

FINANCIAL REPORT 2012

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CERTIFICATIONS

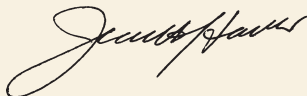
CERTIFICATION OF THE FINANCIAL STATEMENTS

The accompanying financial statements of Curtin University of Technology have been prepared in compliance with the relevant provisions of the *Financial Management Act 2006* from proper accounts and records to present fairly the financial transactions for the financial year ended 31 December 2012 and the financial position as at 31 December 2012.

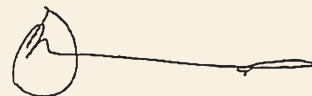
At the date of signing, we are not aware of any circumstances which would render any particulars included in the financial statements misleading or inaccurate.



Colin Beckett
Chancellor



Jeanette Hackett
Vice-Chancellor



David Menarry
Chief Finance Officer

Dated this 13th day of March 2013

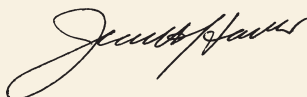
CERTIFICATION OF THE FINANCIAL STATEMENTS REQUIRED BY THE DEPARTMENT OF INDUSTRY, INNOVATION, SCIENCE, RESEARCH AND TERTIARY EDUCATION

We declare that the amount of Australian Government financial assistance expended during the financial year ended 31 December 2012 was for the purpose(s) for which it was provided, and Curtin University has complied with applicable legislation, contracts, agreements and program guidelines in making expenditure.

Curtin University charged Student Services and Amenities Fees strictly in accordance with the *Higher Education Support Act 2003* and the Administration Guidelines made under the Act. Revenue from the fee was spent strictly in accordance with the Act and only on services and amenities specified in subsection 19-38(4) of the Act.



Colin Beckett
Chancellor



Jeanette Hackett
Vice-Chancellor

Dated this 13th day of March 2013

STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2012

	Note	2012 \$'000	2011 \$'000
Revenue from Continuing Operations			
Australian Government financial assistance:			
Australian Government grants	4	287,974	247,162
HELP – Australian Government payments	4	116,922	101,855
State and local government financial assistance	5	9,249	9,151
HECS-HELP – student payments		25,628	23,015
Fees and charges	6	238,013	239,687
Investment revenue	7	25,122	33,885
Royalties, trademarks and licences	8	22,883	28,003
Consultancy and contracts	9	27,093	36,152
Other revenue	10	39,554	40,949
Total Revenue from Continuing Operations		792,438	759,859
Expenses from Continuing Operations			
Employee related expenses	11	434,885	412,846
Depreciation and amortisation	12	34,324	33,730
Repairs and maintenance	13	16,270	13,857
Borrowing costs	14	4,280	4,509
Impairment of assets	15	(2,335)	2,197
Net (gain)/loss on disposal of non-current assets	16	(235)	79
Deferred superannuation expense	11	362	452
Other expenses	17	224,511	210,776
Total Expenses from Continuing Operations		712,062	678,446
Net Operating Result for the Year		80,376	81,413
Net investment revaluation gain/(loss)	30(a)	23,308	(19,614)
Cash flow hedge revaluation gain/(loss)	30(b)	-	55
Total Comprehensive Income		103,684	61,854

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

Financial Report 2012 (continued)

STATEMENT OF FINANCIAL POSITION

as at 31 December 2012

	Note	2012 \$'000	2011 \$'000
ASSETS			
Current Assets			
Cash and cash equivalents:			
unrestricted	19(a)	77,862	68,587
restricted	19(b)	1,757	1,670
Trade and other receivables	20	25,031	26,418
Inventories	21	2,081	1,977
Other financial assets:			
unrestricted	22	891	702
restricted	23	77,223	69,892
Other non-financial assets	24	30,178	23,777
Total Current Assets		215,023	193,023
Non-Current Assets			
Trade and other receivables	20	69,667	68,438
Other financial assets – unrestricted	22	324,904	264,158
Property, plant and equipment	25	722,763	696,425
Total Non-Current Assets		1,117,334	1,029,021
Total Assets		1,332,357	1,222,044
LIABILITIES			
Current Liabilities			
Trade and other payables	26	11,187	15,562
Borrowings	27	2,314	4,878
Provisions	28	69,454	74,784
Other liabilities	29	75,722	59,703
Total Current Liabilities		158,677	154,927
Non-Current Liabilities			
Borrowings	27	60,401	62,746
Provisions	28	94,938	89,714
Total Non-Current Liabilities		155,339	152,460
Total Liabilities		314,016	307,387
Net Assets		1,018,341	914,657
EQUITY			
Reserves	30	57,851	28,775
Retained earnings	30	960,490	885,882
Total Equity		1,018,341	914,657

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

STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2012

	Note	Reserves \$'000	Retained Earnings \$'000	Total Equity \$'000
Balance at 1 January 2011		43,918	808,885	852,803
Operating result for the year		-	81,413	81,413
Other comprehensive income for the year		(19,559)	-	(19,559)
Transfers from retained earnings	30(d)	18,112	(18,112)	-
Transfers to retained earnings	30(d)	(13,696)	13,696	-
Balance at 31 December 2011	30	28,775	885,882	914,657
Operating result for the year		-	80,376	80,376
Other comprehensive income for the year		23,308	-	23,308
Transfers from retained earnings	30(d)	24,686	(24,686)	-
Transfers to retained earnings	30(d)	(18,918)	18,918	-
Balance at 31 December 2012	30	57,851	960,490	1,018,341

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

Financial Report 2012 (continued)

STATEMENT OF CASH FLOWS

for the year ended 31 December 2012

	Note	2012 \$'000	2011 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Australian Government grants received	4(h)	402,134	368,205
State and local government financial assistance		9,249	9,151
HECS-HELP – student payments		25,189	23,015
Fees and charges		239,468	233,484
Royalties, trademarks and licences		26,299	32,568
Consultancy and contract research		28,754	36,399
Interest received		6,379	5,176
Dividends received		1,320	1,730
Distributions received		17,482	21,662
Other		53,123	23,325
GST refunds received		10,107	8,858
Payments			
Payments for employee benefits		(439,692)	(397,451)
Payments to suppliers		(257,738)	(236,151)
Interest and other costs of finance paid		(4,287)	(4,522)
Net Cash Provided by Operating Activities	39(b)	117,787	125,449
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment		(59,530)	(55,877)
Proceeds on sale of property, plant and equipment		808	181
Payments for investments		(53,002)	(105,086)
Proceeds on redemption of investments		8,207	29,790
Net Cash Used in Investing Activities		(103,517)	(130,992)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings		(4,908)	(1,967)
Proceeds from borrowings		-	-
Cash (Used in)/Provided by Financing Activities		(4,908)	(1,967)
Net increase/(decrease) in cash and cash equivalents		9,362	(7,510)
Cash and cash equivalents at the beginning of the year		70,257	77,767
Cash and Cash Equivalents at the End of the Year	39(a)	79,619	70,257

The Statement of Cash Flows should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2012

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Financial Report 2012 (continued)

Notes to the Financial Statements (continued)

for the year ended 31 December 2012

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.

(a) Basis of preparation

This general purpose financial report has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board (AASB), the requirements of the Department of Industry, Innovation, Science, Research and Tertiary Education (DIISRTE), applicable sections of the *Financial Management Act 2006* and applicable Treasurer's Instructions.

The financial statements and notes thereto comply with Australian Accounting Standards, some of which contain requirements specific to not-for-profit entities that are inconsistent with International Financial Reporting Standards requirements.

Date of authorisation for issue

The financial statements were authorised for issue by the members of Curtin University Council on 13 March 2013.

Historical cost convention

The financial statements have been prepared under the historical cost convention except for certain financial instruments which are reported at fair value.

Accrual basis of accounting

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

Critical accounting estimates

The preparation of financial statements in conformity with Australian Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the University's accounting policies. The estimates and underlying assumptions are reviewed on an ongoing basis. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 2.

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

(b) Not-for-profit status

For the purpose of the application of Accounting Standards and Interpretations, the University is considered to be a not-for-profit entity.

(c) Principles of consolidation

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

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

(d) Revenue recognition

Revenue from sale of goods and disposal of other assets and the rendering of services is recognised when the University has passed control and the significant risks and rewards of ownership have passed to the buyer of the goods or other assets, or when a service has been provided to a customer.

Notes to the Financial Statements (continued)

for the year ended 31 December 2012

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Student fees

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

Commonwealth supported student income

Income for Commonwealth supported students is recognised when the University has provided the service(s) to the student.

Research income

Research grants from government are recognised as revenue when the University obtains control over the asset comprising the contributions. When the University does not have control of the contribution, does not have the right to receive the contribution or, in the case of reciprocal grants, has not fulfilled grant conditions, the grant contribution is treated as deferred income as a liability in the Statement of Financial Position.

Reciprocal research income from other entities is recognised as revenue when the University has provided the service to the customer. Non-reciprocal research income from other entities is recognised as revenue when the University obtains control over the asset comprising the contributions.

Unspent non-reciprocal research grant funds at the end of each financial year are recognised by way of a research grants reserve (refer Note 30 (c)).

Other government grants

Other grants from government are recognised as revenue when the University obtains control over the asset comprising the contributions. When the University does not have control over the contribution, does not have the right to receive the contribution or, in the case of reciprocal grants, has not fulfilled grant conditions, the grant contribution is treated as deferred income as a liability in the Statement of Financial Position.

Consultancy fees

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

Other contributions revenue

Donations, gifts and other non-reciprocal contributions are recognised as revenue when the University obtains control over the assets comprising the contributions.

Contributions of assets are recognised at their fair value. Contributions of services are only recognised when a fair value can be reliably determined and the services would be purchased if not donated.

(e) Property, plant and equipment

All property, plant and equipment with a cost of greater than \$5,000 (excluding GST) is recorded as a non-current asset at cost, less subsequent depreciation and impairment.

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

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

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

Financial Report 2012 (continued)

Notes to the Financial Statements (continued)

for the year ended 31 December 2012

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Depreciation of non-current assets

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

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

- land not depreciated
- buildings 5-50 years
- leasehold land and improvements shorter of 50 years and life of lease
- computing equipment 3 years
- other equipment and furniture 8 years
- motor vehicles 5 years
- works of art not depreciated.

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

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

Library collection

The total cost of the last three years' acquisition of library books and journals is considered to 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.

(g) Impairment of property, plant and equipment

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

(h) Intangible assets

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

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

(i) Leases

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

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

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

Notes to the Financial Statements (continued)

for the year ended 31 December 2012

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

(j) Inventories

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

(k) Receivables

Current accounts receivable are recognised at nominal amounts receivable, as they are due for settlement no more than 30 days from the date of recognition. Non-current accounts receivable are recognised at fair value.

Collectability of receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off as bad debts. A provision for impaired receivables is raised when there is objective evidence that the University may not be able to collect the debt.

(l) Investments

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

Any decline in the fair value of previously impaired available-for-sale investments are to be recognised in the Operating Result for the period. Any increase in the fair value of previously impaired available-for-sale debt investments are to be recognised in the Operating Result for the period to the extent of the initial impairment and thereafter taken to the 'Investments revaluation reserve' in Equity. Any increase in the fair value of previously impaired available-for-sale equity investments are to be recognised in the 'Investment revaluation reserve' in Equity.

Included within unlisted shares are investments in a number of unlisted companies which were established to commercialise intellectual property. 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 and other investment income is recognised when earned.

