



Annual Report 2016

Edith Cowan University

Edith Cowan University (ECU) acknowledges and respects its continuing association with the Nyoongar people, the traditional custodians of the land upon which its campuses stand.

This report is available in Word and PDF formats from the ECU website: www.ecu.edu.au/about-ecu/reports-and-plans/annual-reports. To minimise download times and reduce printing, the report is available in sections, as well as a single document.

ECU encourages you to use recycled paper and to print in double-sided formats.

The Annual Report references other documents available on the ECU website. If you experience any difficulty accessing any of these documents, or you require the Annual Report in an alternative format, then please contact enquiries@ecu.edu.au.

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Section 1: Overview

Statement of Compliance

Hon. Sue Ellery MLC
Minister for Education
10th Floor, Dumas House
2 Havelock Street
WEST PERTH WA 6005

March 2017

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 2016.

The Annual Report was 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 AO
Chancellor

On behalf of the University Council

Edith Cowan University
270 Joondalup Drive
JOONDALUP WA 6027

Chancellor's Foreword

It was a great pleasure to see ECU celebrate a major milestone in 2016 - its 25th anniversary. It is gratifying to see how the University has developed since it was established and to reflect on the important role it now holds among the communities it serves.

The year saw a number of key activities and developments which continued to progress the objectives of the University including:

- the development of a new Strategic Plan;
- the establishment of Edith Cowan College in partnership with Navitas;
- the appointment of eight outstanding research leaders through the Professorial Research Fellowship program;
- the finalisation of amendments to ECU's enabling legislation;
- the opening of a new Moot Court which provides state-of-the-art facilities for our Law students; and
- the continuing involvement of ECU in the first Australian Athena SWAN Pilot to promote gender equity in academia.



This Annual Report details some of the achievements of our students and staff. Council particularly appreciates receiving regular reports from the Vice-Chancellor in which he details the many success stories epitomising ECU. The University certainly has much to celebrate in its anniversary year.

The University achieved, or made significant progress towards, its financial and other key targets. The budget for 2017 was approved at the December 2016 meeting of Council, and will provide a sound financial basis to support the strategic goals of the University for 2017.

Members of Council and of the committees of Council continue to work with senior management to support the University in achieving its objectives. I am grateful for the work of my fellow Council members in providing a cohesive and effective governing body.

A handwritten signature in black ink, appearing to read 'Hendy Cowan', written in a cursive style.

The Hon Dr Hendy Cowan AO
Chancellor, March 2017

Vice-Chancellor's Executive Summary



I am proud to present this report on the outcomes of what has been a very successful 25th anniversary year for ECU.

More than 3,500 people attended events across the year to celebrate our 25th anniversary. Millions more engaged with the University via media and social media. We welcomed high profile guests, celebrated with musical performances, shared the outcomes of our research with the community, provided opportunities with new scholarships and danced for 25 hours, hopefully breaking a Guinness World Record. I am honoured to have been involved in this celebration of the strong foundation ECU has built in its first 25 years.

A significant achievement in 2016 was the development of a new Strategic Plan setting ECU's direction for the next five years. The *ECU Strategic Plan, 2017-2021 – World Ready* articulates a set of strategic goals and objectives that build on our many achievements in teaching and research and when implemented, will help to grow the University's reputation further.

The University continued the work begun in 2015 on a revised academic structure. The reorganisation was designed to empower the schools of the University to drive growth in ECU's reputation through a stronger focus on research, maintenance of excellent teaching and further development of our international activities. In 2016, the academic structure was bedded down and staff were appointed to important leadership positions within each school to ensure progress continues.

I am immensely proud of ECU's record of teaching quality. Feedback from our students and graduates resulted in ECU receiving the maximum five star rating for teaching quality in the *Good Universities Guide* for the eighth consecutive year. The Guide also rated ECU five stars for overall education experience, skills development, student support and median graduate salary level, proving that the ECU learning experience remains one of the best in Australia. In addition, ECU was named in the Times Higher Education (THE) global list of the best 150 universities under the age of 50.

This report also highlights some of the many achievements in research at ECU in 2016 and provides clear evidence that our renewed strategic focus in this area is beginning to yield great outcomes.

I thank all members of the University community including our hardworking Council, current and past staff and students, along with community and industry partners and visiting scholars. Through our combined efforts, ECU's excellent reputation continues to grow locally, nationally and internationally.

A handwritten signature in black ink, appearing to read 'SUC', with a long horizontal flourish extending to the right.

Professor Stephen Chapman CBE
Vice-Chancellor, March 2017

About ECU

Edith Cowan University (ECU) provides the ideal learning environment for people who want to reach their potential. Located in Western Australia, ECU delivers industry-relevant teaching and research, a supportive study environment and award-winning facilities.

Established in 1991, ECU delivers a wide range of higher education courses as well as vocational courses in creative and performing arts, in a distinctive and inspiring environment. Courses are offered on three campuses – Joondalup and Mount Lawley in metropolitan Perth and the South West Campus in Bunbury, 200km south of the capital city. ECU also offers a comprehensive suite of online study options.

ECU has more than 28,000 undergraduate and postgraduate students. Over 5,000 of these are international students originating from more than 100 countries. ECU's eight schools: Health & Medical Sciences; Engineering; Education; Arts & Humanities; Business & Law; Nursing & Midwifery; Science; and the Western Australian Academy of Performing Arts deliver more than 300 courses.

Strategic Direction

ECU's strategic direction for 2016 and for the purposes of structuring the Report on Operations includes a 'Purpose', 'Vision', 'Values', and five 'Strategic Priorities' as follows:

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

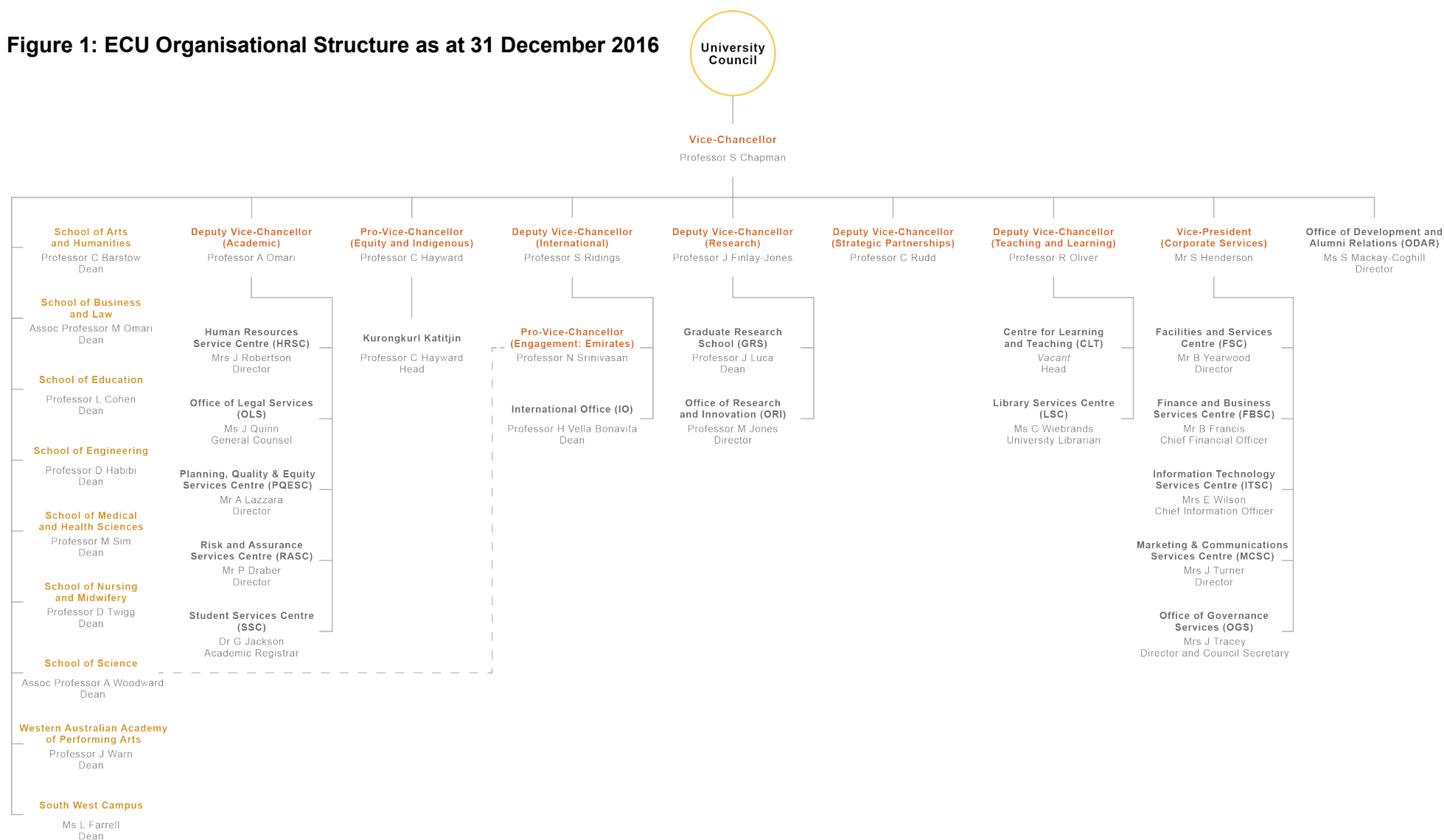
Strategic Priorities

- To create positive outcomes in our communities through mutually beneficial engagement.
- To deliver accessible world-class education and an enriching student experience.

