

INCOME STATEMENT

for the year ended 31 DECEMBER 2014

	Notes	Consolidated		University	
		2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Income from continuing operations					
Australian Government financial assistance					
Australian Government grants	2	420,088	400,763	416,121	400,214
HELP– Australian Government payments	2	109,757	101,581	109,757	101,581
Western Australian and Local Government financial assistance	3	50,849	49,537	49,526	49,353
HECS-HELP— student payments		24,656	24,933	24,656	24,933
Other research grants and contracts	4	34,192	42,720	34,192	42,720
Investment revenue	5	38,558	29,700	38,519	29,659
Fees and charges	6	147,504	137,196	145,836	135,282
Other contributions and recoveries	7	46,937	40,591	46,824	40,526
Other revenue	8	76,623	103,225	75,679	95,283
Total revenue from continuing operations		949,164	930,246	941,110	919,551
Other investment income	5	209	200	209	200
Investment gains	5	15,774	65,402	15,774	65,402
Total income from continuing operations		965,147	995,848	957,093	985,153
Expenses from continuing operations					
Employee related expenses	9	552,848	530,559	545,974	523,367
Student expenses	10	49,889	48,418	49,904	48,445
Materials and supplies	11	32,945	35,001	29,093	31,246
Depreciation, amortisation and impairment	12	37,192	39,509	36,940	39,315
Repairs and maintenance	13	15,501	19,942	15,436	19,820
Finance costs	14	5,743	5,312	5,741	5,310
Grants distributed		11,202	8,890	11,202	8,848
Travel		26,646	25,015	26,639	25,012
Professional fees		28,338	23,832	28,318	23,804
Other expenses	15	114,246	134,531	117,694	135,209
Total expenses from continuing operations		874,550	871,009	866,941	860,376
Net result attributable to members of The University of Western Australia from continuing operations		90,597	124,839	90,152	124,777

STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 DECEMBER 2014

	Notes	Consolidated		University	
		2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Net result from continuing operations					
		90,597	124,839	90,152	124,777
Items that will not be reclassified to profit or loss					
Net Actuarial gains (losses) recognised in respect of Defined Benefit Plan	29	(514)	1,158	(514)	1,158
Total comprehensive income from continuing operations		(514)	1,158	(514)	1,158
Total comprehensive income attributable to members of The University of Western Australia from continuing operations		90,083	125,997	89,638	125,935

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

STATEMENT OF FINANCIAL POSITION

for the year ended 31 DECEMBER 2014

	Notes	Consolidated		University	
		2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
ASSETS					
Current assets					
Cash and cash equivalents	18	129,927	119,957	128,240	118,315
Receivables	19	38,049	40,812	37,842	41,108
Inventories	20	665	567	519	436
Non-current assets classified as held for sale	21	895	-	895	-
Other non-financial assets	22	43,561	70,490	43,544	70,477
Total current assets		213,097	231,826	211,040	230,336
Non-current assets					
Receivables	19	89	121	89	121
Investment properties	23	23,155	27,313	23,155	27,313
Other financial assets	24	631,269	554,443	631,265	554,443
Other non-financial assets	22	6,507	637	6,507	637
Property, plant and equipment	25	1,229,871	1,177,926	1,228,456	1,176,777
Intangible assets	26	20,011	18,174	20,011	18,174
Total non-current assets		1,910,902	1,778,614	1,909,483	1,777,465
Total assets		2,123,999	2,010,440	2,120,523	2,007,801
LIABILITIES					
Current liabilities					
Trade and other payables	28	49,649	34,045	48,298	33,011
Provisions	29	94,620	88,300	94,108	88,054
Other liabilities	30	44,507	41,076	44,010	40,514
Borrowings	31	2,842	2,738	2,842	2,738
Total current liabilities		191,618	166,159	189,258	164,317
Non-current liabilities					
Provisions	29	22,149	21,469	21,971	21,165
Borrowings	31	125,075	127,738	125,075	127,738
Total non-current liabilities		147,224	149,207	147,046	148,903
Total liabilities		338,842	315,366	336,304	313,220
Net assets		1,785,157	1,695,074	1,784,219	1,694,581
EQUITY					
Reserves	32	66,602	78,891	66,602	78,891
Retained earnings	33	1,718,555	1,616,183	1,717,617	1,615,690
Total equity		1,785,157	1,695,074	1,784,219	1,694,581

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

STATEMENT OF CHANGES IN EQUITY

for the year ended 31 DECEMBER 2014

	Reserves \$'000	Retained earnings \$'000	Total \$'000
Consolidated			
Balance at 1 January 2013	161,976	1,407,101	1,569,077
Net operating result	-	124,839	124,839
Remeasurement of Defined Benefit Plan	-	1,158	1,158
Transfer to/(from) reserves	(83,085)	83,085	-
Balance at 31 December 2013	78,891	1,616,183	1,695,074
Balance at 1 January 2014	78,891	1,616,183	1,695,074
Net operating result	-	90,597	90,597
Remeasurement of Defined Benefit Plan	-	(514)	(514)
Transfer to/(from) reserves	(12,289)	12,289	-
Balance at 31 December 2014	66,602	1,718,555	1,785,157
University			
Balance at 1 January 2013	161,976	1,406,670	1,568,646
Net operating result	-	124,777	124,777
Remeasurement of Defined Benefit Plan	-	1,158	1,158
Transfer to/(from) reserves	(83,085)	83,085	-
Balance at 31 December 2013	78,891	1,615,690	1,694,581
Balance at 1 January 2014	78,891	1,615,690	1,694,581
Net operating result	-	90,152	90,152
Remeasurement of Defined Benefit Plan	-	(514)	(514)
Transfer to/(from) reserves	(12,289)	12,289	-
Balance at 31 December 2014	66,602	1,717,617	1,784,219

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

STATEMENT OF CASH FLOWS

for the year ended 31 DECEMBER 2014

	Notes	Consolidated		University	
		2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Cash flows from operating activities					
Australian Government Grants received	2(h)	497,456	498,431	497,456	497,882
OS-HELP (net)		1,005	(8)	1,005	(8)
Western Australian Government Grants received		46,898	50,464	46,898	50,281
Local Government Grants received		142	134	142	134
HECS-HELP—student payments		24,656	24,933	24,656	24,933
Receipts from student fees and other customers		348,278	334,474	340,790	321,395
Dividends received		148	197	148	197
Interest received		5,373	5,982	5,334	5,982
Interest and other borrowing costs paid		(5,605)	(5,028)	(5,605)	(5,028)
Payments to suppliers and employees (inclusive of goods and services tax)		(808,482)	(827,984)	(801,519)	(815,145)
Net cash provided by/(used in) operating activities	41	109,869	81,595	109,305	80,623
Cash flows from investing activities					
Proceeds from sale of property, plant and equipment		811	586	811	586
Payments for property, plant and equipment		(70,917)	(111,921)	(70,399)	(111,298)
Proceeds from sale of financial assets		2,907	8,984	2,907	8,984
Payments for financial assets		(30,000)	-	(30,000)	-
Net cash provided by/(used in) investing activities		(97,199)	(102,351)	(96,681)	(101,728)
Cash flows from financing activities					
Proceeds from borrowings		-	19,325	-	19,275
Repayments of borrowings		(2,716)	(9)	(2,716)	-
Net cash provided by/(used in) financing activities		(2,716)	19,316	(2,716)	19,275
Net increase/(decrease) in cash and cash equivalents		9,954	(1,440)	9,909	(1,830)
Cash and cash equivalents at beginning of year		119,957	121,397	118,315	120,145
Effects of exchange rate changes on cash and cash equivalents		16	-	16	-
Cash and cash equivalents at end of year	18	129,927	119,957	128,240	118,315

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

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 DECEMBER 2014

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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 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 2015.

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.

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.

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 \$36.4 million (2013: \$32.6 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.

(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 2014 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.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 DECEMBER 2014

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.

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.

(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:

The Group treats operating grants received from Australian Governments as income in the year of receipt. Grants from the 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 income is 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.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 DECEMBER 2014

(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 present value of the estimated future cash flows discounted at the loan's original effective interest rate with the balance sheet carrying value. 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.

(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 cost as 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 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.

Impairment losses for available-for-sale assets cannot be reversed in future financial periods, once they have been recognised in the financial statements.

(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.

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

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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.

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 and works of art controlled by the University are classified as non-current assets. They are anticipated to have indeterminate useful lives since their service potential is not, in any material sense, consumed. As such, no amount for depreciation is recognised. 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. Profits and losses on disposal are recorded in the income statement for the year.

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

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

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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) Trade and other payables

Payables represent liabilities for goods or services incurred on or before 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.

(q) 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.

(r) 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.

(s) 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.

(t) 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

The liability for long-term annual leave is recognised in current provisions for employee benefits as it is not expected to be settled within 12 months after the end of the reporting period. It is measured at the amount expected to be paid when the liability is settled. 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.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 DECEMBER 2014

(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.

(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.

(u) 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.

(v) 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.

(w) 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.

(x) Disclosure of changes in accounting policy and estimates

(i) Initial application of Australian Accounting Standards

The Group has adopted the following new and amended Australian Accounting Standards and AASB Interpretations as of 1 January 2014:

- AASB 10 Consolidated Financial Statements
- AASB 11 Joint Arrangements
- AASB 12 Disclosure of Interests in Other Entities
- AASB 127 Separate Financial Statements
- AASB 128 Investments in Associates and Joint Ventures
- AASB 1031 Materiality
- AASB 1053 Application of Tiers of Australian Accounting Standards

The adoption of the standards or interpretations is described below:

AASB 10 Consolidated Financial Statements

AASB 10 provides a revised approach to determining which investees should be consolidated. The standard changes the requirements for determining whether an entity is consolidated by revising the definition of control and adding further guiding principles. The application of AASB 10 does not have any impact on the amounts recognised in the Group's financial statements.

