

# INDEPENDENT AUDITOR'S REPORT



Auditor General

## INDEPENDENT AUDITOR'S REPORT

To the Parliament of Western Australia

CURTIN UNIVERSITY

Report on the Financial Statements

### Opinion

I have audited the financial statements of Curtin University which comprise the Statement of Financial Position as at 31 December 2019, the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows for the year then ended, and Notes comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the financial statements are based on proper accounts and present fairly, in all material respects, the operating results and cash flows of Curtin University for the year ended 31 December 2019 and the financial position at the end of that period. They are in accordance with Australian Accounting Standards, the *Financial Management Act 2006* and relevant Treasurer's Instructions.

### Basis for Opinion

I conducted my audit in accordance with the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the University in accordance with the *Auditor General Act 2006* and the relevant ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial statements. I have also fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### Emphasis of Matter – Events occurring after reporting date

Attention is drawn to Note 29 of the financial statements that explains that any impact from the COVID-19 virus and the related extended travel ban, on overseas student income in the year ending 31 December 2020 is not yet able to be quantified. My opinion is not modified in respect of this matter.

### Responsibility of the University Council for the Financial Statements

The University Council is responsible for keeping proper accounts, and the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards, the *Financial Management Act 2006* and relevant Treasurer's Instructions, and for such internal control as the University Council determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the University Council is responsible for assessing the agency's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting.

### Auditor's Responsibility for the Audit of the Financial Statements

As required by the *Auditor General Act 2006*, my responsibility is to express an opinion on the financial statements. The objectives of my audit are 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A further description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at [https://www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf). This description forms part of my auditor's report.

### Report on Controls

#### Opinion

I have undertaken a reasonable assurance engagement on the design and implementation of controls exercised by Curtin University. The controls exercised by the University are those policies and procedures established by the University Council to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions (the overall control objectives).

My opinion has been formed on the basis of the matters outlined in this report.

In my opinion, in all material respects, the controls exercised by Curtin University are sufficiently adequate to provide reasonable assurance that the receipt, expenditure and investment of money, the acquisition and disposal of property and the incurring of liabilities have been in accordance with legislative provisions during the year ended 31 December 2019.

### The University Council's Responsibilities

The University Council is responsible for designing, implementing and maintaining controls to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities are in accordance with the *Financial Management Act 2006*, the relevant Treasurer's Instructions and other relevant written law.

### Auditor General's Responsibilities

As required by the *Auditor General Act 2006*, my responsibility as an assurance practitioner is to express an opinion on the suitability of the design of the controls to achieve the overall control objectives and the implementation of the controls as designed. I conducted my engagement in accordance with Standard on Assurance Engagements ASAE 3150 *Assurance Engagements on Controls* issued by the Australian Auditing and Assurance Standards Board. That standard requires that I comply with relevant ethical requirements and plan and perform my procedures to obtain reasonable assurance about whether, in all material respects, the controls are suitably designed to achieve the overall control objectives and the controls, necessary to achieve the overall control objectives, were implemented as designed.



## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

An assurance engagement to report on the design and implementation of controls involves performing procedures to obtain evidence about the suitability of the design of controls to achieve the overall control objectives and the implementation of those controls. The procedures selected depend on my judgement, including the assessment of the risks that controls are not suitably designed or implemented as designed. My procedures included testing the implementation of those controls that I consider necessary to achieve the overall control objectives.

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

### **Limitations of Controls**

Because of the inherent limitations of any internal control structure, it is possible that, even if the controls are suitably designed and implemented as designed, once the controls are in operation, the overall control objectives may not be achieved so that fraud, error, or noncompliance with laws and regulations may occur and not be detected. Any projection of the outcome of the evaluation of the suitability of the design of controls to future periods is subject to the risk that the controls may become unsuitable because of changes in conditions.

### **Report on the Key Performance Indicators**

#### **Opinion**

I have undertaken a reasonable assurance engagement on the key performance indicators of Curtin University for the year ended 31 December 2019. The key performance indicators are the key effectiveness indicators and the key efficiency indicators that provide performance information about achieving outcomes and delivering services.

In my opinion, in all material respects, the key performance indicators of Curtin University are relevant and appropriate to assist users to assess the University's performance and fairly represent indicated performance for the year ended 31 December 2019.

#### **The University Council's Responsibility for the Key Performance Indicators**

The University Council is responsible for the preparation and fair presentation of the key performance indicators in accordance with the *Financial Management Act 2006* and the Treasurer's Instructions and for such internal control as the University Council determines necessary to enable the preparation of key performance indicators that are free from material misstatement, whether due to fraud or error.

In preparing the key performance indicators, the University Council is responsible for identifying key performance indicators that are relevant and appropriate having regard to their purpose in accordance with Treasurer's Instruction 904U *Key Performance Indicators*.

#### **Auditor General's Responsibility**

As required by the *Auditor General Act 2006*, my responsibility as an assurance practitioner is to express an opinion on the key performance indicators. The objectives of my engagement are to obtain reasonable assurance about whether the key performance indicators are relevant and appropriate to assist users to assess the agency's performance and whether the key performance indicators are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. I conducted my engagement in accordance with Standard on Assurance Engagements ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* issued by the Australian Auditing and Assurance Standards Board. That standard requires that I comply with relevant ethical requirements relating to assurance engagements.

An assurance engagement involves performing procedures to obtain evidence about the amounts and disclosures in the key performance indicators. It also involves evaluating the relevance and appropriateness of the key performance indicators against the criteria and guidance in Treasurer's Instruction 904U for measuring the extent of outcome achievement and the efficiency of service delivery. The procedures selected depend on my judgement, including the assessment of the risks of material misstatement of the key performance indicators. In making these risk assessments I obtain an understanding of internal control relevant to the engagement in order to design procedures that are appropriate in the circumstances.

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

### **My Independence and Quality Control Relating to the Reports on Controls and Key Performance Indicators**

I have complied with the independence requirements of the *Auditor General Act 2006* and the relevant ethical requirements relating to assurance engagements. In accordance with ASQC 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, and Other Assurance Engagements*, the Office of the Auditor General maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

### **Matters Relating to the Electronic Publication of the Audited Financial Statements and Key Performance Indicators**

This auditor's report relates to the financial statements and key performance indicators of Curtin University for the year ended 31 December 2019 included on the University's website. The University's management is responsible for the integrity of the University's website. This audit does not provide assurance on the integrity of the University's website. The auditor's report refers only to the financial statements and key performance indicators described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these financial statements or key performance indicators. If users of the financial statements and key performance indicators are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial statements and key performance indicators to confirm the information contained in this website version of the financial statements and key performance indicators.



CAROLINE SPENCER  
AUDITOR GENERAL  
FOR WESTERN AUSTRALIA  
Perth, Western Australia  
12 March 2020

## FINANCIAL REPORT 2019

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## CERTIFICATIONS

### CERTIFICATION OF THE FINANCIAL STATEMENTS

The accompanying financial statements of Curtin University have been prepared in compliance with the relevant provisions of the *Financial Management Act 2006* from proper accounts and records to present fairly the financial transactions for the financial year ended 31 December 2019 and the financial position as at 31 December 2019.

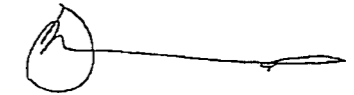
At the date of signing, we are not aware of any circumstances which would render any particulars included in the financial statements misleading or inaccurate.



Dr Andrew Crane  
Chancellor



Professor Deborah Terry AO  
Vice-Chancellor



Mr David Menarry  
Chief Finance Officer

Dated this 11th day of March 2020

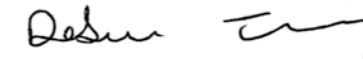
### CERTIFICATION OF THE FINANCIAL STATEMENTS REQUIRED BY THE DEPARTMENT OF EDUCATION

We declare that the amount of Australian Government financial assistance expended during the financial year ended 31 December 2019 was for the purpose(s) for which it was intended and that Curtin University has complied with applicable legislation, contracts, agreements and program guidelines in making expenditure.

Curtin University charged Student Services and Amenities Fees strictly in accordance with the *Higher Education Support Act 2003* and the 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.



Dr Andrew Crane  
Chancellor



Professor Deborah Terry AO  
Vice-Chancellor

Dated this 11th day of March 2020

**STATEMENT OF COMPREHENSIVE INCOME**

for the year ended 31 December 2019

	Note	2019 \$'000	2018 \$'000
<b>Revenue from Continuing Operations</b>			
Australian Government financial assistance:			
Australian Government grants	3.1 (g)	361,280	354,683
HELP - Australian Government payments	3.1 (b)	194,866	185,072
HECS-HELP - student payments		18,874	20,640
State and Local Government financial assistance	3.2	17,995	28,254
Fees and charges	3.3	207,285	208,845
Royalties	3.4	21,407	21,118
Consultancy and contract research	3.5	30,949	34,578
Other revenue	3.6	38,500	27,286
Investment revenue	4	78,788	16,511
<b>Total Revenue from Continuing Operations</b>		<b>969,944</b>	<b>896,987</b>
Net (loss)/gain on disposal of non-current assets		(1,015)	220
<b>Total Income from Continuing Operations</b>		<b>968,929</b>	<b>897,207</b>
<b>Expenses from Continuing Operations</b>			
Employee related expenses	5	540,836	540,344
Depreciation and amortisation	14	70,959	62,346
Repairs and maintenance	6	12,842	14,234
Borrowing costs	7	3,175	2,273
Impairment of assets		367	304
Deferred superannuation expense	5	269	326
Other expenses	8	258,427	250,963
<b>Total Expenses from Continuing Operations</b>		<b>886,875</b>	<b>870,790</b>
<b>Net Operating Result for the Year</b>		<b>82,054</b>	<b>26,417</b>
<b>Total Comprehensive Income</b>		<b>82,054</b>	<b>26,417</b>

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

**STATEMENT OF FINANCIAL POSITION**

as at 31 December 2019

	Note	2019 \$'000	2018 \$'000
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents:			
Unrestricted	9(a)	62,316	60,617
Restricted	9(b)	54,338	72,789
Receivables	10	38,477	26,648
Inventories		56	56
Other financial assets:			
Unrestricted	11	450	450
Restricted	12	147,519	134,714
Other non-financial assets	13	29,760	28,632
<b>Total Current Assets</b>		<b>332,916</b>	<b>323,906</b>
<b>Non-Current Assets</b>			
Receivables	10	54,738	52,839
Other financial assets - unrestricted	11	423,185	360,800
Other non-financial assets	13	4,312	4,960
Property, plant and equipment	14	1,095,125	1,009,812
<b>Total Non-Current Assets</b>		<b>1,577,360</b>	<b>1,428,411</b>
<b>Total Assets</b>		<b>1,910,276</b>	<b>1,752,317</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and other payables	15	26,105	14,680
Financial Liabilities - Service Concessions	16	119	-
Borrowings	18	5,639	2,145
Provisions	19	79,259	73,452
Other liabilities	17	223,522	159,243
<b>Total Current Liabilities</b>		<b>334,644</b>	<b>249,520</b>
<b>Non-Current Liabilities</b>			
Trade and other payables	15	8,591	-
Financial Liabilities - Service Concessions	16	38,880	-
Borrowings	18	35,695	29,591
Provisions	19	92,492	82,390
<b>Total Non-Current Liabilities</b>		<b>175,658</b>	<b>111,981</b>
<b>Total Liabilities</b>		<b>510,302</b>	<b>361,501</b>
<b>Net Assets</b>		<b>1,399,974</b>	<b>1,390,816</b>
<b>EQUITY</b>			
Reserves	20	-	89,530
Retained earnings	20	1,399,974	1,301,286
<b>Total Equity</b>		<b>1,399,974</b>	<b>1,390,816</b>

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



## STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2019

	Note	Reserves \$'000	Retained Earnings \$'000	Total Equity \$'000
Balance at 1 January 2018		93,842	1,270,557	1,364,399
Net operating result for the year		-	26,417	26,417
Transfers from retained earnings	20(a)	35,012	(35,012)	-
Transfers to retained earnings	20(a)	(39,324)	39,324	-
Balance at 31 December 2018		89,530	1,301,286	1,390,816
Effect of adoption of the new Accounting Standards AASB15 and AASB1058	1(i)(iv)	-	(62,595)	(62,595)
Transfers to retained earnings	20(a)	(89,530)	89,530	-
Prior period adjustments	1(h)	-	(10,301)	(10,301)
Net operating result for the year		-	82,054	82,054
<b>Balance at 31 December 2019</b>		<b>-</b>	<b>1,399,974</b>	<b>1,399,974</b>

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

## STATEMENT OF CASH FLOWS

for the year ended 31 December 2019

	Note	2019 \$'000	2018 \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Receipts</b>			
Australian Government grants received	3.1(h)	576,241	546,397
State and Local Government financial assistance		12,781	28,369
HECS-HELP – student payments		18,874	20,640
Fees and charges		197,300	214,238
Royalties		21,750	16,761
Consultancy and contract research		31,980	34,124
Interest received		2,082	1,895
Distributions received		23,105	34,109
Income related to Service Concession Assets		3,993	-
Other		15,473	14,962
GST refunds received		16,508	10,471
<b>Payments</b>			
Payments for employee benefits		(549,256)	(535,232)
Payments to suppliers		(251,708)	(272,501)
Interest and other costs of finance paid		(3,241)	(2,509)
Short-term lease payments		(382)	-
Lease payments for low-value assets		(7,762)	-
<b>Net cash provided by/(used in) operating activities</b>	9(c)	<b>107,738</b>	111,724
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for property, plant and equipment		(117,560)	(82,045)
Proceeds on sale of property, plant and equipment		18,482	468
Payments for investments		(2,917)	(26,146)
Proceeds on redemption of investments		1,633	26,587
<b>Net cash provided by/(used in) investing activities</b>		<b>(100,362)</b>	(81,136)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayments of borrowings		(2,145)	(20,858)
Proceeds from borrowings		-	-
Repayment of other financial liabilities - Service Concessions and Lease Liabilities		(3,531)	-
<b>Net cash provided by/(used in) financing activities</b>		<b>(5,676)</b>	(20,858)
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>1,700</b>	9,730
Movement in money held on trust		(18,452)	70,624
Cash and cash equivalents at the beginning of the financial year		133,406	53,052
<b>Cash and cash equivalents at the end of the financial year</b>	9(b)	<b>116,654</b>	133,406

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

**NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 31 December 2019

**1 BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS**

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

The principal address of Curtin University is Kent Street, Bentley WA 6102.

**(a) Basis of preparation**

This general purpose financial report has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board (AASB), the requirements of the Department of Education, applicable sections of the Financial Management Act 2006 and applicable Western Australian government Treasurer's Instructions.

The financial statements and notes thereto comply with Australian Accounting Standards, some of which contain requirements specific to not-for-profit entities that are inconsistent with International Financial Reporting Standards requirements.

The financial report is presented in Australian dollars and all values are rounded to the nearest thousand dollars (\$'000).

**Not-for-profit status**

For the purpose of the application of Australian Accounting Standards and Interpretations, the University is considered to be a not-for-profit entity.

**Date of authorisation for issue**

The financial statements were authorised for issue by the members of the University Council on the 11th day of March 2020.

**Historical cost convention**

The financial statements have been prepared under the historical cost convention except for certain financial assets which are reported at fair value (refer Note 21(b)).

**Accrual basis of accounting**

The financial statements, except for cash flow information, are prepared using the accrual basis of accounting.

**(b) Critical accounting estimates and judgements**

The preparation of financial statements in conformity with Australian Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the University's accounting policies. The estimates and underlying assumptions are reviewed on an ongoing basis. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed below.

