

FINANCIAL REPORT 2011

CERTIFICATIONS.....	45
STATEMENT OF COMPREHENSIVE INCOME	46
STATEMENT OF FINANCIAL POSITION	47
STATEMENT OF CHANGES IN EQUITY.....	48
STATEMENT OF CASH FLOWS	49
NOTES TO THE FINANCIAL STATEMENTS	50
REPORT BY THE MEMBERS OF THE UNIVERSITY COUNCIL	104

CERTIFICATIONS

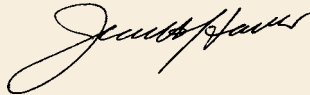
CERTIFICATION OF THE FINANCIAL STATEMENTS

The accompanying financial statements of Curtin University of Technology and the accompanying consolidated financial statements have been prepared in compliance with the provisions of the *Financial Management Act 2006* from proper accounts and records to present fairly the financial transactions for the financial year ended 31 December 2011 and the financial position as at 31 December 2011.

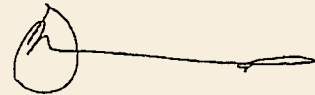
At the date of signing, we are not aware of any circumstances which would render any particulars included in the financial statements misleading or inaccurate.



James Ian Gill
Chancellor



Jeanette Hackett
Vice-Chancellor



David Menarry
Chief Finance Officer

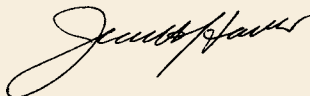
Dated this 14th day of March 2012

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

We declare that the amount of Australian Government financial assistance expended during the financial year ended 31 December 2011 was for the purpose(s) for which it was provided, and Curtin University has complied with applicable legislation, contracts, agreements and program guidelines in making expenditure.



James Ian Gill
Chancellor



Jeanette Hackett
Vice-Chancellor

Dated this 14th day of March 2012

Financial Report 2011 (continued)

STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2011

	Note	2011 \$'000	2010 \$'000
Revenue from Continuing Operations			
Australian Government financial assistance:			
Australian Government grants	4	247,162	243,719
HECS-HELP – Australian Government payments	4	84,628	78,955
FEE-HELP	4	17,227	16,622
State and local government financial assistance	5	9,151	5,207
HECS-HELP – student payments		23,015	23,729
Fees and charges	6	219,269	210,061
Investment revenue	7	33,885	17,902
Royalties, trademarks and licences	8	28,003	31,579
Consultancy and contracts	9	36,152	31,813
Other revenue	10	61,367	53,875
Total Revenue from Continuing Operations		759,859	713,462
Expenses from Continuing Operations			
Employee related expenses	11(a)	390,529	357,520
Depreciation and amortisation	12	33,730	30,114
Repairs and maintenance	13	13,857	16,274
Borrowing costs	14	4,509	4,426
Impairment of assets	15	2,197	360
(Gain)/Loss on disposal of non-current assets	16	79	(41)
Deferred superannuation expense	11(b)	452	678
Other expenses	17	233,093	227,308
Total Expenses from Continuing Operations		678,446	636,639
Operating Result from Continuing Operations		81,413	76,823
Operating result from discontinued operations	18	-	(35,926)
Net Operating Result for the Year		81,413	40,897
Net investment revaluation gain/(loss)	30(a)	(19,614)	1,387
Cashflow hedge revaluation gain/(loss)	30(b)	55	(55)
Total Comprehensive Income		61,854	42,229

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

STATEMENT OF FINANCIAL POSITION

as at 31 December 2011

	Note	2011 \$'000	2010 \$'000
ASSETS			
Current Assets			
Cash and cash equivalents:			
Unrestricted	19(a)	68,587	76,159
Restricted	19(b)	1,670	1,608
Trade and other receivables	20	25,051	24,075
Inventories	21	1,977	1,744
Other financial assets:			
Unrestricted	22	702	700
Restricted	23	69,892	80,017
Other non-financial assets	24	23,777	28,249
Total Current Assets		191,656	212,552
Non-Current Assets			
Trade and other receivables	20	68,438	63,077
Other financial assets – unrestricted	22	264,158	197,690
Property, plant and equipment	25	696,425	675,233
Total Non-Current Assets		1,029,021	936,000
Total Assets		1,220,677	1,148,552
LIABILITIES			
Current Liabilities			
Trade and other payables	26	14,195	14,779
Borrowings	27	4,878	5,750
Provisions	28	74,784	62,951
Other liabilities	29	59,703	67,920
Total Current Liabilities		153,560	151,400
Non-Current Liabilities			
Borrowings	27	62,746	63,841
Provisions	28	89,714	80,508
Total Non-Current Liabilities		152,460	144,349
Total Liabilities		306,020	295,749
Net Assets		914,657	852,803
EQUITY			
Reserves	30	28,775	43,918
Retained surplus	30	885,882	808,885
Total Equity		914,657	852,803

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

Financial Report 2011 (continued)

STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2011

	Note	Reserves \$'000	Retained Earnings \$'000	Total Equity \$'000
At 1 January 2010		40,142	770,432	810,574
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	-
At 31 December 2010	30	43,918	808,885	852,803
Operating result for the year		-	81,413	81,413
Other comprehensive income for the year		(19,559)	-	(19,559)
Transfers from retained earnings	30(d)	18,112	(18,112)	-
Transfers to retained earnings	30(d)	(13,696)	13,696	-
At 31 December 2011	30	28,775	885,882	914,657

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 2011

	Note	2011 \$'000	2010 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Australian Government grants received	4(h)	368,205	345,593
State and local government financial assistance		9,151	5,678
HECS-HELP – student payments		23,015	25,448
Fees and charges		213,067	207,229
Royalties, trademarks and licences		32,568	36,858
Consultancy and contract research		36,399	35,694
Interest received		5,176	8,056
Dividends received		1,730	-
Distributions received		21,662	7,527
Other		43,743	66,450
GST refunds received		8,858	9,987
Payments			
Payments for employee benefits		(397,451)	(383,918)
Payments to suppliers		(236,151)	(244,523)
Interest and other costs of finance paid		(4,522)	(4,579)
Net Cash Flow of Discontinued Operations		-	(1,742)
Net Cash Provided by Operating Activities	39(b)	125,449	113,758
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment		(55,877)	(60,823)
Payments for property, plant and equipment of discontinued operations		-	(860)
Proceeds on sale of property, plant and equipment		181	102
Payment for disposal of discontinued operations		-	(1,859)
Payments for investments		(105,086)	(154,368)
Proceeds on redemption of investments		29,790	15,036
Net Cash Used in Investing Activities		(130,992)	(202,772)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings		(1,967)	(2,017)
Proceeds from borrowings		-	-
Cash (Used in)/Provided by Financing Activities		(1,967)	(2,017)
Net increase/(decrease) in cash and cash equivalents		(7,510)	(91,031)
Cash and cash equivalents at the beginning of the year		77,767	168,798
Cash and Cash Equivalents at the End of the Year	39(a)	70,257	77,767

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

Financial Report 2011 (continued)

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2011

Note	Contents	
1	Summary of significant accounting policies	51
2	Critical accounting estimates and judgements.....	58
3	Disaggregated information	59
	Revenue	
4	Australian Government financial assistance including HECS-HELP and FEE-HELP.....	60
5	State and local government financial assistance	62
6	Fees and charges.....	62
7	Investment revenue	62
8	Royalties, trademarks and licences.....	63
9	Consultancy and contracts.....	63
10	Other revenue	63
	Expenses	
11	Employee benefits.....	64
12	Depreciation and amortisation.....	64
13	Repairs and maintenance	64
14	Borrowing costs.....	65
15	Impairment of assets.....	65
16	Net (gain)/loss on disposal of non-current assets.....	65
17	Other expenses	66
18	Discontinued operations	67
	Assets	
19	Cash and cash equivalents	68
20	Trade and other receivables.....	68
21	Inventories.....	70
22	Other financial assets – unrestricted	71
23	Other financial assets – restricted.....	71
24	Other non-financial assets	71
25	Property, plant and equipment.....	72
	Liabilities	
26	Trade and other payables	74
27	Borrowings	74
28	Provisions.....	76
29	Other liabilities	78
	Equity	
30	Equity.....	78
	Other Notes	
31	Financial instruments	80
32	Financial risk management.....	82
33	Remuneration of Members of the Accountable Authority and Senior Officers	85
34	Remuneration of auditors.....	87
35	Contingent liabilities and contingent assets	88
36	Commitments for expenditure.....	88
37	Defined benefit superannuation plans.....	89
38	Events occurring after reporting date	93
39	Notes to the Statement of Cash Flows.....	93
40	Non-cash financing and investing activities.....	93
41	Related parties.....	94
42	Investment in related entities	94
43	Supplementary financial information.....	96
44	Acquittal of Australian Government financial assistance	97

Notes to the Financial Statements (continued)

for the year ended 31 December 2011

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation

This general purpose financial report has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board (AASB), the requirements of the Department of 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.

Financial Report 2011 (continued)

Notes to the Financial Statements (continued)

for the year ended 31 December 2011

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Commonwealth supported student income

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

Research income

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

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

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

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.

Notes to the Financial Statements (continued)

for the year ended 31 December 2011

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Depreciation of non-current assets

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

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

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

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

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

Library 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
- (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.