AASB 11 Joint Arrangements

AASB 11 removes the option to account for jointly controlled entities (JCEs) using proportionate consolidation. Instead JCEs that meet the definition of a joint venture under AASB 11 must be accounted for using the equity method. The application of AASB 11 does not have any impact on the Group's financial statements.

AASB 12 Disclosure of Interests in Other Entities

AASB 12 includes all of the disclosures that were previously in AASB 127 Consolidated and Separate Financial Statements and AASB 131 Interest in Joint Ventures. These disclosures relate to an entity's interests in subsidiaries,

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 DECEMBER 2014

joint arrangements, associates and structured entities. The revised standard requires a number of disclosures which are consistent with previous disclosures made by the consolidated entity and has no impact on the consolidated entity's financial position or performance.

AASB 127 Separate Financial Statements

The revised version of AASB 127 now only deals with the requirements for separate financial statements, which have been carried over largely unamended from AASB 127 Consolidated and Separate Financial Statements. The application of the revised version of AASB 127 does not have any impact on the Group's financial statements.

AASB 128 Separate Financial Statements

The revised version of AASB 128 prescribes the accounting for investments in associates and sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures. The Standard defines 'significant influence' and provides guidance on how the equity method of accounting is to be applied. The application of the revised version of AASB 128 does not have any impact on the Group's financial statements.

AASB 1031 Materiality

The revised version of AASB 1031 removes Australian guidance on materiality not available in International Financial Reporting Standards and refers to guidance on materiality in other Australian pronouncements. This standard does not have any financial impact on the Group.

AASB 1053 Application of Tiers of Australian Accounting Standards

This standard establishes a differential financial reporting framework consisting of two tiers of reporting requirements for preparing general purpose financial statements. This standard does not have any financial impact on the Group.

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

The Group cannot early adopt an Australian Accounting Standard or Australian Accounting Interpretation unless specifically permitted by TI 1101 'Application of Australian Accounting Standards and Other Pronouncements'. Consequently, the following Australian Accounting Standards and amendments that have been issued but not yet effective are not applied. Where applicable, these will be applied from the application date:

- 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.
- 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.

(iii) Change in accounting estimates

The Group changed its estimates with respect to the useful life of building components. Buildings, including fixtures, fittings and central plant, were previously capitalised as one asset and depreciated at two per cent per year. Effective this year, the Group elected to separately identify fixtures, fittings and central plant for new projects and depreciate such components at five per cent per year.

The financial impact of this change in estimate on the Group has been deemed to be immaterial for the current period and future periods.

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for the year ended 31 DECEMBER 2014

	Notes	Consolidated		University	
		2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'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	44.1	162,068	160,203	162,068	160,203
Indigenous Support Program	44.1	805	881	805	881
Partnership and Participation Program ²	44.1	3,538	3,452	3,538	3,452
Disability Support Program	44.1	150	145	150	145
Learning and Teaching Performance Fund	44.1	-	-	-	-
Diversity and Structural Adjustment Fund ³	44.1	-	-	-	-
Promotion of Excellence in Learning and Teaching	44.1	285	295	285	295
Reward Funding	44.1	-	399	-	399
Total Commonwealth Grant Scheme and other grants		166,846	165,375	166,846	165,375
(b) Higher Education Loan Programs					
HECS-HELP	44.2	99,829	93,055	99,829	93,055
FEE-HELP ⁴	44.2	8,712	7,585	8,712	7,585
SA-HELP	44.2	1,216	941	1,216	941
Total Higher Education Loan Programs		109,757	101,581	109,757	101,581
(c) Scholarships					
Australian Postgraduate Awards	44.3	13,057	12,408	13,057	12,408
International Postgraduate Research Scholarship	44.3	1,039	1,026	1,039	1,026
Commonwealth Education Cost Scholarships ⁵	44.3	399	(27)	399	(27)
Commonwealth Accommodation Scholarships ⁵	44.3	379	(271)	379	(271)
Indigenous Access Scholarships	44.3	221	(1)	221	(1)
Total Scholarships		15,095	13,135	15,095	13,135
(d) EDUCATION Research					
Joint Research Engagement Program ⁶	44.4	17,600	16,000	17,600	16,000
JRE Engineering Cadetships	44.4	211	133	211	133
Research Training Scheme	44.4	33,414	33,431	33,414	33,431
Research Infrastructure Block Grants	44.4	14,613	13,993	14,613	13,993
Commercialisation Training Scheme	44.4	-	(343)	-	(343)
Sustainable Research Excellence	44.4	10,519	10,383	10,519	10,383
Total EDUCATION research grants		76,357	73,597	76,357	73,597
(e) Other capital funding					
Education Investment Fund	44.5	13,000	-	13,000	-
Total other capital funding		13,000	-	13,000	-

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

² Includes Equity Support Program.

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 Institutional Grant Scheme.

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for the year ended 31 DECEMBER 2014

	Notes	Consolidated		University	
		2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
(f) Australian Research Council					
(i) Discovery					
Projects	44.6	19,345	16,387	19,345	16,387
Fellowships	44.6	12,174	10,295	12,174	10,295
Indigenous Research Development	44.6	350	685	350	685
Total discovery		31,869	27,367	31,869	27,367
(ii) Linkages					
Infrastructure	44.6	2,071	2,330	2,071	2,330
Projects	44.6	6,187	8,760	6,187	8,760
Total linkages		8,258	11,090	8,258	11,090
(iii) Networks and centres					
Centres	44.6	7,889	7,192	7,889	7,192
Total networks and centres		7,889	7,192	7,889	7,192
(g) Other Australian Government financial assistance					
Non-capital					
National Health and Medical Research Council		39,094	33,932	39,094	33,932
Other Commonwealth research grants		28,406	29,843	28,406	29,843
Other Commonwealth grants		28,573	34,992	24,606	34,443
Total non-capital grants		96,073	98,767	92,106	98,218
Capital					
Other Commonwealth grants		4,701	4,240	4,701	4,240
Total capital grants		4,701	4,240	4,701	4,240
Total other Australian Government financial assistance		100,774	103,007	96,807	102,458
Total Australian Government financial assistance		529,845	502,344	525,878	501,795
Reconciliation					
Australian Government grants		420,088	400,763	416,121	400,214
HECS-HELP payments		99,829	93,055	99,829	93,055
FEE-HELP payments		8,712	7,585	8,712	7,585
SA-HELP payments		1,216	941	1,216	941
Total Australian Government financial assistance		529,845	502,344	525,878	501,795
(h) Australian Government Grants received—cash basis					
Commonwealth Grants Scheme and other EDUCATION grants	44.1	166,846	165,375	166,846	165,375
Higher Education Loan Programs	44.2	108,490	100,917	108,490	100,917
Scholarships	44.3	15,095	13,135	15,095	13,135
EDUCATION research	44.4	76,357	73,597	76,357	73,597
Other capital funding	44.5	13,000	-	13,000	-
ARC grants—discovery	44.6	31,869	27,367	31,869	27,367
ARC grants—linkages	44.6	8,258	11,090	8,258	11,090
ARC grants—networks and centres	44.6	7,889	7,192	7,889	7,192
Other Australian Government grants		70,656	99,766	70,656	99,217
Total Australian Government grants received—cash basis		498,460	498,439	498,460	497,890
OS-HELP (Net)	44.7	(1,004)	(8)	(1,004)	(8)
Total Australian Government funding received—cash basis		497,456	498,431	497,456	497,882
3. Western Australian and Local Government financial assistance					
Non-capital					
Western Australian research grants		22,890	20,155	22,890	20,155
Western Australian other grants		27,904	28,279	26,581	28,095
Local Government research grants		55	167	55	167
Total non-capital grants		50,849	48,601	49,526	48,417
Capital					
Western Australian other grants		-	936	-	936
Total capital grants		-	936	-	936
Total Western Australian and Local Government financial assistance		50,849	49,537	49,526	49,353
4. Other research grants and contracts					
International		11,262	9,952	11,262	9,952
Bequests and donations		293	472	293	472
Industry and others		22,637	32,296	22,637	32,296
Total other research grants and contracts		34,192	42,720	34,192	42,720

