



# Financial statements

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# Income Statement

## for the year ended 31 December 2015

	Notes	Consolidated		University	
		2015 \$'000	Restated* 2014 \$'000	2015 \$'000	Restated* 2014 \$'000
<b>Income from continuing operations</b>					
Australian Government financial assistance					
Australian Government grants	2	391,305	420,088	387,219	416,121
HELP—Australian Government payments	2	109,996	109,757	109,996	109,757
Western Australian and Local Government financial assistance	3	49,408	50,849	48,046	49,526
HECS-HELP—student payments		21,850	24,656	21,850	24,656
Other research grants and contracts	4	37,916	34,192	37,916	34,192
Investment revenue	5	40,207	38,558	40,182	38,519
Fees and charges	6	149,968	147,504	148,520	145,836
Other contributions and recoveries	7	47,991	46,937	48,207	46,824
Other revenue	8	97,977	77,709	95,257	76,765
<b>Total revenue from continuing operations</b>		<b>946,618</b>	<b>950,250</b>	<b>937,193</b>	<b>942,196</b>
Other investment income	5	198	209	198	209
Investment gains	5	-	15,774	-	15,774
<b>Total income from continuing operations</b>		<b>946,816</b>	<b>966,233</b>	<b>937,391</b>	<b>958,179</b>
<b>Expenses from continuing operations</b>					
Employee related expenses	9	552,176	552,848	543,942	545,974
Student expenses	10	48,367	49,889	49,049	49,904
Materials and supplies	11	30,778	32,945	27,503	29,093
Depreciation, amortisation and impairment	12	59,227	37,192	58,905	36,940
Repairs and maintenance	13	20,552	15,501	20,471	15,436
Finance costs	14	5,859	5,743	5,857	5,741
Grants distributed		9,585	11,202	9,553	11,202
Travel		23,532	26,646	23,521	26,639
Professional fees		30,270	28,338	30,217	28,318
Investment losses	5	7,447	-	7,447	-
Other expenses	15	125,911	114,246	128,492	117,694
<b>Total expenses from continuing operations</b>		<b>913,704</b>	<b>874,550</b>	<b>904,957</b>	<b>866,941</b>
<b>Net result attributable to members of The University of Western Australia from continuing operations</b>		<b>33,112</b>	<b>91,683</b>	<b>32,434</b>	<b>91,238</b>

# Statement of Comprehensive Income

## for the year ended 31 December 2015

	Notes	Consolidated		University	
		2015 \$'000	Restated* 2014 \$'000	2015 \$'000	Restated* 2014 \$'000
<b>Net result from continuing operations</b>		<b>33,112</b>	<b>91,683</b>	<b>32,434</b>	<b>91,238</b>
Items that may be reclassified to profit or loss					
Net gains (losses) on assets available for sale	32	9,188	-	9,188	-
Items that will not be reclassified to profit or loss					
Net actuarial gains (losses) recognised in respect of Defined Benefit Plan	29	(119)	(514)	(119)	(514)
<b>Total other comprehensive income</b>		<b>9,069</b>	<b>(514)</b>	<b>9,069</b>	<b>(514)</b>
<b>Total comprehensive income attributable to members of The University of Western Australia from continuing operations</b>		<b>42,181</b>	<b>91,169</b>	<b>41,503</b>	<b>90,724</b>

\* The 2014 comparative balances have been restated. Refer to Note 1(y) for further information.

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

# Statement of Financial Position

## as at 31 December 2015

	Notes	Consolidated			University		
		2015 \$'000	Restated* 2014 \$'000	Restated* 1 Jan 2014 \$'000	2015 \$'000	Restated* 2014 \$'000	Restated* 1 Jan 2014 \$'000
<b>ASSETS</b>							
<b>Current assets</b>							
Cash and cash equivalents	18	123,342	129,927	119,957	121,283	128,240	118,315
Receivables	19	35,061	38,049	40,812	35,071	37,842	41,108
Inventories	20	567	665	567	442	519	436
Non-current assets classified as held for sale	21	895	895	-	895	895	-
Other non-financial assets	22	18,446	43,561	70,490	18,953	43,544	70,477
<b>Total current assets</b>		<b>178,311</b>	<b>213,097</b>	<b>231,826</b>	<b>176,644</b>	<b>211,040</b>	<b>230,336</b>
<b>Non-current assets</b>							
Receivables	19	90	89	121	90	89	121
Investment properties	23	23,603	23,155	27,313	23,603	23,155	27,313
Other financial assets	24	658,094	631,269	554,443	658,094	631,265	554,443
Other non-financial assets	22	6,045	6,507	637	6,045	6,507	637
Property, plant and equipment	25	1,270,286	1,229,871	1,177,926	1,268,016	1,228,456	1,176,777
Intangible assets	26	20,852	20,011	18,174	20,852	20,011	18,174
<b>Total non-current assets</b>		<b>1,978,970</b>	<b>1,910,902</b>	<b>1,778,614</b>	<b>1,976,700</b>	<b>1,909,483</b>	<b>1,777,465</b>
<b>Total assets</b>		<b>2,157,281</b>	<b>2,123,999</b>	<b>2,010,440</b>	<b>2,153,344</b>	<b>2,120,523</b>	<b>2,007,801</b>
<b>LIABILITIES</b>							
<b>Current liabilities</b>							
Trade and other payables	28	46,819	49,649	34,045	45,611	48,298	33,011
Provisions	29	97,455	94,620	88,300	96,682	94,108	88,054
Other liabilities	30	34,343	34,440	32,095	34,185	33,943	31,533
Borrowings	31	2,967	2,842	2,738	2,953	2,842	2,738
<b>Total current liabilities</b>		<b>181,584</b>	<b>181,551</b>	<b>157,178</b>	<b>179,431</b>	<b>179,191</b>	<b>155,336</b>
<b>Non-current liabilities</b>							
Provisions	29	16,097	22,149	21,469	15,929	21,971	21,165
Borrowings	31	122,195	125,075	127,738	122,195	125,075	127,738
<b>Total non-current liabilities</b>		<b>138,292</b>	<b>147,224</b>	<b>149,207</b>	<b>138,124</b>	<b>147,046</b>	<b>148,903</b>
<b>Total liabilities</b>		<b>319,876</b>	<b>328,775</b>	<b>306,385</b>	<b>317,555</b>	<b>326,237</b>	<b>304,239</b>
<b>Net assets</b>		<b>1,837,405</b>	<b>1,795,224</b>	<b>1,704,055</b>	<b>1,835,789</b>	<b>1,794,286</b>	<b>1,703,562</b>
<b>EQUITY</b>							
Reserves	32	39,971	66,602	78,891	39,881	66,602	78,891
Retained earnings	33	1,797,434	1,728,622	1,625,164	1,795,908	1,727,684	1,624,671
<b>Total equity</b>		<b>1,837,405</b>	<b>1,795,224</b>	<b>1,704,055</b>	<b>1,835,789</b>	<b>1,794,286</b>	<b>1,703,562</b>

\* The opening 2014 comparative balances have been presented due to a prior year adjustment, resulting in the restatement of opening and closing 2014 balances. Refer to Note 1(y) for further information.

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

# Statement of Changes in Equity

## for the year ended 31 December 2015

	Reserves \$'000	Retained earnings \$'000	Total \$'000
<b>Consolidated</b>			
Balance at 1 January 2014	78,891	1,616,183	1,695,074
Retrospective application or restatement of balances *	-	8,981	8,981
Restated balance at 1 January 2014	<u>78,891</u>	<u>1,625,164</u>	<u>1,704,055</u>
Restated net operating result *	-	91,683	91,683
Remeasurement of Defined Benefit Plan	-	(514)	(514)
Total comprehensive income	-	91,169	91,169
Transfer to/(from) reserves	(12,289)	12,289	-
<b>Balance at 31 December 2014</b>	<u>66,602</u>	<u>1,728,622</u>	<u>1,795,224</u>
Balance at 1 January 2015	66,602	1,728,622	1,795,224
Net operating result	-	33,112	33,112
Remeasurement of Defined Benefit Plan	-	(119)	(119)
Remeasurement of available for sale financial assets	9,188	-	9,188
Total comprehensive income	9,188	32,993	42,181
Transfer to/(from) reserves	(35,819)	35,819	-
<b>Balance at 31 December 2015</b>	<u>39,971</u>	<u>1,797,434</u>	<u>1,837,405</u>
<b>University</b>			
Balance at 1 January 2014	78,891	1,615,690	1,694,581
Retrospective application or restatement of balances *	-	8,981	8,981
Restated balance at 1 January 2014	<u>78,891</u>	<u>1,624,671</u>	<u>1,703,562</u>
Restated net operating result *	-	91,238	91,238
Remeasurement of Defined Benefit Plan	-	(514)	(514)
Total comprehensive income	-	90,724	90,724
Transfer to/(from) reserves	(12,289)	12,289	-
<b>Balance at 31 December 2014</b>	<u>66,602</u>	<u>1,727,684</u>	<u>1,794,286</u>
Balance at 1 January 2015	66,602	1,727,684	1,794,286
Net operating result	-	32,434	32,434
Remeasurement of Defined Benefit Plan	-	(119)	(119)
Remeasurement of available for sale financial assets	9,188	-	9,188
Total comprehensive income	9,188	32,315	41,503
Transfer to/(from) reserves	(35,909)	35,909	-
<b>Balance at 31 December 2015</b>	<u>39,881</u>	<u>1,795,908</u>	<u>1,835,789</u>

\* The 2014 comparative balances have been restated. Refer to Note 1(y) for further information.