Financial Report 2011 (continued)

Notes to the Financial Statements (continued)

for the year ended 31 December 2011

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

(j) Inventories

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

(k) Receivables

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

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

(l) Investments

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

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

Included within Unlisted shares are investments in a number of unlisted companies which were established to commercialise intellectual property. Unlisted shares are stated at historical cost unless there has been a permanent diminution in value, in which event a recoverable amount write-down is made.

Interest revenue and other investment income is recognised when earned.

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

(m) Loans

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

Loans are classified as current assets unless the counterparty has an unconditional right to defer settlement of the asset for at least 12 months after the reporting date.

Notes to the Financial Statements (continued)

for the year ended 31 December 2011

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(n) Joint research activities

The University participates in a number of joint research activities, such as Cooperative Research Centres. 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.

(o) Payables

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

(p) Borrowings

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

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

Borrowings are classified as current liabilities unless the University has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

(q) Employee benefits

Annual leave

This benefit is recognised at the reporting date in respect of employees' service up to that date and is measured at 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.

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.

Financial Report 2011 (continued)

Notes to the Financial Statements (continued)

for the year ended 31 December 2011

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Unfunded superannuation

An arrangement exists between the Commonwealth Government and the Western Australian Government to meet the unfunded liability for the University's beneficiaries of the State Superannuation Schemes on an emerging cost basis. The unfunded liabilities have been recognised in the Statement of Financial Position under Provisions, with a corresponding asset recognised under Receivables. The recognition of both the asset and the liability 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.

(r) 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".

(s) 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.

(t) Reserves

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

(u) Taxes

Income tax

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

Notes to the Financial Statements (continued)

for the year ended 31 December 2011

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Goods and services tax (GST)

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

- where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, then the GST is recognised as part of the cost of acquisition or as part of the expense item as applicable
- receivables and payables, which 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 an operating cash flow.

Fringe benefits tax

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

Payroll tax

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

(v) 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.

(w) Comparative figures

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

(x) 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.

Financial Report 2011 (continued)

Notes to the Financial Statements (continued)

for the year ended 31 December 2011

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

(y) New accounting standards and interpretations

Certain new Accounting Standards and Interpretations have been published that are not mandatory for the 31 December 2011 reporting period.

The University's assessment of the new Standards and Interpretations that have been finalised is that there is no significant impact to the University's financial statements. Relevant Standards are as follows: AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9; AASB 1053 Application of Tiers of Australian Accounting Standards; and AASB 2010-2 Amendments to Accounting Standards arising from Reduced Disclosure Requirements.

AASB 9 Financial Instruments has not yet been finalised and therefore its impact to the University's financial statements is not yet clear.

2 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

(a) Critical accounting estimates and assumptions

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

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

Notes to the Financial Statements (continued)

for the year ended 31 December 2011

2 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

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

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

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

3 DISAGGREGATED INFORMATION

	Revenue ¹		Results ¹		Assets	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Geographical						
Australia	741,692	692,813	67,949	65,455	1,207,187	1,136,410
Asia	16,144	19,367	11,522	10,598	11,548	11,372
Other	2,023	1,282	1,942	770	1,942	770
	759,859	713,462	81,413	76,823	1,220,677	1,148,552

¹ Revenue and results are for continuing operations only. Discontinued operations in 2010 were located in Australia.

Financial Report 2011 (continued)

Notes to the Financial Statements (continued)

for the year ended 31 December 2011

	Note	2011 \$'000	2010 \$'000
4 AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE INCLUDING HECS-HELP AND FEE-HELP			
(a) Commonwealth Grants Scheme (CGS) and other grants			
	44(a)		
Commonwealth Grants Scheme		164,201	156,821
Indigenous Support Fund		1,613	1,867
Disability Support Program		43	67
Partnership and Participation Program		1,385	415
Diversity and Structural Adjustment Fund		400	301
Improving the Practical Component of Teacher Education Initiative		-	229
Transitional Cost Program		234	796
Total Commonwealth Grants Scheme and Other Grants		167,876	160,496
(b) Higher Education Loan Programs			
	44(b)		
HECS-HELP		84,628	78,955
FEE-HELP		17,227	16,622
Total Higher Education Loan Programs		101,855	95,577
(c) Scholarships			
	44(c)		
Australian Postgraduate Awards		5,133	4,218
Indigenous Access Scholarships		89	94
International Postgraduate Research Scholarships		525	514
Commonwealth Education Costs Scholarships		969	1,579
Commonwealth Accommodation Scholarships		1,266	2,018
Total Scholarships		7,982	8,423
(d) DIISR research			
	44(d)		
Joint Research Engagement Program		9,223	8,304
Sustainable Research Excellence		1,761	1,250
Research Training Scheme		15,003	14,582
Research Infrastructure Block Grants		2,658	2,581
Commercialisation Training Scheme		177	150
Implementation Assistance Program		-	79
Total DIISR Research Grants		28,822	26,946
(e) Other capital funding			
	44(e)		
Teaching and Learning Capital Fund		-	-
Education Investment Fund		2,000	12,200
Total Other Capital Funding		2,000	12,200

Notes to the Financial Statements (continued)

for the year ended 31 December 2011

	Note	2011 \$'000	2010 \$'000
4 AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE INCLUDING HECS-HELP AND FEE-HELP (continued)			
(f) Australian Research Council (ARC)			
(i) Discovery	44(f)(i)		
Project		4,285	4,641
Fellowships		959	415
Total Discovery		5,244	5,056
(ii) Linkages	44(f)(ii)		
Infrastructure		190	300
International		(9)	-
Projects		2,933	2,255
Total Linkages		3,114	2,555
(g) Other Australian Government financial assistance			
Other (includes Cooperative Research Centres funding)		32,124	28,043
Total Australian Government Financial Assistance – Continuing Operations		349,017	339,296
Other Australian Government financial assistance – discontinued operations		-	34
Total Australian Government Financial Assistance		349,017	339,330
Reconciliation			
Australian Government grants [a+c+d+e+f+g]		247,162	243,719
HECS-HELP – Australian Government payments		84,628	78,955
Other Australian Government loan programs (FEE-HELP)		17,227	16,622
Total Australian Government Financial Assistance – Continuing Operations		349,017	339,296
(h) Australian Government grants received – cash basis			
CGS and other DEEWR grants	44(a)	170,257	167,834
Higher Education Loan Programs	44(b)	108,209	96,673
Scholarships	44(c)	9,497	5,896
DIISR research	44(d)	28,822	26,946
Other capital funding	44(e)	6,100	6,100
ARC grants – Discovery	44(f)(i)	5,235	5,056
ARC grants – Linkages	44(f)(ii)	3,123	2,555
Other government grants		29,594	26,894
Total Australian Government Grants Received – Cash Basis		360,837	337,954
OS-Help (Net)	44(g)	475	249
Superannuation supplementation	44(h)	6,893	7,390
Total Australian Government Funding Received – Cash Basis		368,205	345,593

Financial Report 2011 (continued)

Notes to the Financial Statements (continued)

for the year ended 31 December 2011

Note	2011 \$'000	2010 \$'000
5 STATE AND LOCAL GOVERNMENT FINANCIAL ASSISTANCE		
Local government	335	24
State government	8,816	5,183
Total State and Local Government Financial Assistance	9,151	5,207
6 FEES AND CHARGES		
Course fees and charges		
Fee-paying overseas students	186,912	177,663
Continuing education	1,951	1,896
Fee-paying domestic postgraduate students	11,799	10,708
Fee-paying domestic undergraduate students	948	1,775
Fee-paying domestic non-award students	569	536
Total Course Fees and Charges	202,179	192,578
Other non-course fees and charges		
Examination fees	1,063	2,512
Late fees	446	431
Library fines	172	178
Parking fees	3,571	3,458
Registration fees	141	166
Ancillary fees	261	171
Student accommodation	8,989	8,696
Other fees and charges	2,447	1,871
Total Other Non-Course Fees and Charges	17,090	17,483
Total Fees and Charges	219,269	210,061
7 INVESTMENT REVENUE		
Disbursements and dividends from available-for-sale investments	28,101	9,355
Gain/(loss) on disposal of available-for-sale investments	(162)	94
Cumulative gain/(loss) reclassified from equity on disposal of available-for-sale investments	461	1,426
Interest received	5,485	7,027
Total Investment Revenue	33,885	17,902

Notes to the Financial Statements (continued)

for the year ended 31 December 2011

Note	2011 \$'000	2010 \$'000
8 ROYALTIES, TRADEMARKS AND LICENCES		
Royalties	28,003	31,579
Total Royalties, Trademarks and Licences	28,003	31,579
9 CONSULTANCY AND CONTRACTS		
Consultancy	10,666	10,243
Contract research	25,486	21,570
Total Consultancy and Contracts	36,152	31,813
10 OTHER REVENUE		
Trading income	16,781	16,425
Donations	2,379	3,377
Rental income	8,335	5,856
Sundry Income ¹	31,571	25,479
Insurance claims	653	588
Staff salary recoveries	669	1,038
Proceeds from sale of minor equipment	31	87
Conference income	722	677
Other	226	348
Total Other Revenue	61,367	53,875
Revenue from sale of goods ²	8,307	9,136
Cost of sales:		
Opening inventory	1,426	1,436
Purchases	6,122	6,765
Closing inventory	(1,416)	(1,426)
Cost of goods sold ³	6,132	6,775
Gross margin before selling and administrative expenses	2,175	2,361

¹ Sundry Income includes revenue for scholarships, sponsorships, training workshops, Open Universities Australia and other sundry income.

