UNIVERSITY OF CANBERRA

ANNUAL REPORT

2019

VOLUME 2

UNIVERSITY OF CANBERRA

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

CONTENTS

ACT Audit Office

AUDITOR-GENERAL AN OFFICER OF THE ACT LEGISLATIVE ASSEMBLY

INDEPENDENT AUDITOR'S REPORT

To the Members of the ACT Legislative Assembly

Opinion

I have audited the consolidated financial statements (the financial statements) of the University of Canberra (the University) for the year ended 31 December 2019 which comprise the statement of comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows, and notes to the financial statements including a summary of significant accounting policies.

In my opinion, the financial statements are in accordance with the *Financial Management Act 1996* (as amended by the *University of Canberra Act 1989)* and Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

(i) presenting fairly, in all material respects, the financial position of the University as at 31 December 2019, and its financial performance and cash flows for the year then ended; and

(ii) complying with Australian Accounting Standards and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013.*

Basis for opinion

I conducted the audit in accordance with the Australian Auditing Standards. My responsibilities under the standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of this report.

I am independent of the University in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Requirements)* (the Code). I have also fulfilled my other ethical responsibilities in accordance with the Code.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of the University for the financial statements

The University Council is responsible for:

- preparing and fairly presenting the financial statements in accordance with the *Financial Management Act 1996* (as amended by the *University of Canberra Act 1989), Australian Charities and Not-for-profits Commission Act 2012, Australian Charities and Not-for-profits Commission Regulation 2013* and relevant Australian Accounting Standards;
- determining the internal controls necessary for the preparation and fair presentation of the financial statements so that they are free from material misstatements, whether due to error or fraud; and
- assessing the ability of the University to continue as a going concern and disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting in preparing the financial statements.

Level 4, 11 Moore Street Canberra City ACT 2601 PO Box 275 Civic Square ACT 2608
T 02 6207 0833 F 02 6207 0826 E actauditorgeneral@act.gov.au W www.audit.act.gov.au

Auditor's responsibilities for the audit of the financial statements

Under the *Financial Management Act 1996*, the Auditor-General is responsible for issuing an audit report that includes an independent opinion on the financial statements of the University.

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for expressing an opinion on the effectiveness of the University's internal controls;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the University;
- conclude on the appropriateness of the University's use of the going concern basis of accounting and, based on audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the University's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in this report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. I base my conclusions on the audit evidence obtained up to the date of this report. However, future events or conditions may cause the University to cease to continue as a going concern; and
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether they represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the University Council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Michael Harris
Auditor-General
15 April 2020

UNIVERSITY OF CANBERRA

UNIVERSITY OF CANBERRA COUNCIL MEMBERS' DECLARATION
FOR THE YEAR ENDED 31 DECEMBER 2019

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 them, we state that:

In our opinion, the following financial statements provide a true and fair view of the financial position at 31 December 2019 and the financial performance for the year then ended for the University of Canberra and its 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, the Australian Charities and Not-for-profits Commission Act 2012 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.

The 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 3rd day of April 2020

Professor Tom Calma AO

Chancellor

Ms Belinda Robinson

Vice-Chancellor and President

UNIVERSITY OF CANBERRA

REPORT BY THE MEMBERS OF THE UNIVERSITY OF CANBERRA COUNCIL
FOR THE YEAR ENDED 31 DECEMBER 2019

The following people were the members of the University Council during the year ended 31 December 2019.

Chancellor of the University

Professor Tom Calma AO, AssocDipSocialWork *SAIT*, HonDLitt *CDU*, HonDSc *Curtin,* HonDUniv *Flin*
Chair, Nominations and Senior Appointments Committee
Term of Office:
Appointed as a Council Member by the ACT Chief Minister: 21 October 2008 – 31 December 2013 Appointed as Chancellor by the Council: 1 January 2014 – 31 December 2022

Vice-Chancellor and President

Professor H. Deep Saini, BSc (Hons) *India,* MSc (Hons) *India*, PhD (Plant Physiology) *Adelaide*
Term of Office: 1 September 2016 – 24 December 2019

Chair of Academic Board

Professor Dharmendra Sharma AM, BSc, PGradMath, MSc *USP*, PhD *ANU*, FACS, FSPCS, SMIEEE, CompIEAust, GAICD
Term of Office: 1 January 2014 – 31 December 2019

Appointed by the ACT Chief Minister

Dr Chris Faulks, BA *ANU*, HonDUniv *Canberra,* GradDip Education *Canberra*, GradDip Management *AGSM*, GAICD
Chair, Planning and Development Committee
Term of Office: Appointed as a Council Member: 1 January 2014 – 30 June 2020
Appointed as Deputy Chancellor: 27 October 2017 – 30 June 2020

Dr Tom Karmel AM, BA (Hons) *Flin,* MEc, PhD *ANU*
Term of Office: 22 May 2012 – 21 May 2018, reappointed 19 November 2018 – 18 November 2021

Ms Patricia Kelly PSM BA (*UTS*) GAICD
Chair, Legislation Committee
Term of Office: 9 April 2019 – 8 April 2022

Mr Glenn Keys AO, BE-Mech *UNSW*, HonFIE Aust, AICD, AIPM, FIML
Term of Office: 1 July 2017 – 30 June 2020

Mr Barry Mewett, FCPA, FIPAA
Chair, Audit and Risk Management Committee
Term of Office: 20 October 2011 – 20 October 2020

Ms Annabelle Pegrum AM, BSc Arch *Syd*, B Arch (Hons 1st) *Syd*
LFRAIA GAICD
Term of Office: 19 November 2018 – 18 November 2021

Appointed by the ACT Chief Minister (continued)

Ms Prue Power AM, MPH *ANU*
Chair, Legislation Committee
Term of Office: 1 January 2010 – 29 January 2019

Dr Michael Schaper, BA *UWA*, M.Comm, PhD *Curtin*
Term of Office: 19 November 2018 – 18 November 2021

Mr David Sturgiss, BCom *UNSW*, FCA, CFTP Snr, MAICD
Chair, Finance Committee
Chair, Investment Committee
Term of Office: 23 January 2018 – 22 January 2021

Elected by Academic Staff

Dr Holly Northam OAM, PhD, MCritCareNurs, RN, RM, Churchill Fellow
Term of Office: 1 January 2018 – 31 December 2019

Elected by Professional Staff

Ms Mara Eversons, BEd *Canberra*, MBA *Canberra*
Term of Office: 1 January 2016 – 31 December 2019

Elected by Postgraduate Students

Ms Caroline Gouws BSc (Hons) Human Nutrition *Canberra*
Term of Office: 1 January 2019 – 31 December 2019

Elected by Undergraduate Students

Mr Kieran Heid
Term of Office: 1 January 2019 – 31 December 2019

REPORT BY THE MEMBERS OF THE UNIVERSITY OF CANBERRA COUNCIL FOR THE YEAR ENDED 31 DECEMBER 2019 (continued)

Meetings of Members

The table below provides details of the number of Council and Committee meetings convened during the year, details of the meetings Council members were eligible to attend and their record of attendance:

	Ordinary Council Meetings		Special Council Meetings		Audit and Risk Management (ARMC)		Finance		Joint ARMC and Finance		Nominations and Senior Appointments		Legislation		Planning and Development	
	A	B	A	B	A	B	A	B	A	B	A	B	A	B	A	B
Professor Tom Calma AO	7	7	1	2	-	-	-	-	-	-	6[2]	7	-	-	-	-
Dr Chris Faulks	7	7	2	2	-	-	-	-	-	-	7	7	-	-	4	4
Professor H. Deep Saini	7	7	2	2	3[1]	4	5	6	1	2	5[3]	7	1	1	3	4
Professor Dharmendra Sharma AM	7	7	-	2	-	-	-	-	-	-	4[3]	7	-	-	-	-
Dr Tom Karmel AM	6	7	2	2	4	4	-	-	2	2	6	6	-	-	-	-
Ms Patricia Kelly PSM	4	5	2	2	-	-	-	-	-	-	4	4	1	1	-	-
Mr Glenn Keys AO	7	7	-	2	-	-	-	-	-	-	-	-	-	-	-	-
Mr Barry Mewett	7	7	2	2	4	4	6	6	2	2	-	-	-	-	-	-
Ms Annabelle Pegrum AM	7	7	2	2	4	4	-	-	1	2	-	-	-	-	3	4
Ms Prue Power AM	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dr Michael Schaper	6	7	2	2	-	-	4	6	2	2	-	-	-	-	-	-
Mr David Sturgiss	7	7	2	2	-	-	6	6	2	2	-	-	-	-	3	4
Dr Holly Northam OAM	7	7	2	2	-	-	-	-	-	-	-	-	1	1	-	-
Ms Mara Eversons	5	7	-	2	3	4	-	-	1	2	-	-	-	-	-	-
Ms Caroline Gouws	7	7	2	2	-	-	-	-	-	-	-	-	-	-	-	-
Mr Kieran Heid	7	7	1	2	-	-	-	-	-	-	-	-	-	-	-	-

A - Number of meetings attended as a member
B - Number of meetings held during the time the Director held office during the year
1 - The Vice-Chancellor attends but is not a member of the Audit and Risk Management Committee.
2 - Did not attend one meeting due to declared conflict of interest
3 - Did not attend two meetings due to declared conflicts of interest

Principal activities

During the year, the principal activities of the University and the consolidated entity consisted of:

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

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

Review of operations

Academic matters

Academic Board

The *University of Canberra Act 1989* (ACT) establishes the Academic Board which is responsible under the Council for all academic matters relating to the University. During the year ended 31 December 2019, the Academic Board advised the Council on matters relating to education, learning and research, and the academic work of the University generally. The Academic Board also reported to the Council on the quality assurance outcomes of the University's academic program including teaching and learning strategies, curriculum, programs and learning support services, as well as the University's research and research training strategies and programs.

Curriculum Renewal

The Curriculum Review Program commenced in 2017 with the vision to transform the student experience by enhancing student learning outcomes, experience and learner engagement; producing career-ready graduates; and empowering academic staff to focus on innovative and integrated teaching and research excellence. Students are now enrolled in re-designed courses flowing from this program. Work continues on reviewing remaining undergraduate courses and preparing a new blueprint for postgraduate courses incorporating this vision.

Student load

The University of Canberra maintained its student load of about 11,500 EFTSL in 2019. The student profile indicates more females than males study at the University, with an increase of about three per cent in onshore female EFTSL since 2015. The broader capital region remains the University's main catchment for domestic students. International students represented 20% of our onshore student load.

Campus development

Proceeds from campus developments will be used to support the University's strategic objectives. Details of the current development arrangements are provided below.

Campus Community

On 21 April 2016, the University entered into a Project Implementation Agreement (PIA) with a subsidiary of Peet Limited. The parties to the PIA intend to develop and construct up to 3100 residences and community facilities on the Bruce campus over a 15 to 20-year period. Commencement of construction is subject to finalisation of documentation and satisfaction of a number of conditions precedent. It is anticipated construction of enabling works will commence in late 2020 or early 2021.

Moran Aged Care Facility

On 18 December 2015, the University entered into a Project Delivery Agreement with the Moran Health Care Group for the development and construction of an aged-care facility and childcare centre on campus. Following an expansion of services to be offered by the aged-care facility, an extensive redesign of the building occurred in 2017. The project is progressing with the preparation of the Development Application. Construction is expected to commence in 2020.

Canberra Specialist Medical Centre (CSMC)
On 29 August 2017, the University entered into a development agreement with the Icon Group and Cornerstone Building Developments (builder and developer) to construct a multi-disciplinary cancer care facility on the Bruce campus. The CSMC was officially opened by the Minister for Health, the Hon. Greg Hunt MP on 19 February 2019.

Group financial performance

Extract from the Statement of Comprehensive Income

	2019 $'000	2018 $'000	Change $'000	Change %
Total income from continuing operations	319,289	311,093	8,196	2.6
Total expenses from continuing operations	299,765	292,586	7,179	2.5
Net surplus from continuing operations	**19,524**	**18,507**	**1,017**	**5.5**

The increase in income was due to a continued increase in international onshore student fees ($10.7 million) and fee paying postgraduate domestic student fees ($2.1 million) in 2019.

Expenses increased overall in approximate alignment with the 2019 All Groups Consumer Price Index (1.8%) and there was no particular line of significant movement.

Extract from the Statement of Financial Position

	2019 $'000	2018 $'000	Change $'000	Change %
Total current assets	26,796	30,426	(3,630)	(11.9)
Total non-current assets	745,517	722,706	22,811	3.2
Total assets	772,313	753,132	19,181	2.5
Total current liabilities	95,160	72,301	22,859	31.6
Total non-current liabilities	118,626	144,538	(25,912)	(17.9)
Total liabilities	213,786	216,839	(3,053)	(1.4)
Net assets	558,527	536,293	22,234	4.1

Total current assets decreased due to the reduction in assets held for sale ($9.3 million) relating to the settlement of the Scrivener Building partially offset by the recognition of contract assets and contracts receivable required under the introduction of AASB 15 *Revenue from contracts with customers* ($2.8 million).

Current liabilities increased due to the recognition of contract liabilities required under introduction of AASB 15 *Revenue from contracts with customers* ($12.8 million) together with an increase in trade payables ($4.3 million), student fee revenue received in advance ($2.5 million) and a number of other minor increases.

Non-current assets increased due to the revaluation of the shares in Education Australia Ltd (increase $18.3 million), Uniprojects Pty Ltd (increase $1.8 million) and AARNET (decrease $0.2 million). There was also a number of software assets commissioned during the year ($7.2 million).

Non-current liabilities decreased overall due to the reduction in borrowings ($23.0 million) and the financial liabilities related to the NRAS and rent securitisation arrangements ($5.1 million and $4.2 million respectively). Excluding the restricted cash, and only taking into account the current liabilities which are expected to be settled within 12 months, the Group's current ratio is as follows:

	2019 $'000	2018 $'000	Change $'000	Change %
Total current assets	22,296	26,526	(4,230)	(15.9)
Total current liabilities	84,815	61,860	22,955	37.1
Current ratio	0.26	0.43		

The decrease in the current ratio is attributed to the reduction in current assets and increase in current liabilities as noted above.

The University is showing a position where current labilities exceed current assets however, the University has available undrawn debt facilities at balance date of $52.5 million and is also a recipient of regular fortnightly payments from the Commonwealth for its Commonwealth Supported Place (CSP) students and other university related funding. These two factors enable the University to meet its cash commitments when required.

Extract from the Statement of Cash Flows

	2019 $'000	2018 $'000	Change $'000	Change %
Net cash provided by operating activities	49,711	32,011	17,700	55.3
Net cash used in investing activities	(22,214)	(24,496)	2,282	(9.3)
Net cash provided by financing activities	(28,063)	(7,168)	(20,895)	291.5
Net decrease in cash and cash equivalents	(567)	347	(914)	(263.4)
Closing balance	3,644	4,211	(567)	(13.5)

The net cash provided by operating activities increased due to an increase in receipts from Australian Government grants received ($6.9 million), Other Commonwealth grants ($12.3 million) offset by a reduction in cash from students and other customers ($5.6 million).

Net cash outflow from investing activities decreased ($2.3 million) due to increased dividend receipt from Education Australia ($2.1 million) offset by an increase net outflow related to property, plant and equipment ($0.2 million) and a decreased net outflow for investments ($0.4 million). Net cash flow from financing activities improved as drawdowns from the debt facilities were not required given the additional cash from operations.

Overall financial results

The net surplus from continuing operations in 2019 of $19.5 million together with the net revaluation increments of $10.8 million, have contributed to the strengthening of the University Group's financial position evidenced by the higher net assets at balance date. The development of the Bruce campus and the proceeds from those activities will further assist with the improvement of the University Group's financial position.

Research

The number of research publications per research active academic has remained stable. The quality of the publications has increased as evidenced by an increase in percentage that are in the top quartile of journals for each discipline, from 57.3% in 2017 to 68.3% in 2019. Other measures of academic impact have also increased with publications with international co-authors increasing from 40% in 2017 to 43% in 2019 and publications with non-academic co-authors increasing from 0.6% in 2017 to 1.9% in 2019.

The number of Higher Degree by Research (HDR) candidates has remained stable as has the number of HDR candidates and HDR completions per academic staff member. In 2018 (latest available), there were 541 HDR candidates at the University, which is comparable to the 2017 figure (544).

Significant changes in state of affairs

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

Matters subsequent to the end of the financial year

COVID-19

The World Health Organization declared a world-wide pandemic on 11 March 2020 with the Australian Federal Government subsequently implementing the Australian Health Management Plan for Pandemic Influenza and the Australian Health Sector Emergency Response Plan for Novel Coronavirus. Australia effectively closed its borders to all non-residents and non-citizens on Friday 20 March 2020. The University has adopted a working-from-home approach for all areas of operation from Monday 30 March 2020 that is scheduled to last until 30 May 2020.

The University's Semester 1 commenced on 10 February 2020 and most of our students were on-campus at the time the borders closed and as such the estimated impact on Semester 1 student numbers and revenue is currently considered immaterial. The University has developed on-line teaching and associated remote delivery strategies to be implemented from 14 April 2020 that will enable the University to continue to deliver courses to students and lessen the impact on their studies. There is considerable uncertainty inherent in determining the number of students who will not be able to, or choose not to, participate in their enrolled subjects during Semester 2 of 2020.

The impact of COVID-19 on businesses around the world is evolving rapidly and its future effects uncertain.

The University continues to regularly reassess the impact of COVID-19 on our financial performance and financial position and will adjust its operations as further reliable and relevant information becomes available.

Likely developments and expected results of operations

Future funding arrangements by the Commonwealth became clearer in late 2019 with the release of the new Performance Based Funding (PBF) parameters of the Commonwealth Grants Scheme (CGS) in August 2019. From 2020 the University will have access to additional CGS funding, subject to performance across four measures; student success, equity group participation, graduate employment outcomes and student experience, and dependent on student enrolments being sufficient to meet the current funding cap plus PBF. The University has submitted its plan to the Commonwealth and is awaiting final advice. The PBF component of the CGS is designed to grow to a limit of 7.5 per cent of total payments, expected to be reached in seven years.

The University has indicated it has more land than it requires for direct academic purposes and is exploring further developments and partnerships to develop this land to add to its teaching, research and training functions. The proceeds from developments will be used to support the University's strategic objectives.

Environmental regulation

The University operations are subject to various environmental regulations under both Commonwealth and Territory legislation. There are no environmental matters significantly affecting the University under this legislation.

Insurance of employees

Appropriate insurance has been acquired for Members of the Council, officers and employees of the University whilst acting in their individual or collective capacities on behalf of the University.

Proceedings on behalf of the University of Canberra

There is one legal matter subject to litigation that is material and pending at 31 December 2019. This matter 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 3rd day of April 2020.

