENDENT AUDIT REPORT

UNIVERSITY OF CANBERRA

To the Members of the ACT Legislative Assembly

Report on the financial statements

The financial statements of the University of Canberra (the University) have been audited. 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 *Financial Management Act 1996* as amended by 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

Under the *Financial Management Act 1996,* I am responsible for expressing an independent audit opinion on the financial statements of the University.

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

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

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

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

Electronic presentation of the audited financial statements

Those viewing an electronic presentation of these financial statements should note that the audit does not provide assurance on the integrity of information presented electronically and does not provide an opinion on any other information which may have been hyperlinked to or from these financial statements. If users of these 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

Applicable independence requirements of Australian professional ethical pronouncements were followed in conducting the audit.

Audit opinion

In my opinion, the financial statements of the University for the year ended 31 December 2011:

(i) are presented in accordance with the *Financial Management Act 1996* as amended by the *University of Canberra Act 1989*, Australian Accounting Standards and other mandatory financial reporting requirements in Australia; and

(ii) present fairly the financial position of the University as at 31 December 2011 and the results of its operations and cash flows for the year then ended.

The audit opinion should be read in conjunction with other information disclosed in this report.

M. Cooper

Dr Maxine Cooper
Auditor-General
3 April 2012

UNIVERSITY
OF CANBERRA

UNIVERSITY OF CANBERRA

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2011

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UNIVERSITY OF CANBERRA

REPORT BY THE MEMBERS OF THE UNIVERSITY OF CANBERRA COUNCIL

FOR THE YEAR ENDED 31 DECEMBER 2011

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 position as at 31 December 2011 and the financial performance for the year then ended for the University and controlled entities.

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 program guidelines in making expenditure.

On behalf of the Council

Signed in Canberra this 30th day of March 2012

Mr John Mackay
Chancellor

Professor Stephen Parker
Vice-Chancellor

UNIVERSITY OF CANBERRA

REPORT BY THE MEMBERS OF THE UNIVERSITY OF CANBERRA COUNCIL
FOR THE YEAR ENDED 31 DECEMBER 2011

Members of the University Council during 2011 and in 2012 to date

Chancellor of the University

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

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, BA Malaya, MA Br Col, PhD, LLB ANU - Appointment commenced 1 January 2008. Tenure expires 31 December 2012.

Appointed by the ACT Chief Minister

Rosemary Follett (Deputy Chancellor), BA Admin Canberra CAE - Appointed 21 October 2008. Tenure expired 20 October 2011. Appointed Deputy Chancellor 12 February 2010. Tenure expired 31 December 2011.

Tom Calma, AssocDipSocialWork SAIT - Appointed 21 October 2008. Tenure expires 20 October 2014.

Margaret Gillespie - Appointed 21 October 2008. Resigned 13 May 2011.

Sarah Ryan, BSc (Agric) (Hons), PhD W.Aust. GradDipDevelopmentStudies Deakin – Appointed 21 October 2008. Tenure expires 20 October 2014.

Maria Storti, BEc ANU, MBA Canberra, FCA, GAICD - Appointed 21 October 2008. Resigned 3 June 2011.

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

Dennis Trewin, AO, FASSA, BSc (Hons) (Melbourne), BEc (ANU), MSc (London) - Appointed 21 December 2010. Tenure expires 20 December 2013.

Barry Mewett, FCPA, FIPAA - Appointed 20 October 2011. Tenure expires 20 October 2014.

Annette Ellis - Appointed 1 January 2011. Tenure expires 31 December 2013.

Elected by the Academic Staff

Greg Barrett, BAgrEc NE, MAgrEc ANU - Elected to Council 27 September 2009. Tenure expired 31 December 2011.

Monica Kennedy, BA (Comm), MELeadership, PhD, Grad Cert HE *Canberra - Elected* to Council 1 January 2012. Tenure expires 31 December 2013.

UNIVERSITY OF CANBERRA

REPORT BY THE MEMBERS OF THE UNIVERSITY OF CANBERRA COUNCIL
FOR THE YEAR ENDED 31 DECEMBER 2011

Elected by the General Staff

Mara Eversons, BEd *Canberra* - Elected to Council 27 September 2009. Tenure expired 31 December 2011.

Inga Davis, BComcn *Canberra* - Elected to Council 1 January 2012. Tenure expires 31 December 2013.

Elected by the Students

Rogan McMahon Hogan - Elected to Council by undergraduate students. Term of Office commenced 1 January 2011. Tenure expired 31 December 2011.

Harrison Mott - Elected to Council by undergraduate students. Term of Office commenced 1 January 2012. Tenure expires 31 December 2012.

Jaan Murphy, MScApp *UQ*, Grad Dip Legal Studies *Canberra*, Diploma of Sport (Development) *SSI,* JD (Hons) *Canberra* - Elected to Council by postgraduate students. Term of Office commenced 1 January 2011.
Tenure expired 31 December 2011.

Jason Paris, BA (Hons), B Journalism - *Canberra* - Elected to Council by postgraduate students. Term of Office commenced 1 January 2012. Tenure expires 31 December 2012.

UNIVERSITY OF CANBERRA
REPORT BY THE MEMBERS OF THE UNIVERSITY OF CANBERRA COUNCIL
FOR THE YEAR ENDED 31 DECEMBER 2011

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 2011 and the number of meetings attended by each member were:

	Council Meeting		Meetings of Committees													
			Audit and Risk Management		Finance		Nomination and Senior Appointments		Environment and Works		Legislation		Honorary Degrees		Campus Development Board	
	A	B	A	B	A	B	A	B	A	B	A	B	A	B	A	B
Mr Greg Barrett	8	7			7	6										
Mr Tom Calma	8	6							4	1	1	1				
Professor George Cho	8	7					3	2			1	1	1	1		
Ms Annette Ellis	8	7			7	5										
Ms Mara Eversons	8	8							4	2						
Ms Rosemary Follett	8	7					3	2	4	3			1	1		
Ms Margaret Gillespie	3	3			2	2							1	1		
Mr Rogan McMahon-Hogan	8	5							4	2						
Mr John Mackay	8	8	3	0	7	0	3	3	4	0	1	0	1	1	4	2
Mr Barry Mewett	2	1														
Mr Jaan Murphy	8	6									1	1	1	1		
Professor Stephen Parker	8	8					3	3	4	4	1	1			4	4
Ms Prue Power	8	8	3	3			2	2								
Dr Sarah Ryan	8	6							4	4					4	2
Mr Dennis Trewin	8	5	3	3			3	1					1	1		
Ms Maria Storti	3	3	1	1	3	3									1	1
Mr Brian Acworth*	0	0			4	4										

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

*Brian Acworth is not a member of council, but an independent Chair of the Finance Committee - Appointed 17 June 2011

UNIVERSITY OF CANBERRA

REPORT BY THE MEMBERS OF THE UNIVERSITY OF CANBERRA COUNCIL

FOR THE YEAR ENDED 31 DECEMBER 2011

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 fifth of the five-year program aimed at strengthening the University, and the strategic and operational initiatives of the five 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 operating surplus in 2011 is evidence of a continued improvement of the University's financial position.

As outlined below, numerous initiatives were commenced and sustained in 2011 to strengthen the University and assure its prospects in the future. The benefits of initiatives in previous years continued to impact the University, 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 Limited) 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 2011:

Recovery in student load

The University was one of the few to shrink in size in the middle of the last decade. Student load reduced from 8,016 in 2004 to 7,325 in 2007. In 2010 the University was up to 9,855, and in 2011 the University exceeded 10,000.

Recovery in financial performance

In 2007 the University ran an operating deficit of $15.84 million which was the worst of any Australian university; this year the University generated a profit and this positive trend is expected to continue in the following years.

Academic Renewal program

The University's Early Career Academic Program is widely regarded as innovative, other universities are looking to adopt similar models in their next enterprise bargaining rounds but are encountering union resistance. This is giving the University a significant advantage in recruiting younger, research active staff.

Maintaining share of international students

In an environment where most Australian higher education providers are experiencing a net reduction in their international enrolments, our enrolments keep rising. International preferences for 2012 are up 7%.

Development of the 'omniversity' concept

The University will be Australia's first 'omniversity', a model designed to increase student intake and also help secure the government's access and attainment targets. The University Schools is up and running and is positively contributing to the 'omniversity' vision.

UNIVERSITY OF CANBERRA

REPORT BY THE MEMBERS OF THE UNIVERSITY OF CANBERRA COUNCIL

FOR THE YEAR ENDED 31 DECEMBER 2011

Staff satisfaction

The Voice Staff Survey has been conducted in alternate years commencing in 2005. The 2011 Voice Staff Survey results are at an all-time high for most indicators, indicating that the internal community appears to be happy. The areas of strength reported by staff include organizational commitment, job satisfaction, mission and values, role clarity, diversity and teamwork.

Development of research profile

- The University has increased its Higher Degree by Research (HDR) intake to an all time high in 2011.
- The first round of the Excellence in Research for Australia (ERA) assessment saw the University achieve a 4 for Environmental Science (above world class). UC was the smallest university to achieve an ERA 4 in a top level category.
- Research income for 2011 is over $20m; double that of any previous year.

National Rental Affordability Scheme grant

The University win is one of, if not the biggest National Rental Affordability Scheme grants so far awarded, 1,000 allocations is likely to result in 1,580 beds and this is a significant expansion particularly for a university of our size.

Campus Development

2011 has started a new era of campus development including the INSPIRE Centre (funded by the Commonwealth Government's Capital Development Pool) and Student Central.

University of Canberra Institute of Technology

The University was successful with its Structural Adjustment Fund bid, worth at least $25.9m which is likely to go towards developing the University of Canberra Institute of Technology.

Significant Changes in State of Affairs

The terms of three of the eight members of Council, appointed by the Chief Minister under section 11(1) (d) of the *University of Canberra Act 1989,* expired during 2011. Two members were reappointed by the Chief Minister from 20 October 2011. Two members appointed by the Chief Minister resigned in 2011. A replacement appointment was made to one of these positions in October 2011. Council appointed Mr Brian Acworth as chair of its Finance Committee for a term of three years on 17 June 2011.