The University's associates (refer Note 42 (a)) have not been equity accounted for in the University's financial statements because they are not material.

(m) Loans

Loans receivable are initially recognised at fair value, net of transaction costs incurred. Loans are subsequently measured at amortised cost.

Loans receivable are classified as current assets unless the counterparty has an unconditional right to defer settlement of the asset for at least 12 months after the reporting date, in which case they are classified as non-current.

Financial Report 2012 (continued)

Notes to the Financial Statements (continued)

for the year ended 31 December 2012

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(n) Joint research activities

The University participates in a number of joint research activities, such as Cooperative Research Centres (refer Notes 42(b) and (c)). The University recognises within its financial statements: the assets that it controls, the liabilities that it incurs, the expenses that it incurs and its share of the income that it earns from the joint research activities.

(o) Payables

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

(p) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost.

Borrowings are removed from the Statement of Financial Position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in other income or other expenses.

Borrowings are classified as current liabilities unless the University has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date, in which case they are classified as non-current.

(q) Employee benefits

Annual leave

This benefit is recognised at the reporting date in respect of employees' service up to that date and is measured at the amounts expected to be paid when the liabilities are settled, including anniversary increments and anticipated salary increases.

Long service leave

Unconditional long service leave provisions are classified as current liabilities as the University does not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

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

Superannuation

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

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

Notes to the Financial Statements (continued)

for the year ended 31 December 2012

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

The cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out on an annual basis. Actuarial gains and losses are recognised as an 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'. This is currently relevant to the UniSuper defined benefit scheme.

Unfunded superannuation

An arrangement exists between the Commonwealth Government and the Western Australian Government to meet the unfunded liability for the University's beneficiaries of the state superannuation schemes on an emerging cost basis. The unfunded liabilities have been recognised in the Statement of Financial Position under Provisions, with a corresponding asset recognised under Receivables. The recognition of both the asset and the liability concurrently does not affect the year end net asset position of the University. The liability and equivalent receivable are measured actuarially on an annual basis.

Accrued or prepaid salaries

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

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

(r) Foreign currency

Transactions denominated in a foreign currency are translated at the rates in existence at the dates of the transactions. Foreign currency monetary items, which include cash, receivables and payables, are translated at exchange rates current at the reporting date. Exchange gains and losses are brought to account in the Operating Result.

The University enters into foreign exchange forward contracts to manage its exposure to foreign exchange risk to material transactions denominated in foreign currency. Hedges of foreign exchange risk on highly probable or firm commitments are recognised as cash flow hedges. The University reviews the effectiveness of the hedging instrument in offsetting the changes in the cash flows of the hedged transaction, with the effective portion being recognised directly in Equity through 'Other comprehensive income'. The gain or loss on any ineffective portion is recognised immediately in the Operating Result and amounts recognised in Equity are transferred to the Operating Result in the period(s) that the hedged transaction is recognised. Hedge accounting is discontinued when the hedge instrument expires, is terminated, exercised, or no longer qualifies for hedge accounting. At this point, the cumulative gain or loss recognised in Equity is immediately recognised in the Operating Result.

(s) Reserves

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

(t) Taxes

Income tax

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

Financial Report 2012 (continued)

Notes to the Financial Statements (continued)

for the year ended 31 December 2012

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Goods and services tax (GST)

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

- where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, then the GST is recognised as part of the cost of acquisition or as part of the expense item as applicable
- where receivables and payables are stated with the amount of GST included.

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

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

Fringe benefits tax

The University is liable to pay fringe benefits tax, and it is included in 'Other expenses' in the Statement of Comprehensive Income.

Payroll tax

The University is liable to pay payroll tax, and it is included in 'Employee related expenses' in the Statement of Comprehensive Income.

(u) Other expenses

Finance costs

Finance (or borrowing) costs expense is recognised on an accrual basis.

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

Repairs and maintenance

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

Research and development

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

(v) Comparative figures

Comparative figures have been, where appropriate, reclassified so as to be comparable with the figures presented in the current financial year.

(w) Externally operated campuses

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

Notes to the Financial Statements (continued)

for the year ended 31 December 2012

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

(x) New Accounting Standards and Interpretations

Certain new Accounting Standards and Interpretations have been published that are not mandatory for the 31 December 2012 reporting period.

The University's assessment of the new Standards and Interpretations that have been finalised is that there is no significant impact to the University's financial statements. Relevant Standards are as follows:

- AASB 9 'Financial Instruments'
- AASB 11 'Joint Arrangements'
- AASB 13 'Fair Value Measurement'
- AASB 1053 'Application of Tiers of Australian Accounting Standards'
- AASB 2010-2 'Amendments to Australian Accounting Standards' arising from 'Reduced Disclosure Requirements'.

2 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

(a) Critical accounting estimates and assumptions

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

- provision for impairment of receivables (refer Notes 1(k) and 20)
- superannuation benefits and associated assets/liabilities (refer Note 1(q))
- discount rates used in estimating non-current provisions – discount rates are based on market yields on government bonds
- assessing impairment of assets including receivables, property, plant and equipment and investments (refer Notes 1(g), 1(k) and 1(l))
- estimating useful lives of non-current assets – the useful life reflects the consumption of the assets' future economic benefits (refer Note 1(f)).

Financial Report 2012 (continued)

Notes to the Financial Statements (continued)

for the year ended 31 December 2012

2 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)**(b) Critical judgements in applying the University's accounting policies**

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

- estimating the useful life of key assets
- impairment of property, plant and equipment
- impairment of receivables
- impairment of other financial assets (including investments).

3 DISAGGREGATED INFORMATION

	Revenue		Results		Assets	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Geographical						
Australia	776,577	741,692	68,952	67,949	1,320,731	1,208,554
Asia	13,656	16,144	9,311	11,522	9,513	11,548
Other	2,205	2,023	2,113	1,942	2,113	1,942
	792,438	759,859	80,376	81,413	1,332,357	1,222,044

Notes to the Financial Statements (continued)

for the year ended 31 December 2012

	Note	2012 \$'000	2011 \$'000
4 AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE INCLUDING HECS-HELP AND FEE-HELP			
(a) Commonwealth Grants Scheme (CGS) and other grants			
	44(a)		
Commonwealth Grants Scheme		200,551	164,201
Indigenous Support Fund		1,613	1,613
Disability Support Program		50	43
Partnership and Participation Program		2,713	1,385
Diversity and Structural Adjustment Fund		-	400
Transitional Cost Program		564	234
Total Commonwealth Grants Scheme and Other Grants		205,491	167,876
(b) Higher Education Loan Programs			
	44(b)		
HECS-HELP		96,065	84,628
FEE-HELP		18,993	17,227
SA-HELP		1,864	-
Total Higher Education Loan Programs		116,922	101,855
(c) Scholarships			
	44(c)		
Australian Postgraduate Awards		6,035	5,133
Indigenous Access Scholarships		81	89
International Postgraduate Research Scholarships		540	525
Commonwealth Education Costs Scholarships		430	969
Commonwealth Accommodation Scholarships		491	1,266
Total Scholarships		7,577	7,982
(d) DIISRTE research			
	44(d)		
Joint Research Engagement Program		9,668	9,223
Sustainable Research Excellence		1,841	1,761
Research Training Scheme		15,696	15,003
Research Infrastructure Block Grants		2,937	2,658
Commercialisation Training Scheme		-	177
Total DIISRTE Research Grants		30,142	28,822
(e) Other capital funding			
	44(e)		
Education Investment Fund		1,300	2,000
Total Other Capital Funding		1,300	2,000

Financial Report 2012 (continued)

Notes to the Financial Statements (continued)

for the year ended 31 December 2012

	Note	2012 \$'000	2011 \$'000
4 AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE INCLUDING HECS-HELP AND FEE-HELP (continued)			
(f) Australian Research Council (ARC)			
(i) Discovery			
Project	44(f)(i)	5,701	4,285
Fellowships		2,085	959
Total Discovery		7,786	5,244
(ii) Linkages			
Infrastructure	44(f)(ii)	1,169	190
International		-	(9)
Projects		2,374	2,933
Total Linkages		3,543	3,114
(g) Other Australian Government financial assistance			
Non-capital			
CRC Cooperative Research Centres funding		6,565	5,677
CSIRO Flagship Collaborative Research Program		2,418	77
NHMRC Grants		1,148	2,996
Other Commonwealth research income		8,810	8,515
Other teaching grants		2,069	3,118
Other Commonwealth grants		5,930	5,249
Research funds from other universities		1,542	3,910
		28,482	29,542
Capital			
CRC Cooperative Research Centres funding		14	35
Other Commonwealth research income		404	1,294
Other Commonwealth grants		277	562
Research funds from other universities		2,958	691
		3,653	2,582
Total Other Australian Government financial assistance		32,135	32,124
Total Australian Government Financial Assistance		404,896	349,017
Reconciliation			
Australian Government grants [a+c+d+e+f+g]		287,974	247,162
HECS-HELP – Australian Government payments		96,065	84,628
Other Australian Government loan programs (FEE-HELP)		18,993	17,227
SA-HELP		1,864	-
		116,922	101,855
Total Australian Government Financial Assistance – Continuing Operations		404,896	349,017

Notes to the Financial Statements (continued)

for the year ended 31 December 2012

	Note	2012 \$'000	2011 \$'000
4 AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE INCLUDING HECS-HELP AND FEE-HELP (continued)			
(h) Australian Government grants received – cash basis			
CGS and Other DIISRTE Grants	44(a)	202,064	170,257
Higher Education Loan Programs	44(b)	116,528	108,209
Scholarships	44(c)	8,269	9,497
DIISRTE research	44(d)	30,142	28,822
Other capital funding	44(e)	3,300	6,100
ARC grants – Discovery	44(f)(i)	7,337	5,235
ARC grants – Linkages	44(f)(ii)	3,038	3,123
Other government grants		24,036	29,594
Total Australian Government Grants Received – Cash Basis		394,714	360,837
OS-Help (Net)	44(g)	335	475
Superannuation supplementation	44(h)	7,085	6,893
Total Australian Government Funding Received – Cash Basis		402,134	368,205
5 STATE AND LOCAL GOVERNMENT FINANCIAL ASSISTANCE			
Non-capital			
Local government		407	335
State government		8,140	8,145
		8,547	8,480
Capital			
State government		702	671
Total State and Local Government Financial Assistance		9,249	9,151
6 FEES AND CHARGES			
Course fees and charges			
Fee-paying overseas students		180,469	186,912
Continuing education		2,478	1,951
Fee-paying domestic postgraduate students		12,716	12,702
Fee-paying domestic undergraduate students		6	45
Fee-paying domestic non-award students ¹		23,378	20,987
Total Course Fees and Charges		219,047	222,597

¹2011 comparative has been restated to include Open Universities Australia revenue previously shown as part of sundry income.

