

## SECTION 4: DISCLOSURES AND LEGAL COMPLIANCE

### Auditor General's Statement



Auditor General

#### INDEPENDENT AUDITOR'S REPORT

To the Parliament of Western Australia

EDITH COWAN UNIVERSITY

#### Report on the Financial Statements

I have audited the accounts and financial statements of the Edith Cowan University.

The financial statements comprise the Statement of Financial Position as at 31 December 2014, the Income Statement, the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and Notes comprising a summary of significant accounting policies and other explanatory information.

#### *University Council's Responsibility for the Financial Statements*

The University Council is responsible for keeping proper accounts, and the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards and the Treasurer's Instructions, and for such internal control as the University Council determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

#### *Auditor's Responsibility*

As required by the Auditor General Act 2006, my responsibility is to express an opinion on the financial statements based on my audit. The audit was conducted in accordance with Australian Auditing Standards. Those Standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the University's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the University Council, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my audit opinion.

#### *Opinion*

In my opinion, the financial statements are based on proper accounts and present fairly, in all material respects, the financial position of the Edith Cowan University at 31 December 2014 and its financial performance and cash flows for the year then ended. They are in accordance with Australian Accounting Standards and the Treasurer's Instructions.

#### Report on Controls

I have audited the controls exercised by the Edith Cowan University during the year ended 31 December 2014.

Controls exercised by the Edith Cowan University are those policies and procedures established by the University Council to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions.

#### *University Council's Responsibility for Controls*

The University Council is responsible for maintaining an adequate system of internal control to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of public and other property, and the incurring of liabilities are in accordance with the Financial Management Act 2006 and the Treasurer's Instructions, and other relevant written law.

#### *Auditor's Responsibility*

As required by the Auditor General Act 2006, my responsibility is to express an opinion on the controls exercised by the Edith Cowan University based on my audit conducted in accordance with Australian Auditing and Assurance Standards.

An audit involves performing procedures to obtain audit evidence about the adequacy of controls to ensure that the University complies with the legislative provisions. The procedures selected depend on the auditor's judgement and include an evaluation of the design and implementation of relevant controls.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my audit opinion.

#### *Opinion*

In my opinion, the controls exercised by the Edith Cowan University are sufficiently adequate to provide reasonable assurance that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions during the year ended 31 December 2014.

#### Report on the Key Performance Indicators

I have audited the key performance indicators of the Edith Cowan University for the year ended 31 December 2014.

The key performance indicators are the key effectiveness indicators and the key efficiency indicators that provide information on outcome achievement and service provision.

#### *University Council's Responsibility for the Key Performance Indicators*

The University Council is responsible for the preparation and fair presentation of the key performance indicators in accordance with the Financial Management Act 2006 and the Treasurer's Instructions and for such controls as the University Council determines necessary to ensure that the key performance indicators fairly represent indicated performance.

#### *Auditor's Responsibility*

As required by the Auditor General Act 2006, my responsibility is to express an opinion on the key performance indicators based on my audit conducted in accordance with Australian Auditing and Assurance Standards.

An audit involves performing procedures to obtain audit evidence about the key performance indicators. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the key performance indicators. In making these risk assessments the auditor considers internal control relevant to the University Council's preparation and fair presentation of the key performance indicators in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the relevance and appropriateness of the key performance indicators for measuring the extent of outcome achievement and service provision.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my audit opinion.

#### *Opinion*

In my opinion, the key performance indicators of the Edith Cowan University are relevant and appropriate to assist users to assess the University's performance and fairly represent indicated performance for the year ended 31 December 2014.

#### *Independence*

In conducting this audit, I have complied with the independence requirements of the Auditor General Act 2006 and Australian Auditing and Assurance Standards, and other relevant ethical requirements.

#### *Matters Relating to the Electronic Publication of the Audited Financial Statements and Key Performance Indicators*

This auditor's report relates to the financial statements and key performance indicators of the Edith Cowan University for the year ended 31 December 2014 included on the University's website. The University's management is responsible for the integrity of the University's website. This audit does not provide assurance on the integrity of the University's website. The auditor's report refers only to the financial statements and key performance indicators described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these financial statements or key performance indicators. If users of the financial statements and key performance indicators are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial statements and key performance indicators to confirm the information contained in this website version of the financial statements and key performance indicators.

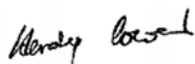


COLIN MURPHY  
AUDITOR GENERAL  
FOR WESTERN AUSTRALIA  
Perth, Western Australia  
11 March 2015

## Certification of Financial Statements

The accompanying financial statements of ECU and the accompanying consolidated financial statements have been prepared in compliance with the provisions of the *Financial Management Act 2006* (WA) from proper accounts and records to present fairly the financial transactions for the financial year ended 31 December 2014 and the financial position as at 31 December 2014.

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



The Hon Dr Hendy Cowan  
Chancellor  
7 March 2015



Professor Arshad Omari  
Acting Vice-Chancellor  
7 March 2015

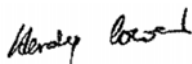


Mr Brad Francis  
Chief Financial Officer  
6 March 2015

### Certification of financial statements required by Commonwealth Department of Education

I declare that:

- at the time of this certification there are reasonable grounds to believe that ECU will be able to pay its debts as and when they fall due; and
- the amount of Commonwealth financial assistance expended during the financial year ended 31 December 2014 was for the purpose(s) for which it was provided.



The Hon Dr Hendy Cowan  
Chancellor  
7 March 2015



Professor Arshad Omari  
Acting Vice-Chancellor  
7 March 2015

# Financial Statements

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This financial report covers Edith Cowan University as an individual entity. The financial report is presented in the Australian currency.

The financial report was authorised for issue by the University Council on the 7th day of March 2015. The University has the power to amend and reissue the financial statements.

**Edith Cowan University**  
**Income Statement**  
**For the Year Ended 31 December 2014**

	2014	2013	
Note	\$000's	\$000's	
<b>Income from continuing operations</b>			
Australian Government financial assistance			
Australian Government grants	2	162,839	162,731
HELP - Australian Government payments	2	92,408	87,823
State and local Government financial assistance	3	13,318	13,580
HECS-HELP - Student Payments		10,098	11,677
Fees and charges	4	70,683	69,768
Investment revenue	5	11,860	11,657
Royalties	6	6,336	4,588
Consultancy and contracts	7	5,549	5,528
Other Revenue	8	11,834	14,376
<b>Total revenue from continuing operations</b>		<b>384,925</b>	<b>381,728</b>
Gains on disposal of assets	9	138	1,921
Other investment income	5	1,930	3,993
Other Income	8	4,576	1,955
<b>Total income from continuing operations</b>		<b>391,569</b>	<b>389,597</b>
<b>Expenses from continuing operations</b>			
Employee related expenses	10	221,678	216,965
Depreciation and amortisation	11	20,581	23,600
Repairs and maintenance	12	10,035	9,146
Borrowing costs	13	1,488	4,068
Impairment of assets	14	156	-
Investment losses	5	-	7,547
Other expenses	15	110,136	95,448
<b>Total expenses from continuing operations</b>		<b>364,074</b>	<b>356,774</b>
<b>Net result for the period</b>		<b>27,495</b>	<b>32,823</b>

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

**Edith Cowan University**  
**Statement of Comprehensive Income**  
**For the Year Ended 31 December 2014**

	Note	2014 \$000's	2013 \$000's
<b>Net result for the period</b>		<b>27,495</b>	32,823
Items that may be reclassified to profit or loss			
Gain/(loss) on value of available-for-sale financial assets, net of tax	29	(361)	3,995
Cash flow hedges, net of tax	29	(2)	21
Net change in fair value of available-for-sale financial assets reclassified to profit or loss	29	-	(2,717)
Items that will not be reclassified to profit or loss			
Loss on revaluation of property, plant and equipment, net of tax	29	<u>(3,637)</u>	(23,695)
<b>Total comprehensive income</b>		<u>(4,000)</u>	(22,396)
<b>Total comprehensive income attributable to the University</b>		<u>23,495</u>	10,427

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

**Edith Cowan University**  
**Statement of Financial Position**  
**For the Year Ended 31 December 2014**

	2014	2013
Note	\$000's	\$000's
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	16 <b>54,530</b>	66,452
Receivables	17 <b>11,831</b>	12,158
Derivative financial instruments	18 <b>19</b>	21
Other financial assets	19 <b>137,307</b>	114,768
Non-current assets classified as held for sale	20              -	1,305
Other non-financial assets	21 <b>15,344</b>	8,183
<b>Total current assets</b>	<b>219,031</b>	202,887
<b>Non-current assets</b>		
Receivables	17 <b>22,833</b>	22,986
Other financial assets	19 <b>84,320</b>	71,380
Property, plant and equipment	23 <b>806,807</b>	782,941
Investment properties	22 <b>21,354</b>	13,610
Intangible assets	24 <b>6,465</b>	6,103
Other non-financial assets	21 <b>1,758</b>	-
<b>Total non-current assets</b>	<b>943,537</b>	897,020
<b>Total assets</b>	<b>1,162,568</b>	1,099,907
<b>Liabilities</b>		
<b>Current liabilities</b>		
Trade and other payables	25 <b>7,319</b>	6,495
Borrowings	26 <b>125</b>	172
Provisions	27 <b>42,140</b>	38,964
Other liabilities	28 <b>39,509</b>	29,827
<b>Total current liabilities</b>	<b>89,093</b>	75,458
<b>Non-current liabilities</b>		
Borrowings	26 <b>99,520</b>	90,145
Provisions	27 <b>76,000</b>	59,844
<b>Total non-current liabilities</b>	<b>175,520</b>	149,989
<b>Total liabilities</b>	<b>264,613</b>	225,447
<b>Net Assets</b>	<b>897,955</b>	874,460
<b>Equity</b>		
Reserves	29 <b>350,046</b>	354,845
Retained earnings	29 <b>547,909</b>	519,615
Parent entity interest	<b>897,955</b>	874,460
<b>Total equity</b>	<b>897,955</b>	874,460

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



**Edith Cowan University**  
**Statement of Changes in Equity**  
**For the Year Ended 31 December 2014**

**2014**

	<b>Retained Earnings \$000's</b>	<b>Reserves \$000's</b>	<b>Total \$000's</b>
<b>Balance at 1 January</b>	<b>519,615</b>	<b>354,845</b>	<b>874,460</b>
Net operating result	27,495	-	27,495
Loss on revaluation of property, plant and equipment, net of tax	-	(3,637)	(3,637)
Loss on available-for-sale financial assets	-	(361)	(361)
Cash flow hedges	-	(2)	(2)
Transfer from revaluation reserves to retained surplus for asset sales	799	(799)	-
<b>Total comprehensive income</b>	<b>28,294</b>	<b>(4,799)</b>	<b>23,495</b>
<b>Balance at 31 December 2014</b>	<b>547,909</b>	<b>350,046</b>	<b>897,955</b>

**2013**

	<b>Retained Earnings \$000's</b>	<b>Reserves \$000's</b>	<b>Total \$000's</b>
<b>Balance at 1 January</b>	<b>483,514</b>	<b>380,519</b>	<b>864,033</b>
Net operating result	32,823	-	32,823
Loss on revaluation of property, plant and equipment, net of tax	-	(23,695)	(23,695)
Gain on available-for-sale financial assets	-	3,995	3,995
Cash flow hedges	-	21	21
Transfer from revaluation reserves to retained surplus for asset sales	3,278	(3,278)	-
Net change in fair value of available-for-sale financial assets reclassified to profit or loss	-	(2,717)	(2,717)
<b>Total comprehensive income</b>	<b>36,101</b>	<b>(25,674)</b>	<b>10,427</b>
<b>Balance at 31 December 2013</b>	<b>519,615</b>	<b>354,845</b>	<b>874,460</b>

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

**Edith Cowan University**  
**Statement of Cash Flows**  
**For the Year Ended 31 December 2014**

	2014	2013
Note	\$000's	\$000's
<b>Cash flows from operating activities</b>		
Australian Government grants received	2(g) 249,395	248,461
OS-HELP (net)	2(g) 1,723	60
Superannuation Supplementation	2(g) 3,252	2,704
State and local Government Grants received	3 13,318	13,580
HECS-HELP - Student Payments	10,098	11,677
Receipts from student fees and other customers	102,290	98,018
Dividends and distributions received	1,520	813
Interest received	8,692	11,238
Payments to suppliers and employees (inclusive of GST)	(327,826)	(331,660)
Interest and other cost of finance	(3,804)	(4,959)
<b>Net cash provided by operating activities</b>	36 <b>58,658</b>	49,932
<b>Cash flows from investing activities</b>		
Proceeds from sale of property, plant and equipment and non-current assets held for sale	2,097	25,330
Payments for property, plant and equipment and investment properties	(46,175)	(38,566)
Proceeds from redemption of financial assets	10	3,290
Payments for financial assets	(35,840)	(22,893)
<b>Net cash used in investing activities</b>	<b>(79,908)</b>	<b>(32,839)</b>
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	9,500	250
Repayment of borrowings	(172)	(2,320)
<b>Net cash provided by / (used in) financing activities</b>	<b>9,328</b>	<b>(2,070)</b>
Net increase/(decrease) in cash and cash equivalents	(11,922)	15,023
Cash and cash equivalents at beginning of financial year	66,452	51,429
<b>Cash and cash equivalents at end of financial year</b>	16 <b>54,530</b>	66,452
Financing arrangements	26	
Non-cash financing and investing activities	37	

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

**Edith Cowan University**  
**Notes to Financial Statements**  
**For the Year Ended 31 December 2014**

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## **1 Summary of significant accounting policies**

The principal accounting policies adopted in the preparation of the annual financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The annual financial statements are for Edith Cowan University as an individual entity.

The principal address of Edith Cowan University is: 270 Joondalup Drive, Joondalup, Western Australia, 6027.

### **(a) Basis of preparation**

The annual financial statements represent the audited general purpose financial statements of the University. They have been prepared on an accrual basis and comply with the Australian Accounting Standards.

Additionally the statements have been prepared in accordance with the following statutory requirements:

- Higher Education Support Act 2003 (Financial Statement Guidelines)
- Financial Management Act 2006

Edith Cowan University is a not-for-profit entity and these statements have been prepared on that basis. Some of the requirements for not-for-profit entities are inconsistent with the IFRS requirements.

#### *Date of authorisation for issue*

The financial statements were authorised for issue by the University Council on 7 March 2015.

#### *Historical cost convention*

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, financial assets and liabilities (including derivative instruments) at fair value through profit or loss, certain classes of property, plant and equipment and investment property.

#### *Critical accounting estimates and judgments*

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 judgment in the process of applying the University's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed below:

- Estimating the useful life of key assets;
- Impairment of assets;
- Classification of financial assets;
- Discount rates and payback periods used in estimating provisions;
- Estimating liabilities for defined benefit superannuation plans

## **1 Summary of significant accounting policies continued**

### **(b) Revenue recognition**

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

The University recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the University and specific criteria have been met for each of the University's activities as described below. In some cases this may not be probable until consideration is received or an uncertainty is removed. The University bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Revenue is recognised for the major business activities as follows:

#### *(i) Government Grants*

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

#### *(ii) HELP payments*

Revenue from HELP is categorised into those received from the Australian Government and those received directly from students. Revenue is recognised and measured in accordance with the above disclosure.

#### *(iii) Student fees and charges*

Fees and charges are recognised as income in the year of receipt, except to the extent that fees and charges relate to courses to be held in future periods. Such income is treated as income in advance in liabilities. Conversely, fees and charges relating to debtors are recognised as revenue in the year to which the prescribed course relates.

#### *(iv) Royalties*

Royalty income is recognised as income when earned.

#### *(v) Consultancy and contracts/ Fee for service*

Revenue is recognised on delivery of the service to the client or by reference to the stage of completion of the transaction.

#### *(vi) Interest revenue*

Revenue is accrued on a time-proportion basis, by reference to the principal outstanding and at the effective interest rate applicable.

#### *(vii) Land development and resale*

Land is not sold until the development work is completed, and income is recognised when the significant risks and rewards of ownership control transfer to the purchaser and can be measured reliably.