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 DECEMBER 2014

	Consolidated		University	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
5. Investment revenue and income				
Investment revenue				
Dividend income	3,725	3,186	3,725	3,186
Interest income	7,096	7,311	7,057	7,270
Trust distributions	25,205	17,030	25,205	17,030
Imputation credits	2,532	2,173	2,532	2,173
Total investment revenue	38,558	29,700	38,519	29,659
Other investment income				
Other investment income	209	200	209	200
Total other investment income	209	200	209	200
Investment gains/(losses)				
Fair value gain/(loss) on other financial assets	20,054	55,935	20,054	55,935
Fair value gain/(loss) on investment properties	(4,280)	9,467	(4,280)	9,467
Total investment gains/(losses)	15,774	65,402	15,774	65,402
Net investment revenue and income	54,541	95,302	54,502	95,261
6. Fees and charges				
Course fees and charges				
Fee paying overseas students—onshore courses	96,021	90,214	96,021	90,214
Fee paying overseas students—offshore courses	7,176	7,206	7,176	7,206
Continuing education and short courses	9,592	11,692	9,592	11,692
Fee paying domestic postgraduate students	5,497	5,348	5,497	5,348
Total course fees and charges	118,286	114,460	118,286	114,460
Other non-course fees and charges				
Student amenities and services fees	4,406	3,703	4,406	3,703
Student accommodation	10,676	5,263	10,764	5,263
Parking fees	3,140	2,984	3,140	2,984
Registration fees	6,060	6,240	6,060	6,240
Rental and hire charges	2,919	2,934	1,184	1,045
Other	2,017	1,612	1,996	1,587
Total non-course fees and charges	29,218	22,736	27,550	20,822
Total fees and charges	147,504	137,196	145,836	135,282
7. Other contributions and recoveries				
Salary contributions from external parties	36,369	32,642	36,092	32,379
Expense recoveries	10,568	7,949	10,732	8,147
Total other contributions and recoveries	46,937	40,591	46,824	40,526
8. Other revenue				
Sales of goods and services	13,122	14,639	7,997	7,117
Donations and bequests	22,784	43,784	22,784	43,784
Sponsorships	4,995	4,572	4,995	4,572
Scholarships and prizes	1,291	794	1,291	794
Rental income	6,031	7,116	6,031	7,116
Other general grants	5,479	6,071	5,441	5,338
Consultancy	6,204	6,155	6,204	6,155
Royalties and licences	490	588	490	588
Performance and production	5,440	5,301	5,262	5,111
Insurance claim income	357	1,095	357	1,095
Subscriptions	667	868	667	868
Conference and symposium income	1,078	702	1,078	702
Property management income	-	-	5,289	733
Other	8,685	10,861	7,793	10,631
Gain on sale of non-current assets	-	679	-	679
Total other revenue	76,623	103,225	75,679	95,283

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 DECEMBER 2014

	Notes	Consolidated		University	
		2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
9. Employee related expenses					
Academic					
Salaries*		235,798	231,344	235,798	231,344
Contributions to superannuation and pension schemes		35,930	34,510	35,930	34,510
Payroll tax		14,179	13,690	14,179	13,690
Worker's compensation		90	1,072	90	1,072
Long service leave expense		2,001	1,086	2,001	1,086
Annual leave expense		1,445	468	1,445	468
Other		3,844	2,259	3,844	2,259
Total academic		293,287	284,429	293,287	284,429
Non-academic					
Salaries*		211,198	201,345	206,184	195,860
Contributions to superannuation and pension schemes		30,183	29,061	29,542	28,395
Payroll tax		13,239	12,401	12,872	12,015
Worker's compensation		637	931	637	931
Long service leave expense		2,163	544	2,034	444
Annual leave expense		1,488	685	1,025	271
Other		653	1,163	393	1,022
Total non-academic		259,561	246,130	252,687	238,938
Total employee benefits and on costs		552,848	530,559	545,974	523,367
* During 2014, the University undertook a voluntary early retirement scheme. The initial round was opened for applications in December 2014 and closed in January 2015. Total termination benefits of \$2.182m were accrued in 2014 for applications accepted under the first round. There is no minimum number of early retirement offers under the scheme but it is limited.					
10. Student expenses					
Scholarships and studentships		43,540	42,063	43,540	42,063
Grants and prizes		2,966	3,532	2,981	3,559
Amenities and services expenses		3,383	2,823	3,383	2,823
Total student expenses		49,889	48,418	49,904	48,445
11. Materials and supplies					
Laboratory, workshop and medical supplies		17,802	20,274	17,802	20,274
General office expenses		6,885	6,790	6,731	6,625
Other general consumables and supplies		8,258	7,937	4,560	4,347
Total materials and supplies		32,945	35,001	29,093	31,246
12. Depreciation, amortisation and impairment					
Depreciation					
Buildings		16,023	14,766	15,893	14,656
Plant and equipment		18,098	17,007	17,976	16,923
Library books		323	2,425	323	2,425
Total depreciation	25	34,444	34,198	34,192	34,004
Amortisation					
Intangible assets		2,581	5,311	2,581	5,311
Total amortisation	26	2,581	5,311	2,581	5,311
Impairment of assets					
Buildings		167	-	167	-
Total impairment of assets	25	167	-	167	-
Total depreciation, amortisation and impairment		37,192	39,509	36,940	39,315
13. Repairs and maintenance					
Building repairs and maintenance		9,798	12,631	9,763	12,586
Ground maintenance		2,619	2,804	2,619	2,804
General repairs and maintenance		3,084	4,507	3,054	4,430
Total repairs and maintenance		15,501	19,942	15,436	19,820
14. Finance costs					
Finance costs		5,743	5,312	5,741	5,310
Total finance costs		5,743	5,312	5,741	5,310

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 DECEMBER 2014

	Consolidated		University	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
15. Other expenses				
Computing costs	19,046	27,919	18,991	27,886
Books, periodicals and electronic library resources	5,780	4,587	5,772	4,575
Utilities and rates	14,170	16,849	14,157	16,840
Non-capital equipment purchases	7,692	10,533	7,618	10,459
Loss on disposal of assets	1,374	797	1,374	795
Performance and production costs	10,170	8,749	10,170	8,749
Insurance	4,796	4,515	4,796	4,515
Advertising, marketing and promotional expenses	6,839	7,589	6,797	7,551
Conference and course fees	3,428	3,259	3,428	3,259
Rental, hire and leasing fees	6,181	6,229	6,357	6,457
Cleaning and waste disposal	3,972	3,854	3,663	3,525
Bad and doubtful debts and other write-offs	623	1,353	614	1,353
Royalties and commissions	7,592	7,076	7,592	7,076
Exhibitions and conference costs	2,013	2,018	2,013	2,018
Vehicle costs	1,524	1,977	1,516	1,971
Parking, security and safety expenses	2,267	1,807	2,267	1,807
Appointment costs	1,266	1,530	1,266	1,530
Membership fees	2,185	798	2,185	798
Light meals	1,209	1,162	1,209	1,162
Cost of sales and production	3,539	3,502	3,539	3,502
General services	2,435	4,660	2,435	4,660
Other miscellaneous expenses	6,145	13,768	9,935	14,721
Total other expenses	114,246	134,531	117,694	135,209

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	
	2014	2013	2014	2013
\$0-\$9,999	18	18	1	-
\$120,000-\$129,999	1	-	-	-
\$130,000-\$139,999	1	-	1	-
\$140,000-\$149,999	1	-	-	1
\$150,000-\$159,999	-	1	-	-
\$160,000-\$169,999	-	1	-	-
\$170,000-\$179,999	1	-	-	-
\$180,000-\$189,999	-	-	-	1
\$190,000-\$199,999	-	1	-	1
\$200,000-\$209,999	1	-	1	-
\$230,000-\$239,999	-	-	-	1
\$240,000-\$249,999	1	1	-	1
\$310,000-\$319,999	-	-	-	1
\$320,000-\$329,999	-	-	-	1
\$340,000-\$349,999	-	-	2	1
\$350,000-\$359,999	-	-	1	-
\$360,000-\$369,999	-	-	-	1
\$370,000-\$379,999	-	-	1	-
\$380,000-\$389,999	-	-	1	1
\$450,000-\$459,999	-	-	-	2
\$460,000-\$469,999	-	-	1	-
\$470,000-\$479,999	-	-	-	1
\$480,000-\$489,999	-	-	3	1
\$490,000-\$499,999	-	-	-	-
\$500,000-\$509,999	-	-	1	1
\$510,000-\$519,999	-	-	-	1
\$530,000-\$539,999	-	-	1	-
\$560,000-\$569,999	-	-	1	-
\$570,000-\$579,999	-	-	-	1
\$600,000-\$609,999	-	-	1	-
\$620,000-\$629,999	-	-	-	1
\$770,000-\$779,999	-	-	-	1
\$950,000-\$959,999	1	-	-	-
\$1,010,000-\$1,019,999	-	1	-	-
	\$'000	\$'000	\$'000	\$'000
Total remuneration	1,997	1,772	6,255	7,591

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 DECEMBER 2014

	Consolidated		University	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'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	339	335	315	298
Total paid for audit and review of the Financial Statements	339	335	315	298
Other audit and assurance services*				
Fees paid to the Office of the Auditor General	16	31	16	31
Moore Stephens	106	67	106	67
Santo Casilli Auditing and Accounting Services	53	15	53	15
Lifetime Accounting Services	10	9	10	9
Ernst and Young	8	8	8	8
System Monitors	-	7	-	7
Escott Aston Chartered Accountants	12	6	12	6
Grant Thornton Australia	-	4	-	4
G Hubbard Audit and Accounting Services	4	2	4	2
Total paid for other audit and assurance services	209	148	209	148
Total remuneration of auditors	548	483	524	446
* Other audit and assurance services are related to compliance audits, grant acquittals and research project audits.				
18. Cash and cash equivalents				
Cash at bank	18,696	12,095	17,032	11,092
Short-term money deposit	111,105	107,748	111,105	107,135
Cash held in imprests	126	114	103	88
Total cash and cash equivalents	129,927	119,957	128,240	118,315
The Group has pledged \$4,405,000 (2013: \$713,000) against cash assets as at 31 December 2014.				
(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	129,927	119,957	128,240	118,315
Less: Bank overdrafts	-	-	-	-
Balance per statement of cash flows	129,927	119,957	128,240	118,315

(b) Cash at bank

These are interest bearing at an average interest rate of 2.24% as at 31 December 2014 (2013: 2.47%).

(c) Short term money deposit

The bank bills and deposits are bearing average fixed interest rates of 3.47% as at 31 December 2014 (2013: 3.99%). These deposits have an average maturity of 62 days.