Professor Tom Calma AO

Chancellor

UNIVERSITY OF CANBERRA

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	Consolidated 2019 $'000	Consolidated 2018 $'000	University 2019 $'000	University 2018 $'000
Income from continuing operations					
Australian Government financial assistance					
Australian Government grants	3.1(a)(c-f)	115,885	113,738	115,885	113,738
HELP - Australian Government payments	3.1(b)	68,443	68,962	68,443	68,962
HECS-HELP - student payments		6,225	5,837	6,225	5,837
Territory, State and local government financial assistance	3.2	2,728	3,216	2,726	3,216
Fees and charges	3.3	86,456	74,064	86,456	74,064
Consultancies and research contracts	3.4	6,347	5,583	6,342	5,583
Other revenue	3.5	1,373	1,308	1,266	1,308
Investment revenue	4	3,237	1,201	3,099	1,084
Share of profit on investments accounted for using the equity method	14	216	–	216	–
Total revenue from continuing operations		**290,910**	**273,909**	**290,658**	**273,792**
Other income	3.5	28,379	37,184	23,577	34,062
Total income from continuing operations		**319,289**	**311,093**	**314,235**	**307,854**
Expenses from continuing operations					
Employee related expenses	5	166,572	164,562	162,693	161,192
Depreciation and amortisation	6	23,176	21,044	23,035	20,904
Repairs and maintenance		6,718	4,624	6,652	4,544
Borrowing costs	7	4,039	4,924	4,039	4,924
Impairment losses		93	505	98	492
Other expenses	8	98,828	96,220	98,259	96,251
Share of loss on investments accounted for using the equity method	14	–	275	–	275
Loss on disposal of assets		339	432	252	431
Total expenses from continuing operations		**299,765**	**292,586**	**295,028**	**289,013**
Net result from continuing operations		**19,524**	**18,507**	**19,207**	**18,841**
Other comprehensive income					
Items that may be reclassified to profit or loss:					
Revaluation increment of investments in equity instruments designated as Fair Value Through Other Comprehensive Income	21	20,851	8,745	20,316	8,899
Items that will not be reclassified to profit or loss:					
Revaluation increment of property, plant and equipment	21	(10,058)	(7,430)	(10,058)	(7,430)
Total comprehensive income		**30,317**	**19,822**	**29,465**	**20,310**

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

UNIVERSITY OF CANBERRA

STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2019

	Notes	Consolidated 2019 $'000	Consolidated 2018 $'000	University 2019 $'000	University 2018 $'000
ASSETS					
Current assets					
Cash and cash equivalents	9	3,644	4,211	3,379	3,945
Receivables	10	10,959	8,738	10,313	9,915
Contract assets	3.7/10	642	–	642	–
Contract receivable	3.7/10	2,185	–	2,185	–
Non-current assets held for sale	12	564	9,870	564	9,870
Other non-financial assets	13	8,802	7,607	8,464	7,358
Total current assets		**26,796**	**30,426**	**25,547**	**31,088**
Non-current assets					
Other financial assets	11	58,177	37,232	53,871	33,529
Other non-financial assets	13	9,244	9,741	9,244	9,741
Investments accounted for using the equity method	14	3,665	3,449	3,665	3,449
Property, plant and equipment	15	655,201	661,013	654,398	660,357
Right of use lease assets	15.1	1,401	–	1,401	–
Intangible assets	16	17,829	11,271	17,829	11,269
Total non-current assets		**745,517**	**722,706**	**740,408**	**718,345**
Total assets		**772,313**	**753,132**	**765,955**	**749,433**
LIABILITIES					
Current liabilities					
Trade and other payables	17	27,152	22,852	24,899	22,375
Provisions	19	21,920	21,722	21,651	21,453
Other liabilities	20	31,167	27,727	31,267	27,684
Contract liabilities	3.6	14,921	–	14,696	–
Total current liabilities		**95,160**	**72,301**	**92,513**	**71,512**
Non-current liabilities					
Borrowings	18	58,500	81,500	58,500	81,500
Provisions	19	4,655	2,097	4,635	2,089
Contract liabilities	3.6	2,956	–	2,956	–
Other liabilities	20	52,515	60,941	52,514	60,941
Total non-current liabilities		**118,626**	**144,538**	**118,605**	**144,530**
Total liabilities		**213,786**	**216,839**	**211,118**	**216,042**
NET ASSETS		**558,527**	**536,293**	**554,837**	**533,391**
EQUITY					
Reserves	21	390,216	379,423	389,663	379,405
Retained earnings		168,311	156,870	165,174	153,986
Total equity		**558,527**	**536,293**	**554,837**	**533,391**

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 2019

	Notes	Reserves $'000	Retained Earnings $'000	Total $'000
Consolidated				
Total equity at 1 January 2018		378,108	132,813	510,921
Revaluation increment of property, plant and equipment	21	(7,430)	–	(7,430)
Revaluation - investments at fair value through other comprehensive income	21	8,745	–	8,745
Opening adjustment for equity investments designated at fair value through comprehensive income		–	5,550	5,550
Operating surplus		–	18,507	18,507
Balance at 31 December 2018		**379,423**	**156,870**	**536,293**
Total equity at 1 January 2019		379,423	156,870	536,293
Retrospective changes	1(d)	–	(8,083)	(8,083)
Balance as restated		379,423	148,787	528,210
Revaluation - property, plant and equipment	21	(10,058)	–	(10,058)
Revaluation - investments at fair value through other comprehensive income	21	20,851	–	20,851
Operating surplus		–	19,524	19,524
Balance at 31 December 2019		**390,216**	**168,311**	**558,527**
University				
Total equity at 1 January 2018		377,936	129,595	507,531
Revaluation increment of property, plant and equipment	21	(7,430)	–	(7,430)
Revaluation - investments at fair value through other comprehensive income	21	8,899	–	8,899
Opening adjustment for equity investments designated at fair value through comprehensive income		–	5,550	5,550
Operating surplus		–	18,841	18,841
Balance at 31 December 2018		**379,405**	**153,986**	**533,391**
Total equity at 1 January 2019		379,405	153,986	533,391
Retrospective changes	1(d)		(8,019)	(8,019)
Balance as restated		379,405	145,967	525,372
Revaluation - property, plant and equipment	21	(10,058)	–	(10,058)
Revaluation - investments at fair value through other comprehensive income	21	20,316	–	20,316
Operating surplus		–	19,207	19,207
Balance at 31 December 2019		**389,663**	**165,174**	**554,837**

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 2019

	Notes	Consolidated 2019 $'000	Consolidated 2018 $'000	University 2019 $'000	University 2018 $'000
Cashflows from operating activities					
Australian Government grants		182,958	176,048	182,958	176,048
Superannuation Supplementation		38	29	38	29
OS-HELP (net)		(450)	194	(450)	194
Other Commonwealth grants		19,655	7,324	19,655	7,324
Territory and State Government grants		3,568	3,216	3,568	3,216
HECS-HELP student payments		6,225	5,837	6,225	5,837
Receipts from student fees and other customers		106,303	109,874	104,217	108,008
Interest received		42	112	22	30
Payments to suppliers and employees (including GST)		(264,626)	(265,699)	(262,878)	(264,007)
Interest and other costs of finance paid		(4,002)	(4,924)	(4,002)	(4,924)
Net cash provided by operating activities	29(b)	**49,711**	**32,011**	**49,353**	**31,755**
Cashflows from investing activities					
Proceeds from sale of property, plant and equipment		9,392	41	9,392	41
Payments for property, plant and equipment		(34,409)	(24,844)	(34,032)	(24,588)
Proceeds from the sale of investments		1,525	760	656	235
Payments for investments		(1,696)	(1,343)	(716)	(701)
Dividends received		2,940	890	2,811	786
Term deposits		34	–	34	–
Net cash used in investing activities		**(22,214)**	**(24,496)**	**(21,855)**	**(24,227)**
Cashflows from financing activities					
Proceeds from borrowings and securitisation		137,857	160,606	137,857	160,606
Repayments of borrowings and securitisation		(164,520)	(167,774)	(164,520)	(167,774)
Repayments for Lease Assets		(1,401)	–	(1,401)	
Net cash provided by financing activities		**(28,064)**	**(7,168)**	**(28,064)**	**(7,168)**
Decrease in cash and cash equivalents		**(567)**	**347**	**(566)**	**360**
Cash and cash equivalents at the beginning of the year		4,211	3,864	3,945	3,585
Cash and cash equivalents at the end of the year	29(a)	**3,644**	**4,211**	**3,379**	**3,945**

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

Note 1 Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below and where applicable, throughout the notes to the accounts (these can be identified as *italicised text*). These policies have been consistently applied to all years presented, unless otherwise stated.

(a) Basis of preparation

As per AASB 1054 *Australian Additional Disclosures,* the annual financial statements represent the audited general purpose financial statements of the University of Canberra. They have been prepared on an accrual basis and comply with the Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board.

Additionally, the 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; and
- Australian Charities and Not-for-profits Commission Act 2012.

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

(i) Historic cost convention

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.

(ii) Presentation currency

All amounts are presented in Australian dollars.

(iii) 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. Where appropriate, all significant estimates or assumptions made in the preparation of the financial statements are described in the relevant accounting policy notes. The estimates and underlying assumptions are reviewed on an ongoing basis.

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 $52.50 million (2018: $29.5 million) - refer Note 18 Borrowings and is also a recipient of regular fortnightly payments from the Commonwealth for its Commonwealth Supported Place (CSP) students and other university related funding. These two factors enable the University to meet its cash commitments when required.

(iv) Comparative amounts

Where necessary, comparative information has been reclassified to enhance comparability in respect of changes in presentation adopted in the current year.

(v) Rounding

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

Basis of consolidation

The consolidated financial statements represent the financial statements of the parent entity, being the University, and all entities it controlled in accordance with AASB 10 Consolidated Financial Statements at the end or during the year and are together 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.

Transactions, balances and unrealised gains on transactions between group entities are eliminated. Where necessary, accounting policies of subsidiaries have been changed to ensure consistency with the policies adopted by the Group.

A list of controlled entities is contained in Note 27 Subsidiaries.

Note 1 Significant accounting policies (continued)

(b) 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.

(c) New accounting standards and interpretations

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 Financial Statement Guidelines for Australian Higher Education Providers (HEPs) for the 2019 Reporting Period (Guidelines) prescribes the form of the financial statements approved by the Australian Government Minister for Education, or their delegates. 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 Tier 2 reduced disclosure requirements in 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 issued but not effective

The following standard has been issued but is not mandatory for 31 December 2019 reporting periods. The University has elected not to early adopt this standard. The University has assessed this new standard and there is no financial impact.

- AASB 1059 Service Concession Arrangement: Grantors (application date 1 January 2020)

In addition, at the date of authorisation of the financial statements, the following IASB Standard and IFRIC Interpretation was on issue but not yet effective, but for which Australian equivalent Standard and Interpretation has not yet been issued:

- Amendments to References to the Conceptual Framework in IFRS Standards – 1 January 2020

(d) Initial application of Australian Accounting Standards

The University has adopted AASB 15 Revenue from contracts with customers, AASB 1058 Income of not-for-profit entities, and AASB 16 Leases, in accordance with the transitional provisions applicable to each standard. The nature and effect of the changes as a result of adoption of these new accounting standards are described below.

The following interpretations and amending standards have also been adopted. The University assessed that the application of the following does not have a material impact on its financial statements.

AASB 2016-8	Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit entities
AASB 2017-6	Amendments to Australian Accounting Standards – Prepayment Features with Negative Compensation
AASB 2017-7	Amendments to Australian Accounting Standards – Long-term Interests in Associates and Joint Ventures
AASB 2018-1	Amendments to Australian Accounting Standards – Annual Improvements 2015-2017 Cycle
AASB 2018-4	Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Public Sector Licensors
AASB 2018-8	Amendments to Australian Accounting Standards – Right-of-Use Assets and Not-for-Profit Entities

Note 1 Significant accounting policies (continued)

AASB 15 and AASB 1058
The University adopted AASB 15 and AASB 1058 using the modified retrospective method of transition, with the date of initial application of 1 January 2019. In accordance with the provisions of this transition approach, the University recognised the cumulative effect of applying these new standards as an adjustment to opening retained earnings at the date of initial application, i.e., 1 January 2019. Consequently, the comparative information presented has not been restated and continues to be reported under the previous standards on revenue and income. In addition, the University has applied the practical expedient and elected to apply these standards retrospectively only to contracts and transactions that were not completed contracts at the date of initial application, i.e., as at 1 January 2019.

As the University is applying the modified retrospective approach, the University applied the practical expedient described in AASB 15.C5 (c), for all contract modifications that occur before the date of initial application. The University did not retrospectively restate the contract for those modifications in accordance with AASB 15.20-21. Instead, the University reflected the aggregate effect of all the modifications that occur before the beginning of the earliest period presented when:
• Identifying the satisfied and unsatisfied performance obligations;
• Determining the transaction price; and
• Allocating the transaction price to the satisfied and unsatisfied performance obligation.

The new accounting policies for revenue and other income for not-for-profit in accordance with AASB 15 and AASB 1058 respectively are provided in the Note 3.6, below.

Overview of AASB 15 and AASB 1058
Under the new income recognition model applicable to not-for-profit entities, a University shall first determine whether an enforceable agreement exists and whether the promises to transfer goods or services to the customer are 'sufficiently specific'.

If an enforceable agreement exists and the promises are 'sufficiently specific' (to a transaction or part of a transaction), the University applies the general AASB 15 principles to determine the appropriate revenue recognition. If these criteria are not met, the University shall consider whether AASB 1058 applies.

The nature and effect of the changes as a result of adoption of AASB15 and AASB1058 are described as follows:

	Consolidated	University
	2019	2019
	1 January 2019 $'000	1 January 2019 $'000
Assets		
Contract receivables	1,034	1,034
Contract assets	312	312
Total assets	**1,346**	**1,346**
Liabilities		
Contract liabilities	9,034	8,970
Other liabilities	395	395
Tota liabilities	**9,429**	**9,365**
Total adjustment on equity	**8,083**	**8,019**
Retained earnings	**8,083**	**8,019**

Note 1 Significant accounting policies (continued)

Set out below are the amounts by which each financial statement line item is affected as at and for the year ended 31 December 2019 as a result of the adoption of AASB 15 and AASB 1058. The adoption of AASB 15 did not have a material impact on Other Comprehensive Income or the University's operating, investing and financing cash flows. The first column shows amounts prepared under AASB 15 and AASB 1058 and the second column shows what the amounts would have been had AASB15 and AASB1058 not been adopted:

Income Statement	Amounts prepared under					
	Consolidated			University		
	AASB 15/ AASB 1058 $'000	Previous AAS $'000	Increase/ Decrease $'000	AASB 15/ AASB 1058 $'000	Previous AAS $'000	Increase/ Decrease $'000
Revenue and income from continuing operations						
Australian Government financial assistance						
Australian Government grants	115,885	123,342	(7,457)	115,885	123,342	(7,457)
HELP - Australian Government payments	68,443	68,443	–	68,443	68,443	–
HECS-HELP - student payments	6,225	6,225	–	6,225	6,225	–
Territory, State and local government financial assistance	2,728	2,932	(204)	2,726	2,930	(204)
Fees and charges	86,456	86,456	–	86,456	86,456	–
Consultancies and research contracts	6,347	7,772	(1,425)	6,342	7,767	(1,425)
Other revenue	1,373	1,414	(41)	1,266	1,306	(40)
Investment revenue	3,237	3,237	–	3,099	3,099	–
Share of profit on investments accounted for using the equity method	216	216	–	216	216	–
Other income	28,379	28,562	(183)	23,577	23,598	(21)
Total revenue and income from continuing operations	**319,289**	**328,599**	**(9,310)**	**314,235**	**323,382**	**(9,147)**
Expenses from continuing operations						
Employee related expenses	166,572	166,907	(335)	162,693	163,028	(335)
Depreciation and amortisation	23,176	23,176	–	23,035	23,035	–
Repairs and maintenance	6,718	6,718	–	6,652	6,652	–
Borrowing costs	4,039	4,039	–	4,039	4,039	–
Impairment losses	93	93	–	98	98	–
Other expenses	98,828	102,116	(3,288)	98,259	101,547	(3,288)
Loss on disposal of assets	339	339	–	252	252	–
Total expenses from continuing operations	**299,765**	**303,388**	**(3,623)**	**295,028**	**298,651**	**(3,623)**
Net result from continuing operations	**19,524**	**25,211**	**(5,687)**	**19,207**	**24,731**	**(5,524)**

Note 1 Significant accounting policies (continued)

Statement of financial position

	Consolidated			University		
	AASB 15/ AASB 1058 $'000	Previous AAS $'000	Increase/ Decrease $'000	**AASB 15/ AASB 1058 $'000**	Previous AAS $'000	Increase/ Decrease $'000
Assets						
Cash and cash equivalents	3,644	3,644	–	3,379	3,379	–
Receivables	10,959	10,959	–	10,313	10,313	–
Contract assets	642	–	642	642	–	642
Contract receivables	2,185	–	2,185	2,185	–	2,185
Non-current assets held for sale	564	564	–	564	564	–
Other non-financial assets	18,046	18,046	–	17,708	17,708	–
Other financial assets	58,177	58,177	–	53,871	53,871	–
Investments accounted for using the equity method	3,665	3,665	–	3,665	3,665	–
Property, plant and equipment	655,201	655,201	–	654,398	654,398	–
Right of use lease assets	1,401	1,401	–	1,401	1,401	–
Intangible assets	17,829	17,829	–	17,829	17,829	–
Total assets	**772,313**	**769,486**	**2,827**	**765,955**	**763,128**	**2,827**
Liabilities						
Contract liabilities	17,877	–	17,877	17,652	–	17,652
Trade and other payables	27,152	27,152	–	24,899	24,899	–
Borrowings	58,500	58,500	–	58,500	58,500	–
Provisions	26,575	26,575	–	26,286	26,286	–
Other liabilities	83,682	84,962	(1,280)	83,781	85,063	(1,282)
Total liabilities	**213,786**	**197,189**	**16,597**	**211,118**	**194,748**	**16,370**
Net assets	**558,527**	**572,297**	**(13,770)**	**554,837**	**568,380**	**(13,543)**
Equity						
Reserves	390,216	390,216	–	389,663	389,663	–
Retained earnings	168,311	182,081	(13,770)	165,174	178,717	(13,543)
Total equity	**558,527**	**572,297**	**(13,770)**	**554,837**	**568,380**	**(13,543)**

Note 1 Significant accounting policies (continued)

The nature of the adjustments as at 1 January 2019 and the reasons for the significant changes in the statement of financial position as at 31 December 2018 and the income statement for the year ended 31 December 2019 are described below. The adoption of AASB 15 and AASB 1058 has mainly affected the following income areas:

- Research and consultancy;
- Course fees and charges;
- Parking;
- Childcare centre fees;
- Venue Hire; and
- Sponsorships.

Research and consultancy
The University engages with third parties for the funding of research and consultancy projects with varying contractual arrangements. Projects can run over a number of financial years with the University required to provide the funder, or third party, varying degrees and types of output and/or access to intellectual property arising from the project at some time over the life of the project. Prior to the adoption of AASB 15, income from research and consultancy activities was recognised at the time the University gained control of the funds. Under AASB 15 the University is required to review all research and consultancy agreements to determine if an enforceable agreement in fact exists and whether promises to transfer goods or services to the customer, or third party, are 'sufficiently specific'. If an enforceable agreement exists and the promises are 'sufficiently specific' (to a transaction or part of a transaction), the University applies the general principles of AASB 15 to determine appropriate revenue recognition. The University determines if income is to be recognised either 'over time' or at a 'point in time' depending on the contractual arrangements relating to delivery of the specific output. The University has adopted the input method for the calculation of income recognition for research and consultancy projects where income is recognised over time. Where an agreement is deemed to be measured 'at a point in time' or 'at completion' the University takes the income and relevant expenses to appropriate liability and asset accounts in the Statement of Financial Position and subsequently transfers the income and expense to the Profit or Loss when the delivery of outcome conditions are met.