**Critical accounting estimates and assumptions**

The key assumptions made concerning the future, and other key sources of estimating uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are:

- Superannuation benefits and associated assets/liabilities;
- Discount and cost escalation rates used in estimating non-current provisions – discount rates are based on market yields on government bonds;
- Discount rates used in determining the interest expense for Service Concession Financial Liabilities;
- Assessing impairment of assets including receivables, property, plant and equipment and investments;
- Estimating useful lives of non-current assets - the useful life reflects the consumption of the assets' future economic benefits; and
- Estimating the fair value of financial assets (such as unlisted shares) that are not traded on an open market.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

for the year ended 31 December 2019

**Critical judgements in applying the University's accounting policies**

The judgements that have been made in the process of applying accounting policies that have the most significant effect on the amounts recognised in the financial report include:

- Estimating the proportions of Service Concession liabilities that are financial and non-financial;
- Estimating the useful life of key assets;
- Impairment of property, plant and equipment;
- Impairment of receivables; and
- Impairment of other financial assets (including investments).

**(c) Revenue**

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties.

The University recognises revenue when the amount of revenue can be reliably measured, it is probable that the future economic benefits will flow to the University and specific criteria have been met, such as meeting contractual performance obligations.

Detailed accounting policies for each revenue category are presented in Note 3.

**(d) Joint research activities**

The University participates in a number of joint research activities, such as Cooperative Research Centres. The University recognises within its financial statements: the assets that it controls, the liabilities and expenses that it incurs and its share of the income that it earns from the joint research activities.

**(e) Foreign currency**

Transactions denominated in a foreign currency are translated at the rates in existence at the dates of the transactions. Foreign currency monetary items, which can include cash, receivables and payables, are translated at exchange rates current at the reporting date. Exchange gains and losses are brought to account in the Net Operating Result.

**(f) Taxes****Income tax**

Curtin University is exempt from income tax as per Subdivision 50-B of the Income Tax Assessment Act 1997.

**Goods and services tax (GST)**

Revenue, expenses and assets are recognised net of the amount of GST, except:

- Where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, then the GST is recognised as part of the cost of acquisition or as part of the expense item as applicable; and
- Receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

The GST component of cash flows arising from investing activities, which is recoverable from or payable to the taxation authority, is classified as an operating cash flow.

**Fringe benefits tax**

The University is liable to pay Fringe Benefits Tax and it is included in 'Other Expenses' in the Statement of Comprehensive Income.

**Payroll tax**

The University is liable to pay Payroll Tax and it is included in 'Employee related expenses' in the Statement of Comprehensive Income.

**(g) Comparative figures**

Where appropriate, comparative figures have been reclassified so as to be comparable with the figures presented in the current financial year.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

for the year ended 31 December 2019

**1 BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (continued)****(h) Prior period adjustments**

The total impact of prior year adjustments to retained earnings was \$10.301 million, comprising:

**(i) An investment valuation adjustment in prior year**

Representing an adjustment to the valuation of the University's investment in AARnet Pty Ltd that was not adjusted in 2018.

	2019 \$'000
<b>Adjusted accounting items</b>	
Other financial assets - unrestricted	5,924
Retained earnings	5,924

**(ii) Provision for Long Service leave related to prior years**

Representing a provision adjustment associated with measuring long service leave entitlements for professional staff which was identified in 2019. It is impracticable to adjust the 2018 comparative figures.

	2019 \$'000
<b>Adjusted accounting items</b>	
Current General provision	1,690
Long Service Leave Provision	14,536
Retained earnings	(16,226)

**(i) New Accounting Standards and Interpretations****(i) Effective for the first time**

The University has adopted the following new Australian Accounting Standards 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.

- AASB15 - Revenue from Contracts with Customers ("AASB15"). This Standard applies to forms of income previously regarded as "non-reciprocal" such as research grants, which are now recognised on an "as earned" (rather than cash) basis in accordance with performance obligations.
- AASB1058 - Income of Not-for-Profit Entities ("AASB1058"). This Standard addresses other income of not-for-profit entities not captured by AASB15, such as capital grants. Income is recognised in line with the relevant obligation, such as the construction of the facility for which the capital grant was received.
- AASB16 - Leases ("AASB16"). This Standard removes the concept of operating and finance leases for lessees, replacing it with a single accounting model similar to the previous finance lease model, accounting for a right-of-use asset and equivalent lease liability. Leases with a term of less than 12 months or where the underlying asset is determined to be of low value continue to be treated similarly to the previous treatment for operating leases.

The following interpretations and amending standards have also been adopted when considering the requirements of new Accounting Standards. There is no material impact to the University in adopting them.

- AASB2016-8 Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities.
- AASB2018-8 Amendments to Australian Accounting Standards – Right-of-Use Assets of Not-for-Profit Entities.
- AASB2017-7 Amendments to Australian Accounting Standards – Long term Interests in Associates and Joint Ventures.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

for the year ended 31 December 2019

**(ii) Overview of AASB15 and AASB1058**

The University has adopted AASB15 and AASB1058 using the modified retrospective method of transition, with the date of initial application of 1 January 2019. In accordance with this 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 practical expedience and elected to apply these standards retrospectively to contracts and transactions that were not completed contracts at the date of initial application.

**(iii) Overview of AASB16**

The University has adopted AASB16 using the modified retrospective method of transition, with the date of initial application of 1 January 2019. Under this approach, the University has chosen to measure the related right-of-use asset at 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. Consequently, the comparative information presented has not been restated and continues to be reported under the previous standards on leases - AASB117 and AASB Interpretation 4.

A lease liability is initially measured at the present value of unpaid lease payments at the commencement date of the lease.

The University has elected not to recognise leased assets 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 \$5,000 or less.

The University has elected to measure leased assets arising under 'concessionary leases' on initial recognition at cost. The impact is immaterial.

**(iv) Impact of New Accounting Standards****Opening Balance Adjustments**

The nature and effect of the changes as a result of adoption of AASB15, AASB1058 and AASB16 are described as follows:

1 January 2019	AASB15/1058 <sup>a</sup> \$'000	AASB16 <sup>b</sup> \$'000	Total \$'000
<b>Assets</b>			
Current Assets	-	-	-
Non-current Assets	-	15,393	15,393
<b>Total assets</b>	-	15,393	15,393
<b>Liabilities</b>			
Current liabilities	(62,595)	(3,650)	(66,245)
Non-current liabilities	-	(11,743)	(11,743)
<b>Total liabilities</b>	(62,595)	(15,393)	(77,988)
<b>Total adjustment to Retained earnings</b>	(62,595)	-	(62,595)

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

for the year ended 31 December 2019

**1 BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (continued)**

The nature of the adjustments as at 1 January 2019 and the reasons for the significant changes from the statement of financial position as at 31 December 2018 are described below:

**(a) Research grants received in advance**

Under the modified retrospective method of transition on AASB15 and AASB1058, the adjustment of \$62.595 million reflects the balance of revenue received in advance for contracts that were not completed at the date of initial application, based on their respective performance obligations.

**(b) Leased assets**

The University previously classified leases as operating 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 AASB16, this classification no longer exists for the University as a lessee. With the exception of short term leases and low value pool leased assets, leases are now recognised on the Statement of Financial Position as right-of-use assets with corresponding lease liabilities.

Under the modified retrospective method of transition, the adjustment of \$15.393 million reflects the balance of amounts payable for leases that were not completed at the date of initial application, based on future payments discounted at the interest rate implicit in the lease.

**Impact on Financial Statements for the current year**

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 AASB15, AASB16 and AASB1058. The adoption of these Accounting Standards did not have a material impact on the University's cash flows.

A. Income Statement Year ended 31 December 2019	AASB15 /1058 \$'000	Previous AASB \$'000	Movement \$'000	AASB16 \$'000	Previous AASB \$'000	Movement \$'000
<b>Revenue and income from continuing operations</b>						
ARC Funding <sup>a</sup>	23,579	19,099	4,480	-	-	-
NHMRC Funding <sup>a</sup>	7,998	8,105	(107)	-	-	-
Other Australian Government Financial Assistance <sup>a</sup>	32,425	42,788	(10,363)	-	-	-
State and local government financial assistance <sup>a</sup>	16,082	10,843	5,239	-	-	-
Consultancy and contracts <sup>b</sup>	30,949	36,478	(5,529)	-	-	-
Other revenue <sup>b</sup>	2,304	2,205	99	-	-	-
<b>Total revenue and income from continuing operations</b>	<b>113,337</b>	<b>119,518</b>	<b>(6,181)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Expenses <sup>c</sup></b>						
Depreciation Expense	-	-	-	70,959	67,044	3,915
Borrowing costs	-	-	-	3,175	2,672	503
Computer peripherals and parts	-	-	-	23,988	26,675	(2,687)
Lease and rental	-	-	-	3,150	4,413	(1,263)
Travel	-	-	-	14,141	14,344	(203)
Total Expenses	-	-	-	115,413	115,148	265
<b>Net Operating Result for the Year</b>	<b>113,337</b>	<b>119,518</b>	<b>(6,181)</b>	<b>115,413</b>	<b>115,148</b>	<b>265</b>

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

for the year ended 31 December 2019

The nature of the adjustments in the Income Statement for the year ended 31 December 2019 are described below:

**(a) Research funding**

Under the previous accounting policy, research grants from government were recognised as revenue when the University obtained control over the asset comprising the contributions. When the University did not have control of the contribution, did not have the right to receive the contribution or, in the case of reciprocal grants, had not fulfilled grant conditions, the grant contribution was treated as deferred income as a liability in the Statement of Financial Position.

In accordance with AASB15, revenue is recognised when the University meets the performance obligations specified in the contracts. When the University has not met the performance obligations, amounts received are treated as income in advance as a liability in the Statement of Financial Position.

The adjustments reflect the University's future obligations to deliver research outputs to the grantors/customers.

**(b) Consultancy & contracts and Other Revenue**

Under the previous accounting policy, reciprocal contract research income from non-government entities was recognised as revenue when the University had provided the service to the customer. Non-reciprocal research income was recognised as revenue when the University obtained control over the asset comprising the contributions. Unspent non-reciprocal research grant funds at the end of each financial year were recognised by way of a Research Grants Reserve. This reserve was released as expenditure was incurred. Consultancy fees were recognised as revenue when the University had provided the service(s) to the customer.

In accordance with AASB15, revenue is recognised when the University meets the performance obligations specified in the contracts. When the University has not met the performance obligations, amounts received are treated as income received in advance as a liability in the Statement of Financial Position.

The adjustments reflect the University's future obligations to deliver outputs/services to the customers.

**(c) Expenses**

The movements of the expenses reflect the effects of AASB16 implementation. Right-of-use assets are depreciated over the lease terms and a borrowing cost is recognised to reflect the implicit interest rates on the lease liabilities.

B. Statement of Financial Position As at 31 December 2019	AASB15 /1058 \$'000	Previous AASB \$'000	Movement <sup>a</sup> \$'000	AASB16 \$'000	Previous AASB \$'000	Movement <sup>b</sup> \$'000
<b>Assets</b>						
Property, Plant and Equipment - Right of Use Assets	-	-	-	11,478	-	11,478
<b>Total assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11,478</b>	<b>-</b>	<b>11,478</b>
<b>Liabilities</b>						
Current liabilities - Income in Advance	122,802	54,026	68,776	-	-	-
Current liabilities - Lease liabilities	-	-	-	3,349	-	3,349
Non-current liabilities - Lease liabilities	-	-	-	8,394	-	8,394
<b>Total liabilities</b>	<b>122,802</b>	<b>54,026</b>	<b>68,776</b>	<b>11,743</b>	<b>-</b>	<b>11,743</b>
<b>Equity</b>						
Retained earnings	1,399,974	1,468,750	(68,776)	1,399,974	1,400,239	(265)
<b>Total equity</b>	<b>1,399,974</b>	<b>1,468,750</b>	<b>(68,776)</b>	<b>1,399,974</b>	<b>1,400,239</b>	<b>(265)</b>



**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

for the year ended 31 December 2019

**1 BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (continued)**

The nature of the differences in the Statement of Financial Position as at 31 December 2019 are described below:

**(a) Income received in advance**

The differences reflect the amounts received to deliver the University's future obligations for research outputs and services as at 31 December 2019.

**(b) Right-of-use Assets and Lease liabilities**

The differences reflect the Right-of-use assets and Lease liabilities as at 31 December 2019.

**(v) Early adoption of AASB1059**

Australian Accounting Standard AASB1059 addresses the accounting for service concession arrangements by a grantor that is a public sector entity. The Standard applies to annual reporting periods beginning on or after 1 January 2020. The University has elected to early adopt this standard from 1 January 2019. Refer to note 14 (c) for further details of the accounting policy related to service concession arrangements.

In 2019, Curtin entered into an arrangement with Live-in Learning Operations Pty Ltd to operate its existing student accommodation and to construct and operate new student accommodation, self-contained apartments, short stay accommodation, commercial and retail space, car parking and a hotel.

There is no impact from adopting AASB1059 to the opening balances or prior year comparative information.

**2 DISAGGREGATED INFORMATION**

	Revenue		Results <sup>1</sup>		Assets	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
<b>Geographical</b>						
Australia	951,073	879,605	67,079	11,572	1,910,276	1,752,317
Asia	14,513	13,400	11,162	10,869	-	-
Other	4,358	3,982	3,813	3,976	-	-
<b>Total</b>	<b>969,944</b>	<b>896,987</b>	<b>82,054</b>	<b>26,417</b>	<b>1,910,276</b>	<b>1,752,317</b>

<sup>1</sup> Results reflect revenue earned and expenses incurred in the geographical segments. Expenses are incurred in Australia for activities outside Australia and the net results for those activities do not reflect those expenses.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

for the year ended 31 December 2019

**3.1 AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE INCLUDING AUSTRALIAN GOVERNMENT LOANS PROGRAMS (HELP)****ACCOUNTING POLICY****Commonwealth supported student income**

Income for Commonwealth Supported students is recognised when the University provides the service(s) to the student.

**Research income**

Research grants are recognised as revenue as the University satisfies the performance obligations specified in the research contracts. In general this means that research grant income is recognised over the period of the relevant grant. When the University has not yet met the performance obligations, amounts received are treated as income received in advance as a liability in the Statement of Financial Position.

**Other government grants**

Other grants from government are recognised as revenues as the University satisfies the performance obligations specified in the contracts. When the University has not yet met the performance obligations, amounts received are treated as income received in advance as a liability in the Statement of Financial Position.

**Research Training Program and Research Support Program**

Revenue is recognised when the University receives payment and obtains control over the assets.

