UNIVERSITY OF CANBERRA

# ANNUAL REPORT 2014

VOLUME TWO – FINANCIALS

break through

ACT Audit Office

AUDITOR-GENERAL AN OFFICER OF THE ACT LEGISLATIVE ASSEMBLY

# 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) for the year ended 31 December 2014 have been audited. These comprise the 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.

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## 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 2014:

(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 2014 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
2 April 2015

# UNIVERSITY OF CANBERRA

## CONSOLIDATED FINANCIAL STATEMENTS
### FOR THE YEAR ENDED 31 DECEMBER 2014

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# UNIVERSITY OF CANBERRA

## UNIVERSITY OF CANBERRA COUNCIL MEMBERS' DECLARATION
### FOR THE YEAR ENDED 31 DECEMBER 2014

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 2014 and the financial performance for the year then ended for the University of Canberra 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 of Canberra 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.

University of Canberra charged Student Services and Amenities Fees strictly in accordance with the Higher Education Support Act 2003 (the Act) and Administration Guidelines made under the Act. Revenue from the fee was spent strictly in accordance with the Act and only on services and amenities specified in subsection 19-38(4) of the Act.

On behalf of the Council

Signed in Canberra this 30th day of March 2015

Dr Tom Calma AO

Chancellor

Professor Stephen Parker AO

Vice-Chancellor and President

# UNIVERSITY OF CANBERRA

## REPORT BY THE MEMBERS OF THE UNIVERSITY OF CANBERRA COUNCIL FOR THE YEAR ENDED 31 DECEMBER 2014

### Members of the University Council during 2014 and in 2015 to date

### Chancellor of the University

**Tom Calma** AO, AssocDipSocialWork *SAIT*, HonDLitt *CDU*, HonDSc *Curtin,* HonDUniv *Flin* – Term of office as a Council member appointed by the Chief Minister commenced 21 October 2008. Term as Chancellor commenced 1 January 2014 and expires 31 December 2016.

### Vice-Chancellor and President

**Stephen Parker** AO, 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 31 December 2016.

### Chair, Academic Board

**Dharmendra Sharma,** BSc, PGradMath, MSc *USP*, PhD *ANU*, FACS, FSPCS, SMIEE – Appointment commenced 1 January 2014. Tenure expires 31 December 2016.

### Appointed by the ACT Chief Minister

**Sarah Ryan,** BSc (Agric) (Hons) , PhD *WAust*, GradDip Development Studies *Deakin* – Appointed 21 October 2008. Term as Deputy Chancellor commenced 1 January 2014. Tenure expires 20 October 2017.

**Prue Power,** AM, MPH – Appointed 1 January 2010. Tenure expires 29 January 2016.

**Dennis Trewin,** AO, FASSA, BSc (Hons) *Melbourne*, BEc *ANU*, MSc *London* – Appointed 21 December 2010. Tenure expires 20 December 2016.

**Barry Mewett,** FCPA, FIPAA – Appointed 20 October 2011. Tenure expires 20 October 2017.

**Sue Salthouse,** BAgSci *Melb* DipEd *La Trobe* – Appointed 22 May 2012. Tenure expires 21 May 2015.

**Tom Karmel,** BA (Hons) *Flinders* MEc, PhD *ANU* – Appointed 22 May 2012. Tenure expires 21 May 2015.

**Chris Faulks,** BA *ANU*, HonDUniv *Canberra*, GradDip Education *Canberra,* GradDip Management *AGSM*, MAICD – Appointed 1 January 2014. Tenure expires 31 December 2016.

**John Mackay,** AM, BA Admin, HonDUniv *Canberra*, FAIM – Term of office commenced 1 January 2011. Resigned 11 July 2014.

### Elected by the Academic Staff

**Katja Mikhailovich,** BApp.Sc (Health Education), PhD *Canberra* – Term of office commenced 1 January 2014. Tenure expires 31 December 2015.

### Elected by the General Staff

**Beth Mitchell,** BA/BSc *ANU* – Term of office commenced 1 January 2014. Tenure expires 31 December 2015.

### Elected by the Students

**Jake Hindmarch,** Term of office commenced 1 January 2014. Tenure expired 31 December 2014**.**

**Snigdha Tandon,** B.Tech *Kurukshetra* – Term of office commenced 1 January 2014. Resigned 18 August 2014.

**James Pace,** BMedSc *Canberra* – Term of office commenced 1 January 2015. Tenure expires 31 December 2015**.**

**Ryan Roberts,** Term of office commenced 1 January 2015. Tenure expires 31 December 2015**.**

# UNIVERSITY OF CANBERRA

## REPORT BY THE MEMBERS OF THE UNIVERSITY OF CANBERRA COUNCIL FOR THE YEAR ENDED 31 DECEMBER 2014 (continued)

### 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 2014 and 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 | | Joint Audit and Risk Management and Finance Committee | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | A | B | A | B | A | B | A | B | A | B | A | B | A | B | A | B | A | B |
| Dr Tom Calma | 6 | 6 | | | | | 3 | 3 | | | | | 1 | 1 | | | | |
| Dr Chris Faulks | 6 | 5 | 4 | 1 | | | | | | | | | | | | | 1 | 0 |
| Mr Jake Hindmarch | 6 | 4 | | | 5 | 3 | | | | | | | | | | | 1 | 1 |
| Dr Tom Karmel | 6 | 6 | 4 | 4 | | | | | | | | | | | | | 2 | 2 |
| Dr John Mackay | 3 | 3 | | | | | 1 | 0 | | | | | | | | | | |
| Mr Barry Mewett | 6 | 6 | | | 5 | 5 | | | | | | | | | | | 2 | 2 |
| Dr Katja Mikhailovich | 6 | 5 | | | | | | | 4 | 1 | | | | | | | | |
| Ms Beth Mitchell | 6 | 6 | 4 | 1 | | | | | | | | | | | | | 1 | 0 |
| Professor Stephen Parker | 6 | 6 | 4 | 3 | 5 | 4 | 3 | 3 | 4 | 3 | 1 | 1 | 1 | 1 | 6 | 6 | 2 | 2 |
| Ms Prue Power | 6 | 6 | | | 5 | 4 | | | | | 1 | 1 | | | | | 2 | 2 |
| Dr Sarah Ryan | 6 | 5 | | | | | 3 | 3 | 4 | 4 | | | 1 | 1 | 6 | 5 | | |
| Ms Sue Salthouse | 6 | 6 | | | | | | | 4 | 4 | 1 | 1 | | | | | | |
| Professor Dharmendra Sharma | 6 | 6 | | | | | 3 | 3 | | | | | 1 | 1 | | | | |
| Ms Snigdha Tandon | 3 | 3 | | | | | | | | | 1 | 1 | | | | | | |
| Mr Dennis Trewin | 6 | 4 | 4 | 4 | | | 3 | 3 | | | | | 1 | 1 | | | 2 | 2 |
| Mr Brian Acworth* | | | | | 5 | 5 | | | | | | | | | 6 | 5 | 2 | 2 |
| Mr Terry Weber** | | | | | | | | | | | | | | | 5 | 5 | | |

**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.
** Terry Weber is not a member of Council, but an independent Chair of the Campus Development Board - appointed 3 April 2014.

# UNIVERSITY OF CANBERRA

## REPORT BY THE MEMBERS OF THE UNIVERSITY OF CANBERRA COUNCIL FOR THE YEAR ENDED 31 DECEMBER 2014 (continued)

### Introduction

2014 commenced with the installation of Dr Tom Calma AO as the sixth Chancellor of the University of Canberra and ended with the historic announcement by the ACT Chief Minister of legislative changes that will allow the University to continue to diversify and grow.

2014 also saw the completion of a number of major campus development projects with the official opening of Cooper Lodge, the Health Hub and the Sporting Commons, and the completion of the refurbishment of Building 5 as the new headquarters of the University of Canberra College.

During the year, Council approved the implementation of the Employee Bonus Scheme, agreed new sponsorship deals with Sydney Thunder and Canberra United, and supported the transfer of ownership of the Canberra Capitals to the University of Canberra Union.

In 2014, Council also oversaw the implementation of the Disability Action Plan and continuing progress in the implementation of the University's strategic plan.

### Principal activities

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

- provision of education to domestic and international students;
- research and consulting activities;
- hospitality and recreational services; and
- service to the community.

### Review of operations

The major achievements of 2014 are set out below.

#### Academic matters

Council continued to oversee the work of the Academic Board with regard to all academic matters. Subject to the Act and Statutes, the Board is responsible to the Council for quality assurance of the University's academic program, including the teaching and learning strategies, curriculum and programs and learning support services, and the University's research and research training strategies and programs.

#### Growth in student load

The University continues to grow, with an equivalent full time student load up 18.4 per cent since 2010. In the last five years onshore undergraduate load has grown by 19.4 per cent and postgraduate load by 4.9 per cent.

#### Structural Adjustment Fund

In 2012, the University was awarded $26 million under the Commonwealth's Structural Adjustment Fund (SAF) which it has invested in projects that support the University to become financially resilient and sustainable and achieve continued growth in student numbers through improved student support, retention and success.

Five key projects have been delivered which focus on curriculum redesign, investing in the latest teaching and learning technologies, partnering with other providers of tertiary education, repositioning and rebranding and providing a headquarter for UC College's operations. Through this funding, the University and the College are better able to support flexible and connected learning environments, provide increased access and support for students and expand their regional delivery of education and learning services.

Significant progress was made in 2014 with the completion of the projects and all major milestones achieved, the result being a more student-centric approach, which focuses on eliminating barriers of distance, time and location and broadens student choice and flexibility.

#### Campus development

In 2014, the University received a number of responses to its call for expressions of interest for partnerships. The University now has a number of projects ready to go through to the contract stage including a mixture of residential housing, private health facilities that would cluster around the new University of Canberra Public Hospital, aged care providers as well as a technology park that will bring businesses onto campus.

# UNIVERSITY OF CANBERRA

## REPORT BY THE MEMBERS OF THE UNIVERSITY OF CANBERRA COUNCIL FOR THE YEAR ENDED 31 DECEMBER 2014 (continued)

The vision for the Health Innovation Precinct is to change the health landscape by providing a platform for innovations that address the health and healthcare challenges of the future. Consultation with a range of internal and external parties was held to consider the full range of possibilities for the Health Innovation Precinct, which would benefit the community, the health sector and the University. The ACT Government continued with the design and development process for the University of Canberra Public Hospital throughout the year.

The then ACT Chief Minister Katy Gallagher formally opened Cooper Lodge, named after Mrs Patricia Cooper, a distinguished University of Canberra graduate, in January. Cooper Lodge provides 400 new beds on campus and enables the University to offer an accommodation guarantee to all first year and international students.

The Health Hub at the University of Canberra opened its doors, offering student-led health clinics across a variety of health services including physiotherapy, psychology, midwifery, nutrition and dietetics. In partnership with Ochre Health and the Commonwealth Department of Health, the Health Hub hosts Canberra’s first GP Super Clinic, a pharmacy, pathology laboratory, radiology and other allied health services. The Health Hub will be part of the emerging Health Innovation Precinct on campus to include the University of Canberra Public Hospital, the UC-ACT Regional Health Observatory and the Centre for Research and Action in Public Health (CeRAPH).

The University welcomed the then ACT Minister for Sport Andrew Barr to officially open its new $16 million Sporting Commons which houses the new headquarters for the ACT Brumbies, ACTSport and the University of Canberra Research Institute for Sport and Exercise (UCRISE). This partnership with the ACT Government and ACTSport positions the University at the forefront of development and innovation in sport.

Building 5, now home to the University’s rare “Futuro” flying saucer style building, underwent a $9.9 million refurbishment in preparation to become the new headquarters for University of Canberra College. Building 5’s refurbishment features the latest technologies in providing supportive, flexible and connected learning to meet students’ needs.

These developments will provide the University with a financially sustainable future and position it as a leading campus moving forward.

### Sport

2014 saw the establishment of UCRISE, a research and innovation institute whose vision is to create and sustain an international class research institution for the study and practice of sport and exercise.

The University renewed its relationship with the ACT Brumbies, and UCU Ltd took over the licence for the Canberra women’s basketball franchise, now in the name of the University of Canberra Capitals, who moved their operations to the University campus.

Melissa Breen became the University of Canberra's first athlete in residence. This new role will give students the opportunity to work with and learn from the national record-holding runner, whilst also seeing her assist in sport and exercise research.

In June, the University of Canberra and Touch Football Australia (TFA) agreed to establish the Australian Centre for Touch Football Studies to promote a better understanding of this growing sport through research and education activities.

### Financial performance

***Extract from the Statement of Comprehensive Income***

| | 2014 $000 | 2013 $000 | Change $000 | Change % |
|---|---|---|---|---|
| Total income from continuing operations | 273,475 | 254,940 | 18,535 | 7.3 |
| Total expenses from continuing operations | 272,671 | 238,889 | 33,782 | 14.1 |
| Net surplus from continuing operations | 804 | 16,051 | (15,247) | (95.0) |

# UNIVERSITY OF CANBERRA

## REPORT BY THE MEMBERS OF THE UNIVERSITY OF CANBERRA COUNCIL FOR THE YEAR ENDED 31 DECEMBER 2014 (continued)

The University Group operating surplus decreased from 2013 due mainly to the timing of the expenditure related to the SAF grant. This $26 million grant was received in prior years (2012 and 2013), with expenditure against the grant occurring in 2013 and continuing into 2014. Included in income in 2013 was $15.1 million for the SAF grant and $5.1 million in expenses. There was no income from this grant in 2014 although $9.5 million of expenditure was incurred.

Setting aside the impacts of the SAF grant on revenue and expenditure, the net surplus from continuing operations would have been $10.3 million in 2014 compared with $6.1 million in 2013.

The increase in income in 2014 is due to student growth and the opening of new student accommodation facilities. Expenses have increased in line with this student growth; the increase from the SAF grant, noted above; and expenses related to the operation of the new student accommodation facilities across operational costs, financing and depreciation.

***Extract from the Statement of Financial Position***

| | 2014 $000 | 2013 $000 | Change $000 | Change % |
|---|---|---|---|---|
| Total current assets | 45,418 | 39,934 | 5,484 | 13.7 |
| Total non-current assets | 496,584 | 483,788 | 12,796 | 2.6 |
| Total assets | 542,002 | 523,722 | 18,280 | 3.5 |
| Total current liabilities | 76,230 | 76,640 | (410) | (0.5) |
| Total non-current liabilities | 136,388 | 122,332 | 14,056 | 11.5 |
| Total liabilities | 212,618 | 198,972 | 13,646 | 6.9 |
| Net assets | 329,384 | 324,750 | 4,634 | 1.4 |

In 2014, the University's net assets for the first time includes the consolidation of two controlled trusts. Cash of $3.7 million held within these trusts is restricted to the objectives outlined in the trust deeds. Current assets increased due to increased cash holdings related to the trusts.

Current liabilities held steady over the year; although there has been a reduction in accounts payable due to large payments for major capital works in progress and an offsetting increase in income received in advance of future periods, representing student fees and rent.

Excluding the restricted cash, and only taking into account the current liabilities which are expected to be settled within 12 months, the University's current ratio is as follows:

| | 2014 $000 | 2013 $000 | Change $000 | Change % |
|---|---|---|---|---|
| Total current assets | 41,741 | 39,934 | 1,807 | 4.5 |
| Total current liabilities | 63,463 | 63,380 | 83 | 0.1 |
| Current ratio | 0.66 | 0.63 | | |

The increase in the current assets with no increase in current liabilities has improved the current ratio.

The continued investment in the campus development has seen an increase in property, plant and equipment during 2014. Some borrowings were repaid in the year, facilitated by the securitisation of future National Rental Affordability Scheme (NRAS) receipts. This NRAS transaction results in the recognition of a liability which will be measured at its amortised cost over the next 10 years. The recognition of this liability has offset the reduction in borrowings.

***Extract from the Statement of Cash Flows***

| | 2014 $000 | 2013 $000 | Change $000 | Change % |
|---|---|---|---|---|
| Net cash provided by operating activities | 22,847 | 56,078 | (33,231) | 59.3 |
| Net cash used in investing activities | (46,718) | (91,739) | 45,021 | 49.1 |
| Net cash provided by financing activities | 23,993 | 36,340 | (12,347) | (34.0) |
| Net increase in cash and cash equivalents | 122 | 679 | (557) | (82.0) |
| Closing cash | 16,024 | 12,091 | 3,933 | (32.5) |

# UNIVERSITY OF CANBERRA

## REPORT BY THE MEMBERS OF THE UNIVERSITY OF CANBERRA COUNCIL FOR THE YEAR ENDED 31 DECEMBER 2014 (continued)

The cash provided by operating activities decreased in 2014 due to the SAF grant being expended in 2014 with the receipt of the grant occurring in prior years (2012 and 2013). In 2014 borrowings initially increased for completion of the new student accommodation facilities that became operative in 2014. The completion of these buildings resulted in a reduction in the capital expenditure program and the securitisation of future NRAS receipts has reduced the University's borrowings.

The University continues to develop and implement strategies to improve its financial results. The further development of the campus is expected to generate revenues which can be invested in teaching and research. At the same time the University has implemented structural adjustment, funded by the SAF grant, to position it to thrive in the current competitive environment.

**Research**

The University's research performance continues to improve. The latest data show that research publications have increased by 93.7 per cent from 464 in 2010 to 899 in 2013, the most recent year for which we have audited data, and competitive Category 1 research income jumped from $2.09 million in 2010 to $4.467 million in 2013.

The number of research students enrolled at the University went up by 55.1 per cent between December 2010 and December 2014, growing from 381 research students in 2010 to 591 in 2014.

**Employer of Choice**

The University's Strategic Plan 2013-2017 includes the following vision:
Our employees will share in the growth and success of the institution, through the distribution or accumulation of some of our annual surpluses once a sufficient margin has been earned to provide for the renewal and security of the University.

In 2014, Council approved the implementation of the Employee Bonus Scheme to support this vision. The scheme is triggered if the University's underlying surplus result is at least $1 million above the particular year's budget target.

The University of Canberra's commitment to gender equality in the workplace was recognised again in 2014, with the University being named as an Employer of Choice for Gender Equality for the eighth consecutive year.

Examples of the University's commitment to gender equality in the workplace include a paid parental leave scheme which may be taken by the primary care-giver whether female or male, paid partner leave and flexible working arrangements to accommodate family commitments.

In addition to being an Employer of Choice for Gender Equality, the University is also a White Ribbon Accredited Workplace and a Breastfeeding Friendly Workplace.

### Significant changes in state of affairs

Other than set out in this report, there are no significant changes in the state of affairs.

### Matters subsequent to the end of the financial year

University of Canberra College Pty Ltd, a controlled entity of the University, changed its taxable status to being income tax paying entity on 1 January 2015.

There are no other matters or circumstances that have arisen since the end of the year that have significantly affected or which may significantly affect the University.

### Likely developments and expected results of operations

The University has indicated that it has more land than it requires for direct academic purposes in the foreseeable future and is exploring developments and partnerships that will add greatly to its teaching, research and training functions. This will add greatly to the campus community and will cement the University as a vital component of the nation's capital.