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

# Statement of Cash Flows

## for the year ended 31 December 2015

	Notes	Consolidated		University	
		2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
<b>Cash flows from operating activities</b>					
Australian Government grants received	2(h)	497,947	497,456	493,861	497,456
OS-HELP (net)		79	1,005	79	1,005
Western Australian Government grants received		49,064	46,898	47,702	46,898
Local Government grants received		78	142	78	142
HECS-HELP—student payments		21,850	24,656	21,850	24,656
Receipts from student fees and other customers		358,121	348,278	354,294	340,790
Dividends received		356	148	356	148
Interest received		4,705	5,373	4,679	5,334
Interest and other borrowing costs paid		(5,809)	(5,605)	(5,807)	(5,605)
Payments to suppliers and employees (inclusive of goods and services tax)		(856,902)	(808,482)	(849,138)	(801,519)
<b>Net cash provided by/(used in) operating activities</b>	42	<b>69,489</b>	<b>109,869</b>	<b>67,954</b>	<b>109,305</b>
<b>Cash flows from investing activities</b>					
Proceeds from sale of property, plant and equipment		2,543	811	2,543	811
Payments for property, plant and equipment		(75,827)	(70,917)	(74,651)	(70,399)
Proceeds from sale of financial assets		-	2,907	-	2,907
Payments for financial assets		-	(30,000)	-	(30,000)
<b>Net cash provided by/(used in) investing activities</b>		<b>(73,284)</b>	<b>(97,199)</b>	<b>(72,108)</b>	<b>(96,681)</b>
<b>Cash flows from financing activities</b>					
Proceeds from borrowings		-	-	-	-
Repayments of borrowings		(2,805)	(2,716)	(2,818)	(2,716)
<b>Net cash provided by/(used in) financing activities</b>		<b>(2,805)</b>	<b>(2,716)</b>	<b>(2,818)</b>	<b>(2,716)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(6,600)</b>	<b>9,954</b>	<b>(6,972)</b>	<b>9,909</b>
Cash and cash equivalents at beginning of year		129,927	119,957	128,240	118,315
Effects of exchange rate changes on cash and cash equivalents		15	16	15	16
<b>Cash and cash equivalents at end of year</b>	18	<b>123,342</b>	<b>129,927</b>	<b>121,283</b>	<b>128,240</b>

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

# Notes to the Financial Statements

## for the year ended 31 December 2015

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# Notes to the Financial Statements for the year ended 31 December 2015

## 1 Summary of significant accounting policies

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

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

### (a) General statement

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

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

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

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

### (b) Basis of preparation

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

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

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

#### Date of authorisation for issue

The financial statements were authorised for issue by the Senate members of The University of Western Australia on 14 March 2016.

#### 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.

# Notes to the Financial Statements

## for the year ended 31 December 2015

### 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 \$36.5 million (2014: \$36.4 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 2015 and the results of all subsidiaries for the year then ended. The University of Western Australia and its subsidiaries together are referred to in this financial report as the Group or the consolidated entity.

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

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

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

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

### (ii) Associates

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

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

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

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

### (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.



# Notes to the Financial Statements

## for the year ended 31 December 2015

### Joint ventures

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

### (d) Revenue

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

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

Revenue is recognised as follows for major activities:

#### Sale of goods:

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

#### Rendering of services:

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

#### Government grants:

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

#### Student fees and charges:

Fees and charges are recognised as income in the year of receipt, except to the extent that fees and charges relate to courses to be held in future periods. Such 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.

### (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.

# Notes to the Financial Statements

## for the year ended 31 December 2015

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

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

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

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

### (i) Investments and other financial assets

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

#### Financial assets at fair value through profit or loss

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

#### Loans and receivables

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

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

#### Available-for-sale financial assets

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

#### Impairment

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

### (i) Available-for-sale financial assets

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

### (ii) Assets carried at amortised cost

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

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

# Notes to the Financial Statements

## for the year ended 31 December 2015

### (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.

# Notes to the Financial Statements for the year ended 31 December 2015

## (m) Impairment of assets

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

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

## (n) Intangible assets

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

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

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

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

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

## (o) Leases

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

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

## (p) Business combinations

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

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

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

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

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



# Notes to the Financial Statements

## for the year ended 31 December 2015

### (q) Trade and other payables

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

### (r) Provisions

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

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

### (s) Borrowings

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

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

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

### (t) Borrowing costs

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

### (u) Employee benefits

#### (i) Wages and salaries

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

#### (ii) Annual leave

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

#### (iii) Long service leave

The liability for long service leave is recognised in the provision for employee benefits and measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

#### (iv) Superannuation

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

#### (v) Termination benefits

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

# Notes to the Financial Statements for the year ended 31 December 2015

## (vi) Retirement benefit obligation

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

The present value of the defined benefit obligation is based on expected future payments which arise from membership of the fund to the reporting date, calculated annually by independent actuaries using the projected unit credit method. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

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

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

## (vii) Other employee benefits

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

## (v) Income tax

The Group is exempt from income tax in Australia.

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

## (w) Foreign currency transactions

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

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

## (x) Goods and Services Tax (GST)

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

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

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

## (y) Disclosure of changes in accounting policy and estimates

### (i) Initial application of Australian Accounting Standards

The Group has not applied any new or revised Australian Accounting Standards and Australian Accounting Interpretations for annual reporting periods beginning on or after 1 January 2015 as they have no financial impact on the Group.

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

Certain new Accounting Standards and Interpretations have been published that are not mandatory for 31 December 2015 reporting periods. The following Australian Accounting Standards and amendments have been issued but not yet applied by the Group:

- AASB 9 Financial Instruments. This Standard supersedes AASB 139, Financial Instruments: Recognition and Measurement, introducing a number of changes to accounting treatments. The mandatory application date of this Standard was amended to 1 January 2018 by AASB 2014-1. The Group has not yet determined the application or the potential impact of the Standard.
- AASB 15 Revenue from Contracts with Customers. This standard supersedes AASB 111 Construction Contracts, AASB 118 Revenue and related interpretations. The standard contains a single model that applies to contracts with customers and two approaches to recognising revenue; at a point in time and over time. The Standard is not applicable until 1 January 2018 but is available for early adoption. The Group has not yet determined the application or the potential impact of the Standard.
- A number of other new or revised standards, amendments to standards and interpretations applicable to future reporting periods have been issued, none of which are expected to have a material impact on the Group's future financial reports

# Notes to the Financial Statements

## for the year ended 31 December 2015

### (iii) Correction of prior period errors

Public sector funding received in advance for the Perth International Arts Festival was incorrectly deferred to recognise the income when the festival was performed. It has been identified that such funding is non-reciprocal and should be recognised as a contribution per note 1(d).

<b>Consolidated</b>	<b>Previously stated balance (\$'000)</b>	<b>Restated balance (\$'000)</b>	<b>Difference (\$'000)</b>
<b>1 January 2014</b>			
Retained earnings	1,616,183	1,625,164	8,981
Other liabilities	41,076	32,095	(8,981)
<b>31 December 2014</b>			
Retained earnings	1,718,555	1,728,622	10,067
Other liabilities	44,507	34,440	(10,067)
Other revenue	76,623	77,709	1,086

<b>University</b>	<b>Previously stated balance (\$'000)</b>	<b>Restated balance (\$'000)</b>	<b>Difference (\$'000)</b>
<b>1 January 2014</b>			
Retained earnings	1,615,690	1,624,671	8,981
Other liabilities	40,514	31,533	(8,981)
<b>31 December 2014</b>			
Retained earnings	1,717,617	1,727,684	10,067
Other liabilities	44,010	33,943	(10,067)
Other revenue	75,679	76,765	1,086

In accordance with AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors, the University's 2014 comparative figures have been restated to account for the change.

# Notes to the Financial Statements

## for the year ended 31 December 2015

	Notes	Consolidated		University	
		2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
<b>2 Australian Government financial assistance including HECS-HELP and other Australian Government loan programs</b>					
<b>(a) Commonwealth Grant Scheme and other grants</b>					
Commonwealth Grant Scheme <sup>1</sup>	45.1	154,776	162,068	154,776	162,068
Indigenous Support Program	45.1	713	805	713	805
Partnership and Participation Program <sup>2</sup>	45.1	1,706	3,538	1,706	3,538
Disability Support Program	45.1	120	150	120	150
Learning and Teaching Performance Fund	45.1	-	-	-	-
Diversity and Structural Adjustment Fund <sup>3</sup>	45.1	-	-	-	-
Promotion of Excellence in Learning and Teaching	45.1	712	285	712	285
Reward Funding	45.1	-	-	-	-
Total Commonwealth Grant Scheme and other grants		158,027	166,846	158,027	166,846
<b>(b) Higher Education Loan Programs</b>					
HECS-HELP	45.2	95,211	99,829	95,211	99,829
FEE-HELP <sup>4</sup>	45.2	13,532	8,712	13,532	8,712
SA-HELP	45.2	1,253	1,216	1,253	1,216
Total Higher Education Loan Programs		109,996	109,757	109,996	109,757
<b>(c) Scholarships</b>					
Australian Postgraduate Awards	45.3	13,470	13,057	13,470	13,057
International Postgraduate Research Scholarship	45.3	1,050	1,039	1,050	1,039
Commonwealth Education Cost Scholarships <sup>5</sup>	45.3	49	399	49	399
Commonwealth Accommodation Scholarships <sup>5</sup>	45.3	52	379	52	379
Indigenous Access Scholarships	45.3	140	221	140	221
Total Scholarships		14,761	15,095	14,761	15,095
<b>(d) EDUCATION research</b>					
Joint Research Engagement Program	45.4	17,935	17,600	17,935	17,600
JRE Engineering Cadetships	45.4	286	211	286	211
Research Training Scheme	45.4	33,369	33,414	33,369	33,414
Research Infrastructure Block Grants	45.4	15,302	14,613	15,302	14,613
Commercialisation Training Scheme	45.4	-	-	-	-
Sustainable Research Excellence	45.4	11,840	10,519	11,840	10,519
Total EDUCATION research grants		78,732	76,357	78,732	76,357
<b>(e) Other capital funding</b>					
Education Investment Fund	45.5	-	13,000	-	13,000
Total other capital funding		-	13,000	-	13,000

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

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

<sup>3</sup> Includes Collaboration and Structural Adjustment Program.

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

<sup>5</sup> Includes Grandfathered Scholarships, National Priority and National Accommodation Priority Scholarships respectively.