	Note	2019 \$'000	2018 \$'000
<b>(a) Commonwealth Grants Scheme and Other Grants</b>			
Commonwealth Grants Scheme		251,308	249,323
Indigenous Support Program		1,039	1,187
Disability Support Program		198	171
Partnership and Participation Program		4,791	4,231
<b>Total Commonwealth Grants Scheme and Other Grants</b>	31(a)	<b>257,336</b>	<b>254,912</b>
<b>(b) Higher Education Loan Programs (excl OS-HELP)</b>			
HECS-HELP		168,206	159,941
FEE-HELP		23,764	22,457
SA-HELP		2,896	2,674
<b>Total Higher Education Loan Programs</b>	31(b)	<b>194,866</b>	<b>185,072</b>
<b>(c) Research Training Program</b>			
Research Training Program		26,301	25,872
Commonwealth Education Costs Scholarships		239	242
Commonwealth Accommodation Scholarships		-	41
<b>Total Research Training Program</b>	31(c)	<b>26,540</b>	<b>26,155</b>
<b>(d) Research Support Program</b>			
Research Support Program		20,355	19,795
<b>Total Research Support Program</b>	31(d)	<b>20,355</b>	<b>19,795</b>

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

for the year ended 31 December 2019

	Note	2019 \$'000	2018 \$'000
<b>3.1 AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE INCLUDING AUSTRALIAN GOVERNMENT LOANS PROGRAMS (HELP) (continued)</b>			
<b>(e) Australian Research Council (ARC)</b>			
<b>(i) Discovery</b>			
Project		14,798	8,933
Fellowships		3,964	3,879
<b>Total Discovery</b>	31(e)	<b>18,762</b>	<b>12,812</b>
<b>(ii) Linkages</b>			
Infrastructure Projects		55	428
		3,412	3,853
<b>Total Linkages</b>	31(e)	<b>3,467</b>	<b>4,281</b>
<b>(iii) Centres</b>			
Centres		1,277	934
Others		73	42
<b>Total Centres</b>	31(e)	<b>1,350</b>	<b>976</b>
<b>Total ARC</b>		<b>23,579</b>	<b>18,069</b>
<b>(f) Other Australian Government Financial Assistance</b>			
<b>Non-capital</b>			
CRC Cooperative Research Centres Funding		2,305	3,854
CSIRO Flagship Collaborative Research Program		34	-
NHMRC Grants		7,998	7,872
Other Commonwealth Research Income		12,028	12,412
Other Teaching Grants		852	801
Other Commonwealth Grants		8,124	10,346
Research Funds from Other organisations		1,084	110
		<b>32,425</b>	<b>35,395</b>
<b>Capital</b>			
CRC Cooperative Research Centres Funding		40	42
Other Commonwealth Research Income		275	244
Other Commonwealth Grants		-	71
Research Funds from Other organisations		730	-
		<b>1,045</b>	<b>357</b>
<b>Total Other Australian Government Financial Assistance</b>		<b>33,470</b>	<b>35,752</b>
<b>Total Australian Government Financial Assistance</b>		<b>556,146</b>	<b>539,755</b>

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

for the year ended 31 December 2019

	Note	2019 \$'000	2018 \$'000
<b>3.1 AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE INCLUDING AUSTRALIAN GOVERNMENT LOANS PROGRAMS (HELP) (continued)</b>			
<b>(g) Reconciliation</b>			
Australian Government grants [a+c+d+e+f]		361,280	354,683
HECS-HELP payments		168,206	159,941
FEE-HELP payments		23,764	22,457
SA-HELP payments		2,896	2,674
		<b>194,866</b>	<b>185,072</b>
<b>Total Australian Government Financial Assistance</b>		<b>556,146</b>	<b>539,755</b>
<b>(h) Australian Government Grants received - Cash Basis</b>			
CGS and Other EDUCATION Grants	31(a)	257,603	254,722
Higher Education Loan Programs	31(b)	194,763	186,117
Research Training Program	31(c)	26,540	26,155
Research Support Program	31(d)	20,355	19,795
ARC grants - Discovery	31(e)	11,517	12,411
ARC grants - Linkages	31(e)	5,815	4,286
ARC grants - Centres	31(e)	1,350	976
Other Australian Government Grants		49,943	35,631
<b>Total Australian Government Grants Received - Cash Basis</b>		<b>567,886</b>	<b>540,093</b>
OS-HELP (Net)	31(f)	2,993	1,409
Superannuation Supplementation	31(g)	5,362	4,895
<b>Total Australian Government Funding Received - Cash Basis</b>		<b>576,241</b>	<b>546,397</b>
<b>3.2 STATE AND LOCAL GOVERNMENT FINANCIAL ASSISTANCE</b>			
<b>ACCOUNTING POLICY</b>			
Revenue is recognised as the University fulfils grant conditions or has provided the service. When the University has not yet fulfilled its performance obligations, amounts received are treated as income in advance as a liability in the Statement of Financial Position.			
<b>Non-capital</b>			
State Government		16,082	14,426
<b>Capital</b>			
State Government		1,913	13,828
<b>Total State and Local Government Financial Assistance</b>		<b>17,995</b>	<b>28,254</b>

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

for the year ended 31 December 2019

**3.3 FEES AND CHARGES****ACCOUNTING POLICY**

Course fees and charges revenue relates to undergraduate and postgraduate degree programs as well as other non-award programs such as continuing education. Revenue is recognised over time as and when the course is delivered to students.

Amounts paid in advance by students, e.g. before starting the academic period are recognised as income received in advance as a liability until the services are delivered.

Non-course fees and charges revenue is recognised over time as and when the service is provided.

	Note	2019 \$'000	2018 \$'000
<b>Course Fees and Charges</b>			
Fee-paying onshore overseas students		159,360	158,555
Fee-paying offshore overseas students		6,686	6,139
Continuing education		746	671
Fee-paying domestic postgraduate students		7,571	8,727
Fee-paying domestic non-award students		13,090	12,389
<b>Total Course Fees and Charges</b>		<b>187,453</b>	<b>186,481</b>
<b>Other Non-Course Fees and Charges</b>			
Late fees		205	228
Library fines		44	57
Parking fees		7,179	6,323
Registration fees		111	180
Ancillary fees		16	23
Student accommodation		5,740	10,034
Student Services and Amenities Fees		3,423	3,150
Other fees and charges		3,114	2,369
<b>Total Other Non-Course Fees and Charges</b>		<b>19,832</b>	<b>22,364</b>
<b>Total Fees and Charges</b>		<b>207,285</b>	<b>208,845</b>

**3.4 ROYALTIES****ACCOUNTING POLICY**

Revenue is recognised as the University provides the service(s) to the customer through their use of the University's intellectual property.

Royalties - Education Services		21,407	21,118
<b>Total Royalties</b>		<b>21,407</b>	<b>21,118</b>

**3.5 CONSULTANCY AND CONTRACT RESEARCH****ACCOUNTING POLICY**

Revenue is recognised as the University provides the service(s) to the customer.

Consultancy		6,942	7,854
Contract research		24,007	26,724
<b>Total Consultancy and Contract Research</b>		<b>30,949</b>	<b>34,578</b>

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

for the year ended 31 December 2019

**3.6 OTHER REVENUE****ACCOUNTING POLICY**

Donations and gifts are recognised as revenue when the University has the contractual right to receive the assets.

Other revenue is recognised when the University provides the service(s)/delivers the goods to the customer.

	Note	2019 \$'000	2018 \$'000
Trading income		6,692	7,685
Rental income		7,218	6,896
Donations		3,255	1,613
Scholarships and prizes		2,100	1,715
Non-government grants		10,042	4,957
Insurance claims		587	635
Staff salary cost recoveries		1,250	1,367
Proceeds from sale of minor equipment		18	15
Conference income		1,041	1,000
Income related to Service Concession Assets		3,993	-
Other		2,304	1,403
<b>Total Other Revenue</b>		<b>38,500</b>	<b>27,286</b>

**4 INVESTMENT REVENUE AND OTHER INVESTMENT INCOME****ACCOUNTING POLICY**

Investment income is recognised as it is earned, i.e. when the University has the right to receive dividends, distributions and interest. Fair value movements are recognised consistent with the measurement of "Fair Value through Profit and Loss" investments (refer also Notes 11 and 12).

Distributions and dividends - funds under management		23,138	25,410
Dividends - other investments		1,900	10,388
Interest - cash and term deposits		2,083	1,895
Fair value through profit and loss - funds under management		35,997	(27,704)
Fair value through profit and loss - other investments		15,670	6,522
<b>Total Investment Revenue</b>		<b>78,788</b>	<b>16,511</b>



**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

for the year ended 31 December 2019

**5 EMPLOYEE RELATED EXPENSES****ACCOUNTING POLICY**

Employee related expenses are recognised as an expense as they become payable. Past service costs are recognised in profit or loss immediately (refer also Note 19 for leave and superannuation benefits).

	Note	2019 \$'000	2018 \$'000
<b>Academic</b>			
Salaries		215,759	221,301
Contribution to superannuation and pension schemes			
Contributions to unfunded schemes		298	217
Contributions to funded schemes		33,442	35,727
Long service leave		6,434	4,757
Annual leave		14,810	14,096
Payroll tax		15,825	15,367
Workers' compensation		667	651
<b>Total Academic</b>		<b>287,235</b>	<b>292,116</b>
<b>Non-Academic</b>			
Salaries		189,149	187,582
Contribution to superannuation and pension schemes			
Contributions to unfunded schemes		131	(617)
Contributions to funded schemes		29,122	30,726
Long service leave		6,234	4,342
Annual leave		14,196	12,390
Payroll tax		14,193	13,409
Workers' compensation		576	396
<b>Total Non-Academic</b>		<b>253,601</b>	<b>248,228</b>
<b>Total Employee Related Expenses</b>		<b>540,836</b>	<b>540,344</b>
Deferred superannuation expense	30(b)	269	326
<b>Total Employee Related Expenses including Deferred Government Employee Benefits for Superannuation</b>		<b>541,105</b>	<b>540,670</b>

**6 REPAIRS AND MAINTENANCE****ACCOUNTING POLICY**

Repairs and maintenance costs are recognised as expenses as incurred, except where they relate to the replacement of a component of an asset, in which case the carrying amount of those parts that are replaced is derecognised and the cost of the replacing part is capitalised if asset recognition criteria are met. Other routine operating maintenance, repair and minor renewal costs are also recognised as expense as incurred.

		2019 \$'000	2018 \$'000
Building repairs		5,625	6,504
General infrastructure maintenance		5,861	6,132
Parks and gardens		1,356	1,598
<b>Total Repairs and Maintenance</b>		<b>12,842</b>	<b>14,234</b>

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

for the year ended 31 December 2019

**7 BORROWING COSTS****ACCOUNTING POLICY**

Borrowing costs are recognised on an accrual basis.

Borrowing costs for qualifying assets are capitalised net of any investment income earned on the unexpended portion of the borrowings. Other borrowing costs are expensed when incurred.

Interest expense on lease liabilities is recognised using the effective interest rate inherent to the lease.

	Note	2019 \$'000	2018 \$'000
Interest on borrowings		2,020	2,273
Interest on lease liabilities		503	-
Service Concession expense - interest on financial liabilities		652	-
<b>Total Borrowing Costs</b>		<b>3,175</b>	<b>2,273</b>

**8 OTHER EXPENSES****ACCOUNTING POLICY**

Other expenses are recognised as an expense in the Statement of Comprehensive Income as incurred.

		2019 \$'000	2018 \$'000
Advertising, marketing and promotional expenses		5,986	6,297
Agency staff costs		4,601	4,339
Books		5,441	5,148
Computer peripherals and parts		23,988	24,047
Consumables		11,984	11,906
Consultancy fees and expenses		12,373	18,942
Outsourced work		30,845	26,080
Exchange rate (gains)/losses		644	758
Fees and commissions		30,734	28,799
Financial assistance provided/research support		5,546	5,925
Graduations		853	1,175
Hospitality		2,981	2,614
Insurance		4,120	3,547
Inventory used and sold		50	309
Lease and rental		3,150	4,327
Non-capitalised equipment		4,739	5,235
Occupational health, safety and welfare		481	441
Postage and courier		1,002	772
Publications		447	446
Scholarships, grants and prizes		57,060	54,311
Security		879	672
Service Concession expense - operations payments		3,309	-
Staff development and training		4,407	4,092
Staff recruitment		1,633	1,525
Subscriptions		7,678	6,096
Telecommunications		1,394	1,521
Travel		14,141	13,254
Utilities and cleaning		15,081	15,633
Other		2,880	2,752
<b>Total Other Expenses</b>		<b>258,427</b>	<b>250,963</b>

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

for the year ended 31 December 2019

	Note	2019 \$'000	2018 \$'000
<b>9 CASH AND CASH EQUIVALENTS</b>			
<b>(a) Unrestricted</b>			
Cash at bank and on hand <sup>1</sup>		37,316	36,617
Fixed Term Deposits <sup>2</sup>		25,000	24,000
<b>Total Cash and Cash Equivalents – Unrestricted</b>		<b>62,316</b>	<b>60,617</b>
<b>(b) Restricted</b>			
Trust cash at bank <sup>1</sup>		4,330	70,750
Trust Fixed Term Deposit <sup>2</sup>		50,008	2,039
<b>Total Cash and Cash Equivalents – Restricted</b>		<b>54,338</b>	<b>72,789</b>
<b>Total Cash and Cash Equivalents</b>		<b>116,654</b>	<b>133,406</b>
<sup>1</sup> Cash on hand is non-interest bearing. Cash at bank is subject to variable interest rates (refer Note 21).			
<sup>2</sup> Deposits are interest bearing at variable interest rates (refer Note 21). These deposits have an average maturity of 115 days (2018: 104 days).			
<b>(c) Reconciliation of net result to net cash provided by operating activities</b>			
Net result for the year		82,054	26,417
Depreciation expense		70,959	62,346
Net loss/(gain) on disposal of non-current assets		1,015	(220)
Impairment of assets		367	304
Fair value loss/(gain) through profit and loss		(51,668)	21,182
In-kind distributions		(315)	(3,487)
<b>Changes in assets and liabilities:</b>			
(Increase)/decrease in receivables		(14,698)	8,452
(Increase)/decrease in other non-financial assets		1,962	(5,797)
Increase/(decrease) in trade and other payables		11,425	(2,695)
Increase/(decrease) in provisions		(318)	(3,030)
Increase/(decrease) in other current liabilities		6,955	8,252
<b>Net cash provided by / (used in) operating activities</b>		<b>107,738</b>	<b>111,724</b>
<b>(d) Non-cash investing and financing activities</b>			
Acquisition of right-of-use assets by lease		-	-
Recognition of Service Concession Assets by way of offsetting Service Concession liabilities		39,031	-
<b>Total Non-cash investing and financing activities</b>		<b>39,031</b>	<b>-</b>

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

for the year ended 31 December 2019

**10 RECEIVABLES****ACCOUNTING POLICY**

Current accounts receivable are recognised at nominal amounts receivable as they are due for settlement no more than 30 days from the date of recognition. Non-current accounts receivable are recognised at fair value.

	Note	2019 \$'000	2018 \$'000
<b>Current</b>			
Student receivables		5,670	2,379
Less: Provision for impaired receivables		(591)	(322)
		5,079	2,057
<b>Non-Current</b>			
General receivables		29,080	20,901
Less: Provision for impaired receivables		(230)	(119)
		28,850	20,782
Deferred government contribution for superannuation	30(b)	4,548	3,809
<b>Total Current</b>		<b>38,477</b>	<b>26,648</b>
<b>Non-Current</b>			
Deferred government contribution for superannuation	30(b)	54,738	52,839
<b>Total Receivables</b>		<b>93,215</b>	<b>79,487</b>
<b>Impaired receivables</b>			
As at 31 December 2019, current receivables for student fees with a nominal value of \$0.591 million (2018: \$0.322 million) were expected to be impaired. The amount of the provision was \$0.591 million (2018: \$0.322 million).			
The ageing of these receivables is as follows:			
Less than 12 months		156	37
Greater than 12 months		435	285
		591	322
As at 31 December 2019, current receivables for student fees of \$4.475 million (2018: \$0.776 million) were past due date but not impaired.			
The ageing of these receivables is as follows:			
Less than 12 months		4,475	776
Greater than 12 months		-	-
		4,475	776

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

for the year ended 31 December 2019

	Note	2019 \$'000	2018 \$'000
<b>10 RECEIVABLES (continued)</b>			
Movements in the provision for impaired student fees receivables are as follows:			
Balance at start of year		322	2,063
Provision for impairment recognised during the year		269	245
Receivables written-off during the year as uncollectible		-	(1,986)
Unused amount reversed		-	-
Balance at end of year		591	322
As at 31 December 2019, current general receivables with a nominal value of \$0.230 million (2018: \$0.119 million) were impaired.			
The ageing of these receivables is as follows:			
Less than 12 months		68	68
Greater than 12 months		162	51
		230	119
As at 31 December 2019, current general receivables of \$15.363 million (2018: \$9.103 million) were past due date but not impaired.			
The ageing of these receivables is as follows:			
Less than 12 months		15,356	9,099
Greater than 12 months		7	4
		15,363	9,103
Movements in the provision for impaired general receivables are as follows:			
Balance at start of year		119	686
Receivables written-off during the year as uncollectible		(15)	(350)
Provision for impairment recognised during the year		128	119
Unused amount reversed		(2)	(336)
Balance at end of year		230	119

**11 OTHER FINANCIAL ASSETS – UNRESTRICTED****ACCOUNTING POLICY**

Loans receivable are initially recognised at fair value, net of transaction costs incurred. Loans are subsequently measured at amortised cost.