Financial Report 2012 (continued)

Notes to the Financial Statements (continued)

for the year ended 31 December 2012

Note	2012 \$'000	2011 \$'000
6 FEES AND CHARGES (continued)		
Other non-course fees and charges		
Examination fees	124	1,063
Late fees	575	446
Library fines	134	172
Parking fees	3,755	3,571
Registration fees	200	139
Ancillary fees	249	261
Student accommodation	9,887	8,989
Student services and amenities fees	1,696	2
Other fees and charges	2,346	2,447
Total Other Non-Course Fees and Charges	18,966	17,090
Total Fees and Charges	238,013	239,687
7 INVESTMENT REVENUE		
Distributions and dividends from available-for-sale investments	18,421	28,101
Gain/(loss) on disposal of available-for-sale investments	843	(162)
Cumulative gain/(loss) reclassified from equity on disposal of available-for-sale investments	(581)	461
Interest received	6,439	5,485
Total Investment Revenue	25,122	33,885
8 ROYALTIES, TRADEMARKS AND LICENCES		
Royalties	22,883	28,003
Total Royalties, Trademarks and Licences	22,883	28,003
9 CONSULTANCY AND CONTRACTS		
Consultancy	8,293	10,666
Contract research	18,800	25,486
Total Consultancy and Contracts	27,093	36,152

Notes to the Financial Statements (continued)

for the year ended 31 December 2012

Note	2012 \$'000	2011 \$'000
10 OTHER REVENUE		
Trading income	15,617	16,781
Donations	1,969	2,379
Rental income	8,041	8,335
Non-government grants ^{1, 4}	9,638	11,153
Insurance claims	1,184	653
Staff salary recoveries	1,853	669
Proceeds from sale of minor equipment	67	31
Conference income	1,032	722
Other	153	226
Total Other Revenue	39,554	40,949
Revenue from sale of goods ²	7,491	8,307
Cost of sales:		
opening inventory	1,416	1,426
purchases	5,561	6,122
closing inventory	(1,507)	(1,416)
Cost of goods sold ³	5,470	6,132
Gross margin before selling and administrative expenses	2,021	2,175

¹ Non-government grants include revenue for scholarships, sponsorships, training workshops and other sundry income.

² Revenue from sale of goods is included under 'Trading income'.

³ Costs of goods sold are included under Other Expenses - 'Inventory used and sold' (see Note 17).

⁴ 2011 comparative has been restated to exclude Open Universities Australia revenue, which has been reclassified as Fee-paying domestic non-award student course fees and charges.

Financial Report 2012 (continued)

Notes to the Financial Statements (continued)

for the year ended 31 December 2012

	Note	2012 \$'000	2011 \$'000
11 EMPLOYEE RELATED EXPENSES			
Academic			
Salaries		177,595	177,350
Contribution to funded superannuation and pension schemes		28,433	26,754
Long service leave		6,269	5,107
Annual leave		13,060	12,044
Payroll tax		12,619	11,691
Workers' compensation		1,273	807
Total Academic		239,249	233,753
Non-academic			
Salaries		146,136	134,433
Contribution to funded superannuation and pension schemes		22,169	20,539
Long service leave		5,596	4,452
Annual leave		10,811	9,850
Payroll tax		9,922	9,185
Workers' compensation		1,002	634
Total Non-academic		195,636	179,093
Total Employee Related Expenses		434,885	412,846
Deferred superannuation expense	37(b)	362	452
Total Employee Related Expenses including Deferred Government Employee Benefits for Superannuation		435,247	413,298
12 DEPRECIATION AND AMORTISATION			
Buildings		21,644	20,015
Leasehold land and improvements		209	210
Computing equipment		1,334	1,544
Other equipment and furniture		5,848	6,752
Motor vehicles		158	177
Library collections		5,131	5,032
Total Depreciation Expense		34,324	33,730
13 REPAIRS AND MAINTENANCE			
Property		6,324	5,913
Minor new works		8,829	6,792
Grounds maintenance		1,117	1,152
Total Repairs and Maintenance		16,270	13,857

Notes to the Financial Statements (continued)

for the year ended 31 December 2012

Note	2012 \$'000	2011 \$'000
14 BORROWING COSTS		
Interest on borrowings	4,280	4,509
Less: amount capitalised	-	-
Total Borrowing Costs	4,280	4,509
15 IMPAIRMENT OF ASSETS		
Bad debts written-off	97	28
Movement in provision for impaired receivables	(2,214)	1,956
Impairment/(impairment reversal) of Other Financial Assets	(218)	213
Total Impairment of Assets	(2,335)	2,197
16 NET (GAIN)/LOSS ON DISPOSAL OF NON-CURRENT ASSETS		
Carrying amount of disposed non-current assets:		
Property, plant and equipment	573	260
Proceeds from disposal of non-current assets:		
Property, plant and equipment	(808)	(181)
Net (Gain)/Loss on Disposal of Non-Current Assets	(235)	79

Financial Report 2012 (continued)

Notes to the Financial Statements (continued)

for the year ended 31 December 2012

	Note	2012 \$'000	2011 \$'000
17 OTHER EXPENSES			
Advertising, marketing and promotional		7,492	5,968
Agency staff costs		4,308	2,972
Books		3,656	2,622
Computer peripherals and parts		17,197	15,171
Consumables		11,699	11,073
Contract work		32,076	32,493
Exchange rate losses		138	144
Fees and commissions		15,853	13,315
Financial assistance provided/research support		4,362	3,520
Graduations		909	836
Hospitality		2,777	3,037
Insurance		2,553	2,264
Inventory used and sold		7,721	8,340
Lease and rental		4,755	4,728
Non-capitalised equipment		8,054	6,109
Occupational health, safety and welfare		424	509
Offshore partner fee share		13	99
Partner service fees		12,061	14,630
Postage and courier		1,183	1,320
Publications		563	542
Scholarships, grants and prizes		37,121	36,857
Security		354	370
Staff development and training		4,388	4,851
Staff recruitment		1,620	1,658
Subscriptions		5,551	4,828
Telecommunications		2,153	2,189
Travel		14,752	14,635
Utilities and cleaning		17,616	15,415
Other		3,162	281
Total Other Expenses		224,511	210,776

Notes to the Financial Statements (continued)

for the year ended 31 December 2012

18 DISCONTINUED OPERATIONS

Disposal of the Northam campus vested land and buildings

On 1 July 2012, the University transferred the vested land and buildings thereon at its Northam campus to the VET (WA) Ministerial Corporation for nil consideration. These assets had been fully impaired in 2009 when the original decision to close the campus was made, and therefore no gain or loss arose from the transaction. The University's teaching and research operations at the Northam campus have not been discontinued and have been transferred to the Bentley Campus.

Although the University owned the freehold land at Northam and operated the farm thereon at year end, this operation was ceased and its assets sold in February 2013. The financial impact of the disposal was not significant.

Disposal of the Vocational Training and Education Centre

The University will continue to operate the Goldfields Art Centre until 31 August 2013, at which point the property transfers to the VET (WA) Ministerial Corporation. There will be no significant financial impact from the transfer.

Note	2012 \$'000	2011 \$'000
19 CASH AND CASH EQUIVALENTS		
(a) Cash and cash equivalents – unrestricted		
Cash at bank and on hand ¹	32,862	28,587
Fixed term deposits ²	45,000	40,000
Total Cash and Cash Equivalents – Unrestricted	77,862	68,587
(b) Cash and cash equivalents – restricted		
Trust cash at bank ¹	80	62
Trust fixed term deposit ²	1,677	1,608
Total Cash and Cash Equivalents – Restricted	1,757	1,670
Total Cash and Cash Equivalents	79,619	70,257

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

² Deposits are interest bearing at variable interest rates (refer Note 31).

Financial Report 2012 (continued)

Notes to the Financial Statements (continued)

for the year ended 31 December 2012

Note	2012 \$'000	2011 \$'000
20 TRADE AND OTHER RECEIVABLES		
Current		
Student receivables	7,011	5,514
Less: provision for impaired receivables	(249)	(250)
	6,762	5,264
General receivables		
General receivables	14,455	19,711
Less: provision for impaired receivables	(105)	(2,361)
	14,350	17,350
Deferred government contribution for unfunded superannuation (refer Note 37(b))	3,919	3,804
Total Current	25,031	26,418
Non-current		
Deferred government contribution for unfunded superannuation (refer Note 37(b))	69,667	68,438
Total Receivables	94,698	94,856
Impaired receivables		
The creation and release of the provision for impaired receivables has been included in 'Impairment of assets' in the Statement of Comprehensive Income. Amounts charged to the provision account are written off when there is no expectation of recovering additional amounts.		
As at 31 December 2012 current receivables for student fees with a nominal value of \$0.249 million (2011: \$0.250 million) were impaired. The amount of the provision was \$0.249 million (2011: \$0.250 million).		
The ageing of these receivables is as follows:		
Less than 12 months	180	190
Greater than 12 months	69	60
	249	250
As at 31 December 2012 current receivables for student fees of \$5.304 million (2011: \$3.134 million) were past due date but not impaired.		
The ageing of these receivables is as follows:		
Less than 12 months	5,304	3,134
Greater than 12 months	-	-
	5,304	3,134

Notes to the Financial Statements (continued)

for the year ended 31 December 2012

	Note	2012 \$'000	2011 \$'000
20 TRADE AND OTHER RECEIVABLES (continued)			
Movements in the provision for impaired student fees receivables are as follows:			
Balance at start of year		250	250
Provision for impairment recognised during the year		180	195
Receivables written-off during the year as uncollectable		(66)	(21)
Unused amount reversed		(115)	(174)
Balance at end of year		249	250
As at 31 December 2012 current general receivables with a nominal value of \$0.105 million (2011: \$2.361 million) were impaired.			
The ageing of these receivables is as follows:			
Less than 12 months		41	2,337
Greater than 12 months		64	24
		105	2,361
As at 31 December 2012 current general receivables of \$8.009 million (2011: \$10.735 million) were past due date but not impaired.			
The ageing of these receivables is as follows:			
Less than 12 months		7,968	9,681
Greater than 12 months		41	1,054
		8,009	10,735
Movements in the provision for impaired general receivables are as follows:			
Balance at start of year		2,361	405
Receivables written off during the year as uncollectable		(31)	(7)
Provision for impairment recognised during the year		1,657	1,963
Unused amount reversed		(3,882)	-
Balance at end of year		105	2,361
21 INVENTORIES			
Inventories held for resale			
Merchandise		1,507	1,416
Inventories not held for resale			
General stores		124	111
Farming stores		450	450
Total Inventories Not Held for Resale		574	561
Total Inventories		2,081	1,977

Financial Report 2012 (continued)

Notes to the Financial Statements (continued)

for the year ended 31 December 2012

Note	2012 \$'000	2011 \$'000
22 OTHER FINANCIAL ASSETS - UNRESTRICTED		
Current		
Loans		
Interest bearing loans	703	702
Other loans	188	-
	891	702
Non-current		
Available-for-sale		
Funds under management (at fair value)	321,611	260,132
Unlisted shares and warrants (at cost)	2,632	2,662
Loans		
Interest bearing loans	661	1,364
Total Non-Current Other Financial Assets	324,904	264,158
Total Other Financial Assets - Unrestricted	325,795	264,860
All available-for-sale financial assets are denominated in Australian currency. For an analysis of the credit risk and sensitivity of available-for-sale financial assets to price, currency and interest rate risk, refer to Note 31.		
23 OTHER FINANCIAL ASSETS - RESTRICTED		
Current available-for-sale		
Restricted funds under management		
Research activities	50,176	44,636
Donations and prizes	21,864	19,888
Trusts	5,183	3,851
Capital works grants	-	1,517
Total Restricted Funds Under Management (at fair value)	77,223	69,892
Total Restricted Other Financial Assets	77,223	69,892
Restricted funds are held as cash (refer note 19(b)) or invested as managed funds. Capital works grants represent unspent grants for education infrastructure. All available-for-sale financial assets are denominated in Australian currency. For an analysis of the credit risk and sensitivity of available-for-sale financial assets to price and interest rate risk, refer to Note 31.		
24 OTHER NON-FINANCIAL ASSETS		
Current		
Prepayments	13,560	12,949
Accrued income	16,618	10,828
Total Other Non-Financial Assets	30,178	23,777

Notes to the Financial Statements (continued)

for the year ended 31 December 2012

	Note	2012 \$'000	2011 \$'000
25 PROPERTY, PLANT AND EQUIPMENT			
Land¹			
At cost		80,650	82,365
Accumulated impairment		(294)	(1,648)
		80,356	80,717
Buildings			
At cost		717,978	672,249
Accumulated depreciation and impairment		(163,350)	(151,698)
		554,628	520,551
Leasehold land and improvements			
At cost		5,423	5,423
Accumulated depreciation		(1,446)	(1,237)
		3,977	4,186
Work in progress			
Capital projects (at cost)		23,030	35,250
Computing equipment			
At cost		12,933	11,752
Accumulated depreciation		(10,835)	(9,733)
		2,098	2,019
Other equipment and furniture			
At cost		80,129	71,757
Accumulated depreciation		(54,092)	(48,598)
		26,037	23,159
Motor vehicles			
At cost		1,435	1,722
Accumulated depreciation		(893)	(1,261)
		542	461
Library collection			
At cost		24,930	23,221
Accumulated depreciation		(5,131)	(5,032)
		19,799	18,189
Works of art			
At cost		12,296	11,893
Total Property, Plant and Equipment		722,763	696,425

¹ Parts of the sites upon which the University is located, in particular the Bentley and Kalgoorlie campuses, are vested in the University by the Government of Western Australia for purposes consistent with the *Curtin University of Technology Act 1966*.