# Notes to the Financial Statements

## for the year ended 31 December 2015

	Notes	Consolidated		University	
		2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
<b>(f) Australian Research Council</b>					
<b>(i) Discovery</b>					
Projects	45.6	16,338	19,345	16,338	19,345
Fellowships	45.6	7,935	12,174	7,935	12,174
Indigenous Research Development	45.6	201	350	201	350
Total discovery		<u>24,474</u>	<u>31,869</u>	<u>24,474</u>	<u>31,869</u>
<b>(ii) Linkages</b>					
Infrastructure	45.6	4,091	2,071	4,091	2,071
Projects	45.6	6,770	6,187	6,770	6,187
Industrial Transformational Research Program	45.6	2,529	-	2,529	-
Total linkages		<u>13,390</u>	<u>8,258</u>	<u>13,390</u>	<u>8,258</u>
<b>(iii) Networks and centres</b>					
Centres	45.6	8,203	7,889	8,203	7,889
Total networks and centres		<u>8,203</u>	<u>7,889</u>	<u>8,203</u>	<u>7,889</u>
<b>(g) Other Australian Government financial assistance</b>					
<b>Non-capital</b>					
National Health and Medical Research Council		38,131	39,094	38,131	39,094
Other Commonwealth research grants		25,074	28,406	25,074	28,406
Other Commonwealth grants		29,489	28,573	25,403	24,606
Total non-capital grants		<u>92,694</u>	<u>96,073</u>	<u>88,608</u>	<u>92,106</u>
<b>Capital</b>					
Other Commonwealth grants		1,024	4,701	1,024	4,701
Total capital grants		<u>1,024</u>	<u>4,701</u>	<u>1,024</u>	<u>4,701</u>
Total other Australian Government financial assistance		<u>93,718</u>	<u>100,774</u>	<u>89,632</u>	<u>96,807</u>
<b>Total Australian Government financial assistance</b>		<b>501,301</b>	<b>529,845</b>	<b>497,215</b>	<b>525,878</b>
<b>Reconciliation</b>					
Australian Government grants		391,305	420,088	387,219	416,121
HECS-HELP payments		95,211	99,829	95,211	99,829
FEE-HELP payments		13,532	8,712	13,532	8,712
SA-HELP payments		1,253	1,216	1,253	1,216
<b>Total Australian Government financial assistance</b>		<b>501,301</b>	<b>529,845</b>	<b>497,215</b>	<b>525,878</b>
<b>(h) Australian Government Grants received - cash basis</b>					
Commonwealth Grants Scheme and other EDUCATION grants	45.1	158,027	166,846	158,027	166,846
Higher Education Loan Program	45.2	109,297	108,490	109,297	108,490
Scholarships	45.3	15,599	15,095	15,599	15,095
EDUCATION research	45.4	78,732	76,357	78,732	76,357
Other capital funding	45.5	-	13,000	-	13,000
ARC grants—discovery	45.6	24,474	31,869	24,474	31,869
ARC grants—linkages	45.6	13,390	8,258	13,390	8,258
ARC grants—networks and centres	45.6	8,203	7,889	8,203	7,889
Other Australian Government grants		90,304	70,656	86,218	70,656
Total Australian Government grants received—cash basis		<u>498,026</u>	<u>498,460</u>	<u>493,940</u>	<u>498,460</u>
OS-HELP (net)	45.7	(79)	(1,004)	(79)	(1,004)
<b>Total Australian Government funding received—cash basis</b>		<b>497,947</b>	<b>497,456</b>	<b>493,861</b>	<b>497,456</b>
<b>3 Western Australian and Local Government financial assistance</b>					
<b>Non-capital</b>					
Western Australian research grants		21,991	22,890	21,991	22,890
Western Australian other grants		27,339	27,904	25,977	26,581
Local Government research grants		78	55	78	55
<b>Total non-capital grants</b>		<b>49,408</b>	<b>50,849</b>	<b>48,046</b>	<b>49,526</b>
<b>Capital</b>					
Western Australian other grants		-	-	-	-
<b>Total capital grants</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Western Australian and Local Government financial assistance</b>		<b>49,408</b>	<b>50,849</b>	<b>48,046</b>	<b>49,526</b>

# Notes to the Financial Statements

## for the year ended 31 December 2015

	Notes	Consolidated		University	
		2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
<b>4 Other research grants and contracts</b>					
International		10,566	11,262	10,566	11,262
Bequests and donations		1,552	293	1,552	293
Industry and others		25,798	22,637	25,798	22,637
<b>Total other research grants and contracts</b>		<b>37,916</b>	<b>34,192</b>	<b>37,916</b>	<b>34,192</b>
<b>5 Investment revenue, income and losses</b>					
<b>Investment revenue</b>					
Dividend income		4,077	3,725	4,077	3,725
Interest income		6,334	7,096	6,309	7,057
Trust distributions		26,983	25,205	26,983	25,205
Imputation credits		2,813	2,532	2,813	2,532
<b>Total investment revenue</b>		<b>40,207</b>	<b>38,558</b>	<b>40,182</b>	<b>38,519</b>
<b>Other investment income</b>					
Other investment income		198	209	198	209
<b>Total other investment income</b>		<b>198</b>	<b>209</b>	<b>198</b>	<b>209</b>
<b>Investment gains/(losses)</b>					
Fair value gain/(loss) on other financial assets		(7,631)	20,054	(7,631)	20,054
Fair value gain/(loss) on investment properties		184	(4,280)	184	(4,280)
<b>Total investment gains/(losses)</b>		<b>(7,447)</b>	<b>15,774</b>	<b>(7,447)</b>	<b>15,774</b>
<b>Net investment revenue and income</b>		<b>32,958</b>	<b>54,541</b>	<b>32,933</b>	<b>54,502</b>
<b>6 Fees and charges</b>					
<b>Course fees and charges</b>					
Fee paying overseas students - onshore courses		96,519	96,021	96,519	96,021
Fee paying overseas students - offshore courses		7,933	7,176	7,933	7,176
Continuing education and short courses		9,883	9,592	9,883	9,592
Fee paying domestic postgraduate students		7,269	5,497	7,269	5,497
<b>Total course fees and charges</b>		<b>121,604</b>	<b>118,286</b>	<b>121,604</b>	<b>118,286</b>
<b>Other non-course fees and charges</b>					
Student Services and Amenities Fees from students		4,087	4,406	4,087	4,406
Student accommodation		8,770	10,676	8,770	10,764
Parking fees		3,412	3,140	3,400	3,140
Registration fees		8,642	6,060	8,433	6,060
Rental and hire charges		2,198	2,919	971	1,184
Other		1,255	2,017	1,255	1,996
<b>Total non-course fees and charges</b>		<b>28,364</b>	<b>29,218</b>	<b>26,916</b>	<b>27,550</b>
<b>Total fees and charges</b>		<b>149,968</b>	<b>147,504</b>	<b>148,520</b>	<b>145,836</b>
<b>7 Other contributions and recoveries</b>					
Salary contributions from external parties		36,539	36,369	36,285	36,092
Expense recoveries		11,452	10,568	11,922	10,732
<b>Total other contributions and recoveries</b>		<b>47,991</b>	<b>46,937</b>	<b>48,207</b>	<b>46,824</b>

# Notes to the Financial Statements

## for the year ended 31 December 2015

	Notes	Consolidated		University	
		2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
<b>8 Other revenue</b>					
Sales of goods and services		15,010	13,122	7,273	7,997
Donations and bequests		35,434	22,784	35,434	22,784
Sponsorships		11,651	4,995	11,648	4,995
Scholarships and prizes		1,034	1,291	1,034	1,291
Rental income		5,930	6,031	5,930	6,031
Other general grants		2,633	5,479	2,633	5,441
Consultancy		7,307	6,204	7,309	6,204
Royalties and licences		1,207	490	1,207	490
Performance and production*		5,651	6,526	5,651	6,348
Insurance claim income		814	357	814	357
Subscriptions		486	667	486	667
Conference and symposium Income		883	1,078	883	1,078
Property management income		-	-	5,448	5,289
Gain on sale of non-current assets		949	-	949	-
Gain on bargain purchase	40	616	-	-	-
Other		8,372	8,685	8,558	7,793
<b>Total other revenue</b>		<b>97,977</b>	<b>77,709</b>	<b>95,257</b>	<b>76,765</b>

\* The 2014 comparative balance for performance and production revenue has been restated. Refer to Note 1(y) for further information.

### 9 Employee related expenses

#### Academic

Salaries*		237,998	235,798	237,999	235,798
Contributions to superannuation and pension schemes		36,271	35,930	36,271	35,930
Payroll tax		13,682	14,179	13,682	14,179
Worker's compensation		226	90	226	90
Long service leave expense		(1,444)	2,001	(1,444)	2,001
Annual leave expense		(592)	1,445	(592)	1,445
Other		2,401	3,844	2,391	3,844
<b>Total academic</b>		<b>288,542</b>	<b>293,287</b>	<b>288,533</b>	<b>293,287</b>

#### Non-academic

Salaries*		218,286	211,198	211,845	206,184
Contributions to superannuation and pension schemes		31,652	30,183	30,867	29,542
Payroll tax		12,979	13,239	12,600	12,872
Worker's compensation		(293)	637	(354)	637
Long service leave expense		(925)	2,163	(1,030)	2,034
Annual leave expense		715	1,488	261	1,025
Other		1,220	653	1,220	393
<b>Total non-academic</b>		<b>263,634</b>	<b>259,561</b>	<b>255,409</b>	<b>252,687</b>

#### Total employee benefits and on costs

		<b>552,176</b>	<b>552,848</b>	<b>543,942</b>	<b>545,974</b>
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\* 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 \$2.18 million were accrued in 2014 for applications accepted under the first round. There is no minimum number of early retirement offers under the scheme but is limited.

### 10 Student expenses

Scholarships and studentships		40,878	43,540	40,862	43,540
Grants and prizes		5,283	2,966	5,289	2,981
Amenities and services expenses		2,206	3,383	2,898	3,383
<b>Total student expenses</b>		<b>48,367</b>	<b>49,889</b>	<b>49,049</b>	<b>49,904</b>

### 11 Materials and supplies

Laboratory, workshop and medical supplies		16,810	17,802	16,810	17,802
General office expenses		6,575	6,885	6,314	6,731
Other general consumables and supplies		7,393	8,258	4,379	4,560
<b>Total materials and supplies</b>		<b>30,778</b>	<b>32,945</b>	<b>27,503</b>	<b>29,093</b>

# Notes to the Financial Statements

## for the year ended 31 December 2015

	Notes	Consolidated		University	
		2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
<b>12 Depreciation, amortisation and impairment</b>					
<b>Depreciation</b>					
Buildings		17,986	16,023	17,650	15,893
Plant and equipment		18,902	18,098	18,916	17,976
Library books		915	323	915	323
<b>Total depreciation</b>	25	<b>37,803</b>	<b>34,444</b>	<b>37,481</b>	<b>34,192</b>
<b>Amortisation</b>					
Intangible assets		3,239	2,581	3,239	2,581
<b>Total amortisation</b>	26	<b>3,239</b>	<b>2,581</b>	<b>3,239</b>	<b>2,581</b>
<b>Impairment of assets</b>					
Buildings		-	167	-	167
Special collections*		18,185	-	18,185	-
<b>Total impairment of assets</b>	25	<b>18,185</b>	<b>167</b>	<b>18,185</b>	<b>167</b>
<b>Total depreciation, amortisation and impairment</b>		<b>59,227</b>	<b>37,192</b>	<b>58,905</b>	<b>36,940</b>
* Impairment recognised as a result of a valuation performed by an external independent valuer.					
<b>13 Repairs and maintenance</b>					
Building repairs and maintenance		11,906	9,798	11,926	9,763
Ground maintenance		3,659	2,619	3,659	2,619
General repairs and maintenance		4,987	3,084	4,886	3,054
<b>Total repairs and maintenance</b>		<b>20,552</b>	<b>15,501</b>	<b>20,471</b>	<b>15,436</b>
<b>14 Finance costs</b>					
Finance costs		5,859	5,743	5,857	5,741
<b>Total finance costs</b>		<b>5,859</b>	<b>5,743</b>	<b>5,857</b>	<b>5,741</b>
<b>15 Other expenses</b>					
Computing costs		20,711	19,046	20,602	18,991
Books, periodicals and electronic library resources		5,569	5,780	5,557	5,772
Utilities and rates		14,967	14,170	14,913	14,157
Non-capital equipment purchases		8,952	7,692	8,792	7,618
Loss on disposal of assets		-	1,374	-	1,374
Impairment loss on available for sale financial assets		875	-	875	-
Performance and production costs		12,360	10,170	12,360	10,170
Insurance		4,896	4,796	4,882	4,796
Advertising, marketing and promotional expenses		9,846	6,839	9,797	6,797
Conference and course fees		3,032	3,428	3,012	3,428
Rental, hire and leasing fees		6,122	6,181	6,250	6,357
Cleaning and waste disposal		5,017	3,972	4,861	3,663
Bad and doubtful debts and other write-offs		348	623	343	614
Royalties and commissions		8,327	7,592	8,327	7,592
Exhibitions and conference costs		1,803	2,013	1,920	2,013
Vehicle costs		1,161	1,524	1,149	1,516
Parking, security and safety expenses		1,768	2,267	1,762	2,267
Appointment costs		1,329	1,266	1,295	1,266
Membership fees		1,480	2,185	1,486	2,185
Light meals		1,147	1,209	1,223	1,209
Cost of sales and production		1,982	3,539	4,530	3,539
General services		2,495	2,435	2,495	2,435
Other miscellaneous expenses		11,724	6,145	12,061	9,935
<b>Total other expenses</b>		<b>125,911</b>	<b>114,246</b>	<b>128,492</b>	<b>117,694</b>



