

FINANCIAL REPORT 2017

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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 2017 and the financial position as at 31 December 2017.

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.



Colin Beckett
Chancellor



Deborah Terry AO
Vice-Chancellor



David Menarry
Chief Finance Officer

Dated this 21st day of March 2018

CERTIFICATION OF THE FINANCIAL STATEMENTS REQUIRED BY THE DEPARTMENT OF EDUCATION AND TRAINING

We declare that the amount of Australian Government financial assistance expended during the financial year ended 31 December 2017 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.



Colin Beckett
Chancellor



Deborah Terry AO
Vice-Chancellor

Dated this 21st day of March 2018

STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2017

	Note	2017 \$'000	2016 \$'000
Revenue from Continuing Operations			
Australian Government financial assistance:			
Australian Government grants	3	347,088	347,448
HELP – Australian Government payments	3	179,490	171,452
State and Local Government financial assistance	4	27,449	23,356
HECS-HELP – student payments		22,842	25,182
Fees and charges	5	221,757	227,153
Investment revenue	6	30,548	31,857
Royalties, trademarks and licences	7	20,458	30,139
Consultancy and contract research	8	31,856	30,487
Other revenue	9	30,406	28,070
Total Revenue from Continuing Operations		911,894	915,144
Net (loss)/gain on disposal of non-current assets		(552)	(48)
Total Income from Continuing Operations		911,342	915,096
Expenses from Continuing Operations			
Employee related expenses	10	536,646	546,004
Depreciation and amortisation	20	60,080	55,535
Repairs and maintenance	11	13,767	14,266
Borrowing costs	12	3,603	3,723
Impairment of assets		519	1,207
Deferred superannuation expense	10/34(b)	386	344
Other expenses	13	245,107	255,944
Total Expenses from Continuing Operations		860,108	877,023
Net result for the Year		51,234	38,073
Other Comprehensive Income			
Items that may be reclassified to profit or loss:			
Net investment revaluation gain/(loss)	25(a)	28,371	8,773
Total Comprehensive Income		79,605	46,846

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

STATEMENT OF FINANCIAL POSITION

as at 31 December 2017

	Note	2017 \$'000	2016 \$'000
ASSETS			
Current Assets			
Cash and cash equivalents:			
Unrestricted	15(a)	51,054	26,804
Restricted	15(b)	1,998	1,960
Receivables	16	29,538	28,058
Inventories		56	89
Other financial assets:			
Unrestricted	17	450	450
Restricted	18	137,491	125,957
Other non-financial assets	19	22,347	29,616
Total Current Assets		242,934	212,934
Non-Current Assets			
Receivables	16	57,980	57,525
Other financial assets – unrestricted	17	376,158	349,154
Other non-financial assets	19	5,588	3,790
Property, plant and equipment	20	991,360	974,767
Total Non-Current Assets		1,431,086	1,385,236
Total Assets		1,674,020	1,598,170
LIABILITIES			
Current Liabilities			
Trade and other payables	21	17,374	22,732
Borrowings	23	20,858	1,881
Provisions	24	71,075	71,873
Other liabilities	22	80,781	75,504
Total Current Liabilities		190,088	171,990
Non-Current Liabilities			
Borrowings	23	31,736	52,595
Provisions	24	87,797	88,791
Total Non-Current Liabilities		119,533	141,386
Total Liabilities		309,621	313,376
Net Assets		1,364,399	1,284,794
EQUITY			
Reserves	25	183,970	149,959
Retained earnings	25	1,180,429	1,134,835
Total Equity		1,364,399	1,284,794

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 2017

	Note	Reserves \$'000	Retained Earnings \$'000	Total Equity \$'000
Balance at 1 January 2016		138,934	1,099,014	1,237,948
Net result for the year		-	38,073	38,073
Other comprehensive income for the year	25(a)	8,773	-	8,773
Transfers from retained earnings	25(b)	32,943	(32,943)	-
Transfers to retained earnings	25(b)	(30,691)	30,691	-
Balance at 31 December 2016	25	149,959	1,134,835	1,284,794
Net result for the year		-	51,234	51,234
Other comprehensive income for the year	25(a)	28,371	-	28,371
Transfers from retained earnings	25(b)	38,403	(38,403)	-
Transfers to retained earnings	25(b)	(32,763)	32,763	-
Balance at 31 December 2017	25	183,970	1,180,429	1,364,399

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 2017

	Note	2017 \$'000	2016 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Australian Government grants received	3(g)	525,340	520,339
State and Local Government financial assistance		27,988	23,356
HECS-HELP – student payments		22,842	25,182
Fees and charges		218,605	230,645
Royalties, trademarks and licences		20,755	29,839
Consultancy and contract research		32,514	30,591
Interest received		1,396	1,318
Distributions received		20,583	26,525
Other		12,476	7,088
GST refunds received		14,113	22,558
Payments			
Payments for employee benefits		(537,737)	(547,633)
Payments to suppliers		(250,783)	(275,688)
Interest and other costs of finance paid		(3,166)	(4,179)
Net cash provided by/(used in) operating activities	15(c)	104,926	89,941
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment		(75,033)	(147,579)
Proceeds on sale of property, plant and equipment		17	54
Payments for investments		(3,741)	-
Proceeds on redemption of investments		-	44,948
Net cash provided by/(used in) investing activities		(78,757)	(102,577)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings		(1,881)	(1,758)
Proceeds from borrowings		-	-
Net cash provided by/(used in) financing activities		(1,881)	(1,758)
Net increase/(decrease) in cash and cash equivalents		24,288	(14,394)
Cash and cash equivalents at the beginning of the financial year		28,764	43,158
Cash and cash equivalents at the end of the financial year	15(b)	53,052	28,764

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 2017

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 and Training, 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 21 March 2018.

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 26(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;
- Assessing impairment of assets including receivables, property, plant and equipment and investments; and
- Estimating useful lives of non-current assets - the useful life reflects the consumption of the assets' future economic benefits.

Notes To The Financial Statements (continued)

for the year ended 31 December 2017

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 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.

(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 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 2017

1 BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (continued)

(h) New Accounting Standards and Interpretations

Effective for the first time

The University has adopted the following standards and interpretations for the current reporting period:

AASB 2015-2 - 'Amendments to Australian Accounting Standards - Disclosure Initiative: Amendments to AASB 101', which has streamlined presentation of the financial statements.

Issued but not yet effective

A number of new Accounting Standards and Interpretations have been published that are not mandatory for the 31 December 2017 reporting period. There is no early adoption of these Standards.

The University's assessment of the new Standards and Interpretations that have been finalised is that there is no significant impact to the University's financial statements for future reporting periods, except for the following new standards, the impacts for which have yet to be quantified:

- AASB 9 - Financial Instruments
- AASB 15 - Revenue from Contracts with Customers
- AASB 16 - Leases
- AASB 1058 - Income of Not-for-Profit Entities
- AASB 1059 - Service Concession Arrangements: Grantors

2 DISAGGREGATED INFORMATION

	Revenue		Results ¹		Assets	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Geographical						
Australia	894,535	897,448	36,360	22,440	1,674,020	1,598,170
Asia	13,571	14,587	11,123	12,565	-	-
Other	3,788	3,109	3,751	3,068	-	-
Total	911,894	915,144	51,234	38,073	1,674,020	1,598,170

¹ 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 2017

3 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 has provided the service(s) to the student.

Research income

Research grants from government are recognised as revenue when the University obtains control over the asset comprising the contributions. When the University does not have control of the contribution, does not have the right to receive the contribution or, in the case of reciprocal grants, has not fulfilled grant conditions, the grant contribution is treated as deferred income as a liability in the Statement of Financial Position.

Unspent non-reciprocal research grant funds at the end of each financial year are recognised by way of a Research Grants Reserve (refer Note 25(b)). This reserve is released as expenditure is incurred.

Other government grants

Other grants from government are recognised as revenue when the University obtains control over the asset comprising the contributions. When the University does not have control over the contribution, does not have the right to receive the contribution or, in the case of reciprocal grants, has not fulfilled grant conditions, the grant contribution is treated as deferred income as a liability in the Statement of Financial Position.