- To enhance the personal and professional outcomes of graduates.
- To strengthen research capability, capacity, translation and impact.
- To enhance organisational resilience, sustainability and reputation.

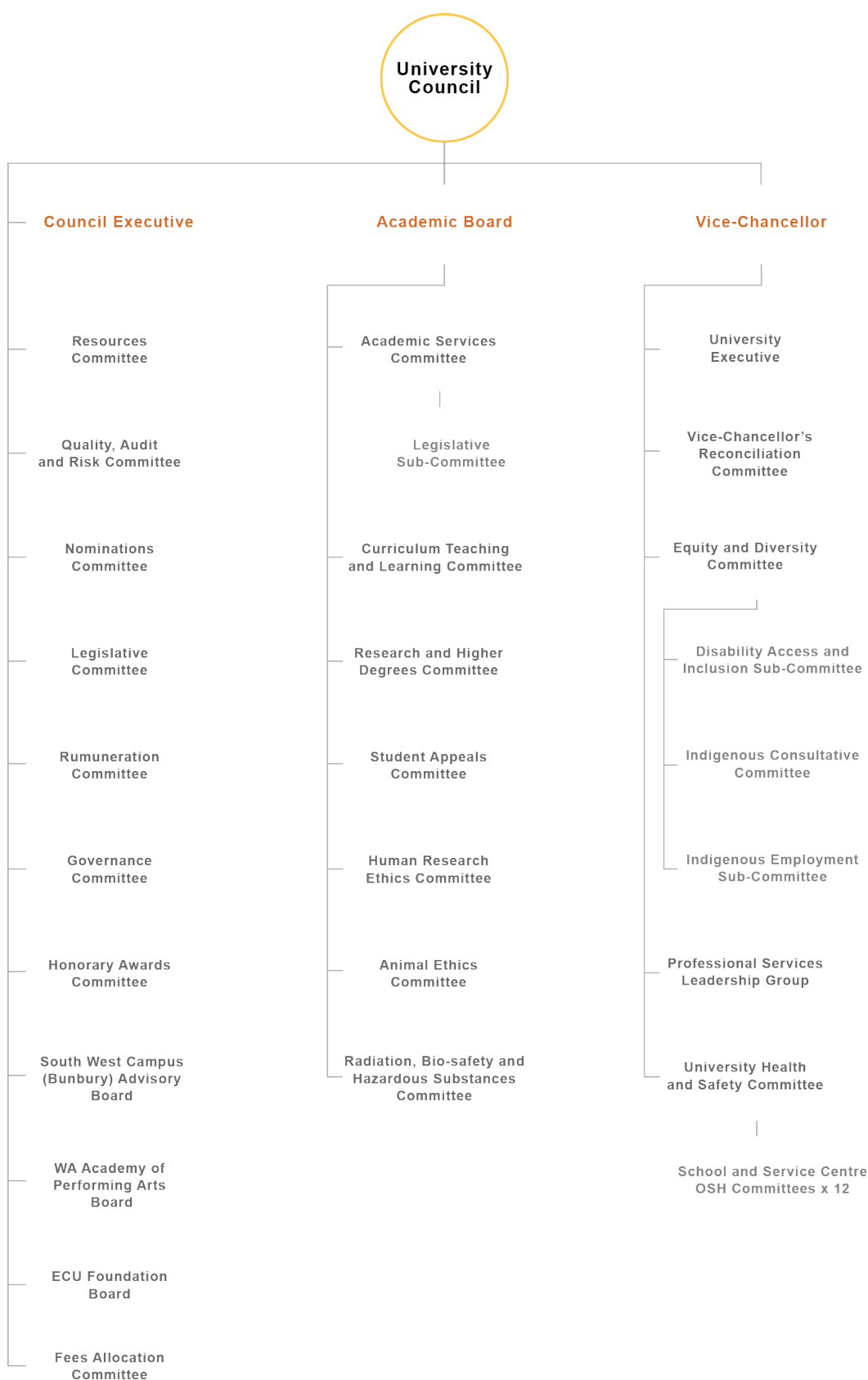
Organisational Structure

Figure 1: ECU Organisational Structure as at 31 December 2016



Committee Structure

Figure 2: ECU Committees as at 31 December 2016



Governance Structure

Table 1: Council Membership 2016

Member	Start Date	End Date	Meetings Attended*
Chancellor (ECU Act, section 12(1))			
Hon Dr Hendy Cowan AO	1 Jan 2005	31 Dec 2018	6
Members appointed by the Governor (ECU Act, section 9(1)(a))			
Mr Eddie Bartnik	12 Jun 2012	11 Jun 2018	4
Mr Simon Butterworth	27 Apr 2014	26 Apr 2017	4
Mr John Cahill	9 Aug 2011	8 Aug 2017	6
Dr Pamela Garnett	20 Sep 2009	19 Sep 2018	5
Ms Denise Goldsworthy	30 Apr 2013	29 Apr 2016	5
Mr Thomas O'Leary	12 Feb 2016	11 Feb 2019	4(5)
Member nominated by Minister charged with administration of the <i>School Education Act 1999</i> (WA) (ECU Act, section 9(1)(aa))			
Ms Dorothy Collins	8 Jun 2015	7 Jun 2018	5
Chief Executive Officer – ex-officio (ECU Act, section 9(1)(b))			
Professor Stephen Chapman CBE	1 April 2015	Ex-officio	6
Academic Staff – elected (ECU Act, section 9(1)(c))			
Professor Mark McMahon	1 Oct 2015	30 Sep 2018	5
Associate Professor Ute Mueller	16 May 2011	30 Sep 2018	5
Salaried Staff, Other than Academic Staff – elected (ECU Act, section 9(1)(d))			
Ms Melanie Mola	1 Oct 2015	30 Sep 2018	5
Enrolled Students – elected (ECU Act, section 9(1)(e))			
Ms Azlan Martin	11 Oct 2015	10 Oct 2016	4(4)
Mr Lewis Price	11 Oct 2015	10 Oct 2016	2(4)
Mr Sam Martyn	11 Oct 2016	10 Oct 2017	2(2)
Mr Done Boben	11 Oct 2015	10 Oct 2017	2(2)

Member	Start Date	End Date	Meetings Attended*
Alumni – elected (ECU Act, section 9(1)(f))			
Mr Brad McManus	22 Dec 2011	21 Dec 2017	5(5)
Ms Julien Proud	1 Apr 2009	19 Sep 2016	4(4)
Members co-opted by Council (ECU Act, section 9(1)(i))			
Ms Janet Curran	20 Sep 2009	19 Sep 2018	5
Ms Kelly Hick (Pro-Chancellor since 21 March 2016)	18 Mar 2012	17 Mar 2018	6
Mr Simon Holthouse	12 Sep 2007	11 Sep 2016	3(4)
Ms Denise McComish	22 Mar 2007	21 Mar 2016	1(1)
Ms Janelle Marr	25 Aug 2016	24 Aug 2019	2(2)
Mr Brian Piesse	12 Sep 2016	11 Sep 2019	2(2)

* Council held six regular meetings 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.

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, the Hon Dr Hendy Cowan AO, 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.

The major activities of Council fall into five categories:

- determining the strategic direction of the University;
- management/oversight of the Vice-Chancellor;
- self-governance of the Council and its various sub-committees;
- governance of the University; and
- ensuring compliance with the ECU Act and all other relevant legislation and statutes.

In addition to the six regular meetings of Council held in 2016, members:

- participated in graduation ceremonies;
- participated in a residential retreat that considered the new strategic plan;
- visited a number of ECU schools; and
- attended a presentation in the new ECU Moot Court.

Council is well supported by a number of committees. The committees comprise predominantly Council Members assisted in many cases by co-opted members of the external community. Each year Council reviews the terms of reference and composition of each of its committees. The committees are an essential part of the University's governance framework.

Strategic Direction of the University

A key focus for 2016 was the development of a new strategic plan for the University. Council participated in fora during the year as key themes were explored. The September Council Retreat was dedicated to consideration of the draft *ECU Strategic Plan, 2017-2021 - World Ready*. Council subsequently approved the Plan at its October 2016 meeting.

Other major strategic matters considered by Council in 2016 included:

- briefings from each of the schools of the University established in 2016 after the academic reorganisation in 2015;
- the outcomes of the 2015 external Council evaluation;

- election of a Pro-Chancellor following the conclusion of Ms Denise McComish's final term on Council;
- a briefing on the future International activities for the University, including close consideration of the new Edith Cowan College;
- the approval of Honorary Awards recipients for 2016;
- a progress report against the Reconciliation Action Plan, 2015-2018;
- a report on the work of the ECU Student Guild;
- a report against the ECU Strategic Imperatives for 2016;
- updates and briefings on the proposed amendments to the *Edith Cowan University Act 1984* (WA);
- determining the Student Services and Amenities Fee allocations for 2016 and setting the Student Services and Amenities Fee for 2017;
- amendments to the ECU Student Guild Constitution; and
- an update from the Vice-Chancellor on activities supporting the key objectives of the University.