# Notes to the Financial Statements

## for the year ended 31 December 2015

### 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	
	2015	2014	2015	2014
\$0-\$9,999	18	18	-	1
\$20,000-\$29,999	1	-	-	-
\$40,000-\$49,999	-	-	1	-
\$120,000-\$129,999	2	1	-	-
\$130,000-\$139,999	-	1	-	1
\$140,000-\$149,999	1	1	-	-
\$170,000-\$179,999	-	1	-	-
\$200,000-\$209,999	-	1	-	1
\$220,000-\$229,999	2	-	-	-
\$240,000-\$249,999	1	1	-	-
\$260,000-\$269,999	-	-	1	-
\$340,000-\$349,999	-	-	1	2
\$350,000-\$359,999	-	-	-	1
\$370,000-\$379,999	-	-	2	1
\$380,000-\$389,999	-	-	-	1
\$400,000-\$409,999	-	-	1	-
\$410,000-\$419,999	-	-	1	-
\$440,000-\$449,999	-	-	2	-
\$460,000-\$469,999	-	-	-	1
\$470,000-\$479,999	-	-	1	-
\$480,000-\$489,999	-	-	-	3
\$500,000-\$509,999	-	-	-	1
\$530,000-\$539,999	-	-	1	1
\$540,000-\$549,999	-	-	2	-
\$550,000-\$559,999	-	-	1	-
\$560,000-\$569,999	-	-	-	1
\$600,000-\$609,999	-	-	-	1
\$700,000-\$709,999	-	-	1	-
\$950,000-\$959,999	-	1	-	-
\$980,000-\$989,999	1*	-	-	-
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Total remuneration</b>	<b>2,097</b>	<b>1,997</b>	<b>6,469</b>	<b>6,255</b>

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

Consolidated		University	
2015	2014	2015	2014
\$'000	\$'000	\$'000	\$'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:

<b>Audit and review of the Financial Statements</b>				
Fees paid to the Office of the Auditor General	381	339	319	315
<b>Total paid for audit and review of the Financial Statements</b>	<b>381</b>	<b>339</b>	<b>319</b>	<b>315</b>
<b>Other audit and assurance services*</b>				
Fees paid to the Office of the Auditor General	14	16	14	16
ShineWing Australia	55	106	55	106
Santo Casilli Auditing and Accounting Services	11	53	11	53
Lifetime Accounting Services	3	10	3	10
Ernst and Young	9	8	9	8
System Monitors	7	-	7	-
Escott Aston Chartered Accountants	-	12	-	12
G Hubbard Audit and Accounting Services	3	4	3	4
KPMG Australia	22	-	22	-
Focus Accounting Services	4	-	4	-
<b>Total paid for other audit and assurance services</b>	<b>128</b>	<b>209</b>	<b>128</b>	<b>209</b>
<b>Total remuneration of auditors</b>	<b>509</b>	<b>548</b>	<b>447</b>	<b>524</b>

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

# Notes to the Financial Statements

## for the year ended 31 December 2015

	Consolidated		University	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
<b>18 Cash and cash equivalents</b>				
Cash at bank	12,647	18,696	10,588	17,032
Short-term money deposit	110,619	111,105	110,619	111,105
Cash held in imprests	76	126	76	103
<b>Total cash and cash equivalents</b>	<b>123,342</b>	<b>129,927</b>	<b>121,283</b>	<b>128,240</b>

The Group has pledged \$215,000 (2014: \$4,405,000) against cash assets as at 31 December 2015.

### (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	123,342	129,927	121,283	128,240
Less: Bank overdrafts	-	-	-	-
Balance per statement of cash flows	<b>123,342</b>	<b>129,927</b>	<b>121,283</b>	<b>128,240</b>

### (b) Cash at bank

These are interest bearing at an average interest rate of 1.91% as at 31 December 2015 (2014: 2.24%).

### (c) Short term money deposit

The bank bills and deposits are bearing average fixed interest rates of 3.01% as at 31 December 2015 (2014: 3.47%). These deposits have an average maturity of 65 days.

### (d) Cash held in imprests

These are non-interest bearing.

## 19 Receivables

### Current

Receivables	31,966	29,469	32,049	29,254
Less: Provision for impaired receivables	(1,474)	(1,309)	(1,448)	(1,301)
	<b>30,492</b>	<b>28,160</b>	<b>30,601</b>	<b>27,953</b>
Accrued income	4,569	9,889	4,470	9,889
<b>Total current receivables</b>	<b>35,061</b>	<b>38,049</b>	<b>35,071</b>	<b>37,842</b>

### Non-current

Receivables	90	89	90	89
<b>Total non-current receivables</b>	<b>90</b>	<b>89</b>	<b>90</b>	<b>89</b>

### Total receivables

<b>35,151</b>	<b>38,138</b>	<b>35,161</b>	<b>37,931</b>
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### Impaired receivables

As at 31 December 2015 current receivables of the group with a nominal value of \$1,474,000 were impaired. The provision for impairment has been calculated on a collective basis, for groups of asset that share similar risk characteristics, taking into account historical loss rates for similar assets. No receivables have been individually assessed as being impaired as at 31 December 2015 (2014: \$0). The ageing of these impaired receivables is as follows:

Not past due	12	7	12	7
Past due 0-30 days	20	23	20	23
Past due 31-90 days	9	9	5	9
Past due 91-120 days	16	2	14	2
Past due 121-180 days	26	-	26	-
Past due 181-365 days	52	10	38	10
More than 1 year	1,339	1,258	1,333	1,250
Total	<b>1,474</b>	<b>1,309</b>	<b>1,448</b>	<b>1,301</b>

As at 31 December 2015 receivables of \$22,858,000 (2014: \$24,832,000) were past due but not impaired. Receivables classified as past due but not impaired have a low history of credit default and are expected to be realised when due, other than amounts provided for on a collective basis and included in the provision estimates above. The ageing of these receivables is as follows:

Not past due	7,634	3,328	7,953	3,206
Past due 0-30 days	12,519	13,555	12,337	13,482
Past due 31-90 days	3,985	6,108	3,960	6,099
Past due 91-120 days	1,033	1,205	1,033	1,204
Past due 121-180 days	2,491	2,155	2,491	2,155
Past due 181-365 days	1,686	785	1,684	785
More than 1 year	1,144	1,024	1,143	1,022
Total	<b>30,492</b>	<b>28,160</b>	<b>30,601</b>	<b>27,953</b>

# Notes to the Financial Statements

## for the year ended 31 December 2015

	Consolidated		University	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Movement in the provision for impairment of receivables is as follows:				
At 1 January	1,309	1,174	1,301	1,174
Provision for impairment recognised during the year	367	290	349	282
Receivables written off during the year as uncollectible	(202)	(155)	(202)	(155)
Unused amount reversed	-	-	-	-
	<u>1,474</u>	<u>1,309</u>	<u>1,448</u>	<u>1,301</u>

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

### 20 Inventories

<b>Current</b>				
Raw materials and stores-at cost	508	566	383	420
Work in progress-at cost	59	99	59	99
<b>Total current inventories</b>	<u>567</u>	<u>665</u>	<u>442</u>	<u>519</u>

### 21 Non-current assets classified as held for sale

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

### 22 Other non-financial assets

<b>Current</b>				
Advances and prepayments*	18,446	43,561	18,953	43,544
<b>Total current other non-financial assets</b>	<u>18,446</u>	<u>43,561</u>	<u>18,953</u>	<u>43,544</u>
<b>Non-current</b>				
Advances and prepayments*	6,045	6,507	6,045	6,507
<b>Total non-current other non-financial assets</b>	<u>6,045</u>	<u>6,507</u>	<u>6,045</u>	<u>6,507</u>
<b>Total non-current other non-financial assets</b>	<u>24,491</u>	<u>50,068</u>	<u>24,998</u>	<u>50,051</u>

\*Advances and prepayments include \$5.15 million of prepayments for property, plant and equipment (2014: \$28.90 million).