In accordance with the modified approach the University transferred an amount of $7,625,000 from Retained Earnings with corresponding amounts of $8,970,000 and $1,345,000 transferred to respective liability and asset accounts. In 2019 the impact of applying AASB 15 resulted in reduced income of $5,078,000 with a corresponding movement in liability and asset accounts of $9,664,000 and $4,586,000 respectively.

Course fees and charges, parking, and childcare centre fees
The University provides undergraduate, postgraduate, and doctoral programs to both domestic and international students. The University has reviewed the timing of educational delivery and determined that predominantly all services relating to course fees and charges are consumed in the year in which payment is due and receivable. Student fees and charges received which relate to teaching periods on a future year are treated as revenue in advance.

The University also provides on-campus parking for staff, students and visitors under various payment arrangements. The University has determined that consumption of the services relating to parking fees occur in the year in which payment is due and payable.

In addition, the University provides childcare centre facilities to staff, students and the general public on campus. The University has determined that consumption of the services relating to childcare centre fees occur in the year in which payment is due and payable.

The above have been recognised in accordance with AASB 15. There have been no adjustments made to Retained Earnings, liability, or asset accounts as the relevant specific performance obligations are considered to be delivered within the reporting period in which the income relating to the services is received.

Venue hire, live events, membership, and sponsorship
The University, through UCX Limited, offers facilities on-campus and access to premises for third party operators to provide services to staff and students of the University and the general public. Revenue from venue hire and live events is recognized upon the delivery of the services to the customer. Any deposits receipted by the University or UCX Ltd prior to the hire period or event is recorded as a contract liability and transferred to income when the services are consumed. UCX Ltd offers gymnasium membership to University employees, staff and the general public. Revenue from memberships is recognized proportionally over the period in which the service is provided. The University, also through UCX Ltd, receives sponsorship income relating to the operations of our sporting teams. Revenue from these arrangements is recognized proportionally over the period in which the services are provided. At reporting date revenue received in advance of the service provision is recognized as a contract liability.

In accordance with the modified approach the consolidated entity transferred an amount of $64,036 to Retained Earnings with corresponding $64,036 transferred to respective liability accounts. In 2019 the impact of applying AASB 15 did not result in any change to income however, there was a reclassification of $225,334 from Other current liabilities to Contract liabilities.

Note 1 Significant accounting policies (continued)

AASB16

The University has adopted AASB 16 using the modified retrospective method of transition, with the date of initial application of 1 January 2019.

In accordance with the provisions of this transition approach, the University recognised the cumulative effect of applying this new standard as an adjustment to opening retained earnings at the date of initial application i.e. 1 January 2019. Consequently, the comparative information presented has not been restated and continues to be reported under the previous standards on leases – AASB 117 and AASB Interpretation 4 *Determining whether an arrangement contains a lease* (Interpretation 4). The new accounting policies for leases in accordance with AASB 16 are provided in Note 18.1.

The nature and effect of the changes as a result of adoption of AASB 16 are as described below:

Definition of lease

Previously, the University determined at contract inception whether an arrangement is or contains a lease under Interpretation 4. Under AASB 16, the University will continue to assess at contract inception whether a contract is, or contains, a lease but now uses the new definition of a lease.

On transition to AASB 16, the University elected to apply the practical expedient to grandfather the assessment of which transactions are or contain leases. This means that for arrangements entered into before 1 January 2019, the University has not reassessed whether they are, or contain, a lease in accordance with the new AASB 16 lease definition. Consequently, contracts existing prior to 1 January 2019 which were assessed per the previous accounting policy described below in accordance with AASB 117 and Interpretation 4 as a lease will be treated as a lease under AASB 16. Whereas, contracts previously not identified as a lease, will not be reassessed to determine whether they would meet the new definition of a lease in accordance with AASB 16. Therefore, the University applied the recognition and measurement requirements of AASB 16 only to contracts that were previously identified as leases and does not apply AASB 16 to contracts that were previously not identified as leases. The new definition of lease under AASB16 will only be applied to contracts entered into or modified on or after 1 January 2019.

The University as a lessee

The University previously classified leases as operating or finance leases based on its assessment of whether the lease transferred substantially all of the risks and rewards incidental to ownership of the underlying asset to the University. Under AASB 16, this classification no longer exists for the University as a lessee. Instead, practically all leases are now recognised on the Statement of Financial Position as right-of-use assets with corresponding lease liabilities comprising all amounts which are considered to be lease payments (see Note 18.1 for the new leases policy which explains what amounts are included in lease payments).

Leases previously classified as operating leases under AASB117

On transition to AASB 16, the University recognised lease liabilities for leases previously classified as operating leases by discounting the remaining lease payments using the incremental borrowing rate as at the date of initial application, i.e. 1 January 2019. The right-of-use assets were recognised at either:

a) its carrying amount as if AASB 16 had been applied since the commencement date, but discounted using the lessee's incremental borrowing rate at the date of initial application; or
b) an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position immediately before the date of initial application.

The University has applied the practical expedient of excluding initial direct costs from the measurement of right-of-use asset at the date if initial application in transitioning existing operating leases.

Note 1 Significant accounting policies (continued)

Reconciliation of operating lease commitments under AASB 117 and lease liabilities under AASB 16

As a lessee, the weighted average incremental borrowing rate applied to lease liabilities recognised in the statement of financial position on the date of initial application was 2.64%.

The difference between the operating lease commitments disclosed previously by applying AASB 117 and the value of the lease liabilities recognised under AASB 16 on 1 January 2019 is explained as follows:

	Consolidated	University
	1 January 2019	
	$'000	$'000
Operating lease commitments disclosed as at 31 December 2018	4,352	4,352
Discounted using the University's weighted average incremental borrowing rate of 2.64%	4,188	4,188
(Less): Short-term leases recognised on a straight-line basis as an expense	292	292
(Less): Low-value leases recognised on a straight-line basis as an expense	2,337	2,337
Lease liability recognised as at 1 January 2019	**1,559**	**1,559**

*For example immaterial leases which are not recognised as leases

The University as a lessor

Overview

The University is not required to make any adjustments on transition to AASB 16 where it is a lessor, except for subleases.

(e) Public Private Partnerships (PPP)

The University is participating in a number of PPP's where the University has entered into long-term property lease arrangements. Details of these arrangements are included at Note 13.1 University as lessor.

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 & income from transactions*		Results		Assets	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000	2019 $'000	2018 $'000
Geographical						
Australia	317,295	308,910	19,402	18,377	772,313	753,132
Asia	1,994	2,183	122	130	–	–
Total	**319,289**	**311,093**	**19,524**	**18,507**	**772,313**	**753,132**

Note 3 Revenue and income

The notes 3.1 to 3.5 disclose the revenue and income received during the period according to the mandatory disclosures. The disclosures as per AASB 15 and AASB 1058 are included in the note 3.6 and a reconciliation is included in note 3.7.

Note 3.1 Australian Government financial assistance including Australian Government loan programs (HELP)

		Consolidated		University	
	Notes	2019 $'000	2018 $'000	2019 $'000	2018 $'000
(a) Commonwealth Grants Scheme and other grants	32(a)				
Commonwealth Grants Scheme*		91,574	90,773	91,574	90,773
Indigenous Student Success Program**		1,299	1,447	1,299	1,447
Higher Education Participation and Partnership Program		820	824	820	824
National Priorities Pool		–	(15)	–	(15)
Disability Performance Funding		50	59	50	59
Total Commonwealth Grants Scheme and other grants		**93,743**	**93,088**	**93,743**	**93,088**
(b) Higher Education Loan Programs	32(b)				
HECS-HELP		60,310	60,362	60,310	60,362
FEE-HELP		5,477	5,864	5,477	5,864
SA-HELP		2,656	2,736	2,656	2,736
Total Higher Education Loan Programs		**68,443**	**68,962**	**68,443**	**68,962**
(c) Education Research	32(c)				
Research Training Program		3,192	5,220	3,192	5,220
Research Support Program		3,807	3,943	3,807	3,943
Total Education research grants		**6,999**	**9,163**	**6,999**	**9,163**

* Includes the basic CGS grant amount, Enabling Loading, Allocated Places and Non-Designated Courses.

** Indigenous Student Success Program replaced the Indigenous Commonwealth Scholarship Program and the Indigenous Support Program as of 1 January 2017.

Note 3.1 Australian Government financial assistance including Australian Government loan programs (HELP) (continued)

		Consolidated		University	
		2019	2018	2019	2018
	Notes	$'000	$'000	$'000	$'000
(d) Australian Research Council	32(e)				
Discovery Projects		1,021	1,361	1,021	1,361
Discovery Indigenous		–	32	–	32
Discovery Early Researcher Award		133	139	133	139
Linkage Projects		203	288	203	288
ARC Laureate Fellowship		466	578	466	578
Total Australian Research Council		**1,823**	**2,398**	**1,823**	**2,398**
(e) Other Australian Government financial assistance					
Non-capital					
Agriculture		620	415	620	415
Communications and the Arts		127	28	127	28
Defence		1,010	847	1,010	847
Education		2,080	1,490	2,080	1,490
Environment		622	202	622	202
Foreign Affairs and Trade		243	821	243	821
Health		210	994	210	994
Industry		330	1,201	330	1,201
Infrastructure and Regional Development		–	9	–	9
Prime Minister and Cabinet		222	–	222	–
Social Services		2,873	3,007	2,873	3,007
The Treasury		–	75	–	75
Total non-capital		**8,337**	**9,089**	**8,337**	**9,089**
(f) Capital					
Health		4,983	–	4,983	–
Total other Australian Government financial assistance		**13,320**	**9,089**	**13,320**	**9,089**
Total Australian Government financial assistance		**184,328**	**182,700**	**184,328**	**182,700**
Reconciliation					
Australian Government grants (a+c+d+e+f)		115,885	113,738	115,885	113,738
HECS-HELP payments		60,310	60,362	60,310	60,362
FEE-HELP payments		5,477	5,864	5,477	5,864
SA-HELP payments		2,656	2,736	2,656	2,736
Total Australian Government financial assistance		**184,328**	**182,700**	**184,328**	**182,700**

Note 3.2 Territory, State and Local Government financial assistance

	Consolidated		University	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000
Non-capital				
Australian Capital Territory	2,256	1,978	2,254	1,978
South Australia	2	40	2	40
New South Wales	321	742	321	742
Queensland	20	23	20	23
Northern Territory	–	1	–	1
Tasmania	1	28	1	28
Victoria	125	350	125	350
Western Australia	3	54	3	54
Total non-capital	**2,728**	**3,216**	**2,726**	**3,216**
Total Territory, State and Local government financial assistance	**2,728**	**3,216**	**2,726**	**3,216**

Note 3.3 Fees and charges

	Consolidated		University	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000
Course fees and charges				
Continuing education	336	802	336	802
Fee-paying onshore overseas students	65,222	54,484	65,222	54,484
Fee-paying offshore overseas students	1,994	2,183	1,994	2,183
Fee-paying domestic postgraduate students	5,490	3,409	5,490	3,409
Total course fees and charges	**73,042**	**60,878**	**73,042**	**60,878**
Non-course fees and charges				
Student accommodation charges	11,688	11,573	11,688	11,573
Student services and amenities fee	1,502	1,331	1,502	1,331
Other	224	282	224	282
Total non-course fees and charges	**13,414**	**13,186**	**13,414**	**13,186**
Total fees and charges	**86,456**	**74,064**	**86,456**	**74,064**

Note 3.4 Consultancies and research contracts

	Consolidated		University	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000
Consultancies	782	696	782	696
Research contracts	5,565	4,887	5,560	4,887
Total consultancies and research contracts	**6,347**	**5,583**	**6,342**	**5,583**

Note 3.5 Other income and revenue

	Consolidated		University	
	2019	2018	2019	2018
	$'000	$'000	$'000	$'000
Other revenue				
Donations and bequests	870	438	763	438
Scholarships and prizes	503	870	503	870
Total other revenue	**1,373**	**1,308**	**1,266**	**1,308**
Other income				
Administrative charges	1,720	1,964	1,720	1,964
Childcare centre fees	590	525	590	525
Commissions and discounts received	579	490	394	377
Copying	109	143	109	143
Right of use assets received at no cost	–	7,504	–	7,504
Health consulting income	419	398	419	398
Hire of facilities	791	553	38	38
Insurance recoveries	620	283	620	283
Miscellaneous	920	3,539	834	3,632
NRAS securitisation income	4,953	5,001	4,953	5,001
Parking	2,852	2,704	2,852	2,705
Lease Rental Income	2,491	2,503	2,491	2,503
Rental securitisation income	5,323	5,228	5,323	5,228
Salaries and cost recovery services	179	657	175	651
Sales and service income / publications	6,830	5,692	2,618	2,407
Support services provided to subsidiaries	3	–	441	703
Total other income	**28,379**	**37,184**	**23,577**	**34,062**
Total other revenue and income	**29,752**	**38,492**	**24,843**	**35,370**

Note 3.6 Revenue and income from continuing operations

Basis for disaggregation

Sources of funding: The University receives funds from Australian Government as well as Territory, State and Local Government to assist with education programs across a wide range of disciplines, and at different education qualification levels. Apart from the sources received from Government, the University also receives funds and fees from private organisations or individuals that are used for the different programs led by the University or correspond to the education services provided by the University.

Revenue and income streams: The streams are distinguishing the different activities performed by the University as well as acknowledge the different type of users of the programs and services provided:

i. Education: The University has domestic and overseas students enrolled in a variety of programs for different qualification levels (from undergraduate to doctoral degrees). Whilst, the number of domestic students is affected by national economic factors as interest rates or unemployment, overseas student numbers are impacted by the changes in the immigration policies.
ii. Research: The University performs research activities in different fields such as health, governance and policy analysis, education, or science. The University enters into many different types of research agreements with different counterparties, such as with private sector customers and Government agencies that award research grants. Each grant agreement needs to be assessed as to whether it is an enforceable arrangement and contains sufficiently specific promises to transfer outputs from the research to the customer (or at the direction of the customer). Judgement is required in making this assessment. The University has concluded that some research agreements represent a contract with a customer whereas other research grants are recognised as income when the University obtains control of the research funds; and
iii. Non-course fees and charges: These correspond to the complementary services provided by the University such as parking and health consulting services.

a) Disaggregation

The University revenue and income streams and sources of funding are summarised in the following table:

Note 3.6 Revenue and income from continuing operations (continued)

Consolidated

	Sources of Funding							2019	
Revenue and Income Streams	Higher Education Loan Program (HELP)	Student fees	Australian Government financial assistance	State and Local Government financial assistance	Commercial arrangements	Donations, including corporate sponsorship	Others	Total Revenue from contracts with customers	Total Income of not-for-profit entities
Course fees and charges									
Domestic students undergraduate	68,443	–	–	–	–	–	–	68,443	–
Onshore overseas students undergraduate	–	65,222	–	–	–	–	–	65,222	–
Offshore overseas students undergraduate	–	107	–	–	–	–	–	107	–
Domestic students postgraduate	–	5,490	–	–	–	–	–	5,490	–
Onshore overseas students postgraduate	–	–	–	–	–	–	–	–	–
Offshore overseas students postgraduate	–	1,887	–	–	–	–	–	1,887	–
Continuing education and executive programs	–	336	–	–	–	–	–	336	–
Online	–	–	–	–	–	–	–	–	–
Total course fees and charges	**68,443**	**73,042**	–	–	–	–	–	**141,485**	–
Research									
Research goods and services [AASB 15]	–	–	6,955	2,143	5,565	–	–	14,663	–
Research income [AASB 1058]	–	–	6,999	585	–	–	–	–	7,584
Total research	–	–	**13,954**	**2,728**	**5,565**	–	–	**14,663**	**7,584**
Recurrent Government Grants [AASB 15]	–	–	95,407	–	–	–	–	95,407	–
Recurrent Government Grants [AASB 1058]	–	–	1,349	–	–	–	–	–	1,349
Recurrent government grants	–	–	**96,756**	–	–	–	–	**95,407**	**1,349**

Note 3.6 Revenue and income from continuing operations (continued)

Consolidated

Sources of Funding — 2019

Revenue and Income Streams	Higher Education Loan Program (HELP)	Student fees	Australian Government financial assistance	State and Local Government financial assistance	Commercial arrangements	Donations, including corporate sponsorship	Others	Total Revenue from contracts with customers	Total Income of not-for-profit entities
Non-course fees and charges									
Student accommodation	–	–	–	–	11,688	–	–	11,688	–
Student services and amenities fee	–	–	–	–	1,502	–	–	1,502	–
Parking fees	–	–	–	–	2,852	–	–	2,852	–
Use of facility charges	–	–	–	–	865	–	–	865	–
Commercial sales (e.g. sale of books and publications)	–	–	–	–	6,830	–	–	6,830	–
Other	–	–	–	–	224	–	–	224	–
Total non-course fees and charges	–	–	–	–	**23,961**	–	–	**23,961**	–
Capital Government grants	–	–	4,983	–	–	–	–	–	4,983
Royalties	–	–	–	–	–	–	–	–	–
Trademarks	–	–	–	–	–	–	–	–	–
Licenses	–	–	–	–	–	–	–	–	–
Other									
Other [AASB 15]	–	–	–	–	2,729	–	–	2,729	–
Other [AASB 1058]	–	–	–	–	11,912	1,295	1,042	–	14,249
Total other	–	–	–	–	**14,641**	**1,295**	**1,042**	**2,729**	**14,249**
Total revenue from contracts with customers	68,443	73,042	102,362	2,143	32,255	–	–	278,245	–
Total income of not-for-profit	–	–	13,331	585	11,912	1,295	1,042	–	28,165

Note 3.6 Revenue and income from continuing operations (continued)

University

Sources of Funding — 2019

Revenue and Income Streams	Higher Education Loan Program (HELP)	Student fees	Australian Government financial assistance	State and Local Government financial assistance	Commercial arrangements	Donations, including corporate sponsorship	Others	Total Revenue from contracts with customers	Total Income of not-for-profit entities
Course fees and charges									
Domestic students undergraduate	68,443	–	–	–	–	–	–	68,443	–
Onshore overseas students undergraduate	–	65,222	–	–	–	–	–	65,222	–
Offshore overseas students undergraduate	–	107	–	–	–	–	–	107	–
Domestic students postgraduate	–	5,490	–	–	–	–	–	5,490	–
Onshore overseas students postgraduate	–	0	–	–	–	–	–	–	–
Offshore overseas students postgraduate	–	1,887	–	–	–	–	–	1,887	–
Continuing education and executive programs	–	336	–	–	–	–	–	336	–
Online	–	–	–	–	–	–	–	–	–
Total course fees and charges	**68,443**	**73,042**	–	–	–	–	–	**141,485**	–
Research									
Research goods and services [AASB 15]	–	–	6,955	2,143	5,560	–	–	14,658	–
Research income [AASB 1058]	–	–	6,999	583		–	–	–	7,582
Total research	–	–	**13,954**	**2,726**	**5,560**	–	–	**14,658**	**7,582**
Recurrent Government Grants [AASB 15]	–	–	95,407	–	–	–	–	95,407	–
Recurrent Government Grants [AASB 1058]	–	–	1,349	–	–	–	–	–	1,349
Recurrent government grants	–	–	**96,756**	–	–	–	–	**95,407**	**1,349**

Note 3.6 Revenue and income from continuing operations (continued)

University

Revenue and Income Streams	Higher Education Loan Program (HELP)	Student fees	Australian Government financial assistance	State and Local Government financial assistance	Commercial arrangements	Donations, including corporate sponsorship	Others	Total Revenue from contracts with customers	Total Income of not-for-profit entities
	Sources of Funding							2019	
Non-course fees and charges									
Student accommodation	–	–	–		11,688	–	–	11,688	–
Student services and amenities fee	–	–	–	–	1,502	–	–	1,502	–
Parking fees	–	–	–	–	2,852	–	–	2,852	–
Use of facility charges	–	–	–	–	147	–	–	147	–
Commercial sales (e.g. sale of books and publications)	–	–	–	–	2,618	–	–	2,618	–
Other	–	–	–	–	224	–	–	224	–
Total non-course fees and charges	–	–	–	–	19,031	–	–	19,031	–
Capital Government grants	–	–	4,983	–	–	–	–	–	4,983
Royalties	–	–	–	–	–	–	–	–	–
Trademarks	–	–	–	–	–	–	–	–	–
Licenses	–	–	–	–	–	–	–	–	–
Other									
Other [AASB 15]	–	–	–	–	2,729	–	–	2,729	–
Other [AASB 1058]	–	–	–	–	12,129	1,187	952	–	14,268
Total other	–	–	–	–	14,858	1,187	952	2,729	14,268
Total revenue from contracts with customers	68,443	73,042	102,362	2,143	27,320	–	–	273,310	–
Total income of not-for-profit	–	–	13,331	583	12,129	1,187	952	–	28,182

Note 3.6 Revenue and income from continuing operations (continued)

b) Accounting policies and significant accounting judgements and estimates

Accounting Policy

The University recognises revenue under AASB 15 when the rights and obligations created under the agreement are enforceable and the performance obligations are sufficiently specific. To determine whether to recognise revenue, the University follows a 5-step process:

1. *Identifying the contract with a customer;*
2. *Identifying the performance obligations;*
3. *Determining the transaction price;*
4. *Allocating the transaction price to the performance obligations; and*
5. *Recognising revenue when/as performance obligation(s) are satisfied.*

Revenue is recognised for the major business activities as follows:

Course fees and charges
Course fees and charges revenue relates to undergraduate programs, graduate and doctoral degree programs and vocational education and training programs

Revenue is recognised over time as and when the course is delivered to students over the academic year. When the courses or training have been paid in advanced by students or the University has received the government funding in advance (e.g. before starting the academic period) the University recognises a contract liability until the services are delivered.

