

ANNUAL REPORT 2012

EDITH COWAN UNIVERSITY

JOONDALUP CAMPUS

270 Joondalup Drive
JOONDALUP WA 6027

Phone: 13 43 28
Fax: (08) 9300 1257

MOUNT LAWLEY CAMPUS

2 Bradford Street
MOUNT LAWLEY WA 6050

Phone: 13 43 28
Fax: (08) 9370 2910

SOUTH WEST CAMPUS

Robertson Drive
BUNBURY WA 6230

Phone: 13 43 28
Fax: (08) 9780 7800

ECU EMAIL and WEB ADDRESS

enquiries@ecu.edu.au
www.ecu.edu.au

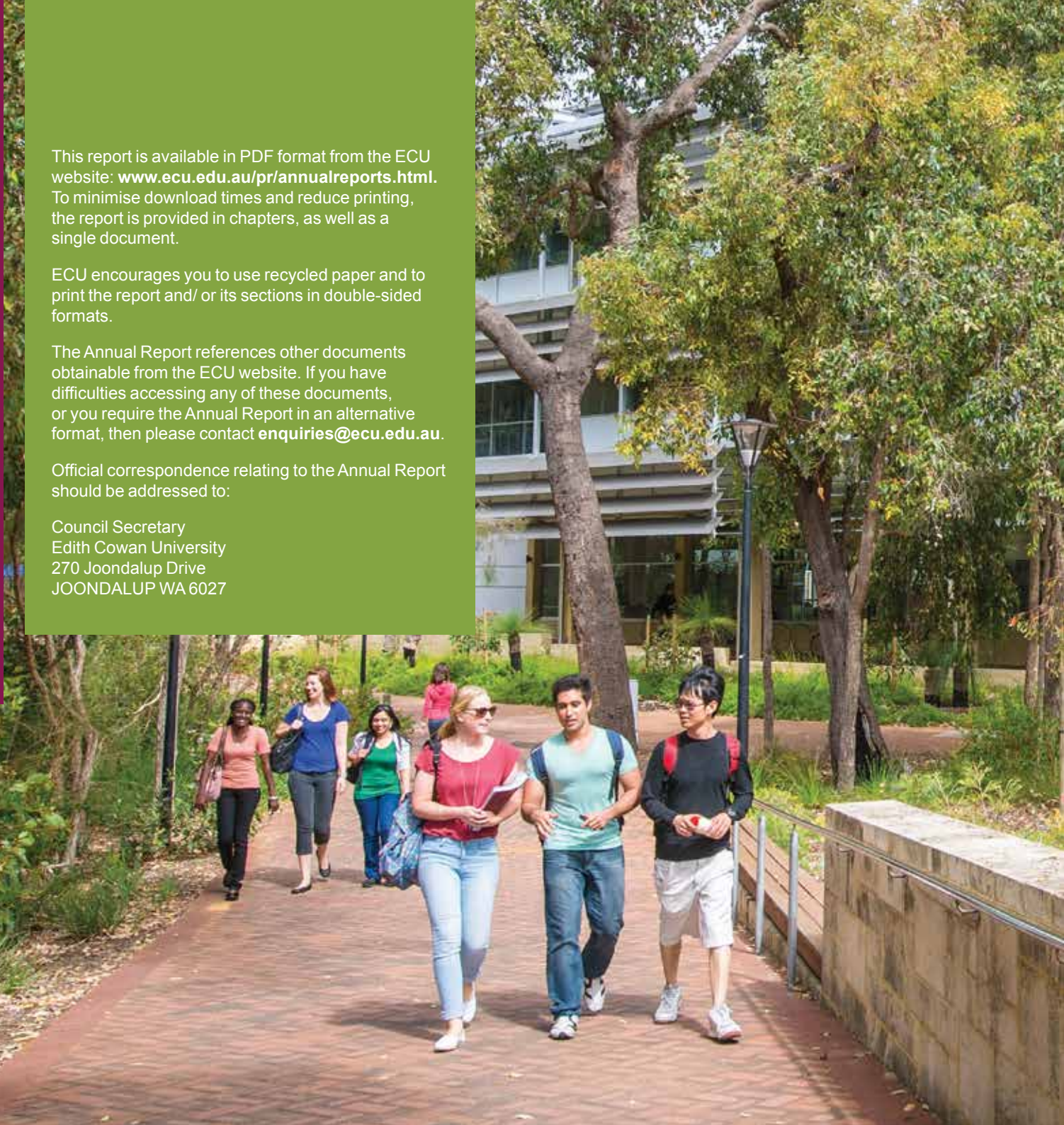
This report is available in PDF format from the ECU website: www.ecu.edu.au/pr/annualreports.html. To minimise download times and reduce printing, the report is provided in chapters, as well as a single document.

ECU encourages you to use recycled paper and to print the report and/ or its sections in double-sided formats.

The Annual Report references other documents obtainable from the ECU website. If you have difficulties accessing any of these documents, or you require the Annual Report in an alternative format, then please contact enquiries@ecu.edu.au.

Official correspondence relating to the Annual Report should be addressed to:

Council Secretary
Edith Cowan University
270 Joondalup Drive
JOONDALUP WA 6027



CONTENTS

SECTION 1: OVERVIEW

Statement of Compliance	5
Chancellor's Foreword	6
Vice-Chancellor's Executive Summary	7
About ECU	8
Organisational Structure	9
Committee Structure	10
Governance Structure – Council Membership 2012	11
Work Of The Governing Council	14

SECTION 2A: PERFORMANCE – SUMMARY OF PERFORMANCE AGAINST FINANCIAL AND KEY PERFORMANCE INDICATOR TARGETS

4 FIGURES AND TABLES

Figure 1: ECU Organisational Structure as at 31 December 2012	9
Figure 2: ECU Committees as at 31 December 2012	10
Figure 3: Unit and Teaching Satisfaction, 2008-2012	24
Figure 4: Graduate Satisfaction, 2007-2011	25
Figure 5: Higher Degree by Research Graduate Satisfaction, 2007-2011	30
Figure 6: Mid CEQ Mean Scores, 2008-2012	145
Table 1: Financial Ratios, 2012	17
Table 2: Summary of Performance against KPI Targets	17
Table 3: Enrolments by Course Level, 2008-2012	24
Table 4: Research Block Funding by Category, 2008-2012(\$m)	29
Table 5: Research Funding by Category, 2008-2012 (\$m)	29
Table 6: Higher Degree by Research Student Load, 2008-2012	29
Table 7: Student Load (EFTSL) by Funding Category, 2008-2012	33
Table 8: Retention Commencing Bachelor Pass Students	38
Table 9: Undergraduate CEQ Course Satisfaction	39
Table 10: Undergraduate CEQ Good Teaching Scale	39
Table 11: Domestic Bachelor Course Level Graduates in Full-time Employment	40
Table 12: Undergraduate Share of First Preferences	40
Table 13: Teaching-related Expenditure per Student Load	41
Table 14: Research Income (\$m)	42

SECTION 2B: PERFORMANCE – REPORT ON OPERATIONS

Table 15: Higher Degree Research Completions by level, total number and per 10 Academic FTE	43
Table 16: Research and Development Weighted Publications per 10 Academic FTE	44
Table 17: Enrolments by Type of Attendance, 2008-2012	142
Table 18: Enrolments by Campus, 2008-2012	142
Table 19: Enrolments by Gender, 2008-2012	142
Table 20: Enrolments Domestic/International by Broad Course Level, 2008-2012	143
Table 21: Enrolments by Country/Region, 2008-2012	143
Table 22: Enrolments by Equity Group, 2008-2012	144
Table 23: Student Load (EFTSL) by Broad Field of Education, 2008-2012	144
Table 24: Student Load (EFTSL) by Faculty, 2008-2012	145
Table 25: Completions by Course Level, 2007-2011	146
Table 26: Library Holdings, 2008-2012	146
Table 27: Revenue (\$'000), 2008-2012	146
Table 28: Major Capital Projects Completed, 2012	147
Table 29: Major Capital Projects in Progress, 2012	147
Table 30: Academic Staff by Contract Type, 2008-2012	148
Table 31: General Staff by Contract Type, 2008-2012	148
Table 32: Performance against 2011/12 Injury Management Targets	149
Table 33: Advertising Expenditure, 2012	151

SECTION 2C: PERFORMANCE – REPORT ON KEY PERFORMANCE INDICATORS

Report Certification	37
----------------------	----

SECTION 3: SIGNIFICANT ISSUES

SECTION 4: DISCLOSURES AND LEGAL COMPLIANCE

Auditor General's Statement	51
Certification Of Financial Statements	53
Financial Statements	54
Additional Facts And Statistics	142
Other Financial Disclosures	147
Governance Disclosures	150
Other Legal Requirements	151

SECTION 1 OVERVIEW



STATEMENT OF COMPLIANCE

Minister for Education
10th Floor, Dumas House
2 Havelock Street
WEST PERTH WA 6005

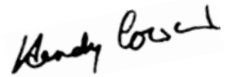
14 March 2013

Dear Minister

In accordance with section 61 of the *Financial Management Act 2006* (WA), we hereby submit for your information and presentation to Parliament, the Annual Report of Edith Cowan University for the year ending 31 December 2012.

The Annual Report has been prepared in accordance with the provisions of the *Financial Management Act 2006* (WA) and is made in accordance with a resolution of the University's Council.

Yours sincerely



The Hon Dr Hendy Cowan
Chancellor
On behalf of the University Council

Edith Cowan University
270 Joondalup Drive
JOONDALUP WA 6027



CHANCELLOR'S FOREWORD

The University Council and the senior management of the University continue to work together to support the University in achieving its objectives.

A highlight for Council was the report from the Tertiary Education Quality and Standards Agency (TEQSA) Audit conducted late in 2011. The Report, received in June 2012, identified a number of strengths and these are outlined within this Annual Report. The quality of governance and of the work of Council was listed as one of the commendations:

Edith Cowan University is commended for the strength of its University Council and leadership team, who have infused the University community and its partners with self confidence and a vision that is outward-looking and sensitive to the needs of the communities they serve.¹

I am grateful for the work of my fellow Council Members in providing a cohesive and effective governing body that interacts well with senior management of the University.

A number of key initiatives were progressed during the year, including planning for the ECU Health Centre, in which the Wanneroo GP Super Clinic will be housed. Construction work on the ECU Health Centre will commence in early 2013. Construction on the Joondalup Campus was started in the second half of the year on Building 34. This will provide much needed space for a range of student amenities and free-up space for research.



The University, its students and staff achieved success in a number of areas. These achievements are highlighted within this Annual Report and it has been a pleasure to hear of these successes at Council meetings throughout the year.

2012 saw the successful introduction of the Student Services and Amenities Fee. ECU set the fee at a modest level to allow the Guild and the University the opportunity to undertake the necessary negotiations to establish appropriate consultation mechanisms and to commence discussions around the priorities for student services.

Council noted the continued high performance of ECU on measures of student and staff satisfaction. These survey results are only part of the information gathered by the University, and regular oversight by Council of a full range of indicators has confirmed that targets are being achieved or substantial progress being made towards achievement.

Importantly, the University achieved its 2012 financial targets. The budget for 2013 was approved at the December 2012 meeting of Council, and will provide a sound financial basis to support the strategic goals of the University for 2013.

Council is fortunate to have outstanding community and business leaders amongst its members. At the end of 2012 Council recognised the contributions of two highly regarded members; Mr Neil Douglas and Professor Ron Oliver who each concluded their third term on Council.

It is an honour to continue to serve as Chancellor of ECU and to work with outstanding students, staff and Council members. As will be seen from the Annual Report, our students, staff and graduates continue to achieve great results.

The Hon Dr Hendy Cowan
Chancellor, March 2013

1. Report of an Audit of Edith Cowan University June 2012, TEQSA.

VICE-CHANCELLOR'S EXECUTIVE SUMMARY

In our 21st year in 2012, I was delighted to receive notification that ECU was named in the inaugural *Times Higher Education 100 under 50* list of the world's best universities less than 50 years of age. This is an outstanding achievement given the large number of universities in that age category. It is evidence that our University is progressing well. We have much of which to be proud.

During 2012 the findings of the Cycle Two Audit of ECU, undertaken in late 2011, were reported by the Tertiary Education Quality and Standards Agency. With seven commendations, eight affirmations and six recommendations, the report of the Audit Panel was very positive, stating we demonstrated a clear sense of direction and commitment to ensuring quality in all our operations. I acknowledge and thank all staff, students, Council and other committee members, and all of our stakeholders who were involved in aspects of the audit process, for their valuable input.

Our strong focus on doing the right thing by our students continues to be evident with ECU again receiving a five-star rating in the Good Universities Guide for our teaching quality and graduate satisfaction. ECU was one of only five universities in Australia to receive a five-star rating in both of these categories.

In another student satisfaction survey, the annual International Student Barometer, ECU's Graduate Research School received the highest satisfaction rating (98 per cent) of the 18 Australian institutions surveyed and the second highest rating of the more than 100 institutions surveyed internationally.

Many of our students have excelled during this past year. Some of the most notable achievements are included in this Annual Report. On behalf of the whole University community, I congratulate our students on their individual and team efforts, nationally and internationally. To those who graduated in 2012, I encourage you to continue your association with ECU through our Alumni chapters. To those who will be continuing their studies, I wish you every success in achieving your goals.

Our staff are also to be commended for their fine achievements. Our researchers were awarded four National Health and Medical Research Council grants this year – they include Professors Beth Armstrong (who received grants for two different projects), Donna Cross and Associate Professor Mel Ziman.

In addition to Professor Donna Cross being the WA Australian of the Year for 2012, a number of our University's community were also recognised in the Australia Day and Queen's Birthday Honours lists, including Professor Caroline Taylor and Professor Colleen Hayward who were each appointed as Members of the Order of Australia. Professors Cross and Hayward were also named WA Ambassadors for Children and Young People.

More recently, Professor Daniel Galvão was named the WA Young Tall Poppy Science Award winner for his research excellence, which focuses on the effects of exercise on cancer treatment. These achievements by staff are fine examples of ECU's commitment to making a positive difference to our communities.

This year, for the first time, we were able to benchmark our biennial staff satisfaction survey against 37 other universities in Australia and New Zealand. Not only was our response rate the highest (at 78 per cent) over the past ten years, but the comparison also showed that ECU staff reported considerably higher levels of engagement and commitment to their University than their peers in the other universities. Very significantly, on **all 44** benchmarked items ECU exceeded the average of the 38 Australian/ New Zealand universities taking part in the survey.

We welcomed Emeritus Professor Sally Walker AM, Secretary-General of the Law Council of Australia as the Vice-Chancellor's Distinguished Orator for 2012. Professor Walker's superb oration "What it means to be a member of a profession: opportunities and responsibilities for lawyers to make a difference" is available on our website.

During 2012 we farewelled our senior colleague, Professor Tony Watson, after some 37 years at ECU and precursor institutions, the last nine of which were at a very senior academic leadership level.

Professor Ron Oliver was appointed to the new position of Deputy Vice-Chancellor (Teaching, Learning and International) to further strengthen ECU's approach to quality and "Internationalisation"; Mr Scott Henderson commenced as Vice-President (Corporate Services); Professor Colleen Hayward AM, was appointed Pro-Vice-Chancellor (Equity and Indigenous); and two new Pro-Vice-Chancellors/Executive Deans commenced – Professor Lynne Cohen in Education and Arts, and Professor Ken Greenwood in Computing, Health and Science.

From the beginning of 2012, after some years of preparation we implemented our new policy of "smoke-free" on all parts of all campuses at ECU. We are very pleased with the success of this health initiative which has been very widely supported throughout the University.

It is my pleasure to acknowledge and thank all ECU staff, students, graduates, committee members and all of our University stakeholders for their many and varied contributions, which are not always publicly recognised.

Finally, I express my gratitude to our Council members for their valuable time, inputs and commitment to our University, and particularly to our exceptional Chancellor, the Hon Dr Hendy Cowan, for his leadership, support and ongoing helpfulness to the ECU community.



Professor Kerry O. Cox
Vice-Chancellor, March 2013



ABOUT ECU

Edith Cowan University is a large, multi-campus institution serving communities in Western Australia and internationally. The University has two metropolitan campuses at Mount Lawley and Joondalup, and also serves Western Australia's South West Region from a campus at Bunbury, 200 km south of Perth.

Awarded university status in 1991, ECU has since developed innovative and practical courses across a wide range of disciplines and has a vibrant research culture with high quality researchers and research partners, working at the cutting edge of their fields.

ECU works hard to develop productive and mutually beneficial partnerships with its varied stakeholders.

ECU has almost 24,000 students at undergraduate and postgraduate levels. Approximately 4,000 of these are international students originating from over 90 countries.

More than 300 courses are offered through four faculties:

- Business and Law;
- Computing, Health and Science;
- Education and Arts, which includes the Western Australian Academy of Performing Arts (WAAPA); and
- Regional Professional Studies.

ECU is committed to breaking down barriers to higher education through its school and community outreach activities, multiple entry pathways and flexible learning options.

PURPOSE, VISION and VALUES

Purpose

To further develop valued citizens for the benefit of Western Australia and beyond, through teaching and research inspired by engagement and partnerships.

Vision

For our students, staff and graduates to be highly regarded internationally as ethical and engaged contributors to more inclusive, sustainable and prosperous communities.

Values

- **Integrity** – behaving ethically and pursuing rigorous intellectual positions
- **Respect** – valuing individual differences and diversity
- **Rational inquiry** – motivated by evidence and reasoning
- **Personal Excellence** – striving to realise potential

Strategic Direction

ECU's strategic direction was reviewed in 2012. Students, senior staff and Council members were consulted on possible revisions to the University's purpose, vision and strategic priorities, cognisant of ECU's achievements and changes in the internal and external environment in which ECU operates since the document was originally approved in 2006.

ECU's revised strategic direction (***Edith Cowan University: Engaging Minds; Engaging Communities. Towards 2020***) was approved by Council at its 13 December 2012 meeting.

STRATEGIC PRIORITIES

1. To create positive outcomes in our communities through mutually beneficial engagement.
2. To deliver accessible world-class education and an enriching student experience.
3. To enhance the personal and professional outcomes of graduates.
4. To strengthen research capability, capacity, translation and impact.
5. To enhance organisational resilience, sustainability and reputation.

ORGANISATIONAL STRUCTURE

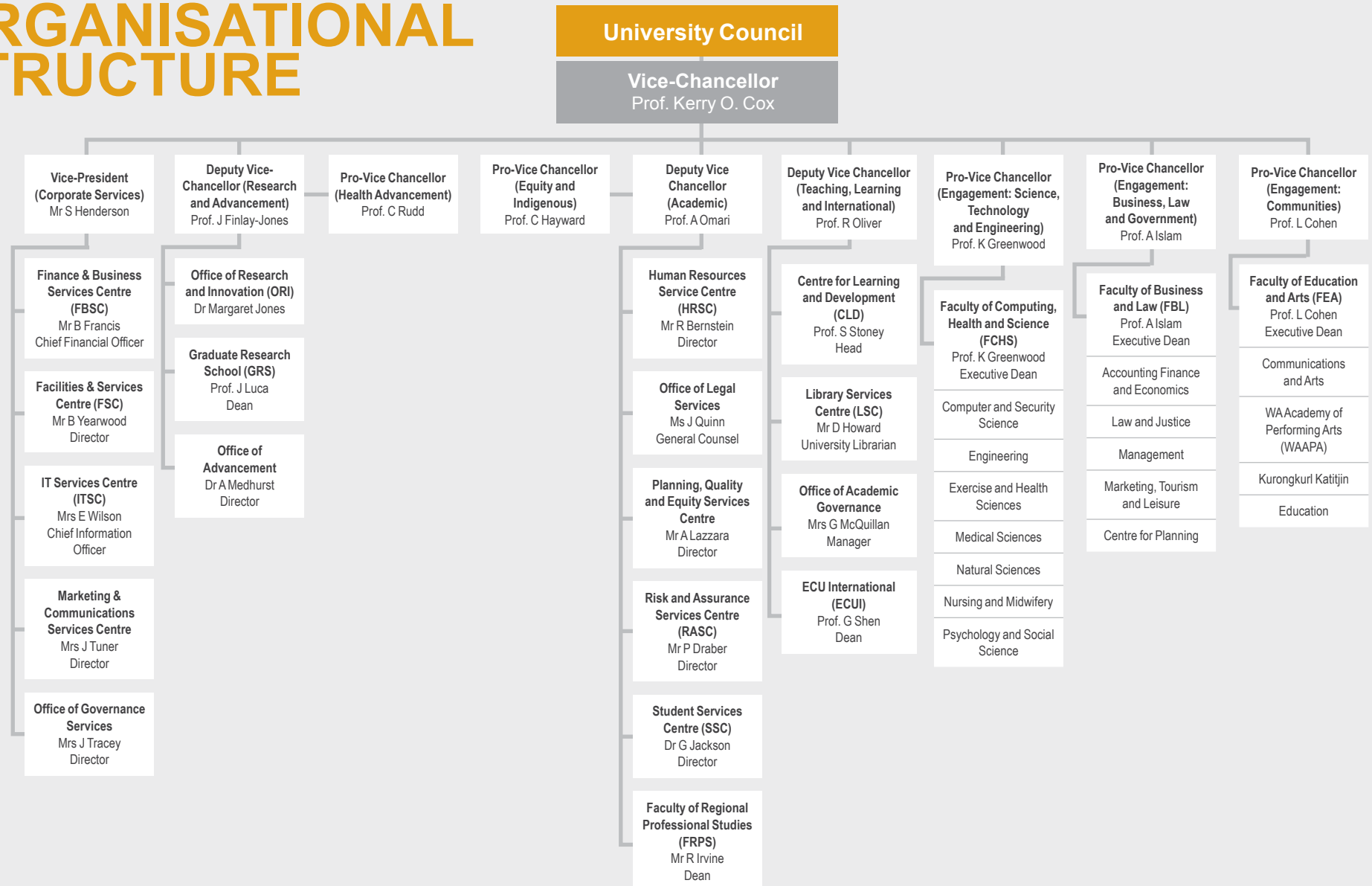


Figure 1: ECU Organisational Structure as at 31 December 2012.

COMMITTEE STRUCTURE

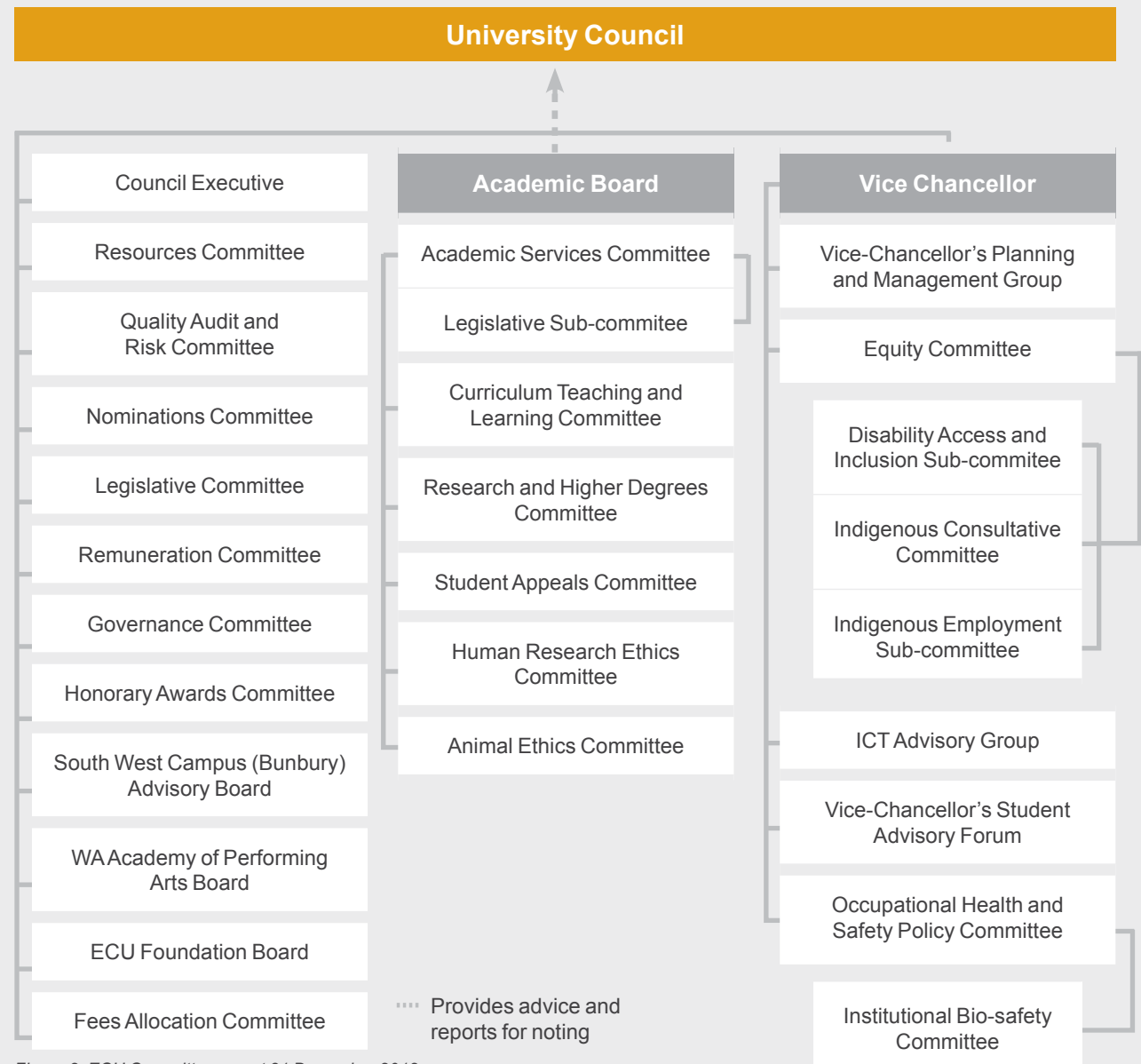


Figure 2: ECU Committees as at 31 December 2012.

GOVERNANCE STRUCTURE

Council Membership for 2012

Member	Term	Date term commenced / ended	Council meetings attended
Chancellor (ECU Act, section 12(1))			
Hon Dr Hendy Cowan	01.01.2011 – 31.12.2013 01.01.2008 – 31.12.2010 01.01.2005 – 31.12.2007	Current	5
Members appointed by the Governor (ECU Act, section 9(1)(a))			
Mr Eddie Bartnik	12.06.2012 – 11.06.2015	Term commenced 12.06.2012	4(4)
Mr John Cahill	09.08.2011 – 08.08.2014	Current	6
Ms Leslie Chalmers	27.04.2011 – 26.04.2014 27.04.2008 – 26.04.2011 12.04.2005 – 26.04.2008	Current	6
Hon Dr Hendy Cowan	31.01.2010 – 30.01.2013 01.03.2007 – 30.01.2010 01.03.2004 – 28.02.2007	Current	5
Mr Kempton Cowan	19.12.2012 – 18.12.2015 20.12.2009 – 19.12.2012 20.12.2006 – 19.12.2009	Current	3
Dr Pamela Garnett	20.09.2012 – 19.09.2015 22.09.2009 – 21.09.2012	Current	5



Member	Term	Date term commenced / ended	Council meetings attended
Member nominated by Minister charged with administration of the <i>School Education Act 1999</i> (WA) (ECU Act, section 9(1)(aa))			
Dr Norman Ashton	30.08.2011 – 29.08.2014 30.08.2008 – 29.08.2011 30.08.2005 – 29.08.2008	Current	4(5)
Chief Executive Officer – ex-officio (ECU Act, section 9(1)(b))			
Professor Kerry O. Cox	Ex-officio	Current	6
Academic Staff – elected (ECU Act, section 9(1)(c))			
Associate Professor Ute Mueller	01.10.2012 – 30.09.2015 16.05.2011 – 31.09.2012	Current	5
Professor Ron Oliver	01.10.2009 – 30.09.2012 01.10.2006 – 30.09.2009 01.10.2002 – 30.09.2006	Term ended 30.09.2012	3(4)
Professor Mark Stoney	01.10.2012 – 30.09.2015	Term commenced 01.10.2012	2(2)
Salaried Staff, Other than Academic Staff – elected (ECU Act, section 9(1)(d))			
Ms Valentina Bailey	01.10.2012 – 30.09.2015 01.10.2009 – 30.09.2012 01.04.2009 – 30.09.2009	Current	6
Enrolled Students – elected (ECU Act, section 9(1)(e))			
Mr Peter Blakers	10.10.2012 – 09.10.2013	Term commenced 10.10.2011	2(2)
Mr Luke Butler	10.10.2011 – 09.10.2012	Term ended 09.10.2012	1(2)
Ms Nadia Louw	10.10.2012 – 09.10.2013	Term commenced 10.10.2011	2(2)
Mr David Trescuri	10.10.2011 – 09.10.2012	Term ended 09.10.2012	3(4)
Alumni – elected (ECU Act, section 9(1)(f))			
Mr Henry Heng	20.12.2008 – 19.12.2011	Term ended 19.12.2011	6
Mr Brad McManus	22.12.2011 – 21.12.2014	Current	6





Member	Term	Date term commenced / ended	Council meetings attended
Ms Julien Proud	20.09.2010 – 19.09.2013 01.04.2009 – 19.09.2010	Current	
Members co-opted by Council (ECU Act, section 9(1)(i))			
Ms Janet Curran	20.09.2012 – 19.09.2015 20.09.2009 – 19.09.2012	Current	1(1)
Mr Neil Douglas	18.03.2009 – 17.03.2012 18.03.2006 – 17.03.2009	Term ended 17.03.2012	1(1)
Ms Kelly Hick	18.03.2012 – 17.03.2015	Term commenced 18.03.2012	5
Mr Simon Holthouse	12.09.2010 – 11.09.2013 12.09.2007 – 11.09.2010	Current	5
Ms Denise McComish (Pro-Chancellor since 25.08.2011)	22.03.2010 – 21.03.2013 22.03.2007 – 21.03.2010	Current	4
Dr Saliba Sassine	17.11.2012 – 16.11.2015 25.08.2011 – 16.11.2012	Current	5

* Council held six regular meeting during the year. The bracketed figures indicate the potential number of attendances for members whose term of office did not cover the full year, or who had leave of absence during the year.

**N/A indicates that the member was not a member of a Council Committee or Board during the year.

Additional Council membership information can be viewed at **Members of Council**.

WORK OF THE GOVERNING COUNCIL

ECU's enabling Act provides that the Council is the governing authority of the University. The fundamental responsibilities of the Council are to determine the strategic direction and governance framework of the University. The Council is chaired by the Chancellor and consists of the Vice-Chancellor (*ex-officio*) and members drawn from the community and the University's alumni, students and staff. Council members fulfil an important duty for the University and the community and do so on an honorary basis.

Under the chairmanship of its Chancellor, the Hon Dr Hendy Cowan, the Council met on seven occasions during 2012, holding six regular meetings, and one half-day workshop.

The major activities of Council in 2012 fell into four categories:

- strategic direction of the University;
- self-governance of the Council;
- governance of the University; and
- compliance.

Strategic Direction of the University

Major strategic issues considered by Council in 2012 included:

- Tertiary Education Quality and Standards Agency (TEQSA) Audit – Key Outcomes and Action Plan (the Audit was conducted in October 2011 and the final report issued in July 2012);

- Final investment decision to continue with the Wanneroo GP Super Clinic Project;
- Report against the Reconciliation Action Plan, 2011/2012 and a revised Reconciliation Action Plan, 2012/13-2014/15;
- Student engagement and support at ECU;
- Review of ECU's strategic direction;
- ECU's new Curriculum Framework (*Curriculum 2012* Project);
- ECU Foundation Fundraising Plan;
- Strategic Risk Management;
- Revision of the key performance indicator framework; and
- ECU Key Actions for 2013.

To inform and enhance Council's role in shaping the strategic direction of the University, presentations on key issues and themes were discussed in the Council's meeting program throughout 2012 including:

- Engagement Functional Plan;
- Progression rates of alternate entry program students;
- Enrolment Functional Plan;
- Supporting Financial Sustainability;
- International Functional Plan;
- Teaching and Learning Functional Plan;
- ECU's communication strategy;
- Graduate employment outcomes; and
- Research and Research Training Functional Plan.

A Council workshop was held in November 2012 and considered revisions to ECU's strategic direction and performance monitoring and reporting under a proposed new Performance Indicator Framework.

At its December 2012 meeting, Council considered and approved the Budget for 2013.

Self-governance of the Council

Council's statement on corporate governance was put in place in December 2002. The **Corporate Governance Statement** assists current and commencing members of Council, executive management and senior staff of the University in carrying out their roles. It also helps students and staff of the broader University community to be kept informed about governance processes at the University, and serves a similar purpose for the external community, including stakeholders such as governments.

ECU's governing Council has affirmed a commitment to monitor its performance against the *Voluntary Code of Best Practice for the Governance of Australian Universities*.

Each year Council undertakes a self-evaluation and in 2012 an online questionnaire asked members to assess their own performance and that of Council. An independent reviewer received the responses and prepared a report for the Chancellor. The report arising from the 2012 evaluation confirmed that governance remains robust at ECU, with the skills and expertise of Council members, the leadership of the Chancellor and

Council's working relationship with the Vice-Chancellor highlighted as particular strengths. The work of Council committees was also considered to be highly effective.

