

# FINANCIAL REPORT 2010

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## Certifications

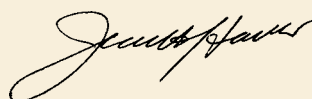
### CERTIFICATION OF THE FINANCIAL STATEMENTS

The accompanying financial statements of Curtin University of Technology have been prepared in compliance with the 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 2010 and the financial position as at 31 December 2010.

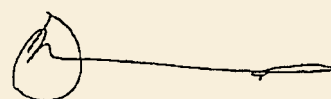
At the date of signing, we are not aware of any circumstances which would render any particulars included in the financial statements misleading or inaccurate.



**James Ian Gill**  
Chancellor



**Jeanette Hackett**  
Vice-Chancellor



**David Menarry**  
Chief Finance Officer

Dated this 16th day of March 2011

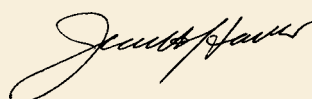
### CERTIFICATION OF THE FINANCIAL STATEMENTS REQUIRED BY THE DEPARTMENT OF EDUCATION, EMPLOYMENT AND WORKPLACE RELATIONS

We declare that:

- at the time of this certification, there are reasonable grounds to believe that Curtin University of Technology will be able to pay its debts as and when they fall due; and
- the amount of Australian Government financial assistance expended during the financial year ended 31 December 2010 was for the purpose(s) for which it was provided, and complied with applicable legislation, contracts, agreements and program guidelines in making expenditure.



**James Ian Gill**  
Chancellor



**Jeanette Hackett**  
Vice-Chancellor

Dated this 16th day of March 2011

Financial Report 2010 (continued)

## Statement of Comprehensive Income

for the year ended 31 December 2010

	Note	2010 \$'000	2009 \$'000
<b>Revenue from continuing operations</b>			
Australian Government financial assistance			
Australian Government grants	4	243,719	238,407
HECS-HELP – Australian Government payments	4	78,955	73,693
FEE-HELP	4	16,622	14,525
State and Local Government financial assistance	5	5,207	13,487
HECS-HELP – student payments		23,729	22,751
Fees and charges	6	210,061	181,576
Investment revenue	7	17,902	13,523
Royalties, trademarks and licences	8	31,579	33,402
Consultancy and contracts	9	31,813	32,692
Other revenue	10	53,875	42,020
<b>Total revenue from continuing operations</b>		<b>713,462</b>	<b>666,076</b>
<b>Expenses from continuing operations</b>			
Employee related expenses	11(a)	357,520	333,798
Depreciation and amortisation	12	30,114	27,872
Repairs and maintenance	13	16,274	13,846
Borrowing costs	14	4,426	2,634
Impairment of assets	15	360	8,345
(Gain)/Loss on disposal of non-current assets	16	(41)	1,041
Deferred superannuation expense	11(b)	678	664
Other expenses	17	227,308	220,617
<b>Total expenses from continuing operations</b>		<b>636,639</b>	<b>608,817</b>
<b>Operating result from continuing operations</b>		<b>76,823</b>	<b>57,259</b>
Operating result from discontinued operations	18	(35,926)	2,404
<b>Net operating result for the year</b>		<b>40,897</b>	<b>59,663</b>
Net investment revaluation gain/(loss)	30(a)	1,387	8,688
Cashflow hedge revaluation gain/(loss)	30(b)	(55)	-
<b>Total comprehensive income</b>		<b>42,229</b>	<b>68,351</b>

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

## Statement of Financial Position

as at 31 December 2010

	Note	2010 \$'000	2009 \$'000
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents:			
Unrestricted	19(a)	76,159	168,798
Restricted	19(b)	1,608	-
Trade and other receivables	20	24,075	33,835
Inventories	21	1,744	1,750
Other financial assets:			
Unrestricted	22	700	473
Restricted	23	78,361	92,408
Other non-financial assets	24	28,249	24,076
<b>Total Current Assets</b>		<b>210,896</b>	<b>321,340</b>
<b>Non-Current Assets</b>			
Trade and other receivables	20	63,077	66,184
Other financial assets - unrestricted	22	199,346	43,966
Property, plant and equipment	25	675,233	677,331
<b>Total Non-Current Assets</b>		<b>937,656</b>	<b>787,481</b>
<b>Total Assets</b>		<b>1,148,552</b>	<b>1,108,821</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and other payables	26	14,779	14,668
Borrowings	27	5,750	5,271
Provisions	28	62,951	59,782
Other liabilities	29	67,920	69,281
<b>Total Current Liabilities</b>		<b>151,400</b>	<b>149,002</b>
<b>Non-Current Liabilities</b>			
Borrowings	27	63,841	66,337
Provisions	28	80,508	82,908
<b>Total Non-Current Liabilities</b>		<b>144,349</b>	<b>149,245</b>
<b>Total Liabilities</b>		<b>295,749</b>	<b>298,247</b>
<b>Net Assets</b>		<b>852,803</b>	<b>810,574</b>
<b>EQUITY</b>			
Reserves	30	43,918	40,142
Retained surplus	30	808,885	770,432
<b>Total Equity</b>		<b>852,803</b>	<b>810,574</b>

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

Financial Report 2010 (continued)

## Statement of Changes in Equity

for the year ended 31 December 2010

	Note	Reserves \$'000	Retained Earnings \$'000	Total Equity \$'000
At 1 January 2009		36,430	705,793	742,223
Operating result for the year		-	59,663	59,663
Other comprehensive income for the year		8,688	-	8,688
Transfers from retained earnings	30(d)	13,243	(13,243)	-
Transfers to retained earnings	30(d)	(18,219)	18,219	-
<b>At 31 December 2009</b>	<b>30</b>	<b>40,142</b>	<b>770,432</b>	<b>810,574</b>
Operating result for the year		-	40,897	40,897
Other comprehensive income for the year		1,332	-	1,332
Transfers from retained earnings	30(d)	18,869	(18,869)	-
Transfers to retained earnings	30(d)	(16,425)	16,425	-
<b>At 31 December 2010</b>	<b>30</b>	<b>43,918</b>	<b>808,885</b>	<b>852,803</b>

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

## Statement of Cash Flows

for the year ended 31 December 2010

	Note	2010 \$'000	2009 \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Receipts</b>			
Australian Government grants received	4(h)	345,593	332,381
State and Local Government financial assistance		5,678	13,488
HECS-HELP – student payments		25,448	19,926
Fees and charges		207,229	187,978
Royalties, trademarks and licences		36,858	35,999
Consultancy and contract research		35,694	35,961
Interest received		8,056	7,493
Dividends received		–	1,132
Distributions received		7,527	3,395
Other		66,450	32,494
GST refunds received		9,987	10,730
<b>Payments</b>			
Payments for employee benefits		(383,918)	(345,918)
Payments to suppliers		(244,523)	(224,371)
Interest and other costs of finance paid		(4,579)	(2,634)
<b>Net cash flow of discontinued operations</b>		(1,742)	5,081
<b>Net cash provided by operating activities</b>	39(b)	113,758	113,135
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for property, plant and equipment		(60,823)	(66,101)
Payments for property, plant and equipment of discontinued operations		(860)	(664)
Proceeds on sale of property, plant and equipment		102	187
Payments for disposal of discontinued operations		(1,859)	–
Payments for investments		(154,368)	(48,553)
Proceeds on redemption of investments		15,036	23,226
<b>Net cash used in investing activities</b>		(202,772)	(91,905)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of borrowings		(2,017)	(1,382)
Proceeds from borrowings		–	18,975
<b>Cash provided by financing activities</b>		(2,017)	17,593
Net increase/(decrease) in cash and cash equivalents		(91,031)	38,823
Cash and cash equivalents at the beginning of the year		168,798	129,975
<b>Cash and cash equivalents at the end of the year</b>	39(a)	77,767	168,798

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

Financial Report 2010 (continued)

## Notes to the Financial Statements

for the year ended 31 December 2010

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## Notes to the Financial Statements (continued)

for the year ended 31 December 2010

### 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, the requirements of the Department of Education, Employment and Workplace Relations, 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.

#### 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 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 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.

#### 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.



Financial Report 2010 (continued)

## Notes to the Financial Statements (continued)

for the year ended 31 December 2010

### 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).

### 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) Acquisition and disposal of assets

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.

### (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 or life of lease
• Computing equipment	3 years
• Other equipment and furniture	8 years
• Motor vehicles	5 years
• Works of art	Not depreciated

## Notes to the Financial Statements (continued)

for the year ended 31 December 2010

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 collections

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; and
- (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.

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 uncollectable 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.

Financial Report 2010 (continued)

## Notes to the Financial Statements (continued)

for the year ended 31 December 2010

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 Investments 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 have not been equity accounted for in the University's financial statements because they are not material.

### (m) Joint research activities

The University participates in a number of joint research activities, such as Cooperative Research Centres. The University recognises within its financial statements the assets that it controls and the liabilities that it incurs; and the expenses that it incurs and its share of the income that it earns from the joint research activities.

### (n) 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. Payables are generally settled within a 30 day term.

### (o) 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.

### (p) Employee benefits

#### Annual leave

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

#### Long service leave

The liability for long service leave expected to be settled within 12 months of the reporting date is recognised in the provision for employee benefits as a current liability and is measured at the nominal amounts expected to be paid when the liability is settled.

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

## Notes to the Financial Statements (continued)

for the year ended 31 December 2010

### 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.

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 State 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 consequently 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.

### (q) Employee benefits on-costs

Annual leave and long service leave on-costs are not categorised as employee benefit costs but are recognised and disclosed separately in accordance with AASB 119 "Employee Benefits".

### (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.

Financial Report 2010 (continued)

## Notes to the Financial Statements (continued)

for the year ended 31 December 2010

### (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.

#### 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; and
- receivables and payables are stated with the amount of GST included.

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

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

#### Fringe benefits tax

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

#### Payroll tax

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

The comparative figures for Financial Instruments (refer Note 31) have been reclassified to reflect changes in Interest Rate Risk and Price Risk Sensitivity. No change has been made to the Interest Rate Risk Sensitivity at +/- 200 basis points, however, a change in the methodology in calculating the impacts has been adopted. The change reflects more accurately the significant cash and cash equivalent holdings of the University throughout the year. The Price Risk Sensitivity has been retained at +/- 15% to reflect continued uncertainty in the financial economy.

## Notes to the Financial Statements (continued)

for the year ended 31 December 2010

### (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.

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

## 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(p))
- 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)); and
- estimating useful lives of non-current assets – the useful life reflects the consumption of the assets' future economic benefits (refer Note 1(f)).

### (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; and
- impairment of other financial assets (including investments).

