

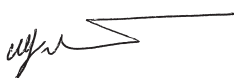
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STATEMENT OF COMPLIANCE

HON MARK MCGOWAN
MINISTER FOR EDUCATION AND TRAINING

In accordance with Section 66 of the Financial Administration and Audit Act 1985, we hereby submit for your information and presentation to Parliament, the Annual Report of Curtin University of Technology for the financial year ended 31 December 2006. The Annual Report has been prepared in accordance with the provisions of the Financial Administration and Audit Act 1985 and all other relevant written laws.



Mr Gordon Martin
Chancellor




Professor Jeanette Hackett
Vice-Chancellor

Dated this 22nd day of March 2007

CERTIFICATION OF FINANCIAL STATEMENTS

The accompanying financial statements of Curtin University of Technology and the accompanying consolidated financial statements have been prepared in compliance with the provisions of the Financial Administration and Audit Act 1985 from proper accounts and records to present fairly the financial transactions for the financial year ended 31 December 2006 and the financial position as at 31 December 2006. At the date of signing, we are not aware of any circumstances which would render any particulars included in the financial statements misleading or inaccurate.



Ms Michele Dolin
Acting Chancellor



Professor Jeanette Hackett
Vice-Chancellor



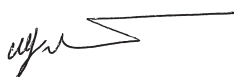
Mr David Menarry
Chief Finance Officer

Dated this 6th day of March 2007

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

I declare that:

- at the time of this certification, there are reasonable grounds to believe that Curtin University of Technology will be able to pay its debts as and when they fall due; and
- the amount of Commonwealth financial assistance expended during the financial year ended 31 December 2006 was for the purpose(s) for which it was provided and complied with applicable legislation, contracts, agreements and programme guidelines in making expenditure.



Mr Gordon Martin
Chancellor



Professor Jeanette Hackett
Vice-Chancellor

Dated this 22nd day of March 2007

**AUDITOR GENERAL****INDEPENDENT AUDIT OPINION****To the Parliament of Western Australia****CURTIN UNIVERSITY OF TECHNOLOGY
FINANCIAL STATEMENTS AND PERFORMANCE INDICATORS
FOR THE YEAR ENDED 31 DECEMBER 2006****Audit Opinion**

In my opinion,

- (i) the financial statements are based on proper accounts and present fairly the financial position of the Curtin University of Technology at 31 December 2006 and its financial performance and cash flows for the year ended on that date. They are in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia and the Treasurer's Instructions;
- (ii) the controls exercised by the University provide reasonable assurance that the receipt, expenditure and investment of moneys, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions; and
- (iii) the key effectiveness and efficiency performance indicators of the University are relevant and appropriate to help users assess the University's performance and fairly represent the indicated performance for the year ended 31 December 2006.

Scope

During the year the University Council was responsible for keeping proper accounts and maintaining adequate systems of internal control, for preparing the financial statements and performance indicators, and complying with the Financial Administration and Audit Act 1985 and other relevant written law. The Financial Administration and Audit Act 1985 was repealed and replaced by the Financial Management Act 2006 and the Auditor General Act 2006 from 1 February 2007. This did not impact on the agency's operations or the audit work conducted during the year ended 31 December 2006.

The financial statements consist of the Income Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement, and the Notes to the Financial Statements.

The performance indicators consist of key indicators of effectiveness and efficiency.

Summary of my Role

As required by the Auditor General Act 2006, I have independently audited the accounts, financial statements and performance indicators to express an opinion on the financial statements, controls and performance indicators. This was done by testing selected samples of the evidence. Further information on my audit approach is provided in my audit practice statement. Refer "<http://www.audit.wa.gov.au/pubs/Audit-Practice-Statement.pdf>".

An audit does not guarantee that every amount and disclosure in the financial statements and performance indicators is error free. The term "reasonable assurance" recognises that an audit does not examine all evidence and every transaction. However, my audit procedures should identify errors or omissions significant enough to adversely affect the decisions of users of the financial statements and performance indicators.

Handwritten signature of Colin Murphy in black ink.

COLIN MURPHY
ACTING AUDITOR GENERAL
20 March 2007

Income Statements for the year ended 31 December 2006

	Note	Consolidated		University	
		2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000
REVENUE FROM CONTINUING OPERATIONS					
Australian Government financial assistance					
Australian Government grants	5	173,101	155,616	173,101	155,616
HECS-HELP – Australian Government payments	5	58,284	47,094	58,284	47,094
FEE-HELP	5	12,801	11,722	12,801	11,722
State and Local Government financial assistance	6	17,110	15,454	17,110	15,454
HECS-HELP – Student payments		17,320	13,348	17,320	13,348
Fees and charges	7	145,357	133,961	145,357	133,961
Investment income	8	14,713	6,557	14,713	6,520
Royalties, trademarks and licences	9	11,521	5,826	11,521	5,826
Consultancy and contracts	10	24,306	17,130	24,306	17,130
Other revenue	11	36,211	34,143	36,211	34,078
		510,724	440,851	510,724	440,749
Deferred Government Superannuation Contributions		(5,455)	(618)	(5,455)	(618)
Total revenue from continuing operations		505,269	440,233	505,269	440,131
EXPENSES FROM CONTINUING OPERATIONS					
Employee benefits	12(a)	250,241	247,308	250,241	247,223
Depreciation and amortisation	13	29,396	26,102	29,396	26,102
Repairs and maintenance	14	14,924	16,524	14,924	16,532
Finance costs	15	1,839	1,918	1,839	1,918
Bad and doubtful debts	16	(919)	(1,161)	(919)	(1,167)
Other expenses	17	140,443	128,294	140,442	128,275
		435,924	418,985	435,923	418,883
Deferred Employee Benefits for Superannuation	12(b)	(5,455)	(618)	(5,455)	(618)
Total expenses from continuing operations		430,469	418,367	430,468	418,265
Net operating result for the year		74,800	21,866	74,801	21,866

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

Financial Statements

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Balance Sheets as at 31 December 2006

	Note	Consolidated		University	
		2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000
ASSETS					
Current Assets					
Cash and cash equivalents	19	76,639	29,256	76,639	29,235
Restricted cash and cash equivalents	20	-	83	-	83
Trade and other receivables	21	23,634	22,979	23,634	22,979
Inventories	22	1,509	1,575	1,509	1,575
Other financial assets	23	35	33	35	33
Restricted other financial assets	24	47,716	36,719	47,716	36,719
Other non financial assets	25	13,672	13,394	13,672	13,394
Total Current Assets		163,205	104,039	163,205	104,018
Non-Current Assets					
Trade and other receivables	21	68,488	70,982	68,488	70,982
Other financial assets	23	72,383	62,999	72,383	63,049
Property, plant and equipment	26	532,594	516,046	532,594	516,046
Total Non-Current Assets		673,465	650,027	673,465	650,077
Total Assets		836,670	754,066	836,670	754,095
LIABILITIES					
Current Liabilities					
Trade and other payables	27	1,777	4,002	1,777	4,002
Interest bearing liabilities	28	660	639	660	639
Provisions	29	48,650	50,822	48,650	50,822
Other liabilities	30	77,079	62,020	77,079	62,050
Total Current Liabilities		128,166	117,483	128,166	117,513
Non-Current Liabilities					
Interest bearing liabilities	28	24,886	25,546	24,886	25,546
Provisions	29	82,249	86,491	82,249	86,491
Total Non-Current Liabilities		107,135	112,037	107,135	112,037
Total Liabilities		235,301	229,520	235,301	229,550
Net Assets		601,369	524,546	601,369	524,545
EQUITY					
Reserves	31	7,111	5,506	7,111	5,506
Retained surplus	31	594,258	519,040	594,258	519,039
Total Equity		601,369	524,546	601,369	524,545

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

Financial Statements

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Statements of Changes in Equity for the year ended 31 December 2006

	Note	Other reserves \$'000	Retained earnings \$'000	Total Equity \$'000
CONSOLIDATED				
At 1 January 2005		3,837	497,524	501,361
Unrealised investment gains for the year	1(v)	1,319	-	1,319
Operating result for the year		-	21,866	21,866
Transferred from retained earnings		443	(443)	-
Transferred to retained earnings		(93)	93	-
At 31 December 2005	31	5,506	519,040	524,546
Adjustment to opening retained earnings - Library Collection	45	-	(2,863)	(2,863)
Unrealised investment gains for the year		4,886	-	4,886
Operating result for the year		-	74,800	74,800
Transferred from retained earnings		126	(126)	-
Transferred to retained earnings		(3,407)	3,407	-
At 31 December 2006	31	7,111	594,258	601,369
UNIVERSITY				
At 1 January 2005		3,837	497,523	501,360
Unrealised investment gains for the year	1(v)	1,319	-	1,319
Operating result for the year		-	21,866	21,866
Transferred from retained earnings		443	(443)	-
Transferred to retained earnings		(93)	93	-
At 31 December 2005	31	5,506	519,039	524,545
Adjustment to opening retained earnings - Library Collection	45	-	(2,863)	(2,863)
Unrealised investment gains for the year		4,886	-	4,886
Operating result for the year		-	74,801	74,801
Transferred from retained earnings		126	(126)	-
Transferred to retained earnings		(3,407)	3,407	-
At 31 December 2006	31	7,111	594,258	601,369

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

Cash Flow Statements for the year ended 31 December 2006

	Note	Consolidated		University	
		2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts					
Australian Government Grants received	5(g)	240,489	225,656	240,489	225,656
HECS-HELP – Student payments		17,320	13,348	17,320	13,348
Fees and charges		153,237	142,405	153,237	142,632
Royalties, trademarks and licences		11,521	5,826	11,521	5,826
Consultancy and contracts		28,324	17,130	28,324	17,130
Interest received		6,285	5,285	6,256	5,278
Dividends received		275	107	275	107
Distributions received		8,153	1,283	8,153	1,283
Other		34,676	34,190	34,676	34,120
Payments					
Payments to employees		(251,751)	(250,486)	(251,751)	(250,396)
Payments to suppliers		(150,975)	(130,217)	(150,975)	(130,246)
Interest and other costs of finance paid		(1,839)	(1,918)	(1,839)	(1,918)
Net cash provided by operating activities	40(b)	95,715	62,609	95,686	62,820
CASH FLOWS FROM INVESTING ACTIVITIES					
Payment for property, plant and equipment		(49,575)	(30,795)	(49,575)	(30,795)
Proceeds on sale of property, plant and equipment		186	204	186	204
Payment for investments		(15,497)	(46,312)	(15,447)	(46,342)
Net cash used in investing activities		(64,886)	(76,903)	(64,836)	(76,933)
CASH FLOWS FROM FINANCING ACTIVITIES					
Repayment of interest bearing liabilities		(639)	(2,715)	(639)	(2,715)
Cash used in financing activities		(639)	(2,715)	(639)	(2,715)
CASH FLOWS FROM STATE GOVERNMENT					
Financial assistance		17,110	15,454	17,110	15,454
Cash provided by State Government		17,110	15,454	17,110	15,454
Net increase/ (decrease) in cash and cash equivalents		47,300	(1,555)	47,321	(1,374)
Cash and cash equivalents at the beginning of the year		29,339	30,894	29,318	30,692
Cash and cash equivalents at the end of the year	40(a)	76,639	29,339	76,639	29,318

The above Cash Flow Statements should be read in conjunction with the accompanying notes.

Notes to the Financial Statements for the year ended 31 December 2006

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Notes to the Financial Statements for the year ended 31 December 2006

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial report includes separate financial statements for the University and the consolidated entity consisting of the University and its subsidiaries.

(a) Basis of Preparation

This general purpose financial report has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, the requirements of the Department of Education, Science and Training and the Financial Administration and Audit Act 1985 (WA) including the Treasurer's Instructions.

Compliance with AIFRS

Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards (AIFRS). These financial statements are consolidated entity financial statements that are prepared in accordance with AIFRS. Compliance with AIFRS ensures that the consolidated entity and the University's financial statements and notes comply with International Financial Reporting Standards (IFRS).

Historical cost convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and liabilities at fair value through profit or loss.

Accrual basis of accounting

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

Critical accounting estimates

The preparation of financial statements in conformity with AIFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

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

(b) Principles of consolidation

The consolidated financial statements have been prepared by combining the financial statements of all entities that comprise the consolidated entity, being the University (the parent entity) and its controlled entities, in accordance with AASB 127 "Consolidated and Separate Financial Statements". A list of controlled entities appears in note 38.

The consolidated financial statements include the information and results of each controlled entity from the date on which the University obtains control and until such time as the University ceases to control the entities.

In preparing the consolidated financial statements, all inter-entity balances and transactions, arising within the consolidated entity are eliminated in full.

Accounting policies of the subsidiaries are changed on consolidation where necessary to ensure consistency with the accounting policies adopted by the University and prepared using the same reporting period.

(c) Revenue recognition

Revenue from the sale of goods and disposal of other assets is recognised when the consolidated entity has passed control and the significant risks and rewards of ownership have passed to the buyer of the goods or other assets.

Notes to the Financial Statements for the year ended 31 December 2006

Revenue from the rendering of services is recognised when the consolidated entity has provided the service to the customer.

Government financial assistance

Government financial assistance received in advance (such as grants in particular) is deferred in accordance with AASB 1004 "Contributions". Grant contributions from both the Commonwealth Government and Western Australia State Government for financial assistance for operational purposes or the acquisition of non-current assets are recognised as revenue when the consolidated entity obtains control over the asset comprising the contributions. When the consolidated entity does not have control of the contribution or does not have the right to receive the contribution or has not fulfilled grant conditions, the grant contribution is treated as deferred income.