Loans receivable are classified as current assets unless the counterparty has an unconditional right to defer settlement of the asset for at least 12 months after the reporting date, in which case they are classified as non-current.

Financial assets which do not meet the objective of the University's business model for managing financial assets or are not held to collect the contractual cash flows are measured at fair value through profit or loss.

In accordance with AASB9 "Financial Instruments," the University classifies funds under management and other unlisted securities as "Fair Value through Profit and Loss" financial instruments. Gains and losses arising from changes in fair value are recognised directly to profit and loss for the period. No impairment is required.

Fair value measurement of funds under management are based on quoted prices in an active market. If the market for a financial asset is not active (including unlisted securities and unlisted companies which were established to commercialise intellectual property), the University establishes fair value by using valuation techniques that maximise the use of relevant data. These include reference to the estimated price in an orderly transaction that would take place

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

for the year ended 31 December 2019

**11 OTHER FINANCIAL ASSETS – UNRESTRICTED (continued)**

between market participants at the measurement date. Other valuation techniques used are the cost approach and the income approach based on the characteristics of the asset and the assumptions made by market participants.

	Note	2019 \$'000	2018 \$'000
<b>Current</b>			
<b>Loans receivable - at amortised cost</b>			
Other loans	25	450	450
<b>Total Current Other Financial Assets</b>		<b>450</b>	<b>450</b>
<b>Non-Current</b>			
<b>Fair Value through Profit and Loss</b>			
Funds under management		373,573	332,780
Other investments - Unlisted/listed shares		49,612	28,020
<b>Total Non-Current Other Financial Assets</b>		<b>423,185</b>	<b>360,800</b>
<b>Total Other Financial Assets – Unrestricted</b>		<b>423,635</b>	<b>361,250</b>

**12 OTHER FINANCIAL ASSETS – RESTRICTED****Current****Fair Value through Profit and Loss - funds under management**

Research activities	80,680	89,530
Donations and prizes	41,328	36,711
Trusts	9,511	8,473
	<b>131,519</b>	<b>134,714</b>

**Fixed Term Deposits**

Trusts	16,000	-
	<b>16,000</b>	<b>-</b>
<b>Total Other Financial Assets - Restricted</b>	<b>147,519</b>	<b>134,714</b>

Restricted funds are either invested as managed funds, term deposits (non-cash) or held as cash (refer note 9(b)).

All Fair Value through Profit and Loss financial assets are denominated in Australian currency. For an analysis of the credit risk and sensitivity of Fair Value through Profit and Loss financial assets to price and interest rate risk, refer to Note 21.

**13 OTHER NON-FINANCIAL ASSETS****ACCOUNTING POLICY**

Prepayments are recognised when amounts have been paid in advance and do not yet meet expense recognition requirements.

Accrued income is recognised when the University has yet to receive payment for goods or services provided.

	2019 \$'000	2018 \$'000
<b>Current</b>		
Prepayments	23,209	24,072
Accrued income	6,551	4,560
<b>Total Current Other Non-Financial Assets</b>	<b>29,760</b>	<b>28,632</b>
<b>Non-Current</b>		
Prepayments	4,312	4,960
<b>Total Non-Current Other Non-Financial Assets</b>	<b>4,312</b>	<b>4,960</b>
<b>Total Other Non-Financial Assets</b>	<b>34,072</b>	<b>33,592</b>



**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
for the year ended 31 December 2019

**14 PROPERTY, PLANT AND EQUIPMENT**

Summary of the University's fixed assets at the end of the current financial year are set out below.

	Owned assets		Right-of-use Assets		Service Concession Assets		Total	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
<b>At 31 December</b>								
- Cost	1,580,388	1,494,710	15,393	-	39,031	-	1,634,812	1,494,710
- Accumulated depreciation	(535,512)	(484,898)	(3,915)	-	(260)	-	(539,687)	(484,898)
<b>Carrying amount at end of year</b>	<b>1,044,876</b>	<b>1,009,812</b>	<b>11,478</b>	<b>-</b>	<b>38,771</b>	<b>-</b>	<b>1,095,125</b>	<b>1,009,812</b>
Depreciation expense	66,784	62,346	3,915	-	260	-	70,959	62,346

**(a) Owned Assets**

**ACCOUNTING POLICY**

All property, plant and equipment with a cost of greater than \$5,000 (excluding GST) is recorded as a non-current asset at cost, less subsequent depreciation and impairment.

Assets acquired at no cost or for nominal consideration are initially recognised at their fair value at the date of acquisition.

Assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

All non-current assets having a limited useful life are depreciated or amortised over their estimated useful lives, in a manner which reflects the consumption of their future economic benefits.

Depreciation is calculated on a straight-line basis from the time the asset becomes available for use. Estimated useful lives are as follows:

- Land Not depreciated
- Buildings Lower of 50 years or remaining useful life
- Infrastructure Lower of 50 years or remaining useful life
- Leasehold land Lower of 50 years or remaining lease period
- Computing equipment 3 to 5 years
- Other equipment and furniture 8 years
- Motor vehicles 5 years
- Library collection 10 years
- Works of art Not depreciated

Land and works of art controlled by the University are anticipated to have indeterminate useful lives since their service potential is not, in any material sense, consumed. As such, no amount for depreciation is recognised.

**14 (a) PROPERTY, PLANT AND EQUIPMENT (continued)**

Carrying amounts of property, plant and equipment at the beginning and end of the current financial year are set out below.

	Land \$'000	Buildings \$'000	Infrastructure \$'000	Leasehold land \$'000	Work in progress \$'000	Computing equipment \$'000	Other equipment and furniture \$'000	Motor vehicles \$'000	Library collection \$'000	Works of art \$'000	Total \$'000
<b>At 1 January 2019</b>											
Cost	78,906	947,957	154,091	4,654	65,088	32,895	155,381	1,757	40,684	13,297	1,494,710
Accumulated depreciation	-	(303,009)	(42,007)	(2,009)	-	(20,615)	(101,780)	(1,314)	(14,164)	-	(484,898)
<b>Carrying amount at start of year</b>	<b>78,906</b>	<b>644,948</b>	<b>112,084</b>	<b>2,645</b>	<b>65,088</b>	<b>12,280</b>	<b>53,601</b>	<b>443</b>	<b>26,520</b>	<b>13,297</b>	<b>1,009,812</b>
<b>Year ended 31 December 2019</b>											
Additions	(44)	364	-	-	106,936	1,804	6,329	69	5,392	493	121,343
Cost of disposals	-	(26,955)	(927)	(4,654)	-	(418)	(2,628)	-	(80)	(3)	(35,665)
Accumulated depreciation on disposals	-	11,151	324	2,074	-	368	2,199	-	54	-	16,170
Transfers in/(out)	-	79,638	10,183	-	(93,699)	116	3,762	-	-	-	-
Depreciation and amortisation expense	-	(36,077)	(6,376)	(65)	-	(4,525)	(15,296)	(167)	(4,278)	-	(66,784)
<b>Carrying amount at end of year</b>	<b>78,862</b>	<b>673,069</b>	<b>115,288</b>	<b>-</b>	<b>78,325</b>	<b>9,625</b>	<b>47,967</b>	<b>345</b>	<b>27,608</b>	<b>13,787</b>	<b>1,044,876</b>
<b>At 31 December 2019</b>											
Cost	78,862	1,001,004	163,347	-	78,325	34,397	162,844	1,826	45,996	13,787	1,580,388
Accumulated depreciation	-	(327,935)	(48,059)	-	-	(24,772)	(114,877)	(1,481)	(18,388)	-	(535,512)
<b>Carrying amount at end of year</b>	<b>78,862</b>	<b>673,069</b>	<b>115,288</b>	<b>-</b>	<b>78,325</b>	<b>9,625</b>	<b>47,967</b>	<b>345</b>	<b>27,608</b>	<b>13,787</b>	<b>1,044,876</b>
<b>At 1 January 2018</b>											
Cost	78,998	916,497	147,378	4,654	47,729	25,784	143,448	1,755	35,377	13,062	1,414,682
Accumulated depreciation	-	(269,178)	(35,696)	(1,877)	-	(16,549)	(88,501)	(1,109)	(10,412)	-	(423,322)
<b>Carrying amount at start of year</b>	<b>78,998</b>	<b>647,319</b>	<b>111,682</b>	<b>2,777</b>	<b>47,729</b>	<b>9,235</b>	<b>54,947</b>	<b>646</b>	<b>24,965</b>	<b>13,062</b>	<b>991,360</b>
<b>Year ended 31 December 2018</b>											
Additions	43	6	-	-	64,008	6,012	5,464	-	5,307	252	81,092
Cost of disposals	(135)	(1,134)	(54)	-	-	(18)	250	4	-	(17)	(1,104)
Accumulated depreciation on disposals	-	812	10	-	-	18	(28)	(2)	-	-	810
Transfers in/(out)	-	32,588	6,767	-	(46,649)	1,114	6,180	-	-	-	-
Depreciation and amortisation expense	-	(34,643)	(6,321)	(132)	-	(4,081)	(13,212)	(205)	(3,752)	-	(62,346)
<b>Carrying amount at end of year</b>	<b>78,906</b>	<b>644,948</b>	<b>112,084</b>	<b>2,645</b>	<b>65,088</b>	<b>12,280</b>	<b>53,601</b>	<b>443</b>	<b>26,520</b>	<b>13,297</b>	<b>1,009,812</b>
<b>At 31 December 2018</b>											
Cost	78,906	947,957	154,091	4,654	65,088	32,895	155,381	1,757	40,684	13,297	1,494,710
Accumulated depreciation	-	(303,009)	(42,007)	(2,009)	-	(20,615)	(101,780)	(1,314)	(14,164)	-	(484,898)
<b>Carrying amount at end of year</b>	<b>78,906</b>	<b>644,948</b>	<b>112,084</b>	<b>2,645</b>	<b>65,088</b>	<b>12,280</b>	<b>53,601</b>	<b>443</b>	<b>26,520</b>	<b>13,297</b>	<b>1,009,812</b>

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

for the year ended 31 December 2019

**14 PROPERTY, PLANT AND EQUIPMENT (continued)****(b) Right-of-use Assets**

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.

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.

Depreciation on Leased Assets is calculated on a straight-line basis from the lease terms. Lease terms are as follows:

- Buildings 3 to 20 years
- Computing equipment 3 to 5 years
- Motor vehicles 3 years

The University has elected to measure the leased assets arising under 'concessionary leases' at cost, in accordance with AASB16 paragraphs 23-25, which incorporates the amount of the initial measurement of the lease liability. The impact is immaterial.

Carrying amounts of leased assets at the beginning and end of the current financial year are set out below.

Under the modified retrospective method of transition, Right-of-use assets of \$15.393 million were recognised at the date of initial application of Accounting Standard AASB16, i.e. 1 January 2019 (refer Note 1(i)).

	Buildings		Network equipment		Motor vehicles		Total Right-of-use Assets	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
<b>At 1 January</b>								
Cost	6,138	-	8,631	-	624	-	15,393	-
Accumulated depreciation	-	-	-	-	-	-	-	-
Carrying amount at start of year	6,138	-	8,631	-	624	-	15,393	-
<b>Year ended 31 December 2019</b>								
Additions	-	-	-	-	-	-	-	-
Cost of disposals	-	-	-	-	-	-	-	-
Accumulated depreciation on disposals	-	-	-	-	-	-	-	-
Transfers in/(out)	-	-	-	-	-	-	-	-
Depreciation and amortisation expense	(1,119)	-	(2,671)	-	(125)	-	(3,915)	-
<b>Carrying amount at end of year</b>	<b>5,019</b>	<b>-</b>	<b>5,960</b>	<b>-</b>	<b>499</b>	<b>-</b>	<b>11,478</b>	<b>-</b>
<b>At 31 December</b>								
- Cost	6,138	-	8,631	-	624	-	15,393	-
- Accumulated depreciation	(1,119)	-	(2,671)	-	(125)	-	(3,915)	-
<b>Carrying amount at end of year</b>	<b>5,019</b>	<b>-</b>	<b>5,960</b>	<b>-</b>	<b>499</b>	<b>-</b>	<b>11,478</b>	<b>-</b>

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

for the year ended 31 December 2019

**14 PROPERTY, PLANT AND EQUIPMENT (continued)****(c) Service Concession Assets****ACCOUNTING POLICY**

In 2019, Curtin entered into an arrangement with Live-in Learning Operations Pty Ltd to operate its existing student accommodation and to construct and operate new student accommodation, self-contained apartments, short stay accommodation and commercial and retail space.

Buildings for the existing student accommodation were disposed from Property, Plant and Equipment and a "Service Concession Asset" was recognised under AASB1059 measured at fair value based on the proceeds received for disposal of the Property, Plant and Equipment, in accordance with AASB13 Fair Value Measurement. Subsequently, Service Concession Assets are depreciated over the useful life of the component assets less any impairment.

The new student accommodation, self-contained apartments, short stay accommodation and commercial and retail space are recognised as "Service Concession Assets" (Work in Progress) during the period of construction.

Depreciation on Service Concession Assets is calculated on a straight line basis, based on the estimated remaining useful lives of the underlying assets:

- Existing student accommodation 35 years
- New student accommodation 50 years

Carrying amounts of Service Concession Assets at the end of the current financial year are set out below.

	Buildings		Work in progress		Total Service Concession Assets	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
<b>At 1 January</b>						
Cost	-	-	-	-	-	-
Accumulated depreciation	-	-	-	-	-	-
Carrying amount at start of year	-	-	-	-	-	-
<b>Year ended 31 December 2019</b>						
Additions	18,468	-	20,563	-	39,031	-
Cost of disposals	-	-	-	-	-	-
Accumulated depreciation on disposals	-	-	-	-	-	-
Transfers in/(out)	-	-	-	-	-	-
Depreciation and amortisation expense	(260)	-	-	-	(260)	-
<b>Carrying amount at end of year</b>	<b>18,208</b>	<b>-</b>	<b>20,563</b>	<b>-</b>	<b>38,771</b>	<b>-</b>
<b>At 31 December</b>						
- Cost	18,468	-	20,563	-	39,031	-
- Accumulated depreciation	(260)	-	-	-	(260)	-
<b>Carrying amount at end of year</b>	<b>18,208</b>	<b>-</b>	<b>20,563</b>	<b>-</b>	<b>38,771</b>	<b>-</b>

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

for the year ended 31 December 2019

**15 TRADE AND OTHER PAYABLES****ACCOUNTING POLICY**

Payables are recognised when the University becomes obliged to make future payments as a result of a purchase of assets or services received. Payables are generally settled within a 30 days term.

	Note	2019 \$'000	2018 \$'000
<b>Current</b>			
Trade and Other Payables		26,105	14,680
		<b>26,105</b>	<b>14,680</b>
<b>Non-Current</b>			
Trade and Other Payables		8,591	-
		<b>8,591</b>	<b>-</b>
<b>Total Trade and Other Payables</b>		<b>34,696</b>	<b>14,680</b>

**16 FINANCIAL LIABILITIES - SERVICE CONCESSIONS****ACCOUNTING POLICY**

The value of Service Concession financial liabilities is calculated based on the net present value of the guaranteed revenue net of operating costs, using the project discount rate. Where the fair value of the asset is greater than the calculated financial liability, the balance is recognised as a non-financial liability within Trade and Other Payables (refer Note 15). Where the fair value of the asset is lower than the calculated financial liability, the financial liability is capped at the fair value of the asset.

