



Financial statements

Contents

79	Income statement
79	Statement of comprehensive income
80	Statement of financial position
81	Statement of changes in equity
82	Statement of cash flows
83	Notes to the financial statements

Income statement for the year ended 31 December 2016

	Notes	Consolidated		University	
		2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Income from continuing operations					
Australian Government financial assistance					
Australian Government grants	2	372,974	391,305	368,716	387,219
HELP—Australian Government payments	2	113,151	109,996	113,151	109,996
Western Australian and Local Government financial assistance	3	49,407	49,408	47,988	48,046
HECS-HELP—student payments		20,767	21,850	20,767	21,850
Other research grants and contracts	4	36,524	37,916	36,524	37,916
Investment revenue	5	46,463	40,207	46,444	40,182
Fees and charges	6	166,422	149,968	164,305	148,520
Other contributions and recoveries	7	39,396	47,991	39,290	48,207
Other revenue	8	83,920	97,977	81,044	95,257
Total revenue from continuing operations		929,024	946,618	918,229	937,193
Other investment income	5	210	198	210	198
Investment gains	5	5,621	-	5,621	-
Total income from continuing operations		934,855	946,816	924,060	937,391
Expenses from continuing operations					
Employee related expenses	9	580,966	552,176	570,992	543,942
Student expenses	10	46,238	48,367	47,894	49,049
Materials and supplies	11	30,564	30,778	26,912	27,503
Depreciation, amortisation and impairment	12	50,188	59,227	49,674	58,905
Repairs and maintenance	13	19,091	20,552	19,257	20,471
Finance costs	14	6,640	5,859	6,634	5,857
Grants distributed		10,175	9,585	9,686	9,553
Travel		21,238	23,532	21,235	23,521
Professional fees		25,384	30,270	25,256	30,217
Investment losses	5	-	7,447	-	7,447
Other expenses	15	118,439	125,911	120,685	128,492
Total expenses from continuing operations		908,923	913,704	898,225	904,957
Net result attributable to members of The University of Western Australia from continuing operations		25,932	33,112	25,835	32,434

Statement of comprehensive income for the year ended 31 December 2016

	Notes	Consolidated		University	
		2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Net result from continuing operations		25,932	33,112	25,835	32,434
Items that may be reclassified to profit or loss					
Net gains (losses) on assets available for sale	32	1,829	9,188	1,829	9,188
Items that will not be reclassified to profit or loss					
Net actuarial gains (losses) recognised in respect of Defined Benefit Plan	29	1	(119)	1	(119)
Total other comprehensive income		1,830	9,069	1,830	9,069
Total comprehensive income attributable to members of The University of Western Australia from continuing operations		27,762	42,181	27,665	41,503

The above statement should be read in conjunction with the accompanying notes.

Statement of financial position

as at 31 December 2016

	Notes	Consolidated		University	
		2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
ASSETS					
Current assets					
Cash and cash equivalents	18	74,417	123,342	71,615	121,283
Receivables	19	51,334	35,061	50,990	35,071
Inventories	20	589	567	434	442
Non-current assets classified as held for sale	21	-	895	-	895
Other non-financial assets	22	16,313	18,446	16,681	18,953
Total current assets		142,653	178,311	139,720	176,644
Non-current assets					
Receivables	19	94	90	94	90
Investment properties	23	24,207	23,603	24,207	23,603
Other financial assets	24	758,178	658,094	758,178	658,094
Other non-financial assets	22	5,690	6,045	5,690	6,045
Property, plant and equipment	25	1,279,159	1,270,286	1,276,851	1,268,016
Intangible assets	26	23,419	20,852	23,419	20,852
Total non-current assets		2,090,747	1,978,970	2,088,439	1,976,700
Total assets		2,233,400	2,157,281	2,228,159	2,153,344
LIABILITIES					
Current liabilities					
Trade and other payables	28	66,388	46,819	64,576	45,611
Provisions	29	94,298	97,455	93,488	96,682
Other liabilities	30	40,907	34,343	40,644	34,185
Borrowings	31	3,207	2,967	3,065	2,953
Total current liabilities		204,800	181,584	201,773	179,431
Non-current liabilities					
Provisions	29	15,851	16,097	15,660	15,929
Borrowings	31	147,582	122,195	147,272	122,195
Total non-current liabilities		163,433	138,292	162,932	138,124
Total liabilities		368,233	319,876	364,705	317,555
Net assets		1,865,167	1,837,405	1,863,454	1,835,789
EQUITY					
Reserves	32	44,986	39,971	44,817	39,881
Retained earnings	33	1,820,181	1,797,434	1,818,637	1,795,908
Total equity		1,865,167	1,837,405	1,863,454	1,835,789

The above statement should be read in conjunction with the accompanying notes.

Statement of changes in equity

as at 31 December 2016

	Reserves \$'000	Retained earnings \$'000	Total \$'000
Consolidated			
Balance at 1 January 2015	66,602	1,728,622	1,795,224
Net operating result	-	33,112	33,112
Remeasurement of Defined Benefit Plan	-	(119)	(119)
Remeasurement of available for sale financial assets	9,188	-	9,188
Total comprehensive income	9,188	32,993	42,181
Transfer to/(from) reserves	(35,819)	35,819	-
Balance at 31 December 2015	39,971	1,797,434	1,837,405
Balance at 1 January 2016	39,971	1,797,434	1,837,405
Net operating result	-	25,932	25,932
Remeasurement of Defined Benefit Plan	-	1	1
Remeasurement of available for sale financial assets	1,829	-	1,829
Total comprehensive income	1,829	25,933	27,762
Transfer to/(from) reserves	3,186	(3,186)	-
Balance at 31 December 2016	44,986	1,820,181	1,865,167

University

Balance at 1 January 2015	66,602	1,727,684	1,794,286
Net operating result	-	32,434	32,434
Remeasurement of Defined Benefit Plan	-	(119)	(119)
Remeasurement of available for sale financial assets	9,188	-	9,188
Total comprehensive income	9,188	32,315	41,503
Transfer to/(from) reserves	(35,909)	35,909	-
Balance at 31 December 2015	39,881	1,795,908	1,835,789
Balance at 1 January 2016	39,881	1,795,908	1,835,789
Net operating result	-	25,835	25,835
Remeasurement of Defined Benefit Plan	-	1	1
Remeasurement of available for sale financial assets	1,829	-	1,829
Total comprehensive income	1,829	25,836	27,665
Transfer to/(from) reserves	3,107	(3,107)	-
Balance at 31 December 2016	44,817	1,818,637	1,863,454

The above statement should be read in conjunction with the accompanying notes.

Statement of cash flows

for the year ended 31 December 2016

	Notes	Consolidated		University	
		2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Cash flows from operating activities					
Australian Government grants received	2(h)	483,702	497,947	479,444	493,861
OS-HELP (net)		(45)	79	(45)	79
Western Australian Government grants received		50,908	49,064	49,489	47,702
Local Government grants received		18	78	18	78
HECS-HELP—student payments		20,767	21,850	20,767	21,850
Receipts from student fees and other customers		323,047	358,121	318,194	354,294
Dividends received		96	356	96	356
Interest received		4,904	4,705	4,885	4,679
Interest and other borrowing costs paid		(6,526)	(5,809)	(6,520)	(5,807)
Payments to suppliers and employees (inclusive of goods and services tax)		(833,743)	(856,902)	(824,057)	(849,138)
Net cash provided by/(used in) operating activities	42	43,128	69,489	42,271	67,954
Cash flows from investing activities					
Proceeds from sale of property, plant and equipment		790	2,543	790	2,543
Payments for property, plant and equipment		(60,260)	(75,827)	(59,710)	(74,651)
Proceeds from sale of financial assets		4,886	-	4,886	-
Payments for financial assets		(63,000)	-	(63,000)	-
Net cash provided by/(used in) investing activities		(117,584)	(73,284)	(117,034)	(72,108)
Cash flows from financing activities					
Proceeds from borrowings		25,513	-	25,077	-
Repayments of borrowings		-	(2,805)	-	(2,818)
Net cash provided by/(used in) financing activities		25,513	(2,805)	25,077	(2,818)
Net increase/(decrease) in cash and cash equivalents		(48,943)	(6,600)	(49,686)	(6,972)
Cash and cash equivalents at beginning of year		123,342	129,927	121,283	128,240
Effects of exchange rate changes on cash and cash equivalents		18	15	18	15
Cash and cash equivalents at end of year	18	74,417	123,342	71,615	121,283

The above statement should be read in conjunction with the accompanying notes.

Notes to the financial statements

for the year ended 31 December 2016

Contents of the notes to the financial statements

Note

- 1 Summary of significant accounting policies

Income

- 2 Australian Government financial assistance including HECS-HELP and other Australian Government loan programs
3 Western Australian and Local Government financial assistance
4 Other research grants and contracts
5 Investment revenue, income and losses
6 Fees and charges
7 Other contributions and recoveries
8 Other revenue

Expenses

- 9 Employee related expenses
10 Student expenses
11 Materials and supplies
12 Depreciation, amortisation and impairment
13 Repairs and maintenance
14 Finance costs
15 Other expenses
16 Remuneration of the University's Senate members and senior officers
17 Remuneration of auditors

Assets

- 18 Cash and cash equivalents
19 Receivables
20 Inventories
21 Non-current assets classified as held for sale
22 Other non-financial assets
23 Investment properties
24 Other financial assets
25 Property, plant and equipment
26 Intangible assets
27 Restricted assets

Liabilities

- 28 Trade and other payables
29 Provisions
30 Other liabilities
31 Borrowings

Equity

- 32 Reserves
33 Retained earnings
34 Commitments
35 Contingencies
36 Supplementary financial information
37 Related party transactions
38 Subsidiaries
39 Associates
40 Business combinations
41 Events occurring after the end of the reporting period
42 Reconciliation of net result to net cash provided by/(used in) operating activities
43 Financial instruments
44 Fair value measurements
45 Acquittal of Australian Government financial assistance

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 these financial statements are set out below. These policies have been consistently applied for all years reported unless otherwise stated. The financial statements include separate financial statements for The University of Western Australia as the parent entity and the consolidated entity consisting of the University and its subsidiaries.

The principal address of The University of Western Australia is 35 Stirling Highway, Crawley WA 6009, Australia.

(a) General statement

The financial statements constitute general purpose financial statements which have been prepared in accordance with Australian Accounting Standards, the Framework, Statement of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board as applied by the Treasurer's Instructions, with the exception of certain Treasurer's Instructions. Several of the Australian Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board are modified by the Treasurer's Instructions to vary application, disclosure, format and wording.

The *Financial Management Act 2006* and *Auditor General Act 2006* and the Treasurer's Instructions are legislative provisions governing the preparation of financial statements and take precedence over Australian Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board, the requirements of the Department of Education and other State/Australian Government legislative requirements.

Where modification is required and has a material or significant financial effect upon the reported results, details of that modification and the resulting financial effect are disclosed in the notes to the financial statements.

Modifications or clarifications to accounting standards through the Treasurer's Instructions are to provide certainty and ensure consistency and appropriate reporting across the public sector.

(b) Basis of preparation

The financial statements have been prepared on the accrual basis of accounting using the historical cost convention as modified by the revaluation of financial assets at fair value through profit or loss, available for sale financial assets and investment properties. Comparative information is reclassified or re-stated where appropriate to enhance comparability.

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

The financial statements are presented in Australian dollars (\$), which is the Group's functional and presentation currency. All values are rounded to the nearest thousand dollars (\$'000) unless otherwise stated.

Date of authorisation for issue

The financial statements were authorised for issue by the Senate members of The University of Western Australia on 9 March 2017.

Critical accounting estimates and judgements

In preparation of the financial statements, management is required to exercise its judgement when applying the accounting policies. When there is a higher degree of judgement or complexity or areas where assumptions and estimates are significant to the financial statements, these are disclosed separately. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed below:

Property, plant and equipment

Property, plant and equipment and intangible assets are depreciated/amortised over their useful lives taking into account any residual values where appropriate. The useful lives of the assets and residual values (where appropriate) are assessed annually and may vary depending on a number of factors. In assessing asset lives, factors such as technological innovation, wear and tear and maintenance programs are taken into account. An increase (decrease) in asset lives would result in a lower (higher) future period charge recognised in the income statement.

Impairment

Assets are assessed annually for impairment. If the assessment indicates that an asset is impaired, then an assessment of that asset's recoverable amount is estimated to determine whether an impairment loss should be recognised.

Valuation of investment properties

The Group carried its investment properties at fair value with changes in the fair values recognised in the income statement. It obtains independent valuations at least annually. At the end of the reporting period the Group updates its assessment of the fair value of each property, taking into account the most recent valuations.

Notes to the financial statements

for the year ended 31 December 2016

Classification of funding received

The Group receives funding from a number of external sources. In preparing these financial statements the Group has had to exercise judgement in determining whether certain sources of funding meet the definition of a contribution, revenue, or a reduction to associated costs. Salary contributions totalling \$29.9 million (2015: \$36.5 million) received have been designated as contributions and recorded within total consolidated income from continuing operations. Changing the classification of these amounts to net them off against associated expenses would not cause a change in the net operating result for the period but would reduce total income and expenses.

Long service leave

Several estimations and assumptions used in calculating the Group's long service leave provision include expected future salary rates, discount rates, employee retention rates and expected future payments. Changes in these estimations and assumptions may impact on the carrying amount of the long service leave provision.

Restricted assets

The University receives assets from a large number of diverse and variable sources with a variety of legislative, contractual and compliance obligations. The assets that are not available for discretionary use by the University and must be used for the purposes stipulated are considered restricted and include:

- Research funds.
- Endowment and gifted funds, including land endowed by the State Government and gifts and bequests subject to external requirements formalised within a Will or Deed of Gift.

(c) Basis of consolidation

(i) Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of The University of Western Australia ('parent entity') as at 31 December 2016 and the results of all subsidiaries for the year then ended. The University of Western Australia and its subsidiaries together are referred to in this financial report as the Group or the consolidated entity.

Subsidiaries are all those entities (including structured entities) over which the Group has control. The Group has control over an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Power over the investee exists when the Group has existing rights that give it current ability to direct the relevant activities of the investee. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Returns are not necessarily monetary and can be only positive, only negative, or both positive and negative.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The acquisition method of accounting is used to account for the acquisition of subsidiaries by the Group.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

(ii) Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20 per cent and 50 per cent of the voting rights. Investments in associates are accounted for in the parent entity financial statements using the cost method and in the consolidated financial statements using the equity method of accounting, after initially being recognised at cost. The Group's investment in associates includes goodwill (net of any accumulated impairment loss) identified on acquisition (refer to note 39).