² Revenue from sale of goods is included under Trading Income.

³ Costs of goods sold are included under "Other Expenses – Inventory used and sold" (See Note 17).

Financial Report 2011 (continued)

Notes to the Financial Statements (continued)

for the year ended 31 December 2011

	Note	2011 \$'000	2010 \$'000
11 EMPLOYEE BENEFITS			
(a) Employee benefits			
Academic			
Salaries		177,350	158,401
Contribution to funded superannuation and pension schemes		26,754	24,204
Long service leave		5,107	4,807
Annual leave		12,044	11,125
Total Academic		221,255	198,537
General			
Salaries		134,433	126,461
Contribution to funded superannuation and pension schemes		20,539	19,158
Long service leave		4,452	4,268
Annual leave		9,850	9,096
Total General		169,274	158,983
Total Academic and General Employee Benefits		390,529	357,520
(b) Unfunded superannuation			
Deferred superannuation expense	37	452	678
12 DEPRECIATION AND AMORTISATION			
Buildings		20,015	17,952
Leasehold land and improvements		210	181
Computing equipment		1,544	1,548
Other equipment and furniture		6,752	5,539
Motor vehicles		177	187
Library collections		5,032	4,707
Total Depreciation Expense		33,730	30,114
13 REPAIRS AND MAINTENANCE			
Property		5,913	5,214
Minor new works		6,792	10,281
Grounds maintenance		1,152	779
Total Repairs and Maintenance		13,857	16,274

Notes to the Financial Statements (continued)

for the year ended 31 December 2011

Note	2011 \$'000	2010 \$'000
14 BORROWING COSTS		
Interest on borrowings	4,509	4,426
Less: amount capitalised	-	-
Total Borrowing Costs	4,509	4,426
15 IMPAIRMENT OF ASSETS		
Bad debts written-off	28	184
Movement in provision for impaired receivables	1,956	(109)
Impairment of other financial assets	213	285
Total Impairment of Assets	2,197	360
16 NET (GAIN)/LOSS ON DISPOSAL OF NON-CURRENT ASSETS		
Carrying amount of disposed non-current assets		
Property, plant and equipment	260	61
Proceeds from disposal of non-current assets		
Property, plant and equipment	(181)	(102)
Net (Gain)/Loss on Disposal of Non-Current Assets	79	(41)

Financial Report 2011 (continued)

Notes to the Financial Statements (continued)

for the year ended 31 December 2011

	Note	2011 \$'000	2010 \$'000
17 OTHER EXPENSES			
Advertising, marketing and promotional		5,968	6,539
Agency staff costs		2,972	3,911
Books		2,622	2,814
Computer peripherals and parts		15,171	13,180
Consumables		11,073	10,958
Contract work		32,493	32,866
Exchange rate losses		144	115
Fees and commissions		13,315	10,232
Financial assistance provided/research support		3,520	2,849
Graduations		836	960
Hospitality		3,037	2,838
Insurance		2,264	2,314
Inventory used and sold		8,340	8,660
Lease and rental		4,728	4,244
Non-capitalised equipment		6,109	6,509
Occupational health, safety and welfare		509	282
Offshore partner fee share		99	1,257
Partner service fees		14,630	17,350
Payroll tax		20,876	19,641
Postage and courier		1,320	1,517
Publications		542	718
Scholarships, grants and prizes		36,857	35,644
Security		370	846
Staff development and training		4,851	4,466
Staff recruitment		1,658	1,185
Subscriptions		4,828	3,351
Telecommunications		2,189	2,596
Travel		14,635	13,307
Utilities and cleaning		15,415	14,794
Workers' compensation		1,441	1,230
Other		281	135
Total Other Expenses		233,093	227,308

Notes to the Financial Statements (continued)

for the year ended 31 December 2011

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 Australian Department of Training and Workforce Development.

No consideration was paid by the WA Department of Training and Workforce Development and a loss on disposal was 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 Australian Government, or were purchased shortly thereafter with the benefit of Australian Government grant funding.

Included within the loss on disposal in 2010 is an impairment loss of \$9.099 million related to assets associated with the Goldfields Arts Centre (GAC). The GAC was previously part of the VTEC operations but has been retained by the University. Unless the GAC can be transferred to a Western Australian Government agency or other third party, the University intends to close the GAC in 2012. Consequently, no value is attributed to the GAC.

Note	2011 \$'000	2010 \$'000
(b) Financial performance and cash flow information		
Operating result for the year from discontinued operations		
Revenue	-	16,231
Expenses	-	(17,934)
Operating result	-	(1,703)
Loss on disposal of VTEC (i)	-	(34,223)
Operating Result from Discontinued Operations	-	(35,926)
Cash flows from discontinued operations		
Net cash used in operating activities	-	(1,742)
Net cash used in investing activities	-	(2,719)
Net cash used in financing activities	-	(660)
Net cash flows from discontinued operations	-	(5,121)
(i) Loss on disposal of VTEC		
Consideration paid		(1,859)
Redundancy/severance costs		(1,998)
Other costs of disposal		(455)
Receivable recognised for GAC loan		2,560
Net assets of discontinued operations disposed ¹		(32,471)
Loss on disposal of VTEC		(34,223)
¹ 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 2011 (continued)

Notes to the Financial Statements (continued)

for the year ended 31 December 2011

Note	2011 \$'000	2010 \$'000
19 CASH AND CASH EQUIVALENTS		
(a) Cash and cash equivalents – unrestricted		
Cash at bank and on hand ¹	28,587	66,159
Fixed term deposits ²	40,000	10,000
Total Cash and Cash Equivalents – Unrestricted	68,587	76,159
(b) Cash and cash equivalents – restricted		
Trust cash at bank ¹	62	1,608
Trust fixed term deposit ²	1,608	-
Total Cash and Cash Equivalents – Restricted	1,670	1,608
Total Cash and Cash Equivalents	70,257	77,767
¹ Cash on hand is non-interest bearing. Cash at bank is subject to variable interest rates (refer Note 31).		
² Deposits are interest bearing at variable interest rates (refer Note 31).		
20 TRADE AND OTHER RECEIVABLES		
Current		
Student receivables	5,514	3,664
Less: provision for impaired receivables	(250)	(250)
	5,264	3,414
General receivables	18,344	17,932
Less: provision for impaired receivables	(2,361)	(405)
	15,983	17,527
Deferred government contribution for unfunded superannuation	3,804	3,134
Total Current	25,051	24,075
Non-current		
Deferred government contribution for unfunded superannuation	68,438	63,077
Total Receivables	93,489	87,152

Notes to the Financial Statements (continued)

for the year ended 31 December 2011

Note	2011 \$'000	2010 \$'000
20 TRADE AND OTHER RECEIVABLES (continued)		
Impaired receivables		
The creation and release of the provision for impaired receivables has been included in Impairment of Assets in the Statement of Comprehensive Income. Amounts charged to the provision account are written-off when there is no expectation of recovering additional amounts.		
As at 31 December 2011, current receivables for student fees with a nominal value of \$0.250 million (2010: \$0.250 million) were impaired. The amount of the provision was \$0.250 million (2010: \$0.250 million).		
The ageing of these receivables is as follows:		
Less than 12 months	190	184
Greater than 12 months	60	66
	250	250
As at 31 December 2011, current receivables for student fees of \$3.134 million (2010: \$2.329 million) were past due date but not impaired.		
The ageing of these receivables is as follows:		
Less than 12 months	3,134	2,329
Greater than 12 months	-	-
	3,134	2,329
Movements in the provision for impaired student fees receivables are as follows:		
Balance at start of year	250	250
Provision for impairment recognised during the year	195	174
Receivables written-off during the year as uncollectable	(21)	(149)
Unused amount reversed	(174)	(25)
Balance at end of year	250	250
As at 31 December 2011, current general receivables with a nominal value of \$2.361 million (2010: \$0.405 million) were impaired.		
The ageing of these receivables is as follows:		
Less than 12 months	2,337	374
Greater than 12 months	24	31
	2,361	405

Financial Report 2011 (continued)

Notes to the Financial Statements (continued)

for the year ended 31 December 2011

Note	2011 \$'000	2010 \$'000
20 TRADE AND OTHER RECEIVABLES (continued)		
As at 31 December 2011, current general receivables of \$10.735 million (2010: \$11.027 million) were past due date but not impaired.		
The ageing of these receivables is as follows:		
Less than 12 months	9,681	9,777
Greater than 12 months	1,054	1,250
	10,735	11,027
Movements in the provision for impaired general receivables are as follows:		
Balance at start of year	405	515
Receivables written-off during the year as uncollectable	(7)	(35)
Provision for impairment recognised during the year	1,963	-
Unused amount reversed	-	(75)
Balance at end of year	2,361	405
21 INVENTORIES		
Inventories held for resale:		
Merchandise	1,416	1,447
Inventories not held for resale:		
General stores	111	97
Farming stores	450	200
Total Inventories Not Held for Resale	561	297
Total Inventories	1,977	1,744