Subsequent Events

The ACT Government announced in December 2011 that The University of *Canberra* and ACT Government were to establish an entirely new third institution: the University of Canberra Institute of Technology. In March 2012 the ACT Government announced that this initiative is to be put on hold pending a meeting of Council of Australian Government (COAG) in April 2012.

The intention was for the University and the Canberra Institute of Technology to bring together all their diploma, advanced diplomas and associate degrees in the new joint venture, which will have its headquarters on the University of Canberra campus.

The University of Canberra would continue to deliver degrees from bachelor to doctor and continue to build its research profile.

Future Developments

The adoption of a new campus master plan 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 has continued through 2011. In 2011, planning for a new teaching laboratory building has commenced. This will ensure students in health, science and cultural heritage courses will have access to state of the art laboratories.

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 was undertaken in 2011 and should further enhance the academic program of the University and strengthen the financial base of the University. Negotiations for a new Enterprise Bargaining Agreement will be conducted in 2012.

UNIVERSITY OF CANBERRA

REPORT BY THE MEMBERS OF THE UNIVERSITY OF CANBERRA COUNCIL

FOR THE YEAR ENDED 31 DECEMBER 2011

The University adopted a revision of its Strategic Plan 2008-12 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. This strategic plan will continue to be reviewed in 2012 in anticipation of a new strategic planning period.

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.

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 2011:

- Four claims which are covered by the University's insurer;
- One claim by a former client in Pakistan relating to English language (IELTS) testing;
- One claim by a former member of staff of discrimination; and
- A termination of licence and discrimination matter.

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

On behalf of the Council

Signed at Canberra this 30th day of March 2012

Professor Stephen Parker
Vice-Chancellor

UNIVERSITY OF CANBERRA

INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2011

	Notes	Consolidated 2011 $'000	Consolidated 2010 $'000	University 2011 $'000	University 2010 $'000
Income from continuing operations					
Australian Government financial assistance					
Australian Government Grants	3(a), (c-g)	77,529	79,767	77,529	79,558
HECS- HELP - Australian Government Receipts	3(b)	36,491	34,482	36,491	34,482
FEE- HELP - Australian Government Receipts	3(b)	3,314	2,628	3,314	2,628
HECS-HELP - Student Receipts		7,178	7,143	7,178	7,143
State and Local Government financial assistance	4	11,822	913	11,822	830
Fees and charges	5	51,164	42,968	39,112	30,469
Investment revenue	6	865	762	591	545
Consultancies and research contracts	7	4,800	3,871	4,800	3,871
Other revenue	8	429	390	466	396
Other income	8	16,744	21,207	11,349	17,067
Total income from continuing operations		210,336	194,131	192,652	176,989
Expenses from continuing operations					
Employee related expenses	9	128,356	121,115	115,112	108,809
Depreciation and amortisation	10	11,985	8,679	11,797	8,448
Repairs and maintenance	11	3,312	3,131	3,224	3,090
Finance costs	12	1,207	410	1,207	410
Impairment losses	13	640	1,149	422	1,099
Investment losses	14	320	716	1,185	716
Other expenses	15	54,433	49,913	50,527	46,383
Total expenses from continuing operations		200,253	185,113	183,474	168,955
Operating surplus before tax	28(b)	10,083	9,018	9,178	8,034
Income Tax - NATSEM Pty Limited		(2)	8	-	-
Operating surplus after tax	28(b)	10,081	9,026	9,178	8,034

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 2011

		Consolidated		University	
		2011	2010	2011	2010
	Notes	$'000	$'000	$'000	$'000
Operating Surplus	28(b)	10,081	9,026	9,178	8,034
Revaluation (decrement) of property, plant and equipment	28(a)	(282)	(211)	(282)	(211)
Total comprehensive income		9,799	8,815	8,896	7,823

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

UNIVERSITY OF CANBERRA

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2011

	Notes	Consolidated 2011 $'000	Consolidated 2010 $'000	University 2011 $'000	University 2010 $'000
ASSETS					
Current assets					
Cash and cash equivalents	16	9,819	7,026	5,007	3,796
Trade and other receivables	17	12,047	11,940	11,315	10,817
Other financial assets	18	497	497	497	497
Other non-financial assets	19	3,258	3,143	2,961	2,673
Total current assets		25,621	22,606	19,780	17,783
Non-current assets					
Other financial assets	18	13,223	13,721	13,223	13,721
Investments	20	1,066	1,373	1,067	1,739
Investment property	21	6,400	6,720	6,400	6,720
Property, plant and equipment	22	356,671	300,272	356,110	299,743
Intangible assets	23	5,741	1,954	5,735	1,951
Total non-current assets		383,101	324,040	382,535	323,874
Total Assets		408,722	346,646	402,315	341,657
LIABILITIES					
Current liabilities					
Trade and other payables	24	19,693	12,075	18,857	11,349
Borrowings	25	4	644	4	644
Provisions	26	17,182	16,347	16,363	15,753
Other financial liabilities	27	6,693	10,259	5,942	9,667
Total current liabilities		43,572	39,325	41,166	37,413
Non-current liabilities					
Borrowings	25	56,956	10,004	56,956	10,004
Provisions	26	4,230	2,885	4,181	2,857
Other financial liabilities	27	7,075	7,342	7,075	7,342
Total non-current liabilities		68,261	20,231	68,212	20,203
Total liabilities		111,833	59,556	109,378	57,616
Net Assets		296,889	287,090	292,937	284,041
EQUITY					
Asset revaluation surplus	28(a)	224,908	225,190	224,908	225,190
Retained surplus	28(b)	71,981	61,900	68,029	58,851
Total Equity		296,889	287,090	292,937	284,041

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 2011

Consolidated

		Asset Revaluation Surplus $'000	Retained Surplus $'000	Total $'000
Total equity at 1 January 2010		225,401	52,874	278,275
Revaluation decrement of property, plant and equipment	28(a)	(211)	-	(211)
Operating surplus	28(b)		9,026	9,026
Balance as at 31 December 2010		225,190	61,900	287,090
Total equity at 1 January 2011		225,190	61,900	287,090
Revaluation decrement of property, plant and equipment	28(a)	(282)	-	(282)
Operating surplus	28(b)	-	10,081	10,081
Balance as at 31 December 2011		224,908	71,981	296,889

University

		Asset Revaluation Surplus $'000	Retained Surplus $'000	Total $'000
Total equity at 1 January 2010		225,401	50,817	276,218
Revaluation decrement of property, plant and equipment	28(a)	(211)	-	(211)
Operating surplus	28(b)	-	8,034	8,034
Balance as at 31 December 2010		225,190	58,851	284,041
Total equity at 1 January 2011		225,190	58,851	284,041
Revaluation decrement of property, plant and equipment	28(a)	(282)	-	(282)
Operating surplus	28(b)		9,178	9,178
Balance as at 31 December 2011		224,908	68,029	292,937

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 2011

	Notes	Consolidated 2011 $'000	Consolidated 2010 $'000	University 2011 $'000	University 2010 $'000
Cashflows from operating activities					
Australian Government grants		111,517	115,226	111,517	115,226
Other Commonwealth grants		7,168	5,805	7,168	5,805
State Government grants		2,792	830	2,792	830
HECS- HELP student payments		7,365	7,206	7,365	7,206
Receipts from student fees and other customers		73,020	68,079	52,593	50,289
Investment income		866	829	591	652
Total inflows		**202,728**	**197,975**	**182,026**	**180,008**
Payments to suppliers and employees (including GST)		(178,938)	(171,208)	(160,064)	(153,272)
Interest and other costs of finance paid		(1,207)	(410)	(1,207)	(410)
Total outflows		**(180,145)**	**(171,618)**	**(161,271)**	**(153,682)**
Net cash provided by operating activities	35 (b)	**22,583**	**26,357**	**20,755**	**26,326**
Cashflows from investing activities					
Proceeds from sale of property, plant and equipment		186	272	162	106
Payments for property, plant and equipment		(63,145)	(32,065)	(62,874)	(31,756)
Net cash used in investing activities		**(62,959)**	**(31,793)**	**(62,712)**	**(31,650)**
Cashflows from financing activities					
Proceeds from borrowings		46,206	7,000	46,205	7,000
Repayments of borrowings/finance leases		(2,500)	(4,280)	(2,500)	(4,280)
Net cash provided by financing activities		**43,706**	**2,720**	**43,705**	**2,720**
Net increase/(decrease) in cash and cash equivalents		**3,330**	**(2,716)**	**1,748**	**(2,604)**
Cash and cash equivalents at the beginning of the year		6,489	9,205	3,259	5,863
Cash and cash equivalents at the end of the year	35 (a)	**9,819**	**6,489**	**5,007**	**3,259**
Financing arrangement - Commonwealth Grants Scheme Grant Advance	27 (c)	-	2,500	-	2,500
Financing arrangement - Cash advance and bank overdraft facilities	25 (b)	104,350	11,000	104,350	11,000
Non-cash financing activity	25 (c)	4	111	4	111

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 2011

Note 1. Summary of significant accounting policies

(a) Statement of compliance

The financial statements are general purpose financial statements and have been prepared on an accrual basis 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 2011 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.

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 being unlikely to be collected, it is written off or an allowance for impairment losses is recognised.

2. Plant and equipment – Depreciation
   Note 1(h): Property, 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): 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): 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".

These estimates and assumptions have been based on the most current information available.

UNIVERSITY OF CANBERRA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2011

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

   The University treats operating grants received from Australian Government entities as income in the year of receipt. Government financial assistance is recognised as income when the University obtains the control of the right to receive the grant. It is probable that economic benefits will flow to the University and the amount of receipts can be measured reliably. (Refer 1(f) Financial Assistance Income).

2. Fees and charges

   Fees and charges are recognised as income in the year of receipt, except to the extent that fees and charges relate to courses to be held in future periods. Such income is treated as income in advance.

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. The stage of completion is measured by reference to labour hours incurred to date as a percentage of estimated total labour hours for each contract.

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 2011

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, subsequent to initial recognition at cost. Investment property is measured at fair value with any changes therein recognised in the income statement. Fair value is based on active market prices, adjusted if necessary for any difference in the nature, location or condition of the specific asset. If this information is not available, the University uses alternative valuation methods such as recent prices in less active markets or discounted cash flow projections. These valuations are reviewed annually by a member of the Australian Property Institute.