The Group's share of its associates' post-acquisition profits or losses is recognised in the income statement, and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Dividends receivable from associates are recognised in the parent entity's income statement, while in the consolidated financial statements they reduce the carrying amount of the investment.

Gains or losses resulting from 'upstream' and 'downstream' transactions, involving assets that do not constitute a business, are recognised in the parent's financial statements only to the extent of unrelated investors' interests in the associate or joint venture. Gains or losses resulting from the contribution of non-monetary assets in exchange for an equity interest are accounted for in the same method.

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

Notes to the financial statements

for the year ended 31 December 2016

(iii) Joint arrangements

Joint operations

The Group's share of assets, liabilities, revenue and expenses of a joint operation have been incorporated in the financial statements under the appropriate headings.

Joint ventures

The interest in a joint venture entity is accounted for in the consolidated financial statements using the equity method and is carried at cost by the parent entity. Under the equity method, the share of the profits or losses of the entity is recognised in the income statement, and the share of movements in reserves is recognised in reserves in the statement of comprehensive income and the statement of changes in equity.

(d) Revenue

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

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that the future economic benefits will flow to the Group and specific criteria have been met for each of the Group's activities as described below.

Revenue is recognised as follows for major activities:

Sale of goods:

Revenue on the sale of goods is recognised by the Group when the goods have been despatched and the associated risk of ownership has passed to the customer.

Rendering of services:

Revenue is recognised in accordance with the percentage of completion method unless the outcome of the contract cannot be reliably measured. The stage of completion is determined by reference to expenditure incurred to date as a proportion of the total expenditure. If the outcome cannot be reliably measured, where it is probable that the costs will be recovered, revenue is recognised to the extent of costs incurred.

Government grants:

Grants from governments are recognised at their fair value where the Group obtains control of the right to receive the grant, it is probable that economic benefits will flow to the Group and it can be reliably measured.

Student fees and charges:

Fees and charges are recognised as income in the year of receipt, except to the extent that fees and charges relate to courses to be held in future periods. Such receipts are treated as income in advance. Conversely, fees and charges relating to debtors are recognised as revenue in the year to which the prescribed course relates.

Non-government grants and contributions:

Contributions are non-reciprocal transfers and are recognised as revenue at fair value when the Group obtains control of the contributions and it is probable that future economic benefits will flow to the Group.

(e) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, bank accounts and deposits and other short-term, highly liquid money market investments that are readily convertible to known amounts of cash, and which are subject to an insignificant risk of changes in value.

(f) Trade and other receivables

Receivables are initially recognised at fair value plus direct and incremental transaction costs and are subsequently recognised at amortised cost, using the effective interest method, less provision for impaired receivables.

Collectability is reviewed on an ongoing basis and those receivables individually determined to be uncollectible are written off. The amount of any impairment is calculated by comparing the asset's carrying amount with the present value of the estimated future cash flows, discounted at the effective interest rate. If impaired, the carrying value is adjusted and the difference charged to the income statement.

A collective provision is determined for groups of assets that have similar risk characteristics and a provision is raised using a methodology based on existing risk conditions or events that have a strong correlation with a tendency to default.

Notes to the financial statements

for the year ended 31 December 2016

(g) Inventories

Inventories are valued at the lower of cost and net realisable value. Cost comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost is assigned on a first-in, first-out basis. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

(h) Non-current assets classified as held for sale

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

An impairment loss is recognised for any initial or subsequent write-down of the asset to fair value less costs of disposal. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset, but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset is recognised at the date of derecognition.

Non-current assets are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

(i) Investments and other financial assets

The Group has classified its financial assets into the following categories: financial assets at fair value through profit or loss; loans and receivables; and available for sale financial assets. The classification depends on the purpose for which the assets are acquired.

Financial assets at fair value through profit or loss

An instrument is classified as a financial asset at fair value through profit or loss - as designated upon initial recognition - if the Group manages such investments directly or through professional fund managers and makes decisions based on their fair value, in accordance with the Group's documented investment strategy and risk management. Assets within this category are recorded at fair value and changes in fair value recognised in the income statement. Fair value is based on market price where there is an active market. The Group does not hold any financial assets at fair value – held for trading.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They typically arise when the Group provides money, goods or services directly to a debtor with no intention of trading the receivable. Assets within this category are initially recorded at fair value plus direct and incremental transaction costs and are subsequently measured at amortised cost using the effective interest method.

A loan or receivable that is not based upon market terms is initially recognised at fair value plus attributable transaction costs. Fair value is estimated as the present value of all future cash receipts discounted using the prevailing market rate(s) of interest for a similar instrument (similar as to currency, term, type of interest rate, and other factors) with a similar credit rating. Any additional amount lent is an expense or a reduction of income unless it qualifies for recognition as some other type of asset.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale and that are not classified in any of the previous categories. The equity instruments are measured at fair value or cost where the fair value cannot be reliably measured (not traded in an active market). Dividends are only recognised when declared and no dividend accrual is recognised.

Impairment

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or group of financial assets is impaired.

(i) Available-for-sale financial assets

If there is objective evidence of impairment for available-for-sale financial assets, the impairment loss is measured as the difference between the carrying amount of the financial asset and the market value or present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. The carrying amount of the asset is reduced and the amount of the loss is recognised in the income statement.

(ii) Assets carried at amortised cost

For loans and receivables, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the income statement.

Notes to the financial statements

for the year ended 31 December 2016

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the income statement.

(j) Fair value measurement

The fair value of assets and liabilities must be measured for recognition and disclosure purposes. The Group measures financial instruments and investment properties at fair value at each balance sheet date.

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

The fair value of assets or liabilities traded in active markets is based on quoted market prices for identical assets or liabilities at the balance sheet date (level 1). The quoted market price used for assets held by the Group is the most representative of fair value in the circumstances within the bid-ask spread.

The fair value of assets or liabilities that are not traded in an active market is determined using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Quoted market prices or dealer quotes for similar instruments (level 2) are used for long-term debt instruments held. Other techniques that are not based on observable market data (level 3) are used to determine fair value for the remaining assets and liabilities. The level in the fair value hierarchy is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety.

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

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

(k) Investment properties

Initially, investment properties are measured at cost including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value determined annually by an external valuer. Any gains or losses arising from changes in the fair values of investment properties are included in the income statement in the year in which they arise.

(l) Property, plant and equipment

Property, plant and equipment is measured at cost less accumulated depreciation less accumulated impairment losses. Where an asset is acquired at no cost or for a nominal cost, the cost recorded is the fair value of the asset at the acquisition date. Cultural assets where the fair value or economic benefit cannot be reliably measured are not ascribed a value.

Subsequent costs are included in the assets carrying value or recognised as a separate asset, where appropriate, when it is probable that future economic benefits associated with the asset will flow to the Group. All other repairs and maintenance are charged to the income statement when incurred.

The depreciation rate policy is as follows:

Asset class	Depreciation rate	Depreciation method
Leasehold land	Not depreciated	Not depreciated
Freehold land	Not depreciated	Not depreciated
Buildings		
Structure/shell/building fabric	2%	Reducing balance
Fixtures, fittings and central plant	5%	Straight line
Leasehold improvements	Over the life of the lease	Straight line
Plant and equipment		
Computer hardware and audio visual	25%	Straight line
General plant and equipment	12.5%	Straight line
Motor vehicles	17.4%	Straight line
Artworks	Not depreciated	Not depreciated
Library books	10%	Straight line
Special collections	Not depreciated	Not depreciated

Land, artworks and special collections controlled by the University are classified as non-current assets. They are anticipated to have indefinite useful lives since their service potential is not, in any material sense, consumed. As such, no amount for depreciation is recognised. Work in progress assets are not depreciated until construction has been completed and the asset is available for use.

Assets' residual values and useful lives are reviewed at each balance sheet date. Gains and losses on disposal are recorded in the income statement for the year.

Impairment testing is performed when an indicator of impairment is identified.

Notes to the financial statements

for the year ended 31 December 2016

The carrying amount of an asset is derecognised when disposed of or when no future economic benefits are expected from its use or disposal. Where the cost of a replacement part of an item is recognised as part of an asset (or as a separate asset), the Group derecognises the carrying amount of the replaced part regardless of whether it had been depreciated separately.

Where it is not practicable for the Group to determine the carrying amount of the replaced part, the cost of the replacement is used as an indication of what the cost of the replaced part was at the time of acquisition or construction.

(m) Impairment of assets

Assets that have an indefinite useful life are tested annually for impairment. Assets with a finite life are tested for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying value exceeds the recoverable amount. The recoverable amount is the higher of its fair value less costs of disposal and its value in use. As the Group is a not-for-profit entity, if the future economic benefits of the asset are not primarily dependent on its ability to generate net cash flows, unless the asset has been identified as surplus, the value in use is its depreciated replacement cost.

(n) Intangible assets

Intangible assets are capitalised at cost and from a business combination are capitalised at fair value as at the date of acquisition. Following initial recognition, the cost model is applied to the class of intangible assets.

Expenditure on research activities is recognised as an expense in the income statement when incurred. Expenditure on development activities is expensed unless the outcome is technically and commercially feasible, resources are available to complete the development and there is a commitment to complete the project.

Electronic library resources can be categorised into perpetual access and annual subscriptions. Perpetual access based resources are capitalised and amortised 10 per cent annually over 10 years. Annual subscriptions are expensed as incurred.

Asset class	Amortisation rate	Amortisation method
Software	20%	Straight line
Electronic library resources	10%	Straight line

Impairment testing is performed when an indicator of impairment is identified.

(o) Leases

Leases where the lessee has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lower of fair value and the present value of the minimum lease payments and the corresponding obligation is recorded in payables. Each lease payment is allocated between the finance charge and reducing the liability.

Leases are classified as operating leases when the lessor retains substantially all the risks and rewards of ownership. Payments or income received under operating leases are recognised in the income statement on a straight line basis over the lease term. Where the Group is the lessor, the asset subject to an operating lease is recognised in the statement of financial position according to the nature of the asset.

(p) Business combinations

The acquisition method shall be applied to account for each business combination; this does not include a combination of entities or businesses under common control, the formation of a joint venture, or the acquisition of an asset or a group of assets. The acquisition method requires identification of the acquirer, determining the acquisition date and recognising and measuring the identifiable assets acquired, liabilities assumed, any goodwill or gain from a bargain purchase and any non-controlling interest in the acquiree that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation. Identifiable assets acquired, liabilities assumed and any non-controlling interest in the acquiree shall be recognised separately from goodwill as of the acquisition date.

Intangible assets acquired in a business combination are recognised separately from goodwill if they are separable, but only together with a related contract, identifiable asset or liability.

Acquisition related costs are expensed in the periods in which they are incurred with the exception of costs to issue debt or equity securities, which are recognised in accordance with AASB132 and AASB139.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Measurement of any non-controlling interest in the acquiree is at fair value or the present ownership instruments' proportionate share in the recognised amounts of the acquiree's identifiable net assets. All other components of non-controlling interests shall be measured at their acquisition-date fair values, unless another measurement basis is required by Australian Accounting Standards. Contingent liabilities assumed are recognised as part of the acquisition if there is a present obligation arising from past events and the fair value can be reliably measured. The excess at the acquisition date of the aggregate of the consideration transferred, the amount of any non-controlling interest and any previously held equity interest in the acquiree, over the net amounts of identifiable assets acquired and liabilities assumed is recognised as goodwill. If the cost of acquisition is less than the fair value of the identifiable net assets of the subsidiary acquired, the difference is recognised directly in the income statement of the acquirer, but only after a reassessment of the identification and measurement of the net assets acquired.

Notes to the financial statements

for the year ended 31 December 2016

Consideration transferred in a business combination shall be measured at fair value. Where the business combination is achieved in stages, the acquirer shall remeasure previously held equity interest in the acquiree at its acquisition date fair value and recognise the resulting gain or loss in profit or loss.

(q) Trade and other payables

Payables represent liabilities for goods or services incurred on or before the reporting date. Trade payables are initially recorded at fair value and subsequently recorded at amortised cost. Due to the short duration and other terms of payment these amounts usually equate to cost.

(r) Provisions

Provisions are recognised where there is a present obligation as a result of a past event, it is probable that an outflow of economic benefit will be required to settle the obligation and a reliable estimate can be made of the amount.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the balance sheet date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as a finance cost.

(s) Borrowings

Borrowings are recognised initially at fair value net of transaction costs that are directly attributable to its issue.

After initial recognition, borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in the income statement when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in the income statement.

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

(t) Borrowing costs

Borrowing costs incurred for the construction of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed.

(u) Employee benefits

(i) Wages and salaries

Wages and salaries due to be settled within 12 months after the end of the period are measured at the amount expected to be paid when the liability is settled.

(ii) Annual leave

Annual leave is not expected to be settled wholly within 12 months after the end of the reporting period and therefore considered to be other long-term employee benefits. The annual leave liability is recognised and measured at the present value of amounts expected to be paid when the liabilities are settled using the remuneration rate expected to apply at the time of settlement. Regardless of the expected timing of settlements, provisions made in respect of employee benefits are classified as a current liability, unless there is an unconditional right to defer the settlement of the liability for at least 12 months after the reporting date, in which case it would be classified as a non-current liability.

(iii) Long service leave

The liability for long service leave is recognised in the provision for employee benefits and measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. 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.

(iv) Superannuation

The Group contributes to a number of employee funds that exist to provide benefits for employees and their dependants on retirement, disability or death. Three of these funds are defined benefit pension schemes.

(v) Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy.

Notes to the financial statements

for the year ended 31 December 2016

(vi) Retirement benefit obligation

The Group meets the benefits of the schemes as they fall due and consequently there are no plan assets within the scheme.

The present value of the defined benefit obligation is based on expected future payments which arise from membership of the fund to the reporting date, calculated annually by independent actuaries using the projected unit credit method. 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.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur in other comprehensive income. Past service costs are recognised immediately in income, unless the changes to the superannuation fund are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past service costs are amortised on a straight-line basis over the vesting period.

The Group recognises amounts payable to defined contributions schemes as an expense in the income statement in the period that the service has been rendered by the employee.

(vii) Other employee benefits

All other benefits are recognised when the benefit is received by the employee and measured at the rates paid or payable.

(v) Income tax

The Group is exempt from income tax in Australia.

The Group is subject to foreign income tax for overseas operations. Deferred tax assets are only recognised where it is probable that future taxable amounts will be available to utilise those temporary differences and unused tax losses.

(w) Foreign currency transactions

The functional currency of the Group and its subsidiaries is the Australian dollar.

Foreign currency transactions are initially translated into Australian currency at the rate of exchange at the date of the transaction. At the reporting date, amounts payable and receivable in foreign currencies are translated to Australian currency at rates of exchange at that date. Non-monetary items held at the reporting date are measured using the exchange rate at the date of the initial transaction. Resulting exchange differences are recognised in the income statement.

