

## INDEPENDENT AUDITOR'S REPORT



Auditor General

### INDEPENDENT AUDITOR'S REPORT

To the Parliament of Western Australia

CURTIN UNIVERSITY OF TECHNOLOGY

#### Report on the Financial Statements

##### Opinion

I have audited the financial statements of Curtin University of Technology which comprise the Statement of Financial Position as at 31 December 2016, the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows for the year then ended, and Notes comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the financial statements are based on proper accounts and present fairly, in all material respects, the operating results and cash flows of Curtin University of Technology for the year ended 31 December 2016 and the financial position at the end of that period. They are in accordance with Australian Accounting Standards, the *Financial Management Act 2006* and relevant Treasurer's Instructions.

##### Basis for Opinion

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

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

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

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

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

As required by the *Auditor General Act 2006*, my responsibility is to express an opinion on the financial statements. The objectives of my audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

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

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

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

#### Report on Controls

##### Opinion

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

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

In my opinion, in all material respects, the controls exercised by Curtin University of Technology are sufficiently adequate to provide reasonable assurance that the receipt, expenditure and investment of money, the acquisition and disposal of property and the incurring of liabilities have been in accordance with legislative provisions during the year ended 31 December 2016.

##### The University Council's Responsibilities

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

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### **Auditor General's Responsibilities**

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

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

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

### **Limitations of Controls**

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

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

#### **Opinion**

I have undertaken a reasonable assurance engagement on the key performance indicators of Curtin University of Technology for the year ended 31 December 2016. The key performance indicators are the key effectiveness indicators and the key efficiency indicators that provide performance information about achieving outcomes and delivering services.

In my opinion, in all material respects, the key performance indicators of Curtin University of Technology are relevant and appropriate to assist users to assess the University's performance and fairly represent indicated performance for the year ended 31 December 2016.

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

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

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

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

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

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

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

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

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

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

This auditor's report relates to the financial statements and key performance indicators of Curtin University of Technology for the year ended 31 December 2016 included on the University's website. The University's management is responsible for the integrity of the University's website. This audit does not provide assurance on the integrity of the University's website. The auditor's report refers only to the financial statements and key performance indicators described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these financial statements or key performance indicators. If users of the financial statements and key performance indicators are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial statements and key performance indicators to confirm the information contained in this website version of the financial statements and key performance indicators.



COLIN MURPHY  
AUDITOR GENERAL  
FOR WESTERN AUSTRALIA  
Perth, Western Australia  
23 March 2017

## FINANCIAL REPORT 2016

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## CERTIFICATIONS

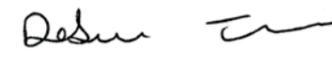
### CERTIFICATION OF THE FINANCIAL STATEMENTS

The accompanying financial statements of Curtin University of Technology 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 2016 and the financial position as at 31 December 2016.

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 22nd day of March 2017

### 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 2016 was for the purpose(s) for which it was intended and that Curtin University of Technology has complied with applicable legislation, contracts, agreements and program guidelines in making expenditure.

Curtin University of Technology 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 22nd day of March 2017

## STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2016

	Note	2016 \$'000	2015 \$'000
<b>Revenue from Continuing Operations</b>			
Australian Government financial assistance:			
Australian Government grants	4	347,448	338,278
HELP – Australian Government payments	4	171,452	167,762
State and Local Government financial assistance	5	23,356	18,476
HECS-HELP – student payments		25,182	23,188
Fees and charges	6	227,153	223,152
Investment revenue	7	31,857	33,073
Royalties, trademarks and licences	8	30,139	46,475
Consultancy and contracts	9	30,487	30,981
Other revenue	10	28,070	28,613
<b>Total Revenue from Continuing Operations</b>		<b>915,144</b>	<b>909,998</b>
Net (loss)/gain on disposal of non-current assets	16	(48)	(492)
<b>Total Income from Continuing Operations</b>		<b>915,096</b>	<b>909,506</b>
<b>Expenses from Continuing Operations</b>			
Employee related expenses	11	546,004	509,457
Depreciation and amortisation	12	55,535	48,439
Repairs and maintenance	13	14,266	14,531
Borrowing costs	14	3,723	3,840
Impairment of assets	15	1,207	95
Deferred superannuation expense	11/44(b)	344	379
Other expenses	17	255,944	270,812
<b>Total Expenses from Continuing Operations</b>		<b>877,023</b>	<b>847,553</b>
<b>Net result for the Year</b>		<b>38,073</b>	<b>61,953</b>
<b>Other Comprehensive Income</b>			
Items that may be reclassified to profit or loss:			
Net investment revaluation gain/(loss)	30(a)	8,773	1,449
<b>Total Comprehensive Income</b>		<b>46,846</b>	<b>63,402</b>

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

## STATEMENT OF FINANCIAL POSITION

as at 31 December 2016

	Note	2016 \$'000	2015 \$'000
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents:			
Unrestricted	19(a)	26,804	41,239
Restricted	19(b)	1,960	1,919
Receivables	20	28,058	26,981
Inventories	21	89	91
Other financial assets:			
Unrestricted	22	450	887
Restricted	23	125,957	121,258
Other non-financial assets	24	29,616	35,967
<b>Total Current Assets</b>		<b>212,934</b>	<b>228,342</b>
<b>Non-Current Assets</b>			
Receivables	20	57,525	60,573
Other financial assets – unrestricted	22	349,154	384,378
Other non-financial assets	24	3,790	4,012
Property, plant and equipment	25	974,767	880,113
<b>Total Non-Current Assets</b>		<b>1,385,236</b>	<b>1,329,076</b>
<b>Total Assets</b>		<b>1,598,170</b>	<b>1,557,418</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and other payables	26	22,732	14,972
Borrowings	27	1,881	1,761
Provisions	28	71,873	70,034
Other liabilities	29	75,504	88,617
<b>Total Current Liabilities</b>		<b>171,990</b>	<b>175,384</b>
<b>Non-Current Liabilities</b>			
Borrowings	27	52,595	54,475
Provisions	28	88,791	89,611
<b>Total Non-Current Liabilities</b>		<b>141,386</b>	<b>144,086</b>
<b>Total Liabilities</b>		<b>313,376</b>	<b>319,470</b>
<b>Net Assets</b>		<b>1,284,794</b>	<b>1,237,948</b>
<b>EQUITY</b>			
Reserves	30	149,959	138,934
Retained earnings	30	1,134,835	1,099,014
<b>Total Equity</b>		<b>1,284,794</b>	<b>1,237,948</b>

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

## STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2016

	Note	Reserves \$'000	Retained Earnings \$'000	Total Equity \$'000
Balance at 1 January 2015		127,266	1,047,280	1,174,546
Net result for the year		-	61,953	61,953
Other comprehensive income for the year	30(a)	1,449	-	1,449
Transfers from retained earnings	30(b)	34,488	(34,488)	-
Transfers to retained earnings	30(b)	(24,269)	24,269	-
Balance at 31 December 2015	30	138,934	1,099,014	1,237,948
Net result for the year		-	38,073	38,073
Other comprehensive income for the year	30(a)	8,773	-	8,773
Transfers from retained earnings	30(b)	32,943	(32,943)	-
Transfers to retained earnings	30(b)	(30,691)	30,691	-
<b>Balance at 31 December 2016</b>	<b>30</b>	<b>149,959</b>	<b>1,134,835</b>	<b>1,284,794</b>

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

## STATEMENT OF CASH FLOWS

for the year ended 31 December 2016

	Note	2016 \$'000	2015 \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Receipts</b>			
Australian Government grants received	4(g)	520,339	505,853
State and Local Government financial assistance		23,356	18,476
HECS-HELP – student payments		25,182	23,188
Fees and charges		230,645	224,627
Royalties, trademarks and licences		29,839	46,475
Consultancy and contract research		30,591	31,350
Interest received		1,318	2,049
Dividends received		-	1,795
Distributions received		26,525	28,486
Other		7,088	11,479
GST refunds received		22,558	17,616
<b>Payments</b>			
Payments for employee benefits		(547,633)	(507,279)
Payments to suppliers		(275,688)	(280,312)
Interest and other costs of finance paid		(4,179)	(3,757)
<b>Net cash provided by/(used in) operating activities</b>	<b>41(b)</b>	<b>89,941</b>	<b>120,046</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for property, plant and equipment		(147,579)	(133,069)
Proceeds on sale of property, plant and equipment		54	65
Payments for investments		-	-
Proceeds on redemption of investments		44,948	20,005
<b>Net cash provided by/(used in) investing activities</b>		<b>(102,577)</b>	<b>(112,999)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of borrowings		(1,758)	(1,878)
Proceeds from borrowings		-	-
<b>Net cash provided by/(used in) financing activities</b>		<b>(1,758)</b>	<b>(1,878)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(14,394)</b>	<b>5,169</b>
Cash and cash equivalents at the beginning of the financial year		43,158	37,989
<b>Cash and cash equivalents at the end of the financial year</b>	<b>41(a)</b>	<b>28,764</b>	<b>43,158</b>

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 2016

### 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 of Technology 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.

#### Date of authorisation for issue

The financial statements were authorised for issue by the members of the University Council on 22 March 2017.

#### 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 33).

#### Accrual basis of accounting

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

#### Critical accounting estimates

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 in Note 2.

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

#### (b) 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.

#### (c) Principles of consolidation

Consolidated financial statements are prepared by combining the financial statements of all entities that comprise the consolidated entity, being the University (the parent entity) and any controlled entities, in accordance with AASB 127 "Consolidated and Separate Financial Statements" and modified by Treasurer's Instruction 1105 "Consolidated Financial Statements".

Consolidated financial statements are not required as there are no material controlled entities.

#### (d) Revenue recognition

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.

#### Student fees

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

### Notes To The Financial Statements (continued)

for the year ended 31 December 2016

### 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 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.

Reciprocal research income from other entities is recognised as revenue when the University has provided the service to the customer. Non-reciprocal research income from other entities 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 30(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.