(d) Cash held in imprests

These are non-interest bearing.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 DECEMBER 2014

	Consolidated		University	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
19. Receivables				
Current				
Receivables	29,469	37,420	29,254	37,716
Less: Provision for impaired receivables	(1,309)	(1,174)	(1,301)	(1,174)
	28,160	36,246	27,953	36,542
Accrued income	9,889	4,566	9,889	4,566
Total current receivables	38,049	40,812	37,842	41,108
Non-current				
Receivables	89	121	89	121
Total non-current receivables	89	121	89	121
Total receivables	38,138	40,933	37,931	41,229
Impaired receivables				
As at 31 December 2014 receivables of \$26,133,000 (2013: \$29,230,000) were past due but not impaired.				
The ageing of these receivables is as follows:				
	Gross	Gross	Gross	Gross
Not past due	3,335	8,190	3,213	9,136
Past due 0–30 days	13,578	16,422	13,505	15,995
Past due 31–90 days	6,117	6,320	6,108	6,128
Past due 91–120 days	1,207	1,070	1,206	1,042
Past due 121 days–180 days	2,155	2,436	2,155	2,433
Past due 181 days–1 year	795	1,465	795	1,465
More than 1 year	2,282	1,517	2,272	1,517
Total	29,469	37,420	29,254	37,716
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 below.				
The ageing of these impaired receivables is as follows:				
	Impaired	Impaired	Impaired	Impaired
Not past due	7	18	7	18
Past due 0–30 days	23	27	23	27
Past due 31–90 days	9	40	9	40
Past due 91–120 days	2	2	2	2
Past due 121 days–180 days	-	3	-	3
Past due 181 days–1 year	10	607	10	607
More than 1 year	1,258	477	1,250	477
Total	1,309	1,174	1,301	1,174
The provisions for impairment included above have 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 2014 (2013: \$0).				
Movement in the provision for impairment of receivables are as follows:				
At 1 January	1,174	303	1,174	303
Provision for impairment recognised during the year	290	1,015	282	1,015
Receivables written off during the year as uncollectible	(155)	(144)	(155)	(144)
Unused amount reversed	-	-	-	-
	1,309	1,174	1,301	1,174
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	566	559	420	428
Work in progress—at cost	99	8	99	8
Total current inventories	665	567	519	436

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 DECEMBER 2014

	Notes	Consolidated		University	
		2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
21. Non-current assets classified as held for sale					
Land and buildings	25	895	-	895	-
Total non-current assets classified as held for sale		895	-	895	-
22. Other non-financial assets					
Current					
Advances and prepayments*		43,561	70,490	43,544	70,477
Total current other non-financial assets		43,561	70,490	43,544	70,477
Non-current					
Advances and prepayments*		6,507	637	6,507	637
Total non-current other non-financial assets		6,507	637	6,507	637
Total other non-financial assets		50,068	71,127	50,051	71,114
*Advances and prepayments include \$28.9 million of prepayments for property, plant and equipment (2013: \$56.5 million).					
23. Investment properties					
At fair value					
Opening balance at 1 January		27,313	17,863	27,313	17,863
Capitalised subsequent expenditure		122	171	122	171
Transfer to property, plant and equipment	25	-	(188)	-	(188)
Classified as held for sale or disposals		-	-	-	-
Net gain/(loss) from fair value adjustment		(4,280)	9,467	(4,280)	9,467
Closing balance at 31 December		23,155	27,313	23,155	27,313
(a) Amounts recognised in profit and loss for investment properties					
Direct operating expenses from property that did not generate rental income		1	-	1	-
		1	-	1	-
(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		628,578	551,726	628,578	551,726
Available for sale financial assets*		1,464	1,468	1,464	1,468
Loans and receivables		2,667	2,689	2,663	2,689
Less: Impairment		(1,440)	(1,440)	(1,440)	(1,440)
Total non-current other financial assets		631,269	554,443	631,265	554,443
*Equity instruments that do not have an active market and whose fair value cannot be reliably measured are classified as available for sale asset, and cannot be designated at fair value through profit or loss.					
Impairment					
The movement in the provision for impairment in respect of loans and receivables recorded at amortised cost during the year was as follows:					
Balance as at 1 January		1,440	1,440	1,440	1,440
Impairment loss recognised		-	-	-	-
Balance as at 31 December		1,440	1,440	1,440	1,440

The Group has fully impaired a loan and receivable asset due to the level of uncertainty surrounding actual future repayment of the principal amount.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 DECEMBER 2014

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
2014										
Consolidated										
At 1 January 2014										
Cost		187,757	80,000	835,446	17,518	224,409	25,757	8,352	64,259	1,443,498
Accumulated depreciation		-	-	(116,724)	-	(146,223)	-	(2,425)	-	(265,372)
Accumulated impairment		-	-	(63)	-	(147)	-	-	-	(200)
Net book value		187,757	80,000	718,669	17,518	78,039	25,757	5,927	64,259	1,177,926
Year ended 31 December 2014										
Opening net book value		187,757	80,000	718,669	17,518	78,039	25,757	5,927	64,259	1,177,926
Additions		3,792	-	26,172	35,561	21,808	1,811	567	566	90,277
Disposals		(186)	-	(117)	-	(2,463)	-	-	(60)	(2,826)
Depreciation	12	-	-	(16,023)	-	(18,098)	-	(323)	-	(34,444)
Impairment		-	-	(167)	-	-	-	-	-	(167)
Transfer		-	-	23,596	(23,988)	392	-	-	-	-
Transfer from (to) investment properties	23	-	-	-	-	-	-	-	-	-
Transfer of impairment (from) to assets held for sale	21	-	-	167	-	-	-	-	-	167
Transfer of carrying amount from (to) assets held for sale	21	(392)	-	(670)	-	-	-	-	-	(1,062)
Closing net book value		190,971	80,000	751,627	29,091	79,678	27,568	6,171	64,765	1,229,871
At 31 December 2014										
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		-	-	(63)	-	(147)	-	-	-	(200)
Net book value		190,971	80,000	751,627	29,091	79,678	27,568	6,171	64,765	1,229,871

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 DECEMBER 2014

25. Property, plant and equipment (continued)

	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
2014										
University										
At 1 January 2014										
Cost		187,757	80,000	834,826	17,518	223,488	25,757	8,352	64,259	1,441,957
Accumulated depreciation		-	-	(116,614)	-	(145,941)	-	(2,425)	-	(264,980)
Accumulated impairment		-	-	(53)	-	(147)	-	-	-	(200)
Net book value		187,757	80,000	718,159	17,518	77,400	25,757	5,927	64,259	1,176,777
Year ended 31 December 2014										
Opening net book value		187,757	80,000	718,159	17,518	77,400	25,757	5,927	64,259	1,176,777
Additions		3,792	-	26,173	35,561	21,289	1,811	567	566	89,759
Disposals		(186)	-	(117)	-	(2,463)	-	-	(60)	(2,826)
Depreciation	12	-	-	(15,893)	-	(17,976)	-	(323)	-	(34,192)
Impairment		-	-	(167)	-	-	-	-	-	(167)
Transfer		-	-	23,596	(23,988)	392	-	-	-	-
Transfer from (to) investment properties	23	-	-	-	-	-	-	-	-	-
Transfer of impairment (from) to assets held for sale	21	-	-	167	-	-	-	-	-	167
Transfer of carrying amount from (to) assets held for sale	21	(392)	-	(670)	-	-	-	-	-	(1,062)
Closing net book value		190,971	80,000	751,248	29,091	78,642	27,568	6,171	64,765	1,228,456
At 31 December 2014										
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

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 DECEMBER 2014

25. Property, plant and equipment (continued)

	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
2013										
Consolidated										
At 1 January 2013										
Cost		187,569	80,000	750,802	73,710	204,257	25,105	7,182	64,157	1,392,782
Accumulated depreciation		-	-	(102,007)	-	(136,711)	-	-	-	(238,718)
Accumulated impairment		-	-	(53)	-	(147)	-	-	-	(200)
Net book value		187,569	80,000	648,742	73,710	67,399	25,105	7,182	64,157	1,153,864
Year ended 31 December 2013										
Opening net book value		187,569	80,000	648,742	73,710	67,399	25,105	7,182	64,157	1,153,864
Additions		-	-	770	38,511	17,573	652	1,170	102	58,778
Disposals		-	-	-	-	(1,330)	-	-	-	(1,330)
Depreciation	12	-	-	(14,766)	-	(17,007)	-	(2,425)	-	(34,198)
Impairment		-	-	-	-	-	-	-	-	-
Transfer		-	-	83,299	(94,703)	11,404	-	-	-	188
Transfer from (to) investment properties	23	188	-	-	-	-	-	-	-	-
Transfer from (to) assets held for sale	21	-	-	624	-	-	-	-	-	624
Closing net book value		187,757	80,000	718,669	17,518	78,039	25,757	5,927	64,259	1,177,926
At 31 December 2013										
Cost		187,757	80,000	835,446	17,518	224,409	25,757	8,352	64,259	1,443,498
Accumulated depreciation		-	-	(116,724)	-	(146,223)	-	(2,425)	-	(265,372)
Accumulated impairment		-	-	(53)	-	(147)	-	-	-	(200)
Net book value		187,757	80,000	718,669	17,518	78,039	25,757	5,927	64,259	1,177,926