(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 the 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 in 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 recognised in 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.

Threshold

The threshold to capitalise property, plant and equipment is $5,000. For computers and works of art, no threshold applies, and all items are capitalised.

UNIVERSITY OF CANBERRA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2011

Note 1. Summary of significant accounting policies (continued)

(i) Depreciation and amortisation

Depreciation and amortisation on assets are calculated using the straight line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives, as follows:

	Years
Buildings	4 to 50
Equipment	4 to 10
Motor vehicles	4
Computer equipment	3
Fixtures and fittings	10
Infrastructure	7 to 50
Library collection	10
Software	5
Strategic initiatives	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. Assets are also reviewed for impairment whenever events or circumstances indicate that the carrying amount may not be recoverable. 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 surplus. Where the impairment loss is greater than the balance in the asset revaluation surplus, 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, where the asset would be replaced if the University were to be deprived of it.

(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

Wages and salaries

Liabilities for short-term employee benefits, including wages and salaries and non-monetary benefits due to be settled within 12 months after the end of the period are measured at the amount expected to be paid when the liability is settled and are recognised in other payables.

UNIVERSITY OF CANBERRA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2011

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:

Unisuper

The University, on behalf of its employees, contributes to the Unisuper Defined Benefit Division (Unisuper). The Unisuper is a post employment defined contribution plan into which the University pays fixed contributions. The University is not liable to fund any shortfall if the fund is in deficit, as under AASB: 119 – Employee Benefits, there is no legal or constructive obligation to pay further contributions if the defined contribution plan does not have sufficient assets.

(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 2011, the assets of the DBD in aggregate were estimated to be $906.5 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 2011, the assets of the DBD in aggregate were estimated to be $426.7 million in excess 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 9 November 2011 on the actuarial investigation of the DBD as at 30 June 2011. The financial assumptions used were:

UNIVERSITY OF CANBERRA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2011

Note 1. Summary of significant accounting policies (continued)

(m) Superannuation (continued)

	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.

(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 cost as at 31 December 2011. 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 financing facilities of $104.35m of which $47.6m is undrawn ($10m 2010). 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).

UNIVERSITY OF CANBERRA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2011

Note 1. Summary of significant accounting policies (continued)

(t) Borrowings

All loans are initially recognised at fair value and subsequent measurement is at amortised cost. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalised as part of the asset. Interest expense is recognised in the income statement using the effective interest rate.

(u) Other entities

Under separate contractual agreements, the University makes annual partner contributions to two 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.

In 2011, the University created a new intangible asset category titled Strategic Initiatives' and a useful life of 5 years for this asset class was established. The University is undergoing a significant period of restructure and renewal and the creation of this intangible asset class in accordance with AASB 138 paragraph 9 – 24 enables the University to capitalise strategic plans and initiatives that have future economic benefit to the University.

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 are as follows:

Computer Software	5 years
Strategic Initiatives	5 years

<u>Threshold</u>
The threshold to capitalise intangibles is $100,000, intangibles under this threshold are expensed as incurred.

(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 depreciate 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.

UNIVERSITY OF CANBERRA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2011

Note 1. Summary of significant accounting policies (continued)

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

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 is 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 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.

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 and amendments 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 2011-9 Amendments to Australian Accounting Standards – Presentation of Other Comprehensive Income [AASB 101]
(Application date: 1 July 2012)
AASB 2011-4 Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements [AASB 124]
(Application date: 01 July 2013)
AASB 1053 Application of tiers of Australian Accounting Standards (Application date: 01 July 2013)
AASB 9 Financial Instruments (Application date: 01 January 2013)
AASB 10 Consolidated Financial Statements (Application date: 01 January 2013)
AASB 11 Joint Arrangements (Application date: 01 January 2013)
AASB 12 Disclosure of Interests in Other Entities (Application date: 01 January 2013)
AASB 13 Fair Value Measurement (Application date: 01 January 2013)
AASB 119 Employee Benefits (Application date: 01 January 2013)

UNIVERSITY OF CANBERRA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2011

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	
	2011	2010	2011	2010	2011	2010
	$'000	$'000	$'000	$'000	$'000	$'000
Geographical						
Australia	207,795	192,386	9,959	8,945	408,722	346,646
Asia	2,541	1,745	122	81	-	-
	210,336	**194,131**	**10,081**	**9,026**	**408,722**	**346,646**

UNIVERSITY OF CANBERRA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2011

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

	Consolidated		University	
	2011	2010	2011	2010
	$'000	$'000	$'000	$'000
(a) Commonwealth Grants Scheme and Other Grants				
Commonwealth Grants Scheme #	55,016	51,971	55,016	51,971
Commercialisation Training Scheme	-	31	-	31
Partnership and Participation Program +	922	615	922	615
Implementation Assistance Program	-	39	-	39
Indigenous Support Program	355	304	355	304
Superannuation Program	209	158	209	158
Transitional Cost Program	-	73	-	73
Workplace Productivity Program	-	2,158	-	2,158
Facilitation Funding	1,035	-	1,035	-
Diversity & Structural Adjustment Fund	300	-	300	-
Total Commonwealth Grants Scheme and Other Grants	**57,837**	**55,349**	**57,837**	**55,349**
(b) Higher Education Loan Programs				
HECS- HELP	36,491	34,482	36,491	34,482
FEE- HELP	3,314	2,628	3,314	2,628
Total Higher Education Loan Programs	**39,805**	**37,110**	**39,805**	**37,110**
(c) Learning Scholarships				
Australian Postgraduate Awards Scheme	1,017	859	1,017	860
Commonwealth Education Costs Scholarships	52	90	52	91
Commonwealth Accommodation Scholarships	99	135	99	135
International Postgraduate Research Scholarship Scheme	106	101	106	101
Indigenous Access Scholarships	86	128	86	128
National Priority Scholarships	887	1,057	887	1,058
Total Scholarships	**2,247**	**2,370**	**2,247**	**2,370**
(d) Commonwealth Research				
Joint Research Engagement Program	1,754	1,640	1,754	1,568
Research Infrastructure Block Grants	555	518	555	446
Research Training Scheme	2,758	2,718	2,758	2,653
Sustainable Research Excellence	572	540	572	540
Total Commonwealth Research Grants	**5,639**	**5,416**	**5,639**	**5,207**

Includes the basic Commonwealth Grant Scheme grant amount and Commonwealth Grant Scheme Loading.

+ Includes amounts for Partnership and Participation Program, Additional Support for Students with Diabilities and Disability and Performance Funding.

UNIVERSITY OF CANBERRA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2011

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

		Consolidated		University	
		2011	2010	2011	2010
	Notes	$'000	$'000	$'000	$'000
(e) Other Capital Funding	40.5				
Microsimulation Centre Capital Funding		-	8,300	-	8,300
Capital Development Pool Funding		3,755	1,409	3,755	1,409
Total Other Capital Funding		3,755	9,709	3,755	9,709
(f) Australian Research Council					
(i) Discovery					
Projects	40.6(i)	557	551	557	551
Total Discovery		557	551	557	551
(ii) Linkage					
Projects	40.6(ii)	326	361	326	361
Total Linkages		326	361	326	361
(iii) Future - Fellowship					
Projects	40.6(iii)	-	205	-	205
Total Future - Fellowship		-	205	-	205
Total Australian Research Council		883	1,117	883	1,117

UNIVERSITY OF CANBERRA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2011

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

	Consolidated		University	
	2011	2010	2011	2010
	$'000	$'000	$'000	$'000
(g) Other Australian Government financial assistance				
Ausaid	220	-	220	-
Australian Antarctic Division	25	24	25	24
Australian Centre for International Agricultural Research	478	362	478	362
Australian Federal Police	45	20	45	20
Australian Pesticides and Veterinary	2	-	2	-
Australian Public Service Commission	45	5	45	5
Centrelink	-	15	-	15
Commonwealth Scientific and Industrial Research Organisation	-	23	-	23
Defence Science and Technology Organisation	-	8	-	8
Department of Agriculture, Fisheries and Forestry	-	10	-	10
Department of Broadband, Communications and the Digital Economy	-	10	-	10
Department of Climate Change and Energy Efficiency	-	34	-	34
Department of Defence	8	-	8	-
Department of Education, Employment and Workplace Relations	276	239	276	239
Department of Families, Housing, Community Services and Indigenous Affairs	-	30	-	30
Department of Finance and Deregulation	-	20	-	20
Department of Foreign Affairs and Trade	-	46	-	46
Department of Environment, Water, Heritage and Arts	20	20	20	20
Department of Health and Ageing	1,123	3,555	1,123	3,555
Department of Immigration and Citizenship	-	20	-	20
Department of Innovation, Industry, Science and Research	2,233	215	2,233	215
Department of Sustainability Environment and Water	72	-	72	-
Department of Regional Australia	70	-	70	-
Department of the Treasury	-	20	-	20
Great Barrier Reef Marine Park Authority	32	14	32	14
Health Workforce Australia	1,530	-	1,530	-
High Court of Australia	1	-	1	-
Murray Darling Basin Commission	-	30	-	30
National Archives of Australia	36	22	36	22
National Capital Authority	86	30	86	30
National Fisheries Management Authority	2	-	2	-
National Health and Medical Research Council	705	975	705	975
National Gallery of Australia	10	-	10	-
National Portrait Gallery	34	4	34	4
National Water Commission	32	40	32	40
Productivity Commission	-	15	-	15
Rural Industries Research and Development Corporation	83	-	83	-
Total other Australian Government financial assistance	7,168	5,806	7,168	5,806
Total Australian Government financial assistance	117,336	116,877	117,336	116,668