Governance of the University

Key Council activities in 2012 relating to the governance of the University included:

- Regular meetings of Council committees. Reports from these committees were subsequently provided to Council to keep it informed of activities across the academic and operational areas of the University.
- The Vice-Chancellor provided mid-year and end-of-year reports on the performance of the University against its key performance indicators.
- In June and December 2012, the Vice-Chancellor reported on progress against the Key Actions for 2012, as previously approved by Council.
- Amendments were made to a number of Council-approved policies;
- Reviews of two Statutes were completed and new Statutes were gazetted;
- Amendments were made, as requested, to University Rules; and
- All members of Council were offered professional development opportunities throughout the year.

Compliance

The 2011 Annual Report was approved by Council and submitted to the State Minister for Education in accordance with the required timelines.

The Council's monitoring of the University, particularly through the Resources Committee and the Quality, Audit and Risk Committee, provided assurance to Council that the University has in place appropriate risk management, financial and quality controls.

At its August 2012 meeting, Council reviewed TEQSA's Provider Threshold Standards as they pertained to governance and noted that the University complied with



the Standards with one exception – the completion of a Fit and Proper Person Declaration. Council resolved that new members be asked to complete the Declaration at the time of appointment to Council and that current Council members complete a Declaration before the end of 2012. These Declarations were completed as required.

The *Voluntary Code of Best Practice for the Governance of Australian Universities* (Item 14) requires that a university should disclose in its annual report its compliance with the *Voluntary Code of Best Practice* and provide reasons for any areas of non-compliance. At its August 2012 meeting Council confirmed that it continued

to comply with the *Voluntary Code of Best Practice* (formerly National Governance Protocols). Council is satisfied that the University is compliant with the new Code of Best Practice.

Item 4 of the *Voluntary Code of Best Practice* (which deals with procedures for the removal of the Chancellor or Pro-Chancellor) does not apply, 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.

SECTION 2A PERFORMANCE

SUMMARY OF PERFORMANCE AGAINST FINANCIAL
AND KEY PERFORMANCE INDICATOR TARGETS



PERFORMANCE AGAINST FINANCIAL TARGETS

2012 Operating Result

The University posted a 2012 operating result of \$28 million for the year, which was an increase of \$1 million from the original budget (\$27 million).

2012 Revenue

Total revenue for the University in 2012 was \$375 million, which represents an increase of \$16 million compared to original budget (\$359 million).

2012 Financial Ratios

Table 1: Financial Ratios, 2012

	Actual	Target	Variance / Comment
Total Revenue	\$375m	Above budget	Revenue results achieved budget.
Operating Margin	7%	At least 4%	The operating margin is above the target set for 2012.
Interest cover on borrowings	9x	At least 3x	The interest cover on borrowings is above the target set for 2012.
Liquidity – Current Ratio	2.3	At least 1.0	The current ratio is above the target set for 2012.
Cash Reserves (no. of weeks)	31	At least 4 weeks	The number of week's revenue in cash assets is above the target set for 2012.
Debt to equity ratio	10%	Not more than 30%	The debt to equity ratio is within the target set for 2012.

The Financial Statements begin on page 50 of this Annual Report.

PERFORMANCE AGAINST KEY PERFORMANCE INDICATOR TARGETS

The Key Performance Indicator Report begins on page 36 of this Annual Report and gives detailed information on the University's performance against nine Key Performance Indicators (KPIs). These are a sub-set of ECU's KPI Framework, which is used by the University for performance monitoring.

A summary of performance against targets for the most recent audited data is provided in Table 2 below.

Table 2: Summary of Performance against KPI Targets

Performance Indicator	Actual	Target	Variance / Comment
Retention (%) – 2011 commencements	76.6	81.0	The retention rate declined by 3.8 percentage points and was 4.4 percentage points below target.
Course Satisfaction (%) – 2011 survey	96.1	95.0	Performance improved by 1.1 percentage points and was 1.1 percentage points above target. ECU's graduate Course Satisfaction is above both the National Average and the State Average.
Quality of Teaching (%) – 2011 survey	92.5	92.0	Performance improved by 0.1 of a percentage point and was 0.5 percentage points above target. ECU's Good Teaching satisfaction is above both the National Average and the State Average.
Graduate Employment (%) – 2011 survey	70.4	79.0	Performance declined by 5.2 percentage points and was 8.6 percentage points below target. ECU's Graduate Employment results are below both the National Average and the State Average.
Share of First Preference (%) – 2012 Admissions	17.3	16.0	ECU's share of first preference applications for Bachelor and Associate Degree courses processed through TISC increased by 0.7 percentage points and was 1.3 percentage points above target.
Teaching-related Expenditure per Student Load (\$/ EFTSL) – 2012	16,874	16,645	Teaching-related expenditure per student load increased and was above the target.
Research Income (\$m) – 2011	15.754	13.600	ECU's total research income increased by \$3.364m and was \$2.154m above target.
Higher Degree Research Completions (per 10 Academic Staff FTE) – 2011	1.5	2.2	Higher degree research completions per 10 academic staff FTE increased (1.3 to 1.5), however the result was below Target.
Research Publications (per 10 Academic Staff FTE) – 2011	11.6	12.8	Weighted Research Publications per 10 Academic Staff FTE increased slightly (11.3 to 11.6), however the result was below target.

Notes: Actual results are for the most recent data available. Full definitions are provided in the Key Performance Indicator Report.

SECTION 2B PERFORMANCE

REPORT ON OPERATIONS

HIGHLIGHTS

GP Super Clinic

ECU is set to become a major innovator in health following planning approval in August 2012, for the \$22 million, state-of-the-art Wanneroo GP Super Clinic (part of the ECU Health Centre). ECU is investing \$12 million in the Super Clinic, with the Australian and Western Australian governments each contributing \$5 million.

Road Safety Chair

Western Australian Road Safety Minister Liza Harvey announced the appointment of Professor Murray Lampard as the new Chair of the Road Safety Council. Professor Lampard was formerly the deputy commissioner of Western Australian Police and since retiring from the police service has held the position of Adjunct Professor of Law and Justice and Security Science at ECU.

Tripartite Agreement on Yanchep

The University continued its discussions with the Tokyu Corporation and the Yanchep Beach Joint Venture and in December 2012 a tripartite Heads of Agreement was signed between ECU and these organisations. The three parties have agreed to collaborate to develop and deliver higher education programs for a community of 150,000 people at Yanchep in Perth's northern metropolitan area.



STRATEGIC PRIORITY ONE: ENGAGING AND SERVING OUR COMMUNITIES

ECU's Key Engagement Outcomes in 2012

The University's governing Council approved three key actions for this Strategic Priority for 2012. These key actions were fulfilled with the following outcomes:

Action 1: Implement the Wanneroo GP Super Clinic agreement to position ECU as a major facilitator of health care provision in WA.

A 3032 m² block of land in Wanneroo was purchased in May 2012. Design, documentation and tender processes were completed and the building contract awarded in December 2012. Extensive consultations guided the development of the plans for the building layout and a facade design, compatible with the City of Wanneroo's new City Centre Planning Guidelines, was agreed.

The ECU Health Centre will house the GP Super Clinic, pharmacy, medical imaging and pathology facilities. ECU's Psychology Clinic will also be co-located and student clinical placements will use the facilities. There will also be a floor of commercial leasing. Negotiations progressed with several potential GP service providers to deliver the core outcomes in partnership with ECU.

Construction is scheduled to commence in January 2013 and the planned Practical Completion date for the Super Clinic is October 2014.

Action 2: Define the metrics that report ECU's reputation within the community for engaged teaching and research and increase mutually beneficial community and education partnerships.

A web-based mechanism to capture and categorise engagement activity across the University was developed

in 2012. Its initial focus is on faculty activities, but will be rolled out across the University in early 2013.

The ECU Enterprise Customer Relationship Management System, *RightNow*, was configured to capture and report on engagement and advancement activities at ECU. The adjustments to the system will be implemented over the next twelve to eighteen months.

Action 3: Deliver against the University's first Reconciliation Action Plan and renew the plan for the period 2012-2015.

A review of progress against ECU's *Reconciliation Action Plan, 2011-2012* (RAP) was undertaken in the first half of 2012, led by Professor Colleen Hayward, Pro-Vice-Chancellor (Equity and Indigenous). The review identified significant progress in the implementation of the RAP and this was described in a detailed report: *Edith Cowan University Reconciliation Action Plan, 2011-2012 Progress Report*, presented to Council at its May 2012 meeting.

Key achievements from implementation of the RAP included:

- establishing the RAP Working Group with student and staff representation;
- embedding the RAP into ECU's planning and reporting frameworks;
- inscribing the names of ECU's 501 known Indigenous Australian alumni on seven granite pillars at the Mount Lawley Campus in their honour;
- enhancing the Joondalup Learning Precinct cross-organisational mentoring program by making provision for Indigenous Australian mentees; and
- developing plans for the Indigenous Cultural Reflective Space at the Joondalup Campus.

ECU's second RAP (2012-2015) was developed with input from internal stakeholders, including ECU's Indigenous Consultative Committee, and Reconciliation Australia, and was approved by Council at its May 2012 meeting.

The RAP was subsequently endorsed by Reconciliation Australia. A formal launch event for the 2012-2015 RAP was held on 28 May 2012 at ECU's Mount Lawley Campus.

The Interprofessional Ambulatory Care (IpAC) Program

This innovative professional learning model enables students from entry-to-health-professions the opportunity to gain practical experience through clinical placements. Students studying in disciplines such as: clinical psychology; dietetics and nutrition; exercise physiology; nursing and midwifery; occupational therapy; paramedicine; speech pathology; and medical students from UWA attended 5,510 clinical placements in 2012.

The IpAC program is not only beneficial to the students, but also benefits the wider community and the industry partners which include: selected GP practices throughout the northern suburbs; Commonwealth Rehabilitation Service; Community Vision; Heart Foundation WA; Joondalup Seniors Group; Sir Charles Gardiner State Head Injury Unit and Speech Pathology; Joondalup Health Campus (Speech Pathology); cardiac referrals from Royal Perth; Sir Charles Gardiner and Joondalup Health Campus; Northern Suburbs Stroke Support Group; and Women's Healthworks.

Strategic Focus on Engagement

ECU's strategic approach to embedding engagement was affirmed by the Tertiary Education Quality and Standards Agency's (TEQSA) Audit in 2011. In its *Report of an Audit of Edith Cowan University*, issued in July 2012, the Audit Panel stated that:

"The University has a comprehensive approach to embedding engagement in its teaching and research, rather than considering engagement as an additional stream of activities. ECU is commended for its distinctive engagement strategy and acknowledged for the improvement plans it has in place, such as developing a more robust set of indicators to measure engagement and developing a database of partners."

In 2012 ECU strengthened the University's strategic engagement capacity with the appointment of three new Pro-Vice-Chancellors with engagement within their portfolio of responsibility. Supported by the Engagement Unit which reports to Professor Arshad Omari, Deputy Vice-Chancellor (Academic), the five Pro-Vice-Chancellors are:

- Professor Lynne Cohen, Pro-Vice-Chancellor: Engagement (Communities);
- Professor Ken Greenwood, Pro-Vice-Chancellor: Engagement (Science, Technology and Engineering);
- Professor Atique Islam, Pro-Vice-Chancellor: Engagement (Business, Law and Government);
- Professor Cobie Rudd, Pro-Vice-Chancellor (Health Advancement); and
- Professor Colleen Hayward, Pro-Vice-Chancellor (Equity and Indigenous).

The Strategic Engagement Advisory Committee (SEAC), established in August 2012, provides a consultative forum that advises on the strategic and operational initiatives developed by the Engagement Unit in support of ECU's engagement priorities, as outlined in the *ECU Engagement Functional Plan 2011 - 2013*.

Key outcomes of the Engagement Unit during 2012 included:

- Streamlining of ECU's articulation process and formalisation of new articulation arrangements with Health Industry Training, International Institute of Business and Technology, and New Horizons Learning Centre. Amendments were made to articulations with Polytechnic West; Saleslink Academy; and Southern Cross Education Institute.
- The signing of a Memorandum of Understanding by each of the Joondalup Learning Precinct partners in a commitment to share facilities such as conference rooms, meeting rooms, event facilities, seminars and professional development workshops.



Engaging with Schools to Build Aspirations for Higher Education

Principals on campus

In 2012 ECU continued its successful Principals' Lunch events. High school principals from across the State visited the Joondalup and South West campuses for networking and exchanges of ideas about how the University can better engage with school students.

New North Initiative

More than 350 teachers from the New North Education Initiative Collaborative (NNEI) visited ECU for a day of professional learning in February 2012 which included presentations by ECU academics and a tour of ECU's facilities. The event was part of ECU's wider Educational Partnership work with the NNEI and other teachers from schools in low SES communities, attempting to build the aspirations of their students.

WACE revision

Working with the Engagement Unit, the School of Communications and Arts welcomed 150 Year 12 students onto the Mount Lawley Campus for 4 days of English revision. Students from 40 low SES schools participated in free workshops to help prepare them for their final WACE exams. Experienced tutors were on hand to coach students on topics in the curriculum, study techniques and tips for exams.

Follow the Dream

The *Follow the Dream* program co-ordinated by Mount Lawley Senior High School, helps to build the aspirations of Indigenous high school students to help them to reach their full potential. ECU again provided facilities for homework classes and tutorials to the *Follow the Dream* students throughout the school year, at the same time showing the students how tertiary study might be a pathway to achieving their goals.

STRATEGIC PRIORITY TWO: PROVIDING PROGRAMS TO MEET THE NEEDS OF OUR COMMUNITIES, IN A SUPPORTIVE AND STIMULATING LEARNING ENVIRONMENT

ECU's Key Teaching and Learning Outcomes in 2012

The University's governing Council approved three key actions for this Strategic Priority for 2012. These actions were fulfilled with the following outcomes:

Action 1: Embed internationalisation into the curriculum and core business through increasing study abroad options (student mobility) for domestic students and through in-bound and out-bound opportunities for staff and students.

The *ECU International Functional Plan, 2011-2013* articulates the University's priorities and directions for international activities and operations and details a number of initiatives to increase opportunities for students and staff to undertake their learning, teaching and research activities in international contexts.

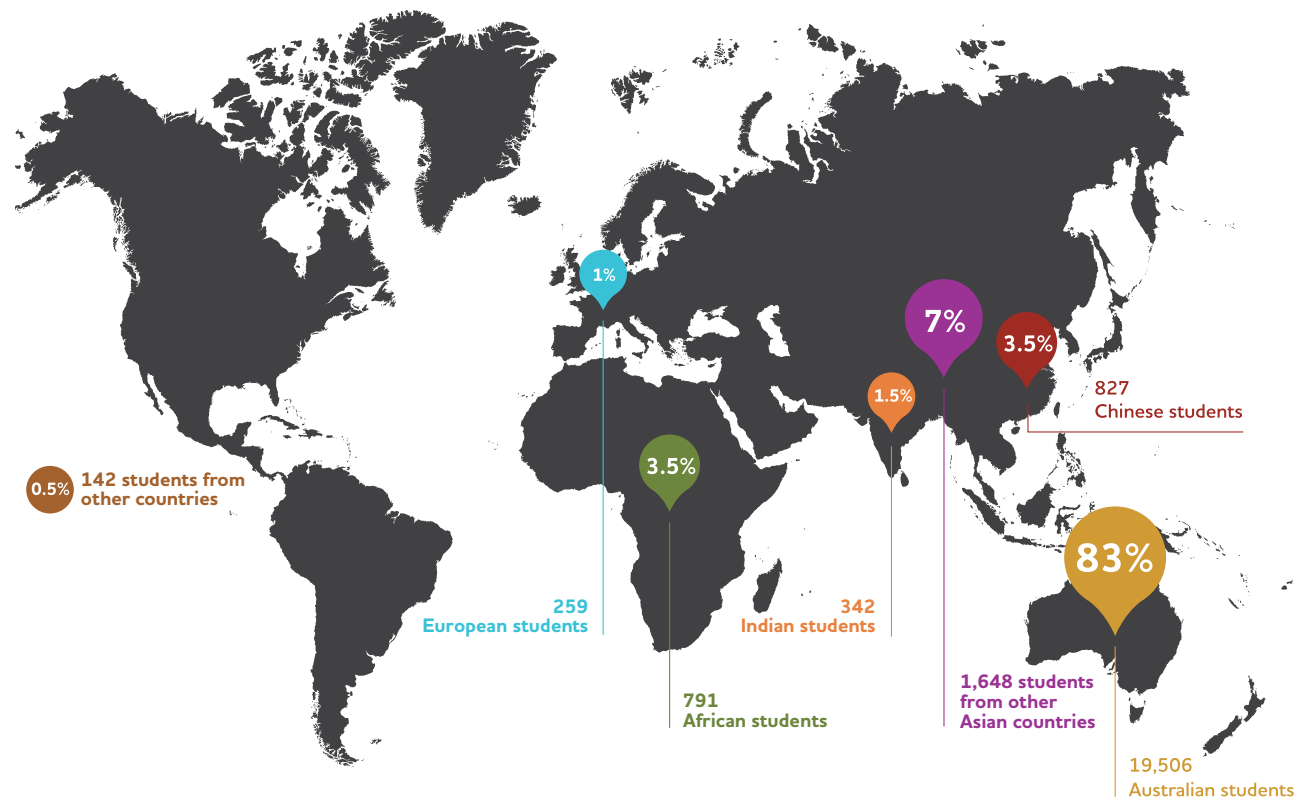
A core component of ECU's new Curriculum Framework involves developing staff capability and embedding elements into all undergraduate courses to build students' international and global outlooks.

Funding for study abroad options for ECU students increased in 2012, and supported inbound and outbound student mobility activities such as exchanges, study tours, placements and research collaborations. An example of this is the work placement arrangement fostered with the Emirates Group in Dubai. Two ECU students undertook

work placements in Semester 2, 2012 and this will expand to six students in 2013. One of the students credited this work experience to her recent employment with an Australian Government law enforcement agency.

In addition to formal study abroad programs, during 2012 many ECU academic staff continued to have ongoing opportunities to carry out teaching and research with partner universities in countries including Canada, China, India, Mexico, Sweden, Singapore and the United States of America.

ECU Students: Where are they from



HIGHLIGHTS

Contribution to student learning

Five ECU staff received prestigious Citation Awards from the Office for Learning and Teaching (part of the Australian Government's Department of Education, Employment and Workplace Relations) in 2012. Dr Magdalena Wajrak, Dr Sophie Kennedy, Professor Mark Hackling, Dr Jennifer Lane and Ms Nanette Hassall were recognised for their outstanding contribution to student learning.

Paramedicine accreditation

ECU's Bachelor of Science (Paramedical Science) degree was granted full accreditation by the Council of Ambulance Authorities (CAA). The first such course in Western Australia to receive accreditation, this is welcome confirmation that ECU's paramedicine students are receiving high quality training and education which meets the requirements of modern ambulance services.

World-class WAAPA

The Western Australian Academy of Performing Arts (WAAPA) was named as one of the top 25 performance schools in the English-speaking world by industry magazine *The Hollywood Reporter*. WAAPA was ranked alongside acclaimed institutions such as The Julliard School in New York and the London Academy of Music and Dramatic Arts.

Action 2: Improve student experience and retention through collaboration with the Student Guild and implementation of the Connect for Success and Curriculum 2012 projects.

University Statute No 11 – the Student Guild was gazetted in August 2012, and a new set of University Student Guild Rules were approved by Council.

All the actions necessary to give effect to the Student Services and Amenities Fee (SSAF) were undertaken. A Student Consultation mechanism was established and approved by Council in accordance with Commonwealth Guidelines and the 2012 allocations of SSAF revenue were agreed between the University and the Guild and endorsed by Vice-Chancellor's Student Advisory Forum (VCSAF).

The Vice-Chancellor's Student Advisory Forum met three times during 2012. Student participation in 2012 was strong, and a number of action items relating to the improvement of the student experience were put forward by student members.

The first phase of the *Connect for Success* program was implemented in Semester 1, 2012. Approximately 700 students were contacted via email and/or telephone and offered the opportunity to opt into a case-management initiative to support their studies. The opt-in rate was 20 per cent, which is in line with take-up rates for similar programs at other universities.

The implementation of ECU's new Curriculum Framework (*Curriculum 2012*) commenced in Semester 1, 2012 and includes a number of initiatives and projects relating to the student experience and retention:

- On-campus commencing students undertook a post-entry language assessment (PELA). Those students identified as needing assistance were advised of opportunities available to them.
- New English language advisors were appointed across all faculties to assist in the provision of language assistance and support for students.

In Semester 2, 2012, students received extensive feedback within a week of completing the PELA. University-wide workshops were conducted at the Joondalup, Mount Lawley and South West campuses, addressing the most common errors noted in marking the PELA papers. The workshop content was also made available online to all students.

Commonwealth funding, through the Structural Adjustment Fund, was used to create a number of new flexible learning spaces on each campus. These spaces have been designed to enable teachers to create more learner-centred and flexible learning opportunities.

Action 3: Enhance the use of e-learning and increase flexibility in programs as part of Curriculum 2012.

ECU's Learning Management System (BlackBoard) was upgraded in 2012, providing improved useability and functionality. Learning Analytics was added to the Blackboard suite of products to provide information on user activity, course design, student grades and learning outcome data. A version of BlackBoard for mobile devices was released in Semester 2, 2012.

An improved BlackBoard professional development program was also implemented, involving more than 90 sessions, assisting staff to design units that take advantage of the opportunities in online learning.

An e-portfolio system, PebblePad, was selected and successfully trialled in Semester 2, 2012. The system will be available University-wide from 2013. An e-portfolio enables students and staff to organise and store electronic samples of their work as evidence of their capabilities. Support has been provided to develop the resources and training materials required to assist staff to implement e-portfolios in their units.

\$1.8 million (over 3 years) has been allocated from ECU's Strategic Initiative Fund to increase the number of fully online versions of ECU courses. The project is seeking to develop at least six fully-online courses by 2014 and enhance the quality of existing online programs. The courses involved include:

- Bachelor of Communications;
- Bachelor of Arts;
- Bachelor of Science (First Year);
- Bachelor of Science (Coastal and Environmental);
- Graduate Diploma of Occupational Health and Safety;
- Bachelor of Social Science; and
- Bachelor of Business (Marketing).

Student Recruitment

2012 saw the continuation of *The Road is Open* campaign with the two television commercials re-edited to provide greater focus on the University's five star ratings for teaching and graduate satisfaction.

Digital marketing continued to grow in importance in 2012, and there was significant growth in social media use: ECU's Future Students' Facebook fans grew to over 21,000 (129 per cent increase), Twitter followers grew to 5,517 (65 per cent increase), YouTube video views grew to 121,600 views (107 per cent increase) and LinkedIn members grew from 811 members to 1,264 (55 per cent increase).

Enquiries generated through marketing efforts continued to grow, with a 27 per cent increase in visits to the Future Students' website and a 19 per cent growth in enquiries to the Student Recruitment area through email, phone and online chat.

New Course Offerings in 2012

ECU continuously improves its course offerings to maintain currency and respond to the changing needs of the community it serves. New courses introduced in 2012 included:

- Graduate Certificate in Intelligence;
- Bachelor of Engineering (Marine and Offshore Systems);
- Bachelor of Engineering (Ocean Engineering);

- Bachelor of Engineering (Naval Architecture);
- Bachelor of Science (Sports Science and Football); and
- Bachelor of Technology (Aeronautical).

Enrolments

Total enrolments declined slightly in 2012, mainly attributable to a decline in international on-shore and off-shore bachelor and postgraduate numbers. Table 3 on page 34 shows ECU's enrolments for the period

2008-2012 by course award level. Other enrolment information (by campus, gender and citizenship) is shown in the Additional Facts and Statistics section beginning on page 146.

Top 5 Most Popular Fields of Study 2012

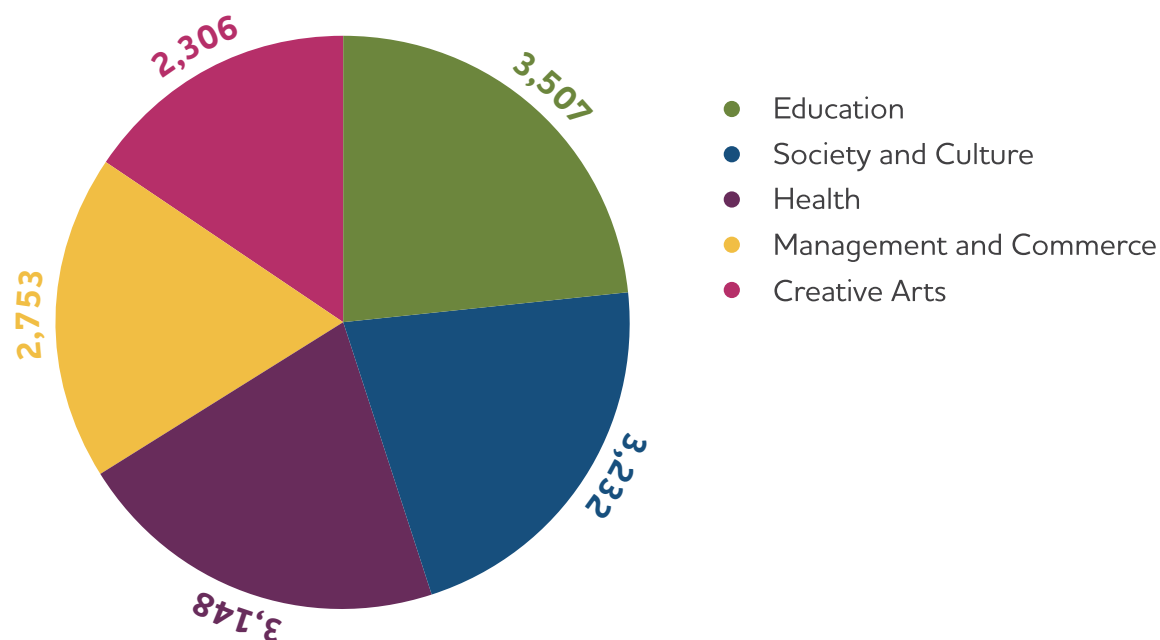


Table 3: Enrolments by Course Level, 2008-2012

	2008	2009	2010	2011	2012
Doctorate by Research	341	385	436	444	441
Doctorate by Coursework	57	43	39	29	22
Master by Research	130	127	154	164	166
Master by Coursework	2,547	3,029	3,178	2,545	2,227
Postgraduate/Graduate Diploma	1,155	1,197	1,275	1,280	1,301
Postgraduate/Graduate Certificate	728	782	719	690	765
Bachelor Honours	182	168	189	143	139
Bachelor Pass	14,359	14,973	16,412	17,169	16,949
Associate Degree	85	103	113	113	92
Advanced Diploma/Diploma	72	78	46	28	25
Vocational Education and Training	417	465	523	477	492
Enabling and Other	955	924	1,068	782	896
Total	21,028	22,274	24,152	23,864	23,515

Notes: 2012 data is as at 23/01/2013. 2011 data is finalised and differs from the provisional figures reported in the Annual Report for 2011.

Retention

The retention rate for ECU students who commenced in 2011 and were retained into 2012 declined compared with the previous year's results, and was below target (see **Report on Key Performance Indicators** beginning on page 36).

Strategies utilised in 2012 to improve retention, included:

- expansion of the Retention and Persistence Transition Support (RaPTS) peer mentoring support initiative for all first year students university-wide;
- implementation of the *Connect for Success (C4S)* initiative which offers specialised services to students that require additional support to complete their studies; as part of C4S, Student Connect Officers case managed specialist support to students; and
- ECU-funded scholarships, grants and loans to assist students in financial difficulty, particularly where there was a risk of ceasing studies.
- a Post Entry Literacy Assessment of first year students assisted in the identification of students' English language proficiency and enabled staff to offer assistance when required;
- First Year Co-ordinators in each faculty and school managed the First Year Experience programs to assist first year students successfully transition to university;

Gold medal customer service

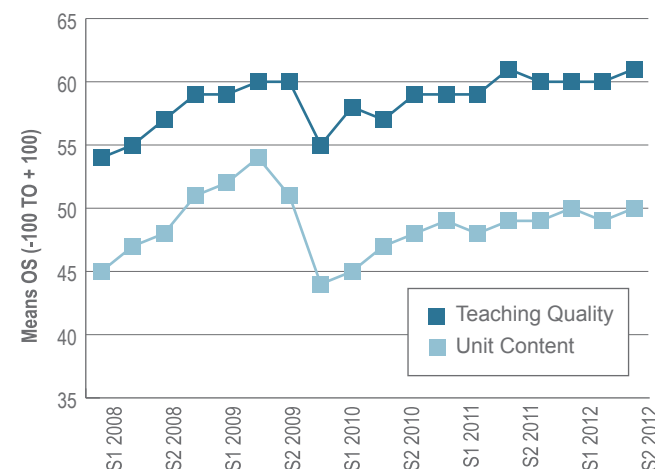
The Contact Centre, located in the Student Services Centre, won the Gold Medal in the 2012 National Customer Service Council Awards. The Centre was the winner in the Small Enterprise category, receiving the award for outstanding customer service excellence.

Graduate Satisfaction and Graduate Outcomes

ECU continued to perform well on measures of teaching excellence. These measures are derived from the national Course Experience Questionnaire (CEQ) and ECU's own online Unit and Teaching Evaluation Instrument (UTEI) and mid-course CEQ survey.

Student satisfaction with teaching quality and unit content (as measured by the UTEI) both increased in 2012 and have steadily increased since 2008.

Figure 3: Unit and Teaching Satisfaction, 2008-2012

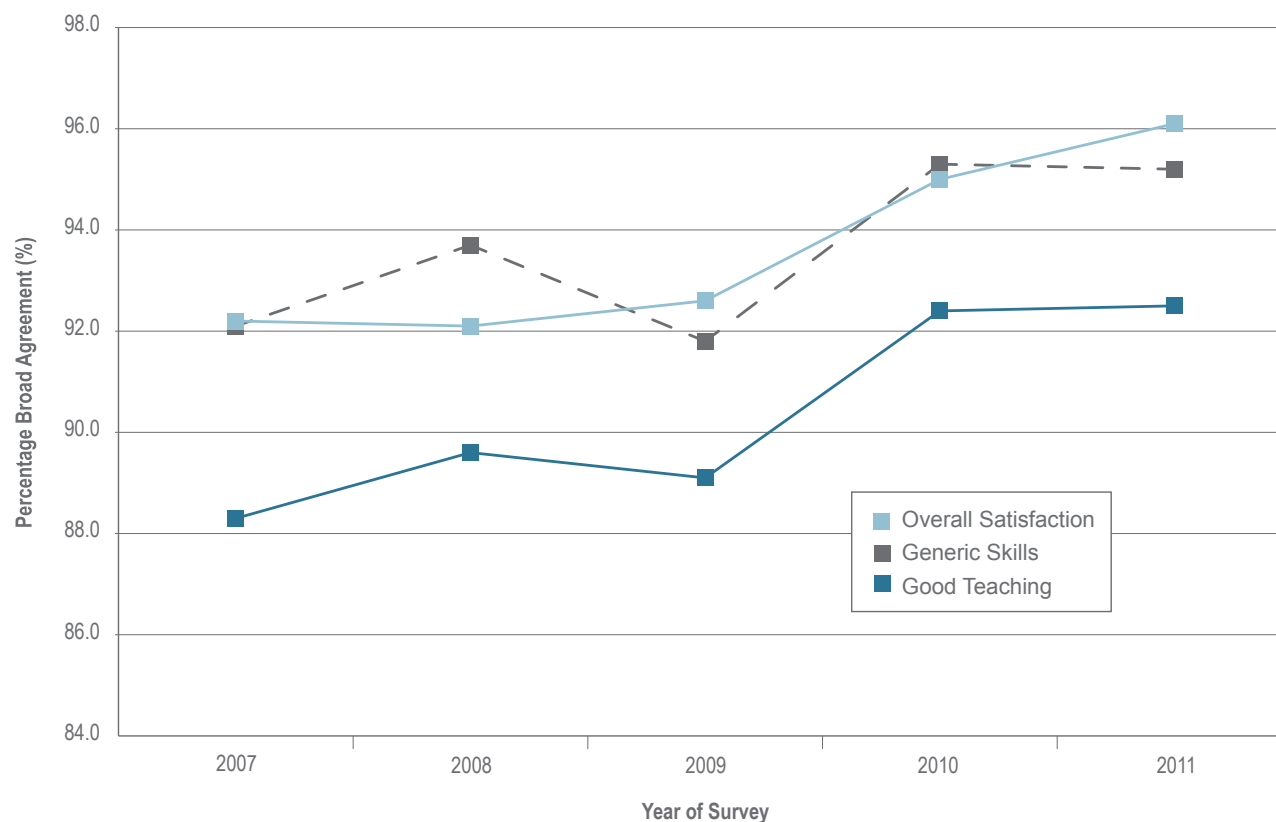


Notes: Mean overall satisfaction is measured on a scale of -100 to +100. The measure includes all ECU student cohorts and all coursework units.