The University does not have obligations to return or refund or other similar obligations.

There is no significant financing component, as the period from when the student pays and the service is provided is less than 12 months and the consideration is not variable.

Research
Revenue recognition for research funding is dependent upon the source of the funding and the nature of the transaction.

The following specific research revenue recognition criteria have been applied:
Australian Research Council (ARC) funding
The University receives research funding as part of various ARC programs. There is an enforceable contract by provisions in the ARC funding agreement and the corresponding legislation for the University to undertake research activities as outlined within the mature research plan contained within the proposal for the grant. Revenue is recognised over time as the University performs its research objectives, on the basis of the University's inputs, as reference to total expenditure incurred to date compared with the funding provided. At the end of each reporting period, incomplete funding agreements are assessed to determine if the University is entitled to all consideration received. If the University expects to refund some or all of the consideration received the University recognises a refund liability. There is no significant financing component as the consideration is provided throughout the funding agreement;

National Health and Medical Research Council (NHMRC) funding
NHMRC awards grants through several funding schemes to advance health and medical knowledge to improve the health status of Australians. There is an enforceable contract by provisions in the NHMRC funding agreement and the corresponding legislation for the University to undertake research activities as outlined within the mature research plan contained within the proposal for the grant. Revenue is recognised over time as the University performs its research objectives, on the basis of the University's inputs, as reference to total expenditure incurred to date compared with the funding provided. At the end of each reporting period, incomplete funding agreements are assessed to determine if the University is entitled to all consideration received. If the University expects to refund some or all of the consideration received the University recognises a refund liability. There is no significant financing component as the consideration is provided throughout the funding agreement; and

Other government sources (i.e. non-ARC or NHMRC) and non-government entities funding
The University enters into research funding agreements with various entities to undertake research activities. Revenue is recognised under AASB 15 when there is an enforceable contract and performance obligations are sufficiently specific. Revenue is recognised either at a point in time or over time when (or as) the University satisfies its performance obligations by transferring control of the research to the funding providers. The University assesses each contract and applies the following methodology which best depicts the University's performance in transferring control of the research outputs to the entities:

a. *The University recognises revenue over time when the University can identify that the intellectual property is transferred to the funding providers throughout the agreement. Revenue is recognised in line with total expenditure of the research transferred to the funding providers; and*
b. *For research funding where it cannot be identified that control is transferred over time, the University recognises revenue on the completion of the milestone or upon completion of the research project.*

Note 3.6 Revenue and income from continuing operations (continued)

Funding is received as outlined within the funding agreement and is generally provided throughout the contract term based on performance measurements. If the University receives consideration for the performance obligations yet to be satisfied, the University recognises a contract liability until performance obligations have been met. Conversely if the University satisfies a performance obligation before it received consideration, the University recognises either a contract asset or a receivable in the Statement of Financial Position, depending whether something other than the passage of time is required before the consideration is due i.e. the completion of milestones or reporting requirements.

Due to the nature of research funding consideration can be variable. For reciprocal funding agreements the University has an obligation to return any unspent monies to the funding providers at the conclusion of the contract. At the reporting date the University assesses agreements for any funding that is expected to be repaid and recognises a refund liability until the funds are returned to the funding providers.

Non-course fees and charges
Non-course fees and charges revenue relates to student services and amenities fees, parking fees, childcare services, catering, rent and use of facilities and other non-course fees and charges. The University generally receives payment either as the transaction occurs or within 30 days of invoicing the customer. Revenue is recognised when control of the goods has transferred to the customer or when the service is provided at an amount that reflects the consideration to which the University expects to be entitled. For goods or services that are provided over time such as student services and amenities fees and childcare services the University recognises revenue as the services are provided. Revenue for non-course fees and charges where control is transferred at a point in time is recognised as the goods or service is provided to the customer.

Other
Other revenue primarily consists of grants received from the Australian, Territory and State governments to assist the University in delivering courses to students. Revenue is recognised as the University utilises these funds to provide services to the students as reference to total expenditure or as the services are delivered to students. When the University receives funds in advance the University recognises a contract liability until the funding is spent.

The University receives funding in relation to the Research Training Program ("RTP") and Research Support Program ("RSP") from the Commonwealth Department of Education under the Research Block Grant scheme. The University recognises income immediately when it has the contractual right to receive the grant as per AASB 1058.

The University considers each agreement relating to funding received from Territory, State and Local Government, on a case by case basis, as to whether it is within scope of AASB 15. If the University considers the agreement to be enforceable and to have sufficiently specific performance obligations, it recognises the revenue either:

- *Over the time period when the research is performed; or*
- *At a point in time when the research is delivered.*

Donations and bequests received from the public are considered on a case by case basis as to whether it has sufficiently specific performance obligations attached to it, and therefore in the scope of AASB 15. The majority of donations received specify the area where the funds are to be spent, but there are no sufficiently specific performance obligations and the University has the discretion as to how the funds are spent; where this is the case, the revenue is recognised in accordance with AASB 1058 Income for not-for-profit entities. If there is a legally enforceable contract (such as a will) and there are sufficiently specific performance obligations within the contract, then the consolidated entity recognises the donation or bequest at the point in time or over the period when the obligations are met.

The University considers each scholarship and prize arrangement on a case by case basis as to whether (a) there is an enforceable agreement and (b) there are sufficiently specific performance obligations attached to it, and therefore within the scope of AASB 15. If the University has the discretion as to where and how to spend the funds are to be spent, the revenue is recognised on receipt in accordance with AASB1058 Income for not-for-profit-entities. If there is a legally enforceable contract (such as a will) and there are sufficiently specific performance obligations within the contract, the University recognises the scholarship or prize revenue at the point in time or over the period when the obligations are met in accordance with AASB 15. If there is a specific performance obligation to make a cash payment to a third party (such as a scholarship student) the University recognises the amount payable as a liability in the Statement of Financial Position, in accordance with AASB 9.

c) Unsatisfied performance obligations
Remaining performance obligations represent services the University has promised to provide to customers under agreements for research services which are satisfied are provided over the contract term. The University uses the input method to determine the transaction price allocated to the remaining performance obligations with customers. The input method recognises revenue on the basis of the University's efforts or inputs to the satisfaction of a performance obligation; the University uses cost incurred to measure its efforts or inputs to the satisfaction of a performance obligation.

Note 3.6 Revenue and income from continuing operations (continued)

For customer contracts with terms of one year or less, or where revenue is recognised using the 'right to invoice' method of recognising revenue, as permitted under AASB15, disclosures are not required in relation to the transaction price allocated to these unsatisfied performance obligations. Further, the amounts disclosed below do not include variable consideration which has been constrained.

These unsatisfied performance obligations are expected to be satisfied within the following periods:

	Within 1 year $'000	From 1 to 5 years $'000	Total $'000
Consolidated			
Australian Research Council	2,126	–	2,126
National Health and Medical Research Council (NHMRC)	2,027	2,703	4,730
Australian Governmenr Research (non-ARC)	4,648	60	4,708
Australian Government financial assistance payable	2,122	–	2,122
Territory, State and Local Government	820	–	820
Non-Government entity research contracts and consultancies	3,178	193	3,371
	14,921	**2,956**	**17,877**
University			
Australian Research Council	2,126	–	2,126
National Health and Medical Research Council (NHMRC)	2,027	2,703	4,730
Australian Governmenr Research (non-ARC)	4,648	60	4,708
Australian Government financial assistance payable	2,122	–	2,122
Territory, State and Local Government	820	–	820
Non-Government entity research contracts and consultancies	2,953	193	3,146
	14,696	**2,956**	**17,652**

As permitted under the transitional provisions of AASB 15, the transaction price allocated to partially unsatisfied performance obligations as of 31 December 2018 is not disclosed.

d) Assets and liabilities related to contracts with customers

The University has recognised the following assets and liabilities related to contracts with customers:

	Consolidated 2019		University 2019	
	Closing balance $'000	Opening balance $'000	Closing balance $'000	Opening balance $'000
Receivables	2,185	1,034	2,185	1,034
Receivables - current	2,185	1,034	2,185	1,034
Contract assets	642	312	642	312
Contract assets - current	642	312	642	312
Australian Government unspent financial assistance	2,122	308	2,122	308
Other contract liabilities	15,755	9,034	15,530	8,970
	17,877	9,342	17,652	9,278
Contract liabilities - current	14,921	9,342	14,696	9,278
Contract liabilities - non-current	2,956	–	2,956	–
	17,877	9,342	17,652	9,278

Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period was $7,933,000

Revenue recognised in the reporting period from performance obligations satisfied (or partially satisfied) in previous periods (e.g. changes in transaction price) was $5,078,000

Note 3.6 Revenue and income from continuing operations (continued)

Contract assets
Contract assets are associated with research funding where the revenue the University is entitled to is greater than funding received. The classification of contract assets as non-current was made on the basis that the period in which the University expects to receive payment is greater than 12 months. The impairment associated with contract assets is disclosed in Note 10 Receivables and contract assets.

Accounting Policy
While a receivable is the University's right to consideration that is unconditional, a contract asset is the University's right to consideration in exchange for goods or services that the University has transferred to the customer when that right is conditioned on meeting the terms and performance obligations of the contract.

Contract liabilities
Contract liabilities are associated to revenue received from customers for which the performance obligations have not been met. The University uses the input method to determine the transaction price allocated to the remaining performance obligations in its contracts with customers. The input method recognises revenue on the basis of the University's efforts or inputs to the satisfaction of a performance obligation; the University uses costs incurred to measure its efforts or inputs to the satisfaction of a performance obligation.

Accounting Policy
A contract liability is the obligation to transfer goods or services to a customer for which the University has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the consolidated entity transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is the earlier). Contract liabilities are recognised as revenue when the consolidated entity performs under the contract.

e) Right of return assets and refund liabilities

The University has recognised the following right of return assets and refund liabilities related to contracts with customers:

	Consolidated 2019		University 2019	
	Closing balance $'000	Opening balance $'000	Closing balance $'000	Opening balance $'000
Australian Government unspent financial assistance	2,122	308	2,122	308
Other contract liabilities	15,755	9,034	15,530	8,970
	17,877	9,342	17,652	9,278
Contract liabilities - current	14,921	9,342	14,696	9,278
Contract liabilities - non-current	2,956	–	2,956	–
	17,877	9,342	17,652	9,278

Refund liabilities
The refund liabilities are associated with reciprocal research funding arrangements where the University has an obligation to return any unspent monies to the funding providers at the conclusion of the contract. The classification of refund liabilities as non-current was made on the basis that the period in which the University expects to refund the funding providers is greater than 12 months.

Accounting Policy
A refund liability is the obligation to refund some or all of the consideration received (or receivable) for the customer and is measured at the amount the University ultimately expects it will have to return to the customer. The University updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period. Refer to above accounting policy on variable consideration.

Note 3.6 Revenue and income from continuing operations (continued)

Income of not-for-profit

f) Accounting policies and significant accounting judgements and estimates

Accounting Policy
Income is recognised for the major business activities as follows:

Grants (other than capital grants)
Grant income mainly comprises funding for research projects where there are no specific performance obligations. The income is recognised immediately when the funds are received, in accordance with AASB 1058;

Donations and bequests
The University considers each donation or bequest on a case by case basis as to whether (a) there is an enforceable agreement and (b) there are sufficiently specific performance obligations attached to it, and therefore within the scope of AASB 15. If the consolidated entity has discretion as to where and how the funds are to be spent, the revenue is recognised on receipt in accordance with AASB 1058 Income of not-for-profit entities. If there is a legally enforceable contract (such as a will) and there a sufficiently specific performance obligations within the contract, then the consolidated entity recognises the donation or bequest at the point in time or over the period when the obligations are met, in accordance with AASB 15; and

Scholarships and prizes
The University considers each scholarship or prize on a case by case basis as to whether (a) there is an enforceable agreement and (b) there are sufficiently specific performance obligations attached to it, and therefore within the scope of AASB 15. If the University has discretion as to where and how the funds are to be spent, the revenue is recognised on receipt in accordance with AASB 1058 Income of not or profit entities. If there is a legally enforceable contract (such as a will) and there a sufficiently specific performance obligations within the contract, then the University recognises the scholarship or prize at the point in time or over the period when the obligations are met, in accordance with AASB 15. If there is a specific performance obligation to make a cash payment to a third party (such as a scholarship student), the University recognises the amount payable as a liability in the Statement of Financial Position, in accordance with AASB 9.

g) Volunteer services

Accounting Policy
The University has elected to not recognise volunteer services received as income.

h) Restrictions
The University has a number of grants and/or donations that contain specific purpose clauses and imposition of restrictions as to how the funds can be spent (refer Note 9 Cash and cash equivalents).

Note 3.7 Reconciliation of revenue and income

	Note	Consolidated 2019 $'000	University 2019 $'000
Total Australian Government financial assistance including Australian Government loan programs (HELP)	3.1	183,633	183,633
Total State and Local Government financial assistance	3.2	2,728	2,726
Total Fees and charges	3.3	86,456	86,456
Total Consultancy and contract fees	3.4	6,347	6,342
Total Other revenue and income	3.5	27,246	22,335
Total		306,410	301,492
Total Revenue from contracts with customers as per AASB15	3.6	278,245	273,310
Total Income of not-for-profit as per AASB1058	3.6	28,165	28,182
Total Revenue and Income from continuing operations		306,410	301,492

Note 4 Investment revenue

	Consolidated		University	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000
Dividend and distribution revenue	2,939	890	2,811	786
Interest revenue	32	45	22	32
Lease income*	266	266	266	266
Total investment revenue	**3,237**	**1,201**	**3,099**	**1,084**

* Corresponds to 'finance income from the net investment' in Note 13.1 University as lessor

<u>*Accounting Policy*</u>

Interest
For all financial instruments measured at amortised cost and debt instruments measured at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). The EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Interest income is included in net investment income in the income statement.

Dividends
Revenue is recognised when (a) the University's right to receive the payment is established, which is generally when shareholders approve the dividend, (b) it is probable that the economic benefits associated with the dividend will flow to the entity; and (c) the amount of the dividend can be measured

Lease income
For the accounting policy on lease income, please refer to Note 13.1 University as a lessor.

Note 5 Employee related expenses

	Consolidated		University	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000
Academic				
Salaries	61,898	59,174	61,898	59,174
Contributions to superannuation and pension schemes	10,679	10,221	10,679	10,221
Payroll tax	5,359	5,308	5,359	5,308
Workers' compensation insurance premium	541	606	541	606
Long service leave	2,467	1,414	2,467	1,414
Annual leave	4,789	4,508	4,789	4,508
Academic Maternity/Paternity payments	231	97	231	97
Voluntary separation program	–	3,562	–	3,562
Redundancy payments	255	57	255	57
Total academic	**86,219**	**84,947**	**86,219**	**84,947**
Non-academic				
Salaries	58,811	55,580	55,538	52,768
Contributions to superannuation and pension schemes	9,851	9,360	9,531	9,100
Payroll tax	4,641	4,687	4,641	4,687
Workers' compensation insurance premium	669	561	572	483
Long service leave	2,120	1,315	2,110	1,313
Annual leave	4,059	4,097	3,880	3,929
Voluntary separation program	–	3,912	–	3,912
Redundancy payments	202	103	202	53
Total non-academic	**80,353**	**79,615**	**76,474**	**76,245**
Total employee related expenses	**166,572**	**164,562**	**162,693**	**161,192**

Superannuation schemes

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

(i) UniSuper
The University, on behalf of most of its employees, contributes to UniSuper. Where the employee has not 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; and

(ii) 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.

Refer to Note 19 Provisions for further policies on employee benefits.

Note 6 Depreciation and amortisation

	Consolidated		University	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000
Depreciation				
Buildings	8,429	8,490	8,417	8,481
Infrastructure	1,233	1,076	1,233	1,076
Computer equipment	128	210	126	208
Motor vehicles	4	–	3	–
Equipment	4,053	3,581	3,928	3,459
Library	65	72	65	72
Fixtures and fittings	4,216	4,064	4,216	4,064
Total depreciation	**18,128**	**17,493**	**17,988**	**17,360**
Amortisation				
Computer software	4,256	3,207	4,255	3,200
Strategic initiatives	344	344	344	344
Right of Use Lease Asset	448	–	448	–
Total amortisation	**5,048**	**3,551**	**5,047**	**3,544**
Total depreciation and amortisation	**23,176**	**21,044**	**23,035**	**20,904**

Accounting Policy

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. 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. Depreciation rates by class of assets are as follows:

	2019	***2018***
Buildings	*15 to 80 years*	*15 to 80 years*
Equipment	*3 to 10 years*	*4 to 10 years*
Motor vehicles	*4 years*	*4 years*
Computer equipment	*3 years*	*3 years*
Fixtures and fittings	*10 to 15 years*	*15 years*
Infrastructure	*2.25 to 80 years*	*7 to 80 years*
Library collection	*0 to 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.

Note 7 Borrowing costs

	Consolidated		University	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000
Interest expense	4,002	4,924	4,002	4,924
Interest expense on lease liabilities	37	–	37	–
Total borrowing costs expensed	**4,039**	**4,924**	**4,039**	**4,924**

Accounting Policy

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time from construction commencement to commissioning are capitalised as part of the asset. Other borrowing costs are expensed. For interest expense on lease liabilities, refer to Note 18.1 which details the policy for lease accounting where the University is a lessee.