Other contributions revenue

Donations, gifts and other contributions are recognised as revenue when the consolidated entity obtains control over the assets comprising the contributions. Control is normally obtained upon their receipt.

Contributions of assets are recognised at their fair value. Contributions of services are only recognised when a fair value can be reliably determined and the services would be purchased if not donated. When the consolidated entity does not have control of the contribution or does not have the right to receive the contribution or has not fulfilled contribution conditions, the contribution is treated as deferred income.

Sponsored Research

Research grant contributions from various sources of sponsored research, including corporations, foundations, Commonwealth, State and local government research institutes are recognised as revenue when the consolidated entity obtains control over the asset comprising the contributions. When the consolidated entity does not have control of the contribution, does not have the right to receive the contribution or has not fulfilled grant conditions, the grant contribution is treated as deferred income.

Consultancy and contracts

Revenue is recognised on delivery of the service to the client.

(d) Acquisition and disposal of assets

In accordance with AASB 116 "Property, Plant & Equipment", all property, plant and equipment is shown at cost, less subsequent depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably.

Items of property, plant and equipment costing over \$1,000 and useful life of more than 2 years are recognised as assets and the cost of utilising these assets is depreciated over their useful lives.

Repairs and maintenance expenditure is charged to the Income Statement during the financial period in which it is incurred.

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

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

(e) Depreciation of non-current assets

All non-current assets having a limited useful life are depreciated or amortised over their estimated useful lives, in a manner which reflects the consumption of their future economic benefits.

Notes to the Financial Statements for the year ended 31 December 2006

Depreciation is calculated on a straight-line basis from the time the asset becomes available for use. Estimated useful lives are as follows:

• Land	Not depreciated
• Road works	45 years
• Buildings	5 - 50 years
• Leasehold land and improvements	Shorter of 50 years or life of lease
• Computing equipment	3 years
• Other equipment and furniture	8 years
• Motor vehicles	5 years
• Leased plant and equipment	Shorter of 8 years or lease period
• Works of art	Not depreciated

Land and works of art controlled by the consolidated entity are classified as non-current assets. They are anticipated to have indeterminate useful lives. Their service potential has not, in any material sense, been consumed during the reporting period. As such, no amount for depreciation is recognised.

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

A class of asset's carrying amount is written down immediately to its recoverable amount if the class of asset's carrying amount is greater than its estimated recoverable amount (see note 1(f)).

Library collections

All the universities within Western Australia have jointly adopted the approach that the total cost of the last three years' acquisition of library books and journals would represent an acceptable carrying value of the library collection. In each year, that year's cost of acquisition is added onto the carrying value and the earliest year's cost of acquisition within the carrying value is written off as an acceptable estimate of the depreciation of the library collection for the current year.

Non-current assets held for sale

In accordance with AASB 5 "Non-current Assets Held for Sale and Discontinued Operations", non-current assets classified as 'held-for-sale' are measured at the lower of carrying amount, and fair value less costs to sell. Non-current assets are classified as 'held-for-sale' if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition.

(f) Impairment of property, plant and equipment

In accordance with AASB 136 "Impairment of Assets", at each reporting date the consolidated entity reviews the carrying amounts of each class of asset within property, plant and equipment to determine whether there is any indication that those asset classes have suffered an impairment loss. If any such indication exists, the recoverable amount of the class of asset is estimated in order to determine the extent of the impairment loss.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the depreciated replacement cost is used where the future economic benefits of the consolidated entity's assets are not primarily dependent on the assets ability to generate net cash inflows.

If the recoverable amount of a class of asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense to the Income Statement immediately.

Notes to the Financial Statements for the year ended 31 December 2006

(g) Leases

In accordance with AASB 117 "Leases", leased assets classified as finance leases are recognised as assets. The amount initially brought to account is the present value of minimum lease payments.

A finance lease is one which effectively transfers from the lessor to the lessee substantially all the risks and benefits incidental to ownership of the leased property. Finance leased assets are amortised on a straight-line basis over the estimated useful life of the asset.

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

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

(h) Cash and cash equivalents

For the purpose of the Cash Flow Statement, cash and cash equivalents includes cash at bank, cash on hand and short-term deposits with an original maturity of three months or less.

Foreign currency deposits and bank accounts are expressed in their Australian dollar equivalents as at balance date using the average of buy and sell rates available at the close of business.

(i) Inventories

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

(j) Receivables

Current accounts receivable are recognised at nominal amounts receivable, as they are due for settlement no more than 30 days from the date of recognition. Non-current accounts receivable, with the exception of unfunded superannuation (see below) are recognised at the nominal amounts receivable.

Collectability of receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off as bad debts. An allowance for doubtful debts is raised where some doubt as to collection exists.

Existing arrangements provide for the Commonwealth to reimburse the University on an emerging cost basis for payments made to employees of the State Superannuation Schemes. A receivable is recognised in the Balance Sheet, equivalent to the respective liability. The liability and equivalent receivable are measured actuarially (Refer note 1(n)).

(k) Investments

In accordance with AASB 139 "Financial Instruments: Recognition and Measurement", investments other than unlisted shares are classified as available-for-sale and are measured at subsequent reporting dates at fair value. For available-for-sale investments, gains and losses arising from changes in fair value are recognised directly in equity, until the security is disposed of or is determined to be impaired, at which time the cumulative gain or loss previously recognised in equity is included in the Income Statement for the period.

Unlisted shares are stated at historical cost unless there has been a permanent diminution in value, in which event a recoverable amount write-down is made.

Interest revenue is recognised when it is earned (i.e. on an accrued basis).

Details of financial instruments are provided in note 32.

Notes to the Financial Statements for the year ended 31 December 2006

(l) Payables

Payables, including accruals (expenses incurred but not yet billed), are recognised when the consolidated entity becomes obliged to make future payments as a result of a purchase of assets or services. Payables are generally settled within a 30 day term.

(m) Interest bearing liabilities

Bank loans and other interest bearing liabilities are recorded at an amount equal to the net proceeds received. Borrowing costs expense is recognised on an accrual basis and are expensed as incurred.

Borrowing costs for qualifying assets are capitalised net of any investment income earned on the unexpended portion of the borrowings. Other borrowing costs are expensed when incurred.

(n) Employee benefits

Employee entitlements are accounted for in accordance with AASB 119 "Employee Benefits".

Annual leave

This benefit is recognised at the reporting date in respect of employees' service up to that date and is measured at nominal amounts expected to be paid when the liabilities are settled, including anniversary increments and anticipated increases (for example enterprise bargaining agreements).

All annual leave provisions are classified as current liabilities as the University does not have an unconditional right to defer settlement of the liability beyond 12 months.

Long service leave

Long service leave entitlements owing to employees are based on actuarial valuations by an independent valuer, Barton Consultancy.

The liability for long service leave expected to be settled within twelve months of the reporting date is recognised in the provision for employee benefits as a current liability and is measured at the nominal amounts expected to be paid when the liability is settled, including anniversary increments and anticipated increases (for example enterprise bargaining agreements).

The liability for long service leave expected to be settled more than 12 months from the reporting date is recognised in the provision for employee benefits as a non-current liability and is measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date.

Consideration is given, when assessing expected future payments, 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.

Superannuation

The consolidated entity contributes to a number of superannuation schemes including both defined contribution and defined benefit schemes.

Payments to defined contribution schemes are charged as an expense as they fall due. The University's obligation is limited to these contributions.

The defined benefit scheme provides a defined lump sum benefit to scheme members based on years of service and final average salary. A defined benefit liability is included in the Balance Sheet equal to the present value of the defined benefit obligation at the reporting date (less any past service costs not yet recognised) less the fair value of the scheme assets at the reporting date.

**Notes to the Financial Statements
for the year ended 31 December 2006**

The cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out on an annual basis. Actuarial gains and losses are recognised as income or an expense in the period in which they occur. Where appropriate the University has adopted the multi employer provisions of AASB 119 "Employee Benefits" paragraph 30.

Unfunded superannuation

An arrangement exists between the Australian Government and the State Government to meet the unfunded liability for the consolidated entity's beneficiaries of the State Superannuation Schemes on an emerging cost basis. This arrangement is evidenced by the State Grants (General Revenue) Amendment Act 1987, Higher Education Funding Act 1988 and subsequent amending legislation. Accordingly the unfunded liabilities have been recognised in the Balance Sheet under Provisions, with a corresponding asset recognised under Receivables. The recognition of both the asset and the liability consequently does not affect the year end net asset position of the consolidated entity.

Accrued or prepaid salaries

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

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

(o) Employee benefits on-costs

Annual leave and long service leave on-costs are not included as employee benefit costs but are recognised and disclosed within the Balance Sheet separately.

(p) Foreign currency translation

Transactions denominated in a foreign currency are translated at the rates in existence at the dates of the transactions. Foreign currency receivables and payables at reporting date are translated at exchange rates current at reporting date. Exchange gains and losses are brought to account in the Income Statement.

(q) Reserves

Reserves are created for funds that are retained and set aside for expenditure on specified items in future years.

(r) Endowment and trust funds

Endowments are received by the University to fund research activities, scholarships, donations, prizes and lectures. Being restricted investments, these funds are not available to the University for general expenditure. However, to the extent that the University has direct control over the funds, they are included within revenue in the Income Statement and within restricted assets in the Balance Sheet. Control is normally obtained upon receipt. When the consolidated entity does not have control of the contribution or does not have the right to receive the contribution or has not fulfilled the associated conditions, the contribution is treated as deferred income.

(s) Amenities and services fee

The University is required by Western Australian State legislation to charge students an annual amenities and services fee. That portion of the fee collected from Curtin Student Guild members is passed on to the Student Guild (an entity separate to the University) after deducting an amount to cover University administrative charges.

Notes to the Financial Statements for the year ended 31 December 2006

The portion of the fee collected from non-Student Guild members is applied by the University for the benefit of students on amenities and services such as social, cultural and sporting activities, student welfare and advocacy.

The Commonwealth Government introduced legislation with effect from 1 July 2006 that overrides the State legislation and makes the amenity and service fee voluntary.

(t) Taxes

Income Tax

Curtin University of Technology is exempt from income tax as per Subdivision 50-B of the Income Tax Assessment Act 1997.

Goods and Services Tax (GST)

Revenue, expenses and assets are recognised net of the amount of GST except:

- Where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition or as part of the expense item as applicable; and
- Receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Balance Sheet.

Cash flows are included in the Cash Flow Statement on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Fringe Benefits Tax

The University is liable to pay Fringe Benefits Tax, and it is included in 'Other Expenses' in the Income Statement.

Payroll Tax

The University is liable to pay Payroll Tax, and it is included in 'Other Expenses' in the Income Statement.

(u) Comparative figures

Comparative figures are, where appropriate, reclassified so as to be comparable with the figures presented in the current financial year (refer notes 1(v) and 45).

(v) Change in accounting policy

The consolidated entity has changed its accounting policy in relation to the recognition of unrealised gains and losses arising from available for sale investments. The new policy better reflects the nature of investments as "available for sale".

With effect from 1 January 2006, unrealised gains or losses are recognised through the Statement of Changes in Equity rather than through the Income Statement until such time as the investment is disposed of or deemed to be impaired. The effect of this change was to reduce the net operating result for the year by \$4.068 million.

In 2005 unrealised gains of \$1,319,016 were recognised through the Income Statement. The 2005 comparatives have been adjusted to reflect the accounting treatment in accordance with Accounting Standard AASB 1008 "Accounting Policies, Changes in Accounting Estimates and Errors". This change has no impact on the investments balance, net assets or total equity as at 31 December 2005 or 31 December 2006.

Notes to the Financial Statements for the year ended 31 December 2006

2 FINANCIAL RISK MANAGEMENT

The consolidated entity's activities expose it to a variety of financial risks. The financial risks include market risk, credit risk, liquidity risk, and cash flow interest rate risk.

(a) Market risk

The consolidated entity has exposure to movements in interest rates and foreign exchange rates. For example, movements in interest rates and foreign exchange rates can affect the fair value of the University's investments. In order to mitigate this risk, the University engages the services of reputable and experienced fund managers together with a recognised investment consultancy. The performance of the investment portfolio is reviewed regularly.

Foreign exchange risk is managed for the University's other transactions in the drafting of contracts and in the forward purchase of currency where necessary.

(b) Credit risk

The consolidated entity has exposure to the financial loss that would be experienced were a counterparty to default. The consolidated entity has adopted the policy of only dealing with creditworthy counterparties where this is possible. Allowances for doubtful debts are provided where necessary.

(c) Liquidity risk

The consolidated entity maintains sufficient cash and marketable securities in order to manage liquidity risk.

(d) Cash flow interest rate risk

The majority of consolidated entity's borrowings are currently at fixed rates of interest in order to manage the effect of adverse interest rate movements.

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

(a) Critical accounting estimates and assumptions

The key assumptions made concerning the future, and other key sources of estimating uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year include:

- Allowances for doubtful receivables - (refer notes 1(j) and 21).
- Deferred Government superannuation contribution / Deferred employee benefits for superannuation (refer notes 1(j) and 1(n)).
- Discount rates used in estimating provisions – discount rates are based on market yields on government bonds.
- Estimating useful life of key assets – the useful life reflects the consumption of the key assets future economic benefits (refer note 1(e)).

(b) Critical judgements in applying the entity's accounting policies

The judgements that have been made in the process of applying accounting policies that have the most significant effect on the amounts recognised in the financial report include:

- Estimating useful life of key assets.
- Impairment of assets.