	Note	2017 \$'000	2016 \$'000
(a) Commonwealth Grants Scheme (CGS) and Other Grants			
Commonwealth Grants Scheme		243,855	247,666
Indigenous Support Program		948	1,138
Disability Support Program		149	150
Partnership and Participation Program		4,220	5,407
Total Commonwealth Grants Scheme and Other Grants	35(a)	249,172	254,361
(b) Higher Education Loan Programs (excl OS-HELP)			
HECS-HELP		153,161	144,428
FEE-HELP		23,741	24,785
SA-HELP		2,588	2,239
Total Higher Education Loan Programs	35(b)	179,490	171,452
(c) Research Training Program			
Research Training Program		25,313	-
Australian Postgraduate Awards		-	7,217
Indigenous Access Scholarships		-	39
International Postgraduate Research Scholarships		-	568
Commonwealth Education Costs Scholarships		72	38
Commonwealth Accommodation Scholarships		-	21
Research Training Scheme		-	16,964
Total Research Training Program	35(c)	25,385	24,847
(d) Research Support Program			
Research Support Program		18,763	-
Joint Research Engagement Program		-	9,263
JRE Engineering Cadetships		-	156
Sustainable Research Excellence in Universities		-	3,039
Research Infrastructure Block Grants		-	4,063
Total Research Support Program	35(d)	18,763	16,521

Notes To The Financial Statements (continued)
for the year ended 31 December 2017

	Note	2017 \$'000	2016 \$'000
3 AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE INCLUDING AUSTRALIAN GOVERNMENT LOANS PROGRAMS (HELP) (continued)			
(e) Australian Research Council (ARC)			
(i) Discovery			
Project		7,426	7,002
Fellowships		2,227	2,472
Total Discovery	35(e)	9,653	9,474
(ii) Linkages			
Infrastructure		663	1,539
Projects		3,233	3,494
Total Linkages	35(e)	3,896	5,033
(iii) Centres			
Centres		1,375	939
Others		123	69
Total Centres	35(e)	1,498	1,008
Total ARC		15,047	15,515
(f) Other Australian Government Financial Assistance			
Non-capital			
CRC Cooperative Research Centres Funding		5,959	6,230
CSIRO Flagship Collaborative Research Program		45	220
NHMRC Grants		8,364	5,642
Other Commonwealth Research Income		12,384	13,508
Other Teaching Grants		755	594
Other Commonwealth Grants		9,000	8,248
Research Funds from Other Universities		1,310	1,354
		37,817	35,796
Capital			
CRC Cooperative Research Centres Funding		-	14
NHMRC Grants		-	18
Other Commonwealth Research Income		-	39
Other Commonwealth Grants		104	325
Research Funds from Other Universities		800	12
		904	408
Total Other Australian Government Financial Assistance		38,721	36,204
Total Australian Government Financial Assistance		526,578	518,900

Notes To The Financial Statements (continued)
for the year ended 31 December 2017

	Note	2017 \$'000	2016 \$'000
3 AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE INCLUDING AUSTRALIAN GOVERNMENT LOANS PROGRAMS (HELP) (continued)			
Reconciliation			
Australian Government grants [a+c+d+e+f]		347,088	347,448
HECS-HELP payments		153,161	144,428
FEE-HELP payments		23,741	24,785
SA-HELP payments		2,588	2,239
		179,490	171,452
Total Australian Government Financial Assistance		526,578	518,900
(g) Australian Government Grants received – Cash Basis			
CGS and Other EDUCATION Grants	35(a)	249,687	257,237
Higher Education Loan Programs	35(b)	179,701	175,340
Research Training Program	35(c)	25,385	24,749
Research Support Program	35(d)	18,763	16,521
ARC grants - Discovery	35(e)	9,337	9,083
ARC grants - Linkages	35(e)	3,563	4,716
ARC grants - Centres	35(e)	1,498	1,008
Other Australian Government Grants		29,209	24,954
Total Australian Government Grants Received – Cash Basis		517,143	513,608
OS-HELP (Net)	35(f)	2,449	1,384
Superannuation Supplementation	35(g)	5,748	5,347
Total Australian Government Funding Received – Cash Basis		525,340	520,339
4 STATE AND LOCAL GOVERNMENT FINANCIAL ASSISTANCE			
ACCOUNTING POLICY			
Research grants from government are recognised as revenue when the University obtains control over the asset comprising the contributions. When the University does not have control of the contribution, does not have the right to receive the contribution or, in the case of reciprocal grants, has not fulfilled grant conditions, the grant contribution is treated as deferred income as a liability in the Statement of Financial Position.			
Unspent non-reciprocal research grant funds at the end of each financial year are recognised by way of a Research Grants Reserve (refer Note 25(b)). This reserve is released as expenditure is incurred.			
Other grants from government are recognised as revenue when the University obtains control over the asset comprising the contributions. When the University does not have control over the contribution, does not have the right to receive the contribution or, in the case of reciprocal grants, has not fulfilled grant conditions, the grant contribution is treated as deferred income as a liability in the Statement of Financial Position.			
Non-capital			
State Government		13,881	12,328
Capital			
State Government		13,568	11,028
Total State and Local Government Financial Assistance		27,449	23,356

Notes To The Financial Statements (continued)

for the year ended 31 December 2017

5 FEES AND CHARGES**ACCOUNTING POLICY**

Student fees are recognised when the University has provided the service(s) to the student.

	Note	2017 \$'000	2016 \$'000
Course Fees and Charges			
Fee-paying onshore overseas students		171,978	174,617
Fee-paying offshore overseas students		6,142	6,146
Continuing education		2,108	2,118
Fee-paying domestic postgraduate students		8,425	10,508
Fee-paying domestic non-award students		10,500	10,920
Total Course Fees and Charges		199,153	204,309
Other Non-Course Fees and Charges			
Late fees		242	245
Library fines		53	61
Parking fees		6,650	5,854
Registration fees		198	180
Ancillary fees		8	199
Student accommodation		9,831	9,888
Student Services and Amenities Fees from students		3,074	3,399
Other fees and charges		2,548	3,018
Total Other Non-Course Fees and Charges		22,604	22,844
Total Fees and Charges		221,757	227,153

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

Investment income is recognised as it is earned.

Distributions and dividends from available-for-sale investments		22,466	24,332
Gain/(loss) on disposal of available-for-sale investments		652	885
Cumulative gain/(loss) reclassified from equity on disposal of available-for-sale investments		5,415	5,336
Dividends		500	-
Interest		1,515	1,304
Total Investment Revenue		30,548	31,857

7 ROYALTIES, TRADEMARKS AND LICENCES**ACCOUNTING POLICY**

Revenue from royalties is recognised when the University has provided the service(s) to the customer through their use of the University's intellectual property.

Royalties		20,458	30,139
Total Royalties, Trademarks and Licences		20,458	30,139

Notes To The Financial Statements (continued)

for the year ended 31 December 2017

8 CONSULTANCY AND CONTRACT RESEARCH**ACCOUNTING POLICY**

Reciprocal contract research income from non-government entities is recognised as revenue when the University has provided the service to the customer. Non-reciprocal research income is recognised as revenue when the University obtains control over the asset comprising the contributions.

Unspent non-reciprocal research grant funds at the end of each financial year are recognised by way of a Research Grants Reserve (refer Note 25(b)). This reserve is released as expenditure is incurred.

Consultancy fees are recognised as revenue when the University has provided the service(s) to the customer.

	Note	2017 \$'000	2016 \$'000
Consultancy		5,034	6,732
Contract research		26,822	23,755
Total Consultancy and Contract Research		31,856	30,487

9 OTHER REVENUE**ACCOUNTING POLICY**

Donations, gifts and other non-reciprocal contributions are recognised as revenue when the University obtains control over the assets comprising the contributions. Contributions of assets are recognised at their fair value. Contributions of services are only recognised when a fair value can be reliably determined and the services would be purchased if not donated.

Trading income		7,830	8,077
Rental income		7,196	7,476
Donations		2,854	1,991
Scholarships and prizes		1,761	1,133
Non-government grants		6,334	5,940
Insurance claims		967	163
Staff salary cost recoveries		1,455	1,455
Proceeds from sale of minor equipment		6	49
Conference income		684	519
Other		1,319	1,267
Total Other Revenue		30,406	28,070

Notes To The Financial Statements (continued)

for the year ended 31 December 2017

10 EMPLOYEE RELATED EXPENSES

ACCOUNTING POLICY

Contributions to defined contribution superannuation funds are recognised as an expense as they become payable. Past service costs are recognised in profit or loss immediately.