Note 8 Other expenses

	Consolidated 2019	Consolidated 2018	University 2019	University 2018
Academic partner payments	22,255	23,873	22,255	23,873
Advertising	2,270	1,698	2,226	1,663
Audit fees	313	311	269	269
Books and publications	452	504	450	495
Commissions	3,966	4,336	3,959	4,333
Conference and facilities hire	936	580	939	638
Consultants fees	7,540	5,759	7,439	5,716
Contract services	4,891	4,845	4,772	4,746
Contracted student and amenities services - subsidiaries	–	–	1,070	640
Cost of goods sold	1,395	1,224	–	–
Entertainment	552	544	961	847
Equipment expensed	4,055	2,994	3,848	2,882
Freight and postage	336	382	334	380
Fringe benefits tax	372	121	336	85
General materials	2,560	1,898	2,538	1,890
Grant and research expenses - external entities	601	902	602	902
Grant payments to third parties	75	83	75	79
Insurances	1,077	915	1,081	911
Legal fees	787	1,406	781	1,404
Licence fees	6,611	5,754	6,495	5,637
Short term and low value lease charge	1,806	2,035	1,801	2,030
Other	3,961	3,373	3,202	2,985
Other student expenses	2,053	4,310	1,944	4,338
Outsource management fees	6,827	7,291	6,827	7,291
Printing and stationery	954	908	925	899
Rates and taxes	1,345	1,516	1,345	1,516
Recruitment and staff development	1,971	1,575	1,967	1,563
Sponsorships	587	394	529	507
Student scholarships	4,178	3,005	4,178	3,005
Subscriptions	3,493	3,821	3,463	3,801
Subsidiary support subsidies	–	–	1,273	1,268
Travel	5,024	5,143	4,841	4,986
Utilities	5,088	4,720	5,037	4,672
Amortisation of Finance Lease Receivable	497	–	497	–
Total other expenses	**98,828**	**96,220**	**98,259**	**96,251**

Note 9 Cash and cash equivalents

	Consolidated 2019 $'000	Consolidated 2018 $'000	University 2019 $'000	University 2018 $'000
Cash at bank and on hand	3,365	3,937	3,314	3,879
Deposits at call and investments originally maturing within three months	279	274	65	66
Total cash and cash equivalents*	**3,644**	**4,211**	**3,379**	**3,945**

* Cash and cash equivalents include restricted cash of $0.2 million (2018: $0.2 million) held within the Weeden and PADMIN trusts which is restricted for the objectives outlined in the trust deed and cannot be used to settle the liabilities of the Group.

Accounting Policy

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 and cash equivalents are subject to an insignificant risk of changes in value and are net of any bank overdraft.

Note 10 Receivables and contract assets

	Consolidated 2019 $'000	Consolidated 2018 $'000	University 2019 $'000	University 2018 $'000
Current				
Student Fee Receivable	6,670	5,762	4,285	5,415
Less: allowance for expected credit losses	(797)	(890)	(552)	(640)
Inter-entity accounts - subsidiaries	–	–	1,567	1,242
Other receivables	4,907	3,385	4,834	3,417
Australian Government financial assistance receivable	179	481	179	481
Sub-total	10,959	8,738	10,313	9,915
Contract Assets	642	–	642	–
Contract Receivables	2,185	–	2,185	–
Total current receivables and contract assets	**13,786**	**8,738**	**13,140**	**9,915**
Non-Current				
Contract Assets	–	–	–	–
Total non-current receivables and contract assets	–	–	–	–
Total receivables and contract assets	**13,786**	**8,738**	**13,140**	**9,915**

Trade receivables are non-interest bearing and are generally on terms of 30 days.

	Consolidated 2019 $'000	Consolidated 2018 $'000	University 2019 $'000	University 2018 $'000
At 1 January	890	1,478	640	1,239
Add: provision for expected credit losses	181	702	164	688
Sub-total	1,071	2,180	804	1,927
Less: write-off	(173)	(747)	(173)	(745)
Less: impairment losses reversed during the year	(101)	(543)	(79)	(542)
Allowance at the end of the year	**797**	**890**	**552**	**640**

Contract assets
As at 31 December 2019, the University has contract assets and contract receivables of $2,827,000 which is net of an allowance for expected credit losses of $0. Refer to Note 3.7 and Note 13 for further detail.

The significant changes in the balances of contract assets are disclosed in Note 3.7 while the information about the credit exposures are disclosed in the Note 31 Financial Risk Management.

Note 10 Receivables and contract assets (continued)

Accounting Policy

Classification and measurement
Trade receivables are held to collect contractual cash flows and give rise to cash flows representing solely payments of principal. Trade and other receivables are initially measured at their transaction price and subsequently these are classified and measured as debt instruments at amortised cost.

Impairment
For trade receivables the University applies a simplified approach in calculating expected credit losses (ECLs). Therefore, the University does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The University has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Note 11 Other financial assets

	Consolidated		University	
	2019	2018	2019	2018
	$'000	$'000	$'000	$'000
Non-current				
Investment in equity instruments designated at FVOCI	50,693	30,756	50,694	30,757
Other financial assets at FVOCI*	7,484	6,476	3,177	2,772
Total non-current other financial assets	**58,177**	**37,232**	**53,871**	**33,529**
Total other financial assets	**58,177**	**37,232**	**53,871**	**33,529**

* Investments include restricted investments of $4.3 million (2018: $3.7 million) that cannot be used to settle the liabilities of the Group. This consists of investments held within the Weeden and Padmin trusts.

Accounting Policy

Initial recognition and measurement
The University classifies its investments at initial recognition, as subsequently measured at amortised costs, fair value through other comprehensive income (FVOCI), and fair value through profit or loss (FVTPL).

The classification of the financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the business model for managing them. With the exception of trade receivables that do not contain a significant financing component, the University initially measures a financial asset at its fair value plus transaction cost (in the case of a financial asset not at fair value through profit or loss).

Note 11 Other financial assets (continued)

Subsequent measurement

For the purposes of subsequent measurement, financial assets are classified in five categories:

(i) *Other financial assets at amortised costs*
The University measures financial assets at amortised cost if both of the following conditions are met:
- *The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows, and*
- *The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.*

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit of loss when the asset is derecognised, modified or impaired.

The University's financial assets at amortised cost includes trade receivables and loan to related parties.

(ii) *Other financial assets at fair value through other comprehensive income (FVOCI)*
The University measures debt instruments at FVOCI if both of the following conditions are met:
- *The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling, and*
- *The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.*

For debt instruments at FVOCI, interest income and impairment losses or reversals are recognised in the statement of comprehensive income and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in the Other Comprehensive Income (OCI). Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

The University's financial assets at FVOCI includes investments in quoted debt instruments included under other non-current financial assets.

(iii) *Investment in equity instruments designated at fair value through OCI*
Upon initial recognition, the University can elect to classify irrevocably its equity investment as equity instruments designated at FVOCI when they meet the definition of equity under AASB 132 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis. Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of comprehensive income when the right of payment has been established, except when the University benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at FVOCI are not subject to impairment assessment.

The University elected to classify irrevocably its non-listed equity investments under this category.

The University has made significant judgements regarding the fair value of shares held. The shares held in Education Australia Ltd, AARNET, and Uniprojects Pty Limited have been valued at fair value at 31 December 2019 as determined by an independent valuer. The shares held in EpiAxis Therapeutics Pty Ltd and Unisuper Limited are carried at cost on the basis there is no quoted price in an active market and the fair value cannot be reliably measured.

(iv) *Other financial assets at fair value through profit or loss (FVTPL) and designated at FVTPL*
Financial assets at FVTPL include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at FVOCI, as described above, debt instruments may be designated at FVTPL on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at FVTPL are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of comprehensive income.

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.

Note 11 Other financial assets (continued)

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised and removed from the Statement of Financial Position when:

- *The rights to receive cash flows from the asset have expired; or*
- *The University has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the University has transferred substantially all the risks and rewards of the asset, or (b) the University has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.*

When the University has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership.

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the University continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the University also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the University has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the University could be required to repay.

Impairment of debt instruments other than receivables

The University recognises an allowance for expected credit losses (ECLs) for all debt instruments other than receivables and not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the University expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For debt instruments at FVOCI, the University applies the low credit risk simplification. At every reporting date, the University evaluates whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the University reassesses the internal credit rating of the debt instrument. In addition, the University considers that there has been a significant increase in credit risk when contractual payments are more than 90 days past due.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Note 12 Non-current assets held for sale

	Consolidated		University	
	2019	2018	2019	2018
	$'000	$'000	$'000	$'000
Current				
Assets held for sale	564	9,870	564	9,870
Total assets held for sale	**564**	**9,870**	**564**	**9,870**

Accounting Policy

Assets which are classified as held for sale are stated at the lower of their carrying amount and fair value less costs of disposal if their carrying amount will be recovered principally through a sale transaction rather than through continuing use.

Assets are not depreciated or amortised while they are classified as held for sale. Assets classified as held for sale are presented separately in the Statement of Financial Position.

Note 12 Non-current assets held for sale (continued)

Assets held for sale

The attributable portion of the Bruce campus land related to the below arrangements has been reclassified as an asset held for sale and measured at the lower of the carrying amount and the fair value less costs to sell.

(i) Aged care facility

In December 2015, the University entered into a series of agreements with a third party in relation to the construction and operation of an aged care facility which incorporates a childcare facility on part of the Bruce campus land. The third party is required to carry out estate works under a licence granted by the University and will then be granted a 75-year sublease over the land to enable construction and then operation of the aged care facility. The agreements also provide the third party with the right to propose additional projects on an additional adjacent section of the Bruce campus. During 2018 a deposit of $3.0M was received by the University which is held in the Statement of Financial Position pending completion of the sale of the land.

Note 13 Other non-financial assets

	Consolidated		University	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000
Current				
Net investment in a lease	497	497	497	497
Prepayments	8,111	6,924	7,967	6,861
Inventories	193	185	–	–
Security deposit	1	1	–	–
Total current other non-financial assets	**8,802**	**7,607**	**8,464**	**7,358**
Non Current				
Net investment in a lease	9,244	9,741	9,244	9,741
Total non current other non-financial assets	**9,244**	**9,741**	**9,244**	**9,741**
Total other non-financial assets	**18,046**	**17,348**	**17,708**	**17,099**

Note 13.1 University as lessor

Amounts included in the income statement are as follows:

	Consolidated	University
	2019 $'000	2019 $'000
Finance leases		
Finance income on the net investment in the lease	266	266
Operating leases		
Lease income	2,491	2,491

Note 13.1 University as lessor (continued)

Finance leases as lessor

The University has entered into the following lease arrangements with third parties primarily for the leasing of buildings.

Campus Living Villages student 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). This agreement required CLV to fund and manage the existing student accommodation and to fund the construction and management of new student accommodation buildings on the site. The buildings will revert to the University at the end of the lease. CLV manages the complex and collects rentals during the term of the lease.

CLV retains the rental revenues earned from the operation of the student accommodation and as the University does not provide a minimum revenue guarantee on the residence fees, the risk is fully borne by CLV.

CLV pays the University an annuity payment equal to a percentage of total residence fees throughout the lease term. The University has recorded a financial asset at amortised cost to recognise the discounted value of minimum annuity payments (annuity payments) receivable over the lease term.

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.

New accommodation
The University does not have the significant risks and rewards in relation to the CLV 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 depreciate it at the end of the lease term when the buildings transfer to the University and are in a state ready for use by the University.

The University estimates the fair value of the new student accommodation at the end of the 30-year lease period will be $8.5 million. The fair value was determined by an independent valuation based on rental receipts in perpetuity discounted at the rate of nine per cent per annum.

Existing accommodation
The University 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.

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 depreciate it at the end of the lease term when the buildings revert back to the University and are in a state ready for use by the University.

The University estimates the fair value of the existing 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 nine per cent per annum.

CLV - Deferred income

The University has recorded deferred income, being the difference between the carrying value of existing student accommodation disposed of in exchange for the annuity receivable and the fair value of the new and existing student accommodation that will transfer to the University at the end of the lease term. The deferred income is recognised in the Statement of Comprehensive Income on a straight-line basis over the lease term.

Health Hub

In 2014, 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 its share of the construction costs. On completion of construction, the University granted 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 only capitalised its share of the building on completion of construction.

Note 13.1 University as lessor (continued)

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 was initially calculated based on the depreciated replacement cost at the end of the 40-year lease discounted to the present value. This liability and asset are adjusted in line with the independent revaluations of the building undertaken in accordance with the University's asset policy.

Sporting Hub
In 2014, 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.

Risk management for rights retained in the underlying asset
The agreements signed by the University and the third parties provide for the assets (buildings and associated infrastructure) to be transferred/returned, unencumbered, to the University at the expiration of the lease term. In regard to Campus Living Village, the agreement also provides for the transfer of ownership to the University of any new dwellings that Campus Village Living construct under the agreement.

	Consolidated 2019 $'000	University 2019 $'000
Changes in the carrying amount of the net investment in finance leases		
Carrying amount of net investment in finance leases at 1 January 2019	9,741	9,741
Payments received during the year	497	497
Carrying amount of net investment in finance leases at 31 December 2019	9,244	9,244
Maturity analysis of undiscounted lease payments receivable		
Less than one year	1,408	1,408
One to five years	5,633	5,633
More than five years	35,747	35,747
Total undiscounted lease payments receivable	42,788	42,788
Unearned finance income	33,047	33,047
Net investment in the lease	9,741	9,741

Note 13.1 University as lessor (continued)

Operating leases as lessor

The University has entered into lease arrangements with third party providers for space in which they provide goods and services on a commercial basis to students, staff, and visitors to the University. Generally, terms of the leases range from three to five years with options to extend. There are three longer term leases which are for periods of twenty years with options to extend.

	Consolidated 2019 $'000	University 2019 $'000
Maturity analysis of undiscounted lease payments		
Less than one year	2,336	2,336
One to five years	8,323	8,323
More than five years	5,577	5,577
Total undiscounted lease payments receivable	16,236	16,236

Policy applicable from 1 January 2019
When the University acts as a lessor, it determines at inception whether each lease is a finance lease or an operating lease. To classify each lease, the University makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the University considers indicators such as whether the lease is for the major part of the economic life of the asset.

The University reassesses the lease classification only if there is a lease modification. Changes in estimates (e.g. changes in estimates of the economic life or of the residual value of the underlying asset), or changes in circumstances (e.g. default by the lessee), do not give rise to a new classification of a lease for accounting purposes.

When the University is an intermediate lessor in a sublease, it accounts for its interests in the head lease and the sublease separately as two separate contracts. The University assesses the lease classification as a lessor in the sublease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the University applies the short-term lease exemption as described in the policy where the University is a lessee, then the sublease is classified as an operating lease.

The University recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of other income.

Where the lease is classified as a finance, the University recognises assets held under a finance lease in its statement of financial position and presents them as a receivable at an amount equal to the net investment in the lease. Subsequently, the University recognises finance income over the lease term, based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease.

Note 14 Investments accounted for using the equity method

Joint Ventures:

Name of entity	**Place of business**	**Ownership interest** 2019 %	2018 %
University of Canberra College Pty Ltd	University Drive Bruce, ACT 2617	49.0	49.0
EpiAxis Therapeutics Pty Ltd	University Drive Bruce, ACT 2617	17.1	22.4

Note 14 Investments accounted for using the equity method (continued)

	Consolidated 2019 $'000	Consolidated 2018 $'000	University 2019 $'000	University 2018 $'000
(a) Individually material joint ventures				
University of Canberra College Pty Ltd				
Financial position				
Current assets	37	317	37	317
Cash and cash equivalents	2,064	1,240	2,064	1,240
Non-current assets	18	1,040	18	1,040
Total assets	**2,119**	**2,597**	**2,119**	**2,597**
Current liabilities	2,388	3,597	2,388	3,597
Current financial liabilities (excluding trade payables and provisions)	257	297	257	297
Non-current liabilities	58	154	58	154
Total liabilities	**2,703**	**4,048**	**2,703**	**4,048**
Net liabilities	**(584)**	**(1,451)**	**(584)**	**(1,451)**
Share of joint venture net liabilities	**(286)**	**(711)**	**(286)**	**(711)**
Reconciliation of carrying amounts:				
Balance at 1 January	3,449	3,724	3,449	3,724
Share of profit/loss for the year	216	(275)	216	(275)
Balance at 31 December	**3,665**	**3,449**	**3,665**	**3,449**
Financial performance				
Income	11,572	10,542	11,572	10,542
Interest income	5	10	5	10
Expenses	(9,687)	(11,290)	(9,687)	(11,290)
Depreciation and amortisation	(8)	(4)	(8)	(4)
Profit/loss from continuing operations	**1,882**	**(742)**	**1,882**	**(742)**
Income tax	(1,440)	183	(1,440)	183
Total comprehensive profit/loss	**442**	**(559)**	**442**	**(559)**
Share of joint venture profit/loss	**216**	**(275)**	**216**	**(275)**

(b) Other immaterial equity investments

There are no individually immaterial interests in joint ventures recorded as at balance date.

Note 14 Investments accounted for using the equity method (continued)

Accounting Policy

Under the equity method of accounting, investments are initially recognised at cost and adjusted thereafter to recognise the share of the post-acquisition profits or losses of the investee in the Statement of Comprehensive Income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

The share of the associates' post-acquisition profits or losses is recognised in the Statement of Comprehensive Income, and the 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 share of losses in an equity-accounted investment equals or exceeds the interest in the entity, including any other unsecured long-term receivables, no further losses are recognised, unless obligations or payments have been incurred on behalf of the other entity.

Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

The carrying amount of equity accounted investments is tested for impairment annually.

Changes in ownership interests
A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary.

When the Group ceases to equity account for an investment because of a change in the Group's interest, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset.

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

Joint ventures:
The interest in a joint venture entity is accounted for in the financial statements using the equity method and is initially recognised at cost.

(i) University of Canberra College Pty Ltd
The University's shares in the University of Canberra College are accounted for as a joint venture.

(ii) Other Joint ventures
The University has two other joint ventures, one with the Australian National University (ANU) and one in relation to EpiAxis Therapeutics Pty Ltd.

At balance date, these two joint ventures have no material effect on the results of the Group.