UNIVERSITY OF CANBERRA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011

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

	Consolidated		University	
	2011	2010	2011	2010
	$'000	$'000	$'000	$'000
Reconciliation				
Australian Government Grants (a+c+d+e+f+g)	77,529	79,767	77,529	79,558
HECS- HELP - Australian Government Payments	36,491	34,482	36,491	34,482
FEE- HELP - Australian Government Payments	3,314	2,628	3,314	2,628
Total Australian Government financial assistance	117,334	116,877	117,334	116,668
(h) Australian Government Grants received				
Commonwealth Grants Scheme and Other Grants	57,836	55,349	57,837	55,349
Higher Education Loan Programmes	39,805	37,110	39,805	37,110
Learning Scholarships	2,246	2,370	2,246	2,370
Commonwealth Research	5,640	5,416	5,640	5,207
Other Capital Funding	3,755	9,709	3,755	9,709
Australian Research Council Grants - Discovery	557	551	557	551
Australian Research Council Grants - Linkages	326	361	326	361
Australian Research Council Grants - Fellowship	-	205	-	205
Other Australian Government Grants	7,168	5,806	7,168	5,806
Total Australian Government Grants received-cash basis	117,334	116,877	117,334	116,668
OS-HELP Liability to the Australian Govt	250	63	250	63
Total Australian Government funding received	117,584	116,940	117,584	116,731

UNIVERSITY OF CANBERRA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2011

Note 4. State and Local Government financial assistance

	Consolidated		University	
	2011	2010	2011	2010
	$'000	$'000	$'000	$'000
Australian Capital Territory	11,382	571	11,382	571
South Australia	6	-	6	-
New South Wales	152	170	152	87
Tasmania	222	136	222	136
Victoria	60	16	60	16
Western Australia	-	20	-	20
Total State and Local Government financial assistance	**11,822**	**913**	**11,822**	**830**

Note 5. Fees and charges

Course fees and charges				
Continuing education	8,637	7,231	646	363
Fee-paying overseas students	35,835	27,953	35,835	27,953
Fee-paying domestic postgraduate students	2,319	1,722	2,323	1,722
Fee-paying domestic undergraduate students	-	182	-	182
Fee-paying domestic non-award students	65	62	65	62
Total course fees and charges	**46,856**	**37,150**	**38,869**	**30,282**
Non-course fees and charges				
Student accommodation charges	15	16	12	5
Other	4,293	5,802	231	182
Total non-course fees and charges	**4,308**	**5,818**	**243**	**187**
Total fees and charges	**51,164**	**42,968**	**39,112**	**30,469**

Note 6. Investment revenue

Investment Revenue				
Bank Account Interest	61	39	38	19
Bank Bill Interest	232	405	14	250
Call Account Interest	359	286	351	275
Dividends Received	188	-	188	-
Interest - Term Deposit	25	30	-	-
Loan Interest	-	1	-	1
Total investment revenue	**865**	**762**	**591**	**545**

UNIVERSITY OF CANBERRA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2011

Note 7. Consultancies and research contracts

	Consolidated		University	
	2011	2010	2011	2010
	$'000	$'000	$'000	$'000
Research				
Contracts	3,557	2,580	3,557	2,580
Other				
Consultancy	1,243	1,291	1,243	1,291
Total consultancies and research contracts	4,800	3,871	4,800	3,871

Note 8. Other revenue and income

	Consolidated		University	
	2011	2010	2011	2010
	$'000	$'000	$'000	$'000
Other revenue				
Donations and bequests	104	126	119	126
Scholarships and prizes	201	214	201	214
Net gain on disposal of property, plant and equipment	124	50	146	56
Total other revenue	429	390	466	396
Other income				
Travel and travel related recoveries	56	65	44	33
Administrative charges	458	535	1,289	1,346
Hire of facilities	600	362	18	1
Miscellaneous	3,964	3,207	2,108	1,843
Copying	208	232	208	232
Rent	985	1,162	852	1,526
Salaries and cost recovery services *	2,659	8,959	2,659	8,959
Sales and service income/publications	7,283	5,997	3,667	2,439
Insurance recoveries	71	311	45	311
Amortisation of deferred income	460	377	460	377
Total other income	16,744	21,207	11,350	17,067
Total other revenue and income	17,173	21,597	11,816	17,463

UNIVERSITY OF CANBERRA

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FOR THE YEAR ENDED 31 DECEMBER 2011

Note 9. Employee related expenses

	Consolidated		University	
	2011	2010	2011	2010
	$'000	$'000	$'000	$'000
Academic				
Salaries	55,341	49,130	50,302	44,678
Contributions to superannuation and pension schemes	8,426	7,395	7,813	6,903
Payroll tax	4,417	3,924	4,026	3,587
Workers' compensation	304	180	253	138
Long service leave and annual leave	1,932	2,518	1,723	2,365
Redundancy payments	294	476	294	473
Total academic	70,714	63,623	64,411	58,145
Non-academic				
Salaries	45,270	44,212	39,744	38,560
Contributions to superannuation and pension schemes	6,746	6,398	6,068	5,838
Payroll tax	3,496	3,275	3,229	3,066
Workers' compensation	281	283	138	115
Long service leave and annual leave	1,571	1,946	1,256	1,707
Redundancy payments - restructure	278	1,378	266	1,378
Total non-academic	57,642	57,492	50,701	50,664
Total employee related expenses	128,356	121,115	115,112	108,809

Note 10. Depreciation and amortisation

	Consolidated 2011 $'000	Consolidated 2010 $'000	University 2011 $'000	University 2010 $'000
Depreciation				
Buildings	4,647	4,082	4,636	3,974
Infrastructure	941	911	941	911
Computer equipment	1,018	544	956	530
Motor Vehicles	30	45	30	45
Equipment	2,304	1,776	2,189	1,669
Library	389	388	389	388
Fixtures and Fittings	1,168	-	1,168	-
Total depreciation	10,497	7,746	10,309	7,517
Amortisation				
Computer software	1,332	933	1,332	931
Strategic Initiatives	156	-	156	-
Total amortisation	1,488	933	1,488	931
Total depreciation and amortisation	11,985	8,679	11,797	8,448

UNIVERSITY OF CANBERRA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2011

Note 11. Repairs and maintenance

	Consolidated		University	
	2011	2010	2011	2010
	$'000	$'000	$'000	$'000
Repairs and maintenance	3,312	3,131	3,224	3,090
Total repairs and maintenance	**3,312**	**3,131**	**3,224**	**3,090**

Note 12. Finance costs

Interest expense	1,207	410	1,207	410
Total finance costs	**1,207**	**410**	**1,207**	**410**

Note 13. Impairment losses

Impaired receivables	640	1,149	422	1,099
Total impairment losses	**640**	**1,149**	**422**	**1,099**

Note 14. Investment losses

Centre for Customs and Excise Studies (CCES)	-	397	-	397
NATSEM Pty Limited	-	-	865	-
Investment property at 170 Haydon Drive	320	319	320	319
Total investment losses	**320**	**716**	**1,185**	**716**

UNIVERSITY OF CANBERRA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2011

Note 15. Other expenses

	Consolidated		University	
	2011	2010	2011	2010
	$'000	$'000	$'000	$'000
Advertising	1,823	1,407	1,710	1,336
Audit	252	219	176	145
Books and publications	567	593	552	573
Commissions	2,818	2,333	1,971	1,418
Conference and facilities hire	810	791	838	786
Consultants fees	5,181	5,339	4,718	4,835
Contract services	2,506	2,134	2,431	2,046
Equipment expensed	2,982	2,217	2,802	1,962
Freight and postage	414	361	408	345
General materials	1,396	1,232	1,300	1,163
Insurances	665	556	665	556
Licence fees	2,743	2,419	2,661	2,363
Printing and stationery	1,956	1,423	1,809	1,322
Recruitment and staff development	3,510	3,373	3,573	3,293
Rent	208	47	167	54
Student scholarship	1,760	1,784	1,757	1,775
Other student expenses	2,205	2,108	2,178	2,054
Subscriptions	2,342	2,151	2,299	2,113
Travel	3,807	2,990	3,590	2,774
Utilities	3,383	3,031	3,309	2,988
Entertainment	653	837	675	677
Fringe benefits tax	312	195	305	190
Rates and taxes	667	708	666	708
Legal fees	255	348	254	348
Operating lease charges	1,428	1,091	1,411	1,046
Grant and research expenses-external entities	718	562	2,211	1,994
Contribution to other entities	647	677	647	677
Outsource management fees	3,914	3,592	3,814	3,511
Cost of goods sold	1,460	1,533	-	-
Services provided to related entities	-	-	(788)	-
Other	2,525	3,348	2,408	3,329
Live Entertainment	369	410	5	-
Clubs and Societies	157	104	5	2
Total other expenses	54,434	49,913	50,527	46,383

UNIVERSITY OF CANBERRA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2011

Note 16. Cash and cash equivalents

	Consolidated		University	
	2011	2010	2011	2010
	$'000	$'000	$'000	$'000
Cash at bank and cash equivalents	9,819	7,026	5,007	3,796
Total cash at bank and cash equivalents	**9,819**	**7,026**	**5,007**	**3,796**

Note 17. Trade and other receivables

Current				
Financial assistance to students	11	15	11	15
Trade receivables	10,311	10,994	11,696	10,350
Less: Allowance for impaired receivables	(2,129)	(2,336)	(1,939)	(2,296)
Other receivables	3,854	2,067	1,547	1,548
CGS Grant income accrued	-	1,200	-	1,200
Total current receivables	**12,047**	**11,940**	**11,315**	**10,817**
Total trade and other receivables	**12,047**	**11,940**	**11,315**	**10,817**
The ageing of trade receivables is as follows:				
Under 30 days	3,124	2,137	3,545	1,819
Over 30 days and under 60 days	2,218	2,257	2,310	2,088
Over 60 days	4,969	6,600	5,841	6,443
	10,311	**10,994**	**11,696**	**10,350**
Past due but not impaired (receivables over 90 days)	3,177	6,200	2,876	6,065

Reconciliation of the allowance for impaired receivables

	Consolidated		University	
	2011	2010	2011	2010
	$'000	$'000	$'000	$'000
Allowance for impaired receivables at the beginning of the year	2,336	1,225	2,296	1,204
Add: Impairment losses recognised during the year	624	1,117	407	1,098
	2,960	2,342	2,703	2,302
Less: impaired receivables written off	(807)	(6)	(764)	(6)
Less: Impaired losses reversed during the year	(24)	-	-	-
Allowance for impaired receivables at the end of the year	**2,129**	**2,336**	**1,939**	**2,296**