Notes to the Financial Statements (continued)

for the year ended 31 December 2011

Note	2011 \$'000	2010 \$'000
22 OTHER FINANCIAL ASSETS - UNRESTRICTED		
Current		
Loans		
Interest bearing loans	702	700
	702	700
Non-current		
Available-for-sale		
Funds under management (at fair value)	260,132	192,511
Unlisted shares and warrants (at cost)	2,662	3,114
Loans		
Interest bearing loans	1,364	2,065
Total Non-Current Other Financial Assets	264,158	197,690
Total Other Financial Assets - Unrestricted	264,860	198,390
All available-for-sale financial assets are denominated in Australian currency. For an analysis of the credit risk and sensitivity of available-for-sale financial assets to price, currency and interest rate risk, refer to Note 31.		
23 OTHER FINANCIAL ASSETS - RESTRICTED		
Current available-for-sale		
Restricted funds under management		
Research activities	44,636	40,220
Donations and prizes	19,888	18,835
Trusts	3,851	3,420
Capital Works Grants	1,517	17,542
Total Restricted Funds Under Management (at fair value)	69,892	80,017
Total Restricted Other Financial Assets	69,892	80,017
Restricted funds are held as cash (refer Note 19(b)) or invested as managed funds. Capital works grants represent unspent grants for education infrastructure. All available-for-sale financial assets are denominated in Australian currency. For an analysis of the credit risk and sensitivity of available-for-sale financial assets to price and interest rate risk, refer to Note 31.		
24 OTHER NON-FINANCIAL ASSETS		
Current		
Prepayments	12,949	13,013
Accrued income	10,828	15,236
Total Other Non-Financial Assets	23,777	28,249

Financial Report 2011 (continued)

Notes to the Financial Statements (continued)

for the year ended 31 December 2011

	Note	2011 \$'000	2010 \$'000
25 PROPERTY, PLANT AND EQUIPMENT			
Land¹			
At cost		82,365	80,488
Accumulated impairment		(1,648)	(1,648)
		80,717	78,840
Buildings			
At cost		672,249	627,733
Accumulated depreciation and impairment		(151,698)	(132,858)
		520,551	494,875
Leasehold land and improvements			
At cost		5,423	5,423
Accumulated depreciation		(1,237)	(1,027)
		4,186	4,396
Work in progress			
Capital projects (at cost)		35,250	41,665
Computing equipment			
At cost		11,752	13,652
Accumulated depreciation		(9,733)	(11,383)
		2,019	2,269
Other equipment and furniture			
At cost		71,757	68,417
Accumulated depreciation		(48,598)	(43,929)
		23,159	24,488
Motor vehicles			
At cost		1,722	1,687
Accumulated depreciation		(1,261)	(1,353)
		461	334
Library collections			
At cost		23,221	21,304
Accumulated depreciation		(5,032)	(4,707)
		18,189	16,597
Works of art			
At cost		11,893	11,769
Total Property, Plant and Equipment		696,425	675,233

¹ 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 2011

25 PROPERTY, PLANT AND EQUIPMENT (continued)

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

	Land \$'000	Buildings \$'000	Leasehold land and improve- ments \$'000	Work in progress \$'000	Computing equipment \$'000	Other equipment and furniture \$'000	Motor vehicles \$'000	Library collections \$'000	Works of art \$'000	Total \$'000
2011										
Carrying amount at start of year	78,840	494,875	4,396	41,665	2,269	24,488	334	16,597	11,769	675,233
Additions	1,877	-	-	39,948	749	5,533	327	6,624	124	55,182
Cost of disposals - continuing operations	-	(48)	-	-	(3,228)	(2,283)	(291)	-	-	(5,850)
Accumulated depreciation on disposals - continuing operations	-	10	-	-	3,229	2,083	268	-	-	5,590
Transfers in/(out)	-	45,729	-	(46,363)	544	90	-	-	-	-
Depreciation charge - continuing operations	-	(20,015)	(210)	-	(1,544)	(6,752)	(177)	(5,032)	-	(33,730)
Carrying amount at end of year	80,717	520,551	4,186	35,250	2,019	23,159	461	18,189	11,893	696,425
2010										
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

Financial Report 2011 (continued)

Notes to the Financial Statements (continued)

for the year ended 31 December 2011

Note	2011 \$'000	2010 \$'000
26 TRADE AND OTHER PAYABLES		
Current		
Trade payables	14,195	14,779
27 BORROWINGS		
Current		
Treasury loans	4,878	5,750
Non-current		
Treasury loans	62,746	63,841
Total Borrowings	67,624	69,591

Treasury loans

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

	Average interest rate	Maturity date	Principal outstanding	
			2011 \$'000	2010 \$'000
Capital works				
- quarterly principal and variable rate interest repayments	5.70%	15.10.2017	166	206
Muresk Campus housing				
- fixed rate interest only quarterly repayments with the loan principal to be repaid at date of maturity	6.50%	15.07.2018	2,050	2,050
Bentley Campus housing				
- fixed rate interest only quarterly repayments with the loan principal to be repaid at date of maturity	7.05%	15.01.2018	16,800	16,800
- quarterly principal and variable rate interest repayments	5.70%	15.10.2017	633	787
Goldfields Arts Centre				
- quarterly principal and variable rate interest repayments	5.71%	15.10.2014	1,900	2,560
Chemistry Centre of WA building				
- monthly principal and fixed rate interest repayments	6.77%	01.07.2029	38,828	39,941
- variable rate interest with principal repayment at maturity ¹	4.93%	31.01.2012	7,247	7,247
Total Treasury Loans			67,624	69,591

¹ The University has, since the reporting date, converted the loan into a loan repayable over the period to 1 July 2029 at a fixed rate of 5.11% p.a.

Notes to the Financial Statements (continued)

for the year ended 31 December 2011

Note	2011 \$'000	2010 \$'000
27 BORROWINGS (continued)		
Financing facilities available		
At reporting date, the following financing facilities had been negotiated and were available:		
Total facilities:		
- Treasury loans	67,624	69,591
Facilities used at reporting date:		
- Treasury loans	67,624	69,591
Facilities unused at reporting date:		
- Treasury loans	-	-

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

	2011		2010	
	Carrying amount \$'000	Fair value \$'000	Carrying amount \$'000	Fair value \$'000
Capital works				
- quarterly principal and variable rate interest repayments	166	173	206	210
Muresk Campus housing				
- fixed rate interest only quarterly repayments with the loan principal to be repaid at date of maturity	2,050	2,308	2,050	2,119
Bentley Campus housing				
- fixed rate interest only quarterly repayments with the loan principal to be repaid at date of maturity	16,800	19,337	16,800	17,920
- quarterly principal and variable rate interest repayments	633	662	787	805
Goldfields Arts Centre				
- quarterly principal and variable rate interest repayments	1,900	1,969	2,560	2,619
Chemistry Centre of WA building				
- monthly principal and fixed rate interest repayments	38,828	44,944	39,941	41,687
- monthly principal and variable/fixed rate interest repayments	7,247	7,280	7,247	7,279
Total Treasury Loans	67,624	76,673	69,591	72,639

The fair value of the loans have been prepared assuming hypothetical settlement dates of 31 December 2011 and 31 December 2010.

Financial Report 2011 (continued)

Notes to the Financial Statements (continued)

for the year ended 31 December 2011

	Note	2011 \$'000	2010 \$'000
28 PROVISIONS			
Current			
Employee benefits provisions			
Annual leave ¹		29,317	27,702
Long service leave ²		28,170	26,811
Superannuation:			
Deferred employee benefits for unfunded superannuation	37(b)	3,804	3,134
Other University pension liabilities	37(a)	79	73
Total Current Employee Benefits Provisions		61,370	57,720
Other current provisions			
Employment on-costs		3,449	3,271
Redundancy costs		9,965	1,960
Total Other Current Provisions		13,414	5,231
Total Current Provisions		74,784	62,951
Non-current			
Employee benefits provisions			
Long service leave		18,318	14,781
Superannuation:			
Deferred employee benefits for unfunded superannuation	37(b)	68,438	63,076
Other University pension liabilities	37(a)	853	758
Total Non-Current Employee Benefits Provisions		87,609	78,615
Other non-current provisions			
Employment on-costs		1,099	887
Sarawak research fund provision		1,006	1,006
Total Non-Current Provisions		89,714	80,508
Total Provisions		164,498	143,459