The developments, together with the implementation of the Strategic Plan, are expected to assist the University to become internationally well-regarded and financially sustainable.

# UNIVERSITY OF CANBERRA

## REPORT BY THE MEMBERS OF THE UNIVERSITY OF CANBERRA COUNCIL FOR THE YEAR ENDED 31 DECEMBER 2014 (continued)

The University is facing an uncertain policy environment. Policy changes could affect University finances and the University is considering the possible effects of any policy changes which are legislated.

### Environmental regulation

There are no particular and significant environmental regulations affecting the University under Australian Government, State or Territory law.

### Insurance of employees

Members of Council and employees of the University 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.

### Proceedings on behalf of University of Canberra

There is one legal matter pending as at 31 December 2014, which is covered by insurance.

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

On behalf of the Council

Signed in Canberra this 30th day of March 2015.

Professor Stephen Parker AO
Vice-Chancellor and President

# UNIVERSITY OF CANBERRA

## STATEMENT OF COMPREHENSIVE INCOME
### FOR THE YEAR ENDED 31 DECEMBER 2014

| | Notes | Consolidated 2014 $'000 | Consolidated 2013 $'000 | University 2014 $'000 | University 2013 $'000 |
|---|---|---|---|---|---|
| **Income from continuing operations** | | | | | |
| Australian Government financial assistance | | | | | |
| Australian Government grants | 3(a)(c-f) | 106,512 | 111,606 | 106,512 | 111,606 |
| HELP - Australian Government payments | 3(b) | 57,834 | 54,656 | 57,834 | 54,656 |
| HECS-HELP - student payments | | 6,877 | 7,436 | 6,877 | 7,436 |
| State and local Government financial assistance | 4 | 5,710 | 2,991 | 5,710 | 2,991 |
| Fees and charges | 5 | 72,828 | 59,011 | 56,039 | 45,998 |
| Investment revenue | 6 | 566 | 449 | 139 | 202 |
| Consultancies and research contracts | 7 | 4,411 | 4,981 | 4,434 | 4,981 |
| Other revenue | 8 | 1,213 | 1,373 | 1,207 | 1,388 |
| **Total revenue from continuing operations** | | 255,951 | 242,503 | 238,752 | 229,258 |
| Share of profit on investments accounted for using the equity method | 19 | 34 | – | 8 | – |
| Gains on disposal of assets | | 19 | – | 29 | – |
| Other income | 8 | 17,471 | 12,437 | 19,426 | 13,101 |
| **Total income from continuing operations** | | **273,475** | **254,940** | **258,215** | **242,359** |
| **Expenses from continuing operations** | | | | | |
| Employee related expenses | 9 | 163,611 | 150,113 | 152,147 | 137,276 |
| Depreciation and amortisation | 10 | 18,094 | 15,525 | 17,961 | 15,305 |
| Repairs and maintenance | 11 | 4,820 | 3,146 | 4,744 | 3,065 |
| Finance costs | 12 | 5,688 | 1,858 | 5,688 | 1,858 |
| Impairment losses | 13 | 4,731 | 473 | 4,638 | 500 |
| Other expenses | 14 | 75,727 | 67,633 | 75,011 | 69,550 |
| Share of loss on investments accounted for using the equity method | 19 | – | 65 | – | 65 |
| Losses on disposal of assets | | – | 76 | – | 81 |
| **Total expenses from continuing operations** | | **272,671** | **238,889** | **260,189** | **227,700** |
| **Net surplus / (deficit) from continuing operations** | | **804** | **16,051** | **(1,974)** | **14,659** |
| **Other comprehensive income** | | | | | |
| Revaluation decrement of property, plant and equipment | 26 | – | (1,283) | – | (1,283) |
| Debt forgiveness NATSEM Pty Ltd (now UC Global Pty Ltd) | | – | – | – | (587) |
| **Total comprehensive income** | | **804** | **14,768** | **(1,974)** | **12,789** |

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 2014

| | | Consolidated | | University | |
|---|---|---|---|---|---|
| | | 2014 | 2013 | 2014 | 2013 |
| | Notes | $'000 | $'000 | $'000 | $'000 |
| **ASSETS** | | | | | |
| **Current assets** | | | | | |
| Cash and cash equivalents | 15 | 16,024 | 12,091 | 3,327 | 4,383 |
| Trade and other receivables | 16 | 23,874 | 21,639 | 20,128 | 21,923 |
| Other financial assets | 17 | 497 | 497 | 497 | 497 |
| Other non-financial assets | 18 | 5,023 | 5,707 | 4,675 | 5,302 |
| **Total current assets** | | **45,418** | **39,934** | **28,627** | **32,105** |
| **Non-current assets** | | | | | |
| Other financial assets | 17 | 11,742 | 12,240 | 11,743 | 12,241 |
| Investments accounted for using the equity method | 19 | 889 | 755 | 763 | 755 |
| Property, plant and equipment | 20 | 474,294 | 465,567 | 473,646 | 465,106 |
| Intangible assets | 21 | 9,659 | 5,226 | 9,652 | 5,217 |
| **Total non-current assets** | | **496,584** | **483,788** | **495,804** | **483,319** |
| **Total assets** | | **542,002** | **523,722** | **524,431** | **515,424** |
| **LIABILITIES** | | | | | |
| **Current liabilities** | | | | | |
| Trade and other payables | 22 | 22,046 | 33,452 | 19,639 | 32,961 |
| Borrowings | 23 | 409 | 1,142 | 409 | 1,142 |
| Provisions | 24 | 19,929 | 19,705 | 18,690 | 18,664 |
| Other liabilities | 25 | 33,846 | 22,341 | 32,996 | 21,922 |
| **Total current liabilities** | | **76,230** | **76,640** | **71,734** | **74,689** |
| **Non-current liabilities** | | | | | |
| Borrowings | 23 | 82,000 | 99,543 | 82,000 | 99,543 |
| Provisions | 24 | 5,660 | 3,869 | 5,400 | 3,729 |
| Other liabilities | 25 | 48,728 | 18,920 | 48,728 | 18,920 |
| **Total non-current liabilities** | | **136,388** | **122,332** | **136,128** | **122,192** |
| **Total liabilities** | | **212,618** | **198,972** | **207,862** | **196,881** |
| **NET ASSETS** | | **329,384** | **324,750** | **316,569** | **318,543** |
| **EQUITY** | | | | | |
| Asset revaluation reserve | 26 | 222,291 | 222,291 | 222,291 | 222,291 |
| Retained earnings | | 107,093 | 102,459 | 94,278 | 96,252 |
| **Total equity** | | **329,384** | **324,750** | **316,569** | **318,543** |

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 2014

| | Notes | Asset Revaluation Reserve $'000 | Retained Earnings $'000 | Total $'000 |
|---|---|---|---|---|
| **Consolidated** | | | | |
| Total equity at 1 January 2013 | | 223,574 | 86,408 | 309,982 |
| Revaluation decrement of property, plant and equipment | 26 | (1,283) | – | (1,283) |
| Operating surplus | | – | 16,051 | 16,051 |
| **Balance as at 31 December 2013** | | **222,291** | **102,459** | **324,750** |
| Total equity at 1 January 2014 | | 222,291 | 102,459 | 324,750 |
| Adjustment to opening balance * | | – | 3,830 | 3,830 |
| Revaluation decrement of property, plant and equipment | 26 | – | – | – |
| Operating surplus | | – | 804 | 804 |
| **Balance as at 31 December 2014** | | **222,291** | **107,093** | **329,384** |
| **University** | | | | |
| Total equity at 1 January 2013 | | 223,574 | 82,180 | 305,754 |
| Revaluation decrement of property, plant and equipment | 26 | (1,283) | – | (1,283) |
| Debt forgiveness NATSEM Pty Ltd (now UC Global Pty Ltd) | | – | (587) | (587) |
| Operating surplus | | – | 14,659 | 14,659 |
| **Balance as at 31 December 2013** | | **222,291** | **96,252** | **318,543** |
| Total equity at 1 January 2014 | | 222,291 | 96,252 | 318,543 |
| Revaluation decrement of property, plant and equipment | 26 | – | – | – |
| Operating deficit | | – | (1,974) | (1,974) |
| **Balance as at 31 December 2014** | | **222,291** | **94,278** | **316,569** |

* Adjustment made to consolidate Weeden and PADMIN Trust Funds. Refer to Note 1(d) for futher details.

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 2014

| | Notes | Consolidated 2014 $'000 | Consolidated 2013 $'000 | University 2014 $'000 | University 2013 $'000 |
|---|---|---|---|---|---|
| **Cashflows from operating activities** | | | | | |
| Australian Government grants | | 154,266 | 160,174 | 154,265 | 160,174 |
| Superannuation Supplementation | | 178 | 176 | 178 | 176 |
| OS-HELP (net) | | 718 | – | 718 | – |
| Other Commonwealth grants | | 7,522 | 12,070 | 7,522 | 12,070 |
| State Government grants | | 6,642 | 3,436 | 6,642 | 3,436 |
| HECS-HELP student payments | | 6,877 | 7,436 | 6,877 | 7,436 |
| Receipts from student fees and other customers | | 107,262 | 92,954 | 89,310 | 75,377 |
| Interest received | | 637 | 416 | 143 | 190 |
| **Total inflows** | | **284,102** | **276,662** | **265,655** | **258,859** |
| OS-HELP (net) | | – | (132) | – | (132) |
| Payments to suppliers and employees (including GST) | | (254,262) | (220,085) | (237,321) | (204,200) |
| Interest and other costs of finance paid | | (6,993) | (367) | (6,993) | (367) |
| **Total outflows** | | **(261,255)** | **(220,584)** | **(244,314)** | **(204,699)** |
| **Net cash provided by operating activities** | 34(b) | **22,847** | **56,078** | **21,341** | **54,160** |
| **Cashflows from investing activities** | | | | | |
| Proceeds from sale of property, plant and equipment | | 29 | 11 | 29 | 11 |
| Payments for property, plant and equipment | | (46,747) | (91,750) | (46,419) | (91,525) |
| **Net cash used in investing activities** | | **(46,718)** | **(91,739)** | **(46,390)** | **(91,514)** |
| **Cashflows from financing activities** | | | | | |
| Proceeds from borrowings and securitisation | | 93,269 | 54,640 | 93,269 | 54,640 |
| Repayments of borrowings and finance lease | | (69,276) | (18,300) | (69,276) | (18,300) |
| **Net cash provided by financing activities** | | **23,993** | **36,340** | **23,993** | **36,340** |
| **Net increase / (decrease) in cash and cash equivalents** | | **122** | **679** | **(1,056)** | **(1,014)** |
| Cash and cash equivalents at the beginning of the year | | 12,091 | 11,412 | 4,383 | 5,397 |
| Adjustment to opening balance* | | 3,811 | – | – | – |
| **Cash and cash equivalents at the end of the year** | 34(a) | **16,024** | **12,091** | **3,327** | **4,383** |

* Adjustment made to consolidate Weeden and PADMIN Trust Funds. Refer to Note 1(d) for futher details.

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 2014

## Note 1 Summary of significant accounting policies

### (a) Statement of compliance

The annual financial statements are general purpose financial statements of the University of Canberra (the University). They have been prepared on an accrual basis and comply with Australian Accounting Standards.

Additionally, the financial statements have been prepared in accordance with the following additional statutory requirements:

- Higher Education Support Act 2003 (Financial Statement Guidelines)
- Financial Management Act 1996 (ACT) to the extent applicable under the University of Canberra Act 1989.

### (b) Basis of preparation

The University is a not-for-profit entity and these statements have been prepared on that basis. Some of the requirements for not-for-profit entities are inconsistent with the IFRS requirements.

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.

### (c) Accounting Standards not applied and Accounting Standards yet to be applied

*Accounting Standard not applied*

AASB 1053 Application of tiers of Australian Accounting Standards (application date 1 July 2014) could be applied to the University as the University falls within the definition of a Tier 2 entity.

However, the Department of Education and Training Financial Statement Guidelines for Australian Higher Education Providers for the 2014 Reporting Period (Guidelines) prescribes the form of the financial statements approved by the Australian Government Minister for Education, or their delegates, under the Higher Education Support Act 2003 (HESA) and the Australian Research Council Act 2001 (ARCA) for listed providers and it is a condition of receipt of financial assistance from the Australian Government under HESA and ARCA that Australian higher education providers (HEPS) provide financial statements in a form approved by the Minister. The Guidelines specify HEPS are not to apply AASB 1053 Application of Tiers of Australian Accounting Standards. Therefore, the University is not able to apply AASB 1053.

Should the Guidelines change in the future so AASB 1053 can be applied, the Group will consider its application. It is noted the application of this Accounting Standard would have no effect on the financial results and would only reduce the disclosures within the financial statements.

*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 in future reporting periods.

- AASB 9 Financial instruments (application date 1 January 2018)
- AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (application date 1 January 2018)
- AASB 15 Revenue from contracts with customers (application date 1 January 2017)
- AASB 2014-5 Amendments to Australian Accounting Standards arising from AASB 15 (application date 1 January 2017)

### (d) Basis of consolidation

*Subsidiaries*

The consolidated financial statements incorporate the financial statements of the University and entities controlled by the University, being:

- University of Canberra College Pty Ltd (the College)
- UCU Ltd
- UC Global Pty Ltd
- WJ Weeden Post-Graduate Scholarship Trust Fund (Weeden Trust)
- University of Canberra Royal Institute of Public Administration Research Fund (PADMIN Trust)

The University controls 100% of the shares/membership interest in these subsidiaries and is trustee of the trust funds. 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 activities of an entity, has exposure or rights to variable returns and the ability to use its powers to affect its returns.

In accordance with the revised definition of control in AASB 10 Consolidated financial statements the University has, effective 1 January 2014, consolidated the Weeden Trust and PADMIN Trust. These funds are now consolidated as the University is Trustee of these funds and is considered to have control and exposure or rights to variable returns, being non-financial returns of scholarships for University students (Weeden Trust) and research funds, books and documents for the University library (PADMIN Trust) and can affect these returns. These variable returns represent the objectives of these trusts respectively.

# UNIVERSITY OF CANBERRA

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
### FOR THE YEAR ENDED 31 DECEMBER 2014

### Note 1 Summary of significant accounting policies (continued)

As at 1 January 2014, the assets, liabilities and net income of the trust funds have been taken up with the corresponding adjustment made against equity. The consolidation of these trusts has no material effect on the financial results of the Group.

All inter-group transactions, balances, income and expenses are eliminated in full on consolidation. Where necessary, and the adjustment is material, 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. Some amounts in the consolidated column may be lower than those in the University column after inter-group transactions are eliminated.

*Investment in associates*

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for in the University financial statements using the cost method and in the consolidated financial statements using the equity method of accounting, after initially being recognised at cost.

The Group's share of its associates' post-acquisition profits or losses is recognised in the statement of comprehensive income, and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

The University has recognised its 25% share of Centre for Customs and Excise Studies Pty Ltd using the equity method of accounting. Refer to Note 1(s) Investments for further details.

*Joint arrangements*

The University's share of assets, liabilities, revenue and expenses of a joint operation has been incorporated in the financial statements under the appropriate headings. The University's arrangement with Ochre Health (ACT SC) Pty Ltd for the construction of the Health Hub building on the University campus and the operational collaboration in respect of teaching and research related to the delivery of integrated primary care and to support workforce growth in that area are considered to be joint operations. Details of the joint operation in relation to construction of the Health Hub building are set out in Note 1(y) Public Private Partnership (PPP) and joint operation. The joint operation in relation to the ongoing collaboration has no material effect on the results of the Group.

The interest in a joint venture entity is accounted for in the consolidated financial statements using the equity method and is initially recognised at cost. Under the equity method, the share of the profits or losses of the entity is recognised in the income statement, and the share of movements in reserves is recognised in reserves in the statement of comprehensive income and the statement of changes in equity. UCU Ltd has accounted for UC Vikings Ltd as a 30% interest in a joint venture entity. This joint venture has no material effect on the financial results of the Group.

#### (e) 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 estimates and underlying assumptions are reviewed on an ongoing basis. The areas involving a high degree of judgement, or areas where assumptions and estimates are significant to the financial statements are disclosed below. These estimates and assumptions have been based on the most current information available.

*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. Refer Note 1(r) Trade and other receivables for further details.

*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.

*Property, plant and equipment – depreciation and amortisation*

Property, plant and equipment are systematically depreciated or amortised over their estimated useful lives. The estimated useful lives of property, 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. Refer Note 1(j) Depreciation and amortisation for further details.

*Impairment*

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. Refer Note 1(k) Impairment for further details.

# UNIVERSITY OF CANBERRA

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
### FOR THE YEAR ENDED 31 DECEMBER 2014

### Note 1 Summary of significant accounting policies (continued)

*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(m) Employee benefits.

*Public Private Partnership (PPP) and joint operation*

Significant accounting estimates and judgements have been made in regard to a PPP and a joint operation. Refer Note 1(y) Public Private Partnership (PPP) and joint operation for further details.

*Meeting current liabilities*

The Statement of Financial Position shows the Group's current liabilities exceed current assets. The University considers that it is able to meet its current liabilities expected to mature in the next 12 months as it has debt facilities in place with banks to allow it to manage its working capital requirements. The University has available undrawn debt facilities at balance date of $20 million (2013 $63.5 million) - refer Note 23 Borrowings for further details. The University is also a recipient of regular fortnightly payments from the Commonwealth for its Commonwealth Supported Place (CSP) students. These two factors enable the University to meet its outgoing cash commitments when required.

#### (f) 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.

*Australian Government financial assistance*

The University recognises 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 Note 1(g) Financial assistance income for further details.

*Student fees and charges*

Fees and charges are recognised as revenue in the year of the course to which they relate. Fees and charges invoiced on enrolment which relate to courses to be held in future periods are treated as revenue in advance.

*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.

*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.

*Lease revenue*

Lease revenue from operating leases is recognised as revenue on a straight-line basis over the lease term.

*Licence revenue*

Licence revenue is recognised as revenue on a straight-line basis over the licence term.

*Other revenue and income*

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

Goods or services received free of charge - that is non-reciprocal transfers, are recognised as revenue when a fair value of the service can be reliably determined and it is probable that economic benefit will flow to the University.

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

#### (g) 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 Statement of Comprehensive Income as revenue when the University obtains control of the contribution or the right to receive the contribution, it is probable that economic benefits of the contribution will flow to the University, and the amount of the contribution can be measured reliably.

# UNIVERSITY OF CANBERRA

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
### FOR THE YEAR ENDED 31 DECEMBER 2014

### Note 1 Summary of significant accounting policies (continued)

**(h) Property, plant and equipment**

All property, plant and equipment is 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. Land, buildings and infrastructure were revalued as at 31 December 2012. The library collection was revalued as at 31 December 2013.

Fair value is determined on the basis of an independent valuation in accordance with accounting standards prepared by the external valuers. Revaluations are performed every three years for land and buildings. Infrastructure and the library collection are revalued every five years. Works of art were due to be revalued at 31 December 2014 but will be revalued as at 31 December 2015 to align with insurance valuation timings. Any revaluation increase is recognised in other comprehensive income and in the asset revaluation reserve except to the extent that it reverses the revaluation decrease for any of the assets previously recognised as an expense in the Statement of Comprehensive Income, in which case the increase is recognised in the Statement of Comprehensive Income to the extent of the decrease previously recognised. A decrease in the carrying amount arising from a revaluation is recognised as an expense in the Statement of Comprehensive Income except to the extent that it exceeds the balance, if any, held in the asset revaluation reserve relating to a previous revaluation of those assets, the decrease reduces the asset revaluation reserve 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 Statement of Comprehensive Income.