	Note	2017 \$'000	2016 \$'000
Academic			
Salaries		214,069	215,451
Contribution to superannuation and pension schemes			
Contribution to unfunded schemes		531	238
Contribution to funded schemes		34,915	34,978
Long service leave		5,213	7,443
Annual leave		15,349	15,994
Payroll tax		14,810	14,704
Worker's compensation		490	639
Total Academic		285,377	289,447
Non-Academic			
Salaries		189,791	191,614
Contribution to superannuation and pension schemes			
Contributions to unfunded schemes		(19)	(232)
Contributions to funded schemes		29,911	29,996
Long service leave		4,863	7,172
Annual leave		13,572	14,506
Payroll tax		12,917	13,077
Worker's compensation		234	424
Total Non-Academic		251,269	256,557
Total Employee Related Expenses		536,646	546,004
Deferred superannuation expense	34(b)	386	344
Total Employee Related Expenses including Deferred Government Employee Benefits for Superannuation		537,032	546,348
11 REPAIRS AND MAINTENANCE			
Building repairs		5,770	6,349
General infrastructure maintenance		6,475	6,589
Parks and gardens		1,522	1,328
Total Repairs and Maintenance		13,767	14,266

Notes To The Financial Statements (continued)

for the year ended 31 December 2017

12 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.

	Note	2017 \$'000	2016 \$'000
Interest on borrowings		3,603	3,723
Less: Amount capitalised		-	-
Total Borrowing Costs		3,603	3,723

13 OTHER EXPENSES

ACCOUNTING POLICY

Operating lease payments are recognised as an expense in the Statement of Comprehensive Income on a basis which reflects the pattern in which economic benefits from the leased asset are consumed.

Research and development costs are expensed to the Statement of Comprehensive Income as incurred.

Advertising, marketing and promotional		5,182	6,047
Agency staff costs		4,561	8,993
Books		4,786	4,621
Computer peripherals and parts		23,801	23,274
Consumables		11,542	12,010
Consultancy Fees and Expenses		26,091	24,548
Outsourced Work		20,779	21,728
Exchange rate (gains)/losses		525	769
Fees and commissions		25,680	25,310
Financial assistance provided/research support		6,312	3,228
Graduations		875	907
Hospitality		3,212	3,427
Insurance		3,475	3,924
Inventory used and sold		310	468
Lease and rental		4,380	4,664
Non-capitalised equipment		4,587	6,224
Occupational health, safety and welfare		525	557
Partner service fees		26	6,658
Postage and courier		818	1,087
Publications		499	688
Scholarships, grants and prizes		52,518	49,623
Security		694	701
Staff development and training		3,902	4,566
Staff recruitment		1,041	1,493
Subscriptions		6,605	6,016
Telecommunications		1,486	1,784
Travel		13,457	16,183
Utilities and cleaning		14,723	13,820
Other		2,715	2,626
Total Other Expenses		245,107	255,944

Notes To The Financial Statements (continued)

for the year ended 31 December 2017

14 DISCONTINUED OPERATIONS

The University's Sydney campus was closed in early 2017. The net result and net cash flows of the Sydney campus are not disclosed separately because they are not significant to the University's financial results.

	Note	2017 \$'000	2016 \$'000
15 CASH AND CASH EQUIVALENTS			
(a) Unrestricted			
Cash at bank and on hand ¹		41,054	26,804
Fixed Term Deposits ²		10,000	-
Total Cash and Cash Equivalents – Unrestricted		51,054	26,804
(b) Restricted			
Trust cash at bank ¹		38	40
Trust Fixed Term Deposit ²		1,960	1,920
Total Cash and Cash Equivalents – Restricted		1,998	1,960
Total Cash and Cash Equivalents		53,052	28,764
¹ Cash on hand is non-interest bearing. Cash at bank is subject to variable interest rates (refer Note 26).			
² Deposits are interest bearing at variable interest rates (refer Note 26). These deposits have an average maturity of 68 days (2016: 42 days).			
(c) Reconciliation of net result to net cash provided by operating activities			
Net result for the year		51,234	38,073
Depreciation expense		60,080	55,535
Net loss/(gain) on disposal of non-current assets		552	48
Impairment of assets		531	1,207
Other non-cash items		(8,597)	(8,311)
Changes in assets and liabilities:			
(Increase)/decrease in receivables		(2,506)	1,148
(Increase)/decrease in inventories		33	2
(Increase)/decrease in other non-financial assets		5,471	6,573
Increase/(decrease) in trade and other payables		(5,357)	7,760
Increase/(decrease) in provisions		(1,792)	1,019
Increase/(decrease) in other current liabilities		5,277	(13,113)
Net cash provided by / (used in) operating activities		104,926	89,941

Notes To The Financial Statements (continued)

for the year ended 31 December 2017

16 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.

Collectibility of receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written-off as bad debts. A provision for impaired receivables is raised when there is objective evidence that the University may not be able to collect the debt.

	Note	2017 \$'000	2016 \$'000
Current			
Student receivables		7,735	10,245
Less: Provision for impaired receivables		(2,063)	(2,001)
		5,672	8,244
Non-Current			
General receivables		20,529	15,942
Less: Provision for impaired receivables		(686)	(177)
		19,843	15,765
Deferred government contribution for superannuation	34(b)	4,023	4,049
Total Current		29,538	28,058
Non-Current			
Deferred government contribution for superannuation	34(b)	57,980	57,525
Total Receivables		87,518	85,583
Impaired receivables			
As at 31 December 2017, current receivables for student fees with a nominal value of \$2.063 million (2016: \$2.001 million) were impaired. The amount of the provision was \$2.063 million (2016: \$2.001 million).			
The ageing of these receivables is as follows:			
Less than 12 months		48	351
Greater than 12 months		2,015	1,650
		2,063	2,001
As at 31 December 2017, current receivables for student fees of \$0.946 million (2016: \$3.460 million) were past due date but not impaired.			
The ageing of these receivables is as follows:			
Less than 12 months		946	3,460
Greater than 12 months		-	-
		946	3,460

Notes To The Financial Statements (continued)

for the year ended 31 December 2017

	Note	2017 \$'000	2016 \$'000
16 RECEIVABLES (continued)			
Movements in the provision for impaired student fees receivables are as follows:			
Balance at start of year		2,001	1,213
Provision for impairment recognised during the year		62	832
Receivables written-off during the year as uncollectible		-	(44)
Unused amount reversed		-	-
Balance at end of year		2,063	2,001
As at 31 December 2017, current general receivables with a nominal value of \$0.686 million (2016: \$0.177 million) were impaired.			
The ageing of these receivables is as follows:			
Less than 12 months		20	22
Greater than 12 months		666	155
		686	177
As at 31 December 2017, current general receivables of \$6.611 million (2016: \$11.371 million) were past due date but not impaired.			
The ageing of these receivables is as follows:			
Less than 12 months		6,421	11,371
Greater than 12 months		190	-
		6,611	11,371
Movements in the provision for impaired general receivables are as follows:			
Balance at start of year		177	169
Receivables written-off during the year as uncollectible		-	-
Provision for impairment recognised during the year		533	177
Unused amount reversed		(24)	(169)
Balance at end of year		686	177

17 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.

The University measures and recognises available-for-sale financial assets at fair value on a recurring basis.

Fair value measurement of investments and other financial assets are based on quoted prices in an active market. If the market for a financial asset is not active (including unlisted securities), the University establishes fair value by using valuation techniques that maximise the use of relevant data. These include reference to the estimated price in

Notes To The Financial Statements (continued)

for the year ended 31 December 2017

17 OTHER FINANCIAL ASSETS – UNRESTRICTED (continued)

an orderly transaction that would take place 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.

In accordance with AASB 139 “Financial Instruments” investments, other than unlisted shares, are classified as available-for-sale and gains and losses arising from changes in fair value are recognised directly in other comprehensive income until the security is disposed of or is determined to be impaired, at which time the cumulative gain or loss previously recognised in equity is transferred to the Net Result for the period.

Any decline in the fair value of previously impaired available-for-sale investments is to be recognised in the Net Result for the period. Any increase in the fair value of previously impaired available-for-sale debt investments is to be recognised in the Net Result for the period to the extent of the initial impairment and thereafter taken to the Investments Revaluation Reserve. Any increase in the fair value of previously impaired available-for-sale equity investments is to be recognised in the Investment Revaluation Reserve in Equity.

Included within unlisted shares are investments in a number of unlisted companies which were established to commercialise intellectual property. Where a fair value cannot be reliably ascertained, unlisted shares are stated at historical cost unless there has been a permanent diminution in value, in which event a recoverable amount write-down is made. The University’s associates (refer Note 30) have not been equity accounted for in the University’s financial statements because they are not considered material.