#### Consultancy fees

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

#### Royalties

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.

#### Other contributions revenue

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.

#### (e) Property, plant and equipment

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.

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of that asset.

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

Gains and losses on disposals are determined by comparing the disposal proceeds with the carrying amount and are included in the Statement of Comprehensive Income.

#### (f) Depreciation of non-current assets

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.

**Notes To The Financial Statements (continued)**

for the year ended 31 December 2016

**1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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 classified as non-current assets. They 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.

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

In 2016 a new asset category, Infrastructure, was created to better reflect the nature of relevant assets. 2015 comparative data has been adjusted accordingly.

**(g) Impairment of property, plant and equipment**

Where the recoverable amount of an asset is less than its carrying amount, the carrying amount is reduced to the recoverable amount. That reduction is an impairment loss, which is recognised as an expense to the Statement of Comprehensive Income. In most cases recoverable amount is based on "value in use" and is determined as the depreciated replacement cost of the asset.

**(h) Intangible assets**

An intangible asset shall be recognised if, and only if:

- (i) it is probable that expected future economic benefits are attributable to the asset and will flow to the University; and
- (ii) the cost of the asset can be measured reliably.

Intangible assets are recognised when the ongoing benefit to the University has been demonstrated and a useful life established.

**(i) Leases**

In accordance with AASB 117 "Leases", leased assets classified as "finance leases" are recognised as assets. The amount initially brought to account as an asset is the present value of minimum lease payments. An equivalent finance lease liability is brought to account at the same time.

Finance leased assets are amortised on a straight-line basis over the estimated useful life of the asset.

Finance lease payments are allocated between interest expense and reduction of lease liability over the term of the lease. The interest expense is determined by applying the interest rate implicit in the lease to the outstanding lease liability at the beginning of each lease payment period.

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.

**(j) Inventories**

Inventories are valued at the lower of cost and net realisable value. Costs are assigned by the method most appropriate to each particular class of inventory, with the majority being measured on a weighted average cost basis.

**Notes To The Financial Statements (continued)**

for the year ended 31 December 2016

**1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****(k) Receivables**

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.

**(l) Investments**

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 37) have not been equity accounted for in the University's financial statements because they are not considered material.

Interest revenue and other investment income is recognised when earned.

**(m) 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 that it incurs, the expenses that it incurs and its share of the income that it earns from the joint research activities.

**(n) Loans receivable**

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.

**(o) Payables**

Payables, including 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. Payables are generally settled within a 30 day term.

**(p) Borrowings**

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.

## Notes To The Financial Statements (continued)

for the year ended 31 December 2016

### 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (q) Employee benefits

##### 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 2016

### 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Accrued or prepaid salaries

Accrued salaries represent the amount due to staff but unpaid at the end of the financial period, as the end of the last pay period for that financial year does not always coincide with the end of the financial period. The University considers that the nominal carrying amount approximates net fair value.

If the payroll is paid on a date prior to the end of the financial year, the amount prepaid which overlaps the year end is treated as a current asset.

#### (r) 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.

#### (s) Taxes

##### Income tax

Curtin University of Technology 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.

Cash flows are included in the Statement of Cash Flows on a gross basis. 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.

#### (t) Other expenses

##### Borrowing costs

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.

##### Repairs and maintenance

All repairs and maintenance expenditure is charged to the Statement of Comprehensive Income during the financial period in which it is incurred.

##### Research and development

Research and development costs, other than costs that meet the criteria for recognition as an intangible asset arising from development, are expensed to the Statement of Comprehensive Income as incurred.

#### (u) Comparative figures

Comparative figures have been, where appropriate, 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 2016

### 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (v) Fair value

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 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.

#### (w) Externally operated campuses

The University provides its educational services through a number of campuses and other locations. The three campuses outside of Western Australia are managed and operated by third parties through contractual arrangements with the University. The University has no ownership or financial interest in these third party companies other than by way of the contractual arrangements.

OPERATOR	CAMPUS
Colleges of Business and Technology (NSW) Pty Ltd (100% subsidiary of Navitas Limited)	Sydney <sup>1</sup> , New South Wales, Australia
Curtin Education Centre Pte Ltd (90% subsidiary of Navitas Limited)	Singapore
Curtin (Malaysia) Sdn Bhd	Miri, Sarawak, Malaysia

<sup>1</sup> The University's Sydney campus is scheduled for closure in early 2017.

#### (x) New Accounting Standards and Interpretations

A number of new Accounting Standards and Interpretations have been published that are not mandatory for the 31 December 2016 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

## Notes To The Financial Statements (continued)

for the year ended 31 December 2016

### 2 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

#### (a) 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.

#### (b) 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).

### 3 DISAGGREGATED INFORMATION

	Revenue		Results <sup>1</sup>		Assets	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
<b>Geographical</b>						
Australia	897,448	889,849	22,440	47,224	1,598,170	1,557,418
Asia	14,587	16,913	12,565	11,521	-	-
Other	3,109	3,236	3,068	3,208	-	-
<b>Total</b>	<b>915,144</b>	<b>909,998</b>	<b>38,073</b>	<b>61,953</b>	<b>1,598,170</b>	<b>1,557,418</b>

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

**Notes To The Financial Statements (continued)**  
for the year ended 31 December 2016

	Note	2016 \$'000	2015 \$'000
<b>4 AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE INCLUDING AUSTRALIAN GOVERNMENT LOANS PROGRAMS (HELP)</b>			
<b>(a) Commonwealth Grants Scheme (CGS) and Other Grants</b>	45(a)		
Commonwealth Grants Scheme		247,666	236,141
Indigenous Support Program		1,138	1,192
Disability Support Program		150	112
Partnership and Participation Program		5,407	6,536
<b>Total Commonwealth Grants Scheme and Other Grants</b>		<b>254,361</b>	<b>243,981</b>
<b>(b) Higher Education Loan Programs</b>	45(b)		
HECS-HELP		144,428	139,838
FEE-HELP		24,785	25,326
SA-HELP		2,239	2,598
<b>Total Higher Education Loan Programs</b>		<b>171,452</b>	<b>167,762</b>
<b>(c) Scholarships</b>	45(c)		
Australian Postgraduate Awards		7,217	7,001
Indigenous Access Scholarships		39	(4)
International Postgraduate Research Scholarships		568	540
Commonwealth Education Costs Scholarships		38	87
Commonwealth Accommodation Scholarships		21	28
<b>Total Scholarships</b>		<b>7,883</b>	<b>7,652</b>
<b>(d) EDUCATION Research</b>	45(d)		
Joint Research Engagement Program		9,263	9,403
JRE Engineering Cadetship		156	154
Sustainable Research Excellence in Universities		3,039	2,302
Research Training Scheme		16,964	16,556
Research Infrastructure Block Grants		4,063	3,264
<b>Total EDUCATION Research Grants</b>		<b>33,485</b>	<b>31,679</b>
<b>(e) Australian Research Council (ARC)</b>			
<b>(i) Discovery</b>	45(e)(i)		
Project		7,002	7,109
Fellowships		2,472	3,265
<b>Total Discovery</b>		<b>9,474</b>	<b>10,374</b>
<b>(ii) Linkages</b>	45(e)(ii)		
Infrastructure		1,539	631
Projects		3,494	3,771
<b>Total Linkages</b>		<b>5,033</b>	<b>4,402</b>
<b>(iii) Centres</b>	45(e)(iii)		
Centres		939	452
Others		69	90
<b>Total Centres</b>		<b>1,008</b>	<b>542</b>
<b>Total ARC</b>		<b>15,515</b>	<b>15,318</b>

**Notes To The Financial Statements (continued)**  
for the year ended 31 December 2016

	Note	2016 \$'000	2015 \$'000
<b>4 AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE INCLUDING AUSTRALIAN GOVERNMENT LOANS PROGRAMS (HELP) (continued)</b>			
<b>(f) Other Australian Government Financial Assistance</b>			
<b>Non-capital</b>			
CRC Cooperative Research Centres Funding		6,230	6,416
CSIRO Flagship Collaborative Research Program		220	2,830
National Drug Law Enforcement Research Fund		-	(17)
NHMRC Grants		5,642	4,303
Other Commonwealth Research Income		13,508	13,677
Other Teaching Grants		594	502
Other Commonwealth Grants		8,248	10,736
Research Funds from Other Universities		1,354	699
		<b>35,796</b>	<b>39,146</b>
<b>Capital</b>			
CRC Cooperative Research Centres Funding		14	-
NHMRC Grants		18	24
Other Commonwealth Research Income		39	478
Other Commonwealth Grants		325	-
Research Funds from Other Universities		12	-
		<b>408</b>	<b>502</b>
<b>Total Other Australian Government Financial Assistance</b>		<b>36,204</b>	<b>39,648</b>
<b>Total Australian Government Financial Assistance</b>		<b>518,900</b>	<b>506,040</b>
<b>Reconciliation</b>			
Australian Government grants [a+c+d+e+f]		347,448	338,278
HECS-HELP payments		144,428	139,838
FEE-HELP payments		24,785	25,326
SA-HELP payments		2,239	2,598
		<b>171,452</b>	<b>167,762</b>
<b>Total Australian Government Financial Assistance</b>		<b>518,900</b>	<b>506,040</b>