*Threshold*

The general threshold to capitalise property, plant and equipment is $5,000. Effective 1 January 2013, for major projects such as the construction of a new building or a major building refurbishment, where the total cost of the project exceeds $5 million, the entire amount is capitalised including property, plant and equipment with a cost of less than $5,000 which is part of the initial fitout. For computers and works of art, no threshold applies, and all items are capitalised.

**(i) 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. Intangible assets comprise computer software and strategic initiatives.

*Threshold*

The threshold to capitalise intangibles is $50,000. Prior to 1 January 2013, the threshold to capitalise intangibles was $100,000. Intangibles under this threshold are expensed as incurred.

**(j) 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:

| | 2014 | 2013 |
|---|---|---|
| Buildings | 4 to 50 years | 4 to 50 years |
| Equipment | 4 to 10 years | 4 to 10 years |
| Motor vehicles | 4 years | 4 years |
| Computer equipment | 3 years | 3 years |
| Fixtures and fittings | 15 years | 15 years |
| Infrastructure | 7 to 50 years | 7 to 50 years |
| Library collection | 10 years | 10 years |
| Computer software | 5 years | 5 years |
| Strategic initiatives | 5 years | 5 years |

Leasehold land and works of art are assessed as having an indefinite useful life and are not depreciated. Depreciation and amortisation expenses are disclosed in Note 10 Depreciation and amortisation.

# UNIVERSITY OF CANBERRA

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
### FOR THE YEAR ENDED 31 DECEMBER 2014

### Note 1 Summary of significant accounting policies (continued)

#### (k) 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 and the carrying amount of the asset is reduced to the asset's recoverable amount. Any resulting impairment loss is recognised immediately in the Statement of Comprehensive Income. However, where assets are carried at fair value, the impairment loss is recognised as a decrease to the asset revaluation reserve. Where the impairment loss exceeds the balance in the asset revaluation reserve, the difference is expensed in the Statement of Comprehensive Income.

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 the 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.

#### (l) 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 or it is probable that a future sacrifice of economic benefits will be required and a reliable estimate can be made of the obligations.

#### (m) 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 balance date are measured at the amount expected to be paid when the liability is settled and are recognised in other payables.

*Annual and personal leave*

The liability for employee benefits includes a provision for annual leave. No provision has been made for personal leave as all personal leave is non-vesting and the average personal leave taken in future years by the employees of the University is estimated to be less than the annual entitlement for personal leave.

The annual leave liability is 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 or paid, including employer superannuation contribution rates to the extent that the leave is likely to be taken or paid during service rather than paid out on termination.

The total annual leave liability is recognised as current in the Statement of Financial Position as there is no unconditional right to defer the settlement of the liability for more than 12 months. The Group does not expect the annual leave obligation to be settled wholly within 12 months from the end of the reporting period.

The annual leave liability expected to be settled within 12 months is measured at nominal value. To the extent the annual leave is not expected to be settled within 12 months, it is measured at the present value of the amount expected to be paid when the liability is settled. This has changed the measurement of the current liability. This has not had a material impact on the value of the current liability as the majority of the leave is still expected to be taken within a short timeframe after the end of the reporting period.

*Long service leave*

The long service leave liability is measured at the present value of expected future cash outflows to be paid in respect of services rendered by employees up to balance date.

The liability for long service leave has been estimated by an actuary as at 31 December 2012. The estimate of the present value of the liability takes into account on-costs, attrition rates and pay increases through promotion and inflation. At the end of each reporting period, the estimated future payments are discounted using market yields of Commonwealth Government Bonds with terms to maturity that match, as closely as possible, the estimated future cash flows.

The long service leave liability is classified as current in the Statement of Financial Position where there is no unconditional right to defer settlement for more than 12 months. That is, the current liability comprises the nominal value of the liability for employees who have a vested long service leave entitlement at balance date.

Non-vested long service leave is classified as a non-current liability and measured at the present value of future cash outflows expected to be paid for services rendered by the employees up to balance date.

*Bonus arrangements*

A liability and an expense is recognised for bonuses based on a formula which takes into consideration the surplus attributable to the Group. A provision is recognised where there is a contractual obligation or where there is a past practice that has created a constructive obligation.

# UNIVERSITY OF CANBERRA

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
### FOR THE YEAR ENDED 31 DECEMBER 2014

### Note 1 Summary of significant accounting policies (continued)

*Termination benefits*

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts an offer of benefits in exchange for the termination of employment. The Group recognises termination benefits either when it can no longer withdraw the offer of those benefits or when it has recognised cost for restructuring within the scope of AASB137 Provisions, contingent liabilities and contingent assets that involves the payment of termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits not expected to be settled wholly before 12 months after the end of reporting period are discounted to present value.

#### (n) Superannuation

The Group contributes to various defined contribution and accumulation superannuation plans. Contributions are charged as an expense as incurred. Further explanation of the Group's superannuation arrangements are as follows:

*UniSuper*

The University, on behalf of most of its employees, contributes to UniSuper. Where the employee has made an election, the contributions are paid to the UniSuper Defined Benefit Division.

The University does not have any obligations under the defined benefit plan apart from the payment of contributions on behalf of participating employees.

*Other superannuation funds*

A small number of employees of the University are members of the Commonwealth government defined benefit schemes known as CSS and PSS. These schemes are managed by ComSuper and the University has neither control nor responsibility for the schemes. The University's only obligations are the payment of employer contributions.

Other employees of the Group who are not required to be a member of UniSuper are members of other accumulation superannuation plans under choice of superannuation arrangements.

#### (o) 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).

#### (p) Income securitisation

In November 2014 the University sold its National Rental Affordability Scheme (NRAS) entitlements to a third party in exchange for an upfront payment of $42.5 million. As the University has a contractual obligation to deliver the remainder of the NRAS entitlements to the third party over the entitlement period of up to 10 years this transaction represents a liability to the University.

The University has recognised a financial liability to the value of the initial purchase price consideration less the transaction costs that are directly attributable to the arrangement. Subsequent to initial recognition, the University has measured the financial liability at amortised cost using the effective interest rate method. The University will recognise an interest expense in their statement of comprehensive income over the term of the contract.

The University recognises the income in relation to the sale of the NRAS entitlements as the obligations to the third party are fulfilled. This will be recognised on a daily basis over the NRAS entitlement period.

#### (q) Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments with original maturities of three months or less 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. 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 are initially recognised at fair value. Subsequent to initial recognition, receivables are measured at amortised cost less any allowance for 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 are less than the recorded amount.

# UNIVERSITY OF CANBERRA

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
### FOR THE YEAR ENDED 31 DECEMBER 2014

## Note 1 Summary of significant accounting policies (continued)

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

*Recognition of student fees and charges*

Student fees and charges are recognised as a receivable at the time of enrolment by the student for a unit of study. Where the unit of study relates to a future period, the amount is shown as revenue in advance. Otherwise, the amount is recognised as revenue in the Statement of Comprehensive Income.

### (s) Investments

All investments, except for investment in the Centre for Customs and Excise Studies Pty Ltd (CCES), are brought to account at cost at balance date. The investment in CCES is recorded using equity method of accounting for investments. All investments are made in accordance with the powers given to the University under Section 7(2)(l) of the University of Canberra Act 1989.

### (t) Trade and other 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 irrespective of invoice receipt.

### (u) 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 Statement of Comprehensive Income using the effective interest rate.

### (v) Fair value measurement

The fair value of assets and liabilities must be measured for recognition and disclosure purposes.

The Group classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements.

The fair value of assets or liabilities is determined using a variety of methods and makes assumptions that are based on market conditions existing at each balance date.

The fair value of assets or liabilities traded in active is based on quoted market prices for identical assets or liabilities at the end of the reporting period (level 1).

The fair value of assets or liabilities that are not traded in an active market is determined using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Quoted market prices or dealer quotes for similar instruments (level 2) are used for long-term debt instruments held.

Other techniques that are not based on observable market data (level 3) such as estimated discounted cash flows are used to determine fair value for the remaining assets and liabilities. The level in the fair value hierarchy is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety.

Fair value measurement of non-financial assets is based on the highest and best use of the asset. The Group considers market participants use of, or purchase price of the asset, to use it in a manner that would be highest and best use.

The carrying value less impairment provision of trade receivable and payables are assumed to approximate their fair values due to their short term nature. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial assets.

### (w) Arrangement between the University and its subsidiaries

The University is regarded as an external supplier of services to its subsidiaries. The provision by the University of infrastructure facilities, utilities and general administrative services is charged to the associated entities based on a service level agreement between the subsidiaries and the University. UCU Ltd also provides goods and services to the University and other subsidiaries. This mainly comprises catering and related goods and services. Refer Note 31 Related parties and other entities for further details.

### (x) Economic dependency

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

# UNIVERSITY OF CANBERRA

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
### FOR THE YEAR ENDED 31 DECEMBER 2014

### Note 1 Summary of significant accounting policies (continued)

**(y) Public Private Partnership (PPP) and joint operation**

*Public Private Partnership – CLV student accommodation*

*CLV - New accommodation*

In 2007, the University entered into a 30 year lease agreement at a peppercorn rental with an unrelated company, Campus Living Villages Management Ltd (CLV), to fully fund, manage and construct a new student accommodation building. The building will revert to the University at the end of the lease. CLV manages the complex and collect rentals during the term of the lease.

CLV 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 30 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 arrangement. The fair value of the right to receive the building has been included in the University's property, plant and equipment. However, the University will only start to amortise it at the end of the lease term when the building reverts back to the University and is in a state ready for use by the University.

The University estimates the fair value of the student accommodation at the end of the 30 year lease period will be $8.5 million. The fair value was determined by independent valuation 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.

*CLV - Existing accommodation*

CLV also operate, maintain and refurbish the University's existing student accommodation for a period of 30 years from the date of the agreement.

CLV retains the 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 CLV. The University has transferred the majority of risks and rewards associated with the operation of the existing student accommodation to CLV and as such, the lease of the existing buildings is classified as a finance lease. Therefore, the carrying value of the existing buildings is not recognised as the University's property, plant and equipment.

CLV pays 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 has a right to receive the buildings at the end of the lease term at no cost. 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 the fair value of the student accommodation at the end of the 30 year lease period will be $7.6 million. The fair value was determined by independent valuation 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 continues to account for the land as its own asset.

*CLV - Deferred income*

The University has 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 Statement of Comprehensive Income on a straight line basis over the lease term.

*Joint operation*

The University entered into a joint operation with Ochre Health (ACT SC) Pty Ltd (Ochre) for the construction of the Health Hub building on the University campus. During construction Ochre made contributions to the University for their share of the construction costs. On completion of construction, the University was required to grant a lease over Levels 1 and 2 (excluding common areas) for a period of 20 years, with a further 20 year option, to Ochre. At the termination of the lease, the University is required to pay Ochre an expiry date payment equal to the market value of Levels 1 and 2 (excluding common areas) at that time.

# UNIVERSITY OF CANBERRA
## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
### FOR THE YEAR ENDED 31 DECEMBER 2014

### Note 1 Summary of significant accounting policies (continued)

Whilst the University retains legal title to the building (and the underlying land), as the lease to Ochre is for a period likely to be for the major part of the economic life of the asset and Ochre is entitled to receive the expiry date payment, it is treated as a finance lease for accounting purposes. Therefore, the University has only capitalised its share of the building on completion of construction.

On termination of the lease with Ochre, the University will recognise the remainder of the building. Therefore, the University has recognised the liability for the expiry date payment and a corresponding asset, being the right to receive the remainder of the building. This liability has initially been calculated on basis of the depreciated replacement cost at the end of the 40 year lease discounted to the present value. This liability and asset will be adjusted in line with the independent revaluations of the building undertaken every 3 years in accordance with the University's asset policy.

**(z) Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the Australian Taxation Office (ATO). In this case, GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the Statement of Financial Position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows.

**(aa) Comparative amounts, rounding**

Where necessary, comparative information has been reclassified to enhance comparability in respect of changes in presentation adopted in the current year. Where a material reclassification has occurred, the nature and the reason for the reclassification is provided.

The amounts in the financial statements have been rounded off to the nearest thousand dollars or, in certain cases, the nearest dollar.

## 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 financial statements disclose the outcomes of the Group 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 | |
|---|---|---|---|---|---|---|
| | 2014 $'000 | 2013 $'000 | 2014 $'000 | 2013 $'000 | 2014 $'000 | 2013 $'000 |
| **Geographical** | | | | | | |
| Australia | 270,897 | 251,432 | 796 | 15,830 | 542,002 | 523,722 |
| Asia | 2,578 | 3,508 | 8 | 221 | – | – |
| **Total** | **273,475** | **254,940** | **804** | **16,051** | **542,002** | **523,722** |

# UNIVERSITY OF CANBERRA

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2014

## Note 3 Australian Government financial assistance including Australian Government loan programs (HELP)

| | | Consolidated | | University | |
|---|---|---|---|---|---|
| | | 2014 | 2013 | 2014 | 2013 |
| | Notes | $'000 | $'000 | $'000 | $'000 |
| **(a) Commonwealth Grants Scheme and other grants** | 37(a) | | | | |
| Commonwealth Grants Scheme * | | 77,774 | 72,129 | 77,774 | 72,129 |
| Indigenous Support Program | | 492 | 492 | 492 | 492 |
| Partnership and Participation Program | | 3,351 | 1,692 | 3,351 | 1,692 |
| Disability Support Program | | 85 | 60 | 85 | 60 |
| Learning and Teaching Performance Fund | | – | 20 | – | 20 |
| Structural Adjustment Fund | | – | 15,136 | – | 15,136 |
| Reward Funding Targets | | – | 393 | – | 393 |
| Promotion of Excellence in Learning and Teaching | | 3 | 24 | 3 | 24 |
| Australian Maths & Science Partnership Program | | 487 | – | 487 | – |
| Facilitation Funding | | – | 1,346 | – | 1,346 |
| Superannuation Supplementation | | 178 | 176 | 178 | 176 |
| **Total Commonwealth Grants Scheme and other grants** | | **82,370** | **91,468** | **82,370** | **91,468** |
| **(b) Higher Education Loan Programs** | 37(b) | | | | |
| HECS-HELP | | 52,046 | 48,791 | 52,046 | 48,791 |
| FEE-HELP | | 3,630 | 3,867 | 3,630 | 3,867 |
| SA-HELP | | 2,158 | 1,998 | 2,158 | 1,998 |
| **Total Higher Education Loan Programs** | | **57,834** | **54,656** | **57,834** | **54,656** |
| **(c) Scholarships** | 37(c) | | | | |
| Australian Postgraduate Awards Scheme | | 1,430 | 1,343 | 1,430 | 1,343 |
| Commonwealth Education Costs Scholarships ** | | 94 | (196) | 94 | (196) |
| Commonwealth Accommodation Scholarships | | 67 | (251) | 67 | (251) |
| International Postgraduate Research Scholarship Scheme | | 121 | 117 | 121 | 117 |
| Indigenous Access Scholarships | | 85 | (51) | 85 | (51) |
| Indigenous Staff Scholarships | | – | (1) | – | (1) |
| **Total scholarships** | | **1,797** | **961** | **1,797** | **961** |
| **(d) Commonwealth research grants** | 37(d) | | | | |
| Joint Research Engagement Program | | 2,503 | 2,218 | 2,503 | 2,218 |
| Research Infrastructure Block Grants | | 460 | 381 | 460 | 381 |
| Research Training Scheme | | 3,179 | 3,075 | 3,179 | 3,075 |
| Sustainable Research Excellence | | 721 | 661 | 721 | 661 |
| Other *** | | – | (10) | – | (10) |
| **Total Commonwealth research grants** | | **6,863** | **6,325** | **6,863** | **6,325** |

* Includes CGS-Enabling Loading, Allocated Places Advance and Non-Designated Courses Advance

** Includes National Priority Scholarships

*** Includes Joint Research Engagement Program Cadetship

# UNIVERSITY OF CANBERRA

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
### FOR THE YEAR ENDED 31 DECEMBER 2014

**Note 3 Australian Government financial assistance including Australian Government loan programs (HELP) (continued)**

| | Notes | Consolidated 2014 $'000 | Consolidated 2013 $'000 | University 2014 $'000 | University 2013 $'000 |
|---|---|---|---|---|---|
| **(e) Australian Research Council** | 37(e) | | | | |
| Discovery projects | | 2,070 | 996 | 2,070 | 996 |
| Discovery early researcher award | | 131 | – | 131 | – |
| Linkage projects | | 781 | 394 | 781 | 394 |
| Future fellowship projects | | 832 | 1,138 | 832 | 1,138 |
| ARC Laureate fellowship | | 198 | – | 198 | – |
| **Total Australian Research Council** | | **4,012** | **2,528** | **4,012** | **2,528** |
| | | | | | |
| **(f) Other Australian Government financial assistance** | | | | | |
| **Non-capital** | | | | | |
| Agriculture | | 6 | 118 | 6 | 118 |
| Attorney-General's | | 52 | 81 | 52 | 81 |
| Commonwealth Parliament | | 5 | – | 5 | |
| Defence | | 40 | 90 | 40 | 90 |
| Education | | 5,309 | 1,139 | 5,309 | 1,139 |
| Employment | | 30 | – | 30 | |
| Environment | | 643 | 266 | 643 | 266 |
| Foreign Affairs and Trade | | 751 | 1,351 | 751 | 1,351 |
| Health | | 2,599 | 2,061 | 2,599 | 2,061 |
| Immigration and Border Protection | | 30 | 80 | 30 | 80 |
| Industry | | 84 | 1,609 | 84 | 1,609 |
| Infrastructure and Regional Development | | 20 | 174 | 20 | 174 |
| Prime Minister and Cabinet | | – | 102 | – | 102 |
| Social Services | | 1,584 | 2,126 | 1,584 | 2,126 |
| The Treasury | | 1 | 53 | 1 | 53 |
| **Total non-capital** | | **11,154** | **9,250** | **11,154** | **9,250** |
| | | | | | |
| **Capital** | | | | | |
| Health | | 316 | 1,074 | 316 | 1,074 |
| **Total other Australian Government financial assistance** | | **11,470** | **10,324** | **11,470** | **10,324** |
| | | | | | |
| **Total Australian Government financial assistance** | | **164,346** | **166,262** | **164,346** | **166,262** |
| | | | | | |
| **Reconciliation** | | | | | |
| Australian Government grants (a+c+d+e+f) | | 106,512 | 111,606 | 106,512 | 111,606 |
| HECS-HELP payments | | 52,046 | 48,791 | 52,046 | 48,791 |
| FEE-HELP payments | | 3,630 | 3,867 | 3,630 | 3,867 |
| SA-HELP payments | | 2,158 | 1,998 | 2,158 | 1,998 |
| **Total Australian Government financial assistance** | | **164,346** | **166,262** | **164,346** | **166,262** |