Notes to the Financial Statements (continued)

for the year ended 31 December 2011

Note	2011 \$'000	2010 \$'000
28 PROVISIONS (continued)		
Movements in other provisions		
Movements in each class of provision during the financial year, other than employee benefits, are set out below:		
<i>Employment on-costs provision</i>		
Balance at beginning of year	4,158	3,934
Addition/(reduction) in provisions recognised	1,859	1,777
Reduction arising from payments	(1,469)	(1,553)
Balance at end of year	4,548	4,158
<i>Redundancy costs provision</i>		
Balance at beginning of year	1,960	2,030
Addition/(reduction) in provisions recognised	8,280	316
Reduction arising from payments	(275)	(386)
Balance at end of year	9,965	1,960
<i>Sarawak research fund provision</i>		
Balance at beginning of year	1,006	1,141
Addition/(reduction) in provisions recognised	-	(135)
Reduction arising from payments	-	-
Balance at end of year	1,006	1,006
The University has agreed to contribute a proportion of its royalties receivable from the Curtin Sarawak campus to a research fund for that campus.		
¹ Annual leave (including employment on-costs)		
Annual leave liabilities (including employment on-costs) have been classified as current as there is no unconditional right to defer settlement for at least 12 months after balance sheet date. Actual settlement of the current liabilities is expected to occur as follows:		
Within 12 months of balance sheet date	23,064	20,773
More than 12 months after balance sheet date	8,012	8,591
	31,076	29,364
² Long service leave (including employment on-costs)		
Long service leave liabilities have been classified as current where there is no unconditional right to defer settlement for at least 12 months after balance sheet date. Actual settlement of the current liabilities is expected to occur as follows:		
Within 12 months of balance sheet date	5,156	6,896
More than 12 months after balance sheet date	24,704	21,524
	29,860	28,420

Financial Report 2011 (continued)

Notes to the Financial Statements (continued)

for the year ended 31 December 2011

	Note	2011 \$'000	2010 \$'000
29 OTHER LIABILITIES			
Current			
Income received in advance		28,679	29,629
Accrued expenses		25,503	33,208
Foreign currency forward contract		-	55
Monies held in trust		5,521	5,028
Total Other Liabilities		59,703	67,920
30 EQUITY			
Reserves			
Investments revaluation reserve	30(a)	(15,861)	3,753
Hedging reserve	30(b)	-	(55)
Research grants reserve	30(c)	44,636	40,220
Total Reserves		28,775	43,918
Retained Surplus	30(d)	885,882	808,885
(a) Investments revaluation reserve			
The Investments Revaluation Reserve arises on the revaluation of available-for-sale financial assets. Where a revalued financial asset is sold that portion of the reserve which relates to that financial asset, and is effectively realised, is recognised in the Operating Result. Where a revalued financial asset is impaired, the portion of the reserve which relates to that financial asset is transferred to the Operating Result.			
<i>Movement in reserve</i>			
Balance at beginning of year		3,753	2,366
Unrealised valuation gain/(loss)		(19,102)	2,910
Realised (gain)/loss on sale of financial assets		(299)	(1,238)
Impairment reversal/(impairment) of financial assets		(213)	(285)
Movement for the year		(19,614)	1,387
Balance at end of year		(15,861)	3,753

Notes to the Financial Statements (continued)

for the year ended 31 December 2011

Note	2011 \$'000	2010 \$'000
30 EQUITY (continued)		
(b) Hedging reserve		
The Hedging Reserve represents hedging gains and losses recognised on the effective portion of foreign currency cash flow hedges. 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	(55)	-
Revaluation of cash flow hedge to fair value	-	(55)
Transfer to Statement of Comprehensive Income	55	-
Balance at end of year	-	(55)
(c) Research grants reserve		
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	40,220	37,776
Transfers to reserves	18,112	18,869
Transfers from reserves	(13,696)	(16,425)
Balance at end of year	44,636	40,220
(d) Retained surplus		
Balance at beginning of year	808,885	770,432
Net operating result for the year	81,413	40,897
Transfers to reserves	(18,112)	(18,869)
Transfers from reserves	13,696	16,425
Balance at end of year	885,882	808,885

Financial Report 2011 (continued)

Notes to the Financial Statements (continued)

for the year ended 31 December 2011

31 FINANCIAL INSTRUMENTS

	Weighted average effective interest rate %	Non-interest bearing \$'000	Variable interest rate \$'000	Fixed interest rate \$'000	Total carrying amount \$'000	Maturity Profile		
						Less than 1 year \$'000	1-5 years \$'000	More than 5 years \$'000
2011								
Financial assets								
Cash and cash equivalents	5.18%	42	70,215		70,257	70,257		
Receivables		93,489			93,489	24,002	16,266	53,222
Interest bearing loans advanced	5.61%		2,066		2,066	702	1,356	8
Unlisted securities (unrestricted)		2,662			2,662		2,662	
Funds under management (unrestricted) ^{1,4}	0.01%	257,927	2,205		260,132	321	63,504	196,306
Funds under management (restricted) ⁴		69,892			69,892			69,892
Total Financial Assets		424,012	74,486	-	498,498	95,282	83,788	319,428
Financial liabilities								
Payables		14,195			14,195	14,195		
Borrowings	6.13%		9,946	57,678	67,624	4,878	8,120	54,626
Other liabilities		59,703			59,703	59,703		
Foreign currency hedge payable								
Total Financial Liabilities		73,898	9,946	57,678	141,522	78,776	8,120	54,626
2010								
Financial assets								
Cash and cash equivalents	4.73%	39	67,728	10,000	77,767	77,767		
Receivables		87,152			87,152	22,702	13,911	50,541
Interest bearing loans advanced	5.70%			2,765	2,765	700	2,042	23
Unlisted securities (unrestricted)		3,114			3,114		3,114	
Funds under management (unrestricted) ^{1,4}	0.05%	190,229	2,282		192,511	1,105	44,137	147,268
Funds under management (restricted) ⁴		80,017			80,017			80,017
Total Financial Assets		360,551	70,010	12,765	443,326	102,274	63,204	277,849
Financial liabilities								
Payables		14,779			14,779	14,779		
Borrowings	5.16%		7,287	62,304	69,591	5,750	8,343	55,497
Other liabilities		67,865			67,865	67,865		
Foreign currency hedge payable		55			55	55		
Total Financial Liabilities		82,699	7,287	62,304	152,290	88,449	8,343	55,497

Notes to the Financial Statements (continued)

for the year ended 31 December 2011

Foreign Exchange Risk Sensitivity ²				Interest Rate Risk Sensitivity				Price Risk Sensitivity ³				Credit Risk \$'000
-10%		+10%		-200 bps		+200 bps		-15%		+15%		
Operating Result \$'000	Other Equity \$'000	Operating Result \$'000	Other Equity \$'000	Operating Result \$'000	Other Equity \$'000	Operating Result \$'000	Other Equity \$'000	Operating Result \$'000	Other Equity \$'000	Operating Result \$'000	Other Equity \$'000	
14		(11)		(1,827)		1,827						93,489
				(3)		3						
	2,643		(2,643)					(809)	(48,704)	248	49,265	2,205
								(10,148)			10,148	
14	2,643	(11)	(2,643)	(1,830)	-	1,830	-	(10,958)	(48,704)	248	59,413	95,695
				60		(60)						
-	-	-	-	60	-	(60)	-	-	-	-	-	-
14		(11)		(2,942)		2,942						87,152
				(5)		5						
	2,253		(2,253)	(4)		4		(4,699)	(36,201)	260	40,640	2,282
								(11,995)			11,995	
14	2,253	(11)	(2,253)	(2,951)	-	2,951	-	(16,694)	(36,201)	260	52,635	89,434
				154		(154)						
-	-	-	-	154	-	(154)	-	-	-	-	-	-

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

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

³ Operating Result would not be affected if prices increased by 15 per cent 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 per cent with further decreases in value of previously impaired available-for-sale assets recognised in the Operating Result.

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

Financial Report 2011 (continued)

Notes to the Financial Statements (continued)

for the year ended 31 December 2011

31 FINANCIAL INSTRUMENTS (continued)

	2011	2010	2011	2010	2011 Fair Value Hierarchy		
	Carrying Amount \$'000	Carrying Amount \$'000	Fair Value \$'000	Fair Value \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Financial assets							
Assets carried at amortised costs							
Cash and cash equivalents	70,257	77,767	70,257	77,767			
Receivables	93,489	87,152	93,489	87,152			
Interest bearing loans advanced	2,066	2,765	2,066	2,765			
Unlisted securities (unrestricted)	2,662	3,114	2,662	3,114			
Assets carried at fair value							
Funds under management (unrestricted)	260,132	192,511	260,132	194,167	257,927	2,205	-
Funds under management (restricted)	69,892	80,017	69,892	78,361	69,892	-	-
Total Financial Assets	498,498	443,326	498,498	443,326	327,819	2,205	-
Financial liabilities							
Liabilities carried at amortised costs							
Payables	14,195	14,779	14,195	14,779			
Borrowings	67,624	69,591	76,673	72,639			
Other liabilities	59,703	67,865	59,703	67,865			
Liabilities carried at fair value							
Foreign currency hedge payable	-	55	-	55	-	-	-
Total Financial Liabilities	141,522	152,290	150,571	155,338	-	-	-

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.

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:

Notes to the Financial Statements (continued)

for the year ended 31 December 2011

32 FINANCIAL RISK MANAGEMENT (continued)

(i) Interest rate risk

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

Note 31 details the University's sensitivity to a 200 basis point increase or decrease in interest rates assuming the change took place at the beginning of the financial year and held constant throughout the reporting period. 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 fixed interest 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 WA Government to the University.

(ii) Foreign currency risk

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

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

At 31 December 2011, the University held no foreign currency forward exchange contracts.