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Notes to the Financial Statements for the year ended 31 December 2006

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4 DISAGGREGATED INFORMATION

(a) Industry – Dual Sector Providers [University]

Income Statement	2006			2005		
	Higher Education \$'000	VET \$'000	Total University \$'000	Higher Education \$'000	VET \$'000	Total University \$'000
Revenue from continuing operations						
Australian Government financial assistance	172,799	302	173,101	155,477	139	155,616
Australian Government grants	58,284	-	58,284	47,094	-	47,094
HECS-HELP – Australian Government payments	12,801	-	12,801	11,722	-	11,722
FEE – HELP	7,153	9,957	17,110	4,927	10,527	15,454
State and Local Government financial assistance	17,320	-	17,320	13,348	-	13,348
HECS-HELP – Student payments	144,548	809	145,357	133,192	769	133,961
Fees and charges	14,636	77	14,713	6,455	65	6,520
Investment income	11,521	-	11,521	5,826	-	5,826
Royalties, trademarks and licences	24,306	-	24,306	17,130	-	17,130
Consultancy and contracts	33,361	2,850	36,211	30,910	3,168	34,078
Other revenue						
	496,729	13,995	510,724	426,081	14,668	440,749
Deferred Government Superannuation Contributions	(5,455)	-	(5,455)	(615)	(3)	(618)
Total revenue from continuing operations	491,274	13,995	505,269	425,466	14,665	440,131
Expenses from continuing operations						
Employee benefits	244,281	5,960	250,241	239,906	7,317	247,223
Depreciation and amortisation	28,076	1,320	29,396	24,868	1,234	26,102
Repairs and maintenance	14,247	677	14,924	16,199	333	16,532
Finance costs	1,518	321	1,839	1,545	373	1,918
Bad and doubtful debts	(920)	1	(919)	(1,167)	-	(1,167)
Other expenses	135,507	4,935	140,442	123,181	5,094	128,275
	422,709	13,214	435,923	404,532	14,351	418,883
Deferred employee benefits for superannuation	(5,455)	-	(5,455)	(615)	(3)	(618)
Total expenses from continuing operations	417,254	13,214	430,468	403,917	14,348	418,265
Net operating result for the year	74,020	781	74,801	21,549	317	21,866

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Notes to the Financial Statements for the year ended 31 December 2006

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4 DISAGGREGATED INFORMATION (CONT'D)

(a) Industry – Dual Sector Providers [University]

Balance Sheet	2006		2005	
	Higher Education \$'000	VET \$'000	Higher Education \$'000	VET \$'000
ASSETS				
Current Assets				
Cash and cash equivalents	79,695	(3,056)	33,646	(4,411)
Restricted cash and cash equivalents	-	-	83	-
Trade and other receivables	23,253	381	22,557	422
Inventories	1,498	11	1,564	11
Other financial assets	35	-	33	-
Restricted other financial assets	47,716	-	36,719	-
Other non financial assets	13,654	18	13,383	11
Total Current Assets	165,851	(2,646)	107,985	(3,967)
Non-Current Assets				
Trade and other receivables	67,948	540	70,442	540
Other financial assets	72,383	-	63,049	-
Property, plant and equipment	497,278	35,316	480,438	35,608
Total Non-Current Assets	637,609	35,856	613,929	36,148
Total Assets	803,460	33,210	721,914	32,181
LIABILITIES				
Current Liabilities				
Trade and other payables	1,777	-	3,995	7
Interest bearing liabilities	294	366	164	475
Provisions	47,650	1,000	50,265	557
Other liabilities	75,515	1,564	60,800	1,250
Total Current Liabilities	125,236	2,930	115,224	2,289
Total Liabilities	128,166	128,166	117,513	117,513

Notes to the Financial Statements for the year ended 31 December 2006

4 DISAGGREGATED INFORMATION (CONT'D)

(a) Industry – Dual Sector Providers [University]

Statement of Changes in Equity (cont'd)	Higher Education			VET			University
	Other Reserves \$'000	Retained Earnings \$'000	Total Equity \$'000	Other Reserves \$'000	Retained Earnings \$'000	Total Equity \$'000	Total Equity \$'000
Adjustment to opening retained earnings - Library Collection	-	(2,863)	(2,863)	-	-	-	(2,863)
Unrealised investment gains for the year	4,886	-	4,886	-	-	-	4,886
Operating result for the year	-	74,020	74,020	-	781	781	74,801
Transferred from retained earnings	126	(126)	-	-	-	-	-
Transferred to retained earnings	(3,407)	3,407	-	-	-	-	-
At 31 December 2006	7,111	569,208	576,319	-	25,050	25,050	601,369

Cash Flow Statement	2006			2005		
	Higher Education \$'000	VET \$'000	Total University \$'000	Higher Education \$'000	VET \$'000	Total University \$'000
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts						
Australian Government Grants received	240,187	302	240,489	225,517	139	225,656
HECS-HELP – Student payments	17,320	-	17,320	13,348	-	13,348
Fees and charges	152,071	1,166	153,237	140,911	1,721	142,632
Royalties, trademarks and licences	11,521	-	11,521	5,826	-	5,826
Consultancy and contracts	28,324	-	28,324	17,130	-	17,130
Interest received	6,179	77	6,256	5,213	65	5,278
Dividends received	275	-	275	107	-	107
Distributions received	8,153	-	8,153	1,283	-	1,283
Other	31,826	2,850	34,676	30,929	3,191	34,120
Payments						
Payments to employees	(246,210)	(5,541)	(251,751)	(242,028)	(8,368)	(250,396)
Payments to suppliers	(145,343)	(5,632)	(150,975)	(125,380)	(4,866)	(130,246)
Interest and other costs of finance paid	(1,518)	(321)	(1,839)	(1,545)	(373)	(1,918)
Net cash provided by operating activities	102,785	(7,099)	95,686	71,311	(8,491)	62,820

Notes to the Financial Statements for the year ended 31 December 2006

5 AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE INCLUDING HECS-HELP AND OTHER AUSTRALIAN GOVERNMENT LOAN PROGRAMMES

	Note	Consolidated		University	
		2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000
(a) Commonwealth Grants Scheme and Other Grants	46.1				
Commonwealth Grants Scheme		115,438	101,427	115,438	101,427
Indigenous Support Fund		1,718	1,773	1,718	1,773
Workplace Reform Programme		1,503	1,442	1,503	1,442
Workplace Productivity Programme		1,059	-	1,059	-
Superannuation Programme		6,216	6,719	6,216	6,719
Capital Development Pool		-	70	-	70
Equity Programmes		285	440	285	440
Total Commonwealth Grants Scheme & Other Grants		126,219	111,871	126,219	111,871
(b) Higher Education Loan Programmes	46.2				
HECS-HELP		58,284	47,094	58,284	47,094
FEE-HELP		12,801	11,722	12,801	11,722
Total Higher Education Loan Programmes		71,085	58,816	71,085	58,816
(c) Scholarships	46.3				
Australian Postgraduate Awards		2,230	1,765	2,230	1,765
Indigenous Staff Scholarships		22	-	22	-
International Postgraduate Research Scholarships		463	159	463	159
Commonwealth Education Costs Scholarships		817	604	817	604
Commonwealth Accommodation Scholarships		1,354	856	1,354	856
Total Scholarships		4,886	3,384	4,886	3,384
(d) DEST – Research	46.4				
Institutional Grants Scheme		6,071	5,888	6,071	5,888
Research Training Scheme		12,364	11,676	12,364	11,676
Systemic Infrastructure Initiative		10	-	10	-
Research Infrastructure Block Grants		2,021	1,676	2,021	1,676
Total DEST – Research Grants		20,466	19,240	20,466	19,240
(e) Australian Research Council					
(i) Discovery	46.5(a)				
Project		3,921	3,136	3,921	3,136
Indigenous Researchers Development Fellowships		(5)	-	(5)	-
		-	-	-	-
Total Discovery		3,916	3,136	3,916	3,136
(ii) Linkages	46.5(b)				
Special Research Initiatives		26	26	26	26
Infrastructure		290	304	290	304
International		31	10	31	10
Projects		2,392	2,438	2,392	2,438
Total Linkages		2,739	2,778	2,739	2,778

Notes to the Financial Statements for the year ended 31 December 2006

5 AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE (CONT'D) INCLUDING HECS-HELP AND OTHER AUSTRALIAN GOVERNMENT LOAN PROGRAMMES

	Note	Consolidated		University	
		2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000
(f) Other Australian Government financial assistance					
Other (includes Co-operative Research Centre funding)		14,875	15,207	14,875	15,207
Total Australian Government Financial Assistance		244,186	214,432	244,186	214,432
Reconciliation					
Australian Government grants [a+c+d+e+f]		173,101	155,616	173,101	155,616
HECS-HELP – Australian Government payments		58,284	47,094	58,284	47,094
Other Australian Government loan programmes		12,801	11,722	12,801	11,722
Total Australian Government Financial Assistance		244,186	214,432	244,186	214,432
(g) Australian Government Grants received – cash basis					
CGS and Other DEST Grants	46.1	123,378	118,761	123,378	118,761
Higher Education Loan Programmes	46.2	68,153	62,016	68,153	62,016
Scholarships	46.3	5,503	3,633	5,503	3,633
DEST Research	46.4	20,456	19,240	20,456	19,240
ARC grants - Discovery	46.5(a)	3,908	3,136	3,908	3,136
ARC grants - Linkages	46.5(b)	2,739	2,778	2,739	2,778
Other Government Grants		16,352	15,292	16,352	15,292
Total Australian Government Grants received – cash basis		240,489	224,856	240,489	224,856
OS-Help (Net)		-	800	-	800
Total Australian Government funding received – cash basis		240,489	225,656	240,489	225,656

6 STATE AND LOCAL GOVERNMENT FINANCIAL ASSISTANCE

	Note	Consolidated		University	
		2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000
WA State Department of Education and Training		9,648	10,140	9,648	10,140
WA State Government – other		7,434	5,239	7,434	5,239
WA Local Government		28	75	28	75
Total State and Local Government Financial Assistance		17,110	15,454	17,110	15,454

Notes to the Financial Statements for the year ended 31 December 2006

7 FEES AND CHARGES

	Note	Consolidated		University	
		2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000
Course Fees and Charges					
Fee-paying overseas students		115,832	108,217	115,832	108,217
Continuing education		6,254	4,777	6,254	4,777
Fee-paying domestic postgraduate students		8,441	7,069	8,441	7,069
Fee-paying domestic undergraduate students		40	2	40	2
Total Course Fees and Charges		130,567	120,065	130,567	120,065
Other Non-Course Fees and Charges					
Amenities and service fees		2,347	2,564	2,347	2,564
Examination fees		1,625	1,351	1,625	1,351
Late fees		414	390	414	390
Library fines		112	133	112	133
Parking fees		1,278	1,407	1,278	1,407
Registration fees		960	602	960	602
Consumable fees		248	262	248	262
Ancillary fees		269	375	269	375
Student accommodation		5,902	5,160	5,902	5,160
Other fees and charges		1,635	1,652	1,635	1,652
Total Other Non-Course Fees and Charges		14,790	13,896	14,790	13,896
Total Fees and Charges		145,357	133,961	145,357	133,961

8 INVESTMENT INCOME

	Note	Consolidated		University	
		2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000
Dividends from investment shares		275	107	275	107
Distributions from managed funds		8,153	1,283	8,153	1,283
Interest received		6,285	5,167	6,285	5,130
Total Investment Income		14,713	6,557	14,713	6,520

9 ROYALTIES, TRADEMARKS AND LICENCES

	Note	Consolidated		University	
		2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000
Royalties		11,521	5,826	11,521	5,826
Total Royalties, Trademarks and Licences		11,521	5,826	11,521	5,826

Notes to the Financial Statements for the year ended 31 December 2006

10 CONSULTANCY AND CONTRACTS

Note	Consolidated		University	
	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000
Research				
Consultancy	8,964	6,360	8,964	6,360
Contract research	15,342	10,770	15,342	10,770
Total Consultancy and Contracts	24,306	17,130	24,306	17,130

11 OTHER REVENUE

Note	Consolidated		University	
	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000
Trading income ¹	13,548	13,157	13,548	13,046
Donations	2,153	2,911	2,153	2,911
Rental income	2,091	1,827	2,091	1,827
Sundry income from Australian businesses	3,945	3,870	3,945	3,916
Sundry income from Australian non-profit organisations	5,251	3,764	5,251	3,764
Sundry income from overseas sources	1,888	2,508	1,888	2,508
Insurance claims	640	473	640	473
Staff salary recoveries	1,328	767	1,328	767
Proceeds from sale of minor equipment	103	161	103	161
Conference income	607	1,104	607	1,104
Exchange rate gains	109	563	109	563
Other	4,548	3,038	4,548	3,038
Total Other Revenue	36,211	34,143	36,211	34,078
¹ Revenue from sale of goods included under trading income				
Sales	7,532	6,978	7,532	6,978
Cost of sales:				
Opening inventory	912	943	912	943
Purchases	5,683	5,591	5,683	5,591
	6,595	6,534	6,595	6,534
Closing inventory	552	912	552	912
Cost of Goods Sold	6,043	5,622	6,043	5,622
Gross margin before selling and administrative expenses	1,489	1,356	1,489	1,356

Inventory purchases are included under "Other Expenses - Inventory used and sold" (See note 17)