At its December 2016 meeting, Council considered and approved the ECU Budget for 2017.

The *Universities Legislation Act 2016* (WA) was passed in October 2016, amending the legislation of all WA universities and resulting in a number of significant changes to the *Edith Cowan University Act 1984* (WA). As a consequence, a number of amendments to the University Statutes will be required and this work will be completed in the early part of 2017.

Vice-Chancellor's Reports

A focus of Council was to work with the Vice-Chancellor as he continued to establish and report progress against his vision for the University. A key aspect of this work was the development and approval of the new *ECU Strategic Plan, 2017-2021 – World Ready*.

Council received a report from the Vice-Chancellor at each Council meeting. This report included strategic advice and matters for information. In addition, the Vice-Chancellor reported to Council on the University's performance against its Key Performance Indicators and Targets.

As part of its governance responsibilities, Council established its Performance Agreement with the Vice-Chancellor and received a report on his performance against agreed targets.

Self-governance of the Council

ECU's [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 to inform students and staff in the broader University community about

governance processes at the University, and serves a similar purpose for the external community, including stakeholders such as governments.

In addition, 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 and the Tertiary Education Quality Standards Agency Threshold Provider Standards.

Council undertakes a regular self-evaluation process and the Council evaluation policy requires an external evaluation to be conducted at least once every five years. The report of the external review undertaken in 2015 rated ECU's demonstrated governance capabilities as "Strong" across the majority of critical elements of board effectiveness. As part of its commitment to continuous improvement, Council implemented a number of minor adjustments to its arrangements in 2016 to address some of the operational improvements suggested by the review.

Governance of the University

Key Council activities in 2016 relating to the governance of the University included:

- regular meetings of Council committees and reports from these committees to keep Council informed of activities across ECU's academic and operational areas;
- detailed mid-year and end-of-year reports on the performance of the University against its key performance indicators, provided by the Vice-Chancellor;
- the Vice-Chancellor's reports on progress against the Strategic Imperatives for 2016, as previously approved by Council;
- amendments, as required, to University Rules and Council-approved policies; and
- ongoing professional development opportunities, offered to all members of Council.

Membership

Council was delighted to welcome Mr Tom O'Leary, Mr Brian Piesse and Ms Janelle Marr as new members during 2016. All three bring additional skills and experience that will make a valuable contribution to Council and its work.

Council recorded its great appreciation for the work of valued outgoing members: Ms Denise McComish, Mr Simon Holthouse and Ms Julien Proud, noting the significant contributions they had made to Council and to its committees and boards.

In addition, Mr Lewis Price and Ms Azlan Martin concluded their terms as elected student members, and Mr Samuel Martyn and Mr Done Boben were elected to these positions.

Compliance

The 2015 Annual Report was approved by Council and submitted to the Western Australian 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 2016 meeting, Council reviewed TEQSA's Provider Threshold Standards as they pertained to governance and noted that the University complied with the Standards.

Section 2A: Performance – Report on Operations

2016 At a Glance

5 largest fields
of research

Most weighted research publications, 2015

Medical and health sciences
Education
Business and management
Engineering
Information and computing sciences

28,780

Students

Headcount, 2016

1,810

Staff

Full-time equivalent staff, 2016



Teaching quality

2010 2011 2012 2013
2014 2015 2016 2017

Good Universities Guide



Overall quality

Graduate salary
Student support
Skills development
Learning resources
Learner engagement

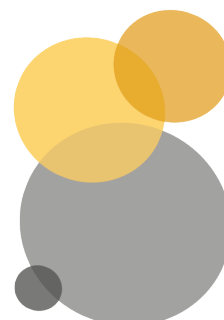
Good Universities Guide, 2017



Most popular units by course level

Enrolled students, 2016

Postgraduate	Fundamentals of Value Creation in Business
Bachelor	Health and Healthcare Systems
Enabling Course	Academic Writing
VET	Apply Music Knowledge and Artistic Judgement



11,640

Student internships
and work placements

*Enrolments in units featuring
work-integrated learning, 2016*

Top 20 home countries

Most common home countries for international onshore students, 2016

Bhutan · China · Hong Kong · India · Indonesia · Japan
Kenya · Kuwait · Malaysia · Mauritius · Nepal · Nigeria
Pakistan · Philippines · Saudi Arabia · Sri Lanka
United Kingdom · Vietnam · Zambia · Zimbabwe

Innovation



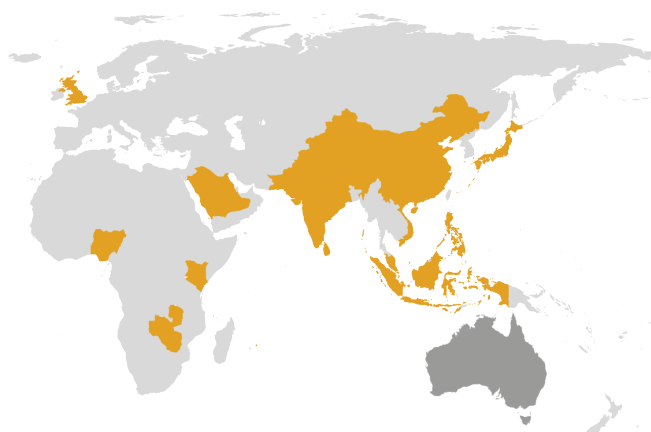
Internationalisation



Inclusiveness



QS Stars, 2015-2017



2016 Highlights

ECU's 25th Anniversary Celebrations

ECU celebrated its 25th anniversary in 2016 with the theme: “making a difference”. A series of exciting events took place involving students, staff, alumni and the community. Highlights included: An Audience with John Cleese; a presentation by Nobel prize winner Dan Shechtman, the Western Australian Academy of Performing Arts (WAAPA) Showcase at the Perth Concert Hall; a presentation on International Women’s Day by renowned mathematician Clio Cresswell; and a gala concert “Music Under the Stars”.

Five Star Rated Teaching

For the eighth consecutive year, ECU received the maximum five star rating for its teaching quality from the *Good Universities Guide*. This record is only matched by a few universities in Australia. In the 2017 *Good Universities Guide*, graduates also rated ECU five stars for overall educational experience, skills development, student support and median graduate salary levels.

Motorsport team 10th in the World

ECU finished in tenth place in the 2016 Formula Student competition at Silverstone, the UK racing track, placing ECU above any other Australian team. A car designed and built by the ECU Motorsport Team competed against more than 100 teams from 33 countries. Points were awarded for speed, engineering design, cost, sustainability and a business presentation.

New Strategic Plan

The new *ECU Strategic Plan, 2017-2021 – World Ready* plots an ambitious, yet achievable, path for the University over the next five years. The plan, developed through a robust consultation process in 2016, articulates a set of strategic goals and objectives that build on ECU’s many achievements in teaching and research. Implementation of the plan will begin in 2017.

National Enactus Champions representing Australia

A team of ECU students beat university teams from around Australia to be named 2016 national Enactus champions. Enactus ECU is a branch of a global student organisation which brings together business leaders and students to collaborate on entrepreneurial volunteer projects.

The team consisting of 24 students spent thousands of hours volunteering on projects dedicated to assisting senior citizens with technology and reducing waste to landfill. In October, Enactus ECU represented Australia in the international competition in Canada and achieved third place in the competition’s opening round against Germany, Russia and Poland.

Opening of the Moot Court

A Moot Court facility was opened in September 2016, providing ECU Law students with opportunities to develop practical skills in advocacy in a court-like setting. The state-of-the-art facilities simulate a real courtroom and allow students to practice witness examination and cross-examination.

Edith Cowan College

Edith Cowan College was launched in 2016. A joint venture partnership between ECU and Navitas Limited, Edith Cowan College will provide a new and internationally competitive way of delivering pathway courses to university. The launch of Edith Cowan College will re-establish ECU's international growth strategy and ensure an excellent experience for students from around the world.

Vice-Chancellor's Reconciliation Committee

The Vice-Chancellor's Reconciliation Committee was formed in 2016 to oversee the progression of ECU's Aboriginal and/or Torres Strait Islander education and employment strategies. The first meeting of the Committee was followed by the opening of ECU's newest Cultural Reflection Space – the Natural Elements – at the lake on the Joondalup Campus. The Committee that consists of an Elder-in-residence, Aboriginal and/or Torres Strait Islander staff and student representatives and key staff members will provide a forum to monitor and manage the implementation of the University's *Reconciliation Action Plan 2015-2018*.

First Fleet Piano and the Symonds Collection

Over 130 historical instruments, including Australia's first piano, found a new home at the Western Australian Academy of Performing Arts (WAAPA) in 2016. The First Fleet piano is among a valuable collection of pianos gifted to WAAPA by Mr Stewart Symonds. Throughout the year, the pianos have been moved from Western Sydney to Western Australia as part of an agreement led by Professor Geoffrey Lancaster AM.