### 23 Investment properties

<b>At fair value</b>				
Opening balance at 1 January	23,155	27,313	23,155	27,313
Capitalised subsequent expenditure	264	122	264	122
Net gain/(loss) from fair value adjustment	184	(4,280)	184	(4,280)
<b>Closing balance at 31 December</b>	<u>23,603</u>	<u>23,155</u>	<u>23,603</u>	<u>23,155</u>

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

Direct operating expenses from property that did not generate rental income	-	1	-	1
	<u>-</u>	<u>1</u>	<u>-</u>	<u>1</u>

#### (b) Valuation basis

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

### 24 Other financial assets

<b>Non-current</b>				
Fair value through profit or loss	647,228	628,578	647,228	628,578
Available for sale financial assets*	10,533	1,464	10,533	1,464
Loans and receivables	2,648	2,667	2,648	2,663
Less: Impairment	(2,315)	(1,440)	(2,315)	(1,440)
<b>Total non-current other financial assets</b>	<u>658,094</u>	<u>631,269</u>	<u>658,094</u>	<u>631,265</u>

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

#### Impairment

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

Balance as at 1 January	1,440	1,440	1,440	1,440
Impairment loss recognised	875	-	875	-
Balance as at 31 December	<u>2,315</u>	<u>1,440</u>	<u>2,315</u>	<u>1,440</u>

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 2015

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



# Notes to the Financial Statements for the year ended 31 December 2015

## 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
<b>2015</b>										
<b>University</b>										
<b>At 1 January 2015</b>										
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)
<b>Net book value</b>		<b>190,971</b>	<b>80,000</b>	<b>751,248</b>	<b>29,091</b>	<b>78,642</b>	<b>27,568</b>	<b>6,171</b>	<b>64,765</b>	<b>1,228,456</b>
<b>Year ended 31 December 2015</b>										
Opening net book value		190,971	80,000	751,248	29,091	78,642	27,568	6,171	64,765	1,228,456
Additions		1,254	-	26,968	48,892	18,954	214	534	44	96,860
Disposals		(1,060)	-	(230)	-	(344)	-	-	-	(1,634)
Depreciation	12	-	-	(17,650)	-	(18,916)	-	(915)	-	(37,481)
Impairment		-	-	-	-	-	-	-	(18,185)	(18,185)
Transfer		(2,673)	-	35,557	(32,884)	-	-	-	-	-
<b>Closing net book value</b>		<b>188,492</b>	<b>80,000</b>	<b>795,893</b>	<b>45,099</b>	<b>76,336</b>	<b>27,782</b>	<b>5,790</b>	<b>46,624</b>	<b>1,268,016</b>
<b>At 31 December 2015</b>										
Cost		188,492	80,000	945,909	45,099	244,327	27,782	9,453	64,809	1,605,871
Accumulated depreciation		-	-	(149,963)	-	(165,844)	-	(3,663)	-	(319,470)
Accumulated impairment		-	-	(53)	-	(147)	-	-	(18,185)	(18,385)
<b>Net book value</b>		<b>188,492</b>	<b>80,000</b>	<b>795,893</b>	<b>45,099</b>	<b>76,336</b>	<b>27,782</b>	<b>5,790</b>	<b>46,624</b>	<b>1,268,016</b>

# Notes to the Financial Statements for the year ended 31 December 2015

## 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
<b>2014 Consolidated</b>										
<b>At 1 January 2014</b>										
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)
<b>Net book value</b>		<b>187,757</b>	<b>80,000</b>	<b>718,669</b>	<b>17,518</b>	<b>78,039</b>	<b>25,757</b>	<b>5,927</b>	<b>64,259</b>	<b>1,177,926</b>
<b>Year ended 31 December 2014</b>										
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 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)
<b>Closing net book value</b>		<b>190,971</b>	<b>80,000</b>	<b>751,627</b>	<b>29,091</b>	<b>79,678</b>	<b>27,568</b>	<b>6,171</b>	<b>64,765</b>	<b>1,229,871</b>
<b>At 31 December 2014</b>										
Cost		190,971	80,000	884,292	29,091	230,391	27,568	8,919	64,765	1,515,997
Accumulated depreciation		-	-	(132,612)	-	(150,566)	-	(2,748)	-	(285,926)
Accumulated impairment		-	-	(53)	-	(147)	-	-	-	(200)
<b>Net book value</b>		<b>190,971</b>	<b>80,000</b>	<b>751,627</b>	<b>29,091</b>	<b>79,678</b>	<b>27,568</b>	<b>6,171</b>	<b>64,765</b>	<b>1,229,871</b>

# Notes to the Financial Statements for the year ended 31 December 2015

## 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
<b>2014</b>										
<b>University</b>										
<b>At 1 January 2014</b>										
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)
<b>Net book value</b>		<b>187,757</b>	<b>80,000</b>	<b>718,159</b>	<b>17,518</b>	<b>77,400</b>	<b>25,757</b>	<b>5,927</b>	<b>64,259</b>	<b>1,176,777</b>
<b>Year ended 31 December 2014</b>										
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 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)
<b>Closing net book value</b>		<b>190,971</b>	<b>80,000</b>	<b>751,248</b>	<b>29,091</b>	<b>78,642</b>	<b>27,568</b>	<b>6,171</b>	<b>64,765</b>	<b>1,228,456</b>
<b>At 31 December 2014</b>										
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)
<b>Net book value</b>		<b>190,971</b>	<b>80,000</b>	<b>751,248</b>	<b>29,091</b>	<b>78,642</b>	<b>27,568</b>	<b>6,171</b>	<b>64,765</b>	<b>1,228,456</b>

# Notes to the Financial Statements

## for the year ended 31 December 2015

	Consolidated		University	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
<b>26 Intangible assets</b>				
Software	663	1,325	663	1,325
Electronic library resources	20,189	18,686	20,189	18,686
Others	-	-	-	-
<b>Total intangible assets</b>	<b>20,852</b>	<b>20,011</b>	<b>20,852</b>	<b>20,011</b>

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

### Consolidated and University

	Software \$'000	Electronic library resources \$'000	Others \$'000	TOTAL \$'000
<b>At 1 January 2014</b>				
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
<b>Year ended 31 December 2014</b>				
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
<b>At 31 December 2014</b>				
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
<b>Year ended 31 December 2015</b>				
Opening net book value	1,325	18,686	-	20,011
Additions	-	4,080	-	4,080
Disposals	-	-	-	-
Amortisation	(662)	(2,577)	-	(3,239)
Closing net book value	663	20,189	-	20,852
<b>At 31 December 2015</b>				
Cost	11,392	29,040	-	40,432
Accumulated amortisation and impairment	(10,729)	(8,851)	-	(19,580)
Net book value	663	20,189	-	20,852

# Notes to the Financial Statements

## for the year ended 31 December 2015

	Consolidated		University	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
<b>27 Restricted assets</b>				
Cash and cash equivalents	55,987	60,900	55,987	60,900
Investment properties	23,603	23,155	23,603	23,155
Other financial assets	578,113	539,840	578,113	539,840
Property, plant and equipment	276,491	278,761	276,491	278,761
<b>Total restricted assets</b>	<b>934,194</b>	<b>902,656</b>	<b>934,194</b>	<b>902,656</b>

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	21,751	30,554	20,571	30,000
Other payables	23,969	18,075	23,941	17,278
OS-HELP liability to the Australian Government	1,099	1,020	1,099	1,020
<b>Total trade and other payables</b>	<b>46,819</b>	<b>49,649</b>	<b>45,611</b>	<b>48,298</b>

### 29 Provisions

#### Current

Annual, long service and other leave*	91,458	89,128	90,952	88,700
Employment on-costs provision*	5,802	4,936	5,535	4,852
Revenue sharing provision	195	556	195	556
<b>Total current provisions</b>	<b>97,455</b>	<b>94,620</b>	<b>96,682</b>	<b>94,108</b>

#### Non-current

Superannuation (defined benefit)	5,303	5,899	5,303	5,899
Long service leave	10,146	15,374	10,005	15,224
Employment on-costs provision	648	876	621	848
<b>Total non-current provisions</b>	<b>16,097</b>	<b>22,149</b>	<b>15,929</b>	<b>21,971</b>

#### Total provisions

<b>113,552</b>	<b>116,769</b>	<b>112,611</b>	<b>116,079</b>
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#### \* Annual leave (including employment on-costs)

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

Within 12 months of balance sheet date	33,762	33,249	33,468	32,865
More than 12 months after balance sheet date	11,358	11,171	11,260	11,042
	<b>45,120</b>	<b>44,420</b>	<b>44,728</b>	<b>43,907</b>

#### 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	8,768	8,253	8,704	8,230
More than 12 months after balance sheet date	43,372	40,196	43,055	40,085
	<b>52,140</b>	<b>48,449</b>	<b>51,759</b>	<b>48,315</b>

#### (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	5,812	5,700
Charged/(credited) to profit or loss		
Additional provision recognised	3,285	3,074
Unused amounts reversed	(116)	(116)
Amounts used during the period	(2,531)	(2,502)
Closing balance at 31 December	<b>6,450</b>	<b>6,156</b>



# Notes to the Financial Statements

## for the year ended 31 December 2015

	Consolidated		University	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
<b>Revenue sharing provision</b>				
Opening balance at 1 January	556		556	
Charged/(credited) to profit or loss				
Additional provision recognised	56		56	
Unused amounts reversed	(417)		(417)	
Amounts used during the period				
Closing balance at 31 December	<u>195</u>		<u>195</u>	
<b>(c) Superannuation - defined benefit section</b>				
<b>(i) Nature of the benefits provided by the Scheme</b>				
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.				
<b>(ii) Recognition of the net defined benefit liability/(asset)</b>				
<b>Net defined benefit liability/(asset) at start of year</b>	<b>5,821</b>	<b>6,134</b>	<b>5,821</b>	<b>6,134</b>
Service cost	17	24	17	24
Net interest	162	191	162	191
Past service cost	-	-	-	-
Settlement (gains)/losses	-	-	-	-
Accrual return on assets minus interest income	-	-	-	-
Actuarial (gain)/loss—demographic	(854)	-	(854)	-
Actuarial (gain)/loss—financial	(7)	161	(7)	161
Actuarial (gain)/loss—experience	980	353	980	353
University contributions (equal to benefit payments)	(816)	(1,042)	(816)	(1,042)
Adjustment for asset ceiling	-	-	-	-
<b>Net defined benefit liability/(asset) at end of year</b>	<b>5,303</b>	<b>5,821</b>	<b>5,303</b>	<b>5,821</b>
<b>(iii) Reconciliations</b>				
<b>Reconciliation of the Fair Value of Scheme Assets:</b>				
<b>Fair value at start of year</b>	-	-	-	-
Interest income	-	-	-	-
Actual return on assets minus interest income	-	-	-	-
University contributions	-	-	-	-
Member contributions	-	-	-	-
Benefits paid	-	-	-	-
Taxes, expenses, premiums paid	-	-	-	-
Settlements	-	-	-	-
<b>Fair value at end of year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Reconciliation of the defined benefit obligation:</b>				
Present value of the defined benefit obligation at start of year	<b>5,821</b>	<b>6,134</b>	<b>5,821</b>	<b>6,134</b>
Service cost	17	24	17	24
Interest expense	162	191	162	191
Member contributions	-	-	-	-
Actuarial (gain)/loss—demographic	(854)	-	(854)	-
Actuarial (gain)/loss—financial	(7)	161	(7)	161
Actuarial (gain)/loss—experience	980	353	980	353
Benefits paid	(816)	(1,042)	(816)	(1,042)
Taxes, expenses, premiums paid	-	-	-	-
Settlements	-	-	-	-
Present value of the defined benefit obligations at end of year	<b>5,303</b>	<b>5,821</b>	<b>5,303</b>	<b>5,821</b>
<b>(iv) Amounts recognised in income statement</b>				
Current service cost	17	24	17	24
Interest cost	162	191	162	191
Expected return on plan assets	-	-	-	-
Actuarial (gains)/losses	-	-	-	-
Past service cost	-	-	-	-
Losses (gains) on curtailments and settlements	-	-	-	-
Total included in employee benefits expenses	<b>179</b>	<b>215</b>	<b>179</b>	<b>215</b>
<b>(v) Amounts recognised in other comprehensive income</b>				
Actuarial (gains)/losses	119	514	119	514
	<b>119</b>	<b>514</b>	<b>119</b>	<b>514</b>
<b>(vi) Significant actuarial assumptions at the reporting date</b>				
Discount rate	2.50%	3.00%	2.50%	3.00%
Future salary increases	2.50%	3.00%	2.50%	3.00%
Future inflation	2.50%	3.00%	2.50%	3.00%
Future pension increases	2.50%	3.00%	2.50%	3.00%

# Notes to the Financial Statements for the year ended 31 December 2015

## (vii) Sensitivity analysis

The defined benefit obligation is presented on following scenarios

	Required Basis	+0.5% Discount rate	+0.5% Salary/Pension Increase rate	Mortality rates adjusted to be 10% lighter
Discount rate	2.50%	3.00%	2.50%	2.50%
Future salary and pension increases	2.50%	2.50%	3.00%	2.50%
Defined benefit obligation	5,303	5,157	5,490	5,572
Change in obligation		(146)	186	269
Percentage change in obligation		-2.80%	3.50%	5.10%

## (viii) Funding arrangements

Employer contributions are made to meet the cost of the defined benefits as they fall due.