(x) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case, it is recognised as part of the acquisition cost of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the statement of financial position.

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

(y) Disclosure of changes in accounting policy and estimates

(i) Initial application of Australian Accounting Standards

The Group has not applied any new or revised Australian Accounting Standards and Australian Accounting Interpretations for annual reporting periods beginning on or after 1 January 2016 as they have no financial impact on the Group.

(ii) Future impact of Australian Accounting Standards not yet operative

Certain new Accounting Standards and Interpretations have been published that are not mandatory for 31 December 2016 reporting periods. The following Australian Accounting Standards and amendments have been issued but not yet applied by the Group:

- AASB 9 Financial Instruments. This Standard supersedes AASB 139, Financial Instruments: Recognition and Measurement, introducing a number of changes to accounting treatments. The mandatory application date of this Standard was amended to 1 January 2018 by AASB 2014-1. The Group has not yet determined the application or the potential impact of the Standard.
- AASB 15 Revenue from Contracts with Customers. This Standard establishes the principles that the Group shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. The mandatory application date of this standard was amended to 1 January 2019 for Not-for-Profit entities. The Group has not yet determined the application or the potential impact of the Standard.

Notes to the financial statements

for the year ended 31 December 2016

- AASB 16 Leases. This Standard introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value, and is mandatory on or after 1 January 2019. The Group has not yet determined the application or the potential impact of the Standard.
- AASB 1058 Income for Not-for-Profit Entities. This standard aligns income recognition for Not-For-Profit entities to align more closely to reflect economic reality. Revenue from grants and donations will be recognised when any associated performance obligation to provide goods and services is satisfied, and not immediately upon receipt as usually occurs with current standard. The requirements will be effective from 1 January 2019. The Group has not yet determined the application or the potential impact of the Standard.
- A number of other new or revised standards, amendments to standards and interpretations applicable to future reporting periods have been issued, none of which are expected to have a material impact on the Group's future financial reports.

Notes to the financial statements

for the year ended 31 December 2016

	Notes	Consolidated		University	
		2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
2 Australian Government financial assistance including HECS-HELP and other Australian Government loan programs					
(a) Commonwealth Grant Scheme and other grants					
Commonwealth Grant Scheme ¹	45.1	161,205	154,776	161,205	154,776
Indigenous Support Program	45.1	785	713	785	713
Higher Education Participation Program ²	45.1	1,972	1,706	1,972	1,706
Disability Support Program	45.1	97	120	97	120
Learning and Teaching Performance Fund	45.1	-	-	-	-
Diversity and Structural Adjustment Fund ³	45.1	-	-	-	-
Promotion of Excellence in Learning and Teaching	45.1	165	712	165	712
Total Commonwealth Grant Scheme and other grants		164,224	158,027	164,224	158,027
(b) Higher Education Loan Programs					
HECS-HELP	45.2	94,324	95,211	94,324	95,211
FEE-HELP ⁴	45.2	17,433	13,532	17,433	13,532
SA-HELP	45.2	1,394	1,253	1,394	1,253
Total Higher Education Loan Programs		113,151	109,996	113,151	109,996
(c) Scholarships					
Australian Postgraduate Awards	45.3	13,368	13,470	13,368	13,470
International Postgraduate Research Scholarship	45.3	1,045	1,050	1,045	1,050
Commonwealth Education Cost Scholarships ⁵	45.3	180	49	180	49
Commonwealth Accommodation Scholarships ⁵	45.3	97	52	97	52
Indigenous Access Scholarships	45.3	210	140	210	140
Total Scholarships		14,900	14,761	14,900	14,761
(d) EDUCATION research					
Joint Research Engagement Program	45.4	17,335	17,935	17,335	17,935
JRE Engineering Cadetships	45.4	302	286	302	286
Research Training Scheme	45.4	33,109	33,369	33,109	33,369
Research Infrastructure Block Grants	45.4	15,188	15,302	15,188	15,302
Sustainable Research Excellence	45.4	10,942	11,840	10,942	11,840
Total EDUCATION research grants		76,876	78,732	76,876	78,732
(e) Other capital funding					
Education Investment Fund	45.5	-	-	-	-
Total other capital funding		-	-	-	-
(f) Australian Research Council					
(i) Discovery					
Projects ⁶	45.6	14,769	16,338	14,769	16,338
Fellowships	45.6	6,677	7,935	6,677	7,935
Indigenous Research Development	45.6	213	201	213	201
Total discovery		21,659	24,474	21,659	24,474
(ii) Linkages					
Infrastructure	45.6	2,290	4,091	2,290	4,091
Projects	45.6	5,135	6,770	5,135	6,770
Industrial Transformational Research Program	45.6	2,063	2,529	2,063	2,529
Total linkages		9,488	13,390	9,488	13,390
(iii) Networks and centres					
Centres	45.6	8,342	8,203	8,342	8,203
Total networks and centres		8,342	8,203	8,342	8,203

- 1 Includes the basic CGS grant amount, CGS - Regional Loading, CGS - Enabling Loading, CGS – Medical Student Loading and CGS – Special Advances from Future Years.
- 2 Includes Access and Participation Fund and National Priorities Pool.
- 3 Includes Collaboration and Structural Adjustment Program.
- 4 Program is in respect of FEE-HELP for Higher Education only and excludes funds received in respect of VET FEE-HELP.
- 5 Includes Grandfathered Scholarships, National Priority and National Accommodation Priority Scholarships respectively.
- 6 Includes Early Career Researcher Award.

Notes to the financial statements

for the year ended 31 December 2016

	Notes	Consolidated		University	
		2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
(g) Other Australian Government financial assistance					
Non-capital					
National Health and Medical Research Council		31,613	38,131	31,613	38,131
Other Commonwealth research grants		20,462	25,074	20,462	25,074
Other Commonwealth grants		25,410	29,489	21,152	25,403
Total non-capital grants		77,485	92,694	73,227	88,608
Capital					
Other Commonwealth grants		-	1,024	-	1,024
Total capital grants		-	1,024	-	1,024
Total other Australian Government financial assistance		77,485	93,718	73,227	89,632
Total Australian Government financial assistance		486,125	501,301	481,867	497,215
Reconciliation					
Australian Government grants		372,974	391,305	368,716	387,219
Higher Education Loan Programs		113,151	109,996	113,151	109,996
Total Australian Government financial assistance		486,125	501,301	481,867	497,215
(h) Australian Government Grants received - cash basis					
Commonwealth Grants Scheme and other EDUCATION grants	45.1	164,224	158,027	164,224	158,027
Higher Education Loan Programs	45.2	113,071	109,297	113,071	109,297
Scholarships	45.3	15,138	15,599	15,138	15,599
EDUCATION research	45.4	76,876	78,732	76,876	78,732
Other capital funding	45.5	-	-	-	-
ARC grants—discovery	45.6	21,659	24,474	21,659	24,474
ARC grants—linkages	45.6	9,488	13,390	9,488	13,390
ARC grants—networks and centres	45.6	8,342	8,203	8,342	8,203
Other Australian Government grants		74,859	90,304	70,601	86,218
Total Australian Government grants received—cash basis		483,657	498,026	479,399	493,940
OS-HELP (net)	45.7	45	(79)	45	(79)
Total Australian Government funding received—cash basis		483,702	497,947	479,444	493,861
3 Western Australian and Local Government financial assistance					
Non-capital					
Western Australian research grants		19,472	21,991	19,472	21,991
Western Australian other grants		29,917	27,339	28,498	25,977
Local Government research grants		18	78	18	78
Total non-capital grants		49,407	49,408	47,988	48,046
Capital					
Western Australian other grants		-	-	-	-
Total capital grants		-	-	-	-
Total Western Australian and Local Government financial assistance		49,407	49,408	47,988	48,046

Notes to the financial statements

for the year ended 31 December 2016

	Notes	Consolidated		University	
		2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
4 Other research grants and contracts					
International		9,775	10,566	9,775	10,566
Bequests and donations		355	1,552	355	1,552
Industry and others		26,394	25,798	26,394	25,798
Total other research grants and contracts		36,524	37,916	36,524	37,916
5 Investment revenue, income and losses					
Investment revenue					
Dividend income		3,862	4,077	3,862	4,077
Interest income		6,425	6,334	6,406	6,309
Trust distributions		32,808	26,983	32,808	26,983
Imputation credits		3,368	2,813	3,368	2,813
Total investment revenue		46,463	40,207	46,444	40,182
Other investment income					
Other investment income		210	198	210	198
Total other investment income		210	198	210	198
Investment gains/(losses)					
Fair value gain/(loss) on other financial assets		5,040	(7,631)	5,040	(7,631)
Fair value gain/(loss) on investment properties		581	184	581	184
Total investment gains/(losses)		5,621	(7,447)	5,621	(7,447)
Net investment revenue and income		52,294	32,958	52,275	32,933
6 Fees and charges					
Course fees and charges					
Fee paying overseas students - onshore courses		114,439	96,519	114,439	96,519
Fee paying overseas students - offshore courses		3,388	7,933	3,388	7,933
Continuing education and short courses		11,226	9,883	11,226	9,883
Fee paying domestic postgraduate students		7,389	7,269	7,389	7,269
Total course fees and charges		136,442	121,604	136,442	121,604
Other non-course fees and charges					
Student Services and Amenities Fees from students		4,133	4,087	4,133	4,087
Student accommodation		9,076	8,770	9,076	8,770
Parking fees		3,305	3,412	3,304	3,400
Registration fees		8,844	8,642	8,637	8,433
Rental and hire charges		3,289	2,198	1,380	971
Other		1,333	1,255	1,333	1,255
Total non-course fees and charges		29,980	28,364	27,863	26,916
Total fees and charges		166,422	149,968	164,305	148,520
7 Other contributions and recoveries					
Salary contributions from external parties		29,863	36,539	29,167	36,285
Expense recoveries		9,533	11,452	10,123	11,922
Total other contributions and recoveries		39,396	47,991	39,290	48,207

Notes to the financial statements

for the year ended 31 December 2016

	Notes	Consolidated		University	
		2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
8 Other revenue					
Sales of goods and services		19,190	15,010	7,031	7,273
Donations and bequests		19,763	35,434	19,763	35,434
Sponsorships		7,868	11,651	7,868	11,648
Scholarships and prizes		1,252	1,034	1,252	1,034
Rental income		6,517	5,930	6,517	5,930
Other general grants		5,404	2,633	5,401	2,633
Consultancy		6,184	7,307	6,193	7,309
Royalties and licences		7,253	1,207	7,253	1,207
Performance and production		4,938	5,651	4,938	5,651
Insurance claim income		157	814	157	814
Subscriptions		264	486	264	486
Conference and symposium Income		1,228	883	1,228	883
Property management income		-	-	5,677	5,448
Gain on sale of non-current assets		-	949	-	949
Gain on bargain purchase	40	-	616	-	-
Other		3,902	8,372	7,502	8,558
Total other revenue		83,920	97,977	81,044	95,257
9 Employee related expenses					
Academic					
Salaries		245,961	237,998	245,961	237,999
Contributions to superannuation and pension schemes		37,064	36,271	37,064	36,271
Payroll tax		14,432	13,682	14,432	13,682
Worker's compensation		695	226	695	226
Long service leave expense		(701)	(1,444)	(701)	(1,444)
Annual leave expense		(81)	(592)	(81)	(592)
Other		1,223	2,401	1,223	2,391
Total academic		298,593	288,542	298,593	288,533
Non-academic					
Salaries		239,855	218,286	231,713	211,845
Contributions to superannuation and pension schemes		31,679	31,652	30,806	30,867
Payroll tax		14,129	12,979	13,746	12,600
Worker's compensation		622	(293)	608	(354)
Long service leave expense		(3,188)	(925)	(3,291)	(1,030)
Annual leave expense		(1,379)	715	(1,828)	261
Other		655	1,220	645	1,220
Total non-academic		282,373	263,634	272,399	255,409
Total employee benefits and on costs*		580,966	552,176	570,992	543,942
*Total employee benefits and on costs in 2016 include \$34.6 million of redundancy and leave expenses relating to restructuring.					
10 Student expenses					
Scholarships and studentships		39,057	40,878	39,035	40,862
Grants and prizes		5,532	5,283	5,560	5,289
Amenities and services expenses		1,649	2,206	3,299	2,898
Total student expenses		46,238	48,367	47,894	49,049
11 Materials and supplies					
Laboratory, workshop and medical supplies		16,850	16,810	16,850	16,810
General office expenses		6,347	6,575	5,698	6,314
Other general consumables and supplies		7,367	7,393	4,364	4,379
Total materials and supplies		30,564	30,778	26,912	27,503

Notes to the financial statements

for the year ended 31 December 2016

	Notes	Consolidated		University	
		2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
12 Depreciation, amortisation and impairment					
Depreciation					
Buildings		19,162	17,986	18,929	17,650
Plant and equipment		19,871	18,902	19,590	18,916
Library books		966	915	966	915
Total depreciation	25	39,999	37,803	39,485	37,481
Amortisation					
Intangible assets		3,766	3,239	3,766	3,239
Total amortisation	26	3,766	3,239	3,766	3,239
Impairment of assets					
Land and buildings		3,590	-	3,590	-
Special collections*		2,833	18,185	2,833	18,185
Total impairment of assets	25	6,423	18,185	6,423	18,185
Total depreciation, amortisation and impairment		50,188	59,227	49,674	58,905
* Impairment recognised as a result of a valuation performed by an external independent valuer.					
13 Repairs and maintenance					
Building repairs and maintenance		10,391	11,906	10,660	11,926
Ground maintenance		3,077	3,659	3,077	3,659
General repairs and maintenance		5,623	4,987	5,520	4,886
Total repairs and maintenance		19,091	20,552	19,257	20,471
14 Finance costs					
Finance costs		6,640	5,859	6,634	5,857
Total finance costs		6,640	5,859	6,634	5,857
15 Other expenses					
Computing costs		23,435	20,711	23,394	20,602
Books, periodicals and electronic library resources		8,237	5,569	8,222	5,557
Utilities and rates		14,574	14,967	14,563	14,913
Non-capital equipment purchases		8,294	8,952	8,230	8,792
Loss on disposal of non-current assets		820	-	822	-
Impairment loss on available for sale financial assets		-	875	-	875
Performance and production costs		7,935	12,360	7,935	12,360
Insurance		3,934	4,896	3,911	4,882
Advertising, marketing and promotional expenses		6,585	9,846	6,328	9,797
Conference and course fees		3,177	3,032	3,167	3,012
Rental, hire and leasing fees		4,443	6,122	4,511	6,250
Cleaning and waste disposal		6,433	5,017	6,127	4,861
Bad and doubtful debts and other write-offs		690	348	680	343
Intellectual property, royalties and commissions		7,526	8,327	7,526	8,327
Exhibitions and conference costs		1,704	1,803	1,878	1,920
Vehicle costs		765	1,161	749	1,149
Parking, security and safety expenses		2,028	1,768	2,033	1,762
Appointment costs		1,011	1,329	1,002	1,295
Membership fees		2,507	1,480	2,512	1,486
Light meals		1,163	1,147	1,223	1,223
Cost of sales and production		1,355	1,982	3,884	4,530
General services		1,032	2,495	1,032	2,495
Other miscellaneous expenses		10,791	11,724	10,956	12,061
Total other expenses		118,439	125,911	120,685	128,492