# UNIVERSITY OF CANBERRA

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2014

### Note 3 Australian Government financial assistance including Australian Government loan programs (HELP) (continued)

| | Notes | Consolidated 2014 $'000 | Consolidated 2013 $'000 | University 2014 $'000 | University 2013 $'000 |
|---|---|---|---|---|---|
| **(g) Australian Government grants received - cash basis** | | | | | |
| CGS and other Commonwealth grants | | 82,915 | 96,056 | 82,915 | 96,056 |
| Higher Education Loan Programs | | 58,790 | 54,216 | 58,790 | 54,216 |
| Scholarships | | 1,767 | 935 | 1,767 | 935 |
| Commonwealth research | | 6,864 | 6,355 | 6,864 | 6,355 |
| ARC Grants - Discovery | | 2,070 | 996 | 2,070 | 996 |
| ARC Grants - Discovery early researcher award | | 131 | – | 131 | – |
| ARC Grants - Linkages | | 698 | 477 | 698 | 477 |
| ARC Grants - Future fellowship | | 832 | 1,138 | 832 | 1,138 |
| ARC Grants - Laureate fellowship | | 198 | – | 198 | – |
| Other Australian Government grants | | 7,522 | 12,070 | 7,522 | 12,070 |
| **Total Australian Government grants - cash basis** | | **161,787** | **172,243** | **161,787** | **172,243** |
| OS-HELP (net) | 37(f) | 718 | (132) | 718 | (132) |
| Superannuation Supplementation | 37(g) | 178 | 176 | 178 | 176 |
| **Total Australian Government funding - cash basis** | | **162,683** | **172,287** | **162,683** | **172,287** |

## Note 4 State and Local Government financial assistance

| | Consolidated 2014 $'000 | Consolidated 2013 $'000 | University 2014 $'000 | University 2013 $'000 |
|---|---|---|---|---|
| **Non-capital** | | | | |
| Australian Capital Territory | 1,645 | 2,124 | 1,645 | 2,124 |
| South Australia | 139 | 134 | 139 | 134 |
| New South Wales | 614 | 389 | 614 | 389 |
| Queensland | 204 | 83 | 204 | 83 |
| Tasmania | 106 | 85 | 106 | 85 |
| Victoria | 418 | 72 | 418 | 72 |
| Western Australia | 84 | 104 | 84 | 104 |
| **Total non-capital** | **3,210** | **2,991** | **3,210** | **2,991** |
| **Capital** | | | | |
| Australian Capital Territory | 2,500 | – | 2,500 | – |
| **Total State and Local Government financial assistance** | **5,710** | **2,991** | **5,710** | **2,991** |

# UNIVERSITY OF CANBERRA

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
### FOR THE YEAR ENDED 31 DECEMBER 2014

## Note 5 Fees and charges

| | Notes | Consolidated 2014 $'000 | Consolidated 2013 $'000 | University 2014 $'000 | University 2013 $'000 |
|---|---|---|---|---|---|
| **Course fees and charges** | | | | | |
| Continuing education | | 16,582 | 12,897 | 1,077 | 1,306 |
| Fee-paying onshore overseas students | | 38,747 | 34,182 | 38,747 | 34,182 |
| Fee-paying offshore overseas students | | 2,578 | 3,508 | 2,578 | 3,508 |
| Fee-paying domestic postgraduate students | | 2,332 | 2,260 | 2,332 | 2,260 |
| **Total course fees and charges** | | **60,239** | **52,847** | **44,734** | **41,256** |
| **Non-course fees and charges** | | | | | |
| Student accommodation charges | | 9,299 | 2,874 | 9,287 | 2,874 |
| Student services and amenities fee | 37(h) | 1,700 | 1,634 | 1,700 | 1,634 |
| Other | | 1,590 | 1,656 | 318 | 234 |
| **Total non-course fees and charges** | | **12,589** | **6,164** | **11,305** | **4,742** |
| **Total fees and charges** | | **72,828** | **59,011** | **56,039** | **45,998** |

## Note 6 Investment revenue

| | Consolidated 2014 $'000 | Consolidated 2013 $'000 | University 2014 $'000 | University 2013 $'000 |
|---|---|---|---|---|
| Bank account interest | 9 | 15 | 9 | 14 |
| Bank bill interest | 445 | 276 | 47 | 53 |
| Call account interest | 112 | 158 | 83 | 135 |
| **Total investment revenue** | **566** | **449** | **139** | **202** |

## Note 7 Consultancies and research contracts

| | Consolidated 2014 $'000 | Consolidated 2013 $'000 | University 2014 $'000 | University 2013 $'000 |
|---|---|---|---|---|
| Consultancies | 1,435 | 1,379 | 1,435 | 1,379 |
| Research contracts | 2,976 | 3,602 | 2,999 | 3,602 |
| **Total consultancies and research contracts** | **4,411** | **4,981** | **4,434** | **4,981** |

# UNIVERSITY OF CANBERRA

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2014

## Note 8 Other revenue and income

| | Consolidated | | University | |
|---|---|---|---|---|
| | 2014 $'000 | 2013 $'000 | 2014 $'000 | 2013 $'000 |
| **Other revenue** | | | | |
| Donations and bequests | 1,014 | 1,270 | 1,008 | 1,285 |
| Non-government grants | 33 | (322) | 33 | (322) |
| Scholarships and prizes | 166 | 425 | 166 | 425 |
| **Total other revenue** | **1,213** | **1,373** | **1,207** | **1,388** |
| **Other income** | | | | |
| Administrative charges | 183 | 210 | 652 | 582 |
| Amortisation of deferred income | 266 | 266 | 266 | 266 |
| Childcare centre fees | 592 | 524 | 592 | 524 |
| Commissions and discounts received | 546 | 231 | 546 | 231 |
| Copying | 197 | 260 | 197 | 260 |
| Health consulting income | 361 | 313 | 361 | 313 |
| Hire of facilities | 655 | 553 | 64 | 8 |
| Insurance recoveries | 226 | 392 | 224 | 389 |
| Miscellaneous | 897 | 1,886 | 661 | 716 |
| NRAS securitisation income | 3,178 | – | 3,178 | – |
| Parking | 1,667 | – | 1,677 | – |
| Rent | 1,832 | 1,382 | 1,832 | 1,382 |
| Salaries and cost recovery services | 734 | 578 | 796 | 562 |
| Sales and service income / publications | 6,137 | 5,842 | 3,424 | 3,318 |
| Support services provided to subsidiaries | – | – | 4,956 | 4,550 |
| **Total other income** | **17,471** | **12,437** | **19,426** | **13,101** |
| **Total other revenue and income** | **18,684** | **13,810** | **20,633** | **14,489** |

## Note 9 Employee related expenses

| | Consolidated | | University | |
|---|---|---|---|---|
| | 2014 $'000 | 2013 $'000 | 2014 $'000 | 2013 $'000 |
| **Academic** | | | | |
| Salaries | 63,515 | 59,667 | 59,157 | 54,906 |
| Contributions to superannuation and pension schemes | 10,702 | 9,670 | 10,248 | 9,094 |
| Payroll tax | 5,529 | 4,985 | 5,184 | 4,608 |
| Workers' compensation insurance premium | 481 | 480 | 435 | 433 |
| Long service leave and annual leave | 6,654 | 6,459 | 6,457 | 6,161 |
| Redundancy payments | 363 | 924 | 363 | 876 |
| **Total academic** | **87,244** | **82,185** | **81,844** | **76,078** |
| **Non-academic** | | | | |
| Salaries | 55,071 | 49,708 | 50,428 | 44,464 |
| Contributions to superannuation and pension schemes | 9,069 | 7,865 | 8,426 | 7,221 |
| Payroll tax | 4,641 | 4,070 | 4,413 | 3,832 |
| Workers' compensation insurance premium | 474 | 474 | 363 | 357 |
| Long service leave and annual leave | 5,606 | 4,925 | 5,167 | 4,438 |
| Redundancy payments | 1,506 | 886 | 1,506 | 886 |
| **Total non-academic** | **76,367** | **67,928** | **70,303** | **61,198** |
| **Total employee related expenses** | **163,611** | **150,113** | **152,147** | **137,276** |

# UNIVERSITY OF CANBERRA
## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
### FOR THE YEAR ENDED 31 DECEMBER 2014

## Note 10 Depreciation and amortisation

| | Consolidated | | University | |
|---|---|---|---|---|
| | 2014 | 2013 | 2014 | 2013 |
| | $'000 | $'000 | $'000 | $'000 |
| **Depreciation** | | | | |
| Buildings | 7,230 | 6,071 | 7,219 | 6,018 |
| Infrastructure | 1,635 | 1,308 | 1,635 | 1,308 |
| Computer equipment | 650 | 1,056 | 635 | 1,026 |
| Equipment | 2,929 | 2,939 | 2,824 | 2,803 |
| Library | 72 | 389 | 72 | 389 |
| Fixtures and fittings | 3,432 | 1,940 | 3,432 | 1,940 |
| **Total depreciation** | **15,948** | **13,703** | **15,817** | **13,484** |
| **Amortisation** | | | | |
| Computer software | 1,786 | 1,464 | 1,784 | 1,463 |
| Strategic initiatives | 360 | 358 | 360 | 358 |
| **Total amortisation** | **2,146** | **1,822** | **2,144** | **1,821** |
| **Total depreciation and amortisation** | **18,094** | **15,525** | **17,961** | **15,305** |

## Note 11 Repairs and maintenance

| | | | | |
|---|---|---|---|---|
| Repairs and maintenance | **4,820** | **3,146** | **4,744** | **3,065** |

## Note 12 Finance costs

| | | | | |
|---|---|---|---|---|
| Interest expense | 5,848 | 4,086 | 5,848 | 4,086 |
| Less: amount capitalised | (160) | (2,228) | (160) | (2,228) |
| **Total finance costs expensed** | **5,688** | **1,858** | **5,688** | **1,858** |

## Note 13 Impairment losses

| | | | | |
|---|---|---|---|---|
| Impaired receivables | **4,731** | **473** | **4,638** | **500** |

# UNIVERSITY OF CANBERRA

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
### FOR THE YEAR ENDED 31 DECEMBER 2014

## Note 14 Other expenses

| | Consolidated | | University | |
|---|---|---|---|---|
| | 2014 $'000 | 2013 $'000 | 2014 $'000 | 2013 $'000 |
| Advertising | 2,423 | 1,587 | 2,300 | 1,529 |
| Audit | 301 | 308 | 236 | 270 |
| Books and publications | 473 | 527 | 564 | 509 |
| Commissions | 4,737 | 3,320 | 3,207 | 2,422 |
| Conference and facilities hire | 810 | 1,043 | 946 | 987 |
| Consultants fees | 6,183 | 7,915 | 6,498 | 8,123 |
| Contract services | 3,858 | 2,798 | 3,639 | 2,717 |
| Contracted student and amenities services - subsidiaries | – | – | 2,147 | 2,338 |
| Cost of goods sold | 1,339 | 1,209 | – | – |
| Donations | 774 | 1,690 | 758 | 1,689 |
| Entertainment | 547 | 575 | 730 | 819 |
| Equipment expensed | 2,209 | 1,812 | 2,055 | 1,743 |
| Freight and postage | 420 | 384 | 389 | 340 |
| Fringe benefits tax | 218 | 415 | 206 | 387 |
| General materials | 1,710 | 1,708 | 1,666 | 1,657 |
| Grant and research expenses - external entities | 605 | 394 | 605 | 391 |
| Grant and research expenses - subsidiaries | – | – | – | 1,383 |
| Insurances | 828 | 796 | 827 | 796 |
| Legal fees | 758 | 678 | 702 | 668 |
| Licence fees | 3,557 | 2,819 | 3,490 | 2,698 |
| Operating lease charges | 1,373 | 1,420 | 1,373 | 1,416 |
| Other | 3,549 | 2,578 | 3,410 | 2,273 |
| Other student expenses | 5,081 | 3,942 | 4,190 | 3,243 |
| Outsource management fees | 7,909 | 5,532 | 7,909 | 5,532 |
| Partner payments | 4,867 | 2,086 | 4,968 | 2,086 |
| Printing and stationery | 1,656 | 1,569 | 1,426 | 1,445 |
| Rates and taxes | 1,379 | 1,005 | 1,379 | 1,005 |
| Recruitment and staff development | 2,379 | 3,821 | 2,455 | 3,874 |
| Rent | 145 | 155 | 106 | 105 |
| Sponsorships | 1,682 | 1,701 | 1,728 | 1,673 |
| Student scholarships | 1,271 | 1,483 | 1,256 | 1,405 |
| Subscriptions | 3,051 | 2,937 | 3,016 | 2,900 |
| Subsidiary support subsidies | – | – | 739 | 1,646 |
| Tenancy management fees - subsidiaries | – | – | 540 | 353 |
| Travel | 4,908 | 4,847 | 4,690 | 4,609 |
| Utilities | 4,727 | 4,579 | 4,861 | 4,519 |
| **Total other expenses** | **75,727** | **67,633** | **75,011** | **69,550** |

# UNIVERSITY OF CANBERRA

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2014

## Note 15 Cash and cash equivalents

| | Consolidated | | University | |
|---|---|---|---|---|
| | 2014 $'000 | 2013 $'000 | 2014 $'000 | 2013 $'000 |
| Cash at bank and cash equivalents | **16,024** | **12,091** | **3,327** | **4,383** |

***Restricted cash***

Cash of $3.7 million held within the Weeden and PADMIN trusts is restricted for the objectives outlined in the trust deed and cannot be used to settle the liabilities of the group. Refer Note 1(d) Basis of consolidation for further details of the objectives of each trust.

## Note 16 Trade and other receivables

| | Consolidated 2014 | Consolidated 2013 | University 2014 | University 2013 |
|---|---|---|---|---|
| **Current** | | | | |
| Trade receivables | 19,273 | 11,293 | 17,842 | 10,638 |
| Less: allowance for impaired receivables | (5,395) | (763) | (5,320) | (723) |
| | 13,878 | 10,530 | 12,522 | 9,915 |
| Inter-entity accounts - subsidiaries | – | – | – | 887 |
| Other receivables | 8,346 | 5,750 | 5,956 | 5,762 |
| Australian Government financial assistance receivable | 1,650 | 5,359 | 1,650 | 5,359 |
| **Total trade and other receivables** | **23,874** | **21,639** | **20,128** | **21,923** |
| | | | | |
| The ageing of trade receivables is as follows: | | | | |
| Under 30 days | 7,731 | 6,822 | 7,655 | 6,722 |
| Between 30 and 60 days | 985 | 1,784 | 915 | 862 |
| Over 60 days | 10,557 | 2,687 | 9,272 | 3,054 |
| | **19,273** | **11,293** | **17,842** | **10,638** |
| | | | | |
| Past due but not impaired (receivables over 90 days) | 4,681 | 1,622 | 4,245 | 2,035 |

**Reconciliation of the allowance for impaired receivables**

| | Consolidated 2014 | Consolidated 2013 | University 2014 | University 2013 |
|---|---|---|---|---|
| **Allowance at the beginning of the year** | 763 | 1,266 | 723 | 808 |
| Add: Impairment losses recognised during the year | 5,658 | 409 | 5,218 | 406 |
| | 6,421 | 1,675 | 5,941 | 1,214 |
| Less: Impaired receivables written off | (57) | (782) | (39) | (436) |
| Less: Impaired losses reversed during the year | (969) | (130) | (582) | (55) |
| **Allowance at the end of the year** | **5,395** | **763** | **5,320** | **723** |

# UNIVERSITY OF CANBERRA

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
### FOR THE YEAR ENDED 31 DECEMBER 2014

## Note 17 Other financial assets

| | Consolidated 2014 $'000 | Consolidated 2013 $'000 | University 2014 $'000 | University 2013 $'000 |
|---|---|---|---|---|
| **Current** | | | | |
| Finance lease receivable * | **497** | **497** | **497** | **497** |
| **Non-current** | | | | |
| Finance lease receivable * | 11,731 | 12,228 | 11,731 | 12,228 |
| Shares - other entities | 11 | 12 | 12 | 13 |
| **Total non-current other financial assets** | **11,742** | **12,240** | **11,743** | **12,241** |
| **Total other financial assets** | **12,239** | **12,737** | **12,240** | **12,738** |

* Finance lease receivable - The University leases its student accommodation to CLV under a PPP agreement (see Note 1(y) Public Private Partnership and joint operation).