**Notes To The Financial Statements (continued)**  
for the year ended 31 December 2016

	Note	2016 \$'000	2015 \$'000
<b>4 AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE INCLUDING AUSTRALIAN GOVERNMENT LOANS PROGRAMS (HELP) (continued)</b>			
<b>(g) Australian Government Grants Received - Cash Basis</b>			
CGS and Other EDUCATION Grants	45 (a)	257,237	241,426
Higher Education Loan Programs	45 (b)	175,340	168,618
Scholarships	45 (c)	7,785	7,542
EDUCATION Research	45 (d)	33,485	31,679
ARC grants - Discovery	45 (e)(i)	9,083	9,833
ARC grants - Linkages	45 (e)(ii)	4,716	3,983
ARC grants - Centres	45 (e)(iii)	1,008	542
Other Australian Government Grants		24,954	34,760
<b>Total Australian Government Grants Received - Cash Basis</b>		<b>513,608</b>	<b>498,383</b>
OS-Help (Net)	45 (f)	1,384	1,064
Superannuation Supplementation	45 (g)	5,347	6,406
<b>Total Australian Government Funding Received - Cash Basis</b>		<b>520,339</b>	<b>505,853</b>
<b>5 STATE AND LOCAL GOVERNMENT FINANCIAL ASSISTANCE</b>			
<b>Non-capital</b>			
State Government		12,328	14,145
<b>Capital</b>			
State Government		11,028	4,331
<b>Total State and Local Government Financial Assistance</b>		<b>23,356</b>	<b>18,476</b>
<b>6 FEES AND CHARGES</b>			
<b>Course Fees and Charges</b>			
Fee-paying onshore overseas students		174,617	166,215
Fee-paying offshore overseas students		6,146	7,303
Continuing education		2,118	2,509
Fee-paying domestic postgraduate students		10,508	12,926
Fee-paying domestic non-award students		10,920	12,496
<b>Total Course Fees and Charges</b>		<b>204,309</b>	<b>201,449</b>

**Notes To The Financial Statements (continued)**  
for the year ended 31 December 2016

	Note	2016 \$'000	2015 \$'000
<b>6 FEES AND CHARGES (continued)</b>			
<b>Other Non-Course Fees and Charges</b>			
Examination fees		-	11
Late fees		245	196
Library fines		61	77
Parking fees		5,854	4,572
Registration fees		180	193
Ancillary fees		199	222
Student accommodation		9,888	9,261
Student Services and Amenities Fees from students		3,399	4,610
Other fees and charges		3,018	2,561
<b>Total Other Non-Course Fees and Charges</b>		<b>22,844</b>	<b>21,703</b>
<b>Total Fees and Charges</b>		<b>227,153</b>	<b>223,152</b>
<b>7 INVESTMENT REVENUE AND OTHER INVESTMENT INCOME</b>			
Distributions and dividends from available-for-sale investments		24,332	31,342
Gain/(loss) on disposal of available-for-sale investments		885	(498)
Cumulative gain/(loss) reclassified from equity on disposal of available-for-sale investments		5,336	99
Interest received		1,304	2,130
<b>Total Investment Revenue</b>		<b>31,857</b>	<b>33,073</b>
<b>8 ROYALTIES, TRADEMARKS AND LICENCES</b>			
Royalties		30,139	46,475
<b>Total Royalties, Trademarks and Licences</b>		<b>30,139</b>	<b>46,475</b>
<b>9 CONSULTANCY AND CONTRACTS</b>			
Consultancy		6,732	11,604
Contract research		23,755	19,377
<b>Total Consultancy and Contracts</b>		<b>30,487</b>	<b>30,981</b>

**Notes To The Financial Statements (continued)**  
for the year ended 31 December 2016

	Note	2016 \$'000	2015 \$'000
<b>10 OTHER REVENUE</b>			
Trading income <sup>1</sup>		8,077	7,235
Rental income		7,476	6,969
Donations		1,991	833
Scholarships and prizes		1,133	746
Non-government grants <sup>2</sup>		5,940	9,712
Insurance claims		163	188
Staff salary cost recoveries		1,455	1,773
Proceeds from sale of minor equipment		49	14
Conference income		519	852
Other		1,267	291
<b>Total Other Revenue</b>		<b>28,070</b>	<b>28,613</b>

<sup>1</sup> Revenue from sale of goods is included under "Trading Income". No revenue from sale of goods was recorded in 2016 (2015: nil).

<sup>2</sup> Non-government grants include revenue for training workshops and other sundry income.

**Notes To The Financial Statements (continued)**  
for the year ended 31 December 2016

	Note	2016 \$'000	2015 \$'000
<b>11 EMPLOYEE RELATED EXPENSES</b>			
<b>Academic</b>			
Salaries		215,451	205,699
Contribution to superannuation and pension schemes			
Contribution to unfunded schemes		238	116
Contribution to funded schemes		34,978	32,514
Long service leave		7,443	5,656
Annual leave		15,994	12,371
Payroll tax		14,704	14,074
Worker's compensation		639	276
<b>Total Academic</b>		<b>289,447</b>	<b>270,706</b>
<b>Non-Academic</b>			
Salaries		191,614	182,248
Contribution to superannuation and pension schemes			
Contributions to unfunded schemes		(232)	(69)
Contributions to funded schemes		29,996	27,828
Long service leave		7,172	5,476
Annual leave		14,506	10,836
Payroll tax		13,077	12,426
Worker's compensation		424	6
<b>Total Non-Academic</b>		<b>256,557</b>	<b>238,751</b>
<b>Total Employee Related Expenses</b>		<b>546,004</b>	<b>509,457</b>
Deferred superannuation expense	44 (b)	344	379
<b>Total Employee Related Expenses including Deferred Government Employee Benefits for Superannuation</b>		<b>546,348</b>	<b>509,836</b>
<b>12 DEPRECIATION AND AMORTISATION</b>			
Buildings		31,563	26,408
Leasehold Land		132	132
Infrastructure		4,349	3,860
Computing equipment		3,675	2,964
Other equipment and furniture		13,099	10,185
Motor vehicles		191	178
Library collection		2,526	4,712
<b>Total Depreciation Expense</b>		<b>55,535</b>	<b>48,439</b>

**Notes To The Financial Statements (continued)**  
for the year ended 31 December 2016

	Note	2016 \$'000	2015 \$'000
<b>13 REPAIRS AND MAINTENANCE</b>			
Building repairs		6,349	4,733
General infrastructure maintenance		6,589	8,341
Parks and gardens		1,328	1,457
<b>Total Repairs and Maintenance</b>		<b>14,266</b>	<b>14,531</b>
<b>14 BORROWING COSTS</b>			
Interest on borrowings		3,723	3,840
Less: Amount capitalised		-	-
<b>Total Borrowing Costs</b>		<b>3,723</b>	<b>3,840</b>
<b>15 IMPAIRMENT OF ASSETS</b>			
Bad debts written off/(recoveries)		28	(6)
Movement in provision for impaired receivables		796	188
Net impairment /(impairment reversal) of other financial assets		383	(87)
<b>Total Impairment of Assets</b>		<b>1,207</b>	<b>95</b>
<b>16 NET LOSS/(GAIN) ON DISPOSAL OF NON-CURRENT ASSETS</b>			
Carrying amount of disposed non-current assets			
Property, plant and equipment		102	557
Proceeds from disposal of non-current assets			
Property, plant and equipment		(54)	(65)
<b>Net Loss/(Gain) on Disposal of Non-Current Assets</b>		<b>48</b>	<b>492</b>

**Notes To The Financial Statements (continued)**  
for the year ended 31 December 2016

	Note	2016 \$'000	2015 \$'000
<b>17 OTHER EXPENSES</b>			
Advertising, marketing and promotional		6,047	6,531
Agency staff costs		8,993	9,932
Books		4,621	4,820
Computer peripherals and parts		23,274	20,707
Consumables		12,010	14,085
Contract work		46,276	49,968
Exchange rate (gains)/losses		769	(194)
Fees and commissions		25,310	24,668
Financial assistance provided/research support		3,228	3,919
Graduations		907	969
Hospitality		3,427	3,802
Insurance		3,924	2,983
Inventory used and sold		468	1,004
Lease and rental		4,664	4,874
Non-capitalised equipment		6,224	5,963
Occupational health, safety and welfare		557	501
Partner service fees		6,658	18,616
Postage and courier		1,087	1,029
Publications		688	532
Scholarships, grants and prizes		49,623	46,273
Security		701	508
Staff development and training		4,566	4,620
Staff recruitment		1,493	2,052
Subscriptions		6,016	7,809
Telecommunications		1,784	2,367
Travel		16,183	14,581
Utilities and cleaning		13,820	15,022
Other		2,626	2,871
<b>Total Other Expenses</b>		<b>255,944</b>	<b>270,812</b>

**18 DISCONTINUED OPERATIONS**

There were no discontinued operations in 2016. In 2015 the University announced that its Sydney campus would close in 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.

**Notes To The Financial Statements (continued)**  
for the year ended 31 December 2016

	Note	2016 \$'000	2015 \$'000
<b>19 CASH AND CASH EQUIVALENTS</b>			
<b>(a) Cash and Cash Equivalents – Unrestricted</b>			
Cash at bank and on hand <sup>1</sup>		26,804	34,115
Fixed Term Deposits <sup>2</sup>		-	7,124
<b>Total Cash and Cash Equivalents – Unrestricted</b>		<b>26,804</b>	<b>41,239</b>
<b>(b) Cash and Cash Equivalents – Restricted</b>			
Trust cash at bank <sup>1</sup>		40	105
Trust Fixed Term Deposit <sup>2</sup>		1,920	1,814
<b>Total Cash and Cash Equivalents – Restricted</b>		<b>1,960</b>	<b>1,919</b>
<b>Total Cash and Cash Equivalents</b>		<b>28,764</b>	<b>43,158</b>

<sup>1</sup> Cash on hand is non-interest bearing. Cash at bank is subject to variable interest rates (refer Note 31).

<sup>2</sup> Deposits are interest bearing at variable interest rates (refer Note 31). These deposits have an average maturity of 42 Days (2015: 78 days).