Note 15 Property, plant and equipment

	Leasehold land	Buildings	Right to receive buildings*	Infrastructure	Library collection	Works of art	Work in progress**	Computer equipment	Motor vehicles	Equipment	Fixtures & fittings	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Consolidated												
At 1 January 2018												
Fair value / cost	115,634	632,518	17,502	39,396	1,206	1,900	19,454	2,397	290	35,099	57,614	923,010
Accumulated depreciation	–	(213,991)	–	(10,343)	(288)	–	–	(2,020)	(290)	(21,988)	(13,635)	(262,555)
Net book amount	**115,634**	**418,527**	**17,502**	**29,053**	**918**	**1,900**	**19,454**	**377**	**–**	**13,111**	**43,979**	**660,455**
Year ended 31 December 2018												
Opening net book amount	115,634	418,527	17,502	29,053	918	1,900	19,454	377	–	13,111	43,979	660,455
Revaluation increm't / (decrem't)	203	(743)	–	–	–	–	–	–	–	–	–	(540)
Additions	1,200	13,260	120	2,648	–	1	26,284	15	13	5,279	4,961	53,781
Disposals and transfers out***/****	(2,723)	(7,504)	–	(14)	(8)	–	(24,912)	(3)	–	(26)	–	(35,190)
Depreciation	–	(8,490)	–	(1,076)	(72)	–	–	(210)	–	(3,581)	(4,064)	(17,493)
Closing net book amount	**114,314**	**415,050**	**17,622**	**30,611**	**838**	**1,901**	**20,826**	**179**	**13**	**14,783**	**44,876**	**661,013**
At 31 December 2018												
Fair value / cost	114,314	628,742	17,622	42,000	1,191	1,901	20,826	1,934	250	37,582	62,575	928,937
Accumulated depreciation	–	(213,692)	–	(11,389)	(353)	–	–	(1,755)	(237)	(22,799)	(17,699)	(267,924)
Net book amount	**114,314**	**415,050**	**17,622**	**30,611**	**838**	**1,901**	**20,826**	**179**	**13**	**14,783**	**44,876**	**661,013**
Year ended 31 December 2019												
Opening net book amount	114,314	415,050	17,622	30,611	838	1,901	20,826	179	13	14,783	44,876	661,013
Revaluation increm't / (decrem't)	6,326	(9,733)	–	(7,034)	317	66	–	–	–	–	–	(10,058)
Additions	–	6,007	360	4,969	–	293	29,746	119	5	4,503	2,655	48,657
Disposals and transfers out***	–	(31)	–	(46)	(288)	(8)	(25,794)	(2)	–	(83)	(30)	(26,283)
Depreciation	–	(8,429)	–	(1,233)	(65)	–	–	(128)	(4)	(4,053)	(4,216)	(18,128)
Closing net book amount	**120,640**	**402,864**	**17,982**	**27,267**	**802**	**2,252**	**24,778**	**168**	**14**	**15,150**	**43,285**	**655,201**
At 31 December 2019												
Fair value / cost	120,640	403,043	17,982	27,267	802	2,252	24,778	2,051	255	41,936	65,200	706,205
Accumulated depreciation	–	(179)	–	–	–	–	–	(1,883)	(241)	(26,786)	(21,915)	(51,004)
Net book amount	**120,640**	**402,864**	**17,982**	**27,267**	**802**	**2,252**	**24,778**	**168**	**14**	**15,150**	**43,285**	**655,201**

* Right to receive buildings includes CLV student accommodation of $16.03m and Health Hub $1.95m, with an increase of $0.36m in 2019. Refer Note 13.1 Public Private Partnership (PPP) for further details.

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

*** Scrapped assets with a net book value of nil result in a change in the cost and accumulated depreciation balances.

**** From the total WIP transfer out $11.50m was classified to intangible assets and $1.02m was classified to operating expenses.

Note 15 Property, plant and equipment (continued)

	Leasehold land $'000	Buildings $'000	Right to receive buildings* $'000 at fair value	Infrastructure $'000	Library collection $'000	Works of art $'000	Work in progress** $'000	Computer equipment $'000	Motor vehicles $'000 at cost	Equipment $'000	Fixtures & fittings $'000	Total $'000
University												
At 1 January 2018												
Fair value / cost	115,634	632,290	17,502	39,396	1,206	1,900	19,454	2,378	290	33,987	57,614	921,651
Accumulated depreciation	–	(213,824)	–	(10,343)	(288)	–	–	(2,004)	(290)	(21,347)	(13,635)	(261,731)
Net book amount	**115,634**	**418,466**	**17,502**	**29,053**	**918**	**1,900**	**19,454**	**374**	**–**	**12,640**	**43,979**	**659,920**
Year ended 31 December 2018												
Opening net book amount	115,634	418,466	17,502	29,053	918	1,900	19,454	374	–	12,640	43,979	659,920
Revaluation increm't / (decrem't)	203	(743)	–	–	–	–	–	–	–	–	–	(540)
Additions	1,200	13,207	120	2,648	–	1	26,284	8	13	5,081	4,961	53,523
Disposals and transfers out***/****	(2,723)	(7,504)	–	(14)	(8)	–	(24,912)	(2)	–	(23)	–	(35,186)
Depreciation	–	(8,481)	–	(1,076)	(72)	–	–	(208)	–	(3,459)	(4,064)	(17,360)
Closing net book amount	**114,314**	**414,945**	**17,622**	**30,611**	**838**	**1,901**	**20,826**	**172**	**13**	**14,239**	**44,876**	**660,357**
At 31 December 2018												
Fair value / cost	114,314	628,462	17,622	42,000	1,191	1,901	20,826	1,911	250	36,324	62,575	927,376
Accumulated depreciation	–	(213,517)	–	(11,389)	(353)	–	–	(1,739)	(237)	(22,085)	(17,699)	(267,019)
Net book amount	**114,314**	**414,945**	**17,622**	**30,611**	**838**	**1,901**	**20,826**	**172**	**13**	**14,239**	**44,876**	**660,357**
Year ended 31 December 2019												
Opening net book amount	114,314	414,945	17,622	30,611	838	1,901	20,826	172	13	14,239	44,876	660,357
Revaluation increm't / (decrem't)	6,326	(9,732)	–	(7,034)	317	66	–		–	–	–	(10,057)
Additions		5,995	360	4,969	–	293	29,571	120	–	4,319	2,655	48,283
Disposals and transfers out***/****		–	–	(46)	(289)	(8)	(25,794)	(2)	–	(28)	(30)	(26,197)
Depreciation		(8,417)	–	(1,233)	(65)		–	(126)	(3)	(3,928)	(4,216)	(17,988)
Closing net book amount	**120,640**	**402,791**	**17,982**	**27,267**	**802**	**2,252**	**24,603**	**164**	**10**	**14,602**	**43,285**	**654,398**
At 31 December 2019												
Fair value / cost	120,640	402,791	17,982	27,267	802	2,252	24,603	2,029	250	40,615	65,200	704,431
Accumulated depreciation	–	–	–	–	–	–	–	(1,865)	(240)	(26,013)	(21,915)	(50,033)
Net book amount	**120,640**	**402,791**	**17,982**	**27,267**	**802**	**2,252**	**24,603**	**164**	**10**	**14,602**	**43,285**	**654,398**

* Right to receive buildings includes CLV student accommodation of $16.03m and Health Hub $1.95m, with an increase of $0.36m in 2019. Refer Note 13.1 Public Private Partnership (PPP) for further details.

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

*** Scrapped assets with a net book value of nil result in a change in the cost and accumulated depreciation balances.

**** From the total WIP transfer out $11.50m was classified to intangible assets and $1.02m was classified to operating expenses.

Note 15 Property, plant and equipment (continued)

Accounting Policy

All property, plant and equipment is measured at cost less accumulated depreciation and impairment losses, except for land, leasehold land, buildings, infrastructure, library collection, right to receive buildings 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.

Land, leasehold land, buildings, infrastructure, library collection, works of art and right to receive buildings are initially recognised at cost and subsequently measured at fair value. Land, buildings, infrastructure and works of art were revalued at 31 December 2019. The library and rare book collection and artworks were revalued at 30 June 2019. All valuations were undertaken by AON Global Risk Consulting Valuation Services.

Fair value is determined on the basis of an independent valuation in accordance with accounting standards prepared by the external valuer. The valuation uses significant judgements and estimates to determine the fair value including the appropriate indexation figure, useful life and remaining useful life of the assets and the amount of assets held. 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 threshold to capitalise property, plant and equipment is $5,000. For major projects such as the construction of a new building or a major building refurbishment, where the total cost of the project exceeds $1 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.

Note 15.1 Right-of-use assets

Information about leases where the University is a lessee is presented below:

	Consolidated 2019 $'000	University 2019 $'000
Right of use assets		
Equipment		
At 1 January 2019	1,423	1,423
Additions of right-of-use assets	290	290
Depreciation charge	(404)	(404)
At 31 December 2019	**1,309**	**1,309**
Right of use assets		
Motor Vehicles		
At 1 January 2019	136	136
Depreciation charge	(44)	(44)
At 31 December 2019	**92**	**92**
Right of use assets		
Total		
At 1 January 2019	1,559	1,559
Additions of right-of-use assets	290	290
Depreciation charge	(448)	(448)
At 31 December 2019	**1,401**	**1,401**

Accounting Policy

Policy applicable from 1 January 2019

Assessment of whether a contract is, or contains, a lease

At inception of a contract, the University assesses whether a contract is, or contains a lease. A contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. The University assesses whether:

a. *The contract involves the use of an identified asset – The asset may be explicitly or implicitly specified in the contract. A capacity portion of larger assets is considered an identified asset if the portion is physically distinct or if the portion represents substantially all of the capacity of the asset. The asset is not considered an identified asset, if the supplier has the substantive right to substitute the asset throughout the period of use;*
b. *The customer has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use;*
c. *The customer has the right to direct the use of the asset throughout the period of use – The customer is considered to have the right to direct the use of the asset only if either:*
   i. *The customer has the right to direct how and for what purpose the identified asset is used throughout the period of use; or*
   ii. *The relevant decisions about how and for what purposes the asset is used is predetermined and the customer has the right to operate the asset, or the customer designed the asset in a way that predetermines how and for what purpose the asset will be used throughout the period of use.*

Accounting for leases – University as lessee
In contracts where the University is a lessee, the University recognises a right-of-use asset and a lease liability at the commencement date of the lease, unless the short-term or low-value exemption is applied.

Right-of-use asset
A right-of-use asset is initially measured at cost comprising the initial measurement of the lease liability adjusted for any lease payments made before the commencement date (reduced by lease incentives received), plus initial direct costs incurred in obtaining the lease and an estimate of costs to be incurred in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

A right-of-use asset associated with land and buildings is subsequently measured at fair value. All other property, plant and equipment are measured as described in the accounting policy for property, plant and equipment in Note 15.

Note 16 Intangible assets

	Consolidated		University	
	2019	2018	2019	2018
	$'000	$'000	$'000	$'000
Computer software				
At 1 January				
Cost	35,582	28,201	35,548	28,167
Accumulated amortisation	(25,213)	(22,308)	(25,181)	(22,283)
Net book amount	**10,369**	**5,893**	**10,367**	**5,884**
Year ended 31 December				
Opening net book amount	10,369	5,893	10,367	5,884
Additions	11,517	7,924	11,517	7,924
Disposals*	(23)	(241)	(23)	(241)
Amortisation	(4,255)	(3,207)	(4,253)	(3,200)
Closing net book amount	**17,608**	**10,369**	**17,608**	**10,367**
At 31 December				
Cost	43,246	35,582	43,211	35,548
Accumulated amortisation	(25,638)	(25,213)	(25,603)	(25,181)
Net book amount	**17,608**	**10,369**	**17,608**	**10,367**
Strategic initiatives				
At 1 January				
Cost	3,521	3,521	3,521	3,521
Accumulated amortisation	(2,954)	(2,609)	(2,954)	(2,609)
Net book amount	**567**	**912**	**567**	**912**
Year ended 31 December				
Opening net book amount	567	912	567	912
Amortisation	(346)	(344)	(346)	(344)
Closing net book amount	**221**	**568**	**221**	**568**
At 31 December				
Cost	2,027	3,521	2,027	3,521
Accumulated amortisation	(1,806)	(2,953)	(1,806)	(2,953)
Net book amount	**221**	**568**	**221**	**568**
Right of use asset				
Year ended 31 December				
Opening net book amount	334	–	334	–
Additions	–	334	–	334
Disposal	(334)	–	(334)	–
Closing net book amount	**–**	**334**	**–**	**334**
Total intangible assets	**17,829**	**11,271**	**17,829**	**11,269**

Accounting Policy

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, strategic initiatives and right to use assets.

Threshold
The threshold to capitalise intangibles is $50,000. Intangibles under this threshold are expensed as incurred.

Note 17 Trade and other payables

	Consolidated		University	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000
Current				
Payables	12,095	7,746	9,813	7,484
OS-HELP liability to the Australian Government	2,167	2,617	2,167	2,617
Accrued expenses	12,890	12,489	12,919	12,274
Total current payables	**27,152**	**22,852**	**24,899**	**22,375**

Accounting Policy

Trade and other payables represent liabilities for goods and services provided to the University prior to the end of financial year, which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

Note 18 Borrowings

Non-current				
Unsecured				
Cash advance facility - Commonwealth Bank of Australia	58,500	80,000	58,500	80,000
Cash advance facility - Westpac	–	1,500	–	1,500
Total non-current borrowings	**58,500**	**81,500**	**58,500**	**81,500**
Total borrowings	**58,500**	**81,500**	**58,500**	**81,500**

Accounting Policy

Borrowings 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 from construction commencement to commissioning are capitalised as part of the asset. Interest expense is recognised in the Statement of Comprehensive Income using the effective interest rate method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period and does not expect to settle the liability for at least 12 months after the end of the reporting period.

Borrowing arrangements

The University may borrow money subject to the limits and terms and conditions approved by the ACT Treasurer. Approval is granted by way of a Disallowable Instrument (DI) and Treasury Instrument (TI) and borrowing limits set by way of a TI.

The relevant TI is TI2015/3. The maximum financing facilities permitted under this TI, excluding bank overdraft, is $134 million.

Note 18 Borrowings (continued)

	Consolidated 2019 $'000	Consolidated 2018 $'000	University 2019 $'000	University 2018 $'000
Borrowing facilities available				
The Group has the following borrowing facilities available, noting restrictions imposed:				
Cash advance facility - Westpac	30,000	30,000	30,000	30,000
Cash advance facility - Commonwealth Bank of Australia	80,000	80,000	80,000	80,000
Total facilities available in accordance with TIs	110,000	110,000	110,000	110,000
Bank overdraft - Commonwealth Bank of Australia	1,000	1,000	1,000	1,000
Total borrowing facilities available	**111,000**	**111,000**	**111,000**	**111,000**
Unused borrowing facilities at balance date				
Cash advance facility - Westpac	30,000	28,500	30,000	28,500
Cash advance facility - Commonwealth Bank of Australia	21,500	–	21,500	–
Total available unused facilities in accordance with TIs	51,500	28,500	51,500	28,500
Bank overdraft - Commonwealth Bank of Australia	1,000	1,000	1,000	1,000
Total unused borrowing facilities available	**52,500**	**29,500**	**52,500**	**29,500**
Reconciliation of liabilities arising from financing activities				
Short-term borrowings				
Opening amount	–	653	–	653
Cash flows	–	(653)	–	(653)
Closing amount	–	–	–	–
Long-term borrowings				
Opening amount	81,500	85,500	81,500	85,500
Cash flows	(23,000)	(4,000)	(23,000)	(4,000)
Closing amount	**58,500**	**81,500**	**58,500**	**81,500**
Total liabilities from financing activities	**58,500**	**81,500**	**58,500**	**81,500**

Note 18.1 University as lessee

Amounts recognised in the statement of comprehensive income

	Consolidated 2019 $'000	University 2019 $'000
Interest on lease liabilities	37	37
Expenses relating to short-term leases	470	470
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	1,336	1,331
	1,843	**1,838**

Maturity analysis - undiscounted contractual cash flows

	Consolidated 2019 $'000	University 2019 $'000
Less than one year	2,135	2,135
One to five years	2,316	2,316
More than 5 years	–	–
Total undiscounted contractual cash flows	**4,451**	**4,451**
Lease liabilities recognised in the statement of financial position	**1,416**	**1,416**
Current	473	473
Non-current	943	943
	1,416	**1,416**

Nature of leasing activities as a lessee

The University has entered into a number of leases for the acquisition of specialist medical equipment, printer/scanner and audio-visual equipment for the delivery of teaching and undertaking research activities. In addition, a small number of motor vehicles have been leased to facilitate research field trips and general University related transport requirements.

Medical equipment, printer/scanner and audio-visual equipment leases have been entered into for fixed periods of 3 – 5 years with fixed monthly repayments and annual fixed effective interest rates ranging from 1.76% to 5.01%. Lease payments made represent the full principle and interest charge applicable to the asset and as such there is no residual payable at the expiration of the lease.

Motor vehicle leases have been entered into for periods of 4 – 5 years with fixed monthly repayments and annual fixed effective interest rates ranging from 4.7% to 5.5%. Lease payments represent the full principle and interest charge applicable to the asset and as such there is no residual payable at the expiration of the lease. There are early termination options available to the University however it is considered these will not be taken up.

The current active leases do not impose any restrictions and/or covenants apart from those directly related to the equipment that is subject of the lease arrangement.

Note 18.1 University as lessee (continued)

University of Canberra Hospital
As part of the previous arrangements entered into with the ACT Government, on 1 July 2018, the University was entitled to the exclusive use of an area located on the first floor of the University of Canberra Hospital (hospital) as well as for the shared use of an area located on the ground floor of the hospital. This right of use was obtained by entering into a long-term lease agreement for the exclusive use area. The University also obtained the legal ownership of the fit-out property, plant and equipment located in the exclusive use area which had been funded by the ACT Government.

There are no lease or licence fees payable under this arrangement and the University is entitled to renewal of this lease and licence in perpetuity.

In accordance with accounting standards, the University has capitalised as property plant and equipment assets the exclusive use part of the hospital as well as the associated fit-out at the fair value of these assets in accordance with the independent valuation obtained by the University.

As at the end of the year the University has not committed to any leases that are not included in the information provided above.

Amounts recognised in statement of cash flows	Consolidated	University
	2019	2019
	$'000	$'000
Total cash outflow for leases	2,342	2,337

Accounting Policy
Lease liabilities – University as lessee
The policy detailing assessment of whether a contract is, or contains, a lease is included in Note 13.1.
Lease liability
A lease liability is initially measured at the present value of unpaid lease payments at the commencement date of the lease. To calculate the present value, the unpaid lease payments are discounted using the incremental borrowing rate at the commencement date of the lease is used. Lease payments included in the measurement of lease liabilities comprise:
- *Fixed payments, including in-substance fixed payments;*
- *Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date (e.g. payments varying on account of changes in CPI);*
- *Amounts expected to be payable by the University under residual value guarantees;*
- *The exercise price of a purchase option if the University is reasonably certain to exercise that option; and*
- *Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.*

For a contract that contains a lease component and one or more additional lease or non-lease components, the University allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

Subsequently, the lease liability is measured at amortised cost using the effective interest rate method resulting in interest expense being recognised as a borrowing cost in the income statement. The lease liability is remeasured when there are changes in future lease payments arising from a change in an index or rate with a corresponding adjustment to the right-of-use asset. The adjustment amount is factored into depreciation of the right-of-use asset prospectively.

Right-of-use assets are presented within property, plant and equipment in Note 15.1 and lease liabilities are presented as borrowings in Note 18.

Short-term leases and leases of low-value assets
The University has elected not to recognise right-of-use assets and lease liabilities for short-term leases i.e. leases with a lease term of 12 months or less and leases of low-value assets i.e., when the value of the leased asset when new is $10,000 or less. The University recognises the lease payments associated with these leases as expense on a straight-line basis over the lease term.