Notes to the Financial Statements for the year ended 31 December 2006

12 EMPLOYEE BENEFITS

	Note	Consolidated		University	
		2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000
(a) Employee Benefits					
Academic					
Salaries		104,313	100,278	104,313	100,278
Contribution to funded superannuation and pension schemes		19,173	18,725	19,173	18,725
Long service leave expense		3,698	2,932	3,698	2,932
Annual leave		7,504	8,148	7,504	8,148
Total Academic		134,688	130,083	134,688	130,083
Non-academic					
Salaries		88,975	91,969	88,975	91,891
Contribution to funded superannuation and pension schemes		16,486	15,212	16,486	15,205
Long service leave expense		3,316	2,625	3,316	2,625
Annual leave		6,776	7,419	6,776	7,419
Total Non-academic		115,553	117,225	115,553	117,140
Total Academic and Non-academic Employee Benefits		250,241	247,308	250,241	247,223
(b) Unfunded Superannuation					
Deferred government employee benefits for unfunded superannuation schemes		(5,455)	(618)	(5,455)	(618)

13 DEPRECIATION AND AMORTISATION

	Note	Consolidated		University	
		2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000
Buildings		13,587	13,455	13,587	13,455
Leasehold land and improvements		47	47	47	47
Computing equipment		4,350	3,319	4,350	3,319
Other equipment and furniture		5,100	4,565	5,100	4,565
Motor vehicles		262	269	262	269
Leased plant and equipment		-	(19)	-	(19)
Library collections		6,050	4,466	6,050	4,466
Total Depreciation Expense		29,396	26,102	29,396	26,102

**Notes to the Financial Statements
for the year ended 31 December 2006**

14 REPAIRS AND MAINTENANCE

	Note	Consolidated		University	
		2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000
Property		8,187	9,827	8,187	9,827
Minor new works		3,243	3,259	3,243	3,261
Grounds maintenance		3,494	3,438	3,494	3,444
Total Repairs and Maintenance		14,924	16,524	14,924	16,532

15 FINANCE COSTS

	Note	Consolidated		University	
		2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000
Interest paid		1,839	1,918	1,839	1,918
Total Finance Costs		1,839	1,918	1,839	1,918

16 BAD AND DOUBTFUL DEBTS

	Note	Consolidated		University	
		2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000
Bad debts written off		698	1,573	698	1,567
Movement in allowance for doubtful debts		(1,617)	(2,734)	(1,617)	(2,734)
Total Bad and Doubtful Debts		(919)	(1,161)	(919)	(1,167)

Notes to the Financial Statements for the year ended 31 December 2006

17 OTHER EXPENSES

	Note	Consolidated		University	
		2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000
Payroll tax		13,377	12,649	13,377	12,644
Workers' compensation		446	424	446	424
Scholarships, grants and prizes		15,104	14,673	15,104	14,673
Non-capitalised equipment		1,375	1,272	1,375	1,300
Advertising, marketing and promotional expenses		3,545	3,473	3,545	3,469
Telecommunications		1,662	1,778	1,662	1,775
Travel		14,131	12,839	14,131	12,839
Staff development and training		3,399	3,507	3,399	3,507
Inventory used and sold		7,121	6,676	7,121	6,626
Lease and rental expenses		3,167	3,476	3,167	3,478
Contract work		23,052	17,167	23,052	17,175
Amenities and service expense		2,284	2,315	2,284	2,315
Offshore partner fee share		5,463	6,004	5,463	6,004
Utilities and cleaning		4,679	3,954	4,679	3,972
Fees and commissions		6,007	4,947	6,006	4,903
Books		2,105	602	2,105	602
Computer peripherals and parts		8,706	9,931	8,706	9,931
Consumables		9,563	10,272	9,563	10,294
Net loss on disposal of non-current assets (note 18)		581	223	581	223
Hospitality		1,072	860	1,072	865
Postage and courier		1,392	1,436	1,392	1,436
Subscriptions		3,182	3,582	3,182	3,582
Publications		833	912	833	912
Staff recruitment		554	567	554	567
Graduations		860	1,103	860	1,107
Financial assistance provided/research support		4,414	1,029	4,414	1,029
Security		145	139	145	139
Insurance		1,587	2,098	1,587	2,098
Occupational health safety and welfare		163	143	163	143
Other		474	243	474	243
Total Other Expenses		140,443	128,294	140,442	128,275

18 NET LOSS ON DISPOSAL OF NON-CURRENT ASSETS

	Note	Consolidated		University	
		2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000
Carrying amount for Disposal of Non-current Assets					
Property, plant and equipment		767	427	767	427
Proceeds from Disposal of Non-current Assets					
Property, plant and equipment		(186)	(204)	(186)	(204)
Net Loss on Disposal of Non-current Assets		581	223	581	223

Notes to the Financial Statements for the year ended 31 December 2006

19 CASH AND CASH EQUIVALENTS (UNRESTRICTED)

	Note	Consolidated		University	
		2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000
Cash at bank and on hand		40,482	28,090	40,482	28,069
Deposit at call		1,157	1,166	1,157	1,166
Fixed term deposits (at fair value)		35,000	-	35,000	-
Total Cash and Cash Equivalents (unrestricted)		76,639	29,256	76,639	29,235

(a) Cash at bank and on hand

Cash on hand is non-interest bearing and cash at bank is subject to variable interest rates (refer to note 32).

(b) Deposit at call

Deposits are interest bearing at variable interest rates (refer to note 32).

20 RESTRICTED CASH AND CASH EQUIVALENTS

	Note	Consolidated		University	
		2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000
Cash at bank		-	83	-	83

Cash at bank is subject to variable interest rates (refer note 32). The funds represent donations for research and scholarships.

21 TRADE AND OTHER RECEIVABLES

	Note	Consolidated		University	
		2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000
Current					
Student receivables		6,018	8,033	6,018	8,033
Less: Allowance for doubtful receivables		(2,034)	(4,000)	(2,034)	(4,000)
		3,984	4,033	3,984	4,033
General receivables		21,405	17,391	21,405	17,391
Less: Allowance for doubtful receivables		(4,269)	(3,920)	(4,269)	(3,920)
		17,136	13,471	17,136	13,471
Deferred Government Contribution for Superannuation		2,514	5,475	2,514	5,475
Total Current		23,634	22,979	23,634	22,979
Non-Current					
Deferred Government Contribution for Superannuation		68,488	70,982	68,488	70,982
Total Receivables		92,122	93,961	92,122	93,961

Notes to the Financial Statements for the year ended 31 December 2006

22 INVENTORIES

Note	Consolidated		University	
	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000
Inventories held for resale:				
Merchandise (at cost)	1,179	1,205	1,179	1,205
Inventories not held for resale:				
General stores (at cost)	106	188	106	188
Farming stores (at current replacement cost)	224	182	224	182
Total inventories not held for resale	330	370	330	370
Total Inventories	1,509	1,575	1,509	1,575

23 OTHER FINANCIAL ASSETS (UNRESTRICTED)

Note	Consolidated		University	
	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000
Current				
Interest bearing loans advanced - Sundry loans	35	33	35	33
Non-Current				
Unrestricted investments				
Listed Securities				
- Shares (at fair value)	66	83	66	83
Unlisted Securities				
- Funds under management (at fair value)	71,442	61,465	71,442	61,465
- Equity shares (at cost)	447	447	447	447
- Shares in controlled entities (at cost)	-	-	-	30
Total Unlisted Securities	71,889	61,912	71,889	61,942
Total Non-Current Unrestricted Investments	71,955	61,995	71,955	62,025
Other investments				
Other	101	300	101	300
Interest bearing loans advanced				
Sundry loans	327	354	327	354
Non-interest bearing loans advanced				
Sundry loans	-	350	-	350
Wholly-owned controlled entities	-	-	-	20
Total Non-interest Bearing Loans Advanced	-	350	-	370
Total Non-Current Other Financial Assets	72,383	62,999	72,383	63,049
Total Other Financial Assets (unrestricted)	72,418	63,032	72,418	63,082

Unrealised changes in fair value of other financial assets are recorded through the Statement of Changes in Equity (refer note 1(v)).

**Notes to the Financial Statements
for the year ended 31 December 2006**

24 RESTRICTED OTHER FINANCIAL ASSETS

	Note	Consolidated		University	
		2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000
Funds under management					
- Research activities		29,347	19,687	29,347	19,687
- Donations and prizes		14,696	13,517	14,696	13,517
- Trusts		3,673	3,515	3,673	3,515
Total Funds Under Management		47,716	36,719	47,716	36,719
Total Restricted Other Financial Assets		47,716	36,719	47,716	36,719

Restricted funds are invested under fund management.

25 OTHER NON FINANCIAL ASSETS

	Note	Consolidated		University	
		2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000
Current					
Prepayments		7,220	6,932	7,220	6,932
Accrued income		6,452	6,462	6,452	6,462
Total Other Non Financial Assets		13,672	13,394	13,672	13,394

Notes to the Financial Statements for the year ended 31 December 2006

26 PROPERTY, PLANT AND EQUIPMENT

	Note	Consolidated		University	
		2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000
Land¹					
At cost		82,437	82,436	82,437	82,436
Buildings					
At cost		425,885	409,231	425,885	409,231
Accumulated depreciation		(58,868)	(45,357)	(58,868)	(45,357)
		367,017	363,874	367,017	363,874
Leasehold land and improvements					
At cost		4,654	4,654	4,654	4,654
Accumulated depreciation		(705)	(658)	(705)	(658)
		3,949	3,996	3,949	3,996
Work in progress					
Capital projects (at cost)		26,643	11,792	26,643	11,792
Computing equipment					
At cost		30,037	35,048	30,037	35,048
Accumulated depreciation and impairment		(22,944)	(28,358)	(22,944)	(28,358)
		7,093	6,690	7,093	6,690
Other equipment and furniture					
At cost		71,147	65,423	71,147	65,423
Accumulated depreciation and impairment		(47,415)	(44,473)	(47,415)	(44,473)
		23,732	20,950	23,732	20,950
Motor vehicles					
At cost		2,168	2,144	2,168	2,144
Accumulated depreciation and impairment		(1,380)	(1,371)	(1,380)	(1,371)
		788	773	788	773
Library collections					
At cost	45	17,150	20,331	17,150	20,331
Depreciation		(6,050)	(4,467)	(6,050)	(4,467)
		11,100	15,864	11,100	15,864
Works of art					
At cost		9,835	9,671	9,835	9,671
Total Property, Plant and Equipment		532,594	516,046	532,594	516,046

¹ Part of the site upon which the University is located, namely the Bentley campus, Western Australia, is held in trust, in perpetuity.

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Notes to the Financial Statements for the year ended 31 December 2006

26 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

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

2006	Land	Buildings	Leasehold land and improvements	Work in progress	Computing equipment	Other equipment & furniture	Motor vehicles	Leased plant and equipment	Library collections	Works of art	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Consolidated											
Carrying amount at start of year	82,436	363,874	3,996	11,792	6,690	20,950	773	-	15,864	9,671	516,046
Adjustment to opening retained earnings ¹	-	-	-	-	-	-	-	-	(2,863)	-	(2,863)
Additions	94	900	-	31,556	4,744	7,564	409	-	4,149	164	49,580
Cost of disposals	(93)	(439)	-	-	(9,707)	(2,339)	(385)	-	-	-	(12,963)
Accumulated depreciation on disposals	-	76	-	-	9,719	2,148	253	-	-	-	12,196
Cost of write-offs during the year	-	-	-	-	(13)	(12)	-	-	-	-	(25)
Accumulated depreciation on write-offs	-	-	-	-	10	9	-	-	-	-	19
Transfers in/(out)	-	16,193	-	(16,705)	-	512	-	-	-	-	-
Depreciation charge	-	(13,587)	(47)	-	(4,350)	(5,100)	(262)	-	(6,050)	-	(29,396)
Carrying amount at end of year	82,437	367,017	3,949	26,643	7,093	23,732	788	-	11,100	9,835	532,594
University											
Carrying amount at start of year	82,436	363,874	3,996	11,792	6,690	20,950	773	-	15,864	9,671	516,046
Adjustment to opening retained earnings ¹	-	-	-	-	-	-	-	-	(2,863)	-	(2,863)
Additions	94	900	-	31,556	4,744	7,564	409	-	4,149	164	49,580
Cost of disposals	(93)	(439)	-	-	(9,707)	(2,339)	(385)	-	-	-	(12,963)
Accumulated depreciation on disposals	-	76	-	-	9,719	2,148	253	-	-	-	12,196
Cost of write-offs during the year	-	-	-	-	(13)	(12)	-	-	-	-	(25)
Accumulated depreciation on write-offs	-	-	-	-	10	9	-	-	-	-	19
Transfers in/(out)	-	16,193	-	(16,705)	-	512	-	-	-	-	-
Depreciation charge	-	(13,587)	(47)	-	(4,350)	(5,100)	(262)	-	(6,050)	-	(29,396)
Carrying amount at end of year	82,437	367,017	3,949	26,643	7,093	23,732	788	-	11,100	9,835	532,594

¹Refer note 45.