<b>Current</b>			
Financial Liabilities - Service Concessions		119	-
		<b>119</b>	<b>-</b>
<b>Non-Current</b>			
Financial Liabilities - Service Concessions		38,880	-
		<b>38,880</b>	<b>-</b>
<b>Total Financial Liabilities</b>		<b>38,999</b>	<b>-</b>

**17 OTHER LIABILITIES****ACCOUNTING POLICY**

Accruals (expenses incurred but not yet billed), are recognised when the University becomes obliged to make future payments as a result of a purchase of assets or services received.

Income received in advance is recognised when the University has received amounts that do not yet meet revenue recognition requirements.

<b>Current</b>			
Income received in advance <sup>1</sup>		122,802	43,765
Accrued expenses		20,871	34,216
Monies held on trust		79,849	81,262
<b>Total Current Other Liabilities</b>		<b>223,522</b>	<b>159,243</b>

<sup>1</sup> The increase in income in advance reflects the recognition of amounts received to deliver the University's future obligations for research outputs and services (refer Note 1(i)(ii)B).

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

for the year ended 31 December 2019

**18 BORROWINGS****ACCOUNTING POLICY**

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost.

Borrowings are removed from the Statement of Financial Position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in other income or other expenses.

Borrowings are classified as current liabilities unless the University has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date, in which case they are classified as non-current.

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 interest rate implicit in the lease if the rate is readily determinable. If the interest rate implicit in the lease cannot be readily determined, the incremental borrowing rate at the commencement date of the lease is used.

	Note	2019 \$'000	2018 \$'000
<b>Current</b>			
Interest bearing Treasury loans		2,290	2,145
Lease liabilities		3,349	-
		<b>5,639</b>	<b>2,145</b>
<b>Non-Current</b>			
Interest bearing Treasury loans		27,301	29,591
Lease liabilities		8,394	-
		<b>35,695</b>	<b>29,591</b>
Total Treasury Loans		29,591	31,736
Total Lease Liabilities		11,743	-
<b>Total Borrowings</b>		<b>41,334</b>	<b>31,736</b>



**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

for the year ended 31 December 2019

**18 BORROWINGS (continued)****(a) Treasury Loans**

The University has the following loans with the WA Treasury Corporation:

	Average Interest rate	Maturity date	Principal outstanding	
			2019 \$'000	2018 \$'000
<b>Chemistry Centre of WA building</b>				
- monthly principal and fixed rate interest repayments	6.77%	01.07.2029	26,618	28,528
- monthly principal and fixed rate interest repayments	5.11%	01.07.2029	2,973	3,208
<b>Total Treasury Loans</b>			<b>29,591</b>	<b>31,736</b>
<b>Financing facilities available</b>				
At reporting date, the following financing facilities had been negotiated and were available:				
Total facilities:				
- Treasury Loans			29,591	31,736
Facilities used at reporting date:				
- Treasury Loans			29,591	31,736
Facilities unused at reporting date:				
- Treasury Loans			-	-

**Assets pledged as security**

The University has not pledged any assets as security against the borrowings. The loans are secured by a State Government Treasurer's Guarantee.

**Fair value**

The carrying amounts and fair values of borrowings at balance date are:

	2019		2018	
	Carrying Amount \$'000	Fair Value \$'000	Carrying Amount \$'000	Fair Value \$'000
<b>Chemistry Centre of WA building</b>				
- monthly principal and fixed rate interest repayments	26,618	33,424	28,528	34,675
- monthly principal and fixed rate interest repayments	2,973	3,481	3,208	3,612
<b>Total Treasury Loans</b>	<b>29,591</b>	<b>36,905</b>	<b>31,736</b>	<b>38,287</b>

The fair value of the loans have been prepared assuming hypothetical settlement dates of 31 December 2019 and 31 December 2018.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

for the year ended 31 December 2019

**18 BORROWINGS (continued)****(b) Lease Liabilities**

Set out below are the lease liabilities recognised in the Statement of Financial Position at the date of initial application (i.e. 1 January 2019); and an explanation of the difference between the operating lease commitments disclosed at the end of 2018 and the value of the lease liabilities recognised at the beginning of 2019.

	\$'000
<b>Operating lease commitments disclosed as at 31 December 2018</b>	70,138
Discounted using the University's weighted average incremental borrowing rate 3.5%	(10,217)
(Less): Short-term leases recognised on a straight-line basis as an expense	(382)
(Less): Low-value leases recognised on a straight-line basis as an expense	(7,762)
Add/(less): Adjustments as a result of a different treatment of extension and termination options	1,451
Add/(less): Adjustments relating to reclassification to other expense commitments	(37,835)
<b>Lease liability recognised as at 1 January 2019</b>	<b>15,393</b>

Maturity analysis on lease liabilities is disclosed as follows:

	2019 \$'000
<b>Maturity analysis - undiscounted contractual cash flows</b>	
Less than one year	3,914
One to five years	8,071
More than 5 years	1,697
<b>Total undiscounted contractual cash flows</b>	<b>13,682</b>

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

for the year ended 31 December 2019

**19 PROVISIONS****ACCOUNTING POLICY****Annual leave**

This benefit is recognised at the reporting date in respect of employees' service up to that date and is measured at the amounts expected to be paid when the liabilities are settled, including anniversary increments and anticipated salary increases. Annual leave that is not expected to be settled wholly within 12 months after the end of the reporting period and is therefore considered to be 'other long-term employee benefits'. The provision for annual leave is classified as a current liability as the University does not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

**Long service leave**

Long service leave is not expected to be settled wholly within 12 months after the end of the reporting period. When assessing expected future payments, consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Unconditional long service leave provisions are classified as current liabilities as the University does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

The liability for conditional long service leave expected to be settled more than 12 months from the reporting date is recognised in the provision for employee benefits as a non-current liability and is measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date.

**Superannuation**

The University contributes to a number of superannuation schemes including both defined contribution and defined benefit schemes.

Payments to defined contribution schemes are charged as an expense as they fall due. The University's obligation is limited to these contributions.

Defined benefit schemes provide a defined lump sum benefit to scheme members based on years of service and final average salary. A defined benefit liability is included in the Statement of Financial Position equal to the present value of the defined benefit obligation at the reporting date (less any past service costs not yet recognised) less the fair value of Scheme assets at the reporting date.

The cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out on an annual basis. Actuarial gains and losses are recognised in other comprehensive income. Where appropriate the University has adopted the multi employer provisions of AASB119 "Employee Benefits". This is currently relevant to the Unisuper Defined Benefit scheme.

**Unfunded superannuation**

An arrangement exists between the Commonwealth Government and the University to meet the unfunded liability for the University's beneficiaries of the State Superannuation Schemes on an emerging cost basis. The unfunded liabilities have been recognised in the Statement of Financial Position under Provisions, with a corresponding asset recognised under Receivables. The recognition of both the asset and the liability concurrently does not affect the year end net asset position of the University. The liability and equivalent receivable are measured actuarially on an annual basis.

**Termination benefits**

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts an offer of benefits in exchange for the termination of employment. The University recognises termination benefits either when it can no longer withdraw the offer of those benefits or when it has recognised costs for restructuring within the scope of AASB137 "Provisions, Contingent Liabilities and Contingent Assets" when it is demonstrably committed to terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

for the year ended 31 December 2019

Note	2019 \$'000	2018 \$'000
<b>19 PROVISIONS (continued)</b>		
<b>Employee benefits provisions</b>		
<b>Current provisions expected to be settled within 12 months</b>		
Annual leave	24,379	24,024
Long service leave	19,288	16,147
Employment on-costs	3,057	2,812
Other General Provision <sup>1</sup>	1,690	-
Redundancy costs	4,875	8,087
Defined benefit obligation		
Deferred employee benefits for unfunded superannuation	4,548	3,809
Other University pension liabilities	88	93
	<b>57,925</b>	<b>54,972</b>
<b>Current provisions expected to be settled after more than 12 months</b>		
Annual leave	340	2,083
Long service leave	19,207	14,418
Employment on-costs	1,368	1,155
Redundancy costs	419	824
	<b>21,334</b>	<b>18,480</b>
<b>Total Current Provisions</b>	<b>79,259</b>	<b>73,452</b>
<b>Non-Current</b>		
<b>Employee benefits provisions</b>		
Long service leave	34,857	27,226
Employment on-costs	2,440	1,906
Defined benefit obligation		
Deferred employee benefits for unfunded superannuation	54,738	52,839
Other University pension liabilities	457	419
<b>Total Non-Current Provisions</b>	<b>92,492</b>	<b>82,390</b>
<b>Total Provisions</b>	<b>171,751</b>	<b>155,842</b>
<sup>1</sup> Represents long service leave payable to former employees		
<b>Movements in Other Provisions</b>		
Movements in each class of provision during the financial year, other than employee benefits, are set out below:		
<i>Employment on-costs provision</i>		
Balance at beginning of year	5,873	5,662
Addition/(reduction) in provisions recognised	3,811	2,671
Reduction arising from payments	(2,819)	(2,460)
Balance at end of year	<b>6,865</b>	<b>5,873</b>

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

for the year ended 31 December 2019

	Note	2019 \$'000	2018 \$'000
<b>19 PROVISIONS (continued)</b>			
<i>Redundancy costs provision</i>			
Balance at beginning of year		8,911	3,457
Addition/(reduction) in provisions recognised		5,686	8,808
Reduction arising from payments		(9,303)	(3,354)
Balance at end of year		5,294	8,911
<b>20 EQUITY</b>			
The University has adopted Accounting Standards AASB15 and AASB1058 using the modified retrospective method of transition, with a date of initial application of 1 January 2019. In accordance with this approach, the University has recognised the cumulative effect of applying these new standards as an adjustment to opening retained earnings at the date of initial application. Associated with adoption of these Accounting Standards, the Research grants reserve has been transferred to retained earnings effective from 1 January 2019.			
<b>(a) Research grants reserve</b>			
Balance at beginning of year		89,530	93,842
Transfer from retained earnings		-	35,012
Transfer to retained earnings		(89,530)	(39,324)
Balance at end of year		-	89,530
<b>(b) Retained earnings</b>			
Balance at beginning of year		1,301,286	1,270,557
Transfer to reserves		-	(35,012)
Transfer from reserves		89,530	39,324
Opening adjustment for prior year errors	1 (h)	(10,301)	-
Initial effect of adoption of Accounting Standards AASB15 and AASB1058	1(i)(iv)	(62,595)	-
Current year result		82,054	26,417
Balance at end of year		1,399,974	1,301,286

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

for the year ended 31 December 2019

**21 FINANCIAL INSTRUMENTS****(a) FINANCIAL RISK MANAGEMENT**

Financial instruments held by the University are cash and cash equivalents, receivables, fair value through profit and loss financial assets, borrowings and payables. The University has exposure to financial risks. The University's overall risk management program focuses on managing the risks identified below.

**Market Risk**

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in market prices. Components of market risk to which the University is exposed are:

**(i) Interest Rate Risk**

The University is exposed to interest rate risk from its use of interest bearing financial assets and liabilities. Non-derivative interest bearing assets are predominantly short term liquid assets, i.e. cash, cash deposits, interest-bearing loans advanced and some funds under management. The University's main interest rate liability risk arises from borrowings issued at fixed rates, which give exposure to fair value interest rate risk. The University manages its borrowings in accordance with targeted interest rate, liquidity and debt portfolio maturity profiles. Note 18 provides further detail.

This note details the University's sensitivity to a 200 basis point increase or decrease in interest rates assuming the change took place at the beginning of the financial year and held constant throughout the reporting period. There is no significant exposure to interest rate risks.

**(ii) Foreign Currency Risk**

The University is exposed to foreign currency risk when income from overseas operations, such as royalties and offshore partner fees, is received in foreign currency.

The University manages this risk by conducting its contracts and business in Australian dollars where it is commercially practical to do so. Furthermore, the University seeks to hedge any material, highly probable foreign currency transactions by way of permitted instruments with appropriate counterparties. The University does not undertake speculative positions on movements in foreign currency exchange rates.

The University holds fair value through profit and loss investments whose underlying assets include some investments denominated in foreign currency which are unhedged.

At 31 December 2019, the University held no foreign currency forward exchange contracts (2018: nil).

**(iii) Price Risk**

Price risk arises when there is a possibility of decline in the value of investments. It refers to the risk that the value of an investment will fluctuate due to changes in market prices. Investments include unlisted securities and funds under management. Note 21 details the University's sensitivity to a 15% increase or decrease in prices at reporting date on its funds under management. At reporting date, if the inputs to valuation of funds under management had been 15% higher or lower, the net operating result would have been \$83.205 million (2018: \$74.327 million) higher or lower.

**Credit Risk**

Credit risk is the risk that a contracting entity will not complete its obligations under a financial instrument resulting in a financial loss to the University. The University has exposure to credit risk and financial loss on financial assets included in the Statement of Financial Position, comprising receivables and other financial assets.

Procedures are in place to minimise exposure to credit risk associated with students and other debtors. The credit risk on funds under management and derivative financial instruments is limited as the counterparties are generally either with banks or investment grade fund managers.

**Liquidity Risk**

Liquidity risk refers to the risk of financial loss to the University as a result of insufficient funds being available to meet its short and long term liabilities.

The University manages liquidity risk by maintaining adequate cash and cash equivalent balances, monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