Financial Report 2010 (continued)

**Notes to the Financial Statements** (continued)

for the year ended 31 December 2010

**3 DISAGGREGATED INFORMATION****(a) Industry**

	2010			2009		
	Higher Education \$'000	VET <sup>1</sup> \$'000	Total University \$'000	Higher Education \$'000	VET <sup>1</sup> \$'000	Total University \$'000
<b>Statement of Comprehensive Income</b>						
<b>Revenue from continuing operations</b>						
Australian Government financial assistance						
Australian Government grants	243,719	-	243,719	238,407	-	238,407
HECS-HELP – Australian Government payments	78,955	-	78,955	73,693	-	73,693
FEE-HELP	16,622	-	16,622	14,525	-	14,525
State and Local Government financial assistance	5,207	-	5,207	13,487	-	13,487
HECS-HELP – Student payments	23,729	-	23,729	22,751	-	22,751
Fees and charges	210,061	-	210,061	181,576	-	181,576
Investment income	17,902	-	17,902	13,523	-	13,523
Royalties, trademarks and licences	31,579	-	31,579	33,402	-	33,402
Consultancy and contracts	31,813	-	31,813	32,692	-	32,692
Other revenue	53,875	-	53,875	42,020	-	42,020
<b>Total revenue from continuing operations</b>	<b>713,462</b>	<b>-</b>	<b>713,462</b>	<b>666,076</b>	<b>-</b>	<b>666,076</b>
<b>Expenses from continuing operations</b>						
Employee benefits	357,520	-	357,520	333,798	-	333,798
Depreciation and amortisation	30,114	-	30,114	27,872	-	27,872
Repairs and maintenance	16,274	-	16,274	13,846	-	13,846
Borrowing costs	4,426	-	4,426	2,634	-	2,634
Impairment of assets	360	-	360	8,345	-	8,345
(Gain)/Loss on disposal of non-current assets	(41)	-	(41)	1,041	-	1,041
Deferred superannuation expense	678	-	678	664	-	664
Other expenses	227,308	-	227,308	220,617	-	220,617
<b>Total expenses from continuing operations</b>	<b>636,639</b>	<b>-</b>	<b>636,639</b>	<b>608,817</b>	<b>-</b>	<b>608,817</b>
Operating result from continuing operations	76,823	-	76,823	57,259	-	57,259
Operating result from discontinued operations	-	(35,926)	(35,926)	-	2,404	2,404
<b>Net operating result for the year</b>	<b>76,823</b>	<b>(35,926)</b>	<b>40,897</b>	<b>57,259</b>	<b>2,404</b>	<b>59,663</b>
Net investment gain/(loss)	1,387	-	1,387	8,688	-	8,688
Cashflow hedge revaluation gain/(loss)	(55)	-	(55)	-	-	-
<b>Total comprehensive income</b>	<b>78,155</b>	<b>(35,926)</b>	<b>42,229</b>	<b>65,947</b>	<b>2,404</b>	<b>68,351</b>

<sup>1</sup> VET refers to Vocational Education and Training. Curtin's Vocational Training and Education ('VTEC') operations were disposed of at 31 December 2010 (refer Note 18)

## Notes to the Financial Statements (continued)

for the year ended 31 December 2010

### 3 DISAGGREGATED INFORMATION (continued)

#### (a) Industry (continued)

Statement of Financial Position	2010			2009		
	Higher Education \$'000	VET <sup>1</sup> \$'000	Total University \$'000	Higher Education \$'000	VET <sup>1</sup> \$'000	Total University \$'000
<b>ASSETS</b>						
<b>Current Assets</b>						
Cash and cash equivalents – Unrestricted	76,159	–	76,159	167,409	1,389	168,798
Cash and cash equivalents – Restricted	1,608	–	1,608	–	–	–
Trade and other receivables	24,075	–	24,075	33,688	147	33,835
Inventories	1,744	–	1,744	1,750	–	1,750
Other financial assets:						
Unrestricted	700	–	700	473	–	473
Restricted	78,361	–	78,361	92,408	–	92,408
Other non-financial assets	28,249	–	28,249	24,019	57	24,076
<b>Total Current Assets</b>	<b>210,896</b>	<b>–</b>	<b>210,896</b>	<b>319,747</b>	<b>1,593</b>	<b>321,340</b>
<b>Non-Current Assets</b>						
Trade and other receivables	63,077	–	63,077	65,644	540	66,184
Other financial assets (unrestricted)	199,346	–	199,346	43,966	–	43,966
Property, plant and equipment	675,233	–	675,233	645,346	31,985	677,331
<b>Total Non-Current Assets</b>	<b>937,656</b>	<b>–</b>	<b>937,656</b>	<b>754,956</b>	<b>32,525</b>	<b>787,481</b>
<b>Total Assets</b>	<b>1,148,552</b>	<b>–</b>	<b>1,148,552</b>	<b>1,074,703</b>	<b>34,118</b>	<b>1,108,821</b>
<b>LIABILITIES</b>						
<b>Current Liabilities</b>						
Trade and other payables	14,779	–	14,779	14,603	65	14,668
Borrowings	5,750	–	5,750	4,611	660	5,271
Provisions	62,951	–	62,951	59,193	589	59,782
Other liabilities	67,920	–	67,920	68,529	752	69,281
<b>Total Current Liabilities</b>	<b>151,400</b>	<b>–</b>	<b>151,400</b>	<b>146,936</b>	<b>2,066</b>	<b>149,002</b>
<b>Non-Current Liabilities</b>						
Borrowings	63,841	–	63,841	63,777	2,560	66,337
Provisions	80,508	–	80,508	82,288	620	82,908
<b>Total Non-Current Liabilities</b>	<b>144,349</b>	<b>–</b>	<b>144,349</b>	<b>146,065</b>	<b>3,180</b>	<b>149,245</b>
<b>Total Liabilities</b>	<b>295,749</b>	<b>–</b>	<b>295,749</b>	<b>293,001</b>	<b>5,246</b>	<b>298,247</b>
<b>Net Assets</b>	<b>852,803</b>	<b>–</b>	<b>852,803</b>	<b>781,702</b>	<b>28,872</b>	<b>810,574</b>
<b>EQUITY</b>						
Reserves	43,918	–	43,918	40,142	–	40,142
Retained surplus	808,885	–	808,885	741,560	28,872	770,432
<b>Total Equity</b>	<b>852,803</b>	<b>–</b>	<b>852,803</b>	<b>781,702</b>	<b>28,872</b>	<b>810,574</b>

<sup>1</sup> VET refers to Vocational Education and Training. Curtin's Vocational Training and Education ('VTEC') operations were disposed of at 31 December 2010 (refer Note 18)



Financial Report 2010 (continued)

**Notes to the Financial Statements** (continued)

for the year ended 31 December 2010

**3 DISAGGREGATED INFORMATION (continued)****(a) Industry (continued)**

	Higher Education			VET <sup>1</sup>		University	
	Other reserves \$'000	Retained earnings \$'000	Total Equity \$'000	Other reserves \$'000	Retained earnings \$'000	Total Equity \$'000	Total Equity \$'000
<b>Statement of Changes in Equity</b>							
At 1 January 2009	36,430	679,325	715,755	-	26,468	26,468	742,223
Operating result for the year	-	57,259	57,259	-	2,404	2,404	59,663
Other Comprehensive Income for the year	8,688	-	8,688	-	-	-	8,688
Transferred from retained earnings	13,243	(13,243)	-	-	-	-	-
Transferred to retained earnings	(18,219)	18,219	-	-	-	-	-
At 31 December 2009	40,142	741,560	781,702	-	28,872	28,872	810,574
Operating result for the year	-	76,823	76,823	-	(35,926)	(35,926)	40,897
Other Comprehensive Income for the year	1,332	-	1,332	-	-	-	1,332
Transferred from retained earnings	18,869	(18,869)	-	-	-	-	-
Transferred to retained earnings	(16,425)	9,371	(7,054)	-	7,054	7,054	-
<b>At 31 December 2010</b>	<b>43,918</b>	<b>808,885</b>	<b>852,803</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>852,803</b>

<sup>1</sup> VET refers to Vocational Education and Training. Curtin's Vocational Training and Education ('VTEC') operations were disposed of at 31 December 2010 (refer Note 18)

## Notes to the Financial Statements (continued)

for the year ended 31 December 2010

### 3 DISAGGREGATED INFORMATION (continued)

#### (a) Industry (continued)

	2010			2009		
	Higher Education \$'000	VET <sup>1</sup> \$'000	Total University \$'000	Higher Education \$'000	VET <sup>1</sup> \$'000	Total University \$'000
<b>Statement of Cash Flows</b>						
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
<b>Receipts</b>						
Australian Government grants received	345,593	-	345,593	332,381	-	332,381
State and Local Government financial assistance	5,678	-	5,678	13,488	-	13,488
HECS-HELP – Student payments	25,448	-	25,448	19,926	-	19,926
Fees and charges	207,229	-	207,229	187,978	-	187,978
Royalties, trademarks and licences	36,858	-	36,858	35,999	-	35,999
Consultancy and contract research	35,694	-	35,694	35,961	-	35,961
Interest received	8,056	-	8,056	7,493	-	7,493
Dividends received	-	-	-	1,132	-	1,132
Distributions received	7,527	-	7,527	3,395	-	3,395
Other	66,450	-	66,450	32,494	-	32,494
GST refunds received	9,987	-	9,987	10,730	-	10,730
<b>Payments</b>						
Payments for employee benefits	(383,918)	-	(383,918)	(345,918)	-	(345,918)
Payments to suppliers	(244,523)	-	(244,523)	(224,371)	-	(224,371)
Interest and other costs of finance paid	(4,579)	-	(4,579)	(2,634)	-	(2,634)
<b>Net cash flow of discontinued operations</b>	-	(1,742)	(1,742)	-	5,081	5,081
<b>Net cash provided by operating activities</b>	115,500	(1,742)	113,758	108,054	5,081	113,135
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Payments for property, plant and equipment	(60,823)	(860)	(61,683)	(66,101)	(664)	(66,765)
Proceeds on sale of property, plant and equipment	102	-	102	187	-	187
Payment for disposal of discontinued operations	-	(1,859)	(1,859)	-	-	-
Payments for investments	(154,368)	-	(154,368)	(48,553)	-	(48,553)
Proceeds on redemption of investments	15,036	-	15,036	23,226	-	23,226
<b>Net cash used in investing activities</b>	(200,053)	(2,719)	(202,772)	(91,241)	(664)	(91,905)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>						
Repayment of borrowings	(1,357)	(660)	(2,017)	(887)	(495)	(1,382)
Proceeds from borrowings	-	-	-	18,975	-	18,975
<b>Cash used in financing activities</b>	(1,357)	(660)	(2,017)	18,088	(495)	17,593
Net increase/(decrease) in cash and cash equivalents held	(85,910)	(5,121)	(91,031)	34,901	3,922	38,823
Cash and cash equivalents at the beginning of the year	167,409	1,389	168,798	132,508	(2,533)	129,975
Transfer from discontinued operations to continuing operations	(3,732)	3,732	-	-	-	-
<b>Cash and cash equivalents at the end of the year</b>	<b>77,767</b>	<b>-</b>	<b>77,767</b>	<b>167,409</b>	<b>1,389</b>	<b>168,798</b>

<sup>1</sup> VET refers to Vocational Education and Training. Curtin's Vocational Training and Education ('VTEC') operations were disposed of at 31 December 2010 (refer Note 18)

Financial Report 2010 (continued)

**Notes to the Financial Statements** (continued)

for the year ended 31 December 2010

**3 DISAGGREGATED INFORMATION (continued)****(b) Geographical**

Geographical	Revenue <sup>1</sup>		Results <sup>1</sup>		Assets	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Australia	692,813	643,772	65,455	49,174	1,136,410	1,099,918
Asia	19,367	21,265	10,598	7,792	11,372	8,610
Other	1,282	1,039	770	293	770	293
	<b>713,462</b>	<b>666,076</b>	<b>76,823</b>	<b>57,259</b>	<b>1,148,552</b>	<b>1,108,821</b>

<sup>1</sup> Revenue and results are for continuing operations only. Discontinued operations were located in Australia.