Notes to the Financial Statements for the year ended 31 December 2006

26 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

2005	Land \$'000	Buildings \$'000	Leasehold land and improvements \$'000	Work in progress \$'000	Computing equipment \$'000	Other equipment & furniture \$'000	Motor vehicles \$'000	Leased plant and equipment \$'000	Library collections \$'000	Works of art \$'000	Total \$'000
Consolidated											
Carrying amount at start of year	82,346	370,416	4,043	5,002	2,383	20,255	733	2,058	15,300	9,244	511,780
Additions	90	2,996	-	11,116	5,491	5,225	337	63	5,030	444	30,792
Cost of disposals	-	(291)	-	-	(3,312)	(2,494)	(82)	(87)	-	(17)	(6,283)
Accumulated depreciation on disposals	-	18	-	-	3,351	2,353	54	83	-	-	5,859
Cost of write-offs during the year	-	-	-	-	-	-	-	-	-	-	-
Accumulated depreciation on write-offs	-	-	-	-	-	-	-	-	-	-	-
Transfers in/(out)	-	4,190	-	(4,326)	2,096	176	-	(2,136)	-	-	-
Depreciation charge	-	(13,455)	(47)	-	(3,319)	(4,565)	(269)	19	(4,466)	-	(26,102)
Carrying amount at end of year	82,436	363,874	3,996	11,792	6,690	20,950	773	-	15,864	9,671	516,046
University											
Carrying amount at start of year	82,346	370,416	4,043	5,002	2,383	20,255	733	2,058	15,300	9,244	511,780
Additions	90	2,996	-	11,116	5,491	5,225	337	63	5,030	444	30,792
Cost of disposals	-	(291)	-	-	(3,312)	(2,494)	(82)	(87)	-	(17)	(6,283)
Accumulated depreciation on disposals	-	18	-	-	3,351	2,353	54	83	-	-	5,859
Cost of write-offs during the year	-	-	-	-	-	-	-	-	-	-	-
Accumulated depreciation on write-offs	-	-	-	-	-	-	-	-	-	-	-
Transfers in/(out)	-	4,190	-	(4,326)	2,096	176	-	(2,136)	-	-	-
Depreciation charge	-	(13,455)	(47)	-	(3,319)	(4,565)	(269)	19	(4,466)	-	(26,102)
Carrying amount at end of year	82,436	363,874	3,996	11,792	6,690	20,950	773	-	15,864	9,671	516,046

Notes to the Financial Statements for the year ended 31 December 2006

27 TRADE AND OTHER PAYABLES

Note	Consolidated		University	
	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000
Current				
Trade payables	1,777	4,002	1,777	4,002

28 INTEREST BEARING LIABILITIES

Note	Consolidated		University	
	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000
Current				
Treasury loans	660	639	660	639
Total Current	660	639	660	639
Non-Current				
Treasury loans	24,886	25,546	24,886	25,546
Total Borrowings	25,546	26,185	25,546	26,185
Treasury Loans				
The University has the following loans with the WA Treasury Corporation:				
Treasury Loans	Principal outstanding 2006 \$'000	Principal outstanding 2005 \$'000	Average Interest Rate	Maturity Date
Capital works				
– quarterly principal and variable rate interest repayments	353	388	6.27%	15.10.2017
Vickery house				
– quarterly principal and variable rate interest repayments	1,353	1,482	6.27%	15.10.2017
Muresk campus housing				
– fixed rate interest only quarterly repayments with the loan principal to be repaid at date of maturity	2,050	2,050	6.50%	15.07.2018
Bentley campus housing				
– fixed rate interest only quarterly repayments with the loan principal to be repaid at date of maturity	16,800	16,800	7.05%	15.01.2018
Kalgoorlie Arts Centre				
– quarterly principal and variable rate interest repayments	4,990	5,465	6.29%	15.10.2014
Total Treasury Loans	25,546	26,185		

Notes to the Financial Statements for the year ended 31 December 2006

28 INTEREST BEARING LIABILITIES (CONT'D)

Note	Consolidated		University	
	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000
Financing facilities available				
At reporting date, the following financing facilities had been negotiated and were available:				
Total facilities – Treasury Loans ¹	114,946	38,850	114,946	38,850
Facilities used at reporting date – Treasury Loans	25,546	26,185	25,546	26,185
Facilities unused at reporting date – Treasury Loans	89,400	12,665	89,400	12,665

¹ The financing facilities have been increased in anticipation of additional borrowing required for construction of the University's Resources and Chemistry Research and Education Precinct. At reporting date, no drawdown against the new facilities has been made.

29 PROVISIONS

Note	Consolidated		University	
	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000
Current				
Employee benefits provisions				
Annual leave ¹	20,083	19,597	20,083	19,597
Long service leave ²	21,563	19,801	21,563	19,801
Superannuation				
Deferred Government benefits for Superannuation	2,514	5,475	2,514	5,475
Other University pension funds (note 37(a))	60	125	60	125
Total Employee Benefits Provisions	44,220	44,998	44,220	44,998
Other provisions				
Employment on-costs	2,506	2,167	2,506	2,167
Redundancy costs	1,924	3,657	1,924	3,657
Total Other Provisions	4,430	5,824	4,430	5,824
Total Current Provisions	48,650	50,822	48,650	50,822
Non-Current				
Employee benefits provisions				
Long service leave ²	12,105	12,280	12,105	12,280
Superannuation				
Deferred Government benefits for Superannuation	68,488	70,982	68,488	70,982
Other University pension funds (note 37(a))	869	2,554	869	2,554
Total Employee Benefits Provisions	81,462	85,816	81,462	85,816
Other provisions				
Employment on-costs	787	675	787	675
Total Non-Current Provisions	82,249	86,491	82,249	86,491
Total Provisions	130,899	137,313	130,899	137,313

Notes to the Financial Statements for the year ended 31 December 2006

29 PROVISIONS (CONT'D)

	Note	Consolidated		University	
		2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000
Movements in Other Provisions					
Movements in each class of provisions during the financial year, other than employee benefits, are set out below:					
Employment on-costs provision					
Balance at beginning of year		2,842	2,702	2,842	2,702
Addition/(reduction) in provisions recognised		1,413	954	1,413	954
Reduction arising from payments		(962)	(814)	(962)	(814)
Balance at end of year		3,293	2,842	3,293	2,842
Redundancy costs provision					
Balance at beginning of year		3,657	-	3,657	-
Addition/(reduction) in provisions recognised		566	3,657	566	3,657
Reduction arising from payments		(2,299)	-	(2,299)	-
Balance at end of year		1,924	3,657	1,924	3,657
¹ Annual leave (including employment on-costs)					
Annual leave liabilities have been classified as current as there is no unconditional right to defer settlement for at least 12 months after balance sheet date. Assessments indicate that actual settlement of the current liabilities will occur as follows:					
Within 12 months of balance sheet date		14,306	11,663	14,306	11,663
More than 12 months after balance sheet date		6,881	9,012	6,881	9,012
		21,187	20,675	21,187	20,675
² Long service leave (including employment on-costs)					
Long service leave liabilities have been classified as current as there is no unconditional right to defer settlement for at least 12 months after balance sheet date. Assessments indicate that actual settlement of the current liabilities will occur as follows:					
Within 12 months of balance sheet date		9,121	4,990	9,121	4,990
More than 12 months after balance sheet date		13,844	15,900	13,844	15,900
		22,965	20,890	22,965	20,890

30 OTHER LIABILITIES

	Note	Consolidated		University	
		2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000
Current					
Income received in advance		21,243	22,297	21,243	22,297
Accrued expenses		20,308	16,521	20,308	16,551
Research activities		29,347	19,687	29,347	19,687
Trusts		6,181	3,515	6,181	3,515
Total Other Liabilities		77,079	62,020	77,079	62,050

Notes to the Financial Statements for the year ended 31 December 2006

31 RESERVES AND RETAINED SURPLUS

	Note	Consolidated		University	
		2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000
Reserves					
Bookshop grants	31(a)	-	-	-	-
Bookshop future development	31(b)	676	550	676	550
General	31(c)	230	3,637	230	3,637
Investment revaluation reserve	31(d)	6,205	1,319	6,205	1,319
Total Reserves		7,111	5,506	7,111	5,506
Retained surplus	31(e)	594,258	519,040	594,258	519,039
(a) Bookshop grants					
The Bookshop Grants Reserve is used to provide grants for the purchase of textbooks and other reading material.					
Movement in reserve					
Balance at beginning of year		-	79	-	79
Transfer to reserve		-	-	-	-
Transfer from reserve		-	(79)	-	(79)
Balance at end of year		-	-	-	-
(b) Bookshop future development					
The Bookshop Future Development Reserve is used to fund special projects or other capital spending undertaken by the Bookshop.					
Movement in reserve					
Balance at beginning of year		550	550	550	550
Transfer to reserve		126	-	126	-
Transfer from reserve		-	-	-	-
Balance at end of year		676	550	676	550
(c) General					
The General Reserve represents funding set aside for the ongoing development of University infrastructure and special initiatives.					
Movement in reserve					
Balance at beginning of year		3,637	3,208	3,637	3,208
Transfer to reserve		-	443	-	443
Transfer from reserve		(3,407)	(14)	(3,407)	(14)
Balance at end of year		230	3,637	230	3,637
(d) Investments revaluation reserve					
The investments revaluation reserve arises on the revaluation of available-for-sale financial assets. Where a revalued financial asset is sold, that portion of the reserve which relates to that financial asset, and is effectively realised, is recognised in the Income Statement. Where a revalued financial asset is impaired, that portion of the reserve which relates to that financial asset is recognised in the Income Statement.					
Movement in reserve					
Balance at beginning of year		1,319	-	1,319	-
Unrealised valuation gain/(loss) recognised		4,886	1,319	4,886	1,319
Balance at end of year		6,205	1,319	6,205	1,319

Notes to the Financial Statements for the year ended 31 December 2006

31 RESERVES AND RETAINED SURPLUS (CONT'D)

	Note	Consolidated		University	
		2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000
(e) Retained surplus					
Balance at beginning of year		519,040	497,524	519,039	497,523
Adjustment to opening retained earnings	45	(2,863)	-	(2,863)	-
Net operating result		74,800	21,866	74,801	21,866
Transfer to reserve		(126)	(443)	(126)	(443)
Transfer from reserve		3,407	93	3,407	93
Balance at end of year		594,258	519,040	594,258	519,039

Notes to the Financial Statements for the year ended 31 December 2006

32 FINANCIAL INSTRUMENTS

2006	Weighted Average Effective Interest Rate %	Non-interest bearing \$'000	Variable interest rate \$'000	Fixed interest rate maturity						Total \$'000
				Less than 1 year \$'000	1 to 2 years \$'000	2 to 3 years \$'000	3 to 4 years \$'000	4 to 5 years \$'000	More than 5 years \$'000	
Financial Assets										
Cash and cash equivalents	6.11%	46	41,593	35,000	-	-	-	-	-	76,639
Receivables	-	92,122	-	-	-	-	-	-	-	92,122
Accrued income	-	6,452	-	-	-	-	-	-	-	6,452
Unrestricted investments:										
- Listed securities	-	66	-	-	-	-	-	-	-	66
- Unlisted securities	-	447	-	-	-	-	-	-	-	447
- Interest bearing loans advanced	6.18%	-	362	-	-	-	-	-	-	362
- Pre-seed funds	-	101	-	-	-	-	-	-	-	101
- Funds under management ¹	1.04%	53,689	15,750	2,003	-	-	-	-	-	71,442
Restricted other financial assets	-	47,716	-	-	-	-	-	-	-	47,716
Total Financial Assets		200,639	57,705	37,003	-	-	-	-	-	295,347
Financial Liabilities										
Payables	-	1,777	-	-	-	-	-	-	-	1,777
Borrowings	6.78%	-	6,696	-	-	-	-	-	18,850	25,546
Employee benefits	-	130,899	-	-	-	-	-	-	-	130,899
Other liabilities	-	77,079	-	-	-	-	-	-	-	77,079
Total Financial Liabilities		209,755	6,696	-	-	-	-	-	18,850	235,301

¹ Funds under management represent investments in unit based funds.

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Notes to the Financial Statements for the year ended 31 December 2006

32 FINANCIAL INSTRUMENTS (CONT'D)

2005	Weighted Average Effective Interest Rate %	Non-interest bearing \$'000	Variable interest rate \$'000	Fixed interest rate maturity						Total \$'000	
				Less than 1 year \$'000	1 to 2 years \$'000	2 to 3 years \$'000	3 to 4 years \$'000	4 to 5 years \$'000	More than 5 years \$'000		
Financial Assets											
Cash and cash equivalents	4.50%	49	29,207	-	-	-	-	-	-	-	29,256
Restricted cash and cash equivalents	4.50%	-	83	-	-	-	-	-	-	-	83
Receivables	-	93,961	-	-	-	-	-	-	-	-	93,961
Accrued income	-	6,462	-	-	-	-	-	-	-	-	6,462
Unrestricted investments:											
- Listed securities	-	83	-	-	-	-	-	-	-	-	83
- Unlisted securities	-	447	-	-	-	-	-	-	-	-	447
- Interest bearing loans advanced	6.70%	-	387	-	-	-	-	-	-	-	387
- Non-interest bearing loans advanced	-	350	-	-	-	-	-	-	-	-	350
- Pre-seed funds	-	300	-	-	-	-	-	-	-	-	300
- Funds under management ¹	1.02%	45,150	14,321	1,994	-	-	-	-	-	-	61,465
Restricted other financial assets	-	36,719	-	-	-	-	-	-	-	-	36,719
Total Financial Assets		183,521	43,998	1,994	-	-	-	-	-	-	229,513
Financial Liabilities											
Payables	-	4,002	-	-	-	-	-	-	-	-	4,002
Borrowings	6.90%	-	7,335	-	-	-	-	-	-	18,850	26,185
Employee benefits	-	137,313	-	-	-	-	-	-	-	-	137,313
Other liabilities	-	62,020	-	-	-	-	-	-	-	-	62,020
Total Financial Liabilities		203,335	7,335	-	-	-	-	-	-	18,850	229,520

¹ Funds under management represent investments in unit based funds.