Notes to the financial statements

for the year ended 31 December 2016

16 Remuneration of the University's Senate members and senior officers

The number of Senate members and senior officers whose total fees, salaries, superannuation and other benefits (includes leave entitlement payout) received or due and receivable for the financial year, falls within the following bands:

	Senate members		Senior officers of the University	
	2016	2015	2016	2015
\$0 - \$9,999	16	18	2	-
\$20,000 - \$29,999	-	1	-	-
\$40,000 - \$49,999	-	-	-	1
\$120,000 - \$129,999	-	2	-	-
\$130,000 - \$139,999	1	-	-	-
\$140,000 - \$149,999	1	1	-	-
\$150,000 - \$159,999	1	-	1	-
\$210,000 - \$219,999	1	-	-	-
\$220,000 - \$229,999	-	2	-	-
\$230,000 - \$239,999	1	-	-	-
\$240,000 - \$249,999	1	1	-	-
\$250,000 - \$259,999	-	-	1	-
\$260,000 - \$269,999	-	-	-	1
\$290,000 - \$299,999	-	-	1	-
\$340,000 - \$349,999	-	-	-	1
\$350,000 - \$359,999	-	-	1	-
\$360,000 - \$369,999	-	-	3	-
\$370,000 - \$379,999	-	-	-	2
\$400,000 - \$409,999	-	-	-	1
\$410,000 - \$419,999	-	-	-	1
\$430,000 - \$439,999	-	-	1	-
\$440,000 - \$449,999	-	-	1	2
\$470,000 - \$479,999	-	-	-	1
\$480,000 - \$489,999	-	-	1	-
\$510,000 - \$519,999	-	-	2	-
\$520,000 - \$529,999	-	-	1	-
\$530,000 - \$539,999	-	-	1	1
\$540,000 - \$549,999	-	-	-	2
\$550,000 - \$559,999	-	-	-	1
\$680,000 - \$689,999	-	-	1	-
\$700,000 - \$709,999	-	-	-	1
\$770,000 - \$779,000	-	-	-	-
\$810,000 - \$819,999	-	-	1	-
\$980,000 - \$989,999	-	1*	-	-
\$1,030,000 - \$1,039,999	1	-	-	-
	\$'000	\$'000	\$'000	\$'000
Total remuneration	2,167	2,097	7,098	6,469

* Excludes long service leave entitlements of \$90,995 relating to service prior to joining the University of Western Australia.

Notes to the financial statements

for the year ended 31 December 2016

	Consolidated		University	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
17 Remuneration of auditors				
During the year, the following fees were paid for services provided by the auditor of the parent entity, its related practices and non-related audit firms:				
Audit and review of the Financial Statements				
Fees paid to the Office of the Auditor General	392	381	324	319
Total paid for audit and review of the Financial Statements	392	381	324	319
Other audit and assurance services*				
Fees paid to the Office of the Auditor General	14	14	14	14
ShineWing Australia	57	55	57	55
Santo Casilli Auditing and Accounting Services	31	11	31	11
Lifetime Accounting Services	-	3	-	3
Ernst and Young	9	9	9	9
System Monitors	-	7	-	7
Quantum Assurance	7	-	7	-
G Hubbard Audit and Accounting Services	1	3	1	3
KPMG Australia	28	22	28	22
Butler Settineri	3	-	3	-
Focus Accounting Services	-	4	-	4
AMD Chartered Accountants	3	-	3	-
Total paid for other audit and assurance services	153	128	153	128
Total remuneration of auditors	545	509	477	447

* Other audit and assurance services are related to compliance audits, grant acquittals and research project audits.

Notes to the financial statements

for the year ended 31 December 2016

	Consolidated		University	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
18 Cash and cash equivalents				
Cash at bank	14,049	12,647	11,247	10,588
Short-term money deposit	60,285	110,619	60,285	110,619
Cash held in imprests	83	76	83	76
Total cash and cash equivalents	74,417	123,342	71,615	121,283

The Group has pledged \$214,000 (2015: \$215,000) against cash assets as at 31 December 2016.

(a) Reconciliation to cash at the end of the year

The above figures are reconciled to cash at the end of the year as shown in the statement of cash flows as follows:

Balances as above	74,417	123,342	71,615	121,283
Less: Bank overdrafts	-	-	-	-
Balance per statement of cash flows	74,417	123,342	71,615	121,283

(b) Cash at bank

These are interest bearing at an average interest rate of 1.36% as at 31 December 2016 (2015: 1.91%).

(c) Short term money deposit

The bank bills and deposits are bearing average fixed interest rates of 2.83% as at 31 December 2016 (2015: 3.01%). These deposits have an average maturity of 57 days (2015: 65 days).

(d) Cash held in imprests

These are non-interest bearing.

19 Receivables

Current

Receivables	43,700	31,966	43,328	32,049
Less: Provision for impaired receivables	(1,598)	(1,474)	(1,570)	(1,448)
	42,102	30,492	41,758	30,601
Accrued income	9,232	4,569	9,232	4,470
Total current receivables	51,334	35,061	50,990	35,071

Non-current

Receivables	94	90	94	90
Total non-current receivables	94	90	94	90
Total receivables	51,428	35,151	51,084	35,161

Impaired receivables

As at 31 December 2016 current receivables of the group with a nominal value of \$1,598,000 (2015: \$1,474,000) were impaired. The provision for impairment has been calculated on a collective basis, for groups of asset that share similar risk characteristics, taking into account historical loss rates for similar assets. No receivables have been individually assessed as being impaired as at 31 December 2016 (2015: \$0). The ageing of these impaired receivables is as follows:

Not past due	7	12	7	12
Past due 0-30 days	21	20	18	20
Past due 31-90 days	31	9	30	5
Past due 91-120 days	28	16	21	14
Past due 121-180 days	27	26	22	26
Past due 181-365 days	51	52	47	38
More than 1 year	1,433	1,339	1,425	1,333
Total	1,598	1,474	1,570	1,448

As at 31 December 2016 receivables of \$33,934,000 (2015: \$22,858,000) were past due but not impaired. Receivables classified as past due but not impaired have a low history of credit default and are expected to be realised when due, other than amounts provided for on a collective basis and included in the provision estimates above. The ageing of these receivables is as follows:

Not past due	8,168	7,634	8,027	7,953
Past due 0-30 days	9,604	12,519	9,529	12,337
Past due 31-90 days	15,905	3,985	15,872	3,960
Past due 91-120 days	2,090	1,033	2,051	1,033
Past due 121-180 days	2,979	2,491	2,948	2,491
Past due 181-365 days	2,735	1,686	2,729	1,684
More than 1 year	621	1,144	602	1,143
Total	42,102	30,492	41,758	30,601

Notes to the financial statements

for the year ended 31 December 2016

	Consolidated		University	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Movement in the provision for impairment of receivables is as follows:				
At 1 January	1,474	1,309	1,448	1,301
Provision for impairment recognised during the year	691	367	688	349
Receivables written off during the year as uncollectible	(567)	(202)	(566)	(202)
Unused amount reversed	-	-	-	-
	<u>1,598</u>	<u>1,474</u>	<u>1,570</u>	<u>1,448</u>

The creation and release of the provision for impaired receivables has been included in 'other expenses' in the income statement (note 15). Amounts charged to the provision account are generally written off when there is no expectation of recovering additional cash.

20 Inventories

Current				
Raw materials and stores-at cost	551	508	396	383
Work in progress-at cost	38	59	38	59
Total current inventories	<u>589</u>	<u>567</u>	<u>434</u>	<u>442</u>

21 Non-current assets classified as held for sale

Land and buildings	-	895	-	895
Total non-current assets classified as held for sale	<u>-</u>	<u>895</u>	<u>-</u>	<u>895</u>

22 Other non-financial assets

Current				
Advances and prepayments*	16,313	18,446	16,681	18,953
Total current other non-financial assets	<u>16,313</u>	<u>18,446</u>	<u>16,681</u>	<u>18,953</u>
Non-current				
Advances and prepayments*	5,690	6,045	5,690	6,045
Total non-current other non-financial assets	<u>5,690</u>	<u>6,045</u>	<u>5,690</u>	<u>6,045</u>
Total non-current other non-financial assets	<u>22,003</u>	<u>24,491</u>	<u>22,371</u>	<u>24,998</u>

*Advances and prepayments include \$4.82 million of prepayments for property, plant and equipment (2015: \$5.15 million).

23 Investment properties

At fair value				
Opening balance at 1 January	23,603	23,155	23,603	23,155
Capitalised subsequent expenditure	24	264	24	264
Net gain/(loss) from fair value adjustment	580	184	580	184
Closing balance at 31 December	<u>24,207</u>	<u>23,603</u>	<u>24,207</u>	<u>23,603</u>

(a) Amounts recognised in profit and loss for investment properties

Direct operating expenses from property that did not generate rental income	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

(b) Valuation basis

Investment properties are stated at fair value, being the amounts for which properties could be exchanged between willing parties in an arm's length transaction, based on comparable market transactions. The valuation adjustments are based on independent assessments by a Certified Practising Valuer.

24 Other financial assets

Non-current				
Fair value through profit or loss	744,927	647,228	744,927	647,228
Available for sale financial assets*	12,027	10,533	12,027	10,533
Loans and receivables	2,664	2,648	2,664	2,648
Less: Impairment	(1,440)	(2,315)	(1,440)	(2,315)
Total non-current other financial assets	<u>758,178</u>	<u>658,094</u>	<u>758,178</u>	<u>658,094</u>

*Equity instruments that do not have an active market and whose fair value cannot be reliably measured are classified as available for sale assets, and cannot be designated at fair value through profit or loss.

Impairment

The movement in the provision for impairment in respect of available for sale financial assets and loans and receivables during the year was as follows:

Balance as at 1 January	2,315	1,440	2,315	1,440
Impairment loss recognised	-	875	-	875
Disposal of impaired asset	(875)	-	(875)	-
Balance as at 31 December	<u>1,440</u>	<u>2,315</u>	<u>1,440</u>	<u>2,315</u>

The group has fully impaired a loan asset due to the level of uncertainty surrounding future repayment of the principal amount.

Notes to the financial statements

for the year ended 31 December 2016

25 Property, plant and equipment

	Notes	Freehold land \$'000	Leasehold land \$'000	Buildings \$'000	Work in progress \$'000	Plant and equipment \$'000	Artworks \$'000	Library books \$'000	Special collections \$'000	TOTAL \$'000
2016 Consolidated										
At 1 January 2016										
Cost		188,492	80,000	947,780	45,108	245,681	27,782	9,453	64,809	1,609,105
Accumulated depreciation		-	-	(150,537)	-	(166,234)	-	(3,663)	-	(320,434)
Accumulated impairment		-	-	(53)	-	(147)	-	-	(18,185)	(18,385)
Net book value		188,492	80,000	797,190	45,108	79,300	27,782	5,790	46,624	1,270,286
Year ended 31 December 2016										
Opening net book value		188,492	80,000	797,190	45,108	79,300	27,782	5,790	46,624	1,270,286
Additions		51	-	1,828	42,344	11,062	626	444	52	56,407
Disposals		-	-	(12)	-	(1,068)	-	-	(32)	(1,112)
Depreciation	12	-	-	(19,162)	-	(19,871)	-	(966)	-	(39,999)
Impairment		(674)	-	(2,916)	-	-	-	-	(2,833)	(6,423)
Transfer		-	-	75,116	(75,176)	60	-	-	-	-
Closing net book value		187,869	80,000	852,044	12,276	69,483	28,408	5,268	43,811	1,279,159
At 31 December 2016										
Cost		188,543	80,000	1,024,716	12,276	245,392	28,408	9,896	64,829	1,654,060
Accumulated depreciation		-	-	(169,703)	-	(175,909)	-	(4,628)	-	(350,240)
Accumulated impairment		(674)	-	(2,969)	-	-	-	-	(21,018)	(24,661)
Net book value		187,869	80,000	852,044	12,276	69,483	28,408	5,268	43,811	1,279,159

Notes to the financial statements

for the year ended 31 December 2016

25 Property, plant and equipment

	Notes	Freehold land \$'000	Leasehold land \$'000	Buildings \$'000	Work in progress \$'000	Plant and equipment \$'000	Artworks \$'000	Library books \$'000	Special collections \$'000	TOTAL \$'000
2016										
University										
At 1 January 2016										
Cost		188,492	80,000	945,909	45,099	244,327	27,782	9,453	64,809	1,605,871
Accumulated depreciation		-	-	(149,963)	-	(165,844)	-	(3,663)	-	(319,470)
Accumulated impairment		-	-	(53)	-	(147)	-	-	(18,185)	(18,385)
Net book value		188,492	80,000	795,893	45,099	78,336	27,782	5,790	46,624	1,268,016
Year ended 31 December 2016										
Opening net book value		188,492	80,000	795,893	45,099	78,336	27,782	5,790	46,624	1,268,016
Additions		51	-	1,819	42,106	10,337	626	444	52	55,435
Disposals		-	-	-	-	(660)	-	-	(32)	(692)
Depreciation	12	-	-	(18,929)	-	(19,590)	-	(966)	-	(39,485)
Impairment		(674)	-	(2,916)	-	-	-	-	(2,833)	(6,423)
Transfer		-	-	75,092	(75,092)	-	-	-	-	-
Closing net book value		187,869	80,000	850,959	12,113	68,423	28,408	5,268	43,811	1,276,851
At 31 December 2016										
Cost		188,543	80,000	1,022,821	12,113	243,677	28,408	9,897	64,829	1,650,288
Accumulated depreciation		-	-	(168,893)	-	(175,254)	-	(4,629)	-	(348,776)
Accumulated impairment		(674)	-	(2,969)	-	-	-	-	(21,018)	(24,661)
Net book value		187,869	80,000	850,959	12,113	68,423	28,408	5,268	43,811	1,276,851