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 DECEMBER 2014

25. Property, plant and equipment (continued)

	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
2013										
University										
At 1 January 2013										
Cost		187,569	80,000	750,802	73,685	203,375	25,105	7,182	64,157	1,391,875
Accumulated depreciation		-	-	(102,007)	-	(136,511)	-	-	-	(238,518)
Accumulated impairment		-	-	(63)	-	(147)	-	-	-	(200)
Net book value		187,569	80,000	648,742	73,685	66,717	25,105	7,182	64,157	1,153,157
Year ended 31 December 2013										
Opening net book value		187,569	80,000	648,742	73,685	66,717	25,105	7,182	64,157	1,153,157
Additions		-	-	366	38,511	17,337	652	1,170	102	58,138
Disposals		-	-	-	-	(1,326)	-	-	-	(1,326)
Depreciation	12	-	-	(14,656)	-	(16,923)	-	(2,425)	-	(34,004)
Impairment		-	-	-	-	-	-	-	-	-
Transfer		-	-	83,083	-	11,595	-	-	-	-
Transfer from (to) investment properties	23	188	-	-	(94,678)	-	-	-	-	188
Transfer from (to) assets held for sale	21	-	-	624	-	-	-	-	-	624
Closing net book value		187,757	80,000	718,159	17,518	77,400	25,757	5,927	64,259	1,176,777
At 31 December 2013										
Cost		187,757	80,000	834,826	17,518	223,488	25,757	8,352	64,259	1,441,957
Accumulated depreciation		-	-	(116,614)	-	(145,941)	-	(2,425)	-	(264,980)
Accumulated impairment		-	-	(63)	-	(147)	-	-	-	(200)
Net book value		187,757	80,000	718,159	17,518	77,400	25,757	5,927	64,259	1,176,777

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 DECEMBER 2014

	Consolidated		University	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
26. Intangible assets				
Software	1,325	1,987	1,325	1,987
Electronic library resources	18,686	16,040	18,686	16,040
Others	-	147	-	147
Total intangible assets	20,011	18,174	20,011	18,174

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

Consolidated and University

	Software	Electronic Library	Others	TOTAL
	\$'000	Resources \$'000		
At 1 January 2013				
Cost	11,392	15,995	500	27,887
Accumulated amortisation and impairment	(8,742)	-	(207)	(8,949)
Net book value	2,650	15,995	293	18,938
Year ended 31 December 2013				
Opening net book value	2,650	15,995	293	18,938
Additions	-	4,547	-	4,547
Disposals	-	-	-	-
Amortisation	(663)	(4,502)	(146)	(5,311)
Closing net book value	1,987	16,040	147	18,174
At 31 December 2013				
Cost	11,392	20,542	500	32,434
Accumulated amortisation and impairment	(9,405)	(4,502)	(353)	(14,260)
Net book value	1,987	16,040	147	18,174
Year ended 31 December 2014				
Opening net book value	1,987	16,040	147	18,174
Additions	-	4,418	-	4,418
Disposals	-	-	-	-
Amortisation	(662)	(1,772)	(147)	(2,581)
Closing net book value	1,325	18,686	-	20,011
At 31 December 2014				
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

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 DECEMBER 2014

	Consolidated		University	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
27. Restricted assets				
Cash and cash equivalents	60,900	57,620	60,900	57,620
Investment properties	23,155	27,313	23,155	27,313
Other financial assets	539,840	488,600	539,840	488,600
Property, plant and equipment	278,761	277,936	278,761	277,936
Total restricted assets	902,656	851,469	902,656	851,469
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.				
28. Trade and other payables				
Trade payables	30,554	20,970	30,000	20,669
Other payables	19,095	13,075	18,298	12,342
Total trade and other payables	49,649	34,045	48,298	33,011
29. Provisions				
Current				
Annual, long service and other leave*	89,128	83,493	88,700	83,291
Employment on-costs provision	4,936	4,649	4,852	4,605
Revenue sharing provision	556	158	556	158
Total current provisions	94,620	88,300	94,108	88,054
Non-current				
Superannuation (defined benefit)	5,899	6,134	5,899	6,134
Long service leave	15,374	14,491	15,224	14,238
Employment on-costs provision	876	844	848	793
Total non-current provisions	22,149	21,469	21,971	21,165
Total provisions	116,769	109,769	116,079	109,219
* 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	33,249	32,288	32,865	32,114
More than 12 months after balance sheet date	11,171	10,730	11,042	10,681
	44,420	43,018	43,018	42,795
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	8,253	7,891	8,230	7,887
More than 12 months after balance sheet date	40,196	37,232	40,085	37,214
	48,449	45,123	48,315	45,101
(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) 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	5,492		5,398	
Charged/(credited) to profit or loss				
Additional provision recognised	2,613		2,565	
Unused amounts reversed	(76)		(76)	
Amounts used during the period	(2,217)		(2,187)	
Closing balance at 31 December	5,812		5,700	
Revenue sharing provision				
Opening balance at 1 January	158		158	
Charged/(credited) to profit or loss				
Additional provision recognised	398		398	
Unused amounts reversed				
Amounts used during the period				
Closing balance at 31 December	556		556	

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 DECEMBER 2014

	Consolidated		University	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
(c) 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	6,134	8,415	6,134	8,415
Service cost	24	31	24	31
Net interest	191	207	191	207
Past service cost	-	-	-	-
Settlement (gains)/losses	-	-	-	-
Acrued return on assets minus interest income	-	-	-	-
Actuarial (gain)/loss—demographic	-	-	-	-
Actuarial (gain)/loss—financial	161	(298)	161	(298)
Actuarial (gain)/loss—experience	353	(860)	353	(860)
University contributions (equal to benefit payments)	(1,042)	(1,361)	(1,042)	(1,361)
Adjustment for asset ceiling	-	-	-	-
Net defined benefit liability/(asset) at end of year	5,821	6,134	5,821	6,134
(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	-	-	-	-
Reconciliation of the defined benefit obligation:				
Present value of the defined benefit obligation at start of year	6,134	8,415	6,134	8,415
Service cost	24	31	24	31
Interest expense	191	207	191	207
Member contributions	-	-	-	-
Actuarial (gain)/loss—demographic	-	-	-	-
Actuarial (gain)/loss—financial	161	(298)	161	(298)
Actuarial (gain)/loss—experience	353	(860)	353	(860)
Benefits paid	(1,042)	(1,361)	(1,042)	(1,361)
Taxes, expenses, premiums paid	-	-	-	-
Settlements	-	-	-	-
Present value of the defined benefit obligations at end of year	5,821	6,134	5,821	6,134
(iv) Amounts recognised in income statement				
Current service cost	24	31	24	31
Interest cost	191	207	191	207
Expected return on plan assets	-	-	-	-
Actuarial (gains)/losses	-	-	-	-
Past service cost	-	-	-	-
Losses (gains) on curtailments and settlements	-	-	-	-
Total included in employee benefits expenses	215	238	215	238
(v) Amounts recognised in other comprehensive income				
Actuarial (gains)/losses	514	(1,158)	514	(1,158)
	514	(1,158)	514	(1,158)
(vi) Significant actuarial assumptions at the reporting date				
Discount rate	3.00%	3.40%	3.00%	3.40%
Future salary increases	3.00%	3.00%	3.00%	3.00%
Future inflation	3.00%	3.00%	3.00%	3.00%
Future pension increases	3.00%	3.00%	3.00%	3.00%

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(vii) Sensitivity analysis

	Required Basis	+0.5% Discount rate	+0.5% Salary/Pension Increase rate
The defined benefit obligation is presented on following scenarios:			
Discount rate	3.00%	3.50%	3.00%
Future salary and pension increases	3.00%	3.00%	3.50%
Defined benefit obligation	5,821	5,687	5,995
Change in obligation		(134)	174
Percentage change in obligation		-2.30%	3.00%

(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 \$1,618,302.

(ix) Maturity profile of defined benefit obligation

The weighted average duration of the defined benefit obligation is:

Supplementary Pension Scheme	6.1 years
Supplementary Benefit Scheme	0.9 years
Overall	4.6 years

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. Prior year gains and losses have been reclassified.

	Consolidated		University	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
30. Other liabilities				
Deferred revenue:				
Student fees	8,972	13,517	8,503	12,908
Other	26,567	11,155	26,539	11,202
Funds held for outside parties	8,968	16,404	8,968	16,404
Total other liabilities	44,507	41,076	44,010	40,514
Other funds held for outside parties that do not qualify for recognition in the financial statements				
As at reporting date the Group held \$16.0 million (2013: \$18.4 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	2,842	2,738	2,842	2,738
Total current borrowings	2,842	2,738	2,842	2,738
Non-current				
Western Australian Treasury Corporation	125,075	127,738	125,075	127,738
Total non-current borrowings	125,075	127,738	125,075	127,738
Total borrowings	127,917	130,476	127,917	130,476

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 DECEMBER 2014

31. Borrowings (continued)

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	
		2014	2013	2014	2013
Western Australian Treasury Corporation Loans					
Liquidity lending	17/01/15	3,138	15,000	2.76%	2.74%
Term floating rate lending	15/07/17	15,000	-	2.71%	3.04%
Portfolio lending	15/01/15 - 15/10/24	78,862	82,000	4.79%	4.86%
Fixed rate project	15/10/23	29,559	32,275	3.78%	3.78%
Total WATC loans		126,559	129,275		

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.

Financing facilities available

The following facilities had been negotiated and were available as at reporting date:

Facilities used at reporting date:

WATC loans	126,559	129,275		
Commercial bank facility	-	-		
Facilities unused at reporting date:				
WATC loans	33,441	30,725		
Commercial bank facility	-	-		
Total debt facilities	160,000	160,000		

Asset pledged as security

The Group has not pledged any assets as security against the borrowings. A State Treasurer's Guarantee has been provided, at a cost of 0.2 per cent per annum of the outstanding loan principle.