**Finance lease receivables as at balance date are as follows:**

| | Future minimum lease receipts 2014 $'000 | Future minimum lease receipts 2013 $'000 | Interest 2014 $'000 | Interest 2013 $'000 | Present value of minimum lease receipts 2014 $'000 | Present value of minimum lease receipts 2013 $'000 |
|---|---|---|---|---|---|---|
| Less than one year | 1,408 | 1,408 | 911 | 911 | 497 | 497 |
| Between one and five years | 5,633 | 5,633 | 3,602 | 3,602 | 2,031 | 2,031 |
| More than five years | 42,788 | 44,196 | 33,099 | 33,999 | 9,700 | 10,197 |
| **Total** | **49,829** | **51,237** | **37,612** | **38,512** | **12,228** | **12,725** |

## Note 18 Other non-financial assets

| | Notes | Consolidated 2014 $'000 | Consolidated 2013 $'000 | University 2014 $'000 | University 2013 $'000 |
|---|---|---|---|---|---|
| **Current** | | | | | |
| Prepayments | | 4,790 | 5,434 | 4,675 | 5,302 |
| Inventories | | 233 | 273 | – | – |
| **Total current other non-financial assets** | | **5,023** | **5,707** | **4,675** | **5,302** |

## Note 19 Investments accounted for using the equity method

| | Notes | Consolidated 2014 $'000 | Consolidated 2013 $'000 | University 2014 $'000 | University 2013 $'000 |
|---|---|---|---|---|---|
| Centre for Customs and Excise Studies Pty Ltd | 31(a) | 763 | 755 | 763 | 755 |
| UC Vikings Ltd | | 126 | – | – | – |
| **Total equity accounted investments** | | **889** | **755** | **763** | **755** |
| **Reconciliation** | | | | | |
| Balance at 1 January | | 755 | 820 | 755 | 820 |
| Investment via subordinated loan - UC Vikings Ltd | | 100 | – | – | – |
| Aggregate share of profit / (loss) for the year | | 34 | (65) | 8 | (65) |
| **Balance at 31 December** | | **889** | **755** | **763** | **755** |

# UNIVERSITY OF CANBERRA

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

## Note 20 Property, plant and equipment

| | Leasehold land $'000 | Buildings $'000 | Right to receive buildings* $'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 2013** | | | | | | | | | | | | |
| Cost | 35,835 | 272,216 | 16,032 | 15,638 | 4,431 | 1,746 | 23,359 | 5,569 | 620 | 21,579 | 27,958 | 424,983 |
| Accumulated depreciation | – | (14,661) | – | (3,062) | (1,554) | – | – | (4,039) | (620) | (15,576) | (2,819) | (42,331) |
| **Net book amount** | **35,835** | **257,555** | **16,032** | **12,576** | **2,877** | **1,746** | **23,359** | **1,530** | **–** | **6,003** | **25,139** | **382,652** |
| **Year ended 31 December 2013** | | | | | | | | | | | | |
| Opening net book amount | 35,835 | 257,555 | 16,032 | 12,576 | 2,877 | 1,746 | 23,359 | 1,530 | – | 6,003 | 25,139 | 382,652 |
| Revaluation decrement | – | – | – | – | (1,282) | – | – | – | – | – | – | (1,282) |
| Additions | – | 15,349 | – | 272 | – | 27 | 98,142 | 376 | – | 3,965 | 1,523 | 119,654 |
| Acquisitions through business combinations | – | – | – | – | – | – | – | 6 | – | 2 | – | 8 |
| Disposals and transfers out | – | – | – | – | – | (1) | (21,629) | (26) | – | (106) | – | (21,762) |
| Depreciation | – | (6,071) | – | (1,308) | (389) | – | – | (1,056) | – | (2,939) | (1,940) | (13,703) |
| **Closing net book amount** | **35,835** | **266,833** | **16,032** | **11,540** | **1,206** | **1,772** | **99,872** | **830** | **–** | **6,925** | **24,722** | **465,567** |
| **As at 31 December 2013** | | | | | | | | | | | | |
| Cost | 35,835 | 273,252 | 16,032 | 12,853 | 3,149 | 1,772 | 99,872 | 5,719 | 620 | 24,996 | 29,481 | 503,581 |
| Accumulated depreciation | – | (6,419) | – | (1,313) | (1,943) | – | – | (4,889) | (620) | (18,071) | (4,759) | (38,014) |
| **Net book amount** | **35,835** | **266,833** | **16,032** | **11,540** | **1,206** | **1,772** | **99,872** | **830** | **–** | **6,925** | **24,722** | **465,567** |
| **Year ended 31 December 2014** | | | | | | | | | | | | |
| Opening net book amount | 35,835 | 266,833 | 16,032 | 11,540 | 1,206 | 1,772 | 99,872 | 830 | – | 6,925 | 24,722 | 465,567 |
| Additions | 6,126 | 68,209 | 770 | 9,383 | – | 44 | 32,762 | 410 | – | 4,952 | 27,214 | 149,870 |
| Disposals and transfers | – | – | – | – | – | – | (125,367) | (3) | – | 176 | (1) | (125,195) |
| Depreciation | – | (7,230) | – | (1,635) | (72) | – | – | (650) | – | (2,929) | (3,432) | (15,948) |
| **Closing net book amount** | **41,961** | **327,812** | **16,802** | **19,288** | **1,134** | **1,816** | **7,267** | **587** | **–** | **9,124** | **48,503** | **474,294** |
| **As at 31 December 2014** | | | | | | | | | | | | |
| Cost | 41,961 | 341,210 | 16,802 | 22,236 | 1,206 | 1,816 | 7,267 | 4,991 | 601 | 27,238 | 56,695 | 522,023 |
| Accumulated depreciation | – | (13,398) | – | (2,948) | (72) | – | – | (4,404) | (601) | (18,114) | (8,192) | (47,729) |
| **Net book amount** | **41,961** | **327,812** | **16,802** | **19,288** | **1,134** | **1,816** | **7,267** | **587** | **–** | **9,124** | **48,503** | **474,294** |

* Right to receive buildings additions includes CLV (new and existing) student accommodation $16m and Health Hub $0.8m. Refer Note 1(y) Public Private Partnership (PPP) and joint operation for further details.

**Work in progress additions includes assets under construction, assets under sale and lease back and assets acquired but not yet capitalised.

# UNIVERSITY OF CANBERRA

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
### FOR THE YEAR ENDED 31 DECEMBER 2014

### Note 20 Property, plant and equipment (continued)

| | Leasehold land $'000 | Buildings $'000 | Right to receive buildings* $'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 2013** | | | | | | | | | | | | |
| Cost | 35,835 | 271,790 | 16,032 | 15,638 | 4,432 | 1,746 | 23,248 | 5,393 | 596 | 19,706 | 27,958 | 422,374 |
| Accumulated depreciation | – | (14,333) | – | (3,062) | (1,554) | – | – | (3,908) | (596) | (14,031) | (2,819) | (40,303) |
| **Net book amount** | **35,835** | **257,457** | **16,032** | **12,576** | **2,878** | **1,746** | **23,248** | **1,485** | **–** | **5,675** | **25,139** | **382,071** |
| **Year ended 31 December 2013** | | | | | | | | | | | | |
| Opening net book amount | 35,835 | 257,457 | 16,032 | 12,576 | 2,878 | 1,746 | 23,248 | 1,485 | – | 5,675 | 25,139 | 382,071 |
| Revaluation decrement | – | – | – | – | (1,283) | – | – | – | – | – | – | (1,283) |
| Additions | – | 15,336 | – | 272 | – | 27 | 97,957 | 362 | – | 3,937 | 1,523 | 119,414 |
| Acquisitions through business combinations | – | – | – | – | – | – | – | 6 | – | 2 | – | 8 |
| Disposals and transfers out | – | – | – | – | – | (1) | (21,519) | (6) | – | (94) | – | (21,620) |
| Depreciation | – | (6,018) | – | (1,308) | (389) | – | – | (1,026) | – | (2,803) | (1,940) | (13,484) |
| **Closing net book amount** | **35,835** | **266,775** | **16,032** | **11,540** | **1,206** | **1,772** | **99,686** | **821** | **–** | **6,717** | **24,722** | **465,106** |
| **As at 31 December 2013** | | | | | | | | | | | | |
| Cost | 35,835 | 272,813 | 16,032 | 12,853 | 3,149 | 1,772 | 99,686 | 5,665 | 596 | 23,163 | 29,481 | 501,045 |
| Accumulated depreciation | – | (6,038) | – | (1,313) | (1,943) | – | – | (4,844) | (596) | (16,446) | (4,759) | (35,939) |
| **Net book amount** | **35,835** | **266,775** | **16,032** | **11,540** | **1,206** | **1,772** | **99,686** | **821** | **–** | **6,717** | **24,722** | **465,106** |
| **Period ended 31 December 2014** | | | | | | | | | | | | |
| Opening net book amount | 35,835 | 266,775 | 16,032 | 11,540 | 1,206 | 1,772 | 99,686 | 821 | – | 6,717 | 24,722 | 465,106 |
| Revaluation decrement | – | – | – | – | – | – | – | – | – | – | – | – |
| Additions / reclassification | 6,126 | 68,209 | 770 | 9,383 | – | 44 | 32,750 | 372 | – | 4,674 | 27,214 | 149,542 |
| Disposals and transfers out | – | – | – | – | – | – | (125,181) | (3) | – | – | (1) | (125,185) |
| Depreciation | – | (7,219) | – | (1,635) | (72) | – | – | (635) | – | (2,824) | (3,432) | (15,817) |
| **Closing net book amount** | **41,961** | **327,765** | **16,802** | **19,288** | **1,134** | **1,816** | **7,255** | **555** | **–** | **8,567** | **48,503** | **473,646** |
| **As at 31 December 2014** | | | | | | | | | | | | |
| Cost | 41,961 | 341,022 | 16,802 | 22,236 | 1,206 | 1,816 | 7,255 | 4,911 | 577 | 26,411 | 56,694 | 520,891 |
| Accumulated depreciation | – | (13,257) | – | (2,948) | (72) | – | – | (4,356) | (577) | (17,844) | (8,191) | (47,245) |
| **Net book amount** | **41,961** | **327,765** | **16,802** | **19,288** | **1,134** | **1,816** | **7,255** | **555** | **–** | **8,567** | **48,503** | **473,646** |

* Right to receive buildings additions includes CLV (new and existing) student accommodation $16m and Health Hub $0.8m. Refer Note 1(y) Public Private Partnership (PPP) and joint operation for further details.
** Work in progress additions includes assets under construction, assets under sale and lease back and assets acquired but not yet capitalised.

# UNIVERSITY OF CANBERRA

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2014

### Note 20 Property, plant and equipment (continued)

***Contracted commitment for disposal of land***

On 24 December 2013 the University entered into an agreement with the ACT Government for the construction of the University of Canberra Public Hospital. Subject to conditions precedent contained within the agreements, the ACT Government will compulsorily acquire a maximum of 4.8 hectares of vacant land currently forming part of the Bruce campus which will be used by the ACT Government for the construction of the hospital. Easements will also be granted to allow the ACT Government to construct vehicle access to the hospital. The carrying value of the 4.8 hectares of land, based on the independent valuation undertaken as at 31 December 2012, is $1.141 million.

As there are still conditions precedent to be satisfied before the process for compulsory acquisition can commence, including the requirement for the granting of the development approvals, this land has not been reclassified as land held for sale.

## Note 21 Intangible assets

| | Consolidated | | University | |
|---|---|---|---|---|
| | 2014 | 2013 | 2014 | 2013 |
| | $'000 | $'000 | $'000 | $'000 |
| **Computer software** | | | | |
| **As at 1 January** | | | | |
| Cost | 17,601 | 16,216 | 17,586 | 16,203 |
| Accumulated amortisation | (13,376) | (11,915) | (13,370) | (11,907) |
| **Net book amount** | **4,225** | **4,301** | **4,216** | **4,296** |
| **Year ended 31 December** | | | | |
| Opening net book amount | 4,225 | 4,301 | 4,216 | 4,296 |
| Additions | 6,579 | 1,392 | 6,579 | 1,383 |
| Disposals | – | (4) | – | – |
| Amortisation | (1,786) | (1,464) | (1,784) | (1,463) |
| **Closing net book amount** | **9,018** | **4,225** | **9,011** | **4,216** |
| **As at 31 December** | | | | |
| Cost | 24,173 | 17,601 | 24,164 | 17,586 |
| Accumulated amortisation | (15,155) | (13,376) | (15,153) | (13,370) |
| **Net book amount** | **9,018** | **4,225** | **9,011** | **4,216** |
| **Strategic initiatives** | | | | |
| **As at 1 January** | | | | |
| Cost | 1,798 | 1,784 | 1,798 | 1,784 |
| Accumulated amortisation | (797) | (439) | (797) | (439) |
| **Net book amount** | **1,001** | **1,345** | **1,001** | **1,345** |
| **Year ended 31 December** | | | | |
| Opening net book amount | 1,001 | 1,345 | 1,001 | 1,345 |
| Additions | – | 14 | – | 14 |
| Amortisation | (360) | (358) | (360) | (358) |
| **Closing net book amount** | **641** | **1,001** | **641** | **1,001** |
| **As at 31 December** | | | | |
| Cost | 1,798 | 1,798 | 1,798 | 1,798 |
| Accumulated amortisation | (1,157) | (797) | (1,157) | (797) |
| **Net book amount** | **641** | **1,001** | **641** | **1,001** |
| **Total intangible assets** | **9,659** | **5,226** | **9,652** | **5,217** |

# UNIVERSITY OF CANBERRA

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2014

## Note 22 Trade and other payables

| | Consolidated | | University | |
|---|---|---|---|---|
| | 2014 | 2013 | 2014 | 2013 |
| | $'000 | $'000 | $'000 | $'000 |
| **Current** | | | | |
| Payables* | 12,266 | 19,435 | 9,781 | 19,256 |
| Inter-entity accounts - subsidiaries | – | – | 942 | – |
| Accrued salaries and wages | 633 | 3,225 | 310 | 3,180 |
| OS-HELP liability to the Australian Government | 793 | 69 | 793 | 69 |
| Accrued expenses | 8,354 | 10,723 | 7,813 | 10,456 |
| **Total current payables** | **22,046** | **33,452** | **19,639** | **32,961** |

*In 2013 the Payables figure included a number of large payments for major capital works in progress totalling $9.578 million which were due for payment in January 2014.

## Note 23 Borrowings

| | Consolidated 2014 $'000 | Consolidated 2013 $'000 | University 2014 $'000 | University 2013 $'000 |
|---|---|---|---|---|
| **Current** | | | | |
| *Secured* | | | | |
| First mortgage - ACT Government - Weeden Lodge South (a) | – | 1,142 | – | 1,142 |
| *Unsecured* | | | | |
| Loan - ACT Government - Cooper Lodge | 409 | – | 409 | – |
| **Total current borrowings** | **409** | **1,142** | **409** | **1,142** |
| **Non-current** | | | | |
| *Secured* | | | | |
| First mortgage - ACT Government - Weeden Lodge South (a) | – | 20,086 | – | 20,086 |
| First mortgage - ACT Government - Weeden Lodge North (a) | – | 19,784 | – | 19,784 |
| *Unsecured* | | | | |
| Cash advance facility - Westpac | – | 19,000 | – | 19,000 |
| Cash advance facility - Commonwealth Bank of Australia | 51,000 | – | 51,000 | – |
| Loan - ACT Government - Cooper Lodge | 31,000 | 40,673 | 31,000 | 40,673 |
| **Total non-current borrowings** | **82,000** | **99,543** | **82,000** | **99,543** |
| **Total borrowings** | **82,409** | **100,685** | **82,409** | **100,685** |

**(a) Assets pledged as security in 2013**

The mortgages held in 2013 were discharged during 2014. The carrying amounts of assets pledged as security for current and non-current borrowings were:

| | Consolidated 2014 $'000 | Consolidated 2013 $'000 | University 2014 $'000 | University 2013 $'000 |
|---|---|---|---|---|
| *Current and non-current first mortgages* | | | | |
| Weeden Lodge South - land and buildings | – | 21,825 | – | 21,825 |
| Weeden Lodge North - land and buildings | – | 22,681 | – | 22,681 |
| **Total assets pledged as security** | **–** | **44,506** | **–** | **44,506** |

# UNIVERSITY OF CANBERRA

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
### FOR THE YEAR ENDED 31 DECEMBER 2014

### Note 23 Borrowings (continued)

**(b) Financing arrangements**

The University must obtain approvals from the ACT Treasurer prior to entering into borrowings. For borrowings, other than overdraft and credit facilities used for day-to-day operational activities, the ACT Treasurer must approve the borrowing by way of a Disallowable Instrument (DI) and Treasury Instrument (TI) and borrowing limits set by way of a TI.

| | Consolidated | | University | |
|---|---|---|---|---|
| | 2014 | 2013 | 2014 | 2013 |
| | $'000 | $'000 | $'000 | $'000 |
| *Financing facilities available* | | | | |
| The Group has the following financing facilities available, noting restrictions imposed: | | | | |
| Cash advance facility - Westpac | 20,000 | 20,000 | 20,000 | 20,000 |
| Cash advance facility - Commonwealth Bank of Australia | 60,000 | 60,000 | 60,000 | 60,000 |
| First mortgage - ACT Government - Weeden Lodge South * | – | 21,228 | – | 21,228 |
| | 80,000 | 101,228 | 80,000 | 101,228 |
| Restricted maximum component in accordance with TI2013/9 | 70,000 | 70,000 | 70,000 | 70,000 |
| Loan - ACT Government - Cooper Lodge * | 31,409 | 50,000 | 31,409 | 50,000 |
| First mortgage - ACT Government - Weeden Lodge North * | – | 24,000 | – | 24,000 |
| Other financing facilities in accordance with TI2013/9 | 31,409 | 74,000 | 31,409 | 74,000 |
| Total financing facilities in accordance with TI2013/9 | 101,409 | 144,000 | 101,409 | 144,000 |
| Bank overdraft - Commonwealth Bank of Australia | 1,000 | 1,000 | 1,000 | 1,000 |
| **Total maximum financing facilities available** | **102,409** | **145,000** | **102,409** | **145,000** |
| *Unused financing facilities at balance date* | | | | |
| Cash advance facility - Westpac | 20,000 | 20,000 | 20,000 | 20,000 |
| Cash advance facility - Commonwealth Bank of Australia | 9,000 | 60,000 | 9,000 | 60,000 |
| First mortgage - ACT Government - Weeden Lodge South * | – | – | – | – |
| Total available prior to restriction assessment | 29,000 | 80,000 | 29,000 | 80,000 |
| Restricted maximum component in accordance with TI2013/9 | 70,000 | 70,000 | 70,000 | 70,000 |
| Total available unused component | 19,000 | 48,772 | 19,000 | 48,772 |
| Loan - ACT Government - Cooper Lodge * | – | 9,327 | – | 9,327 |
| First mortgage - ACT Government - Weeden Lodge North * | – | 4,216 | – | 4,216 |
| Bank overdraft - Commonwealth Bank of Australia | 1,000 | 1,000 | 1,000 | 1,000 |
| **Total maximum unused financing facilities** | **20,000** | **63,315** | **20,000** | **63,315** |

* No redraw facilities available for these ACT Government loans

# UNIVERSITY OF CANBERRA

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2014

## Note 24 Provisions

| | Notes | Consolidated 2014 $'000 | Consolidated 2013 $'000 | University 2014 $'000 | University 2013 $'000 |
|---|---|---|---|---|---|
| **Current** | | | | | |
| Provision for long service leave | | 10,134 | 10,073 | 9,522 | 9,577 |
| Provision for annual leave | | 8,887 | 9,132 | 8,260 | 8,587 |
| Provision for bonuses - senior managers | | 800 | 500 | 800 | 500 |
| Provision for redundancy | | 108 | – | 108 | – |
| **Total current provisions** | (a),(b) | **19,929** | **19,705** | **18,690** | **18,664** |
| **Non-current** | | | | | |
| Provision for long service leave | | **5,660** | **3,869** | **5,400** | **3,729** |
| **Total provisions** | | **25,589** | **23,574** | **24,090** | **22,393** |
| **(a) Current provisions expected to be settled within 12 months** | | | | | |
| Long service leave | | 922 | 917 | 2,857 | 2,873 |
| Annual leave | | 5,332 | 5,478 | 6,281 | 6,337 |
| Bonuses - senior managers | | 800 | 500 | 800 | 500 |
| Redundancy | | 108 | – | 108 | – |
| **Subtotal** | | **7,162** | **6,895** | **10,046** | **9,710** |
| **(b) Current provisions expected to be settled after 12 months** | | | | | |
| Long service leave | | 9,212 | 9,157 | 6,665 | 6,704 |
| Annual leave | | 3,555 | 3,653 | 1,979 | 2,250 |
| **Subtotal** | | **12,767** | **12,810** | **8,644** | **8,954** |
| **Total current provisions** | | **19,929** | **19,705** | **18,690** | **18,664** |

## Note 25 Other liabilities

| | Notes | Consolidated 2014 $'000 | Consolidated 2013 $'000 | University 2014 $'000 | University 2013 $'000 |
|---|---|---|---|---|---|
| **Current** | | | | | |
| Revenue in advance received * | | 19,871 | 8,935 | 19,164 | 8,535 |
| Revenue in advance receivable * | | 6,797 | 4,806 | 6,654 | 4,787 |
| Deferred income ** | | 266 | 266 | 266 | 266 |
| Australian Government financial assistance payable | | 3,289 | 8,079 | 3,289 | 8,079 |
| Prepaid rent | (a) | 347 | 255 | 347 | 255 |
| Other financial liability - NRAS securitisation | (b) | 3,276 | – | 3,276 | – |
| **Total current other liabilities** | | **33,846** | **22,341** | **32,996** | **21,922** |
| **Non-current** | | | | | |
| Deferred income ** | | 6,277 | 6,543 | 6,277 | 6,543 |
| Prepaid rent | (a) | 5,683 | 12,377 | 5,683 | 12,377 |
| Other financial liability - NRAS securitisation | (b) | 35,998 | – | 35,998 | – |
| Lease expiry date payment | (c) | 770 | – | 770 | – |
| **Total non-current other liabilities** | | **48,728** | **18,920** | **48,728** | **18,920** |
| **Total other liabilities** | | **82,574** | **41,261** | **81,724** | **40,842** |

* Revenue in advance is student fees and charges for future periods and prepaid licence fees.