Notes to the financial statements

for the year ended 31 December 2016

25 Property, plant and equipment

	Notes	Freehold land \$'000	Leasehold land \$'000	Buildings \$'000	Work in progress \$'000	Plant and equipment \$'000	Artworks \$'000	Library books \$'000	Special collections \$'000	TOTAL \$'000
2015 Consolidated										
At 1 January 2015										
Cost		190,971	80,000	884,292	29,091	230,391	27,568	8,919	64,765	1,515,997
Accumulated depreciation		-	-	(132,612)	-	(150,566)	-	(2,748)	-	(285,926)
Accumulated impairment		-	-	(53)	-	(147)	-	-	-	(200)
Net book value		190,971	80,000	751,627	29,091	79,678	27,568	6,171	64,765	1,229,871
Year ended 31 December 2015										
Opening net book value		190,971	80,000	751,627	29,091	79,678	27,568	6,171	64,765	1,229,871
Additions		1,254	-	27,486	48,901	19,604	214	534	44	98,037
Disposals		(1,060)	-	(230)	-	(344)	-	-	-	(1,634)
Depreciation	12	-	-	(17,986)	-	(18,902)	-	(915)	-	(37,803)
Impairment		-	-	-	-	-	-	-	(18,185)	(18,185)
Transfer		(2,673)	-	36,293	(32,884)	(736)	-	-	-	-
Closing net book value		188,492	80,000	797,190	45,108	79,300	27,782	5,790	46,624	1,270,286
At 31 December 2015										
Cost		188,492	80,000	947,780	45,108	245,681	27,782	9,453	64,809	1,609,105
Accumulated depreciation		-	-	(150,537)	-	(166,234)	-	(3,663)	-	(320,434)
Accumulated impairment		-	-	(53)	-	(147)	-	-	(18,185)	(18,385)
Net book value		188,492	80,000	797,190	45,108	79,300	27,782	5,790	46,624	1,270,286

Notes to the financial statements

for the year ended 31 December 2016

25 Property, plant and equipment

	Notes	Freehold land \$'000	Leasehold land \$'000	Buildings \$'000	Work in progress \$'000	Plant and equipment \$'000	Artworks \$'000	Library books \$'000	Special collections \$'000	TOTAL \$'000
2015										
University										
At 1 January 2015										
Cost		190,971	80,000	883,675	29,091	228,950	27,568	8,919	64,765	1,513,939
Accumulated depreciation		-	-	(132,374)	-	(150,161)	-	(2,748)	-	(285,283)
Accumulated impairment		-	-	(53)	-	(147)	-	-	-	(200)
Net book value		190,971	80,000	751,248	29,091	78,642	27,568	6,171	64,765	1,228,456
Year ended 31 December 2015										
Opening net book value		190,971	80,000	751,248	29,091	78,642	27,568	6,171	64,765	1,228,456
Additions		1,254	-	26,968	48,892	18,954	214	534	44	96,860
Disposals		(1,060)	-	(230)	-	(344)	-	-	-	(1,634)
Depreciation	12	-	-	(17,650)	-	(18,916)	-	(915)	-	(37,481)
Impairment		-	-	-	-	-	-	-	(18,185)	(18,185)
Transfer		(2,673)	-	35,557	(32,884)	-	-	-	-	-
Closing net book value		188,492	80,000	795,893	45,099	78,336	27,782	5,790	46,624	1,268,016
At 31 December 2015										
Cost		188,492	80,000	945,909	45,099	244,327	27,782	9,453	64,809	1,605,871
Accumulated depreciation		-	-	(149,963)	-	(165,844)	-	(3,663)	-	(319,470)
Accumulated impairment		-	-	(53)	-	(147)	-	-	(18,185)	(18,385)
Net book value		188,492	80,000	795,893	45,099	78,336	27,782	5,790	46,624	1,268,016

Notes to the financial statements

for the year ended 31 December 2016

	Consolidated		University	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Software	-	663	-	663
Electronic library resources	23,419	20,189	23,419	20,189
Others	-	-	-	-
Total intangible assets	23,419	20,852	23,419	20,852

Movements in each class of intangible assets is set out below:

Consolidated and University

	Software \$'000	Electronic library resources \$'000	Others \$'000	TOTAL \$'000
At 1 January 2015				
Cost	11,392	24,960	500	36,852
Accumulated amortisation and impairment	(10,067)	(6,274)	(500)	(16,841)
Net book value	1,325	18,686	-	20,011
Year ended 31 December 2015				
Opening net book value	1,325	18,686	-	20,011
Additions	-	4,080	-	4,080
Disposals	-	-	-	-
Amortisation	(662)	(2,577)	-	(3,239)
Closing net book value	663	20,189	-	20,852
At 31 December 2015				
Cost	11,392	29,040	-	40,432
Accumulated amortisation and impairment	(10,729)	(8,851)	-	(19,580)
Net book value	663	20,189	-	20,852
Year ended 31 December 2016				
Opening net book value	663	20,189	-	20,852
Additions	-	6,333	-	6,333
Disposals	-	-	-	-
Amortisation	(663)	(3,103)	-	(3,766)
Closing net book value	-	23,419	-	23,419
At 31 December 2016				
Cost	11,392	35,373	-	46,765
Accumulated amortisation and impairment	(11,392)	(11,954)	-	(23,346)
Net book value	-	23,419	-	23,419

Notes to the financial statements

for the year ended 31 December 2016

	Consolidated		University	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
27 Restricted assets				
Cash and cash equivalents	42,923	55,987	42,923	55,987
Investment properties	24,207	23,603	24,207	23,603
Other financial assets	641,794	578,113	641,794	578,113
Property, plant and equipment	273,958	276,491	273,958	276,491
Total restricted assets	982,882	934,194	982,882	934,194

A proportion of the Group's assets is restricted in nature, in that the funds and/or assets are for a specific use or benefit as outlined in note 1(b).

28 Trade and other payables

Trade payables	30,297	21,751	28,551	20,571
Other payables	35,037	23,969	34,971	23,941
OS-HELP liability to the Australian Government	1,054	1,099	1,054	1,099
Total trade and other payables*	66,388	46,819	64,576	45,611

* Included in other payables is an amount of \$16.7 million relating to employee redundancy.

29 Provisions

Current

Annual, long service and other leave*	85,496	91,458	84,686	90,952
Employment on-costs provision*	5,159	5,802	5,159	5,535
Revenue sharing provision	278	195	278	195
Redundancy and redeployment provision	3,365	-	3,365	-
Total current provisions	94,298	97,455	93,488	96,682

Non-current

Superannuation (defined benefit)	4,594	5,303	4,594	5,303
Long service leave	10,610	10,146	10,419	10,005
Employment on-costs provision	647	648	647	621
Total non-current provisions	15,851	16,097	15,660	15,929

Total provisions

110,149	113,552	109,148	112,611
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* Annual leave (including employment on-costs)

Annual leave liabilities (including employment on-costs) have been classified as current as there is no unconditional right to defer settlement for at least 12 months after balance sheet date. Actual settlement of the current liabilities is expected to occur as follows:

Within 12 months of balance sheet date	32,279	33,762	31,989	33,468
More than 12 months after balance sheet date	10,836	11,358	10,739	11,260
	43,115	45,120	42,728	44,728

Long service leave (including employment on-costs)

Long service leave liabilities (including employment on-costs) have been classified as current as there is no unconditional right to defer settlement for at least 12 months after balance sheet date. Actual settlement of the current liabilities is expected to occur as follows:

Within 12 months of balance sheet date	8,198	8,768	8,125	8,704
More than 12 months after balance sheet date	39,342	43,372	38,992	43,055
	47,540	52,140	47,117	51,759

(a) Revenue sharing

This provision relates to amounts set aside for distribution to beneficial owners of certain investments arising from a revenue sharing arrangement.

(b) Redundancy and redeployment

This provision relates to staff where roles have been identified as redundant, and staff have elected for temporary redeployment within the Group. Staff under temporary redeployment may not receive a redundancy payment as they may obtain a permanent role within the Group.

Notes to the financial statements

for the year ended 31 December 2016

Consolidated		University	
2016	2015	2016	2015
\$'000	\$'000	\$'000	\$'000

(c) Movements in provisions

Movements in each class of provisions during the financial year, other than employee benefits, are set out below.

Employment on-costs provision

Opening balance at 1 January	6,450	5,812	6,156	5,700
Charged/(credited) to profit or loss				
Additional provision recognised	2,127	3,285	2,397	3,074
Unused amounts reversed	(119)	(116)	(119)	(116)
Amounts used during the period	(2,653)	(2,531)	(2,629)	(2,502)
Closing balance at 31 December	5,805	6,450	5,805	6,156

Revenue sharing provision

Opening balance at 1 January	195	556	195	556
Charged/(credited) to profit or loss				
Additional provision recognised	83	56	83	56
Unused amounts reversed	-	(417)	-	(417)
Amounts used during the period	-	-	-	-
Closing balance at 31 December	278	195	278	195

Redundancy and redeployment provision

Opening balance at 1 January	-	-	-	-
Charged/(credited) to profit or loss				
Additional provision recognised	3,365	-	3,365	-
Unused amounts reversed	-	-	-	-
Amounts used during the period	-	-	-	-
Closing balance at 31 December	3,365	-	3,365	-

(d) Superannuation - defined benefit section

(i) Nature of the benefits provided by the Scheme

A group of employees are entitled, on retirement, death or disablement, to defined benefits under The University of Western Australia Supplementary Pension Scheme or University of Western Australia Supplementary Benefit Scheme. The Schemes provide pension and lump sum benefits respectively. The Schemes are not regulated superannuation plans. The University meets the benefits directly as they fall due. There are a number of risks to which the benefits exposes the University. The more significant risks are salary growth risk and longevity risk.

(ii) Recognition of the net defined benefit liability/(asset)

Net defined benefit liability/(asset) at start of year	5,303	5,821	5,303	5,821
Service cost	13	17	13	17
Net interest	122	162	122	162
Past service cost	-	-	-	-
Settlement (gains)/losses	-	-	-	-
Accrual return on assets minus interest income	-	-	-	-
Actuarial (gain)/loss—demographic	-	(854)	-	(854)
Actuarial (gain)/loss—financial	29	(7)	29	(7)
Actuarial (gain)/loss—experience	(29)	980	(29)	980
University contributions (equal to benefit payments)	(844)	(816)	(844)	(816)
Adjustment for asset ceiling	-	-	-	-
Net defined benefit liability/(asset) at end of year	4,594	5,303	4,594	5,303

(iii) Reconciliations

Reconciliation of the Fair Value of Scheme Assets:

Fair value at start of year	-	-	-	-
Interest income	-	-	-	-
Actual return on assets minus interest income	-	-	-	-
University contributions	-	-	-	-
Member contributions	-	-	-	-
Benefits paid	-	-	-	-
Taxes, expenses, premiums paid	-	-	-	-
Settlements	-	-	-	-
Fair value at end of year	-	-	-	-

Notes to the financial statements

for the year ended 31 December 2016

	Consolidated		University	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Reconciliation of the defined benefit obligation:				
Present value of the defined benefit obligation at start of year	5,303	5,821	5,303	5,821
Service cost	13	17	13	17
Interest expense	122	162	122	162
Member contributions	-	-	-	-
Actuarial (gain)/loss—demographic	-	(854)	-	(854)
Actuarial (gain)/loss—financial	29	(7)	29	(7)
Actuarial (gain)/loss—experience	(29)	980	(29)	980
Benefits paid	(844)	(816)	(844)	(816)
Taxes, expenses, premiums paid	-	-	-	-
Settlements	-	-	-	-
Present value of the defined benefit obligations at end of year	4,594	5,303	4,594	5,303
(iv) Amounts recognised in income statement				
Current service cost	13	17	13	17
Interest cost	123	162	123	162
Expected return on plan assets	-	-	-	-
Actuarial (gains)/losses	-	-	-	-
Past service cost	-	-	-	-
Losses (gains) on curtailments and settlements	-	-	-	-
Total included in employee benefits expenses	136	179	136	179
(v) Amounts recognised in other comprehensive income				
Actuarial (gains)/losses	(1)	119	(1)	119
	(1)	119	(1)	119
(vi) Significant actuarial assumptions at the reporting date				
Discount rate	2.40%	2.50%	2.40%	2.50%
Future salary increases	2.50%	2.50%	2.50%	2.50%
Future inflation	2.50%	2.50%	2.50%	2.50%
Future pension increases	2.50%	2.50%	2.50%	2.50%
(vii) Sensitivity analysis				
2016				
The defined benefit obligation is presented on following scenarios				
	Required Basis	+0.5% Discount rate	+0.5% Salary/Pension Increase rate	Mortality rates adjusted to be 10% lighter
Discount rate	2.40%	2.90%	2.40%	2.40%
Future salary and pension increases	2.50%	2.50%	3.00%	2.50%
Defined benefit obligation	4,594	4,465	4,758	4,841
Change in obligation		(129)	164	247
Percentage change in obligation		-2.80%	3.60%	5.40%
The methods and types of assumptions used in the preparation of the sensitivity analysis did not change compared to the prior period.				
2015				
The defined benefit obligation is presented on following scenarios				
	Required Basis	+0.5% Discount rate	+0.5% Salary/Pension Increase rate	Mortality rates adjusted to be 10% lighter
Discount rate	2.50%	3.00%	2.50%	2.50%
Future salary and pension increases	2.50%	2.50%	3.00%	2.50%
Defined benefit obligation	5,303	5,157	5,490	5,572
Change in obligation		(146)	186	269
Percentage change in obligation		-2.80%	3.50%	5.10%
(viii) Funding arrangements				
Employer contributions are made to meet the cost of the defined benefits as they fall due.				
Expected employer contributions (equal to expected benefits) in the next 12 months are \$1.36 million (2015: \$1.65 million).				
(ix) Maturity profile of defined benefit obligation				
The weighted average duration of the defined benefit obligation is:				
Supplementary Pension Scheme	6.4 (2015: 6.4)			
Supplementary Benefit Scheme	0.5 (2015: 0.7)			
Overall	5.0 (2015: 4.8)			
In accordance with AASB 101(7), actuarial gains and losses on defined benefit plan are included in other comprehensive income and are not recognised in profit and loss.				

Notes to the financial statements

for the year ended 31 December 2016

	Consolidated		University	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
30 Other liabilities				
Deferred revenue:				
Student fees	17,208	11,842	17,208	11,842
Other	17,984	17,596	17,723	17,443
Funds held for outside parties	5,715	4,905	5,713	4,900
Total other liabilities	40,907	34,343	40,644	34,185

Other funds held for outside parties that do not qualify for recognition in the financial statements

As at reporting date the Group held \$16.6 million (2015: \$18.7 million) in financial assets on behalf of various outside parties. The Group performs administrative functions for these entities, these funds do not meet the asset recognition criteria and consequently have not been included in the assets (or the related liabilities) of the consolidated entity or the Group.