ECU's Participation in the first Australian Pilot of the Athena SWAN Charter

ECU was successful in gaining a place in the first tranche of the Science in Australia Gender Equity (SAGE) Pilot of the Athena SWAN Charter in Australia. Athena SWAN is an international evaluation and accreditation program that aims to enhance gender equity in science, technology, engineering, mathematics and medicine (STEMM). The Deputy Vice-Chancellor (Strategic Partnerships) leads this initiative supported by the ECU Athena SWAN Charter Committee and a multi-disciplinary Self-Assessment Team comprised of staff from across the University, all working to secure Bronze Level institutional accreditation in 2018.

To assess current gender equality barriers, a Staff Pilot Survey and Staff Focus Workshops were held across all campuses in early 2016. 'Managing Unconscious Bias in

the Workplace' sessions have now become a requirement for staff serving on recruitment panels.

ECU's Vice-Chancellor became a Workplace Gender Equality Agency (WGEA) Pay Equity Ambassador and the University was awarded a WGEA Employer of Choice for Gender Equality Citation in 2016.

Times Higher Education (THE) 150 Under 50

ECU was again named in a global list of the best universities under the age of 50. The 2016 Times Higher Education (THE) 150 Under 50 rankings assess universities on performance indicators such as research, teaching excellence, international outlook and innovation.

The West Australian-ECU Lecture Series

The West Australian-ECU Lecture Series continued in 2016, highlighting ECU's research capabilities through monthly public lectures. Formal presentations were given by ECU researchers on subjects including "early diagnosis, prevention and cure of Alzheimer's disease", "cyber security" and "detection and monitoring of melanoma".

Vice-Chancellor's Distinguished Orator

Nobel Prize-winning chemist Professor Dan Shechtman delivered the Vice-Chancellor's Distinguished Oration in March 2016. Professor Shechtman spoke about his discovery of quasi-periodic crystals in the 1980s.

Strategic Priority 1: To create positive outcomes in our communities through mutually beneficial engagement

ECU's Strategic Focus on Engagement

Responsibility for overseeing the University's engagement activities is distributed across all portfolios of the Senior Leadership Team. Engagement with communities is embedded within all core functions of the University.

In 2016 ECU's approach to engagement included:

- continued involvement in over 100 mutually-beneficial partnerships, including strategic partnerships formed with industry;
- activities, projects and events with local schools to raise aspirations for higher education and build transition pathways from the vocational education and training sector;
- strategies to support fundraising and alumni relationships; and
- outreach activities and projects with community stakeholders and partners.

ECU's Key Engagement Outcomes in 2016

Jamie's Ministry of Food

ECU's partnership with [Jamie's Ministry of Food](#) was officially launched in March 2016. This major partnership brings Jamie's Ministry of Food Mobile Kitchen to Western Australia and in 2016 provided community-based cooking classes at a number of locations, including Joondalup, Bunbury and Belmont and at each location applications exceeded the available places on the course. In addition to community health promotion, social inclusion and engagement outcomes, the program provides valuable internship and research opportunities for ECU students and staff.

ECU Health Centre

The ECU Health Centre hosts a comprehensive range of community-based services including General Practitioner, nursing, allied health services, BreastScreen WA and Child and Adolescent Community Health. Over 170,000 health consultations have taken place at the ECU Health Centre and some 73,000 consultations took place in 2016.

In 2016 offerings at the Centre expanded to include a satellite site for the Vario Health Clinic; the Community Midwifery Program funded by the WA Health Department; and the Women's Resource and Engagement Network (WREN), a specialist Domestic Violence Unit and Health Justice Partnership service offered through a collaboration with the Northern Suburbs Community Legal Centre and Legal Aid.

Since the Centre opened over 21,300 placement hours have been completed by ECU health students. Research activity has increased at the Centre in 2016 and included topics such as the mental health of older adults with chronic disease.

Engagement with Schools

School engagement activities continued in 2016. These included a wide variety of initiatives in partnership with primary and secondary schools, and with young people from disadvantaged communities. The initiatives support learning and raise aspirations for higher education, for all those with the ability and motivation to study. Some of these activities were supported by funding from the Commonwealth Government's Higher Education Participation and Partnership Program.

Highlights from activities with schools included the following:

- ECU's hosting of the Western Australian Department of Education's Primary Extension and Challenge (PEAC) Induction Program over three days in December. Approximately 390 students and 12 PEAC teachers took part in hands-on activities such as robotics, rocketry, reflective writing, exercise and sports science and medical science, facilitated by ECU staff and students.
- The third year of the UniChoice program on the South West Campus. Over 200 students from Harvey Senior High School, Dalyellup College, Margaret River Senior High School and Bunbury Catholic College enrolled in 2016 on a 10-week program including lecture rotations, a special high intensity focus session on engineering, social work, community engagement and art, and a tour of the Mount Lawley and Joondalup campuses.

Engaging with Aboriginal and /or Torres Strait Islander Communities

In 2016, the University engaged with Aboriginal and Torres Strait Islander communities through a range of activities including the following:

- The Wadjak Northside Community Science Exchange was held in November 2016. More than 300 people threw boomerangs, made Nyoongar tools, measured PH and investigated polymers. This hands-on community event, held at the Wadjak Northside Aboriginal Community Centre in Balga, aimed to encourage Aboriginal and/or Torres Strait Islander students to study and work in science, technology, engineering mathematics and medicine (STEMM) and to address under-representation in these areas.

- The continued partnership with the Australian Indigenous¹ Mentoring Experience (AIME) to build University aspirations in Aboriginal and/or Torres Strait Islander high school students.
- A partnership with the Edmund Rice Centre to provide an after-school program for Aboriginal and/or Torres Strait Islander students.

Dreamtime Project lifts educational aspirations for Aboriginal girls

The Dreamtime Project, supported by ECU and hosted at Kurongkurl Katitjin on the Mount Lawley Campus, was featured on ABC's 7.30 program. The project aims to inspire young Aboriginal and/or Torres Strait Islander women to reach their potential through a 30-week course in public speaking, health, nutrition, runway skills, hair and make-up. Participants build their confidence and are introduced to the possibilities of further education.

Articulation Agreements with Registered Training Providers

ECU continued to work with domestic and international organisations on articulation pathways into ECU undergraduate and postgraduate programs. Onshore partners included the restructured State training providers, Navitas and other high quality private providers. ECU worked with international educational organisations to provide pathways to ECU through a variety of delivery models including onshore and transnational education.

ECU undertakes an annual quality assurance process on all articulation pathways to ensure the quality of all provider programs providing articulation to ECU courses and to confirm that any variations to the curriculum will not compromise quality.

Engagement with Prospective Students

Student recruitment staff served an increased number of participants at student recruitment events in 2016, with more than 89,000 people attending more than 630 events.

Improvements to the format and content of ECU's Open Days in combination with an innovative advertising campaign resulted in 25,326 people attending Open Day events at the three ECU campuses. This was a 34% increase on 2015 attendance.

¹ Edith Cowan University uses the preferred term Aboriginal and/or Torres Strait Islander in its publications. Indigenous is used consistent with historic or external naming conventions.

Engagement through Media and Social Media

ECU's achievements continued to be publically promoted, with a particular focus on research success. This promotion resulted in a 32% increase in positive media mentions in 2016, with an equivalent advertising value of approximately \$14 million.

ECU's Future Students' Facebook page grew to over 90,900 likes by November 2016, a 13% increase on 2015, future student Twitter followers grew to 5,837 (a 23% increase), YouTube video views grew to 1,053,175 (a 43% increase) and LinkedIn Company Page members grew to more than 57,000 (largely due to changes within the LinkedIn platform regarding consolidation of Company and University pages).

Alumni and Fundraising Engagement

ECU's 25th anniversary provided a significant opportunity to engage and develop relationships with alumni and partners. A series of 22 alumni events enabled engagement with nearly 5,500 attendees, who were encouraged to interact with ECU in new ways, by considering returning to study, becoming an alumni mentor or supporting the University philanthropically. Alumni success was promoted through the "25 years, 25 faces" project, which highlighted a prominent graduate from each of the last 25 years.

The 2016 Alumni Appeal generated excellent results with a doubling in donation income. Staff Giving and the WAAPA Bravo Donor Circle continued to grow, yielding funds to support 40 scholarships in 2016.

First University to acquire a Spiegel tent

ECU is the first university in the world to acquire a spiegel tent, providing a unique performance space for WAAPA students to hone their craft. Spiegel tent is Dutch for 'mirror tent' due to the hand-made architecture of wood, mirrors, canvas and leaded glass, with intricate detailing in velvet and brocade.

The *Edith* is one of just a handful of spiegel tents in the world and was designed by the Klessens family in Belgium, makers of spiegel tents since the 1920s. The tent will provide a performing arts venue in Cathedral Square during the 2017 Fringe World Festival.

WAAPA Performances

Over 500 public concerts and performances were held by WAAPA during the year, and a particular highlight was a concert performance at Perth Concert Hall in celebration of ECU's 25th anniversary. This critically acclaimed concert featured a diversity of musical talent from ECU students, staff, graduates, as well as guest artists.

WAAPA has an extensive connection to WA communities, with performances and workshops taking place in a variety of locations around the Perth metropolitan area in 2016.

In 2016 WAAPA received support from the Minderoo Foundation, the Jackman Furness Foundation for the Performing Arts, the Friends of the Academy and numerous corporate and private donors.