#### *(viii) Gains*

Gains may be realised or unrealised. Realised gains are determined on a net basis as the difference between the sale proceeds received or receivable and the carrying amount of the non-current asset. Unrealised gains are determined on a net basis as the difference between the fair value and the carrying amount of an asset.

**(b) Revenue recognition continued**

The policies adopted for the recognition of significant categories of gains are as follows:

*Realised gains on disposal of non-current assets*

Gains arising on the disposal or retirement of a non-current asset are recognised when control of the asset and the significant risks and rewards of ownership transfer to the purchaser. Net gains are included in income for the period in which they arise.

*Unrealised gains associated with investment property at fair value*

Gains arising from changes in the fair value of an investment property are included in income for the period in which they arise.

*Gains associated with financial assets*

Gains arising on the retirement of financial assets are recognised when control of the asset and the significant risks and rewards of ownership transfer from the Entity. Net gains are included in income for the period in which they arise.

*(ix) Lease income*

Lease income from operating leases is recognised in income on a straight line basis over the lease term.

*(x) Service concession income*

Service concession income generated from the consumption of access rights by the operator is recognised on a straight line basis over the life of the service concession arrangement. This represents the amortisation of the service concession provision. Refer to note 1(r) for further details regarding this provision.

**(c) Income tax**

The University is exempt from income tax in Australia under the Income Tax Assessment Act 1997.

**(d) Borrowing costs**

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

**(e) Impairment of assets**

University assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows which are largely independent of the cash inflows from other assets or groups of assets (cash generating units). Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

**1 Summary of significant accounting policies continued**

**(f) Cash and cash equivalents**

For cash flow statement presentation purposes, cash and cash equivalents includes cash on hand and short-term deposits with financial institutions with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**(g) Restricted funds**

Endowment and bequest funds are classified as restricted funds. Endowment and bequest funds have been received from benefactors who, by the terms of their conveying instruments, have stipulated that the use of funds is limited in future years to the purposes designated by the benefactors.

**(h) Trade receivables**

Trade receivables are recognised initially at fair value less provision for impairment.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for impairment of receivables is established when there is objective evidence that the University will not be able to collect all amounts due according to the original terms of receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 90 days overdue) are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate cash flows relating to short-term receivable are not discounted if the effect of discounting is immaterial. The amount of the provision is recognised in the income statement.

**(i) Investments and other financial assets**

Classification

The University classifies its investments in the following categories: loans and receivables, held-to-maturity investments and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and, in the case of assets classified as held-to-maturity, re-evaluates this designation at each reporting date.

*(i) Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the end of the reporting period which are classified as non-current assets. Loans and receivables are included in receivables in the statement of financial position.

*(ii) Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the University's management has the positive intention and ability to hold to maturity.

*(iii) Available-for-sale financial assets*

Available-for-sale financial assets, comprising principally marketable equity securities, are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the end of the reporting period.

**(i) Investments and other financial assets continued**

Regular purchases and sales of financial assets are recognised on trade date - the date on which the University commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the University has transferred substantially all the risks and rewards of ownership.

When securities classified as available-for-sale are sold, the accumulated fair value adjustments recognised in other comprehensive income are included in the income statement as gains and losses from investment securities.

*Subsequent measurement*

Available-for-sale financial assets are subsequently carried at fair value. Loans, receivables and held-to-maturity investments are carried at amortised cost using an effective interest method.

Changes in the fair value of securities classified as available-for-sale are recognised in equity.

*Fair Value*

The fair values of investments and other financial assets are based on quoted prices in an active market. If the market for a financial asset is not active (and for unlisted securities), the University establishes fair value by using valuation techniques that maximise the use of relevant data. These include reference to the estimated price in an orderly transaction that would take place between market participants at the measurement date. Other valuation techniques used are the cost approach and the income approach based on characteristics of the asset and the assumptions made by market participants.

*Impairment*

The University assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of a security below its cost is considered in determining whether the security is impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit and loss is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement on equity instruments are not reversed through the income statement.

**(j) Fair value measurement**

The fair value of assets and liabilities must be measured for recognition and disclosure purposes.

The University classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements.

The fair value of assets or liabilities traded in active markets (such as trading and available-for-sale securities) is based on quoted market prices for identical assets or liabilities at the reporting date (Level 1). The quoted market price used for assets held by the University is the most representative of fair value in the circumstances within the bid-ask spread.



**1 Summary of significant accounting policies continued**

**(j) Fair value measurement continued**

The fair value of assets or liabilities that are not traded in an active market (for example, land and buildings) is determined using valuation techniques. The University uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Techniques used to determine fair value for the remaining assets and liabilities are outlined in note 39.

The fair value of forward exchange contracts is determined using forward exchange market rates at the reporting date. The level in the fair value hierarchy shall be determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety.

Fair value measurement of non-financial assets is based on the *highest and best use* of the asset. The University considers market participants use of, or purchase price of the asset, to use it in a manner that would be highest and best use.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values due to their short-term nature.

**(k) Property, plant and equipment**

Land, buildings, leasehold improvements and works of art are shown at fair value, based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation for buildings and leasehold improvements. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. All other property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include gains or losses that were recognised in other comprehensive income on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment. For items of property, plant and equipment acquired at no cost or for nominal cost, cost is their fair value at the date of acquisition. Items of property, plant and equipment (excluding works of art) costing less than \$5,000 are expensed to the income statement.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the University and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Increases in the carrying amounts arising on revaluation of assets are recognised, net of tax, in other comprehensive income and accumulated in equity under the heading of revaluation surplus. To the extent that the increase reverses a decrease previously recognised in the income statement, the increase is first recognised in the income statement. Decreases that reverse previous increases of the same asset class are also recognised in other comprehensive income to the extent of the remaining reserve attributable to the asset class. All other decreases are charged to the income statement.

*Leasehold improvement*

Leasehold improvements are capitalised at amounts directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended for the University.

**(k) Property, plant and equipment continued**

*Service concession assets*

The University has entered into arrangements with respect to the development and refurbishment of student accommodation. Such arrangements provide for the appointment of an operator responsible for construction, asset upgrades and subsequent operation and management of the assets for an extended period. It is deemed that the University continues to control such assets primarily due to the University, as grantor: -

(i) Ultimately controlling or regulating the services that may be provided by the operator with respect to the student accommodation assets, the pricing of such services, and to whom such services may be provided; and

(ii) Controlling the significant residual interest in the infrastructure at the end of the term of the arrangement

Existing university buildings that form part of the arrangement with the external operator have been transferred from Land and Buildings into the Service Concession Assets class of assets. Capital improvements to such assets are capitalised at cost which is equivalent to their fair value.

Service concession assets under construction at reporting date are recognised at cost, which will be an amount equivalent to fair value based on depreciated replacement cost. Subsequent to initial recognition, service concession assets are measured at cost and depreciated over their useful life.

*Works of Art*

All works of art are initially recognised at fair value and continue to be measured at fair value, such value being based on current market values determined by a qualified independent valuer. Works of art are not subject to depreciation having regard to their indefinite life and the expectation of increasing value over time. Such assets controlled by the University are classified as heritage assets and are protected and preserved for public exhibition, education, research and the furtherance of public service. They are neither disposed for financial gain nor encumbered in any manner.

*Depreciation*

Land and works of art are not depreciated.

Leasehold improvement assets are depreciated over the shorter of the lease term or the assets useful life. Where lease arrangements contain options for renewal and extension of the lease term, such extensions are only taken into account for the purposes of determining an appropriate depreciation period when, at inception of the lease, it is reasonably certain that the University will exercise the option.

**1 Summary of significant accounting policies continued**

**(k) Property, plant and equipment continued**

Depreciation on other assets is calculated using the straight line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives, as follows:

<b>Asset Category</b>	<b>Estimated Useful Life</b>
Buildings	25-50 years
Service concession assets - buildings	36.5 - 50 years
Computing equipment	3 - 4 years
Other equipment and furniture	6 years
Motor Vehicles	4 - 6 years
Works of art	Not depreciated
Leasehold improvements	Refer to policy above
Library collections	10 years

The asset's residual value and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

**(l) Investment properties**

Investment properties exclude properties held to meet service delivery objectives of the University.

Investment properties are initially recognised at cost. Costs incurred subsequent to initial acquisition are capitalised when it is probable that future economic benefits in excess of the originally assessed performance of the asset will flow to the University. Where an investment property is acquired at no cost or for nominal consideration, its cost shall be deemed to be its fair value, as at the date of acquisition.

Subsequent to initial recognition at cost, investment property is carried at fair value, which is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If this information is not available, the University uses alternative valuation methods such as recent prices in less active markets or discounted cash flow projections. These valuations are reviewed annually by a member of the Australian Property Institute. Changes in fair values are recorded in the income statement.

Rental revenue from the leasing of investment properties is recognised in the income statement in the periods in which it is receivable, as this represents the pattern of service rendered through the provision of the properties.

**(m) Leases**

Leases of property plant and equipment, where the University, as lessee, have substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the lower of the fair value of the leased property and the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other short-term and long-term payables. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases are depreciated over the shorter of the asset's useful life and the lease term.

**m) Leases continued**

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases (note 34(b)). The University leases certain property and equipment by way of operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

**(n) Intangible assets**

All intangible assets are initially measured at cost. For assets acquired at no cost or for nominal cost, cost is their fair value at the date of acquisition.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, where appropriate, only when it is probable that future economic benefits associated with the item will flow to the Entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Amortisation is calculated on a straight line basis over the estimated useful life of the asset. The estimated useful lives for each class of intangible assets are:

<b>Intangible asset class</b>	<b>Life</b>
Library collection	10 years

Expenditure on research activities is recognised in the income statement as an expense when it is incurred.

**(o) Non-current assets held for sale**

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

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

Non-current assets classified as held for sale are not depreciated or amortised and are presented separately from other assets in the statement of financial position.

**(p) Trade and other payables**

These amounts represent liabilities for goods and services provided to the University prior to the end of the financial year, which are unpaid. Accounts payable are not interest bearing and are stated at their nominal value. The amounts are unsecured and are usually paid within 30 days of recognition.

**(q) Borrowings**

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the income statement over the period of the borrowings using the effective interest method.

**1 Summary of significant accounting policies continued**

**(q) Borrowings continued**

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 balance sheet date and does not expect to settle the liability for at least 12 months after the balance sheet date.

**(r) Provisions**

Provisions for legal claims and service warranties are recognised when: the University has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount can be reliably estimated.

Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

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

*Employee benefits*

*(i) Short-term obligations*

Liabilities for short-term employee benefits including wages and salaries, non-monetary benefits and bonuses are measured at the amount expected to be paid when the liability is settled, if it is expected to be settled wholly before 12 months after the end of the reporting period, and is recognised in other payables. Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates payable.

*(ii) Other long-term obligations*

The liability for other long-term benefits are those that are not expected to be settled wholly before 12 months after the end of the annual reporting period. Other long-term employee benefits include such things as annual leave, accumulating sick leave and long service leave liabilities.

It 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 using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Regardless of the expected timing of settlements, provisions made in respect of employee benefits are classified as a current liability, unless there is an unconditional right to defer the settlement of the liability for at least 12 months after the reporting date, in which case it would be classified as a non-current liability.

**(r) Provisions continued**

*(iii) Retirement benefit obligations*

All employees of the University are entitled to benefits on retirement, disability or death from the University's superannuation plans. The University has a defined benefit section and a defined contribution section within its plans. The defined benefit section provides defined lump sum benefits based on years of service and final average salary. The employees of the University are all members of the defined contribution section of the University's plans

A liability or asset in respect of defined benefit superannuation plans is recognised in the balance sheet, and is measured as the present value of the defined benefit obligation at the reporting date less the fair value of the superannuation fund's assets at that date and any unrecognised past service cost. The present value of the defined benefit obligation is based on expected future payments which arise from membership of the fund to the reporting date, calculated annually by independent actuaries using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service.

Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Contributions to the defined contribution section of University's superannuation fund and other independent defined contribution superannuation funds are recognised as an expense as they become payable.

*(iv) Deferred government benefit for superannuation*

In accordance with the 1998 instructions issued by the Department of Education, Training and Youth Affairs (DETYA), now known as the Department of Education, the effects of the unfunded superannuation liabilities of the University were recorded in the Income Statement and the Statement of Financial Position for the first time in 1998. The prior years' practice had been to disclose liabilities by way of a note to the financial statements.

The unfunded liabilities recorded in the statement of financial position under Provisions have been determined by an independent actuary, Mercer, and relate to liabilities for existing employees who are members of the pension scheme have been calculated based on each member's salary and the completed proportion of their expected total service. Members are assumed to earn entitlements to the maximum state pension at retirement.

Liabilities for existing pensioners have been calculated allowing for the level of the existing pension, the level of assumed pension indexation and expected mortality rates. Some former pension scheme members have transferred to the Gold State Super. In respect of their transferred benefit the members receive a lump sum benefit at retirement, death or invalidity which is related to their salary during their employment and indexed during any deferral period after leaving public sector employment. Liabilities for member of Gold State Super have been calculated based on their projected unfunded transferred service amounts and rates of exit.

The calculated defined benefit obligation is the sum of the accrued liabilities for all relevant employees.

Deferred government benefits for superannuation are the amounts recognised as reimbursement rights as they are the amounts expected to be received from the Australian Government for the emerging costs of the superannuation funds for the life of the liability, refer to note 17.

For details relating to the individual schemes, refer to note 41.

*(v) Termination benefits*

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts an offer of benefits in exchange for the termination of employment. The University recognises the expense and liability for termination benefits either when it can no longer withdraw the offer of those benefits or when it has recognised costs for restructuring within the scope of AASB137 that involves the

**1 Summary of significant accounting policies continued**

**(r) Provisions continued**

payment of termination benefits. The expense and liability are recognised when the University is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy.

Termination benefits are measured on initial recognition and subsequent changes are measured and recognised in accordance with the nature of the employee benefit. Benefits expected to be settled wholly within 12 months are measured at the undiscounted amount expected to be paid. Benefits not expected to be settled before 12 months after the end of the reporting period are discounted to present value.

*Service concession provision*

The University has recognised a service concession provision in the statement of financial position. The liability reflects the performance obligation the University has incurred to allow the operator access to, and the right to generate revenue from, service concession assets. The liability incurred is initially recognised at an amount equivalent to the value of service concession assets delivered to the University and is amortised to the statement of comprehensive income over the duration of the service concession arrangement. As a provision, it is subsequently measured at the best estimate of the amount that the University would rationally pay to settle the obligation at the reporting date or to transfer it to a third party. This will generally equate to the unamortised balance at each reporting date.

**(s) Foreign currency translation and hedge accounting**

*(i) Functional and presentation currency*

Items included in the financial statements of the University are measured using the currency of the primary economic environment in which the University operates. The financial statements are presented in Australian Dollars, which is the University's functional and presentation currency.

*(ii) Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement. Qualifying cash flow hedges shall be accounted for by recognising the portion of the gain or loss determined to be an effective hedge in other comprehensive income and the ineffective portion in the income statement.

If gains or losses on non-monetary items are recognised in other comprehensive income, translation gains or losses are also recognised in other comprehensive income. Similarly, if gains or losses on non-monetary items are recognised in profit and loss, translation gains or losses are also recognised in the income statement.

**(t) Goods and Services Tax (GST)**

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

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

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

**Edith Cowan University**  
**Notes to the Financial Statements**  
**For the Year Ended 31 December 2014**

**(t) Goods and Services Tax (GST) continued**

cash flows.

**(u) Comparative amounts**

Where necessary, comparative information has been reclassified to enhance comparability in respect of changes in presentation adopted in the current year.

**(v) New Accounting Standards and interpretations**

The Australian Accounting Standard Board ("AASB") has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The University has decided against early adoption of these standards. The following table summarises those future requirements, and their impact on the University:

<b>Standard</b>	<b>Application date</b>	<b>Implications</b>
AASB 9	1 January 2018	ECU will consider the provisions of this standard when applicable.
AASB 2010-7	1 January 2018	ECU will consider the provisions of these standards when applicable.
AASB 2014-1	1 January 2015 1 January 2016 1 January 2018	ECU will consider the provisions of these standards when applicable.
AASB 2014-3	1 January 2016	ECU will consider the provisions of these standards when applicable.
AASB2014-4	1 January 2016	ECU will consider the provisions of these standards when applicable.