31 Borrowings

Current				
Western Australian Treasury Corporation	3,065	2,953	3,065	2,953
Other	142	14	-	-
Total current borrowings	3,207	2,967	3,065	2,953
Non-current				
Western Australian Treasury Corporation	147,272	122,195	147,272	122,195
Other	310	-	-	-
Total non-current borrowings	147,582	122,195	147,272	122,195
Total borrowings	150,789	125,162	150,337	125,148

The Group has the following loans with the Western Australian Treasury Corporation (WATC) for the purpose of financing the University's Capital Program and other specific capital projects:

	Maturity date	Principal outstanding		Average interest rate	
		2016	2015	2016	2015
Western Australian Treasury Corporation Loans					
- Term floating rate lending	15/07/17 - 15/10/19	21,275	21,275	2.34%	2.53%
- Debt portfolio manager - term fixed rate	15/01/17 - 15/10/26	98,125	75,725	4.31%	4.83%
- Debt portfolio manager - term floating rate	21/01/17 - 21/10/21	5,600	-	2.28%	-
- Fixed rate project	15/10/23	23,816	26,741	3.78%	3.78%
Total WATC loans		148,816	123,741		

Average interest rates are calculated based on the total interest expenses and average borrowing amount of each loan during the reporting period.

The borrowings, excluding Fixed Rate Project, have varying maturity dates up to 10 years and are expected to be refinanced or rolled over under a rolling facility arrangement. The Fixed Rate Project loan has a fixed maturity date with annual repayments.

	Principal outstanding	
	2016	2015
Financing facilities available		
The following facilities had been negotiated and were available as at reporting date:		
Facilities used at reporting date:		
- WATC loans	148,816	123,741
Facilities unused at reporting date:		
- WATC loans	11,184	36,259
Total debt facilities	160,000	160,000

Asset pledged as security

The Group has not pledged any assets as security against the borrowings in the current and previous financial year. A State Treasurer's Guarantee has been provided, at a cost of 0.7% (2015: 0.7%) per annum of the outstanding loan principal.

Fair value

The fair value of borrowings have been disclosed in note 43.

Notes to the financial statements

for the year ended 31 December 2016

	Consolidated		University	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
32 Reserves				
Available-for-sale financial asset revaluation reserve	11,017	9,188	11,017	9,188
University strategic reserve	-	-	-	-
Debt repayment reserve	-	-	-	-
Short-term investment fluctuation reserves	33,800	30,693	33,800	30,693
Other specific reserves	169	90	-	-
Total reserves	44,986	39,971	44,817	39,881
(a) Movements				
Available-for-sale financial asset revaluation reserve				
Balance 1 January	9,188	-	9,188	-
Transfer from/(to) accumulated funds	1,829	9,188	1,829	9,188
Balance 31 December	11,017	9,188	11,017	9,188
Debt repayment reserve				
Balance 1 January	-	28,724	-	28,724
Transfer from/(to) accumulated funds	-	(28,724)	-	(28,724)
Balance 31 December	-	-	-	-
Short-term investment fluctuation reserves				
Balance 1 January	30,693	37,878	30,693	37,878
Transfer from/(to) accumulated funds	3,107	(7,185)	3,107	(7,185)
Balance 31 December	33,800	30,693	33,800	30,693
Other specific reserves				
Balance 1 January	90	-	-	-
Transfer from/(to) accumulated funds	79	90	-	-
Balance 31 December	169	90	-	-
Total reserves	44,986	39,971	44,817	39,881

(b) Nature and purpose of reserve

The Available-for-sale financial asset revaluation reserve reflects the changes in the fair value of investments classified as available for-sale financial assets. Amounts are recognised in the income statement when the associated assets are sold or impaired.

The University strategic reserve is intended to support medium and long term initiatives of strategic importance and other high priority activities.

The debt repayment reserve has been created as a requirement under the Capital Debt Management Policy with the establishment of an internal debt repayment fund as a risk management strategy. This reserve has been retired, effective 31 December 2015.

The short-term investment fluctuation reserves have been created to provide a degree of smoothing in regards investment income distributions from year to year and provide increased predictability for planning and budgeting purposes. The Group policy for the short-term investment pool is to distribute the income at a smoothed rate and to credit any excess or debit any shortfall to the investment fluctuation reserve.

Other specific reserves:

- UWA Sport reserve has been created to fund future capital works.

	Consolidated		University	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
33 Retained earnings				
Retained earnings at 1 January	1,797,434	1,728,622	1,795,908	1,727,684
Operating result for the period	25,932	33,112	25,835	32,434
Item of other comprehensive income recognised directly in retained earnings				
Net actuarial gains/(losses) on Defined Benefit Plan	1	(119)	1	(119)
Reserves transferred to the income statement on derecognition of associate due to dilution	-	-	-	-
Retrospective application or restatement of balances	-	-	-	-
Share of movement in equity of associates	-	-	-	-
Transfer (to)/from reserves	(3,186)	35,819	(3,107)	35,909
Retained earnings at 31 December	1,820,181	1,797,434	1,818,637	1,795,908

Notes to the financial statements

for the year ended 31 December 2016

	Consolidated		University	
	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000
34 Commitments				
(a) Expenditure commitments				
Commitments for general expenditure in existence at the reporting date but not recognised as liabilities are payable as follows:				
Within one year	39,302	43,159	39,302	43,159
Later than one year but no later than five years	3,439	2,064	3,439	2,064
Later than five years	-	-	-	-
	<u>42,741</u>	<u>45,223</u>	<u>42,741</u>	<u>45,223</u>
(b) Capital commitments				
Capital expenditure contracted for at the reporting date but not recognised as liabilities are payable as follows:				
Land and buildings				
Within one year	41,539	41,832	41,539	41,832
Later than one year but no later than five years	-	2,255	-	2,255
Later than five years	-	-	-	-
	<u>41,539</u>	<u>44,087</u>	<u>41,539</u>	<u>44,087</u>
Other plant and equipment				
Within one year	6,150	8,383	6,150	7,990
Later than one year but no later than five years	86	2,505	86	2,505
Later than five years	-	-	-	-
	<u>6,236</u>	<u>10,888</u>	<u>6,236</u>	<u>10,495</u>
(c) Lease commitments				
The nature of the operating lease commitments disclosed below relate to property, equipment, and motor vehicles.				
Commitments in relation to non-cancellable operating leases are payable as follows:				
Within one year	1,384	1,393	1,171	1,154
Later than one year but no later than five years	1,618	2,718	798	1,925
Later than five years	-	-	-	-
	<u>3,002</u>	<u>4,111</u>	<u>1,969</u>	<u>3,079</u>
35 Contingencies				
(a) Contingent liabilities				
As at 31 December 2016 or at the date of this report, there are no known contingent liabilities which are likely to materially affect the Group's financial position.				
(b) Contingent assets				
Contingent assets exist in relation to funds bequeathed to the University through a number of wills that are pending at year end. The amount and timing of the future inflow of economic benefits cannot be reasonably determined.				
As at 31 December 2016 or at the date of this report, there are no other known contingent assets which are likely to materially affect the University's financial position.				
36 Supplementary financial information				
(a) Write-offs				
Bad debts and other write-offs, written off by the Senate, University Club Executive and UWA Sport board during the financial year:				
Trade and other receivables	576	202	566	202
Property, plant and equipment	74	7	74	7
	<u>650</u>	<u>209</u>	<u>640</u>	<u>209</u>
(b) Losses through theft, default and other causes				
Losses through theft and default				
	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
37 Related party transactions				
(a) Parent entity				
The parent entity within the Group is The University of Western Australia.				
(b) Subsidiaries and associates				
Interests in subsidiaries are set out in note 38.				
Interests in associates are set out in note 39.				

Notes to the financial statements

for the year ended 31 December 2016

	Consolidated		University	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
(c) Transactions with related parties				
The following transactions occurred with related parties:				
Sales of goods and services				
Subsidiaries	-	-	7,191	7,255
Grant revenue				
Associates	-	-	-	-
Purchase of goods and services				
Subsidiaries	-	-	5,581	4,526
Grant expense				
Associates	300	228	300	228

(d) Outstanding balances

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

Current receivables (sales of goods and services)				
Subsidiaries	-	-	258	520
Current payables (purchases of goods and services)				
Subsidiaries	-	-	218	164

In the current and previous financial year, no provisions for doubtful debts have been raised in relation to any outstanding balances, and no expense has been recognised in respect of bad or doubtful debts due from related parties.

(e) Terms and conditions

Outstanding balances are unsecured and are repayable in cash.

38 Subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiary in accordance with the accounting policy described in note 1(c).

Name of entity	Principal place of business	Class of shares	Equity holding		Principal activity
			2016 %	2015 %	
The University Club of Western Australia Pty Ltd	Australia	Ordinary	100	100	Events and function centre
UWA Accommodation Services Pty Ltd	Australia	Ordinary	100	100	Student accommodation
UWA Sport Pty Ltd*	Australia	Ordinary	100	100	Sports and recreational activities

* In 2015, the University of Western Australia purchased 100 ordinary shares in UWA Sport Pty Ltd at a cost of \$1 each. This investment and associated share capital is eliminated upon consolidation by the Group.

39 Associates

Associates are all entities over which the economic entity has significant influence but not control, generally accompanying a shareholding of between 20 percent and 50 percent of the voting rights.

Investments in associates are accounted for in the financial statements using the equity method of accounting. Information relating to the associates is set out below.

Name of entity	Country of incorporation	Class of shares	Ownership interest		Carrying amount		Principal activity
			2016 %	2015 %	2016 \$'000	2015 \$'000	
Perth USAsia Centre Limited*	Australia	Ordinary	50	50	-	-	Collaborative research on US and Australia relationship

* The company is "Limited by Guarantee". The constitution of the company prohibits distribution of funds to the members. Accordingly, the result of the company is equity accounted at nil value.

Notes to the financial statements

for the year ended 31 December 2016

	Consolidated		University	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
40 Business Combinations				
(a) Summary of acquisition				
The UWA Sport and Recreation Association ("SRA"), a separate legal entity to the Group, transferred the management of the SRA as a going concern to UWA Sport Pty Ltd, a wholly owned subsidiary of the University of Western Australia. This transfer took effect on 1 July 2015. Details of the fair value of the assets and liability acquired are as follows:				
Total purchase consideration	-	-	-	-
Fair value of net identifiable assets acquired	-	616	-	-
Gain on bargain purchase	-	616	-	-
Goodwill	-	-	-	-
(b) Purchase consideration				
Cash consideration	-	-	-	-
Less balance acquired:				
Cash	-	748	-	-
Net inflow of cash	-	748	-	-
(c) Assets acquired and liabilities assumed				
The carrying amount of the assets and liabilities arising from the acquisition are as follows:				
Cash and cash equivalents	-	748	-	-
Receivables	-	225	-	-
Inventories	-	6	-	-
Other non-financial assets	-	39	-	-
Property, plant and equipment	-	399	-	-
Trade and other payables	-	(591)	-	-
Provisions	-	(210)	-	-
Net assets	-	616	-	-
The Group has assumed that the carrying amount of the assets and liabilities assumed is a reasonable approximation of the fair value.				
(d) Goodwill arising on acquisition				
Goodwill arising on acquisition	-	-	-	-

41 Events occurring after the end of the reporting period

There are no other known events occurring after the end of the reporting period up until the date of this report which are likely to materially affect the Group's financial position.

Notes to the financial statements

for the year ended 31 December 2016

	Consolidated		University	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
42 Reconciliation of net result to net cash provided by/(used in) operating activities				
Net result for the year	25,932	33,112	25,835	32,434
Adjustments: non-cash items				
Depreciation, amortisation and impairment	50,188	59,227	49,674	58,905
Investment adjustments	(40,722)	(17,631)	(40,722)	(17,641)
Net actuarial gain/(loss)	1	(119)	1	(119)
Net (profit)/loss on sale of non-current assets	820	(949)	822	(949)
Donation of artworks and equipment	(851)	(91)	(851)	(91)
Net exchange differences	(18)	(15)	(18)	(15)
Changes in assets and liabilities				
Decrease/(increase) in receivables and prepayments	(14,597)	4,832	(14,105)	4,092
Decrease/(increase) in inventories	(23)	98	7	77
(Decrease)/increase in payables and borrowings	19,237	(5,661)	18,633	(5,515)
(Decrease)/increase in other liabilities	6,564	(97)	6,459	243
(Decrease)/increase in provisions	(3,403)	(3,217)	(3,464)	(3,467)
Net cash provided by/(used in) operating activities	43,128	69,489	42,271	67,954

Notes to the financial statements

for the year ended 31 December 2016

43 Financial instruments

(a) Financial risk management - overview

The University's Governing Body, the Senate, has overall responsibility for risk management. To assist in fulfilling this aspect of its role, the Senate has established two standing committees—the Strategic Resources Committee and the Audit and Risk Committee, both of which report directly to the Senate. The Strategic Resources Committee has, as part of its role, responsibility for monitoring the financial welfare of the University, and, within the limits of agreed delegations, making decisions, or recommendations to Senate, on investments, debt and the capital structure within a framework of strategy approved by Senate. The Audit and Risk Committee has, as part of its role, responsibility to satisfy that the University has sound policies and arrangements in place for corporate governance and for controlling the institution's exposure to risk. The Audit and Risk Committee also oversees how the University's management monitors compliance with the risk management policies and reviews the adequacy of the risk management framework in relation to the financial risks faced by the University.

The University is committed to robust risk management practices as an integral part of good management. A risk report is provided on a quarterly basis to the Senate and the Audit & Risk Committee, which highlights major emerging risks and provides updates on risks from the Strategic Risk Register. The University's Strategic Risk Register was refreshed in 2016 to improve the quality of reporting and enable a better fit with the new integrated planning framework.

The revised Strategic Risk Register and a new Risk Appetite Statement for the University were approved by the Senate in October. Further improvements to the University's risk management systems are planned for 2017 as the new integrated planning framework is implemented.

A major component of the University's governance framework is the annual Cycle of Planning and Accountability. This cycle involves two key processes, being the preparation of budgets and the review of actual performance against budget or other relevant benchmarks. Where necessary, the quarterly reporting process highlights significant financial issues and risks. The monitoring and review process is fulfilled by the University Management and Executive, Strategic Resources Committee and Senate.

The group has exposure to credit, market and liquidity risk.

The University has appointed an Implemented Consultant effective 23 December 2016 to manage the University's investment portfolio. The Implemented Consultant provides a fully implemented investment management solution via a manager of managers style approach to portfolio construction, strategy implementation, diversification, management and overarching risk management.