** Deferred income includes CLV (new and existing) student accommodation. Refer Note 1(y) Public Private Partnership (PPP) and joint operation for further details.

# UNIVERSITY OF CANBERRA

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2014

### Note 25 Other liabilities (continued)

**(a) Prepaid rent**

The University received rent in advance for lease of part of the Sporting Commons. The term of this lease is 30 years with an option for a further 10 years. The period over which rent is recognised as income is 30 years.

The amount also includes January 2015 rental invoices issued in advance in accordance with lease agreements.

**(b) Other financial liability - NRAS**

The National Rental Affordability Scheme (NRAS) is an Australian Federal Government scheme that aims to address the current shortage of rental housing and rising rents by offering refundable tax offsets to non-charity providers of new rental dwellings, this is referred to as a National Rental Affordability Scheme entitlement (NRAS entitlement). An NRAS entitlement is offered on the condition that the associated dwellings are rented to eligible low and moderate income earners at a rate that is at least 20 per cent below prevailing market rents.

The University is eligible to receive NRAS entitlements for its student housing so long as their tenants are eligible under the NRAS and rent payable is not more than 80 per cent (or such amount stipulated under the NRAS Regulations) of the market value rent.

In November 2014, the University sold its utilised NRAS entitlements to a third party in exchange for an upfront payment of $42.5 million. The purchase price was based on the expectation that the University dwellings will achieve the required occupancy over the NRAS entitlement period and will comply with the NRAS Regulations. The University is contractually obligated to deliver the NRAS entitlements to the third party over the entitlement period of 10 years. In the case that the actual entitlements are less than the expected entitlements, the University must compensate the third party for the residual amount. If the actual entitlements are greater than the expected entitlements, the third party must pay the residual amount to the University. Given the University is exposed to the risks and rewards of the NRAS entitlements, this arrangement represents a financial liability to be measured at amortised cost.

This financial liability has been recorded at its fair value, being the purchase price consideration paid, less transaction costs. Subsequent to initial recognition, the University has measured this financial liability at amortised cost using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future NRAS entitlements over the NRAS entitlement period to the value of the upfront payment.

**(c) Lease expiry date payment**

The University entered into a joint operation with Ochre Health (ACT SC) Pty Ltd (Ochre) for the construction of the Health Hub building on the University campus. At completion of construction, the University was required to grant a lease over Levels 1 and 2 (excluding common areas) for a period of 20 years, with a further 20 year option, to Ochre. At the termination of the lease, the University is required to pay Ochre an expiry date payment equal to the market value of Levels 1 and 2 (excluding common areas) at that time.

Whilst the University retains legal title to the building (and the underlying land), as the lease to Ochre is for a period likely to be for the major part of the economic life of the asset and Ochre is entitled to receive the expiry date payment, it is treated as a finance lease for accounting purposes.

Therefore, the University has recognised the liability for the expiry date payment and a corresponding asset, being the right to receive the remainder of the building. This liability has initially been calculated on basis of the depreciated replacement cost at the end of the 40 year lease discounted to the present value.

## Note 26 Asset revaluation reserve

| | Consolidated | | University | |
|---|---|---|---|---|
| | 2014 | 2013 | 2014 | 2013 |
| | $'000 | $'000 | $'000 | $'000 |
| **Asset revaluation reserve** | | | | |
| Asset revaluation reserve at the beginning of the year | 222,291 | 223,574 | 222,291 | 223,574 |
| Revaluation decrement of property, plant and equipment | – | (1,283) | – | (1,283) |
| **Revaluation reserve at the end of the year** | **222,291** | **222,291** | **222,291** | **222,291** |

# UNIVERSITY OF CANBERRA

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
### FOR THE YEAR ENDED 31 DECEMBER 2014

## Note 27 Key management personnel disclosures

**(a) Names of responsible persons and executive officers**
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.

| Member | Date appointed, reappointed, elected, or term ended if occurring in 2014 |
|---|---|
| Dr John Mackay | Appointed 1 January 2011, resigned 11 July 2014 |
| Dr Tom Calma AO | Appointed 21 October 2008 |
| Professor Stephen Parker AO | Appointed 1 March 2007 |
| Dr Sarah Ryan | Appointed 21 October 2008 |
| Ms Prue Power | Appointed 1 January 2010 |
| Mr Dennis Trewin AO | Appointed 21 December 2010 |
| Mr Barry Mewett | Appointed 20 October 2011 |
| Ms Sue Salthouse | Appointed 22 May 2012 |
| Dr Tom Karmel | Appointed 22 May 2012 |
| Ms Chris Faulks | Appointed 1 January 2014 |
| Professor Dharmendra Sharma | Appointed 1 January 2014 |
| Dr Katja Mikhailovich | Appointed 1 January 2014 |
| Ms Beth Mitchell | Appointed 1 January 2014 |
| Mr Jake Hindmarch | Appointed 1 January 2014 |
| Ms Snigdha Tandon | Appointed 1 January 2014, resigned 18 August 2014 |
| Mr James Pace | Appointed 1 January 2015 |
| Mr Ryan Roberts | Appointed 1 January 2015 |

The following persons were executive officers of University of Canberra during the year and up to date of this report:

| Executive Officer | Position |
|---|---|
| Professor Stephen Parker AO | Vice-Chancellor and President |
| Professor Frances Shannon | Deputy Vice-Chancellor Research |
| Professor Nicholas Klomp | Deputy Vice-Chancellor Education |
| Professor Simon Ridings | Deputy Vice-Chancellor Global, appointed 7 October 2014 |
| Mr Bruce Lines | Vice-President Operations, resigned 28 November 2014 |
| Mr David Formica | Acting Vice-President Operations, appointed 1 December 2014 |
| Ms Maria Storti | Vice-President Governance and Development |
| Professor Monique Skidmore | Pro Vice-Chancellor International and Major Projects, resigned 21 February 2014 |

**(b) Remuneration of Council / Board members and executive officers**
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 and Training 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. Below is a table showing the number and relevant remuneration bands for University and Group key management personnel.

# UNIVERSITY OF CANBERRA

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
### FOR THE YEAR ENDED 31 DECEMBER 2014

### Note 27 Key management personnel disclosures (continued)

**Remuneration of Council / Board members**

| | Consolidated | | University | |
|---|---|---|---|---|
| | **2014** | **2013** | **2014** | **2013** |
| Nil to $9,999 | 17 | 23 | 14 | 15 |
| $10,000 to $19,999 | 3 | 3 | 1 | 1 |
| $20,000 to $29,999 | 1 | 1 | – | – |
| **The aggregate of the remuneration for Council / Board members included above:** | **$133,044** | **$119,541** | **$63,876** | **$54,578** |

**Remuneration of executive officers**

| | Consolidated 2014 | Consolidated 2013 | University 2014 | University 2013 |
|---|---|---|---|---|
| $30,000 to $39,999 | 1 | – | 1 | – |
| $40,000 to $49,999 | 1 | – | – | – |
| $80,000 to $89,999 | 1 | – | – | – |
| $90,000 to $99,999 | 1 | – | 1 | – |
| $100,000 to $109,999 | 1 | – | – | – |
| $110,000 to $119,999 | – | 1 | – | – |
| $120,000 to $129,999 | – | 1 | – | – |
| $140,000 to $149,000 | 1 | – | – | – |
| $150,000 to $159,999 | – | 1 | – | – |
| $160,000 to $169,999 | – | 2 | – | – |
| $170,000 to $179,999 | 1 | – | – | – |
| $180,000 to $189,999 | 1 | – | – | – |
| $190,000 to $199,999 | 1 | – | 1 | – |
| $270,000 to $279,999 | – | 1 | – | – |
| $320,000 to $329,999 | – | 1 | – | 1 |
| $400,000 to $409,999 | – | 1 | – | 1 |
| $410,000 to $419,999 | – | 1 | – | 1 |
| $420,000 to $429,999 | – | 1 | – | 1 |
| $430,000 to $439,999 | 1 | – | 1 | – |
| $440,000 to $449,999 | 2 | – | 2 | – |
| $450,000 to $459,999 | – | 1 | – | 1 |
| $510,000 to $519,999 | 1 | – | 1 | – |
| $900,000 to $909,999 | 1 | – | 1 | – |
| $960,000 to $969,999 | – | 1 | – | 1 |
| **The aggregate of the remuneration for executive officers included above:** | **$3,780,373** | **$3,994,254** | **$3,061,091** | **$2,995,008** |

The remuneration of executive officers for 2014 disclosed above and accompanying remuneration bands is the cash remuneration paid to executive officers in those years. Cash remuneration includes payments for salaries and wages and other employee benefits such as annual and long service leave, superannuation, bonuses and any redundancy payments.

Bonuses paid to individual executive officers are included in the remuneration disclosed above when these bonuses are paid. Therefore, amounts disclosed above for 2014 include bonuses paid in 2014 in respect of performance in 2013 of $279,999 and amounts disclosed for 2013 include bonuses of $429,620 paid in 2013 in respect of performance in 2012.

As reviews of executive officers are not completed until after the date of these financial statements, the determination of any bonus payable to individual executive officers in respect of performance in 2014 is not included in the above figures for 2014. Bonuses paid to individual executive officers in respect of performance in 2014 will be included in the 2015 financial statements.

# UNIVERSITY OF CANBERRA

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
### FOR THE YEAR ENDED 31 DECEMBER 2014

### Note 27 Key management personnel disclosures (continued)

Note 24 Provisions includes an estimate for bonuses in respect of performance in 2014 by senior managers in the University including the executive officers above.

The Vice-Chancellor and President is required to occupy a house on the Bruce campus as a requirement of this position. This residence is used to hold official University of Canberra functions throughout the year. The value of this benefit is not included in the remuneration disclosed above. The value of the benefit for Fringe Benefits Tax purposes is $46,033 in 2014 ($44,050 in 2013).

**(c) Key management personnel compensation**

| | Consolidated | | University | |
|---|---|---|---|---|
| | 2014 $'000 | 2013 $'000 | 2014 $'000 | 2013 $'000 |
| Short-term employee benefits | 3,780 | 3,994 | 3,061 | 2,995 |

**(d) Other transactions with key management personnel**

Apart from full-time members of staff receiving salaries, no members of the University Council or Group boards received remuneration other than Council or Board fees for services provided to the University or the Group during the year.

## Note 28 Auditor's remuneration

| | Consolidated | | University | |
|---|---|---|---|---|
| | 2014 $ | 2013 $ | 2014 $ | 2013 $ |
| **Audit of the Financial Statements** | | | | |
| ACT Auditor-General's Office | 278,837 | 261,531 | 214,559 | 225,125 |
| **Other audit services - ACT Auditor-General's Office** | | | | |
| Audit of Higher Education Research Data Collected return | 4,024 | 3,888 | 4,024 | 3,888 |
| **Total remuneration of auditors** | 282,861 | 265,419 | 218,583 | 229,013 |

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

## Note 29 Contingent assets and liabilities

**(a) Contingent asset - efficiency dividend funding**

In 2013 the Federal Government announced an *efficiency dividend* would be applied to higher education funding. The efficiency dividend to be applied was 2% for 2014 and 1.5% for 2015. As at the date of this report legislation to implement this measure is still before the Senate.

The Department of Education and Training (the Department) has paid the funding under the Higher Education Support Act 2003 to the University during 2014 as if the efficiency dividend had been legislated.

If the legislation implementing this efficiency dividend for 2014 has not become law by the time the Department reconciles the 2014 funding based on the final 2014 student numbers and other data provided by the University to the Department, in 2015, the Department will be required to pay the University the funding based on the pre-efficiency dividend funding amounts. If this was to occur, it is estimated the additional funding payable to the University for 2014 would be approximately $1.8 million.

At the date of this report it is not known whether the efficiency dividend measure will become law and, if it does become law, whether this will occur prior to the 2014 annual departmental reconciliation.

# UNIVERSITY OF CANBERRA

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2014

### Note 29 Contingent assets and liabilities (continued)

**(b) Contingent liabilities**

***Legal proceedings***

There is one claim pending as at 31 December 2014, which is being managed by the University's insurers.

***Securitised income***

The University has sold its NRAS entitlements to a third party in exchange for upfront consideration of $42.5 million. The University is contractually obligated to pay the third party a termination payment in the event of default by the University, including failure to pay the third party, failure to receive the NRAS entitlement, or insolvency. If the University is required to pay a termination payment, this would be equal the nominal value of the expected future NRAS entitlements at the date of default. As at 31 December 2014, the difference between the estimated termination payment and the recorded financial liability is $7.86 million. As the termination payment is to be calculated by the third party on the date of default, there is uncertainty around this amount. The University has estimated this amount based the nominal value of the expected future NRAS entitlements as at 31 December 2014. The University is currently not expecting to have to pay the termination payment to the third party as the University dwellings are currently at the required occupancy rate and comply with the NRAS Regulations.

***Guarantees***

University of Canberra College Pty Ltd has a guarantee of $36,000 to the Australian Skills Quality Authority as a security deposit for Vocational Education and Training student fees that have been paid in advance.

The University has undertaken to provide financial support to UCU Ltd and to UC Global Pty Ltd should the need arise. At the date of this report, no amounts were expected to be paid under these obligations.

There are no other events identified and not brought to account which could be expected to have a material effect on the financial statements in the future.

## Note 30 Commitments

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

| | Consolidated | | University | |
|---|---|---|---|---|
| | 2014 | 2013 | 2014 | 2013 |
| | $'000 | $'000 | $'000 | $'000 |
| **(a) Capital expenditure commitments** | | | | |
| Commitments payable: | | | | |
| - within twelve months | 4,084 | 16,922 | 4,084 | 16,922 |
| | **4,084** | **16,922** | **4,084** | **16,922** |
| **(b) Other expenditure commitments** | | | | |
| Commitments payable: | | | | |
| - within twelve months | 50 | 50 | 50 | 50 |
| - twelve months or longer | 50 | 150 | 50 | 150 |
| | **100** | **200** | **100** | **200** |
| **(c) Operating lease commitments** | | | | |
| Commitments payable: | | | | |
| - within twelve months | 888 | 598 | 888 | 598 |
| - twelve months or longer | 806 | 524 | 806 | 524 |
| | **1,694** | **1,122** | **1,694** | **1,122** |
| **Total commitments** | **5,878** | **18,244** | **5,878** | **18,244** |

# UNIVERSITY OF CANBERRA

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
### FOR THE YEAR ENDED 31 DECEMBER 2014

### Note 30 Commitments (continued)

***Contracted commitment for car park construction***

In addition to the above, the University, on 24 December 2013, entered into an agreement with the ACT Government for the construction of the University of Canberra Public Hospital on Bruce campus land. As part of this arrangement, subject to agreement on funding, the University is obliged to construct a car parking facility by mid-2017 or early 2018 for use by staff, patients and visitors to the hospital. At the date of this report, a number of conditions precedent have not been met and the location and design of the car park have not been finalised so it is not possible to reliably estimate the commitment for the costs of construction. In any event, in accordance with the agreement, the ACT Government will be funding the cost of construction of the required number of car park spaces.

## Note 31 Related parties and other entities

**(a) Parent entities**

The ultimate parent entity of the Group is the University of Canberra.

**Corporate Bodies**

*Centre for Customs and Excise Studies Pty Ltd (CCES)*

The University holds a 25% share interest in the Centre for Customs and Excise Studies Pty Ltd. This company was established to deliver training in customs studies and to research and publish customs knowledge.

*UC Vikings Ltd*

UCU Ltd holds a 30% membership interest in UC Vikings Ltd. This company was established during 2014 for the purposes of participating in a national rugby union championship to develop rugby union players, coaches and referees to improve the standards and performances of Australian rugby union at Super Rugby and Wallaby level.

**(b) Subsidiaries**

Interests in subsidiaries are set out in Note 32.

**(c) Key management personnel**

Disclosures relating to Council Members / Directors and specified executives are set out in Note 27 Key management personnel disclosures.

# UNIVERSITY OF CANBERRA

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
### FOR THE YEAR ENDED 31 DECEMBER 2014

### Note 31 Related parties and other entities (continued)

#### (d) Transactions with related parties

The following transactions occurred with related parties:

| | Consolidated | | University | |
|---|---|---|---|---|
| | 2014 | 2013 | 2014 | 2013 |
| | $ | $ | $ | $ |
| **Wholly owned subsidiaries:** | | | | |
| ***Receipts*** | | | | |
| Capital contribution building refurbishment | – | – | – | 19,080 |
| Donations / sponsorship | – | – | 12,500 | 24,545 |
| Rent | – | – | 660,927 | 1,025,321 |
| Salary and wages | – | – | – | 2,075,859 |
| Sales of goods and services | – | – | 79,999 | 297,709 |
| Services provided to related entities | – | – | 1,657,477 | 1,845,818 |
| University support services | – | – | 3,111,864 | 2,060,590 |
| ***Payments*** | | | | |
| Block grants distributed | – | – | – | 300,720 |
| Capital contribution building refurbishment | – | – | 30,000 | – |
| Contract services – SAF projects | – | – | 516,581 | 480,575 |
| Contracted services – related parties | – | – | 823,826 | 637,257 |
| Contribution to NATSEM Pty Ltd | – | – | – | 761,430 |
| Debt forgiveness NATSEM Pty Ltd | – | – | – | 586,624 |
| Donations / sponsorship | – | – | 102,736 | – |
| Explicit service subsidy | – | – | 419,988 | 404,936 |
| Interest | – | – | 40,088 | 4,657 |
| Purchase of goods and services | – | – | 393,266 | 408,584 |
| Research income | – | – | – | 567,283 |
| Research strategic fund | – | – | – | 515,000 |
| Student services and amenities fee | – | – | 2,147,350 | 2,338,219 |
| Tenancy management fee | – | – | 539,965 | 353,023 |
| ***Receivable / payable*** | | | | |
| Receivables from subsidiaries | – | – | 1,452,250 | 1,185,767 |
| Payables to subsidiaries | – | – | 2,394,635 | 298,942 |
| **Other related parties - CCES and UC Vikings Ltd:** | | | | |
| Sales of goods and services | 23,068 | 138,023 | 23,068 | 138,023 |
| Purchases of goods and services | 820,380 | 1,704,166 | 820,380 | 1,704,166 |
| Receivables | – | 11,783 | – | 11,783 |
| Payables | 100,000 | – | – | – |

# UNIVERSITY OF CANBERRA

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2014

## Note 32 Subsidiaries

**Interest in controlled entities**

| Name of entity | Principal place of business | Percentage of equity interest held by the University | |
|---|---|---|---|
| | | 2014 | 2013 |
| University of Canberra College Pty Ltd | University Drive, Bruce, ACT 2617 | 100% | 100% |
| UCU Ltd (Membership interest only) | University Drive, Bruce, ACT 2617 | 100% | 100% |
| UC Global Pty Ltd (formerly NATSEM Pty Ltd) | University Drive, Bruce, ACT 2617 | 100% | 100% |
| WJ Weeden Post-Graduate Scholarship Trust Fund | University Drive, Bruce, ACT 2617 | 100% * | |
| University of Canberra Royal Institute of Public Administration Research Fund | University Drive, Bruce, ACT 2617 | 100% * | |

* The University has, effective 1 January 2014, consolidated Weeden Trust and PADMIN Trust. These trust funds are now consolidated in accordance with AASB 10 Consolidated financial statements.