Note	2011 A\$'000	2010 A\$'000
Foreign currency cash as at year end comprised:		
USD bank account	124	124

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 per cent 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.

(iii) Price risk

The University is exposed to market price risks arising from its investments. Note 31 details the University's sensitivity to a 15 per cent 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 per cent higher, Equity would have been \$59.413 million higher (2010: \$52.635 million) and the Operating Result would have been \$0.248 million higher due to the reversal of previously impaired available-for-sale debt investments. However, if the inputs to the valuation of the funds under management had been 15 per cent lower, the devaluation would have reduced the Equity Reserve by \$48.704 million (2010: \$36.201 million) and the impairment loss that would have been recognised through the Operating Result on previously impaired assets would have been \$10.958 million (2010: \$16.694 million).

Financial Report 2011 (continued)

Notes to the Financial Statements (continued)

for the year ended 31 December 2011

32 FINANCIAL RISK MANAGEMENT (continued)

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.

Procedures are in place to minimise exposure to credit risk associated with students and other debtors. The credit risk on funds under management and derivative financial instruments is limited as the counterparties are 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 \$0.402 million.

(c) Liquidity risk

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

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

(d) Fair value estimation

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

- due to the short-term nature of current receivables, their carrying value is assumed to approximate fair value and, based on credit history, it is expected that the receivables that are neither past due date nor impaired will be received when due
- available-for-sale equity financial assets are traded on an active market. Hence, the fair value of these investments is based on quoted market prices at the reporting date (Level 1). The fair value of available-for-sale debt financial assets are determined based on market prices of financial assets with similar maturity and risk profiles due to the illiquidity of these financial assets (Level 2)
- the fair value of forward foreign exchange contracts is determined by referring to the price of similar instruments as at reporting date with same settlement date
- unlisted shares are measured at cost as their fair value cannot be measured reliably. Unlisted shares are not traded on an active market. The University currently has no intention to dispose of these financial instruments in the short term
- the carrying amount of borrowings is based on cash flows discounted using borrowing rates provided by the WA Treasury Corporation. The rates vary between six and seven per cent depending on the purpose of the borrowing (2010: three to seven per cent). The fair value of the borrowings equals the carrying amount including additional charges and adjustments provided by the WA Treasury Corporation had the University terminated the loans at 31 December of each year.

Notes to the Financial Statements (continued)

for the year ended 31 December 2011

33 REMUNERATION OF MEMBERS OF THE ACCOUNTABLE AUTHORITY AND SENIOR OFFICERS

(a) Remuneration of Members of the Accountable Authority

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

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

Chancellor

Dr Jim Gill AO

Members appointed by Governor in Council

Mr Colin Beckett

Mr Chris Bennett

Mr Kim Bridge (commenced 15 November 2011)

Mr Michael Lishman

Mr Keith Spence

Dr Michael Stanford (ceased 1 December 2011 and recommenced 13 December 2011)

Ms Lynne Thomson (ceased 25 February 2011)

Member nominated by the Minister for Education and Training

Mr Luke Saraceni

Member who is the Chief Executive Officer

Professor Jeanette Hackett AM, Vice-Chancellor

Members elected by full-time academic staff

Dr Jan Sinclair-Jones

Associate Professor Kerry Smith

Member elected by full-time general staff

Mr Marco Schultheis

Co-opted members

Ms Zelinda Bafile, Pro Chancellor

Mr Steve Scudamore (commenced 1 April 2011)

Mr Gene Tilbrook

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

The Honourable Datuk Patinggi Tan Sri Dr George Chan Hong Nam

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

Professor Clare Pollock

Members elected by students

Mr Joseph Quick (commenced 1 January 2011 and ceased 31 December 2011)

Ms Chamonix Terblanche (commenced 1 January 2011)

Financial Report 2011 (continued)

Notes to the Financial Statements (continued)

for the year ended 31 December 2011

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

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

	2011 Number	2010 Number
Nil-\$10,000	11	12
\$10,001-\$20,000	1	3
\$20,001-\$30,000	1	-
\$50,001-\$60,000	-	1
\$60,001-\$70,000	2	-
\$120,001-\$130,000	-	1
\$130,001-\$140,000	1	2
\$140,001-\$150,000	1	1
\$210,001-\$220,000	1	2
\$220,001-\$230,000	-	1
\$250,001-\$260,000	1	-
\$690,001-\$700,000	-	1
\$730,001-\$740,000	1	-
	2011 \$'000	2010 \$'000
Aggregate Remuneration of Members of the Accountable Authority	1,691	2,017

Notes to the Financial Statements (continued)

for the year ended 31 December 2011

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:

	2011 Number	2010 Number
\$30,001-\$40,000	-	1
\$50,001-\$60,000	-	1
\$80,001-\$90,000	1	-
\$140,001-\$150,000	-	1
\$150,001-\$160,000	1	-
\$200,001-\$210,000	-	1
\$240,001-\$250,000	1	-
\$250,001-\$260,000	-	1
\$270,001-\$280,000	2	-
\$280,001-\$290,000	-	1
\$300,001-\$310,000	1	-
\$310,001-\$320,000	2	1
\$320,001-\$330,000	-	1
\$330,001-\$340,000	-	1
\$340,001-\$350,000	3	1
\$350,001-\$360,000	-	3
\$360,001-\$370,000	1	-
\$430,001-\$440,000	-	1
	2011 \$'000	2010 \$'000
Aggregate Remuneration of Senior Officers	3,367	3,792

34 REMUNERATION OF AUDITORS

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

	2011 \$'000	2010 \$'000
(a) Auditor of the University		
Auditing the financial report	248	244
Other audit services	12	11
	260	255
(b) Other auditors		
Other audit services	50	21
Total Remuneration of Auditors	310	276

Financial Report 2011 (continued)

Notes to the Financial Statements (continued)

for the year ended 31 December 2011

35 CONTINGENT LIABILITIES AND CONTINGENT ASSETS**(a) Contingent liabilities****Legal actions**

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

	2011 \$'000	2010 \$'000
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:		
<i>Buildings</i>		
Within one year	20,035	18,690
After one year but not more than five years	-	5,877
Total Capital Expenditure Commitments	20,035	24,567
(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	8,966	7,756
After one year but not more than five years	9,485	10,548
More than five years	28,775	29,360
Total Non-Cancellable Operating Lease Commitments	47,226	47,664
Representing:		
Non-cancellable operating leases	47,226	47,664
(c) Other expenditure commitments		
Commitments in relation to purchase orders are payable as follows:		
Within one year	19,181	5,036

All the above commitments are inclusive of GST.

Notes to the Financial Statements (continued)

for the year ended 31 December 2011

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.

	2011 \$'000	2010 \$'000
Reconciliation of the present value of the defined benefit obligation		
Present value of defined benefit obligations at beginning of the year	831	811
Current service cost	-	-
Interest cost	45	41
Actuarial loss/(gain)	128	47
Benefits paid	(72)	(68)
Present value of defined benefit obligations at end of the year	932	831
Reconciliation of the fair value of assets		
Fair value of assets at beginning of the year	-	-
Employer contributions	72	68
Benefits paid	(72)	(68)
Fair value of assets at end of the year	-	-
Reconciliation of the assets and liabilities recognised in the Statement of Financial Position		
Present value of defined benefit obligation	932	831
Fair value of assets	-	-
Net liability	932	831
Liability recognised in the Statement of Financial Position as:		
Current	79	73
Non-current	853	758
	932	831
Expense recognised in the Statement of Comprehensive Income		
Interest cost	45	41
Actuarial loss/(gain)	128	47
Superannuation expense/(benefit)	173	88

Assets

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

Financial Report 2011 (continued)

Notes to the Financial Statements (continued)

for the year ended 31 December 2011

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

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

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

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

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

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.

	2011	2010
	\$'000	\$'000
Reconciliation of the present value of the defined benefit obligation		
Present value of defined benefit obligations at beginning of the year	66,210	69,186
Current service cost	38	30
Interest cost	3,476	3,494
Actuarial loss/(gain)	9,779	511
Benefits paid	(7,261)	(6,471)
Transfer of defined benefit obligations on disposal of VTEC operations	-	(540)
Present value of defined benefit obligations at end of the year	72,242	66,210
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)).		
Reconciliation of the Fair Value of Scheme Assets		
Fair value of scheme assets at beginning of the year	-	-
Employer contributions	7,261	6,471
Benefits paid	(7,261)	(6,471)
Fair value of scheme assets at end of the year	-	-

Notes to the Financial Statements (continued)

for the year ended 31 December 2011

37 DEFINED BENEFIT SUPERANNUATION PLANS (continued)

	2011 \$'000	2010 \$'000
Reconciliation of the net liability recognised in the Statement of Financial Position		
Present value of defined benefit obligations	72,242	66,210
Fair value of the scheme assets	-	-
Net liability	72,242	66,210
Fair value of reimbursement rights	72,242	66,210
Total net liability/(asset) in the Statement of Financial Position	-	-
Present value of defined benefit obligations/reimbursement right is recognised as:		
Current	3,804	3,134
Non-current	68,438	63,076
	72,242	66,210
Expense recognised in the Statement of Comprehensive Income		
Current service cost	38	30
Interest cost	3,476	3,494
Actuarial loss/(gain) on defined benefit obligations	9,779	511
Reimbursement right adjustments	(12,841)	(3,357)
Deferred superannuation expense	452	678

Scheme assets

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

- no fair value of scheme assets
- no asset allocation of scheme assets
- no assets used by the employer
- no expected return of scheme assets
- no actual return on scheme assets.