**(w) Rounding of amounts**

Amounts in the financial statements have been rounded off in accordance with Class Order 98/100 as amended by Class Order 04/667 issued by the Australian Securities and Investment Commission (ASIC), relating to the 'rounding off' of amounts in the financial statements. Amounts have been rounded off to the nearest thousand dollars.



**Edith Cowan University**  
**Notes to Financial Statements**  
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**2 Australian Government financial assistance including Australian Government loan programs (HELP)**

**(a) Commonwealth Grants Scheme and Other Grants**

	2014	2013
Note	\$000's	\$000's
Commonwealth Grants Scheme #1	136,132	132,168
Indigenous Support Program	617	619
Partnership and Participation Program#2	3,236	2,770
Disability Support Program	110	84
Promotion of Excellence in Learning and Teaching	12	42
Reward Funding	-	330
Other	-	2,781
<b>Total Commonwealth Grants Scheme and other grants</b>	<b>42(a) 140,107</b>	<b>138,794</b>

**(b) Higher Education Loan Programs**

HECS - HELP	77,294	73,851
FEE - HELP#3	11,877	13,019
VET FEE - HELP	904	-
SA - HELP	42(h) 2,333	953
<b>Total Higher Education Loan Programs</b>	<b>42(b) 92,408</b>	<b>87,823</b>

**(c) Scholarships**

Australian Postgraduate Awards	1,882	1,641
International Postgraduate Research Scholarships	148	162
Commonwealth Education Cost Scholarship#4	62	86
Commonwealth Accommodation Scholarships#4	11	40
Indigenous Access Scholarships	52	61
<b>Total Scholarships</b>	<b>42(c) 2,155</b>	<b>1,990</b>

**(d) Education Research**

Joint Research Engagement Program#5	2,808	2,579
Research Training Scheme	4,558	4,583
Research Infrastructure Block Grants	439	441
Sustainable Research Excellence in Universities	716	709
Other	1,559	452
<b>Total Education Research Grants</b>	<b>42(d) 10,080</b>	<b>8,764</b>

**Edith Cowan University**  
**Notes to the Financial Statements**  
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**2 Australian Government financial assistance including Australian Government loan programs (HELP) continued**

**(e) Australian Research Council**

	Note	2014 \$000's	2013 \$000's
<b>(i) Discovery</b>			
Projects	42(e)(i)	196	208
<b>(ii) Linkages</b>			
Projects	42(e)(ii)	341	367
<b>Total Australian Research Council</b>		<b>537</b>	<b>575</b>
<b>(f) Other Australian Government financial assistance</b>			
<b>Non-capital</b>			
National competitive		3,035	2,414
Other research grants		2,525	1,852
Other non-research grants		4,287	3,442
<b>Total</b>		<b>9,847</b>	<b>7,708</b>
<b>Capital</b>			
Other non-research grants		113	4,900
<b>Total other Australian Government financial assistance</b>		<b>9,960</b>	<b>12,608</b>
<b>Total Australian Government financial assistance</b>		<b>255,247</b>	<b>250,554</b>

#1 Includes the basic CGS grant amount, CGS - Regional Loading, CGS - Enabling Loading, Maths and Science Transition Loading, Allocated Places Advance and Non-designated Courses Advance.

#2 Includes Equity Support Program.

#3 Program in respect of FEE-HELP for Higher Education only and excludes funds received in respect of VET FEE HELP.

#4 Includes Grandfather Scholarships, National Priority and National Accommodation Priority Scholarships.

#5 Includes Institutional Grants Scheme.

	2014 \$000's	2013 \$000's
<b>Reconciliation</b>		
Australian Government grants (a + c + d + e + f )	162,839	162,731
HECS - HELP payments	77,294	73,851
FEE - HELP payments	11,877	13,019
VET FEE - HELP	904	-
SA - HELP payments	2,333	953
<b>Total Australian Government financial assistance</b>	<b>255,247</b>	<b>250,554</b>

**Edith Cowan University**  
**Notes to Financial Statements**  
**For the Year Ended 31 December 2014**

**2 Australian Government financial assistance including Australian Government loan programs (HELP) continued**

**(g) Australian Government Grants received - cash basis (Ref note 42)**

		2014	2013
		\$000's	\$000's
CGS and Other Education grants	42(a)	139,825	139,360
Higher Education Loan Programs	42(b)	88,368	86,804
Scholarships	42(c)	2,460	881
Education research	42(d)	9,335	9,659
ARC grants - Discovery	42(e)	196	208
ARC grants - Linkages	42(e)	341	367
Other Australian Government grants		<u>8,870</u>	<u>11,182</u>
<b>Total Australian Government grants received - cash basis</b>		<u><b>249,395</b></u>	<u><b>248,461</b></u>
OS-Help (Net)	42(f)	1,723	60
Superannuation Supplementation	42(g)	<u>3,252</u>	<u>2,704</u>
<b>Total Australian Government funding received - cash basis</b>		<u><b>254,370</b></u>	<u><b>251,225</b></u>

**3 State and Local Government financial assistance**

Government grants were received during the reporting period for the following purposes:

		2014	2013
		\$000's	\$000's
<b>Non-capital</b>			
Department of Training and Workforce Development*		8,234	8,467
WA State and local Government research grants		<u>5,084</u>	<u>5,113</u>
<b>Total State and Local Government financial assistance</b>		<u><b>13,318</b></u>	<u><b>13,580</b></u>

\*The funding relates to Western Australian Academy of Performing Arts (WAAPA)

**Edith Cowan University**  
**Notes to the Financial Statements**  
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**4 Fees and charges**

	2014 \$000's	2013 \$000's
<b>Course fees and charges</b>		
Fee-paying onshore overseas students	54,762	51,845
Fee-paying offshore overseas students	2,898	3,508
Continuing education	520	446
Fee-paying domestic postgraduate students	5,279	5,751
Fee-paying domestic undergraduate students	11	86
Fee-paying domestic non-award students	-	85
<b>Total course fees and charges</b>	<b>63,470</b>	<b>61,721</b>
<b>Other non-course fees and charges</b>		
Student services and amenities fees	1,561	1,734
Examination, registration and photocopying fees	441	490
Other fees and charges	578	1,277
Parking fees	1,660	1,462
Rental charges	2,688	2,553
Other	285	531
<b>Total Other Fees and Charges</b>	<b>7,213</b>	<b>8,047</b>
<b>Total fees and charges</b>	<b>70,683</b>	<b>69,768</b>

**5 Investment revenue and income**

	2014 \$'000	2013 \$'000
<b>Investment revenue</b>		
Interest revenue from operating account	229	349
Interest from bank bills	10,583	10,552
Rental income from investment properties	1,048	756
<b>Total investment revenue</b>	<b>11,860</b>	<b>11,657</b>
<b>Other investment income</b>		
Dividends received	112	111
Distributions from managed funds	1,408	702
Net gain on disposal of available-for-sale financial assets transferred from equity	10	3,180
Net gain on revaluation of investment properties	400	-
<b>Total other investment income</b>	<b>1,930</b>	<b>3,993</b>
<b>Other investment losses</b>		
Net loss on revaluation of investment properties	-	(7,547)
<b>Net investment income</b>	<b>13,790</b>	<b>8,103</b>

**Edith Cowan University**  
**Notes to Financial Statements**  
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<b>6</b>	<b>Royalties</b>	<b>2014</b>	<b>2013</b>
		<b>\$000's</b>	<b>\$000's</b>
	Royalties	<u>6,336</u>	<u>4,588</u>
<b>7</b>	<b>Consultancy and contracts</b>	<b>2014</b>	<b>2013</b>
		<b>\$000's</b>	<b>\$000's</b>
	Consultancy	270	379
	Contract research	<u>5,279</u>	<u>5,149</u>
	<b>Total consultancy and contracts</b>	<u><b>5,549</b></u>	<u><b>5,528</b></u>
<b>8</b>	<b>Other revenue and income</b>	<b>2014</b>	<b>2013</b>
		<b>\$000's</b>	<b>\$000's</b>
	<b>Other revenue</b>		
	Donations and bequests	889	1,896
	Scholarships and prizes	1,407	1,403
	Proceed from sale of non-capitalised equipment	113	162
	Commissions, recoveries and rebates received	5,452	5,061
	Expense recoups	41	53
	Sale of goods	1,982	3,817
	Box office sales	660	473
	Sundry income	758	892
	Medical practitioners' fees	142	133
	Other revenue	<u>390</u>	<u>486</u>
	<b>Total other revenue</b>	<u><b>11,834</b></u>	<u><b>14,376</b></u>
	<b>Other income</b>		
	Service concession income	948	948
	Other income	<u>3,628</u>	<u>1,007</u>
	<b>Total other income</b>	<u><b>4,576</b></u>	<u><b>1,955</b></u>

**Edith Cowan University**  
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**9 Gains on disposal of assets**

	2014	2013
	\$000's	\$000's
Proceeds from sale of property, plant and equipment and non-current assets held for sale	1,447	19,215
Carrying amount of property, plant and equipment and non-current assets held for sale - sold	(1,309)	(17,294)
<b>Net gain on disposal</b>	<b>138</b>	<b>1,921</b>

**10 Employee related expenses**

	2014	2013
	\$000's	\$000's
<b>Academic</b>		
Salaries	86,133	79,929
Contributions to superannuation and pension schemes - funded	11,209	11,837
Payroll tax	5,566	5,494
Worker's compensation	444	181
Long service leave expense	1,616	2,782
Annual leave	974	249
Other	701	549
<b>Total academic</b>	<b>106,643</b>	<b>101,021</b>
<b>Non-academic</b>		
Salaries	94,080	93,572
Contributions to superannuation and pension schemes - funded	12,370	13,101
Payroll tax	6,027	5,926
Worker's compensation	494	240
Long service leave expense	694	2,433
Annual leave	915	243
Other	455	429
<b>Total non-academic</b>	<b>115,035</b>	<b>115,944</b>
<b>Total employee related expenses</b>	<b>221,678</b>	<b>216,965</b>

**Edith Cowan University**  
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**11 Depreciation and amortisation**

	2014 \$000's	2013 \$000's
<b>Depreciation</b>		
Buildings	13,016	13,325
Service concession assets	1,209	1,209
Leasehold improvements	581	968
Other equipment and furniture	3,317	3,321
Computing equipment	309	2,690
Motor vehicles	121	95
Library collections	1,003	1,029
<b>Total depreciation</b>	<b>19,556</b>	<b>22,637</b>
<b>Amortisation</b>		
Intangible assets	1,025	963
<b>Total depreciation and amortisation</b>	<b>20,581</b>	<b>23,600</b>

**12 Repairs and maintenance**

	2014 \$000's	2013 \$000's
Buildings maintenance	7,816	7,366
Grounds maintenance	802	904
Other equipment maintenance	1,417	876
<b>Total repairs and maintenance</b>	<b>10,035</b>	<b>9,146</b>

**13 Borrowing costs**

	2014 \$000's	2013 \$000's
Interest expense	3,964	4,949
Less: Amount capitalised	(2,476)	(881)
<b>Total borrowing costs expensed</b>	<b>1,488</b>	<b>4,068</b>

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**14 Impairment of assets**

	2014	2013
	\$000's	\$000's
Bad and doubtful debts	156	-
<b>Total impairment of assets</b>	<b>156</b>	<b>-</b>

\* Additional details on impairments of receivables are included at note 17.

**15 Other expenses**

	2014	2013
	\$000's	\$000's
Scholarships, grants and prizes	9,941	8,246
Advertising and marketing	5,672	5,794
Promotions and sponsorships	3,567	2,388
Audit fees, bank charges, legal costs and insurance	13,683	1,984
Computer software and maintenance	15,009	11,438
General consumables	4,100	4,815
Hire and lease costs	1,586	1,604
Library subscriptions	1,544	1,355
Non-capitalised equipment	3,761	3,744
Operating lease rental expenses	258	253
Printing and stationery	2,580	2,754
Professional and consulting fees	12,297	14,237
Student related expenditure	9,777	8,960
Telecommunications	1,493	1,184
Travel, staff development and entertainment	6,337	5,969
Utilities and rates	6,567	7,043
Net loss on asset write-offs <sup>#1</sup>	68	36
Cost of goods sold	51	1,882
Student Practicum and related expenses	2,862	3,107
Miscellaneous	8,983	8,655
<b>Total other expenses</b>	<b>110,136</b>	<b>95,448</b>

#1 Additional detail on write-offs during the year is included at note 40.



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**16 Cash and cash equivalents**

	2014 \$000's	2013 \$000's
Cash at bank	9,330	10,916
Bank Bills	45,190	55,526
Cash held in imprests	10	10
<b>Total cash and cash equivalent</b>	<b>54,530</b>	<b>66,452</b>

**(a) Reconciliation to cash at the end of the year**

The above figures are reconciled to cash at the end of the year as shown in the statement of cash flows as follows:

		2014 \$000's	2013 \$000's
	<b>Note</b>		
Unrestricted cash		45,246	57,722
Restricted funds	30	9,284	8,730
Balance as per cash flow statement		<b>54,530</b>	<b>66,452</b>

**(b) Cash at bank and held in imprests**

Cash in operating accounts earns interest at the rate of 2.40% (2013: 2.45%).

**(c) Bank Bills**

The bank bills are bearing fixed interest rates between 3.18% and 3.50% (2013: 3.29% and 3.75%). These deposits have an average maturity of 91 days.

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**17 Receivables**

	2014 \$000's	2013 \$000's
<b>Current</b>		
Trade receivables and student fees	6,454	8,474
Less: Provision for impaired receivables	(1,411)	(1,292)
	5,043	7,182
Deferred Government benefit for superannuation	2,741	2,856
GST and withholding tax receivable	4,047	2,120
<b>Total current receivables</b>	<b>11,831</b>	<b>12,158</b>
<b>Non-current</b>		
Deferred Government benefit for superannuation	22,833	22,986
<b>Total non-current receivables</b>	<b>22,833</b>	<b>22,986</b>
<b>Total trade and other receivables</b>	<b>34,664</b>	<b>35,144</b>

**Impaired receivables**

As at 31 December 2014 current receivables of the University with a nominal value of \$1.4m (2013: \$1.3m) were impaired. It was assessed that a portion of these receivables are expected to be recovered.

The ageing analysis of these receivables is as follows:

	2014 \$000's	2013 \$000's
3 to 6 months	1,287	585
Over 6 months	124	707
	1,411	1,292

As at 31 December 2014, trade receivables of \$0.5m (2013: \$1.5m) were past due but not impaired. These relate to a number of independent clients and students for whom there is no recent history of default.

The ageing analysis of these receivables is as follows:

	2014 \$000's	2013 \$000's
3 months or less	494	1,553
	494	1,553

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Movements in the provision for impaired receivables are as follows:

	2014 \$000's	2013 \$000's
At 1 January	1,292	1,956
Provision for impairment		
Provision for impairment recognised during the year	156	(595)
Receivables written off during the year as uncollectible	(40)	(68)
Unused amount reversed	3	(1)
	1,411	1,292
At 31 December	1,411	1,292

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

The other amounts within receivables do not contain impaired assets and are not past due. Based on credit history, it is expected that these amounts will be received when due.

**18 Derivative financial instruments**

	2014 \$000's	2013 \$000's
<b>Current assets</b>		
Derivative financial instruments	19	21
	19	21

**(a) Instruments used by the University**

The University is party to derivative financial instruments in the normal course of business in order to hedge exposure to fluctuations in foreign exchange rates in accordance with the University's financial risk management policies (refer to note 38).

In order to protect against exchange rate movements, the University had entered into a forward exchange contract to purchase foreign currency.

These contracts are hedging obligations for payments for the ensuing financial year. The contracts are timed to mature when payments for major shipments of component parts are scheduled to be made.

The portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognised directly in equity. When the cash flows occur, the University adjusts the initial measurement of the component recognised in the balance sheets by the related amount deferred in equity.