## Note 33 Events occurring after balance date

University of Canberra College Pty Ltd, a controlled entity of the University, changed its taxable status to being income tax paying entity on 1 January 2015.

There are no other matters or circumstances which have arisen since the end of the year that have significantly affected or which may significantly affect the Group.

# UNIVERSITY OF CANBERRA

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2014

## Note 34 Reconciliation of net result from continuing operations 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.

| | | Consolidated | | University | |
|---|---|---|---|---|---|
| | | 2014 | 2013 | 2014 | 2013 |
| | Notes | $'000 | $'000 | $'000 | $'000 |
| **Cash and cash equivalents at the end of the year** | 15 | **16,024** | **12,091** | **3,327** | **4,383** |

**(b) Reconciliation of the net surplus / (deficit) for the period to net cash provided by operating activities**

| | | | | |
|---|---|---|---|---|
| **Net surplus / (deficit) for the period** | **804** | **16,051** | **(1,974)** | **14,659** |
| **Add / (deduct) income / expenses from non-cash transactions** | | | | |
| NRAS securitisation | (2,995) | – | (2,995) | – |
| Depreciation and amortisation | 18,093 | 15,525 | 17,961 | 15,305 |
| Impairment losses | 4,731 | 473 | 4,638 | 500 |
| (Gain) / loss on investment | (34) | 65 | (8) | 65 |
| (Gain) / loss on disposal of assets | (19) | 82 | (29) | 81 |
| | **19,776** | **16,145** | **19,567** | **15,951** |
| **Change in operating assets and liabilities** | | | | |
| Increase in receivables | (4,401) | (2,012) | (2,846) | (4,755) |
| Decrease in other financial assets | 499 | 480 | 499 | 497 |
| (Increase) / decrease in other non-financial assets | 683 | (1,182) | 627 | (1,147) |
| Increase in employee benefits | 2,515 | 613 | 2,198 | 655 |
| Decrease in accrued salaries and wages | (2,592) | (1,393) | (2,871) | (1,231) |
| Increase / (decrease) in payables | (3,878) | 5,622 | (2,869) | 7,703 |
| Increase in other liabilities | 9,441 | 21,754 | 9,010 | 21,828 |
| | **2,267** | **23,882** | **3,748** | **23,550** |
| **Net cash provided by operating activities** | **22,847** | **56,078** | **21,341** | **54,160** |

# UNIVERSITY OF CANBERRA

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2014

## Note 35 Fair value measurement

**(a) Fair value measurement**

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

Due to the short-term nature of current receivables and payables, their carrying value is assumed to approximate their fair value.

The carrying values of current other financial instruments presented in the Statement of Financial Position also approximate their fair values. The fair value of the equity investment which is an unlisted equity has been calculated based on the proportion of the University's interest in the net assets of the investment entity. Refer below for fair value of non-current financial liabilities.

The carrying amounts and aggregate net fair values of financial assets and liabilities at balance date are as follows:

| | Consolidated Carrying Amount | | University Carrying Amount | |
|---|---|---|---|---|
| | 2014 $'000 | 2013 $'000 | 2014 $'000 | 2013 $'000 |
| **Financial assets** | | | | |
| Cash and cash equivalents | 16,024 | 12,091 | 3,327 | 4,383 |
| Trade and other receivables | 23,512 | 14,354 | 18,874 | 13,711 |
| Receivables from University of Canberra College Pty Ltd | – | – | – | 45 |
| Receivables from UCU Ltd | – | – | 960 | 842 |
| Finance lease receivables | 12,228 | 12,725 | 12,228 | 12,725 |
| **At fair value through profit or loss** | | | | |
| Investment - shares | 900 | 767 | 775 | 768 |
| **Carrying amount of financial assets** | **52,664** | **39,937** | **36,164** | **32,474** |
| | | | | |
| **Financial liabilities** | | | | |
| **At amortised cost** | | | | |
| Payables | 21,916 | 33,430 | 17,736 | 32,958 |
| Payable to University of Canberra College Pty Ltd | – | – | 1,859 | – |
| Payable to UC Global Pty Ltd | – | – | 44 | – |
| Payable to Weeden Trust | – | 1 | – | 1 |
| Payable to Public Administration | – | 2 | – | 2 |
| Australian Government financial assistance payable | 3,289 | 8,079 | 3,289 | 8,079 |
| NRAS securitisation * | 39,274 | – | 39,274 | – |
| Lease expiry date payment | 770 | – | 770 | – |
| Cash advance facility - Westpac | – | 19,000 | – | 19,000 |
| Cash advance facilitiy - Commonwealth Bank of Australia * | 51,000 | – | 51,000 | – |
| Loans - ACT Government * | 31,409 | 81,685 | 31,409 | 81,685 |
| **Carrying amount of financial liabilities** | **147,658** | **142,197** | **145,381** | **141,725** |

** Fair value measurement of non-current financial liabilities*

The fair value of the NRAS securitisation approximates the carrying value as the liability has been measured at amortised cost using the effective interest method.

The fair value of the CBA 3 year cash advance facility approximates the carrying value given the short term and fluctuating nature of this bill facility which is used to fund working capital requirements.

The fair value of the ACT Government non-current borrowings is estimated by discounting the future contractual cash flows at the current market interest rates that are available to the Group for similar financial instruments. For the year ending 31 December 2014, the borrowing rates were determined to be 5.80%, which is the interest rate applicable to the one remaining ACT Government loan. This method gives a fair value of $14.473 million.

# UNIVERSITY OF CANBERRA

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
### FOR THE YEAR ENDED 31 DECEMBER 2014

### Note 35 Fair value measurement (continued)

**(b) Valuation techniques and assumptions for the purposes of measuring fair value of financial assets**

The fair values of financial assets are determined as follows:

(i) the fair values of financial assets, including listed equities, traded on active liquid markets are determined with reference to quoted market prices.

(ii) the fair value of the unlisted equity investment has been calculated based on the proportion of the University's interest in the net assets of the investment entity. The University has assessed the net assets of the investment entity approximate its fair value.

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. Refer to Note 36(f) for sensitivity analysis for these investments.

**(c) Fair value measurement of non-financial assets**

The Group measures and recognises the following classes of property, plant and equipment at fair value on a recurring basis. The following table details the last valuation undertaken for these classes of property, plant and equipment.

| Class of Property, plant and equipment | Frequency | Last valuation date |
|---|---|---|
| Land, buildings and infrastructure | 3 years | 31 December 2012 |
| Library collection | 5 years | 31 December 2013 |
| Works of art | 5 years | 31 December 2009 * |

* Works of art were due to be revalued at 31 December 2014 but will be revalued as at 31 December 2015 to align with insurance valuation timings.

**(d) Fair value hierarchy for financial assets**

The Group categorises assets measured at fair value into a hierarchy based on the level of inputs used in measurements as follows:

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

Level 2 fair value measurements are those derived from inputs other than quoted prices within level 1 that are observable for the asset or liability either directly or indirectly.

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

The table on the following page provides the fair value measurements recognised in the Statement of Financial Position categorised into levels at 31 December 2014.

# UNIVERSITY OF CANBERRA

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2014

### Note 35 Fair value measurement (continued)

| | Notes | Level 1 $'000 | Level 2 $'000 | Level 3 $'000 | Total $'000 |
|---|---|---|---|---|---|
| **Consolidated** | | | | | |
| **As at 31 December 2014** | | | | | |
| ***Recurring fair value measurements*** | | | | | |
| **Financial assets** | | | | | |
| Financial asset at fair value through profit or loss | | | | | |
| - Listed equities | 17 | – | – | – | – |
| - Unlisted equities | 17,19 | – | – | 900 | 900 |
| **Total financial assets** | | | | | **900** |
| **Non-financial assets** | | | | | |
| Land and buildings | 20 | – | 389,061 | – | 389,061 |
| Library collection | 20 | – | 1,134 | – | 1,134 |
| Works of art | 20 | – | 1,816 | – | 1,816 |
| **Total non-financial assets** | | | | | **392,011** |

| **Reconciliation of Level 3 fair value measurement of financial assets** | **Unlisted equities $'000** |
|---|---|
| Opening balance 1 January 2014 | 766 |
| Total gains in profit or loss | 34 |
| Investment via subordinated loan - UC Vikings Ltd | 100 |
| **Closing balance 31 December 2014** | **900** |

| | Notes | Level 1 $'000 | Level 2 $'000 | Level 3 $'000 | Total $'000 |
|---|---|---|---|---|---|
| **University** | | | | | |
| **As at 31 December 2014** | | | | | |
| ***Recurring fair value measurements*** | | | | | |
| **Financial assets** | | | | | |
| Financial asset at fair value through profit or loss | | | | | |
| - Listed equities | 17 | – | – | – | – |
| - Unlisted equities | 17,19 | – | – | 775 | 775 |
| **Total financial assets** | | | | | **775** |
| **Non-financial assets** | | | | | |
| Land and buildings | 20 | – | 389,014 | – | 389,014 |
| Library collection | 20 | – | 1,134 | – | 1,134 |
| Works of art | 20 | – | 1,816 | – | 1,816 |
| **Total non-financial assets** | | | | | **391,964** |

| **Reconciliation of Level 3 fair value measurement of financial assets** | **Unlisted equities $'000** |
|---|---|
| Opening balance 1 January 2014 | 767 |
| Total gain in profit or loss | 8 |
| **Closing balance 31 December 2014** | **775** |

# UNIVERSITY OF CANBERRA

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
### FOR THE YEAR ENDED 31 DECEMBER 2014

### Note 35 Fair value measurement (continued)

| | Notes | Level 1 $'000 | Level 2 $'000 | Level 3 $'000 | Total $'000 |
|---|---|---|---|---|---|
| **Consolidated** | | | | | |
| **As at 31 December 2013** | | | | | |
| ***Recurring fair value measurements*** | | | | | |
| **Financial assets** | | | | | |
| Financial asset at fair value through profit or loss | | | | | |
| - Listed equities | 17 | 1 | – | – | 1 |
| - Unlisted equities | 17,19 | – | – | 766 | 766 |
| **Total financial assets** | | | | | **767** |
| **Non-financial assets** | | | | | |
| Land and buildings | 20 | – | 314,208 | – | 314,208 |
| Library collection | 20 | – | 1,206 | – | 1,206 |
| Works of art | 20 | – | 1,772 | – | 1,772 |
| **Total non-financial assets** | | | | | **317,186** |

| **Reconciliation of Level 3 fair value measurement of financial assets** | **Unlisted equities $'000** |
|---|---|
| Opening balance 1 January 2013 | 832 |
| Total loss in profit or loss | (65) |
| **Closing balance 31 December 2013** | **767** |

| | Notes | Level 1 $'000 | Level 2 $'000 | Level 3 $'000 | Total $'000 |
|---|---|---|---|---|---|
| **University** | | | | | |
| **As at 31 December 2013** | | | | | |
| ***Recurring fair value measurements*** | | | | | |
| **Financial assets** | | | | | |
| Financial asset at fair value through profit or loss | | | | | |
| Investments | | | | | |
| - Listed equities | 17 | 1 | – | – | 1 |
| - Unlisted equities | 17,19 | – | – | 767 | 767 |
| **Total financial assets** | | | | | **768** |
| **Non-financial assets** | | | | | |
| Land and buildings | 20 | – | 314,150 | – | 314,150 |
| Library collection | 20 | – | 1,206 | – | 1,206 |
| Works of art | 20 | – | 1,772 | – | 1,772 |
| **Total non-financial assets** | | | | | **317,128** |

| **Reconciliation of Level 3 fair value measurement of financial assets** | **Unlisted equities $'000** |
|---|---|
| Opening balance 1 January 2013 | 833 |
| Total loss in profit or loss | (65) |
| **Closing balance 31 December 2013** | **768** |

# UNIVERSITY OF CANBERRA

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
### FOR THE YEAR ENDED 31 DECEMBER 2014

### Note 35 Fair value measurement (continued)

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements.

| Description | Fair value as at 31 December 2014 $'000 | Fair value as at 31 December 2013 $'000 | Unobservable inputs | Relationship of unobservable inputs to fair value |
|---|---|---|---|---|
| Investments using the equity method | 889 | 755 | Fair value of underlying net assets future earnings | An increase or decrease in the fair value of net assets or estimated future earnings would affect the value of the investment. |
| Unlisted shares | 11 | 13 | Fair value of underlying net assets future earnings | An increase or decrease in the fair value of net assets or estimated future earnings would affect the value of the investment. |

## Note 36 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 in 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 35(a) Fair value measurement.

The University limits its exposure to risks by:

(i) 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 Approved Deposit taking Institutions (ADIs);

(ii) 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 16 Trade and other receivables; and

(iii) finance lease receivables – refer to Note 1(y) Public Private Partnership (PPP) and joint operation in relation to the risk management of this asset.

# UNIVERSITY OF CANBERRA

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
### FOR THE YEAR ENDED 31 DECEMBER 2014

### Note 36 Financial risk management (continued)

#### (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 the University's Audit and Risk Management Committee, which has established an appropriate liquidity risk management framework for the management of the University's short, medium and long-term funding and liquidity management requirements. The University manages liquidity risk by maintaining adequate reserves and banking facilities, and by continuously monitoring forecast and actual cash flows.

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

The University can use its overdraft and cash advance facilities to meet any shortfall, if a need arises. Note 23(b) Financing arrangements 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 2014

### Note 36 Financial risk management (continued)

A maturity analysis of the Group's financial assets and liabilities as well as the exposure to interest rates, including the weighted average interest rates by maturity period is listed on the following two pages:

| | Average Interest Rate | Average Interest Rate | Variable interest rate | Variable interest rate | Fixed interest Maturing within 1 year | Fixed interest Maturing within 1 year | Fixed interest Maturing in 1 to 5 years | Fixed interest Maturing in 1 to 5 years | Fixed interest Maturing in 5 + years | Fixed interest Maturing in 5 + years | Non interest | Non interest | Total | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2014 % | 2013 % | 2014 $'000 | 2013 $'000 | 2014 $'000 | 2013 $'000 | 2014 $'000 | 2013 $'000 | 2014 $'000 | 2013 $'000 | 2014 $'000 | 2013 $'000 | 2014 $'000 | 2013 $'000 |
| **Consolidated** | | | | | | | | | | | | | | |
| **Financial assets** | | | | | | | | | | | | | | |
| Cash and cash equivalents | 3.27 | 3.49 | 16,024 | 12,091 | – | – | – | – | – | – | – | – | 16,024 | 12,091 |
| Trade and other receivables | – | – | – | – | – | – | – | – | – | – | 23,512 | 14,354 | 23,512 | 14,354 |
| Listed and unlisted equities | – | – | – | – | – | – | – | – | – | – | 900 | 767 | 900 | 767 |
| Finance lease receivables | 9.00 | 9.00 | – | – | 497 | 497 | 2,031 | 2,031 | 9,700 | 10,197 | – | – | 12,228 | 12,725 |
| **Total financial assets** | | | **16,024** | **12,091** | **497** | **497** | **2,031** | **2,031** | **9,700** | **10,197** | **24,412** | **15,121** | **52,664** | **39,937** |
| **Financial liabilities** | | | | | | | | | | | | | | |
| Trade and other payables | – | – | – | – | – | – | – | – | – | – | 21,916 | 33,433 | 21,916 | 33,433 |
| Australian Government financial assistance payable | – | – | – | – | – | – | – | – | – | – | 3,289 | 8,079 | 3,289 | 8,079 |
| NRAS securitisation | 4.25 | – | – | – | 3,276 | – | 16,470 | – | 19,528 | – | | – | 39,274 | – |
| Lease expiry date payment | 2.00 | – | – | – | – | – | – | – | 770 | – | – | – | 770 | – |
| Cash advance facility - Commonwealth Bank of Australia * | 3.81 | – | 51,000 | – | – | – | – | – | – | – | – | – | 51,000 | – |
| Cash advance facility - Westpac ** | – | 3.67 | – | 19,000 | – | – | – | – | – | – | – | – | – | 19,000 |
| Loan - ACT Government - Weeden Lodge South | – | 6.50 | – | – | – | 1,142 | – | 5,376 | – | 14,710 | – | – | – | 21,228 |
| Loan - ACT Government - Cooper Lodge | 5.80 | 5.80 | – | – | 409 | – | 7,409 | 9,529 | 23,591 | 31,144 | – | – | 31,409 | 40,673 |
| Loan - ACT Government - Weeden Lodge North | – | 5.94 | – | – | – | – | – | 4,608 | – | 15,176 | – | – | – | 19,784 |
| **Total financial liabilities** | | | **51,000** | **19,000** | **3,685** | **1,142** | **23,879** | **19,513** | **43,889** | **61,030** | **25,205** | **41,512** | **147,658** | **142,197** |

* Facility expires 20 December 2016

** Facility expires 26 June 2016

# UNIVERSITY OF CANBERRA

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
### FOR THE YEAR ENDED 31 DECEMBER 2014

### Note 36 Financial risk management (continued)

| | Average Interest Rate 2014 % | Average Interest Rate 2013 % | Variable interest rate 2014 $'000 | Variable interest rate 2013 $'000 | Fixed interest Maturing within 1 year 2014 $'000 | Fixed interest Maturing within 1 year 2013 $'000 | Fixed interest Maturing in 1 to 5 years 2014 $'000 | Fixed interest Maturing in 1 to 5 years 2013 $'000 | Fixed interest Maturing in 5 + years 2014 $'000 | Fixed interest Maturing in 5 + years 2013 $'000 | Non interest 2014 $'000 | Non interest 2013 $'000 | Total 2014 $'000 | Total 2013 $'000 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **University** | | | | | | | | | | | | | | |
| **Financial assets** | | | | | | | | | | | | | | |
| Cash and cash equivalents | 2.76 | 3.49 | 3,327 | 4,383 | – | – | – | – | – | – | – | – | 3,327 | 4,383 |
| Trade and other receivables | – | – | – | – | – | – | – | – | – | – | 18,874 | 13,711 | 18,874 | 13,711 |
| Receivables from subsidiaries | – | – | – | – | – | – | – | – | – | – | 960 | 887 | 960 | 887 |
| Listed and unlisted equities | – | – | – | – | – | – | – | – | – | – | 775 | 768 | 775 | 768 |
| Finance lease receivables | 9.00 | 9.00 | – | – | 497 | 497 | 2,031 | 2,031 | 9,700 | 10,197 | – | – | 12,228 | 12,725 |
| **Total financial assets** | | | **3,327** | **4,383** | **497** | **497** | **2,031** | **2,031** | **9,700** | **10,197** | **20,609** | **15,366** | **36,164** | **32,474** |
| **Financial liabilities** | | | | | | | | | | | | | | |
| Trade and other payables | – | – | – | – | – | – | – | – | – | – | 17,736 | 32,958 | 17,736 | 32,958 |
| Payable to subsidiaries | – | – | – | – | – | – | – | – | – | – | 1,903 | – | 1,903 | – |
| Payable to Weeden & PADMIN Trusts | – | – | – | – | – | – | – | – | – | – | – | 3 | – | 3 |
| Australian Government financial assistance payable | – | – | – | – | – | – | – | – | – | – | 3,289 | 8,079 | 3,289 | 8,079 |
| NRAS securitisation | 4.25 | – | – | – | 3,276 | – | 16,470 | – | 19,528 | – | – | – | 39,274 | – |
| Lease expiry date payment | 2.00 | – | – | – | – | – | – | – | 770 | – | – | – | 770 | – |
| Cash advance facility - Commonwealth Bank of Australia * | 3.81 | – | 51,000 | – | – | – | – | – | – | – | – | – | 51,000 | – |
| Cash advance facility - Westpac ** | – | 3.67 | – | 19,000 | – | – | – | – | – | – | – | – | – | 19,000 |
| Loan - ACT Government - Weeden Lodge South | – | 6.50 | – | – | – | 1,142 | – | 5,376 | – | 14,710 | – | – | – | 21,228 |
| Loan - ACT Government - Cooper Lodge | 5.80 | 5.80 | – | – | 409 | – | 7,409 | 9,529 | 23,591 | 31,144 | – | – | 31,409 | 40,673 |
| Loan - ACT Government - Weeden Lodge North | – | 5.94 | – | – | – | – | – | 4,608 | – | 15,176 | – | – | – | 19,784 |
| **Total financial liabilities** | | | **51,000** | **19,000** | **3,685** | **1,142** | **23,879** | **19,513** | **43,889** | **61,030** | **22,928** | **41,040** | **145,381** | **141,725** |

* Facility expires 20 December 2016

** Facility expires 26 June 2016

# UNIVERSITY OF CANBERRA

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
### FOR THE YEAR ENDED 31 DECEMBER 2014

### Note 36 Financial risk management (continued)

**(c) 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.

**(d) 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 surplus or equity.

**(e) 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 facilities and Commonwealth funding. The Group’s overall strategy remains unchanged from 2013.