for the year ended 31 December 2019

**21 FINANCIAL INSTRUMENTS (continued)**

	Weighted Average Effective Interest Rate %	Non-interest bearing \$'000	Variable interest rate \$'000	Fixed interest rate \$'000	Total Carrying Amount \$'000	Maturity Profile			Foreign Exchange Risk Sensitivity <sup>2</sup>		Interest Rate Risk Sensitivity				Price Risk Sensitivity <sup>3</sup>				Credit Risk \$'000		
						Less than 1 year \$'000	1-5 years \$'000	More than 5 years \$'000	-10%		+10%		-200 bps		+200 bps		-15%			+15%	
									Net Result \$'000	Other Equity \$'000	Net Result \$'000	Other Equity \$'000	Net Result \$'000	Other Equity \$'000	Net Result \$'000	Other Equity \$'000	Net Result \$'000	Other Equity \$'000		Net Result \$'000	Other Equity \$'000
<b>2019</b>																					
<b>Financial Assets</b>																					
Cash and cash equivalents	1.60%	1	116,653	-	116,654	116,654	-	-	-	-	-	-	(3,465)	-	3,465	-	-	-	-	-	-
Receivables <sup>4</sup>	-	33,929	-	-	33,929	33,929	-	-	-	-	-	-	-	-	-	-	-	-	-	-	33,929
Loans receivable	-	450	-	-	450	450	-	-	-	-	-	-	-	-	-	-	-	-	-	-	450
Term Deposits (non-cash)	1.51%	-	-	16,000	16,000	16,000	-	-	-	-	-	-	(320)	-	320	-	-	-	-	-	-
Unlisted securities (unrestricted)	-	48,169	-	-	48,169	-	48,169	-	-	-	-	-	-	-	-	-	(7,225)	-	7,225	-	-
Listed securities (unrestricted)	-	1,443	-	-	1,443	-	1,443	-	-	-	-	-	-	-	-	-	(216)	-	216	-	-
Funds under management (unrestricted) <sup>1,5</sup>	-	373,573	-	-	373,573	-	-	373,573	7,564	-	(7,564)	-	-	-	-	-	(58,293)	-	58,293	-	-
Funds under management (restricted) <sup>5</sup>	-	131,519	-	-	131,519	-	-	131,519	-	-	-	-	-	-	-	-	(17,471)	-	17,471	-	-
<b>Total Financial Assets</b>		<b>589,084</b>	<b>116,653</b>	<b>16,000</b>	<b>721,737</b>	<b>167,033</b>	<b>49,612</b>	<b>505,092</b>	<b>7,564</b>	<b>-</b>	<b>(7,564)</b>	<b>-</b>	<b>(3,785)</b>	<b>-</b>	<b>3,785</b>	<b>-</b>	<b>(83,205)</b>	<b>-</b>	<b>83,205</b>	<b>-</b>	<b>34,379</b>
<b>Financial Liabilities</b>																					
Payables	-	34,696	-	-	34,696	26,105	8,591	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Treasury Loans	6.60%	-	-	29,591	29,591	2,290	14,010	13,291	-	-	-	-	-	-	-	-	-	-	-	-	-
Lease liabilities	3.50%	-	-	11,743	11,743	3,914	8,071	1,698	-	-	-	-	-	-	-	-	-	-	-	-	-
Financial Liabilities - Service Concessions	7.52%	-	-	38,999	38,999	119	21,135	17,745	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Financial Liabilities</b>		<b>34,696</b>	<b>-</b>	<b>80,333</b>	<b>115,029</b>	<b>32,428</b>	<b>51,807</b>	<b>32,734</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>2018</b>																					
<b>Financial Assets</b>																					
Cash and cash equivalents	1.72%	2	133,404	-	133,406	133,406	-	-	-	-	-	-	(2,484)	-	2,484	-	-	-	-	-	-
Receivables <sup>4</sup>	-	22,839	-	-	22,839	22,839	-	-	-	-	-	-	-	-	-	-	-	-	-	-	22,839
Loans receivable	-	450	-	-	450	450	-	-	-	-	-	-	-	-	-	-	-	-	-	-	450
Term Deposits (non-cash)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Unlisted securities (unrestricted)	-	28,020	-	-	28,020	-	28,020	-	-	-	-	-	-	-	-	-	(4,203)	-	4,203	-	-
Listed securities (unrestricted)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Funds under management (unrestricted) <sup>1,5</sup>	-	332,780	-	-	332,780	-	1,613	331,167	7,266	-	(7,266)	-	-	-	-	-	(49,917)	-	49,917	-	-
Funds under management (restricted) <sup>5</sup>	-	134,714	-	-	134,714	-	-	134,714	-	-	-	-	-	-	-	-	(20,207)	-	20,207	-	-
<b>Total Financial Assets</b>		<b>518,805</b>	<b>133,404</b>	<b>-</b>	<b>652,209</b>	<b>156,695</b>	<b>29,633</b>	<b>465,881</b>	<b>7,266</b>	<b>-</b>	<b>(7,266)</b>	<b>-</b>	<b>(2,484)</b>	<b>-</b>	<b>2,484</b>	<b>-</b>	<b>(74,327)</b>	<b>-</b>	<b>74,327</b>	<b>-</b>	<b>23,289</b>
<b>Financial Liabilities</b>																					
Payables	-	14,680	-	-	14,680	14,680	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Treasury Loans	6.60%	-	-	31,736	31,736	2,145	10,138	19,453	-	-	-	-	-	-	-	-	-	-	-	-	-
Lease liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Financial Liabilities - Service Concessions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Financial Liabilities</b>		<b>14,680</b>	<b>-</b>	<b>31,736</b>	<b>46,416</b>	<b>16,825</b>	<b>10,138</b>	<b>19,453</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

<sup>1</sup> Funds under management mainly comprise investments in unit based funds. Credit risk exposure relates only to funds under management not in unit based funds.<sup>2</sup> A positive number indicates an increase in net operating result where the Australian dollar weakens against the foreign currency.<sup>3</sup> Net operating result would be affected if prices increased or decreased by 15% as gains or losses on Fair Value to Profit and Loss investments are recognised directly in net operating result.<sup>4</sup> This includes GST Receivable of \$3.437 million (2018: \$3.721 million).<sup>5</sup> Funds under management in unit based funds receive income by way of distributions and do not attract interest.**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

for the year ended 31 December 2019



**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

for the year ended 31 December 2019

**21 FINANCIAL INSTRUMENTS (continued)****(b) FAIR VALUE****Fair Value Measurements**

The fair values of financial assets and financial liabilities shown in Note 21 are determined as follows:

- Due to the short-term nature of current receivables and payables, their carrying value is assumed to approximate fair value and, based on credit history, it is expected that the receivables that are neither past due date nor impaired will be received when due.
- Funds under management and fair value of listed shares are traded on an active market. Hence, the fair value of these investments is based on quoted market prices at the reporting date (Level 1).
- Fair value of unlisted shares that are not traded in an active market are measured either at independent valuation or at cost, which is assumed to approximate fair value where an unobservable input cannot be measured reliably.
- The fair value of loans to related entities are estimated for disclosure purposes by discounting the future contractual cash flows at the University's weighted average interest rate of cash and cash equivalents.

The fair value of borrowings is based on cash flows discounted using borrowing rates provided by the Western Australian Treasury Corporation. The rates vary between 5% to 7% depending on the purpose of the borrowing (2018: 5% to 7%). The fair value of the borrowings equals the carrying amount including additional charges and adjustments provided by the Western Australian Treasury Corporation, had the University terminated the loans at 31 December of each year.

The fair value of lease liabilities is based on the present value of unpaid lease payments at the commencement date of the lease, using the weighted average incremental borrowing rate.

The fair value of Financial Liabilities - Service Concessions is based on the net present value of the guaranteed revenue net of operating costs, using the project discount rate.

**Fair Value Hierarchy**

	2019	2018	2019	2018	2019 Fair Value Hierarchy			2018 Fair Value Hierarchy		
	Carrying amount \$'000	Carrying amount \$'000	Fair value \$'000	Fair value \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
<b>Financial Assets</b>										
Cash and cash equivalents	116,654	133,406	116,654	133,406	-	-	-	-	-	-
Receivables	33,929	22,839	33,929	22,839	-	-	-	-	-	-
Loans advanced	450	450	442	442	-	-	-	-	-	-
Short Term Investments (restricted)	16,000	-	16,000	-	-	-	-	-	-	-
Unlisted securities (unrestricted)	48,169	28,020	48,169	28,020	-	29,246	18,923	-	24,833	3,187
Listed securities (unrestricted)	1,443	-	1,443	-	1,443	-	-	-	-	-
Funds under management (unrestricted)	373,573	332,780	373,573	332,780	373,573	-	-	332,780	-	-
Funds under management (restricted)	131,519	134,714	131,519	134,714	131,519	-	-	134,714	-	-
<b>Total Financial Assets</b>	<b>721,737</b>	<b>652,209</b>	<b>721,729</b>	<b>652,201</b>	<b>506,535</b>	<b>29,246</b>	<b>18,923</b>	<b>467,494</b>	<b>24,833</b>	<b>3,187</b>
<b>Financial Liabilities</b>										
Payables	34,696	14,680	34,696	14,680	-	-	-	-	-	-
Treasury Loans	29,591	31,736	36,905	38,287	36,905	-	-	38,287	-	-
Lease liabilities	11,743	-	11,743	-	-	-	-	-	-	-
Financial Liabilities	38,999	-	38,999	-	-	-	-	-	-	-
<b>Total Financial Liabilities</b>	<b>115,029</b>	<b>46,416</b>	<b>122,343</b>	<b>52,967</b>	<b>36,905</b>	<b>-</b>	<b>-</b>	<b>38,287</b>	<b>-</b>	<b>-</b>

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

for the year ended 31 December 2019

**21 FINANCIAL INSTRUMENTS (continued)****Valuation Techniques**

The Fair Value Hierarchy reflects the following level of inputs used in measuring the fair value of financial assets and financial liabilities:

- Level 1: The fair value of assets and liabilities are determined based on quoted market prices (unadjusted) in active markets for identical assets or liabilities. The fair valuation of borrowings is primarily based on the net present value of the borrowing using the variable rate for lending at year end. Where the variable rate is lower than the fixed rate, the fair value is greater than the face value.
- Level 2: The fair value of assets and liabilities have been determined from inputs other than quoted prices that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (derived from prices); this includes directly held fixed income securities of the University (classified as Funds under Management) being derived from observable market data.
- Level 3: Inputs for the Assets or Liabilities that are not based on observable market data.

**Fair Value Measurement Using Significant Unobservable Inputs (Level 3)**

	2019 \$'000	2018 \$'000
<b>Unlisted securities (unrestricted)</b>		
Opening Balance	3,187	10,025
Fair Value Movement through Profit and Loss	15,736	(6,838)
<b>Closing Balance</b>	<b>18,923</b>	<b>3,187</b>

The gain included in profit and loss relates to the revaluation of unlisted securities, determined by an independent valuer, based on observable inputs and an unobservable input (discount factor of 30%), reported within the net operating result.

The University's sensitivity to a 5% increase or decrease in the unobservable input on discount factor at reporting date would result in a decrease or increase in net operating result of \$1.124 million (2018: \$0.488million) respectively.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

for the year ended 31 December 2019

**22 KEY MANAGEMENT PERSONNEL DISCLOSURES****(a) Members of the Accountable Authority****Names of Persons who were Members of the Accountable Authority during the financial year**

For the purposes of the *Financial Management Act 2006*, the University Council is the Accountable Authority of the University.

**Members appointed by Governor in Council**

Mr Michael Lundberg (commenced 28 May 2019)  
 Ms Elisa Fear  
 Mr Damian Gordon  
 Mr Michael Lishman (ceased 31 March 2019)

**Member nominated by the Minister for Education and Training**

Vacant

**Member who is the Vice-Chancellor**

Professor Deborah Terry, Vice-Chancellor

**Member elected by academic staff**

Professor Glenda Scully

**Member elected by general staff**

Mr Andrew McLean (ceased 17 June 2019)  
 Ms Catherine Clark (commenced 18 June 2019)

**Co-opted Members**

Dr Andrew Crane (Chancellor from 1 January 2019)  
 Dr Vanessa Guthrie  
 Mr Steve Scudamore  
 Ms Sue Wilson, Pro Chancellor  
 Dr Terry Agnew (commenced 1 January 2019)

**Member who is the Chairperson of the Academic Board**

Professor Dale Pinto

**Members elected by students**

Ms Romana-Rea Begicevic (postgraduate student)  
 Ms Finlay Nolan (undergraduate student ceased 31 March 2019)  
 Mr Chris Hall (undergraduate student commenced 1 April 2019)

**Members elected by the graduates of the University**

Vacant

**(b) Other key management personnel**

In addition to Professor Terry, the following persons also had authority and responsibility for planning, directing and controlling the activities of Curtin University during the financial year:

Professor John Cordery	Professor Lina Pelliccione (commenced 1 January 2019)
Professor Jill Downie	Professor Alan Dench
Ms Val Raubenheimer	Mr David Menarry
Mr Ian Callahan	Mr Marco Schultheis
Professor Archie Clements	Professor Chris Moran
Professor James Mienczakowski	Professor Seth Kunin
Professor Nigel de Bussy	Professor John Evans
Professor Jeremy Kilburn	Professor Linley Lord
Mr Alistair Donald	

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

for the year ended 31 December 2019

**22 KEY MANAGEMENT PERSONNEL DISCLOSURES (continued)****(c) Remuneration of Members of the Accountable Authority and Senior Officers****Remuneration of Members of the Accountable Authority**

	2019 Number	2018 Number
Nil - \$10,000	3	4
\$10,001 - \$20,000	1	1
\$20,001 - \$30,000	3	4
\$30,001 - \$40,000	3	1
\$40,001 - \$50,000	1	2
\$50,001 - \$60,000	1	1
\$60,001 - \$70,000	1	-
\$70,001 - \$80,000	1	1
\$80,001 - \$90,000	-	1
\$90,001 - \$100,000	-	1
\$100,001 - \$110,000	-	1
\$110,001 - \$120,000	1	2
\$120,001 - \$130,000	1	-
\$130,001 - \$140,000	-	1
\$140,001 - \$150,000	1	-
\$150,001 - \$160,000	-	1
\$160,001 - \$170,000	1	-
\$170,001 - \$180,000	-	1
\$180,001 - \$190,000	1	-
\$190,001 - \$200,000	-	-
\$200,001 - \$210,000	-	-
\$210,001 - \$220,000	-	-
\$220,001 - \$230,000	-	-
\$230,001 - \$240,000	-	-
\$240,001 - \$250,000	-	-
\$250,001 - \$260,000	-	-
\$260,001 - \$270,000	-	-
\$270,001 - \$280,000	-	-
\$280,001 - \$290,000	-	-
\$290,001 - \$300,000	-	-
\$300,001 - \$310,000	-	-
\$310,001 - \$320,000	-	-
\$320,001 - \$330,000	-	-
\$330,001 - \$340,000	-	-
\$340,001 - \$350,000	-	-
\$350,001 - \$360,000	-	-
\$360,001 - \$370,000	-	-
\$370,001 - \$380,000	-	-
\$380,001 - \$390,000	-	-
\$390,001 - \$400,000	-	-
\$400,001 - \$410,000	-	-
\$410,001 - \$420,000	-	-
\$420,001 - \$430,000	-	-
\$430,001 - \$440,000	-	-
\$440,001 - \$450,000	-	-
\$450,001 - \$460,000	-	-
\$460,001 - \$470,000	-	-
\$470,001 - \$480,000	-	-
\$480,001 - \$490,000	-	-
\$490,001 - \$500,000	-	-
\$500,001 - \$510,000	-	-
\$510,001 - \$520,000	-	-
\$520,001 - \$530,000	-	-
\$530,001 - \$540,000	-	-
\$540,001 - \$550,000	-	-
\$550,001 - \$560,000	-	-
\$560,001 - \$570,000	-	-
\$570,001 - \$580,000	-	-
\$580,001 - \$590,000	-	-
\$590,001 - \$600,000	-	-
\$600,001 - \$610,000	-	-
\$610,001 - \$620,000	-	-
\$620,001 - \$630,000	-	-
\$630,001 - \$640,000	-	-
\$640,001 - \$650,000	-	-
\$650,001 - \$660,000	-	-
\$660,001 - \$670,000	-	-
\$670,001 - \$680,000	-	-
\$680,001 - \$690,000	-	-
\$690,001 - \$700,000	-	-
\$700,001 - \$710,000	-	-
\$710,001 - \$720,000	-	-
\$720,001 - \$730,000	-	-
\$730,001 - \$740,000	-	-
\$740,001 - \$750,000	-	-
\$750,001 - \$760,000	-	-
\$760,001 - \$770,000	-	-
\$770,001 - \$780,000	-	-
\$780,001 - \$790,000	-	-
\$790,001 - \$800,000	-	-
\$800,001 - \$810,000	-	-
\$810,001 - \$820,000	-	-
\$820,001 - \$830,000	-	-
\$830,001 - \$840,000	-	-
\$840,001 - \$850,000	-	-
\$850,001 - \$860,000	-	-
\$860,001 - \$870,000	-	-
\$870,001 - \$880,000	-	-
\$880,001 - \$890,000	-	-
\$890,001 - \$900,000	-	-
\$900,001 - \$910,000	-	-
\$910,001 - \$920,000	-	-
\$920,001 - \$930,000	-	-
\$930,001 - \$940,000	-	-
\$940,001 - \$950,000	-	-
\$950,001 - \$960,000	-	-
\$960,001 - \$970,000	-	-
\$970,001 - \$980,000	-	-
\$980,001 - \$990,000	-	-
\$990,001 - \$1,000,000	-	-

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

for the year ended 31 December 2019

**22 KEY MANAGEMENT PERSONNEL DISCLOSURES (continued)****(c) Remuneration of Members of the Accountable Authority and Senior Officers****Remuneration of Senior Officers**

	2019 Number	2018 Number
\$40,001 - \$50,000	1	-
\$90,001 - \$100,000	-	1
\$110,001 - \$120,000	-	2
\$140,001 - \$150,000	-	1
\$160,001 - \$170,000	-	1
\$240,001 - \$250,000	-	1
\$270,001 - \$280,000	-	1
\$280,001 - \$290,000	-	1
\$310,001 - \$320,000	2	-
\$320,001 - \$330,000	-	1
\$330,001 - \$340,000	-	1
\$350,001 - \$360,000	1	-
\$370,001 - \$380,000	1	-
\$380,001 - \$390,000	1	-
\$390,001 - \$400,000	1	2
\$400,001 - \$410,000	1	1
\$410,001 - \$420,000	3	-
\$430,001 - \$440,000	1	2
\$450,001 - \$460,000	1	-
\$460,001 - \$470,000	-	1
\$480,001 - \$490,000	1	1
\$500,001 - \$510,000	1	-
\$510,001 - \$520,000	1	-
\$540,001 - \$550,000	-	1
\$590,001 - \$600,000	-	1
\$600,001 - \$610,000	1	-

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

for the year ended 31 December 2019

**22 KEY MANAGEMENT PERSONNEL DISCLOSURES (continued)****(d) Key management personnel compensation**

Key management personnel comprises members of the Accountable Authority and Senior Officers.