Financial Report 2012 (continued)

Notes to the Financial Statements (continued)

for the year ended 31 December 2012

25 PROPERTY, PLANT AND EQUIPMENT (continued)

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

	Land \$'000	Buildings \$'000	Leasehold land and improve- ments \$'000	Work in progress \$'000	Computing equipment \$'000	Other equipment and furniture \$'000	Motor vehicles \$'000	Library collection \$'000	Works of art \$'000	Total \$'000
2012										
Carrying amount at start of year	80,717	520,551	4,186	35,250	2,019	23,159	461	18,189	11,893	696,425
Additions	-	383	-	43,605	1,333	8,450	253	6,741	470	61,235
Cost of disposals	(1,715)	(11,295)	-	-	(230)	(361)	(540)	-	(67)	(14,208)
Impairment loss reversals on disposals	1,354	6,871	-	-	-	-	-	-	-	8,225
Accumulated depreciation on disposals	-	4,300	-	-	230	347	533	-	-	5,410
Transfers in/(out)	-	55,462	-	(55,825)	80	290	(7)	-	-	-
Depreciation charge	-	(21,644)	(209)	-	(1,334)	(5,848)	(158)	(5,131)	-	(34,324)
Carrying amount at end of year	80,356	554,628	3,977	23,030	2,098	26,037	542	19,799	12,296	722,763
2011										
Carrying amount at start of year	78,840	494,875	4,396	41,665	2,269	24,488	334	16,597	11,769	675,233
Additions	1,877	-	-	39,948	749	5,533	327	6,624	124	55,182
Cost of disposals	-	(48)	-	-	(3,228)	(2,283)	(291)	-	-	(5,850)
Accumulated depreciation on disposals	-	10	-	-	3,229	2,083	268	-	-	5,590
Transfers in/(out)	-	45,729	-	(46,363)	544	90	-	-	-	-
Depreciation charge	-	(20,015)	(210)	-	(1,544)	(6,752)	(177)	(5,032)	-	(33,730)
Carrying amount at end of year	80,717	520,551	4,186	35,250	2,019	23,159	461	18,189	11,893	696,425

Notes to the Financial Statements (continued)

for the year ended 31 December 2012

Note	2012 \$'000	2011 \$'000		
26 TRADE AND OTHER PAYABLES				
Current				
Trade payables	11,187	15,562		
27 BORROWINGS				
Current				
Treasury loans – secured	2,314	4,878		
Non-current				
Treasury loans – secured	60,401	62,746		
Total Borrowings	62,715	67,624		
Treasury loans				
The University has the following loans with the WA Treasury Corporation:				
		Principal outstanding		
	Average interest rate	Maturity date	2012 \$'000	2011 \$'000
Capital works				
- quarterly principal and variable rate interest repayments	5.29%	15.10.2017	124	166
Muresk Campus housing				
- fixed rate interest only quarterly repayments with the loan principal to be repaid at date of maturity	6.50%	15.07.2018	2,050	2,050
Bentley Campus housing				
- fixed rate interest only quarterly repayments with the loan principal to be repaid at date of maturity	7.05%	15.01.2018	16,800	16,800
- quarterly principal and variable rate interest repayments	5.29%	15.10.2017	474	633
Goldfields Arts Centre				
- quarterly principal and variable rate interest repayments	5.36%	15.10.2014	1,240	1,900
Chemistry Centre of WA building				
- monthly principal and fixed rate interest repayments	6.77%	01.07.2029	37,637	38,828
- monthly principal and fixed rate interest repayments ¹	5.11%	01.07.2029	4,390	-
- variable rate interest with principal repayment at maturity ¹			-	7,247
Total Treasury Loans			62,715	67,624

¹ In 2012 the University converted the loan into a loan repayable over the period to 1 July 2029 at a fixed rate of 5.11%.

Financial Report 2012 (continued)

Notes to the Financial Statements (continued)

for the year ended 31 December 2012

Note	2012 \$'000	2011 \$'000
27 BORROWINGS (continued)		
Financing facilities available		
At reporting date the following financing facilities had been negotiated and were available:		
Total facilities:		
- Treasury loans	62,715	67,624
Facilities used at reporting date:		
- Treasury loans	62,715	67,624
Facilities unused at reporting date:		
- Treasury loans	-	-

Notes to the Financial Statements (continued)

for the year ended 31 December 2012

27 BORROWINGS (continued)

Assets pledged as security

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

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

	2012		2011	
	Carrying amount \$'000	Fair value \$'000	Carrying amount \$'000	Fair value \$'000
Capital works				
- quarterly principal and variable rate interest repayments	124	130	166	173
Muresk Campus housing				
- fixed rate interest only quarterly repayments with the loan principal to be repaid at date of maturity	2,050	2,371	2,050	2,308
Bentley Campus housing				
- fixed rate interest only quarterly repayments with the loan principal to be repaid at date of maturity	16,800	19,734	16,800	19,337
- quarterly principal and variable rate interest repayments	474	498	633	662
Goldfields Arts Centre				
- quarterly principal and variable rate interest repayments	1,240	1,283	1,900	1,969
Chemistry Centre of WA building				
- monthly principal and fixed rate interest repayments	37,637	45,196	38,828	44,944
- monthly principal and fixed rate interest repayments	4,390	4,707	-	-
- variable rate interest repayments with principal repayment at maturity		-	7,247	7,280
Total Treasury Loans	62,715	73,920	67,624	76,673

The fair value of the loans have been prepared assuming hypothetical settlement dates of 31 December 2012 and 31 December 2011.

Financial Report 2012 (continued)

Notes to the Financial Statements (continued)

for the year ended 31 December 2012

	Note	2012 \$'000	2011 \$'000
28 PROVISIONS			
Current			
Employee benefits provisions			
Annual leave ¹		30,829	29,317
Long service leave ²		27,324	28,170
Employment on-costs		3,489	3,449
Redundancy costs		3,806	9,965
Superannuation:			
Deferred employee benefits for unfunded superannuation	37(b)	3,919	3,804
Other University pension liabilities	37(a)	87	79
Total Current Provisions		69,454	74,784
Non-current			
Employee benefits provisions			
Long service leave		22,960	18,318
Employment on-costs		1,378	1,099
Superannuation:			
Deferred employee benefits for unfunded superannuation	37(b)	69,667	68,438
Other University pension liabilities	37(a)	933	853
Total Non-Current Employee Benefits Provisions		94,938	88,708
Other non-current provisions			
Sarawak research fund provision ^(a)		-	1,006
Total Non-Current Provisions		94,938	89,714
Total Provisions		164,392	164,498

^(a)The University has agreed to contribute a proportion of its royalties receivable from the Curtin Sarawak Campus to a research fund for that campus.

Notes to the Financial Statements (continued)

for the year ended 31 December 2012

Note	2012 \$'000	2011 \$'000
28 PROVISIONS (continued)		
Movements in other provisions		
Movements in each class of provision during the financial year, other than employee benefits, are set out below:		
<i>Employment on-costs provision</i>		
Balance at beginning of year	4,548	4,158
Addition/(reduction) in provisions recognised	2,110	1,859
Reduction arising from payments	(1,791)	(1,469)
Balance at end of year	4,867	4,548
<i>Redundancy costs provision</i>		
Balance at beginning of year	9,965	1,960
Addition/(reduction) in provisions recognised	(5,981)	8,280
Reduction arising from payments	(178)	(275)
Balance at end of year	3,806	9,965
<i>Sarawak research fund provision</i>		
Balance at beginning of year	1,006	1,006
Addition/(reduction) in provisions recognised	-	-
Reduction arising from payments	(1,006)	-
Balance at end of year	-	1,006
¹ Annual leave (including employment on-costs)		
Annual leave liabilities (including employment on-costs) have been classified as current as there is no unconditional right to defer settlement for at least 12 months after balance sheet date. Actual settlement of the current liabilities is expected to occur as follows:		
Within 12 months of the end of the reporting period	23,538	23,064
More than 12 months after the end of the reporting period	9,140	8,012
	32,678	31,076
² Long service leave (including employment on-costs)		
Long service leave liabilities have been classified as current where there is no unconditional right to defer settlement for at least 12 months after balance sheet date. Actual settlement of the current liabilities is expected to occur as follows:		
Within 12 months of the end of the reporting period	7,961	5,156
More than 12 months after the end of the reporting period	21,003	24,704
	28,964	29,860

Financial Report 2012 (continued)

Notes to the Financial Statements (continued)

for the year ended 31 December 2012

	Note	2012 \$'000	2011 \$'000
29 OTHER LIABILITIES			
Current			
Income received in advance		36,009	28,679
Accrued expenses		32,773	25,503
Monies held in trust		6,940	5,521
Total Other Liabilities		75,722	59,703
30 EQUITY			
Reserves			
Investments revaluation reserve	30(a)	7,447	(15,861)
Hedging reserve	30(b)	-	-
Research grants reserve	30(c)	50,404	44,636
Total Reserves		57,851	28,775
Retained Earnings	30(d)	960,490	885,882
(a) 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 Operating Result. Where a revalued financial asset is impaired, the portion of the reserve which relates to that financial asset is transferred to the Operating Result.			
<i>Movement in reserve</i>			
Balance at beginning of year		(15,861)	3,753
Unrealised valuation gain/(loss)		23,350	(19,102)
Realised (gain)/loss on sale of financial assets		(260)	(299)
Impairment reversal/(impairment) of financial assets		218	(213)
Movement for the year		23,308	(19,614)
Balance at end of year		7,447	(15,861)