The capital structure of the University consists of net debt.

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

**(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. The University has floating rate financial assets including call accounts and term deposits, and floating rate financial liabilities in the form of cash advance facilities. The University currently has net financial liabilities so is exposed to a risk of a rise in interest rates. The University manages this risk by holding a mix of variable and fixed rate debt and currently has one fixed rate loan with the ACT Government.

# UNIVERSITY OF CANBERRA

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2014

### Note 36 Financial risk management (continued)

The following table summarises the sensitivity of the Group's financial assets and liabilities to interest rate risk.

| **Consolidated** | | **Interest rate risk** | | | |
|---|---|---|---|---|---|
| | **Carrying** | **-0.5%** | | **0.5%** | |
| **As at December 2014** | **Amount $'000** | **Result $'000** | **Equity $'000** | **Result $'000** | **Equity $'000** |
| **Financial assets** | | | | | |
| Cash and cash equivalents | 16,024 | (80) | (80) | 80 | 80 |
| **Financial liabilities** | | | | | |
| Cash advance facility - Commonwealth Bank of Australia | 51,000 | 255 | 255 | (255) | (255) |
| **Total increase / (decrease)** | | 175 | 175 | (175) | (175) |
| **As at December 2013** | | | | | |
| **Financial assets** | | | | | |
| Cash and cash equivalents | 12,091 | (60) | (60) | 60 | 60 |
| **Financial liabilities** | | | | | |
| Cash advance facility - Westpac | 19,000 | 95 | 95 | (95) | (95) |
| **Total increase / (decrease)** | | **35** | **35** | **(35)** | **(35)** |

| **University** | | **Interest rate risk** | | | |
|---|---|---|---|---|---|
| | **Carrying** | **-0.5%** | | **0.5%** | |
| **As at December 2014** | **Amount $'000** | **Result $'000** | **Equity $'000** | **Result $'000** | **Equity $'000** |
| **Financial assets** | | | | | |
| Cash and cash equivalents | 3,327 | (17) | (17) | 17 | 17 |
| **Financial liabilities** | | | | | |
| Cash advance facility - Commonwealth Bank of Australia | 51,000 | 255 | 255 | (255) | (255) |
| **Total increase / (decrease)** | | 238 | 238 | (238) | (238) |
| **As at December 2013** | | | | | |
| **Financial assets** | | | | | |
| Cash and cash equivalents | 4,383 | (22) | (22) | 22 | 22 |
| **Financial liabilities** | | | | | |
| Cash advance facility - Westpac | 19,000 | 95 | 95 | (95) | (95) |
| **Total increase / (decrease)** | | **73** | **73** | **(73)** | **(73)** |

# UNIVERSITY OF CANBERRA

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

## Note 37 Acquittal of Australian Government financial assistance

The following information is provided to meet the Department of Education and Training guidelines. As only relevant to the University, no consolidated figures are provided.

**(a) Education - Commonwealth Grants Scheme and other education grants**

| | Notes | 2014 $'000 | 2013 $'000 | 2014 $'000 | 2013 $'000 | 2014 $'000 | 2013 $'000 | 2014 $'000 | 2013 $'000 |
|---|---|---|---|---|---|---|---|---|---|
| | | Commonwealth Grants Scheme ** | | Indigenous Support Program | | Partnership & Participation Program *** | | Disability Support Program | |
| Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the program) | | 77,952 | 76,894 | 492 | 492 | 3,351 | 1,692 | 85 | 60 |
| Net accrual adjustment | | (179) | (4,765) | – | – | – | – | – | – |
| **Revenue for the period** | 3(a) | **77,773** | **72,129** | **492** | **492** | **3,351** | **1,692** | **85** | **60** |
| Surplus from the previous year | | – | – | – | – | 138 | – | – | – |
| Cost centre adjustment | | – | – | – | – | 19 | – | – | – |
| Total revenue including accrued revenue | | **77,773** | **72,129** | **492** | **492** | **3,508** | **1,692** | **85** | **60** |
| Less expenses including accrued expenses | | (77,773) | (72,129) | (492) | (492) | (3,119) | (1,554) | (85) | (60) |
| **Surplus for reporting period*** | | **–** | **–** | **–** | **–** | **389** | **138** | **–** | **–** |
| | | Learning & Teaching Performance Fund | | Structural Adjustment Fund | | Reward Funding | | Prom of Excellence in Learning and Teaching | |
| Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the program) | | – | 20 | – | 15,136 | – | 393 | 3 | 24 |
| Net accrual adjustment | | – | – | – | – | – | – | – | – |
| **Revenue for the period** | 3(a) | **–** | **20** | **–** | **15,136** | **–** | **393** | **3** | **24** |
| Surplus from the previous year | | – | 20 | 19,277 | 10,831 | 690 | 352 | 4 | 25 |
| Cost centre adjustment | | – | – | 182 | 591 | – | – | – | – |
| Total revenue including accrued revenue | | **–** | **40** | **19,459** | **26,558** | **690** | **745** | **7** | **49** |
| Less expenses including accrued expenses | | – | (40) | (19,459) | (7,281) | (690) | (55) | (7) | (45) |
| **Surplus for reporting period*** | | **–** | **–** | **–** | **19,277** | **–** | **690** | **–** | **4** |

* The reported 2014 surpluses are expected to be rolled over for future use by University of Canberra.
** Includes CGS-enabling loading, Allocated Places Advance and Non Designated Courses Advance .
*** Includes HE Participation Program, HE Partnership Base Funding, HE Partnership Project Funding and HE Partnership National Priority Pool.

# UNIVERSITY OF CANBERRA

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
### FOR THE YEAR ENDED 31 DECEMBER 2014

### Note 37 Acquittal of Australian Government financial assistance (continued)

**(a) Education - Commonwealth Grants Scheme and other education grants (continued)**

| | Notes | 2014 $'000 | 2013 $'000 | 2014 $'000 | 2013 $'000 | 2014 $'000 | 2013 $'000 | 2014 $'000 | 2013 $'000 |
|---|---|---|---|---|---|---|---|---|---|
| | | Australian Maths & Science Partnership Program | | Facilitation Funding | | Superannuation Supplementation | | Total | |
| Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the program) | | 487 | – | – | 1,346 | 178 | 176 | 82,548 | 96,233 |
| Net accrual adjustment | | – | – | – | – | – | – | (179) | (4,765) |
| **Revenue for the period** | 3(a) | **487** | **–** | **–** | **1,346** | **178** | **176** | **82,369** | **91,468** |
| Surplus from the previous year | | – | – | – | – | – | 155 | 20,109 | 11,383 |
| Cost centre adjustment | | – | – | – | – | – | – | 201 | 591 |
| Total revenue including accrued revenue | | **487** | **–** | **–** | **1,346** | **178** | **331** | 102,679 | 103,442 |
| Less expenses including accrued expenses | | (114) | – | – | (1,346) | (178) | (331) | (101,917) | (83,333) |
| **Surplus for reporting period*** | | **373** | **–** | **–** | **–** | **–** | **–** | **762** | **20,109** |

* The reported 2014 surpluses are expected to be rolled over for future use by University of Canberra.

# UNIVERSITY OF CANBERRA

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
### FOR THE YEAR ENDED 31 DECEMBER 2014

Note 37 Acquittal of Australian Government financial assistance (continued)

**(b) Higher Education Loan Programs (excl OS-HELP)**

| | Notes | 2014 $'000 | 2013 $'000 | 2014 $'000 | 2013 $'000 | 2014 $'000 | 2013 $'000 | 2014 $'000 | 2013 $'000 |
|---|---|---|---|---|---|---|---|---|---|
| | | HECS-HELP (Australian Government payments only) | | FEE-HELP | | SA-HELP | | Total | |
| Cash payable / (receivable) at beginning of year | | (3,364) | (4,449) | (288) | 725 | (13) | 497 | (3,665) | (3,227) |
| Financial assistance received in cash during the reporting period | | 52,787 | 49,876 | 3,799 | 2,854 | 2,205 | 1,488 | 58,791 | 54,218 |
| **Cash available for period** | | **49,423** | **45,427** | **3,511** | **3,579** | **2,192** | **1,985** | **55,126** | **50,991** |
| Accrual adjustment | | 3,527 | – | – | – | – | – | 3,527 | – |
| Revenue earned | 3(b) | 52,046 | 48,791 | 3,630 | 3,867 | 2,158 | 1,998 | 57,834 | 54,656 |
| **Cash payable / (receivable) at end of year** | | **904** | **(3,364)** | **(119)** | **(288)** | **34** | **(13)** | **819** | **(3,665)** |

# UNIVERSITY OF CANBERRA

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

### Note 37 Acquittal of Australian Government financial assistance (continued)

**(c) Scholarships**

| | Notes | 2014 $'000 | 2013 $'000 | 2014 $'000 | 2013 $'000 | 2014 $'000 | 2013 $'000 | 2014 $'000 | 2013 $'000 |
|---|---|---|---|---|---|---|---|---|---|
| | | Australian Postgraduate Awards Scheme | | International Postgraduate Research Scholarship Scheme | | Commonwealth Education Cost Scholarships ** | | Commonwealth Accommodation Scholarships | |
| Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the program) | | 1,430 | 1,343 | 121 | 117 | 94 | (256) | 67 | (241) |
| Net accrual adjustment | | – | – | – | – | – | 60 | – | (10) |
| **Revenue for the period** | 3(c) | **1,430** | **1,343** | **121** | **117** | **94** | **(196)** | **67** | **(251)** |
| Surplus from the previous year | | 205 | 355 | – | – | – | 195 | – | 375 |
| Total revenue including accrued revenue | | 1,635 | 1,698 | 121 | 117 | 94 | (1) | 67 | 124 |
| Less expenses including accrued expenses | | (1,264) | (1,493) | (121) | (117) | (94) | 1 | (67) | (124) |
| **Surplus for reporting period*** | | **371** | **205** | **–** | **–** | **–** | **–** | **–** | **–** |

| | Notes | 2014 $'000 | 2013 $'000 | 2014 $'000 | 2013 $'000 | 2014 $'000 | 2013 $'000 |
|---|---|---|---|---|---|---|---|
| | | Indigenous Access Scholarships | | Indigenous Staff Scholarships *** | | Total | |
| Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the program) | | 85 | **(27)** | – | (1) | 1,797 | 935 |
| Net accrual adjustment | | – | (24) | – | – | – | 26 |
| **Revenue for the period** | 3(c) | **85** | **(51)** | **–** | **(1)** | **1,797** | **961** |
| Surplus from the previous year | | – | 121 | – | 2 | 205 | 1,048 |
| Total revenue including accrued revenue | | **85** | **70** | – | 1 | 2,002 | 2,009 |
| Less expenses including accrued expenses | | (85) | (70) | – | (1) | (1,631) | (1,804) |
| **Surplus for reporting period*** | | **–** | **–** | **–** | **–** | **371** | **205** |

* The reported 2014 surpluses are expected to be rolled over for future use by University of Canberra.
** Includes National Priority Scholarships
*** Includes Indigenous Staff Scholarships Tuition Fees and Indigenous Staff Scholarships Stipend Payments.

# UNIVERSITY OF CANBERRA

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

### Note 37 Acquittal of Australian Government financial assistance (continued)

**(d) Education Research**

| | Notes | 2014 $'000 | 2013 $'000 | 2014 $'000 | 2013 $'000 | 2014 $'000 | 2013 $'000 | 2014 $'000 | 2013 $'000 |
|---|---|---|---|---|---|---|---|---|---|
| | | Joint Research Engagement Scheme | | Research Training Scheme | | Research Infrastructure Block Grants | | Sustainable Research Excellence | |
| Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the program) | | 2,503 | 2,218 | 3,179 | 3,075 | 460 | 381 | 721 | 661 |
| Net accrual adjustment | | – | – | – | – | – | – | – | – |
| **Revenue for the period** | 3(d) | **2,503** | **2,218** | **3,179** | **3,075** | **460** | **381** | **721** | **661** |
| Surplus from the previous year | | – | – | – | – | – | – | – | – |
| Total revenue including accrued revenue | | 2,503 | 2,218 | 3,179 | 3,075 | 460 | 381 | 721 | 661 |
| Less expenses including accrued expenses | | (2,503) | (2,218) | (3,179) | (3,075) | (460) | (381) | (721) | (661) |
| **Surplus for reporting period*** | | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** |

| | Notes | 2014 $'000 | 2013 $'000 | 2014 $'000 | 2013 $'000 |
|---|---|---|---|---|---|
| | | Other** | | Total | |
| Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the program) | | – | 20 | 6,863 | 6,355 |
| Net accrual adjustment | | – | (30) | – | (30) |
| **Revenue for the period** | 3(d) | **–** | **(10)** | **6,863** | **6,325** |
| Surplus from the previous year | | – | 10 | – | 10 |
| Total revenue including accrued revenue | | – | – | 6,863 | 6,335 |
| Less expenses including accrued expenses | | – | – | (6,863) | (6,335) |
| **Surplus for reporting period*** | | **–** | **–** | **–** | **–** |

* The reported 2014 surpluses are expected to be rolled over for future use by University of Canberra.
** Includes Joint Research Engagement Program Cadetship.

# UNIVERSITY OF CANBERRA

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
## FOR THE YEAR ENDED 31 DECEMBER 2014

### Note 37 Acquittal of Australian Government financial assistance (continued)

#### (e) Australian Research Council Grants

| | Notes | 2014 $'000 | 2013 $'000 | 2014 $'000 | 2013 $'000 | 2014 $'000 | 2013 $'000 | 2014 $'000 | 2013 $'000 |
|---|---|---|---|---|---|---|---|---|---|
| | | Discovery Projects | | Discovery early researcher award | | Linkage Projects | | Future Fellowship Projects | |
| Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the program | | 2,070 | 996 | 131 | – | 697 | 478 | 832 | 1,138 |
| Net accrual adjustment | | – | – | – | – | 84 | (84) | – | – |
| **Revenue for the period** | 3(e) | **2,070** | **996** | **131** | **–** | **781** | **394** | **832** | **1,138** |
| Surplus from the previous year | | 676 | 428 | – | – | 177 | 198 | 725 | 132 |
| Total revenue including accrued revenue | | 2,746 | 1,424 | 131 | – | 958 | 592 | 1,557 | 1,270 |
| Less expenses including accrued expenses | | (1,151) | (748) | (85) | – | (412) | (415) | (778) | (545) |
| **Surplus for reporting period*** | | **1,596** | **676** | **46** | **–** | **546** | **177** | **779** | **725** |

| | Notes | 2014 $'000 | 2013 $'000 | 2014 $'000 | 2013 $'000 |
|---|---|---|---|---|---|
| | | ARC Laureate fellowship | | Total | |
| Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the program) | | 198 | – | 3,928 | 2,612 |
| Net accrual adjustment | | – | – | 84 | (84) |
| **Revenue for the period** | 3(e) | **198** | **–** | **4,012** | **2,528** |
| Surplus from the previous year | | – | – | 1,578 | 758 |
| Total revenue including accrued revenue | | 198 | – | 5,590 | 3,286 |
| Less expenses including accrued expenses | | (13) | – | (2,438) | (1,708) |
| **Surplus for reporting period*** | | **186** | **–** | **3,152** | **1,578** |

* The reported 2014 surpluses are expected to be rolled over for future use by University of Canberra.

# UNIVERSITY OF CANBERRA

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2014

### Note 37 Acquittal of Australian Government financial assistance (continued)

| | Notes | University 2014 $'000 | University 2013 $'000 |
|---|---|---|---|
| **(f) OS-HELP** | | | |
| Cash received during the reporting period | | 2,154 | 1,097 |
| Cash spent during the reporting period | | (1,435) | (1,229) |
| **Net cash received** | 3(g) | **718** | **(132)** |
| Cash surplus from the previous period | | 70 | 202 |
| **Cash surplus for reporting period** | | **788** | **70** |
| **(g) Higher Education Superannuation Program** | | | |
| Cash received during the reporting period | | 178 | 176 |
| University contribution in respect of current employees | | 201 | 261 |
| Cash available | | 379 | 437 |
| Cash surplus from the previous period | | 293 | 334 |
| Cash available for current period | | 671 | 771 |
| Contributions to specified defined benefits funds | | (386) | (478) |
| **Cash surplus this period** | | **285** | **293** |
| **(h) Student Services and Amenities Fee** | | | |
| Unspent revenue from previous period | | 13 | 496 |
| SA-HELP revenue earned | 3(b) | 2,158 | 1,998 |
| Student Services and Amenities Fees direct from students | 5 | 1,700 | 1,634 |
| Total revenue expendable in period | | 3,871 | 4,128 |
| Student services expenses during period | | (3,904) | (4,115) |
| **Unspent / (overspent) student services revenue** | | **(33)** | **13** |

**END OF CONSOLIDATED FINANCIAL STATEMENTS**

UNIVERSITY OF CANBERRA

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