**20 RECEIVABLES**

<b>Current</b>			
Student receivables		10,245	6,914
Less: Provision for impaired receivables		(2,001)	(1,213)
		8,244	5,701
<b>General receivables</b>			
General receivables		15,942	17,453
Less: Provision for impaired receivables		(177)	(169)
		15,765	17,284
Deferred government contribution for superannuation	44(b)	4,049	3,996
<b>Total Current</b>		<b>28,058</b>	<b>26,981</b>
<b>Non-Current</b>			
Deferred government contribution for superannuation	44(b)	57,525	60,573
<b>Total Receivables</b>		<b>85,583</b>	<b>87,554</b>
<b>Impaired receivables</b>			
As at 31 December 2016, current receivables for student fees with a nominal value of \$2.001 million (2015: \$1.213 million) were impaired. The amount of the provision was \$2.001 million (2015: \$1.213 million).			
The ageing of these receivables is as follows:			
Less than 12 months		351	3
Greater than 12 months		1,650	1,210
		2,001	1,213

**Notes To The Financial Statements (continued)**  
for the year ended 31 December 2016

	Note	2016 \$'000	2015 \$'000
<b>20 RECEIVABLES (continued)</b>			
As at 31 December 2016, current receivables for student fees of \$3.460 million (2015: \$2.243 million) were past due date but not impaired.			
The ageing of these receivables is as follows:			
Less than 12 months		3,460	2,243
Greater than 12 months		-	-
		3,460	2,243
Movements in the provision for impaired student fees receivables are as follows:			
Balance at start of year		1,213	979
Provision for impairment recognised during the year		832	236
Receivables written-off during the year as uncollectible		(44)	(2)
Unused amount reversed		-	-
Balance at end of year		2,001	1,213
As at 31 December 2016, current general receivables with a nominal value of \$0.177 million (2015: \$0.169 million) were impaired.			
The ageing of these receivables is as follows:			
Less than 12 months		22	16
Greater than 12 months		155	153
		177	169
As at 31 December 2016, current general receivables of \$11.371 million (2015: \$10.701 million) were past due date but not impaired.			
The ageing of these receivables is as follows:			
Less than 12 months		11,371	10,701
Greater than 12 months		-	-
		11,371	10,701
Movements in the provision for impaired general receivables are as follows:			
Balance at start of year		169	215
Receivables written-off during the year as uncollectible		-	-
Provision for impairment recognised during the year		177	-
Unused amount reversed		(169)	(46)
Balance at end of year		177	169

**Notes To The Financial Statements (continued)**  
for the year ended 31 December 2016

	Note	2016 \$'000	2015 \$'000
<b>21 INVENTORIES</b>			
Inventories not held for resale:			
General stores		89	91
<b>Total Inventories</b>		<b>89</b>	<b>91</b>
<b>22 OTHER FINANCIAL ASSETS – UNRESTRICTED</b>			
<b>Current</b>			
<b>Loans receivable</b>			
Other loans		450	887
<b>Total Current Other Financial Assets</b>		<b>450</b>	<b>887</b>
<b>Non-Current</b>			
<b>Available-for-Sale</b>			
Funds under management		336,291	373,343
Unlisted shares and warrants		12,863	11,035
<b>Total Non-Current Other Financial Assets</b>		<b>349,154</b>	<b>384,377</b>
<b>Total Other Financial Assets – Unrestricted</b>		<b>349,604</b>	<b>385,264</b>
<b>23 OTHER FINANCIAL ASSETS – RESTRICTED</b>			
<b>Current Available-for-Sale</b>			
<b>Restricted funds under management</b>			
Research activities		88,202	85,950
Donations and prizes		30,517	28,422
Trusts		7,238	6,886
<b>Total Restricted Funds Under Management (at fair value)</b>		<b>125,957</b>	<b>121,258</b>
<b>Total Restricted Other Financial Assets</b>		<b>125,957</b>	<b>121,258</b>
Restricted funds are held as cash (refer Note 19(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 31.			
<b>24 OTHER NON-FINANCIAL ASSETS</b>			
<b>Current</b>			
Prepayments		25,304	24,432
Accrued income		4,312	11,535
<b>Total Current Other Non-Financial Assets</b>		<b>29,616</b>	<b>35,967</b>
<b>Non-Current</b>			
Prepayments		3,790	4,012
<b>Total Non-Current Other Non-Financial Assets</b>		<b>3,790</b>	<b>4,012</b>
<b>Total Other Non-Financial Assets</b>		<b>33,406</b>	<b>39,979</b>

**Notes To The Financial Statements (continued)**  
for the year ended 31 December 2016

	Note	2016 \$'000	2015 \$'000
<b>25 PROPERTY, PLANT AND EQUIPMENT</b>			
<b>Land <sup>1</sup></b>			
At cost		78,998	78,998
Accumulated impairment		-	-
		<b>78,998</b>	<b>78,998</b>
<b>Buildings</b>			
At cost		851,916	733,923
Accumulated depreciation and impairment		(239,648)	(208,272)
		<b>612,268</b>	<b>525,651</b>
<b>Infrastructure</b>			
At cost		117,984	110,382
Accumulated depreciation and impairment		(29,580)	(25,231)
		<b>88,404</b>	<b>85,151</b>
<b>Leasehold land</b>			
At cost		4,654	4,654
Accumulated depreciation		(1,745)	(1,612)
		<b>2,909</b>	<b>3,042</b>
<b>Work in progress</b>			
At cost		85,980	93,196
<b>Computing equipment</b>			
At cost		27,193	19,684
Accumulated depreciation		(17,166)	(13,491)
		<b>10,027</b>	<b>6,193</b>
<b>Other equipment and furniture</b>			
At cost		144,916	128,369
Accumulated depreciation		(83,925)	(72,181)
		<b>60,991</b>	<b>56,188</b>
<b>Motor vehicles</b>			
At cost		1,276	1,341
Accumulated depreciation		(952)	(899)
		<b>324</b>	<b>442</b>
<b>Library collections</b>			
At cost		29,293	23,345
Accumulated depreciation		(7,238)	(4,712)
		<b>22,055</b>	<b>18,633</b>
<b>Works of art</b>			
At cost		12,811	12,619
<b>Total Property, Plant and Equipment</b>		<b>974,767</b>	<b>880,113</b>

<sup>1</sup> Parts of the sites upon which the University is located at, in particular the Bentley and Kalgoorlie campuses, are vested in the University by the government of Western Australia.

**Notes To The Financial Statements (continued)**  
for the year ended 31 December 2016

**25 PROPERTY, PLANT AND EQUIPMENT (continued)**

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

2016	Land \$'000	Buildings \$'000	Infrastructure <sup>1</sup> \$'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
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
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 charge	-	(31,563)	(4,349)	(132)	-	(3,675)	(13,099)	(191)	(2,526)	-	(55,535)
<b>Carrying amount at end of year</b>	<b>78,998</b>	<b>612,268</b>	<b>88,404</b>	<b>2,909</b>	<b>85,980</b>	<b>10,027</b>	<b>60,991</b>	<b>324</b>	<b>22,055</b>	<b>12,811</b>	<b>974,767</b>
<b>2015</b>											
Carrying amount at start of year	78,998	499,392	81,442	3,174	49,195	6,405	49,529	474	18,067	12,550	799,226
Additions	-	205	-	-	111,474	2,376	10,334	146	5,278	70	129,883
Cost of disposals	-	(1,474)	-	-	-	(21)	(1,074)	(122)	(6,624)	(1)	(9,316)
Accumulated depreciation on disposals	-	979	-	-	-	21	1,013	122	6,624	-	8,759
Transfers in/(out)	-	52,957	7,569	-	(67,473)	376	6,571	-	-	-	-
Depreciation charge	-	(26,408)	(3,860)	(132)	-	(2,964)	(10,185)	(178)	(4,712)	-	(48,439)
Carrying amount at end of year	78,998	525,651	85,151	3,042	93,196	6,193	56,188	442	18,633	12,619	880,113

<sup>1</sup> In 2016 a new asset category, Infrastructure, was created to better reflect the nature of relevant assets. 2015 comparative data has been adjusted accordingly.

**Notes To The Financial Statements (continued)**  
for the year ended 31 December 2016

	Note	2016 \$'000	2015 \$'000
<b>26 TRADE AND OTHER PAYABLES</b>			
Current			
Total Payables		22,732	14,972
<b>27 BORROWINGS</b>			
Current			
Interest bearing Treasury loans		1,881	1,761
Non-Current			
Interest bearing Treasury loans		52,595	54,475
<b>Total Borrowings</b>		<b>54,476</b>	<b>56,236</b>

**Treasury Loans**

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

	Average Interest rate	Maturity date	Principal outstanding	
			2016 \$'000	2015 \$'000
<b>Muresk Campus housing</b>				
- 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
<b>Bentley Campus housing</b>				
- 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
<b>Chemistry Centre of WA building</b>				
- monthly principal and fixed rate interest repayments	6.77%	01.07.2029	31,982	33,542
- monthly principal and fixed rate interest repayments	5.11%	01.07.2029	3,644	3,844
<b>Total Treasury Loans</b>			<b>54,476</b>	<b>56,236</b>

**Notes To The Financial Statements (continued)**  
for the year ended 31 December 2016

	Note	2016 \$'000	2015 \$'000
<b>27 BORROWINGS (continued)</b>			
<b>Financing facilities available</b>			
At reporting date, the following financing facilities had been negotiated and were available:			
Total facilities:			
- Treasury Loans		54,476	56,236
Facilities used at reporting date:			
- Treasury Loans		54,476	56,236
Facilities unused at reporting date:			
- Treasury Loans		-	-

**Assets pledged as security**

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

**Fair value**

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

	2016		2015	
	Carrying Amount \$'000	Fair Value \$'000	Carrying Amount \$'000	Fair Value \$'000
<b>Muresk Campus housing</b>				
- fixed rate interest only quarterly repayments with the loan principal to be repaid at date of maturity	2,050	2,216	2,050	2,283
<b>Bentley Campus housing</b>				
- fixed rate interest only quarterly repayments with the loan principal to be repaid at date of maturity	16,800	17,947	16,800	18,608
<b>Chemistry Centre of WA building</b>				
- monthly principal and fixed rate interest repayments	31,982	39,018	33,542	41,114
- monthly principal and fixed rate interest repayments	3,644	4,065	3,844	4,283
<b>Total Treasury Loans</b>	<b>54,476</b>	<b>63,246</b>	<b>56,236</b>	<b>66,288</b>

The fair value of the loans have been prepared assuming hypothetical settlement dates of 31 December 2016 and 31 December 2015.