## Notes to the Financial Statements (continued)

for the year ended 31 December 2010

<b>4 AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE INCLUDING HECS-HELP AND FEE-HELP</b>	Note	<b>2010 \$'000</b>	2009 \$'000
<b>(a) Commonwealth Grants Scheme (CGS) and Other Grants</b>	44(a)		
Commonwealth Grants Scheme		156,821	141,146
Indigenous Support Fund		1,867	2,151
Workplace Reform Program		-	1,585
Disability Support Program		67	83
Capital Development Pool		-	2,042
Partnership & Participation Program		415	239
Learning & Teaching Performance Fund		-	738
Diversity and Structural Adjustment Fund		301	350
Improving the Practical Component of Teacher Education Initiative		229	105
Transitional Cost Program		796	1,473
<b>Total Commonwealth Grants Scheme &amp; Other Grants</b>		<b>160,496</b>	<b>149,912</b>
<b>(b) Higher Education Loan Programs</b>	44(b)		
HECS-HELP		78,955	73,693
FEE-HELP		16,622	14,525
<b>Total Higher Education Loan Programs</b>		<b>95,577</b>	<b>88,218</b>
<b>(c) Scholarships</b>	44(c)		
Australian Postgraduate Awards		4,218	3,043
Indigenous Access Scholarships		94	225
International Postgraduate Research Scholarships		514	498
Commonwealth Education Costs Scholarships		1,579	1,963
Commonwealth Accommodation Scholarships		2,018	2,691
<b>Total Scholarships</b>		<b>8,423</b>	<b>8,420</b>
<b>(d) DIISR Research</b>	44(d)		
Joint Research Engagement Program		8,304	6,941
Sustainable Research Excellence		1,250	-
Research Training Scheme		14,582	13,960
Research Infrastructure Block Grants		2,581	2,624
Commercialisation Training Scheme		150	142
Implementation Assistance Program		79	141
Australian Scheme for Higher Education Repositories		-	246
<b>Total DIISR Research Grants</b>		<b>26,946</b>	<b>24,054</b>

Financial Report 2010 (continued)

**Notes to the Financial Statements** (continued)

for the year ended 31 December 2010

<b>4 AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE INCLUDING HECS-HELP AND FEE-HELP (continued)</b>	Note	<b>2010 \$'000</b>	2009 \$'000
<b>(e) Other Capital Funding</b>	44(e)		
Teaching and Learning Capital Fund		-	15,316
Education Investment Fund		12,200	5,000
<b>Total Other Capital Funding</b>		12,200	20,316
<b>(f) Australian Research Council</b>			
<b>(i) Discovery</b>	44(f)(i)		
Project		4,641	3,837
Fellowships		415	586
<b>Total Discovery</b>		5,056	4,423
<b>(ii) Linkages</b>	44(f)(ii)		
Infrastructure		300	372
International		-	75
Projects		2,255	2,317
<b>Total Linkages</b>		2,555	2,764
<b>(g) Other Australian Government financial assistance</b>			
Other (includes Cooperative Research Centre funding)		28,043	28,518
<b>Total Australian Government financial assistance – continuing operations</b>		339,296	326,625
Other Australian Government financial assistance – discontinued operations		34	114
<b>Total Australian Government financial assistance</b>		339,330	326,739
<b>Reconciliation</b>			
Australian Government grants [a+c+d+e+f+g]		243,719	238,407
HECS-HELP – Australian Government payments		78,955	73,693
Other Australian Government loan programs (FEE-HELP)		16,622	14,525
<b>Total Australian Government Financial Assistance – continuing operations</b>		339,296	326,625
<b>(h) Australian Government grants received – cash basis</b>			
CGS and Other DEEWR Grants	44(a)	167,834	144,374
Higher Education Loan Programs	44(b)	96,673	83,475
Scholarships	44(c)	5,896	8,957
DIISR Research	44(d)	26,946	24,026
Other Capital Funding	44(e)	6,100	20,316
ARC grants – Discovery	44(f)(i)	5,056	4,423
ARC grants – Linkages	44(f)(ii)	2,555	2,764
Other Government Grants		26,894	37,816
<b>Total Australian Government grants received – cash basis</b>		337,954	326,151
OS-Help (Net)	44(g)	249	189
Superannuation Supplementation	44(h)	7,390	6,041
<b>Total Australian Government funding received – cash basis</b>		345,593	332,381

## Notes to the Financial Statements (continued)

for the year ended 31 December 2010

	Note	2010 \$'000	2009 \$'000
<b>5 STATE AND LOCAL GOVERNMENT FINANCIAL ASSISTANCE</b>			
Local Government		24	-
State Government		5,183	13,487
<b>Total State and Local Government Financial Assistance</b>		<b>5,207</b>	<b>13,487</b>
<b>6 FEES AND CHARGES</b>			
<b>Course Fees and Charges</b>			
Fee-paying overseas students		177,663	151,483
Continuing education		1,896	1,669
Fee-paying domestic postgraduate students		10,708	10,024
Fee-paying domestic undergraduate students		1,775	1,778
Fee-paying domestic non-award students		536	637
<b>Total Course Fees and Charges</b>		<b>192,578</b>	<b>165,591</b>
<b>Other Non-Course Fees and Charges</b>			
Examination fees		2,512	2,165
Late fees		431	329
Library fines		178	141
Parking fees		3,458	2,406
Registration fees		166	194
Ancillary fees		171	255
Student accommodation		8,696	8,206
Other fees and charges		1,871	2,289
<b>Total Other Non-Course Fees and Charges</b>		<b>17,483</b>	<b>15,985</b>
<b>Total Fees and Charges</b>		<b>210,061</b>	<b>181,576</b>
<b>7 INVESTMENT REVENUE</b>			
Dividends from investment shares		-	1,132
Distributions from managed funds		9,355	3,778
Realised gain on sale of other financial assets		1,520	1,120
Interest received		7,027	7,493
<b>Total Investment Revenue</b>		<b>17,902</b>	<b>13,523</b>
<b>8 ROYALTIES, TRADEMARKS AND LICENCES</b>			
Royalties		31,579	33,402
<b>Total Royalties, Trademarks and Licences</b>		<b>31,579</b>	<b>33,402</b>
<b>9 CONSULTANCY AND CONTRACTS</b>			
Consultancy		10,243	10,532
Contract research		21,570	22,160
<b>Total Consultancy and Contracts</b>		<b>31,813</b>	<b>32,692</b>

## Financial Report 2010 (continued)

**Notes to the Financial Statements** (continued)

for the year ended 31 December 2010

<b>10 OTHER REVENUE</b>	Note	<b>2010 \$'000</b>	2009 \$'000
Trading income		16,425	14,047
Donations		3,377	2,107
Rental income		5,856	3,624
Sundry income from Australian businesses		6,734	7,265
Sundry income from Australian non-profit organisations		17,631	9,981
Sundry income from overseas sources		1,114	1,745
Insurance claims		588	717
Staff salary recoveries		1,038	1,978
Proceeds from sale of minor equipment		87	115
Conference income		677	533
Other		348	(92)
<b>Total Other Revenue</b>		<b>53,875</b>	<b>42,020</b>
Revenue from sale of goods <sup>1</sup>		9,136	9,379
Cost of sales:			
Opening inventory		1,436	576
Purchases		6,765	6,921
Closing inventory		(1,426)	(1,436)
Cost of goods sold <sup>2</sup>		6,775	6,061
Gross margin before selling and administrative expenses		2,361	3,318
<sup>1</sup> Revenue from sale of goods is included under "Trading Income"			
<sup>2</sup> Costs of goods sold are included under "Other Expenses – Inventory used and sold" (See Note 17)			
<b>11 EMPLOYEE BENEFITS</b>			
<b>(a) Employee Benefits</b>			
<b>Academic</b>			
Salaries		158,401	145,181
Contribution to funded superannuation and pension schemes		24,204	21,724
Long service leave		4,807	3,756
Annual leave		11,125	10,312
<b>Total Academic</b>		<b>198,537</b>	<b>180,973</b>
<b>General</b>			
Salaries		126,461	122,471
Contribution to funded superannuation and pension schemes		19,158	17,796
Long service leave		4,268	3,513
Annual leave		9,096	9,045
<b>Total General</b>		<b>158,983</b>	<b>152,825</b>
<b>Total Academic and General Employee Benefits</b>		<b>357,520</b>	<b>333,798</b>
<b>(b) Unfunded Superannuation</b>			
Deferred superannuation expense	37	678	664

## Notes to the Financial Statements (continued)

for the year ended 31 December 2010

	Note	2010 \$'000	2009 \$'000
<b>12 DEPRECIATION AND AMORTISATION</b>			
Buildings		17,952	16,592
Leasehold land and improvements		181	47
Computing equipment		1,548	1,529
Other equipment and furniture		5,539	5,358
Motor vehicles		187	197
Library collections		4,707	4,149
<b>Total Depreciation Expense</b>		<b>30,114</b>	<b>27,872</b>
<b>13 REPAIRS AND MAINTENANCE</b>			
Property		5,214	4,344
Minor new works		10,281	8,855
Grounds maintenance		779	647
<b>Total Repairs and Maintenance</b>		<b>16,274</b>	<b>13,846</b>
<b>14 BORROWING COSTS</b>			
Interest on borrowings		4,426	3,562
Less: Amount capitalised		-	(928)
<b>Total Borrowing Costs</b>		<b>4,426</b>	<b>2,634</b>
<b>15 IMPAIRMENT OF ASSETS</b>			
Bad debts written-off		184	358
Movement in provision for impaired receivables		(109)	(463)
Impairment of Land		-	1,354
Impairment of Buildings		-	6,817
Impairment of Other Financial Assets		285	279
<b>Total Impairment of Assets</b>		<b>360</b>	<b>8,345</b>
<b>16 NET (GAIN)/LOSS ON DISPOSAL OF NON-CURRENT ASSETS</b>			
Carrying amount of disposed non-current assets			
Property, plant and equipment		61	1,228
Proceeds from disposal of non-current assets			
Property, plant and equipment		(102)	(187)
<b>Net (Gain)/Loss on Disposal of Non-current Assets</b>		<b>(41)</b>	<b>1,041</b>



Financial Report 2010 (continued)

**Notes to the Financial Statements** (continued)

for the year ended 31 December 2010

<b>17 OTHER EXPENSES</b>	Note	<b>2010 \$'000</b>	2009 \$'000
Advertising, marketing and promotional		6,539	6,573
Agency staff costs		3,911	3,033
Amenities and services		-	638
Books		2,814	2,742
Computer peripherals and parts		13,180	14,725
Consumables		10,958	10,810
Contract work		32,866	29,052
Exchange rate losses		115	743
Fees and commissions		10,232	12,107
Financial assistance provided/research support		2,849	4,615
Graduations		960	995
Hospitality		2,838	2,898
Insurance		2,314	2,271
Inventory used and sold		8,660	8,143
Lease and rental		4,244	4,589
Non-capitalised equipment		6,509	6,878
Occupational health safety and welfare		282	255
Offshore partner fee share		1,257	2,221
Partner Service Fees		17,350	17,861
Payroll tax		19,641	18,058
Postage and courier		1,517	1,613
Publications		718	783
Scholarships, grants and prizes		35,644	31,485
Security		846	1,264
Staff development and training		4,466	4,201
Staff recruitment		1,185	982
Subscriptions		3,351	3,924
Telecommunications		2,596	2,182
Travel		13,307	13,240
Utilities and cleaning		14,794	10,860
Workers' compensation		1,230	718
Other		135	158
<b>Total Other Expenses</b>		<b>227,308</b>	<b>220,617</b>

## Notes to the Financial Statements (continued)

for the year ended 31 December 2010

### 18 DISCONTINUED OPERATIONS

#### (a) Disposal of the Vocational Training and Education Centre

On 31 December 2010, the University transferred the operations and associated assets and liabilities of the Vocational Training and Education Centre ("VTEC") to the Western Australia Government Department of Training and Workforce Development.

No consideration was paid by the Department of Training and Workforce Development and a loss on disposal has been recognised in the 2010 Operating Result of \$34.223 million, mainly reflecting the carrying amount of the assets transferred or impaired. The majority of these assets were either acquired by the University when VTEC was first transferred for nil consideration to the University in 1996 by the Western Australia Government, or were purchased shortly thereafter with the benefit of Australian Government grant funding.

Included within the loss on disposal is an impairment loss of \$9.099 million related to assets associated with the Goldfield Arts Centre ("GAC"). The GAC was previously part of the VTEC operations but remains with the University. The University intends to close the GAC in 2011 unless it can be transferred to a Western Australia Government agency or other third party and consequently no value is attributed to the GAC.