UNIVERSITY OF CANBERRA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2011

Note 18. Other financial assets

	Consolidated		University	
	2011	2010	2011	2010
	$'000	$'000	$'000	$'000
Current				
Finance Lease Receivable*	497	497	497	497
Total current other financial assets	497	497	497	497
Non-current				
Finance Lease Receivable*	13,223	13,721	13,223	13,721
Total non-current other financial assets	13,223	13,721	13,223	13,721
Total other financial assets	13,720	14,218	13,720	14,218

* 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 December 2011 are as follows:

	Future minimum lease receipts		Interest		Present value of minimum lease receipts	
	2011	2010	2011	2010	2011	2010
	$'000	$'000	$'000	$'000	$'000	$'000
Less than one year	1,408	1,408	900	900	508	508
Between one and five years	5,633	5,633	3,602	3,602	2,031	2,031
More than five years	47,013	48,421	35,831	36,742	11,181	11,679
Total	54,054	55,462	40,333	41,244	13,720	14,218

Note 19. Other non-financial assets

	Consolidated		University	
	2011	2010	2011	2010
	$'000	$'000	$'000	$'000
Current				
Prepayments	2,991	2,850	2,961	2,673
Inventories	267	293	-	-
Total current other non-financial assets	3,258	3,143	2,961	2,673

UNIVERSITY OF CANBERRA

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FOR THE YEAR ENDED 31 DECEMBER 2011

Note 20. Investments

	Consolidated		University	
	2011	2010	2011	2010
	$'000	$'000	$'000	$'000
Centre for Customs and Excise Studies	1,054	861	1,054	861
Shares - other entities	12	12	12	12
NATSEM Pty. Limited.	-	-	1	866
Term Deposit	-	500	-	-
Total other investments	1,066	1,373	1,067	1,739

Interest in controlled entities

Name of entity	Percentage of equity interest held by the University 2011	2010
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

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FOR THE YEAR ENDED 31 DECEMBER 2011

Note 21. Investment Property

	Consolidated		University	
	2011	2010	2011	2010
	$'000	$'000	$'000	$'000
At Fair Value				
Balance at the beginning of the year	6,720	7,039	6,720	7,039
Revaluation (decrement) on investment property	(320)	(319)	(320)	(319)
Balance at the end of the year	6,400	6,720	6,400	6,720

Leasing arangements

The investment property at Haydon Drive is occupied by five tenants. As at 31 December 2011, each tenant had varying rental arrangements with the University. Each tenant entered into a lease/licence type arrangement with the University.

	Consolidated		University	
	2011	2010	2011	2010
	$'000	$'000	$'000	$'000
Rental income	107	80	107	152
Total Rental income	107	80	107	152

UNIVERSITY OF CANBERRA

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FOR THE YEAR ENDED 31 DECEMBER 2011

Note22. Property, plant and equipment

	Leasehold Land $'000	Buildings $'000	Right to receive Accomodation $'000	Infrastructure $'000	Library Collection $'000	Works of Art $'000	Work in Progress $'000	Computer Equipment $'000	Motor Vehicles $'000	Equipment $'000	Fixtures & Fittings $'000	Total $'000
	At Fair Value						At Cost					
Consolidated												
As at 1 January 2010												
Opening value	22,720	223,881	8,462	6,552	4,425	2,063	10,491	9,687	879	17,772	-	306,933
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 increment/(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**
Year ended 31 December 2011												
Opening net book amount	28,620	212,546	16,032	6,092	3,655	1,688	25,682	1,721	38	4,198	-	300,272
Revaluation (decrement)	-	(282)	-	-	-	-	-	-	-	-	-	(282)
Additions*	6,508	33,080	-	2,372	0	38	59,022	1,353	-	4,830	12,806	120,009
Disposals and transfers out	-	-	-	-	-	-	(52,795)	(18)	-	(18)	-	(52,831)
Depreciation	-	(4,647)	-	(941)	(389)	-	-	(1,018)	(30)	(2,304)	(1,168)	(10,497)
Closing net book amount	35,128	240,697	16,032	7,523	3,266	1,726	31,909	2,038	8	6,706	11,638	356,671
As at 31 December 2011												
Opening value	35,128	249,430	16,032	9,395	4,432	1,726	31,909	5,180	620	20,131	12,806	386,789
Valuation	-	-	-	-	-	-	-	-	-	-	-	-
Accumulated depreciation	-	(8,733)	-	(1,872)	(1,166)	-	-	(3,142)	(612)	(13,425)	(1,168)	(30,118)
Net Book Amount	**35,128**	**240,697**	**16,032**	**7,523**	**3,266**	**1,726**	**31,909**	**2,038**	**8**	**6,706**	**11,638**	**356,671**

*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 and old student accommodation $7.6m. Please refer to Note 1 (y): Public Private Partnerships (PPP) for further details.

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Note 22. Property, plant and equipment

	Leasehold Land $'000	Buildings $'000	Right to receive Accomodation $'000	Infrastructure $'000	Library Collection $'000	Works of Art $'000	Work in Progress $'000	Computer Equipment $'000	Motor Vehicles $'000	Equipment $'000	Fixtures & Fittings $'000	Total $'000
	At Fair Value						At Cost					
University												
As at 1 January 2010												
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)	-	(36,859)
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 increment/(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**
Year ended 31 December 2011												
Opening net book amount	28,620	212,469	16,032	6,092	3,655	1,688	25,573	1,693	38	3,883	-	299,743
Revaluation (decrement)	-	(282)	-	-	-	-	-	-	-	-	-	(282)
Additions*	6,508	33,036	-	2,372	-	38	58,924	1,243	-	4,703	12,806	119,630
Disposals and transfers out	-	-	-	-	-	-	(52,657)	(15)	-	(1)	-	(52,673)
Depreciation	-	(4,636)	-	(941)	(389)	-	-	(956)	(30)	(2,189)	(1,167)	(10,308)
Closing net book amount	35,128	240,587	16,032	7,523	3,266	1,726	31,840	1,965	8	6,396	11,639	356,110
As at 31 December 2011												
Opening value	35,128	249,004	16,032	9,394	4,432	1,726	31,840	4,998	596	18,351	12,806	384,307
Valuation	-	-	-	-	-	-	-	-	-	-	-	-
Accumulated depreciation	-	(8,417)	-	(1,871)	(1,166)	-	-	(3,033)	(588)	(11,955)	(1,167)	(28,197)
Net Book Amount	**35,128**	**240,587**	**16,032**	**7,523**	**3,266**	**1,726**	**31,840**	**1,965**	**8**	**6,396**	**11,639**	**356,110**

*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 and old student accommodation $7.6m. Please refer to Note 1 (y): Public Private Partnerships (PPP) for further details.

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FOR THE YEAR ENDED 31 DECEMBER 2011

Note 23. Intangible assets

Computer Software	Consolidated	University
	$'000	$'000
As at 1 January 2010		
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
Year ended 31 December 2011		
Opening net book amount	1,954	1,951
Additions	3,868	3,891
Amortisation	(1,306)	(1,332)
Closing net book amount	4,516	4,510
As at 31 December 2011		
Cost	14,825	14,811
Accumulated amortisation	(10,309)	(10,301)
Net book amount	4,516	4,510
Strategic Initiatives		
Year ended 31 December 2011		
Opening net book amount	-	-
Additions	1,381	1,381
Amortisation	(156)	(156)
Closing net book amount	1,225	1,225
As at 31 December 2011		
Cost	1,381	1,381
Accumulated amortisation	(156)	(156)
Net book amount	1,225	1,225
Total	5,741	5,735

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FOR THE YEAR ENDED 31 DECEMBER 2011

Note 24. Trade and other payables

	Consolidated 2011 $'000	Consolidated 2010 $'000	University 2011 $'000	University 2010 $'000
(a) Trade and other payables				
Current				
Payables	8,374	3,212	8,033	3,158
Accrued salaries and wages	4,258	4,000	4,141	3,850
OS-HELP Liability to the Australian Government	250	63	250	63
Accrued expenses	6,811	4,800	6,433	4,278
Total current trade payables	19,693	12,075	18,857	11,349
Total trade and other payables	19,693	12,075	18,857	11,349

Note 25. Borrowings

	Consolidated 2011 $'000	Consolidated 2010 $'000	University 2011 $'000	University 2010 $'000
Current				
Unsecured				
Finance Lease	4	107	4	107
Bank overdraft - Commonwealth Bank Australia	-	537	-	537
Total current interest bearing liabilities	4	644	4	644
Non-current				
Secured				
First mortgage - ACT Government	18,956	-	18,956	-
Unsecured				
Cash advance facility - Westpac	20,000	10,000	20,000	10,000
Finance Lease	-	4	-	4
Loan - Commonwealth Bank of Australia	18,000	-	18,000	-
Total non-current interest bearing liabilities	56,956	10,004	56,956	10,004
Total borrowings	56,960	10,648	56,960	10,648

(a) Assets pledged as security

The carrying amounts of assets pledged as security for current and non-current borrowings are:

	Consolidated 2011 $'000	Consolidated 2010 $'000	University 2011 $'000	University 2010 $'000
Non-current				
First mortgage				
Cameron offices - Land and building	22,410	-	22,410	-
Total assets pledged as security	22,410	-	22,410	-

(b) Financing arrangements

	Consolidated 2011 $'000	Consolidated 2010 $'000	University 2011 $'000	University 2010 $'000
Cash financing activities				
Cash advance facility - Westpac	20,000	10,000	20,000	10,000
Bank overdraft - Commonwealth Bank of Australia	1,000	1,000	1,000	1,000
Loan - Commonwealth Bank of Australia	60,000	-	60,000	-
Loan - ACT Government	23,350	-	23,350	-
Total cash financing arrangements	104,350	11,000	104,350	11,000
Non-cash financing activities				
Finance lease (current)	4	107	4	107
Finance lease (non-current)	-	4	-	4
Total non-cash financing arrangements	4	111	4	111

UNIVERSITY OF CANBERRA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2011

Note 26. Provisions

	Consolidated		University	
	2011	2010	2011	2010
	$'000	$'000	$'000	$'000
(a) Current - due at reporting date				
Provision for long service leave	9,344	8,866	8,972	8,596
Provision for annual leave	7,838	7,481	7,391	7,157
Total current provisions	17,182	16,347	16,363	15,753
(b) Non-current - not due at reporting date				
Provision for long service leave	4,230	2,885	4,181	2,857
Total non-current provisions	4,230	2,885	4,181	2,857
Total provisions	21,412	19,232	20,544	18,610
(i) Current provisions expected to be settled within 12 months				
Long service leave	850	807	816	783
Annual leave	4,703	4,489	4,435	4,294
Subtotal	5,553	5,296	5,251	5,077
(ii) Current provisions expected to be settled after 12 months				
Long service leave	8,494	8,059	8,156	7,813
Annual leave	3,135	2,992	2,956	2,863
Subtotal	11,629	11,051	11,112	10,676
Total current provisions	17,182	16,347	16,363	15,753