**(b) Interest rate and foreign exchange risk**

For an analysis of the sensitivity of derivatives to interest rate and foreign exchange risk refer to note 38.

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**19 Other financial assets**

	2014	2013
	\$000's	\$000's
<b>Current</b>		
<b>Held-to-maturity</b>		
Term deposits	137,307	114,768
<b>Total current other financial assets</b>	<b>137,307</b>	<b>114,768</b>
<b>Non-Current</b>		
<b>Available-for-sale investments</b>		
Investment in shares	2,032	2,572
Investment in managed funds	24,288	18,808
<b>Held-to-maturity</b>		
Term deposits	58,000	50,000
<b>Total non-current other financial assets</b>	<b>84,320</b>	<b>71,380</b>
<b>Total other financial assets</b>	<b>221,627</b>	<b>186,148</b>

**20 Non-current assets classified as held for sale**

	2014	2013
	\$000's	\$000's
<b>Non-current assets held for sale</b>		
Land	-	1,305
<b>Total non-current assets held for sale</b>	-	1,305

**21 Other non-financial assets**

	2014	2013
	\$000's	\$000's
<b>Current</b>		
Accrued income	5,503	4,627
Advances and prepayments	9,841	3,556
<b>Total current other non-financial assets</b>	<b>15,344</b>	<b>8,183</b>
<b>Non-current</b>		
Non-current other non-financial assets	1,758	-
<b>Total other non-financial assets</b>	<b>17,102</b>	<b>8,183</b>

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**22 Investment properties**

	2014 \$000's	2013 \$000's
<b>At fair value</b>		
Opening balance at 1 January	13,610	9,820
Additions	7,344	9,287
Transfers from property, plant and equipment	-	2,050
Gain/(loss) on revaluation	400	(7,547)
<b>Closing balance as at 31 December</b>	<b>21,354</b>	13,610

For fair value hierarchy categorisation of investment properties see note 39.

**(a) Amounts recognised in income statement for investment properties**

	2014 \$000's	2013 \$000's
Rental income	1,048	756
Gain/(loss) on revaluation	400	(7,547)
<b>Total recognised in income statement</b>	<b>1,448</b>	(6,791)

**(b) Valuation basis**

The fair value of all investment properties has been determined by reference to recent market transactions. The investment properties have been valued as at 31 December 2014 by independent professional valuers.

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**23 Property, plant and equipment**

	Work in progress \$000's	Land \$000's	Buildings \$000's	Service concession assets - land \$000's	Service concession assets - building \$000's	Leasehold improvements \$000's	Works of Art \$000's	Library Collections \$000's	Motor Vehicles \$000's	Other equipment and furniture \$000's	Computer Equipment \$000's	Total \$000's
<b>Year ended 31 December 2013</b>												
Opening net book amount	16,370	122,977	561,798	11,149	50,293	9,849	12,868	6,056	342	9,665	2,333	803,700
Additions	25,154	1,230	-	-	-	-	63	-	138	2,200	607	29,392
Accumulated depreciation on write-offs	-	-	-	-	-	-	-	-	-	29	-	29
Write offs during the year	-	-	-	-	-	-	(10)	-	-	(33)	-	(43)
Disposals	-	(1,230)	(408)	-	-	-	-	-	(39)	(1,094)	(350)	(3,121)
Accumulated Depreciation on disposals	-	-	16	-	-	-	-	-	35	965	350	1,366
Revaluation increments/ (decrements)	-	3,610	(25,540)	-	-	(1,766)	-	-	-	-	-	(23,696)
Reclassifications in/(out)	-	(468)	-	468	-	-	-	-	-	-	-	-
Transferred to investment properties	-	(2,050)	-	-	-	-	-	-	-	-	-	(2,050)
Depreciation charge	-	-	(13,325)	-	(1,209)	(968)	-	(1,028)	(95)	(3,321)	(2,690)	(22,636)
Transfers	(6,958)	-	3,197	-	-	2,000	-	558	-	667	536	-
<b>Closing net book amount</b>	<b>34,566</b>	<b>124,069</b>	<b>525,738</b>	<b>11,617</b>	<b>49,084</b>	<b>9,115</b>	<b>12,921</b>	<b>5,586</b>	<b>381</b>	<b>9,078</b>	<b>786</b>	<b>782,941</b>
<b>At 31 December 2013</b>												
- Cost	34,566	-	-	11,617	53,488	-	-	12,029	762	38,471	11,472	162,405
- Valuation	-	124,069	525,738	-	-	9,115	12,921	-	-	-	-	671,843
Accumulated depreciation	-	-	-	-	(4,404)	-	-	(6,443)	(381)	(29,393)	(10,686)	(51,307)
<b>Net book amount</b>	<b>34,566</b>	<b>124,069</b>	<b>525,738</b>	<b>11,617</b>	<b>49,084</b>	<b>9,115</b>	<b>12,921</b>	<b>5,586</b>	<b>381</b>	<b>9,078</b>	<b>786</b>	<b>782,941</b>

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**23 Property, plant and equipment continued**

	Work in progress \$000's	Land \$000's	Buildings \$000's	Service concession assets - land \$000's	Service concession assets - building \$000's	Leasehold improvements \$000's	Works of Art \$000's	Library Collections \$000's	Motor Vehicles \$000's	Other equipment and furniture \$000's	Computer Equipment \$000's	Total \$000's
<b>Year ended 31 December 2014</b>												
Opening net book amount	34,566	124,06	525,738	11,617	49,084	9,115	12,921	5,586	381	9,078	786	782,941
Additions	47,090	-	-	-	-	-	70	-	99	1,833	-	49,092
Disposals	-	-	-	-	-	-	-	-	(44)	(993)	(998)	(2,035)
Accumulated depreciation on disposals	-	-	-	-	-	-	-	-	44	990	998	2,032
Write-offs during the year	-	-	-	-	-	-	(68)	-	-	-	-	(68)
Accumulated depreciation on write-offs	-	-	-	-	-	-	-	-	-	-	-	-
Revaluation increments/(decrements)	-	6	(11,122)	-	-	(181)	-	-	-	-	-	(3,637)
Reclassifications in/(out)	-	-	-	-	-	(1,958)	(4)	-	-	-	-	(1,962)
Depreciation charge	-	-	(13,016)	-	(1,209)	(581)	-	(1,003)	(121)	(3,317)	(309)	(19,556)
Transfers	(9,305)	-	7,649	-	-	-	-	371	-	1,153	132	-
<b>Closing net book amount</b>	<b>72,351</b>	<b>131,73</b>	<b>509,249</b>	<b>11,617</b>	<b>47,875</b>	<b>6,395</b>	<b>12,919</b>	<b>4,954</b>	<b>359</b>	<b>8,744</b>	<b>609</b>	<b>806,807</b>
<b>At 31 December 2014</b>												
- Cost	72,351	-	-	11,617	53,488	-	-	12,400	817	40,464	10,605	201,742
- Valuation	-	131,73	509,249	-	-	6,395	12,919	-	-	-	-	660,298
Accumulated depreciation	-	-	-	-	(5,613)	-	-	(7,446)	(458)	(31,720)	(9,996)	(55,233)
<b>Net book amount</b>	<b>72,351</b>	<b>131,73</b>	<b>509,249</b>	<b>11,617</b>	<b>47,875</b>	<b>6,395</b>	<b>12,919</b>	<b>4,954</b>	<b>359</b>	<b>8,744</b>	<b>609</b>	<b>806,807</b>

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**23 Property, plant and equipment continued****(a) Valuations of land, buildings and Works of art**

Land, buildings and leasehold improvements were revalued as at 31 December 2014 by independent professional valuers. The fair value of all land has been determined by reference to recent market transactions and the fair value of buildings and leasehold improvements have been determined by reference to the cost of replacing the remaining future economic benefits, refer to note 1(k).

Works of art are heritage assets and have been valued as at 31 December 2012 by independent professional valuers, the fair value of works of art has been determined by reference to recent market transactions.

**(b) Service concession assets**

The University entered into a Service Concession Arrangement with Campus Living Villages ('CLV'), an entity that specialises in the construction, operation and maintenance of long-term student accommodation services. As part of this arrangement, CLV has constructed a 355 bed student village at the Mt Lawley Campus; commenced construction of a 127 bed student accommodation in Joondalup and continue to undertake refurbishment of existing accommodation at Mt Lawley, Joondalup and Bunbury campuses. CLV has assumed management of all such accommodation. CLV is compensated for the provision of capital works to the University through the granting of rights by the University to CLV allowing CLV to operate and enjoy full access to such assets, including the retention of all rental income.

The term of the arrangement is for 38 years in total, at which time CLV management and operational rights will cease, and the full operation and management will return to the University. The financial statements reflect the control of all such assets by the University pursuant to the principles of service concession accounting.

A breakdown of service concession assets at reporting date is:

	<b>2014</b>	<b>2013</b>
	<b>\$000's</b>	<b>\$000's</b>
Land	<b>11,617</b>	11,617
Buildings	<b>47,875</b>	49,084
Work in progress	<b>11,119</b>	1,433
<b>Net book amount</b>	<b>70,611</b>	62,134

**24 Intangible assets**

	<b>Library</b>	<b>Total</b>
	<b>collections</b>	<b>\$000's</b>
	<b>\$000's</b>	<b>\$000's</b>
<b>Year ended 31 December 2013</b>		
Opening net book value	5,667	5,667
Additions	1,399	1,399
Amortisation charge	(963)	(963)
<b>Closing net book amount</b>	<b>6,103</b>	<b>6,103</b>
<b>At 31 December 2013</b>		
- Cost	12,168	12,168
- Accumulated amortisation and impairment	(6,065)	(6,065)
<b>Net book amount</b>	<b>6,103</b>	<b>6,103</b>



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**24 Intangible assets continued**

	Library collections \$000's	Total \$000's
<b>Year ended 31 December 2014</b>		
Opening net book amount	6,103	6,103
Additions	1,387	1,387
Amortisation charge	(1,025)	(1,025)
<b>Closing net book amount</b>	<b>6,465</b>	<b>6,465</b>
<b>At 31 December 2014</b>		
- Cost	13,554	13,554
- Accumulated amortisation and impairment	(7,089)	(7,089)
<b>Net book amount</b>	<b>6,465</b>	<b>6,465</b>

**25 Trade and other payables**

	2014 \$000's	2013 \$000's
<b>Current</b>		
Trade payables	4,725	5,728
CGS and other liabilities to Australian Government	300	405
OS HELP liabilities to Australian Government	1,816	93
GST payable	478	269
<b>Total current trade and other payables</b>	<b>7,319</b>	<b>6,495</b>

The fair value of trade and other payables is equal to their carrying value.

**(a) Foreign currency risk**

The carrying amounts of the University's trade and other payables are denominated in the following currencies.

	2014 \$000's	2013 \$000's
Australian Dollar	7,300	6,495
US Dollar	19	-
	<b>7,319</b>	<b>6,495</b>

For an analysis of the sensitivity of trade and other payables to foreign currency risk refer to note 38.

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**26 Borrowings**

	2014 \$000's	2013 \$000's
<b>Current - Unsecured interest bearing</b>		
Western Australian Treasury Corporation	125	172
<b>Non-current - Unsecured interest bearing</b>		
Western Australian Treasury Corporation	99,520	90,145
<b>Total borrowings</b>	<u>99,645</u>	<u>90,317</u>

**(a) Financing arrangements**

Unrestricted access was available at reporting date to the following lines of credit:

	2014 \$000's	2013 \$000's
<b>Credit standby arrangements</b>		
Total facilities		
Western Australian Treasury Corporation	100,000	100,417
Bank facilities	6,050	6,050
Total facilities	<u>106,050</u>	<u>106,467</u>
Used at balance date		
Western Australian Treasury Corporation	99,645	90,317
Bank facilities	228	211
Total used at balance date	<u>99,873</u>	<u>90,528</u>
Unused at balance date		
Western Australian Treasury Corporation	355	10,100
Bank facilities	5,822	5,839
Total unused at balance date	<u>6,177</u>	<u>15,939</u>
<b>Bank loan facilities</b>		
Total facilities	106,050	106,467
Used at balance date	<u>(99,873)</u>	<u>(90,528)</u>
<b>Unused at balance date</b>	<u>6,177</u>	<u>15,939</u>

The current interest rates on loans from Western Australian Treasury Corporation range between 3.47% and 5.41%, depending on the type of borrowing (2013: 3.57% and 5.35%).

A majority of the used bank facilities of \$0.2m (2013: \$0.2m) represent credit card balances outstanding as at year end which are included as part of trade and other payables in note 25.

**26 Borrowings continued**

**(b) Fair value**

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

	2014		2013	
	Carrying Amount \$000's	Fair Value \$000's	Carrying Amount \$000's	Fair Value \$000's
<b>On-statement of financial position*</b>				
<i>Borrowings</i>				
Western Australian Treasury Corporation	99,645	99,645	90,317	90,317
	<b>99,645</b>	<b>99,645</b>	90,317	90,317

\* The fair value of borrowings equals their carrying amount, as the impact of discounting is not significant.

**(c) Risk exposures**

The exposure of the University's borrowings to interest rate changes and the contractual repricing dates at the reporting dates are as follows:

	2014 \$000's	2013 \$000's
Within one year	125	172
Between one and five years	59,520	35,145
Later than five years	40,000	55,000
	<b>99,645</b>	90,317
<b>These borrowings are classified as follows:</b>		
Current borrowings	125	172
Non-current borrowings	99,520	90,145
	<b>99,645</b>	90,317

The carrying amounts of the University's borrowings are denominated in Australian Dollars.

For an analysis of the sensitivity of borrowings to interest rate risk refer to note 38.

**Edith Cowan University**  
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**27 Provisions**

	2014 \$000's	2013 \$000's
<b>Current provisions expected to be settled within 12 months</b>		
Employee benefits		
Annual leave and other compensated absences	6,810	6,754
Long service leave	7,294	7,185
Defined benefit obligation	2,741	2,856
Staff bonuses	1,150	1,038
Superannuation and other post-employment benefits	2,073	2,038
Employee on-costs	1,102	1,088
Provision for service concession liabilities	1,238	948
Other provisions	3,391	2,607
	25,799	24,514
<b>Current provisions expected to be settled after more than 12 months</b>		
<b>Employee benefits</b>		
Annual leave and other compensated absences	709	496
Long Service Leave	12,806	11,460
Superannuation and other post-employment benefits	1,770	1,560
Employee On-costs	1,056	934
	16,341	14,450
<b>Total current provisions</b>	<b>42,140</b>	<b>38,964</b>
<b>Non-current provisions</b>		
Employee benefits		
Long service leave	4,395	4,187
Defined benefit obligation	22,833	22,986
Provision for deferred salary	221	100
Superannuation and other post-employment benefits	1,703	1,419
Employee on-costs	343	327
Provision for service concession liabilities	39,273	30,825
Other provisions	7,232	-
	76,000	59,844
<b>Total non-current provisions</b>	<b>76,000</b>	<b>59,844</b>
<b>Total provisions</b>	<b>118,140</b>	<b>98,808</b>

Current provisions expected to be settled after more than 12 months represents a current obligation of the Entity, however, it is the view of the management that they are expected to be settled after more than 12 months.

Annual leave liabilities have been classified as current as there is no unconditional right to defer settlement for at least 12 months after reporting date.

Long service leave liabilities have been classified as current where there is no unconditional right to defer settlement for at least 12 months after the reporting date.

**27 Provisions continued**

The settlement of annual and long service leave liabilities gives rise to the payment of employment on-costs including workers' compensation premiums and payroll tax. The provision is measured at the present value of expected future payments. The associated expense, apart from the unwinding of the discount (finance cost), is included at note 10.

Other provisions include a provision for present obligations arising from an onerous contract under which the unavoidable costs of meeting the contract obligations exceed the economic benefits expected to be received.