Note	2010 \$'000	2009 \$'000
<b>(b) Financial performance and cash flow information</b>		
<b>Operating result for the year from discontinued operations</b>		
Revenue	16,231	18,174
Expenses	(17,934)	(15,770)
Operating result	(1,703)	2,404
Loss on disposal of VTEC (i)	(34,223)	-
<b>Operating result from discontinued operations</b>	<b>(35,926)</b>	<b>2,404</b>
<b>Cash flows from discontinued operations</b>		
Net cash used in operating activities	(1,742)	5,081
Net cash used in investing activities	(2,719)	(664)
Net cash used in financing activities	(660)	(495)
Net cash flows from discontinued operations	(5,121)	3,922
<b>(i) Loss on disposal of VTEC</b>		
Consideration paid	(1,859)	
Redundancy / severance costs	(1,998)	
Other costs of disposal	(455)	
Receivable recognised for Goldfields Art Centre loan	2,560	
Net assets of discontinued operations disposed <sup>1</sup>	(32,471)	
<b>Loss on disposal of VTEC</b>	<b>(34,223)</b>	
<sup>1</sup> Net assets of discontinued operations disposed comprised:		
Deferred Government contribution for unfunded superannuation receivable no longer required	540	
Carrying amount of property, plant and equipment impaired	9,099	
Carrying amount of property, plant and equipment disposed	23,372	
Deferred employee benefits for unfunded superannuation provision no longer required	(540)	
	32,471	

Financial Report 2010 (continued)

**Notes to the Financial Statements** (continued)

for the year ended 31 December 2010

<b>19 CASH AND CASH EQUIVALENTS</b>	Note	<b>2010 \$'000</b>	2009 \$'000
<b>(a) Cash and Cash Equivalents – Unrestricted</b>			
Cash at bank and on hand <sup>1</sup>		66,159	73,798
Deposits <sup>2</sup>			
At call		–	–
Fixed term		10,000	95,000
<b>Total Cash and Cash Equivalents – Unrestricted</b>		<b>76,159</b>	<b>168,798</b>
<b>(b) Cash and Cash Equivalents – Restricted</b>			
Trust cash at bank <sup>1</sup>		1,608	–
<b>Total Cash and Cash Equivalents – Restricted</b>		<b>1,608</b>	<b>–</b>
<b>Total Cash and Cash Equivalents</b>		<b>77,767</b>	<b>168,798</b>

<sup>1</sup> Cash on hand is non-interest bearing. Cash at bank is subject to variable interest rates (refer Note 31).<sup>2</sup> Deposits are interest bearing at variable interest rates (refer Note 31).

## Notes to the Financial Statements (continued)

for the year ended 31 December 2010

20 TRADE AND OTHER RECEIVABLES	Note	2010 \$'000	2009 \$'000
<b>Current</b>			
Student receivables		3,664	4,268
Less: Provision for impaired receivables		(250)	(250)
		3,414	4,018
General receivables		17,932	27,330
Less: Provision for impaired receivables		(405)	(515)
		17,527	26,815
Deferred Government contribution for unfunded superannuation		3,134	3,002
<b>Total Current</b>		24,075	33,835
<b>Non-Current</b>			
Deferred Government contribution for unfunded superannuation		63,077	66,184
<b>Total Receivables</b>		87,152	100,019
<b>Impaired receivables</b>			
<p>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.</p> <p>As at 31 December 2010 current receivables for student fees with a nominal value of \$0.250 million (2009: \$0.250 million) were impaired. The amount of the provision was \$0.250 million (2009: \$0.250 million).</p> <p>The ageing of these receivables is as follows:</p>			
Less than 12 months		184	18
Greater than 12 months		66	232
		250	250
<p>As at 31 December 2010, current receivables for student fees of \$2.329 million (2009: \$1.423 million) were past due date but not impaired. The ageing analysis of these receivables is as follows:</p>			
Less than 12 months		2,329	1,405
Greater than 12 months		-	18
		2,329	1,423
<p>Movements in the provision for impaired student fees receivables are as follows:</p>			
Balance at start of year		250	250
Provision for impairment recognised during the year		174	72
Receivables written-off during the year as uncollectable		(149)	(69)
Unused amount reversed		(25)	(3)
Balance at end of year		250	250

Financial Report 2010 (continued)

**Notes to the Financial Statements** (continued)

for the year ended 31 December 2010

<b>20 TRADE AND OTHER RECEIVABLES (continued)</b>	Note	<b>2010 \$'000</b>	2009 \$'000
As at 31 December 2010 current general receivables with a nominal value of \$0.405 million (2009: \$0.515 million) were impaired.			
The ageing of these receivables is as follows:			
Less than 12 months		374	384
Greater than 12 months		31	131
		<b>405</b>	<b>515</b>
As at 31 December 2010, current general receivables of \$11.027 million (2009: \$9.647 million) were past due date but not impaired. The ageing analysis of these receivables is as follows:			
Less than 12 months		9,777	8,499
Greater than 12 months		1,250	1,148
		<b>11,027</b>	<b>9,647</b>
Movements in the provision for impaired general receivables are as follows:			
Balance at start of year		515	978
Receivables written-off during the year as uncollectable		(35)	(309)
Unused amount reversed		(75)	(154)
Balance at end of year		<b>405</b>	<b>515</b>
<b>21 INVENTORIES</b>			
<b>Inventories held for resale:</b>			
Merchandise		1,447	1,498
<b>Inventories not held for resale:</b>			
General stores		97	110
Farming stores		200	142
<b>Total inventories not held for resale</b>		<b>297</b>	<b>252</b>
<b>Total Inventories</b>		<b>1,744</b>	<b>1,750</b>

## Notes to the Financial Statements (continued)

for the year ended 31 December 2010

<b>22 OTHER FINANCIAL ASSETS - UNRESTRICTED</b>	Note	<b>2010 \$'000</b>	2009 \$'000
<b>Current</b>			
Foreign currency forward contract		-	434
<b>Interest bearing loans advanced</b>			
Sundry loans		700	39
		700	473
<b>Non-Current</b>			
<b>Available for Sale</b>			
Funds under management (at fair value)		194,167	37,966
Unlisted shares and warrants (at cost)		3,114	5,793
<b>Interest bearing loans advanced</b>			
Sundry loans		2,065	207
<b>Total Non-Current Other Financial Assets</b>		<b>199,346</b>	<b>43,966</b>
<b>Total Other Financial Assets - Unrestricted</b>		<b>200,046</b>	<b>44,439</b>

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.

### 23 OTHER FINANCIAL ASSETS - RESTRICTED

<b>Current Available for Sale</b>			
<b>Restricted funds under management</b>			
Research activities		40,220	37,776
Donations and prizes		18,835	17,597
Trusts		1,764	5,315
Capital Works Grants		17,542	31,720
<b>Total Restricted Funds Under Management (at fair value)</b>		<b>78,361</b>	<b>92,408</b>
<b>Total Restricted Other Financial Assets</b>		<b>78,361</b>	<b>92,408</b>

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

<b>Current</b>			
Prepayments		13,013	11,401
Accrued income		15,236	12,675
<b>Total Other Non-Financial Assets</b>		<b>28,249</b>	<b>24,076</b>

Financial Report 2010 (continued)

**Notes to the Financial Statements** (continued)

for the year ended 31 December 2010

<b>25 PROPERTY, PLANT AND EQUIPMENT</b>	Note	<b>2010 \$'000</b>	2009 \$'000
<b>Land <sup>1</sup></b>			
At cost		80,488	85,167
Accumulated impairment		(1,648)	(1,354)
		78,840	83,813
<b>Buildings</b>			
At cost		627,733	611,103
Accumulated depreciation and impairment		(132,858)	(111,582)
		494,875	499,521
<b>Leasehold land and improvements</b>			
At cost		5,423	4,654
Accumulated depreciation		(1,027)	(847)
		4,396	3,807
<b>Work in progress</b>			
Capital projects (at cost)		41,665	34,892
<b>Computing equipment</b>			
At cost		13,652	12,362
Accumulated depreciation		(11,383)	(10,088)
		2,269	2,274
<b>Other equipment and furniture</b>			
At cost		68,417	67,758
Accumulated depreciation		(43,929)	(41,834)
		24,488	25,924
<b>Motor vehicles</b>			
At cost		1,687	2,008
Accumulated depreciation		(1,353)	(1,433)
		334	575
<b>Library collections</b>			
At cost		21,304	19,019
Accumulated depreciation		(4,707)	(4,149)
		16,597	14,870
<b>Works of art</b>			
At cost		11,769	11,655
<b>Total Property, Plant and Equipment</b>		<b>675,233</b>	<b>677,331</b>

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

Notes to the Financial Statements (continued)

for the year ended 31 December 2010

**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	Buildings	Leasehold land and improvements	Work in progress	Computing equipment	Other equipment and furniture	Motor vehicles	Library collections	Works of art	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>2010</b>										
Carrying amount at start of year	83,813	499,521	3,807	34,892	2,274	25,924	575	14,870	11,655	677,331
Additions	-	405	770	46,193	1,551	5,689	155	6,785	135	61,683
Cost of disposals - continuing operations	-	(379)	-	-	(78)	(653)	(93)	-	-	(1,203)
Cost of disposals - discontinued operations	(5,760)	(21,734)	-	-	(182)	(4,377)	(383)	(351)	(21)	(32,808)
Accumulated depreciation on disposals - continuing operations	-	407	-	-	78	564	93	-	-	1,142
Accumulated depreciation on disposals - discontinued operations	-	5,996	-	-	179	3,042	219	-	-	9,436
Transfers in/(out)	1,081	38,339	-	(39,420)	-	-	-	-	-	-
Impairment losses - discontinued operations	(294)	(8,805)	-	-	-	-	-	-	-	(9,099)
Depreciation charge - continuing operations	-	(17,952)	(181)	-	(1,548)	(5,539)	(187)	(4,707)	-	(30,114)
Depreciation charge - discontinued operations	-	(923)	-	-	(5)	(162)	(45)	-	-	(1,135)
Carrying amount at end of year	78,840	494,875	4,396	41,665	2,269	24,488	334	16,597	11,769	675,233
<b>2009</b>										
Carrying amount at start of year	84,057	376,212	3,854	133,055	2,636	22,605	691	13,888	11,161	648,159
Additions <sup>1</sup>	-	1,073	-	51,116	1,191	8,545	143	5,131	494	67,693
Cost of disposals - continuing operations	(40)	(930)	-	-	(1,561)	(2,760)	(138)	-	-	(5,429)
Cost of disposals - discontinued operations	-	(56)	-	-	-	(10)	-	-	-	(66)
Accumulated depreciation on disposals - continuing operations	-	-	-	-	1,543	2,540	117	-	-	4,200
Accumulated depreciation on disposals - discontinued operations	-	9	-	-	-	10	-	-	-	19
Transfers in/(out)	1,150	147,591	-	(149,279)	-	538	-	-	-	-
Impairment losses - continuing operations	(1,354)	(6,817)	-	-	-	-	-	-	-	(8,171)
Depreciation charge - continuing operations	-	(16,592)	(47)	-	(1,529)	(5,358)	(197)	(4,149)	-	(27,872)
Depreciation charge - discontinued operations	-	(969)	-	-	(6)	(186)	(41)	-	-	(1,202)
Carrying amount at end of year	83,813	499,521	3,807	34,892	2,274	25,924	575	14,870	11,655	677,331

<sup>1</sup> In 2009, additions to Work in Progress included capitalised interest of \$0.928 million (2010: nil).