Note 27. Other financial liabilities

	Consolidated 2011 $'000	Consolidated 2010 $'000	University 2011 $'000	University 2010 $'000
(a) Current				
Commonwealth Grants Scheme grant advance less than 1 year	-	2,500	-	2,500
Fees received in advance	6,427	7,493	5,676	6,901
Deferred Income +	266	266	266	266
Total current other financial liabilities	6,693	10,259	5,942	9,667
(b) Non-current				
Deferred Income+	7,075	7,342	7,075	7,342
Total non-current other financial liabilities	7,075	7,342	7,075	7,342
Total other financial liabilities	13,768	17,601	13,017	17,009
(c) Financing arrangements				
Commonwealth Grants Scheme Grant Advance (current)	-	2,500	-	2,500
Total financing arrangements	-	2,500	-	2,500

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

UNIVERSITY OF CANBERRA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2011

Note 28. Reserves and retained surplus

	Consolidated		University	
	2011	2010	2011	2010
	$'000	$'000	$'000	$'000
(a) Asset Revaluation Surplus				
Asset revaluation surplus at the beginning of the year	225,190	225,401	225,190	225,401
Revaluation decrement of property, plant and equipment	(282)	(211)	(282)	(211)
Asset revaluation surplus at the end of the year	224,908	225,190	224,908	225,190
(b) Retained Surplus				
Retained surplus at the beginning of the year	61,900	52,874	58,851	50,817
Operating surplus	10,081	9,026	9,178	8,034
Retained surplus at the end of the year	71,981	61,900	68,029	58,851
Total Equity	296,889	287,090	292,937	284,041

UNIVERSITY OF CANBERRA

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FOR THE YEAR ENDED 31 DECEMBER 2011

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 2011
Mr John Mackay	Appointed 6 August 2010
Professor Stephen Parker	Appointed 1 March 2007
Professor George Cho	Appointed 1 January 2008
Ms Rosemary Follett	Appointed 21 October 2008, resigned 31 December 2011
Ms Margaret Gillespie	Appointed 21 October 2008, resigned 13 May 2011
Mr Tom Calma	Appointed 21 October 2008
Dr Sarah Ryan	Appointed 21 October 2008
Ms Maria Storti	Appointed 21 October 2008, resigned 3 June 2011
Ms Prue Power	Appointed 1 January 2010
Mr Dennis Trewin	Appointed 21 December 2010
Mr Barry Mewett	Appointed 20 October 2011
Ms Annette Ellis	Appointed 1 January 2011
Mr Greg Barrett	Elected 27 September 2009, retired 31 December 2011
Ms Mara Eversons	Elected 27 September 2009, retired 31 December 2011
Assoc Professor Monica Kennedy	Elected 1 January 2012
Mr Rogan McMahon-Hogan	Elected 1 January 2011, retired 31 December 2011
Mr Jaan Murphy	Elected 1 January 2011, retired 31 December 2011
Ms Inga Davis	Elected 1 January 2012
Mr Harrison Mott	Elected 1 January 2012
Mr Jason Paris	Elected 1 January 2012

(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	
	2011	2010	2011	2010
	$'000	$'000	$'000	$'000
Payment of sponsorship made by the University to Australian Computer Society in which Ms. Marion Reilly had an interest.	-	2	-	2
Provision of internal audit and consultancy services on taxation matters provided to the University by Ernst & Young in which Ms. Maria Storti had an interest. (resigned 3 June 2011)	44	39	44	39

UNIVERSITY OF CANBERRA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011

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 Department of Education, Employment and Workplace Relations (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	
	2011	2010	2011	2010
$160,000 - $169,999	1	1	1	1
$180,000 - $189,999	1	-	1	-
$200,000 - $209,999	-	1	-	1
$270,000 - $279,999	-	1	-	1
$300,000 - $309,999	-	1	-	1
$310,000 - $319,999	1	-	1	-
$330,000 - $339,999	-	2	-	2
$350,000 - $359,999	1	1	1	1
$370,000 - $379,999	3	-	3	-
$600,000 - $609,999	-	1	-	1
$630,000 - $639,999	1	-	1	-
	8	8	8	8
The aggregate of the remuneration for staff included above:	$2,734,106	$2,587,496	$2,734,106	$2,587,496

Note 30. Remuneration of auditors

Audit services				
ACT Auditor-General's Office	226	214	152	145
Total remuneration of auditors	226	214	152	145

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

UNIVERSITY OF CANBERRA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2011

Note 31. Contingencies

Contingent liabilities

Legal Proceedings

The University had the following legal matters pending as at 31 December 2011:

- Four claims which are covered by the University's insurer;
- One claim by a former client in Pakistan relating to English language (IELTS) testing;
- One claim by a former member of staff of discrimination; and
- A termination of licence and discrimination matter.

No new legal proceedings commenced during 2011 which were pending at the close of the year.

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.

Under the Education Services for Overseas Students ACT 2007, 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 provide financial support to UCU Ltd should the need arise. At the date of this report, no amounts were expected to be paid under this obligation.

The University has undertaken to provide financial support to NATSEM Pty Ltd should the need arise, At the date of this report, no amounts were expected to be paid under this obligation.

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FOR THE YEAR ENDED 31 DECEMBER 2011

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	
	2011	2010	2011	2010
	$'000	$'000	$'000	$'000
(a) Capital expenditure commitments				
Commitments payable:				
- within twelve months	11,577	11,781	11,177	11,781
	11,577	11,781	11,177	11,781
(b) Operational expenditure commitments				
Commitments payable:				
- within twelve months	2,187	2,309	2,187	2,309
	2,187	2,309	2,187	2,309
(c) Other expenditure commitments				
Commitments payable:				
- within twelve months	223	446	223	446
- twelve months or longer and not longer than five years	-	223	-	223
	223	669	223	669
(d) Lease commitments				
Operating leases				
Commitments payable:				
- within twelve months	1,210	1,309	1,207	1,309
- twelve months or longer and not longer than five years	522	1,199	522	1,199
	1,732	2,508	1,729	2,508
Finance leases				
Commitments payable:				
- within twelve months	4	119	4	119
- twelve months or longer and not longer than five years	-	4	-	4
	4	123	4	123
Total commitments	15,723	17,390	15,320	17,390

UNIVERSITY OF CANBERRA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2011

Note 33. Related parties and 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. Each year the University contributes $130,000 in cash and 1.0 full time equivalent staff in kind.

Corporate Bodies

Centre for Customs and Excise Studies Pty. Ltd. (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.

Transactions with related parties

The following transactions occurred with related parties:

	Consolidated		University	
	2011 $'000	2010 $'000	2011 $'000	2010 $'000
Sale of goods and services	-	-	1,122	1,951
Purchase of goods	-	-	2,234	1,814
Current receivables	-	-	3,046	544
Current payables	-	-	1,894	550

Note 34. Events occurring after the balance date

There are no matters or circumstances that have arisen since the end of the financial year and the date of this report that have significantly affected or which may significantly affect the University.

UNIVERSITY OF CANBERRA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2011

Note 35. Reconciliation of the operating surplus to net cash flows provided by operating activities

(a) Reconciliation of cash

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

	Note	Consolidated		University	
		2011	2010	2011	2010
		$'000	$'000	$'000	$'000
Cash	16	9,819	7,026	5,007	3,796
Bank overdraft	25	-	(537)	-	(537)
Cash and cash equivalents at the end of the year		9,819	6,489	5,007	3,259

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

	Note	Consolidated 2011	Consolidated 2010	University 2011	University 2010
Operating surplus	28(b)	9,969	9,026	9,178	8,034
Add/(deduct) expenses from non-cash transactions					
Revaluation decrement in investment properties		320	319	320	319
Depreciation and amortisation		11,986	8,679	11,797	8,448
Capital grants		(9,030)	-	(9,030)	-
Impairment losses		639	1,149	422	1,099
Investment (gain)/loss		(194)	397	(194)	397
Gain on disposal of assets		(124)	(50)	(146)	(56)
		3,597	10,494	3,169	10,207
Change in operating assets and liabilities					
Increase in employee benefits		2,180	2,539	1,933	2,343
Increase in accrued salaries and wages		291	1,779	291	1,710
(Increase)/decrease in receivables		(1,433)	121	(742)	2,453
Increase in other financial assets		491	134	320	134
(Increase)/decrease in other non-financial assets		210	(336)	210	(168)
Decrease in investments		305	-	671	-
Increase in payables		8,282	1,264	7,217	222
Increase/(decrease) in other financial liabilities		(1,309)	1,336	(1,492)	1,391
		9,017	6,837	8,408	8,085
Net cash provided by operating activities		22,583	26,357	20,755	26,326

UNIVERSITY OF CANBERRA

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FOR THE YEAR ENDED 31 DECEMBER 2011

Note 36. Non-cash investing and financing activities

		Consolidated		University	
		2011	2010	2011	2010
		$'000	$'000	$'000	$'000
Finance lease liability - Current	25	4	107	4	107
Finance lease liability - Non-current	25	-	4	-	4
Total Non-cash investing and financing activities		4	111	4	111

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	
	2011	2010	2011	2010
	$'000	$'000	$'000	$'000
Balance of funds at beginning of the year	4,065	3,908	4,065	3,908
Income				
Interest	224	207	224	207
Total income	224	207	224	207
Total funds available	4,289	4,115	4,289	4,115
Expenditure				
Scholarships / Prize awards	180	50	180	50
Total expenditure	180	50	180	50
Balance of funds at end of the year	4,109	4,065	4,109	4,065
Comprises :				
WJ Weeden Family Trust - Scholarship	4,029	3,970	4,029	3,970
Public administration - Scholarship	80	95	80	95
	4,109	4,065	4,109	4,065

UNIVERSITY OF CANBERRA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2011

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	
	2011	2010	2011	2010
	$'000	$'000	$'000	$'000
Financial assets				
Loans and receivables				
Cash and cash equivalents	9,819	7,026	5,007	3,796
Trade and other receivables	9,942	10,741	8,269	9,617
Receivables from University of Canberra College Pty Limited	-	-	56	-
Receivables from UCU Ltd	-	-	1,870	293
Receivables from NATSEM Pty Limited	-	-	1,120	137
Receivables from Weedon Trust	8	-	8	1
Finance Lease receivables	13,720	14,218	13,720	14,218
At fair value through profit or loss				
Investments	1,066	861	1,067	1,985
Carrying amount of financial assets	34,555	32,846	31,117	30,047
Financial liabilities				
At amortised cost				
Payables	7,195	3,275	6,389	3,222
Payable to University of Canberra College Pty Limited	-	-	1,692	1,383
Payable to UCU Limited	-	-	40	-
Payable to NATSEM Limited	-	-	162	-
Finance lease	4	111	4	111
Bank overdraft - Commonwealth Bank of Australia	-	537	-	537
Cash advance facility - Westpac	20,000	10,000	20,000	10,000
Loan - Commonwealth Bank of Australia	18,000	-	18,000	-
Loan - ACT Government	18,956	-	18,956	-
Carrying amount of financial liabilities	64,155	13,923	65,243	15,253

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).