**Notes To The Financial Statements (continued)**  
for the year ended 31 December 2016

	Note	2016 \$'000	2015 \$'000
<b>28 PROVISIONS</b>			
<b>Employee benefits provisions</b>			
<b>Current provisions expected to be settled within 12 months</b>			
Annual leave		30,390	30,204
Long service leave		21,086	19,637
Employment on-costs		3,346	3,239
Redundancy costs		1,474	3,551
Defined benefit obligation			
Deferred employee benefits for unfunded superannuation	44(b)	4,049	3,996
Other University pension liabilities	44(a)	120	113
		<b>60,465</b>	<b>60,740</b>
<b>Current provisions expected to be settled after more than 12 months</b>			
Annual leave		2,210	1,902
Long service leave		7,861	5,643
Employment on-costs		655	491
Redundancy costs		682	1,258
		<b>11,408</b>	<b>9,294</b>
<b>Total Current Provisions</b>		<b>71,873</b>	<b>70,034</b>
<b>Non-Current</b>			
<b>Employee benefits provisions</b>			
Long service leave		28,753	26,546
Employment on-costs		1,869	1,726
Defined benefit obligation			
Deferred employee benefits for unfunded superannuation	44(b)	57,525	60,573
Other University pension liabilities	44(a)	644	766
<b>Total Non-Current Provisions</b>		<b>88,791</b>	<b>89,611</b>
<b>Total Provisions</b>		<b>160,664</b>	<b>159,645</b>

**Notes To The Financial Statements (continued)**  
for the year ended 31 December 2016

	Note	2016 \$'000	2015 \$'000
<b>28 PROVISIONS (continued)</b>			
<b>Movements in Other Provisions</b>			
Movements in each class of provision during the financial year, other than employee benefits, are set out below:			
<i>Employment on-costs provision</i>			
Balance at beginning of year		5,456	5,591
Addition/(reduction) in provisions recognised		2,899	2,239
Reduction arising from payments		(2,485)	(2,374)
Balance at end of year		5,870	5,456
<i>Redundancy costs provision</i>			
Balance at beginning of year		4,809	4,064
Addition/(reduction) in provisions recognised		(1,874)	1,654
Reduction arising from payments		(779)	(909)
Balance at end of year		2,156	4,809
<b>29 OTHER LIABILITIES</b>			
<b>Current</b>			
Income received in advance		46,428	43,349
Accrued expenses		19,878	36,485
Monies held in trust		9,198	8,783
<b>Total Other Liabilities</b>		<b>75,504</b>	<b>88,617</b>
<b>30 EQUITY</b>			
<b>Reserves</b>			
Investments revaluation reserve	30(a)	61,757	52,984
Research grants reserve	30(b)	88,202	85,950
<b>Total Reserves</b>		<b>149,959</b>	<b>138,934</b>
<b>Retained earnings</b>		<b>1,134,835</b>	<b>1,099,014</b>

**Notes To The Financial Statements (continued)**  
for the year ended 31 December 2016

	Note	2016 \$'000	2015 \$'000
<b>30 EQUITY (continued)</b>			
<b>(a) Investments revaluation reserve</b>			
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		52,984	51,535
Unrealised valuation gain/(loss)		14,492	1,276
Realised (gain)/loss on sale of financial assets		(5,336)	250
Impairment reversal/(impairment) of financial assets		(383)	(77)
Movement for the year		8,773	1,449
Balance at end of year		61,757	52,984
<b>(b) Research grants reserve</b>			
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		85,950	75,731
Transfer to reserves		32,943	34,488
Transfers from reserves		(30,691)	(24,269)
Balance at end of year		88,202	85,950

**Notes To The Financial Statements (continued)**  
for the year ended 31 December 2016

**31 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 <sup>2</sup>		Interest Rate Risk Sensitivity				Price Risk Sensitivity <sup>3</sup>				Credit Risk \$'000		
						Less than 1 year \$'000	1-5 years \$'000	More than 5 years \$'000	-10%		+10%		-200 bps		+200 bps		-15%			+15%	
									Net Result \$'000	Other Equity \$'000	Net Result \$'000	Other Equity \$'000	Net Result \$'000	Other Equity \$'000	Net Result \$'000	Other Equity \$'000	Net Result \$'000	Other Equity \$'000		Net Result \$'000	Other Equity \$'000
<b>2016</b>																					
<b>Financial Assets</b>																					
Cash and cash equivalents	1.55%	1	28,763	-	28,764	28,764	-	-	-	-	-	-	(996)	-	996	-	-	-	-	-	-
Receivables	-	24,009	-	-	24,009	24,009	-	-	-	-	-	-	-	-	-	-	-	-	-	-	24,009
Loans receivable	-	450	-	-	450	450	-	-	-	-	-	-	-	-	-	-	-	-	-	-	450
Unlisted securities (unrestricted)	-	12,863	-	-	12,863	-	12,863	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Funds under management (unrestricted) <sup>1,4</sup>	-	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) <sup>4</sup>	-	125,957	-	-	125,957	-	-	125,957	-	-	-	-	-	-	-	-	(175)	(18,720)	9	18,886	-
<b>Total Financial Assets</b>		<b>497,604</b>	<b>30,730</b>	<b>-</b>	<b>528,334</b>	<b>53,223</b>	<b>16,546</b>	<b>458,565</b>	<b>-</b>	<b>4,067</b>	<b>-</b>	<b>(4,067)</b>	<b>(996)</b>	<b>-</b>	<b>996</b>	<b>-</b>	<b>(641)</b>	<b>(68,701)</b>	<b>33</b>	<b>69,309</b>	<b>26,426</b>
<b>Financial Liabilities</b>																					
Payables		22,732	-	-	22,732	22,732	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings	6.73%	-	-	54,476	54,476	1,881	27,740	24,855	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Financial Liabilities</b>		<b>22,732</b>	<b>-</b>	<b>54,476</b>	<b>77,208</b>	<b>24,613</b>	<b>27,740</b>	<b>24,855</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>2015</b>																					
<b>Financial Assets</b>																					
Cash and cash equivalents	2.17%	5	43,153	-	43,158	43,158	-	-	-	-	-	-	(1,451)	-	1,451	-	-	-	-	-	-
Receivables	-	22,985	-	-	22,985	22,985	-	-	-	-	-	-	-	-	-	-	-	-	-	-	22,985
Loans receivable	-	887	-	-	887	887	-	-	-	-	-	-	-	-	-	-	-	-	-	-	887
Unlisted securities (unrestricted)	-	11,035	-	-	11,035	-	11,035	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Funds under management (unrestricted) <sup>1,4</sup>	-	371,431	1,912	-	373,343	-	3,601	369,742	-	4,661	-	(4,661)	-	-	-	-	(1,129)	(54,874)	66	55,937	1,912
Funds under management (restricted) <sup>4</sup>	-	121,258	-	-	121,258	-	-	121,258	-	-	-	-	-	-	-	-	(367)	(17,822)	21	18,168	-
<b>Total Financial Assets</b>		<b>527,601</b>	<b>45,065</b>	<b>-</b>	<b>572,666</b>	<b>67,030</b>	<b>14,636</b>	<b>491,000</b>	<b>-</b>	<b>4,661</b>	<b>-</b>	<b>(4,661)</b>	<b>(1,451)</b>	<b>-</b>	<b>1,451</b>	<b>-</b>	<b>(1,496)</b>	<b>(72,696)</b>	<b>87</b>	<b>74,105</b>	<b>25,784</b>
<b>Financial Liabilities</b>																					
Payables		14,972	-	-	14,972	14,972	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings	6.73%	-	-	56,236	56,236	1,761	27,174	27,301	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Financial Liabilities</b>		<b>14,972</b>	<b>-</b>	<b>56,236</b>	<b>71,208</b>	<b>16,733</b>	<b>27,174</b>	<b>27,301</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

<sup>1</sup> Funds under management mainly comprise investments in unit based funds. Credit risk exposure relates only to funds under management not in unit-based funds.

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

<sup>3</sup> 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.

<sup>4</sup> Funds under management in unit-based funds receive income by way of distributions and do not attract interest.

## Notes To The Financial Statements (continued)

for the year ended 31 December 2016

### 32 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.

#### (a) 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 27 and 31 provide further detail.

Note 31 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 2016, 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 31 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 \$69.309 million (2015: \$74.105 million) higher and the Net Result would have been \$0.033 million (2015: \$0.087 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 \$68.701 million (2015: \$72.696 million) and the impairment loss that would have been recognised through the Net Result on previously impaired assets would have been \$0.641 million (2015: \$1.496 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 2016

### 32 FINANCIAL RISK MANAGEMENT (continued)

#### (b) 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 31.

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 \$0.055 million (2015: \$0.087 million).