In the latest CEQ survey results, ECU was ranked 5th nationally for Overall Course satisfaction. On Good Teaching satisfaction ECU was ranked 3rd nationally and for the fourth consecutive year ECU was rated above all other Western Australian universities. On Generic Skills satisfaction ECU ranked 4th out of the Australian universities. ECU has been consistently above the State and national averages for these indicators and the latest survey results are the best yet for ECU.

Additional data on course satisfaction and quality of teaching including comparison with State and national benchmarks can be found in the **Report on Key Performance Indicators** beginning on page 36.

Figure 4: Graduate Satisfaction, 2007-2011



Notes: The three measures record the percentage of ECU Bachelor level graduates who, in responding to the relevant Course Experience Questionnaire survey items 'broadly agree' with those statements. The percentage broad agreement is the percentage of responses that are 3 (neither agree nor disagree), 4 (agree) and 5 (strongly agree) on the five-point Likert scale.

ECU's graduate full-time employment rate in the 2011 Graduate Destination Survey showed a decline – as did all Western Australian universities – reflecting the prevailing economic conditions at the time the survey was taken (see **Report on Key Performance Indicators** beginning on page 36). ECU is continuing to develop new approaches to improve its graduate employment outcomes and in December 2012 an additional strategic priority specifically addressing the improvement of graduate outcomes, was approved by Council, highlighting the significance of this issue. Approaches being used to increase employment opportunities for graduates include:

- a focus on employability in the new Curriculum Framework project;
- engagement with course consultative committees to support the relevance and currency of all courses;
- increasing practicum components and opportunities for workplace-integrated learning across courses; and
- support from ECU careers staff for students in their search for employment, including bringing industry representatives to the campuses, organising employment workshops and Career Expos.

ECU's graduate further study rate improved in the 2011 Graduate Destination Survey. ECU ranked 2nd of the Western Australian universities in the latest survey, with a score again above the State average.

Award-winning smartphone app

An app developed by ECU students that turns a smartphone into an emergency beacon won a prestigious Western Australian Information Technology Telecommunications Award (WAITTA) and national iAward. The app was developed in collaboration with the Western Australian Police and is available for Android and iPhone.

STRATEGIC PRIORITY THREE: DEVELOPING RESEARCH FOCUS, DEPTH AND IMPACT

HIGHLIGHTS

Huntington's disease study

ECU researchers undertook a world-first study in 2012, that could change the way Huntington's disease is treated. Following a regular program of brain-training exercises, gym training and social stimulation, researchers found the participants deteriorated 50 per cent slower than the control group and increased their muscle mass.

Winning cell research

ParkC research Fellow Dr Rob White won the *Department of Health Western Australia New Investigator Prize for Biomedical Research* for his presentation outlining his research into stem cells. Dr White is currently collaborating with King's College, London, and the \$2000 prize will enable him to undertake further collaborative research in the eastern states.

ECU's Health/InfoNet turns 15

The nationally recognised Australian Indigenous Health/Infonet celebrated its 15th anniversary in 2012. Established in 1997 by former GP and Director, Professor Neil Thomson, and based at the Mount Lawley Campus, the online health resource is a one-stop-shop, providing knowledge and information on Indigenous health. The website is freely accessible to policy makers, health practitioners and researchers.

ECU's Key Research and Research Training Outcomes in 2012

The University's governing Council approved one key action for this Strategic Priority for 2012. This action was fulfilled with the following outcome:

Action: Attain the targets set for 2012 in the Collaborative Research Networks (CRN) funding for ECU, in order to build these areas of research concentration, depth and impact.

ECU received \$5.6 million in funding from the Australian Governments' Collaborative Research Network (CRN) initiative, for collaborations between ECU researchers and some of Australia's leading scientists to develop world-class research outcomes. The six CRN projects initiated in 2011 are:

- Promotion of mental health and wellbeing in young people;
- Exercise medicine for the prevention and management of chronic disease;
- Integrated health services to enhance community based health care;
- Nano-photonics and nano-electronics to support national frontier technologies;
- Protection of coastal ecosystems and marine resource management; and
- Advanced technologies for leading teaching and education practice.

CRN funding is already making a significant positive impact at ECU by increasing research outputs. Researchers have also used the opportunity that the CRN provides to build and develop collaborative relationships with a view to sustaining research networks beyond the life of the CRN project.

CRN targets for increased research output were achieved in 2012. Specifically:

- 25 grant applications were submitted to various external granting bodies in conjunction with CRN partners;
- 12 collaborative journal articles and two book chapters were submitted and/or published;
- 10 Visiting Fellows have engaged in research-related activities at ECU;
- 11 PhD students are currently being co-supervised; and
- four training schools were held to provide practical assistance to early-career researchers.

Research Profile

ECU seeks to be recognised for high impact research providing social, economic, environmental and cultural benefits, with eight identified areas of research focus:

- Health and Wellness;
- Education;
- Environment and Sustainability;
- Engineering and ICT;
- Social and Community;
- Business and Society;
- Communications and Creative Arts; and
- Security, Law and Justice.



Engaged Research

ECU and Chevron collaboration

An acoustic sensor the size of a smartphone is helping to protect Barrow Island's unique native fauna from the Asian House Gecko. This work is a research collaboration between ECU's Associate Professor Adam Osseiran and Chevron Australia, which operates the Gorgon Project on the island.

Migrant worker study

In an industry-first study, researchers from ECU's School of Management explored why resources companies could not attract workers from other states to Western Australia and had to recruit migrant workers through the 457 visa scheme. The study, in conjunction with the Australian Mines and Metals Association, will inform the resources sector on how best to attract skilled workers.

Teaching with technology

School of Education researcher Dr Jenny Lane hosted a series of free seminars in 2012 for teachers from schools across Western Australia. She shared the results of her TRACK iPad Project in Schools (TIPS), showing the teachers how to use iPads to enhance their lessons.

Research Administration

ECU continued to strengthen its research culture to support growth in capacity and capability with targeted appointments of research staff and the appointment of a new Director of the Office of Research and Innovation, Dr Margaret Jones, in May 2012.

In 2012 the *Acknowledging Successful Performance in Research Excellence* (ASPIRE) project was implemented. The project is a revised model for measuring and quantifying research and was developed to broaden the scope of the indices of research performance measured at ECU, in particular engaged research.

An extensive review of ECU's Research Grants Administration Processes, including the Research Management System, was undertaken by Deloitte in 2012. The recommendations to improve the service delivery model and organisation design have for the most part been implemented, providing a more streamlined process for researchers to progress from concept development, through grant submission and management of successful applications.

The Office of Research and Innovation also underwent an internal audit of its research administration functions in 2012. All recommendations from that audit have been implemented.

Research Funding

Total research income is expected to reach \$15.7 million, thereby exceeding budget target (\$14 million), though slightly lower than the 2011 result (\$15.75 million). Research income in 2010 was \$15.3 million. The Australian Government's total research block grant allocation for 2012 was \$8.1 million, a 7 per cent increase from the 2011 allocation (\$7.6 million).

Research Funding by Category (\$m)

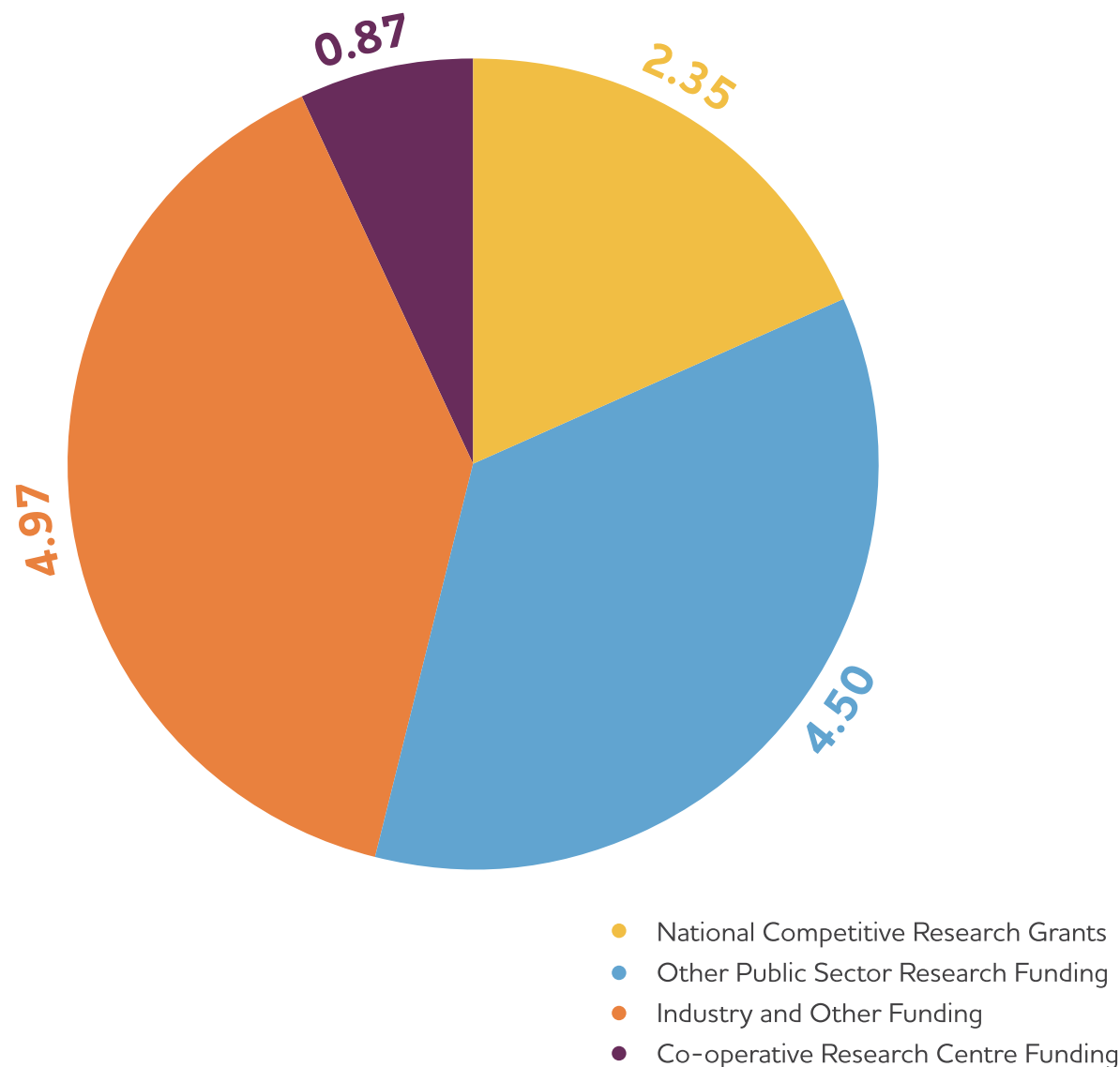


Table 4: Research Block Funding by Category, 2008-2012 (\$m)

	2008	2009	2010	2011	2012
Joint Research Engagement Program	1.92	1.87	2.03	2.19	2.42
Research Training Scheme	4.33	4.38	4.41	4.41	4.48
Research Infrastructure Block Grant	0.46	0.39	0.37	0.47	0.51
Sustainable Research Excellence	-	-	0.45	0.52	0.71
Total	6.71	6.63	7.27	7.59	8.12

Table 5: Research Funding by Category, 2008-2012 (\$m)

	2008	2009	2010	2011	2012
National Competitive Research Grants	2.15	2.91	2.75	2.80	3.17
Other Public Sector Research Funding	7.24	7.71	8.30	8.40	6.11
Industry and Other Funding	2.93	2.01	4.21	4.55	5.21
Co-operative Research Centre Funding	0.075	0.18	0.05	0	1.22
Total	12.39	12.81	15.31	15.75	15.70

Notes: the 2012 income figures are unaudited and are as at 28/2/2012. The 2011 income figures are final (audited) and differ from the provisional figures reported in the Annual Report for 2011.

Table 6: Higher Degree by Research Student Load, 2008-2012

	2008	2009	2010	2011	2012
Research Training Scheme	185	205	255	285	299
ECU-funded	64	81	70	52	42
International	82	88	108	115	115
Domestic Tuition Fee	6	5	4	3	2
Total	337	380	437	455	458

Notes: 2012 data is as at 23/01/2013. 2011 data is finalised and differs from the provisional figures reported in the Annual Report for 2011.

In 2012 ECU increased its strategic research investment by 8 per cent to \$9.8 million, with a focus on increasing external research collaborations and building research capacity. These funds were applied to key State, national and international initiatives, fellowships, scholarships and infrastructure, in order to foster industry linkages and commercialisation in areas of research priority.

ECU maintained its position in the top Tier Two funding group for Sustainable Research Excellence based on Category 1 Australian Competitive Research Grant income. New grants announced in 2012 included four NHMRC projects totalling \$2.5 million (see below) and an ARC Discovery grant project valued at \$330,000.

National Health Grants

ECU researchers secured a total of \$2.5 million over three years from the National Health and Medical Research Council (NHMRC):

- Professor Beth Armstrong, received grants totalling \$1.376 million for two different projects, one focussing on the early treatment of aphasia in stroke survivors and the second focussing on the rehabilitation of indigenous stroke and traumatic brain injury survivors;
- ECU cyber-bullying expert Professor Donna Cross received \$620,000 to focus on targeted interventions to reduce mental health problems resulting from bullying in schools; and
- Associate Professor Mel Ziman and her team received \$551,000 to look at the mutation characteristics of melanomas and the creation of personalised treatment programs for each case.

Research Training

ECU's research and higher degree students and graduates continue to rate highly the support provided to them by their supervisors and ECU's Graduate Research School (GRS). In 2012 ECU scored a satisfaction rating of 98 per cent from international research students surveyed by the International Student Barometer Entry Wave. This placed GRS highest of the 18 Australian universities surveyed, and the second highest of the more than 100 institutions surveyed globally.

The Postgraduate Research Experience Questionnaire (for both domestic and international students) also shows high levels of student satisfaction with ECU. For the last two years ECU has been rated above the national average.

Professor Ron Adams from Victoria University was invited to run a "Writers' Retreat" in October 2012. Twelve ECU and five Victoria University students participated. There was excellent feedback from the retreat, in particular the opportunity to collaborate across institutions, and the opportunity to get targeted writing development training.

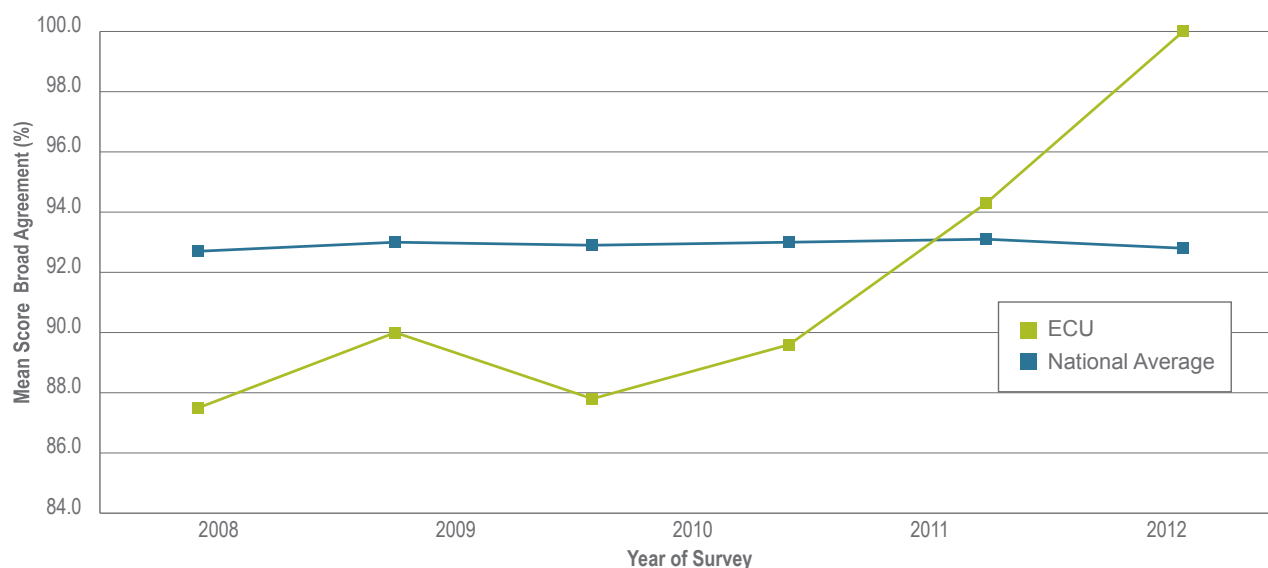
A project to develop a "toolkit" for supervisors was undertaken in collaboration with Swinburne University, Victoria University, University of Southern Queensland and Central Queensland University. The "toolkit" will be available online and will be incorporated into existing training for ECU supervisors.

Responding to student feedback on training requirements, the research training program for Higher Degree by Research candidates expanded in 2012. An additional

research trainer role has been established, responsible for the provision of more advanced qualitative research training.

The final draft of the Good Practice Framework (an ECU initiative funded by an Office of Learning and Teaching grant received in 2011) was presented in November to the Directors and Deans of Graduate Schools. The Framework will be implemented at ECU during 2013, and will help improve research training quality and provide opportunities for benchmarking with other institutions.

Figure 5: Higher Degree by Research Graduate Satisfaction, 2007-2011



Notes: This measures the percentage of ECU Higher Degree by Research graduates who, in responding to the overall satisfaction item from the national Postgraduate Research Experience Questionnaire "broadly agree" with the statement "Overall, I was satisfied with the quality of my higher degree research experience". The percentage broad agreement is the percentage of responses that are 3 (neither agree nor disagree), 4 (agree) and 5 (strongly agree) on the five-point Likert scale.

Research Week

The Bunbury, Joondalup and Mount Lawley campuses again hosted the annual **Research Week** event in September, with seminars, presentations and exhibitions to inspire the next generation of researchers. The ECU *Three Minute Thesis* Competition showcased research undertaken by higher degree by research candidates. School of Exercise and Health Science PhD candidate Kitty-Rose Foley won the ECU competition for her presentation on her research, which asks young people with Down Syndrome "what do you want to be when you grow up?".

STRATEGIC PRIORITY FOUR: BUILDING ORGANISATIONAL SUSTAINABILITY

HIGHLIGHTS

New building program

Work began in 2012 on a \$72 million building program for the Joondalup Campus. The Building 34 project includes a five-floor, state-of-the-art building, as well as a new student hub with shops and a marketplace to increase the vibrancy of the campus.

Engineering laboratory

A new engineering laboratory, housed within ECU's multi-million dollar Engineering building on the Joondalup Campus, was established in 2012. The Schneider Electric Automation and Control Laboratory is a partnership between ECU and Schneider Electric and features the latest engineering and processing technology and equipment to help students learn the skills needed to meet Australia's mining boom.

Staff survey

The 2012 survey of University staff achieved an excellent response rate of 78 per cent. For the first time, results were benchmarked against 38 other universities. The comparison showed that ECU staff reported considerably higher levels of engagement and commitment to the organisation in every one of the four items measured, than their peers in other Australian/New Zealand universities.

ECU's Key Organisational Sustainability Outcomes in 2012

The University's governing Council approved two key actions for this Strategic Priority for 2012. These actions were fulfilled with the following outcomes:

Action 1: Develop strategies throughout ECU to prepare for, and limit the financial impact of, the 2015 "half-cohort" of WA school leavers.

In April 2012 the Vice-Chancellor tasked the Vice-President (Corporate Services) with the co-ordination of planning to safeguard the financial sustainability of the University during the period of potentially reduced domestic student demand in 2015, resulting from the "half-cohort" of Western Australian school-leavers in 2014. A range of financial management strategies were initiated as part of the 2012 and 2013 budget process. In addition a new Enterprise Resource Allocation Model was developed as part of the 2013 budget setting process to allow the University to make strategic allocation decisions in resource-constrained circumstances.

In addition, the Vice-Chancellor together with vice-chancellors from the other Western Australian universities have been exploring the possibility of State and/ or Australian government assistance to contribute to offsetting the financial impact of the half-cohort between 2015 and 2018.

Action 2: Develop and commence implementation of an integrated fundraising program and strengthen links between advancement and engagement through partnerships, fundraising and Alumni relations.

New fundraising policies and procedures were approved by the ECU Foundation Board in May 2012. The suite of policies provides a strong framework upon which the fundraising activities of the University will be built. These policies will also enhance the integration of fund

raising, alumni relations and engagement across ECU, while a new account management system will coordinate approaches to companies and individuals.

Tools for fundraising success have been created, including a wide range of Case Statements which articulate the reasons for and benefits of supporting ECU projects, and a manual of best practice.

Organisational Sustainability at ECU

This Strategic Priority comprises four elements:

- Staffing;
- Financial Positioning;
- Infrastructure; and
- Sustainability.

Staffing

In 2012 the Vice-Chancellor approved the new *ECU Staffing Plan, 2012-15* which covers the key workforce planning issues and strategies to 2015. This plan also incorporates the University's major equity and diversity commitments in relation to staffing, with the inclusion of an Equal Employment Opportunity Management Plan (EEOMP) addressing the legislative requirements of the *Equal Opportunity Act 1984* (WA).

For the first time, ECU's 2012 staff survey was undertaken by an external provider, VOICE Project. The use of this survey instrument provided opportunities for benchmarking with results from 37 other universities in Australia and New Zealand.

The survey achieved a response rate of 78 per cent (1460 staff), the highest rate since the biennial ECU staff surveys began in 2002. Significantly, ECU scored above average on each of the 44 survey items that were benchmarked.

ECU staff reported high levels of engagement and commitment to the University. Strong scores on items relating to the purpose and direction of the organisation

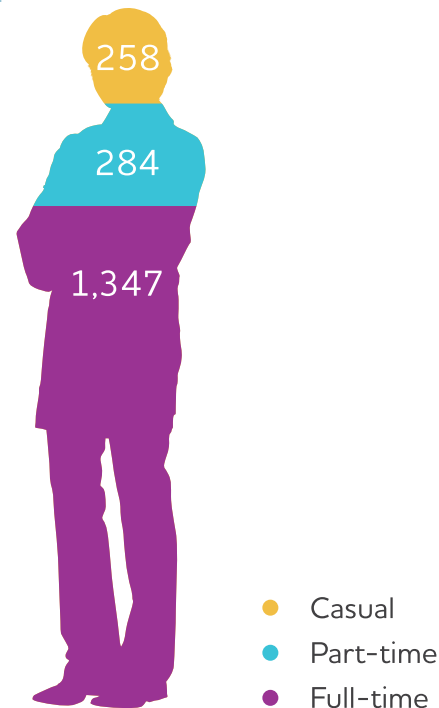


suggest that ECU staff are aware of, and believe in, the ECU Values, understand that high standards of performance are expected of them and understand how their jobs contribute to the overall success of ECU.

Notwithstanding the commendable results for ECU overall in comparison to the other 37 universities, staff experiences varied in different parts of the University. Opportunities for improvement were identified in areas relating to management of change, innovation, recruitment and selection, involvement in decision-making, workload and support for research activity. These issues are being analysed further and will be taken up with staff.

The full survey results are available from the **Human Resources Service Centre** website.

Staff



Strengthening ECU's Leadership Capacity

A number of significant appointments were made in 2012. These included:

- Professor Arshad Omari, re-appointed as Deputy Vice-Chancellor (Academic);
- Professor Ron Oliver, appointed to the new position of Deputy Vice-Chancellor (Teaching, Learning and International);
- Mr Scott Henderson commenced as Vice-President (Corporate Services);
- Professor Colleen Hayward AM, appointed Pro-Vice-Chancellor (Equity and Indigenous);
- Professor Lynne Cohen, appointed Pro-Vice-Chancellor (Engagement: Communities) and Executive Dean, Faculty of Education and Arts;
- Professor Ken Greenwood, appointed Pro-Vice-Chancellor (Engagement: Science, Technology and Engineering) and Executive Dean, Faculty of Computing, Health and Science;
- Professor Daryoush Habibi, re-appointed Head of the School in Engineering, Faculty of Computing, Health and Science;
- Associate Professor Moira Sim, re-appointed Head of the School of Medical Sciences, Faculty of Computing, Health and Science;
- Associate Professor Andrea Hinwood, appointed Head of the School of Natural Sciences, Faculty of Computing, Health and Science;
- Professor Anne Wallace, appointed Head of the School of Law and Justice, Faculty of Business and Law;
- Professor Christopher Brook, appointed Head of the School of Education, Faculty of Education and Arts;
- Professor Caroline Barratt-Pugh, promoted to the position of Professor within the School of Education;
- Professor Daniel Galvão, promoted to the position of Professor within the ECU Health and Wellness Institute;
- Mrs Elizabeth Wilson, appointed Chief Information Officer;
- Mr David Howard, appointed University Librarian; and
- Dr Margaret Jones, appointed Director of the Office of Research and Innovation.

Financial Positioning

The University's four strategic priorities are reflected in University-wide strategic budget allocations and in the expenditure plans of individual faculties, schools and service centres. ECU has implemented budget strategies to enable ECU to respond quickly to change, while progressing its Purpose, Vision and Strategic Priorities.

These budget strategies work in parallel with complementary initiatives designed to:

- continue to focus ECU's academic activities and staff profile in areas of strength;
- improve the quality of activities, services and outcomes in teaching and research; and
- support the financial viability of ECU through a combination of cost-savings and improved efficiencies, and through the achievement of revenue growth targets.

ECU overall financial position remained sound and the University received a "clean bill of health" from the Department of Industry, Innovation, Science, Research and Tertiary Education in its annual review of the financial position of Australian universities.

Throughout 2012 ECU operated within the key budget parameters approved by Council.

Performance against the 2012 financial targets set by Council was once again strong (see Summary of Performance Against Financial and Key Performance Indicator Targets, page 36). The University posted a 2012 operating result of \$28 million for the year, which was an increase of \$1 million from the original budget (\$27 million).

Total revenue for the University in 2012 was \$375 million, which was an increase of \$16 million from the original budget (\$359 million).

The University once again received an unqualified external audit opinion for 2012.

Council approved the ECU Budget for 2013 at its December 2012 meeting.

Student Load Targets

ECU's projections indicate that full-year total student load for 2012 was 18,132 Equivalent Full Time Student Load (EFTSL), a decline of 1.5 per cent from 2011 (18,410 EFTSL). The reduction in student load is attributed to ECU's strategic consolidation of off-shore activities and a fall in on-shore international students.

A decline in off-shore international students has occurred, with student load expected to be 876 EFTSL, a decline of 16 per cent or 170 EFTSL from 2011 (1,046 EFTSL). This results from a deliberate strategy by ECU to rationalise off-shore operations, as the University repositions offshore activities to focus on high academic quality and cost effectiveness.

Table 7: Student Load (EFTSL) by Funding Category, 2008-2012

	2008	2009	2010	2011	2012
Commonwealth Supported	10,622	11,409	12,654	12,996	12,998
Research Training Scheme and ECU-funded	249	287	325	337	340
Fee-paying International on-shore	2,390	2,665	2,734	2,595	2,384
Fee-paying International off-shore	1,659	2,069	1,788	1,046	876
Domestic Tuition Fee	640	731	768	963	1,050
Vocational Education and Training	418	449	490	474	483
Total	15,978	17,610	18,759	18,410	18,132

Notes: 2012 data is as at 23/01/2013. 2011 data is finalised and differs from the provisional figures reported in the Annual Report for 2010.

Across the sector, international student numbers have declined and it is believed that Western Australia's positive economic position will continue to restrict growth in domestic demand for higher education, as employment opportunities remain highly favourable.

Nationally, university enrolments have surged following the introduction of student demand driven funding for Commonwealth-supported places in 2012. However, the large growth in domestic student numbers in Queensland and Victoria in particular, have not been seen in Western Australia, predominantly because of historically lower levels of unmet demand for higher education in Western Australia. ECU experienced stable Commonwealth-supported student load in 2012. Projections indicate that ECU's Commonwealth-supported student load for 2012 will be 12,998 EFTSL, an increase of 2 EFTSL from 2011 (12,996 EFTSL).

ECU's on-shore international student load for 2012 is also expected to reduce to 2,384 EFTSL, a decline of 8 per cent or 211 EFTSL from 2011 (2,595 EFTSL). This can be attributed to sector-wide issues related to policy changes for student visas, the strong Australian dollar and increasing competition from other international education provider countries and from within former source countries supplying international students.

Infrastructure and Services

Building Infrastructure

ECU's Strategic Asset Management Framework and Buildings Asset Management Plan deliver a structured and consistent approach to the management of the University's assets. The framework and plan supports the University's Purpose, Vision and Strategic Priorities by delivering building infrastructure which enables ECU's core functions of teaching, learning and research.

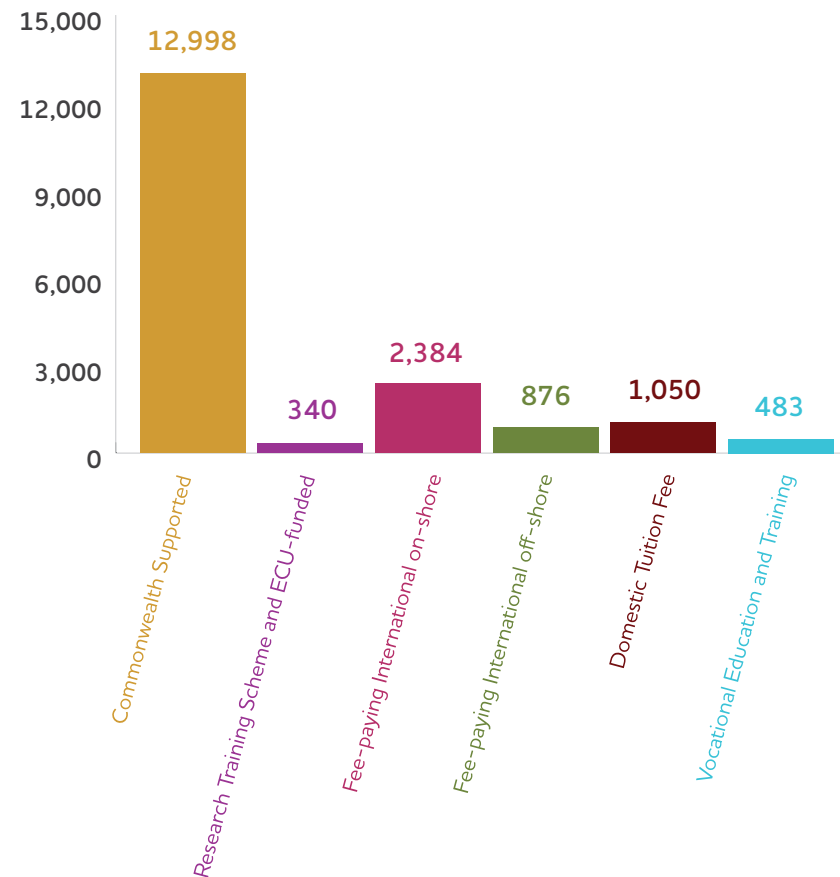
In 2012 all major building projects were conducted within budget and met milestone targets. Significant building projects included:

- A broad range of smaller scale projects were completed under the *Campus Renewal Program* which collectively contribute to the improvement of amenity across the University's campuses.
- The *Joondalup Sports and Recreation Building* (Building 22) underwent a substantial extension with the addition of extra sports halls, biomechanics laboratories, teaching spaces and offices. As part of this project, the ECU Joondalup Soccer Club Rooms (Building 25) was developed. This facility serves a dual purpose as both a teaching venue for ECU and club rooms for our engagement partner – the ECU Joondalup Soccer Club.
- A rain shield was installed and additional structural modifications were made to *Building 2* at the Joondalup Campus in order to rectify a major leak problem.
- An additional eight units were added to the Joondalup *ECU Business and Innovation Centre* at Collier Pass, bringing the total number of suites to thirty nine.

The following significant projects were at varying stages of development at the end of 2012:

- ECU has completed a Heads of Agreement with Campus Living Villages to develop an additional 125 *bed Student Accommodation Facility* on the Joondalup Campus. The project will be funded principally through the National Rental Affordability Scheme.

Research Funding by Category



- Planning and design work associated with the construction of the *Engineering Pavilion* on the Joondalup Campus has commenced. This facility will support growth in Engineering and negate the need for the University to lease additional off-campus accommodation. Construction will commence in early 2013, with a target completion date of mid-2014.
- Construction on the ECU Health Centre (incorporating the Wanneroo GP Super Clinic) will commence in early 2013.
- Site pre-works on Building 34 on the Joondalup Campus is largely complete with construction scheduled to commence in early 2013. It is anticipated that the building will be operational in time for Semester 1, 2015.

IT Infrastructure

Several major information technology projects were completed, or partially completed in 2012, including:

- development of a conceptual architecture and technology roadmap – assuring appropriate technology capability across the University to support new ways of delivering teaching and conducting research;
- upgrade to the wireless networks across all three campuses – allowing better access to the University network from Collaborative Learning Spaces and student social spaces;
- implementation of the Virtual Desktop Infrastructure (VDI) solution to support collaborative learning;
- completion of the first stage of the Identity and Access Management system implementation – provides a sustainable model for managing digital identities and access to University systems – a robust information security platform;
- deployment of Windows 7 into the standard operating environment for Windows-based computers;
- a major upgrade of BlackBoard including the implementation of BlackBoard Mobile – enabling students to access BlackBoard Learning Management System from their smartphones and tablets;
- a major upgrade of the Oracle Finance System; and
- commencement of a proof of concept for a content management system with cloud storage for teaching and learning content.