Strategic Priority 2: To deliver accessible world-class education and an enriching student experience

ECU's Strategic Focus on Teaching and Learning

ECU's *Teaching and Learning Functional Plan, 2014-2016* articulates ECU's learning and teaching strategies and is aligned with ECU's Purpose and Vision. Strategies include further developing internationalisation within the curriculum and developing staff capacity and capability to use technology for flexible and enhanced learning opportunities.

ECU's Key Teaching and Learning Outcomes in 2016

Assuring Quality Learning Outcomes

The implementation of the Higher Education Standards Framework from 1 January 2016 has provided an additional imperative for all universities to ensure that their courses and programs meet national standards and requirements as set down by the Tertiary Education Quality and Standards Agency (TEQSA).

ECU undertook a range of quality assurance activities in 2016, including:

- a gap analysis of TEQSA standards across the University to verify compliance;
- the development and implementation of Course Learning Outcomes Policy and Strategy;
- consultation with ECU schools to ensure course learning outcomes were appropriately mapped to the Australian Qualification Framework (AQF) statements by course level; and
- the development of a system where course learning outcomes can be recorded.

ECU secured professional accreditation of its courses in Psychology; Marketing, Advertising and Public Relations; Early Childhood Education; Counselling and Psychotherapy; Nursing and Midwifery, Nursing (Graduate Entry); Management Information Systems; Exercise and Sport Science; and Exercise and Rehabilitation.

New Course Offerings in 2016

ECU regularly renews its course offerings to maintain an academic profile that is contemporary and continues to reflect the changing needs of employers, students and the community.

New courses offered for the first time in 2016 were:

- Master of International Hospitality Management;
- Graduate Certificate in Aeromedical Retrieval;
- Graduate Diploma in Aeromedical Retrieval;

- Graduate Certificate of Midwifery Diagnostics and Prescribing; and
- Bachelor of Engineering (Chemical and Environmental) Honours.

International prize for ECU Law Student

For the second year in a row, an ECU law student has won a top international mediation prize in Hong Kong. Concetta Macri was awarded the Colin J Wall Award for the best mediator at the Young International Mediation Competition, beating law students from top universities across Asia, Europe, Africa and Australia.

Enrolments

Full-year total student load for 2016 was 18,558 Equivalent Full Time Student Load (EFTSL), which is higher than 2015 (17,603 EFTSL).

Table 2 shows ECU's student load for the period 2012-2016 by course award level.

Table 2: Student Load (EFTSL) by Course Award Level, 2012-2016

	2012	2013	2014	2015	2016
Higher Degree Research	457	427	415	405	444
Higher Degree Coursework	1,426	1,430	1,637	2,046	2,453
Other Postgraduate	1,139	1,082	1,119	1,110	1,100
Bachelor	13,951	13,600	13,338	12,814	13,314
Sub-Bachelor	69	41	27	21	22
Enabling and Other	606	622	744	900	946
Vocational Education and Training	483	446	400	307	279
Total	18,131	17,648	17,680	17,603	18,558

Note: 2016 data is provisional as at 1 February 2017.

Retention

The 2016 retention rate (for ECU students who commenced in 2015) decreased slightly compared with the previous year's results (see Report on Key Performance Indicators beginning on page 44).

Following the 2015 Retention Working Party report, Academic Board approved the adoption of a University-wide strategy for improved retention outcomes. The Retention Strategy highlights the roles and responsibilities of all stakeholders and describes activities for ECU schools to enhance student retention outcomes. In 2016, these activities included:

- development of School Retention Plans as important elements of operational plans;

- implementation of a feedback system for students to give their reasons for withdrawing from units and courses. This will help ECU to better understand factors that influence attrition;
- improved dissemination of information to assist teaching staff to address student needs; and
- implementation of an analytics capability within the Blackboard Learning Management System to enable teachers to identify more easily students who might require extra attention.

The Top-Up Project was extended in 2016. The project aims to meet the complex needs of ECU students of African origin by providing support in English language, conceptual learning, managing academic, work and family commitments and adjusting to life in Australia. The project now includes students from the School of Arts and Humanities and the School of Business and Law and aims to improve the retention and success of these students.

ECU Student named as WA's Young Person of the Year 2016

Journalism student Vanessa Vlajkovic was named WA's Young Person of the Year for her work advocating on behalf of the deafblind community. As ECU's first deafblind student, Vanessa has already achieved her dream of studying at university and hopes to continue her work speaking on behalf of those living with impaired hearing and vision.

As well as assisting in the establishment of advocacy organisation Deafblind West Australians and excelling in gymnastics and cheerleading, Vanessa volunteered her time at the 2016 ECU Joondalup Open Day, answering questions from prospective students and sharing her experiences.

International

The internationalisation of the curriculum and development of ECU's graduates as global citizens are key elements of ECU's Teaching and Learning strategy.

ECU has secured student mobility funding of \$499,000 from the Commonwealth Government for 15 study tours and student exchange opportunities in 2017. In addition, three ECU students will receive New Colombo Plan Scholarships of up to \$75,000 each. These grants complement and support existing ECU school planned mobility projects. Approximately 370 students will have the opportunity to study overseas in 2017.

In 2016, a number of new partnerships were established or extended, including Transnational Education (TNE) programs with the NTUC Learning Hub in Singapore, Ho Chi Minh City Open University, the Australian College of Business and Technology in Sri Lanka and in the United Arab Emirates. Five student exchange agreements have been established or renewed with universities in China, the UK and Luxembourg. Furthermore,

ECU established joint PhD programs with three medical universities in China and PhD scholarship programs with government agencies in Pakistan and Vietnam.

ECU has continued to work with the State Government and the other Western Australian universities on a strategy for international education. The strategy focuses on supporting the sustainable growth of international education in Western Australia through improved international engagement across government, a renewed and modernised approach to the marketing of Perth as a study destination, and continued support for initiatives that work to ensure a positive experience for students.

2016 also marked the start of the Tokyo City University Australia Program at ECU, an innovative study abroad model that has brought 200+ Japanese students to Western Australia in 2016 with a further 240 scheduled for 2017 and plans in place for further development. The Tokyo City University Australia Program is the largest of its kind in Australia and breaks new ground in its management and support of quality, large-scale student mobility.

Online Learning and Technology

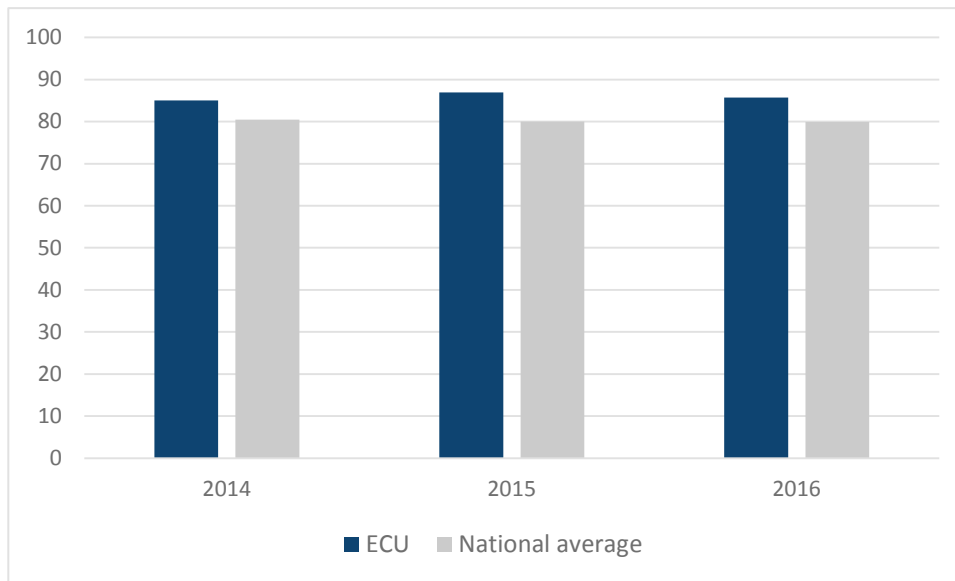
During 2016, an institution wide *Technology-Enhanced Learning Strategy (TELS)* was developed. The *TELS 2017-2018* aims to deliver high quality technology-enabled learning experiences for students, with a focus on expanding ECU's online offerings to include a suite of postgraduate and professional courses. Staff and students will be encouraged to develop high levels of proficiency in the use of learning technologies and it is expected that retention, satisfaction and progress will improve as the plan is implemented.

Measuring the Student Experience

ECU monitors the satisfaction of its students and graduates through a number of surveys. ECU's own online Unit and Teaching Evaluation Instrument (UTEI), the International Student Barometer (ISB), In-Progress Postgraduate Student Experience Survey, and the Student Services and Facilities Feedback Evaluation (SSAFE) gauge the satisfaction of current ECU students.

National surveys administered by the Student Research Centre (SRC) provide comparative data for all Australian universities. The Higher Education sector is transitioning to a series of new surveys under the Quality Indicators for Teaching and Learning (QILT) banner and the Commonwealth Department of Education and Training now reports student experience indicators based on the Student Experience Survey (SES).

ECU continues to perform strongly on all key indicators of teaching excellence and the learning environment. The latest SES results in Figure 3 show ECU has consistently performed above national averages for the "overall quality of the educational experience" indicator. Performance results for all providers can be found on the [QILT website](#).