#### (c) 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.

### 33 FAIR VALUE

#### (a) Fair Value Measurements

The fair values of financial assets and financial liabilities shown in Note 31 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).
- Unlisted shares are not traded on an active market and are measured at cost which is assumed to approximate fair value, except where an unobservable input can 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 (2015: 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 2016

#### 33 FAIR VALUE (continued)

##### (b) Fair Value Hierarchy

	2016		2015		2016 Fair Value Hierarchy			2015 Fair Value Hierarchy		
	Carrying amount \$'000	Carrying amount \$'000	Fair value \$'000	Fair value \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
<b>Financial Assets</b>										
Cash and cash equivalents	28,764	43,158	28,764	43,158	-	-	-	-	-	-
Receivables	24,009	22,985	24,009	22,985	-	-	-	-	-	-
Loans advanced	450	887	443	869	-	-	-	-	-	-
Unlisted securities (unrestricted)	12,863	11,035	12,863	11,035	-	-	12,863	-	-	11,035
Funds under management (unrestricted)	336,291	373,343	336,291	373,343	334,324	1,967	-	371,431	1,912	-
Funds under management (restricted)	125,957	121,258	125,957	121,258	125,957	-	-	121,258	-	-
<b>Total Financial Assets</b>	<b>528,334</b>	<b>572,666</b>	<b>528,327</b>	<b>572,648</b>	<b>460,281</b>	<b>1,967</b>	<b>12,863</b>	<b>492,689</b>	<b>1,912</b>	<b>11,035</b>
<b>Financial Liabilities</b>										
Payables	22,732	14,972	22,732	14,972	-	-	-	-	-	-
Borrowings	54,476	56,236	63,246	66,288	63,246	-	-	66,288	-	-
<b>Total Financial Liabilities</b>	<b>77,208</b>	<b>71,208</b>	<b>85,978</b>	<b>81,260</b>	<b>63,246</b>	<b>-</b>	<b>-</b>	<b>66,288</b>	<b>-</b>	<b>-</b>

##### (c) 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.

### Notes To The Financial Statements (continued)

for the year ended 31 December 2016

#### 33 FAIR VALUE (continued)

##### (d) Fair Value Measurement Using Significant Unobservable Inputs (Level 3)

	2016 \$'000	2015 \$'000
<b>Unlisted securities (unrestricted)</b>		
Opening Balance	11,035	1,837
Acquisitions	-	-
Impairment	-	-
Recognised in profit or loss	-	-
Recognised in other comprehensive income	1,828	9,198
<b>Closing Balance</b>	<b>12,863</b>	<b>11,035</b>

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 \$0.130 million respectively.

#### 34 REMUNERATION OF MEMBERS OF THE ACCOUNTABLE AUTHORITY AND SENIOR OFFICERS

##### (a) Remuneration of 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  
 Ms Cathryn Carver (ceased 14 September 2016)  
 Dr Andrew Crane  
 Mr Alex Jones  
 Mr Michael Lishman  
 Dr Michael Stanford

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

Ms Sue Wilson

###### Member who is the Chief Executive Officer

Professor Deborah Terry, Vice-Chancellor

###### Members elected by full-time academic staff

Professor Dale Pinto  
 Professor Glenda Scully

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

Mr Andy Sharp (ceased 17 June 2016)  
 Mr Andrew McLean (commenced 18 June 2016)

###### Co-opted Members

Mr Colin Beckett, Chancellor  
 Mr Steve Scudamore  
 Mr Gene Tilbrook

###### Members who are members of bodies that represent the interests of the University in places other than the University's principal campus

Vacant

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

Associate Professor Linley Lord

###### Members elected by students

Ms Noni Elliott Hobbs (elected 13 April 2016)  
 Mr Jason Giancono (ceased 12 April 2016)  
 Ms Saraya Martin (ceased 12 April 2016)  
 Mr Liam O'Neill (elected 13 April 2016)

**Notes To The Financial Statements (continued)**

for the year ended 31 December 2016

**34 REMUNERATION OF MEMBERS OF THE ACCOUNTABLE AUTHORITY AND SENIOR OFFICERS (continued)****Remuneration of Members of the Accountable Authority**

The number of Members of the Accountable Authority whose total fees, salaries, superannuation and other benefits for the financial year, fall within the following bands were:

	2016 Number	2015 Number
Nil - \$10,000	5	6
\$10,001 - \$20,000	2	3
\$20,001 - \$30,000	2	1
\$30,001 - \$40,000	4	3
\$80,001 - \$90,000	1	1
\$90,001 - \$100,000	1	-
\$130,001 - \$140,000	1	-
\$180,001 - \$190,000	-	1
\$190,001 - \$200,000	1	-
\$230,001 - \$240,000	1	-
\$240,001 - \$250,000	-	1
\$250,001 - \$260,000	-	1
\$270,001 - \$280,000	1	1
\$780,001 - \$790,000	-	1
\$810,001 - \$820,000	1	-
	<b>2016 \$'000</b>	<b>2015 \$'000</b>
<b>Aggregate Remuneration of Members of the Accountable Authority<sup>(a)</sup></b>	<b>2,081</b>	<b>2,015</b>

<sup>(a)</sup> Includes accrued leave**(b) Remuneration of Senior Officers**

The number of Senior Officers other than Senior Officers reported as Members of the Accountable Authority, whose total of fees, salaries, superannuation and other benefits for the financial year, fall within the following bands were:

	2016 Number	2015 Number
Nil - \$10,000	1	1
100,001 - 110,000	2	-
\$140,001 - \$150,000	1	-
\$150,001 - \$160,000	1	-
\$190,001 - \$200,000	-	1
\$220,001 - \$230,000	1	-
\$240,001 - \$250,000	-	1
\$250,001 - \$260,000	-	1
\$260,001 - \$270,000	-	1
\$280,001 - \$290,000	2	-
\$290,001 - \$300,000	-	1
\$320,001 - \$330,000	1	-
\$330,001 - \$340,000	1	-

**Notes To The Financial Statements (continued)**

for the year ended 31 December 2016

**34 REMUNERATION OF MEMBERS OF THE ACCOUNTABLE AUTHORITY AND SENIOR OFFICERS (continued)**

	2016 Number	2015 Number
\$350,001 - \$360,000	-	1
\$360,001 - \$370,000	-	1
\$370,001 - \$380,000	-	2
\$380,001 - \$390,000	-	1
\$390,001 - \$400,000	-	2
\$400,001 - \$410,000	4	1
\$410,001 - \$420,000	-	1
\$420,001 - \$430,000	1	-
\$450,001 - \$460,000	-	1
\$460,001 - \$470,000	2	1
\$490,001 - \$500,000	1	-
	<b>2016 \$'000</b>	<b>2015 \$'000</b>
<b>Aggregate Remuneration of Senior Officers<sup>(a)</sup></b>	<b>5,442</b>	<b>5,643</b>

<sup>(a)</sup> Includes accrued leave**35 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:

	2016 \$'000	2015 \$'000
<b>(a) Audit and review of the Financial Statements</b>		
<b>Fees paid to the Office of the Auditor General</b>	<b>284</b>	<b>281</b>
<b>(b) Other audit and assurance services<sup>1</sup></b>		
Fees paid to the Office of the Auditor General	14	14
Australian Government - Department of Agriculture	3	-
Casilli Holdings Pty Ltd	17	22
Council of Ambulance Authorities Inc	4	3
Independent Appraisal	1	-
Nexia Edwards Marshall	10	-
Quantum Assurance	-	8
SAI Global Limited	5	4
JMG Building Surveyors	-	6
Western Australian QUA	-	1
Daff Biosec	-	1
<b>Total fees paid for other audit services</b>	<b>54</b>	<b>62</b>
<b>Total Remuneration of Auditors</b>	<b>338</b>	<b>343</b>

<sup>1</sup> Other audit and assurance services are related to compliance audits and research project audits.

## Notes To The Financial Statements (continued)

for the year ended 31 December 2016

### 36 RELATED PARTIES

#### Transactions with specified Accountable Authority and Senior Officers

##### (a) Accountable Authority and Senior Officers' remuneration and retirement benefits

Details of remuneration and retirement benefits are disclosed in Note 34.

##### (b) Other transactions with specified Accountable Authority, Senior Officers and Related Parties

University Council members, or their related entities, may conduct transactions with the University that occur within a normal employee, customer or supplier relationship on terms and conditions that are no more favourable than those with which it is reasonable to expect the University to adopt if it was dealing at arm's length in similar circumstances.

These transactions include the following and have been quantified below where the transactions are considered likely to be of interest to users of these financial statements:

Transaction Type	Related party	2016 \$'000	2015 \$'000
Purchases	Curtin Student Guild	4,370	4,620
Revenue	Curtin Student Guild	808	2,382
Receivable at 31 December	Curtin Student Guild	1,159	2,086
Payable at 31 December	Curtin Student Guild	-	7

##### (c) Loans to Related Parties

Balance at beginning of year	887	788
Loans advanced	-	99
Loans repayment received	-	-
Loans impaired	(437)	-
Interest charged	-	-
Interest received	-	-
Balance at end of year	450	887

The University invests in a number of unlisted companies which are established to commercialise intellectual property. Loans were advanced to some of these entities.

### 37 JOINT OPERATIONS AND ASSOCIATES

#### Companies

Details of the University's significant associates at 31 December 2016 are listed below.

Name of entity	Country of incorporation	Carrying value of Investment		Equity holding	
		2016 \$'000	2015 \$'000	2016 %	2015 %
<b>Associates</b>					
HiSeis Pty Ltd	Australia	275	275	44	44
iCetana Pty Ltd	Australia	600	600	39	39
Renergi Pty Ltd <sup>1</sup>	Australia	1	1	48	48

<sup>1</sup> A loan of \$0.450 million is disclosed within Note 36(c).

## Notes To The Financial Statements (continued)

for the year ended 31 December 2016

### 38 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 contingent assets at the reporting date.

### 39 COMMITMENTS

	2016 \$'000	2015 \$'000
<b>(a) Capital commitments</b>		
Capital expenditure contracted for at the reporting date but not recognised as liabilities is as follows:		
<b>Property, Plant and Equipment</b>		
Within one year	11,719	80,656
Between one and five years	-	11,748
Later than five years	-	-
<b>Total Capital Commitments</b>	<b>11,719</b>	<b>92,404</b>
<b>(b) Lease commitments</b>		
<b>Operating leases</b>		
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	10,069	11,108
Between one and five years	16,041	21,434
Later than five years	55,419	64,599
<b>Total future minimum lease payments</b>	<b>81,529</b>	<b>97,141</b>
<b>(c) Other expenditure commitments</b>		
Commitments in relation to purchase orders are payable as follows:		
Within one year	24,920	20,205
<b>(d) Loans commitment to related parties</b>		
Loans committed at the reporting date but not recognised as liabilities are as follows:		
Within one year	-	-
Between one and five years	-	-
Later than five years	-	-
<b>Total loans commitment to related parties</b>	<b>-</b>	<b>-</b>

All the above commitments are inclusive of GST where applicable.