(b) Credit risk

Credit risk arises principally from the University's investment securities, and to a limited extent from its loans and receivables. The carrying amount of the financial assets represents the maximum credit risk exposure at the reporting date.

In accordance with the University's Investment Policy, credit risk is minimised by appropriate diversification of investments gained through asset allocation, investment styles, manager and portfolio construction.

The Investment Policy Statement, which is managed by the Strategic Resources Committee and approved by Senate, sets out investment policy for matters such as performance objectives, investment restrictions, performance benchmarks and monitoring, and the strategic asset allocation benchmark for each investment pool. The investment policy is formally reviewed every two years and an investment consultant is appointed to undertake an independent review every four years and at any time a material change to the policy is proposed.

The majority of the University's exposure to credit risk from loans and receivables is denominated in Australian dollars. The University's credit control policy is designed to ensure that credit facilities are provided to customers with an appropriate credit history. Thereafter, the University has an active credit management policy.

The University's cash and cash equivalent transactions are invested only through pre-approved authorised deposit taking institutions and in accordance with the University Investment Policy, where maximum exposure limits are set for each institution according to their risk profile.

(c) Liquidity risk

Liquidity risk is the risk that the University will not be able to meet its financial obligations as they fall due. The University's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or other related costs. Under normal conditions, the University aims to achieve the optimum level of cash holding, so that it minimises liquidity risk to an acceptable level, while at the same time maximising return from investment, for an agreed level of risk.

To manage these conflicting objectives, and achieve a workable solution, the University prepares daily rolling liquidity forecasts, so that pro-active, informed decisions may be made in relation to liquidity management. In addition, the University has the flexibility to liquidate a portion of its pool investments in a short time frame, if required.

The University has a lending agreement with the Western Australian Treasury Corporation. The maximum amount eligible for draw down under the agreement is \$160.0 million (2015: \$160.0 million). As at reporting date the outstanding balance owing by the group, including accrued interest and guarantee levy fees is \$150.3 million (2015: \$125.1 million). The borrowings provide liquidity to support the University's capital program, and to fund the student accommodation under the National Rental Affordability Scheme (NRAS).

Notes to the financial statements

for the year ended 31 December 2016

The following table presents the contractual maturities of the financial assets and financial liabilities at the reporting date:

Consolidated 31 December 2016	Average interest rate	Variable interest rate	Less than 1 year	1 to 5 years	5+ years	Non-interest	Total
	%	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets							
Cash and cash equivalents	2.55%	14,049	60,285	-	-	83	74,417
Accounts receivable	-	-	-	-	-	48,776	48,776
Other financial assets	-	-	-	-	-	758,178	758,178
Loans and other receivables	-	-	-	-	-	94	94
Total		14,049	60,285	-	-	807,131	881,465
Financial liabilities							
Trade and other payables	-	-	-	-	-	64,659	64,659
Borrowings	4.49%	-	30,631	63,647	56,511	-	150,789
Other financial liabilities	-	-	-	-	-	5,715	5,715
Total		-	30,631	63,647	56,511	70,374	221,163

Consolidated 31 December 2015	Average interest rate	Variable interest rate	Less than 1 year	1 to 5 years	5+ years	Non-interest	Total
	%	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets							
Cash and cash equivalents	2.90%	12,647	110,619	-	-	76	123,342
Accounts receivable	-	-	-	-	-	33,485	33,485
Other financial assets	-	-	-	-	-	658,094	658,094
Loans and other receivables	-	-	-	-	-	90	90
Total		12,647	110,619	-	-	691,745	815,011
Financial liabilities							
Trade and other payables	-	-	-	-	-	46,819	46,819
Borrowings	4.89%	-	10,618	65,153	49,391	-	125,162
Other financial liabilities	-	-	-	-	-	4,905	4,905
Total		-	10,618	65,153	49,391	51,724	176,886

(d) Market risk

The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The University's Investment Policy provides strategies for managing the impact from market risk.

(i) Foreign exchange risk

Foreign exchange risk arises principally from overseas sources of income and expenditure in relation to the University's international offshore teaching programmes, foreign donors, foreign customers and foreign sourced supplies. For the purposes of managing some international transactional activities, the University holds US dollar and Singapore dollar bank accounts. At year end, the University has foreign exchange risk exposure on these bank accounts as disclosed in the market sensitivity analysis.

Foreign Exchange Contracts

The University enters into forward exchange contracts which are economic hedges that are not designated for hedge accounting, consequently fair value gains and losses are recorded in the income statement. Foreign exchange contracts are used to manage foreign exchange risk to specifically identified transactional activity.

Details of the forward exchange contracts outstanding at the end of the reporting period are given below:

2016 instrument	Notional amount	Rate	Expiry
Forward Foreign Exchange contract (buy)	EUR \$0.29 million	0.6928	31/01/2017
	EUR \$0.08 million	0.6906	31/01/2017
	USD \$0.04 million	0.7300	21/07/2017
	EUR \$0.10 million	0.6769	30/11/2017
	EUR \$0.10 million	0.6757	22/12/2017
Forward Foreign Exchange contract (sell)	USD \$8.0 million	0.7631	13/01/2017
2015 instrument	Notional amount	Rate	Expiry
Forward Foreign Exchange contract (buy)	GBP \$0.15 million	0.4926	11/01/2016
	USD \$0.05 million	0.7302	13/01/2016
	EUR \$0.29 million	0.6669	1/02/2016
	GBP \$0.04 million	0.4920	2/02/2016
	USD \$3.0 million	0.7002	30/11/2016
	USD \$1.0 million	0.7002	16/12/2016

Notes to the financial statements

for the year ended 31 December 2016

Where possible, the University requires that transactions be contracted in Australian dollars and, if this is not possible, then forward currency contracts may be considered to manage the currency exposure. The University enters into a forward contract when there is an underlying actual exposure and not for speculative purposes.

The University's portfolio of investment assets includes, amongst other things, investments in unit trusts which have underlying exposure to international debt, equity and property asset classes. This risk is managed under the Investment Policy Statement, which sets parameters for the level of exposure to unhedged asset classes. Currently, the University only invests in unit trusts priced in Australian dollars, consequently resulting in no direct foreign currency risk. The risk is reflected in other price risk through changes in Australian dollar quoted unit prices.

The Debt Management Policy restricts borrowings so that all borrowings are in Australian currency only. Specific Senate approval is required for foreign currency borrowings.

Given these risk management procedures, the level of foreign exchange risk exposure is considered minimal.

(ii) Interest rate risk

Interest rate risk arises from holding interest-bearing financial assets. Fixed interest rate investments expose the University to changes in fair value through profit and loss, while variable interest rate investments expose the University to fluctuations in interest income and cash flow. However, fixed and floating rate interest securities are critical to a well diversified investment strategy, forming the defensive component of the overall investment strategy.

The University has interest bearing liabilities by way of a long term borrowing for financing the University's capital program and other specific capital projects. Interest rate risk arises on the borrowing portfolio and is managed by using a portfolio of debt diversified across a range of debt maturities and interest rate term exposures and diversification of fixed and floating rate debt.

The Capital Debt Management Policy Statement, which is managed reviewed by the Strategic Resources Committee and approved by Senate, sets out the debt policy requirements for the administration and management of the portfolio and includes interest rate and short: long benchmarks, borrowing restrictions and reporting and monitoring obligations. The Capital Debt Management Policy Statement is regularly and routinely reviewed.

(iii) Price risk

The University's investment pools are exposed to fluctuations in the prices of debt and equity securities and property units. The University's Investment Policy provides strategies for the minimisation of price risk with the diversification of that risk across a number of investment managers and classes of investment. The Investment Policy explicitly restricts the level of investment in any particular security by an individual investment manager. Ongoing monitoring takes place to ensure there is no concentration of risk exposure in any one area. The University has a long term strategic approach to its Investment Policy, which decreases its exposure to price risk over the long term.

(iv) Summarised sensitivity analysis

Consolidated 31 December 2016	Carrying amount \$'000	Interest rate risk			
		-1.0% Profit \$'000	Equity \$'000	+1.0% Profit \$'000	Equity \$'000
Financial assets					
Cash and cash equivalents	74,417	(743)	-	743	-
Accounts receivable	48,776	-	-	-	-
Other financial assets	758,178	(27,542)	-	27,542	-
Loans and other receivables	94	-	-	-	-
Financial liabilities					
Trade and other payables	(64,659)	-	-	-	-
Borrowings	(150,789)	333	-	(333)	-
Other financial liabilities	(5,715)	-	-	-	-
Total increase/(decrease)		(27,952)	-	27,952	-

Notes to the financial statements

for the year ended 31 December 2016

Consolidated 31 December 2016	Carrying amount \$'000	Foreign exchange rate risk			
		Profit \$'000	-20.0% Equity \$'000	+20.0% Profit \$'000	Equity \$'000
Financial assets					
Cash and cash equivalents	74,417	290	-	(290)	-
Accounts receivable	48,776	2,757	-	(2,757)	-
Other financial assets	758,178	-	-	-	-
Loans and other receivables	94	-	-	-	-
Financial liabilities					
Trade and other payables	(64,659)	-	-	-	-
Borrowings	(150,789)	-	-	-	-
Other financial liabilities	(5,715)	-	-	-	-
Total increase/(decrease)		3,047	-	(3,047)	-

Consolidated 31 December 2016	Carrying amount \$'000	Other price risk			
		Profit \$'000	-20.0% Equity \$'000	+20.0% Profit \$'000	Equity \$'000
Financial assets					
Cash and cash equivalents	74,417	-	-	-	-
Accounts receivable	48,776	-	-	-	-
Other financial assets	758,178	(58,851)	-	58,851	-
Loans and other receivables	94	-	-	-	-
Financial liabilities					
Trade and other payables	(64,659)	-	-	-	-
Borrowings	(150,789)	-	-	-	-
Other financial liabilities	(5,715)	679	-	(679)	-
Total increase/(decrease)		(58,172)	-	58,172	-

Consolidated 31 December 2015	Carrying amount \$'000	Interest rate risk			
		Profit \$'000	-1.0% Equity \$'000	+1.0% Profit \$'000	Equity \$'000
Financial assets					
Cash and cash equivalents	123,342	(1,233)	-	1,233	-
Accounts receivable	33,485	-	-	-	-
Other financial assets	658,094	(21,578)	-	21,578	-
Loans and other receivables	90	-	-	-	-
Financial liabilities					
Trade and other payables	(46,819)	-	-	-	-
Borrowings	(125,162)	265	-	(265)	-
Other financial liabilities	(4,905)	-	-	-	-
Total increase/(decrease)		(22,546)	-	22,546	-

Consolidated 31 December 2015	Carrying amount \$'000	Foreign exchange rate risk			
		Profit \$'000	-20.0% Equity \$'000	+20.0% Profit \$'000	Equity \$'000
Financial assets					
Cash and cash equivalents	123,342	294	-	(294)	-
Accounts receivable	33,485	362	-	(362)	-
Other financial assets	658,094	-	-	-	-
Loans and other receivables	90	-	-	-	-
Financial liabilities					
Trade and other payables	(46,819)	-	-	-	-
Borrowings	(125,162)	-	-	-	-
Other financial liabilities	(4,905)	-	-	-	-
Total increase/(decrease)		656	-	(656)	-

Notes to the financial statements

for the year ended 31 December 2016

Consolidated 31 December 2015	Carrying amount \$'000	Other price risk			
		-20.0% Profit \$'000	Equity \$'000	+20.0% Profit \$'000	Equity \$'000
Financial assets					
Cash and cash equivalents	123,342	-	-	-	-
Accounts receivable	33,485	-	-	-	-
Other financial assets	658,094	(65,987)	-	65,987	-
Loans and other receivables	90	-	-	-	-
Financial liabilities					
Trade and other payables	(46,819)	-	-	-	-
Borrowings	(125,162)	-	-	-	-
Other financial liabilities	(4,905)	(1,786)	-	1,786	-
Total increase/(decrease)		(67,773)	-	67,773	-

(e) Capital management

The University is funded principally by equity capital which is comprised of reserves and retained earnings as outlined in notes 32 and 33. The University also employs debt funding to specifically support the University's capital program as outlined in note 31. Senate's policy is to maintain a strong capital base to ensure that the University is able to continue to provide the services to the community for which it was originally established.

The University is not subject to externally imposed capital requirements, but does have responsibilities, in relation to maintaining the level of restricted funds derived from funds that have been endowed upon the University. The University continuously monitors its level of reserves, profitability and level of restricted and unrestricted funds within an established risk management framework.

Notes to the financial statements

for the year ended 31 December 2016

44 Fair value measurements

(a) Fair value measurements

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

Due to the short-term nature of the current receivables, their carrying value is assumed to approximate their fair value and based on credit history it is expected that the receivables that are neither past due nor impaired will be received when due.

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

Consolidated 31 December	Carrying amount		Fair value	
	2016	2015	2016	2015
Financial assets				
Cash and cash equivalents	74,417	123,342	74,417	123,342
Accounts receivable	48,776	33,485	48,776	33,485
Other financial assets	758,178	658,094	758,178	658,094
Loans and other receivables	94	90	94	90
Total financial assets	881,465	815,011	881,465	815,011
Financial liabilities				
Trade and other payables	(64,659)	(46,819)	(64,659)	(46,819)
Borrowings	(150,789)	(125,162)	(155,920)	(130,972)
Other financial liabilities	(5,715)	(4,905)	(5,715)	(4,905)
Total financial liabilities	(221,163)	(176,886)	(226,294)	(182,696)

The Group measures and recognises the following assets and liabilities at fair value on a recurring basis:

- Financial assets at fair value through profit and loss;
- Investment properties;
- Loans and receivables; and
- Available for sale financial assets.

(b) Fair value hierarchy

The University categorises assets and liabilities measured at fair value into a hierarchy based on the level of inputs used in measurement:

- Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2: Inputs that are observable for the asset or liability, either directly or indirectly; and
- Level 3: Inputs for the asset or liability that are not based on observable market data, that is, unobservable inputs.

The valuation level has been determined on the basis of the lowest level input. The level classification for financial assets at fair value through profit or loss have been determined by type of investments:

- Managed investments - Classified based on valuation of the investments, being either unit trusts or direct holdings. Unit trusts are priced based on the latest net asset price per unit. The managed investments are classified as level 1 fair value assets and consist either of publicly quoted unit trusts or assets with quoted pricing readily available, all in active markets.
- Direct investments - Holdings have been classified based on the market price of each holding and have been classified as level 1 fair value assets. Holdings in unlisted equity instruments have been classified as level 3 fair value assets.

The fair value of financial assets disclosed as level 2 fair value assets have been based on:

- Loans and receivables - Fair value is estimated as the present value of all future cash receipts discounted using the prevailing market rates of interest for a similar instrument, net of impairment.