Principal actuarial assumptions used in determining defined benefit obligation

% per annum	2011	2010
Discount rate (active members)	3.97%	5.48%
Discount rate (pensioners)	3.97%	5.48%
Expected salary increase rate	5.50%	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 (for example, mortality and retirement rates) are based on those used at the last actuarial valuation for the schemes, as at 31 December 2011.

Financial Report 2011 (continued)

Notes to the Financial Statements (continued)

for the year ended 31 December 2011

37 DEFINED BENEFIT SUPERANNUATION PLANS (continued)

	2011 \$'000	2010 \$'000
Historical information		
Present value of defined benefit obligation	72,242	66,210
Fair value of scheme assets	-	-
Deficit in scheme assets	72,242	66,210
Experience adjustments (gain)/loss – scheme assets	-	-
Experience adjustments (gain)/loss – scheme liabilities	928	1,484

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

	2012 \$'000
Expected contributions	
Expected employer contributions	6,542

Nature of asset/liability

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

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

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

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

The UniSuper Defined Benefit Plan 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 \$47.293 million (2010: \$43.362 million) were charged as an expense under employee benefits (refer Note 11 (a)) as they fell due.

Notes to the Financial Statements (continued)

for the year ended 31 December 2011

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.

	2011 \$'000	2010 \$'000
39 NOTES TO THE STATEMENT OF CASH FLOWS		
(a) Reconciliation to cash		
Cash at the end of the year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:		
Unrestricted cash and cash equivalents (Note 19(a))	68,587	76,159
Restricted cash and cash equivalents (Note 19(b))	1,670	1,608
Balance as per Statement of Cash Flows	70,257	77,767
(b) Reconciliation of operating result from ordinary activities to net cash inflow from operating activities		
Net operating result	81,413	40,897
Depreciation expense	33,730	30,114
Net (gain)/loss on disposal of non-current assets	79	(41)
Impairment of assets	2,197	360
Other non-cash items	(298)	603
Net exchange differences	144	115
Discontinued operations – non-cash items	-	33,606
Changes in assets and liabilities:		
(Increase)/decrease in trade and other receivables	(8,293)	12,752
(Increase)/decrease in inventories	(233)	6
(Increase)/decrease in other current assets	4,472	(4,173)
Increase/(decrease) in trade and other payables	(584)	111
Increase/(decrease) in provisions	21,039	769
Increase/(decrease) in other current liabilities	(8,217)	(1,361)
Net Cash Provided by Operating Activities	125,449	113,758

40 NON-CASH FINANCING AND INVESTING ACTIVITIES

During the year, the University received and re-invested the non-cash distributions net of fees from the available-for-sale investments of \$1.8 million (2010: \$0.7 million). The investment revenue was not reflected in the Statement of Cash Flows.

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

Financial Report 2011 (continued)

Notes to the Financial Statements (continued)

for the year ended 31 December 2011

41 RELATED PARTIES**Transactions with specified accountable authority and senior officers****(a) Accountable authority and senior officers' remuneration and retirement benefits**

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

(b) Other transactions with specified accountable authority and senior officers

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

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

Transaction type	Related party	2011 \$'000	2010 \$'000
Purchases	Curtin Student Guild	1,146	1,214
Revenue	Curtin Student Guild	495	1,330
Receivable at 31 December	Curtin Student Guild	4	37
Payable at 31 December	Curtin Student Guild	2	1

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

Details of the University's significant associates at 31 December 2011 are:

Name of entity	Country of incorporation	Class of shares	Carrying value of investment		Equity holding	
			2011 \$'000	2010 \$'000	2011 %	2010 %
HiSeis Pty Ltd	Australia	Ordinary	275	125	44	44
Scanalyse Holdings Pty Ltd	Australia	Ordinary	236	236	32	32
Virtual Observer Pty Ltd	Australia	Ordinary	30	253	28	28
iCetana Pty Ltd	Australia	Ordinary	300	300	32	32

DeepVision 3D Pty Ltd (in which the University held a 50 per cent interest) was deregistered during the year.

Notes to the Financial Statements (continued)

for the year ended 31 December 2011

42 INVESTMENT IN RELATED ENTITIES (continued)

(b) Unincorporated joint ventures

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

Name	Cash contribution		In-kind contribution		Participation percentage	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 %	2010 %
International Centre for Radio Astronomy Research	1,736	2,175	4,628	3,195	45	45
WA Energy Research Alliance	250	250	-	850	33	33
Cooperative Research Centres (CRC)						
CRC for Greenhouse Gas Technologies (CO2CRC)	-	100	866	1,707	4	7
Parker CRC for Integrated Hydrometallurgy Solutions	-	-	973	973	7	7
CRC Mining	100	100	400	400	6	6
CRC for Deep Exploration Technologies (CRC-DET)	-	-	1,356	654	13	13
Wound Management Innovation CRC (CRC-Wounds)	100	100	757	757	18	18
Spatial Information CRC (CRC-SI)	150	50	767	168	8	8
Australian Seafood CRC	100	100	242	242	2	2
CRC for Remote Economic Participation (CRC-REP)	150	100	944	-	11	11

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

Financial Report 2011 (continued)

Notes to the Financial Statements (continued)

for the year ended 31 December 2011

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

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

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

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

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

Name	Related CRC	Equity holding	
		2011 %	2010 %
Parker Centre Ltd	Parker CRC	3	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	15	11

43 SUPPLEMENTARY FINANCIAL INFORMATION

	2011 \$'000	2010 \$'000
Write-offs		
Public property written off by the Minister during the financial year	-	-
Losses through theft, defaults and other causes		
Losses of public moneys and, public and other property through theft or default	-	-
Amounts recovered	-	-

Notes to the Financial Statements (continued)

for the year ended 31 December 2011

44 ACQUITTAL OF AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE

(a) DEEWR – CGS and other DEEWR grants

	Commonwealth Grants Scheme		Indigenous Support Fund		Disability Support Program	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Financial assistance received in cash during the reporting period	165,367	163,738	1,613	1,867	44	67
Net accrual adjustments	(1,166)	(6,917)	-	-	(1)	-
Revenue for the period	164,201	156,821	1,613	1,867	43	67
Surplus/(deficit) from the previous year	-	-	-	-	-	(71)
Total revenue including accrual revenue	164,201	156,821	1,613	1,867	43	(4)
Less expenses including accrual expenses	(164,201)	(156,821)	(1,613)	(1,867)	(65)	4
Surplus/(deficit) for reporting period	-	-	-	-	(22)	-

	Partnership and Participation Program		Diversity and Structural Adjustment Fund		Improving the Practical Comp of Teacher Education	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Financial assistance received in cash during the reporting period	2,486	1,425	400	301	-	-
Net accrual adjustments	(1,101)	(1,010)	-	-	-	229
Revenue for the period	1,385	415	400	301	-	229
Surplus/(deficit) from the previous year	-	-	-	404	-	291
Total revenue including accrual revenue	1,385	415	400	705	-	520
Less expenses including accrual expenses	(1,385)	(415)	(400)	(705)	-	(520)
Surplus/(deficit) for reporting period	-	-	-	-	-	-

	Transitional Costs Program		Total	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Financial assistance received in cash during the reporting period	347	436	170,257	167,834
Net accrual adjustments	(113)	360	(2,381)	(7,338)
Revenue for the period	234	796	167,876	160,496
Surplus/(deficit) from the previous year	-	-	-	624
Total revenue including accrual revenue	234	796	167,876	161,120
Less expenses including accrual expenses	(234)	(796)	(167,898)	(161,120)
Surplus/(deficit) for reporting period	-	-	(22)	-

Financial Report 2011 (continued)

Notes to the Financial Statements (continued)

for the year ended 31 December 2011

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

	HECS-HELP		FEE-HELP		Total	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Financial assistance received in cash during the reporting period	87,115	80,686	21,094	15,987	108,209	96,673
Net accrual adjustments	(2,487)	(1,731)	(3,867)	635	(6,354)	(1,096)
Revenue for the period	84,628	78,955	17,227	16,622	101,855	95,577
Surplus/(deficit) from the previous year	-	-	-	-	-	-
Total revenue including accrual revenue	84,628	78,955	17,227	16,622	101,855	95,577
Less expenses including accrual expenses	(84,628)	(78,955)	(17,227)	(16,622)	(101,855)	(95,577)
Surplus/(deficit) for reporting period	-	-	-	-	-	-

Notes to the Financial Statements (continued)

for the year ended 31 December 2011

44 ACQUITTAL OF AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE (continued)

(c) Scholarships

	Australian Postgraduate Awards		Indigenous Access Scholarships		International Postgraduate Research Scholarships	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Financial assistance received in cash during the reporting period	5,133	4,218	46	251	525	514
Net accrual adjustments	-	-	43	(157)	-	-
Revenue for the period	5,133	4,218	89	94	525	514
Surplus/(deficit) from the previous year	-	852	-	-	-	(541)
Total revenue including accrual revenue	5,133	5,070	89	94	525	(27)
Less expenses including accrual expenses	(5,040)	(5,070)	(89)	(94)	(500)	27
Surplus/(deficit) for reporting period	93	-	-	-	25	-