Major improvements were made in ECU's underlying technical infrastructure with the installation of new Voice Over Internet Protocol (VOIP) phones. Support and service processes were improved with the refinement of Incident and Problem Management processes.

Environmental Sustainability

ECU operates under an environmental management system accredited to ISO 14001, Environmental Management Systems. This system includes programs around energy, water, waste, travel and biodiversity that educate, inform and change behaviour on environmental issues. In 2012 ECU achieved re-certification of this system.

Improvements and achievements during 2012 included:

- The negotiation of a major cleaning and waste contract to improve cleaning and waste initiatives, increase recycling and reduce environmental impacts and waste to landfill.
- Appointment of Brookfield Co Gen Australia in September 2012 to partner with ECU to progress the gas-fired co-generation plant for the Joondalup Campus. This 'Private Public Partnership' project may significantly reduce the University's carbon footprint and energy costs.
- The investigation of an agreement with a private company to design, construct and operate a solar farm on the South West Campus at Bunbury. Similar to the gas fired co-generation project, this opportunity is designed to reduce the University's carbon emissions and reduce the cost of energy.
- Development of the Campus Access Strategy to progressively reduce reliance on motor vehicles and increase the use of public transport. Plans for improved end-of-trip facilities and development of Travel Plans for each campus will be implemented throughout 2013.



A Sustainable University

ECU has rolled-out a range of energy and water saving devices in its buildings including motion sensor lights in offices and reduced-flow taps in toilets and kitchens. In 2012 ECU was recognised as the most energy and water efficient university in Western Australia, by the 2012 Australian Campuses Toward Sustainability (ACTS) *Green Gown Awards*, where ECU won the *Continuous Improvement – Institutional Change* category.

ECU is the second most water efficient university in Australia. ECU has seen a reduction of 30 per cent in potable water use since 2008 and the University received a 2012 Water Wise award from the Western Australian Water Corporation in recognition of this achievement.

A low-angle photograph of a modern building facade. The left side features large, colorful panels in shades of light blue, green, and yellow. The right side is a dark, curved wall with several oval-shaped windows. The sky is a clear, bright blue.

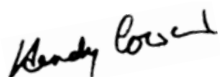
SECTION 2C PERFORMANCE

REPORT ON KEY PERFORMANCE INDICATORS

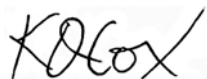
REPORT CERTIFICATION

We hereby certify that the key performance indicators are based on proper records, are relevant and appropriate for assisting users to assess ECU's performance, and fairly represent the performance of ECU for the financial year ended 31 December 2012.

Yours sincerely



The Hon Dr Hendy Cowan
Chancellor
6 March 2013



Professor Kerry O. Cox
Vice-Chancellor
6 March 2013

INTRODUCTION

ECU's Key Performance Indicators (KPIs) focus on the University's core business (teaching, learning and research) and key stakeholders (students). The KPIs are informed by the functions of the University as set out in Section 7 of the *Edith Cowan University Act 1984* (WA) (ECU Act), particularly:

- S7(a) "to provide...courses of study appropriate to a university to meet the needs of the community in this State."
- S7(c) "to support and pursue research and scholarship and aid the advancement, development, and practical applications to education, industry, commerce and the community, of knowledge or any techniques."

The University's strategic directions document: *Edith Cowan University: Engaging Minds; Engaging Communities. Towards 2020* was reviewed in 2012 and a revised document was approved by Council at its 13 December 2012 meeting. The revised document specifies ECU's purpose and five strategic priorities which articulate the University's commitment to the communities it serves.

ECU's Purpose is:

To further develop valued citizens for the benefit of Western Australia and beyond, through teaching and research inspired by engagement and partnerships.

ECU's five Strategic Priorities are:

1. *To create positive outcomes in our communities through mutually beneficial engagement;*
2. *To deliver accessible world-class education and an enriching student experience;*
3. *To enhance the personal and professional outcomes of graduates;*

4. *To strengthen research capability, capacity, translation and impact; and*
5. *To enhance organisational resilience, sustainability and reputation.*

The Annual Report section entitled Report on Operations has been structured around these strategic priorities, reflecting their importance in setting direction for the University's operations.

In this Key Performance Indicator Report, the functions specified in the ECU Act and reflected in ECU's current strategic priorities, provide the basis for the following outcomes, against which the University's performance is measured:

Outcome 1: ECU's courses of study meet the needs of the Western Australian community and are provided in a supportive and stimulating learning environment.

Outcome 2: ECU's research and scholarship advance and develop education, industry, commerce and the community, through the practical application of knowledge.

For each KPI, the Key Performance Indicator Report provides:

- ECU's performance over the last five years;
- a comparison to target for the most recent year; and
- wherever possible, comparisons to the overall performance of universities in Australia ("National Average") and to public universities in Western Australia ("State Average").

OUTCOME 1: ECU'S COURSES OF STUDY MEET THE NEEDS OF THE WESTERN AUSTRALIAN COMMUNITY AND ARE PROVIDED IN A SUPPORTIVE AND STIMULATING LEARNING ENVIRONMENT.

This outcome has the following measures:

Key Effectiveness Indicators	Retention
	Course Satisfaction
	Quality of Teaching
	Graduate Employment
	Share of First Preferences
Key Efficiency Indicator	Teaching-Related Expenditure per Student Load

1. Retention

Many factors influence whether students decide to remain in their studies (retention), including the relevance of those studies to their needs, and the learning environment in which that study takes place. Student retention is therefore an indicator of the extent to which ECU's courses meet the needs of the Western Australian community and are provided in a supportive and stimulating learning environment.

Retention is here defined as the percentage of all domestic and international students who commence a Bachelor Pass course in a given year (Year of Commencement) and either complete, defer or are still enrolled in the same course or another ECU course one

year later. This measure is calculated on a point-to-point basis, being 31 March of each year.

Table 8: Retention Commencing Bachelor Pass Students

	Year of Commencement				
	2008	2009	2010	2011	2012 ¹
ECU	78.9%	78.2%	80.4%	76.6%	
Target	80.0%	80.0%	80.0%	81.0%	
National Average ²	84.0%	84.0%	83.1%	n/a	

Notes: 1. Retention data for students commencing in 2012 will not be available until March 2013. 2. The National Average figures are from Table 4.9 of Appendix 4 on the DIISRTE website at: www.innovation.gov.au/HigherEducation/HigherEducationStatistics/StatisticsPublications/Pages/default.aspx. The National Average figure for 2011 will not be available until mid-2013.

The retention rate for ECU students commencing in 2011 decreased (by 3.8 percentage points) compared with the retention rate for those who commenced in 2010. The 2011 result is ECU's lowest result since 2009. The retention rate for ECU students commencing in 2011 is 4.4 percentage points below target, and is below the National Average.

ECU has committed significant effort and resources to improving retention of commencing students, including through additional student support and initiatives such as *Connect for Success* and the revised undergraduate *Curriculum Framework*.



2. Course Satisfaction

Graduates are more likely to rate their course highly, in terms of overall satisfaction, if the course was relevant to their needs, provided in a supportive learning environment and has proven useful and relevant in an employment context following graduation. Graduate satisfaction with the quality of their course is therefore an indicator of the extent to which ECU's courses of study meet the needs of the Western Australian community and are provided in a supportive and stimulating learning environment.

Comparative data on how ECU's graduates rate the quality of their courses is available from responses to the Course Experience Questionnaire (CEQ), a national survey of graduates conducted four to six months after course completion.

Course Satisfaction is here defined as the percentage of all domestic and international Bachelor level (Bachelor Pass, Bachelor Honours and Bachelor Graduate Entry) graduates who 'broadly agree' with the statement: "Overall, I was satisfied with the quality of this course" from the Course Experience Questionnaire. The percentage broad agreement is the percentage of responses which are 3 (neither agree nor disagree), 4 (agree) or 5 (strongly agree) on the five-point Likert scale.



Table 9: Undergraduate CEQ Course Satisfaction

	Year of Survey				
	2008	2009	2010	2011	2012 ¹
ECU	92.1%	92.6%	95.0%	96.1%	
Target	93.0%	93.0%	93.0%	95.0%	
National Average	88.5%	88.1%	93.1%	93.6%	
State Average	90.0%	89.9%	93.5%	94.4%	

Notes: 1. CEQ data for the 2012 survey was not made available by Graduate Careers Australia in sufficient time to allow inclusion in this Report.

The performance results are shown here by “Year of Survey”, as is common practice across the sector.

For the 2011 survey 2958 ECU Bachelor graduates were surveyed, of whom 1563 responded to the CEQ, equating to a response rate of 53 per cent.

ECU graduates’ Course Satisfaction level in the 2011 survey increased (by 1.1 percentage points), compared with the 2010 survey. The latest result is the highest of the last nine years (2003-2011). The 2011 survey result is 1.1 percentage points above target.

ECU’s Course Satisfaction results are consistently above both the National Average and the State Average.



3. Quality of Teaching

Graduates are more likely to rate highly the quality of the teaching in their course, if the content and teaching style was relevant to their needs and the course was provided in a supportive learning environment. Graduate satisfaction with the teaching they experienced during their course is therefore an indicator of the extent to which ECU’s courses of study meet the needs of the Western Australian community and are provided in a supportive and stimulating learning environment.

Comparative data on how ECU’s graduates rate the quality of the teaching they experienced is available from responses to the Course Experience Questionnaire (CEQ), a national survey of graduates conducted four to six months after course completion. Six items in the CEQ make up the Good Teaching Scale which is used to indicate how satisfied graduates were with the teaching experience during their course.

The Good Teaching Scale is here defined as the proportion of domestic and international Bachelor level (Bachelor Pass, Bachelor Honours and Bachelor Graduate Entry) graduates who ‘broadly agree’ on average with the six items comprising this scale. The percentage broad agreement is the proportion of a respondent’s scores on the six items which are 3 (neither agree nor disagree), 4 (agree) or 5 (strongly agree) on the five-point Likert scale.

Table 10: Undergraduate CEQ Good Teaching Scale

	Year of Survey				
	2008	2009	2010	2011	2012 ¹
ECU	89.6%	89.1%	92.4%	92.5%	
Target	90.0%	91.0%	91.0%	92.0%	
National Average	82.8%	82.8%	87.7%	88.5%	
State Average	85.0%	85.5%	88.7%	88.8%	

Notes: 1. CEQ data for the 2012 survey were not made available by Graduate Careers Australia in sufficient time to allow inclusion in this Report.

The performance results are shown here by “Year of Survey”, as is common practice across the sector.

For the 2011 survey 2958 ECU Bachelor graduates were surveyed, of whom 1563 responded to the CEQ, equating to a response rate of 53 per cent.

ECU graduates’ level of satisfaction with the quality of teaching for the 2011 survey increased slightly (by 0.1 percentage points), compared with the 2010 survey. The latest result is well above those in the survey years 2008 and 2009. The level of satisfaction in the 2011 survey year is above target by 0.5 percentage points.

ECU’s Good Teaching Scale results are consistently above both the National Average and the State Average.

4. Graduate Employment

There is strong evidence that many students undertake higher education for employment-related reasons (i.e. to gain employment, or to advance their career). The employers, on whom the job prospects of graduates largely depend, seek employees who have the skills and attributes needed in their professions and occupations. Graduate employment is therefore an indicator of the extent to which ECU's courses of study meet the needs of the Western Australian community and are provided in a supportive and stimulating learning environment.

Comparative data on employment outcomes for ECU graduates is available from the Graduate Destination Survey (GDS), a national survey of graduates, conducted four to six months after course completion.

Graduate Employment is here defined as the percentage of domestic Bachelor level (Bachelor Pass, Bachelor Honours and Bachelor Graduate Entry) graduates in full-time employment as a proportion of all domestic Bachelor level graduates in, or seeking, full-time work (including those who were working part-time or on a casual basis while seeking full-time employment).

Table 11: Domestic Bachelor Course Level Graduates in Full-time Employment

	Year of Survey				
	2008	2009	2010	2011	2012 ¹
ECU	84.7%	78.0%	75.6%	70.4%	
Target	87.0%	87.0%	83.0%	79.0%	
National Average	86.1%	81.1%	78.5%	78.7%	
State Average	87.9%	82.2%	77.5%	78.2%	

Notes: 1. GDS data for the 2012 survey were not made available by Graduate Careers Australia in sufficient time to allow inclusion in this Report.

The performance results are shown here by "Year of Survey", as is common practice across the sector.

For the 2011 survey 2331 ECU Domestic Bachelor graduates were surveyed, of whom 1277 responded to the GDS, equating to a response rate of 55 per cent.

The proportion of ECU graduates in full-time employment at the time of the 2011 survey declined by 5.2 percentage points, compared with those surveyed in 2010. The 2011 survey result is 8.6 percentage points below target and is below both the National Average and the State Average.

ECU's Full-time Employment results are consistently below the WA Average and have been below the National Average in four of the last five years.

ECU is addressing employment outcomes through a range of strategies, including:

- embedding an employability focus through all courses as a key part of the new Curriculum Framework;
- implementing an enhanced Careers Service from 2013, encompassing stronger links with teaching programs, enhanced frontline services and support for volunteering and student leadership activities; and
- developing a better understanding of graduate employment experiences through a follow-up telephone survey of 2010 and 2011 graduates.

5. Share of First Preferences

The relevance of courses and quality of the learning environment in which they are taught, as perceived by prospective students and the wider community, will influence demand for places at a university. ECU's Share of First Preferences, processed through the Western Australian Tertiary Institutions Service Centre (TISC), is an indicator of the level of demand for the University's undergraduate courses within the broader competitive market in the State. It is therefore an indicator of the extent to which ECU's courses of study meet the needs of the Western Australian community.

Share of First Preferences is here defined as the number of first preference applications for ECU's undergraduate courses, expressed as a percentage of all first preference applications to Western Australia's public universities as processed by TISC. Data is taken at the end of the applications process for that year's entry to university.

A definitional change was applied from 2010 to limit the data to applications for Bachelor and Associate Degree courses only.

Table 12: Undergraduate Share of First Preferences

	Entry Year				
	2008	2009	2010	2011	2012 ¹
ECU	18.9%	19.5%	20.1%	16.6%	17.3%
Target	20.0%	21.0%	21.0%	18.0%	16.0%
Curtin	31.6%	31.6%	34.0%	34.0%	36.2%
Murdoch	15.2%	14.5%	13.6%	14.2%	16.1%
UWA	34.2%	34.4%	32.3%	35.1%	30.4%

Notes: From 2010 a revised definition, approved by ECU's Council at its meeting of December 2009, has been applied. The change in definition provides better comparisons between the universities by limiting the data to applications for Bachelor and Associate Degree courses only. Therefore figures for 2008 and 2009 vary from those reported in earlier Annual Reports.

ECU's share of first preference applications for undergraduate courses processed through TISC increased by 0.7 percentage points between the 2011 and the 2012 entry years.

ECU's first preference share in 2012 is above target by 1.3 percentage points.

This measure excludes direct applications and the relevance of this KPI to ECU's performance continues to decline as the proportion of ECU students entering the University using pathways other than TISC increases.

6. Teaching-related Expenditure per Student Load

Teaching-related expenditure per Student Load shows the cost associated with providing teaching and learning support to a full-time equivalent student in a given year. Over time, the measure shows whether such costs are decreasing or increasing, which could be interpreted as indicating either increased efficiency or reduced efficiency respectively.

This measure must, however, be interpreted in the context of other KPIs associated with Outcome 1. A decrease in cost does not necessarily indicate improved efficiency if it leads to, for example, lower retention, graduate satisfaction or graduate employment outcomes. For example, a substantial increase in class size (student: staff ratio) may reduce costs, but might adversely impact on performance against other indicators.

Trends on this measure can also be affected by factors such as changes in the overall ECU student load, the proportion of costs which are fixed, and the proportion of student load in higher cost disciplines.

Teaching-related Expenditure per Student Load is here defined as the total expenditure less research-only expenditure, divided by total full-time equivalent students (EFTSL) in the year.

Table 13: Teaching-related Expenditure per Student Load

	Year of Survey				
	2008	2009	2010	2011	2012 ¹
Teaching-Related Expenditure (\$'000)	246,399	252,064	277,172	282,800	305,953
Total Student Load (EFTSL)	15,978	17,583	18,711	18,478	18,132
Teaching-Related Expenditure/Total Student Load (\$)	15,417	14,336	14,813	15,305	16,874
Target (\$) ²	15,619	14,756	14,572	14,719	16,645
Teaching-Related Expenditure/Total Student Load (2012 \$ equiv) ³	17,268	15,484	15,677	15,763	16,874
Target (2012 \$ equiv)	17,495	15,938	15,422	15,160	16,645

Notes: 1. 2012 projected full year student load figure is as at 23/01/2013 and includes VET course load. 2. Targets are derived from Teaching-Related Expenditure based on the Original Full year Budget divided by the total Student Load from the Budget. For 2012, this was \$299,799,000 divided by 18,011 EFTSL. 3. Prior year expenditure is indexed for current costs, based on CPI for December Qtr 2012.

Teaching-related expenditure per Student Load (2012 \$ equivalent) increased between 2011 and 2012. The 2012 figure is higher than targeted.



OUTCOME 2: ECU'S RESEARCH AND SCHOLARSHIP ADVANCE AND DEVELOP EDUCATION, INDUSTRY, COMMERCE AND THE COMMUNITY, THROUGH THE PRACTICAL APPLICATION OF KNOWLEDGE.

This outcome has the following measures:

Key Effectiveness Indicator	Research Income
Key Efficiency Indicators	Higher Degree Research Completions
	Research Publications

7. Research Income

Universities attract research income as a result of their: historical competitiveness in winning grants; previous research outcomes; and perceived ability to deliver quality research and scholarship. Research income, across the four categories listed below, reflects the relevance and potential impact of ECU's research as perceived by various funders. It is therefore an indicator of the extent to which ECU's research and scholarship, advance and develop education, industry, commerce and the community.

Research Income is here defined as the level of external research funding obtained during a year, in total and in each of the four categories defined by the Department of Industry, Innovation, Science, Research and Tertiary Education (DIISRTE).



Table 14: Research Income (\$m)

Category	2008	2009	2010	2011	2012 ¹
1 – National Competitive Research Grants	2.154	2.907	2.750	2.801	
2 – Other Public Sector Research Funding	7.235	7.709	8.301	8.402	
3 – Industry and Other Funding for Research	2.926	2.012	4.211	4.551	
4 – Co-operative Research Centre Funding	0.075	0.182	0.050	0	
Total	12.390	12.809	15.312	15.754	
Target	10.015	13.629	13.629	13.600	

Note: 1. Research income for 2012 is unavailable until verified by audit in June 2013.

Between 2008 and 2011, total research income has increased by \$3.364 million. Between 2010 and 2011 research income increased in three of the four categories defined by DIISRTE. Total research income in 2011 was above target by \$2.154 million.

8. Higher Degree Research Completions

Doctorate and Master by Research completions is a measure of ECU's success in training new researchers who will undertake research activity and scholarship, to advance and develop education, industry, commerce and the community.

Higher Degree Research Completions per 10 Academic FTE is a measure of the efficiency of ECU's higher degree research programs in providing new researchers to education, industry, commerce and the community.

Higher Degree by Research Completions is defined here as the number of Research Doctorates and Masters by Research theses passed in a year. Completions are also expressed per 10 full-time equivalent (FTE) academic staff, where academic staff are those at Level B and above, classified as 'teaching and research' or 'research only'.

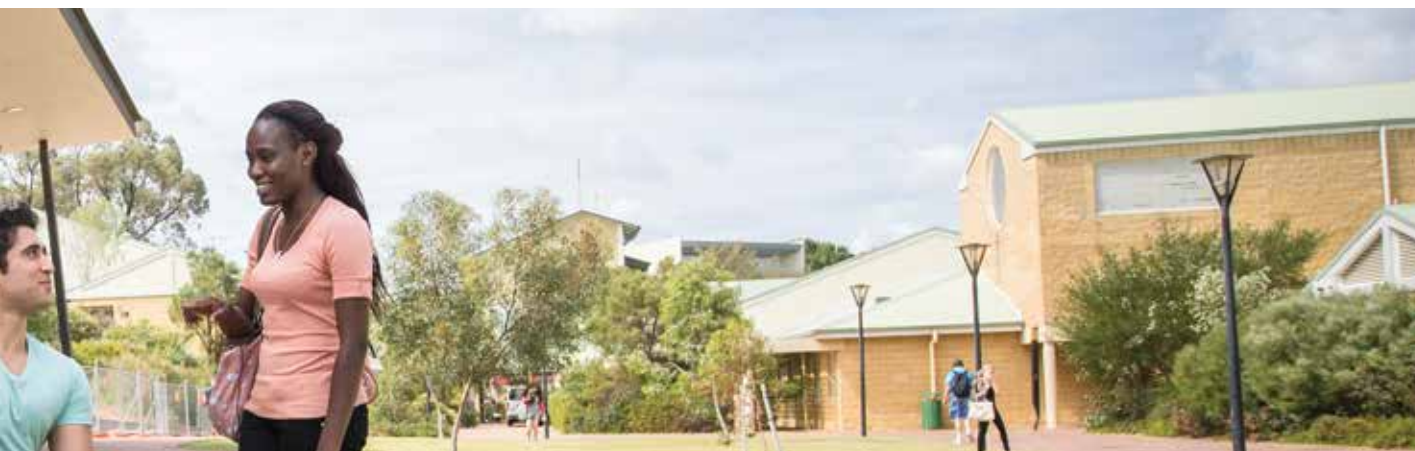


Table 15: Higher Degree Research Completions by level, total number and per 10 Academic FTE

	2008	2009	2010	2011	2012 ¹
Doctorate by Research	58	41	51	56	
Master by Research	35	23	19	22	
Total Completions	93	64	70	78	
Total State Completions	639	659	647	696	
Total National Completions	7,178	7,092	7,403	7,895	
Academic Staff FTE	448	494	531	517	
Completions per 10 FTE	2.1	1.3	1.3	1.5	
Target	1.9	2.2	2.2	2.2	

Note: 1. Research completions for 2012 are unavailable until verified by audit in June 2013.

State and National Higher Degree by Research completions for 2011 are from Table 8 of the 2011 Award Course Completions listings on the DIISRTE website at: www.innovation.gov.au/HigherEducation/HigherEducationStatistics/StatisticsPublications/Pages/default.aspx.

Total completions for both Research Doctorates and Research Masters increased between 2010 and 2011. Completions per 10 Academic Staff FTE increased (from 1.3 to 1.5) but remain below target by 0.7 completions per 10 Academic Staff FTE.

9. Research Publications

The number of recognised research and development publications produced in a year, as reported to the Department of Industry, Innovation, Science, Research and Tertiary Education (DIISRTE), is a direct measure of research output.



The number of weighted research and development publications per 10 Academic Staff FTE is a measure of the efficiency of research output and an indicator of how efficiently ECU's research and scholarship advance and develop education, industry, commerce and the community.

Research and Development "Weighted Publications" is defined as the number of publications in the DIISRTE-defined categories A1, B, C1, E1 and J1 in a year. The number of publications is assessed annually in a rigorous, externally audited system prior to submission to DIISRTE. Weighted publications are expressed per 10 full-time equivalent (FTE) academic staff, where academic staff are those at Level B and above, classified as 'teaching and research' or 'research only'.

Table 16: Research and Development Weighted Publications per 10 Academic FTE

	2008	2009	2010	2011	2012 ¹
Unweighted Publications per 10 FTE					
A1 – Authored Research Books	0.37	0.36	0.38	0.22	
B – Book Chapter	0.59	1.03	0.88	0.79	
C1 – Articles in Scholarly Refereed Journal	5.48	5.02	5.06	5.73	
E1 – Full Written Paper – Refereed Proceedings	4.25	3.32	3.53	3.90	
J1 – Major Original Creative Works	0.0	0.0	0.0	0.0	
Total Unweighted Publications	479.0	480.9	522.1	549.4	
Total Weighted Publications	545.8	552.9	602.1	595.4	
Academic Staff FTE	448	494	531	517	
Weighted Publications per 10 FTE	12.2	11.2	11.3	11.6	
Target	11.5	12.8	12.8	12.8	

Note: 1. Research publications figures for 2012 are unavailable until verified by audit in June 2013.

Total Unweighted Publications increased in number between 2010 and 2011, by 27.3 publications; however Total Weighted Publications decreased slightly over the same period by 6.7 publications. Weighted Publications per 10 Academic Staff FTE increased between 2010 and 2011 (from 11.3 to 11.6), but was below target by 1.2 publications per 10 Academic Staff FTE in 2011.





SECTION 3 SIGNIFICANT ISSUES





The Tertiary Education Quality and Standards Agency

The *Tertiary Education Quality and Standards Agency Act 2011* (Cwlth) established the Tertiary Education Quality and Standards Agency (TEQSA) as an agency replacing the Australian Universities Quality Agency. Under the TEQSA Act, TEQSA registers and evaluates the performance of higher education institutions against the Higher Education Standards Framework. This framework includes the Higher Education Threshold Standards. Like all Australian universities, from January 2012, ECU meets all the Threshold Standards required in order to be registered and operate as a higher education provider in Australia.

Master of Physiotherapy Course Accreditation

ECU's two-year graduate entry Master of Physiotherapy program (offered since 2010) has failed to gain accreditation status from the Australian Physiotherapy Council. The University attempted to address accreditation issues in the course when first notified in December 2011 and achieved provisional accreditation with conditions in August 2012. However, in December 2012 the University was informed that the provisional accreditation had been revoked. This has implications for the 2012 graduates of this course, as they will not be eligible for general registration as physiotherapists.

An alternative registration pathway has been identified by the Australian Physiotherapy Council for the 19 graduates affected by this decision. The University is currently doing everything in its power to support these students during the alternative registration process.

The 2015 Half-year Cohort

In 2001, the Western Australian Government increased the pre-school and school entry age by six months to align with other Australian states and territories. This change reduced the size of the kindergarten cohort in 2001 to

approximately 40 per cent. By 2014, this "half-cohort" will result in a Year 12 school-leaver cohort of approximately 13,000 students, compared to 21,000 students in the previous year. School leavers represent approximately 37 per cent of commencing domestic undergraduate enrolments to ECU, and cost management initiatives and enrolment growth strategies have been developed to offset the impact of the potential revenue reduction.

2012-13 Commonwealth Budget

The Commonwealth Budget continues to provide funding for implementation of the Government's education reforms, despite tightening fiscal conditions. Notable changes affecting higher education are described below:

2012 saw the introduction of changes to Commonwealth Grant Scheme (CGS) funding arrangements, to remove the "cap" on over-enrolments and the "safety net" guaranteeing funding on under-enrolments. An increase in funding from \$4 billion in 2011-12 to \$7.1 billion in 2012-13 for Fee-HELP was announced as part of this reform. This increase will also allow Vocational Education and Training (VET) students to access loans for their contributions to fees.

Funding to the Higher Education Participation and Partnerships Program (HEPPP) has been reduced. The "participation" component of the program was reduced by \$68.2 million over four years from 1 January 2013. However, \$50 million of these savings were redirected to the "partnership" component of the Program for outreach and collaboration activities to encourage people from low socio-economic status (SES) backgrounds to attend university. In 2013, ECU is forecast to have an overall reduction in HEPPP funding in excess of \$400,000.²

2. ECU's proportion of national HEPPP allocations varies year on year based on Australian Government low SES participation measures.

As part of the Mid-year Economic and Fiscal Outlook approximately \$1 billion in forward estimates for higher education were cut, including:

- Slowing the rate of funding increases for Sustainable Research Excellence (SRE) by maintaining funding at the 2012 level for the 2013 calendar year, then increasing funding over the three years to a maximum amount of \$300 million in 2016. SRE payments will decrease by \$79 million in 2012/13 (\$499 million over four years). Funding will then be indexed annually from 2017.
- Abolishing Facilitation Funding from 2014 (total \$270.1 million), which was an interim measure ahead of improved indexation arrangements.
- Maintaining Student Start-Up scholarships at the 2012 annual rate until 2017 (total \$82.3 million).
- Delaying until 2017 the extension of eligibility for student payment for all masters by coursework programs (total \$167 million).
- Applying a general interest charge to student income support debts (total \$40 million).

Student Visa Processing

In December 2010, the Australian Government appointed the Hon Michael Knight AO to conduct an independent review of the student visa program. One of the key recommendations of the Knight Review was to streamline visa processing arrangements for prospective international students. Amendments have now been made to the *Migration Regulations 1994* (Cwlth) (Migration Legislation Amendment Regulation 2012 (No. 1)). From 24 March 2012, prospective international students for ECU's doctoral, masters and bachelor degrees courses will be assessed as low migration risk once the University has accepted the enrolment, regardless of the students' country of origin.

The Defence Trade Controls Bill 2011 (the Export Controls Bill)

The Bill, passed in November 2012 introduces major changes to Australian export control rules. Changes of particular relevance to ECU include:

- regulation of intangible exports such as software and electronic files (including those transferred by person-to-person contacts or email)
- regulation of defence services, and
- brokering in such goods or services internationally, where there is a connection with Australia, but not necessarily involving an actual export from Australia.

In 2013 ECU's Risk and Assurance Services will implement risk management and compliance protocols to mitigate risks created by this change in legislation.

The Base Funding Review (Lomax-Smith Review)

The purpose of the Review, conducted during 2011, was to make recommendations on the principles for public investment in Australian higher education and inquire into the levels of funding that are appropriate for Australian higher education to remain internationally competitive.

The Government is yet to respond to the final report released by the Minister for Tertiary Education in December 2011, which included recommendations for changes to discipline cluster funding rates, loadings and specific purpose funding schemes.

2012/13 Western Australian State Budget

The Western Australian Government committed \$4.1 billion in 2012/13 to improve the State's public education system as part of the State Budget for 2012/13, which includes an allocation of \$341 million to transition Year 7 students to secondary schools from 2015.

An additional \$99 million over two years has been allocated from 2012/13 for the delivery of 33,000 VET training places in Western Australia to help address the State's future labour needs. No additional funding support for health and medical research was allocated by the 2012/13 State Government Budget.

National Review into Model Occupational Health and Safety (OHS) legislation

Harmonisation of the health and safety legislation across Australia will result in new work health and safety legislation in each jurisdiction. The Western Australian legislation was expected to be implemented from 1 January 2012, but the new laws are now expected to be enacted in 2013. ECU has reviewed the impacts of the proposed laws and is well prepared to meet the likely requirements of the new legislation.



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 and the consolidated entity.

The financial statements comprise the Statement of Financial Position as at 31 December 2012, the Income Statement, Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows of the University and the consolidated entity 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 and the consolidated entity at 31 December 2012 and their 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 2012.

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 2012.

Report on the Key Performance Indicators

I have audited the key performance indicators of the Edith Cowan University for the year ended 31 December 2012.

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.

AUDITOR GENERAL'S STATEMENT

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 2012.

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 2012 included on the University's website. The University's management are 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.

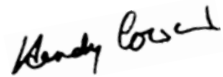


COLIN MURPHY
AUDITOR GENERAL
FOR WESTERN AUSTRALIA
Perth, Western Australia
12 March 2013


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 2012 and the financial position as at 31 December 2012.

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



The Hon Dr Hendy Cowan
Chancellor
6 March 2013



Professor Kerry O. Cox
Vice-Chancellor
6 March 2013

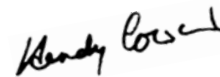


Mr Brad Francis
Chief Financial Officer
6 March 2013

CERTIFICATION OF FINANCIAL STATEMENTS REQUIRED BY DIIS RTE

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 2012 was for the purpose(s) for which it was provided.



The Hon Dr Hendy Cowan
Chancellor
6 March 2013



Professor Kerry O. Cox
Vice-Chancellor
6 March 2013



FINANCIAL STATEMENTS

Contents	Page
Income statements	55
Statements of comprehensive income	56
Statements of financial position	57
Statements of changes in equity	59
Statements of cash flows	60
Notes to the financial statements	61

This financial report covers both Edith Cowan University as an individual entity and the consolidated entity consisting of Edith Cowan University and its subsidiary. The financial report is presented in the Australian currency.

The financial report was authorised for issue by the Council on 14th day of March 2013. The consolidated entity has the power to amend and reissue the financial statements.

INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2012

		Consolidated		Parent entity	
	Notes	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Income from continuing operations					
Australian Government financial assistance					
Australian Government grants	4	167,994	144,882	167,994	144,882
HELP – Australian Government payment	4	76,575	74,279	76,575	74,279
State and Local Government financial assistance	5	11,796	12,774	11,796	12,774
HECS-HELP – Student payments		12,305	11,212	12,305	11,212
Fees and charges	6	70,308	67,193	70,308	67,193
Investment income	7	8,732	8,293	8,669	8,227
Royalties	8	7,018	8,599	4,022	5,273
Consultancy and contracts	9	6,251	4,130	6,251	4,129
Sale of goods		7,137	7,283	7,062	7,283
Other revenue	10	6,254	8,107	5,980	6,679
Total revenue from continuing operations		374,370	346,752	370,962	341,931
Gains on disposal of assets	11	2,531	8,685	2,568	8,685
Other investment income	7	771	1,559	771	1,559
Other income	10	1,002	1,252	1,002	1,252
Total revenue and income from continuing operations		378,674	358,248	375,303	353,427
Expenses from continuing operations					
Employee related expenses	12	214,543	197,482	211,913	194,654
Depreciation and amortisation	13	22,267	19,316	22,239	19,300
Repairs and maintenance	14	8,634	7,349	8,616	7,345
Borrowing costs	15	3,594	3,560	3,594	3,560
Impairment of assets	16	1,421	1,041	1,160	1,041
Investment losses	7	1,093	1,995	1,093	1,995
Cost of goods sold		3,708	3,766	3,708	3,766
Other expenses	17	97,755	91,004	95,112	88,827
Total expenses from continuing operations		353,015	325,513	347,435	320,488

INCOME STATEMENT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2012

		Consolidated		Parent entity	
	Notes	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Operating result before income tax		25,659	32,735	27,868	32,939
Income tax benefits/(expense)	18	(55)	118	-	-
Operating result from continuing operations		25,604	32,853	27,868	32,939
Operating result after income tax for the period		25,604	32,853	27,868	32,939

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

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2012

		Consolidated		Parent entity	
	Notes	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Operating result after income tax for the period		25,604	32,853	27,868	32,939
Gain/(loss) on revaluation of property, plant and equipment, net of tax	34	(3,032)	2,372	(3,032)	2,372
Gain/(loss) on value of available-for-sale financial assets, net of tax	34	1,852	(2,164)	1,852	(2,164)
Cash flow hedges, net of tax	34	1	23	1	23
Exchange differences on translation of foreign operations	34	204	(16)	-	-
Impairment adjustments	34	13	471	13	471
Total comprehensive income	34	(962)	686	(1,166)	702
Total comprehensive income attributable to members of Edith Cowan University		24,642	33,539	26,702	33,641

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

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2012

		Consolidated		Parent entity	
	Notes	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Assets					
Current assets					
Cash and cash equivalents	19	51,429	33,963	51,429	32,491
Receivables	20	9,130	15,847	9,130	15,194
Inventories	21	1,783	2,041	1,783	1,626
Other financial assets	23	92,476	70,351	92,476	70,342
Non-current assets classified as held for sale	24	16,853	31,516	16,853	31,516
Other non-financial assets	25	14,544	15,128	14,544	14,991
Total current assets		186,215	168,846	186,215	166,160
Non-current assets					
Receivables	20	26,816	25,577	26,816	25,577
Other financial assets	23	69,611	17,884	69,611	17,884
Property, plant and equipment	27	803,700	792,857	803,700	792,765
Investment properties	26	9,820	10,913	9,820	10,913
Deferred tax assets	28	-	193	-	-
Intangible assets	29	5,667	5,638	5,667	5,421
Total non-current assets		915,614	853,062	915,614	852,560
Total assets		1,101,829	1,021,908	1,101,829	1,018,720
Liabilities					
Current liabilities					
Trade and other payables	30	10,289	12,301	10,289	11,711
Borrowings	31	2,320	2,170	2,320	2,170
Derivative financial instruments	22	-	1	-	1
Provisions	32	39,652	33,389	39,652	33,157
Other liabilities	33	28,593	25,776	28,593	25,622
Total current liabilities		80,854	73,637	80,854	72,661
Non-current liabilities					
Borrowings	31	90,067	42,387	90,067	42,387
Provisions	32	66,875	66,405	66,875	66,340

STATEMENT OF FINANCIAL POSITION (continued)

AS AT 31 DECEMBER 2012

		Consolidated		Parent entity	
	Notes	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Deferred tax liabilities	28	-	87	-	-
Total non-current liabilities		156,942	108,879	156,942	108,727
Total liabilities		237,796	182,516	237,796	181,388
Net assets		864,033	839,392	864,033	837,332
Equity					
Reserves	34(a)	380,519	387,245	380,519	387,449
Retained earnings	34(b)	483,514	452,147	483,514	449,883
Total equity		864,033	839,392	864,033	837,332

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

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2012

	Consolidated			Parent entity		
	Reserves	Retained earnings	Total	Reserves	Retained earnings	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 January 2011	385,921	419,932	805,853	386,109	417,582	803,691
Profit or loss	-	32,852	32,852	-	32,938	32,938
Gain/ (loss) on revaluation of property, plant and equipment	2,372	-	2,372	2,372	-	2,372
Gain/ (loss) on available-for-sale financial assets	(2,164)	-	(2,164)	(2,164)	-	(2,164)
Cash flow hedges	23	-	23	23	-	23
Exchange differences on translation of foreign operations	(16)	-	(16)	-	-	-
Impairment adjustments	471	-	471	471	-	471
Transfer between reserves	638	(638)	-	638	(638)	-
Total comprehensive income	1,324	32,214	33,538	1,340	32,300	33,640
Balance at 31 December 2011	387,245	452,146	839,391	387,449	449,882	837,331

	Consolidated			Parent entity		
	Reserves	Retained earnings	Total	Reserves	Retained earnings	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 January 2012	387,245	452,146	839,391	387,449	449,882	837,331
Profit or loss	-	25,604	25,604	-	27,868	27,868
Gain/ (loss) on revaluation of property, plant and equipment	(3,032)	-	(3,032)	(3,032)	-	(3,032)
Gain/ (loss) on available-for-sale financial assets	1,852	-	1,852	1,852	-	1,852
Cash flow hedges	1	-	1	1	-	1
Exchange differences on translation of foreign operations	204	-	204	-	-	-
Impairment adjustments	13	-	13	13	-	13
Transfer between reserves	(5,764)	5,764	-	(5,764)	5,764	-
Total comprehensive income	(6,726)	31,368	24,642	(6,930)	33,632	26,702
Balance at 31 December 2012	380,519	483,514	864,033	380,519	483,514	864,033

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

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2012

	Notes	Consolidated		Parent entity	
		2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Cash flows from operating activities					
Australian Government Grants received	4(g)	249,048	217,538	249,048	217,538
OS-HELP (net)	4(g)	(8)	38	(8)	38
Superannuation Supplementation	4(g)	3,209	3,185	3,209	3,185
State and Local Government Grants received	5	11,795	12,774	11,795	12,774
HECS-HELP – Student payments received		12,305	11,212	12,305	11,212
Receipts from student fees and other customers		98,580	91,621	94,445	86,695
Dividends and distributions received		891	1,439	891	1,439
Interest received		7,469	7,376	7,406	7,310
Payments to suppliers and employees (inclusive of GST)		(321,490)	(299,404)	(315,580)	(293,992)
Interest and other cost of finance paid		(3,580)	(3,607)	(3,580)	(3,607)
Income taxes recovered/paid		-	(25)	-	-
Net cash provided by / (used in) operating activities	43	58,219	42,147	59,931	42,592
Cash flows from investing activities					
Proceeds from sale of property, plant and equipment and non-current assets held for sale		22,828	36,443	22,819	36,443
Payments for property, plant and equipment and non-current assets held for sale		(39,616)	(53,016)	(39,634)	(52,789)
Payments for financial assets	-	(72,205)	(21,632)	(72,205)	(21,632)
Proceeds from sale of financial assets		206	2,613	197	2,613
Net cash provided by / (used in) investing activities		(88,787)	(35,592)	(88,823)	(35,365)
Cash flows from financing activities					
Proceeds from borrowings		50,000	19,088	50,000	19,088
Repayment of borrowings		(2,170)	(48,841)	(2,170)	(48,841)
Net cash provided by / (used in) financing activities		47,830	(29,753)	47,830	(29,753)
Net increase / (decrease) in cash and cash equivalents		17,262	(23,198)	18,938	(22,526)
Cash and cash equivalents at the beginning of the financial year		33,963	57,177	32,491	55,017
Effects of exchange rate changes on cash and cash equivalents		204	(16)	-	-
Cash and cash equivalents at the end of the financial year	19	51,429	33,963	51,429	32,491
Financing arrangements	31				
Non-cash financing and investing activities	44				

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

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2012

CONTENTS OF THE NOTES TO THE FINANCIAL STATEMENTS

Note	Page
1 University Organisation	63
2 Summary of significant accounting policies	63
3 Critical accounting estimates and judgements	77
4 Australian Government financial assistance including HECS-HELP and other Australian Government loan programs	78
5 State and Local Government financial assistance	80
6 Fees and charges	81
7 Investment revenue and income	82
8 Royalties	82
9 Consultancy and contracts	83
10 Other revenue and income	83
11 Gains on disposal of assets	84
12 Employee related expenses	84
13 Depreciation and amortisation	85
14 Repairs and maintenance	85
15 Borrowing costs	86
16 Impairment of assets	86
17 Other expenses	87
18 Income tax	89
19 Cash and cash equivalents	90
20 Receivables	91
21 Inventories	92
22 Derivative financial instruments	93
23 Other financial assets	94
24 Non-current assets classified as held for sale	94
25 Other non-financial assets	95
26 Investment property	95
27 Property, plant and equipment	96
28 Deferred tax assets and liabilities	105
29 Intangible assets	107
30 Trade and other payables	108
31 Borrowings	109
32 Provisions	112
33 Other liabilities	115
34 Reserves and retained earnings	115
35 Restricted funds	117

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 DECEMBER 2012

CONTENTS OF THE NOTES TO THE FINANCIAL STATEMENTS

36	Key management personnel disclosures	118
37	Remuneration of auditors	119
38	Contingencies	120
39	Commitments	121
40	Related parties	122
41	Subsidiaries	122
42	Events occurring after the reporting date	122
43	Reconciliation of operating result after income tax to net cash flows from operating activities	123
44	Non-cash financing and investing activities	124
45	Financial risk management	124
46	Write-offs	128
47	Superannuation	129
48	Acquittal of Australian Government financial assistance	133

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2012

1 UNIVERSITY ORGANISATION

Edith Cowan University (the University) is a Statutory Authority of the Government of Western Australia and is domiciled in Australia. The address of its registered office is 270 Joondalup Drive, Joondalup, Western Australia.

The University is a public not for profit institution of higher education, funded primarily through Commonwealth grant funding. Established in 1902, when it began as a teaching college, the University gained university status in 1991. Its principal activities cover teaching, learning and research.

The University Council is the governing body which controls the operations, affairs, concerns and property of the University. The Vice Chancellor has been delegated the responsibility of managing the operations, affairs, concerns and property of the University.

2 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 include separate financial statements for Edith Cowan University as an individual entity and the consolidated entity consisting of Edith Cowan University and its subsidiary.

General Statement

The financial statements constitute a general purpose financial report which has been prepared in accordance with Australian Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board as applied by the Treasurer's instructions. Several of these are modified by the Treasurer's instructions to vary application, disclosure, format and wording.

The Financial Management Act and the Treasurer's instructions are legislative provisions governing the preparation of financial statements and take precedence over Australian Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board.

Where modification is required and has a material or significant financial effect upon the reported results, details of that modification and the resulting financial effect are disclosed in the notes to the financial statements.

Reporting Entity

The reporting entity comprises the University and its controlled entity, E.C.U. Resources for Learning Ltd (ECURL).

The directors intend that this will be the final year in which consolidated financial statements are prepared since the operations of the controlled entity have now been wound-up.

Specific details of controlled entities appear in note 41.

(a) Basis of preparation

The financial statements have been prepared on the accrual basis of accounting using 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 and loss, certain classes of property, plant and equipment and investment properties.

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 DECEMBER 2012

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Critical accounting estimates

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

(b) Basis of consolidation

Subsidiary

The consolidated financial statements have been prepared by combining the financial statements of all entities that comprise the consolidated entity, being the University (the parent entity) and its controlled entities, in accordance with AASB 127 Consolidated and Separate Financial Statements and modified by Treasurer's instruction 1105. A list of controlled entities appears in note 41 – Subsidiaries. Consistent accounting policies have been applied and all inter-entity balances and transactions, and unrealised profits arising within the consolidated entity are eliminated in full.

Edith Cowan University and its controlled entities together are referred to in this financial report as the consolidated entity.

(c) Income

Revenue recognition

The consolidated entity recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the consolidated entity and specific criteria have been met for each of the consolidated entity's activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The consolidated entity 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 measured at the fair value of the consideration received or receivable. Revenue is recognised for the major business activities as follows:

(i) Grants, donations, gifts and other non reciprocal contributions

The consolidated entity treats operating grants received from Australian Government entities as income in the year of receipt.

Grants received from Government are recognised as revenue when the consolidated entity obtains control over the asset comprising the contribution, it is probable that economic benefits will flow to the consolidated entity and it can be measured reliably. When the University does not have control over the contribution, does not have the right to receive the contribution or, in case of reciprocal grants, has not fulfilled grant conditions or provided services that specified in the agreement, the applicable grant contribution is treated as a liability in the statement of financial position as deferred income.

Donations, gifts and other contributions are recognised as revenue when the University obtains control over the assets comprising the contributions, it is probable that economic benefits will flow to the consolidated entity and it can be measured reliably.

(ii) 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. Conversely, fees and charges relating to debtors are recognised as revenue in the year to which the prescribed course relates.

(iii) Rendering of services

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

(iv) Interest revenue

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

(v) Sale of goods

Revenue is recognised from the sale of goods and disposal of other assets when the significant risks and rewards of ownership control transfer to the purchaser and the revenue can be measured reliably.

(vi) Royalties

Royalty income is recognised on an accrual basis in accordance with the substance of the relevant agreements.

Income recognition

(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.

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 or losses 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 consolidated entity. Net gains are included in income for the period in which they arise.

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 DECEMBER 2012

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(ix) Parking and library fines

Income from parking and library fines are recognised on a cash basis, as the purpose of the fine is to act as a deterrent and not for raising revenue. Non-payment of these fines is not actively pursued.

(x) Lease income

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

(xi) 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 being 36.5 years. This represents the amortisation of the service concession provision. Refer to Note t(iii) for further details regarding this provision.

(d) Income tax

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

The consolidated entity is subject to foreign income tax for overseas operations. Deferred tax assets are only recognised where it is probable that future amounts will be available to utilise those temporary differences and unused tax losses.

The taxation expense represents the sum of tax currently payable and is measured at 31 December each year.

Taxable profit differs from net profit as reported in the income statements because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The liability for current tax is calculated using tax rates that have been enacted by the reporting date.

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised using the liability method, for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted for the jurisdiction where the entity is situated. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

(e) Borrowing costs

Borrowing costs that have been 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.

(f) Impairment of assets

Property, plant and equipment, investment properties, intangible assets, non-current assets held for sale and financial assets are tested for any indication of impairment at each reporting date. Where there is an indication of impairment, the recoverable amount is estimated. Where the recoverable amount is less than the carrying amount, and the decline in the carrying value is considered significant and prolonged, the asset is considered impaired. The asset is written down to the recoverable amount and an impairment loss is recognised. As the consolidated entity is a not-for-profit entity, unless an asset has been identified as a surplus asset, the recoverable amount is the higher of an asset's fair value less costs to sell and depreciated replacement cost.

The risk of impairment is generally limited to circumstances where an asset's depreciation is materially understated, where the replacement cost is falling or where there is a significant change in useful life. Each relevant class of asset is reviewed annually to verify that the accumulated depreciation/amortisation reflects the level of consumption or expiration of the asset's future economic benefits and to evaluate any impairment risk from falling replacement costs.

The recoverable amount of assets identified as surplus assets is the higher of fair value less costs to sell and the present value of future cash flows expected to be derived from the asset. Surplus assets carried at fair value have no risk of material impairment where fair value is determined by reference to market based evidence. Where fair value is determined by reference to depreciated replacement cost, surplus assets are at risk of impairment and the recoverable amount is measured. Surplus assets at cost are tested for indications of impairment at each reporting date.

(g) 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.

(h) 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.

(i) Receivables

Receivables are recognised and carried at the original invoice amount less an allowance for any uncollectible amounts. The collectability of receivables is reviewed on an ongoing basis and any receivables identified as uncollectible are written-off against the allowance for impairment. The allowance for impairment (doubtful debts) is raised for all amounts overdue more than 90 days. The carrying amount is equivalent to the fair value as it is due for settlement within 30 days.

(j) Inventories

Inventories are measured at the lower of cost and net realisable value. Cost comprises direct materials and where applicable, import duties, transport and handling costs that have been incurred to bring the inventories to their present location and condition. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

(k) Investments and other financial assets**Classification**

The consolidated entity 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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 DECEMBER 2012

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) *Loans and receivables*

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 statement of financial position date which are classified as non-current assets. Loans and receivables are included in receivables in the statements of financial position (note 20).

(ii) *Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the consolidated entity'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.

Regular purchases and sales of financial assets are recognised on trade-date – the date on which the consolidated entity commits to purchase or sell the asset. Available-for-sale financial assets are initially recognised at fair value plus transaction-costs. Available-for-sale financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership. In circumstances, where an investment is liquidated and capital distributions are received, the capital distributions are accounted for as a reduction in the carrying value of the investment.

When securities classified as available-for-sale are sold, the accumulated fair value adjustments recognised in equity 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. Held-to-maturity investments are carried at cost and interest is accrued on a monthly basis until that interest is recorded at maturity. Loans and receivables are recorded at the transaction cost or face value because there is no interest rate applicable and subsequent measurement is not required as the effect of discounting is not material.

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

Fair value

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the consolidated entity establishes fair value by using valuation techniques. These include reference to the fair values of recent arm's length transactions, involving the same instruments or other instruments that are substantially the same, discounted cash flow analysis, and option pricing models refined to reflect the issuer's specific circumstances.

Impairment

The consolidated entity 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 as 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 statements on equity instruments are not reversed through the income statement.

(I) Property, plant and equipment

All items of property, plant and equipment are initially recognised at cost. 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.

Each class of property, plant and equipment are subsequently measured at cost or fair value as indicated, less, where applicable, any accumulated depreciation and impairment losses. For asset classes carried at fair value, increases in the carrying amount arising on revaluation of the asset class are recognised in other comprehensive income and accumulated in the revaluation surplus in equity. Revaluation decreases that offset previous revaluation increments of the same class of assets are also recognised in other comprehensive income as a reduction in the revaluation surplus reserve. All other revaluation decrements are charged to the income statement as an expense of the period.

Items of property, plant and equipment (excluding Works of Art) costing \$5,000 or more are recognised as assets and the cost of utilising assets is expensed (depreciated) over their useful lives. Items of property, plant and equipment costing less than \$5,000 are expensed direct to the income statement (other than where they form part of a group of similar items which are significant in total).

The assets residual values and useful lives are reviewed each year and adjusted where appropriate at the end of each reporting period.

Land and Buildings

Land and buildings are measured at fair value based on periodic valuations by an external independent valuer, less subsequent depreciation for buildings. Fair value of land is determined on the basis of current market values with reference to recent transactions whereas the fair value of buildings is determined on the basis of depreciated replacement cost which is equivalent to the current replacement cost of an asset less, where applicable, accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired future economic benefits of the asset.

Buildings are depreciated on a straight-line basis over their useful life to the consolidated entity commencing from the time that the building is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

Leasehold improvements

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 consolidated entity. Such assets are depreciated over the shorter of the lease term and 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 consolidated entity will exercise the option.

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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 DECEMBER 2012

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 of 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.

Library collection assets

Library collection assets (excluding intangible assets) are carried at cost less accumulated depreciation and any accumulated impairment losses. Where library assets are acquired at no cost, or for a nominal cost, cost will represent the asset's fair value as determined by qualified library staff, and will generally represent that asset's cost to replace.

Library collection assets carried at cost are depreciated on a straight-line basis over 10 years.

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised lease assets, but excluding freehold land and Works of Art, are depreciated on a straight-line basis over the asset's expected useful life to the consolidated entity commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The estimated useful lives are as follows:

Asset category	Life
Buildings	20-50 years
Service concession assets – buildings	36-50 years
Computing equipment	4 years
Other equipment and furniture	6-10 years
Motor vehicles	4-6 years
Works of art	Not depreciated
Leasehold improvements	Refer to policy above
Library collections	10 years

(m) Investment properties

Investment properties exclude properties held to meet service delivery objectives of the University and comprises of land and/or buildings which are held to earn rentals and/or capital appreciation.

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. The fair value of all land has been determined by reference to recent market transactions and the fair value of buildings have been determined by reference to the cost of replacing the remaining future economic benefits. Changes in fair values are recorded in the income statement as part of other investment income. The properties are not depreciated.

Rental revenue from the leasing of investment properties is recognised in the income statement in the periods in which it is receivable and is accounted for on a straight-line basis over the lease term.

(n) Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases (note 39). The consolidated entity 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.

(o) Intangible assets

All acquired and internally developed 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 consolidated 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:

Intangible asset class	Life
Library collection	10 years

(p) Unfunded superannuation

In accordance with the 1998 instructions issued by the Department of Education, Training and Youth Affairs (DETYA) now known as the Department of Industry, Innovation, Science, Research and Tertiary Education (DIISRTE), the effects of the unfunded superannuation liabilities of the Edith Cowan 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.

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. This arrangement is evidenced by the *State Grants (General Revenue) Amendment Act 1987*, *Higher Education Funding Act 1988* and subsequent amending legislation. Accordingly, the unfunded liabilities have been recognised in the statement of financial position under-provisions with a corresponding asset recognised under Receivables. The recognition of both the asset and the liability consequently does not affect the year-end net asset position of the Edith Cowan University and its controlled entities.

(q) Non-current assets held for sale

Non-current assets classified as held for sale are stated at the lower of carrying amount and fair value less costs to sell where the 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 costs to sell. 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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 DECEMBER 2012

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(r) Payables

Payables are recognised when the consolidated entity becomes obliged to make future payments as a result of a purchase of assets or services. Accounts payable are not interest bearing and are stated at their nominal value.

The carrying amount is equivalent to its fair value, as they are generally settled within 30 days.

(s) Borrowings

Interest bearing loans are recorded at cost when the proceeds are received, net of direct issued costs. Finance charges are accounted for on an accrual basis.

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

(t) Provisions

Provisions are liabilities of uncertain timing and amount and are recognised where there is a present legal or constructive obligation as a result of a past event and when the outflow of resources embodying economic benefits is probable and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each reporting date.

(i) Employee benefits

Provision is made for the consolidated entity's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Provisions for employee benefits such as salaries and wages and annual leave that are expected to be settled within 12 months are measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than 12 months such as post-employment benefits and long service leave have been measured at the present value of the estimated future cash outflows to be made for those benefits. Liabilities of long term and post-employment benefits for which settlement cannot be deferred beyond 12 months is recognised in the current provisions for employee benefits and is measured in accordance with the policy for short-term benefits described above. In determining the liability, consideration is given to increases in salary costs including non-salary components such as superannuation and the probability that the employee may satisfy vesting requirements which can exist in specific types of employment contract. Such vesting conditions generally comprise length of service and renewal of contract. Those cash flows are discounted using market yields on national government bonds with terms to maturity that match, as closely as possible, the expected timing of cash flows.

Liability for sick leave is recognised as the related service is provided by the employees and which increases their sick leave entitlement. The accumulated sick leave entitlement is measured at the additional undiscounted amount expected to be paid as a result of the unused entitlement that has accumulated at the end of the reporting period. The past history of leave utilisation is taken into account in the estimation process.

Employment on-costs, including workers' compensation insurance and payroll tax, are not employee benefits and are recognised as liabilities and expenses when the employment to which they relate have occurred. Employment on-costs are not included as part of the consolidated entity's employee related expenses and the related liability is included in the employment oncosts provision.

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The consolidated entity recognises termination benefits when it 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. Benefits falling due more than 12 months after balance date are discounted to present value.

(ii) Superannuation

The consolidated entity contributes to a number of superannuation schemes, including both defined contribution and defined benefit schemes. Payments to defined contribution schemes are charged as an expense as they fall due. The University's obligation is limited to these contributions.

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

Actuarial gains and losses are fully funded, refer note 2(p).

For details relating to the individual schemes, refer to note 47.

(iii) 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.

(u) Foreign currency translation and hedge accounting

Transactions denominated in currencies other than Australian dollars are recorded at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rate of exchange prevailing at the reporting date. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the reporting date when the fair value was determined. Exchange gains and losses arising on retranslation are included in the income statement for the period.

Forward foreign exchange contracts are entered into as hedges to avoid or minimise possible adverse financial effects of movements in exchange rates. Such derivative financial instruments are stated at fair value. Changes in the fair value of derivative financial instruments that are designated and effective as hedges of future cash flows are recognised directly in equity and the ineffective portion is recognised immediately in the income statement.

When the hedged firm commitment results in the recognition of an asset or a liability, then, at the time the asset or liability is recognised, the associated gains or losses that had previously been recognised in equity are included in the initial measurement of the acquisition cost or other carrying amount of the asset or liability. For all other cash flow hedges, the gains or losses that are recognised in equity are transferred to the income statement in the same year in which the hedged firm commitment affects the net profit and loss, for example when the future sale actually occurs.

(v) 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 of 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 cash flow.

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 DECEMBER 2012

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(w) New accounting standards and Interpretations

Certain new Accounting Standards and Interpretations have been published that are not mandatory for 31 December 2012 reporting periods. The Edith Cowan University's assessment of the impact of these new Standards and Interpretations is set out below:

(i) AASB 10 Consolidated Financial Statements (effective from 1 January 2013)

AASB 10 establishes a new control model that applies to all entities. It replaces parts of AASB 127 Consolidated and Separate Financial Statements dealing with the accounting for consolidated financial statements. According to AASB 10 an investor controls an investee if, and only if, the investor has all the following: a) power over the investee; b) exposure, or rights, to variable returns from its involvement with the investee; and c) the ability to use its power over the investee to affect the amount of the investor's returns. Additional guidance is provided about how to evaluate each of the three limbs above. The limbs above are more principle based rather than hard and fast rules. Consequential amendments were also made to other standards via AASB 2011-7. The consolidated entity will consider the provisions of this standard when applicable. The consolidated entity does not expect that any adjustments will be necessary as the result of applying the revised rules.

(ii) AASB 11 Joint Arrangements (effective from 1 January 2013)

AASB 11 replaces the AASB 131 Interests in Joint Ventures. The previous Standard had three types of joint ventures whereas AASB 11 only has two. These are: joint operations; and joint ventures. Consequential amendments were also made to other standards via AASB 2011-7. The consolidated entity will consider the provisions of this standard when applicable. The consolidated entity does not expect that any adjustments will be necessary as the result of applying the revised rules.

(iii) AASB 12 Disclosure of Interests in Other Entities (effective from 1 January 2013)

AASB 12 provides the disclosure requirements for entities that have an interest in a subsidiary, a joint arrangement, an associate or an unconsolidated structured entity. It requires an entity to disclose information that enables users of financial statements to evaluate: a) the nature of, and risks associated with, its interests in other entities; and b) the effects of those interests on its financial position, financial performance and cash flows. The Standard is not available for early adoption for not-for-profit entities. The consolidated entity will consider the provisions of this standard when applicable.

(iv) AASB 13 Fair Value Measurement and AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13 (effective from 1 January 2013)

The new standard aligns IFRS and US GAAP specifying how an entity should apply the fair value measurement requirements that apply in existing IFRS standard. It seeks to ensure that these varied requirements are applied consistently, have clear measurement objectives, and use a robust measurement framework. It does not introduce any requirements for the use of fair value but does clarify the definition and enhance the disclosures where it is used. Consequential amendments were also made to other standards via AASB 2011-8. The consolidated entity will consider the provisions of this standard when applicable.

(v) AASB 119 Employee Benefits (effective from 1 January 2013)

AASB 119 is amended focusing on but not limited to the accounting for defined benefit plans. The major changes introduced in the revised Standard are: all actuarial gains and losses recognised immediately in other comprehensive income; expected return on plan assets recognised in profit or loss calculated based on rate used to discount the defined benefit obligation; definition of short-term and other long term employee benefits; termination benefits are recognised at the earlier of when the entity recognises costs for a restructuring that includes the payment of termination benefits and when the entity can no longer withdraw the offer of the termination benefits. Consequential amendments were also made to other standards via AASB 2011-10. The consolidated entity will consider the provisions of this standard when applicable.

(vi) AASB 2011-3 Amendments to Australian Accounting Standards – Orderly Adoption of Changes to the ABS GFS Manual and Related Amendments (effective from 1 January 2013)

The Standard makes amendments to AASB 1049 Whole of Government and General Government Sector Financial Reporting to amend the definition of the ABS GFS Manual, provide relief from adopting the latest version of the ABS GFS Manual, and require related disclosures where the latest version of the ABS GFS Manual has not been applied. The consolidated entity does not expect that any adjustments will be necessary as the result of applying the revised rules.

(vii) AASB 2011-9 Amendments to Australian Accounting Standards Presentation of items of Other Comprehensive Income (effective from 1 January 2013)

The new standard amends AASB 101 Presentation of Financial Statements to require entities to group items presented in other comprehensive income (OCI) on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments). These changes are to clarify the nature of items included in the other comprehensive income. It does not remove the option to present profit or loss and other comprehensive income in two statements. The consolidated entity will consider the provisions of this standard when applicable.

(viii) AASB 2012-2 Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities (effective from 1 January 2013)

The new standard principally amends AASB 7 Financial Instruments: Disclosures to require disclosure of information that will enable users of an entity's financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity's recognised financial assets and recognised financial liabilities, on the entity's financial position. The consolidated entity does not expect that any adjustments will be necessary as the result of applying the revised rules.

(ix) AASB 2012 4 Amendments to Australian Accounting Standards – Government Loans (effective from 1 January 2013)

The new standard adds an exception to the retrospective application of Australian Accounting Standards under AASB 1 First-time Adoption of Australian Accounting Standards to require that first-time adopters apply the requirements in AASB 139 Financial Instruments: Recognition and Measurement (or AASB 9 Financial Instruments) and AASB 120 Accounting for Government Grants and Disclosure of Government Assistance prospectively to government loans (including those at a below-market rate of interest) existing at the date of transition to Australian Accounting Standards. The amendments ensure first-time adopters of IFRSs have access to the same relief from retrospective application that existing users of IFRSs previously received.

(x) AASB 2012 5 Amendments to Australian Accounting Standards arising from Annual Improvements 2009–2011 Cycle (effective from 1 January 2013)

The new standard addresses a range of improvements, including the following:

- repeat application of AASB 1 is permitted (AASB 1)
- clarification of the comparative information requirements when an entity provides a third balance sheet (AASB 101 Presentation of Financial Statements).

The consolidated entity does not expect that any adjustments will be necessary as the result of applying the revised rules.

(xi) AASB 1053 Application of Tiers of Australian Accounting Standards (effective from 1 January 2014)

This Standard establishes a differential financial reporting framework consisting of two Tiers of reporting requirements for preparing general purpose financial statements:

- (a) Tier 1: Australian Accounting Standards
- (b) Tier 2: Australian Accounting Standards Reduced Disclosure Requirements

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 DECEMBER 2012

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Tier 2 comprises the recognition, measurement and presentation requirements of Tier 1 and substantially reduced disclosures corresponding to those requirements. The following entities apply Tier 1 requirements in preparing general purpose financial statements:

- (a) For-profit entities in the private sector that have public accountability (as defined in this Standard)
- (b) The Australian Government and State, Territory and Local Governments.

The following entities apply either Tier 2 or Tier 1 requirements in preparing general purpose financial statements:

- (a) For-profit private sector entities that do not have public accountability
- (b) All not-for-profit private sector entities
- (c) Public sector entities other than the Australian Government and State, Territory and Local Governments.

Consequential amendments to other standards to implement the regime were introduced by AASB 2010-2, 2011-2, 2011-6, 2011-11, 2012-1 and 2012-7.

The consolidated entity will consider the provisions of this standard when applicable.

(xii) AASB 2012-3 Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities (effective from 1 January 2014)

The new standard adds application guidance to AASB 132 Financial Instruments: Presentation to address inconsistencies in the application of the offsetting criteria by adding application guidance to clarify the meaning of 'currently has a legally enforceable right of set-off', including clarifying that some gross settlement systems would be considered to be equivalent to net settlement. The consolidated entity does not expect that any adjustments will be necessary as the result of applying the revised rules.

(xiii) AASB-9 Financial Instruments (effective from 1 January 2015)

AASB 9 is effective to annual reporting periods beginning on or after 1 January 2015 with the aim of replacing AASB 139 Financial instruments: Recognition and Measurement. AASB 9 simplifies the classification of financial assets into those to be carried at amortised cost, and those to be carried at fair value. It also simplifies requirements for embedded derivatives and removes the tainting rules associated with held-to-maturity assets. Entities will be required to reclassify their financial assets when there is a change in the entity's business. Further amendments were made by AASB 2012-6 which amends the mandatory effective date and modifies the relief from restating prior periods by amending AASB 7 to require additional disclosures on transition to AASB 9 in some circumstances. Consequential amendments were also made to other standards as a result of AASB 9, introduced by AASB 2009-11 and superseded by AASB 2010-7 and 2010-10. The consolidated entity will consider adopting these provisions when it is applicable.

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the consolidated entity and that are believed to be reasonable under the circumstances.