	Note	2017 \$'000	2016 \$'000
Current			
Loans receivable			
Other loans	30	450	450
Total Current Other Financial Assets		450	450
Non-Current			
Available-for-Sale			
Funds under management		350,023	336,291
Unlisted shares and warrants		26,135	12,863
Total Non-Current Other Financial Assets		376,158	349,154
Total Other Financial Assets – Unrestricted		376,608	349,604
18 OTHER FINANCIAL ASSETS – RESTRICTED			
Current Available-for-Sale			
Restricted funds under management			
Research activities		93,842	88,202
Donations and prizes		35,009	30,517
Trusts		8,640	7,238
Total Restricted Funds Under Management (at fair value)		137,491	125,957
Total Restricted Other Financial Assets		137,491	125,957

Restricted funds are held as cash (refer note 15(b)) or invested as managed funds.

All available-for-sale financial assets are denominated in Australian currency. For an analysis of the credit risk and sensitivity of available-for-sale financial assets to price and interest rate risk, refer to Note 26.

Notes To The Financial Statements (continued)

for the year ended 31 December 2017

	Note	2017 \$'000	2016 \$'000
19 OTHER NON-FINANCIAL ASSETS			
Current			
Prepayments		17,300	25,304
Accrued income		5,047	4,312
Total Current Other Non-Financial Assets		22,347	29,616
Non-Current			
Prepayments		5,588	3,790
Total Non-Current Other Non-Financial Assets		5,588	3,790
Total Other Non-Financial Assets		27,935	33,406

20 PROPERTY, PLANT AND EQUIPMENT

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.

20 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
At 1 January 2016											
Cost	78,998	733,923	110,382	4,654	93,196	19,684	128,369	1,341	23,345	12,619	1,206,511
Accumulated depreciation	-	(208,272)	(25,231)	(1,612)	-	(13,491)	(72,181)	(899)	(4,712)	-	(326,398)
Carrying amount at start of year	78,998	525,651	85,151	3,042	93,196	6,193	56,188	442	18,633	12,619	880,113
Year ended 31 December 2016											
Additions	-	345	-	-	124,620	7,059	12,124	92	5,948	103	150,291
Cost of disposals	-	(200)	-	(1)	-	-	(1,412)	(157)	-	(13)	(1,783)
Accumulated depreciation on disposals	-	188	-	-	-	-	1,355	138	-	-	1,681
Transfers in/(out)	-	117,847	7,602	-	(131,836)	450	5,835	-	-	102	-
Depreciation and amortisation expense	-	(31,563)	(4,349)	(132)	-	(3,675)	(13,099)	(191)	(2,526)	-	(55,535)
Carrying amount at end of year	78,998	612,268	88,404	2,909	85,980	10,027	60,991	324	22,055	12,811	974,767
At 31 December 2016											
Cost	78,998	851,916	117,984	4,654	85,980	27,193	144,916	1,276	29,293	12,811	1,355,021
Accumulated depreciation	-	(239,648)	(29,580)	(1,745)	-	(17,166)	(83,925)	(952)	(7,238)	-	(380,254)
Carrying amount at end of year	78,998	612,268	88,404	2,909	85,980	10,027	60,991	324	22,055	12,811	974,767
At 1 January 2017											
Cost	78,998	851,916	117,984	4,654	85,980	27,193	144,916	1,276	29,293	12,811	1,355,021
Accumulated depreciation	-	(239,648)	(29,580)	(1,745)	-	(17,166)	(83,925)	(952)	(7,238)	-	(380,254)
Carrying amount at start of year	78,998	612,268	88,404	2,909	85,980	10,027	60,991	324	22,055	12,811	974,767
Year ended 31 December 2017											
Additions	-	-	-	-	60,083	3,548	7,050	567	6,085	242	77,575
Cost of disposals	-	(4,115)	-	-	-	(4,958)	(8,726)	(88)	-	-	(17,887)
Accumulated depreciation on disposals	-	3,568	-	-	-	4,791	8,543	83	-	-	16,985
Transfers in/(out)	-	68,718	29,394	-	(98,334)	4	209	-	-	9	-
Depreciation and amortisation expense	-	(33,120)	(6,116)	(132)	-	(4,177)	(13,120)	(240)	(3,175)	-	(60,080)
Carrying amount at end of year	78,998	647,319	111,682	2,777	47,729	9,235	54,947	646	24,965	13,062	991,360
At 31 December 2017											
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)
Carrying amount at end of year	78,998	647,319	111,682	2,777	47,729	9,235	54,947	646	24,965	13,062	991,360

Notes To The Financial Statements (continued)

for the year ended 31 December 2017

21 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 day term.

	Note	2017 \$'000	2016 \$'000
Current			
Total Payables		17,374	22,732

22 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.

	Note	2017 \$'000	2016 \$'000
Current			
Income received in advance		40,334	46,428
Accrued expenses		29,809	19,878
Monies held in trust		10,638	9,198
Total Other Liabilities		80,781	75,504

23 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.

	Note	2017 \$'000	2016 \$'000
Current			
Interest bearing Treasury loans		20,858	1,881
Non-Current			
Interest bearing Treasury loans		31,736	52,595
Total Borrowings		52,594	54,476

Notes To The Financial Statements (continued)

for the year ended 31 December 2017

23 BORROWINGS (continued)**Treasury Loans**

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

	Average Interest rate	Maturity date	Principal outstanding	
			2017 \$'000	2016 \$'000
Muresk Campus housing				
- fixed rate interest only quarterly repayments with the loan principal to be repaid at date of maturity	6.50%	15.07.2018	2,050	2,050
Bentley Campus housing				
- fixed rate interest only quarterly repayments with the loan principal to be repaid at date of maturity	7.05%	15.01.2018	16,800	16,800
Chemistry Centre of WA building				
- monthly principal and fixed rate interest repayments	6.77%	01.07.2029	30,313	31,982
- monthly principal and fixed rate interest repayments	5.11%	01.07.2029	3,431	3,644
Total Treasury Loans			52,594	54,476

	Note	2017 \$'000	2016 \$'000
Financing facilities available			
At reporting date, the following financing facilities had been negotiated and were available:			
Total facilities:			
- Treasury Loans		52,594	54,476
Facilities used at reporting date:			
- Treasury Loans		52,594	54,476
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.

Notes To The Financial Statements (continued)

for the year ended 31 December 2017

23 BORROWINGS (continued)

Fair value

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

	2017		2016	
	Carrying Amount \$'000	Fair Value \$'000	Carrying Amount \$'000	Fair Value \$'000
Muresk Campus housing				
- fixed rate interest only quarterly repayments with the loan principal to be repaid at date of maturity	2,050	2,130	2,050	2,216
Bentley Campus housing				
- fixed rate interest only quarterly repayments with the loan principal to be repaid at date of maturity	16,800	17,114	16,800	17,947
Chemistry Centre of WA building				
- monthly principal and fixed rate interest repayments	30,313	36,812	31,982	39,018
- monthly principal and fixed rate interest repayments	3,431	3,834	3,644	4,065
Total Treasury Loans	52,594	59,890	54,476	63,246

The fair value of the loans have been prepared assuming hypothetical settlement dates of 31 December 2017 and 31 December 2016.

Notes To The Financial Statements (continued)

for the year ended 31 December 2017

24 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 AASB 119 "Employee Benefits". This is currently relevant to the Unisuper Defined Benefit scheme.