The fair value of non-financial assets disclosed as level 2 fair value assets have been based on:

- Investment property - Fair values were determined by an independent valuer, and were derived from the sales prices of comparable properties after adjusting for differences in key attributes such as property size.

The fair value of financial assets disclosed as level 3 fair value assets have been based on:

- Unlisted credit securities held for investment purposes - Fair value based on an independent brokers quotation where due to the level of market activity and valuation methodology, the valuation is considered a level 3 valuation.
- Unlisted shares held by the University - Fair value is based on either last issue price or fund raising value, net tangible asset value, discounted net asset value or at cost where the market is generally limited.

Notes to the financial statements

for the year ended 31 December 2016

(i) Recognised fair value measurements

Fair value measurements recognised in the balance sheet are categorised into the following levels:

Consolidated 31 December 2016		Note	2016 \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Recurring fair value measurements						
Financial assets						
Other financial assets	24	758,178	744,927	1,224	12,027	
Total financial assets		758,178	744,927	1,224	12,027	
Non-financial assets						
Investment properties	23	24,207	-	24,207	-	
Total non-financial assets		24,207	-	24,207	-	
Consolidated 31 December 2015						
Recurring fair value measurements						
Financial assets						
Other financial assets	24	658,094	647,228	1,208	9,658	
Total financial assets		658,094	647,228	1,208	9,658	
Non-financial assets						
Investment properties	23	23,603	-	23,603	-	
Total non-financial assets		23,603	-	23,603	-	

There were no transfers between fair value hierarchy levels during the year. The University has no assets or liabilities measured at fair value on a non-recurring basis. In 2015, two unlisted equity holdings classified as level 3 were listed on the Australian Stock Exchange. As these holdings had quoted prices in an active market, a combined carrying amount of \$119,109 was transferred from level 3 to level 1.

The University's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

(ii) Disclosed fair values

The University has a number of assets and liabilities which are not measured at fair value, but for which the fair values are disclosed in the notes.

The carrying value of cash and cash equivalents, net accounts receivable and trade and other liabilities are considered a reasonable approximation of fair value due to the relatively short term nature of the instruments. The provision for impairment brings the face value of account receivables to fair value. The fair value of borrowings for disclosure purposes is determined after consideration of the premium or discount that would be required under a hypothetical settlement at the reporting date. Other financial liabilities consists of funds held for outside parties effectively at call and the carrying value represents the amount the University is required to pay to settle the liabilities.

(c) Valuation techniques used to derive level 2 and level 3 fair values

(i) Recurring fair value measurements

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Specific valuation techniques used to value financial instruments include:

- Investment property - fair values were determined by an independent valuer, and were derived from the sales prices of comparable properties after adjusting for differences in key attributes such as property size.
- Loans and receivables - fair value is estimated as the present value of all future cash receipts discounted using the prevailing market rates of interest for a similar instrument, net of impairment.
- Unlisted shares held by the University - fair value is based on their last issue price or fundraising value, net tangible asset value, discounted net asset value or at cost where the market is generally limited.

All of the resulting fair value estimates are included in level 2 except for unlisted equity securities, explained in (d) below.

(ii) Non-recurring fair value measurements

The University has no assets or liabilities measured at fair value on a non-recurring basis.

Notes to the financial statements

for the year ended 31 December 2016

(d) Fair value measurements using significant unobservable inputs (level 3)

The following table is a reconciliation of level 3 items for the periods ended 31 December 2016 and 2015:

Level 3 fair value measurements 2016	Other financial assets \$'000
Opening balance	9,658
Acquisitions	-
Transfers from level 1	-
Transfers from level 2	-
Transfers out of level 3	-
Acquisitions	540
Disposals	-
Total gains/(losses)	1,829
Recognised in profit or loss*	-
Recognised in other comprehensive income	1,829
Closing balance	12,027

Level 3 fair value measurements 2015	Other financial assets \$'000
Opening balance	1,464
Acquisitions	-
Transfers from level 1	-
Transfers from level 2	-
Transfers out of level 3	(119)
Acquisitions	-
Disposals	-
Total gains/(losses)	8,313
Recognised in profit or loss*	(875)
Recognised in other comprehensive income	9,188
Closing balance	9,658

*Unrealised gains/(losses) recognised in profit or loss attributable to assets held at the end of the reporting period	Other financial assets \$'000
2016	-
2015	(875)

(i) Transfers between categories and changes in valuation techniques

There were no transfers between categories or changes in valuation techniques during the year. In 2015, two unlisted equity holdings classified as level 3 were listed on the Australian Stock Exchange. As these holdings had quoted prices in an active market, a combined carrying amount of \$119,109 was transferred from level 3 to level 1.

(ii) Valuation inputs and relationships to fair value

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements. See (c) above for the valuation techniques adopted.

Description	Fair value at 31 Dec 2016 \$'000	Fair value at 31 Dec 2015 \$'000	Unobservable inputs	Range of inputs	Relationship of unobservable inputs to fair value
Unlisted shares with underlying investment assets	11,027	9,198	Discount rate	30%	The higher the discount rate, the lower the fair value
Unlisted shares with intellectual property assets	1,000	460	Not applicable - measured at cost	Not applicable - measured at cost	Not applicable - measured at cost

(iii) Valuation processes

The fair value of unlisted shares held by the University with underlying investment assets was determined by an independent valuer, and were derived by calculating the entity's net assets and applying a discount rate to factor in restrictions that prevent the entity from disposing its underlying net assets.

The unlisted shares with intellectual property assets held by the University are held for operational or research commercialisation purposes where no active market exists. The fair value of these assets cannot be reliably measured and are recognised at cost.

Notes to the financial statements for the year ended 31 December 2016

45 Acquittal of Australian Government financial assistance

45.1 Education - Commonwealth Grant Scheme and other Education grants	Note	University											
		Commonwealth Grant Scheme ¹		Indigenous Support Program		Higher Education Participation Program ²		Disability Support Program		Learning and Teaching Performance Fund		Diversity and Structural Adjustment Fund ³	
		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 (total cash received from the Australian Government for the programs)		161,205	154,776	785	713	1,972	1,706	97	120	-	-	-	-
Net accrual adjustments		-	-	-	-	-	-	-	-	-	-	-	-
Revenue for the period	2(a)	161,205	154,776	785	713	1,972	1,706	97	120	-	-	-	-
Surplus/(deficit) from the previous year		-	-	-	-	132	618	-	-	196	394	157	222
Total revenue including accrued revenue		161,205	154,776	785	713	2,104	2,324	97	120	196	394	157	222
Less expenses including accrued expenses		(161,205)	(154,776)	(785)	(713)	(1,718)	(2,192)	(97)	(120)	(47)	(198)	(4)	(65)
Surplus/(deficit) for the reporting period		-	-	-	-	386	132	-	-	149	196	153	157

1 Includes the basic CGS grant amount, CGS – Regional Loading, CGS – Enabling Loading, CGS – Medical student Loading, and CGS – Special Advances from Future Years.

2 Includes Access and Participation Fund and National Priorities Pool.

3 Includes Collaboration and Structural Adjustment Program.

45.1 Education - Commonwealth Grant Scheme and other Education grants (continued)	Note	University		
		Promotion of Excellence in Learning and Teaching		Total
		2016 \$'000	2015 \$'000	2015 \$'000
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the programs)		165	712	164,224
Net accrual adjustments		-	-	-
Revenue for the period	2(a)	165	712	164,224
Surplus/(deficit) from the previous year		738	431	1,223
Total revenue including accrued revenue		903	1,143	165,447
Less expenses including accrued expenses		(515)	(405)	(164,371)
Surplus/(deficit) for the reporting period		388	738	1,223

Notes to the financial statements

for the year ended 31 December 2016

	HECS - HELP (Commonwealth Payments)		FEE-HELP ⁴		University		SA - HELP		Total	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
45.2 Higher Education Loan Programs (excl OS-HELP)	Note									
Cash Payable/(Receivable) at the beginning of year	2(b)	(94,324)	(95,211)	(17,433)	(13,532)	(1,394)	(1,253)	(113,071)	(109,297)	(890)
Financial assistance received in CASH during the reporting period		94,244	94,512	17,433	13,532	1,394	1,253	113,071	109,297	(890)
Revenue earned		92,655	93,622	17,433	13,532	1,394	1,253	111,482	108,407	(890)
Cash Payable/(Receivable) at end of year		(94,324)	(95,211)	(17,433)	(13,532)	(1,394)	(1,253)	(113,151)	(109,996)	(1,589)
		(1,669)	(1,589)	-	-	-	-	(1,669)	(1,589)	(1,589)

4 Program is in respect of FEE-HELP for Higher Education only and excludes funds received in respect of VET FEE-HELP.

	Australian Awards		Postgraduate Awards		International Postgraduate Research Scholarship		Commonwealth Education Cost Scholarships ⁵		Commonwealth Accommodation Scholarships ⁵		Indigenous Access Scholarships		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	2016 \$'000	2015 \$'000
45.3 Scholarships	Note													
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the programs)		13,368	13,470	1,045	1,050	289	387	200	437	236	255	15,138	15,599	(838)
Net accrual adjustments		-	-	-	-	(109)	(338)	(103)	(385)	(26)	(115)	(238)	(838)	(838)
Revenue for the period	2(c)	13,368	13,470	1,045	1,050	180	49	97	52	210	140	14,900	14,761	(14,761)
Surplus/(deficit) from the previous year		46	37	-	257	109	280	103	239	26	49	284	862	862
Total revenue including accrued revenue		13,414	13,507	1,045	1,307	289	329	200	291	236	189	15,184	15,623	15,623
Less expenses including accrued expenses		(12,875)	(13,460)	(1,045)	(1,307)	(273)	(220)	(195)	(188)	(236)	(163)	(14,624)	(15,338)	(15,338)
Surplus/(deficit) for the reporting period		539	47	-	-	16	109	5	103	-	26	560	285	285

5 Includes Grandfathered Scholarships, National Priority and National Accommodation Priority Scholarships respectively.

Notes to the financial statements

for the year ended 31 December 2016

45.4	EDUCATION research	Note	Joint Research Engagement Program		Joint Research Engagement Cadetship Program		Research Training Scheme		University Research Infrastructure Block Grants		Sustainable Research Excellence		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
			17,335	17,935	302	286	33,109	33,369	15,188	15,302	10,942	11,840	76,876	78,732
		2(d)	17,335	17,935	302	286	33,109	33,369	15,188	15,302	10,942	11,840	76,876	78,732
			-	-	695	409	-	-	-	-	-	-	695	409
			17,335	17,935	997	695	33,109	33,369	15,188	15,302	10,942	11,840	77,571	79,141
			(17,335)	(17,935)	-	-	(33,109)	(33,369)	(15,188)	(15,302)	(10,942)	(11,840)	(76,574)	(78,446)
			-	-	997	695	-	-	-	-	-	-	997	695

Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the programs)

Net accrual adjustments

Revenue for the period

Surplus/(deficit) from the previous year

Total revenue including accrued revenue

Less expenses including accrued expenses

Surplus/(deficit) for the reporting period

45.5	Other capital funding	Note	University Education Investment Fund	
			2016 \$'000	2015 \$'000
			-	-
		2(e)	-	-
			-	-
			-	17,460
			-	17,460
			-	(17,460)
			-	-

Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the programs)

Net accrual adjustments

Revenue for the period

Surplus/(deficit) from the previous year

Total revenue including accrued revenue

Less expenses including accrued expenses

Surplus/(deficit) for the reporting period

Notes to the financial statements

for the year ended 31 December 2016

45.6 Australian Research Council grants (i) Discovery	Note	University							
		Projects ⁶		Fellowships		Indigenous Research Development		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 (total cash received from the Australian Government for the programs)		14,769	16,338	6,677	7,935	213	201	21,659	24,474
Net accrual adjustments		-	-	-	-	-	-	-	-
Revenue for the period	2(f)	14,769	16,338	6,677	7,935	213	201	21,659	24,474
Surplus/(deficit) from the previous year		8,900	9,870	5,604	7,486	96	145	14,600	17,501
Total revenue including accrued revenue		23,669	26,208	12,281	15,421	309	346	36,259	41,975
Less expenses including accrued expenses		(15,630)	(17,308)	(6,881)	(9,817)	(221)	(250)	(22,732)	(27,375)
Surplus/(deficit) for the reporting period		8,039	8,900	5,400	5,604	88	96	13,527	14,600

⁶ Includes Early Career Researcher Award.

45.6 Australian Research Council grants (i) Linkages	Note	University							
		Infrastructure		Projects		Industrial Transformation Research Program		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 (total cash received from the Australian Government for the programs)		2,290	4,091	5,135	6,770	2,063	2,529	9,488	13,390
Net accrual adjustments		-	-	-	-	-	-	-	-
Revenue for the period	2(f)	2,290	4,091	5,135	6,770	2,063	2,529	9,488	13,390
Surplus/(deficit) from the previous year		830	1,051	5,308	3,899	2,529	-	8,667	4,950
Total revenue including accrued revenue		3,120	5,142	10,443	10,669	4,592	2,529	18,155	18,340
Less expenses including accrued expenses		(2,150)	(4,312)	(5,478)	(5,361)	(1,417)	-	(9,045)	(9,673)
Surplus/(deficit) for the reporting period		970	830	4,965	5,308	3,175	2,529	9,110	8,667

Notes to the financial statements

for the year ended 31 December 2016

45.6 Australian Research Council grants (iii) Networks and centres	Note	University Centres	
		2016 \$'000	2015 \$'000
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the programs)		8,342	8,203
Net accrual adjustments		-	-
Revenue for the period	2(f)	8,342	8,203
Surplus/(deficit) from the previous year		3,504	3,003
Total revenue including accrued revenue		11,846	11,206
Less expenses including accrued expenses		(8,597)	(7,702)
Surplus/(deficit) for the reporting period		3,249	3,504

45.7 OS-HELP	University OS-HELP	
	2016 \$'000	2015 \$'000
Cash received during the reporting period	2,151	2,037
Cash spent during the reporting period	(2,196)	(1,958)
Net cash received	(45)	79
Cash surplus/(deficit) from previous period	1,099	1,020
Cash surplus/(deficit) for reporting period	1,054	1,099

45.8 Student services and amenities fee	University Student Services and Amenities Fee	
	2016 \$'000	2015 \$'000
Unspent/(overspent) revenue from previous period	-	-
SA-HELP revenue earned	1,394	1,253
Student services and amenities fees from students	4,133	4,087
Total revenue expendable in period	5,527	5,340
Student services expenses during period	(5,527)	(5,340)
Unspent/(overspent) student services revenue	-	-