(a) Critical accounting estimates and assumptions

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

- Allowances for impairment of financial assets;
- Estimating useful life of key assets – the useful life reflects the consumption of the key assets' future economic benefits.

Defined benefit superannuation plans

In determining the consolidated entity's ultimate cost of its defined benefit superannuation plans, actuarial assumptions are required to be made. The principal actuarial assumptions used are disclosed in note 47.

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

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

- Estimating the useful life of key assets;
- Impairment of property, plant and equipment, investment properties, receivables and other financial assets;
- Classification of financial assets;
- Discount rates used in estimating provisions;
- Long service retention rates and discount rates.

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 DECEMBER 2012

4 AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE INCLUDING HECS-HELP AND OTHER AUSTRALIAN GOVERNMENT LOAN PROGRAMS

		Consolidated		Parent	
	Notes	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
(a) Commonwealth Grant Scheme and other grants	48.1				
Commonwealth Grant Scheme ^{#1}		131,197	116,392	131,197	116,392
Indigenous Support Program		593	646	593	646
Partnership and Participation Program ^{#2}		3,210	2,359	3,210	2,359
Disability Support Program		66	64	66	64
Diversity and Structural Adjustment Fund ^{#3}		-	275	-	275
Transitional Cost Program		92	118	92	118
Promotion of Excellence in Learning and Teaching		50	-	50	-
Reward Funding		333	-	333	-
Other		7,067	3,758	7,067	3,758
Total Commonwealth Grants Scheme and other grants		142,608	123,612	142,608	123,612
(b) Higher Education Loan Programs	48.2				
HECS-HELP		66,642	64,145	66,642	64,145
FEE-HELP ^{#4}		9,711	10,134	9,711	10,134
SA-HELP		222	-	222	-
Total Higher Education Loan Programs		76,575	74,279	76,575	74,279
(c) Scholarships	48.3				
Australian Postgraduate Awards		1,840	1,652	1,840	1,652
International Postgraduate Research Scholarships		174	185	174	185
Commonwealth Education Cost Scholarships ^{#5}		172	393	172	393
Commonwealth Accommodation Scholarships ^{#5}		162	435	162	435
Indigenous Access Scholarships		83	46	83	46
Total Scholarships		2,431	2,711	2,431	2,711
(d) DIISRTE Research	48.4				
Joint Research Engagement Program ^{#6}		2,417	2,190	2,417	2,190
Research Training Scheme		4,481	4,415	4,481	4,415
Research Infrastructure Block Grants		509	469	509	469
Sustainable Research Excellence in Universities		710	526	710	526

		Consolidated		Parent	
	Notes	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Commercialisation training scheme		-	55	-	55
Other		906	1,989	906	1,989
Total DIISR Research Grants		9,023	9,644	9,023	9,644
(e) Australian Research Council	48.6				
(i) Discovery	48.6(a)				
Project		188	161	188	161
(ii) Linkages	48.6(b)				
Projects		492	378	492	378
Total Australian Research Council		680	539	680	539
(f) Other Australian Government financial assistance					
Non-capital					
National competitive		2,487	1,718	2,487	1,718
Other research grants		2,528	3,820	2,528	3,820
Other non-research grants		3,636	2,838	3,636	2,838
Total		8,651	8,376	8,651	8,376
Capital					
Other non-research grants		4,601	-	4,601	-
Total Other Australian Government financial assistance		13,252	8,376	13,252	8,376
Total Australian Government financial assistance		244,569	219,161	244,569	219,161
#1 Includes the basic CGS grant amount, CGS – Regional Loading, CGS – Enabling Loading, Maths and Science Transition Loading and Full Fee Places Transition Loading.					
#2 Includes Equity Support Program.					
#3 Includes Collaboration & Structural Adjustment Program.					
#4 Program in respect of FEE-HELP for Higher Education only and excludes funds received in respect of VET FEE-HELP.					
#5 Includes Grandfathered Scholarships, National Priority and National Accommodation Priority Scholarships respectively.					
#6 Includes Institutional Grants Scheme.					
Reconciliation					
Australian Government grants [(a) + (c) + (d) + (e) + (f)]		167,994	144,882	167,994	144,882
HECS-HELP payments		66,642	64,145	66,642	64,145
FEE-HELP payments		9,711	10,134	9,711	10,134
SA-HELP payments		222	-	222	-
Total Australian Government financial assistance		244,569	219,161	244,569	219,161

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 DECEMBER 2012

4 AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE INCLUDING HECS-HELP AND OTHER AUSTRALIAN GOVERNMENT LOAN PROGRAMS (continued)

		Consolidated		Parent	
	Notes	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
(g) Australian Government grants received cash basis (Ref note 48)					
CGS and Other DIISRTE grants		143,159	123,612	143,159	123,612
Higher Education Loan Programs		81,370	71,313	81,370	71,313
Scholarships		3,212	3,739	3,212	3,739
DIISRTE Research		9,033	9,644	9,033	9,644
ARC grants – Discovery		188	161	188	161
ARC grants – Linkages		493	518	493	518
Other Australian Government grants		11,593	8,551	11,593	8,551
Total Australian Government grants received cash basis		249,048	217,538	249,048	217,538
OS-Help (Net)	48.7	(8)	38	(8)	38
Superannuation Supplementation	48.8	3,209	3,185	3,209	3,185
Total Australian Government funding received cash basis		252,249	220,761	252,249	220,761

5 STATE AND LOCAL GOVERNMENT FINANCIAL ASSISTANCE

		Consolidated		Parent	
		2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Non-Capital					
WA State Department of Education and Training*		8,207	7,982	8,207	7,982
WA State and local Government research grants		3,589	4,792	3,589	4,792
Total State and Local Government financial assistance		11,796	12,774	11,796	12,774

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

6 FEES AND CHARGES

	Consolidated		Parent	
	2012	2011	2012	2011
	\$'000	\$'000	\$'000	\$'000
Course fees and charges				
Fee-paying overseas students	56,990	57,749	56,990	57,749
Continuing education	811	577	811	577
Fee-paying domestic postgraduate students	4,727	3,300	4,727	3,300
Fee-paying domestic undergraduate students	89	23	89	23
Total course fees and charges	62,617	61,649	62,617	61,649
Other non-course fees and charges				
Amenities and services fees	-	172	-	172
Student services and amenities fees	1,178	-	1,178	-
Course consumable fees	51	46	51	46
Examination, registration and photocopying fees	514	522	514	522
Late fees	22	70	22	70
Library fines	55	123	55	123
Other fees and charges	1,424	1,050	1,424	1,050
Parking fees	1,494	1,559	1,494	1,559
Rental charges	2,446	1,628	2,446	1,628
Seminar and workshop fees	507	374	507	374
Total other non-course fees and charges	7,691	5,544	7,691	5,544
Total fees and charges	70,308	67,193	70,308	67,193

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 DECEMBER 2012

7 INVESTMENT REVENUE AND INCOME

	Consolidated		Parent	
	2012	2011	2012	2011
	\$'000	\$'000	\$'000	\$'000
Investment revenue				
Interest revenue from operating account	535	553	472	487
Interest from bank bills	8,197	7,740	8,197	7,740
Total investment revenue	8,732	8,293	8,669	8,227
Other investment income				
Dividends received	115	389	115	389
Distributions from managed funds	656	1,170	656	1,170
Total other investment income	771	1,559	771	1,559
Other investment losses				
Net Change in fair value of investment properties	(1,093)	(1,995)	(1,093)	(1,995)
Net investment income	8,410	7,857	8,347	7,791

8 ROYALTIES

	Consolidated		Parent	
	2012	2011	2012	2011
	\$'000	\$'000	\$'000	\$'000
Royalties	7,018	8,599	4,022	5,273

9 CONSULTANCY AND CONTRACTS

	Consolidated		Parent	
	2012	2011	2012	2011
	\$'000	\$'000	\$'000	\$'000
Research				
Consultancy	374	304	374	303
Contract research	5,877	3,826	5,877	3,826
Total consultancy and contracts	6,251	4,130	6,251	4,129

10 OTHER REVENUE AND INCOME

	Consolidated		Parent	
	2012	2011	2012	2011
	\$'000	\$'000	\$'000	\$'000
Other revenue				
Donations and bequests	436	891	436	891
Prizes, contributions and scholarships	1,022	813	1,578	813
Proceed from sale of non-capitalised equipment	19	208	19	208
Professional development courses	684	1,428	-	-
Commissions, recoveries and rebates received	2,015	2,489	2,015	2,491
Expense recoups	61	78	61	78
Box office sales	499	571	499	571
Sundry Income	892	1,047	746	1,045
Medical practitioners fees	177	153	177	153
Other revenue	449	429	449	429
Total other revenue	6,254	8,107	5,980	6,679
Other income				
Bad debts recovered	11	183	11	183
Insurance claims	8	6	8	6
Service concession income	948	948	948	948
Other income	35	115	35	115
Total other income	1,002	1,252	1,002	1,252

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 DECEMBER 2012

11 GAINS ON DISPOSAL OF ASSETS

	Consolidated		Parent	
	2012	2011	2012	2011
	\$'000	\$'000	\$'000	\$'000
Disposal of property, plant and equipment and non-current assets held for sale				
Proceeds from sale of property, plant and equipment and non-current assets held for sale	20,406	37,165	20,406	37,165
Carrying amount of property, plant and equipment and non-current assets held for sale sold	(17,884)	(28,480)	(17,838)	(28,480)
Proceeds from sale of intangible assets	9	-	-	-
Net gain on disposal of property, plant and equipment and non-current assets held for sale	2,531	8,685	2,568	8,685

12 EMPLOYEE RELATED EXPENSES

	Consolidated		Parent	
	2012	2011	2012	2011
	\$'000	\$'000	\$'000	\$'000
Academic				
Salaries	77,469	72,902	77,469	72,902
Contributions to superannuation and pension schemes	11,713	10,975	11,713	10,975
Employment on-costs	4,969	4,830	4,969	4,830
Long service leave	2,166	2,649	2,166	2,649
Annual leave	240	336	240	336
Redundancy costs	4,589	958	4,589	958
Other	721	528	721	520
Total academic	101,867	93,178	101,867	93,170
Non-academic				
Salaries	89,567	82,812	87,675	80,538
Contributions to superannuation and pension schemes	13,407	11,996	13,054	11,738
Employment on-costs	5,665	5,366	5,565	5,122
Long service leave	2,048	2,193	2,027	2,191
Annual leave	293	358	255	320
Redundancy costs	942	1,082	942	1,082
Other	754	497	528	493
Total non-academic	112,676	104,304	110,046	101,484
Total employee related expenses	214,543	197,482	211,913	194,654

13 DEPRECIATION AND AMORTISATION

	Consolidated		Parent	
	2012	2011	2012	2011
	\$'000	\$'000	\$'000	\$'000
Depreciation				
Buildings	13,806	10,793	13,806	10,793
Service concession assets	1,559	1,070	1,559	1,070
Leasehold improvements	534	842	516	840
Other equipment and furniture	3,037	2,883	3,034	2,880
Computing equipment	1,341	1,498	1,334	1,487
Motor vehicles	82	65	82	65
Library collections	999	1,297	999	1,297
Total depreciation	21,358	18,448	21,330	18,432
Amortisation				
Intangible assets	909	868	909	868
Total depreciation and amortisation	22,267	19,316	22,239	19,300

14 REPAIRS AND MAINTENANCE

	Consolidated		Parent	
	2012	2011	2012	2011
	\$'000	\$'000	\$'000	\$'000
Buildings maintenance	6,925	5,188	6,907	5,188
Grounds maintenance	795	1,054	795	1,054
Other equipment maintenance	914	1,107	914	1,103
Total repairs and maintenance	8,634	7,349	8,616	7,345

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 DECEMBER 2012

15 BORROWING COSTS

	Consolidated		Parent	
	2012	2011	2012	2011
	\$'000	\$'000	\$'000	\$'000
Interest paid	3,763	4,811	3,763	4,811
Less: Amount capitalised	(169)	(1,251)	(169)	(1,251)
Total borrowing costs expensed	3,594	3,560	3,594	3,560

16 IMPAIRMENT OF ASSETS

	Consolidated		Parent	
	2012	2011	2012	2011
	\$'000	\$'000	\$'000	\$'000
Bad and doubtful debts	1,147	570	1,147	570
Impairment of investments	13	471	13	471
Impairment of inventory	44	-	-	-
Impairment of intangibles	217	-	-	-
Total impairments of assets	1,421	1,041	1,160	1,041

*Additional details on impairments of receivables are included at note 20.

17 OTHER EXPENSES

	Consolidated		Parent	
	2012	2011	2012	2011
	\$'000	\$'000	\$'000	\$'000
Scholarships, grants and prizes	9,487	8,690	9,486	8,690
Advertising and marketing	5,932	5,155	5,882	4,858
Promotions and sponsorships	3,076	2,576	3,076	2,576
Audit fees, bank charges, legal costs and insurance	1,712	2,035	1,584	1,868
Computer software and maintenance	11,750	8,259	11,750	8,232
General consumables	5,855	4,137	4,860	3,601
Hire and lease Costs	3,042	2,140	2,531	2,140
Non-capitalised equipment	4,030	4,036	4,030	4,036
Operating lease rental expenses	365	485	365	446
Printing, postage and stationery	3,533	3,643	3,481	3,530
Professional and consulting fees	13,852	13,672	13,803	13,586
Student related expenditure	10,568	10,203	10,568	10,203
Telecommunications	1,715	2,524	1,692	2,495
Travel, staff development & entertainment	6,704	7,169	6,608	6,825
Utilities and rates	6,779	6,556	6,779	6,324
Write-offs during the year ^{#1}	48	55	48	55
Other	9,307	9,669	8,569	9,362
Total other expenses	97,755	91,004	95,112	88,827

#1 Additional details on write-offs during the year are included at note 46.

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 DECEMBER 2012

18 INCOME TAX

	Consolidated	
	2012	2011
	\$'000	\$'000
(a) Income tax expense / (benefit)		
Current tax	(49)	3
Deferred tax	104	(121)
	55	(118)
Income tax expense is attributable to:		
Operating result from continuing operations	55	(118)
Aggregate income tax (benefit) / expense	55	(118)
Deferred income tax (revenue) / expense included in income tax expense comprises:		
Decrease / (increase) in deferred tax assets (note 28)	191	(134)
Increase / (decrease) in deferred tax liabilities (note 28)	(87)	13
	104	(121)
Income tax is only in relation to the controlled entity ECURL which includes overseas branches.		

	Consolidated	
	2012	2011
	\$'000	\$'000
(b) Numerical reconciliation of income tax expense to prima facie tax payable		
Operating result from continuing operations before income tax expense	25,659	32,735
Less: Non taxable operating result from Australian operations	(25,987)	(32,979)
	(328)	(244)
Tax at the Australian tax rate of 30 per cent (2012-30 per cent)	(98)	(73)
Difference in overseas tax rates	-	(38)
Adjust for current tax of prior years	104	-
Deferred tax under-provision	-	19
Previously unrecognised tax losses used to reduce current tax expense	(49)	(26)
Tax losses carried forward not recognised	98	-
	55	(118)

		Consolidated	
		2012	2011
		\$'000	\$'000
Tax effect of amounts which are not deductible (assessable) in calculating taxable income:			
Sundry items		-	-
Income tax expense adjusted for permanent differences		-	-
Tax losses carried forward not recognised		-	-
Total income tax expense		55	(118)
(c) Amounts recognised directly in equity			
Aggregate current and deferred tax arising in the reporting period and not recognised in net profit or loss but directly debited or credited to equity			
Net deferred – tax credited directly to equity		-	-
		-	-
		2012	2011
		\$'000	\$'000
(d) Tax losses			
Unused tax losses for which no deferred tax asset has been recognised		-	225
Potential tax benefit @ 30 per cent		-	68
All unused tax losses were incurred by the New Zealand branch.			

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 DECEMBER 2012

19 CASH AND CASH EQUIVALENTS

	Consolidated		Parent	
	2012	2011	2012	2011
	\$'000	\$'000	\$'000	\$'000
Cash at bank	13,351	9,503	13,351	8,580
Bank Bills	38,068	24,435	38,068	23,887
Cash held in imprests	10	25	10	24
Total cash and cash equivalents	51,429	33,963	51,429	32,491

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

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

	Consolidated		Parent entity	
	2012	2011	2012	2011
	\$'000	\$'000	\$'000	\$'000
Unrestricted cash	44,788	27,589	44,788	26,117
Restricted funds (note 35)	6,641	6,374	6,641	6,374
Balances per cash flow statement	51,429	33,963	51,429	32,491

(b) Cash at bank and held in imprests

Cash at bank is placed in interest earning accounts. These are non-interest bearing for cash held in imprests.

(c) Bank Bills

The Bank Bills are bearing fixed interest rates between 4.36 per cent and 4.65 per cent (2011 – 4.50 per cent and 6.00 per cent). These deposits have an average maturity of 88 days.

20 RECEIVABLES

	Consolidated		Parent	
	2012	2011	2012	2011
	\$'000	\$'000	\$'000	\$'000
Current				
Trade receivables and student fees	6,629	12,283	6,629	11,630
Less: Provision for impaired receivables	(1,956)	(843)	(1,956)	(843)
	4,673	11,440	4,673	10,787
Deferred Government contribution for superannuation	2,887	2,952	2,887	2,952
GST and withholding tax receivable	1,570	1,455	1,570	1,455
Total current receivables	9,130	15,847	9,130	15,194
Non-current				
Deferred Government contribution for superannuation	26,816	25,577	26,816	25,577
Total trade and other receivables	35,946	41,424	35,946	40,771

Impaired receivables

As at 31 December 2012 current receivables of the consolidated entity with a nominal value of \$2.0m (2011: \$0.8m) were impaired. It was assessed that a portion of the receivables is expected to be recovered.

The ageing analysis of these receivables is as follows:

	Consolidated	
	2012	2011
	\$'000	\$'000
3 to 6 months	430	309
Over 6 months	1,526	534
	1,956	843

As of 31 December 2012, trade receivables of \$1.1m (2011: \$3.3m) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default.

The ageing analysis of these receivables is as follows:

	Consolidated	
	2012	2011
	\$'000	\$'000
3 months or less	1,030	2,748
3 to 6 months	31	519
	1,061	3,267

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 DECEMBER 2012

20 RECEIVABLES (continued)

Movements in the provision for impaired receivables are as follows:

	Consolidated	
	2012	2011
	\$'000	\$'000
At 1 January	843	511
Provision for impairment recognised during the year	1,147	570
Receivables written-off during the year as uncollectible	(26)	(54)
Amounts recovered during the year	(8)	(184)
At 31 December	1,956	843

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.

21 INVENTORIES

	Consolidated		Parent	
	2012	2011	2012	2011
	\$'000	\$'000	\$'000	\$'000
Current				
Trading stock				
at cost	1,783	2,041	1,783	1,626

22 DERIVATIVE FINANCIAL INSTRUMENTS

	Consolidated		Parent	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Current liabilities				
Forward foreign exchange contracts-cash flow hedges	-	1	-	1

(a) Instruments used by the consolidated entity

The consolidated entity 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 45).

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 45.

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 DECEMBER 2012

23 OTHER FINANCIAL ASSETS

	Consolidated		Parent	
	2012	2011	2012	2011
	\$'000	\$'000	\$'000	\$'000
Current				
Held-to-maturity				
Term deposits	92,476	70,351	92,476	70,342
Total current other financial assets	92,476	70,351	92,476	70,342
Non-current				
Available-for-sale investments				
Investment in shares	1,880	1,400	1,880	1,400
Investment in managed funds*	17,731	16,484	17,731	16,484
Total available-for-sale investments	19,611	17,884	19,611	17,884
Held-to-maturity				
Term deposits	50,000	-	50,000	-
Total non-current other financial assets	69,611	17,884	69,611	17,884
Total other financial assets	162,087	88,235	162,087	88,226

*During 2012, the University received \$0.2m (2011: \$2.6m) capital distributions from a fund that is in the process of being gradually wound-up. These capital distributions have been accounted for as a reduction in the carrying value of the investments. Fair value changes of these fund continue to be recognised in equity (refer note 34). The cumulative gains and losses of this fund will be included in the income statement once the winding up of the fund is completed and the investment in the fund is derecognised.

24 NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

	Consolidated		Parent	
	2012	2011	2012	2011
	\$'000	\$'000	\$'000	\$'000
Plant and equipment	37	-	37	-
Land	16,816	31,516	16,816	31,516
Total non-current assets classified as held for sale	16,853	31,516	16,853	31,516

25 OTHER NON-FINANCIAL ASSETS

	Consolidated		Parent	
	2012	2011	2012	2011
	\$'000	\$'000	\$'000	\$'000
Current				
Accrued income	12,131	12,224	12,131	12,152
Advances and prepayments	2,413	2,904	2,413	2,839
Total current other non-financial assets	14,544	15,128	14,544	14,991

26 INVESTMENT PROPERTY

	Consolidated		Parent	
	2012	2011	2012	2011
	\$'000	\$'000	\$'000	\$'000
At fair value				
Opening balance at 1 January	10,913	12,908	10,913	12,908
Gain/(loss) on revaluation	(1,093)	(1,995)	(1,093)	(1,995)
Closing balance as at 31 December	9,820	10,913	9,820	10,913

(a) Amounts recognised in profit and loss for investment properties

	Consolidated		Parent entity	
	2012	2011	2012	2011
	\$'000	\$'000	\$'000	\$'000
Fair value of investment property	(1,093)	(1,995)	(1,093)	(1,995)
	(1,093)	(1,995)	(1,093)	(1,995)

(b) Valuation basis

The fair value of all land has been determined by reference to recent market transactions and the fair value of buildings have been determined by reference to the cost of replacing the remaining future economic benefits. The investment properties have been valued as at 31 December 2012 by independent professional valuers.

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 DECEMBER 2012

27 PROPERTY, PLANT AND EQUIPMENT

Consolidated	Work in progress	Land	Buildings	Service concession assets-land	Service concession assets-buildings
	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 January 2011					
Cost	25,539	-	-	11,149	53,488
Valuation	-	160,109	526,555	-	-
Accumulated depreciation	-	-	-	-	(566)
Net book amount	25,539	160,109	526,555	11,149	52,922
Year ended 31 December 2011					
Opening net book amount	25,539	160,109	526,555	11,149	52,922
Additions	48,078	-	-	-	-
Disposals	-	(26,857)	(1,250)	-	-
Accumulated depreciation on disposals	-	-	-	-	-
Write-offs during the year	-	-	-	-	-
Accumulated depreciation on write-offs	-	-	-	-	-
Reclassifications in/(out)	-	-	-	-	-
Revaluation increment/(decrement)	-	7,497	(5,575)	-	-
Classified as non-current assets held for sale	-	(31,516)	-	-	-
Depreciation charge	-	-	(10,793)	-	(1,070)
Transfers	(62,309)	14,156	46,713	-	-
Rounding	(1)	-	-	-	-
Closing net book amount	11,307	123,389	555,650	11,149	51,852
At 31 December 2011					
Cost	11,307	-	-	11,149	53,488
Valuation	-	123,389	555,650	-	-
Accumulated depreciation	-	-	-	-	(1,636)
Net book amount	11,307	123,389	555,650	11,149	51,852

Leasehold improvements	Works of Art	Library Collections	Motor Vehicles	Other equipment and furniture	Computing equipment	Total
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
-	-	14,315	391	31,527	10,097	146,506
10,523	12,498	-	-	-	-	709,685
(27)	-	(2,983)	(204)	(22,730)	(7,488)	(33,998)
10,496	12,498	11,332	187	8,797	2,609	822,193
10,496	12,498	11,332	187	8,797	2,609	822,193
-	65	-	75	2,308	1,339	51,865
-	-	-	(17)	(426)	(141)	(28,691)
-	-	-	14	373	139	526
-	(26)	-	-	(20)	-	(46)
-	-	-	-	17	-	17
-	-	(5,359)	-	-	-	(5,359)
448	-	-	-	-	-	2,370
-	-	-	-	(37)	(15)	(31,568)
(842)	-	(1,297)	(65)	(2,883)	(1,498)	(18,448)
-	1,440	-	-	-	-	-
(1)	-	-	(1)	1	-	(2)
10,101	12,537	6,116	193	8,130	2,433	792,857
-	-	10,531	440	33,149	9,590	129,654
10,131	12,537	-	-	-	-	701,707
(30)	-	(4,415)	(247)	(25,019)	(7,157)	(38,504)
10,101	12,537	6,116	193	8,130	2,433	792,857

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 DECEMBER 2012

27 PROPERTY, PLANT AND EQUIPMENT (continued)

Consolidated	Work in progress	Land	Buildings	Service concession assets-land	Service concession assets-buildings
	\$'000	\$'000	\$'000	\$'000	\$'000
Year ended 31 December 2012					
Opening net book amount	11,307	123,389	555,650	11,149	51,852
Additions	32,953	1,510	-	-	-
Disposals	-	(549)	-	-	-
Accumulated depreciation on disposals	-	-	-	-	-
Write-offs during the year	-	-	-	-	-
Accumulated depreciation on write-offs	-	-	-	-	-
Revaluation increments/(decrements)	-	(58)	(3,454)	-	-
Reclassifications in/(out)	-	-	-	-	-
Foreign currency valuation and translation	-	-	-	-	-
Classified as non-current assets held for sale	-	(3,398)	-	-	-
Depreciation charge	-	-	(13,806)	-	(1,559)
Transfers	(27,890)	2,083	23,408	-	-
Closing net book amount	16,370	122,977	561,798	11,149	50,293
At 31 December 2012					
Cost	16,370	-	-	11,149	53,488
Valuation	-	122,977	561,798	-	-
Accumulated depreciation	-	-	-	-	(3,195)
Net book amount	16,370	122,977	561,798	11,149	50,293

Leasehold improvements	Works of Art	Library Collections	Motor Vehicles	Other equipment and furniture	Computing equipment	Total
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
10,101	12,537	6,116	193	8,130	2,433	792,857
-	148	-	240	3,699	786	39,336
-	-	-	(18)	(559)	(143)	(1,269)
-	-	-	9	508	117	634
-	-	-	-	(184)	(12)	(196)
-	-	-	-	177	12	189
297	183	-	-	-	-	(3,032)
-	-	-	-	-	-	-
(15)	-	-	-	(2)	(9)	(26)
-	-	-	-	(37)	-	(3,435)
(534)	-	(999)	(82)	(3,037)	(1,341)	(21,358)
-	-	939	-	970	490	-
9,849	12,868	6,056	342	9,665	2,333	803,700
-	-	11,470	663	36,731	10,672	140,543
9,849	12,868	-	-	-	-	707,492
-	-	(5,414)	(321)	(27,066)	(8,339)	(44,335)
9,849	12,868	6,056	342	9,665	2,333	803,700

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 DECEMBER 2012

27 PROPERTY, PLANT AND EQUIPMENT (continued)

Parent entity	Work in progress	Land	Buildings	Service concession assets-land	Service concession assets-buildings
	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 January 2011					
Cost	25,539	-	-	11,149	53,488
Valuation	-	160,109	526,555	-	-
Accumulated depreciation	-	-	-	-	(566)
Net book amount	25,539	160,109	526,555	11,149	52,922
Year ended 31 December 2011					
Opening net book amount	25,539	160,109	526,555	11,149	52,922
Additions	48,078	-	-	-	-
Disposals	-	(26,857)	(1,250)	-	-
Accumulated depreciation on disposals	-	-	-	-	-
Write-offs during the year	-	-	-	-	-
Accumulated depreciation on write-offs	-	-	-	-	-
Reclassifications in/(out)	-	-	-	-	-
Revaluation increment/(decrement)	-	7,497	(5,575)	-	-
Classified as non-current assets held for sale	-	(31,516)	-	-	-
Depreciation charge	-	-	(10,793)	-	(1,070)
Transfers	(62,309)	14,156	46,713	-	-
Rounding	(1)	-	-	-	-
Closing net book amount	11,307	123,389	555,650	11,149	51,852
At 31 December 2011					
Cost	11,307	-	-	11,149	53,488
Valuation	-	123,389	555,650	-	-
Accumulated depreciation	-	-	-	-	(1,636)
Net book amount	11,307	123,389	555,650	11,149	51,852

Leasehold improvements	Works of Art	Library Collections	Motor Vehicles	Other equipment and furniture	Computing equipment	Total
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
-	-	14,315	391	31,527	10,097	146,506
10,523	12,498	-	-	-	-	709,685
(27)	-	(2,983)	(204)	(22,730)	(7,488)	(33,998)
10,496	12,498	11,332	187	8,797	2,609	822,193
10,496	12,498	11,332	187	8,797	2,609	822,193
-	65	-	75	2,308	1,339	51,865
-	-	-	(17)	(426)	(141)	(28,691)
-	-	-	14	373	139	526
-	(26)	-	-	(20)	-	(46)
-	-	-	-	17	-	17
-	-	(5,359)	-	-	-	(5,359)
448	-	-	-	-	-	2,370
-	-	-	-	(37)	(15)	(31,568)
(842)	-	(1,297)	(65)	(2,883)	(1,498)	(18,448)
-	1,440	-	-	-	-	-
(1)	-	-	(1)	1	-	(2)
10,101	12,537	6,116	193	8,130	2,433	792,857
-	-	10,531	440	33,149	9,590	129,654
10,131	12,537	-	-	-	-	701,707
(30)	-	(4,415)	(247)	(25,019)	(7,157)	(38,504)
10,101	12,537	6,116	193	8,130	2,433	792,857

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 DECEMBER 2012

27 PROPERTY, PLANT AND EQUIPMENT (continued)

Parent entity	Work in progress	Land	Buildings	Service concession assets-and	Service concession assets-buildings
	\$'000	\$'000	\$'000	\$'000	\$'000
Year ended 31 December 2012					
Opening net book amount	11,307	123,389	555,650	11,149	51,852
Additions	32,953	1,510	-	-	-
Disposals	-	(549)	-	-	-
Accumulated depreciation on disposals	-	-	-	-	-
Write-offs during the year	-	-	-	-	-
Accumulated depreciation on write-offs	-	-	-	-	-
Revaluation increments/(decrements)	-	(58)	(3,454)	-	-
Reclassifications in/(out)	-	-	-	-	-
Foreign currency valuation and translation	-	-	-	-	-
Classified as non-current assets held for sale	-	(3,398)	-	-	-
Depreciation charge	-	-	(13,806)	-	(1,559)
Transfers	(27,890)	2,083	23,408	-	-
Closing net book amount	16,370	122,977	561,798	11,149	50,293
At 31 December 2012					
Cost	16,370	-	-	11,149	53,488
Valuation	-	122,977	561,798	-	-
Accumulated depreciation	-	-	-	-	(3,195)
Net book amount	16,370	122,977	561,798	11,149	50,293

Leasehold improvements	Works of Art	Library Collections	Motor Vehicles	Other equipment and furniture	Computing equipment	Total
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
10,101	12,537	6,116	193	8,130	2,433	792,857
-	148	-	240	3,699	786	39,336
-	-	-	(18)	(559)	(143)	(1,269)
-	-	-	9	508	117	634
-	-	-	-	(184)	(12)	(196)
-	-	-	-	177	12	189
297	183	-	-	-	-	(3,032)
-	-	-	-	-	-	-
(15)	-	-	-	(2)	(9)	(26)
-	-	-	-	(37)	-	(3,435)
(534)	-	(999)	(82)	(3,037)	(1,341)	(21,358)
-	-	939	-	970	490	-
9,849	12,868	6,056	342	9,665	2,333	803,700
-	-	11,470	663	36,731	10,672	140,543
9,849	12,868	-	-	-	-	707,492
-	-	(5,414)	(321)	(27,066)	(8,339)	(44,335)
9,849	12,868	6,056	342	9,665	2,333	803,700

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 DECEMBER 2012

27 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 2012 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 2(l).