Figure 3: Overall Quality of the Educational Experience, 2014 - 2016

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 44.

ECU boasts two of the best teachers in Australia

Journalism Associate Professor Trevor Cullen and Education lecturer Dr Lorraine Hammond were presented with 2016 Awards for Teaching Excellence by Senator the Hon Simon Birmingham, Minister for Education and Training, in Canberra in December.

The awards recognise outstanding contributions to student learning. Professor Cullen was acknowledged for his work in improving professional placements and the industry readiness of journalism students. Dr Hammond was awarded for excellence in preparing education students to be highly effective teachers.

Strategic Priority 3: To enhance the personal and professional outcomes of graduates

ECU's Strategic Focus on Graduate Outcomes

ECU's strategic focus on graduate outcomes in 2016 was enhanced through the implementation of ECU's *Graduate Employment Strategy 2016*. This has led to:

- development of graduate employment targets with associated strategies in ECU schools;
- development of curriculum and resources to improve graduate employment capabilities within courses;
- provision of professional development opportunities for teaching staff;
- work integrated learning opportunities included in all new undergraduate programs; and
- changes to learning and teaching policies to strengthen the requirement to develop and monitor employability skills in all ECU undergraduate courses.

ECU's Graduate Employment Outcomes in 2016

The Higher Education sector is transitioning to a series of new surveys under the Quality Indicators for Teaching and Learning (QILT) banner. Graduate employment was previously measured through the Graduate Destination Survey (GDS). A comparable full-time employment indicator within the new Graduate Outcome Survey (GOS) is available for 2016 results, but methodology changes exist between the two surveys.

The 2016 results for full-time employment of graduates show a 3.5 percentage point gap between the State average results (68.9%) and ECU's graduate results (65.4%). However the figure for overall employment for ECU graduates (86.3%) is equivalent to the State average (86.4%). In addition, the median starting salary for ECU graduates (\$63,000) is above the State average (\$60,500). Further details on graduate employment outcomes are available on the [QILT website](#).

U-Multirank gives ECU a high rating for graduate outcomes

U-Multirank assesses more than 1,200 universities from 83 countries and gave ECU the highest rating of 'very good' in 2016 for bachelor and masters graduates finding work locally. ECU was also awarded the maximum rating for close links with local communities to generate research and student internships, proportion of international academic staff, post-doctoral positions, industry co-patents and arts-related research output.

ECU's Activities to Support Graduate Employment Outcomes

ECU has continued to work on improving student employment outcomes. Activities in 2016 included the following.

- The Careers Team conducted over 1,500 appointments in 2016, an increase of over 50% from 2015. Eighty unit based workshops and 24 generic workshops on topics such as professional practice, interview skills, writing resumes, addressing job selection criteria and career planning were delivered in 2016. Mock interviews were conducted for students across many disciplines and tailored employability skills were embedded into course learning outcomes.
- Six Careers Fairs were held in 2016 targeting particular disciplines.
- Student volunteering grew in 2016 with over 1,900 students registered on VolunteerHub (up 30% from 2015) and over 170 new volunteering opportunities promoted (up 22% from 2015).
- In 2016, a National Student Volunteer Week calendar of events was launched including volunteer networking and roundtable discussions with industry, government and community.
- 3,470 students were added to the CareerHub in 2016 (up 13% from 2015) and 1,100 jobs were advertised by a variety of employers in industry, government and the community.
- ECU worked with the Public Sector Commission (PSC) on an exclusive cadetship program for Aboriginal and/or Torres Strait Islander students and students with disability to be piloted in 2017. ECU also engaged with over 20 organisations creating and executing a variety of tailored graduate recruitment strategies.

The Office of Development and Alumni Relations continued to support graduates as they made their transition from study into careers through a number of initiatives.

- The Alumni Mentoring Program saw 40 alumni paired with current students in face-to-face mentoring relationships.
- A series of webinars were delivered, accessed by alumni globally.
- The twice-yearly Leadership Roundtable breakfasts were held, with students and new graduates accessing the expertise of alumni business leaders.

Strategic Priority 4: To strengthen research capability, capacity, translation and impact

ECU's Strategic Focus on Research and Research Training

Within the new School arrangement, ECU's *Strategic Research Plan* concentrated resources on developing and supporting research capability of our academic staff and students. A significant strength of the plan was the Vice-Chancellor's Professorial Research Fellowship initiative. Schools have attracted outstanding national and international leaders in their disciplines through this initiative, which is already seeing benefits to the Schools and to the University through improved grant successes and an increased number of research publications. Recruitment of these academics has had a ripple effect, whereby these leading researchers are mentoring current staff and students, building ECU's research capability.

ECU's Key Research and Research Training Outcomes in 2016

Competitive research funding

Competitive research funding provided by the Australian Government continues to be difficult to secure. However, due to the strategies implemented in previous years, ECU has seen significant success with national Category One funding schemes, most notably with the National Health and Medical Research Council (NHMRC) and Australian Research Council (ARC). In 2016, ECU researchers secured an NHMRC Development grant, Project grant, Partnership grant and a Senior Research Fellowship, totalling almost \$3,500,000 in income. Our research teams have also been part of a collaborative NHMRC Centre of Research Excellence in Prostate Cancer. From the ARC, ECU researchers have been awarded infrastructure grants and a Discovery Early Career Researcher Award, winning more than \$540,000 in support. Other prestigious Category One grants delivered a further \$665,000 to the University.

2016 Australian Research Council (ARC) Grants

Two high profile ECU researchers won grants in the 2016 ARC National Competitive Grants Programme.

Dr Oscar Serrano was awarded an ARC Discovery Early Career Research Award worth \$370,000 to investigate the impact of coastal development and climate change on Australian seagrass compared with international samples. Professor Pere Masqué received a \$170,000 ARC Linkage Infrastructure and Facilities grant to set up a multi-institutional radioactivity research centre.

Developing Research Capability

In 2016 ECU continued work on a range of significant initiatives to increase the research performance and enhance the research culture of the University and its academic staff.

- Under the leadership of the Vice-Chancellor, the Professorial Research Fellowship program has recruited a total of 14 Fellows. The scheme aims to result in 20 appointments by the end of 2017. A list of Fellows recruited in 2016 can be found on page 40.
- The University created the ECU Silver Jubilee Collaboration Award in celebration of 25 years of research at ECU. The two successful projects demonstrated excellent research collaboration across at least three ECU schools.
- A Research Analytics Working Group was established in 2016 to guide development of research performance analytics at ECU.

Throughout 2016, communication with researchers was maintained through the e-magazine Research Weekly. The magazine provides an update on research-related activities, including upcoming funding opportunities and research orientation sessions to remind ECU researchers of the support services available to them.

ECU Sports Science 14th in the world

The Global Ranking of Sports Science Schools and Departments produced by Shanghai Ranking placed ECU's Sports Science department as 14th in the world. Five Australian universities were named in the top 20 with assessment including research citations and numbers of papers published, with a score awarded for the number published in the top 25 per cent of journals globally.

Research Engagement with Industry and Government

THE LINK project, in collaboration with the City of Joondalup, continued in 2016. The project aims to connect businesses and academic researchers to develop innovative solutions to solve real-life problems, foster growth, increase competitiveness and to facilitate commercialisation of innovations that benefit the wider community. In 2016, THE LINK project commenced the ECU-Watermark Get LINKED series of presentations and workshops on entrepreneurship and innovation. The series provides opportunities for knowledge exchange and for researchers to network with business, government and start-up organisations.

The ECU initiated industry mobility placement program, iPREP WA, grew in 2016 with three intakes. iPREP supports teams of PhD students who have submitted theses for examination to work on industry-defined problems in projects over six weeks. 50 PhD students, 13 from ECU, were placed into 17 projects and attracted \$140,000 in support funds. A research grant allocated to ECU from the Australian Office of Learning and

Teaching will be used to explore models for a national roll-out of iPREP. iPREP was also nominated and shortlisted for the Premier's Science Awards 2016.

Six industry engagement scholarships were established in 2016 to increase both the number of PhD students and projects engaged with industry. Funding of \$200,000 in research support funds, including stipend top-ups, and \$140,000 in-kind support was provided.

Research engagement with communities

ECU Research Week 2016, launched by WA's Chief Scientist Professor Peter Klinken, continued the successes of previous years by showcasing research achievements, collaboration, impact and contribution to knowledge translation. Research Week 2016 focused on highlighting, celebrating and encouraging women in research, with Professor Mel Ziman sharing her personal research inspiration at the Reach for the Stars event. Over 1,200 attendees at the events explored the possibilities of research degrees, toured the research facilities, joined in debates and engaged with ECU's vibrant research community. Highlights included an exhibition of images taken by high school students as part of an astronomy education research program, a showcase on WA's new environmental legislation and the research communication competition; Research in a Nutshell.

The West Australian-ECU Lecture Series continued in 2016 with a diverse range of talks delivered by ECU's leading researchers. The series welcomed over 1000 students, staff and community members to ECU for lectures on topics such as "early diagnosis, prevention and cure of Alzheimer's disease", "cyber security" and "detection and monitoring of melanoma".