**(a) Movements in provision**

	<b>Employment on-costs \$000's</b>	<b>Service concession liabilities \$000's</b>	<b>Other \$000's</b>
<b>2014</b>			
<b>Current</b>			
Carrying amount at start of year	2,022	948	2,607
Additional provisions recognised	985	1,238	1,746
Amounts incurred and charged	(849)	(948)	(962)
<b>Carrying amount at end of year</b>	<b>2,158</b>	<b>1,238</b>	<b>3,391</b>
<b>Non-current</b>			
Carrying amount at start of year	327	30,825	-
Additional provisions recognised	145	9,686	7,232
Amounts incurred and charged	(129)	(1,238)	-
<b>Carrying amount at end of year</b>	<b>343</b>	<b>39,273</b>	<b>7,232</b>
<b>2013</b>			
<b>Current</b>			
Carrying amount at start of year	1,505	948	8,874
Additional provisions recognised	517	948	-
Amounts incurred and charged	-	(948)	(6,267)
<b>Carrying amount at end of year</b>	<b>2,022</b>	<b>948</b>	<b>2,607</b>
<b>Non-current</b>			
Carrying amount at start of year	513	30,340	-
Additional provisions recognised	(186)	1,433	-
Amounts incurred and charged	-	(948)	-
<b>Carrying amount at end of year</b>	<b>327</b>	<b>30,825</b>	<b>-</b>

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**28 Other liabilities**

	2014 \$000's	2013 \$000's
<b>Current</b>		
Fees and grants received in advance	17,352	15,159
Financial assistance received in advance	1,468	3,845
Accrued expenses	20,689	10,823
<b>Total other liabilities</b>	<b>39,509</b>	<b>29,827</b>

**29 Reserves and retained earnings****(a) Reserves**

	2014 \$000's	2013 \$000's
<b>Reserves</b>		
Property, plant and equipment revaluation surplus	344,283	348,719
Investments revaluation surplus	5,744	6,105
Hedging reserve - cash flow hedges	19	21
<b>Total Reserves</b>	<b>350,046</b>	<b>354,845</b>

**Movements**

	2014 \$000's	2013 \$000's
<i>Property, plant and equipment revaluation surplus</i>		
Balance 1 January	348,719	375,692
Revaluation - gross	(3,637)	(23,695)
Transfer to retained earnings	(799)	(3,278)
<b>Balance 31 December</b>	<b>344,283</b>	<b>348,719</b>
<i>Investments revaluation surplus</i>		
Balance 1 January	6,105	4,827
Revaluation - gross	(361)	3,995
Reclassification of net change in fair value of available-for-sale financial assets to profit and loss	-	(2,717)
<b>Balance 31 December</b>	<b>5,744</b>	<b>6,105</b>

**29 Reserves and retained earnings continued**

**Movements continued**

	2014	2013
	\$000's	\$000's
<i>Hedging reserve - cash flow hedges</i>		
Balance 1 January	21	-
Revaluation - gross	(2)	21
	19	21
Balance 31 December		
<b>Total reserves</b>	<b>350,046</b>	354,845

**(b) Retained earnings**

Movement in retained earnings were as follows:

	2014	2013
	\$000's	\$000's
Retained earnings at the beginning of the year	519,615	483,514
Net result for the period	27,495	32,823
Transfer from property, plant and equipment reserve*	799	3,278
	547,909	519,615
<b>Retained earnings at end of the year</b>	<b>547,909</b>	519,615

\* Transfer from revaluation reserve of \$0.8m (2013: \$3.3m) represents realisation of revaluation surplus on assets disposed.

**(c) Nature and purpose of reserves**

*(i) Property, plant and equipment revaluation surplus*

The property, plant and equipment revaluation reserve is used to record increments and decrements on the revaluation of non-current assets, as described in note 1(k).

*(ii) Investments revaluation surplus*

Changes in the fair value and exchange differences arising on revaluation of investments, such as equities, classified as available-for-sale financial assets, are taken to the investments revaluation reserve, as described in note 1(l). Amounts are recognised in the income statement when the associated assets were sold or impaired.

*(iii) Hedging reserve - cash flow hedges*

The hedging reserve is used to record gains or losses on a hedging instrument in a cash flow hedge that are recognised directly in equity, as described in note 1(s). Amounts are recognised in the income statement when the associated hedged transaction affects profit and loss.

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**30 Restricted funds**

	2014	2013
	\$000's	\$000's
<b>Restricted funds</b>		
ECU Foundation	<u>9,284</u>	<u>8,730</u>

The purpose of the ECU Foundation is to hold funds received from external sources. These funds are appropriated for a variety of educational and research purposes ranging from scholarships, research, prizes and special lecture programs. The Foundation was established to aid and promote excellence in educational and research activities by seeking, receiving and administering private gifts for the benefit of the University and its community.

**31 Key management personnel disclosures****(a) Remuneration of members of the University Council**

The number of council members, whose total of fees, salaries, superannuation, non-monetary benefits and other benefits for the financial year, fall within the following bands are:

	2014	2013
	Number	Number
Nil to \$10,000	20	19
\$120,001 to 130,000	-	1
\$130,001 to \$140,000	1	-
\$160,001 to \$170,000	-	1
\$170,001 to \$180,000	1	-
\$260,001 to \$270,000	-	1
\$360,001 to \$370,000	1	-
\$510,001 to \$520,000	1	-
\$530,001 to \$540,000	1	-
\$740,001 to \$750,000	-	1
	<b>2014</b>	<b>2013</b>
	<b>\$000's</b>	<b>\$000's</b>
Base remuneration and superannuation	1,526	1,232
Annual leave and long service leave accruals	139	40
Other benefits	67	28
<b>The total aggregate remuneration of members of the accountable authority</b>	<u><b>1,732</b></u>	<u><b>1,300</b></u>

The total remuneration includes the superannuation expense incurred by the University in respect of council members.

No council members are members of the pension scheme.



**31 Key management personnel disclosures continued**

**(b) Remuneration of senior officers**

The number of senior officers, other than senior officers reported as members of the accountable authority, whose total fees, salaries, superannuation, non-monetary benefits and other benefits for the financial year, fall within the following bands are:

	2014 Number	2013 Number
\$60,001 to \$70,000	-	1
\$230,001 to \$240,000	-	1
\$240,001 to \$250,000	1	-
\$310,001 to \$320,000	2	-
\$320,001 to \$330,000	1	-
\$340,001 to \$350,000	-	1
\$350,000 to \$360,000	1	5
\$370,001 to \$380,000	1	-
\$410,001 to \$420,000	1	-
\$470,001 to \$480,000	1	1
\$490,001 to \$500,000	-	1
	<b>2014</b>	<b>2013</b>
	<b>\$000's</b>	<b>\$000's</b>
Base remuneration and superannuation	2,668	2,982
Annual leave and long service leave accruals	6	202
Other benefits	157	203
<b>The total aggregate remuneration of senior officers</b>	<b>2,831</b>	<b>3,387</b>

The remuneration includes the superannuation expense incurred by the University in respect of senior officers other than senior officers reported as members of the University Council.

No senior officer is a member of the pension scheme.

**32 Remuneration of auditors**

Remuneration to the Office of the Auditor General ("OAG") and non-related audit firms for the financial year are as follows:

	2014 \$000's	2013 \$000's
<b>Audit the Financial Statements</b>		
Audit fees - OAG	242	252
<b>Other audit and assurance services</b>		
Audit fees - OAG	14	5
Audit fees - Non-OAG firms	5	-
<b>Total</b>	<b>261</b>	<b>257</b>

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**33 Contingencies****Contingent liabilities**

In addition to the liabilities incorporated in the financial statements, the University has the following contingent liabilities:

*Native title claims*

University land is subject to Federal Court proceedings concerning native title rights and to settlement negotiations between the State Government and the South West Aboriginal Land and Sea Council.

*Outstanding litigation*

The University and a number of its staff members are defendants in various actions commenced by a former employee. The claims are not material and sufficient insurance is in place to cover the potential liabilities.

**34 Commitments****(a) Capital expenditure commitments**

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

	<b>2014</b> <b>\$000's</b>	<b>2013</b> <b>\$000's</b>
Property, plant and equipment		
Within one year	<u>11,103</u>	39,441
	<u>11,103</u>	<u>39,441</u>

**(b) Lease commitments: The Entity as lessee***(i) Operating leases*

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

	<b>2014</b> <b>\$000's</b>	<b>2013</b> <b>\$000's</b>
Within one year	276	230
Between one year and five years	<u>270</u>	353
<b>Cancellable operating lease</b>	<u>546</u>	<u>583</u>

**34 Commitments continued**

**(c) Other expenditure commitments**

Commitments in relation to purchase orders in existence at the reporting date, but not recognised as liabilities, are payable as follows:

	2014 \$000's	2013 \$000's
Within one year	13,005	6,589

**35 Events occurring after the reporting date**

No events have occurred since the reporting date that is likely to have a material impact on the financial statements or notes of the University.

**36 Reconciliation of operating result after income tax to net cash flows from operating activities**

	2014 \$000's	2013 \$000's
Net result for the period	27,495	32,823
<b>Non-cash items</b>		
Depreciation and amortisation expense	20,581	23,600
Revaluation of investment properties	(400)	7,547
Provision for impairment of receivables	156	(664)
Service concession income	(948)	(948)
Gain on sale of asset	(138)	(1,921)
Net loss on asset write-offs	68	36
Gain on sale of investment	(10)	(3,180)
	46,804	57,293
(Increase)/decrease in receivables and non-financial assets	(9,245)	1,620
Decrease in inventories	-	1,783
Increase/(decrease) in trade and other payables	10,504	(2,560)
Increase/(decrease) in provisions	10,595	(8,204)
	11,854	(7,361)
<b>Net cash provided by operating activities</b>	<b>58,658</b>	<b>49,932</b>

**37 Non-cash investing and financing activities**

	2014 \$000's	2013 \$000's
Proceeds accrued from sale of property, plant and equipment and non-current assets held for sale	-	650

### **38 Financial risk management**

The Entity is exposed to the following financial risks as a result of its activities:

**(a) Market risk**

*(i) Foreign exchange and interest risk*

The University does not trade in foreign currency and is not materially exposed to other price risks (for example, equity securities or commodity price changes). The University's exposure to market risk for changes in interest rates relates primarily to the long-term debt obligations. The University's borrowings are all obtained through the Western Australian Treasury Corporation (WATC) and are at fixed rates with varying maturities. The risk is managed by WATC through portfolio diversification and variation in maturity dates. Other than as detailed in the interest rate sensitivity analysis table below, the University has limited exposure to interest rate risk because it has no borrowings other than the WATC borrowings.

*(ii) Price risk*

The University investment portfolios' are exposed to fluctuations in the prices of equity securities. The University's investment policy provides strategies for minimisation of price risk with the diversification of that risk through a number of investment managers and regular independent expert monitoring to ensure that there is no concentration of risk in any one area.

**38 Financial risk management continued**

**(a) Market risk continued**

*(iii) Summarised sensitivity analysis*

The following table summarises the sensitivity of the University's financial assets and financial liabilities to interest rate risk, foreign exchange risk and other price risk.

	Interest rate risk				Foreign exchange risk				Other price risk				
	-1%		+1%		-10%		+10%		-10%		+10%		
	Profit \$000's	Equity \$000's	Profit \$000's	Equity \$000's	Profit \$000's	Equity \$000's	Profit \$000's	Equity \$000's	Profit \$000's	Equity \$000's	Profit \$000's	Equity \$000's	
<b>31 December 2014</b>													
<b>Financial assets</b>													
Cash and cash equivalents	54,530	(545)	(545)	545	545	-	-	-	-	-	-	-	-
Trade receivable	5,043	-	-	-	-	14	14	(11)	(11)	-	-	-	-
Financial assets - Available for sale	26,320	-	-	-	-	-	-	-	-	(2,632)	(2,632)	2,632	2,632
Financial assets - Held to maturity	195,307	-	-	-	-	-	-	-	-	-	-	-	-
Derivatives - cash flow hedges	19	-	-	-	-	182	182	(113)	(113)	-	-	-	-
<b>Sub-total</b>		(545)	(545)	545	545	196	196	(124)	(124)	(2,632)	(2,632)	2,632	2,632
<b>Financial liabilities</b>													
Trade payables	6,841	-	-	-	-	(2)	(2)	2	2	-	-	-	-
Borrowings	99,645	-	-	-	-	-	-	-	-	-	-	-	-
<b>Sub-total</b>		-	-	-	-	(2)	(2)	2	2	-	-	-	-
Total increase/(decrease)		(545)	(545)	545	545	194	194	(122)	(122)	(2,632)	(2,632)	2,632	2,632
<b>31 December 2013</b>													
<b>Financial assets</b>													
Cash and cash equivalents	66,452	(665)	(665)	665	665	-	-	-	-	-	-	-	-
Trade receivables	7,182	-	-	-	-	13	13	(11)	(11)	-	-	-	-
Financial assets - available for sale	21,380	-	-	-	-	-	-	-	-	(2,138)	(2,138)	2,138	2,138
Financial assets - held to maturity	164,768	-	-	-	-	-	-	-	-	-	-	-	-
Derivatives - cash flow hedges	21	-	-	-	-	51	51	(11)	(11)	-	-	-	-
<b>Sub-total</b>		(665)	(665)	665	665	64	64	(22)	(22)	(2,138)	(2,138)	2,138	2,138
<b>Financial liabilities</b>													
Trade payables	6,226	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings	90,317	(4)	(4)	4	4	-	-	-	-	-	-	-	-
<b>Sub-total</b>		(4)	(4)	4	4	-	-	-	-	-	-	-	-
Total increase/(decrease)		(669)	(669)	669	669	64	64	(22)	(22)	(2,138)	(2,138)	2,138	2,138

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**38 Financial risk management continued****(b) Credit risk**

Credit risk arises when there is the possibility of the University's receivables defaulting on their contractual obligations resulting in financial loss to the University. The Entity measures credit risk on a fair value basis and monitors risk on a regular basis.

The maximum exposure to credit risk at the reporting date in relation to each class of recognised financial assets is the gross carrying amount of those assets inclusive of any provisions for impairment.

The University trades only with recognised, credit worthy third parties. In addition, receivable balances are monitored on an ongoing basis with the result that the Entity's exposure to bad debts is minimal. There are no significant concentrations of credit risk.

Provision for impairment of financial assets is calculated based on past experience, and current and expected changes in client credit ratings. For financial assets that are either past due or impaired, refer to note 19.

**(c) Liquidity risk**

The University is exposed to liquidity risk through its trading in the normal course of business. Liquidity risk arises when the University is unable to meet its financial obligations as they fall due.

The University's objective is to maintain a balance between continuity of funding and flexibility through the use of bank loans and finance leases. The Entity has appropriate procedures to manage cash flows by monitoring forecast cash flows to ensure that sufficient funds are available to meet its commitments.

The tables below analyse the Entity's financial assets and liabilities based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

	Within 1 year		1 - 2 years		2 - 5 years		5+ years		Total	
	2014 \$000's	2013 \$000's	2014 \$000's	2013 \$000's	2014 \$000's	2013 \$000's	2014 \$000's	2013 \$000's	2014 \$000's	2013 \$000's
<b>Financial Assets:</b>										
Cash and cash equivalents	54,530	66,452	-	-	-	-	-	-	54,530	66,452
Trade and other receivables	5,043	7,182	-	-	-	-	-	-	5,043	7,182
Other financial assets	137,307	114,768	8,000	-	10,000	-	66,320	71,380	221,627	186,148
Derivative financial instruments	19	21	-	-	-	-	-	-	19	21
<b>Total Financial Assets</b>	<b>196,899</b>	<b>188,423</b>	<b>8,000</b>	<b>-</b>	<b>10,000</b>	<b>-</b>	<b>66,320</b>	<b>71,380</b>	<b>281,219</b>	<b>259,803</b>
<b>Financial Liabilities:</b>										
Trade and other payables	6,841	6,226	-	-	-	-	-	-	6,841	6,226
Borrowings	125	172	14,581	125	44,939	35,020	40,000	55,000	99,645	90,317
<b>Total Financial Liabilities</b>	<b>6,966</b>	<b>6,398</b>	<b>14,581</b>	<b>125</b>	<b>44,939</b>	<b>35,020</b>	<b>40,000</b>	<b>55,000</b>	<b>106,486</b>	<b>96,543</b>

**38 Financial risk management continued**

**(c) Liquidity risk continued**

The following are the average interest rates for the above financial assets and liabilities as at 31 December 2014

Financial assets

1. Cash and cash equivalents - 3.2% p.a (2013: 3.32% p.a).
2. Trade and other receivables - Non-interest bearing financial asset.
3. Available-for-sale financial assets - Non-interest bearing financial asset.
4. Held to maturity investments - 4.06% p.a (2013: 4.43% p.a).