## Notes To The Financial Statements (continued)

for the year ended 31 December 2016

### 40 EVENTS OCCURRING AFTER REPORTING DATE

A number of amendments to the University's enabling legislation became effective as of 2 January 2017. Included in those amendments is a change in the University's name from Curtin University of Technology to Curtin University. The name change is part of an important shift to strengthen and clarify Curtin's brand.

### 41 NOTES TO THE STATEMENT OF CASH FLOWS

	2016 \$'000	2015 \$'000
<b>(a) Reconciliation to cash</b>		
Cash at the end of the year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:		
Unrestricted cash and cash equivalents (Note 19(a))	26,804	41,239
Restricted cash and cash equivalents (Note 19(b))	1,960	1,919
Balance as per Statement of Cash Flows	28,764	43,158
<b>(b) Reconciliation of net result to net cash provided by operating activities</b>		
Net result for the year	38,073	61,953
Depreciation expense	55,535	48,439
Net loss/(gain) on disposal of non-current assets	48	492
Impairment of assets	1,207	95
Other non-cash items	(8,311)	3,566
Net exchange differences	-	(194)
<b>Changes in assets and liabilities:</b>		
(Increase)/decrease in receivables	1,148	3,748
(Increase)/decrease in inventories	2	7
(Increase)/decrease in other current assets	6,573	(6,434)
Increase/(decrease) in trade and other payables	7,760	(2,234)
Increase/(decrease) in provisions	1,019	(5,064)
Increase/(decrease) in other current liabilities	(13,113)	15,672
<b>Net cash provided by/(used in) operating activities</b>	<b>89,941</b>	<b>120,046</b>

### 42 NON-CASH FINANCING AND INVESTING ACTIVITIES

During the year, the University received and re-invested non-cash distributions net of fees from the available-for-sale investments of \$0.201 million (2015: \$0.038 million). The investment revenue was not reflected in the Statement of Cash Flows.

## Notes To The Financial Statements (continued)

for the year ended 31 December 2016

### 43 SUPPLEMENTARY FINANCIAL INFORMATION

	2016 \$'000	2015 \$'000
<b>Write-Offs</b>		
Public property written off by the Minister during the financial year	-	-
<b>Losses Through Theft, Defaults and Other Causes</b>		
Losses of public moneys and, public and other property through theft or default	-	-
Amounts recovered	-	-

### 44 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.

	2016 \$'000	2015 \$'000
<b>Reconciliation of the Present Value of the Defined Benefit Obligation</b>		
Present value of defined benefit obligations at beginning of the year	879	917
Current service cost	-	-
Interest cost	25	29
Actuarial loss/(gain)	(32)	33
Benefits paid	(108)	(100)
Present value of defined benefit obligations at end of the year	764	879
<b>Reconciliation of the Fair Value of Assets</b>		
Fair value of assets at beginning of the year	-	-
Employer contributions	108	100
Benefits paid	(108)	(100)
Fair value of assets at end of the year	-	-
<b>Reconciliation of the Assets and Liabilities Recognised in the Statement of Financial Position</b>		
Present value of defined benefit obligation	764	879
Fair value of assets	-	-
Net liability	764	879
<b>Liability recognised in the Statement of Financial Position as:</b>		
Current	120	113
Non-current	644	766
	764	879
<b>Expense Recognised in the Statement of Comprehensive Income</b>		
Interest cost	25	29
Actuarial loss/(gain)	(32)	33
Superannuation expense/(benefit)	(7)	62

**Notes To The Financial Statements (continued)**  
for the year ended 31 December 2016

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

**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.

**(b) Government Employees Superannuation Board (GESB)**

**Scheme information**

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

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

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

The weighted average duration of the defined benefit obligation for the whole of the Pension Scheme is 8.7 years (2015: 8.8 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.

	2016 \$'000	2015 \$'000
<b>Reconciliation of the present value of the defined benefit obligation</b>		
Present value of defined benefit obligations at beginning of the year	64,569	68,120
Current service cost	-	-
Interest cost	1,776	2,030
Actuarial loss/(gain) arising from changes in financial assumptions	1,242	1,310
Actuarial loss/(gain) arising from liability experience	(332)	(1,005)
Benefits paid	(5,681)	(5,886)
Present value of defined benefit obligations at end of the year	61,574	64,569

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).

	2016 \$'000	2015 \$'000
<b>Reconciliation of the fair value of Scheme assets</b>		
Fair value of Scheme assets at beginning of the year	-	-
Employer contributions	5,681	5,886
Benefits paid	(5,681)	(5,886)
Fair value of Scheme assets at end of the year	-	-

**Notes To The Financial Statements (continued)**  
for the year ended 31 December 2016

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

	2016 \$'000	2015 \$'000
<b>Reconciliation of the net liability recognised in the Statement of Financial Position</b>		
Present value of defined benefit obligations	61,574	64,569
Fair value of the Scheme assets	-	-
Net liability	61,574	64,569
Fair value of reimbursement rights	61,574	64,569
Total net liability/(asset) in the Statement of Financial Position	-	-
Present value of defined benefit obligations/reimbursement rights is recognised as:		
Current	4,049	3,996
Non-current	57,525	60,573
	61,574	64,569
<b>Expense Recognised in the Statement of Comprehensive Income</b>		
Current service cost	-	-
Interest cost	1,776	2,030
Reimbursement rights adjustments	(1,432)	(1,651)
Deferred superannuation expense	344	379
<b>Actuarial loss/(gain) recognised in Other Comprehensive Income</b>		
Actuarial loss/(gain) arising from changes in financial assumptions	1,242	1,310
Actuarial loss/(gain) arising from liability experience	(332)	(1,005)
Reimbursement rights adjustments	(910)	(305)
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	2016	2015
Discount rate (active members)	2.63%	2.88%
Discount rate (pensioners)	2.63%	2.88%
Expected salary increase rate	3.50%	4.50%
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 2016

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

	2016 \$'000	2015 \$'000	2014 \$'000	2013 \$'000	2012 \$'000
<b>Historical Information</b>					
Present value of defined benefit obligation	61,574	64,569	68,120	64,261	73,586
Fair value of Scheme assets	-	-	-	-	-
Deficit in Scheme assets	61,574	64,569	68,120	64,261	73,586
Experience adjustments (gain)/loss - Scheme assets	-	-	-	-	-
Experience adjustments (gain)/loss - Scheme liabilities	(332)	(1,005)	2,017	921	(1,591)

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).

	2017 \$'000	2016 \$'000
<b>Expected Contributions</b>		
Expected employer contributions	5,594	5,773

**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 28).

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 20).

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 \$64.980 million (2015: \$60.389 million) were charged as an expense under employee benefits (refer Note 11) as they fell due.

**Notes To The Financial Statements (continued)**  
for the year ended 31 December 2016

**45 ACQUITTAL OF AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE**

**(a) Education - CGS and Other Education Grants**

	Commonwealth Grants Scheme <sup>1</sup>		Indigenous Support Program		Disability Support Program		Partnership & Participation Program <sup>2</sup>		Total	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Financial assistance received in CASH during the reporting period	251,389	234,495	1,138	1,192	150	112	4,560	5,627	257,237	241,426
Net accrual adjustments	(3,723)	1,646	-	-	-	-	847	909	(2,876)	2,555
Revenue for the period	247,666	236,141	1,138	1,192	150	112	5,407	6,536	254,361	243,981
Surplus/(deficit) from the previous year	-	-	-	-	(300)	(123)	3,469	2,342	3,169	2,219
Total revenue including accrued revenue	247,666	236,141	1,138	1,192	(150)	(11)	8,876	8,878	257,530	246,200
Less expenses including accrued expenses	(247,666)	(236,141)	(1,138)	(1,192)	(371)	(289)	(4,365)	(5,409)	(253,540)	(243,031)
Surplus/(deficit) for reporting period	-	-	-	-	(521)	(300)	4,511	3,469	3,990	3,169

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

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

**Notes To The Financial Statements (continued)**  
for the year ended 31 December 2016

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

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

	HECS-HELP		FEE-HELP <sup>3</sup>		SA-HELP		Total	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Financial assistance received in CASH during the reporting period	148,791	140,230	24,235	25,982	2,314	2,406	175,340	168,618
Net accrual adjustments	(4,363)	(392)	550	(656)	(75)	192	(3,888)	(856)
Revenue for the period	144,428	139,838	24,785	25,326	2,239	2,598	171,452	167,762
Surplus/(deficit) from the previous year	-	-	-	-	-	-	-	-
Total revenue including accrued revenue	144,428	139,838	24,785	25,326	2,239	2,598	171,452	167,762
Less expenses including accrued expenses	(144,428)	(139,838)	(24,785)	(25,326)	(2,239)	(2,598)	(171,452)	(167,762)
Surplus/(deficit) for reporting period	-	-	-	-	-	-	-	-

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

**Notes To The Financial Statements (continued)**  
for the year ended 31 December 2016

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

**(c) Scholarships**

	Australian Postgraduate Awards		Indigenous Access Scholarships		International Postgraduate Research Scholarships		Commonwealth Education Costs Scholarships <sup>4</sup>		Commonwealth Accommodation Scholarships <sup>4</sup>		Total	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Financial assistance received/ (refunded) in CASH during the reporting period	7,217	7,001	-	-	568	540	-	1	-	-	7,785	7,542
Net accrual adjustments	-	-	39	(4)	-	-	38	86	21	28	98	110
Revenue for the period	7,217	7,001	39	(4)	568	540	38	87	21	28	7,883	7,652
Surplus/(deficit) from the previous year	(791)	(781)	-	-	(1,219)	(828)	-	-	-	-	(2,010)	(1,609)
Total revenue including accrued revenue	6,426	6,220	39	(4)	(651)	(288)	38	87	21	28	5,873	6,043
Less expenses including accrued expenses	(7,456)	(7,011)	(39)	4	(964)	(931)	(38)	(87)	(21)	(28)	(8,518)	(8,053)
Surplus/(deficit) for reporting period	(1,030)	(791)	-	-	(1,615)	(1,219)	-	-	-	-	(2,645)	(2,010)

<sup>4</sup> Includes Grandfathered Scholarships, National Priority and National Accommodation Priority Scholarships and Indigenous Scholarship (ICECS, IECECS, ICAS and IECAS) respectively.