National Recognition for Professor Neil Drew

Professor Neil Drew from Australian Indigenous Health/*InfoNet*, was made a Fellow of the Australian Psychological Society (APS) in 2016. This is in recognition of his exemplary contributions to the APS and the discipline of psychology.

Research Funding and Publications

Total research income in 2016 was above that received in 2015. Based on unaudited figures, as at 31 December 2016 total research income was \$16.30 million, slightly above the 2015 figure (\$16.03 million). The Australian Government's total research block grant allocation for 2016 was \$11.4 million, a significant increase on 2015 (\$8.61 million).

Information on ECU's research publications can be found in the Report on Key Performance Indicators beginning on page 44.

New Research Centre bringing together Australia's top prostate cancer experts

ECU is playing a key role in a world-first Centre for Research Excellence (CRE) in Prostate Cancer Survivorship, funded through a \$2.5million National Health and Medical Research Council (NHMRC) grant.

The Centre is a collaboration between ECU, Griffith University, Cancer Council Queensland, Cancer Council NSW, Monash University, University of Adelaide and the University of Queensland and will target critical problems that affect men following cancer diagnosis to improve quality of life and prognosis.

Visiting Professorships

Collaboration was a priority in 2016, focusing on key State, national and international initiatives, fellowships, scholarships and infrastructure, as well as fostering industry linkages. Celebrating ECU's 25th Anniversary, five Silver Jubilee Visiting Professorships and two Silver Jubilee Collaboration Awards were competitively allocated, delivering global leaders to five Schools for an extended period of time. Their presence served to build capability through workshops, lectures, mentoring, grant-writing, publication planning and sharing of networks. Their visit to ECU also raised the University's profile internationally.

The five visiting professors were:

- Professor John Bertram (University of Calgary) – hosted by Dr James Croft, School of Medical and Health Sciences.
- Professor Simon Emmerson (De Montfort University, UK) – hosted by Associate Professor Cat Hope, WAAPA.
- Professor Renee James (Sam Houston State University, USA) – hosted by Professor David McKinnon, School of Education.
- Professor Sherali Zeadally (University of Kentucky, USA) – hosted by Dr Zubair Baig, School of Science.
- Professor Antonio Martinez-Cortizas (Universidad de Santiago de Compostela, Spain) – hosted by Dr Oscar Serrano and Professor Paul Lavery, School of Science.

ECU research reaches a national audience

Professor Ralph Martins' message that diet and exercise are key to helping prevent Alzheimer's disease reached a national television audience when his research was profiled on the ABC television program Catalyst in August.

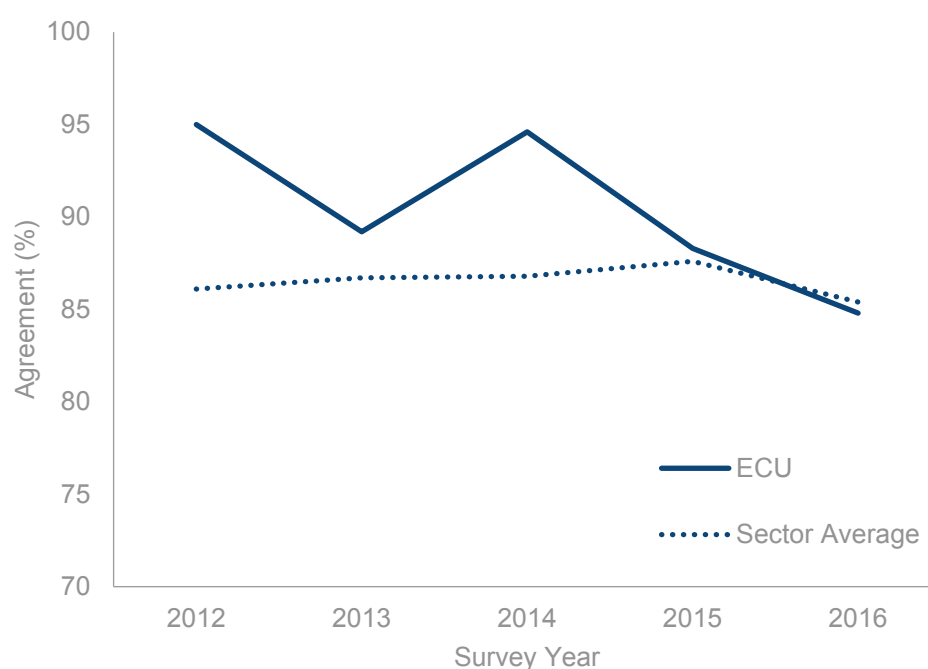
Professor Martins leads the Perth research sites of the Australian Imaging Biomarkers and Lifestyle (AIBL) study of Ageing, one of the world's largest research projects investigating the link between lifestyle and Alzheimer's disease.

Research Training

ECU's PhD and Masters completions have been steadily increasing since 2012, with completions per 10 academic staff above the State average in 2016. Information on ECU's PhD completions can be found in the Report on Key Performance Indicators beginning on page 44.

ECU's postgraduate research student satisfaction as measured by the Postgraduate Research Experience Questionnaire (for both domestic and international students) is shown in Figure 4 below. While ECU student satisfaction has tracked above the national average for a number of years, it fell just below the national average in 2016. ECU student numbers in research training are relatively small and typically the survey is based on 50-60 respondents. Therefore, the calculation of student satisfaction is less robust than for large cohorts. In 2014 ECU introduced a four year candidature management rule, which required many overdue candidates to complete by 2015 and 2016. It is possible that satisfaction feedback from those candidates completing has contributed to the slight drop in results.

Figure 4: Higher Degree by Research Graduate Satisfaction 2012-2016



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 “agree” with the statement “Overall, I was satisfied with the quality of my higher degree research experience”. The percentage agreement is the percentage of responses that are 4 (agree) and 5 (strongly agree) on the five-point Likert scale.

Strategic Priority 5: To enhance organisational resilience, sustainability and reputation

ECU's Key Organisational Sustainability Outcomes in 2016

This Strategic Priority comprises the University's financial positioning, potential for growth and sustainability, and the key resources supporting ECU's core functions - staffing, information technology and infrastructure.

Financial Positioning

During 2016 ECU's budget was realigned, within the parameters approved by Council, to recognise an improved operating result, while fully funding expenditure on assets and continued investment in research capacity as a priority. Reforecast revenue for 2016 increased by \$20.2 million (5%) to \$412.2 million, compared to the original Budget revenue of \$392.1 million.

Throughout 2016, ECU operated within the key budget parameters approved by Council. A 2016 operating surplus of \$24.6 million represents a positive outcome for the University. This result exceeded the original budget (\$17.4 million) by \$7.2 million. Total revenue for the University in 2016 was \$425.3 million, which exceeded the original budget (\$392.1 million) by \$33.2 million.

The University received an unqualified external audit opinion for 2016.

The Financial Statements begin on page 59 of this Annual Report.

Marketing

In 2016, ECU launched its "Get Ready" advertising campaign, showcasing the University's facilities, range of courses and focus on practical learning. The integrated campaign was rolled out across television, radio, print, outdoor and digital advertising channels. Digital marketing and social media engagement continued to grow as a proportion of total marketing activity.

Ongoing international marketing and recruitment campaigns continued to yield positive results in 2016, with a 28% increase in successful applications from fee-paying onshore students. Overall, ECU recorded the largest ever intake of international students in semester one and the largest ever mid-year intake to ECU in semester two.

The key areas of focus for the University's international recruitment efforts continued to be Africa, South East Asia, South Asia and North Asia.

Entry Requirements

A decision was taken in 2016 to increase ECU's minimum ATAR to 70 from 2017. At the same time, non-ATAR entry pathways will be expanded to include ECU Access, a bonus

points scheme focused on students from low socio-economic status areas and catchments of ECU campuses.

International

Council approved an interim International Functional Plan 2016-2017 in April 2016. The plan provides a framework for increasing international activity across the University. A new International Strategic Leadership Group, chaired by the Deputy Vice-Chancellor (International) has been established to co-ordinate the assessment, development and implementation of strategic growth initiatives.

Staffing

The University implemented the Academic Organisation Restructure from January 2016. This saw the establishment of eight new or modified schools, the appointment of new academic leadership teams at school-level and an expanded University Executive. Academic staffing levels have remained stable with a slight reduction in professional staff levels across the period. A review of the central service models supporting the schools will occur in 2017.

ECU maintained its 2% employment level for Aboriginal and/or Torres Strait islander professional staff and set a new target of 3%. However, for academic staff, the 2% target remains challenging and employment in 2016 was 0.8 %. ECU continued to employ a significant number of Aboriginal and/or Torres Strait Islander tutors and lecturers on a sessional basis. There was growth in the numbers of trainees and cadets in entry-level pathways, with five currently in progress and another five in preparation for 2017, supported by Commonwealth Government funding under the Indigenous Advancement Strategy.

Service Excellence

A Customer Service Excellence program was established in 2016 to meet ECU's strategic goals in service excellence. The program consists of a series of projects focused on embedding excellent customer service in all interactions with ECU's internal and external customers.