Unfunded superannuation

An arrangement exists between the Commonwealth Government and the Western Australian Government 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 2017

	Note	2017 \$'000	2016 \$'000
24 PROVISIONS (continued)			
Employee benefits provisions			
Current provisions expected to be settled within 12 months			
Annual leave		26,235	30,390
Long service leave		16,983	21,086
Employment on-costs		2,810	3,346
Redundancy costs		2,744	1,474
Defined benefit obligation			
Deferred employee benefits for unfunded superannuation	34(b)	4,023	4,049
Other University pension liabilities	34(a)	110	120
		52,905	60,465
Current provisions expected to be settled after more than 12 months			
Annual leave		2,115	2,210
Long service leave		14,277	7,861
Employment on-costs		1,065	655
Redundancy costs		713	682
		18,170	11,408
Total Current Provisions		71,075	71,873
Non-Current			
Employee benefits provisions			
Long service leave		27,486	28,753
Employment on-costs		1,787	1,869
Defined benefit obligation			
Deferred employee benefits for unfunded superannuation	34(b)	57,980	57,525
Other University pension liabilities	34(a)	544	644
Total Non-Current Provisions		87,797	88,791
Total Provisions		158,872	160,664
Movements in Other Provisions			
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		5,870	5,456
Addition/(reduction) in provisions recognised		2,548	2,899
Reduction arising from payments		(2,756)	(2,485)
Balance at end of year		5,662	5,870

Notes To The Financial Statements (continued)
for the year ended 31 December 2017

	Note	2017 \$'000	2016 \$'000
24 PROVISIONS (continued)			
<i>Redundancy costs provision</i>			
Balance at beginning of year		2,156	4,809
Addition/(reduction) in provisions recognised		1,922	(1,874)
Reduction arising from payments		(621)	(779)
Balance at end of year		3,457	2,156
25 EQUITY			
Reserves			
Investments revaluation reserve	25(a)	90,128	61,757
Research grants reserve	25(b)	93,842	88,202
Total Reserves		183,970	149,959
Retained earnings		1,180,429	1,134,835
(a) Investments revaluation reserve			
The investments revaluation reserve arises on the revaluation of available-for-sale financial assets. Where a revalued financial asset is sold, that portion of the reserve which relates to that financial asset and is effectively realised, is recognised in the Net Result. Where a revalued financial asset is impaired, the portion of the reserve which relates to that financial asset is transferred to the Net Result.			
<i>Movement in reserve</i>			
Balance at beginning of year		61,757	52,984
Unrealised valuation gain/(loss)		33,755	14,492
Realised (gain)/loss on sale of financial assets		(5,415)	(5,336)
Impairment reversal/(impairment) of financial assets		31	(383)
Movement for the year		28,371	8,773
Balance at end of year		90,128	61,757
(b) Research grants reserve			
Non-reciprocal research grants are required by Accounting Standards to be recognised as income when the University obtains control over the asset comprising the contributions. This reserve is provided for the balance of unspent research grants at the end of each financial year.			
Balance at beginning of year		88,202	85,950
Transfer to reserves		38,403	32,943
Transfer from reserves		(32,763)	(30,691)
Balance at end of year		93,842	88,202

Notes To The Financial Statements (continued)

for the year ended 31 December 2017

26 FINANCIAL INSTRUMENTS

	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 ²		Interest Rate Risk Sensitivity				Price Risk Sensitivity ³				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		
2017																							
Financial Assets																							
Cash and cash equivalents	1.71%	2	53,050	-	53,052	53,052	-	-	-	-	-	-	(1,582)	-	1,582	-	-	-	-	-	-	-	
Receivables ⁴	-	25,515	-	-	25,515	25,515	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	25,515	
Loans receivable	-	450	-	-	450	450	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	450	
Unlisted securities (unrestricted)	-	26,135	-	-	26,135	-	26,135	-	-	-	-	-	-	-	-	-	-	-	(3,920)	-	3,920	-	
Funds under management (unrestricted) ^{1,5}	-	348,025	1,998	-	350,023	1,998	1,644	346,381	-	4,608	-	(4,608)	-	-	-	-	(351)	(52,153)	1	52,503	1,998	-	
Funds under management (restricted) ⁵	-	137,491	-	-	137,491	-	-	137,491	-	-	-	-	-	-	-	-	(138)	(20,486)	1	20,623	-	-	
Total Financial Assets		537,618	55,048	-	592,666	81,015	27,779	483,872	-	4,608	-	(4,608)	(1,582)	-	1,582	-	(489)	(76,559)	2	77,046	27,963	-	
Financial Liabilities																							
Payables	-	17,374	-	-	17,374	17,374	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings	6.74%	-	-	52,594	52,594	20,858	9,493	22,243	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Financial Liabilities		17,374	-	52,594	69,968	38,232	9,493	22,243	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2016																							
Financial Assets																							
Cash and cash equivalents	1.55%	1	28,763	-	28,764	28,764	-	-	-	-	-	-	(996)	-	996	-	-	-	-	-	-	-	-
Receivables ⁴	-	24,009	-	-	24,009	24,009	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	24,009	
Loans receivable	-	450	-	-	450	450	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	450	
Unlisted securities (unrestricted)	-	12,863	-	-	12,863	-	12,863	-	-	-	-	-	-	-	-	-	-	(1,929)	-	1,929	-	-	
Funds under management (unrestricted) ^{1,5}	-	334,324	1,967	-	336,291	-	3,683	332,608	-	4,067	-	(4,067)	-	-	-	-	(466)	(49,981)	24	50,423	1,967	-	
Funds under management (restricted) ⁵	-	125,957	-	-	125,957	-	-	125,957	-	-	-	-	-	-	-	-	(175)	(18,720)	9	18,886	-	-	
Total Financial Assets		497,604	30,730	-	528,334	53,223	16,546	458,565	-	4,067	-	(4,067)	(996)	-	996	-	(641)	(70,630)	33	71,238	26,426	-	
Financial Liabilities																							
Payables	-	22,732	-	-	22,732	22,732	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings	6.73%	-	-	54,476	54,476	1,881	27,740	24,855	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Financial Liabilities		22,732	-	54,476	77,208	24,613	27,740	24,855	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

¹ Funds under management mainly comprise investments in unit based funds. Credit risk exposure relates only to funds under management not in unit based funds.

² A positive number indicates an increase in operating surplus and equity where the Australian dollar weakens against the foreign currency.

³ Net Result would not be affected if prices increased by 15% as the equity investments are classified as available-for-sale with gains recognised directly in equity. However, Net Result would be affected if prices decreased by 15% with further decreases in value of previously impaired available-for-sale assets recognised in the Net Result.

⁴ This includes GST Receivable of \$1.241 million (2016: \$3.370 million).

⁵ 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 2017

Notes To The Financial Statements (continued)

for the year ended 31 December 2017

26 FINANCIAL INSTRUMENTS (continued)

(a) FINANCIAL RISK MANAGEMENT

Financial instruments held by the University are cash and cash equivalents, receivables, available-for-sale 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, and from borrowings at a variable interest rate, which give rise to cash flow interest rate risk. The University manages its borrowings in accordance with targeted interest rate, liquidity and debt portfolio maturity profiles. Notes 23 and 26 provide further detail.

Note 26 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 available-for-sale investments whose underlying assets include some investments denominated in foreign currency which are unhedged.

At 31 December 2017, the University held no foreign currency forward exchange contracts.

(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 26 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, Equity would have been \$77.046 million (2016: \$69.309 million) higher and the Net Result would have been \$0.002 million (2016: \$0.033 million) higher due to the reversal of previously impaired available-for-sale debt investments. However, if the inputs to the valuation of the funds under management had been 15% lower, the devaluation would have reduced the Equity Reserve by \$76.559 million (2016: \$68.701 million) and the impairment loss that would have been recognised through the Net Result on previously impaired assets would have been \$0.489 million (2016: \$0.641 million).

The University's sensitivity to price risk has decreased over the period due to reduced equity investments held.

Notes To The Financial Statements (continued)

for the year ended 31 December 2017

26 FINANCIAL INSTRUMENTS (continued)

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. For an analysis of credit risk of the University refer to Note 26.

The University's funds under management subject to credit risk has reduced and certain zero coupon bonds held are endowed with capital protection mechanisms. At reporting date, some previously impaired available-for-sale debt investments increased in value resulting in reversal of impairments to the Net Result of \$0.030 million (2016: \$0.055 million).

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.

(b) FAIR VALUE

Fair Value Measurements

The fair values of financial assets and financial liabilities shown in Note 26 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.
- Available-for-sale equity financial assets 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). The fair value of available-for-sale debt financial assets are determined based on market prices of financial assets with similar maturity and risk profiles due to the illiquidity of these financial assets (Level 2).
- 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 (2016: 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.