Financial liability

1. Trade and other payable - Non-interest bearing financial liability.
2. Borrowings - 4.06% p.a (2013: 4.04% p.a).

The University's derivative financial instruments will be settled on a gross basis within the next 12 months.

**39 Fair value measurement**

**(a) Fair value measurements**

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

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

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

	Carrying Amount		Fair Value	
	2014 \$000's	2013 \$000's	2014 \$000's	2013 \$000's
<b>Financial assets</b>				
Cash and cash equivalents	54,530	66,452	54,530	66,452
Trade receivables	5,043	7,182	5,043	7,182
Available-for-sale financial assets	26,320	21,380	26,320	21,380
Held-to-maturity financial assets	195,307	164,768	195,307	164,768
Derivative financial instruments	19	21	19	21
<b>Total financial assets</b>	<b>281,219</b>	<b>259,803</b>	<b>281,219</b>	<b>259,803</b>
<b>Financial liabilities</b>				
Trade payables	6,841	6,226	6,841	6,226
Borrowings	99,645	90,317	99,645	90,317
<b>Total financial liabilities</b>	<b>106,486</b>	<b>96,543</b>	<b>106,486</b>	<b>96,543</b>

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**39 Fair value measurement continued****(a) Fair value measurements continued**

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

- Derivative financial instruments
- Available-for-sale financial assets
- Land and buildings
- Leasehold improvements
- Investments properties
- Works of art

The University has also measured assets and liabilities at fair value on a non-recurring basis as a result of the reclassification of assets as held for sale.

**(b) Fair value hierarchy**

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

Level 1	quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2	inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3	inputs for the asset or liability that are not based on observable market data (unobservable inputs)

**(i) Recognised fair value measurements**

Fair value measurements recognised in the statement of financial position are categorised into the following levels

**Fair value measurements at 31 December 2014**

	Note	2014 \$000's	Level 1 \$000's	Level 2 \$000's
<b>Recurring fair value measurements</b>				
<b>Financial assets</b>				
Investment in shares	19	2,032	2,032	-
Investment in managed funds	19	24,288	-	24,288
Derivative financial instruments	18	19	19	-
<b>Total financial assets</b>		<b>26,339</b>	<b>2,051</b>	<b>24,288</b>
<b>Non-financial assets</b>				
Investment properties	22	21,354	-	21,354
Land	23	131,735	-	131,735
Buildings	23	509,249	-	509,249
Leasehold improvements	23	6,395	-	6,395
Works of art	23	12,919	-	12,919
<b>Total non-financial assets</b>		<b>681,652</b>	<b>-</b>	<b>681,652</b>



**39 Fair value measurement continued**

**(b) Fair value hierarchy continued**

**Fair value measurements at 31 December 2013**

	Note	2013 \$000's	Level 1 \$000's	Level 2 \$000's
<b>Recurring fair value measurements</b>				
<b>Financial assets</b>				
Investment in shares	19	2,572	2,572	-
Investment in managed funds	19	18,808	-	18,808
Derivative financial instruments		21	21	-
<b>Total financial assets</b>		<u>21,401</u>	<u>2,593</u>	<u>18,808</u>
<b>Non-financial assets</b>				
Investment properties	22	13,610	-	13,610
Land	23	124,069	-	124,069
Buildings	23	525,738	-	525,738
Leasehold improvements	23	9,115	-	9,115
Works of art	23	12,921	-	12,921
<b>Total non-financial assets</b>		<u>685,453</u>	<u>-</u>	<u>685,453</u>
<b>Non-recurring fair value measurements</b>				
Land held for sale		1,305	-	1,305
<b>Total non-recurring fair value measurements</b>		<u>1,305</u>	<u>-</u>	<u>1,305</u>

There were no transfers between levels 1 and 2 for recurring fair value measurements during the year. All reported fair value measurements were recurring.

(ii) Disclosed fair values

The University has a number of assets and liabilities which are not measured at fair value, but for which the fair values are disclosed in the notes.

The carrying value less impairment provision of trade receivables and payables is a reasonable approximation of their fair values due to the short-term nature of trade receivables.

Non-current borrowings are measured at amortised cost with interest recognised in the income statement when incurred. The fair value of borrowings disclosed in note 26 represents the contractual undiscounted cash flows at balance date.

**(c) Valuation techniques used to derive level 2 fair values**

(i) Recurring fair value measurements

*Available-for-sale financial assets*

The fair values of investments in managed funds were based on the redemption prices at balance date, provided by the fund managers. These prices represent the fair value of these investments.

**39 Fair value measurement continued****(c) Valuation techniques used to derive level 2 fair values continued***Land*

The fair values of land were determined by independent valuer, McGees Property, effective 31 December 2014. Land has been valued at the highest and best use basis. The most significant inputs into the land valuation were the prices per hectare, derived from transactions that were considered to be relevant. Adjustments for differences in key attributes, such as size and redevelopment costs based on recent transactions, have been made where necessary.

*Buildings and Leasehold Improvements*

The fair values of buildings and leasehold improvements were determined by independent valuer, Davson & Ward, effective 31 December 2014. The fair values have been derived based on the cost approach. The most significant input into this valuation approach was rates per square metre, sourced from in-house library of cost analysis for similar projects and trade publications.

The University buildings are of a specialised nature and there is no active market for the assets, fair values have been determined on the basis of replacement with a new asset having similar service potential including an allowance for professional fees. The net current value of a building is the gross current value less accumulated depreciation to reflect the consumed or expired service potential of the asset.

*Investment properties*

The fair values of investment properties have been valued by an independent valuer, McGees Property, effective 31 December 2014. Valuations are based on the income approach with current rentals derived from market data.

*Works of art*

The fair values of works of art were determined by independent valuer, Seva Frangos Art and Lister Gallery in 2012.

**(ii) Non-recurring fair value measurement**

Land classified as held for sale were valued at lower of fair value less costs to sell or carrying amount. The fair values of the land were determined using the prices per hectare from relevant transactions.

**40 Write-offs**

	<b>2014</b>	<b>2013</b>
	<b>\$000's</b>	<b>\$000's</b>
<b>Total write-offs as approved by the accountable authority during the financial year</b>		
Receivables written-off against provision	<b>40</b>	69
Property, plant and equipment	<b>68</b>	14
Inventory	-	22
<b>Total write-offs</b>	<b>108</b>	105

**41 Deferred government benefit for superannuation**

**Unfunded Pension and Unfunded Gold State (Lump sum) Schemes**

The University has in its staffing profile a number of employees who are members of the Government Employees Superannuation Board (GESB) Scheme. As the Employer, the University is required to contribute to the scheme as employees are paid a pension or lump sum pay out. Consequently, an unfunded liability has been created. An arrangement exists between the Australian Government and the State Government to meet the unfunded liability for the Edith Cowan University's beneficiaries of the State Superannuation Scheme on an emerging cost basis. Accordingly a corresponding asset is recognised under receivables for the reimbursement rights (refer to note 17).

**Nature of the benefits provided by the Schemes**

*Pension Scheme*

The employer-financed benefit is a pension benefit payable on retirement, death or invalidity, or a lump sum benefit on resignation.

*Gold State Super (transferred benefits)*

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

**The regulatory framework**

The Pension Scheme and Gold State Super (transferred benefits) operate under the State Superannuation Act 2000 (Western Australia) and the State Superannuation Regulations 2001 (Western Australia).

Although the schemes are not formally subject to the Superannuation Industry (Supervision) (SIS) legislation, the Western Australian government has undertaken, in a Heads of Government Agreement, to operate the schemes in accordance with the spirit of the SIS legislation.

As an exempt public sector superannuation scheme (as defined in the SISI legislation), the schemes are not subject to any minimum funding requirements.

As a constitutionally protected scheme, the schemes are not required to pay tax.

#### 41 Deferred government benefit for superannuation continued

##### Other entities responsibilities for the governance of the Schemes

The Government Employees Superannuation Board (GESB) is the Scheme's Trustee and is responsible for the governance of the Scheme. As Trustee, GESB has a legal obligation to act solely in the best interests of Scheme beneficiaries. GESB has the following roles:

- Administration of the Scheme and payment to the beneficiaries when required in accordance with the Scheme rules;
- Management and investment of the Scheme assets (although the liabilities in this report are not supported by assets), and
- Compliance with the Heads of Government Agreement referred to above.

##### Scheme risks

###### *Pension Scheme*

There are a number of risks to which the Scheme exposes the University. The more significant risks relating to the defined benefits are:

- **Legislative risk** - the risk is that legislative changes could be made which increase the cost of providing the defined benefits.
- **Pensioner mortality risk** - the risk is that pensioner mortality will be lighter than expected, resulting in pensions being paid for a longer period.
- **Inflation risk** - the risk that inflation is higher than anticipated, increasing pension payments, and the associated employer contributions.

###### *Gold State Super (transferred benefits)*

There are a number of risks to which the Scheme exposes the University. The more significant risks relating to the defined benefits are:

- **Salary growth risk** - the risk that wages or salaries (on which future benefit amounts will be based) will rise more rapidly than assumed, increasing defined amounts and the associated employer contributions.
- **Legislative risk** - the risk is that legislative changes could be made which increase the cost of providing the defined benefits.

##### Significant events

There were no plan amendments, curtailments or settlements during the year.

**41 Deferred government benefit for superannuation continued**

**Sensitivity analysis**

*Pension Scheme*

The sensitivity of the defined benefit obligation to changes in the significant assumptions is:

	Change in assumption	Impact on defined benefit obligation	
		Increase in assumption	Decrease in assumption
Discount rate	0.5% p.a	-3.59%	3.85%
Pension increase rate	0.5% p.a	3.87%	-3.64%

The above sensitivity analyses are based on a change in an assumption while holding all the other assumptions constant. In practice this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method has been applied as when calculating the defined benefit liability recognised in the statement of financial position.

The methods and types of assumptions used in the preparation of the sensitivity analysis did not change compared to the prior period.

*Gold State Super (transferred benefits)*

The sensitivity of the defined benefit obligation to changes in the significant assumptions is:

	Change in assumption	Impact on defined benefit obligation	
		Increase in assumption	Decrease in assumption
Discount rate	0.05% p.a	-2.48%	2.69%
Salary increase rate	0.05% p.a	2.07%	-2.07%

The above sensitivity analyses are based on a change in an assumption while holding all the other assumptions constant. In practice this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method has been applied as when calculating the defined benefit liability recognised in the statement of financial position.

The methods and types of assumptions used in the preparation of the sensitivity analysis did not change compared to the prior period.

**Funding arrangements**

The employer contributes, as required, to meet the benefits paid.

**Edith Cowan University**  
**Notes to the Financial Statements**  
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**41 Deferred government benefit for superannuation continued****Reconciliation of the Net Defined Benefit liability (asset)**

	Pension Scheme		Gold Slate Super	
	2014 \$000's	2013 \$000's	2014 \$000's	2013 \$000's
Defined benefit obligation	25,090	25,400	484	442
Fair value of plan assets	-	-	-	-
Deficit	25,090	25,400	484	442
Adjustment for effect of asset ceiling	-	-	-	-
<b>Net deferred benefit liability/(asset)</b>	<b>25,090</b>	<b>25,400</b>	<b>484</b>	<b>442</b>

**Reconciliation of the Defined Benefit obligation**

	Pension Scheme		Gold State Super	
	2014 \$000's	2013 \$000's	2014 \$000's	2013 \$000's
<b>Present value of defined benefit obligations at the beginning of the year</b>	<b>25,400</b>	28,782	<b>442</b>	921
Interest cost	1,001	852	17	27
Actuarial (gains)/losses arising from changes in financial assumptions	1,829	(2,069)	24	(25)
Actuarial (gains)/losses arising from liability experience	(407)	639	1	(8)
Benefits paid	(2,733)	(2,804)	-	(473)
<b>Balance at the end of the year</b>	<b>25,090</b>	<b>25,400</b>	<b>484</b>	<b>442</b>

These defined benefit obligations are wholly unfunded, such that there are no assets. The employer contributes, as required, to meet the benefits paid.

**Reconciliation of the Fair Value of Scheme Assets**

	Pension Scheme		Gold State Super	
	2014 \$000's	2013 \$000's	2014 \$000's	2013 \$000's
<b>Fair value of Scheme assets at beginning of the year</b>				
Employer contributions	2,733	2,804	-	474
Benefits paid	(2,733)	(2,804)	-	(474)
<b>Balance at the end of the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

These defined benefit obligations are wholly unfunded, such that there are no assets.

**41 Deferred government benefit for superannuation continued**

**Reconciliation of the effect of the asset ceiling**

The asset ceiling has no impact on the net defined benefit liability/asset).

**Fair value of Scheme assets**

There are no assets in the Pension Scheme to support the State Share of the Benefit. Hence, there is:

- No fair value of Scheme assets;
- No asset allocation of Scheme assets;
- No financial instruments issued by the employer;
- No assets used by the employer;
- No asset-liability matching strategies.

**Significant Actuarial assumptions at the reporting date**

	Pension Scheme		Gold State Super	
	2014 % p.a	2013 % p.a	2014 % p.a	2013 % p.a
Discount rate (active members)	3.12	4.17	3.12	4.17
Discount rate (pensioners)	3.12	4.17	3.12	4.17
Expected salary increase rates	5.00	5.00	5.00	5.00
Expected pension increase rates	2.50	2.50	-	2.50

The discount rate is based on the Government bond maturing in April 2023. The decrement rates used (e.g. mortality and retirement rates) are based on those used at the last actuarial valuation for the Schemes.

**Expected Contributions**

	Pension Scheme	Gold State Super
	2015 \$000's	2015 \$000's
<b>Expected contributions</b>		
Expected employer contributions	2,683	58

**Maturity profile of defined benefit obligation**

*Pension Scheme*

The weighted average duration of the defined benefit obligation for the whole of the Pension Scheme is 7.7 years.

*Gold State Super (transferred benefits)*

The weighted average duration of the defined benefit obligation for the whole of the Gold State Super Scheme is 5.3 years.

**Edith Cowan University  
Notes to the Financial Statements  
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**42 Acquittal of Australian Government financial assistance**

**(a) CGS and other Education grants**

	Note	Commonwealth Grants Scheme <sup>#1</sup>		Indigenous Support Program		Partnership & Participation Program <sup>#2</sup>		Disability Support Program		Promotion of Excellence in Learning and Training		Reward Funding	
		2014 \$000's	2013 \$000's	2014 \$000's	2013 \$000's	2014 \$000's	2013 \$000's	2014 \$000's	2013 \$000's	2014 \$000's	2013 \$000's	2014 \$000's	2013 \$000's
Financial assistance received in CASH during the reporting period (total cash received from Australian Government for the program)	2(g)	136,224	132,116	617	566	2,885	3,419	89	105	10	44	-	329
Net accrual adjustments		(92)	52	-	53	351	(649)	21	(21)	2	(2)	-	1
Revenue for the period	2(a)	136,132	132,168	617	619	3,236	2,770	110	84	12	42	-	330
Surplus/(deficit) from the previous year		-	-	-	-	-	-	-	-	70	49	-	-
Total revenue including accrued revenue		136,132	132,168	617	619	3,236	2,770	110	84	82	91	-	330
Less expenses including accrued expenses		(136,132)	(132,168)	(617)	(619)	(3,236)	(2,770)	(110)	(84)	(82)	(21)	-	(330)
Surplus/(deficit) for the reporting period		-	-	-	-	-	-	-	-	-	70	-	-

	Note	Other <sup>#3</sup>		Total	
		2014 \$000's	2013 \$000's	2014 \$000's	2013 \$000's
Financial assistance received in CASH during the reporting period (total cash received from Australian Government for the program)	2(g)	-	2,781	139,825	139,360
Net accrual adjustments		-	-	282	(566)
Revenue for the period	2(a)	-	2,781	140,107	138,794
Surplus/(deficit) from the previous year		-	807	70	856
Total revenue including accrued revenue		-	3,588	140,177	139,650
Less expenses including accrued expenses		-	(3,588)	(140,177)	(139,580)
Surplus/(deficit) for the reporting period		-	-	-	70

#1 Basic CGS grant amount, CGS – Regional Loading, CGS - Enabling Loading, Maths and Science, Transition Loading, Allocated Places Advance and Non-designate Courses Advance.  
 #2 Includes Equity Support Program.  
 #3 Includes Structural Adjustment Fund and Facilitation funding.