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

UNIVERSITY OF CANBERRA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2011

Note 38. Financial instruments (continued)

Consolidated and University

As at 31 December 2011	Note	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Financial asset at fair value through profit or loss					
Investments					
- Listed equities		12	–	–	12
- Unlisted equities	39 (h)	–	–	1,054	1,054
					1,066

Reconciliation of Level 3 fair value measurement of financial assets	Unlisted equities $'000
Opening balance - 1 January 2010	860
Total gains/(losses) in profit or loss	194
Purchases	–
Settlements	–
Transfer out of Level 3	–
Closing balance - 31 December 2010	1,054

UNIVERSITY OF CANBERRA
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
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Note 38. Financial instruments (continued)

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

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'.

c) Finance lease receivables – Refer to Note 1(y) with regard to the risk management of this asset.

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) 'Cash and cash equivalents' sets out details of undrawn facilities that the University has at its disposal to further reduce liquidity risk

UNIVERSITY OF CANBERRA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011

Note 39. Financial risk management (continued)

C) Maturity Analysis (continued)

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 2011 and 31 December 2010.

As at 31 December 2011

	Maturing within 1 year 2011 $'000	Maturing in 1 to 5 years 2011 $'000	Maturing in 5 + years 2011 $'000	Total 2011 $'000
Financial assets				
Cash and cash equivalents	9,819	-	-	9,819
Trade and other receivables	9,942	-	-	9,942
Listed and unlisted equities	-	-	1,066	1,066
Investment - Term Deposit NATSEM	500	-	-	500
Finance Lease receivables	508	2,031	11,181	13,720
Total	20,769	2,031	12,247	35,047
Financial liabilities				
Trade and other payables	7,195	-	-	7,195
Finance lease liabilities	4	-	-	4
Cash advance facility - Westpac	-	20,000	-	20,000
Loan - Commonwealth Bank of Australia	-	4,323	13,677	18,000
Loan - ACT Government	-	5,260	13,696	18,956
Total	7,199	29,583	27,373	64,155
Net financial assets/(liabilities)	13,570	(27,552)	(15,126)	(29,108)

As at 31 December 2010

	Maturing within 1 year 2010 $'000	Maturing in 1 to 5 years 2010 $'000	Maturing in 5 + years 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
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

UNIVERSITY OF CANBERRA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011

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 consolidated financial assets and financial liabilities as at 31 December 2011 and 31 December 2010.

As at 31 December 2011	Maturing within 1 year 2011 $'000	Maturing in 1 to 5 years 2011 $'000	Maturing in 5 + years 2011 $'000	Total 2011 $'000
Financial assets				
Cash and Cash equivalents	5,007	-	-	5,007
Trade and other receivables	8,269	-	-	8,269
Receivables from University of Canberra College Pty Limited	56	-	-	56
Receivables from UCULtd	1,870	-	-	1,870
Receivables from NATSEM Pty Limited	1,120	-	-	1,120
Receivables from Weedon Trust	8	-	-	8
Listed and unlisted equities	-	-	1,066	1,066
Finance Lease receivables	508	2,031	11,181	13,720
Total	16,838	2,031	12,247	31,116
Financial liabilities				
Trade and other payables	6,389	-	-	6,389
Finance lease liabilities	4	-	-	4
Payable to University of Canberra College Pty Limited	1,692	-	-	1,692
Payable to UCU Limited	40	-	-	40
Payable to NATSEM Pty Limited	162	-	-	162
Bank overdraft - Commonwealth Bank Australia	-	-	-	-
Cash advance facility - Westpac	-	20,000	-	20,000
Loan - Commonwealth Bank of Australia	-	4,323	13,677	18,000
Loan - ACT Government	-	5,260	13,696	18,956
Total	8,287	29,583	27,373	65,243
Net financial assets/(liabilities)	8,551	(27,552)	(15,126)	(34,127)

As at 31 December 2010	Maturing within 1 year 2010 $'000	Maturing in 1 to 5 years 2010 $'000	Maturing in 5 + years 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 UCU Limited	-	-	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	1,990	11,731	14,218
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. Ltd	-	-	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

UNIVERSITY OF CANBERRA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2011

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.

F) Interest Rate Risk

Interest rate risk is the risk that the fair value or 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 floating 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 2011		Consolidated		University	
	Weighted Average Interest Rate	Variable Rate Financial Instruments 2011 $'000	Fixed Rate Financial Instruments 2011 $'000	Variable Rate Financial Instruments 2011 $'000	Fixed Rate Financial Instruments 2011 $'000
Financial assets					
Cash and cash equivalents	5.10%	9,819		5,007	
Finance Lease receivables	9.00%		13,720		13,720
Total		9,819	13,720	5,007	13,720
Financial liabilities					
Finance lease liabilities	10.77%		4		4
Cash advance facility - Westpac	5.27%	20,000		20,000	
Loan - Commonwealth Bank of Australia	5.71%	18,000		18,000	
Loan - ACT Government	6.50%		18,956		18,956
Total		38,000	18,960	38,000	18,960
Net financial liabilities		(28,181)	(5,240)	(32,993)	(5,240)

UNIVERSITY OF CANBERRA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2011

Note 39. Financial risk management (continued)

As at 31 December 2010		Consolidated		University	
	Weighted Average Interest Rate	Variable Rate Financial Instruments	Fixed Rate Financial Instruments	Variable Rate Financial Instruments	Fixed Rate Financial Instruments
		2010	2010	2010	2010
		$'000	$'000	$'000	$'000
Financial assets					
Cash and cash equivalents	4.08%	7,026	-	3,796	-
Finance Lease receivables	9.00%	-	14,218	-	14,218
Total		7,026	14,218	3,796	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)		(3,511)	14,107	(6,741)	14,107

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 $165k (2010: decrease by $34k). This is mainly attributable to the University's exposure to the interest rate payable on its floating rate bank facilities, which is offset by the interest receivable on variable rate cash and cash equivalents.

If interest rates had been 0.5% higher and all other variables were held constant, the consolidated entities profit and equity would decrease by $141k (2010: decrease by $18k). This is mainly attributable to the University's exposure to interest rates payable on floating rate bank facilities which is offset by the Group's interest receivable on variable rate cash and cash equivalents.

UNIVERSITY OF CANBERRA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2011

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 2010.

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, borrowings and retained earnings as detailed in Note 3 - 'Commonwealth and Other Grants' scheme and Note 28 -'Reserves and retained surplus'.

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

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

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

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

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

UNIVERSITY OF CANBERRA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2011

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

		Commonwealth Grants Scheme		Indigenous Support Program		Disability Support Program		Commercialisation Training Scheme	
	Note	2011	2010	2011	2010	2011	2010	2011	2010
		$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Financial assistance received in cash during the reporting period (total cash received from the Australian Government)	3(a)	56,539	51,972	355	304	50	-	-	31
Net accrual adjustment			-	-	-	-	-	-	-
Revenue for the period		56,539	51,972	355	304	50	-	-	31
Surplus from the previous year		-	-	-	-	-		72	41
Total revenue including accrued revenue		56,539	51,972	355	304	50	-	72	72
Less expenses including accrued expenses		(56,539)	(51,972)	(355)	(304)	(50)	-	(21)	
Surplus		-	-	-	-	-	-	51	72

		Superannuation Program		Partnership & Participation Program	
		2011	2010	2011	2010
		$'000	$'000	$'000	$'000
Financial assistance received in cash during the reporting period (total cash received from the Australian Government)	3(a)	209	158	872	615
Net accrual adjustment			-	34	-
Revenue for the period		209	158	906	615
Surplus from the previous year		-	-	196	6
Total revenue including accrued revenue		209	158	1,102	621
Less expenses including accrued expenses		(209)	(158)	(703)	(425)
Surplus		-	-	399	196

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	
		2011 $'000	2010 $'000	2011 $'000	2010 $'000	2011 $'000	2010 $'000	2011 $'000	2010 $'000
Financial assistance received in cash during the reporting period (total cash received from the Australian Government)	3(a)	-	-	300	-	-	2,158	-	39
Contribution to/(from) other institutions		-	-	-	-	-	-	-	-
Net accrual adjustment		-	-	-	-	-	-	-	-
Revenue for the period		-	-	300	-	-	2,158	-	39
Surplus from the previous year		163	363	498	1,237	475	712	117	146
Cost centre adjustment		-	-	-	-	-	-	-	-
Total revenue including accrued revenue		163	363	798	1,237	475	2,870	117	185
Less expenses including accrued expenses		(163)	(200)	(581)	(739)	(320)	(2,395)	(117)	(68)
Surplus		-	163	217	498	155	475	-	117