Expected employer contributions (equal to expected benefits) in the next 12 months are \$1.65 million.

## (ix) Maturity profile of defined benefit obligation

The weighted average duration of the defined benefit obligation is:

Supplementary Pension Scheme	6.4
Supplementary Benefit Scheme	0.7
Overall	4.8

In accordance with AASB 101(7), actuarial gains and losses on defined benefit plan are included in other comprehensive income and are not recognised in profit and loss.

	Consolidated			University		
	2015 \$'000	Restated* 2014 \$'000	Restated* 1 Jan 2014 \$'000	2015 \$'000	Restated* 2014 \$'000	Restated* 1 Jan 2014 \$'000

## 30 Other liabilities

Deferred revenue:						
Student fees	11,842	8,972	13,517	11,842	8,503	12,908
Other	17,596	16,500	2,174	17,443	16,472	2,221
Funds held for outside parties	4,905	8,968	16,404	4,900	8,968	16,404
<b>Total other liabilities</b>	<b>34,343</b>	<b>34,440</b>	<b>32,095</b>	<b>34,185</b>	<b>33,943</b>	<b>31,533</b>

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

As at reporting date the Group held \$18.7 million (2014: \$16.0 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.

\* The 2014 comparative balances have been restated. Refer to Note 1(y) for further information.

	Consolidated		University	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000

## 31 Borrowings

### Current

Western Australian Treasury Corporation	2,953	2,842	2,953	2,842
Other	14	-	-	-
<b>Total current borrowings</b>	<b>2,967</b>	<b>2,842</b>	<b>2,953</b>	<b>2,842</b>

### Non-current

Western Australian Treasury Corporation	122,195	125,075	122,195	125,075
<b>Total non-current borrowings</b>	<b>122,195</b>	<b>125,075</b>	<b>122,195</b>	<b>125,075</b>
<b>Total borrowings</b>	<b>125,162</b>	<b>127,917</b>	<b>125,148</b>	<b>127,917</b>

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	
		2015	2014	2015	2014
Western Australian Treasury Corporation Loans					
- Liquidity lending	-	-	3,138	2.78%	2.76%
- Term floating rate lending	15/07/17 - 15/10/19	21,275	15,000	2.53%	2.71%
- Portfolio lending	15/01/16 - 15/10/25	75,725	78,862	4.83%	4.79%
- Fixed rate project	15/10/23	26,741	29,559	3.78%	3.78%
<b>Total WATC loans</b>		<b>123,741</b>	<b>126,559</b>		

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.

# Notes to the Financial Statements

## for the year ended 31 December 2015

	Principal outstanding	
	2015	2014
<b>Financing facilities available</b>		
The following facilities had been negotiated and were available as at reporting date:		
Facilities used at reporting date:		
- WATC loans	123,741	126,559
Facilities unused at reporting date:		
- WATC loans	36,259	33,441
<b>Total debt facilities</b>	<b>160,000</b>	<b>160,000</b>

### 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 0.7% per annum of the outstanding loan principal.

### Fair value

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

	Consolidated		University	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
<b>32 Reserves</b>				
Available-for-sale financial asset revaluation reserve	9,188	-	9,188	-
University strategic reserve	-	-	-	-
Debt repayment reserve	-	28,724	-	28,724
Short-term investment fluctuation reserves	30,693	37,878	30,693	37,878
University permanent reserve	-	-	-	-
Bequest and donated funds reserves	-	-	-	-
Other specific reserves	90	-	-	-
<b>Total reserves</b>	<b>39,971</b>	<b>66,602</b>	<b>39,881</b>	<b>66,602</b>
<b>(a) Movements</b>				
<b>Available-for-sale financial asset revaluation reserve</b>				
Balance 1 January	-	-	-	-
Transfer from/(to) accumulated funds	9,188	-	9,188	-
Balance 31 December	<b>9,188</b>	-	<b>9,188</b>	-
<b>Debt repayment reserve</b>				
Balance 1 January	28,724	27,500	28,724	27,500
Transfer from/(to) accumulated funds	(28,724)	1,224	(28,724)	1,224
Balance 31 December	-	<b>28,724</b>	-	<b>28,724</b>
<b>Short-term investment fluctuation reserves</b>				
Balance 1 January	37,878	35,755	37,878	35,755
Transfer from/(to) accumulated funds	(7,185)	2,123	(7,185)	2,123
Balance 31 December	<b>30,693</b>	<b>37,878</b>	<b>30,693</b>	<b>37,878</b>
<b>University permanent reserve</b>				
Balance 1 January	-	10,393	-	10,393
Transfer from/(to) accumulated funds	-	(10,393)	-	(10,393)
Balance 31 December	-	-	-	-
<b>Bequest and donated funds reserves</b>				
Balance 1 January	-	3,777	-	3,777
Transfer from/(to) accumulated funds	-	(3,777)	-	(3,777)
Balance 31 December	-	-	-	-
<b>Other specific reserves</b>				
Balance 1 January	-	1,466	-	1,466
Transfer from/(to) accumulated funds	90	(1,466)	-	(1,466)
Balance 31 December	<b>90</b>	-	-	-
<b>Total reserves</b>	<b>39,971</b>	<b>66,602</b>	<b>39,881</b>	<b>66,602</b>

# Notes to the Financial Statements

## for the year ended 31 December 2015

### (b) Nature and purpose of reserve

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

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

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

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

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 programs which cannot be funded from recurrent sources. This reserve has been retired, effective 31 December 2014.

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

	Consolidated			University		
	2015 \$'000	Restated* 2014 \$'000	Restated* 1 Jan 2014 \$'000	2015 \$'000	Restated* 2014 \$'000	Restated* 1 Jan 2014 \$'000
<b>33 Retained earnings</b>						
Retained earnings at 1 January	1,728,622	1,625,164	1,407,101	1,727,684	1,624,671	1,406,670
Operating result for the period	33,112	91,683	124,839	32,434	91,238	124,777
Item of other comprehensive income recognised directly in retained earnings						
Net actuarial gains/(losses) on Defined Benefit Plan	(119)	(514)	1,158	(119)	(514)	1,158
Reserves transferred to the income statement on derecognition of associate due to dilution	-	-	-	-	-	-
Retrospective application or restatement of balances	-	-	8,981	-	-	8,981
Share of movement in equity of associates	-	-	-	-	-	-
Transfer (to)/from reserves	35,819	12,289	83,085	35,909	12,289	83,085
<b>Retained earnings at 31 December</b>	<b>1,797,434</b>	<b>1,728,622</b>	<b>1,625,164</b>	<b>1,795,908</b>	<b>1,727,684</b>	<b>1,624,671</b>

\* The 2014 comparative balances have been restated. Refer to Note 1(y) for further information.

# Notes to the Financial Statements

## for the year ended 31 December 2015

	Consolidated		University	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
<b>34 Commitments</b>				
<b>(a) Expenditure commitments</b>				
Commitments for general expenditure in existence at the reporting date but not recognised as liabilities are payable as follows:				
Within one year	43,159	19,826	43,159	19,830
Later than one year but no later than five years	2,064	1,819	2,064	1,819
Later than five years	-	-	-	-
	<u>45,223</u>	<u>21,645</u>	<u>45,223</u>	<u>21,649</u>
<b>(b) Capital commitments</b>				
Capital expenditure contracted for at the reporting date but not recognised as liabilities are payable as follows:				
<b>Land and buildings</b>				
Within one year	41,832	65,457	41,832	65,457
Later than one year but no later than five years	2,255	380	2,255	380
Later than five years	-	-	-	-
	<u>44,087</u>	<u>65,837</u>	<u>44,087</u>	<u>65,837</u>
<b>Other plant and equipment</b>				
Within one year	8,383	9,346	7,990	8,748
Later than one year but no later than five years	2,505	90	2,505	90
Later than five years	-	-	-	-
	<u>10,888</u>	<u>9,436</u>	<u>10,495</u>	<u>8,838</u>
<b>(c) Lease commitments</b>				
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	1,393	1,436	1,154	1,423
Later than one year but no later than five years	2,718	2,231	1,925	2,216
Later than five years	-	22	-	22
	<u>4,111</u>	<u>3,689</u>	<u>3,079</u>	<u>3,661</u>
<b>35 Contingencies</b>				
<b>(a) Contingent liabilities</b>				
In December 2015, the Vice-Chancellor announced to staff that 300 positions will be made redundant by the end of 2016. No liability or provision has been raised for this announcement as no formal plan has been developed or approved in sufficient detail to meet the requirements of AASB 119 and the amount cannot be reasonably determined.				
As at 31 December 2015 or at the date of this report, there are no other known contingent liabilities which are likely to materially affect the Group's financial position.				
<b>(b) Contingent assets</b>				
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 2015 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.				
<b>36 Supplementary financial information</b>				
<b>(a) Write-offs</b>				
Bad debts and other write-offs, written off by the Senate and University Club Executive during the financial year:				
Trade and other receivables	202	500	202	491
Assets	7	23	7	23
	<u>209</u>	<u>523</u>	<u>209</u>	<u>514</u>
<b>(b) Losses through theft, default and other causes</b>				
Losses through theft and default	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>37 Related party transactions</b>				
<b>(a) Parent entity</b>				
The parent entity within the Group is The University of Western Australia.				
<b>(b) Subsidiaries and associates</b>				
Interests in subsidiaries are set out in note 38.				
Interests in associates are set out in note 39.				