**Edith Cowan University**  
**Notes to Financial Statements**  
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**42 Acquittal of Australian Government financial assistance continued**

**(b) Higher education loan programs (excl OS-HELP)**

	HECS-HELP (Aust. Government payments only)		FEE-HELP#4		VET FEE-HELP		SA-HELP		Total		
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	
	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	
	<b>Note</b>										
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the programs)	2(g)	73,108	74,484	12,031	11,230	886	-	2,343	1,090	88,368	86,804
Net accrual adjustments		4,186	(633)	(154)	1,789	18	-	(10)	(137)	4,040	1,019
Revenue for the period	2(b)	77,294	73,851	11,877	13,019	904	-	2,333	953	92,408	87,823
Surplus/(deficit) from the previous year		-	-	-	-	-	-	-	-	-	-
Total Revenue including accrued revenue		77,294	73,851	11,877	13,019	904	-	2,333	953	92,408	87,823
Less expenses including accrued expenses		(77,294)	(73,851)	(11,877)	(13,019)	(904)	-	(2,333)	(953)	(92,408)	(87,823)
Surplus / (deficit) for reporting period		-	-	-	-	-	-	-	-	-	-

#4 Program is in respect of FEE-HELP for Higher Education only and excludes funds received in respect of VET FEE-HELP.

**Edith Cowan University  
Notes to the Financial Statements  
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**42 Acquittal of Australian Government financial assistance continued**

**(c) Scholarships**

	Note	Australian Postgraduate Awards		International Postgraduate Research Scholarships		Commonwealth Education Cost Scholarships <sup>#5</sup>		Commonwealth Accommodation Scholarships <sup>#5</sup>		Indigenous Access Scholarship		Total	
		2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
		\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's
Financial assistance received in CASH during the reporting period (total cash received from Australian Government for the program)	2(g)	<b>2,072</b>	1,991	<b>148</b>	162	<b>116</b>	(1,203)	<b>72</b>	(71)	<b>52</b>	2	<b>2,460</b>	881
Net accrual adjustments		<b>(190)</b>	(350)	-	-	<b>(54)</b>	1,289	<b>(61)</b>	111	-	59	<b>(305)</b>	1,109
Revenue for the period	2(c)	<b>1,882</b>	1,641	<b>148</b>	162	<b>62</b>	86	<b>11</b>	40	<b>52</b>	61	<b>2,155</b>	1,990
Surplus/(deficit) from the previous year		<b>226</b>	283	-	-	<b>7</b>	-	<b>5</b>	-	-	-	<b>238</b>	283
Total revenue including accrued revenue		<b>2,108</b>	1,924	<b>148</b>	162	<b>69</b>	86	<b>16</b>	40	<b>52</b>	61	<b>2,393</b>	2,273
Less expenses including accrued expenses		<b>(2,108)</b>	(1,698)	<b>(148)</b>	(162)	<b>(62)</b>	(79)	<b>(11)</b>	(35)	<b>(52)</b>	(61)	<b>(2,381)</b>	(2,035)
Surplus/(deficit) for the reporting period		-	226	-	-	<b>7</b>	7	<b>5</b>	5	-	-	<b>12</b>	238

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

**Edith Cowan University**  
**Notes to Financial Statements**  
**For the Year Ended 31 December 2014**

**42 Acquittal of Australian Government financial assistance continued**

**(d) Education Research**

	Note	Joint Research Engagement		Research Training Scheme		Research Infrastructure Block Grants		Commercialisation Training Scheme		Sustainable Research Excellence in Universities		Other <sup>#6</sup>		Total	
		2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
		\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's
Financial assistance received in CASH during the reporting period (total cash received from Australian Government for the program)	2(g)	2,808	2,579	4,558	4,583	439	441	-	-	716	709	814	1,347	9,335	9,659
Net accrual adjustments		-	-	-	-	-	-	-	-	-	-	745	(895)	745	(895)
Revenue for the period	2(d)	2,808	2,579	4,558	4,583	439	441	-	-	716	709	1,559	452	10,080	8,764
Surplus/(deficit) from the previous year		-	-	-	-	-	-	-	33	-	-	86	1,308	86	1,341
Total revenue including accrued revenue		2,808	2,579	4,558	4,583	439	441	-	33	716	709	1,645	1,760	10,166	10,105
Less expenses including accrued expenses		(2,808)	(2,579)	(4,558)	(4,583)	(439)	(441)	-	(33)	(716)	(709)	(1,377)	(1,674)	(9,898)	(10,019)
Surplus/(deficit) for the reporting period		-	-	-	-	-	-	-	-	-	-	268	86	268	86

#6 The reported surplus for collaborative research network is \$0.26m (2013: \$0.86m) and is expected to be rolled over for future use.

**Edith Cowan University  
Notes to the Financial Statements  
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**42 Acquittal of Australian Government financial assistance continued**

**(e) Australian Research Council Grants**

**(i) Discovery**

Financial assistance received in CASH during the reporting period (total cash received from Australian Government for the program)
Net accrual adjustments
Revenue for the period
Surplus/(deficit) from the previous year
Total revenue including accrued revenue
Less expenses including accrued expenses
Surplus/(deficit) for the reporting period

Note	Projects		Total	
	2014 \$000's	2013 \$000's	2014 \$000's	2013 \$000's
2(g)	196	208	196	208
	-	-	-	-
2(e)(i)	196	208	196	208
	131	164	131	164
	327	372	327	372
	(206)	(241)	(206)	(241)
	121	131	121	131

**(ii) Linkages**

Financial assistance received in CASH during the reporting period (total cash received from Australian Government for the program)
Net accrual adjustments
Revenue for the period
Surplus/(deficit) from the previous year
Total revenue including accrued revenue
Less expenses including accrued expenses
Surplus/(deficit) for the reporting period

Note	Projects		Total	
	2014 \$000's	2013 \$000's	2014 \$000's	2013 \$000's
2(g)	341	367	341	367
	-	-	-	-
2(e)(ii)	341	367	341	367
	273	179	273	179
	614	546	614	546
	(339)	(273)	(339)	(273)
	275	273	275	273

**Edith Cowan University**  
**Notes to the Financial Statements**  
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**42 Acquittal of Australian Government financial assistance continued**

**(f) OS-HELP**

	<b>2014</b>	<b>2013</b>
<b>Note</b>	<b>\$000's</b>	<b>\$000's</b>
Cash received during the reporting period	2,625	490
Cash spent during the reporting period	(902)	(430)
Net cash received	2(g) 1,723	60
Cash surplus/(deficit) from the previous period	93	33
Cash surplus/(deficit) for the reporting period	25 1,816	93

**(g) Superannuation supplementation**

	<b>2014</b>	<b>2013</b>
<b>Note</b>	<b>\$000's</b>	<b>\$000's</b>
Cash received during the reporting period	2(g) 3,252	2,704
University contribution in respect of current employees	199	242
Cash available	3,451	2,946
Cash surplus/(deficit) from the previous period	(380)	206
Cash available for current period	3,071	3,152
Contributions to specified defined benefit funds	(2,981)	(3,532)
Cash surplus/(deficit) for this period	90	(380)

**(h) Student Services and Amenities Fee**

	<b>2014</b>	<b>2013</b>
<b>Note</b>	<b>\$000's</b>	<b>\$000's</b>
SA-HELP revenue earned	2(b) 2,333	953
Student services and amenities fees	4 1,561	1,734
Total revenue expendable in period	3,894	2,687
Student services expenses during period	(3,894)	(2,687)
Unspent/(overspent) student services revenue	-	-

## Additional Facts and Statistics

### STUDENT ENROLMENTS (PERSONS)

**Table 19: Enrolments by Type of Attendance, 2010-2014**

	2010	2011	2012	2013	2014
Full-time	17,708	17,836	17,661	17,652	17,280
Part-time	6,533	6,053	5,871	5,653	5,704
<b>Total</b>	<b>24,241</b>	<b>23,889</b>	<b>23,532</b>	<b>23,305</b>	<b>22,984</b>

**Table 20: Enrolments by Campus, 2010-2014**

	2010	2011	2012	2013	2014
Joondalup	10,959	11,769	11,834	11,854	11,846
Mount Lawley	7,938	7,450	6,929	6,599	6,510
Bunbury	1,004	1,015	974	1,037	996
Study Centres (overseas)	2,386	1,568	1,248	942	600
Study Centres (in Australia)	1,954	2,087	2,547	2,873	3,032
<b>Total</b>	<b>24,241</b>	<b>23,889</b>	<b>23,532</b>	<b>23,305</b>	<b>22,984</b>

**Table 21: Enrolments by Gender, 2010-2014**

	2010	2011	2012	2013	2014
Female	14,676	14,734	14,549	14,321	14,105
Male	9,565	9,155	8,983	8,984	8,879
<b>Total</b>	<b>24,241</b>	<b>23,889</b>	<b>23,532</b>	<b>23,305</b>	<b>22,984</b>

**Table 22: Enrolments by Course Level, 2010-2014**

	2010	2011	2012	2013	2014
Doctorate by Research	438	441	441	471	458
Doctorate by Coursework	39	28	21	9	5
Masters by Research	154	162	165	164	158
Masters by Coursework	3,216	2,552	2,234	2,303	2,318
Graduate/ Postgraduate Diploma	1,306	1,291	1,332	1,189	1,106
Graduate Certificate	794	685	771	695	859
Bachelor Honours	187	143	140	149	139
Bachelor Pass	16,285	17,071	16,797	16,871	16,553
Associate Degree	120	113	93	58	39
Advanced Diploma/ Diploma	47	16	27	22	18
Other Award/ VET	567	577	591	488	440
Enabling Course	902	689	789	798	791
Cross-Institutional/ Non Award	186	121	131	88	100
<b>Total</b>	<b>24,241</b>	<b>23,889</b>	<b>23,532</b>	<b>23,305</b>	<b>22,984</b>

**Table 23: Onshore and Offshore International Enrolments by Home Country Region, 2010-2014**

	2010	2011	2012	2013	2014
Americas	105	109	106	105	83
Asia	4,098	3,300	2,831	2,524	2,292
Africa	969	814	614	545	448
Europe	312	329	236	230	204
Middle East	101	137	164	217	283
Other	18	4	4	10	13
<b>Total International Enrolments</b>	<b>5,603</b>	<b>4,693</b>	<b>3,988</b>	<b>3,631</b>	<b>3,323</b>

**Table 24: Enrolment Proportions by Equity Group, 2010-2014**

	2010	2011	2012	2013	2014
Low SES Students (%)	11.3	11.6	12.0	11.8	12.6
Regional Students (%)	15.3	15.9	16.2	16.8	17.3
Aboriginal and/or Torres Strait Islander Students (%)	1.1	1.0	1.1	1.2	1.3
Students with a Disability (%)	4.7	5.0	5.2	5.3	5.6

**Table 25: Completions by Course Level, 2009-2013**

	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
Doctorate by Research	41	48	54	61	85
Doctorate by Coursework	10	8	6	4	8
Masters by Research	23	22	21	28	22
Masters by Coursework	1,424	1,423	1,191	989	837
Graduate/ Postgraduate Diploma	648	703	649	691	701
Graduate Certificate	412	467	386	511	406
Bachelor Honours	92	113	130	88	122
Bachelor Pass	408	3,342	3,549	3,660	3,617
Associate Degree	6	8	16	14	19
Advanced Diploma/ Diploma	55	42	16	-	15
VET	73	182	188	213	259
<b>Total</b>	<b>6,192</b>	<b>6,358</b>	<b>6,206</b>	<b>6,259</b>	<b>6,091</b>



## Other Financial, Governance and Legal Disclosures

### Pricing Policies

ECU sets the level of the student contribution for Commonwealth supported places at the maximum allowed under the *Higher Education Support Act 2003* (Cwlth), as is the case for most Australian universities. Fees for fee-paying courses are determined on the basis of cost and market conditions and take into account Australian Government requirements regarding fees set for non-Commonwealth supported places.

Changes to legislation affecting fee setting by universities were proposed in the Commonwealth Budget 2014-15, and in May 2014 ECU announced that its existing course fee structure for Commonwealth supported domestic students would remain in place for all of 2014. This decision provided fairness and certainty for those commencing in Semester 2 2014 and meant that these students have until the end of 2020 to complete their course under the current fee structure.

### Major Capital Projects

**Table 26: Major Capital Projects Completed, 2014**

Project	Estimated total cost (\$M)	Actual total cost (\$M)
Joondalup Engineering Pavilion	5.5	5.4
Joondalup Student Housing (Public Private Partnership)	0.2	0.1

**Table 27: Major Capital Projects in Progress, 2014**

Project	Estimated total cost (\$M)	Project spend to date (\$M)	Expected year of completion
Joondalup Ngoolark (Building 34)	69.0	57.4	2015
ECU Health Centre	22.0	18.8	2015

### Employees and Employee Relations

**Table 28: Academic Staff by Contract Type, 2010-2014**

Staff	2010	2011	2012	2013	2014
Ongoing	397	396	394	386	383
Fixed term	196	189	189	184	155
Casual	103	103	110	122	134
<b>Total</b>	<b>696</b>	<b>688</b>	<b>693</b>	<b>692</b>	<b>672</b>

**Notes:** Figures are based on full-time equivalency, rather than headcount. Figures are average full-time equivalents for the 12 calendar months as at 17 February 2015.

**Table 29: Professional Staff by Contract Type, 2010-2014**

Staff	2010	2011	2012	2013	2014
Ongoing	738	757	737	736	761
Fixed term	234	263	327	329	258
Casual	88	113	116	121	155
<b>Total</b>	<b>1060</b>	<b>1133</b>	<b>1180</b>	<b>1186</b>	<b>1174</b>

**Notes:** Figures are based on full-time equivalency, rather than headcount. Figures are average full-time equivalents for the 12 calendar months as at 17 February 2015.

## Occupational Safety, Health and Injury Management

### Executive Commitment to Occupational Safety, Health and Injury Management

ECU is committed to providing a safe and healthy environment for all students, staff, visitors and contractors, and is proactive in preventing and minimising the potential for injury, illness and harm. The University has a range of safety and health policies, guidelines, procedures and protocols that exceed legislative obligations.

Executive commitment is demonstrated by the University's due diligence compliance framework that requires Occupational Safety and Health (OSH) operational plans to be developed and implemented by all faculties and service centres, the maintenance of Hazard Risk Registers and reporting against a suite of performance indicators. OSH compliance is certified biannually by Executive Deans /Faculty Executives and Service Centre Directors, and this is reported to the University Health and Safety Committee, Quality, Audit and Risk Committee (QARC), and Vice-Chancellor's Planning and Management Group.

To help University staff understand their safety and health responsibilities and due diligence requirements, safety and health training programs have been developed. These programs are included in the Role Based Development Framework for managers and supervisors, and separate briefings have been provided to the Senior Leadership Team and Council. In addition to statutory requirements, the University expects all managers and supervisors to provide information, instruction, training and supervision on safety and health procedures and work practices, so that a safe and healthy working environment is maintained at all times.

### Mechanism for Consultation with Employees on OSH and Injury Management Matters

ECU's Occupational Safety and Health [Consultative Committee structure](#) comprises the following four levels:

1. **University Health and Safety Committee.** This committee meets twice per year, consists of both safety and health representatives and management representatives, and reports to the Vice-Chancellor.
2. **Health and Safety Advisory Group,** meeting at least quarterly and reporting to the Director, Human Resources and the University Health and Safety Committee.
3. **Faculty and Service Centre Work Safety and Health committees,** meeting at least quarterly and reporting to the Health and Safety Advisory Group.
4. **Institutional Bio-safety Committee/ Radiation and Biosafety Committee,** reporting to the University Health and Safety Committee.