	Note	Transitional Cost Program		Total	
		2011 $'000	2010 $'000	2011 $'000	2010 $'000
Financial assistance received in cash during the reporting period (total cash received from the Australian Government)	3(a)	27	73	58,351	55,349
Net accrual adjustment		-	-	34	-
Revenue for the period		27	73	58,385	55,349
Surplus from the previous year		-	-	1,519	2,504
Cost centre adjustment		-	-	-	-
Total revenue including accrued revenue		27	73	59,904	57,853
Less expenses including accrued expenses		(27)	(73)	(58,918)	(56,334)
Surplus		-	-	986	1,519

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

40.2 Higher Education Loan Programs (excl OS-HELP)

	Note	HECS-HELP (Australian Government payments Only)		FEE-HELP		Total	
		2011	2010	2011	2010	2011	2010
		$'000	$'000	$'000	$'000	$'000	$'000
Financial assistance received in cash during the reporting period (total cash received from the Australian Government)	3(b)	45,282	34,482	3,066	2,628	48,348	37,110
Net accrual adjustment		(405)	-	(188)	-	(593)	-
Revenue for the period		44,877	34,482	2,878	2,628	47,755	37,110
Surplus from the previous year		-	-	-	-	-	-
Total revenue including accrued revenue		44,877	34,482	2,878	2,628	47,755	37,110
Less expenses including accrued expenses		(44,441)	(34,482)	(2,878)	(2,628)	(47,319)	(37,110)
Surplus / (deficit)		436	-	-	-	436	-

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	
		2011	2010	2011	2010	2011	2010	2011	2010
		$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Financial assistance received in cash during the reporting period (total cash received from the Australian Government)	3(c)	1,016	859	106	101	86	128	886	1,057
Net accrual adjustment		-	-	-	-	(30)	-	(137)	-
Revenue for the period		1,016	859	106	101	56	128	749	1,057
Surplus from the previous year		153		3	24	34	8	137	2
Total revenue including accrued revenue		1,169	859	109	125	90	136	886	1,059
Less expenses including accrued expenses		(882)	(706)	(109)	(122)	(90)	(102)	(886)	(922)
Surplus		287	153	-	3	-	34	-	137

	Note	Commonwealth Education Cost Scholarships		Commonwealth Accommodation Scholarships		National Accommodation Scholarships		Total	
		2011	2010	2011	2010	2011	2010	2011	2010
		$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Financial assistance received in cash during the reporting period (total cash received from the Australian Government)	3 (c)	52	90	99	135	-	-	2,245	2,370
Net accrual adjustment		(22)	-	(22)	-	-	-	(211)	-
Revenue for the period		30	90	77	135	-	-	2,034	2,370
Surplus from the previous year		57	6	79		-	4	463	44
Total revenue including accrued revenue		87	96	156	135	-	4	2,497	2,414
Less expenses including accrued expenses		(87)	(39)	(156)	(56)	-	(4)	(2,211)	(1,951)
Surplus		-	57	-	79	-	-	286	463

UNIVERSITY OF CANBERRA

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

40.4 DIISR Research

	Note	Joint Research Engagement Scheme		Research Training Scheme		Research Infrastructure Block Grants		Sustainable Research Excellence		Total	
		2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
		$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Financial assistance received in cash during the reporting period (total cash received from the Australian Government)	3(d)	1,754	1,640	2,758	2,718	555	518	572	540	5,639	5,416
Net accrual adjustment		-	-	-	-	-	-	-	-	-	-
Revenue for the period		1,754	1,640	2,758	2,718	555	518	572	540	5,639	5,416
Surplus from the previous year		-	-	-	-	-	-	-	-	-	-
Total revenue including accrued revenue		1,754	1,640	2,758	2,718	555	518	572	540	5,639	5,416
Less expenses including accrued expenses		(1,754)	(1,640)	(2,758)	(2,718)	(555)	(518)	(572)	(540)	(5,639)	(5,416)
Surplus		-	-	-	-	-	-	-	-	-	-

40.5 Other Capital Funding

	Note	Better Universities Renewal Funding		Teaching and Learning Capital Funding		Microsimulation Centre Capital Funding		Capital Development Pool Funding		Total	
		2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
		$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Financial assistance received in cash during the reporting period (total cash received from the Australian Government)	3(e)	-	-	-	-	-	8,300	3,755	1,409	3,755	9,709
Net accrual adjustment		-	-	-	-	-	-	-	-	-	-
Revenue for the period		-	-	-	-	-	8,300	3,755	1,409	3,755	9,709
Surplus from the previous year		-	3,074	1,863	5,442	508	438	2,081	-	4,452	8,954
Cost centre adjustment		-	-	-	-	-	-	(1,000)	1,000	(1,000)	1,000
Total revenue including accrued revenue		-	3,074	1,863	5,442	508	8,738	4,836	2,409	7,207	18,663
Less expenses including accrued expenses		-	(3,074)	(1,863)	(3,579)	(508)	(8,230)	(4,836)	(328)	(7,207)	(15,211)
Surplus		-	-	-	1,863	-	508	-	2,081	-	4,452

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

40.6 Australian Research Council Grants

		(i) Discovery Projects		(ii) Linkage Projects		(iii) Future Fellowship Projects	
	Note	2011	2010	2011	2010	2011	2010
		$'000	$'000	$'000	$'000	$'000	$'000
Financial assistance received in cash during the reporting period (total cash received from the Australian Government)	3(f)	557	551	326	361	-	205
Contribution to/(from)other Institutions		-	(148)	-		-	-
Net accrual adjustment		(79)		(70)		-	-
Revenue for the period		478	403	256	361	-	205
Surplus from the previous year		236	348	117	199	143	-
Total revenue including accrued revenue		714	751	373	560	143	205
Less expenses including accrued expenses		(505)	(515)	(282)	(443)	(143)	(62)
Surplus		209	236	91	117	-	143

		Total	
	Note	2011	2010
		$'000	$'000
Financial assistance received in cash during the reporting period (total cash received from the Australian Government)	3(f)	883	1,117
Contribution to/(from)other Institutions		-	(148)
Net accrual adjustment		(149)	-
Revenue for the period		734	969
Surplus from the previous year		496	547
Total revenue including accrued revenue		1,230	1,516
Less expenses including accrued expenses		(930)	(1,020)
Surplus		300	496

END OF CONSOLIDATED FINANCIAL STATEMENTS

NOTES

NOTES

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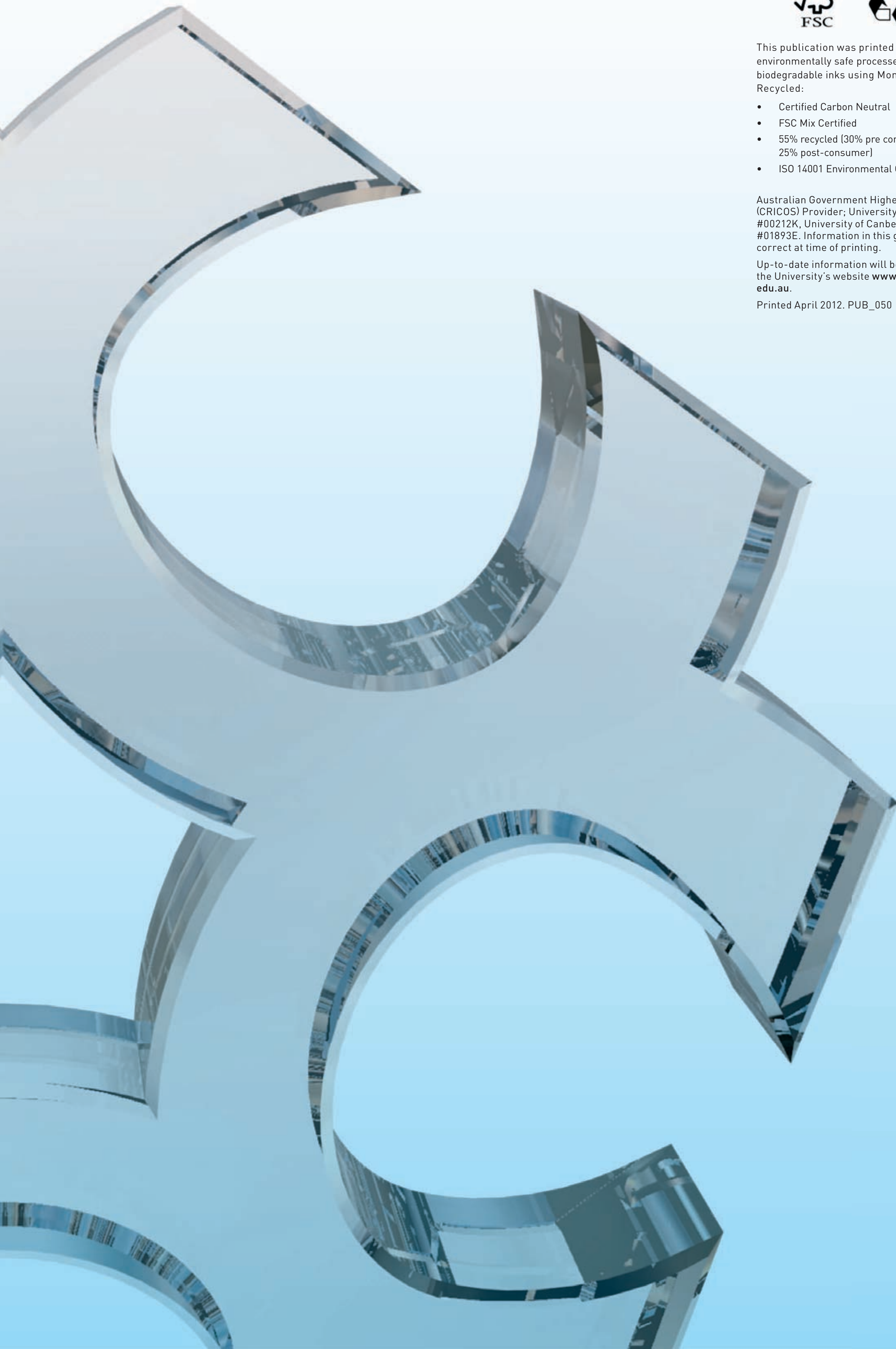

THE UNIVERSITY OF CANBERRA

CANBERRA ACT 2601
AUSTRALIA

T 1800 UNI CAN (1800 864 226)
F (02) 6201 5445
E study@canberra.edu.au
www.canberra.edu.au