	2019 \$'000	2018 \$'000
Short-term employee benefits	6,986	6,698
Post-employment benefits	764	641
Other long-term benefits	1,058	1,051
<b>Total key management personnel compensation</b>	<b>8,808</b>	<b>8,390</b>

**23 REMUNERATION OF AUDITORS**

During the year, the following fees (excluding GST) were payable for services provided by the auditor of the University and non-related audit firms:

	2019 \$'000	2018 \$'000
<b>(a) Audit and review of the Financial Statements</b>		
<b>Fees paid to the Office of the Auditor General</b>	<b>294</b>	<b>287</b>
<b>(b) Other audit and assurance services<sup>1</sup></b>		
Fees paid to the Office of the Auditor General	14	14
Australian Government - Department of Agriculture	3	1
Casilli Holdings Pty Ltd	3	27
Independent Appraisal	1	1
Nexia Edwards Marshall	-	10
SAI Global Limited	7	6
Avant Edge Consulting	24	-
CQR Consulting	-	11
<b>Total fees paid for other audit services</b>	<b>52</b>	<b>70</b>
<b>Total Remuneration of Auditors</b>	<b>346</b>	<b>357</b>

<sup>1</sup> Other audit and assurance services are related to compliance audits and research project audits.**24 RELATED PARTIES****(a) Key management personnel**

Disclosures relating to Members of the Accountable Authority and Senior Officers are set out in Note 22.

The University had no material related party transactions with Council Members/Senior Officers or their close family members or their controlled (or jointly controlled) entities for disclosure.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

for the year ended 31 December 2019

**24 RELATED PARTIES (continued)****(b) Transactions with related parties**

The following transactions occurred with related parties:

Transaction Type	2019 \$'000	2018 \$'000
Purchases of goods and services		
- Curtin Student Guild	4,640	4,286
- Associates	-	-
Revenue for providing services		
- Curtin Student Guild	617	435
- Associates	1,268	1,541

The following balances are outstanding at the reporting date in relation to transactions with related parties:

Transaction Type	2019 \$'000	2018 \$'000
Receivable at 31 December		
- Curtin Student Guild	110	1
- Associates	-	482
Payable at 31 December		
- Curtin Student Guild	119	6

**(c) Loans to Associates**

Refer Note 25.

**25 ASSOCIATES****Companies**

The University invests in a number of unlisted companies which are established to commercialise intellectual property.

Details of the University's significant associates at 31 December 2019 are listed below. Investments in associates have been recognised at fair value (refer Note 11). They have not been equity accounted for in the University's financial statements because they are not considered sufficiently material.

Name of entity	Country of incorporation	Carrying value of Investment		Equity holding	
		2019 \$'000	2018 \$'000	2019 %	2018 %
<b>Associates</b>					
Renegi Pty Ltd	Australia	1	1	48	48
iCetana Pty Ltd	Australia	1,443	600	7	22
REX Ortho Pty Ltd	Australia	-	-	36	-

Loans to Associates	2019 \$'000	2018 \$'000
Balance at beginning of year		450
Loans advanced	-	-
Loans repayment received	-	-
Loans impaired	-	-
Interest charged	-	-
Interest received	-	-
Balance at end of year	450	450

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

for the year ended 31 December 2019

**26 CONTINGENT LIABILITIES AND CONTINGENT ASSETS****(a) Contingent Liabilities****Legal Actions**

The University is exposed to legal actions that arise in the course of the University's normal operations. The University does not believe that these legal actions, if successful, would result in material loss. There are no other contingent liabilities.

**(b) Contingent Assets**

The University had no material contingent assets at the reporting date.

**27 COMMITMENTS**

	2019 \$'000	2018 \$'000
<b>(a) Capital commitments</b>		
Capital expenditure contracted for at the reporting date but not recognised as liabilities is as follows:		
<b>Property, Plant and Equipment</b>		
Within one year	83,778	38,837
Between one and five years	24,749	-
Later than five years	-	-
<b>Total capital commitments</b>	<b>108,527</b>	<b>38,837</b>

**(b) Lease commitments****Operating leases**

Prior to 2019, leases were classified as an operating lease if it did not transfer substantially all the risks and rewards incidental to ownership.

As a result of implementing AASB16 (refer Note 1(i)(iii)), operating leases related to network leases, motor vehicle leases and building leases are now accounted for under Borrowings (refer Note 18).

Leases with a term of less than 12 months or where the underlying asset is determined to be of low value continue to be treated similarly to the previous treatment for operating leases.

Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:

Within one year	-	9,507
Between one and five years	-	17,734
Later than five years	-	42,897
<b>Total future minimum lease payments</b>	<b>-</b>	<b>70,138</b>



**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

for the year ended 31 December 2019

**27 COMMITMENTS (continued)**

	2019 \$'000	2018 \$'000
<b>Short-term and low value pool leases</b>		
Leases with a term of less than 12 months or where the underlying asset is determined to be of low value continue to be treated similarly to the previous treatment for operating leases.		
Commitments for minimum lease payments in relation to short-term and low value pool leases are payable as follows:		
Within one year <sup>1</sup>	3,876	-
Between one and five years <sup>1</sup>	3,886	-
Later than five years <sup>1</sup>	-	-
<b>Total future minimum lease payments</b>	<b>7,762</b>	<b>-</b>
<sup>1</sup> 2018 comparative figures are included in 27 (b) Operating leases note.		
<b>(c) Other expenditure commitments</b>		
Commitments in relation to purchase orders are payable as follows:		
<b>Within one year</b>	<b>25,274</b>	<b>41,815</b>
Commitments in relation to outgoing for leased buildings are payable as follows:		
Within one year	525	-
Between one and five years	2,101	-
Later than five years	39,126	-
<b>Total future minimum payments</b>	<b>41,752</b>	<b>-</b>

All the above commitments are inclusive of GST where applicable.

**28 DISCONTINUED OPERATIONS**

There were no discontinued operations in 2019 or 2018.

**29 EVENTS OCCURRING AFTER REPORTING DATE**

Subsequent to the reporting period, the financial impact of the COVID-19 virus on the University is not yet able to be quantified. There is no material impact from the event on the 2019 financial position of the University.

There are no other events occurring after the reporting date that require disclosure or adjustment to the financial statements.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

for the year ended 31 December 2019

**30 DEFINED BENEFIT SUPERANNUATION PLANS****(a) Curtin University pension obligations**

Until 30 June 2006, a group of former employees was entitled, on retirement, death or disablement, to defined benefits under the Curtin University Superannuation Scheme. In some circumstances, the scheme provided pension benefits. All members of the Scheme had retired, and had either received a pension or were entitled to receive a pension at a future date under certain circumstances. The scheme was wound up on 30 June 2006. Some former members of the wound-up scheme entered into a contractual relationship direct with the University. The University now provides benefits to those individuals, consistent with their entitlements under the wound-up scheme. The University meets the benefits directly as they fall due.

	2019 \$'000	2018 \$'000
<b>Reconciliation of the Present Value of the Defined Benefit Obligation</b>		
Present value of defined benefit obligations at beginning of the year	512	654
Current service cost	-	-
Interest cost	17	15
Actuarial loss/(gain)	109	(54)
Benefits paid	(93)	(103)
Present value of defined benefit obligations at end of the year	545	512
<b>Reconciliation of the Fair Value of Assets</b>		
Fair value of assets at beginning of the year	-	-
Employer contributions	93	103
Benefits paid	(93)	(103)
Fair value of assets at end of the year	-	-
<b>Reconciliation of the Assets and Liabilities Recognised in the Statement of Financial Position</b>		
Present value of defined benefit obligation	545	512
Fair value of assets	-	-
Net liability	545	512
<b>Liability recognised in the Statement of Financial Position as:</b>		
Current	88	93
Non-current	457	419
	545	512
<b>Expense Recognised in the Statement of Comprehensive Income</b>		
Interest cost	17	15
Actuarial loss/(gain)	109	(54)
Superannuation expense/(benefit)	126	(39)

**Assets**

There are no assets held specifically to meet the University's obligations with regard to this liability.

**Nature of asset/liability**

The University has recognised a liability in the Statement of Financial Position under Provisions in respect of its defined benefit superannuation arrangements. The University has no legal obligation to settle this liability with an immediate contribution or additional one-off contributions. The University intends to continue to meet the cost of the benefits as they fall due.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

for the year ended 31 December 2019

**30 DEFINED BENEFIT SUPERANNUATION PLANS (continued)****(b) Government Employees Superannuation Board (GESB)****Scheme information**

The Scheme operates under the State Superannuation Act 2000 (Western Australia) and the State Superannuation Regulations 2001 (Western Australia). GESB is the Scheme's Trustee and is responsible for the governance of the Scheme. As Trustee, GESB has a legal obligation to act solely in the best interests of Scheme beneficiaries.

Pension Scheme members receive pension benefits on retirement, death or invalidity. The Fund share of the pension benefit, which is based on the member's contributions plus investment earnings, may be commuted to a lump sum benefit. The University does not bear the cost associated with indexation of any pension arising from the Fund share. The State share of the pension benefit, which is fully employer-financed, cannot be commuted to a lump sum benefit.

Some former Pension Scheme members have transferred to the Gold State Super Scheme. In respect of their transferred benefit, the members receive a lump sum benefit at retirement, death or invalidity, which is related to their salary during their employment and indexed during any deferral period after leaving public sector employment.

The weighted average duration of the defined benefit obligation for the whole of the Pension Scheme is 8.8 years (2018: 8.7 years).

The following disclosures are in respect of the employer-financed benefits only. The Pension Scheme and Gold State Super Scheme have been combined in the Note disclosure below.

	2019 \$'000	2018 \$'000
<b>Reconciliation of the present value of the defined benefit obligation</b>		
Present value of defined benefit obligations at beginning of the year	56,648	62,003
Current service cost	-	-
Interest cost	1,336	1,400
Actuarial loss/(gain) arising from changes in financial assumptions	5,327	(677)
Actuarial loss/(gain) arising from liability experience	1,053	(646)
Benefits paid	(5,078)	(5,432)
Present value of defined benefit obligations at end of the year	59,286	56,648
These defined benefit obligations are wholly unfunded, such that there are no assets. The University contributes any shortfalls of reimbursement rights, as required, to meet the benefits paid (refer below).		
<b>Reconciliation of the fair value of Scheme assets</b>		
Fair value of scheme assets at beginning of the year	-	-
Employer contributions	5,078	5,432
Benefits paid	(5,078)	(5,432)
Fair value of Scheme assets at end of the year	-	-
<b>Reconciliation of the net liability recognised in the Statement of Financial Position</b>		
Present value of defined benefit obligations	59,286	56,648
Fair value of the Scheme assets	-	-
Net liability	59,286	56,648
Fair value of reimbursement rights	59,286	56,648
Total net liability/(asset) in the Statement of Financial Position	-	-
Present value of defined benefit obligations/reimbursement rights is recognised as:		
Current	4,548	3,809
Non-current	54,738	52,839
	59,286	56,648

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

for the year ended 31 December 2019

**30 DEFINED BENEFIT SUPERANNUATION PLANS (continued)**

	2019 \$'000	2018 \$'000
<b>Expense Recognised in the Statement of Comprehensive Income</b>		
Current service cost	-	-
Interest cost	1,336	1,400
Reimbursement rights adjustments	(1,067)	(1,074)
Deferred superannuation expense	269	326
<b>Actuarial loss/(gain) recognised in Other Comprehensive Income</b>		
Actuarial loss/(gain) arising from changes in financial assumptions	5,327	(677)
Actuarial loss/(gain) arising from liability experience	1,053	(646)
Reimbursement rights adjustments	(6,380)	1,323
Net Actuarial loss/(gain) recognised on defined benefit obligations	-	-

**Scheme Assets**

There are no assets in the Pension Scheme to support the state share of the benefit or in the Gold State Super Scheme for current employees to support the transferred benefits. Hence, there is:

- No fair value of Scheme assets;
- No asset allocation of Scheme assets;
- No financial instruments issued by the employer;
- No assets used by the employer; and
- No asset-liability matching strategies.

**Significant actuarial assumptions used in determining defined benefit obligation**

% per annum	2019	2018
Discount rate (active members)	2.47%	2.47%
Discount rate (pensioners)	2.47%	2.47%
Expected salary increase rate	1.50%	1.10%
Expected pension increase rate	2.50%	2.50%

The discount rate is based on the Government bond maturing in April 2026. The decrement rates used (e.g. mortality and retirement rates) are based on those used at the last actuarial valuation for the Schemes.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

for the year ended 31 December 2019

**30 DEFINED BENEFIT SUPERANNUATION PLANS (continued)**

	2019 \$'000	2018 \$'000	2017 \$'000	2016 \$'000	2015 \$'000	2014 \$'000
<b>Historical Information</b>						
Present value of defined benefit obligation	59,286	56,648	62,003	61,574	64,569	68,120
Fair value of Scheme assets	-	-	-	-	-	-
Deficit in Scheme assets	59,286	56,648	62,003	61,574	64,569	68,120
Experience adjustments (gain)/loss - Scheme assets	-	-	-	-	-	-
Experience adjustments (gain)/loss - Scheme liabilities	1,053	(646)	2,936	(332)	(1,005)	2,017

The experience adjustment for scheme liabilities represents the actuarial loss/(gain) due to a change in the liabilities arising from the Scheme's experience (e.g. membership movements, unit entitlements) but excludes the effect of the changes in assumptions (e.g. movements in the bond rate and changes in pensioner mortality assumptions).

	2020 \$'000	2019 \$'000
<b>Expected Contributions</b>		
Expected employer contributions	5,093	5,116

**Nature of asset/liability**

The University has recognised a liability in the Statement of Financial Position under Provisions in respect of its defined benefit superannuation arrangements (refer Note 19).

An arrangement exists between the Australian Government and the University to meet the unfunded liability for beneficiaries of the State Superannuation Schemes on an emerging cost basis. Accordingly, a corresponding asset is recognised under Receivables for the reimbursement rights (refer Note 10).

The recognition of both the asset and the liability consequently do not affect the year end net asset position of the University, therefore no sensitivity analysis is relevant.

**(c) Unisuper Defined Benefit Plan****Scheme information**

The UniSuper Defined Benefit Plan (DBP) is a multi-employer defined benefit plan under superannuation law. However, it is considered to be a multi-employer defined contribution plan under the Accounting Standard AASB119 - Employee Benefits. This is because where there are or may be insufficient funds to provide benefits payable, the Trustee must reduce the benefits payable on a fair and equitable basis. The employer's legal or constructive obligation is limited to the amount that it agrees to contribute to the funds and the actuarial and investment risks rest with the employee.