Fair value

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

	Consolidated		University	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
32. Reserves				
University strategic reserve	-	-	-	-
Debt repayment reserve	28,724	27,500	28,724	27,500
Short-term investment fluctuation reserves	37,878	35,755	37,878	35,755
University permanent reserve	-	10,393	-	10,393
Bequest and donated funds reserves	-	3,777	-	3,777
Other specific reserves	-	1,466	-	1,466
Total reserves	66,602	78,891	66,602	78,891
(a) Movements				
University strategic reserve				
Balance 1 January	-	78,800	-	78,800
Transfer from/(to) accumulated funds	-	(78,800)	-	(78,800)
Balance 31 December	-	-	-	-
Debt repayment reserve				
Balance 1 January	27,500	22,500	27,500	22,500
Transfer from/(to) accumulated funds	1,224	5,000	1,224	5,000
Balance 31 December	28,724	27,500	28,724	27,500
Short-term investment fluctuation reserves				
Balance 1 January	35,755	39,078	35,755	39,078
Transfer from/(to) accumulated funds	2,123	(3,323)	2,123	(3,323)
Balance 31 December	37,878	35,755	37,878	35,755
University permanent reserve				
Balance 1 January	10,393	10,545	10,393	10,545
Transfer from/(to) accumulated funds	(10,393)	(152)	(10,393)	(152)
Balance 31 December	-	10,393	-	10,393

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	Consolidated		University	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Bequest and donated funds reserves				
Balance 1 January	3,777	3,464	3,777	3,464
Transfer from/(to) accumulated funds	(3,777)	313	(3,777)	313
Balance 31 December	-	3,777	-	3,777
Other specific reserves				
Balance 1 January	1,466	7,589	1,466	7,589
Transfer from/(to) accumulated funds	(1,466)	(6,123)	(1,466)	(6,123)
Balance 31 December	-	1,466	-	1,466
Total reserves	66,602	78,891	66,602	78,891

(b) Nature and purpose of reserve

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.

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.

The University permanent reserve is intended for long-term investment providing an unrestricted funding base to support the operations of the Group in a manner similar to permanent bequest and donated funds capital. This reserve has been retired, effective 31 December 2014.

Bequest and donated funds reserves reflect net surpluses derived from endowments and bequests which can only be applied to restricted purposes. This reserve has been retired, effective 31 December 2014.

Other specific reserves:

University Hall reserve has been created to fund programs identified as priority initiatives and other programmes which cannot be funded from recurrent sources.

This reserve has been retired, effective 31 December 2014.

Parking reserve—funds accumulated as a result of levying charges for parking used to meet the cost of supervision and improvement of parking facilities. This reserve was retired in 2013.

	Consolidated		University	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
33. Retained earnings				
Retained earnings at 1 January	1,616,183	1,407,101	1,615,690	1,406,670
Operating result for the period	90,597	124,839	90,152	124,777
Item of other comprehensive income recognised directly in retained earnings				
Net actuarial gains/(losses) on Defined Benefit Plan	(514)	1,158	(514)	1,158
Reserves transferred to the income statement on derecognition of associate due to dilution	-	-	-	-
Share of movement in equity of associates	-	-	-	-
Transfer (to)/from reserves	12,289	83,085	12,289	83,085
Retained earnings at 31 December	1,718,555	1,616,183	1,717,617	1,615,690

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for the year ended 31 DECEMBER 2014

	Consolidated		University	
	2014 \$ '000	2013 \$ '000	2014 \$ '000	2013 \$ '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	19,826	14,871	19,830	14,871
Later than one year but no later than five years	1,819	-	1,819	-
Later than five years	-	-	-	-
	21,645	14,871	21,649	14,871
(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	65,457	25,198	65,457	25,198
Later than one year but no later than five years	380	460	380	460
Later than five years	-	-	-	-
	65,837	25,658	65,837	25,658
Other plant and equipment				
Within one year	9,346	8,095	8,748	8,095
Later than one year but no later than five years	90	-	90	-
Later than five years	-	-	-	-
	9,436	8,095	8,838	8,095
(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	1,436	1,455	1,423	1,452
Later than one year but no later than five years	2,231	1,988	2,216	1,978
Later than five years	22	220	22	220
	3,689	3,663	3,661	3,650
35. Contingencies				
(a) Contingent liabilities				
As at 31 December 2014 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 2014 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 and University Club Executive during the financial year:				
Trade and other receivables	500	476	491	476
Assets	23	3	23	3
	523	479	514	479
(b) Losses through theft, default and other causes				
Losses through theft and default	-	-	-	-
	-	-	-	-

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for the year ended 31 DECEMBER 2014

	Consolidated		University	
	2014 \$ '000	2013 \$ '000	2014 \$ '000	2013 \$ '000
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.				
(c) Transactions with related parties				
The following transactions occurred with related parties:				
Sales of goods and services				
Subsidiaries	-	-	6,289	947
Grant revenue				
Associates	50	50	50	50
Purchase of goods and services				
Subsidiaries	-	-	4,072	1,283
Grant expense				
Associates	214	200	214	200
(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	-	-	196	198
Current payables (purchases of goods)				
Subsidiaries	-	-	284	205
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.				

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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	Country of incorporation	Class of shares	Equity holding		Principal activity
			2014 %	2013 %	
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

The subsidiaries are formed in Western Australia.

39. Associates

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

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

Name of entity	Country of incorporation	Class of shares	Ownership interest		Carrying amount		Principal activity
			2014 %	2013 %	2014 \$'000	2013 \$'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.

40. Events occurring after the balance sheet date

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

	Consolidated		University	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
41. Reconciliation of net result to net cash provided by/(used in) operating activities				
Net result for the year	90,597	124,839	90,152	124,777
Adjustments: non-cash items				
Depreciation, amortisation and impairment	37,192	39,509	36,940	39,315
Investment adjustments	(45,452)	(84,284)	(45,446)	(84,228)
Net actuarial gain/(loss)	(514)	1,158	(514)	1,158
Net (profit)/loss on sale of non-current assets	1,374	118	1,374	116
Donation of artworks and equipment	(1,946)	(421)	(1,946)	(421)
Net exchange differences	(16)	-	(16)	-
Changes in assets and liabilities				
Decrease/(Increase) in receivables and prepayments	2,866	(1,313)	3,372	(1,564)
Decrease/(Increase) in inventories	(98)	(35)	(83)	(47)
(Decrease)/Increase in payables and other liabilities	15,509	(2,960)	15,191	(3,196)
(Decrease)/Increase in grants and fees in advance	3,357	4,875	3,421	4,791
(Decrease)/Increase in provisions	7,000	109	6,860	(78)
Net cash provided by/(used in) operating activities	109,869	81,595	109,305	80,623

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42. 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 best practice in risk management as an integral part of good management. The Vice-Chancellor provides a regular Risk Report to Senate which highlights major emerging risks and provides updates on risks from the Strategic Risk Register. These risk reports are supported by faculty and support function operational risk registers. These registers are reviewed for any themes or trends that warrant attention at an institutional level.

The University has developed a Corporate Risk Management Framework which is fully integrated into the University's Operational Priority Plan. The framework identifies the strategic risks, stakeholders and accountabilities for risk management across the University, part of which relates specifically to financial resources.

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.

(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.

As required by the University Investment Policy, the University manages its exposure to credit risk by diversifying investments in relation to fund manager and style of management, asset class, individual stock selection, geography and, where appropriate, term to maturity.

The Investment Policy Statement, which is reviewed 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 Statement is regularly and routinely reviewed internally and at least every four years, an independent consultant is engaged to assess both the Investment Policy and the internal reviews thereof, unless otherwise approved by Senate.

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 managed through maintaining adequate cash reserves and borrowing facilities by continuously monitoring forecast and actual cash flows.

The following tables summarise the maturity of the Group's financial assets and financial liabilities:

Consolidated 31 December 2014	Average interest rate %	Variable interest rate \$'000	Less than 1 year \$'000	1 to 5 years \$'000	5+ years \$'000	Non-interest \$'000	Total \$'000
Financial assets							
Cash and cash equivalents	3.45%	18,696	111,105	-	-	126	129,927
Accounts receivable	-	-	-	-	-	36,556	36,556
Other financial assets	-	-	-	-	-	631,269	631,269
Loans and other receivables	-	-	-	-	-	89	89
Total		18,696	111,105	-	-	668,040	797,841
Financial liabilities							
Trade and other payables	-	-	-	-	-	49,158	49,158
Borrowings	4.47%	-	16,845	58,288	52,784	-	127,917
Other financial liabilities	-	-	-	-	-	8,968	8,968
Total		-	16,845	58,288	52,784	58,126	186,043

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Consolidated 31 December 2013	Average interest rate %	Variable interest rate \$'000	Less than 1 year \$'000	1 to 5 years \$'000	5+ years \$'000	Non-interest \$'000	Total \$'000
Financial assets							
Cash and cash equivalents	3.95%	12,101	107,748	-	-	108	119,957
Accounts receivable	-	-	-	-	-	38,710	38,710
Other financial assets	-	-	-	-	-	554,443	554,443
Loans and other receivables	-	-	-	-	-	121	121
Total		12,101	107,748	-	-	593,382	713,231
Financial liabilities							
Trade and other payables	-	-	-	-	-	33,168	33,168
Borrowings	4.50%	-	31,856	42,612	56,008	-	130,476
Other financial liabilities	-	-	-	-	-	16,404	16,404
Total		-	31,856	42,612	56,008	49,573	180,048

(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 programs, 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 a minimal degree of foreign exchange risk exposure on these bank accounts as disclosed in the market sensitivity analysis.

Foreign Exchange Contracts

The University has entered into forward exchange contracts in 2014 which are economic hedges that have not been 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 set out in the table below.