# Notes to the Financial Statements

## for the year ended 31 December 2015

	Consolidated		University	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
<b>(c) Transactions with related parties</b>				
The following transactions occurred with related parties:				
Sales of goods and services				
Subsidiaries	-	-	7,255	6,289
Grant revenue				
Associates	-	50	-	50
Purchase of goods and services				
Subsidiaries	-	-	4,526	4,072
Grant expense				
Associates	228	214	228	214

### (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	-	-	520	196
Current payables (purchases of goods)				
Subsidiaries	-	-	164	284

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

### (e) Terms and conditions

Outstanding balances are unsecured and are repayable in cash.

## 38 Subsidiaries

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

Name of entity	Principal place of business	Class of shares	Equity holding		Principal activity
			2015 %	2014 %	
The University Club of Western Australia Pty Ltd	Australia	Ordinary	100	100	Events and function centre
UWA Accommodation Services Pty Ltd	Australia	Ordinary	100	100	Student accommodation
UWA Sport Pty Ltd*	Australia	Ordinary	100	-	Sports and recreational activities

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

## 39 Associates

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

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

Name of entity	Country of incorporation	Class of shares	Ownership interest		Carrying amount		Principal activity
			2015 %	2014 %	2015 \$'000	2014 \$'000	
Perth USAsia Centre Limited*	Australia	Ordinary	50	50	-	-	Collaborative research on US and Australia relationship

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

# Notes to the Financial Statements

## for the year ended 31 December 2015

	Consolidated		University	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
<b>40 Business Combinations</b>				
<b>(a) Summary of acquisition</b>				
The UWA Sport and Recreation Association ("SRA"), a separate legal entity to the Group, transferred the management of the SRA as a going concern to UWA Sport Pty Ltd, a wholly owned subsidiary of the University of Western Australia. This transfer took effect on 1 July 2015. Details of the fair value of the assets and liability acquired are as follows:				
Total purchase consideration	-	-	-	-
Fair value of net identifiable assets acquired	616	-	-	-
Gain on bargain purchase	616	-	-	-
Goodwill	-	-	-	-
<b>(b) Purchase consideration</b>				
Cash consideration	-	-	-	-
Less balance acquired:				
Cash	748	-	-	-
Net inflow of cash	<b>748</b>	-	-	-
<b>(c) Assets acquired and liabilities assumed</b>				
The carrying amount of the assets and liabilities arising from the acquisition are as follows:				
Cash and cash equivalents	748	-	-	-
Receivables	225	-	-	-
Inventories	6	-	-	-
Other non-financial assets	39	-	-	-
Property, plant and equipment	399	-	-	-
Trade and other payables	(591)	-	-	-
Provisions	(210)	-	-	-
Net assets	<b>616</b>	-	-	-
The Group has assumed that the carrying amount of the assets and liabilities assumed is a reasonable approximation of the fair value.				
<b>(d) Goodwill arising on acquisition</b>				
Goodwill arising on acquisition	-	-	-	-

### 41 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.

# Notes to the Financial Statements

## for the year ended 31 December 2015

	Consolidated		University	
	2015 \$'000	Restated* 2014 \$'000	2015 \$'000	Restated* 2014 \$'000
<b>42 Reconciliation of net result to net cash provided by/(used in) operating activities</b>				
Net result for the year	33,112	91,683	32,434	91,238
Adjustments: non-cash items				
Depreciation, amortisation and impairment	59,227	37,192	58,905	36,940
Investment adjustments	(17,631)	(45,452)	(17,641)	(45,446)
Net actuarial gain/(loss)	(119)	(514)	(119)	(514)
Net (profit)/loss on sale of non-current assets	(949)	1,374	(949)	1,374
Donation of artworks and equipment	(91)	(1,946)	(91)	(1,946)
Net exchange differences	(15)	(16)	(15)	(16)
Changes in assets and liabilities				
Decrease/(increase) in receivables and prepayments	4,832	2,866	4,092	3,372
Decrease/(increase) in inventories	98	(98)	77	(83)
(Decrease)/increase in payables and borrowings	(5,661)	15,509	(5,515)	15,191
(Decrease)/increase in other liabilities	(97)	2,271	243	2,335
(Decrease)/increase in provisions	(3,217)	7,000	(3,467)	6,860
<b>Net cash provided by/(used in) operating activities</b>	<b>69,489</b>	<b>109,869</b>	<b>67,954</b>	<b>109,305</b>

\* The 2014 comparative balances have been restated. Refer to Note 1(y) for further information.

# Notes to the Financial Statements for the year ended 31 December 2015

## 43 Financial instruments

### (a) Financial risk management - overview

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

The University is committed to robust risk management practices as an integral part of good management. The Vice-Chancellor provides a regular risk report to Senate and the Audit and Risk Committee which highlights major emerging risks and provides updates on risks from the Strategic Risk Register. The University's Strategic Risk Register was refreshed in 2014 to reflect the new Strategic Plan and was updated again in 2015 to take account of faculty plans developed as part of an integrated planning exercise.

The University is further improving its risk management through development of a risk appetite statement. The draft risk appetite statement was presented to the Audit and Risk Committee in November. The appetite statement will be finalised in 2016 after further refinement and consultation with Senate.

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 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 (2014: \$160.0 million). As at reporting date the outstanding balance owing by the group, including accrued interest and guarantee levy fees is \$125.1 million (2014: \$127.9 million). The borrowings provide liquidity to support the University's capital program, and to fund the student accommodation under the National Rental Affordability Scheme (NRAS).

# Notes to the Financial Statements

## for the year ended 31 December 2015

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

Consolidated 31 December 2015	Average interest rate	Variable interest rate	Less than 1 year	1 to 5 years	5+ years	Non-interest	Total
	%	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Financial assets</b>							
Cash and cash equivalents	2.90%	12,647	110,619	-	-	76	123,342
Accounts receivable	-	-	-	-	-	33,485	33,485
Other financial assets	-	-	-	-	-	658,094	658,094
Loans and other receivables	-	-	-	-	-	90	90
<b>Total</b>	-	<b>12,647</b>	<b>110,619</b>	-	-	<b>691,745</b>	<b>815,011</b>
<b>Financial liabilities</b>							
Trade and other payables	-	-	-	-	-	46,819	46,819
Borrowings	4.19%	-	10,618	65,153	49,391	-	125,162
Other financial liabilities	-	-	-	-	-	4,905	4,905
<b>Total</b>	-	-	<b>10,618</b>	<b>65,153</b>	<b>49,391</b>	<b>51,724</b>	<b>176,886</b>

Consolidated 31 December 2014	Average interest rate	Variable interest rate	Less than 1 year	1 to 5 years	5+ years	Non-interest	Total
	%	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Financial assets</b>							
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
<b>Total</b>	-	<b>18,696</b>	<b>111,105</b>	-	-	<b>668,040</b>	<b>797,841</b>
<b>Financial liabilities</b>							
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
<b>Total</b>	-	-	<b>16,845</b>	<b>58,288</b>	<b>52,784</b>	<b>58,126</b>	<b>186,044</b>

### (d) Market risk

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

### (i) Foreign exchange risk

Foreign exchange risk arises principally from overseas sources of income and expenditure in relation to the University's international offshore teaching programmes, foreign donors, foreign customers and foreign sourced supplies. For the purposes of managing some international transactional activities, the University holds US dollar and Singapore dollar bank accounts. At year end, the University has 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 2015 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 given below:

2015 instrument	Notional amount	Rate	Expiry
Forward Foreign Exchange contract (buy)	GBP \$0.15 million	0.4926	11/01/2016
	USD \$0.05 million	0.7302	13/01/2016
	EUR \$0.29 million	0.6669	1/02/2016
	GBP \$0.04 million	0.4920	2/02/2016
	USD \$3.0 million	0.7002	30/11/2016
	USD \$1.0 million	0.7002	16/12/2016
2014 instrument	Notional amount	Rate	Expiry
Forward Foreign Exchange contract (buy)	USD \$1.00 million	0.807	25/09/2015
	USD \$1.00 million	0.807	28/10/2015
	USD \$1.00 million	0.807	27/11/2015
	USD \$1.00 million	0.807	18/12/2015



# Notes to the Financial Statements

## for the year ended 31 December 2015

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

The University's portfolio of investment assets includes, amongst other things, investments in unit trusts which have underlying exposure to international debt, equity and property asset classes. This risk is 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 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 2015	Carrying amount \$'000	Interest rate risk			
		-1.0% Profit \$'000	Equity \$'000	+1.0% Profit \$'000	Equity \$'000
<b>Financial assets</b>					
Cash and cash equivalents	123,342	(1,233)	-	1,233	-
Accounts receivable	33,485	-	-	-	-
Other financial assets	658,094	(21,578)	-	21,578	-
Loans and other receivables	90	-	-	-	-
<b>Financial liabilities</b>					
Trade and other payables	(46,819)	-	-	-	-
Borrowings	(125,162)	265	-	(265)	-
Other financial liabilities	(4,905)	-	-	-	-
<b>Total increase/(decrease)</b>		<b>(22,546)</b>	<b>-</b>	<b>22,546</b>	<b>-</b>

# Notes to the Financial Statements

## for the year ended 31 December 2015

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

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

Consolidated 31 December 2014	Carrying amount \$'000	Interest rate risk			
		Profit \$'000	Equity \$'000	Profit \$'000	Equity \$'000
		-1.0%		+1.0%	
<b>Financial assets</b>					
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	-	-	-	-
<b>Financial liabilities</b>					
Trade and other payables	(49,158)	-	-	-	-
Borrowings	(127,917)	249	-	(249)	-
Other financial liabilities	(8,968)	-	-	-	-
<b>Total increase/(decrease)</b>		<b>(11,713)</b>	<b>-</b>	<b>11,713</b>	<b>-</b>

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

# Notes to the Financial Statements

## for the year ended 31 December 2015

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

### (e) Capital management

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

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

# Notes to the Financial Statements for the year ended 31 December 2015

## 44 Fair value measurements

### (a) Fair value measurements

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

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

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

Consolidated 31 December	Carrying amount		Fair value	
	2015	2014	2015	2014
<b>Financial assets</b>				
Cash and cash equivalents	123,342	129,927	123,342	129,927
Accounts receivable	33,485	36,556	33,485	36,556
Other financial assets	658,094	631,269	658,094	631,269
Loans and other receivables	90	89	90	89
<b>Total financial assets</b>	<b>815,011</b>	<b>797,841</b>	<b>815,011</b>	<b>797,841</b>
<b>Financial liabilities</b>				
Trade and other payables	(46,819)	(49,158)	(46,819)	(49,158)
Borrowings	(125,162)	(127,917)	(130,972)	(135,353)
Other financial liabilities	(4,905)	(8,968)	(4,905)	(8,968)
<b>Total financial liabilities</b>	<b>(176,886)</b>	<b>(186,043)</b>	<b>(182,696)</b>	<b>(193,479)</b>

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

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

### (b) Fair value hierarchy

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

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

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

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

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

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

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

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

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

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

# Notes to the Financial Statements for the year ended 31 December 2015

## (i) Recognised fair value measurements

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

Consolidated 31 December 2015	Note	2015 \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
<b>Recurring fair value measurements</b>					
<b>Financial assets</b>					
Other financial assets	24	658,094	647,228	1,208	9,658
<b>Total financial assets</b>		<b>658,094</b>	<b>647,228</b>	<b>1,208</b>	<b>9,658</b>
<b>Non-financial assets</b>					
Investment properties	23	23,603	-	23,603	-
<b>Total non-financial assets</b>		<b>23,603</b>	<b>-</b>	<b>23,603</b>	<b>-</b>
Consolidated 31 December 2014	Note	2014 \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
<b>Recurring fair value measurements</b>					
<b>Financial assets</b>					
Other financial assets	24	631,269	628,578	1,227	1,464
<b>Total financial assets</b>		<b>631,269</b>	<b>628,578</b>	<b>1,227</b>	<b>1,464</b>
<b>Non-financial assets</b>					
Investment properties	23	23,155	-	23,155	-
<b>Total non-financial assets</b>		<b>23,155</b>	<b>-</b>	<b>23,155</b>	<b>-</b>

There have been no transfers between level 1 and level 2 during the current financial period. For transfers in and out of level 3 measurements 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 - fair value is based on their last issue price or fundraising value, net tangible asset value, discounted net asset value or at cost where the market is generally limited.