Notes to the Financial Statements for the year ended 31 December 2006

33 REMUNERATION OF MEMBERS OF THE ACCOUNTABLE AUTHORITY AND SENIOR OFFICERS

33.1 Remuneration of Members of the Accountable Authority and Senior Officers

Names of Persons who were members of the Accountable Authority

For the purposes of the Financial Administration and Audit Act 1985, the University Council is the Accountable Authority of the University.

The University's Council members are:

Chancellor

Mr Gordon Martin (appointed 01/06/2006)
Dr Eric Tan (retired 31/03/2006)

Members Appointed by Governor in Council

Ms Georgina Carnegie
Ms Michele Dolin, Pro-Chancellor
Dr David Karpin
Mr Mark Ashley (appointed 30/05/2006)
Mr Chris Bennett (appointed 25/05/2006)
Mr Keith Spence (appointed 20/06/2006)
The Honourable Datuk Patinggi Tan Sri Dr George Chan
Hong Nam (Retired 31/03/2006)
Dr Brian Hewitt (retired 31/03/2006)
Mr Wayne Zekulich (retired 31/03/2006)

Member Nominated by the Minister for Education and Training

The Honourable Dr John Cowdell

Member who is the Chief Executive Officer

Prof Jeanette Hacket, Vice-Chancellor (appointed
14/08/2006)
Prof Lance Twomey, Vice-Chancellor (retired 11/04/2006)

Members Elected by Full-time Academic Staff

Assoc Prof David Charnock
Dr Jan Sinclair-Jones

Member Elected by Full-time General Staff

Ms Lyn Marks

Co-opted Members

Mr Don Humphreys
Dr Ruth Shean
Ms Zelinda Bafile

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

Adjunct Prof Peter Browne, nominee of the Board,
Muresk Institute
The Honourable Datuk Patinggi Tan Sri Dr George Chan
Hong Nam (appointed 01/04/2006)

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

Assoc Prof Doug Yorke

Members Elected by Students

Ms Wendy Chan She Ping-Delfos (Postgraduate)
Ms Kate Meenan (Undergraduate)

Ms Michele Dolin was Acting Chancellor for the period 3
March 2006 to 1 June 2006 and Mr Peter Browne was
the Acting Pro-Chancellor 3 March to 1 June 2006

	Consolidated		University	
	2006 Number	2005 Number	2006 Number	2005 Number
Remuneration of Members of the Accountable Authority				
Total remuneration relates to Members' executive or contracted roles at the University. No remuneration was paid or payable to Members for their role as members of Council. The number of members of the Accountable Authority, whose total fees, salaries, superannuation and other benefits for the financial year, fall within the following bands are:				
Nil - \$10,000 ¹	18	14	18	14
\$10,001 - \$20,000	-	1	-	1
\$20,001 - \$30,000	-	1	-	1
\$60,001 - \$70,000	-	2	-	1
\$70,001 - \$80,000	-	1	-	1
\$90,001 - \$100,000	1	-	1	-
\$100,001 - \$110,000	1	-	1	-

Notes to the Financial Statements for the year ended 31 December 2006

33 REMUNERATION OF MEMBERS OF THE ACCOUNTABLE AUTHORITY AND SENIOR OFFICERS (CONT'D)

	Consolidated		University	
	2006 Number	2005 Number	2006 Number	2005 Number
\$110,001 - \$120,000	1	1	1	1
\$120,001 - \$130,000	1	-	1	-
\$160,001 - \$170,000	-	3	-	1
\$170,001 - \$180,000	-	1	-	-
\$180,001 - \$190,000	1	-	1	-
\$210,001 - \$220,000	-	1	-	-
\$330,001 - \$340,000	1	-	1	-
\$470,001 - \$480,000	-	1	-	1
¹ All these members received nil remuneration				
	\$'000	\$'000	\$'000	\$'000
Aggregate Remuneration of Members of the Accountable Authority	970	1,730	970	942

33.2 Remuneration of Senior Officers

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

	Consolidated		University	
	2006 Number	2005 Number	2006 Number	2005 Number
Nil - \$10,000	1	-	1	-
\$20,001 - \$30,000	2	-	2	-
\$30,001 - \$40,000	2	-	2	-
\$50,001 - \$60,000	1	-	1	-
\$60,001 - \$70,000	-	1	-	-
\$70,001 - \$80,000	1	-	1	-
\$90,001 - \$100,000	1	-	1	-
\$100,001 - \$110,000	1	-	1	-
\$110,001 - \$120,000	1	-	1	-
\$120,001 - \$130,000	1	-	1	-
\$130,001 - \$140,000	1	1	1	-
\$140,001 - \$150,000	2	-	2	-
\$150,001 - \$160,000	-	3	-	3
\$160,001 - \$170,000	2	1	2	1
\$180,001 - \$190,000	-	1	-	1
\$190,001 - \$200,000	1	2	1	2
\$200,001 - \$210,000	1	2	1	2
\$210,001 - \$220,000	-	2	-	2
\$220,001 - \$230,000	-	1	-	1
\$230,001 - \$240,000	3	-	3	-
\$240,001 - \$250,000	1	-	1	-
\$260,001 - \$270,000	1	1	1	1
\$290,001 - \$300,000	1	-	1	-
\$420,001 - \$430,000	-	1	-	1
	\$'000	\$'000	\$'000	\$'000
Aggregate Remuneration of Senior Officers	3,336	3,153	3,336	2,956

Notes to the Financial Statements for the year ended 31 December 2006

34 REMUNERATION OF AUDITORS

	Consolidated		University	
	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000
During the year the following fees (excluding GST) were paid for services provided by the auditor of the parent entity and non-related audit firms:				
(a) Auditor of the parent entity				
Auditing the financial report	189	150	189	150
Other audit services	10	10	10	10
	199	160	199	160
(b) Other auditors				
Other audit services	26	48	26	48
Total Remuneration of Auditors	225	208	225	208

35 CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Contingent Liabilities

[1] Legal Actions

The University is exposed to a number of contingent liabilities as a result of legal actions that have arisen in the normal course of business and which are being defended by the University. While the amounts cannot be reliably quantified, the University does not believe that these legal actions would result in material loss to the consolidated entity.

[2] Native Title Claims

Native Title Claims have been lodged with the National Native Title Tribunal in respect of a portion of land, being Crown land vested in the University, including the Kalgoorlie and Bentley campuses. The University is unable to reasonably estimate the financial impact if the claims were to be successful.

Contingent Assets

[1] Inheritance Properties

As at 31 December 2006, the University expects to receive approximately \$1 million from the proceeds of sale of properties bequeathed to the University. The amount will be a restricted asset to be used in accordance with the bequest by the deceased.

Notes to the Financial Statements for the year ended 31 December 2006

36 COMMITMENTS FOR EXPENDITURE

	Consolidated		University	
	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000
(a) Capital expenditure commitments				
Capital expenditure commitments, being contracted future capital expenditure additional to the amounts reported in the financial statements, are payable as follows:				
Within one year	60,356	20,332	60,356	20,332
After one year but not more than five years	40,553	1,394	40,553	1,394
Total Capital Expenditure Commitments	100,909	21,726	100,909	21,726
The capital commitments include amounts for:				
Buildings	100,909	21,726	100,909	21,726
(b) Non-cancellable operating lease commitments				
Commitments in relation to leases contracted for at the reporting date but not recognised as liabilities, are payable as follows:				
Within one year	3,826	4,235	3,826	4,235
After one year but not more than five years	5,176	3,153	5,176	3,153
More than five years	26,871	26,034	26,871	26,034
Total Non-cancellable Operating Lease Commitments	35,873	33,422	35,873	33,422
Representing:				
Non-cancellable operating leases	35,873	33,422	35,873	33,422
(c) Other expenditure commitments				
Commitments in relation to purchase orders, are payable as follows:				
Within one year	9,832	9,474	9,832	9,474

These commitments are all inclusive of GST.

37 DEFINED BENEFIT SUPERANNUATION PLANS

(a) Curtin University of Technology Superannuation Scheme 1968-1993

Until 30 June 2006, a group of former employees was entitled, on retirement, death or disablement, to defined benefits under the Curtin University of Technology Superannuation Scheme. In some circumstances the Scheme provided pension benefits. All members of the Supplementary Pension had retired, and had either received a pension or were entitled to receive a pension at a future date under certain circumstances. The Scheme was wound up on 30 June 2006. From 1 July 2006 some former members of the wound-up Scheme entered into a contractual relationship direct with the University. The University now provides benefits to those individuals, consistent with their entitlements under the wound-up Scheme. The University meets the benefits directly as they fall due.

**Notes to the Financial Statements
for the year ended 31 December 2006**

37 DEFINED BENEFIT SUPERANNUATION PLANS (CONT'D)

	2006 \$'000	2005 \$'000
Reconciliation of the Present Value of the Defined Benefit Obligation		
Present value of defined benefit obligations at beginning of the year	2,741	2,804
Current service cost	-	-
Interest cost	78	117
Actuarial loss/(gain)	(64)	14
Benefits paid	(1,826)	(194)
Present value of defined benefit obligations at end of the year	929	2,741
These defined benefit obligations are wholly unfunded, such that there are no assets. The employer contributes, as required, to meet the benefits paid.		
Reconciliation of the Fair Value of Assets		
Fair value of assets at beginning of the year	62	55
Employer contributions	1,764	250
Benefits paid	(1,826)	(243)
Fair value of assets at end of the year	-	62
Reconciliation of the Assets and Liabilities Recognised in the Balance Sheet		
Present value of defined benefit obligation	929	2,741
Fair value of assets	-	62
Net liability	929	2,679
Liability recognised in the Balance Sheet as:		
Current	60	125
Non-current	869	2,554
	929	2,679
Expense Recognised in the Income Statement		
Interest cost	78	117
Actuarial loss/(gain)	(64)	14
Superannuation expense/(benefit)	14	131

Assets

There are no assets held specifically to meet the University's obligations.

Nature of asset/liability

The consolidated entity has recognised a liability in the balance sheet under Provisions in respect of its defined benefit superannuation arrangements. The consolidated entity has no legal obligation to settle this liability with an immediate contribution or additional one off contributions. The consolidated entity intends to continue to meet the cost of the benefits as they fall due.

Notes to the Financial Statements for the year ended 31 December 2006

37 DEFINED BENEFIT SUPERANNUATION PLANS (CONT'D)

(b) Government Employees Superannuation Board (GESB)

Scheme Information

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

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

The following disclosures are in respect of the employer-financed benefits only. The Pension Scheme and Gold State Super have been combined in the note disclosure below.

	2006 \$'000	2005 \$'000
Reconciliation of the Present Value of the Defined Benefit Obligation		
Present value of defined benefit obligations at beginning of the year	76,457	77,075
Current service cost	38	38
Interest cost	3,759	3,933
Actuarial (gain)/loss	(3,283)	1,116
Benefits paid	(5,969)	(5,705)
Present value of defined benefit obligations at end of the year	71,002	76,457
These defined benefit obligations are wholly unfunded, such that there are no assets. The employer contributes, as required, to meet the benefits paid.		
Reconciliation of the Fair Value of Scheme Assets		
Fair value of Scheme assets at beginning of the year	-	-
Employer contributions	5,969	5,705
Benefits paid	(5,969)	(5,705)
Fair value of Scheme assets at end of the year	-	-
Reconciliation of the Assets and Liabilities Recognised in the Balance Sheet		
Present value of defined benefit obligations	71,002	76,457
Fair value of the scheme assets	-	-
Net deficit	71,002	76,457
Net deficit is recognised as a liability in the Balance Sheet as follows:		
Current	2,514	5,475
Non-current	68,488	70,982
	71,002	76,457
Expense Recognised in Income Statement		
Service cost	38	38
Interest cost	3,759	3,933
Actuarial (gain)/loss	(3,283)	1,116
Superannuation expense	514	5,087

Notes to the Financial Statements for the year ended 31 December 2006

37 DEFINED BENEFIT SUPERANNUATION PLANS (CONT'D)

Scheme Assets

There are no assets in the Pension Scheme to support the State Share of the Benefit or in the Gold State Super Scheme for current employees to support the transferred benefits. Hence, there is

- No fair value of Scheme assets
- No asset allocation of Scheme assets
- No assets used by the employer
- No expected return of Scheme assets
- No actual return on Scheme assets

Principal Actuarial Assumptions Used	2006	2005
Discount rate (active members)	5.98% p.a.	5.27% p.a.
Discount rate (pensioners)	5.98% p.a.	5.27% p.a.
Expected salary increase rate	4.50% p.a.	4.50% p.a.
Expected pension increase rate	2.50% p.a.	2.50% p.a.

The discount rate is based on the 10-year Government bond rate at the relevant date. The decrement rates used (e.g. mortality and retirement rates) are based on those used at the last actuarial valuation for the Schemes, as at 31 December 2006.

Historical Information	2006 \$'000	2005 \$'000
Present value of defined benefit obligation	71,002	76,457
Fair value of Scheme assets	-	-
Deficit in scheme	71,002	76,457
Experience adjustments (gain)/loss - scheme assets	-	-
Experience adjustments (gain)/loss - scheme liabilities	1,739	686

The experience adjustment for Scheme liabilities represents the actuarial loss/(gain) due to a change in the liabilities arising from the Scheme's experience (e.g. membership movements, unit entitlements) but excludes the effect of the changes in assumptions (eg movements in the bond rate and changes in pensioner mortality assumptions).