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, among other things, investments in unit trusts which have underlying exposure to international debt, equity and property asset classes. This risk is actively managed under the Investment Policy Statement, which sets parameters for the level of exposure which requires the risk to be hedged. In addition, the residual risk is passively managed by the University through diversification of managers and class of investment. Currently, the University only invests directly 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 Capital 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

2014 Instrument	Notional amount	Rate	Expiry
Forward Foreign Exchange contract (buy)	USD \$1.0 million	0.807	25/09/2015
	USD \$1.0 million	0.807	28/10/2014
	USD \$1.0 million	0.807	27/11/2014
	USD \$1.0 million	0.807	18/12/2014
2013 Instrument	Notional amount	Rate	Expiry
Forward Foreign Exchange contract (buy)	USD \$1.0 million	0.885	26/09/2014
	USD \$1.0 million	0.885	29/10/2014
	USD \$1.0 million	0.885	26/11/2014
	USD \$1.0 million	0.885	19/12/2014

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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 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 2014	Carrying amount \$'000	Interest rate risk			
		-1.0%	Equity \$'000	Profit \$'000	+1.0%
Financial assets					
Cash and cash equivalents	129,927	(1,299)	-	1,299	-
Accounts receivable	36,556	-	-	-	-
Other financial assets	631,269	(10,663)	-	10,663	-
Loans and other receivables	89	-	-	-	-
Financial liabilities					
Trade and other payables	(49,158)	-	-	-	-
Borrowings	(127,917)	249	-	(249)	-
Other financial liabilities	(8,968)	-	-	-	-
Total increase/(decrease)		(11,713)	-	11,713	-

Consolidated 31 December 2014	Carrying amount \$'000	Foreign exchange rate risk			
		-20.0%	Equity \$'000	Profit \$'000	+20.0%
Financial assets					
Cash and cash equivalents	129,927	210	-	(210)	-
Accounts receivable	36,556	582	-	(582)	-
Other financial assets	631,269	-	-	-	-
Loans and other receivables	89	-	-	-	-
Financial liabilities					
Trade and other payables	(49,158)	-	-	-	-
Borrowings	(127,917)	-	-	-	-
Other financial liabilities	(8,968)	-	-	-	-
Total increase/(decrease)		792	-	(792)	-

Consolidated 31 December 2014	Carrying amount \$'000	Other price risk			
		-20.0%	Equity \$'000	Profit \$'000	+20.0%
Financial assets					
Cash and cash equivalents	129,927	-	-	-	-
Accounts receivable	36,556	-	-	-	-
Other financial assets	631,269	(63,818)	-	63,818	-
Loans and other receivables	89	-	-	-	-
Financial liabilities					
Trade and other payables	(49,158)	-	-	-	-
Borrowings	(127,917)	-	-	-	-
Other financial liabilities	(8,968)	(974)	-	974	-
Total increase/(decrease)		(64,792)	-	64,792	-

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for the year ended 31 DECEMBER 2014

Consolidated 31 December 2013	Carrying amount \$'000	Interest rate risk			
		Profit \$'000	-1.0% Equity \$'000	Profit \$'000	+1.0% Equity \$'000
Financial assets					
Cash and cash equivalents	119,957	(1,198)	-	1,198	-
Accounts receivable	38,710	-	-	-	-
Other financial assets	554,443	(8,317)	-	8,317	-
Loans and other receivables	121	-	-	-	-
Financial liabilities					
Trade and other payables	(33,168)	-	-	-	-
Borrowings	(130,476)	231	-	(231)	-
Other financial liabilities	(16,404)	-	-	-	-
Total increase/(decrease)		(9,284)	-	9,284	-

Consolidated 31 December 2013	Carrying amount \$'000	Foreign exchange rate risk			
		Profit \$'000	-20.0% Equity \$'000	Profit \$'000	+20.0% Equity \$'000
Financial assets					
Cash and cash equivalents	119,957	185	-	(185)	-
Accounts receivable	38,710	510	-	(510)	-
Other financial assets	554,443	-	-	-	-
Loans and other receivables	121	-	-	-	-
Financial liabilities					
Trade and other payables	(33,168)	-	-	-	-
Borrowings	(130,476)	-	-	-	-
Other financial liabilities	(16,404)	-	-	-	-
Total increase/(decrease)		695	-	(695)	-

Consolidated 31 December 2013	Carrying amount \$'000	Other price risk			
		Profit \$'000	-20.0% Equity \$'000	Profit \$'000	+20.0% Equity \$'000
Financial assets					
Cash and cash equivalents	119,957	-	-	-	-
Accounts receivable	38,710	-	-	-	-
Other financial assets	554,443	(58,160)	-	58,160	-
Loans and other receivables	121	-	-	-	-
Financial liabilities					
Trade and other payables	(33,168)	-	-	-	-
Borrowings	(130,476)	-	-	-	-
Other financial liabilities	(16,404)	514	-	(514)	-
Total increase/(decrease)		(57,646)	-	57,646	-

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(e) 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 (2013: \$160.0 million). As at reporting date the outstanding balance owing by the group, including accrued interest and guarantee levy fees is \$127.9 million (2013: \$130.5 million).

The borrowings provide liquidity to support the University's capital program, and to fund the student accommodation at the University Hall college site under the National Rental Affordability Scheme (NRAS).

The table below presents the contractual maturities of the financial liabilities at the reporting date.

(f) 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 outline 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.

	Carrying Amount	1 year or less	1–2 years	2–5 years	More than 5 years
Consolidated 31 December 2014					
Trade payables	30,063	30,063	-	-	-
Other payables	19,095	19,095	-	-	-
Funds held for outside parties	8,968	8,968	-	-	-
Interest bearing borrowings	127,917	21,752	29,786	42,072	58,526
Total	186,043	79,878	29,786	42,072	58,526
Consolidated 31 December 2013					
Trade payables	20,093	20,093	-	-	-
Other payables	13,075	13,075	-	-	-
Funds held for outside parties	16,404	16,404	-	-	-
Interest bearing borrowings	130,476	36,664	14,747	41,983	62,445
Total	180,048	86,236	14,747	41,983	62,445
University 31 December 2014					
Trade payables	29,508	29,508	-	-	-
Other payables	18,298	18,298	-	-	-
Funds held for outside parties	8,968	8,968	-	-	-
Interest bearing borrowings	127,917	21,752	29,786	42,072	58,526
Total	184,691	78,526	29,786	42,072	58,526
University 31 December 2013					
Trade payables	19,793	19,793	-	-	-
Other payables	12,342	12,342	-	-	-
Funds held for outside parties	16,404	16,404	-	-	-
Interest bearing borrowings	130,476	36,664	14,747	41,983	62,445
Total	179,015	85,203	14,747	41,983	62,445

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 DECEMBER 2014

43. 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 set out in the table below.

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 for operational or research commercialisation purposes—fair value is based on either last issue price or fund raising value, net tangible asset value or at cost where the market is generally limited.

Consolidated 31 December	Carrying amount		Fair value	
	2014	2013	2014	2013
Financial assets				
Cash and cash equivalents	129,927	119,957	129,927	119,957
Accounts receivable	36,556	38,710	36,556	38,710
Other financial assets	631,269	554,443	631,269	554,443
Loans and other receivables	89	121	89	121
Total financial assets	797,841	713,231	797,841	713,231
Financial liabilities				
Trade and other payables	(49,158)	(33,168)	(49,158)	(33,168)
Borrowings	(127,917)	(130,476)	(135,353)	(131,918)
Other financial liabilities	(8,968)	(16,404)	(8,968)	(16,404)
Total financial liabilities	(186,043)	(180,048)	(193,479)	181,490

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for the year ended 31 DECEMBER 2014

(i) Recognised fair value measurements

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

Consolidated 31 December 2014					
	Note	2014 \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Recurring fair value measurements					
Financial assets					
Other financial assets	24	631,269	628,578	1,227	1,464
Total financial assets		631,269	628,578	1,227	1,464
Non-financial assets					
Investment properties	23	23,155	-	23,155	-
Total non-financial assets		23,155	-	23,155	-
Consolidated 31 December 2013					
	Note	2013 \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Recurring fair value measurements					
Financial assets					
Other financial assets	24	554,443	551,726	1,249	1,468
Total financial assets		554,443	551,726	1,249	1,468
Non-financial assets					
Investment properties	23	27,313	-	27,313	-
Total non-financial assets		27,313	-	27,313	-

There have been no transfers between level 1 and level 2 during the current financial period. For transfers in and out of level 3 see (d) below. The University has no assets or liabilities measured at fair value on a non-recurring basis.

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 for operational or research commercialisation purposes—fair value is based on their last issue price or fundraising value, net tangible 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 2014

(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 2014 and 2013:

Level 3 fair value measurements 2014	Other financial assets \$'000
Opening balance	1,468
Acquisitions	-
Transfers from level 1	-
Transfers from level 2	-
Transfers out of level 3	(40)
Acquisitions	-
Disposals	-
Depreciation and impairment	-
Total gains/(losses)	36
Recognised in profit or loss*	36
Recognised in other comprehensive income	-
Closing balance	1,464

Level 3 fair value measurements 2013	Other financial assets \$'000
Opening balance	1,468
Adoption of AASB 13	-
Acquisitions	-
Transfers from level 1	-
Transfers from level 2	-
Transfers out of level 3	-
Acquisitions	-
Disposals	-
Depreciation and impairment	-
Total gains/(losses)	-
Recognised in profit or loss*	-
Recognised in other comprehensive income	-
Closing balance	1,468

*Unrealised gains/(losses) recognised in profit or loss attributable to assets held at the end of the reporting period	Other financial assets \$'000
2014	36
2013	-
Total unrealised gains/(losses)	36

(i) Transfers between categories and changes in valuation techniques

During the year, an unlisted equity holding classified as level 3 was listed on the Australian Stock Exchange. As this holding now has quoted prices in an active market, the carrying amount of \$40,000 was transferred from level 3 to level 1.