**Notes To The Financial Statements (continued)**  
for the year ended 31 December 2016

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

**(d) Education Research**

	Joint Research Engagement		JRE Engineering Cadetship		Sustainable Research Excellence in Universities		Research Training Scheme		Infrastructure Grants		Total	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Financial assistance received in CASH during the reporting period	9,263	9,403	156	154	3,039	2,302	16,964	16,556	4,063	3,264	33,485	31,679
Net accrual adjustments	-	-	-	-	-	-	-	-	-	-	-	-
Revenue for the period	9,263	9,403	156	154	3,039	2,302	16,964	16,556	4,063	3,264	33,485	31,679
Surplus/(deficit) from the previous year	-	-	-	-	(317)	(317)	-	-	-	-	(317)	(317)
Total revenue including accrued revenue	9,263	9,403	156	154	2,722	1,985	16,964	16,556	4,063	3,264	33,168	31,362
Less expenses including accrued expenses	(9,263)	(9,403)	(156)	(154)	(3,039)	(2,302)	(16,964)	(16,556)	(4,063)	(3,264)	(33,485)	(31,679)
Surplus/(deficit) for reporting period	-	-	-	-	(317)	(317)	-	-	-	-	(317)	(317)

**(e) Australian Research Council Grants**

**(i) Discovery**

	Projects		Fellowships <sup>5</sup>		Total	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Financial assistance received in CASH during the reporting period	6,611	6,568	2,472	3,265	9,083	9,833
Net accrual adjustments	391	541	-	-	391	541
Revenue for the period	7,002	7,109	2,472	3,265	9,474	10,374
Surplus/(deficit) from the previous year	89	844	2,812	3,126	2,901	3,970
Total revenue including accrued revenue	7,091	7,953	5,284	6,391	12,375	14,344
Less expenses including accrued expenses	(6,984)	(7,864)	(3,115)	(3,579)	(10,099)	(11,443)
Surplus/(deficit) for reporting period	107	89	2,169	2,812	2,276	2,901

<sup>5</sup> Includes Early Career Researcher Award

**Notes To The Financial Statements (continued)**  
for the year ended 31 December 2016

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

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

**(ii) Linkages**

	Infrastructure		Projects		Total	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Financial assistance received in CASH during the reporting period	1,320	560	3,396	3,423	4,716	3,983
Net accrual adjustments	219	71	98	348	317	419
Revenue for the period	1,539	631	3,494	3,771	5,033	4,402
Surplus/(deficit) from the previous year	531	964	(395)	(854)	136	110
Total revenue including accrued revenue	2,070	1,595	3,099	2,917	5,169	4,512
Less expenses including accrued expenses	(2,643)	(1,064)	(2,931)	(3,312)	(5,574)	(4,376)
Surplus/(deficit) for reporting period	(573)	531	168	(395)	(405)	136

**(iii) Centres**

	Centres		Other		Total	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Financial assistance received in CASH during the reporting period	939	452	69	90	1,008	542
Net accrual adjustments	-	-	-	-	-	-
Revenue for the period	939	452	69	90	1,008	542
Surplus/(deficit) from the previous year	161	159	(233)	74	(72)	233
Total revenue including accrued revenue	1,100	611	(164)	164	936	775
Less expenses including accrued expenses	(1,141)	(450)	(284)	(397)	(1,425)	(847)
Surplus/(deficit) for reporting period	(41)	161	(448)	(233)	(489)	(72)

Notes To The Financial Statements (continued)  
for the year ended 31 December 2016

45 ACQUITTAL OF AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE (continued)

	2016 \$'000	2015 \$'000
<b>(f) OS-HELP</b>		
Cash received during the reporting period	1,384	1,064
Cash spent during the reporting period	(1,384)	(1,064)
Net cash received	-	-
Cash surplus/(deficit) from the previous period	-	-
Cash surplus/(deficit) for the reporting period	-	-
<b>(g) Higher Education Superannuation Program</b>		
Cash received during the reporting period	5,347	6,406
University contribution in respect of current employees	344	379
Cash available	5,691	6,785
Cash surplus/(deficit) from the previous period	277	234
Cash available for current period	5,968	7,019
Contributions to specified defined benefit funds	(5,910)	(6,742)
Cash surplus/(deficit) for the reporting period	58	277
<b>(h) Student Services and Amenities Fee</b>		
Unspent/(overspent) revenue from previous period	429	682
SA-HELP revenue earned	2,239	2,598
Student Services and Amenities Fees direct from students	3,399	4,610
Total revenue expendable in period	6,067	7,890
Student Services expenses during period	(5,582)	(7,461)
Unspent/(overspent) Student Services Revenue	485	429

## REPORT BY THE MEMBERS OF THE UNIVERSITY COUNCIL

The members of the University Council present their report for the year ended 31 December 2016.

### MEMBERS

The following persons were members of the Council of Curtin University of Technology during the year ended 31 December 2016:

#### Members appointed by Governor in Council

Mr Kim Bridge  
Ms Cathryn Carver (ceased 14 September 2016)  
Dr Andrew Crane  
Mr Alex Jones  
Mr Michael Lishman  
Dr Michael Stanford

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

Ms Sue Wilson, Pro Chancellor

#### Member who is the Chief Executive Officer

Professor Deborah Terry AO, Vice-Chancellor

#### Co-opted Members

Mr Colin Beckett, Chancellor  
Mr Steve Scudamore  
Mr Gene Tilbrook

#### Members elected by full-time academic staff

Professor Dale Pinto  
Professor Glenda Scully

#### Members elected by the Alumni Association

Vacant

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

Mr Andy Sharp (ceased 17 June 2016)  
Mr Andrew McLean (commenced 18 June 2016)

#### Members who are members of bodies that represent the interests of the University in places other than the University's principal campus

Vacant

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

Associate Professor Linley Lord

#### Members elected by students

Ms Noni Elliott Hobbs (elected 13 April 2016)  
Mr Jason Giancono (ceased 12 April 2016)  
Ms Saraya Martin (ceased 12 April 2016)  
Mr Liam O'Neill (elected 13 April 2016)

## 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 2016, and the number of meetings attended by each member were:

MEMBERS	COUNCIL MEETINGS		MEETINGS OF COMMITTEES <sup>1</sup>										
	ATTENDED	HELD	AUDIT & COMPLIANCE		EXECUTIVE			FINANCE		HEALTH & SAFETY DUE DILIGENCE		LEGISLATIVE <sup>2</sup>	
			ATTENDED	HELD	ATTENDED	HELD		ATTENDED	HELD	ATTENDED	HELD	ATTENDED	HELD
Mr Colin Beckett, Chancellor <sup>3</sup>	8	8			6	8				3	3		
Mr Kim Bridge	6	8	4	7									
Ms Cathryn Carver	2	6						3	6				
Dr Andrew Crane	5	8			5	8							
Ms Noni Elliott Hobbs	6	6											
Professor Paul Fairall (co-opted)												1	1
Mr Jason Giancono	2	2											
Mr Beth Gordon (co-opted)								1	2				
Mr Damian Gordon (co-opted)								1	2				
Mr Alex Jones	7	8	8	8									
Mr Michael Lishman	4	8			8	8				1	3	1	1
Assoc Prof Linley Lord	7	8			6	8							
Ms Saraya Martin	1	2											
Mr Andrew McLean	3	3											
Mr Liam O'Neill	6	6											
Professor Dale Pinto	6	8										1	1
Mr Steve Scudamore <sup>4</sup>	7	8	8	8	7	8		1	1				
Prof Glenda Scully	6	8						4	4				
Mr Andy Sharp	5	5								2	2		
Dr Michael Stanford	5	8						9	9				
Professor Deborah Terry AO <sup>4</sup>	8	8	8	8	8	8		9	9			1	1
Mr Gene Tilbrook	6	8			5	8		9	9				
Ms Sue Wilson, Pro Chancellor <sup>3</sup>	7	8	8	8	8	8							

<sup>1</sup> The number of meetings held represents the number of regular and special meetings held during the time a member was a member of the Council or a committee of Council during the year. The number of meetings held does not include matters considered by circular resolution by Council or respective committees, and site visits conducted by the Health and Safety Due Diligence Committee.

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

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

<sup>4</sup> Also a member of the Curtin University of Technology 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 2016 was \$38.073 million (2015: \$61.953 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
- 2016 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

A number of amendments to the University's enabling legislation became effective as of 2 January 2017. Included in those amendments is a change in the University's name from Curtin University of Technology to Curtin University. The name change is part of an important shift to strengthen and clarify Curtin's brand. No other 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.

### 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.

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

### Insurance of Members of Council and Officers

The University provides Directors and Officers Liability and Employers Practices Insurance and Supplementary Legal Expenses Cover through contracts with external insurance providers. The cover applies to members of Council and Officers of the University.

### Proceedings on behalf of Curtin University of Technology

No material legal proceedings were initiated by the University during 2016.

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 22nd day of March 2017