Notes To The Financial Statements (continued)

for the year ended 31 December 2017

26 FINANCIAL INSTRUMENTS (continued)

Fair Value Hierarchy

	2017	2016	2017	2016	2017 Fair Value Hierarchy			2016 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
Financial Assets										
Cash and cash equivalents	53,052	28,764	53,052	28,764	-	-	-	-	-	-
Receivables	25,515	24,009	25,515	24,009	-	-	-	-	-	-
Loans advanced	450	450	442	443	-	-	-	-	-	-
Unlisted securities (unrestricted)	26,135	12,863	26,135	12,863	-	-	26,135	-	-	12,863
Funds under management (unrestricted)	350,023	336,291	350,023	336,291	348,025	1,998	-	334,324	1,967	-
Funds under management (restricted)	137,491	125,957	137,491	125,957	137,491	-	-	125,957	-	-
Total Financial Assets	592,666	528,334	592,658	528,327	485,516	1,998	26,135	460,281	1,967	12,863
Financial Liabilities										
Payables	17,374	22,732	17,374	22,732	-	-	-	-	-	-
Borrowings	52,594	54,476	59,890	63,246	59,890	-	-	63,246	-	-
Total Financial Liabilities	69,968	77,208	77,264	85,978	59,890	-	-	63,246	-	-

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)

	2017 \$'000	2016 \$'000
Unlisted securities (unrestricted)		
Opening Balance	12,863	11,035
Recognised in other comprehensive income	13,272	1,828
Closing Balance	26,135	12,863

The gain included in other comprehensive income 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 Investments revaluation reserve. 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 other comprehensive income by \$0.948 million (2016: \$0.131 million) respectively.

Notes To The Financial Statements (continued)

for the year ended 31 December 2017

27 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 Kim Bridge (ceased 14 November 2017)

Dr Andrew Crane

Mr Alex Jones

Mr Michael Lishman

Dr Michael Stanford (ceased 1 December 2017)

Member nominated by the Minister for Education and Training

Ms Sue Wilson, Pro Chancellor (ceased 3 March 2017)

Member who is the Vice-Chancellor

Professor Deborah Terry, Vice-Chancellor

Members elected by full-time academic staff

Professor Dale Pinto (ceased 31 March 2017)

Professor Glenda Scully

Member elected by full-time general staff

Mr Andrew McLean

(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 Jill Downie
 Ms Val Raubenheimer
 Mr Ian Callahan
 Professor Tony Travaglione
 Professor James Mienczakowski
 Professor Robert Evans
 Professor Michael Berndt

Co-opted Members

Mr Colin Beckett, Chancellor

Dr Vanessa Guthrie (commenced 1 April 2017)

Mr Steve Scudamore

Mr Gene Tilbrook

Ms Sue Wilson, Pro Chancellor (commenced 4 March 2017)

Member who is a member of the Academic Board elected by and from the Academic Board

Associate Professor Linley Lord

Members elected by students

Mr Sebastian Davies-Slate (postgraduate student elected 13 April 2017)

Ms Noni Elliott Hobbs (ceased 12 April 2017)

Mr Liam O'Neill (undergraduate student)

Members Elected by the graduates of the University

Vacant

Vacant

Notes To The Financial Statements (continued)

for the year ended 31 December 2017

27 KEY MANAGEMENT PERSONNEL DISCLOSURES (continued)

(c) Remuneration of Members of the Accountable Authority and Senior Officers

Remuneration of Members of the Accountable Authority

	2017 Number	2016 Number
Nil - \$10,000	3	5
\$10,001 - \$20,000	4	2
\$20,001 - \$30,000	1	2
\$30,001 - \$40,000	4	4
\$50,001 - \$60,000	1	-
\$80,001 - \$90,000	1	1
\$90,001 - \$100,000	-	1
\$120,001 - \$130,000	-	1
\$140,001 - \$150,000	1	-
\$190,001 - \$200,000	1	1
\$230,001 - \$240,000	-	1
\$240,001 - \$250,000	1	-
\$280,001 - \$290,000	-	1
\$820,001 - \$830,000	-	1
\$900,001 - \$910,000	1	-

Remuneration of Senior Officers

	2017 Number	2016 Number
\$60,001 - \$70,000	1	-
\$100,001 - \$110,000	-	1
\$110,001 - \$120,000	1	-
\$120,001 - \$130,000	-	1
\$130,001 - \$140,000	-	1
\$160,001 - \$170,000	-	1
\$220,001 - \$230,000	-	1
\$230,001 - \$240,000	1	-
\$270,001 - \$280,000	-	1
\$280,001 - \$290,000	-	1
\$320,001 - \$330,000	-	1
\$340,001 - \$350,000	1	1
\$370,001 - \$380,000	1	-
\$380,001 - \$390,000	-	1
\$390,001 - \$400,000	3	-
\$400,001 - \$410,000	2	3
\$410,001 - \$420,000	1	1
\$430,001 - \$440,000	2	1
\$460,001 - \$470,000	-	1
\$470,001 - \$480,000	-	1
\$490,001 - \$500,000	-	1
\$500,001 - \$510,000	2	-
\$510,001 - \$520,000	1	-

Notes To The Financial Statements (continued)

for the year ended 31 December 2017

(d) Key management personnel compensation

	2017 \$'000	2016 \$'000
Short-term employee benefits	6,237	6,311
Post-employment benefits	953	1,028
Other long-term benefits	603	620
Total key management personnel compensation	7,792	7,958

28 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:

	2017 \$'000	2016 \$'000
(a) Audit and review of the Financial Statements		
Fees paid to the Office of the Auditor General	287	284
(b) Other audit and assurance services¹		
Fees paid to the Office of the Auditor General	14	14
Australian Government - Department of Agriculture	-	3
Casilli Holdings Pty Ltd	34	17
Council of Ambulance Authorities Inc	-	4
Independent Appraisal	-	1
Nexia Edwards Marshall	11	10
SAI Global Limited	7	5
Total fees paid for other audit services	66	54
Total Remuneration of Auditors	353	338

¹ Other audit and assurance services are related to compliance audits and research project audits.

29 RELATED PARTIES

(a) Key management personnel

Disclosures relating to Members of the Accountable Authority and Senior Officers are set out in Note 27.

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 2017

29 RELATED PARTIES (continued)

(b) Transactions with related parties

The following transactions occurred with related parties:

Transaction Type	2017 \$'000	2016 \$'000
Purchases of goods and services		
- Curtin Student Guild	4,450	4,370
- Associates	300	243
Revenue for providing services		
- Curtin Student Guild	1,647	808
- Associates	2,276	2,365

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

Transaction Type	2017 \$'000	2016 \$'000
Receivable at 31 December		
- Curtin Student Guild	554	1,159
- Associates	-	330
Payable at 31 December		
- Curtin Student Guild	21	-

(c) Loans to Associates

Refer Note 30.

30 JOINT OPERATIONS AND 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 2017 are listed below.

Name of entity	Country of incorporation	Carrying value of Investment		Equity holding	
		2017 \$'000	2016 \$'000	2017 %	2016 %
Associates					
HiSeis Pty Ltd	Australia	275	275	44	44
iCetana Pty Ltd	Australia	600	600	24	39
Renergi Pty Ltd	Australia	1	1	48	48
Loans to Associates					
Balance at beginning of year				450	887
Loans advanced				-	-
Loans repayment received				-	-
Loans impaired				-	(437)
Interest charged				-	-
Interest received				-	-
Balance at end of year				450	450

Notes To The Financial Statements (continued)

for the year ended 31 December 2017

31 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.

32 COMMITMENTS

	2017 \$'000	2016 \$'000
(a) Capital commitments		
Capital expenditure contracted for at the reporting date but not recognised as liabilities is as follows:		
Property, Plant and Equipment		
Within one year	36,557	11,719
Between one and five years	-	-
Later than five years	-	-
Total Capital Commitments	36,557	11,719
(b) Lease commitments		
Operating leases		
A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership. Operating leases at the University are related to computer leases, network leases, motor vehicle leases and building leases.		
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:		
Within one year	9,952	10,069
Between one and five years	12,358	16,041
Later than five years	42,604	44,046
Total future minimum lease payments	64,914	70,156
(c) Other expenditure commitments		
Commitments in relation to purchase orders are payable as follows:		
Within one year	15,442	24,920

All the above commitments are inclusive of GST where applicable.

Notes To The Financial Statements (continued)

for the year ended 31 December 2017

33 EVENTS OCCURRING AFTER REPORTING DATE

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

34 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.