**(d) Superannuation employer contributions**

Employer contributions for all superannuation plans of \$62.993 million (2018: \$66.053 million) were charged as an expense under employee benefits (refer Note 5) as they fell due.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
for the year ended 31 December 2019**31 ACQUISITION OF AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE****(a) Education - CGS and Other Education Grants**

	Commonwealth Grants Scheme <sup>1</sup>		Indigenous Support Program		Disability Support Program		Partnership & Participation Program <sup>2</sup>		Total	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Financial assistance received in CASH during the reporting period	251,575	249,133	1,039	1,187	198	171	4,791	4,231	257,603	254,722
Net accrual adjustments	(267)	190	-	-	-	-	-	-	(267)	190
Revenue for the period	251,308	249,323	1,039	1,187	198	171	4,791	4,231	257,336	254,912
Surplus/(deficit) from the previous year	-	-	-	-	(914)	(705)	(6)	-	(920)	(705)
Total revenue including accrued revenue	251,308	249,323	1,039	1,187	(716)	(534)	4,785	4,231	256,416	254,207
Less expenses including accrued expenses	(251,308)	(249,323)	(1,039)	(1,187)	(215)	(380)	(4,799)	(4,237)	(257,361)	(255,127)
Surplus/(deficit) for reporting period	-	-	-	-	(931)	(914)	(14)	(6)	(945)	(920)

<sup>1</sup> Includes the basic CGS grant amount, CGS - Regional Loading, CGS - Enabling Loading, Maths and Science Transition Loading and Full Fee Places Transition Loading.

<sup>2</sup> Includes Equity Support Program.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
for the year ended 31 December 2019

**31 ACQUITTAL OF AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE (continued)**

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

	HECS-HELP		FEE-HELP <sup>3</sup>		SA-HELP		Total	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Financial assistance received in CASH during the reporting period	169,231	161,455	22,448	22,324	3,084	2,338	194,763	186,117
Net accrual adjustments	(1,025)	(1,514)	1,316	133	(188)	336	103	(1,045)
Revenue for the period	168,206	159,941	23,764	22,457	2,896	2,674	194,866	185,072
Surplus/(deficit) from the previous year	-	-	-	-	-	-	-	-
Total revenue including accrued revenue	168,206	159,941	23,764	22,457	2,896	2,674	194,866	185,072
Less expenses including accrued expenses	(168,206)	(159,941)	(23,764)	(22,457)	(2,896)	(2,674)	(194,866)	(185,072)
Surplus/(deficit) for reporting period	-	-	-	-	-	-	-	-

<sup>3</sup> Program is in respect of FEE-HELP for Higher Education only and excludes funds received in respect of VET FEE-HELP.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
for the year ended 31 December 2019

**31 ACQUITTAL OF AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE (continued)**

(c) (i) Research Training Program

	Research Training Program <sup>4</sup>		Commonwealth Education Cost Scholarships <sup>5</sup>		Commonwealth Accommodation Scholarships <sup>5</sup>		Total	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Financial assistance received/(refunded) in CASH during the reporting period	26,301	25,872	239	242	-	41	26,540	26,155
Net accrual adjustments	-	-	-	-	-	-	-	-
Revenue for the period	26,301	25,872	239	242	-	41	26,540	26,155
Surplus/(deficit) from the previous year	245	1,213	-	-	-	-	245	1,213
Total revenue including accrued revenue	26,546	27,085	239	242	-	41	26,785	27,368
Less expenses including accrued expenses	(25,958)	(26,840)	(213)	(201)	-	(41)	(26,171)	(27,082)
Surplus/(deficit) for reporting period	588	245	26	41	-	-	614	286

<sup>4</sup> The reported surplus for the Research Training Program of \$0.588 million for 2019 is expected to be rolled over for future use by the University.

<sup>5</sup> Commonwealth Education Cost and Commonwealth Accommodation Scholarships are combined here, and includes Grandfathered Scholarships, National Priority and National Accommodation Priority Scholarships and Indigenous Scholarship (ICECS, IECECS, ICAS and IECAS) respectively.

(ii) Research Training Program expenditure

Year Ended 31 December 2019	Domestic students \$'000	Overseas students \$'000	Total \$'000
Research Training Program Fees offsets	14,522	395	14,917
Research Training Program Stipends	7,649	1,234	8,883
Research Training Program Allowances	1,135	1,023	2,158
Total for all types of support	23,306	2,652	25,958



**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
for the year ended 31 December 2019

**31 ACQUITTAL OF AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE (continued)**

**(d) Research Support Program**

	Research Support Program			Total
	2019 \$'000	2018 \$'000	2019 \$'000	
Financial assistance received in CASH during the reporting period	20,355	19,795	20,355	19,795
Net accrual adjustments	-	-	-	-
Revenue for the period	20,355	19,795	20,355	19,795
Surplus/(deficit) from the previous year	-	-	-	-
Total revenue including accrued revenue	20,355	19,795	20,355	19,795
Less expenses including accrued expenses	(20,355)	(19,795)	(20,355)	(19,795)
Surplus/(deficit) for reporting period	-	-	-	-

**(e) Australian Research Council Grants**

**(i) Discovery**

	Projects <sup>1</sup>		Fellowships		Total	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Financial assistance received in CASH during the reporting period	7,308	8,532	4,209	3,879	11,517	12,411
Net accrual adjustments	7,490	401	(245)	-	7,245	401
Revenue for the period	14,798	8,933	3,964	3,879	18,762	12,812
Surplus/(deficit) from the previous year	1,174	161	4,187	2,866	5,361	3,027
Total revenue including accrued revenue	15,972	9,094	8,151	6,745	24,123	15,839
Less expenses including accrued expenses	(8,388)	(7,920)	(4,333)	(2,558)	(12,721)	(10,478)
Surplus/(deficit) for reporting period	7,584	1,174	3,818	4,187	11,402	5,361

<sup>1</sup> Includes Early Career Researcher Award.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
for the year ended 31 December 2019

**31 ACQUITTAL OF AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE (continued)**

**(e) Australian Research Council Grants (continued)**

**(ii) Linkages**

	Infrastructure		Projects		Total	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Financial assistance received in CASH during the reporting period	2,243	403	3,572	3,883	5,815	4,286
Net accrual adjustments	(2,188)	25	(160)	(30)	(2,348)	(5)
Revenue for the period	55	428	3,412	3,853	3,467	4,281
Surplus/(deficit) from the previous year	(53)	(103)	410	72	357	(31)
Total revenue including accrued revenue	2	325	3,822	3,925	3,824	4,250
Less expenses including accrued expenses	(539)	(378)	(4,293)	(3,515)	(4,832)	(3,893)
Surplus/(deficit) for reporting period	(537)	(53)	(471)	410	(1,008)	357

**(iii) Centres**

	Centres		Other		Total	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Financial assistance received in CASH during the reporting period	1,277	934	73	42	1,350	976
Net accrual adjustments	-	-	-	-	-	-
Revenue for the period	1,277	934	73	42	1,350	976
Surplus/(deficit) from the previous year	587	386	(358)	(369)	229	17
Total revenue including accrued revenue	1,864	1,320	(285)	(327)	1,579	993
Less expenses including accrued expenses	(973)	(733)	300	(31)	(673)	(764)
Surplus/(deficit) for reporting period	891	587	15	(358)	906	229

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

for the year ended 31 December 2019

**31 ACQUITTAL OF AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE (continued)**

	2019 \$'000	2018 \$'000
<b>(f) OS-HELP</b>		
Cash received during the reporting period	2,993	1,409
Cash spent during the reporting period	(2,993)	(1,409)
Net cash received	-	-
Cash surplus/(deficit) from the previous period	-	-
Cash surplus/(deficit) for the reporting period	-	-
<b>(g) Higher Education Superannuation Program</b>		
Cash received during the reporting period	5,362	4,895
University contribution in respect of current employees	269	326
Cash available	5,631	5,221
Cash surplus/(deficit) from the previous period	305	(198)
Cash available for current period	5,936	5,023
Contributions to specified defined benefit funds	(5,494)	(4,718)
Cash surplus/(deficit) for the reporting period	442	305
<b>(h) Student Services and Amenities Fee</b>		
Unspent/(Overspent) revenue from previous period	(215)	(343)
SA-HELP revenue earned	2,896	2,674
Student Services and Amenities Fees direct from students	3,423	3,150
Total revenue expendable in period	6,104	5,481
Student Services expenses during period	(5,891)	(5,696)
Unspent/(Overspent) Student Services Revenue	213	(215)

**REPORT BY THE MEMBERS OF THE UNIVERSITY COUNCIL**

The members of the University Council present their report for the year ended 31 December 2019.

**MEMBERS**

The following persons were members of the Council of Curtin University during the year ended 31 December 2019:

**Members appointed by the Governor**

Mr Michael Lundberg (commenced 28 May 2019)

Ms Elisa Fear

Mr Damian Gordon

Mr Michael Lishman (ceased 31 March 2019)

**Member who is the Vice-Chancellor**

Professor Deborah Terry AO, Vice-Chancellor

**Co-opted Members**

Dr Andrew Crane (Chancellor from 1 January 2019)

Dr Vanessa Guthrie

Mr Steve Scudamore

Ms Sue Wilson, Pro Chancellor

Dr Terry Agnew (commenced 1 January 2019)

**Member elected by full-time academic staff**

Professor Glenda Scully

**Members elected by the graduates of the University**

Vacant

**Member elected by full-time general staff**

Mr Andrew McLean (ceased 17 June 2019)

Ms Catherine Clark (commenced 18 June 2019)

**Member who is the Chairperson of Academic Board**

Professor Dale Pinto

**Members elected by Students**

Ms Romana-Rea Begicevic (postgraduate student)

Ms Finlay Nolan (undergraduate student ceased 31 March 2019)

Mr Chris Hall (undergraduate student commenced 1 April 2019)

Report by the Members of the University Council (continued)

Meetings of Members

The number of meetings of the University Council and of each committee of Council held during the year ended 31 December 2019 and the number of meetings attended by each member were:

MEMBERS	COUNCIL MEETINGS <sup>1</sup>		MEETINGS OF COMMITTEES													
			AUDIT, RISK & COMPLIANCE		EXECUTIVE		FINANCE		LEGISLATIVE <sup>2</sup>		NOMINATIONS		UNIVERSITY COUNCIL HEALTH AND SAFETY			
	ATTENDED	HELD	ATTENDED	HELD	ATTENDED	HELD		ATTENDED	HELD	ATTENDED	HELD	ATTENDED	HELD	ATTENDED	HELD	
Dr Terry Agnew	8	8			5	6							2	3	3	4
Ms Romana-Rea Begicevic	6	8														
Dr Andrew Crane, Chancellor	8	8			8	8							4	4		
Ms Catherine Clark	5	5													1	2
Ms Elisa Fear	7	8						9	9						4	4
Ms Beth Gordon (co-opted)								9	9							
Mr Damian Gordon	8	8						7	9							
Dr Vanessa Guthrie	5	8			6	8		7	9				3	4	3	4
Mr Chris Hall	3	6													1	2
Mr Michael Lishman	2	2														
Mr Michael Lundberg	4	5								1	1					
Mr Andrew McLean	3	3													2	2
Ms Finlay Nolan	2	2													1	1
Prof Dale Pinto	7	8			6	8				1	1					
Ms Ann Robinson (co-opted)			3	3												
Mr Steve Scudamore <sup>4</sup>	8	8	5	5	6	8							3	4		
Prof Glenda Scully	7	8						7	9							
Mr David Southam (co-opted)			4	5												
Prof Deborah Terry AO, Vice-Chancellor <sup>4</sup>	8	8			8	8		9	9	1	1				4	4
Ms Sue Wilson, Pro Chancellor <sup>3</sup>	7	8	5	5	5	8							3	4		

<sup>1</sup> The number of meetings held represents the number of regular and special meetings held during the time a member was a member of the Council or a committee of Council during the year. The number of meetings held does not include matters considered by circular resolution by Council or respective committees of Council.

<sup>2</sup> The Legislative Committee only meets when necessary.

<sup>3</sup> Also a member of the Curtin University Foundation Board.

<sup>4</sup> Also a member of the Curtin University Foundation Board and Kalgoorlie Campus Council.

## Report by the Members of the University Council (continued)

### Principal activities

During the year, the principal and continuing activities of the University are:

- (a) to provide courses of study appropriate to a university, and other tertiary courses;
- (b) to encourage and participate in the development and improvement of tertiary education whether on a full or part-time basis;
- (c) to provide such other courses as may be approved by the Council;
- (d) to undertake and support scholarship, pure and applied research, invention, innovation, education and consultancy, and to apply those matters to the advancement and application of knowledge:
  - (i) to the benefit of industry, business and government; and
  - (ii) to the benefit and wellbeing of the Western Australian, Australian and international communities;
- (e) to commercially develop or commercially use, for the University's benefit, any facility, resource or property (real or personal) of the University or in which the University has a right or interest (including, for example, study, research, knowledge and intellectual property and the practical application of study, research, knowledge and intellectual property), whether alone or with others;
- (f) to generate revenue for the purpose of funding the carrying out of its functions;
- (g) to foster the general welfare and development of its enrolled students;
- (h) subject to the Curtin University Act and the Statutes to make appropriate academic awards to enrolled students who have attained standards approved by the University in examinations and to other persons as prescribed;
- (i) to serve the Western Australian, Australian and international communities and the public interest by:
  - (i) enriching cultural and community life; and
  - (ii) raising public awareness of educational, scientific and artistic developments; and
  - (iii) promoting critical and free enquiry, informed intellectual discussion and public debate within the University and in the wider society;
- (j) to provide such facilities relating to the foregoing functions as the Council thinks necessary or conducive for their attainment.

No significant changes in the nature of the activities of the University occurred during the year.

### Review of operations

The net operating result for the year ended 31 December 2019 was \$82.054 million (2018: \$26.417 million).

The operations of the University during the financial year are reviewed in the following accompanying sections of the Annual Report:

- Chancellor's Foreword
- Vice-Chancellor's Report
- Report on Operations
- Report on Performance

### Significant changes in the State of Affairs

No significant changes in the University's State of Affairs occurred during the year.

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

Subsequent to the reporting period, the financial impact of the COVID-19 virus on the University is not yet able to be quantified. There is no material impact from the event on the 2019 financial position of the University.

No other events have occurred since balance date that are likely to have a material impact on the financial report of the University.

## Report by the Members of the University Council (continued)

### Likely developments and expected results of operations

The University will continue to further its objectives, consistent with the principal activities outlined above. To provide further detail would result in unreasonable prejudice.

### Environmental regulation

The members of the University Council are not aware of any breaches of environmental regulations.

Relevant legislation that Curtin is subject to includes:

- Environmental Protection Act 1986 (WA)
- Environmental Protection Regulations 1987
- Environmental Protection (Controlled Waste) Regulations 2004
- Environmental Protection (Noise) Regulations 1997
- Environmental Protection (Unauthorised Discharges) Regulations 2004
- Contaminated Sites Act 2003 (WA)
- National Greenhouse and Energy Reporting Act 2007 (Cth)
- National Greenhouse and Energy Reporting Regulations 2008

The University is committed to protecting, preserving and as well as improving the environment in which the University operates.

### Insurance of Members of Council and Officers

The University provides Directors and Officers Liability and Employers Practices Insurance and Supplementary Legal Expenses Cover through contracts with external insurance providers.

The cover applies to members of Council and Officers of the University.

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



**Dr Andrew Crane**

Chancellor

Curtin University, Bentley, Perth, WA

Dated this 11th day of March 2020



### CURTIN’S KEY PERFORMANCE INDICATORS

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### CERTIFICATION OF KEY PERFORMANCE INDICATORS

We hereby certify that the performance indicators are based on proper records, are relevant and appropriate for assisting users to access Curtin University’s performance, and fairly represent the performance of Curtin University for the financial year ended 31 December 2019.



**Dr Andrew Crane**  
Chancellor



**Professor Deborah Terry AO**  
Vice-Chancellor

On behalf of the University Council Dated this 11th day of March 2020