Expected Contributions	2007 \$'000
Expected employer contributions	6,646

Funding arrangements for employer contributions

(i) Deficit

The following is a summary of the most recent financial position of the Pension Scheme and the Gold State Super Scheme calculated in accordance with AAS 25 "Financial Reporting by Superannuation Plans". Note that the figures below relate to the Pension Scheme and Gold State Super Scheme as a whole and are therefore not restricted to Curtin employees.

	30.06.06 \$'000
Accrued benefits	7,013
Net market value of scheme assets	2,358
Net deficit	4,655

Notes to the Financial Statements for the year ended 31 December 2006

37 DEFINED BENEFIT SUPERANNUATION PLANS (CONT'D)

(ii) Contribution recommendations

Curtin is contributing as required to pay benefits, when they fall due.

(iii) Funding method

The funding method used by Curtin and other agencies, whose employees are members of the Pension Scheme and the Gold State Super, is the Pay-As-You-Go method. This method affects the timing of the cost to Curtin. However, unfunded liabilities and the associated expenses are offset by equivalent receivables and income from the Commonwealth Government.

(iv) Economic assumptions

The economic assumptions adopted for the last actuarial review as at 30 June 2006 of the Schemes were:

Expected rate of return on assets (discount rate)	7.50% pa
Expected salary increase rate	4.50% pa

Nature of asset/liability

The consolidated entity has recognised a liability in the balance sheet under Provisions in respect of its defined benefit superannuation arrangements. The GESB does not impose a legal liability on the consolidated entity to cover any deficit that exists in the Schemes.

An arrangement exists between the Australian Government and the Western Australian State Government to meet the unfunded liability for beneficiaries of the State Superannuation Schemes on an emerging cost basis. Accordingly, a corresponding asset is recognised under Receivables (refer note 21).

The recognition of both the asset and the liability consequently does not affect the year end net asset position of the consolidated entity.

(c) Unisuper Defined Benefit Plan

Scheme information

The UniSuper Defined Benefit Plan (DBP) is a multi-employer defined benefit plan under superannuation law. However, as a result of an amendment to Clause 34 of the UniSuper trust deed, with effect from 31 December 2006 it is considered to be a multi-employer defined contribution plan under the Accounting Standard AASB 119 "Employee Benefits". This is because, where there is or may be insufficient funds to provide benefits payable under the Deed, the Trustee must reduce the benefits payable on a fair and equitable basis. The employer's legal or constructive obligation is limited to the amount that it agrees to contribute to the funds and the actuarial and investment risks rest with the employee.

Employer contributions of \$35.608m (2005:\$33.687m) were charged as an expense under employee benefits (note 12) as they fall due.

Notes to the Financial Statements for the year ended 31 December 2006

38 SUBSIDIARIES

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1(b):

Name of Entity	Country of Incorporation	Class of shares	Equity holding	
			2006	2005
University				
Curtin University of Technology	Australia			
Controlled Subsidiary				
Uniservices Kalgoorlie Pty Ltd (ACN 009 332 334) ¹	Australia	Ordinary shares	-	100%
Curtin Consultancy Services Ltd (ACN 008 751 175) ²	Australia	Ordinary shares	-	100%
IPOM Pty Ltd (ACN 114 526 420) ³	Australia	Ordinary shares	24%	100%

¹ During 2006, Uniservices Kalgoorlie Pty Ltd lodged an application with the Australian Securities and Investment Commission (ASIC) for the deregistration of the company. ASIC accepted the application and deregistration occurred on 26 June 2006.

² During 2006, Australian Securities and Investment Commission (ASIC) accepted the application for the deregistration of the company and deregistration occurred on 22 January 2006.

³ On 6 December 2006, Curtin University reduced its shareholding in IPOM Pty Ltd to 24%. The investment is shown at cost and not consolidated.

Non-Controlled Subsidiary

Numbers Investments Pty Ltd (ACN 069 361 235) ¹	Australia	Ordinary shares	-	100%
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¹ The company was the trustee of the Curtin University of Technology Superannuation Scheme (the Scheme). The Scheme wound up on 30 June 2006. Numbers Investments Pty Ltd subsequently lodged an application with the Australian Securities and Investment Commission (ASIC) for the deregistration of the company. ASIC accepted the application and deregistration occurred on 12 February 2007.

39 EVENTS OCCURRING AFTER REPORTING DATE

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

40 NOTES TO THE CASH FLOW STATEMENTS

	Consolidated		University	
	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000
(a) Reconciliation to cash				
Cash at the end of the year as shown in the Cash Flow Statement is reconciled to the related items in the Balance Sheet as follows:				
Cash and cash equivalents (note 19)	76,639	29,256	76,639	29,235
Restricted cash and cash equivalents (note 20)	-	83	-	83
Balance as per Cash Flow Statement	76,639	29,339	76,639	29,318

Notes to the Financial Statements for the year ended 31 December 2006

40 NOTES TO THE CASH FLOW STATEMENTS (CONT'D)

Note	Consolidated		University	
	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000
(b) Reconciliation of operating result from ordinary activities to net cash inflow from operating activities				
Net operating result	74,800	21,866	74,801	21,866
Depreciation expense	29,396	26,102	29,396	26,102
Movement in allowance for doubtful receivables	(1,617)	(2,734)	(1,617)	(2,734)
Net loss on disposal of non-current assets	581	223	581	223
Other non-cash items	-	2,403	-	2,433
Financial assistance receipts from WA Government	(17,110)	(15,454)	(17,110)	(15,454)
Changes in assets and liabilities:				
(Increase)/decrease in trade and other receivables	3,456	13,493	3,456	13,697
(Increase)/decrease in inventories	66	251	66	248
(Increase)/decrease in other current assets	(278)	(2,211)	(278)	(2,223)
Increase/(decrease) in trade and other payables	(2,225)	1,554	(2,225)	1,516
Increase/(decrease) in provisions	(6,413)	9,276	(6,413)	9,276
Increase/(decrease) in other current liabilities	15,059	7,840	15,029	7,870
Net Cash provided by Operating Activities	95,715	62,609	95,686	62,820

41 NON-CASH FINANCING AND INVESTING ACTIVITIES

During the financial year, there were no significant non cash financing or investing activities (such as assets/liabilities transferred/assumed from other Universities or government agencies) that are not reflected in the Cash Flow Statement.

42 EXPLANATORY STATEMENT

(i) Significant variances between current year actual and prior year actual revenues and expenditures

Note	Category	Consolidated		Variance	
		2006 Actual \$'000	2005 Actual \$'000	\$'000	%
Revenue					
[1]	Australian Government grants	173,101	155,616	17,485	11%
[2]	HECS-HELP Australian Government payments	58,284	47,094	11,190	24%
[3]	HECS-HELP Student payments	17,320	13,348	3,972	30%
[4]	Investment income	14,713	6,557	8,156	124%
[5]	Royalties, trademarks and licences	11,521	5,826	5,695	98%
[6]	Consultancy and contracts	24,306	17,130	7,176	42%
[7]	Deferred Government superannuation contributions	(5,455)	(618)	(4,837)	783%
Expenses					
[8]	Deferred employee benefits for superannuation	(5,455)	(618)	(4,837)	783%

This disclosure is required by Treasurer's Instruction 945.

Notes to the Financial Statements for the year ended 31 December 2006

42 EXPLANATORY STATEMENT (CONT'D)

Note Commentary

- [1] The increase in Australian Government grants reflects a 3% increase in student numbers, unit rate increases of approximately 4% and the release in 2006 of a \$5.5m provision for the repayment of 2005 grants received.
- [2]/[3] Items [2] and [3] should be considered together. The increase reflects a 3% increase in student numbers and an increase in student contribution amounts for post-2004 students.
- [4] The increase in investment income reflects strong investment returns as well as higher cash and investment levels.
- [5] The increase reflects higher levels of activities with partner institutions, including the Curtin Sydney campus. This increase is partially offset by an increase in expenses within "Other Expenses".
- [6] The increase reflects higher levels of contracted research and consultancy activities.
- [7]/[8] The revenue movement is the result of an annual actuarial revaluation. It is offset by an equal movement in the equivalent expense category.

(ii) Significant variations between budgeted and actual results for the financial year

Note	Category	Consolidated		Variance	
		2006 Actual \$'000	2006 Budget \$'000	\$'000	%
	Revenue				
[1]	HECS-HELP Australian Government payments	173,101	157,879	15,222	10%
[2]	Fees and charges	145,357	138,370	6,987	5%
[3]	Investment income	14,713	6,640	8,073	122%
[4]	Consultancy and contracts	24,306	19,710	4,596	23%
[5]	Deferred Government superannuation contributions	(5,455)	-	(5,455)	(100%)
	Expenses				
[6]	Employee benefits	250,241	259,298	(9,057)	(3%)
[7]	Other expenses	140,443	147,205	(6,762)	(5%)
[8]	Deferred employee benefits for superannuation	(5,455)	-	(5,455)	(100%)

This disclosure is required by Treasurer's Instruction 945.

Note Commentary

- [1] The higher than budgeted Australian Government grants reflect higher than budgeted student numbers and unbudgeted release in 2006 of a \$5.5m provision for the repayment of 2005 grants received.
- [2] The higher than budgeted Fees & Charges revenue is largely the result of higher than budgeted International Onshore student numbers.
- [3] The variance to budget reflects better than budgeted investment returns achieved through the year and higher than budgeted cash and investment balances from operations.
- [4] The variance to budget in each of these categories mainly reflects under budgeting of grants and consultancy activity.
- [5]/[8] The annual actuarial revaluation is not budgeted for because it is offset by an equal movement in the equivalent expense category.
- [6] The variance to budget reflects a number of factors including delays in budgeted projects, delays in replacing staff and unbudgeted staff efficiency savings.
- [7] The lower than budgeted expense reflects a number of factors including delays in budgeted projects and unbudgeted efficiencies.

Notes to the Financial Statements for the year ended 31 December 2006

43 RELATED PARTIES

43.1 Transactions with specified accountable authority and senior officers

43.1.1 Accountable authority and senior officers' remuneration and retirement benefits

Details of remuneration and retirement benefits are disclosed in note 33 to the financial statements.

43.1.2 Other transactions with specified accountable authority and senior officers

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

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

Transaction Type	Related party	2006 \$'000	2005 \$'000
Purchase consulting services	Peter Browne Consulting ¹	34	102
Purchases	Curtin Student Guild ²	3,000	2,851
Revenue	Curtin Student Guild ²	531	1,124
Receivable at 31 December	Curtin Student Guild ²	155	66
Payable at 31 December	Curtin Student Guild ²	4	9

¹Fees charged to the consolidated entity during the year for consultancy services provided by a related party, Peter Browne Consulting, of which Adjunct Prof. Peter Browne is the principal, totalled \$33,658 [2005: \$101,643]. There was no outstanding balance at reporting date [2005: \$nil].

²Purchases from the Curtin Student Guild, a related party, aggregated \$3.000 million [2005: \$2.851 million]. At reporting date \$3,728 [2005: \$9,043] remained outstanding. Sales of \$0.531 million [2005: \$1.124 million] were made during the year. At reporting date \$154,643 remained outstanding [2005: \$ 65,890].

43.2 Transactions within the wholly-owned group

Curtin University of Technology is the ultimate parent entity. Both Uniservices Kalgoorlie Pty Ltd and Curtin Consultancy Services Ltd were deregistered during 2006 and are therefore no longer subsidiaries at year end. The following transactions within the wholly-owned group occurred during the year:

Transaction Type	Related party	2006 \$'000	2005 \$'000
Revenue	Uniservices Kalgoorlie Pty Ltd	-	61
Expenses	Uniservices Kalgoorlie Pty Ltd	1	123
	Curtin Consultancy Services Ltd	-	-
Receivable at 31 December 2006	Uniservices Kalgoorlie Pty Ltd ¹	-	20
	Curtin Consultancy Services Ltd	-	-

Notes to the Financial Statements for the year ended 31 December 2006

43 RELATED PARTIES (CONT'D)

Revenue

Sales of \$Nil [2005: \$61,451] were made during the year to Uniservices Kalgoorlie Pty Ltd.

Expenses

Purchases from Uniservices Kalgoorlie Pty Ltd made under normal commercial terms and conditions for the period aggregated \$1,159 [2005: \$122,560].

¹Loan

At 31 December 2005, Curtin University of Technology provided an interest free loan to Uniservices Kalgoorlie Pty Ltd totaling \$20,000. The loan was repaid in full in 2006.

44 SUPPLEMENTARY FINANCIAL INFORMATION

	Consolidated		University	
	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000
Write-Offs				
Public property written off by the Minister during the financial year	-	-	-	-
Asset write-off exceeding \$50,000 per individual write-off requires approval from the relevant State Minister. During the year the University requested approval for the write-off of assets totaling \$653,031(2005:Nil) from the Minister for Education. This approval was received after year end.				
Losses Through Theft, Defaults and Other Causes				
Losses of public moneys and, public and other property through theft or default	3	3	2	2
Amounts recovered	-	-	-	-
	3	3	2	2

45 PRIOR PERIOD ERROR

The consolidated entity capitalises its library collections within Property, Plant and Equipment (refer note 1(e)). In 2005 and prior years, electronic journal subscriptions with a useful economic life of one year or less were incorrectly capitalised. It is impracticable to adjust for this error retrospectively and so an adjustment of \$2,863,000 has been made to the carrying value of Property, Plant and Equipment as at 1 January 2006 to correct the error prospectively. This adjustment is recognised against opening retained earnings for 2006 in accordance with Accounting Standard AASB 1008 "Accounting Policies, Changes in Accounting Estimates and Errors".