	2017 \$'000	2016 \$'000
Reconciliation of the Present Value of the Defined Benefit Obligation		
Present value of defined benefit obligations at beginning of the year	764	879
Current service cost	-	-
Interest cost	20	25
Actuarial loss/(gain)	(16)	(32)
Benefits paid	(114)	(108)
Present value of defined benefit obligations at end of the year	654	764
Reconciliation of the Fair Value of Assets		
Fair value of assets at beginning of the year	-	-
Employer contributions	114	108
Benefits paid	(114)	(108)
Fair value of assets at end of the year	-	-
Reconciliation of the Assets and Liabilities Recognised in the Statement of Financial Position		
Present value of defined benefit obligation	654	764
Fair value of assets	-	-
Net liability	654	764
Liability recognised in the Statement of Financial Position as:		
Current	110	120
Non-current	544	644
	654	764
Expense Recognised in the Statement of Comprehensive Income		
Interest cost	20	25
Actuarial loss/(gain)	(16)	(32)
Superannuation expense/(benefit)	4	(7)

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 2017

34 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 9.0 years (2016: 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.

	2017 \$'000	2016 \$'000
Reconciliation of the present value of the defined benefit obligation		
Present value of defined benefit obligations at beginning of the year	61,574	64,569
Current service cost	-	-
Interest cost	1,546	1,776
Actuarial loss/(gain) arising from changes in financial assumptions	1,422	1,242
Actuarial loss/(gain) arising from liability experience	2,936	(332)
Benefits paid	(5,475)	(5,681)
Present value of defined benefit obligations at end of the year	62,003	61,574

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).

Reconciliation of the fair value of Scheme assets

Fair value of scheme assets at beginning of the year	-	-
Employer contributions	5,475	5,681
Benefits paid	(5,475)	(5,681)
Fair value of Scheme assets at end of the year	-	-

Reconciliation of the net liability recognised in the Statement of Financial Position

Present value of defined benefit obligations	62,003	61,574
Fair value of the Scheme assets	-	-
Net liability	62,003	61,574
Fair value of reimbursement rights	62,003	61,574
Total net liability/(asset) in the Statement of Financial Position	-	-

Present value of defined benefit obligations/reimbursement rights is recognised as:

Current	4,023	4,049
Non-current	57,980	57,525
	62,003	61,574

Notes To The Financial Statements (continued)
for the year ended 31 December 2017

34 DEFINED BENEFIT SUPERANNUATION PLANS (continued)

	2017 \$'000	2016 \$'000
Expense Recognised in the Statement of Comprehensive Income		
Current service cost	-	-
Interest cost	1,546	1,776
Reimbursement rights adjustments	(1,160)	(1,432)
Deferred superannuation expense	386	344
Actuarial loss/(gain) recognised in Other Comprehensive Income		
Actuarial loss/(gain) arising from changes in financial assumptions	1,422	1,242
Actuarial loss/(gain) arising from liability experience	2,936	(332)
Reimbursement rights adjustments	(4,358)	(910)
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	2017	2016
Discount rate (active members)	2.36%	2.63%
Discount rate (pensioners)	2.36%	2.63%
Expected salary increase rate	1.50%	3.50%
Expected pension increase rate	2.50%	2.50%

The discount rate is based on the Government bond maturing in April 2025. 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 2017

34 DEFINED BENEFIT SUPERANNUATION PLANS (continued)

	2017 \$'000	2016 \$'000	2015 \$'000	2014 \$'000	2013 \$'000
Historical Information					
Present value of defined benefit obligation	62,003	61,574	64,569	68,120	64,261
Fair value of Scheme assets	-	-	-	-	-
Deficit in Scheme assets	62,003	61,574	64,569	68,120	64,261
Experience adjustments (gain)/loss - Scheme assets	-	-	-	-	-
Experience adjustments (gain)/loss - Scheme liabilities	2,936	(332)	(1,005)	2,017	921

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).

	2018 \$'000	2017 \$'000
Expected Contributions		
Expected employer contributions	5,423	5,594

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 24).

An arrangement exists between the Australian Government and the Government of Western Australia 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 16).

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 AASB 119 - 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 \$65.338 million (2016: \$64.980 million) were charged as an expense under employee benefits (refer Note 10) as they fell due.

Notes To The Financial Statements (continued)
for the year ended 31 December 2017

35 ACQUITTAL OF AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE

(a) Education – CGS and Other Education Grants

	Commonwealth Grants Scheme ¹		Indigenous Support Program		Disability Support Program		Partnership & Participation Program ²		Total	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Financial assistance received in CASH during the reporting period	244,370	251,389	948	1,138	149	150	4,220	4,560	249,687	257,237
Net accrual adjustments	(515)	(3,723)	-	-	-	-	-	847	(515)	(2,876)
Revenue for the period	243,855	247,666	948	1,138	149	150	4,220	5,407	249,172	254,361
Surplus/(deficit) from the previous year	-	-	-	-	(521)	(300)	3,352	3,469	2,831	3,169
Total revenue including accrued revenue	243,855	247,666	948	1,138	(372)	(150)	7,572	8,876	252,003	257,530
Less expenses including accrued expenses	(243,855)	(247,666)	(948)	(1,138)	(333)	(371)	(4,237)	(5,524)	(249,373)	(254,699)
Surplus/(deficit) for reporting period	-	-	-	-	(705)	(521)	3,335	3,352	2,630	2,831

¹ Includes the basic CGS grant amount, CGS – Regional Loading, CGS – Enabling Loading, CGS – Maths and Science Transition Loading and Full Fee Places Transition Loading.

² Includes Equity Support Program.

Notes To The Financial Statements (continued)
for the year ended 31 December 2017

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

	HECS-HELP		FEE-HELP ³		SA-HELP		Total	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Financial assistance received in CASH during the reporting period	154,476	148,791	23,010	24,235	2,215	2,314	179,701	175,340
Net accrual adjustments	(1,315)	(4,363)	731	550	373	(75)	(211)	(3,888)
Revenue for the period	153,161	144,428	23,741	24,785	2,588	2,239	179,490	171,452
Surplus/(deficit) from the previous year	-	-	-	-	-	-	-	-
Total revenue including accrued revenue	153,161	144,428	23,741	24,785	2,588	2,239	179,490	171,452
Less expenses including accrued expenses	(153,161)	(144,428)	(23,741)	(24,785)	(2,588)	(2,239)	(179,490)	(171,452)
Surplus/(deficit) for reporting period	-	-	-	-	-	-	-	-

³ 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 2017

35 ACQUITTAL OF AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE (continued)

(c) (i) Research Training Program

	Research Training Program ⁴		Australian Postgraduate Awards		Indigenous Access Scholarships		International Postgraduate Research Scholarships		Commonwealth Education Cost Scholarships ⁵		Commonwealth Accommodation Scholarships ⁵		Research Training Scheme		Total	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Financial assistance received/(refunded) in CASH during the reporting period	25,313	-	-	7,217	-	-	-	568	72	-	-	-	-	16,964	25,385	24,749
Net accrual adjustments	-	-	-	-	-	39	-	-	-	38	-	21	-	-	-	98
Revenue for the period	25,313	-	-	7,217	-	39	-	568	72	38	-	21	-	16,964	25,385	24,847
Surplus/(deficit) from the previous year	-	-	(1,030)	(791)	-	-	(1,615)	(1,219)	-	-	-	-	-	-	(2,645)	(2,010)
Total revenue including accrued revenue	25,313	-	(1,030)	6,426	-	39	(1,615)	(651)	72	38	-	21	-	16,964	22,740	22,837
Less expenses including accrued expenses	(24,100)	-	1,030	(7,456)	-	(39)	1,615	(964)	(72)	(38)	-	(21)	-	(16,964)	(21,527)	(25,481)
Surplus/(deficit) for reporting period	1,213	-	-	(1,030)	-	-	-	(1,615)	-	-	-	-	-	-	1,213	(2,643)

⁴ Research Training Program has replaced Australian Postgraduate Awards, International Postgraduate Research Scholarships and Research Training Scheme in 2017.

⁵ 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) Total Higher Education Provider Research Training Program expenditure

	Total domestic students \$'000	Total overseas students \$'000
Research Training Program Fees offsets	16,438	697
Research Training Program Stipends	6,335	503
Research Training Program Allowances	2	125
Total for all types of support	22,775	1,325

Notes To The Financial Statements (continued)
for the year ended 31 December 2017

Notes To The Financial Statements (continued)

for the year ended 31 December 2017

35 ACQUITTAL OF AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE (continued)

(d) Research Support Program

	Research Support Program ⁶		Joint Research Engagement		JRE Engineering Cadetships		Sustainable Research Excellence in Universities		Research Infrastructure Block Grants		Total	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Financial assistance received in CASH during the reporting period	18,763	-	-	9,263	-	156	-	3,039	-	4,063	18,763	16,521
Net accrual adjustments	-	-	-	-	-	-	-	-	-	-	-	-
Revenue for the period	18,763	-	-	9,263	-	156	-	3,039	-	4,063	18,763	16,521
Surplus/(deficit) from the previous year	-	-	-	-	-	-	(317)	(317)	-	-	(317)	(317)
Total revenue including accrued revenue	18,763	-	-	9,263	-	156	(317)	2,722	-	4,063	18,446	16,204
Less expenses including accrued expenses	(18,763)	-	-	(9,263)	-	(156)	317	(3,039)	-	(4,063)	(18,446)	(16,521)
Surplus/(deficit) for reporting period	-	-	-	-	-	-	-	(317)	-	-	-	(317)

⁶ Research Support Program has replaced Joint Research Engagement, JRE Engineering Cadetships, Research Block Grants and Sustainable Research Excellence in Universities in 2017.