Notes to the Financial Statements (continued)

for the year ended 31 December 2012

Note	2012 \$'000	2011 \$'000
30 EQUITY (continued)		
(b) Hedging reserve		
The hedging reserve represents hedging gains and losses recognised on the effective portion of foreign currency cash flow hedges.		
Balance at beginning of year	-	(55)
Revaluation of cash flow hedge to fair value	-	-
Transfer to Statement of Comprehensive Income	-	55
Balance at end of year	-	-
(c) Research grants reserve		
Non-reciprocal research grants are required by Accounting Standards to be recognised as income when the University obtains control over the asset comprising the contributions. This reserve is provided for the balance of unspent research grants at the end of each financial year.		
Balance at beginning of year	44,636	40,220
Transfers to reserves	24,686	18,112
Transfers from reserves	(18,918)	(13,696)
Balance at end of year	50,404	44,636
(d) Retained earnings		
Balance at beginning of year	885,882	808,885
Net operating result for the year	80,376	81,413
Transfers to reserves	(24,686)	(18,112)
Transfers from reserves	18,918	13,696
Balance at end of year	960,490	885,882

Financial Report 2012 (continued)

Notes to the Financial Statements (continued)

for the year ended 31 December 2012

31 FINANCIAL INSTRUMENTS

	Weighted average effective interest rate %	Non-interest bearing \$'000	Variable interest rate \$'000	Fixed interest rate \$'000	Total carrying amount \$'000	Maturity Profile		
						Less than 1 year \$'000	1-5 years \$'000	More than 5 years \$'000
2012								
Financial assets								
Cash and cash equivalents	3.90%	35	79,584	-	79,619	79,619	-	-
Receivables		21,112	-	-	21,112	21,112	-	-
Loans advanced	4.71%	188	1,364	-	1,552	891	661	-
Unlisted securities (unrestricted)		2,632	-	-	2,632	-	2,632	-
Funds under management (unrestricted) ^{1,4}	0.01%	319,359	2,252	-	321,611	417	64,939	256,256
Funds under management (restricted) ⁴		77,223	-	-	77,223	-	-	77,223
Total Financial Assets		420,549	83,200	-	503,749	102,039	68,232	333,479
Financial liabilities								
Payables		11,187	-	-	11,187	11,187	-	-
Borrowings	6.68%	-	1,838	60,877	62,715	2,314	26,657	33,745
Total Financial Liabilities		11,187	1,838	60,877	73,902	13,501	26,657	33,745
2011								
Financial assets								
Cash and cash equivalents	5.18%	42	70,215	-	70,257	70,257	-	-
Receivables		22,614	-	-	22,614	22,614	-	-
Loans advanced	5.61%	-	2,066	-	2,066	702	1,356	8
Unlisted securities (unrestricted)		2,662	-	-	2,662	-	2,662	-
Funds under management (unrestricted) ^{1,4}	0.01%	257,927	2,205	-	260,132	321	63,504	196,306
Funds under management (restricted) ⁴		69,892	-	-	69,892	-	-	69,892
Total Financial Assets		353,137	74,486	-	427,623	93,894	67,522	266,206
Financial liabilities								
Payables		15,562	-	-	15,562	15,562	-	-
Borrowings	6.13%	-	9,946	57,678	67,624	4,878	8,120	54,626
Total Financial Liabilities		15,562	9,946	57,678	83,186	20,440	8,120	54,626

Notes to the Financial Statements (continued)

for the year ended 31 December 2012

Foreign Exchange Risk Sensitivity ²				Interest Rate Risk Sensitivity				Price Risk Sensitivity ³				Credit risk \$'000
-10%		+10%		-200 bps		+200 bps		-15%		+15%		
Operating Result \$'000	Other equity \$'000	Operating Result \$'000	Other equity \$'000	Operating Result \$'000	Other equity \$'000	Operating Result \$'000	Other equity \$'000	Operating Result \$'000	Other equity \$'000	Operating Result \$'000	Other equity \$'000	
-	-	-	-	(2,522)	-	2,522	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	21,112
-	-	-	-	(22)	-	22	-	-	-	-	-	188
-	-	-	-	-	-	-	-	-	-	-	-	-
-	2,665	-	(2,665)	(15)	-	15	-	(6,518)	(41,782)	266	48,033	2,252
-	-	-	-	-	-	-	-	(1,565)	(10,032)	64	11,533	-
-	2,665	-	(2,665)	(2,559)	-	2,559	-	(8,083)	(51,814)	330	59,566	23,552
-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	30	-	(30)	-	-	-	-	-	-
-	-	-	-	30	-	(30)	-	-	-	-	-	-
14	-	(11)	-	(1,827)	-	1,827	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	22,614
-	-	-	-	(3)	-	3	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-
-	2,643	-	(2,643)	-	-	-	-	(810)	(48,704)	248	49,265	2,205
-	-	-	-	-	-	-	-	(10,148)	-	-	10,148	-
14	2,643	(11)	(2,643)	(1,830)	-	1,830	-	(10,958)	(48,704)	248	59,413	24,819
-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	60	-	(60)	-	-	-	-	-	-
-	-	-	-	60	-	(60)	-	-	-	-	-	-

¹ Funds under management mainly comprise investments in unit based funds. Credit risk exposure relates only to funds under management not in unit based funds.

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

³ Operating Result would not be affected if prices increased by 15% as the equity investments are classified as available-for-sale with gains recognised directly in equity. However, Operating Result would be affected if prices decreased by 15% with further decreases in value of previously impaired available-for-sale assets recognised in the Operating Result.

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

Financial Report 2012 (continued)

Notes to the Financial Statements (continued)

for the year ended 31 December 2012

	2012	2011	2012	2011	2012 Fair Value Hierarchy			2011 Fair Value Hierarchy		
	Carrying Amount \$'000	Carrying Amount \$'000	Fair Value \$'000	Fair Value \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Financial assets										
Assets carried at cost										
Cash and cash equivalents	79,619	70,257	79,619	70,257						
Receivables	21,112	22,614	21,112	22,614						
Loans advanced	1,552	2,066	1,545	2,066						
Unlisted securities (unrestricted)	2,632	2,662	2,632	2,662						
Assets carried at fair value										
Funds under management (unrestricted)	321,611	260,132	321,611	260,132	319,359	2,252	-	257,927	2,205	-
Funds under management (restricted)	77,223	69,892	77,223	69,892	77,223	-	-	69,892	-	-
Total Financial Assets	503,749	427,623	503,742	427,623	396,582	2,252	-	327,819	2,205	-
Financial liabilities										
Liabilities carried at cost										
Payables	11,187	15,562	11,187	15,562						
Liabilities carried at fair value										
Borrowings	62,715	67,624	73,920	76,673	73,920	-	-	76,673	-	-
Total Financial Liabilities	73,902	83,186	85,107	92,235	73,920	-	-	76,673	-	-

The Fair Value Hierarchy reflects the following level of inputs used in measuring the fair value of financial assets and financial liabilities:

Level 1: the fair value of assets and liabilities are determined based on quoted market prices (unadjusted) in active markets for identical assets or liabilities. The fair valuation of borrowings is primarily based on the net present value of the borrowing using the variable rate for lending at year end. Where the variable rate is lower than the fixed rate, the fair value is greater than the face value.

Level 2: the fair value of assets and liabilities have been determined from inputs other than quoted prices that are observable for the asset or liability, either directly (that is, as prices) or indirectly (derived from prices); this includes unlisted securities which have been valued at cost at balance date and directly held fixed income securities of the University (classified as Funds under Management) being derived from observable market data.

Level 3: inputs for the Assets or Liabilities that are not based on observable market data.

Notes to the Financial Statements (continued)

for the year ended 31 December 2012

32 FINANCIAL RISK MANAGEMENT

Financial instruments held by the University are cash and cash equivalents, receivables, borrowings and payables. The University has exposure to financial risks. The University's overall risk management program focuses on managing the risks identified below.

(a) Market Risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in market prices. Components of market risk to which the University is exposed are:

(i) Interest rate risk

The University is exposed to interest rate risk from its use of interest bearing financial assets and liabilities. Non-derivative interest bearing assets are predominantly short-term liquid assets, that is, cash, cash deposits, interest-bearing loans advanced and some funds under management. The University's main interest rate liability risk arises from borrowings issued at fixed rates, which give exposure to fair value interest rate risk, and from borrowings at a variable interest rate, which give rise to cash flow interest rate risk. The University manages its borrowings in accordance with targeted interest rate, liquidity and debt portfolio maturity profiles. Notes 27 and 31 provide further detail.

Note 31 details the University's sensitivity to a 200 basis point increase or decrease in interest rates assuming the change took place at the beginning of the financial year and held constant throughout the reporting period. There is no significant exposure to interest rate risks.

(ii) Foreign currency risk

The University is exposed to foreign currency risk when income from overseas operations, such as royalties and offshore partner fees, is received in foreign currency.

The University manages this risk by conducting its contracts and business in Australian dollars where it is commercially practical to do so. Furthermore, the University seeks to hedge any material, highly probable foreign currency transactions by way of permitted instruments with appropriate counterparties. The University does not undertake speculative positions on movements in foreign currency exchange rates.

The University holds available-for-sale investments whose underlying assets include some investments denominated in foreign currency which are unhedged.

At 31 December 2012, the University held no foreign currency forward exchange contracts. The USD foreign currency bank account was closed during the year.

(iii) Price risk

Price risk arises when there is a possibility of decline in the value of investments. It refers to the risk that the value of an investment will fluctuate due to changes in market prices. Investments include unlisted securities and funds under management. Note 31 details the University's sensitivity to a 15% increase or decrease in prices at reporting date on its funds under management. At reporting date, if the inputs to valuation of funds under management had been 15% higher, Equity would have been \$59.567 million higher (2011: \$59.413 million) and the Operating Result would have been \$0.330 million (2011: \$0.248 million) higher due to the reversal of previously impaired available-for-sale debt investments. However, if the inputs to the valuation of the funds under management had been 15% lower, the devaluation would have reduced the Equity Reserve by \$51.814 million (2011: \$48.704 million) and the impairment loss that would have been recognised through the Operating Result on previously impaired assets would have been \$8.083 million (2011: \$10.958 million).

The University's sensitivity to price risk has increased over the period due to the higher fair value of equity investments held and additional investments made during the year.

Financial Report 2012 (continued)

Notes to the Financial Statements (continued)

for the year ended 31 December 2012

32 FINANCIAL RISK MANAGEMENT (continued)

(b) Credit risk

Credit risk is the risk that a contracting entity will not complete its obligations under a financial instrument resulting in a financial loss to the University. The University has exposure to credit risk and financial loss on financial assets included in the Statement of Financial Position, comprising cash and cash equivalents, trade and other receivables, and other financial assets.

Procedures are in place to minimise exposure to credit risk associated with students and other debtors. The credit risk on funds under management and derivative financial instruments is limited as the counterparties are generally either with banks or investment grade fund managers. For an analysis of credit risk of the University, refer to Note 31.

The University's funds under management subject to credit risk has reduced and certain zero coupon bonds held are endowed with capital protection mechanisms. At reporting date, some previously impaired available-for-sale debt investments increased in value, resulting in reversal of impairments to the Operating Result of \$0.218 million (2011: \$0.402 million).

(c) Liquidity risk

Liquidity risk refers to the risk of financial loss to the University as a result of insufficient funds being available to meet its short and long-term liabilities.