Notes to the Financial Statements for the year ended 31 December 2006

46 ACQUITTAL OF COMMONWEALTH GOVERNMENT FINANCIAL ASSISTANCE

46.1 DEST – CGS and Other DEST Grants

	Commonwealth Grants Scheme		Indigenous Support Fund		Equity Programmes		Workplace Reform Programme		Capital Development Pool	
	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000
Financial assistance received in CASH during the reporting period	111,389	107,000	1,718	1,773	471	484	1,503	1,442	-	1,570
Net accrual adjustments	4,049	(5,573)	-	-	(186)	(44)	-	-	-	(1,500)
Revenue for the period	115,438	101,427	1,718	1,773	285	440	1,503	1,442	-	70
Surplus / (deficit) from the previous year	-	-	-	-	-	-	-	-	89	508
Total revenue including accrual revenue	115,438	101,427	1,718	1,773	285	440	1,503	1,442	89	578
Less expenses including accrual expenses	(115,438)	(101,427)	(1,718)	(1,773)	(127)	(440)	(1,503)	(1,442)	(89)	(489)
Surplus / (deficit) for reporting period	-	-	-	-	158	-	-	-	-	89

	Workplace Productivity Programme		Superannuation Programme		Total	
	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000
Financial assistance received in CASH during the reporting period	1,718	-	6,579	6,492	123,378	118,761
Net accrual adjustments	(659)	-	(363)	227	2,841	(6,890)
Revenue for the period	1,059	-	6,216	6,719	126,219	111,871
Surplus / (deficit) from the previous year	-	-	-	-	89	508
Total revenue including accrual revenue	1,059	-	6,216	6,719	126,308	112,379
Less expenses including accrual expenses	(1,059)	-	(6,216)	(6,719)	(126,150)	(112,290)
Surplus / (deficit) for reporting period	-	-	-	-	158	89

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Notes to the Financial Statements for the year ended 31 December 2006

46 ACQUITTAL (CONT'D)

46.2 Higher Education Loan Programmes

	HECS-HELP (Australian Government payments only)		FEE-HELP		OS-HELP		Total	
	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000
Financial assistance received in CASH during the reporting period	55,845	48,966	12,901	12,250	(593)	800	68,153	62,016
Net accrual adjustments	2,439	(1,872)	(100)	(528)	593	(600)	2,932	(3,200)
Revenue for the period	58,284	47,094	12,801	11,722	-	-	71,085	58,816
Surplus / (deficit) from the previous year	-	-	-	-	-	-	-	-
Total revenue including accrual revenue	58,284	47,094	12,801	11,722	-	-	71,085	58,816
Less expenses including accrual expenses	(58,284)	(47,094)	(12,801)	(11,722)	-	-	(71,085)	(58,816)
Surplus / (deficit) for reporting period	-	-	-	-	-	-	-	-

46.3 Scholarships

	Australian Postgraduate Awards		International Postgraduate Research Scholarships		Commonwealth Education Costs Scholarships		Commonwealth Accommodation Scholarships		Indigenous Staff Scholarships		Total	
	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000
Financial assistance received in CASH during the reporting period	2,230	1,765	463	159	1,096	643	1,681	1,066	33	-	5,503	3,633
Net accrual adjustments	-	-	-	-	(279)	(39)	(327)	(210)	(11)	-	(617)	(249)
Revenue for the period	2,230	1,765	463	159	817	604	1,354	856	22	-	4,886	3,384
Surplus / (deficit) from the previous year	172	324	(306)	45	8	9	24	24	-	-	(102)	402
Total revenue including accrual revenue	2,402	2,089	157	204	825	613	1,378	880	22	-	4,784	3,786
Less expenses including accrual expenses	(1,920)	(1,917)	(565)	(510)	(818)	(605)	(1,354)	(856)	(21)	-	(4,678)	(3,888)
Surplus / (deficit) for reporting period	482	172	(408)	(306)	7	8	24	24	1	-	106	(102)

Notes to the Financial Statements for the year ended 31 December 2006

46 ACQUITTAL OF COMMONWEALTH GOVERNMENT FINANCIAL ASSISTANCE (CONT'D)

46.4 DEST Research

	Institutional Grants Scheme		Research Training Scheme		Systemic Infrastructure Initiative		Research Infrastructure Block Grants		Total	
	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000
Financial assistance received in CASH during the reporting period	6,071	5,888	12,364	11,676	-	-	2,021	1,676	20,456	19,240
Net accrual adjustments	-	-	-	-	10	-	-	-	10	-
Revenue for the period	6,071	5,888	12,364	11,676	10	-	2,021	1,676	20,466	19,240
Surplus / (deficit) from the previous year	-	-	-	-	(13)	(13)	580	135	567	122
Total revenue including accrual revenue	6,071	5,888	12,364	11,676	(3)	(13)	2,601	1,811	21,033	19,362
Less expenses including accrual expenses	(6,071)	(5,888)	(12,364)	(11,676)	(10)	-	(1,639)	(1,231)	(20,084)	(18,795)
Surplus / (deficit) for reporting period	-	-	-	-	(13)	(13)	962	580	949	567

Notes to the Financial Statements for the year ended 31 December 2006

46 ACQUITTAL OF COMMONWEALTH GOVERNMENT FINANCIAL ASSISTANCE (CONT'D)

46.5 (a) Australian Research Council Grants – Discovery

	Projects		Fellowships		Indigenous Researchers Development		Total	
	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000
Financial assistance received in CASH during the reporting period	3,913	3,136	-	-	(5)	-	3,908	3,136
Net accrual adjustments	8	-	-	-	-	-	8	-
Revenue for the period	3,921	3,136	-	-	(5)	-	3,916	3,136
Surplus / (deficit) from the previous year	(952)	(809)	20	20	(535)	(535)	(867)	(1,324)
Total revenue including accrual revenue	3,569	2,327	20	20	(540)	(535)	3,049	1,812
Less expenses including accrual expenses	(3,825)	(2,679)	-	-	-	-	(3,825)	(2,679)
Surplus / (deficit) for reporting period	(256)	(352)	20	20	(540)	(535)	(776)	(867)

46.5 (b) Australian Research Council Grants – Linkages

	Special Research Initiatives		Infrastructure		International Research Exchange		Projects		Total	
	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000
Financial assistance received in CASH during the reporting period	26	26	290	304	31	10	2,392	2,438	2,739	2,778
Net accrual adjustments	-	-	-	-	-	-	-	-	-	-
Revenue for the period	26	26	290	304	31	10	2,392	2,438	2,739	2,778
Surplus / (deficit) from the previous year	26	-	1,602	1,373	57	58	1,890	1,424	3,575	2,855
Total revenue including accrual revenue	52	26	1,892	1,677	88	68	4,282	3,862	6,314	5,633
Less expenses including accrual expenses	(2)	-	(339)	(75)	(68)	(11)	(2,895)	(1,972)	(3,304)	(2,058)
Surplus / (deficit) for reporting period	50	26	1,553	1,602	20	57	1,387	1,890	3,010	3,575

Report by the Members of the University Council

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The members of the University Council present their report on the consolidated entity consisting of Curtin University of Technology and the entities it controlled at the end of, or during the year ended 31 December 2006.

Members

The following persons were members of the Curtin University of Technology Council during the whole of the year and up to the date of this report:

Chancellor

Mr Gordon Martin (appointed 01/06/2006)
Dr Eric Tan (retired 31/03/2006)

Members appointed by Governor in Council

Ms Georgina Carnegie
Ms Michele Dolin, Pro-Chancellor
Dr David Karpin
Mr Mark Ashley (appointed 30/05/2006)
Mr Chris Bennett (appointed 25/05/2006)
Mr Keith Spence (appointed 20/06/2006)
The Honourable Datuk Patinggi Tan Sri Dr George Chan
Hong Nam (retired 31/03/2006)
Dr Brian Hewitt (retired 31/03/2006)
Mr Wayne Zekulich (retired 31/03/2006)

Member nominated by the Minister for Education and Training

The Honourable Dr John Cowdell

Member who is the Chief Executive Officer

Prof Jeanette Hackett, Vice-Chancellor
(appointed 14/08/2006)
Prof Lance Twomey, Vice-Chancellor
(retired 11/04/2006)

Members elected by Full-Time Academic Staff

Assoc Prof David Charnock
Dr Jan Sinclair-Jones

Member Elected by Full-time General Staff

Ms Lyn Marks

Co-opted Members

Mr Don Humphreys
Dr Ruth Shean
Ms Zelinda Bafile

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

Adjunct Prof Peter Browne, nominee of the Board,
Muresk Institute
The Honourable Datuk Patinggi Tan Sri Dr George Chan
Hong Nam (appointed 01/04/2006)

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

Assoc Prof Doug Yorke

Members Elected by Students

Ms Wendy Chan She Ping-Delfos (Postgraduate)
Ms Kate Meenan (Undergraduate)

Ms Michele Dolin was Acting Chancellor for the period 3 March 2006 to 1 June 2006 and Mr Peter Browne was the Acting Pro-Chancellor 3 March to 1 June 2006

Report by the Members of the University Council

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Meetings of Members

The numbers of meetings of the members of Curtin University of Technology's University Council and of each board committee held during the year ended 31 December 2006, and the numbers of meetings attended by each member were:

Members	Council Meetings		Meetings of committees					
	No. of meetings attended	No. of meetings held	Audit		Finance		Executive	
			No. of meetings attended	No. of meetings held	No. of meetings attended	No. of meetings held	No. of meetings attended	No. of meetings held
Mr Gordon Martin Chancellor (appointed 01/06/2006)	8	8	-	-	-	-	7	7
Dr Eric Tan (retired 31/03/2006)	1	1	-	-	-	-	1	1
Ms Georgina Carnegie	4	12	-	-	-	-	-	-
Ms Michele Dolin, Pro-Chancellor	11	12	-	-	7	8	11	11
Dr David Karpin	4	12	-	-	-	-	-	-
Mr Mark Ashley (appointed 30/05/2006)	7	8	-	-	3	6	-	-
Mr Chris Bennett (appointed 25/05/2006)	6	8	3	3	-	-	-	-
Mr Keith Spence (appointed 20/06/2006)	4	5	-	-	1	2	-	-
Dr Brian Hewitt (retired 31/03/2006)	2	2	-	-	0	2	-	-
Mr Wayne Zekulich (retired 31/03/2006)	-	-	-	-	7	8	1	2
The Honourable Dr John Cowdell	10	12	3	4	-	-	-	-
Prof Jeanette Hackett, Vice-Chancellor (appointed 14/08/2006)	9	10	-	-	5	6	7	7
Prof Lance Twomey, Vice-Chancellor (retired 11/04/2006)	2	2	-	-	2	2	2	3
Assoc Prof David Charnock	12	12	-	-	-	-	-	-
Dr Jan Sinclair-Jones	10	12	-	-	-	-	-	-
Ms Lyn Marks	12	12	-	-	-	-	-	-
Mr Don Humphreys	11	12	6	6	-	-	10	11
Dr Ruth Shean	7	12	-	-	-	-	8	11
Ms Zelinda Bafle	9	12	4	6	-	-	-	-
Adjunct Prof Peter Browne, nominee of the Board, Muresk Institute	7	12	2	2	1	1	1	2
The Honourable Datuk Patinggi Tan Sri Dr George Chan Hong Nam	1	12	-	-	-	-	-	-
Assoc Prof Doug Yorke	12	12	-	-	-	-	9	11
Ms Wendy Chan She Ping-Delfos	10	11	-	-	-	-	-	-
Ms Kate Meenan	9	11	-	-	-	-	-	-
Prof Gregory Craven (as Acting Vice-Chancellor)	-	-	-	-	1	1	1	1
Prof Mike Wood	-	-	2	2	-	-	-	-

Number of meetings held represents those held during the time the member was a member of the Council or Committee during the year including those meetings, if applicable, where a member was granted a "Leave of Absence"

Report by the Members of the University Council

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Principal Activities

During the year, the principal continuing activities of the consolidated entity consisted of:

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

No significant changes in the nature of the activities of the consolidated entity occurred during the year.

Review of Operations

The net consolidated operating result for the year ended 31 December 2006 was \$74,800,000 (2005 : \$21,866,000) and for the University was \$74,801,000 (2005 : \$21,866,000).

The operations of the University during the financial year are reviewed in the following accompanying sections of the Annual Report:

- Chancellor's Forward
- Vice-Chancellor's Report
- Report on Operations
- 2006 Activity Highlights

Significant Changes in the State of Affairs

No significant changes in the entity's state of affairs occurred during the year.

Matters Subsequent to the End of the Financial Year

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

Likely Developments and Expected Results of Operations

The University will continue to further its objectives, consistent with the principal activities outlined above. To provide further detail would result in unreasonable prejudice.

Report by the Members of the University Council

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Environmental regulation

Significant environmental regulations the University is subject to are:

- Environmental Protection Act 1986
- Environmental Protection Regulations 1987
- Environmental Protection (Controlled Waste) Regulations 2004
- Environmental Protection (Noise) Regulations 1997
- Environmental Protection (Unauthorised Discharges) Regulations 2004

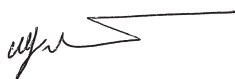
Insurance of members of Council and officers

The University provides Directors' and Officers' Liability and Employers Practices Insurance and Supplementary Legal Expenses Cover through contracts with external insurance providers. The cover applies to members of Council, Directors and Executive officers of the University and its Australian-based controlled entities.

Proceedings on behalf of Curtin University of Technology

No material legal proceedings have been initiated by or against Curtin University of Technology during 2006.

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



Mr Gordon Martin
Chancellor of the University Council
Curtin University, Bentley Perth WA
22nd March 2007