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 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 36.5 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:

	Consolidated		Parent entity	
	2012	2011	2012	2011
	\$'000	\$'000	\$'000	\$'000
Land	11,149	11,149	11,149	11,149
Buildings	50,293	51,852	50,293	51,852
Net book amount	61,442	63,001	61,442	63,001

28 DEFERRED TAX ASSETS AND LIABILITIES

	Consolidated		Parent entity	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Deferred tax assets	-	193	-	-
Total deferred tax assets	-	193	-	-
The balance comprises temporary differences attributable to:				
<i>Amounts recognised in profit or loss</i>				
Accrued expenses	-	5	-	-
Accounts payable	-	3	-	-
Customer deposits	-	2	-	-
Sundry other	-	5	-	-
Tax losses	-	178	-	-
	-	193	-	-
<i>Amounts recognised directly in equity</i>				
Revaluation of deferred tax opening balance	-	-	-	-
Net deferred tax assets	-	193	-	-
Deferred tax assets to be recovered within 12 months	-	15	-	-
Deferred tax assets to be recovered after more than 12 months	-	178	-	-
	-	193	-	-

Movements	Consolidated \$'000
Movements	
At 1 January 2011	59
Charged to the income statement	134
Charged directly to equity	-
Retrospective adjustments	-
At 31 December 2011	193
At 1 January 2012	193
Credited to the income statement	(193)
Charged directly to equity	-
Retrospective adjustments	-
At 31 December 2012	-

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 DECEMBER 2012

28 DEFERRED TAX ASSETS AND LIABILITIES (continued)

	Consolidated		Parent entity	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Deferred tax assets	-	87	-	-
Total deferred tax liabilities	-	87	-	-
The balance comprises temporary differences attributable to:				
<i>Amounts recognised in operating result</i>				
Accounts receivable	-	32	-	-
Accrued income	-	31	-	-
Sundry other	-	17	-	-
Accelerated capital allowance	-	2	-	-
Depreciation	-	5	-	-
	-	87	-	-
<i>Amounts recognised directly in equity</i>				
Revaluation of deferred tax opening balance	-	-	-	-
Net deferred tax liabilities	-	87	-	-
Deferred tax liabilities to be settled after more than 12 months	-	87	-	-
	-	87	-	-

Movements	Consolidated \$'000
Movements	
At 1 January 2011	74
Charged to the income statement	13
At 31 December 2011	87
At 1 January 2012	87
Charged to the income statement	(87)
Charged directly to equity	-
Retrospective adjustments	-
At 31 December 2012	-

29 INTANGIBLE ASSETS

Consolidated	Computer software	Publishing titles	Library collections	Total
	\$'000	\$'000	\$'000	\$'000
At 1 January 2011				
Cost	7,150	-	-	7,150
Accumulated amortisation	(7,150)	-	-	(7,150)
Net book amount	-	-	-	-
Year ended 31 December 2011				
Opening net book amount	-	-	-	-
Reclassification in / (out)	-	-	5,359	5,359
Additions	-	217	930	1,147
Amortisation charge	-	-	(868)	(868)
Closing net book amount	-	217	5,421	5,638
At 31 December 2011				
Cost	7,150	17	9,613	16,980
Accumulated amortisation	(7,150)	-	(4,192)	(11,342)
Net book amount	-	217	5,421	5,638
Consolidated	Computer software	Publishing titles	Library collections	Total
	\$'000	\$'000	\$'000	\$'000
Year ended 31 December 2012				
Opening net book amount	-	217	5,421	5,638
Additions	-	-	1,155	1,155
Amortisation charge	-	-	(909)	(909)
Disposals	-	(217)	-	(217)
Accumulated amortisation on intangible assets retired	-	217	-	217
Impairment	-	(217)	-	(217)
Closing net book amount	-	-	5,667	5,667
At 31 December 2012				
Cost	7,150	-	10,768	17,918
Accumulated amortisation and impairment	(7,150)	-	(5,101)	(12,251)
Net book amount	-	-	5,667	5,667

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 DECEMBER 2012

30 TRADE AND OTHER PAYABLES

	Consolidated		Parent entity	
	2012	2011	2012	2011
	\$'000	\$'000	\$'000	\$'000
Current				
Trade and other payables	8,709	11,418	8,709	11,184
CGS liability to Australian Government	716	-	716	-
OS HELP and Superannuation Supplementation Liability to Australian Government	313	41	313	41
Department of Education and Training	-	280	-	-
GST Payable	551	562	551	486
Total trade and other payables	10,289	12,301	10,289	11,711

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

Foreign currency risk

The carrying amounts of the consolidated entity's trade and other payables are denominated in the following currencies:

	Consolidated		Parent entity	
	2012	2011	2012	2011
	\$'000	\$'000	\$'000	\$'000
Australian Dollar	10,289	12,165	10,289	11,606
Great British Pounds	-	21	-	-
Singapore Dollar	-	1	-	1
US Dollar	-	114	-	104
	10,289	12,301	10,289	11,711

For an analysis of the sensitivity of trade and other payables to foreign currency risk refer to note 45.

31 BORROWINGS

	Consolidated		Parent entity	
	2012	2011	2012	2011
	\$'000	\$'000	\$'000	\$'000
Current – unsecured				
Western Australian Treasury Corporation	2,320	2,170	2,320	2,170
Total current borrowings	2,320	2,170	2,320	2,170
Non-current – unsecured				
Western Australian Treasury Corporation	90,067	42,387	90,067	42,387
Total non-current borrowings	90,067	42,387	90,067	42,387
Total borrowings	92,387	44,557	92,387	44,557

(a) Financing arrangements

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

	Consolidated		Parent entity	
	2012	2011	2012	2011
	\$'000	\$'000	\$'000	\$'000
Credit standby arrangements				
Total facilities				
Western Australian Treasury Corporation	100,638	100,852	100,638	100,852
Bank facilities	6,050	37,658	6,050	37,658
Total facilities	106,688	138,510	106,688	138,510
Used at balance date				
Western Australian Treasury Corporation	92,387	44,557	92,387	44,557
Bank facilities	272	1,239	272	1,239
Total used at balance date	92,659	45,796	92,659	45,796
Unused at balance date				
Western Australian Treasury Corporation	8,251	56,295	8,251	56,295
Bank facilities	5,778	36,419	5,778	36,419
Total unused at balance date	14,029	92,714	14,029	92,714

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 DECEMBER 2012

31 BORROWINGS (continued)

	Consolidated		Parent entity	
	2012	2011	2012	2011
	\$'000	\$'000	\$'000	\$'000
Bank loan facilities				
Total facilities	106,688	138,510	106,688	138,510
Used at balance date	92,659	45,797	92,659	45,797
Unused at balance date	14,029	92,713	14,029	92,713

The current interest rates on loans from Western Australian Treasury Corporation range between 4.13 per cent and 7.10 per cent, depending on the type of borrowing (2011: 5.61 per cent and 7.10 per cent).

A majority of the used bank facilities of \$0.272m (2011 – \$1.239m) represent credit card balances outstanding as at year end which are included as part of Trade and other payables in note 30.

(b) Fair value

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

Consolidated	Carrying amount	Fair value	Carrying amount	Fair value
	2012	2011	2012	2011
	\$'000	\$'000	\$'000	\$'000
On statement of financial position*				
<i>Borrowings</i>				
Western Australian Treasury Corporation	92,387	92,387	44,557	44,557

Parent entity	Carrying amount	Fair value	Carrying amount	Fair value
	2012	2011	2012	2011
	\$'000	\$'000	\$'000	\$'000
On-statement of financial position*				
<i>Borrowings</i>				
Western Australian Treasury Corporation	92,387	92,387	44,557	44,557

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

31 BORROWINGS (continued)

	Consolidated		Parent entity	
	2012	2011	2012	2011
	\$'000	\$'000	\$'000	\$'000
(c) Risk exposures				
The exposure of the consolidated entity's borrowings to interest rate changes and the contractual repricing dates at the balance dates are as follows:				
6 months or less	621	582	621	582
6 to 12 months	41,349	1,588	41,349	1,588
1 to 5 years	417	42,348	417	42,348
Over 5 years	50,000	39	50,000	39
	92,387	44,557	92,387	44,557
These borrowings are classified as follows:				
Current borrowings	2,320	2,170	2,320	2,170
Non-current borrowings	90,067	42,387	90,067	42,387
	92,387	44,557	92,387	44,557

The carrying amounts of the consolidated entity's borrowings are denominated in Australian Dollar.

For an analysis of the sensitivity of borrowings to interest rate risk refer to note 45.

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 DECEMBER 2012

32 PROVISIONS

	Consolidated		Parent entity	
	2012	2011	2012	2011
	\$'000	\$'000	\$'000	\$'000
Current provisions expected to be settled within 12 months				
Employee benefits				
Annual leave and other compensated absences	6,284	5,780	6,284	5,606
Long service leave	7,520	8,067	7,520	8,012
Deferred government benefits for superannuation	2,887	2,952	2,887	2,952
Staff bonuses	1,267	1,043	1,267	1,043
Superannuation and other post employment benefits	1,852	1,797	1,852	1,797
Provision for Income Tax	-	3	-	-
Employee on-costs	974	960	974	960
Provision for service concession liabilities	948	948	948	948
Other	8,874	3,196	8,874	3,196
Subtotal	30,606	24,746	30,606	24,514
Current provisions expected to be settled after more than 12 months				
Employee benefits				
Annual leave and other compensated absences	496	426	496	426
Long service leave	7,158	6,889	7,158	6,889
Superannuation and other post employment benefits	861	821	861	821
Employee on-costs	531	507	531	507
Subtotal	9,046	8,643	9,046	8,643
Total current provisions	39,652	33,389	39,652	33,157
Non-current				
Employee benefits				
Long service leave	7,407	6,638	7,407	6,573
Deferred government benefits for superannuation	26,816	25,577	26,816	25,577
Provision for deferred salary	239	343	239	343
Superannuation and other post employment benefits	1,560	1,147	1,560	1,147
Employee on-costs	513	455	513	455

32 PROVISIONS (continued)

	Consolidated		Parent entity	
	2012	2011	2012	2011
	\$'000	\$'000	\$'000	\$'000
Provision for service concession liabilities	30,340	31,288	30,340	31,288
Other	-	957	-	957
Total non-current provisions	66,875	66,405	66,875	6,340
Total provisions	106,527	99,794	106,527	99,497

Current provisions expected to be settled after more than 12 months represents a current obligation of the consolidated 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.

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 12.

(a) Movements in provisions

Movements in provision during the financial year, other than employee benefits, are set out below:

	Provision for Income Tax	Employment on-costs	Service concession liabilities	Other
	\$'000	\$'000	\$'000	\$'000
Consolidated – 2012				
Current				
Carrying amount at start of year	3	1,467	948	3,196
Additional provisions recognised	-	38	948	6,895
Amounts incurred and charged	(3)	-	(948)	(1,217)
Carrying amount at end of year	-	1,505	948	8,874
Consolidated – 2012				
Non-current				
Carrying amount at start of year	-	455	31,288	957
Additional provisions recognised	-	58	-	-
Amounts incurred and charged	-	-	(948)	(957)
Carrying amount at end of year	-	513	30,340	-

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 DECEMBER 2012

32 PROVISIONS (continued)

	Provision for Income Tax	Employment on-costs	Service concession liabilities	Other
	\$'000	\$'000	\$'000	\$'000
Consolidated – 2011				
Current				
Carrying amount at start of year	25	1,350	948	-
Additional provisions recognised	-	117	948	3,196
Amounts incurred and charged	(22)	-	(948)	-
Carrying amount at end of year	3	1,467	948	3,196
Consolidated – 2011				
Non-current				
Carrying amount at start of year	-	422	32,236	-
Additional provisions recognised	-	33	-	957
Payments/other sacrifices of economic benefits	-	-	(948)	-
Carrying amount at end of year	-	455	31,288	957

33 OTHER LIABILITIES

	Consolidated		Parent entity	
	2012	2011	2012	2011
	\$'000	\$'000	\$'000	\$'000
Current				
Fees and grants received in advance	12,459	13,830	12,459	13,766
Financial assistance received in advance	3,236	1,202	3,236	1,202
Accrued expenses	12,898	10,744	12,898	10,654
Total other liabilities	28,593	25,776	28,593	25,622

34 RESERVES AND RETAINED EARNINGS

	Consolidated		Parent entity	
	2012	2011	2012	2011
	\$'000	\$'000	\$'000	\$'000
(a)Reserves				
Property plant and equipment revaluation reserve	375,692	384,488	375,692	384,488
Investments revaluation reserve	4,827	2,962	4,827	2,962
Hedging reserve – cash flow hedges	-	(1)	-	(1)
Foreign currency translation reserve	-	(204)	-	-
	380,519	387,245	380,519	387,449

	Consolidated		Parent entity	
	2012	2011	2012	2011
	\$'000	\$'000	\$'000	\$'000
Movements:				
<i>Property plant and equipment revaluation reserve</i>				
Balance 1 January	384,488	381,478	384,488	381,478
Revaluation – gross	(3,032)	2,372	(3,032)	2,372
Transfers to retained earnings	(5,764)	638	(5,764)	638
Balance 31 December	375,692	384,488	375,692	384,488

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 DECEMBER 2012

34 RESERVES AND RETAINED EARNINGS (continued)

	Consolidated		Parent entity	
	2012	2011	2012	2011
	\$'000	\$'000	\$'000	\$'000
<i>Investment revaluation reserve</i>				
Balance 1 January	2,962	4,655	2,962	4,655
Revaluation – gross	1,852	(2,164)	1,852	(2,164)
Impairments	13	471	13	471
Balance 31 December	4,827	2,962	4,827	2,962
<i>Hedging reserve – cash flow hedges</i>				
Balance 1 January	(1)	(24)	(1)	(24)
Revaluation – gross	-	(1)	-	(1)
Transfer to inventory and other assets gross	1	24	1	24
Balance 31 December	-	(1)	-	(1)

	Consolidated		Parent entity	
	2012	2011	2012	2011
	\$'000	\$'000	\$'000	\$'000
<i>Foreign currency translation reserve</i>				
Balance 1 January	(204)	(188)	-	-
Currency translation differences arising during the year	204	(16)	-	-
Balance 31 December	-	(204)	-	-

(b) Retained earnings

Movements in retained earnings were as follows:

	Consolidated		Parent entity	
	2012	2011	2012	2011
	\$'000	\$'000	\$'000	\$'000
Retained earnings at the beginning of the year	452,146	419,932	449,882	417,582
Operating result for the period	25,604	32,853	27,868	32,939
Transfer from property, plant and equipment reserve*	5,764	(638)	5,764	(638)
Retained earnings at 31 December	483,514	452,147	483,514	449,883

*Transfer from revaluation reserve of \$5,764,000 (2011: \$638,000) represents realisation of revaluation surplus on assets disposed.

34 RESERVES AND RETAINED EARNINGS (continued)

(c) Nature and purpose of reserves

(i) Property, plant and equipment reserve

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 2(l).

(ii) Investments revaluation reserve

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 2(k). Amounts are recognised in profit and loss 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 2(u). Amounts are recognised in profit and loss when the associated hedged transaction affects profit and loss.

(iv) Foreign currency translation reserve

Exchange differences arising on translation of the foreign controlled branches of the University's subsidiary are taken to the foreign currency translation reserve, as described in note 2(u).

35 RESTRICTED FUNDS

	Consolidated		Parent entity	
	2012	2011	2012	2011
	\$'000	\$'000	\$'000	\$'000
Restricted funds				
ECU Foundation	6,641	6,374	6,641	6,374

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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 DECEMBER 2012

36 KEY MANAGEMENT PERSONNEL DISCLOSURES

Remuneration of members of the accountable authority

For the purposes of the Financial Management Act the University Council is the accountable authority of the University.

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

	2012	2011
Nil to \$10,000	19	19
\$50,001 to \$60,000	1	-
\$110,001 to \$120,000	-	1
\$120,001 to \$130,000	1	-
\$140,001 to \$150,000	-	1
\$150,001 to \$160,000	1	-
\$290,001 to \$300,000	-	1
\$310,001 to \$320,000	1	-
\$660,001 to \$670,000	-	1
\$720,001 to \$730,000	1	-
The total aggregate remuneration of members of the accountable authority ('000)	\$1,386	\$1,224

Council members include University employees who may be ex officio members or elected staff members. No council member has received any remuneration in his/her capacity as a council member. 18 members (2011:17 members) of the accountable authority received no remuneration, fees, superannuation or benefits.

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

No members of the accountable authority are members of the pension scheme.

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:

36 KEY MANAGEMENT PERSONNEL DISCLOSURES (continued)

\$90,001 to \$100,000	1	-
\$220,001 to \$230,000	1	-
\$240,001 to \$250,000	-	1
\$250,001 to \$260,000	1	-
\$270,001 to \$280,000	1	-
\$290,001 to \$300,000	1	-
\$300,001 to \$310,000	-	1
\$310,001 to \$320,000	1	-
\$320,001 to \$330,000	-	1
\$340,001 to \$350,000	1	1
\$370,001 to \$380,000	-	2
\$380,001 to \$390,000	-	1
\$410,001 to \$420,000	1	-
\$430,001 to \$440,000	2	-
The total aggregate remuneration of senior officers ('000)	\$3,081	\$2,358

The superannuation included here represents the superannuation expense incurred by the University in respect of senior officers other than senior officers reported as members of the accountable authority.

One senior officer is a member of the pension scheme.

37 REMUNERATION OF AUDITORS

Remuneration to the Auditor General and non related audit firms for the financial year is as follows:

	Consolidated		Parent entity	
	2012	2011	2012	2011
	\$'000	\$'000	\$'000	\$'000
Assurance services				
<i>Audit services</i>				
Office of the Auditor General (OAG)				
Auditing the accounts, financial statements and performance indicators	302	297	242	237
Non-OAG audit firms for the audit or review of financial reports of any entity in the consolidated entity	22	20	5	3
Total remuneration for audit services	324	317	247	240

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 DECEMBER 2012

38 CONTINGENCIES

Contingent liabilities

In addition to the liabilities incorporated in the financial statements, the consolidated entity 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.

Contaminated sites

ECU has undertaken investigations of a contaminated site identified by the Western Australia Department of Environment and Conservation on the Bunbury Campus. The site is an old rifle range and contains lead from spent ammunition. ECU has fenced off the site and erected warning signs. No further action will be undertaken until the future land use on this site is determined.

Outstanding litigation

ECU is a defendant in an action with the Management Development Institute of Singapore. The claim is being defended and it is expected that the matter will go to trial during 2013. The claim is indemnified under the University's insurance arrangements.

Workers compensation claims

The consolidated entity may have some potential liability towards workers compensation claims. The process of defending the claims are still at an early stage, however the claims are not material and sufficient insurance is in place to cover the potential liability.

Other contingencies

A course conducted by ECU has not received accreditation which may give rise to claims by third parties. At this stage the quantum of such claims is uncertain.

39 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:

	Consolidated		Parent entity	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
<i>Property, plant and equipment</i>				
1 year or less	19,409	16,411	19,409	16,411
	19,409	16,411	19,409	16,411

(b) Lease commitments: The consolidated 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:

	Consolidated		Parent entity	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
1 year or less	229	432	229	247
1 to 5 years	199	458	199	247
Over 5 years	-	3	-	-
	428	893	428	494
Cancellable operating lease	428	893	428	494

(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:

	Consolidated		Parent entity	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
1 year or less	7,837	6,504	7,837	6,504

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 DECEMBER 2012

40 RELATED PARTIES

Subsidiaries

The University had one related party during the financial year. Interests in subsidiaries are set out in note 41.

(a) Transactions with related parties

The following transactions occurred with related parties:

	Consolidated		Parent entity	
	2012	2011	2012	2011
	\$'000	\$'000	\$'000	\$'000
Sales of goods and services	-	-	593	13
Purchases of goods	-	-	94	37

41 SUBSIDIARIES

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiary in accordance with the accounting policy described in note 2(b):

Name of entity	Country of incorporation	Class of shares	2012	2011
E.C.U. Resources for Learning Ltd (ECURL)*	Australia	Australian public company limited by guarantee	100%	100%

* The address of ECURL is 234 Great Eastern Highway, Ascot. WA 6104.

42 EVENTS OCCURRING AFTER THE REPORTING DATE

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

43 RECONCILIATION OF OPERATING RESULT AFTER INCOME TAX TO NET CASH FLOWS FROM OPERATING ACTIVITIES

	Consolidated		Parent entity	
	2012	2011	2012	2011
	\$'000	\$'000	\$'000	\$'000
Operating result for the period	25,604	32,853	27,868	32,939
Non-cash items:				
Depreciation and amortisation expense	22,267	19,316	22,239	19,300
Revaluation of investment property	1,093	1,995	1,093	1,995
Provision for impairment of receivables	1,147	570	1,147	570
Service concession income	(948)	(948)	(948)	(948)
Net gain on disposal of assets	(2,531)	(8,685)	(2,568)	(8,685)
Net loss on asset write-offs	48	55	48	55
Impairment of assets	274	471	13	471
Subtotal	46,954	45,627	48,892	45,697
Change in assets and liabilities				
(Increase) / decrease in receivables	2,682	(6,199)	1,892	(6,370)
(Increase) / decrease in tax assets	193	(134)	-	-
(Increase) / decrease in inventories	173	438	(198)	413
Increase / (decrease) in trade and other payables	623	(5,789)	1,367	(5,298)
Increase / (decrease) in tax liabilities	(87)	13	-	-
Increase / (decrease) in provisions	7,681	8,192	7,978	8,151
Subtotal of change in operating assets and liabilities	11,265	(3,479)	11,039	(3,104)
Net cash provided by / used in operating activities	58,219	42,148	59,931	42,593

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 DECEMBER 2012

44 NON-CASH FINANCING AND INVESTING ACTIVITIES

	Consolidated		Parent entity	
	2012	2011	2012	2011
	\$'000	\$'000	\$'000	\$'000
Proceeds accrued from sale of property, plant and equipment and non-current assets held for sale	6,857	9,087	6,857	9,087

During the financial year, there were sales of Churchlands property that has been sold but not yet settled and therefore not reflected in the cash flow statement.

45 FINANCIAL RISK MANAGEMENT

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

	Consolidated		Parent entity	
	2012	2011	2012	2011
	\$'000	\$'000	\$'000	\$'000
Financial assets				
Cash and cash equivalents	51,429	33,963	51,429	32,491
Trade and other receivables	4,673	11,439	4,673	10,786
Available-for-sale financial assets	19,611	17,884	19,611	17,884
Held-to-maturity financial assets	142,476	70,351	142,476	70,342
	218,189	133,637	218,189	131,503
Financial liabilities				
Trade and other payable	9,738	11,739	9,738	11,225
Borrowings	92,387	44,557	92,387	44,557
Derivative financial instruments	-	1	-	1
	102,125	56,297	102,125	55,783

(a) Market risk

(i) Foreign exchange and interest risk

The consolidated entity 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.

45 FINANCIAL RISK MANAGEMENT (continued)

(ii) Price risk

The consolidated entity 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.

(iii) Summarised sensitivity analysis

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

Consolidated		Interest rate risk				Foreign exchange risk				Other price risk			
		-1%		+1%		-10%		+10%		-10%		+10%	
31 December 2012	Carrying amount	Profit	Equity	Profit	Equity	Profit	Equity	Profit	Equity	Profit	Equity	Profit	Equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets													
Cash and cash equivalents	51,429	(514)	(514)	514	514	-	-	-	-	-	-	-	-
Accounts receivable	4,673	-	-	-	-	(7)	(7)	7	7	-	-	-	-
Available-for-sale financial assets	19,611	-	-	-	-	-	-	-	-	(1,961)	(1,961)	1,961	1,961
Held-to-maturity financial assets	142,476	(1,425)	(1,425)	1,425	1,425	-	-	-	-	-	-	-	-
Sub Total		(1,939)	(1,939)	1,939	1,939	(7)	(7)	7	7	(1,961)	(1,961)	1,961	1,961
Financial liabilities													
Trade payables	9,738	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings	92,387	(6)	(6)	6	6	-	-	-	-	-	-	-	-
Sub Total		(6)	(6)	6	6	-	-	-	-	-	-	-	-
Total increase / (decrease)		(1,945)	(1,945)	1,945	1,945	(7)	(7)	7	7	(1,961)	(1,961)	1,961	1,961

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 DECEMBER 2012

45 FINANCIAL RISK MANAGEMENT (continued)

Consolidated		Interest rate risk				Foreign exchange risk				Other price risk			
			-1%	+1%			-10%	+10%			-10%	+10%	
31 December 2011	Carrying amount	Profit	Equity	Profit	Equity	Profit	Equity	Profit	Equity	Profit	Equity	Profit	Equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets													
Cash and cash equivalents	33,963	(340)	(340)	340	340	(35)	(35)	35	35	-	-	-	-
Accounts receivable	10,786	-	-	-	-	(19)	(19)	19	19	-	-	-	-
Available-for-sale financial assets	17,884	-	-	-	-	-	-	-	-	(1,788)	(1,788)	1,788	1,788
Held-to-maturity financial assets	70,351	(704)	(704)	704	704	(1)	(1)	1	1	-	-	-	-
Sub Total		(1,044)	(1,044)	1,044	1,044	(55)	(55)	55	55	(1,788)	(1,788)	1,788	1,788
Financial liabilities													
Derivatives – cash flow hedges	1	-	-	-	-	-	-	-	-	-	-	-	-
Trade payables	11,225	-	-	-	-	(14)	(14)	14	14	-	-	-	-
Borrowings	44,557	(9)	(9)	9	9	-	-	-	-	-	-	-	-
Sub Total		(9)	(9)	9	9	(14)	(14)	14	14	-	-	-	-
Total increase / (decrease)		(1,053)	(1,053)	1,053	1,053	(69)	(69)	69	69	(1,788)	(1,788)	1,788	1,788

(b) Credit risk

Credit risk arises when there is the possibility of the consolidated entity's receivables defaulting on their contractual obligations resulting in financial loss to the University. The consolidated 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 consolidated entity trades only with recognised, credit worthy third parties. In addition, receivable balances are monitored on an ongoing basis with the result that the consolidated 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 20.

(c) Liquidity risk

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

45 FINANCIAL RISK MANAGEMENT (continued)

The tables below analyse the consolidated 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.

Consolidated At 31 December 2012	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets					
Cash and cash equivalents	51,429	-	-	-	51,429
Trade and other receivables	4,673	-	-	-	4,673
Other financial assets	92,476	-	-	69,611	162,087
Financial liabilities		(1,044)	(1,044)	1,044	1,044
Trade and other payables	9,738	-	-	-	9,738
Borrowings	41,970	172	245	50,000	92,387

Consolidated At 31 December 2011	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets					
Cash and cash equivalents	33,963	-	-	-	33,963
Trade and other receivables	10,786	-	-	-	10,786
Other financial assets	70,351	-	-	17,884	88,235
Financial liabilities					
Trade and other payables	11,225	-	-	-	11,225
Borrowings	2,170	41,970	378	39	44,557
Derivative financial liabilities	1	-	-	-	1

The following are the average interest rates for the above financial assets and liabilities as at 31 December 2012:

Financial assets

1. Cash and cash equivalents – 4.10 per cent p.a (2011: 5.14 per cent)
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 – 5.25 per cent p.a (2011: 5.99 per cent)

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 DECEMBER 2012

45 FINANCIAL RISK MANAGEMENT (continued)

Financial liability

1. Trade and other payable – Non-interest bearing financial liability
2. Borrowings – 5.33 per cent p.a (2011: 6.68 per cent)

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

(d) Fair value estimation

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

The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and traded securities) is based on quoted market prices at the reporting date.

The quoted market price used for financial assets held by the consolidated entity is the current bid price.

The fair value of forward exchange contracts is determined using forward exchange market rates at the reporting date.

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.

46 WRITE-OFFS

	Consolidated		Parent entity	
	2012	2011	2012	2011
	\$	\$	\$	\$
	\$'000	\$'000	\$'000	\$'000
Total write-offs as approved by the accountable authority during the financial year				
Receivables written-off against provision*	26	54	26	54
Property plant and equipment	7	29	7	29
Inventory	41	26	41	26
Total write-offs	74	109	74	109

* The vast majority of the receivables write-offs are relating to international student debts incurred in 2011 and before which have been identified as irrecoverable.

47 SUPERANNUATION

Government Employees Superannuation Board

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. The Commonwealth Government is committed to reimbursing the University for payments actually made to the scheme for these emerging costs.

Pension Scheme

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

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.

Reconciliation of the assets and liabilities recognised in the statement of financial position

	Pension Scheme		Gold State Super	
	2012	2011	2012	2011
	\$'000	\$'000	\$'000	\$'000
Defined benefit obligation	28,782	27,656	921	873
(+) Fair value of assets	-	-	-	-
Deficit/(surplus)	28,782	27,656	921	873
(-) Unrecognised past service cost	-	-	-	-
(-) Unrecognised net (gain)/loss	-	-	-	-
Liability/(asset)	28,782	27,656	921	873

Reconciliation of the present value of the defined benefit obligation

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 DECEMBER 2012

47 SUPERANNUATION (continued)

	Pension Scheme		Gold State Super	
	2012	2011	2012	2011
	\$'000	\$'000	\$'000	\$'000
Balance at the beginning of the year	27,656	26,611	873	1,081
Current service cost	-	-	-	-
Interest cost	1,041	1,377	33	55
Contributions by plan participants	-	-	-	-
Actuarial (gains) and losses	2,869	2,574	15	140
Benefits paid	(2,784)	(2,906)	-	(403)
Past service cost	-	-	-	-
Balance at the end of the year	28,782	27,656	921	873

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

	Pension Scheme		Gold State Super	
	2012	2011	2012	2011
	\$'000	\$'000	\$'000	\$'000
<i>Reconciliation of the fair value of plan assets:</i>				
Balance at the beginning of the year	-	-	-	-
Expected return on plan assets	-	-	-	-
Actuarial gains and (losses)	-	-	-	-
Contributions by employers	2,784	2,906	-	403
Contributions by plan participants	-	-	-	-
Benefits paid	(2,784)	(2,906)	-	(403)
Balance at the end of the year	-	-	-	-

47 SUPERANNUATION (continued)

	Pension Scheme		Gold State Super	
	2012	2011	2012	2011
	\$'000	\$'000	\$'000	\$'000
Current service cost	-	-	-	-
Interest cost	1,041	1,377	33	55
Expected return on plan assets	-	-	-	-
Net actuarial losses (gains) recognised in year	2,869	2,574	15	140
Total included in employee benefits expense	3,910	3,950	48	195

Scheme Assets

There are no assets in the pension scheme or Gold State Super for current employees to support the transferred benefits. Hence, there is

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

The principal actuarial assumptions used were as follows:

	Pension Scheme		Gold State Super	
	2012	2011	2012	2011
Discount rate (active members)	3.11%	3.97%	3.11%	3.97%
Discount rate (pensioners)	3.11%	3.97%	3.11%	3.97%
Expected salary increase rates	5.00%	5.50%	5.00%	5.50%
Expected pension increase rates	2.50%	2.50%	2.50%	2.50%

The discount rate is based on the 10 year Government bond rate at the relevant date. The decrement rates used (eg. mortality and retirement rates) are based on those used at the last actuarial valuation for the Schemes.

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 DECEMBER 2012

47 SUPERANNUATION (continued)

(a) Historic summary

	2012 \$'000	2011 \$'000	2010 \$'000	2009 \$'000	2008 \$'000
Present value of defined benefit plan obligation – pension scheme	28,782	27,656	26,611	27,931	31,777
Fair value of scheme assets – pension scheme	-	-	-	-	-
Present value of defined benefit plan obligation – gold state super	921	873	1,081	1,147	1,098
Fair value of scheme assets – gold state super	-	-	-	-	-
(Surplus) / deficit in scheme	29,703	28,529	27,692	29,078	32,875
Experience adjustments loss – scheme liabilities – pension scheme	252	(314)	452	(1,536)	2,541
Experience adjustments loss – scheme liabilities – gold state super	8	24	56	45	63

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

Expected contributions	Pension scheme	Gold state super
	2012 \$'000	2012 \$'000
Expected employer contributions	2,798	89

48 ACQUITTAL OF AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE

48.1 DIISRTE-CGS and Other DIISRTE Grants

Parent entity	Commonw'lth Grant Scheme ^{#1}		Indigenous Support Program		Partnership & Participation Program ^{#2}		Disability Support Program		Workplace Productivity Program		Diversity and Structural Adjustment Fund ^{#3}		Transitional Cost Program	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the Programs)	131,550	116,392	646	646	3,355	2,359	66	64	-	-	-	275	92	118
Net accrual adjustments	(353)	-	(53)	-	-	-	-	-	-	-	-	-	-	-
Revenue for the period	131,197	116,392	593	646	3,210	2,359	66	64	-	-	-	275	92	118
Surplus / (deficit) from the previous year	-	-	(4)	-	85	-	-	(37)	-	135	219	-	-	-
Total revenue including accrued revenue	131,197	116,392	589	646	3,295	2,359	66	27	-	135	219	275	92	118
Less expenses including accrued expenses	(131,197)	(116,392)	(685)	(650)	(3,295)	(2,274)	(66)	(27)	-	(135)	(219)	(56)	(92)	(118)
Surplus / (deficit) for reporting period	-	-	(96)	(4)	-	85	-	-	-	-	-	219	-	-

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 DECEMBER 2012

48 ACQUITTAL OF AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE (continued)

48.1 DIISRTE CGS and Other DIISRTE Grants (continued)

Parent entity	Promotion of Excellence in Learning and Teaching		Reward Funding		Other ^{#4}		Total	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the Programs)	50	-	333	-	7,067	3,758	143,159	123,612
Net accrual adjustments	-	-	-	-	-	-	(551)	-
Revenue for the period	50	-	333	-	7,067	3,758	142,608	123,612
Surplus / (deficit) from the previous year	-	-	-	-	652	-	952	98
Total revenue including accrued revenue	50	-	333	-	7,719	3,758	143,560	123,710
Less expenses including accrued expenses	(1)	-	(333)	-	(6,912)	(3,106)	(142,800)	(122,758)
Surplus / (deficit) for reporting period	49	-	-	-	807	652	760	952

#1 Includes the basic CGS-grant amount, CGS Regional Loading, CGS-Enabled Loading, Maths and Science Transition Loading and Full Fee Places Transition Loading.

#2 Includes Equity Support Program.

#3 Includes Collaboration and Structural Adjustment Program.

#4 Includes Structural Adjustment Fund and Facilitation Funding.