Note 19 Provisions

	Notes	Consolidated 2019 $'000	Consolidated 2018 $'000	University 2019 $'000	University 2018 $'000
Current					
Provision for long service leave		12,588	12,783	12,506	12,682
Provision for annual leave		8,717	8,117	8,545	7,971
Provision for bonuses		615	822	600	800
Total current provisions	(a),(b)	**21,920**	**21,722**	**21,651**	**21,453**
Non-current					
Provision for long service leave		**4,655**	**2,097**	**4,635**	**2,089**
Total provisions		**26,575**	**23,819**	**26,286**	**23,542**
(a) Current provisions expected to be settled within 12 months					
Long service leave		3,752	3,822	3,752	3,805
Annual leave		7,208	6,637	7,052	6,537
Bonuses		615	822	600	800
Subtotal		**11,575**	**11,281**	**11,404**	**11,142**
(b) Current provisions expected to be settled after 12 months					
Long service leave		8,836	8,961	8,752	8,877
Annual leave		1,509	1,480	1,495	1,434
Subtotal		**10,345**	**10,441**	**10,247**	**10,311**
Total current provisions		**21,920**	**21,722**	**21,651**	**21,453**

Accounting Policy

Employee Benefits

(i) Short-term obligations
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.

(ii) Long-term obligations
The liability for long-term benefits are those that are not expected to be settled wholly before twelve months after the end of the annual reporting period. Long-term employee benefits include such things as annual leave and long service leave liabilities. 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.

Annual 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 University 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.

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.

Note 19 Provisions (continued)

The methodology outlined in the 2019 actuary report commissioned by the University has been used to estimate the liability for long service leave. 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.

(iii) Bonus arrangements
A liability and an expense are recognised for bonuses based on a formula which takes into consideration the surplus attributable to the Group and in the case of the senior managers bonuses, they are based on the overall University performance and their own individual performance. A provision is recognised where there is a contractual obligation or where there is a past practice that has created a constructive obligation.

Note 20 Other liabilities

		Consolidated		University	
		2019	2018	2019	2018
		$'000	$'000	$'000	$'000
Current					
Revenue in advance received*		14,995	12,405	15,095	12,362
Deferred income**		266	266	266	266
Australian Government financial assistance payable		1,725	2,844	1,725	2,844
Rent received in advance	(a)	358	390	358	390
Other financial liability - NRAS securitisation	(b)	5,065	4,648	5,065	4,648
Other financial liability - rental securitisation	(b)	4,199	3,930	4,199	3,930
Other financial liability - Stipend & Collaborator payment		842	–	842	–
Lease Liability		473	–	473	–
Security deposits received		3,244	3,244	3,244	3,244
Total current other liabilities		**31,167**	**27,727**	**31,267**	**27,684**
Non-current					
Deferred income**		4,946	5,212	4,946	5,212
Rent received in advance	(a)	4,683	4,883	4,683	4,883
Other financial liability - NRAS securitisation	(b)	14,463	19,528	14,463	19,528
Other financial liability - rental securitisation	(b)	25,527	29,725	25,526	29,725
Lease Liability		943	–	943	–
Lease expiry date payment		1,950	1,590	1,950	1,590
Security deposits received		3	3	3	3
Total non-current other liabilities		**52,515**	**60,941**	**52,514**	**60,941**
Total other liabilities		**83,682**	**88,668**	**83,781**	**88,625**

* Revenue in advance is student fees and charges for future periods and prepaid licence fees.
** Deferred income includes CLV (new and existing) student accommodation.

(a) Rent received in advance

In 2014, 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 2019 rental invoices payable in advance in accordance with lease agreements.

(b) Other financial liability – NRAS and rental securitisation

(i) NRAS

In November 2014 the University sold its then 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. 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.

Note 20 Other liabilities (continued)

(ii) Rental securitisation
In December 2015 the University entered into an arrangement with a third party for the sale of future student accommodation rental receivables for Cooper Lodge and Weeden Lodges for 10 years from 1 January 2016 in exchange for an up-front payment of $44 million.

The University has contractual obligations to the third party under the agreement, including payment of the actual rent collected on a quarterly basis. If the actual rent payment is less than the expected rent for the quarter, then the University will be required to pay a rent adjustment amount.

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 recognises an interest expense in the Statement of Comprehensive Income over the term of the contract.

The University recognises the income in relation to the sale of the future rent receivables as the obligations to the third party are fulfilled. This is recognised on a daily basis over the rent receivables entitlement period.

Note 21 Reserves

	Consolidated		University	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000
Reserves				
(a) Property, plant and equipment				
Balance at the beginning of the year	354,218	361,648	354,218	361,648
Revaluation increment of property, plant and equipmen	(10,058)	(7,430)	(10,058)	(7,430)
Balance at the end of the year	344,160	354,218	344,160	354,218
(b) Available for sale investments				
Balance at the beginning of the year	25,205	16,460	25,187	16,288
Revaluation increment of investments designated as Fair Value Through Other Comprehensive Income	20,851	8,745	20,316	8,899
Balance at the end of the year	46,056	25,205	45,503	25,187
Reserves at the end of the year	**390,216**	**379,423**	**389,663**	**379,405**

Note 22 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, elected, or term ended if occurring in 2019
Professor Tom Calma AO	
Professor H. Deep Saini	Ended 24 December 2019
Professor Dharmendra Sharma	Ended 31 December 2019
Dr Chris Faulks	
Dr Tom Karmel AM	
Mr Glenn Keys AO	
Mr Barry Mewett	
Ms Patricia Kelly	Appointed 9 April 2019
Ms Annabelle Pegrum AM	
Ms Prue Power AM	Ended 29 January 2019
Dr Michael Schaper	
Mr David Sturgiss	
Dr Holly Northam OAM	Ended 31 December 2019
Ms Mara Eversons	Ended 31 December 2019
Mr Kieran Heid	Elected 1 January 2019; Ended 31 December 2019
Ms Caroline Gouws	Elected 1 January 2019; ended 31 December 2019

The following persons were executive officers of University of Canberra during the year:

Executive Officer	Position
Professor H. Deep Saini	Vice-Chancellor and President (resigned 24 December 2019)
Professor Leigh Sullivan	Deputy Vice-Chancellor and Vice-President Research and Innovation
Professor Geoff Crisp	Deputy Vice-Chancellor and Vice-President Academic (commenced 25 March 2019)
Ms Belinda Robinson	Vice-President University Relations and Strategy
Mrs Vicki Williams	Deputy Vice-Chancellor and Vice-President Finance and Infrastructure
Mrs Kirsty Dwyer	Chief Executive, People and Diversity

(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. In accordance with 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. On the following page there is a table showing the number and relevant remuneration bands for University and Group key management personnel.

Note 22 Key management personnel disclosures (continued)

Remuneration of Council / Board members	Consolidated 2019	Consolidated 2018	University 2019	University 2018
Nil to $9,999	4	9	3	8
$10,000 to $19,999	1	5	1	5
$20,000 to $29,999	7	2	7	2
$30,000 to $39,999	–	1	–	1
$40,000 to $49,999	1	–	1	–
The aggregate of the remuneration for Council / Board members included above:	$242,464	$191,628	$239,179	$188,344
Remuneration of executive officers				
$10,000 to $19,999	–	1	–	1
$40,000 to $49,999	–	1	–	1
$80,000 to $89,999	–	1	–	1
$100,000 to $109,999	1	1	1	–
$120,000 to $129,999	1	–	–	–
$180,000 to $189,999	1	–	–	–
$200,000 to $209,999	–	1	–	–
$210,000 to $219,999	–	1	–	1
$280,000 to $289,999	–	1	–	1
$320,000 to $329,999	1	–	1	–
$380,000 to $389,999	–	1	–	1
$400,000 to $409,999	1	–	1	–
$410,000 to $419,999	1	–	1	–
$440,000 to $449,999	–	1	–	1
$460,000 to $469,999	1	–	1	–
$470,000 to $479,999	–	1	–	1
$480,000 to $489,999	1	–	1	–
$800,000 to $810,999	–	1	–	1
$970,000 to $979,999*	1	–	1	–
The aggregate of the remuneration for executive officers included above:	$3,489,636	$3,077,056	$3,179,177	$2,766,000

* Includes the 2019 bonus payment as described below.

The remuneration of executive officers is disclosed above, remuneration bands are based on remuneration paid or payable. This remuneration includes accrued salaries and wages and other employee benefits such as annual and long service leave, superannuation, redundancy payments, fringe benefits and cash bonuses paid.

The University makes bonus payments to senior managers on achieving key performance indicators as a component of their remuneration package. The determination of any bonus payable to individual executive officers in respect of performance in 2019 is not included in the above figures for 2019. Bonuses paid to individual executive officers in respect of performance in 2019 will be included in the 2020 financial statements.

The amounts disclosed for 2019 include bonuses paid in 2019 in respect of performance in 2018 of $285,102 and amounts disclosed for 2018 include bonuses of $90,097 paid in 2018 in respect of performance in 2017.

Note 19 Provisions includes an estimate of total bonuses of $600,000 (2018: $800,000) in respect of performance in 2019 by senior managers in the University including the executive officers above.

The Vice-Chancellor and President occupies a house on the Bruce campus as a requirement of this position. This residence is also used to hold official University 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 $45,914 in 2019 (2018: $45,191).

Note 22 Key management personnel disclosures (continued)

	Consolidated 2019 $'000	Consolidated 2018 $'000	University 2019 $'000	University 2018 $'000
(c) Key management personnel compensation				
Short-term employee benefits	3,460	2,998	3,155	2,685
Other long-term employee benefits	29	79	24	81
Total key management personnel compensation	3,489	3,077	3,179	2,766

(d) Other transactions with key management personnel

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

Note 23 Auditor's remuneration

	Consolidated 2019 $	Consolidated 2018 $	University 2019 $	University 2018 $
Audit of the financial statements				
ACT Audit Office	306,959	305,686	263,246	263,246
Other audit services - ACT Audit Office				
Audit of Higher Education Research Data Collection return	4,715	4,578	4,715	4,578
Total remuneration of auditors	311,674	310,264	267,961	267,824

No other services were provided by the ACT Audit Office.

Note 24 Contingent liabilities

(i) Legal proceedings
There is one legal matter subject to litigation that is material and pending at 31 December 2019. This matter is covered by insurance.

(ii) Securitised NRAS income
In 2014 the University sold some of 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, then it is equal to the nominal value of the expected future NRAS entitlements at the date of default. At 31 December 2019, the difference between the estimated termination payment and the recorded financial liability is $1.59 million. As the termination payment is to be calculated by the third party on the date of default, there is uncertainty with this amount. The University has estimated this amount based the nominal value of the expected future NRAS entitlements at 31 December 2019. 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.

(iii) Securitised rental income
In 2015 the University sold its student accommodation rental income for Cooper Lodge and Weeden Lodges to a third party in exchange for upfront consideration of $44.0 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, or insolvency. If the University is required to pay a termination payment, it is equal to the nominal value of the expected future rental income at the date of default. At 31 December 2019, the difference between the estimated termination payment and the recorded financial liability is $4.28 million.

Note 24 Contingent liabilities (continued)

As the termination payment is to be calculated by the third party on the date of default, there is uncertainty with this amount. The University has estimated this amount based on the nominal value of the expected future rental income at 31 December 2019. The University considers there is only a remote possibility a termination event will occur requiring a termination payment as the University dwellings are currently at the required occupancy rate.

(iv) Guarantees
The University has undertaken to provide financial support to UCX Ltd should the need arise. At the date of this report, no amount was expected to be paid under this obligation.

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 25 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	
	2019	2018	2019	2018
	$'000	$'000	$'000	$'000
(a) Capital expenditure commitments				
Commitments payable:				
- within twelve months*	11,397	15,713	11,397	15,713
	11,397	**15,713**	**11,397**	**15,713**
* The are no capital commitments extending beyond twelve r				
(b) Operating lease commitments				
Commitments payable:				
- within twelve months	2,135	1,906	2,135	1,906
- twelve months to five years	2,316	2,446	2,316	2,446
	4,451	**4,352**	**4,451**	**4,352**
Total commitments	**15,848**	**20,065**	**15,848**	**20,065**

Note 26 Related parties and other entities

(a) Parent entities

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

(b) Subsidiaries

Interests in subsidiaries are set out in Note 27 Subsidiaries.

(c) Other related entities

Interests in other related entities accounted for using the equity method of accounting are set out in Note 14 Investments accounted for using the equity method.

(d) Key management personnel

Disclosures relating to Council Members / Directors and specified executives are set out in Note 22 Key management personnel disclosures.

(e) Transactions with related parties

The University is regarded as an external supplier of services to its subsidiaries and related companies. The provision by the University of infrastructure facilities, utilities and general administrative services are charged to the associated entities based on a service level agreement between the entities and the University. The University has contracted the University of Canberra College Pty Ltd to provide academic services to University students undertaking English Language and pathways programs. UCX Ltd also provides goods and services to the University and other related entities. This mainly comprises catering and related goods and services.

Note 26 Related parties and other entities (continued)

The following transactions occurred with related parties:

	Consolidated 2019 $	Consolidated 2018 $	University 2019 $	University 2018 $
Wholly owned subsidiaries:				
Receipts				
Sales of goods and services	–	–	19,024	28,166
Services provided to related entities	–	–	437,140	703,479
Payments				
Debt forgiveness UC Global Pty Limited	–	–	–	9,823
Donations / sponsorship	–	–	150,000	150,000
Subsidiary support subsidies	–	–	1,260,053	1,268,099
Purchase of goods and services	–	–	570,876	683,706
Student services and amenities fee	–	–	1,069,686	640,000
Receivable / payable				
Receivables from subsidiaries	–	–	1,402,140	1,241,980
Other related parties:				
Receipts				
Joint venture service fee	1,156,635	1,052,537	1,156,635	1,052,537
Rent	534,265	764,146	534,265	764,146
Salary and wages	106	1,198	106	1,198
Sales of goods and services	39,988	51,352	39,988	51,352
University support services	124,758	231,487	124,758	231,487
Payments				
Contracted services – related parties	10,064,004	9,654,176	10,064,004	9,654,176
Purchases of goods and services	16,110	18,636	16,110	18,636
Salary and wages	–	61,141	–	61,141
Receivable / payable				
Receivables / (payables)	(144,822)	(758,760)	(144,822)	(758,760)

No provision for impairment or expense has been recognised in relation to any outstanding balances due from related parties.

Note 27 Subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in Note 1 Basis of consolidation. The investments in subsidiaries are carried at cost in the University's separate financial statements.

Name of entity	Principal place of business	Percentage of equity interest held by the University	
		2019	2018
UCX Ltd (Membership interest)	University Drive, Bruce, ACT 2617	100%	100%
UC Global Pty Ltd	University Drive, Bruce, ACT 2617	100%	100%
WJ Weeden Post-Graduate Scholarship Trust Fund	University Drive, Bruce, ACT 2617	100%	100%
University of Canberra Royal Institute of Public Administration Research Fund	University Drive, Bruce, ACT 2617	100%	100%
AMTT Limited *	170 Haydon Drive, Bruce	100%	100%

AMTT Limited is a wholly owned subsidiary of UC but does not have any assets, liabilities, income or expenses to be consolidated.

Note 28 Events occurring after balance date

COVID-19

The World Health Organization declared a world-wide pandemic on 11 March 2020 with the Australian Federal Government subsequently implementing the Australian Health Management Plan for Pandemic Influenza and the Australian Health Sector Emergency Response Plan for Novel Coronavirus. Australia effectively closed its borders to all non-residents and non-citizens on Friday 20 March 2020. The University has adopted a working-from-home approach for all areas of operation from Monday 30 March 2020 that is scheduled to last until 30 May 2020.

From an Australian perspective the age group recording the most infections is the 20-29 year-olds whilst the 10-19 year-old group is amongst the least effected age group.

The University's Semester 1 commenced on 10 February 2020 and most of our students were on-campus at the time the borders closed and as such the estimated impact on Semester 1 student numbers and revenue is currently considered immaterial. The University has developed on-line teaching and associated remote delivery strategies to be implemented from 14 April 2020 that will enable the University to continue to deliver courses to students and lessen the impact on their studies. There is considerable uncertainty inherent in determining the number of students who will not be able to, or choose not to, participate in their enrolled subjects during Semester 2 of 2020.

The impact of COVID-19 on businesses around the world is evolving rapidly and its future effects uncertain.

The University continues to regularly reassess the impact of COVID-19 on our financial performance and financial position and will adjust its operations as further reliable and relevant information becomes available.

Note 29 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	
		2019	2018	2019	2018
	Notes	$'000	$'000	$'000	$'000
Cash and cash equivalents at the end of the year	9	3,644	4,211	3,379	3,945

(b) Reconciliation of the net result for the period to net cash provided by operating activities

	Consolidated 2019 $'000	Consolidated 2018 $'000	University 2019 $'000	University 2018 $'000
Net result for the period	**19,524**	**18,507**	**19,207**	**18,841**
Add / (deduct) income / expenses from non-cash transactions				
NRAS securitisation	(4,953)	(5,001)	(4,953)	(5,001)
Depreciation and amortisation	23,176	21,044	23,035	20,904
Impairment losses	93	505	98	492
Right of use asset received at no cost	–	(7,504)	–	(7,504)
Share of (profit)/loss under equity accounting method	(216)	275	(216)	275
Distributions on investments	43	70	–	–
Loss on disposal of assets	339	433	252	431
	18,482	**9,822**	**18,216**	**9,597**
Add / (deduct) income / expenses from non-operating transactions				
Dividends received	(2,939)	(890)	(2,811)	(786)
(Gain) / Loss on disposal of investment	37	–	37	–
	(2,902)	**(890)**	**(2,774)**	**(786)**
Change in operating assets and liabilities				
(Increase) / decrease in receivables	(615)	1,724	(496)	83
(Increase) in contract assets and receivables	(2,827)	–	(2,827)	–
(Increase) / Decrease in other financial assets	(8)	564	–	498
Increase in other non-financial assets	(590)	(217)	(609)	(74)
Increase / (decrease) in employee benefits	2,757	(887)	2,744	(959)
Increase in accrued salaries and wages	571	518	556	503
Increase / (decrease) in payables	2,158	(2,452)	1,969	(1,267)
Increase in other liabilities	3,591	5,322	3,734	5,319
Increase in contract liabilities	17,652	–	17,652	–
(Decrease) in retained earnings	(8,083)	–	(8,019)	–
	14,607	**4,572**	**14,704**	**4,103**
Net cash provided by operating activities	**49,711**	**32,011**	**49,353**	**31,755**

Note 30 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 other current 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	
	2019	**2018**	**2019**	**2018**
	$'000	**$'000**	**$'000**	**$'000**
Financial assets				
Cash and cash equivalents	3,644	4,211	3,379	3,945
Trade and other receivables	12,524	8,033	10,476	7,968
Receivables from subsidiaries	–	–	1,402	1,242
Net investment in a lease	9,741	10,238	9,741	10,238
Investment in equity instruments designated at FVOCI	54,358	34,205	54,359	34,206
Other financial assets at FVOCI	7,484	6,476	3,177	2,772
Carrying amount of financial assets	**87,751**	**63,163**	**82,534**	**60,371**
Financial liabilities				
At amortised cost				
Trade and other payables	27,152	22,896	24,899	22,375
Cash advance facility - Commonwealth Bank of Australia*	58,500	80,000	58,500	80,000
Cash advance facility - Westpac*	–	1,500	–	1,500
Australian Government financial assistance payable	1,725	2,844	1,725	2,844
Other financial liability - NRAS securitisation*	19,528	24,176	19,528	24,176
Other financial liability - rental securitisation*	29,725	33,655	29,725	33,655
Lease liability	1,416	–	1,416	–
Lease expiry date payment	1,950	1,590	1,950	1,590
Security deposits received	3,247	3,247	3,247	3,247
Carrying amount of financial liabilities	**143,243**	**169,908**	**140,990**	**169,387**

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

The fair values of the Commonwealth Bank of Australia and Westpac cash advance facilities approximate the carrying values given the short term and fluctuating nature of these bill facilities which are used to fund working capital requirements.