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

### (ii) Non-recurring fair value measurements

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

# Notes to the Financial Statements for the year ended 31 December 2015

## (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 2015 and 2014:

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

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

*Unrealised gains/(losses) recognised in profit or loss attributable to assets held at the end of the reporting period	Other financial assets \$'000
2015	(875)
2014	36

### (i) Transfers between categories and changes in valuation techniques

During the year, two unlisted equity holdings classified as level 3 were listed on the Australian Stock Exchange. As these holdings now have quoted prices in an active market, a combined carrying amount of \$119,109 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 following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements. See (c) above for the valuation techniques adopted.

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

### (iii) Valuation processes

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

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



# Notes to the Financial Statements for the year ended 31 December 2015

## 45 Acquittal of Australian Government financial assistance

45.1	Education - Commonwealth Grant Scheme and other Education grants	Note	Commonwealth Grant Scheme <sup>1</sup>		Indigenous Support Program		Partnership and Participation Program <sup>2</sup>		University		Disability Support Program		Learning and Teaching Performance Fund		Diversity and Structural Adjustment Fund <sup>3</sup>			
			2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
			\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
			154,776	162,068	713	805	1,706	3,538	150	150	-	-	-	-	-	-	-	
2(a)			154,776	162,068	713	805	1,706	3,538	120	120	-	-	-	-	-	-	-	
	Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the programs)		-	-	-	-	618	842	-	-	394	672	222	223	-	-	-	
	Net accrual adjustments		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Revenue for the period		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Surplus/(deficit) from the previous year		154,776	162,068	713	805	2,324	4,380	120	150	394	672	222	223	-	-	-	
	Total revenue including accrued revenue		(154,776)	(162,068)	(713)	(805)	(2,192)	(3,762)	(120)	(150)	(198)	(278)	(65)	(1)	-	-	-	
	Less expenses including accrued expenses		-	-	-	-	132	618	-	-	196	394	157	222	-	-	-	
	Surplus/(deficit) for the reporting period		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	

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.

45.1	Education - Commonwealth Grant Scheme and other Education grants (continued)	Note	Promotion of Excellence in Learning and Teaching		University Reward Funding		Total	
			2015	2014	2015	2014	2015	2014
			\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
			712	285	-	-	158,027	166,846
2(a)			712	285	-	-	158,027	166,846
	Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the programs)		431	316	-	-	1,665	2,053
	Net accrual adjustments		-	-	-	-	-	-
	Revenue for the period		-	-	-	-	-	-
	Surplus/(deficit) from the previous year		1,143	601	-	-	159,692	168,899
	Total revenue including accrued revenue		(405)	(170)	-	-	(158,469)	(167,234)
	Less expenses including accrued expenses		738	431	-	-	1,223	1,665
	Surplus/(deficit) for the reporting period		-	-	-	-	-	-

# Notes to the Financial Statements for the year ended 31 December 2015

	University							Total
	HECS - HELP (Commonwealth Payments)		FEE - HELP <sup>4</sup>		SA - HELP		2015 \$'000	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000		
<b>45.2 Higher Education Loan Programs (excl OS-HELP)</b>	<b>Note</b>							
Cash Payable/(Receivable) at the beginning of year		(890)	377	-	-	-	(890)	377
Financial assistance received in CASH during the reporting period		94,512	98,562	13,532	8,712	1,253	109,297	108,490
Revenue earned		93,622	98,939	13,532	8,712	1,253	108,407	108,867
Cash Payable/(Receivable) at end of year	2(b)	(95,211)	(99,829)	(13,532)	(8,712)	(1,253)	(109,996)	(109,757)
		(1,589)	(890)	-	-	-	(1,589)	(890)

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

	University										Total
	Australian Postgraduate Awards		International Postgraduate Research Scholarship		Commonwealth Education Cost Scholarships <sup>5</sup>		Commonwealth Accommodation Scholarships <sup>5</sup>		Indigenous Access Scholarships		
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	
<b>45.3 Scholarships</b>	<b>Note</b>										
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the programs)		13,470	13,057	1,050	1,039	387	399	437	255	221	15,599
Net accrual adjustments		-	-	-	-	(338)	-	(385)	(115)	-	(838)
Revenue for the period	2(c)	13,470	13,057	1,050	1,039	49	399	52	140	221	14,761
Surplus/(deficit) from the previous year		37	692	257	238	280	129	239	49	25	862
Total revenue including accrued revenue		13,507	13,749	1,307	1,277	329	528	291	189	246	15,623
Less expenses including accrued expenses		(13,460)	(13,712)	(1,307)	(1,020)	(220)	(248)	(188)	(163)	(197)	(15,338)
Surplus/(deficit) for the reporting period		47	37	-	257	109	280	103	26	49	862

# Notes to the Financial Statements for the year ended 31 December 2015

45.4	EDUCATION research	Note	Joint Research Engagement Program <sup>6</sup>		Joint Research Engagement Cadetship Program		Research Training Scheme		University Research Infrastructure Block Grants		Commercialisation Training Scheme		Sustainable Research Excellence		Total	
			2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
			17,935	17,600	286	211	33,369	33,414	15,302	14,613	-	-	11,840	10,519	78,732	76,357
		2(d)	17,935	17,600	286	211	33,369	33,414	15,302	14,613	-	-	11,840	10,519	78,732	76,357
			-	-	409	198	-	-	-	-	-	-	-	-	409	198
			17,935	17,600	695	409	33,369	33,414	15,302	14,613	-	-	11,840	10,519	79,141	76,555
			(17,935)	(17,600)	-	-	(33,369)	(33,414)	(15,302)	(14,613)	-	-	(11,840)	(10,519)	(78,446)	(76,146)
			-	-	695	409	-	-	-	-	-	-	-	-	695	409

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

Surplus/(deficit) from the previous year  
Total revenue including accrued revenue  
Less expenses including accrued expenses  
Surplus/(deficit) for the reporting period

<sup>6</sup> Includes Institutional Grants Scheme.

45.5	Other capital funding	Note	University Education Investment Fund	
			2015 \$'000	2014 \$'000
			-	13,000
		2(e)	-	13,000
			17,460	16,150
			17,460	29,150
			(17,460)	(11,690)
			-	17,460

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

Surplus/(deficit) from the previous year  
Total revenue including accrued revenue  
Less expenses including accrued expenses  
Surplus/(deficit) for the reporting period

# Notes to the Financial Statements for the year ended 31 December 2015

45.6 Australian Research Council grants (i) Discovery	Note	University						Total 2014 \$'000	
		Projects		Fellowships		Indigenous Research Development			
		2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the programs)		16,338	19,345	7,935	12,174	201	350	24,474	31,869
Net accrual adjustments		-	-	-	-	-	-	-	-
Revenue for the period	2(f)	16,338	19,345	7,935	12,174	201	350	24,474	31,869
Surplus/(deficit) from the previous year		9,870	7,911	7,486	6,264	145	283	17,501	14,458
Total revenue including accrued revenue		26,208	27,256	15,421	18,438	346	633	41,975	46,327
Less expenses including accrued expenses		(17,308)	(17,386)	(9,817)	(10,952)	(250)	(488)	(27,375)	(28,826)
Surplus/(deficit) for the reporting period		8,900	9,870	5,604	7,486	96	145	14,600	17,501

45.6 Australian Research Council grants (ii) Linkages	Note	University						Total 2014 \$'000	
		Infrastructure		Projects		Industrial Transformation Research Program			
		2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the programs)		4,091	2,071	6,770	6,187	2,529	-	13,390	8,258
Net accrual adjustments		-	-	-	-	-	-	-	-
Revenue for the period	2(f)	4,091	2,071	6,770	6,187	2,529	-	13,390	8,258
Surplus/(deficit) from the previous year		1,051	488	3,899	5,049	-	-	4,950	5,537
Total revenue including accrued revenue		5,142	2,559	10,669	11,236	2,529	-	18,340	13,795
Less expenses including accrued expenses		(4,312)	(1,508)	(5,361)	(7,337)	-	-	(9,673)	(8,845)
Surplus/(deficit) for the reporting period		830	1,051	5,308	3,899	2,529	-	8,667	4,950

# Notes to the Financial Statements for the year ended 31 December 2015

45.6	Australian Research Council grants (iii) Networks and centres	Note	University Centres	
			2015 \$'000	2014 \$'000
	Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the programs)		8,203	7,889
	Net accrual adjustments		-	-
	Revenue for the period	2(f)	8,203	7,889
	Surplus/(deficit) from the previous year		3,003	2,667
	Total revenue including accrued revenue		11,206	10,556
	Less expenses including accrued expenses		(7,702)	(7,553)
	Surplus/(deficit) for the reporting period		3,504	3,003

45.7	OS-HELP	University OS-HELP	
		2015 \$'000	2014 \$'000
	Cash received during the reporting period	2,037	2,902
	Cash spent during the reporting period	(1,958)	(1,898)
	Net cash received	79	1,004
	Cash surplus/(deficit) from previous period	1,020	16
	Cash surplus/(deficit) for reporting period	1,099	1,020

45.8	Student services and amenities fee	Note	University Student Services and Amenities Fee	
			2015 \$'000	2014 \$'000
	Unspent/(overspent) revenue from previous period		-	-
	SA-HELP revenue earned	2(b)	1,253	1,216
	Student services and amenities fees from students	6	4,087	4,406
	Total revenue expendable in period		5,340	5,622
	Student services expenses during period		(5,340)	(5,622)
	Unspent/(overspent) student services revenue		-	-