Financial Report 2010 (continued)

**Notes to the Financial Statements** (continued)

for the year ended 31 December 2010

<b>26 TRADE AND OTHER PAYABLES</b>	Note	<b>2010 \$'000</b>	2009 \$'000
<b>Current</b>			
Trade payables		14,779	14,668

**27 BORROWINGS**

<b>Current</b>			
Treasury loan		5,750	5,271
<b>Non-Current</b>			
Treasury loans		63,841	66,337
<b>Total Borrowings</b>		<b>69,591</b>	<b>71,608</b>

**Treasury Loans**

The University has the following loans with the WA Treasury Corporation:

	Average Interest rate	Maturity date	Principal outstanding	
			<b>2010 \$'000</b>	2009 \$'000
<b>Capital works</b>				
- quarterly principal and variable rate interest repayments	5.70%	15.10.2017	206	245
<b>Muresk campus housing</b>				
- 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
<b>Bentley campus housing</b>				
- 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	5.70%	15.10.2017	787	936
<b>Goldfields Arts Centre</b>				
- quarterly principal and variable rate interest repayments	5.71%	15.10.2014	2,560	3,220
<b>Chemistry Centre of WA building</b>				
- fixed rate interest and principal repayment at maturity	6.77%	01.07.2029	39,941	40,981
- fixed rate interest and principal repayment at maturity <sup>1</sup>	3.71%	01.07.2010	-	7,376
- variable rate interest and principal repayment at maturity <sup>1</sup>	4.77%	14.01.2011	7,247	-
<b>Total Treasury Loans</b>			<b>69,591</b>	<b>71,608</b>

**Financing facilities available**

At reporting date, the following financing facilities had been negotiated and were available:

Total facilities:				
- Treasury Loans			69,591	71,608
Facilities used at reporting date:				
- Treasury Loans			69,591	71,608
Facilities unused at reporting date:				
- Treasury Loans			-	-

<sup>1</sup> The University has an agreement to refinance the loan into a loan repayable over the period to 1 July 2029 at a fixed rate which has yet to be determined. This loan is refinanced monthly until total project costs are confirmed.

## Notes to the Financial Statements (continued)

for the year ended 31 December 2010

	Note	2010		2009	
		Carrying amount \$'000	Fair value \$'000	Carrying amount \$'000	Fair value \$'000
<b>27 BORROWINGS (continued)</b>					
The carrying amounts and fair values of borrowings at balance date are:					
<b>Capital works</b>					
- quarterly principal and variable rate interest repayments		206	210	245	250
<b>Muresk campus housing</b>					
- fixed rate interest only quarterly repayments with the loan principal to be repaid at date of maturity		2,050	2,119	2,050	2,081
<b>Bentley campus housing</b>					
- fixed rate interest only quarterly repayments with the loan principal to be repaid at date of maturity		16,800	17,920	16,800	17,711
- quarterly principal and variable rate interest repayments		787	805	936	958
<b>Goldfields Arts Centre</b>					
- quarterly principal and variable rate interest repayments		2,560	2,619	3,220	3,299
<b>Chemistry Centre of WA building</b>					
- monthly principal and fixed rate interest repayments		39,941	41,687	40,981	41,695
- monthly principal and variable/fixed rate interest repayments		7,247	7,279	7,376	7,398
<b>Total Treasury Loans</b>		<b>69,591</b>	<b>72,639</b>	<b>71,608</b>	<b>73,392</b>

The Fair Value of the loans have been prepared assuming hypothetical settlement dates of 31 December 2010 and 31 December 2009.

Financial Report 2010 (continued)

**Notes to the Financial Statements** (continued)

for the year ended 31 December 2010

<b>28 PROVISIONS</b>	Note	<b>2010 \$'000</b>	2009 \$'000
<b>Current</b>			
<b>Employee benefits provisions</b>			
Annual leave <sup>1</sup>		27,702	26,847
Long service leave <sup>2</sup>		26,811	24,743
Superannuation:			
Deferred employee benefits for unfunded superannuation	37(b)	3,134	3,002
Other University pension liabilities	37(a)	73	65
<b>Total Current Employee Benefits Provisions</b>		<b>57,720</b>	<b>54,657</b>
<b>Other current provisions</b>			
Employment on-costs		3,271	3,095
Redundancy costs		1,960	2,030
<b>Total Other Current Provisions</b>		<b>5,231</b>	<b>5,125</b>
<b>Total Current Provisions</b>		<b>62,951</b>	<b>59,782</b>
<b>Non-Current</b>			
<b>Employee benefits provisions</b>			
Long service leave		14,781	13,998
Superannuation:			
Deferred employee benefits for unfunded superannuation	37(b)	63,076	66,184
Other University pension liabilities	37(a)	758	746
<b>Total Non-current Employee Benefits Provisions</b>		<b>78,615</b>	<b>80,928</b>
<b>Other non-current provisions</b>			
Employment on-costs		887	839
Sarawak research fund provision		1,006	1,141
<b>Total Non-Current Provisions</b>		<b>80,508</b>	<b>82,908</b>
<b>Total Provisions</b>		<b>143,459</b>	<b>142,690</b>

## Notes to the Financial Statements (continued)

for the year ended 31 December 2010

28 PROVISIONS (continued)	Note	2010 \$'000	2009 \$'000
<b>Movements in Other Provisions</b>			
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		3,934	3,626
Addition/(reduction) in provisions recognised		1,777	1,636
Reduction arising from payments		(1,553)	(1,328)
Balance at end of year		4,158	3,934
<i>Redundancy costs provision</i>			
Balance at beginning of year		2,030	1,574
Addition/(reduction) in provisions recognised		316	2,134
Reduction arising from payments		(386)	(1,678)
Balance at end of year		1,960	2,030
<i>Sarawak research fund provision</i>			
Balance at beginning of year		1,141	1,558
Addition/(reduction) in provisions recognised		(135)	135
Reduction arising from payments		-	(552)
Balance at end of year		1,006	1,141
The University has agreed to contribute a proportion of its royalties receivable from the Curtin Sarawak campus to a research fund for that campus.			
<b><sup>1</sup> Annual leave (including employment on-costs)</b>			
Annual leave liabilities (including employment on-costs) have been classified as current as there is no unconditional right to defer settlement for at least 12 months after balance sheet date. Actual settlement of the current liabilities is expected to occur as follows:			
Within 12 months of balance sheet date		20,773	19,541
More than 12 months after balance sheet date		8,591	8,918
		29,364	28,459
<b><sup>2</sup> Long service leave (including employment on-costs)</b>			
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 balance sheet date		6,896	5,254
More than 12 months after balance sheet date		21,524	20,973
		28,420	26,227

Financial Report 2010 (continued)

**Notes to the Financial Statements** (continued)

for the year ended 31 December 2010

<b>29 OTHER LIABILITIES</b>	Note	<b>2010 \$'000</b>	2009 \$'000
<b>Current</b>			
Income received in advance		31,285	33,853
Accrued expenses		33,208	29,679
Foreign currency forward contract		55	434
Monies held in trust		3,372	5,315
<b>Total Other Liabilities</b>		<b>67,920</b>	<b>69,281</b>

**30 EQUITY**

<b>Reserves</b>			
Investments revaluation reserve	30(a)	3,753	2,366
Hedging reserve	30(b)	(55)	-
Research grants reserve	30(c)	40,220	37,776
<b>Total Reserves</b>		<b>43,918</b>	<b>40,142</b>
<b>Retained surplus</b>	30(d)	<b>808,885</b>	<b>770,432</b>

**(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.

*Movement in reserve*

Balance at beginning of year		2,366	(6,322)
Unrealised valuation gain/(loss)		2,910	9,193
Realised (gain)/loss on sale of financial assets		(1,238)	(784)
Impairment reversal/(impairment) of financial assets		(285)	279
<b>Movement for the year</b>		<b>1,387</b>	<b>8,688</b>
<b>Balance at end of year</b>		<b>3,753</b>	<b>2,366</b>

**(b) Hedging reserve**

The hedging reserve represents hedging gains and losses recognised on the effective portion of foreign currency cash flow hedges. The cumulative deferred gain or loss on the hedge is recognised in the Operating Result when the hedged transaction is considered to be ineffective or when the hedge is settled.

Balance at beginning of year		-	-
Revaluation of cashflow hedge to fair value		(55)	-
Transfer to Income statement		-	-
<b>Balance at end of year</b>		<b>(55)</b>	<b>-</b>

## Notes to the Financial Statements (continued)

for the year ended 31 December 2010

<b>30 EQUITY (continued)</b>	Note	<b>2010 \$'000</b>	2009 \$'000
<b>(c) Research grants reserve</b>			
Non-reciprocal research grants are required by Accounting Standards to be recognised as income when received. This reserve is provided for the balance of unspent research grants at the end of each financial year.			
Balance at beginning of year		37,776	41,723
Transfer to reserve		18,869	13,243
Transfers from reserves		(16,425)	(17,190)
Balance at end of year		40,220	37,776
<b>(d) Retained surplus</b>			
Balance at beginning of year		770,432	705,793
Net operating result for the year		40,897	59,663
Transfers to reserves		(18,869)	(13,243)
Transfers from reserves		16,425	18,219
Balance at end of year		808,885	770,432

Financial Report 2010 (continued)

**Notes to the Financial Statements** (continued)

for the year ended 31 December 2010

	Weighted Average Effective Interest Rate	Non - interest bearing	Variable interest rate	Fixed interest rate maturity		Total Carrying Amount
				Less than 1 year	More than 5 years	
	%	\$'000	\$'000	\$'000	\$'000	\$'000
<b>31 FINANCIAL INSTRUMENTS</b>						
<b>2010</b>						
<b>Financial Assets</b>						
Cash and cash equivalents	4.73%	39	67,728	10,000		77,767
Receivables		87,152				87,152
Interest bearing loans advanced	5.70%			2,765		2,765
Unrestricted investments:						
– Unlisted securities		3,114				3,114
– Funds under management <sup>1,4</sup>	0.05%	191,885	2,282			194,167
Restricted other financial assets <sup>4</sup>		78,361				78,361
<b>Total Financial Assets</b>		<b>360,551</b>	<b>70,010</b>	<b>12,765</b>	<b>-</b>	<b>443,326</b>
<b>Financial Liabilities</b>						
Payables		14,779				14,779
Borrowings	5.16%		7,287	1,162	61,142	69,591
Employee benefits and on-costs		142,453				142,453
Sarawak research fund		1,006				1,006
Foreign currency hedge payable		55				55
Other liabilities		67,865				67,865
<b>Total Financial Liabilities</b>		<b>226,158</b>	<b>7,287</b>	<b>1,162</b>	<b>61,142</b>	<b>295,749</b>
<b>2009</b>						
<b>Financial Assets</b>						
Cash and cash equivalents	3.96%	43	73,755	95,000		168,798
Receivables		100,019				100,019
Interest bearing loans advanced	5.39%		245			245
Foreign Currency hedge receivable		434				434
Unrestricted investments:						
– Unlisted securities		5,793				5,793
– Funds under management <sup>1,4</sup>	0.11%	34,755	3,211			37,966
Restricted other financial assets <sup>4</sup>		92,408				92,408
<b>Total Financial Assets</b>		<b>233,452</b>	<b>77,211</b>	<b>95,000</b>	<b>-</b>	<b>405,663</b>
<b>Financial Liabilities</b>						
Payables		14,668				14,668
Borrowings	6.44%		4,401	4,423	62,784	71,608
Employee benefits and on-costs		141,549				141,549
Sarawak research fund		1,141				1,141
Foreign currency hedge payable		434				434
Other liabilities		68,847				68,847
<b>Total Financial Liabilities</b>		<b>226,639</b>	<b>4,401</b>	<b>4,423</b>	<b>62,784</b>	<b>298,247</b>

<sup>1</sup> Funds under management mainly comprise investments in unit based funds. Credit risk exposure relates only to funds under management not in unit based funds.<sup>2</sup> A positive number indicates an increase in operating surplus and equity where the Australian dollar weakens against the foreign currency.

## Notes to the Financial Statements (continued)

for the year ended 31 December 2010

Foreign Exchange Risk Sensitivity <sup>2</sup>		Interest Rate Risk Sensitivity				Price Risk Sensitivity <sup>3</sup>				Credit Risk		
-10%		+10%		-200 bps		+200 bps		-15%			+15%	
Operating Result	Other Equity	Operating Result	Other Equity	Operating Result	Other Equity	Operating Result	Other Equity	Operating Result	Other Equity	Operating Result	Other Equity	\$'000
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
14		(11)		(119)		119						87,152
				(5)		5						
				(4)		4		(4,699)	(36,201)	260	40,640	2,282
								(11,995)			11,995	
14	-	(11)	-	(128)	-	128	-	(16,694)	(36,201)	260	52,635	89,434
				154		(154)						
-	-	-	-	154	-	(154)	-	-	-	-	-	-
20		(17)		(4,267)		4,267						100,019
				(5)		5						434
				(150)		150		(5,217)		5,217		3,212
								(13,864)		13,864		
20	-	(17)	-	(4,422)	-	4,422	-	(19,081)	-	-	19,081	103,665
				99		(99)						
-	-	-	-	99	-	(99)	-	-	-	-	-	-

<sup>3</sup> 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.