(e) Australian Research Council Grants

(i) Discovery

	Projects ⁷		Fellowships		Total	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Financial assistance received in CASH during the reporting period	7,110	6,611	2,227	2,472	9,337	9,083
Net accrual adjustments	316	391	-	-	316	391
Revenue for the period	7,426	7,002	2,227	2,472	9,653	9,474
Surplus/(deficit) from the previous year	107	89	2,169	2,812	2,276	2,901
Total revenue including accrued revenue	7,533	7,091	4,396	5,284	11,929	12,375
Less expenses including accrued expenses	(7,372)	(6,984)	(1,530)	(3,115)	(8,902)	(10,099)
Surplus/(deficit) for reporting period	161	107	2,866	2,169	3,027	2,276

⁷ Includes Early Career Researcher Award

Notes To The Financial Statements (continued)

for the year ended 31 December 2017

35 ACQUITTAL OF AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE (continued)

(e) Australian Research Council Grants (continued)

(ii) Linkages

	Infrastructure		Projects		Total	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Financial assistance received in CASH during the reporting period	377	1,320	3,186	3,396	3,563	4,716
Net accrual adjustments	286	219	47	98	333	317
Revenue for the period	663	1,539	3,233	3,494	3,896	5,033
Surplus/(deficit) from the previous year	(573)	531	168	(395)	(405)	136
Total revenue including accrued revenue	90	2,070	3,401	3,099	3,491	5,169
Less expenses including accrued expenses	(193)	(2,643)	(3,329)	(2,931)	(3,522)	(5,574)
Surplus/(deficit) for reporting period	(103)	(573)	72	168	(31)	(405)

(iii) Centres

	Centres		Other		Total	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Financial assistance received in CASH during the reporting period	1,375	939	123	69	1,498	1,008
Net accrual adjustments	-	-	-	-	-	-
Revenue for the period	1,375	939	123	69	1,498	1,008
Surplus/(deficit) from the previous year	(41)	161	(448)	(233)	(488)	(72)
Total revenue including accrued revenue	1,334	1,100	(325)	(164)	1,009	936
Less expenses including accrued expenses	(948)	(1,141)	(44)	(284)	(992)	(1,425)
Surplus/(deficit) for reporting period	386	(41)	(369)	(448)	17	(489)

Notes To The Financial Statements (continued)
for the year ended 31 December 2017

35 ACQUITTAL OF AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE (continued)

	2017 \$'000	2016 \$'000
(f) OS-HELP		
Cash received during the reporting period	2,449	1,384
Cash spent during the reporting period	(2,449)	(1,384)
Net cash received	-	-
Cash surplus/(deficit) from the previous period	-	-
Cash surplus/(deficit) for the reporting period	-	-
(g) Higher Education Superannuation Program		
Cash received during the reporting period	5,748	5,347
University contribution in respect of current employees	386	344
Cash available	6,134	5,691
Cash surplus/(deficit) from the previous period	58	277
Cash available for current period	6,192	5,968
Contributions to specified defined benefit funds	(6,390)	(5,910)
Cash surplus/(deficit) for the reporting period	(198)	58
(h) Student Services and Amenities Fee		
Unspent/(Overspent) revenue from previous period	485	429
SA-HELP revenue earned	2,588	2,239
Student Services and Amenities Fees direct from students	3,074	3,399
Total revenue expendable in period	6,147	6,067
Student Services expenses during period	(5,662)	(5,582)
Unspent/(Overspent) Student Services Revenue	485	485

Report by the Members of the University Council

The members of the University Council present their report for the year ended 31 December 2017.

MEMBERS

The following persons were members of the Council of Curtin University during the year ended 31 December 2017:

Members appointed by Governor in Council

Mr Kim Bridge (ceased 14 November 2017)
Dr Andrew Crane
Mr Alex Jones
Mr Michael Lishman
Dr Michael Stanford (ceased 1 December 2017)

Member nominated by the Minister for Education and Training

Ms Sue Wilson, Pro Chancellor (ceased 3 March 2017)

Member who is the Vice-Chancellor

Professor Deborah Terry AO, Vice-Chancellor

Co-opted Members

Mr Colin Beckett, Chancellor
Dr Vanessa Guthrie (commenced 1 April 2017)
Mr Steve Scudamore
Mr Gene Tilbrook
Ms Sue Wilson, Pro Chancellor (commenced 4 March 2017)

Members elected by full-time academic staff

Professor Dale Pinto (ceased 31 March 2017)
Professor Glenda Scully

Members Elected by the graduates of the University

Vacant
Vacant

Member elected by full-time general staff

Mr Andrew McLean

Member who is the Chairperson of Academic Board

Associate Professor Linley Lord

Members Elected by Students

Mr Sebastian Davies-Slate (postgraduate student elected 13 April 2017)
Ms Noni Elliott Hobbs (ceased 12 April 2017)
Mr Liam O'Neill (undergraduate student)

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 2017, and the number of meetings attended by each member were:

MEMBERS	COUNCIL MEETINGS		MEETINGS OF COMMITTEES ¹												
	ATTENDED	HELD	AUDIT & COMPLIANCE		EXECUTIVE		FINANCE		LEGISLATIVE ²		NOMINATIONS		UNIVERSITY COUNCIL HEALTH AND SAFETY ³		
			ATTENDED	HELD	ATTENDED	HELD	ATTENDED	HELD	ATTENDED	HELD	ATTENDED	HELD	ATTENDED	HELD	
Mr Colin Beckett, Chancellor ⁴	7	7			8	9						2	2	3	3
Mr Kim Bridge	5	6													
Prof John Cordery (A/g Vice-Chancellor)														1	1
Dr Andrew Crane	5	7			8	9						2	2		
Mr Sebastian Davies-Slate	5	5													
Ms Noni Elliott Hobbs	2	2													
Prof Paul Fairall (co-opted)										1	1				
Mr Beth Gordon (co-opted)								10	10						
Mr Damian Gordon (co-opted)								10	10						
Dr Vanessa Guthrie	5	5													
Mr Alex Jones	6	7	5	6											
Mr Michael Lishman	7	7								1	1			3	3
Assoc Prof Linley Lord	6	7			7	9									
Mr Andrew McLean	7	7												3	3
Mr Liam O'Neill	7	7												2	2
Prof Dale Pinto	2	2								1	1				
Mr Steve Scudamore ⁵	7	7	6	6	5	9						2	2		
Prof Glenda Scully	5	7						8	10						
Mr David Southam (co-opted)			4	6											
Dr Michael Stanford	5	6						8	10						
Prof Deborah Terry ⁵	7	7	6	6	9	9		10	10	1	1			2	3
Mr Gene Tilbrook	4	7			7	9		10	10			1	2		
Ms Sue Wilson, Pro Chancellor ⁴	5	7	5	6	6	9						1	2		

¹ 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.

² The Legislative Committee only meets when necessary

³ The Health and Safety Due Diligence Committee was renamed the University Council Health and Safety Committee

⁴ Also a member of the Curtin University Foundation Board

⁵ 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, and to aid the advancement, development and practical application of knowledge;
- (b) to encourage and participate in the development and improvement of tertiary education whether on a full or part-time basis; and
- (c) to encourage and undertake research and to aid directly or indirectly the application of science and technology to industry.

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 2017 was \$51.234 million (2016: \$38.073 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
- 2017 Activity Highlights

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

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

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.

Report by the Members of the University Council (continued)

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 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 its Committees and Officers of the University.

Proceedings on behalf of Curtin University

No material legal proceedings were initiated by the University during 2017.

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



Colin Beckett

Chancellor

Curtin University, Bentley, Perth, WA

Dated this 21st day of March 2018