	Commonwealth Education Costs Scholarships		Commonwealth Accommodation Scholarships		Total	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Financial assistance received in cash during the reporting period	1,590	852	2,203	61	9,497	5,896
Net accrual adjustments	(621)	727	(937)	1,957	(1,515)	2,527
Revenue for the period	969	1,579	1,266	2,018	7,982	8,423
Surplus/(deficit) from the previous year	-	-	-	-	-	311
Total revenue including accrual revenue	969	1,579	1,266	2,018	7,982	8,734
Less expenses including accrual expenses	(971)	(1,579)	(1,271)	(2,018)	(7,871)	(8,734)
Surplus/(deficit) for reporting period	(2)	-	(5)	-	111	-

Financial Report 2011 (continued)

Notes to the Financial Statements (continued)

for the year ended 31 December 2011

44 ACQUITTAL OF AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE (continued)

(d) DIISR research

	Joint Research Engagement Program		Sustainable Research Excellence		Research Training Scheme	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Financial assistance received in cash during the reporting period	9,223	8,304	1,761	1,250	15,003	14,582
Net accrual adjustments	-	-	-	-	-	-
Revenue for the period	9,223	8,304	1,761	1,250	15,003	14,582
Surplus/(deficit) from the previous year	-	-	-	-	-	-
Total revenue including accrual revenue	9,223	8,304	1,761	1,250	15,003	14,582
Less expenses including accrual expenses	(9,223)	(8,304)	(1,660)	(1,250)	(15,003)	(14,582)
Surplus/(deficit) for reporting period	-	-	101	-	-	-

	Research Infrastructure Block Grants		Commercialisation Training Scheme		Implementation Assistance Program	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Financial assistance received in cash during the reporting period	2,658	2,581	177	150	-	79
Net accrual adjustments	-	-	-	-	-	-
Revenue for the period	2,658	2,581	177	150	-	79
Surplus/(deficit) from the previous year	-	-	-	96	-	-
Total revenue including accrual revenue	2,658	2,581	177	246	-	79
Less expenses including accrual expenses	(2,658)	(2,581)	(241)	(246)	-	(79)
Surplus/(deficit) for reporting period	-	-	(64)	-	-	-

	Total	
Financial assistance received in cash during the reporting period	28,822	26,946
Net accrual adjustments	-	-
Revenue for the period	28,822	26,946
Surplus/(deficit) from the previous year	-	96
Total revenue including accrual revenue	28,822	27,042
Less expenses including accrual expenses	(28,785)	(27,042)
Surplus/(deficit) for reporting period	37	-

Notes to the Financial Statements (continued)

for the year ended 31 December 2011

44 ACQUITTAL OF AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE (continued)

(e) Other capital funding

	Teaching and Learning Capital Fund		Education Investment Fund		Better Universities Renewal Fund	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Financial assistance received in cash during the reporting period	-	-	6,100	6,100	-	-
Net accrual adjustments	-	-	(4,100)	6,100	-	-
Revenue for the period	-	-	2,000	12,200	-	-
Surplus/(deficit) from the previous year	1,550	15,316	4,109	2,697	11,362	13,187
Total revenue including accrual revenue	1,550	15,316	6,109	14,897	11,362	13,187
Less expenses including accrual expenses	(1,550)	(13,766)	(4,592)	(10,788)	(11,362)	(1,825)
Surplus/(deficit) for reporting period	-	1,550	1,517	4,109	-	11,362
	Total					
Financial assistance received in cash during the reporting period	6,100	6,100				
Net accrual adjustments	(4,100)	6,100				
Revenue for the period	2,000	12,200				
Surplus/(deficit) from the previous year	17,021	31,200				
Total revenue including accrual revenue	19,021	43,400				
Less expenses including accrual expenses	(17,504)	(26,379)				
Surplus/(deficit) for reporting period	1,517	17,021				

Financial Report 2011 (continued)

Notes to the Financial Statements (continued)

for the year ended 31 December 2011

44 ACQUITTAL OF AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE (continued)

(f) Australian Research Council grants

(i) Discovery

	Projects		Fellowships		Total	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Financial assistance received in cash during the reporting period	4,276	4,641	959	415	5,235	5,056
Net accrual adjustments	9	-	-	-	9	-
Revenue for the period	4,285	4,641	959	415	5,244	5,056
Surplus/(deficit) from the previous year	-	559	-	340	-	899
Total revenue including accrual revenue	4,285	5,200	959	755	5,244	5,955
Less expenses including accrual expenses	(3,431)	(5,200)	(1,083)	(755)	(4,514)	(5,955)
Surplus/(deficit) for reporting period	854	-	(124)	-	730	-

(ii) Linkages

	Infrastructure		International		Projects	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Financial assistance received in cash during the reporting period	190	300	(9)	-	2,942	2,255
Net accrual adjustments	-	-	-	-	(9)	-
Revenue for the period	190	300	(9)	-	2,933	2,255
Surplus/(deficit) from the previous year	-	1,269	-	30	-	378
Total revenue including accrual revenue	190	1,569	(9)	30	2,933	2,633
Less expenses including accrual expenses	37	(1,569)	9	(30)	(2,688)	(2,633)
Surplus/(deficit) for reporting period	227	-	-	-	245	-

Total

Financial assistance received in cash during the reporting period	3,123	2,555
Net accrual adjustments	(9)	-
Revenue for the period	3,114	2,555
Surplus/(deficit) from the previous year	-	1,677
Total revenue including accrual revenue	3,114	4,232
Less expenses including accrual expenses	(2,642)	(4,232)
Surplus/(deficit) for reporting period	472	-

Notes to the Financial Statements (continued)

for the year ended 31 December 2011

44 ACQUITTAL OF AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE (continued)

(g) OS-HELP

	2011 \$'000	2010 \$'000
Cash received during the reporting period	475	249
Cash spent during the reporting period	(475)	(249)
Net cash received	-	-
Cash surplus/(deficit) from the previous period	-	-
Cash surplus/(deficit) for the reporting period	-	-

(h) Superannuation supplementation

	2011 \$'000	2010 \$'000
Cash received during the reporting period	6,893	7,390
University contribution in respect of current employees	452	678
Cash available	7,345	8,068
Cash surplus/(deficit) from the previous period	162	(403)
Cash available for current period	7,507	7,665
Contributions to specified defined benefit funds	(7,513)	(7,503)
Cash surplus/(deficit) for the reporting period	(6)	162

Financial Report 2011 (continued)

REPORT BY THE MEMBERS OF THE UNIVERSITY COUNCIL

The members of the University Council present their report for the year ended 31 December 2011

MEMBERS

The following persons were members of the Council of Curtin University of Technology during the year ended 31 December 2011:

Chancellor

Dr Jim Gill AO

Members Appointed by Governor in Council

Mr Colin Beckett

Mr Chris Bennett

Mr Kim Bridge (commenced 15 November 2011)

Mr Michael Lishman

Mr Keith Spence

Dr Michael Stanford (ceased 1 December 2011 and recommenced 13 December 2011)

Ms Lynne Thomson (ceased 25 February 2011)

Member Nominated by the Minister for Education and Training

Mr Luke Saraceni

Member who is the Chief Executive Officer

Professor Jeanette Hackett AM, Vice-Chancellor

Members Elected by Full-time Academic Staff

Dr Jan Sinclair-Jones

Associate Professor Kerry Smith

Member Elected by Full-time General Staff

Mr Marco Schultheis

Co-opted Members

Ms Zelinda Bafile, Pro Chancellor

Mr Steve Scudamore (commenced 1 April 2011)

Mr Gene Tilbrook

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

Members Elected by Students

Mr Joseph Quick (elected 1 January 2011 and ceased 31 December 2011)

Ms Chamonix Terblanche (elected 1 January 2011)

Report by the Members of the University Council (continued)

The members of the University Council present their report for the year ended 31 December 2011

Meetings of Members

The number of meetings of the University Council and of each committee of Council held during the year ended 31 December 2011, and the number of meetings attended by each member were:

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

¹ Also a member of the Kalgoorlie Campus Council, Student Disciplinary Appeals Committee and Grievance Resolution Committee.

² Also a member of the Curtin University Foundation Board and Kalgoorlie Campus Council.

³ Also a member of the Curtin University Foundation Board.

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

Principal Activities

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

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

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

Financial Report 2011 (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 2011

Review of Operations

The total comprehensive income for the year ended 31 December 2011 was \$61.854 million (2010: \$42.229 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
- 2011 Activity Highlights

Significant Changes in the State of Affairs

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

Matters Subsequent to the End of the Financial Year

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

Likely Developments and Expected Results of Operations

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

Environmental Regulation

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

Relevant legislation that Curtin is subject to includes:

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

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

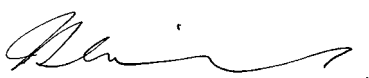
Insurance of members of Council and officers

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

Proceedings on behalf of Curtin University of Technology

No material legal proceedings have been initiated by the University during 2011.

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 14th day of March 2012