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



Financial Report 2010 (continued)

**Notes to the Financial Statements** (continued)

for the year ended 31 December 2010

31 FINANCIAL INSTRUMENTS (continued)	2010	2009	2010	2009	2010 Fair Value Hierarchy		
	Carrying Amount \$'000	Carrying Amount \$'000	Fair Value \$'000	Fair Value \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
<b>Financial Assets</b>							
Cash and cash equivalents	77,767	168,798	77,767	168,798	77,767	-	-
Receivables	87,152	100,019	87,152	100,019	87,152	-	-
Interest bearing loans advanced	2,765	245	2,765	245	2,765	-	-
Foreign Currency hedge receivable	-	434	-	434	-	-	-
Unrestricted investments:							
- Unlisted securities	3,114	5,793	3,114	5,793	-	3,114	-
- Funds under management	194,167	37,966	194,167	37,966	191,885	2,282	-
Restricted other financial assets	78,361	92,408	78,361	92,408	78,361	-	-
<b>Total Financial Assets</b>	<b>443,326</b>	<b>405,663</b>	<b>443,326</b>	<b>405,663</b>	<b>437,930</b>	<b>5,396</b>	<b>-</b>
<b>Financial Liabilities</b>							
Payables	14,779	14,668	14,779	14,668	14,779	-	-
Borrowings	69,591	71,608	72,639	73,392	72,639	-	-
Employee benefits	142,453	141,549	142,453	141,549	142,453	-	-
Sarawak research fund	1,006	1,141	1,006	1,141	1,006	-	-
Foreign currency hedge payable	55	434	55	434	55	-	-
Other liabilities	67,865	68,847	67,865	68,847	67,865	-	-
<b>Total Financial Liabilities</b>	<b>295,749</b>	<b>298,247</b>	<b>298,797</b>	<b>300,031</b>	<b>298,797</b>	<b>-</b>	<b>-</b>

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;

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 (ie 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 2010

### 32 FINANCIAL RISK MANAGEMENT

#### (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

Interest rate risk refers to the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates.

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, ie 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. The University's sensitivity to interest rate risk has decreased over the period due to the investment of cash and cash equivalents in longer term non-interest bearing investments.

The University has an agreement to refinance the \$7.247 million loan into a loan repayable over the period to 1 July 2029. The uncertainty of the interest rate to be charged is mitigated by the repayment of the loan by way of rent payable by the State Government to the University.

##### (ii) Foreign Currency Risk

Foreign currency risk refers to the risk that the value of a financial commitment, recognised asset or liability will fluctuate due to changes in foreign currency rates. The University's foreign currency exchange risk arises primarily from:

- trade general receivable balances denominated in a foreign currency; and
- transactions for receipts and payments settled in foreign currencies or with prices dependent on foreign currencies.

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.

	2010 A\$'000	2009 A\$'000
<b>Foreign currency cash as at year end comprised:</b>		
USD bank account	124	151
Euro bank account	-	33

The University does not have any significant exposure to foreign currency assets or liabilities at the reporting date. Note 31 details the University's sensitivity to a 10% increase and decrease in the Australian Dollar against the Euro and USD. A positive number indicates an increase in operating result and equity where the Australian dollar weakens against the Euro and USD.

At reporting date, the University held three foreign currency forward exchange contracts to buy USD2.900 million, GBP 0.180 million and EUR 0.200 million, maturing in December 2011. The contracts had been entered into to hedge the exchange rate risk arising from forecast expenditure that is highly probable to occur. These currency forward exchange contracts are designated as cashflow hedges. As at reporting date, the changes in the fair value of the hedging instruments of \$0.055 million (2009: nil) have been deferred in the hedging reserve (refer Note 30(b)).

Financial Report 2010 (continued)

## Notes to the Financial Statements (continued)

for the year ended 31 December 2010

### 32 FINANCIAL RISK MANAGEMENT (continued)

#### (iii) Price Risk

Price risk refers to the risk that the value of a financial instrument will fluctuate due to changes in market prices.

The University is exposed to market price risks arising from its investments. 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 \$52.635 million higher (2009: \$19.081 million) and the operating result would have been \$0.260 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 \$36.201 million and the impairment loss that would have been recognised through the Operating Result on previously impaired assets would have been \$16.694 million (2009: \$19.081 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.

#### (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 all financial assets included in the Statement of Financial Position, comprising cash and cash equivalents, trade and other receivables, and other financial assets.

The University has adopted the policy of only dealing with creditworthy counterparties. The credit risk on funds under management and derivative financial instruments is limited as the counterparties are 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 \$0.337 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 and borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

## Notes to the Financial Statements (continued)

for the year ended 31 December 2010

### 32 FINANCIAL RISK MANAGEMENT (continued)

#### (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 the 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 based on valuation technique 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 carrying amount of borrowings is based on cash flows discounted using borrowing rates provided by the Western Australian Treasury Corporation. The rates vary between 3% and 7% depending on the purpose of the borrowing (2009: 3% to 7%). The fair value of the 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.

Financial Report 2010 (continued)

## Notes to the Financial Statements (continued)

for the year ended 31 December 2010

### 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

##### Members Appointed by Governor in Council

Mr Colin Beckett (commenced 19 October 2010)

Mr Chris Bennett

Ms Michele Dolin (ceased 31 March 2010)

Mr Ian Fletcher (ceased 31 March 2010)

Mr Michael Lishman (commenced 20 April 2010)

Mr Keith Spence

Dr Michael Stanford

Ms Lynn Thomson

##### Member Nominated by the Minister for Education

Mr Luke Saraceni

##### Member who is the Chief Executive Officer

Prof Jeanette Hackett, Vice-Chancellor

##### Members Elected by Full-time Academic Staff

Assoc Prof David Charnock (ceased 31 March 2010)

Dr Jan Sinclair-Jones

Assoc Prof Kerry Smith (commenced 1 April 2010)

##### Member Elected by Full-time General Staff

Mr Liam McGinniss (ceased 17 June 2010)

Mr Marco Schultheis (commenced 18 June 2010)

##### Co-opted Members

Ms Zelinda Bafile, Pro-Chancellor

Mr Gene Tilbrook

Mr Daniel Tucker (ceased 31 March 2010)

##### 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

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

Prof Clare Pollock (commenced 1 April 2010)

Prof Jo Ward (ceased 31 March 2010)

##### Members Elected by Students

Mr Arun Ramdin (elected 1 January 2010 and ceased 31 December 2010)

Ms Jessica Short (elected 1 January 2010 and ceased 31 December 2010)

## Notes to the Financial Statements (continued)

for the year ended 31 December 2010

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

#### Remuneration of Members of the Accountable Authority

Any remuneration paid relates to Members' executive or contracted roles at the University. No remuneration was paid or payable to any Members for their role as members of Council. The number of members of the Accountable Authority, whose total fees, salaries, superannuation and other benefits for the financial year, fall within the following bands were:

	2010 Number	2009 Number
Nil - \$10,000	12	14
\$10,001 - \$20,000	3	-
\$50,001 - \$60,000	1	-
\$110,001 - \$120,000	-	1
\$120,001 - \$130,000	1	-
\$130,001 - \$140,000	2	1
\$140,001 - \$150,000	1	2
\$210,001 - \$220,000	2	1
\$220,001 - \$230,000	1	-
\$620,001 - \$630,000	-	1
\$690,001 - \$700,000	1	-
	<b>2010 \$'000</b>	2009 \$'000
<b>Aggregate Remuneration of Members of the Accountable Authority</b>	2,017	1,387

Financial Report 2010 (continued)

**Notes to the Financial Statements** (continued)

for the year ended 31 December 2010

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

	<b>2010 Number</b>	2009 Number
\$10,001 – \$20,000	–	1
\$20,001 – \$30,000	–	1
\$30,001 – \$40,000	1	–
\$50,001 – \$60,000	1	–
\$60,001 – \$70,000	–	1
\$70,001 – \$80,000	–	1
\$80,001 – \$90,000	–	1
\$100,001 – \$110,000	–	1
\$140,001 – \$150,000	1	–
\$170,001 – \$180,000	–	1
\$200,001 – \$210,000	1	–
\$210,001 – \$220,000	–	1
\$230,001 – \$240,000	–	1
\$240,001 – \$250,000	–	2
\$250,001 – \$260,000	1	1
\$280,001 – \$290,000	1	–
\$290,001 – \$300,000	–	1
\$300,001 – \$310,000	–	2
\$310,001 – \$320,000	1	1
\$320,001 – \$330,000	1	3
\$330,001 – \$340,000	1	–
\$340,001 – \$350,000	1	–
\$350,001 – \$360,000	3	–
\$390,001 – \$400,000	–	1
\$430,001 – \$440,000	1	–
	<b>2010 \$'000</b>	2009 \$'000
<b>Aggregate Remuneration of Senior Officers</b>	3,792	4,356

## Notes to the Financial Statements (continued)

for the year ended 31 December 2010

### 34 REMUNERATION OF AUDITORS

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

#### (a) Auditor of the University

	2010 \$'000	2009 \$'000
Auditing the financial report	244	233
Other audit services	11	11
	251	244

#### (b) Other auditors

Other audit services	21	38
<b>Total Remuneration of Auditors</b>	<b>276</b>	<b>282</b>

### 35 CONTINGENT LIABILITIES AND CONTINGENT ASSETS

#### (a) Contingent Liabilities

##### (i) 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.



Financial Report 2010 (continued)

**Notes to the Financial Statements** (continued)

for the year ended 31 December 2010

**36 COMMITMENTS FOR EXPENDITURE****(a) Capital expenditure commitments**

Capital expenditure commitments, being contracted future capital expenditure additional to the amounts reported in the financial statements, are payable as follows:

	<b>2010 \$'000</b>	2009 \$'000
<i>Buildings</i>		
Within one year	18,690	14,959
After one year but not more than five years	5,877	-
<b>Total Capital Expenditure Commitments</b>	<b>24,567</b>	<b>14,959</b>

**(b) Non-cancellable operating lease commitments**

Commitments in relation to operating leases contracted for at the reporting date but not recognised as liabilities, are payable as follows:

Within one year	7,756	6,370
After one year but not more than five years	10,548	8,139
More than five years	29,360	28,679
<b>Total Non-cancellable Operating Lease Commitments</b>	<b>47,664</b>	<b>43,188</b>
Representing:		
Non-cancellable operating leases	47,664	43,188

**(c) Other expenditure commitments**

Commitments in relation to purchase orders are payable as follows:

Within one year	5,036	5,042
-----------------	-------	-------

All the above commitments are inclusive of GST.

## Notes to the Financial Statements (continued)

for the year ended 31 December 2010

### 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.

	2010 \$'000	2009 \$'000
<b>Reconciliation of the Present Value of the Defined Benefit Obligation</b>		
Present value of defined benefit obligations at beginning of the year	811	789
Current service cost	-	-
Interest cost	41	45
Actuarial loss/(gain)	47	72
Benefits paid	(68)	(95)
Present value of defined benefit obligations at end of the year	831	811
<b>Reconciliation of the Fair Value of Assets</b>		
Fair value of assets at beginning of the year	-	-
Employer contributions	68	95
Benefits paid	(68)	(95)
Fair value of assets at end of the year	-	-
<b>Reconciliation of the Assets and Liabilities Recognised in the Statement of Financial Position</b>		
Present value of defined benefit obligation	831	811
Fair value of assets	-	-
Net liability	831	811
<b>Liability recognised in the Statement of Financial Position as:</b>		
Current	73	65
Non-current	758	746
	831	811
<b>Expense Recognised in the Statement of Comprehensive Income</b>		
Interest cost	41	45
Actuarial loss/(gain)	47	72
Superannuation expense/(benefit)	88	117

#### Assets

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

#### 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.

Financial Report 2010 (continued)

**Notes to the Financial Statements** (continued)

for the year ended 31 December 2010

**37 DEFINED BENEFIT SUPERANNUATION PLANS (continued)****(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.

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.