48 ACQUITTAL OF AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE (continued)

48.2 Higher Education Loan Programs (excl OS-HELP)

Parent entity	HECS-HELP (Australian Government payments only)		FEE-HELP ^{#5}		SA-HELP		Total	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the Programs)	67,603	62,033	13,690	9,280	77	-	81,370	71,313
Net accrual adjustments	(961)	2,112	(3,979)	854	145	-	(4,795)	2,966
Revenue for the period	66,642	64,145	9,711	10,134	222	-	76,575	74,279
Surplus / (deficit) from the previous year	-	-	-	-	-	-	-	-
Total revenue including accrued revenue	66,642	64,145	9,711	10,134	222	-	76,575	74,279
Less expenses including accrued expenses	(66,642)	(64,145)	(9,711)	(10,134)	(222)	-	(76,575)	(74,279)
Surplus / (deficit) for reporting period	-	-	-	-	-	-	-	-

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 DECEMBER 2012

48 ACQUITTAL OF AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE (continued)

48.3 Scholarships

Parent entity	Australian Postgraduate Awards		International Postgraduate Research Scholarship		Commonwealth Education Cost Scholarships ^{#6}		Commonwealth Accommodation Scholarships ^{#6}		Indigenous Access Scholarships		Total	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the Programs)	1,840	1,652	174	185	1,022	853	95	1,003	81	46	3,212	3,739
Net accrual adjustments	-	-	-	-	(850)	(460)	67	(568)	2	-	(781)	(1,028)
Revenue for the period	1,840	1,652	174	185	172	393	162	435	83	46	2,431	2,711
Surplus / (deficit) from the previous year	330	333	-	2	-	26	-	23	-	9	330	393
Total revenue including accrued revenue	2,170	1,985	174	187	172	419	162	458	83	55	2,761	3,104
Less expenses including accrued expenses	(1,887)	(1,655)	(174)	(187)	(172)	(419)	(162)	(458)	(83)	(55)	(2,478)	(2,774)
Surplus / (deficit) for reporting period	283	330	-	-	-	-	-	-	-	-	283	330

^{#6} Includes Grandfathered Scholarships, National Priority and National Accommodation Priority Scholarships respectively.

48 ACQUITTAL OF AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE (continued)

48.4 DIISRTE Research^{#8}

Parent entity	Joint Research Engagement ^{#7}		Research Training Scheme		Research Infrastructure Block Grants		Commercialisation Training Scheme		Sustainable Research Excellence in Universities		Other		Total	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the Programs)	2,427	2,190	4,481	4,415	509	469	-	55	710	526	906	1,989	9,033	9,644
Net accrual adjustments	(10)	-	-	-	-	-	-	-	-	-	-	-	(10)	-
Revenue for the period	2,417	2,190	4,481	4,415	509	469	-	55	710	526	906	1,989	9,023	9,644
Surplus / (deficit) from the previous year	-	-	-	-	-	-	35	44	-	-	1,964	-	1,999	44
Total revenue including accrued revenue	2,417	2,190	4,481	4,415	509	469	35	99	710	526	2,870	1,989	11,022	9,688
Less expenses including accrued expenses	(2,417)	(2,190)	(4,481)	(4,415)	(509)	(469)	(2)	(64)	(710)	(526)	(1,562)	(25)	(9,681)	(7,689)
Surplus / (deficit) for reporting period	-	-	-	-	-	-	33	35	-	-	1,308	1,964	1,341	1,999

^{#7} Includes Institutional Grants Scheme.

^{#8} The reported Surplus for Commercialisation Training Scheme (\$0.033 million) and Collaborative Research Networks (\$1.308 million) for 2012 is requested as a rollover.

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 DECEMBER 2012

48 ACQUITTAL OF AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE (continued)

48.5 Other Capital Funding

Parent entity	Teaching and Learning Capital Fund		Total	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the Programs)	-	-	-	-
Net accrual adjustments	-	-	-	-
Revenue for the period	-	-	-	-
Surplus / (deficit) from the previous year	-	7,902	-	7,902
Less expenses including accrued expenses	-	(7,902)	-	(7,902)
Surplus / (deficit) for reporting period	-	-	-	-

48.6 Australian Research Council Grants

(a) Discovery

Parent entity	Project		Total	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the Programs)	188	161	188	161
Net accrual adjustments	-	-	-	-
Revenue for the period	188	161	188	161
Surplus / (deficit) from the previous year	164	47	164	47
Total revenue including accrued revenue	352	208	352	208
Less expenses including accrued expenses	(188)	(44)	(188)	(44)
Surplus / (deficit) for reporting period	164	164	164	164

48 ACQUITTAL OF AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE (continued)

48.6 Australian Research Council Grants (continued)

(b) Linkages

Parent entity	Project		Total	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the Programs)	493	518	493	518
Net accrual adjustments	-	(140)	-	(140)
Revenue for the period	493	378	493	378
Surplus / (deficit) from the previous year	57	343	57	343
Total revenue including accrued revenue	550	721	550	721
Less expenses including accrued expenses	(371)	(664)	(371)	(664)
Surplus / (deficit) for reporting period	179	57	179	57

48.7 OS-HELP

		Parent entity	
	Notes	2012 \$'000	2011 \$'000
Cash Received during the reporting period		391	278
Cash Spent during the reporting period		(399)	(240)
Net Cash received	4(g)	(8)	38
Cash Surplus / (deficit) from the previous period		41	3
Cash Surplus / (deficit) for reporting period	30	33	41

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 DECEMBER 2012

48 ACQUITTAL OF AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE (continued)

48.8 Superannuation Supplementation

	Notes	Parent entity	
		2012 \$'000	2011 \$'000
Cash Received during the reporting period	4(g)	3,209	3,185
University contribution in respect of current employees		305	195
Cash available		3,514	3,380
Cash Surplus / (deficit) from the previous period		(182)	22
Cash available for current period		3,332	3,402
Contributions to specified defined benefit funds	47/20	(3,052)	(3,584)
Cash Surplus / (deficit) this period		280	(182)

48 ACQUITTAL OF AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE (continued)

48.9 Student Services and Amenities Fee

		Parent entity	
	Notes	2012 \$'000	2011 \$'000
SA-HELP revenue earned	4(b)	222	-
Student services fees direct from students	6	1,178	-
Total revenue expendable in period		1,400	-
Student Services expenses during period		(1,400)	-
Unspent/(overspent) Student Services Revenue		-	-

ADDITIONAL FACTS AND STATISTICS

Student Enrolments (Persons)

Table 17: Enrolments by Type of Attendance, 2008-2012

	2008	2009	2010	2011	2012
Full-time	15,116	16,152	17,604	17,812	17,646
Part-time	5,912	6,122	6,548	6,052	5,869
Total	21,028	22,274	24,152	23,864	23,515

Notes: 2012 data is as at 23/01/2013. 2011 data is finalised and differs from the provisional figures reported in the Annual Report for 2011.

Table 18: Enrolments by Campus, 2008-2012

	2008	2009	2010	2011	2012
Joondalup	8,772	9,504	11,025	11,741	11,828
Mount Lawley	6,575	7,584	7,910	7,451	6,932
Bunbury	975	943	997	1,005	962
Churchlands	870	0	0	0	0
Study Centres (Domestic and Overseas)	3,836	4,243	4,220	3,667	3,793
Total	21,028	22,274	24,152	23,864	23,515

Notes: 2012 data is as at 23/01/2013. 2011 data is finalised and differs from the provisional figures reported in the Annual Report for 2011.

Table 19: Enrolments by Gender, 2008-2012

	2008	2009	2010	2011	2012
Female	12,642	13,471	14,642	14,717	14,541
Male	8,386	8,803	9,510	9,147	8,974
Total	21,028	22,274	24,152	23,864	23,515

Notes: 2012 data is as at 23/01/2013. 2011 data is finalised and may differ from the provisional figures reported in the Annual Report for 2011.

Table 20: Enrolments Domestic/International by Broad Course Level, 2008-2012

	2008	2009	2010	2011	2012
Domestic Postgraduate	2,896	3,283	3,497	3,558	3,693
Domestic Undergraduate	13,273	13,119	15,103	15,611	15,813
International on-shore Postgraduate	959	1,120	1,204	985	829
International on-shore Undergraduate	1,730	2,066	1,922	2,029	1,853
International off-shore Postgraduate	1,103	1,160	1,119	629	425
International off-shore Undergraduate	1,067	1,526	1,307	1,052	902
Total	21,028	22,274	24,152	23,864	23,515

Notes: 2012 data is as at 23/01/2013. 2011 data is finalised and may differ from the provisional figures reported in the Annual Report for 2011.

Table 21: Enrolments by Country/Region, 2008-2012

		2008	2009	2010	2011	2012
Domestic		16,169	16,402	18,600	19,169	19,506
International on-shore	China	469	583	756	800	761
	India	344	506	497	305	209
	Other Asian countries	831	881	924	855	746
	African countries	582	603	564	654	613
	European countries	295	257	251	274	246
	Other	168	356	134	126	107
International off-shore	China	154	129	65	63	66
	India	154	228	301	53	133
	Other Asian countries	1,456	1,655	1,616	1,242	902
	African countries	311	368	398	287	178
	European countries	32	53	28	18	13
	Other	63	253	18	18	35
Total		21,028	22,274	24,152	23,864	23,515

Notes: 2012 data is as at 23/01/2013. 2011 data is finalised and differs from the provisional figures reported in the Annual Report for 2011.

Table 22: Enrolments by Equity Group, 2008-2012

	2008	2009	2010	2011	2012
Low SES Students	1,779	1,842	1,810	2,189	2,250
Regional Students	2,531	2,554	2,474	3,004	3,099
Indigenous Australian Students	170	163	188	178	200
Students with a Disability	336	397	704	945	979

Notes: 2012 data is as at 23/01/2013. Changes in methodology for collection and reporting mean that 2011 and 2012 figures are not comparable with prior year figures.

Student Load (Full-Time Equivalence)

Table 23: Student Load (EFTSL) by Broad Field of Education, 2008-2012

	2008	2009	2010	2011	2012
Agriculture, Environmental and Related	88	92	101	87	102
Architecture and Building	11	29	29	34	44
Creative Arts	2,207	2,330	2,459	2,484	2,306
Education	3,246	3,357	3,635	3,418	3,507
Engineering and Related Technologies	290	393	520	655	765
Food, Hospitality and Personal Services	1	1	1	1	2
Health	2,012	2,100	2,452	2,855	3,148
Information Technology	1,092	1,196	1,211	1,040	967
Management and Commerce	3,103	3,746	3,691	3,117	2,753
Mixed Field Programs	4	5	3	3	4
Natural and Physical Sciences	947	1,091	1,230	1,311	1,301
Society and Culture	2,977	3,270	3,427	3,406	3,232
Total	15,978	17,610	18,759	18,410	18,132

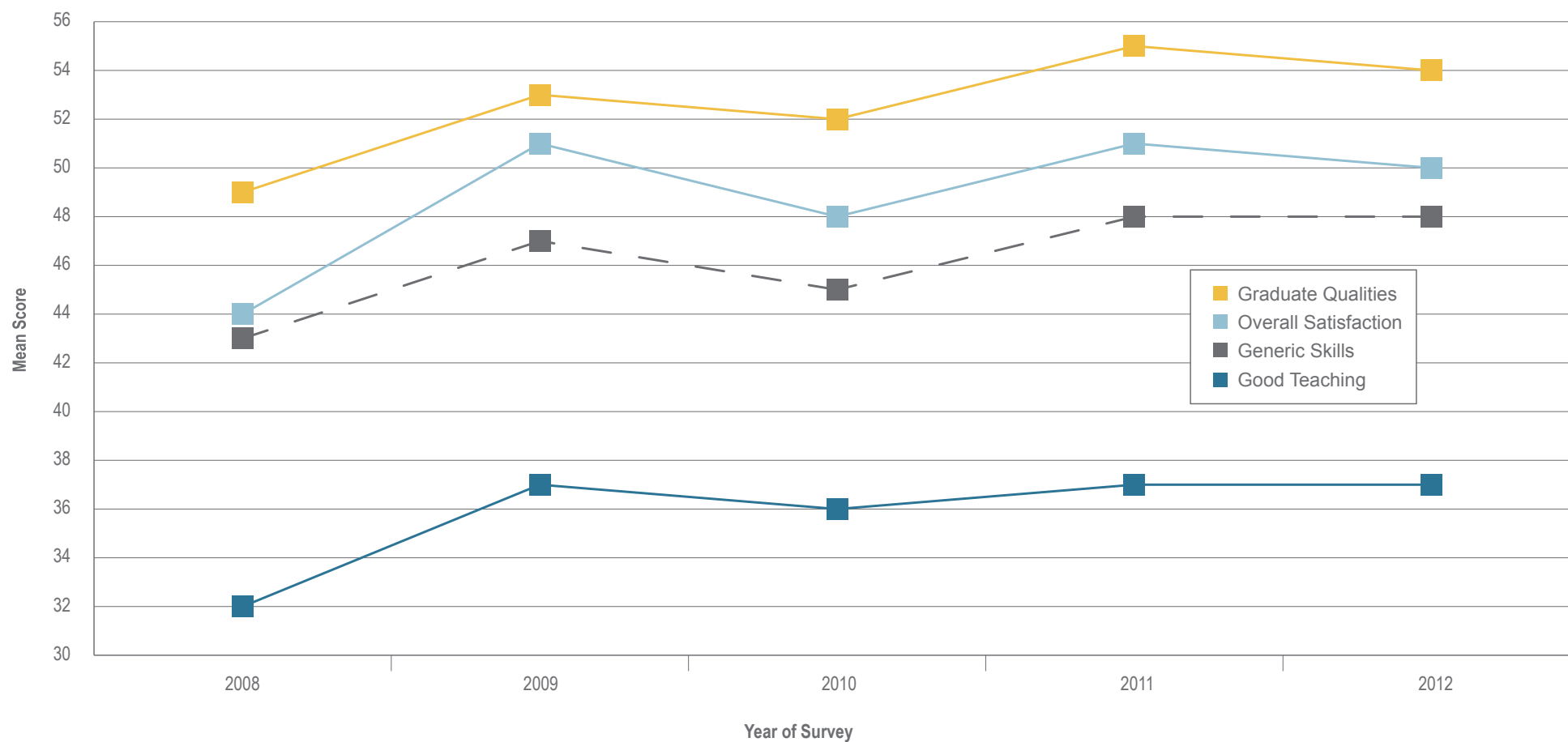
Notes: 2012 data is as at 23/01/2013. 2011 data is finalised and differs from the provisional figures reported in the Annual Report for 2011.

Table 24: Student Load (EFTSL) by Faculty, 2008-2012

	2008	2009	2010	2011	2012
Business and Law	3,991	4,758	4,694	4,086	3,610
Computing, Health and Science	5,509	6,081	6,788	7,232	7,573
Education and Arts	5,766	6,110	6,600	6,381	6,266
Regional Professional Studies	710	661	667	712	682
Total	15,978	17,610	18,759	18,410	18,132

Notes: 2012 data is as at 23/01/2013. 2011 data is finalised and differs from the provisional figures reported in the Annual Report for 2011.

Figure 6: Mid CEQ Mean Scores, 2008-2012



Student Outcomes

Table 25: Completions by Course Level, 2007-2011

	2007	2008	2009	2010	2011
Higher Degree by Research	84	93	80	70	75
Master by Coursework	894	1,245	1,597	1,423	1,191
Other Postgraduate	1,136	1,004	1,095	1,178	1,041
Bachelor (Pass and Honours)	3,499	3,393	3,651	3,459	3,679
Other Undergraduate	77	44	48	55	32
Vocational Education and Training	79	68	125	182	188
Total	5,769	5,847	6,596	6,367	6,206

Notes: 2010 data is finalised and differs from the provisional figures reported in the Annual Report for 2011. 2012 completions will be available in mid-2013. Award courses only (enabling course completions not shown).

Other Inputs

Table 26: Library Holdings, 2008-2012

	2008	2009	2010	2011	2012
Library Volumes	637,931	653,575	638,912	650,236	591,755
Serial Subscriptions	36,044	52,078	58,465	67,863	65,882
eBooks	2,263	3,399	33,600	81,760	79,429

Table 27: Revenue (\$'000), 2008-2012

	2008	2009	2010	2011	2012
Australian Government	125,904	133,337	137,325	144,882	167,994
State Government	11,499	13,317	12,996	12,774	11,796
Student Tuition Fees (HECS-HELP, FEES-HELP)	59,195	65,461	76,789	85,491	88,880
Fees and Charges	56,369	66,240	69,688	67,193	70,308
Investment Income	4,032	5,322	6,407	9,852	9,503
Royalties	7,370	9,536	9,497	8,599	7,018
Consultancy and Contract Research	5,914	3,352	3,286	4,130	6,251
Other	25,069	18,715	20,645	25,327	16,924
Total Revenue	295,352	315,280	336,633	358,248	378,674

Notes: Total revenue for Edith Cowan University and its subsidiary (consolidated entity). Revenue for 2009 varies from that reported in the financial statements of that year, due to retrospective application of adjusted accounting treatments.

OTHER FINANCIAL 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.

Major Capital Projects

Table 28: Major Capital Projects Completed, 2012

Project	Estimated total cost (\$m)	Actual total cost (\$m)
Campus Renewal Program	5.92	4.61
Joondalup Building 22 Extension and Building 25	8.13	7.84
Joondalup Building 2 Leak rectification	5.10	5.02
ECU Joondalup Innovation Centre	0.8	0.78

Table 29: Major Capital Projects in Progress, 2012

Project	Estimated total cost (\$m)	Actual total cost to complete (\$m)	Expected year of completion
Joondalup Student Housing Extension	15.00	0.04	2015
ECU Wanneroo GP Super Clinic	22.00	3.06	2014
Research Support Facility (Engineering Pavilion), Joondalup	5.00	0.07	2014
Joondalup Building 34	71.41	9.60	2015

Notes: The Joondalup Student Housing Extension is being funded off balance sheet through our partner Campus Living Villages via a combination of NRAS grants and debt.

Employees and Employee Relations

Table 30: Academic Staff by Contract Type, 2008-2012

Staff	2008	2009	2010	2011	2012
Permanent Full-time	370	367	372	371	367
Permanent Part-time	18	29	27	33	32
Temporary Full-time	112	146	142	141	134
Temporary Part-time	27	36	41	45	45
Casual	175	178	180	181	174
Total	702	756	761	771	753

Notes: Figures are based on full-time equivalency, rather than headcount and therefore prior year figures are not as reported in earlier annual reports. Figures are average full-time equivalents for the 12 calendar months. Figures include staff in VET provision.

Table 31: General Staff by Contract Type, 2008-2012

Staff	2008	2009	2010	2011	2012
Permanent Full-time	592	610	636	642	620
Permanent Part-time	96	102	107	119	124
Temporary Full-time	167	170	145	186	226
Temporary Part-time	77	80	74	69	83
Casual	65	65	67	84	84
Total	998	1,026	1,029	1,099	1,137

Notes: Figures are based on full-time equivalency, rather than headcount and therefore prior year figures are not as reported in earlier annual reports. Figures are average full-time equivalents for the 12 calendar months. Figures include staff in VET provision.

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 staff, students, visitors and contractors, conducive to study, wellbeing and productivity. ECU is proactive in preventing and minimising the potential for injury and harm and the University has developed and implemented a suite of safe work procedures and protocols to meet and exceed legislative obligations.

Executive commitment is demonstrated via the University's due-diligence compliance framework which requires the development of Occupational Safety and Health (OSH) plans for business unit, completion of Hazard Risk Registers and reporting against a suite of lead and lag OSH performance indicators.

In addition to statutory responsibilities, 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. This responsibility is achieved via a consultative committee where hazards, risks and all matters relating to OSH are discussed and aligned to a business unit's operational safety plan.

Mechanism for Consultation with Employees on OSH and Injury Management Matters

ECU's committee structure for OSH matters comprises the following four levels:

1. Occupational Safety and Health Policy Committee (reporting to the Vice-Chancellor).

2. Institutional Bio-safety Committee / Radiation Committee (reporting to the Occupational Safety and Health Policy Committee).
3. Occupational Safety and Health Campus Working Groups (reporting to the Director, Facilities and Services and the Director Human Resources).
4. Faculty level and Service Centre-level Occupational Safety and Health Committees and special working parties (reporting to senior managers and the University Occupational Safety and Health Policy Committee).

Each of these committees engages with elected safety and health representatives and employee representatives from business units to facilitate consultation at all levels.

Compliance with the Workers' Compensation and Injury Management Act 1981

ECU has a formal *OSH and Injury Management Policy* developed in consultation with employees and elected safety and health representatives. Safety and injury management programs are communicated via safety committees and incorporated into the operational plans of all faculties, schools and service centres. Injury management plans (return to work plans) are developed in line with statutory obligations and consultation with the relevant parties and medical practitioners. Performance indicators are recorded and reported to the University's Senior Leadership Team.

Assessment of the occupational safety and health management system

ECU has implemented an *OSH management system* for mandatory self-assessment based on the primary functions and supporting principles of the Australian and New Zealand Standard AS/NZS 4801:2001. The audit outcomes are utilised for the framework and development of faculty, school and service centre strategic and

operational plans. Completion of a Hazard Risk Register identifying business inherent and residual risk is mandated. OSH performance statistics are reported to two committees of Council: the Resources Committee and the Quality, Audit and Risk Committee.

Additionally, staff attitudes to, and perceptions of, safety in their work environment are monitored through bi-annual staff surveys.

Table 32: Performance against 2011/12 Injury Management Targets

Indicator	Target 2011/12	Result 2011/12	Result 2010/11
Number of fatalities	Zero (0)	0	0
Lost time injury/ diseases incident rate ¹	Zero or 10% reduction on previous year	0.14	0.11
Lost time injury severity rate ¹	Zero or 10% improvement on previous year	0	0
Percentage of injured workers returned to work within (i) 13 weeks and 26 weeks	Greater than or equal to 80% return to work within 26 weeks	100%	100%
Percentage of managers trained in occupational safety and health and injury management ²	Greater than or equal to 80% See Note 2	n/a	n/a

Note 1: Lost time injury/diseases incident rate and lost time injury severity rate are defined as the incidents per 100 employees.

Note 2: ECU does not provide training specifically in Occupational Safety and Health (OSH) and Injury Management. Obligations relating to these activities are incorporated into broader OSH training and information sessions provided to managers.

GOVERNANCE DISCLOSURES

Corporate Standards and Risk Management

Equity Commitments

ECU values diversity and aims to create an inclusive environment free from discrimination for students, staff and the broader community. ECU is committed to increasing access by providing opportunities for students who face barriers to higher education and thereby to improve representation of disadvantaged groups within the student profile. ECU's staffing strategies seek to achieve appropriate representation and distribution of under-represented groups in its workplaces.

Equity groups as a proportion of all enrolments



10% Low SES Students

13% Regional Students

1% Indigenous Australian Students

4% Students with a Disability

Governance and Reporting in 2012

The University has a number of specific equity plans which 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.

The University completed the development of its second Reconciliation Action Plan (RAP), 2012-2015 in 2012. The RAP outlines the University's vision for reconciliation and its objective is to translate its commitments to Indigenous Australians into improved outcomes. ECU also reported to Reconciliation Australia, through the ECU Council, on achievements against the first (one year) RAP.

A new Indigenous Australian Employment Strategy and Action Plan, 2012-2015 was also approved in 2012.

ECU's five-year Disability Access and Inclusion Plan (DAIP) for 2011-2016 continued to be supported in 2012 through an annual implementation plan co-ordinated by the ECU Disability Access and Inclusion Sub-Committee and reporting to the Equity Committee.

The University was not required to report to the Australian Government's Equal Opportunity for Women in the Workplace Agency (EOWA) in 2012, having demonstrated not only compliance with all aspects of the *Equal Opportunity for Women in the Workplace Act 1999* (Cwlth), but by taking all practicable steps to advance women and remove barriers to their employment and promotion.

In 2012 ECU also prepared and submitted a revised Equal Employment Opportunities Management Plan, 2012-2015 as part of a revised ECU Staffing Plan, 2012-2015 to comply with its legislative requirements under the *Equal Opportunities Act 1984* (WA).

Other compliance and legislative reporting completed during the year included: the submission of the Indigenous Education Statement and Equity Report for the Australian Government's Institutional Performance Portfolio; the annual report to the Western Australian Aboriginal Education and Training Council; the Annual Report on

progress against the Disability Access and Inclusion (Annual Implementation) Plan, 2011/2012; and the Equal Employment Opportunity demographics report.

Celebrating and Supporting Equity in 2012

ECU hosted a range of events for students, staff and the community in 2012 to celebrate equity, including: Harmony Week, International Women's Day, NAIDOC Week, International Day of People with a Disability, Pride Month and Mental Health Week.

ECU also continued to support two volunteer equity networks. University Contact Officers help to resolve equal opportunity issues by providing referral advice on equity policies and practices for students and staff, while "Allies" provide a network of trained contacts for Gay, Lesbian, Bisexual, Transgender and Intersex students and staff.

Quality

ECU's Quality Unit provides leadership and strategic advice in the planning, and management of quality matters within the University, while ECU's Quality@ECU model, incorporating the *Plan, Do, Review, Improve* cycle, provides a consistent approach to continuous quality improvement across different levels of planning and review.

During 2012 the ECU *Quality Review Policy*, which supports the various quality review processes within the University, was reviewed as part of the development of the ECU Excellence Framework. This framework will provide an integrated quality improvement system describing the elements and organisational characteristics needed to sustain high levels of performance at ECU. Further consultation on the framework and proposed additions to the policy will take place in 2013, before seeking approval for implementation from ECU's Council.

The Annual Review process continued to be underpinned by an evidence-based approach and 2012 saw further refinement of performance-based metrics for service centres.

In July 2012 the Tertiary Education Quality and Standards Agency (TEQSA, formerly AUQA) delivered its final report on the Cycle Two Audit of ECU conducted in October 2011. The report provided a positive affirmation of the significant progress made by the University in the area of quality assurance and quality improvement.

More information on the **Cycle Two Audit** can be found on the ECU website.

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 Assurance Service Centre is responsible for the development and implementation of risk management strategies, methods and tools (including insurances), legislative compliance, business continuity 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 2012 ECU revised its Strategic Risk Register to provide alignment between

ECU's Integrated Risk Management Framework and the Tertiary Education Quality Standards Agency's *Risk Regulatory Framework*. This resulted in:

- changes to the high level risk assurance map which matches the University's standing review mechanisms with its strategic risks;
- integration of the risk management framework with quality, internal audit and compliance assurance processes; and
- alignment of strategic and operational risk management with strategic and operational planning.

Fraud and misconduct prevention training for senior staff was delivered at the South West Campus during 2012. The fraud risk assessment has been updated and this will form the basis of fraud and misconduct prevention training for middle management and supervisors. ECU assessed its operations for legislative compliance with the *Education Services for Overseas Students Act 2000* (Cwlth) and the *Vocational Education and Training Act 1996* (WA). In both cases, the University was assessed as being materially compliant. During 2012 a risk assessment of ECU's legislative compliance requirements was updated. The University continues its preparation for the introduction of the harmonised work, health and safety legislation.

Business Continuity Plans are in place for all ECU campuses. The plans for ECU's Joondalup Campus were tested in 2012, while the documentation and testing of IT disaster recovery plans and key IT systems continued during 2012. All critical IT systems were tested during the year and as a result of an internal IT audit in 2012, the Chief Information Officer initiated an IT Security Risk Assessment.

More information on **Risk Management** can be found on the ECU website.

OTHER LEGAL REQUIREMENTS

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 2012 totalled \$5,636,517. The amount in each expenditure class and the organisations paid, are listing in Table 33 below.

Table 33: Advertising Expenditure, 2012

Advertising agencies 303 Group Pty Ltd Longtail Communications Company Pty Ltd Hobsons Australia Pty Ltd	2,564,576
Market research organisations	64,377
Polling organisations	0
Direct mail organisations	0
Media advertising organisations Mitchell and Partners Australia Pty Ltd Google Other organisations	3,007,563
Total Expenditure	5,636,517

Recordkeeping

The Electronic Document and Records Management System (EDRMS) is the University's approved record keeping system, allowing emails and documents from any application to be saved electronically. A project is in train to roll out the EDRMS across the University.

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

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

ECU's activities under each of the requirements include:

The efficiency and effectiveness of the organisation's record keeping system is evaluated not less than once every 5 years.

ECU's Record Keeping Plan was submitted to the State Records Office for review in March 2011 and was approved for a further five year period. It is due for review again in 2016.

The West Australian University Sector Disposal Authority for records has been approved by the State Record Commission and will be reviewed again in 2016. The work undertaken on this collaborative project by the universities of Western Australia was recognised with the presentation of the Linton Award by the Records and Information Management Professional Association for "excellence in recordkeeping by an outstanding group".

Promotion of the ECU Vital Record program to ECU staff commenced in April 2012 and there was an increase of 100 per cent in University vital records registered in the record management system between 2011 and 2012.

An independent review of the University's Record Keeping Framework and the EDRMS project was conducted in July 2011 and recommendations from that review continued to be addressed in 2012. Record keeping surveys have been conducted as part of the EDRMS project roll-out and show an increased understanding of recordkeeping requirements by users, as well as increased satisfaction with the system and resources available to staff.

The organisation conducts a record keeping training program.

ECU conducts regular record keeping training programs that are integrated into the University's overall professional development and training framework. These include:

- A basic record keeping induction training session, available to all new staff.
- 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, over 80 per cent of staff have completed, or are working through the course.
- Monthly training courses on the University's record keeping software (TRIM) are provided at Basic, Intermediate and Advanced levels. These sessions were reviewed and updated in 2012.
- Customised group sessions on TRIM continued to be developed and delivered, on request.
- One-on-one training occurred, on request.

The efficiency and effectiveness of the record keeping training program is reviewed from time to time

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 has been effective. Feedback is then used to review training sessions and the overall training program that is delivered. An Intermediate level course for users was introduced as a result of this feedback.

The organisation's induction program addresses employees' roles and responsibilities with regards to their compliance with the organisation's record keeping plan.

All new ECU employees undergo an induction course which addresses employee roles and responsibilities in regard to the compliance aspects of the Record Keeping Plan. Additionally, this material is included in a handbook issued to employees when they commence work at ECU.

Disability Access and Inclusion Plan Outcomes

In July 2012, 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 2011/12 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 2011/12 are listed below.

Outcome One: People with disabilities have the same opportunities as other people to access the services of, and any events organised by, the University.

- An inclusive curriculum checklist has been developed and distributed.
- Accessibility services are included in the student prospectus and advertising lift-outs.

Outcome Two: People with disabilities have the same opportunities as other people to access the buildings and other facilities of the University.

- ECU's Planning and Design Guidelines were updated to incorporate Australian Human Rights Commission guidelines.
- A report was commissioned to provide innovative design ideas, which are above Australian standards, for ECU's new Building 34 at the Joondalup Campus.

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.

- The **Teaching@ECU: The Little Red Book** included information on accessibility and inclusivity.
- The ECU Library provided access to a range of equipment to help students with disabilities in Accessible Technologies Room, at both the Joondalup and Mount Lawley campuses.

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.

- A "Responding to Hidden Characteristics of the Class" Workshop was held in July 2012.
- A Mental Health Workshop was provided on 3 November 2011.

Outcome Five: People with disabilities have the same opportunities as other people to make complaints to the University.

- The Risk Assurance Service Centre has commenced implementing an Integrated Complaints Mechanism for ECU.
- During 2011/12 a report was produced highlighting opportunities to improve the visibility of the University Contact Officer network.

Outcome Six: People with disabilities have the same opportunities as other people to participate in any public consultation by the University.

- ECU's standard survey software was deemed compliant with US section 508 accessibility requirements.
- ECU's 2012 staff survey results were analysed to examine differences in views expressed by those staff who identify themselves as having a disability.

Outcome Seven: People with disabilities have the same opportunities as other people to seek employment and work experience placements with the University.

- ECU has been in regular contact with employment agencies specialising in disability services.
- Definitions for disabilities were included in ECU's Staff Kiosk human resources system.

Outcome Eight: The University promotes an inclusive culture that values diversity, does not tolerate harassment or discrimination and encourages a secure and safe environment for all students and staff.

- EO Online (Equal Opportunity) training was included in the Role Based Capability Framework as a core activity.
- Five disability experts were identified and placed on the media experts database.

Contact ECU by
phone on 134 ECU (134 328)

For calls outside Australia
phone (61 8) 6304 0000

Email us at futurestudy@ecu.edu.au
or visit reachyourpotential.com.au



Become a fan at
facebook.com/ecujourney



Follow us at
twitter.com/edithcowanuni

Watch us at
youtube.com/edithcowanuniversity

Every effort has been made to ensure that the information contained in this publication is correct at the time of printing. The information is subject to change from time to time and the University reserves the right to add, vary or discontinue courses and impose limitations on enrolment in any course. The publication constitutes an expression of intent and is not to be taken as a firm offer or understanding.

ECU IS SMOKE-FREE



GREENING ECU: Edith Cowan University is committed to reducing the environmental impact associated with its operations by conducting its activities in a socially and environmentally responsible manner. This includes implementing strategies and technologies that minimise waste of resources and demonstrate environmentally sensitive development, innovation and continuous improvement.

CRICOS IPC 00279B key2creative_34238_05/13