The University manages liquidity risk by maintaining adequate cash and cash equivalent balances, monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

(d) Fair value estimation

The fair values of financial assets and financial liabilities shown in Note 31 are determined as follows:

- due to the short-term nature of current receivables, their carrying value is assumed to approximate fair value and, based on credit history, it is expected that the receivables that are neither past due date nor impaired will be received when due
- available-for-sale equity financial assets are traded on an active market. Hence, the fair value of these investments is based on quoted market prices at the reporting date (Level 1). The fair value of available-for-sale debt financial assets are determined based on market prices of financial assets with similar maturity and risk profiles due to the illiquidity of these financial assets (Level 2)
- the fair value of forward foreign exchange contracts is determined by referring to the price of similar instruments as at reporting date with same settlement date
- unlisted shares are measured at cost as their fair value cannot be measured reliably. Unlisted shares are not traded on an active market. The University currently has no intention to dispose of these financial instruments in the short-term
- the fair value of borrowings is based on cash flows discounted using borrowing rates provided by the Western Australian Treasury Corporation. The rates vary between 5% to 7% depending on the purpose of the borrowing (2011: 6% to 7%). The fair value of borrowings equals the carrying amount including additional charges and adjustments provided by the Western Australian Treasury Corporation had the University terminated the loans at 31 December of each year.

Notes to the Financial Statements (continued)

for the year ended 31 December 2012

33 REMUNERATION OF MEMBERS OF THE ACCOUNTABLE AUTHORITY AND SENIOR OFFICERS

(a) Remuneration of Members of the Accountable Authority

Names of persons who were Members of the Accountable Authority during the financial year

For the purposes of the *Financial Management Act 2006*, the University Council is the Accountable Authority of the University.

Chancellor

Dr Jim Gill AO (ceased 31 December 2012)

Members appointed by Governor in Council

Mr Colin Beckett
 Mr Chris Bennett
 Mr Kim Bridge
 Mr Michael Lishman
 Mr Keith Spence
 Dr Michael Stanford

Member nominated by the Minister for Education and Training

Mr Luke Saraceni (ceased 19 April 2012)

Member who is the Chief Executive Officer

Professor Jeanette Hackett AM, Vice-Chancellor

Members elected by full-time academic staff

Dr Jan Sinclair-Jones
 Associate Professor Kerry Smith

Member elected by full-time general staff

Mr Marco Schultheis

Co-opted members

Ms Zelinda Bafile, Pro Chancellor
 Mr Steve Scudamore
 Mr Gene Tilbrook

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

The Honourable Datuk Patinggi Tan Sri Dr George Chan Hong Nam (ceased 31 March 2012)

Member who is a member of the academic board elected by and from the academic board

Professor Clare Pollock (ceased 31 March 2012)
 Associate Professor Linley Lord (commenced 1 April 2012)

Members elected by students

Ms Alinta Kirke (commenced 1 January 2012 and ceased 31 December 2012)
 Ms Chamonix Terblanche (commenced 1 January 2012 and ceased 31 December 2012)

Financial Report 2012 (continued)

Notes to the Financial Statements (continued)

for the year ended 31 December 2012

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

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

	2012 Number	2011 Number
Nil-\$10,000	7	11
\$10,001-\$20,000	4	1
\$20,001-\$30,000	2	1
\$60,001-\$70,000	1	2
\$130,001-\$140,000	-	1
\$140,001-\$150,000	1	-
\$150,001-\$160,000	1	1
\$160,001-\$170,000	1	-
\$220,001-\$230,000	-	1
\$250,001-\$260,000	-	1
\$310,001-\$320,000	1	-
\$780,001-\$790,000	-	1
\$830,001-\$840,000	1	-
	2012 \$'000	2011 \$'000
Aggregate Remuneration of Members of the Accountable Authority¹	1,798	1,762

¹Includes accrued leave.

(b) Remuneration of Senior Officers

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

	2012 Number	2011 Number
\$80,001-\$90,000	-	1
\$130,001-\$140,000	1	-
\$150,001-\$160,000	-	1
\$230,001-\$240,000	1	-
\$260,001-\$270,000	-	1
\$270,001-\$280,000	-	1
\$280,001-\$290,000	-	1
\$310,001-\$320,000	1	1
\$320,001-\$330,000	2	1
\$340,001-\$350,000	-	3
\$350,001-\$360,000	1	1

Notes to the Financial Statements (continued)

for the year ended 31 December 2012

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

	2012 Number	2011 Number
\$360,001-\$370,000	1	-
\$370,001-\$380,000	-	1
\$400,001-\$410,000	2	-
\$420,001-\$430,000	1	-
\$430,001-\$440,000	1	-
\$440,001-\$450,000	1	-
\$550,001-\$560,000	1	-
	2012 \$'000	2011 \$'000
Aggregate Remuneration of Senior Officers¹	4,718	3,462

¹Includes accrued leave.

34 REMUNERATION OF AUDITORS

During the year the following fees (excluding GST) were payable for services provided by the auditor of the University and non-related audit firms:

	2012 \$'000	2011 \$'000
(a) Audit and review of the Financial Statements		
Fees paid to the Office of the Auditor General	263	248
(b) Other audit and assurance services¹		
Fees paid to the Office of the Auditor General	12	12
AQIS Canberra	3	2
AUS-MEAT Limited	3	-
Casilli Holdings Pty Ltd	14	7
Corporate Scorecard Pty Ltd	-	1
Grant Thornton	-	1
Mike Hutson Accountants	-	1
PwC	-	27
Quantum Assurance	5	3
SAI Global Limited	6	8
Total fees paid for other audit services	43	62
Total Remuneration of Auditors	306	310

¹Other audit and assurance services are related to compliance audits and research project audits.

Financial Report 2012 (continued)

Notes to the Financial Statements (continued)

for the year ended 31 December 2012

35 CONTINGENT LIABILITIES AND CONTINGENT ASSETS**Contingent liabilities****Legal actions**

The University is potentially exposed to two contingent liabilities as a result of legal actions that have arisen in the course of the University's normal operations. These claims have been referred to the University's insurers and are being defended. The University has been advised that it is protected by insurance and accordingly, the University does not believe that these legal actions if successful would result in material loss.

	2012 \$'000	2011 \$'000
36 COMMITMENTS		
(a) Capital expenditure commitments		
Capital expenditure contracted for at the reporting date but not recognised as liabilities is as follows:		
<i>Property, Plant and Equipment</i>		
Within 1 year	8,991	20,035
Later than 1 year	-	-
Total Capital Expenditure Commitments	8,991	20,035
(b) Lease commitments		
(i) Operating leases		
A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership. Operating leases at the University are related to computer leases, network leases, motor vehicle leases and building leases.		
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:		
Within 1 year	10,552	8,966
Between 1 and 5 years	12,154	9,485
Later than 5 years	29,322	28,775
Total Future Minimum Lease Payments	52,028	47,226
(c) Other expenditure commitments		
Commitments in relation to purchase orders are payable as follows:		
Within 1 year	7,423	19,181

All the above commitments are inclusive of GST.

Notes to the Financial Statements (continued)

for the year ended 31 December 2012

37 DEFINED BENEFIT SUPERANNUATION PLANS

(a) Curtin University pension obligations

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

	2012 \$'000	2011 \$'000
Reconciliation of the present value of the defined benefit obligation		
Present value of defined benefit obligations at beginning of the year	932	831
Current service cost	-	-
Interest cost	36	45
Actuarial loss/(gain)	130	128
Benefits paid	(78)	(72)
Present value of defined benefit obligations at end of the year	1,020	932
Reconciliation of the fair value of assets		
Fair value of assets at beginning of the year	-	-
Employer contributions	78	72
Benefits paid	(78)	(72)
Fair value of assets at end of the year	-	-
Reconciliation of the assets and liabilities recognised in the Statement of Financial Position		
Present value of defined benefit obligation	1,020	932
Fair value of assets	-	-
Net liability	1,020	932
Liability recognised in the Statement of Financial Position		
Current	87	79
Non-current	933	853
	1,020	932
Expense recognised in the Statement of Comprehensive Income		
Interest cost	36	45
Actuarial loss/(gain)	130	128
Superannuation expense/(benefit)	166	173

Assets

There are no assets held specifically to meet the University's obligations with regard to this liability.

Financial Report 2012 (continued)

Notes to the Financial Statements (continued)

for the year ended 31 December 2012

37 DEFINED BENEFIT SUPERANNUATION PLANS (continued)**Nature of asset/liability**

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

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

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

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

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

	2012	2011
	\$'000	\$'000
Reconciliation of the present value of the defined benefit obligation		
Present value of defined benefit obligations at beginning of the year	72,242	66,210
Current service cost	-	38
Interest cost	2,738	3,476
Actuarial loss/(gain)	5,261	9,779
Benefits paid	(6,655)	(7,261)
Present value of defined benefit obligations at end of the year	73,586	72,242
These defined benefit obligations are wholly unfunded, such that there are no Assets. The University contributes any shortfalls of reimbursement rights, as required, to meet the benefits paid (refer Note 11).		
Reconciliation of the fair value of scheme assets		
Fair value of scheme assets at beginning of the year	-	-
Employer contributions	6,655	7,261
Benefits paid	(6,655)	(7,261)
Fair value of scheme assets at end of the year	-	-

Notes to the Financial Statements (continued)

for the year ended 31 December 2012

37 DEFINED BENEFIT SUPERANNUATION PLANS (continued)

	2012 \$'000	2011 \$'000
Reconciliation of the net liability recognised in the Statement of Financial Position		
Present value of defined benefit obligations	73,586	72,242
Fair value of the scheme assets	-	-
Net liability	73,586	72,242
Fair value of reimbursement rights	73,586	72,242
Total net liability/(asset) in the Statement of Financial Position	-	-
Present value of defined benefit obligations/reimbursement right is recognised as:		
Current	3,919	3,804
Non-current	69,667	68,438
	73,586	72,242
Expense recognised in the Statement of Comprehensive Income		
Current service cost	-	38
Interest cost	2,738	3,476
Actuarial loss/(gain) on defined benefit obligations	5,261	9,779
Reimbursement right adjustments	(7,637)	(12,841)
Deferred superannuation expense	362	452

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 in determining defined benefit obligation

% per annum	2012	2011
Discount rate (active members)	3.11%	3.97%
Discount rate (pensioners)	3.11%	3.97%
Expected salary increase rate	5.00%	5.50%
Expected pension increase rate	2.50%	2.50%

The discount rate is based on the nine-year government bond. The decrement rates used (for example, mortality and retirement rates) are based on those used at the demographic experience investigation performed following completion of the last actuarial valuation for the schemes.

Financial Report 2012 (continued)

Notes to the Financial Statements (continued)

for the year ended 31 December 2012

37 DEFINED BENEFIT SUPERANNUATION PLANS (continued)

	2012 \$'000	2011 \$'000	2010 \$'000	2009 \$'000	2008 \$'000
Historical information					
Present value of defined benefit obligation	73,586	72,242	66,210	69,186	76,042
Fair value of scheme assets	-	-	-	-	-
Deficit in scheme assets	73,586	72,242	66,210	69,186	76,042
Experience adjustments (gain)/loss – scheme assets	-	-	-	-	-
Experience adjustments (gain)/loss – scheme liabilities	(1,591)	928	1,484	(698)	4,604

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

	2013 \$'000
Expected contributions	
Expected employer contributions	6,112

Nature of asset/liability

The University has recognised a liability in the Statement of Financial Position under Provisions in respect of its defined benefit superannuation arrangements (refer Note 28).

An arrangement exists between the Australian Government and the Government of Western Australia to meet the unfunded liability for beneficiaries of the state superannuation schemes on an emerging cost basis. Accordingly, a corresponding asset is recognised under Receivables for the reimbursement rights (refer Note 20).