	<b>2010 \$'000</b>	2009 \$'000
<b>Reconciliation of the Present Value of the Defined Benefit Obligation</b>		
Present value of defined benefit obligations at beginning of the year	69,186	76,042
Current service cost	30	30
Interest cost	3,494	3,368
Actuarial loss/(gain)	511	(2,940)
Benefits paid	(6,471)	(7,314)
Transfer of defined benefit obligations on disposal of VTEC operations	(540)	-
Present value of defined benefit obligations at end of the year	66,210	69,186
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 (b)).		
<b>Reconciliation of the Fair Value of Scheme Assets</b>		
Fair value of Scheme assets at beginning of the year	-	-
Employer contributions	6,471	7,314
Benefits paid	(6,471)	(7,314)
Fair value of Scheme assets at end of the year	-	-
<b>Reconciliation of the net liability recognised in the Statement of Financial Position</b>		
Present value of defined benefit obligations	66,210	69,186
Fair value of the scheme assets	-	-
Net liability	66,210	69,186
Fair value of reimbursement rights	66,210	69,186
Total net liability/(asset) in the Statement of Financial Position	-	-
Present value of defined benefit obligations/reimbursement right is recognised as:		
Current	3,134	3,002
Non current	63,076	66,184
	66,210	69,186
<b>Expense Recognised in the Statement of Comprehensive Income</b>		
Current service cost	30	30
Interest cost	3,494	3,368
Actuarial loss/(gain) on defined benefit obligations	511	(2,940)
Reimbursement right adjustments	(3,357)	206
Deferred superannuation expense	678	664

## Notes to the Financial Statements (continued)

for the year ended 31 December 2010

### 37 DEFINED BENEFIT SUPERANNUATION PLANS (continued)

#### 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; and
- No actual return on Scheme assets.

#### Principal Actuarial Assumptions Used in determining Defined Benefit Obligation

% per annum	2010	2009
Discount rate (active members)	5.48%	5.30%
Discount rate (pensioners)	5.48%	5.30%
Expected salary increase rate	4.50%	4.50%
Expected pension increase rate	2.50%	2.50%

The discount rate is based on the 10-year Government bond rate at the reporting date. The decrement rates used (e.g. mortality and retirement rates) are based on those used at the last actuarial valuation for the Schemes, as at 31 December 2010.

#### Historical Information

Present value of defined benefit obligation	66,210	69,186
Fair value of Scheme assets	-	-
Deficit in scheme	66,210	69,186
Experience adjustments (gain)/loss – Scheme assets	-	-
Experience adjustments (gain)/loss – Scheme liabilities	1,484	(698)

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

	2011 \$'000
<b>Expected Contributions</b>	
Expected employer contributions	6,647

#### 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.

Financial Report 2010 (continued)

**Notes to the Financial Statements** (continued)

for the year ended 31 December 2010

**37 DEFINED BENEFIT SUPERANNUATION PLANS (continued)****(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 \$43.362 million (2009: \$39.520 million) were charged as an expense under employee benefits (refer Note 11(a) ) as they fell due.

**38 EVENTS OCCURRING AFTER REPORTING DATE**

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

**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:

	<b>2010 \$'000</b>	2009 \$'000
Unrestricted cash and cash equivalents (Note 19(a) )	76,159	168,798
Restricted cash and cash equivalents (Note 19(b) )	1,608	-
Balance as per Statement of Cash Flows	77,767	168,798

**(b) Reconciliation of operating result from ordinary activities to net cash inflow from operating activities**

Net operating result	40,897	59,663
Depreciation expense	30,114	27,872
Net (gain)/loss on disposal of non-current assets	(41)	1,041
Impairment of assets	360	8,345
Other non-cash items	603	(1,503)
Net exchange differences	115	743
Discontinued operations – non cash items	33,606	1,265
<b>Changes in assets and liabilities:</b>		
(Increase)/decrease in trade and other receivables	12,752	(2,246)
(Increase)/decrease in inventories	6	(721)
(Increase)/decrease in other current assets	(4,173)	(3,722)
Increase/(decrease) in trade and other payables	111	8,476
Increase/(decrease) in provisions	769	(1,285)
Increase/(decrease) in other current liabilities	(1,361)	15,207
<b>Net Cash provided by Operating Activities</b>	<b>113,758</b>	<b>113,135</b>

## Notes to the Financial Statements (continued)

for the year ended 31 December 2010

### 40 NON-CASH FINANCING AND INVESTING ACTIVITIES

In 2009 the University incurred \$0.928 million (2010 : Nil) in interest and guarantee fee costs relating to the draw down of borrowings for the construction of the Chemistry Centre of WA building. These costs were capitalised as part of the building cost and the associated borrowings and are 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.

### 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 to the financial statements.

#### (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	2010 \$'000	2009 \$'000
Purchases	Curtin Student Guild	1,214	1,874
Revenue	Curtin Student Guild	1,330	3,119
Receivable at 31 December	Curtin Student Guild	37	2,029
Payable at 31 December	Curtin Student Guild	1	2

### 42 INVESTMENT IN RELATED ENTITIES

#### (a) Companies

Details of the University's subsidiary and associates at 31 December 2010 are:

Name of entity	Country of incorporation	Class of shares	Carrying value of Investment \$'000	Equity holding	
				2010 %	2009 %
<b>Subsidiary</b>					
DeepVision 3D Pty Ltd	Australia	Ordinary	20	50	50
<b>Associates</b>					
HiSeis Pty Ltd	Australia	Ordinary	125	44	44
Scanalyse Holdings Pty Ltd	Australia	Ordinary	236	32	32
Virtual Observer Pty Ltd	Australia	Ordinary	253	28	28
iCetana Pty Ltd	Australia	Ordinary	300	32	32
Future Directions International Pty Ltd	Australia	Ordinary	-	20	20
Tertiary Institutions Service Centre Inc	Australia	N/a	-	25	25

Financial Report 2010 (continued)

**Notes to the Financial Statements** (continued)

for the year ended 31 December 2010

**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 per annum		In-kind contribution per annum		Equity holding	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000	2010 %	2009 %
International Centre for Radio Astronomy Research	2,175	-	3,195	-	43	-
WA Energy Research Alliance	250	200	850	850	33	33
<b>Co-operative Research Centres</b>						
Australian Seafood CRC	100	100	242	242	2	2
CRC for Greenhouse Gas Technologies (CO2CRC)	100	100	1,707	1,151	7	6
CRC Mining	100	100	400	400	6	6
Parker CRC for Integrated Hydrometallurgy Solutions	-	-	973	973	7	7
Spatial Information CRC (CRC-SI)	50	50	168	208	8	7
CRC for Deep Exploration Technologies (CRC-DET)	-	-	654	-	13	-
CRC for Remote Economic Participation (CRC-REP)	100	-	-	-	11	-
Wound Management Innovation CRC (CRC-Wounds)	100	-	757	-	18	-

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

**(c) Co-operative Research Centres**

Co-operative 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 generally all members of the unincorporated joint venture operation are also shareholders or members of the company, with the shareholding percentage dependent on the level of contribution to the CRC. 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	
		2010 %	2009 %
CO2CRC Limited	CO2 CRC	3	3
Parker Centre Ltd	Parker CRC	5	5
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	11	-

## Notes to the Financial Statements (continued)

for the year ended 31 December 2010

<b>43 SUPPLEMENTARY FINANCIAL INFORMATION</b>	<b>2010 \$'000</b>	2009 \$'000
<b>Write-Offs</b>		
Public property written off by the Minister during the financial year	-	187
<b>Losses Through Theft, Defaults and Other Causes</b>		
Losses of public moneys and, public and other property through theft or default	-	-
Amounts recovered	-	-
	-	-



Financial Report 2010 (continued)

**Notes to the Financial Statements** (continued)

for the year ended 31 December 2010

**44 ACQUITTAL OF AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE****(a) DEEWR – CGS and Other DEEWR Grants**

	Commonwealth Grants Scheme		Indigenous Support Fund		Workplace Reform Program	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Financial assistance received in CASH during the reporting period	163,738	135,379	1,867	2,151	-	1,585
Net accrual adjustments	(6,917)	5,767	-	-	-	-
Revenue for the period	156,821	141,146	1,867	2,151	-	1,585
Surplus/(deficit) from the previous year	-	-	-	-	-	-
Total revenue including accrual revenue	156,821	141,146	1,867	2,151	-	1,585
Less expenses including accrual expenses	(156,821)	(141,146)	(1,867)	(2,151)	-	(1,585)
Surplus/(deficit) for reporting period	-	-	-	-	-	-

	Disability Support Program		Capital Development Pool		Partnership & Participation Program	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Financial assistance received in CASH during the reporting period	67	83	-	2,042	1,425	239
Net accrual adjustments	-	-	-	-	(1,010)	-
Revenue for the period	67	83	-	2,042	415	239
Surplus/(deficit) from the previous year	(71)	(64)	-	-	-	(140)
Total revenue including accrual revenue	(4)	19	-	2,042	415	99
Less expenses including accrual expenses	4	(90)	-	(2,042)	(415)	(99)
Surplus/(deficit) for reporting period	-	(71)	-	-	-	-

	Learning & Teaching Performance Fund		Diversity and Structural Adjustment Fund		Improving the Practical Comp of Teacher Education	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Financial assistance received in CASH during the reporting period	-	738	301	350	-	334
Net accrual adjustments	-	-	-	-	229	(229)
Revenue for the period	-	738	301	350	229	105
Surplus/(deficit) from the previous year	-	-	404	249	291	301
Total revenue including accrual revenue	-	738	705	599	520	406
Less expenses including accrual expenses	-	(738)	(705)	(195)	(520)	(115)
Surplus/(deficit) for reporting period	-	-	-	404	-	291

	Transitional Costs Program		Total	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Financial assistance received in CASH during the reporting period	436	1,473	167,834	144,374
Net accrual adjustments	360	-	(7,338)	5,538
Revenue for the period	796	1,473	160,496	149,912
Surplus/(deficit) from the previous year	-	-	624	346
Total revenue including accrual revenue	796	1,473	161,120	150,258
Less expenses including accrual expenses	(796)	(1,473)	(161,120)	(149,634)
Surplus/(deficit) for reporting period	-	-	-	624

## Notes to the Financial Statements (continued)

for the year ended 31 December 2010

### 44 ACQUITTAL OF AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE (continued)

#### (b) Higher Education Loan Programs (excl OS-HELP)

	HECS-HELP		FEE-HELP		Total	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Financial assistance received in CASH during the reporting period	80,686	70,635	15,987	12,840	96,673	83,475
Net accrual adjustments	(1,731)	3,058	635	1,685	(1,096)	4,743
Revenue for the period	78,955	73,693	16,622	14,525	95,577	88,218
Surplus/(deficit) from the previous year	-	-	-	-	-	-
Total revenue including accrual revenue	78,955	73,693	16,622	14,525	95,577	88,218
Less expenses including accrual expenses	(78,955)	(73,693)	(16,622)	(14,525)	(95,577)	(88,218)
Surplus/(deficit) for reporting period	-	-	-	-	-	-

Financial Report 2010 (continued)