Each of these committees engages with elected safety and health representatives and other relevant staff from faculties and service centres to facilitate consultation at all levels.

### **Compliance with the Proposed Work Health and Safety Act**

Although Western Australia has yet to adopt the Commonwealth's *Work Health and Safety Act (WHS Act)* and Regulations, ECU has undertaken significant preparation for future implementation, to meet current best practice in safety and health legislative requirements.

In 2014 this work included: ongoing review and update of key safety and health policies, guidelines and supporting material to meet *WHS Act* requirements through an extensive consultation process' provision of training and information to managers and supervisors on the proposed legislation' enhanced reporting to all levels of the University on safety and health performance' and regular briefings to the University Health and Safety Committee, QARC and Council on these matters.

### **Workers' Compensation and Injury Management**

ECU has a formal [Workers' Compensation and Injury Management Policy](#) and [Guidelines](#) as well as a detailed workers' compensation claim and return to work process, which meets the requirements of the *Workers' Compensation and Injury Management Act 1981 (WA)*. Return to work programs for employees with both work and non-work related injuries and illnesses are developed in consultation with the employee, their supervisor and the treating medical practitioner.

Performance indicators for Workers' Compensation claims, costs and premiums, and accident and injury metrics, are monitored and reported quarterly to QARC and Council.

### **Assessment of the occupational safety and health management system**

ECU continues to promote self-assessment of faculty and service centre OSH systems and processes, based on the primary functions and supporting principles of the Australian and New Zealand Standard AS/NZS 4801:2001 and the International Standard OHSAS 18001:2007. ECU undertook both an internal and external audit of the OSH management system in 2014 against the abovementioned standards respectively. The findings of these audits are being used to revise the current framework, address identified gaps and promote continuous improvement to the system.

Completion and regular review of an OSH Hazard Risk Register that identifies business-inherent and residual risks is mandated and also requires formal review and endorsement by Executive Deans /Faculty Executives and Service Centre Directors.

Additionally, staff attitudes to, and perceptions of, safety in their work environment are monitored through staff surveys. The 2014 staff survey showed a high level of satisfaction with safety awareness and responsiveness at the University, maintaining the positive survey results of 2012.

**Table 30: Performance against 2014 Injury Management Targets**

Indicator	Target 2014	Result 2012	Result 2013	Result 2014	Comment on 2014 result
Number of fatalities	Zero (0)	0	0	0	Achieved
Lost time injury/diseases incidence rate	Zero or 10% reduction on previous year	0.31	0.66	0.49	Achieved
Lost time injury severity rate	Zero or 10% improvement on previous year	33.3	0.0	0.0	Achieved
Percentage of injured workers returned to work within (i) 13 weeks; and (ii) 26 weeks.	Greater than or equal to 80% return to work within 26 weeks	83%	77%	100%	Achieved
		100%	85%	100%	Achieved
Percentage of managers trained in occupational safety and health and injury management	Greater than or equal to 80%	N/A	N/A	28%	Not achieved

**Notes:** Lost time injury/diseases incidence rate is defined as the number of lost time injury claims lodged, divided by the number of employees (FTE), multiplied by 100. Lost time injury severity rate is the number of lost time injury claims where employees do not return to any work duties within 60 days, divided by the total lost time injury claims, multiplied by 100. The Percentage of injured workers returned to work within 13 weeks and 26 weeks measures employees returning to full duties. There has been a change to figures reported in the 2013 Annual Report for the percentage of workers returned to work within 13 and 26 weeks in 2013. This is due to an injury that occurred in December 2013, where the timeframes of 13 and 26 weeks had not been reached when the 2013 Annual Report was finalised. Occupational safety and health and injury management obligations were incorporated into formal OSH training sessions for managers in 2013 and the percentage of managers and supervisors who have completed this training has been included from 2014.

## Insurance of Officers

ECU paid a premium of \$19,647 in respect of Directors and Officers Liability Insurance in 2014. The cover applies to members of Council and Officers of the University and its controlled entities.

## Corporate Standards and Risk Management

### Equity Commitments and Compliance Reporting in 2014

ECU values diversity and strives to maintain an environment free from inequality and discrimination. ECU is committed to increasing access and providing opportunities for students who face barriers to higher education. ECU's staffing strategies also seek to achieve appropriate representation and distribution of under-represented groups in its workplaces. These values were reiterated in the University's [Direction for Inclusive Practice](#) that was finalised in 2014.

The University has a number of specific equity plans that describe initiatives, performance measures and responsibilities for progressing equity and social inclusion. ECU's Equity Committee advises and reports to the Vice-Chancellor on matters related to equity, including on progress against these equity plans.

In 2014, the University made further progress in the implementation of its second *Reconciliation Action Plan* (RAP) for 2012-2015. The RAP outlines the University's vision for reconciliation and its

objective to translate its commitments to Aboriginal and Torres Strait Islander peoples into improved educational, social and economic outcomes.

A report summarising the second year of implementation of ECU's 2012-2015 RAP was provided to ECU's governing Council in 2014 and reporting data was submitted to Reconciliation Australia through its online RAP Impact Measurement Questionnaire, as required.

The *Indigenous Australian Employment Strategy and Action Plan, 2012-2015* also continued to be implemented in 2014 with activities including a major review of practices, training and development to increase cultural competence for managers and supervisors and the appointment of six new Aboriginal and/or Torres Strait Islander staff to the University.

### **Celebrating and Supporting Equity in 2014**

ECU hosted a range of events in 2014 for students, staff and the community to celebrate and support equity initiatives, including: Harmony Week, International Women's Day, NAIDOC Week, International Day of People with Disability, and Mental Health Week.

ECU also continued to support two volunteer equity networks. University Contact Officers provide referral advice on equity policies and practices for students and staff who are concerned about discrimination or harassment, while "ALLYS" provide a network of advocates for Lesbian, Gay, Bisexual, Transgender and Intersex students and staff.

### **Quality and Academic Governance**

A dedicated Quality and Academic Governance Unit within the Planning, Quality and Equity Services Centre supports ECU's quality management and academic governance activities, including academic committee management, unit and course review, school reviews, course accreditation, research centre and institute reviews and annual faculty and centre reviews.

The ECUonQ system was reopened in October 2013 for the review of units offered during Semester 1, 2014. The system is based on the [Excellence Framework](#) and aims to provide a consistent approach to continuous quality improvement of academic offerings.

The replacement of the Course Management System by the Curriculum Approval and Publication System (CAPS) necessitated a number of changes to policies and procedures to support the smooth transition to the new system. CAPS went live on 1 October 2014 and provides the means to amend and approve all ECU curriculum.

The introduction of a single PhD for ECU will require other academic policy development. This work was commenced in 2014 and will continue into 2015 to coincide with the commencement of the new doctoral research award.

A number of school reviews were completed successfully using revised guidelines and templates. Likewise, the accreditation guidelines, introduced in 2013, were used to manage the ongoing process of applying for accreditation of courses by professional bodies.

## Governance

ECU continues to comply with the *Voluntary Code of Best Practice for the Governance of Australian Universities (the Code)*. Item 4 of *the Code* (which deals with procedures for the removal of the Chancellor or Pro-Chancellor) does not apply however, as the University's legislation does not contain the relevant provisions. That notwithstanding, in 2012 the Governance Committee reviewed the Corporate Governance Statement and the Council Standing Orders to provide greater guidance to Council on this issue.

## Risk Management Statement

This statement is consistent with, and complies with, the *Voluntary Code of Best Practice for the Governance of Australian Universities* (Item 11).

ECU has an Integrated Risk Management Framework and Policy. It is compliant with *ISO Standard 31000: Risk Management*.

Strategic oversight of risk management is included in the terms of reference for the Quality, Audit and Risk Committee, as well as in the Quality, Audit and Risk Committee Charter and the Risk and Assurance Service Centre Charter approved by Council in August 2011. A Risk Reference Forum, chaired by the Deputy Vice-Chancellor (Academic), assists with the exchange of experiences of best practice and dissemination of risk management-related material within the University.

Functionally, the Risk and Assurance Service Centre is responsible for the development and implementation of risk management strategies, methods and tools, legislative compliance, business continuity, insurance, and fraud and misconduct prevention and management. The Human Resources Services Centre is responsible for the day-to-day operation of occupational safety and health strategies and workers' compensation. The Office of Legal Services is responsible for the oversight of legal risk within ECU.

## Risk Management

A major component of corporate governance at ECU is effective risk management. During 2014, ECU improved the alignment between the University's Strategic Risk Register and internal audit planning and reporting. The University also commenced revising the Integrated Risk Management Policy and the Strategic Risk Register. The Quality, Audit and Risk Committee now receives biannual updates on the status and management of ECU's strategic risks.

In relation to particular risks, fraud and misconduct prevention training for middle management and supervisors was conducted during 2014.

Business Continuity Plans are in place for all ECU campuses. These plans are reviewed annually and following incidents that have affected business area operations. As part of the review and validation process, respective plans are incorporated into the University's annual incident management exercise with outcomes reported to the Quality Audit and Risk Committee.

More information on [Risk Management](#) can be found on the ECU website.

## Advertising

In accordance with the requirements of section 175ZE of the *Electoral Act 1907* (WA) the University is required to report all expenditure incurred by, or on behalf of, the University on advertising, market research, polling, direct mail and media advertising during the financial year.

Advertising expenditure in 2014 totalled \$5,404,095. The amount in each expenditure class and the organisations paid, are listing in Table 31 below.

**Table 31: Advertising Expenditure, 2014**

<b>Advertising agencies</b>	<b>\$2,869,913</b>
303 Lowe Group Pty Ltd	
Longtail Communications Company Pty Ltd	
<b>Market research organisations</b>	<b>\$119,395</b>
<b>Polling organisations</b>	<b>0</b>
<b>Direct mail organisations</b>	<b>0</b>
<b>Media advertising organisations</b>	<b>\$2,414,787</b>
Carat Australia Media Services Pty Ltd	
Google	
Other Organisations	
<b>Total Expenditure</b>	<b>\$5,404,095</b>

## Recordkeeping

The University continued to embed record keeping practices across the University with the ongoing rollout of the Electronic Document and Records Management System (EDRMS).

The EDRMS is the University's approved record keeping system, allowing emails and documents from any application to be saved electronically. The focus for the EDRMS project in 2014 was in the academic areas of the University, with the rollout completed for faculty offices and the majority of the schools across the University. Extension work was undertaken to support the management of course materials and course accreditation records.

### State Records Commission Standard 2 Record Keeping Plans: Principle 6 – Compliance

ECU is subject to requirements in the *State Records Act 2000 (WA)* and is committed to compliance in its record keeping. ECU's activities under each of the requirements include:

<p><b><i>The efficiency and effectiveness of the organisation's record keeping system is evaluated not less than once every 5 years.</i></b></p>
<p>ECU's Record Keeping Plan was approved for a further five-year period in 2011, and is due for review again in 2016.</p> <p>The West Australian University Sector Disposal Authority for records was approved by the State Record Commission and was updated in 2013. It will be fully reviewed in 2016.</p> <p>Promotion of the ECU Vital Record program to ECU staff commenced in April 2012 and there has been an increase of 29 per cent of vital records registered in the recordkeeping system in 2014.</p>
<p><b><i>The organisation conducts a record keeping training program.</i></b></p>
<p>ECU conducts regular record keeping training programs that are integrated into the University's overall professional development and training framework. These include:</p> <ul style="list-style-type: none"> <li>• A basic record keeping induction training session, available to all new staff.</li> <li>• The Records Awareness Training System, which was implemented in 2008 to raise record management awareness for staff, continues to be offered to staff. Since implementation, 2,116 staff have completed, or are working through the course.</li> <li>• Monthly training courses on the University's record keeping software (TRIM) are provided at Basic, Intermediate and Advanced levels. In 2014, 361 staff undertook some form of records training.</li> <li>• Customised group sessions on TRIM continued to be developed and delivered, on request.</li> <li>• One-on-one training occurred, on request.</li> </ul>
<p><b><i>The efficiency and effectiveness of the record keeping training program is reviewed from time to time</i></b></p>
<p>The outcomes of all record keeping training are monitored and staff feedback is collected through questionnaires. This feedback is reviewed to assess whether the training was effective. Feedback is then used to review training sessions and the overall training program. An Intermediate level course and customised refresher sessions for users were introduced as a result of this feedback.</p>
<p><b><i>The organisation's induction program addresses employees' roles and responsibilities with regards to their compliance with the organisation's record keeping plan.</i></b></p>
<p>All new ECU employees undergo an induction course that addresses employee roles and responsibilities about the compliance aspects of the Record Keeping Plan. There has also been ongoing communication throughout 2014 pertaining to the management of the Universities vital records as part of the EDRMS implementation program. Such sessions are delivered so that staff are aware of their responsibilities in relation to the management of the University critical records.</p>



## Disability Access and Inclusion Plan Outcomes

In July 2014, as required under schedule 3 of the *Disability Service Regulations 2004* (WA), ECU reported on achievements against its Disability Access and Inclusion Plan (DAIP) for the 2013/14 reporting year. It is important to note that as the DAIP spans a five-year period (2011-2016), many of the strategies will continue to be implemented throughout that period. Some examples of achievements against ECU's DAIP Outcomes in 2013/14 are listed below.

<p><b><i>Outcome One: People with disabilities have the same opportunities as other people to access the services of, and any events organised by, the University.</i></b></p>
<ul style="list-style-type: none"> <li>• A clause was included in all course and unit outlines promoting reasonable adjustments to the learning program for people with disabilities.</li> <li>• Information on reasonable adjustments was made available via ECU's website.</li> </ul>
<p><b><i>Outcome Two: People with disabilities have the same opportunities as other people to access the buildings and other facilities of the University.</i></b></p>
<ul style="list-style-type: none"> <li>• Construction of Ngoolark (Building 34) at the Joondalup Campus included accessibility features that go beyond minimum access standards.</li> <li>• A bus stop at ECU's South West Campus was revamped to improve its accessibility.</li> </ul>
<p><b><i>Outcome Three: People with disabilities receive information from the University in a format that will enable them to access the information as readily as other people are able to access it.</i></b></p>
<ul style="list-style-type: none"> <li>• Teaching and Learning guides (e.g. the Little Red Book) included updated sections on accessibility and principles for inclusive curriculum design, delivery and assessment.</li> <li>• Progress was made towards Web Content Accessibility Guidelines 2.0 Level AA compliance across ECU authored webpages.</li> </ul>
<p><b><i>Outcome Four: People with disabilities receive the same level and quality of service from the staff of the University as other people receive from the staff of the University.</i></b></p>
<ul style="list-style-type: none"> <li>• Two mental health workshops were available for staff.</li> <li>• Anti-discrimination training for staff (including coverage of disability issues) was mandated through the Equal Opportunity Online training program.</li> </ul>
<p><b><i>Outcome Five: People with disabilities have the same opportunities as other people to make complaints to the University.</i></b></p>
<ul style="list-style-type: none"> <li>• A centralised complaints website was created and conformed to University website accessibility requirements.</li> <li>• The University Contact Officer and ALLY networks have been maintained.</li> </ul>
<p><b><i>Outcome Six: People with disabilities have the same opportunities as other people to participate in any public consultation by the University.</i></b></p>
<ul style="list-style-type: none"> <li>• ECU's standard survey software remained compliant with US section 508 accessibility requirements.</li> <li>• ECU's <i>DAIP 2011-2016</i> made available for public consultation via ECU's website.</li> </ul>
<p><b><i>Outcome Seven: People with disabilities have the same opportunities as other people to seek employment and work experience placements with the University.</i></b></p>
<ul style="list-style-type: none"> <li>• Staff records systems have been checked to ensure consistent disability definitions are available for staff to record their status.</li> <li>• ECU has had regular contact (monthly) with leading disability agencies discussing positions that are being advertised.</li> </ul>