The recognition of both the asset and the liability consequently do not affect the year end net asset position of the University.

(c) UniSuper Defined Benefit Plan**Scheme information**

The UniSuper Defined Benefit Plan (DBP) is a multi-employer defined benefit plan under superannuation law. However, it is considered to be a multi-employer defined contribution plan under the Accounting Standard AASB 119 'Employee Benefits'. This is because where there are or may be insufficient funds to provide benefits payable the trustee must reduce the benefits payable on a fair and equitable basis. The employer's legal or constructive obligation is limited to the amount that it agrees to contribute to the funds and the actuarial and investment risks rest with the employee.

(d) Superannuation employer contributions

Employer contributions for all superannuation plans of \$50.602 million (2011: \$47.293 million) were charged as an expense under employee benefits (refer Note 11) as they fell due.

Notes to the Financial Statements (continued)

for the year ended 31 December 2012

38 EVENTS OCCURRING AFTER REPORTING DATE

No events have occurred after the reporting date that are likely to have a material impact on the financial report of the University.

	2012 \$'000	2011 \$'000
39 NOTES TO THE STATEMENT OF CASH FLOWS		
(a) Reconciliation to cash		
Cash at the end of the year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:		
Unrestricted cash and cash equivalents (Note 19(a))	77,862	68,587
Restricted cash and cash equivalents (Note 19(b))	1,757	1,670
Balance as per Statement of Cash Flows	79,619	70,257
(b) Reconciliation of operating result from ordinary activities to net cash inflow from operating activities		
Net operating result	80,376	81,413
Depreciation expense	34,324	33,730
Net (gain)/loss on disposal of non-current assets	(235)	79
Impairment of assets	(2,335)	2,197
Other non-cash items	(227)	(298)
Net exchange differences	138	144
Changes in assets and liabilities		
(Increase)/decrease in trade and other receivables	2,415	(8,293)
(Increase)/decrease in inventories	(104)	(233)
(Increase)/decrease in other current assets	(6,401)	4,472
Increase/(decrease) in trade and other payables	(6,077)	(584)
Increase/(decrease) in provisions	(106)	21,039
Increase/(decrease) in other current liabilities	16,019	(8,217)
Net Cash Provided by Operating Activities	117,787	125,449

40 NON-CASH FINANCING AND INVESTING ACTIVITIES

During the year the University received and re-invested non-cash distributions net of fees from the available-for-sale investments of \$0.2 million (2011: \$1.8 million). The investment revenue was not reflected in the Statement of Cash Flows.

There were no other significant non-cash financing or investing activities not reflected in the Statement of Cash Flows.

Financial Report 2012 (continued)

Notes to the Financial Statements (continued)

for the year ended 31 December 2012

41 RELATED PARTIES**Transactions with specified Accountable Authority and Senior Officers****(a) Accountable Authority and Senior Officers' remuneration and retirement benefits**

Details of remuneration and retirement benefits are disclosed in Note 33.

(b) Other transactions with specified Accountable Authority and Senior Officers

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

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

Transaction type	Related party	2012 \$'000	2011 \$'000
Purchases	Curtin Student Guild	3,631	1,146
Revenue	Curtin Student Guild	983	495
Receivable at 31 December	Curtin Student Guild	16	4
Payable at 31 December	Curtin Student Guild	359	2

42 INVESTMENT IN RELATED ENTITIES**(a) Companies**

Details of the University's subsidiary and significant associates at 31 December 2012 are listed below.

Name of entity	Country of incorporation	Carrying value of investment		Equity holding	
		2012 \$'000	2011 \$'000	2012 %	2011 %
Subsidiary					
Skrydata Pty Ltd ¹	Australia	-	-	100	-
Associates					
HiSeis Pty Ltd	Australia	275	275	48	44
Scanalyse Holdings Pty Ltd	Australia	236	236	32	32
Virtual Observer Pty Ltd ²	Australia	-	30	-	28
iCetana Pty Ltd	Australia	300	300	32	32

¹Skrydata Pty Ltd was incorporated during the year.

²Virtual Observer Pty Ltd was disposed during the year.

Notes to the Financial Statements (continued)

for the year ended 31 December 2012

42 INVESTMENT IN RELATED ENTITIES (continued)

(b) Unincorporated joint ventures

The University has the following significant interests in unincorporated joint venture operations:

Name	Cash contribution		In-kind contribution		Participation percentage	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000	2012 %	2011 %
International Centre for Radio Astronomy Research	2,239	1,736	4,524	4,628	45	45
WA Energy Research Alliance	250	250	-	-	33	33
Cooperative Research Centres (CRC)						
CRC for Greenhouse Gas Technologies (CO2CRC)	-	-	896	866	4	4
Parker CRC for Integrated Hydrometallurgy Solutions	-	-	1,007	973	7	7
CRC Mining	100	100	400	400	6	6
CRC for Deep Exploration Technologies (CRC-DET)	-	-	1,452	1,356	13	13
Wound Management Innovation CRC (CRC-Wounds)	100	100	768	757	18	18
Spatial Information CRC (CRC-SI)	150	150	1,460	767	8	8
Australian Seafood CRC	100	100	247	242	2	2
CRC for Remote Economic Participation (CRC-REP)	150	150	2,001	944	12	11

The University recognises its share of the unincorporated joint ventures in the financial statements under the relevant headings.

Financial Report 2012 (continued)

Notes to the Financial Statements (continued)

for the year ended 31 December 2012

42 INVESTMENT IN RELATED ENTITIES (continued)**(c) Cooperative Research Centre entities**

Cooperative Research Centres (CRCs) are Commonwealth funded unincorporated joint ventures between Australian universities and associated industry groups, formed for the advancement of research in specific areas.

The activities of each CRC are typically managed either by an administering organisation (usually a university) or by a separate company specifically set up for management of the CRC.

Where management companies are in place, some or all members of the unincorporated joint venture operation are also shareholders or members of the company. The company is therefore considered to be a joint venture entity.

Curtin has the following interests in joint venture entities related to CRCs:

Name	Related CRC	Equity holding	
		2012 %	2011 %
Parker Centre Ltd	Parker CRC	3	3
CMTE Development Ltd	CRC Mining	6	6
Deep Exploration Technologies CRC Limited	CRC – Deep Exploration Technologies	10	10
Wound Management Pty Ltd	CRC – Wounds Management	17	17
Spatial Information Systems Ltd	CRC – Spatial Information	10	10
Seafood CRC Company Ltd	Seafood CRC	4	4
Ninti One Limited	CRC – REP	12	15

43 SUPPLEMENTARY FINANCIAL INFORMATION

	2012 \$'000	2011 \$'000
Write-offs		
Public property written off by the Minister during the financial year	-	-
Losses through theft, defaults and other causes		
Losses of public moneys and, public and other property through theft or default	-	-
Amounts recovered	-	-

Notes to the Financial Statements (continued)

for the year ended 31 December 2012

44 ACQUITTAL OF AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE

(a) DIISRTE – CGS and Other DIISRTE Grants

	Commonwealth Grants Scheme ¹		Indigenous Support Fund		Disability Support Program	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Financial assistance received in cash during the reporting period	198,340	165,367	1,613	1,613	50	44
Net accrual adjustments	2,211	(1,166)	-	-	-	(1)
Revenue for the period	200,551	164,201	1,613	1,613	50	43
Surplus/(deficit) from the previous year	-	-	-	-	(22)	-
Total revenue including accrual revenue	200,551	164,201	1,613	1,613	28	43
Less expenses including accrual expenses	(200,551)	(164,201)	(1,613)	(1,613)	(90)	(65)
Surplus/(deficit) for reporting period	-	-	-	-	(62)	(22)

	Partnership and Participation Program ²		Diversity and Structural Adjustment Fund ³		Transitional Costs Program	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Financial assistance received in cash during the reporting period	1,432	2,486	-	400	629	347
Net accrual adjustments	1,281	(1,101)	-	-	(65)	(113)
Revenue for the period	2,713	1,385	-	400	564	234
Surplus/(deficit) from the previous year	-	-	-	-	-	-
Total revenue including accrual revenue	2,713	1,385	-	400	564	234
Less expenses including accrual expenses	(2,616)	(1,385)	-	(400)	(564)	(234)
Surplus/(deficit) for reporting period	97	-	-	-	-	-

	Total	
Financial assistance received in cash during the reporting period	202,064	170,257
Net accrual adjustments	3,427	(2,381)
Revenue for the period	205,491	167,876
Surplus/(deficit) from the previous year	(22)	-
Total revenue including accrual revenue	205,469	167,876
Less expenses including accrual expenses	(205,434)	(167,898)
Surplus/(deficit) for reporting period	35	(22)

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

² Includes Equity Support Program

³ Includes Collaboration and Structural Adjustment Program

Financial Report 2012 (continued)

Notes to the Financial Statements (continued)

for the year ended 31 December 2012

44 ACQUITTAL OF AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE (continued)**(b) Higher Education Loan Programs (excluding OS-HELP)**

	HECS-HELP		FEE-HELP ⁴		SA-HELP	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Financial assistance received in cash during the reporting period	97,435	87,115	17,155	21,094	1,938	-
Net accrual adjustments	(1,370)	(2,487)	1,838	(3,867)	(74)	-
Revenue for the period	96,065	84,628	18,993	17,227	1,864	-
Surplus/(deficit) from the previous year	-	-	-	-	-	-
Total revenue including accrual revenue	96,065	84,628	18,993	17,227	1,864	-
Less expenses including accrual expenses	(96,065)	(84,628)	(18,993)	(17,227)	(1,864)	-
Surplus/(deficit) for reporting period	-	-	-	-	-	-

	Total	
	2012 \$'000	2011 \$'000
Financial assistance received in cash during the reporting period	116,528	108,209
Net accrual adjustments	394	(6,354)
Revenue for the period	116,922	101,855
Surplus/(deficit) from the previous year	-	-
Total revenue including accrual revenue	116,922	101,855
Less expenses including accrual expenses	(116,922)	(101,855)
Surplus/(deficit) for reporting period	-	-

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

Notes to the Financial Statements (continued)

for the year ended 31 December 2012

44 ACQUITTAL OF AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE (continued)

(c) Scholarships

	Australian Postgraduate Awards		Indigenous Access Scholarships		International Postgraduate Research Scholarships	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Financial assistance received in cash during the reporting period	6,035	5,133	1,454	46	540	525
Net accrual adjustments	-	-	(1,373)	43	-	-
Revenue for the period	6,035	5,133	81	89	540	525
Surplus/(deficit) from the previous year	93	-	-	-	25	-
Total revenue including accrual revenue	6,128	5,133	81	89	565	525
Less expenses including accrual expenses	(6,686)	(5,040)	(81)	(89)	(685)	(500)
Surplus/(deficit) for reporting period	(558)	93	-	-	(120)	25

	Commonwealth Education Costs Scholarships ⁵		Commonwealth Accommodation Scholarships ⁵		Total	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Financial assistance received in cash during the reporting period	188	1,590	52	2,203	8,269	9,497
Net accrual adjustments	242	(621)	439	(937)	(692)	(1,515)
Revenue for the period	430	969	491	1,266	7,577	7,982
Surplus/(deficit) from the previous year	(2)	-	(5)	-	111	-
Total revenue including accrual revenue	428	969	486	1,266	7,688	7,982
Less expenses including accrual expenses	(428)	(971)	(486)	(1,271)	(8,366)	(7,871)
Surplus/(deficit) for reporting period	-	(2)	-	(5)	(678)	111