There were no transfers between levels 2 and 3 or changes in valuation techniques during the year.

(ii) Valuation inputs and relationships to fair value

The table below summarises the quantitative information

about the significant unobservable inputs used in level 3 fair value measurements. See (c) above for the valuation techniques adopted.

(iii) Valuation processes

The unlisted shares 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.

Description	Fair value at 31 Dec 2014 \$'000	Unobservable inputs	Range of inputs (probability weighted average)	Relationship of unobservable inputs to fair value
Unlisted shares	1,464	Not applicable—measured at cost	Not applicable— measured at cost	Not applicable— measured at cost

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44. Acquittal of Australian Government financial assistance

44.1 Education—Commonwealth Grant Scheme and other Education grants	Note	University											
		Commonwealth Grant Scheme 1		Indigenous Support Program		Partnership and Participation Program 2		Disability Support Program		Learning and Teaching Performance Fund		Diversity and Structural Adjustment Fund 3	
		2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the programs)		162,068	160,203	805	881	3,538	3,452	150	145	-	-	-	-
Net accrual adjustments		-	-	-	-	-	-	-	-	-	-	-	-
Revenue for the period	2(a)	162,068	160,203	805	881	3,538	3,452	150	145	-	-	-	-
Surplus/(deficit) from the previous year		-	-	-	-	842	612	-	-	672	1,098	223	249
Total revenue including accrued revenue		162,068	160,203	805	881	4,380	4,064	150	145	672	1,098	223	249
Less expenses including accrued expenses		(162,068)	(160,203)	(805)	(881)	(3,762)	(3,222)	(150)	(145)	(278)	(426)	(1)	(26)
Surplus/(deficit) for the reporting period		-	-	-	-	618	842	-	-	394	672	222	223

* Restated.

1 Includes the basic CGS grant amount, CGS—Regional Loading, CGS—Enabling Loading, CGS—Enabling Loading, Maths and Science Transition Loading and Full Fee Places Transition Loading.
2 Includes Equity Support Program.
3 Includes Collaboration and Structural Adjustment Program.

University

44.1 Education—Commonwealth Grant Scheme and other Education grants (continued)	Note	Promotion of Excellence in Learning and Teaching				Reward Funding		Total	
		2014 \$'000		2013 \$'000		2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
		2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the programs)		285	295	-	399	166,846	165,375	-	-
Net accrual adjustments		-	-	-	-	-	-	-	-
Revenue for the period	2(a)	285	295	-	399	166,846	165,375	-	-
Surplus/(deficit) from the previous year		316	73	-	-	2,053	2,032	-	-
Total revenue including accrued revenue		601	368	-	399	168,899	167,407	-	-
Less expenses including accrued expenses		(170)	(52)	-	(399)	(167,234)	(165,354)	-	-
Surplus/(deficit) for the reporting period		431	316	-	-	1,665	2,053	-	-

* Restated.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 DECEMBER 2014

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44.2 Higher Education Loan Programs (excl OS-HELP)	Note	HECS-HELP (Commonwealth Payments)						Total
		FEE-HELP ⁴		SA-HELP		Total		
		2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	
Cash Payable/(Receivable) at the beginning of year		377	1,041	-	-	377	1,041	
Financial assistance received in CASH during the reporting period		98,562	92,391	8,712	7,585	108,490	100,917	
Revenue earned		98,939	93,432	8,712	7,585	108,867	101,958	
Cash Payable/(Receivable) at end of year	2(b)	(99,829)	93,055	(8,712)	7,585	(109,757)	101,581	
		(890)	377	-	-	(890)	377	

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

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44.3 Scholarships	Note	Commonwealth Scholarships ⁵											
		Australian Postgraduate Awards		International Postgraduate Research Scholarship		Commonwealth Education Cost Scholarships ⁵		Commonwealth Accommodation Scholarships ⁵		Indigenous Access Scholarships		Total	
		2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the programs)		13,057	12,408	1,039	1,026	399	(27)	379	(271)	221	(1)	15,095	13,135
Net accrual adjustments		-	-	-	-	-	-	-	-	-	-	-	-
Revenue for the period	2(c)	13,057	12,408	1,039	1,026	399	(27)	379	(271)	221	(1)	15,095	13,135
Surplus/(deficit) from the previous year		692	927	238	62	129	437	146	866	25	192	1,230	2,484
Total revenue including accrued revenue		13,749	13,335	1,277	1,088	528	410	525	595	246	191	16,325	15,619
Less expenses including accrued expenses		(13,712)	(12,643)	(1,020)	(850)	(248)	(281)	(286)	(449)	(197)	(166)	(15,463)	(14,889)
Surplus/(deficit) for the reporting period		37	692	257	238	280	129	239	146	49	25	862	1,230

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

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	Joint Research Engagement Program ⁶		Joint Research Engagement Cadetship Program		Research Training Scheme		Research Infrastructure Block Grants		Commercialisation Training Scheme		Sustainable Research Excellence		Total
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	
44.4 Education Research													
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the programs)	17,600	16,000	211	133	33,414	33,431	14,613	13,993	-	-	10,519	10,383	73,940
Net accrual adjustments	-	-	-	-	-	-	-	-	-	-	-	-	(343)
Revenue for the period	17,600	16,000	211	133	33,414	33,431	14,613	13,993	-	(343)	10,519	10,383	73,597
Surplus/(deficit) from the previous year	-	-	198	65	-	-	-	-	-	343	-	-	198
Total revenue including accrued revenue	17,600	16,000	409	198	33,414	33,431	14,613	13,993	-	-	10,519	10,383	74,005
Less expenses including accrued expenses	(17,600)	(16,000)	-	-	(33,414)	(33,431)	(14,613)	(13,993)	-	-	(10,519)	(10,383)	(73,807)
Surplus/(deficit) for the reporting period	-	-	409	198	-	-	-	-	-	-	-	-	409

⁶ Includes Institutional Grants Scheme.

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	Education Investment Fund		Total
	2014 \$'000	2013 \$'000	
44.5 Other Capital Funding			
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the programs)	13,000	-	-
Net accrual adjustments	-	13,000	-
Revenue for the period	13,000	-	13,000
Surplus/(deficit) from the previous year	16,150	17,478	16,150
Total revenue including accrued revenue	29,150	17,478	29,150
Less expenses including accrued expenses	(11,690)	(1,328)	(11,690)
Surplus/(deficit) for the reporting period	17,460	16,150	17,460

2(e)

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 DECEMBER 2014

	Note	University									
		Projects		Fellowships		Indigenous Research Development		Total			
		2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000		
44.6 Australian Research Council Grants											
(i) Discovery											
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the programs)		19,345	16,387	12,174	10,295	350	685	31,869	27,367		
Net accrual adjustments		-	-	-	-	-	-	-	-		
Revenue for the period	2(f)	19,345	16,387	12,174	10,295	350	685	31,869	27,367		
Surplus/(deficit) from the previous year		7,911	7,925	6,264	6,812	283	139	14,458	14,876		
Total revenue including accrued revenue		27,256	24,312	18,438	17,107	633	824	46,327	42,243		
Less expenses including accrued expenses		(17,386)	(16,401)	(10,952)	(10,843)	(488)	(541)	(28,826)	(27,785)		
Surplus/(deficit) for the reporting period		9,870	7,911	7,486	6,264	145	283	17,501	14,458		

	Note	University					
		Infrastructure		Projects		Total	
		2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
44.6 Australian Research Council Grants							
(ii) Linkages							
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the programs)		2,071	2,330	6,187	8,760	8,258	11,090
Net accrual adjustments		-	-	-	-	-	-
Revenue for the period	2(f)	2,071	2,330	6,187	8,760	8,258	11,090
Surplus/(deficit) from the previous year		488	1,734	5,049	6,169	5,537	7,903
Total revenue including accrued revenue		2,559	4,064	11,236	14,929	13,795	18,993
Less expenses including accrued expenses		(1,508)	(3,576)	(7,337)	(9,880)	(8,845)	(13,456)
Surplus/(deficit) for the reporting period		1,051	488	3,899	5,049	4,950	5,537

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	Note	University			
		Centres		Total	
		2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
44.6 Australian Research Council Grants					
(iii) Networks and centres					
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the programs)		7,889	7,192	7,889	7,192
Net accrual adjustments		-	-	-	-
Revenue for the period	2(f)	7,889	7,192	7,889	7,192
Surplus/(deficit) from the previous year		2,667	2,269	2,667	2,269
Total revenue including accrued revenue		10,556	9,461	10,556	9,461
Less expenses including accrued expenses		(7,553)	(6,794)	(7,553)	(6,794)
Surplus/(deficit) for the reporting period		3,003	2,667	3,003	2,667

	University OS-HELP	
	2014 \$'000	2013 \$'000
44.7 OS-HELP		
Cash received during the reporting period	2,902	1,743
Cash spent during the reporting period	(1,898)	(1,751)
Net cash received	1,004	(8)
Cash surplus/(deficit) from previous period	16	24
Cash surplus/(deficit) for reporting period	1,020	16

	University Student Services and Amenities Fee	
	2014 \$'000	2013 \$'000
44.8 Student services and amenities fee		
Unspent/(overspent) revenue from previous period	-	-
SA-HELP revenue earned	1,216	941
Student services fees direct from student	4,406	3,703
Total revenue expendable in period	5,622	4,644
Student services expenses during period	(5,622)	(4,644)
Unspent/(overspent) student services revenue	-	-