**Notes to the Financial Statements** (continued)

for the year ended 31 December 2010

**44 ACQUITTAL OF AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE (continued)****(c) Scholarships**

	Australian Postgraduate Awards		Indigenous Access Scholarships		International Postgraduate Research Scholarships	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Financial assistance received in CASH during the reporting period	4,218	3,043	251	225	514	499
Net accrual adjustments	-	-	(157)	-	-	(1)
Revenue for the period	4,218	3,043	94	225	514	498
Surplus/(deficit) from the previous year	852	1,219	-	-	(541)	(603)
Total revenue including accrual revenue	5,070	4,262	94	225	(27)	(105)
Less expenses including accrual expenses	(5,070)	(3,410)	(94)	(225)	27	(436)
Surplus/(deficit) for reporting period	-	852	-	-	-	(541)
	Commonwealth Education Costs Scholarships		Commonwealth Accommodation Scholarships		Indigenous Staff Scholarships	
Financial assistance received in CASH during the reporting period	852	2,264	61	2,926	-	-
Net accrual adjustments	727	(301)	1,957	(235)	-	-
Revenue for the period	1,579	1,963	2,018	2,691	-	-
Surplus/(deficit) from the previous year	-	-	-	-	-	12
Total revenue including accrual revenue	1,579	1,963	2,018	2,691	-	12
Less expenses including accrual expenses	(1,579)	(1,963)	(2,018)	(2,691)	-	(12)
Surplus/(deficit) for reporting period	-	-	-	-	-	-
	Total					
Financial assistance received in CASH during the reporting period	5,896	8,957				
Net accrual adjustments	2,527	(537)				
Revenue for the period	8,423	8,420				
Surplus/(deficit) from the previous year	311	628				
Total revenue including accrual revenue	8,734	9,048				
Less expenses including accrual expenses	(8,734)	(8,737)				
Surplus/(deficit) for reporting period	-	311				

## Notes to the Financial Statements (continued)

for the year ended 31 December 2010

### 44 ACQUITTAL OF AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE (continued)

#### (d) DIISR Research

	Joint Research Engagement Program		Sustainable Research Excellence		Research Training Scheme	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Financial assistance received in CASH during the reporting period	8,304	6,941	1,250	-	14,582	13,932
Net accrual adjustments	-	-	-	-	-	28
Revenue for the period	8,304	6,941	1,250	-	14,582	13,960
Surplus/(deficit) from the previous year	-	-	-	-	-	-
Total revenue including accrual revenue	8,304	6,941	1,250	-	14,582	13,960
Less expenses including accrual expenses	(8,304)	(6,941)	(1,250)	-	(14,582)	(13,960)
Surplus/(deficit) for reporting period	-	-	-	-	-	-

	Research Infrastructure Block Grants		Commercialisation Training Scheme		Implementation Assistance Program	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Financial assistance received in CASH during the reporting period	2,581	2,624	150	142	79	141
Net accrual adjustments	-	-	-	-	-	-
Revenue for the period	2,581	2,624	150	142	79	141
Surplus/(deficit) from the previous year	-	-	96	47	-	-
Total revenue including accrual revenue	2,581	2,624	246	189	79	141
Less expenses including accrual expenses	(2,581)	(2,624)	(246)	(93)	(79)	(141)
Surplus/(deficit) for reporting period	-	-	-	96	-	-

	Australian Scheme for Higher Education Repositories		Total	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Financial assistance received in CASH during the reporting period	-	246	26,946	24,026
Net accrual adjustments	-	-	-	28
Revenue for the period	-	246	26,946	24,054
Surplus/(deficit) from the previous year	-	91	96	138
Total revenue including accrual revenue	-	337	27,042	24,192
Less expenses including accrual expenses	-	(337)	(27,042)	(24,096)
Surplus/(deficit) for reporting period	-	-	-	96

Financial Report 2010 (continued)

**Notes to the Financial Statements** (continued)

for the year ended 31 December 2010

**44 ACQUITTAL OF AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE (continued)****(e) Other Capital Funding**

	Teaching and Learning Capital Fund		Education Investment Fund		Total	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Financial assistance received in CASH during the reporting period	-	15,316	6,100	5,000	6,100	20,316
Net accrual adjustments	-	-	6,100	-	6,100	-
Revenue for the period	-	15,316	12,200	5,000	12,200	20,316
Surplus/(deficit) from the previous year	15,316	-	2,697	-	18,013	-
Total revenue including accrual revenue	15,316	15,316	14,897	5,000	30,213	20,316
Less expenses including accrual expenses	(13,766)	-	(10,788)	(2,303)	(24,554)	(2,303)
Surplus/(deficit) for reporting period	1,550	15,316	4,109	2,697	5,659	18,013

**(f) Australian Research Council Grants****(i) Discovery**

	Projects		Fellowships		Total	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Financial assistance received in CASH during the reporting period	4,641	3,837	415	586	5,056	4,423
Net accrual adjustments	-	-	-	-	-	-
Revenue for the period	4,641	3,837	415	586	5,056	4,423
Surplus/(deficit) from the previous year	559	335	340	376	899	711
Total revenue including accrual revenue	5,200	4,172	755	962	5,955	5,134
Less expenses including accrual expenses	(5,200)	(3,613)	(755)	(622)	(5,955)	(4,235)
Surplus/(deficit) for reporting period	-	559	-	340	-	899

## Notes to the Financial Statements (continued)

for the year ended 31 December 2010

### 44 ACQUITTAL OF AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE (continued)

#### (ii) Linkages

	Special Research Initiatives		Infrastructure		International	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Financial assistance received in CASH during the reporting period	-	-	300	372	-	75
Net accrual adjustments	-	-	-	-	-	-
Revenue for the period	-	-	300	372	-	75
Surplus/(deficit) from the previous year	-	26	1,269	1,721	30	2
Total revenue including accrual revenue	-	26	1,569	2,093	30	77
Less expenses including accrual expenses	-	(26)	(1,569)	(824)	(30)	(47)
Surplus/(deficit) for reporting period	-	-	-	1,269	-	30

	Projects		Total	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Financial assistance received in CASH during the reporting period	2,255	2,317	2,555	2,764
Net accrual adjustments	-	-	-	-
Revenue for the period	2,255	2,317	2,555	2,764
Surplus/(deficit) from the previous year	378	30	1,677	1,779
Total revenue including accrual revenue	2,633	2,347	4,232	4,543
Less expenses including accrual expenses	(2,633)	(1,969)	(4,232)	(2,866)
Surplus/(deficit) for reporting period	-	378	-	1,677

#### (g) OS-HELP

	2010 \$'000	2009 \$'000
Cash received during the reporting period	249	189
Cash spent during the reporting period	(249)	(189)
Net cash received	-	-
Cash surplus/(deficit) from the previous period	-	-
Cash surplus/(deficit) for the reporting period	-	-

#### (h) Superannuation Supplementation

	2010 \$'000	2009 \$'000
Cash received during the reporting period	7,390	6,041
University contribution in respect of current employees	678	664
Cash available	8,068	6,705
Cash surplus/(deficit) from the previous period	(403)	732
Cash available for current period	7,665	7,437
Contributions to specified defined benefit funds	(7,503)	(7,840)
Cash surplus/(deficit) for the reporting period	162	(403)

Financial Report 2010 (continued)

## Report by the Members of the University Council

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The members of the University Council present their report for the year ended 31 December 2010.

### Members

The following persons were members of the Council of Curtin University of Technology during the year ended 31 December 2010:

#### Chancellor

Dr Jim Gill AO (commenced 1 January 2010)

#### Members Appointed by Governor in Council

Mr Colin Beckett (commenced 19 October 2010)

Mr Chris Bennett

Ms Michele Dolin (ceased 31 March 2010)

Mr Ian Fletcher (ceased 31 March 2010)

Mr Michael Lishman (commenced 20 April 2010)

Mr Keith Spence

Dr Michael Stanford

Ms Lynne Thomson

#### Member Nominated by the Minister for Education and Training

Mr Luke Saraceni

#### Member who is the Chief Executive Officer

Professor Jeanette Hackett, Vice-Chancellor

#### Members Elected by Full-time Academic Staff

Associate Professor David Charnock (ceased 31 March 2010)

Associate Professor Kerry Smith (commenced 1 April 2010)

Dr Jan Sinclair-Jones

#### Member Elected by Full-time General Staff

Mr Liam McGinniss (ceased 17 June 2010)

Mr Marco Schultheis (commenced 18 June 2010)

#### Co-opted Members

Ms Zelinda Bafile, Pro-Chancellor

Mr Gene Tilbrook

Mr Daniel Tucker (ceased 31 March 2010)

#### 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

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

Professor Clare Pollock (commenced 1 April 2010)

Professor Jo Ward (ceased 31 March 2010)

#### Members Elected by Students

Mr Arun Ramdin (elected 1 January 2010 and ceased 31 December 2010)

Ms Jessica Short (elected 1 January 2010 and ceased 31 December 2010)

## Report by the Members of the University Council (continued)

The members of the University Council present their report for the year ended 31 December 2010

### Meetings of Members

The number of meetings of the University Council and of each committee of Council held during the year ended 31 December 2010, and the number of meetings attended by each member were:

Members	Council Meetings		Meetings of Committees <sup>a</sup>							
	Attended	Held	Audit & Compliance		Curtin Town		Executive		Finance	
			Attended	Held	Attended	Held	Attended	Held	Attended	Held
Mr Gary Angove (co-opted)			6	6						
Ms Zelinda Bafile <sup>1</sup>	8	8	6	6			3	7		
Mr Colin Beckett	2	2								
Mr Chris Bennett	7	8	6	6			8	9		
The Hon Datuk Patinggi Tan Sri Dr George Chan Hong Nam	1	8								
Associate Professor David Charnock	1	2								
Ms Michele Dolin <sup>2</sup>	2	2					2	2	0	1
Mr Ian Fletcher	0	2					1	2		
Dr Jim Gill AO, Chancellor <sup>4</sup>	7	8			1	1	8	9		
Professor Jeanette Hackett, Vice-Chancellor <sup>3</sup>	8	8			1	1	9	9	5	6
Mr Michael Lishman	6	6			1	1				
Professor Clare Pollock	6	6			1	1	7	7		
Mr Liam McGinniss	2	4								
Mr Arun Ramdin	5	8								
Mr Luke Saraceni	5	8			0	1				
Mr Marco Schultheis	3	4								
Ms Jessica Short	7	8								
Dr Jan Sinclair-Jones	7	8								
Associate Professor Kerry Smith	6	6								
Mr Keith Spence	7	8					5	9		
Dr Michael Stanford	7	8			1	1			5	6
Ms Lynne Thomson	6	8								
Mr Gene Tilbrook <sup>4</sup>	5	8			0	1	6	9	6	6
Mr Daniel Tucker <sup>2</sup>	1	5								
Professor Jo Ward	2	2					2	2		

<sup>1</sup> Also a member of the Kalgoorlie Campus Council, Legislative Committee, Student Disciplinary Appeals Committee and Grievance Resolution Committee.

<sup>2</sup> Also a member of the Kalgoorlie Campus Council.

<sup>3</sup> Also a member of the Curtin University Foundation Board, Kalgoorlie Campus Council and Legislative Committee.

<sup>4</sup> Also a member of the Curtin University Foundation Board.

<sup>a</sup> The Legislative Committee did not meet but all matters requiring consideration were dealt with by way of circular resolution.

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 were:

- 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; and
- 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 2010 (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 2010

### Review of Operations

The net operating result for the year ended 31 December 2010 was \$40.897 million (2009 : \$59.663 million).

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

- Chancellor's Foreword
- Vice-Chancellor's Report
- Report on Operations
- 2010 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 significant breaches of environmental regulations.

Relevant legislation that Curtin is subject to includes:

- *Environmental Protection Act 1986*
- Environmental Protection Regulations 1987
- Environmental Protection (Controlled Waste) Regulations 2004
- Environmental Protection (Noise) Regulations 1997
- Environmental Protection (Unauthorised Discharges) Regulations 2004
- *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 Statutory Liability insurance cover through contracts with external insurance providers. The cover applies to members of Council, Directors and Executive Officers of the University.

### Proceedings on behalf of Curtin University of Technology

No material legal proceedings have been initiated by the University during 2010.

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



**Dr Jim Gill AO**

Chancellor

Curtin University of Technology, Bentley, Perth, WA

Dated this 16th day of March 2011