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

Financial Report 2012 (continued)

Notes to the Financial Statements (continued)

for the year ended 31 December 2012

44 ACQUITTAL OF AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE (continued)

(d) DIISRTE Research

	Joint Research Engagement Program ⁶		Sustainable Research Excellence ⁷		Research Training Scheme	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Financial assistance received in cash during the reporting period	9,668	9,223	1,841	1,761	15,696	15,003
Net accrual adjustments	-	-	-	-	-	-
Revenue for the period	9,668	9,223	1,841	1,761	15,696	15,003
Surplus/(deficit) from the previous year	-	-	101	-	-	-
Total revenue including accrual revenue	9,668	9,223	1,942	1,761	15,696	15,003
Less expenses including accrual expenses	(9,668)	(9,223)	(1,906)	(1,660)	(15,696)	(15,003)
Surplus/(deficit) for reporting period	-	-	36	101	-	-

	Research Infrastructure Block Grants		Commercialisation Training Scheme		Total	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Financial assistance received in cash during the reporting period	2,937	2,658	-	177	30,142	28,822
Net accrual adjustments	-	-	-	-	-	-
Revenue for the period	2,937	2,658	-	177	30,142	28,822
Surplus/(deficit) from the previous year	-	-	(64)	-	37	-
Total revenue including accrual revenue	2,937	2,658	(64)	177	30,179	28,822
Less expenses including accrual expenses	(2,937)	(2,658)	64	(241)	(30,143)	(28,785)
Surplus/(deficit) for reporting period	-	-	-	(64)	36	37

⁶Includes Institutional Grants Scheme.⁷The reported surpluses for Sustainable Research Excellence of \$0.36 million for 2012 are expected to be returned to DIISRTE.

Notes to the Financial Statements (continued)

for the year ended 31 December 2012

44 ACQUITTAL OF AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE (continued)

(e) Other capital funding

	Teaching and Learning Capital Fund		Education Investment Fund		Better Universities Renewal Fund	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Financial assistance received in cash during the reporting period	-	-	3,300	6,100	-	-
Net accrual adjustments	-	-	(2,000)	(4,100)	-	-
Revenue for the period	-	-	1,300	2,000	-	-
Surplus/(deficit) from the previous year	-	1,550	1,517	4,109	-	11,362
Total revenue including accrual revenue	-	1,550	2,817	6,109	-	11,362
Less expenses including accrual expenses	-	(1,550)	(2,817)	(4,592)	-	(11,362)
Surplus/(deficit) for reporting period	-	-	-	1,517	-	-
	Total					
	2012 \$'000	2011 \$'000				
Financial assistance received in cash during the reporting period	3,300	6,100				
Net accrual adjustments	(2,000)	(4,100)				
Revenue for the period	1,300	2,000				
Surplus/(deficit) from the previous year	1,517	17,021				
Total revenue including accrual revenue	2,817	19,021				
Less expenses including accrual expenses	(2,817)	(17,504)				
Surplus/(deficit) for reporting period	-	1,517				

Financial Report 2012 (continued)

Notes to the Financial Statements (continued)

for the year ended 31 December 2012

44 ACQUITTAL OF AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE (continued)**(f) Australian Research Council grants****(i) Discovery**

	Projects		Fellowships		Total	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Financial assistance received in cash during the reporting period	5,252	4,276	2,085	959	7,337	5,235
Net accrual adjustments	449	9	-	-	449	9
Revenue for the period	5,701	4,285	2,085	959	7,786	5,244
Surplus/(deficit) from the previous year	854	-	(124)	-	730	-
Total revenue including accrual revenue	6,555	4,285	1,961	959	8,516	5,244
Less expenses including accrual expenses	(4,841)	(3,431)	(1,174)	(1,083)	(6,015)	(4,514)
Surplus/(deficit) for reporting period	1,714	854	787	(124)	2,501	730

(ii) Linkages

	Infrastructure		International		Projects	
Financial assistance received in cash during the reporting period	860	190	-	(9)	2,178	2,942
Net accrual adjustments	309	-	-	-	196	(9)
Revenue for the period	1,169	190	-	(9)	2,374	2,933
Surplus/(deficit) from the previous year	227	-	-	-	245	-
Total revenue including accrual revenue	1,396	190	-	(9)	2,619	2,933
Less expenses including accrual expenses	(416)	37	-	9	(3,000)	(2,688)
Surplus/(deficit) for reporting period	980	227	-	-	(381)	245

	Total	
Financial assistance received in cash during the reporting period	3,038	3,123
Net accrual adjustments	505	(9)
Revenue for the period	3,543	3,114
Surplus/(deficit) from the previous year	472	-
Total revenue including accrual revenue	4,015	3,114
Less expenses including accrual expenses	(3,416)	(2,642)
Surplus/(deficit) for reporting period	599	472

Notes to the Financial Statements (continued)

for the year ended 31 December 2012

44 ACQUITTAL OF AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE (continued)

(g) OS-HELP

	2012 \$'000	2011 \$'000
Cash received during the reporting period	335	475
Cash spent during the reporting period	(335)	(475)
Net cash received	-	-
Cash surplus/(deficit) from the previous period	-	-
Cash surplus/(deficit) for the reporting period	-	-

(h) Superannuation supplementation

	2012 \$'000	2011 \$'000
Cash received during the reporting period	7,085	6,893
University contribution in respect of current employees	362	452
Cash available	7,447	7,345
Cash surplus/(deficit) from the previous period	(6)	162
Cash available for current period	7,441	7,507
Contributions to specified defined benefit funds	(6,921)	(7,513)
Cash surplus/(deficit) for the reporting period	520	(6)

(i) Student Services and Amenities Fee

	2012 \$'000	2011 \$'000
Unspent/(overspent) revenue from previous period	-	-
SA-HELP revenue earned	1,864	-
Student Services fees direct from students	1,683	-
Total revenue expendable in period	3,547	-
Student Services expenses during period	(3,238)	-
Unspent/(overspent) Student Services revenue	309	-

Financial Report 2012 (continued)

REPORT BY THE MEMBERS OF THE UNIVERSITY COUNCIL

The Members of the University Council present their report for the year ended 31 December 2012

MEMBERS

The following persons were members of the Council of Curtin University of Technology during the year ended 31 December 2012:

Chancellor

Dr Jim Gill AO (ceased 31 December 2012)

Members appointed by Governor in Council

Mr Colin Beckett

Mr Chris Bennett (reappointed 1 April 2012)

Mr Kim Bridge

Mr Michael Lishman

Mr Keith Spence (reappointed 1 April 2012)

Dr Michael Stanford

Member nominated by the Minister for Education and Training

Mr Luke Saraceni (ceased 19 April 2012)

Member who is the Chief Executive Officer

Professor Jeanette Hackett AM, Vice-Chancellor

Members elected by full-time academic staff

Associate Professor Kerry Smith

Dr Jan Sinclair-Jones

Member elected by full-time general staff

Mr Marco Schultheis

Co-opted Members

Ms Zelinda Bafile, Pro Chancellor

Mr Steve Scudamore

Mr Gene Tilbrook (reappointed 1 April 2012)

Members elected by the Alumni Association

Vacant

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

The Honourable Datuk Patinggi Tan Sri Dr George Chan Hong Nam (ceased 31 March 2012)

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

Professor Clare Pollock (ceased 31 March 2012)

Associate Professor Linley Lord (commenced 1 April 2012)

Members elected by students

Ms Alinta Kirke (commenced 1 January 2012 and ceased 31 December 2012)

Ms Chamonix Terblanche (commenced 1 January 2012 and ceased 31 December 2012)

Report by the Members of the University Council (continued)

The Members of the University Council present their report for the year ended 31 December 2012

Meetings of Members

The number of meetings of the University Council and of each committee of Council held during the year ended 31 December 2012, and the number of meetings attended by each Member were:

	Council Meetings		Meetings of committees ⁴											
	Attended	Held	Audit and Compliance		Curtin Town		Executive		Finance		Health & Safety Due Diligence		Legislative	
Members	Attended	Held	Attended	Held	Attended	Held	Attended	Held	Attended	Held	Attended	Held	Attended	Held
Mr Gary Angove (co-opted)			6	6										
Ms Zelinda Bafle ¹	6	8	6	6			4	7			1	3	1	1
Mr Colin Beckett	6	8									2	3		
Mr Chris Bennett	8	8	6	6			6	7						
Mr Kim Bridge	5	8												
The Hon Datuk Patinggi Tan Sri Dr George Chan Hong Nam	1	2												
Mr Russell Gibbs (co-opted)					0	1								
Dr Jim Gill AO, Chancellor ²	6	8			4	4	7	7						
Professor Jeanette Hackett AM, Vice-Chancellor ³	8	8			4	4	6	7	5	7	2	3	1	1
Ms Alinta Kirke	6	8												
Mr Michael Lishman	6	8			3	4					2	3		
Associate Professor Linley Lord	4	6					5	5						
Professor Clare Pollock	2	2			1	1	2	2						
Mr Luke Saraceni	0	2			1	1								
Mr Marco Schultheis	5	8												
Mr Steve Scudamore	6	8							6	7				
Dr Jan Sinclair-Jones	6	8									2	3		
Associate Professor Kerry Smith	8	8												
Mr Keith Spence	6	8					6	7			3	3		
Dr Michael Stanford	7	8							6	7				
Ms Chamonix Terblanche	6	8												
Mr Gene Tilbrook ²	5	8			2	4	3	7	6	7				
Dr Jennifer Westaway (co-opted)													1	1

¹ Also a member of the Kalgoorlie Campus Council.

² Also a member of the Curtin University Foundation Board.

³ Also a member of the Kalgoorlie Campus Council and Curtin University Foundation Board.

⁴ The number of meetings held represents the number of regular and special meetings held during the time a member was a member of the Council or a committee of Council during the year. The number of meetings held does not include matters considered by circular resolution.

Principal activities

During the year, the principal and continuing activities of the University are:

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

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

Financial Report 2012 (continued)

Report by the Members of the University Council (continued)

The Members of the University Council present their report for the year ended 31 December 2012

Review of operations

The Operating Result for the year ended 31 December 2012 was \$80.376 million (2011: \$81.413 million).

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

- Chancellor's Foreword
- Vice-Chancellor's Report
- Report on Operations
- 2012 Activity Highlights.

Significant changes in the state of affairs

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

Matters subsequent to the end of the financial year

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

Likely developments and expected results of operations

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

Environmental regulation

The members of the University Council are not aware of any breaches of environmental regulations.

Relevant legislation that Curtin is subject to includes:

- *Environmental Protection Act 1986* (WA)
- Environmental Protection Regulations 1987
- Environmental Protection (Controlled Waste) Regulations 2004
- Environmental Protection (Noise) Regulations 1997
- Environmental Protection (Unauthorised Discharges) Regulations 2004
- *Contaminated Sites Act 2003* (WA)
- *National Greenhouse and Energy Reporting Act 2007* (Cth)
- National Greenhouse and Energy Reporting Regulations 2008.

The University is committed to protecting, preserving as well as improving the environment in which the University operates.

Insurance of Members of Council and Officers

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

Proceedings on behalf of Curtin University of Technology

No material legal proceedings were initiated by the University during 2012.

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



Colin Beckett
Chancellor

Curtin University of Technology, Bentley, Perth, WA

Dated this 13th day of March 2013