The fair values of the NRAS and rent securitisation approximate the carrying values as the liabilities have been measured at amortised cost using the effective interest method.

Note 30 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; and

(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 to its fair value.

The financial statements include a material holding in unlisted shares which is measured at fair value. Refer to Note 31 Financial risk management for further information.

(c) Fair value measurement of non-financial assets

Fair value measurement of non-financial assets is based on the highest and best use of the asset. The University 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 University measures and recognises some classes of property, plant and equipment at fair value on a recurring basis. Refer to Note 15 Property, plant and equipment for further information.

(d) Fair value hierarchy for financial assets

The University 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; and

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

The tables on the following pages provide the fair value measurements recognised in the Statement of Financial Position categorised into levels.

Note 30 Fair value measurement (continued)

	Notes	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Consolidated					
At 31 December 2019					
Recurring fair value measurements					
Financial assets					
Investment in equity instruments designated at FVOCI	11,14	–	50,692	3,666	54,358
Other financial assets at FVOCI	11	7,484			7,484
Total financial assets					**61,842**
Non-financial assets					
Land, buildings and infrastructure	14	–	15,753	535,018	550,771
Library collection	14	–	802	–	802
Works of art	14	–	2,252	–	2,252
Total non-financial assets					**553,825**

Reconciliation of Level 3 fair value measurement of financial assets	**Unlisted equities**
Opening balance 1 January 2019	3,449
Total loss in profit or loss	216
Closing balance 31 December 2019	**3,665**

	Notes	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
University					
At 31 December 2019					
Recurring fair value measurements					
Financial assets					
Investment in equity instruments designated at FVOCI	11,14	–	50,692	3,667	54,359
Other financial assets at FVOCI	11	3,177			3,177
Total financial assets					**57,536**
Non-financial assets					
Land, buildings and infrastructure	14	–	15,680	535,018	550,698
Library collection	14	–	802	–	802
Works of art	14	–	2,252	–	2,252
Total non-financial assets					**553,752**

Reconciliation of Level 3 fair value measurement of financial assets	**Unlisted equities**
Opening balance 1 January 2019	3,449
Total loss in profit or loss	216
Closing balance 31 December 2019	**3,665**

Note 30 Fair value measurement (continued)

	Notes	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Consolidated					
At 31 December 2018					
Recurring fair value measurements					
Financial assets					
Investment in equity instruments designated at FVOCI	11,14	–	30,756	3,449	34,205
Other financia assets at FVOCI	11	6,476	–	–	6,476
Total financial assets					**40,681**
Non-financial assets					
Land, buildings and infrastructure	14	–	149,952	410,023	559,975
Library collection	14	–	838	–	838
Works of art	14	–	1,901	–	1,901
Total non-financial assets					**562,714**

Reconciliation of Level 3 fair value measurement of financial assets	**Unlisted equities**
Opening balance 1 January 2018	3,724
Total loss in profit or loss	(275)
Closing balance 31 December 2018	**3,449**

	Notes	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
University					
At 31 December 2018					
Recurring fair value measurements					
Financial assets					
Investment in equity instruments designated at FVOCI	11,14	–	30,757	3,449	34,206
Other financia assets at FVOCI		2,772	–	–	2,772
Total financial assets					**36,978**
Non-financial assets					
Land, buildings and infrastructure	14	–	149,847	410,023	559,870
Library collection	14	–	838	–	838
Works of art	14	–	1,901	–	1,901
Total non-financial assets					**562,609**

Reconciliation of Level 3 fair value measurement of financial assets	**Unlisted equities**
Opening balance 1 January 2018	3,724
Total loss in profit or loss	(275)
Closing balance 31 December 2018	**3,449**

Note 30 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 at 31 December 2019 $'000	Fair value at 31 December 2018 $'000	Unobservable inputs	Relationship of unobservable inputs to fair value
Investments in equity instruments designated at FVOCI	1,821	3,449	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.
Investments in equity instruments designated at FVOCI - Unlisted shares	1,845	1	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.
Buildings	535,018	410,023	Replacement cost of the assets remaining future economic benefits	The estimated fair value increases (decreases) as the estimated replacement cost increases (decreases).

Note 31 Financial risk management

The University's activities expose it to a variety of financial risks. The University Council through the Finance 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, 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 30(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); and

(ii) undertaking background credit checks on overseas debtors, prior to entering into debtor relationships. 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. Movements in the provision for impaired receivables are disclosed in the Note 10 Receivables and contract assets. For finance lease receivables, refer to Note 13.1 University as lessor.

Note 31 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 Finance 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 18 Borrowings sets out details of undrawn facilities that the University has at its disposal to further reduce liquidity risk.

(c) Foreign exchange risk

Foreign exchange 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 foreign exchange risk is immaterial. Foreign exchange risks associated with overseas students' debts are managed by issuing invoices in Australian dollars.

(d) Other price risk

The University is exposed to equity price risks arising from equity investments, consisting of listed and unlisted securities.

Education Australia Ltd, AARNet Ltd, and Uniprojects Pty Limited unlisted shares, as a equity instrument designated as Fair Value Through Other Comprehensive Income, have been revalued with the increase in value taken to reserves.

All other unlisted 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 capital structure of the University consists of net debt.

The University's Finance 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 bank accounts and call accounts, 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 will continue to monitor this risk and consider taking steps to mitigate it, such as replacing floating rate debt with fixed rate debt or using hedging instruments.

Note 31 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	Maturing within 1 year	Maturing in 1 to 5 years	Maturing in 1 to 5 years	Maturing in 5 + years	Maturing in 5 + years	Non-interest bearing	Non-interest bearing	Total	Total
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
	%	%	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Consolidated														
Financial assets														
Cash and cash equivalents	0.67	1.04	3,644	4,211	–	–	–	–	–	–	–	–	3,644	4,211
Trade and other receivables	–	–	–	–	–	–	–	–	–	–	12,524	8,277	12,524	8,277
Investment in equity instruments designated at FVOCI	–	–	–	–	–	–	–	–	–	–	54,358	34,205	54,358	34,205
Other financial assets at FVOCI	–	–	–	–	–	–	–	–	–	–	7,484	6,476	7,484	6,476
Finance lease receivables	9.00	9.00	–	–	497	497	1,990	1,990	7,254	7,751	–	–	9,741	10,238
Total financial assets			**3,644**	**4,211**	**497**	**497**	**1,990**	**1,990**	**7,254**	**7,751**	**74,366**	**48,958**	**87,751**	**63,407**
Financial liabilities														
Trade and other payables	–	–	–	–	–	–	–	–	–	–	27,152	22,896	27,152	22,896
Australian Government financial assistance payable	–	–	–	–	–	–	–	–	–	–	1,725	2,844	1,725	2,844
Security deposits received	–	–	–	–	–	–	–	–	–	–	3,247	3,247	3,247	3,247
NRAS securitisation	4.25	4.25	–	–	5,065	4,648	14,463	19,216	–	312	–	–	19,528	24,176
Rental securitisation	4.30	4.30	–	–	4,199	3,930	19,767	18,548	5,759	11,177	–	–	29,725	33,655
Lease expiry date payment	2.00	2.00	–	–	–	–	–	–	1,950	1,590	–	–	1,950	1,590
Lease liability	2.64				473		943						1,416	–
Cash advance facility - Commonwealth Bank of Australia*	2.64	3.02	58,500	80,000	–	–	–	–	–	–	–	–	58,500	80,000
Cash advance facility - Westpac**	3.16	2.85	–	1,500	–	–	–	–	–	–	–	–	–	1,500
Total financial liabilities			**58,500**	**81,500**	**9,737**	**8,578**	**35,173**	**37,764**	**7,709**	**13,079**	**32,124**	**28,987**	**143,243**	**169,908**

* Facility expires 11 December 2021

** Facility expires 31 December 2021

Note 31 Financial risk management (continued)

	Average interest rate	Average interest rate	Variable interest rate	Variable interest rate	Fixed interest Maturing within 1 year	Maturing within 1 year	Maturing in 1 to 5 years	Maturing in 1 to 5 years	Maturing in 5 + years	Maturing in 5 + years	Non-interest bearing	Non-interest bearing	Total	Total
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
	%	%	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
University														
Financial assets														
Cash and cash equivalents	0.63	1.03	3,379	3,945	–	–	–	–	–	–	–	–	3,379	3,945
Trade and other receivables	–	–	–	–	–	–	–	–	–	–	10,476	8,212	10,476	8,212
Receivables from subsidiaries	–	–	–	–	–	–	–	–	–	–	1,402	1,242	1,402	1,242
Investment in equity instruments designated at FVOCI	–	–	–	–	–	–	–	–	–	–	54,359	34,206	54,359	34,206
Other financial assets at FVOCI	–	–	–	–	–	–	–	–	–	–	3,177	2,772	3,177	2,772
Finance lease receivables	9.00	9.00	–	–	497	497	1,990	1,990	7,254	7,751	–	–	9,741	10,238
Total financial assets			**3,379**	**3,945**	**497**	**497**	**1,990**	**1,990**	**7,254**	**7,751**	**69,414**	**46,432**	**82,534**	**60,615**
Financial liabilities														
Trade and other payables	–	–	–	–	–	–	–	–	–	–	24,899	22,375	24,899	22,375
Australian Government financial assistance payable	–	–	–	–	–	–	–	–	–	–	1,725	2,844	1,725	2,844
Security deposits received	–	–	–	–	–	–	–	–	–	–	3,247	3,247	3,247	3,247
NRAS securitisation	4.25	4.25	–	–	5,065	4,648	14,463	19,216	–	312	–	–	19,528	24,176
Rental securitisation	4.30	4.30	–	–	4,199	3,930	19,766	18,548	5,759	11,177	–	–	29,725	33,655
Lease expiry date payment	2.00	2.00	–	–	–	–	–	–	1,950	1,590	–	–	1,950	1,590
Lease liability	2.64				473		943						1,416	–
Cash advance facility - Commonwealth Bank of Australia*	2.64	3.02	58,500	80,000	–	–	–	–	–	–	–	–	58,500	80,000
Cash advance facility - Westpac**	3.16	2.85	–	1,500	–	–	–	–	–	–	–	–	–	1,500
Total financial liabilities			**58,500**	**81,500**	**9,737**	**8,578**	**35,172**	**37,764**	**7,709**	**13,079**	**29,871**	**28,466**	**140,990**	**169,387**

* Facility expires 11 December 2021

** Facility expires 31 December 2021

Note 31 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%	
At December 2019	**Amount**	**Result**	**Equity**	**Result**	**Equity**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**
Financial assets					
Cash and cash equivalents	3,644	(18)	(18)	18	18
Financial liabilities					
Cash advance facility - Commonwealth Bank of Australia	58,500	293	293	(293)	(293)
Total increase / (decrease)		**275**	**275**	**(275)**	**(275)**
At December 2018					
Financial assets					
Cash and cash equivalents	4,211	(21)	(21)	21	21
Financial liabilities					
Cash advance facility - Commonwealth Bank of Australia	80,000	400	400	(400)	(400)
Cash advance facility - Westpac	1,500	8	8	(8)	(8)
Total increase / (decrease)		**387**	**387**	**(387)**	**(387)**

Note 31 Financial risk management (continued)

Consolidated		Interest rate risk			
	Carrying	-0.5%		+0.5%	
At December 2019	**Amount**	**Result**	**Equity**	**Result**	**Equity**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**
Financial assets					
Cash and cash equivalents	3,644	(18)	(18)	18	18
Financial liabilities					
Cash advance facility - Commonwealth Bank of Australia	58,500	293	293	(293)	(293)
Total increase / (decrease)		**275**	**275**	**(275)**	**(275)**
At December 2018					
Financial assets					
Cash and cash equivalents	4,211	(21)	(21)	21	21
Financial liabilities					
Cash advance facility - Commonwealth Bank of Australia	80,000	400	400	(400)	(400)
Cash advance facility - Westpac	1,500	8	8	(8)	(8)
Total increase / (decrease)		**387**	**387**	**(387)**	**(387)**

Note 32 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	2019 $'000	2018 $'000	2019 $'000	2018 $'000	2019 $'000	2018 $'000	2019 $'000	2018 $'000
		Commonwealth Grants Scheme **		Indigenous Student Success Program ***		Higher Education Participation and Partnership Program		National Priorities Pool	
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the program)		91,061	92,777	1,389	1,453	808	824	–	(15)
Net accrual adjustment		512	(2,004)	(90)	(6)	12	–	–	–
Revenue for the period	3.1(a)	**91,574**	**90,773**	**1,299**	**1,447**	**820**	**824**	**0**	**(15)**
Surplus / (deficit) from the previous year		–	–	404	7	1	3	0	20
Cost centre adjustment		–	–	–	–	98	91	–	–
Total revenue including accrued revenue		**91,574**	**90,773**	**1,703**	**1,454**	**919**	**918**	**0**	**5**
Less expenses including accrued expenses		(91,574)	(90,773)	(1,556)	(1,050)	(921)	(917)	(0)	(5)
Surplus for reporting period*		–	–	**147**	**404**	**(2)**	**1**	–	–

	Notes	2019 $'000	2018 $'000	2019 $'000	2018 $'000	2019 $'000	2018 $'000
		Disability Performance Funding		Prom of Excellence in Learning and Teaching		Total	
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the program)		50	59	–	–	93,308	95,098
Net accrual adjustment		–	–	–	–	435	(2,010)
Revenue for the period	3.1(a)	**50**	**59**	–	–	**93,743**	**93,088**
Surplus from the previous year		–	–	3	6	408	36
Cost centre adjustment		–	–	–	–	98	91
Total revenue including accrued revenue		**50**	**59**	**3**	**6**	**94,249**	**93,215**
Less expenses including accrued expenses		(50)	(59)	(3)	(3)	(94,104)	(92,807)
Surplus for reporting period*		–	–	**0**	**3**	**145**	**408**

* The reported 2019 surpluses are expected to be rolled over for future use by the University.
** Includes the basic CGS grant amount, Enabling Loading, Allocated Places and Non-Designated Courses.
*** Includes Indigenous Support Program, Commonwealth Education Cost, Commonwealth Accommodation, Indigenous Access.

Note 32 Acquittal of Australian Government financial assistance (continued)

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

	Notes	2019 $'000	2018 $'000	2019 $'000	2018 $'000	2019 $'000	2018 $'000	2019 $'000	2018 $'000
		HECS-HELP (Australian Government payments only)		FEE-HELP		SA-HELP		Total	
Cash payable / (receivable) at beginning of year		182	(401)	95	290	30	(9)	307	(120)
Financial assistance received in cash during the reporting period		61,120	60,945	6,314	5,669	2,826	2,775	70,260	69,389
Cash available for period		**61,302**	**60,544**	**6,409**	**5,959**	**2,856**	**2,766**	**70,567**	**69,269**
Net accrual adjustment		–	–	–	–	–	–	–	–
Less revenue earned	3.1(b)	(60,310)	(60,362)	(5,477)	(5,864)	(2,656)	(2,736)	(68,443)	(68,962)
Cash payable / (receivable) at end of year		**992**	**182**	**932**	**95**	**200**	**30**	**2,124**	**307**

Note 32 Acquittal of Australian Government financial assistance (continued)

(c) Department of Education and Training Research

	Notes	Research Training Program** 2019 $'000	Research Training Program** 2018 $'000	Research Support Program*** 2019 $'000	Research Support Program*** 2018 $'000	Total 2019 $'000	Total 2018 $'000
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the program)		5,032	5,220	3,807	3,943	8,839	9,163
Net accrual adjustment		(1,840)	–	–	–	(1,840)	–
Revenue for the period	3.1(c)	**3,192**	**5,220**	**3,807**	**3,943**	**6,999**	**9,163**
Surplus from the previous year		1,294	782	–	–	1,294	782
Total revenue including accrued revenue		4,486	6,002	3,807	3,943	8,293	9,945
Less expenses including accrued expenses		(4,699)	(4,708)	(3,807)	(3,943)	(8,506)	(8,651)
Surplus for reporting period*		**(213)**	**1,294**	–	–	**(213)**	**1,294**

* The reported 2019 surpluses are expected to be rolled over for future use by the University.
** Includes Australian Postgraduate Awards, International Postgraduate Research Scholarships and Research Training Scheme.
*** Includes Joint Research Engagement, Research Block Grants and Sustainable Research Excellence.

(d) Total Higher Education Provider Research Training Program expenditure

	Total domestic $'000	Total overseas $'000
Research Training Program Stipends	1,667	–
Research Training Program Allowances	3,032	–
Total for all types of support	**4,699**	–

Note 32 Acquittal of Australian Government financial assistance (continued)

(e) Australian Research Council Grants

	Notes	2019 $'000	2018 $'000	2019 $'000	2018 $'000	2019 $'000	2018 $'000
		Discovery Projects		Discovery Early Researcher Award		Linkage Projects	
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the program)		1,456	1,361	117	139	230	288
Net accrual adjustment		(435)	–	16	–	(27)	–
Revenue for the period	3.1(d)	**1,021**	**1,361**	**133**	**139**	**203**	**288**
Surplus from the previous year		1,186	917	44	13	269	254
Total revenue including accrued revenue		2,207	2,278	177	152	472	542
Less expenses including accrued expenses		(1,088)	(1,092)	(133)	(108)	(256)	(273)
Surplus for reporting period*		**1,119**	**1,186**	**44**	**44**	**216**	**269**
		ARC Laureate Fellowship		Discovery Indigenous		Total	
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the program)		287	578	–	32	2,090	2,398
Net accrual adjustment		179	–	(44)	–	(311)	–
Revenue for the period	3.1(d)	**466**	**578**	**(44)**	**32**	**1,779**	**2,398**
Surplus from the previous year		406	215	118	86	2,023	1,485
Total revenue including accrued revenue		872	793	74	118	3,802	3,883
Less expenses including accrued expenses		(521)	(387)	(4)	–	(2,001)	(1,860)
Surplus for reporting period*		**351**	**406**	**70**	**118**	**1,801**	**2,023**

* The reported 2019 surpluses are expected to be rolled over for future use by the University.

Note 32 Acquittal of Australian Government financial assistance (continued)

	Notes	University 2019 $'000	University 2018 $'000
(f) OS-HELP			
Cash received during the reporting period		1,538	2,561
Cash spent during the reporting period		(1,989)	(2,367)
Net cash received		**(450)**	**194**
Cash surplus from the previous period		2,617	2,415
Net accrual adjustment		–	8
Cash surplus for reporting period		**2,167**	**2,617**
(g) Higher Education Superannuation Program			
Cash received during the reporting period		38	29
University contribution in respect of current employees		39	75
Cash available for current period		78	104
Contributions to specified defined benefits funds		(78)	(104)
Cash surplus this period		–	–
(h) Student Services and Amenities Fee			
Unspent revenue from previous period		–	9
SA-HELP revenue earned	3.1(b)	2,656	2,736
Student Services and Amenities Fees direct from students	3.3	1,502	1,331
Total revenue expendable in period		4,158	4,076
Student services expenses during period		(4,158)	(4,076)
Unspent student services revenue		–	–

END OF CONSOLIDATED FINANCIAL STATEMENTS

Volume 1

For a summary of corporate news, including highlights from each executive and portfolio, see Volume 1 of the 2019 Annual Report.

UNIVERSITY OF CANBERRA

Canberra ACT 2601 Australia
T +61 2 6201 5111

canberra.edu.au