Strengthening ECU's Leadership Capacity

Under the Professorial Research Fellowship recruitment campaign launched in late 2015, there have been 14 appointments across seven of ECU's eight schools. Ten of these appointments have already commenced at ECU, the remaining four Professors will have a start date in the first quarter of 2017. Those commencing in 2016 were:

- Professor Pere Masque, Professorial Chair Environmental Radiochemistry
- Professor David Broadhurst, Professor of Integrative Computational Biology
- Professor Geoffrey Lancaster AM, Professor, Music

- Professor Tom Riley, Professor of Microbiology
- Professor Paul Arthur, Chair in Digital Humanities and Social Sciences
- Professor Dennis Taaffe, Professor in Exercise Gerontology
- Professor Jonathan Hodgson, Professor of Nutrition and Epidemiology
- Professor Stephen Teo, Professor of Work and Performance

Ms Sonia Mackay-Coghill was appointed to the position of Director, Development and Alumni Relations.

Academic Promotions in 2016

The academic promotion round of 2016 resulted in 21 promotions. Of those, 17 were to Senior Lecturer and above. Applications success rates were 60% overall with the continued trend of higher success rates for women (70%) particularly at senior levels. Seven of ECU's eight schools were represented in the promotion round.

Vice-Chancellor's Staff Excellence Awards

21 individual staff and three high achieving teams were recognised for their commitment to excellence in the annual Vice-Chancellor's Staff Awards. Excellence was recognised in the categories of research, teaching and ECU's four core values of integrity, respect, rational inquiry and personal excellence.

Staff Engagement Survey

The biennial staff survey was conducted in September 2016. ECU achieved its highest response rate to date, with 80% of staff (1409 staff) completing the survey, compared to the sector average of 65%.

The staff survey results are benchmarked against 39 other Australian and New Zealand universities. This comparison shows that ECU staff continue to report considerably higher levels of engagement and commitment to the organisation than their peers in other Australian universities. The overall engagement score at ECU is 80%. This is an increase of 3 percentage points since the last survey and is 4 percentage points above the average of other universities.

The results show a significant increased satisfaction in the areas of research support and change and innovation, reflecting positively on the continued focus on enhancing research capacity and capability. Staff also rated ECU as having a high priority on health and safety, and facilities.

Potential areas for improvement were also identified, with the most significant being teaching support, performance management and collaboration between different areas of the University.

Enterprise Bargaining

Negotiations for a new Enterprise Agreement commenced in first quarter of 2016. A joint statement was issued by the Vice-Chancellors of the four WA public universities that outlined the intended approach to negotiations including the pursuit of arrangements that are simple, contemporary and fair. Negotiations on the new Agreement will continue into 2017.

Disability Access and Inclusion Plan 2016-2021

A new *Disability Access and Inclusion Plan (DAIP) 2016-2021* was developed during 2016 through extensive consultation with staff, students and community members. ECU's third DAIP was approved by the Vice-Chancellor in July. The plan articulates a number of strategies that will support the University's commitment to disability access and inclusion over the next five years.

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 estate in support of ECU's core functions of teaching, learning and research.

Major upgrades and refurbishments completed during 2016 are listed below:

- fit out for commercial tenancies on Level 3 of the ECU Health Centre Wanneroo;
- upgrade of Way Finding Signage across all campuses;
- refit of Joondalup Campus Building 18 for the School of Science;
- refit of Mount Lawley Campus Buildings 3, 5 and 10 for the School of Arts and Humanities;
- demolition of Mount Lawley Campus Building 4;
- refit of the Mount Lawley Campus lecture theatre 3.201; and
- implementation of a Moot Court in Joondalup Campus Building 31.

More information about these major capital projects is at page 129 of this report.

Environmental Sustainability

ECU continues to operate under an environmental management system accredited to ISO 14001, Environmental Management Systems. An additional program was implemented this year to address bushfire risks on the South West Campus.

Section 2B: 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 2016.



The Hon Dr Hendy Cowan AO
Chancellor

17 March 2017



Professor Stephen Chapman CBE
Vice-Chancellor

17 March 2017

Key Performance Indicators 2016

Introduction

ECU's Key Performance Indicators (KPIs) focus on the University's core activities (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).

In this 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.

KPIs to be audited by the Office of the Auditor General

	Outcome 1	Outcome 2	Effectiveness Indicator	Efficiency Indicator
Course Satisfaction	✓		✓	
Quality of Teaching	✓		✓	
Graduate Employment	✓		✓	
Retention	✓		✓	
Research Publications		✓	✓	✓
Higher Degree Research Completions		✓	✓	✓
Operating Margin	✓	✓	✓	✓

For each KPI, the Key Performance Indicator Report provides, where possible:

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

The KPIs are informed by Section 7 of the 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.

ECU's five Strategic Priorities are:

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

The Annual Report's Report on Operations is structured around these Strategic Priorities, reflecting their importance in setting direction for the University's operations.

Course Satisfaction

ECU graduates report a high level of course satisfaction, and our results are consistently above both the National Average and the State Average. Course Satisfaction declined by just 0.4 percentage points in the 2015 survey, and this is 2.3 percentage points below the 2013 survey result.

Course Satisfaction is defined as the percentage of all domestic and international bachelor pass, bachelor honours and bachelor graduate entry graduates who 'agree' with the statement: "Overall, I was satisfied with the quality of this course" from the Course Experience Questionnaire (CEQ).

Bachelor Course Level Graduates' CEQ Course Satisfaction (%)

Year of Survey:	2012	2013	2014	2015	2016
ECU	85.1	86.9	85.0	84.6	
Target	-	-	86.0	87.0	87.0
State Average	84.1	83.0	81.6	81.5	
National Average	83.2	83.0	82.7	83.4	

Notes: 1. National data sets for 2016 were not made available in sufficient time to allow inclusion in this Report. 2. The performance results are shown here by "year of survey" as is common practice across the sector. 3. For the 2015 survey 3,382 ECU bachelor graduates were surveyed, of whom 1,817 responded to the CEQ, equating to a response rate of 53.7%. 4. ECU adopted an amended KPI definition for the 2014 survey year meaning that targets set in previous years are not applicable.

Comparative data on how ECU's graduates rate the quality of their courses is available from responses to the Course Experience Questionnaire, a national survey of graduates conducted four to six months after course completion. The percentage agreement is the percentage of responses that are 4 (agree) or 5 (strongly agree) on the five-point Likert scale.

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.

Quality of Teaching

Graduate satisfaction with the quality of teaching has improved by 1.5 percentage points since 2014. ECU's results remain significantly higher than both the National Average and the State Average – in 2015, our level of satisfaction was 6.2 percentage points above the State Average and 4.2 percentage points above the National Average.

The Quality of Teaching Scale is defined as the proportion of domestic and international bachelor level (bachelor pass, bachelor honours and bachelor graduate entry) graduates who 'agree' on average with the six items comprising this scale in the Course Experience Questionnaire (CEQ).

Bachelor Course Level Graduates' CEQ Quality of Teaching Scale (%)

Year of Survey:	2012	2013	2014	2015	2016
ECU	74.2	73.2	70.5	72.0	
Target	-	-	74.0	74.0	74.0
State Average	67.1	66.2	65.7	65.8	
National Average	66.3	66.9	67.2	67.8	

Notes: 1. National data sets for 2016 were not available in sufficient time to allow inclusion in this Report. 2. The performance results are shown here by "year of survey", as is common practice across the sector. 3. For the 2015 survey 3,382 ECU bachelor graduates were surveyed, of whom 1,817 responded to the CEQ, equating to a response rate of 53.7%. 4. ECU adopted an amended KPI definition for the 2014 survey year meaning that targets set in previous years are not applicable.

Comparative data on how ECU's graduates rate the quality of the teaching they experienced is available from responses to the Course Experience Questionnaire, a national survey of graduates conducted four to six months after course completion. Six items in the CEQ make up the Quality of Teaching Scale, which is used to indicate how satisfied graduates were with the teaching experience during their course. The percentage agreement is the proportion of a respondent's scores on the six items which are 4 (agree) or 5 (strongly agree) on the five-point Likert scale.

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.

Graduate Employment

The proportion of ECU graduates in full-time employment at the time of the 2015 survey increased by 7.5 percentage points compared to those surveyed in 2014. The 2015 survey result is under both the National Average and the State Average, but it is the closest to the State Average in the time series.

The Graduate Employment measure is defined as domestic bachelor-level graduates who are working full-time, as a percentage of those available for full-time work. 'Available' includes, in addition to those already in full-time work, those seeking full-time work who are either not working or are working part-time. 'Bachelor-level' includes pass bachelor, honours, and graduate entry degrees.

Domestic Bachelor Course Level Graduates in Full-time Employment (%)

Year of Survey:	2012	2013	2014	2015	2016
ECU	71.3	67.1	57.4	64.9	
Target	-	-	75.0	73.0	65.0
State Average	79.2	72.9	65.4	65.6	
National Average	76.1	71.3	68.1	68.9	

Notes: 1. National data sets for 2016 were not available in sufficient time to allow inclusion in this Report. 2. The performance results are shown here by "Year of Survey", as is common practice across the sector. 3. For the 2015 survey 2,890 ECU domestic bachelor graduates were surveyed, of whom 1,580 responded to the GDS, equating to a response rate of 54.7%. 4. ECU adopted an amended KPI definition for the 2014 survey year meaning that targets set in previous years are not applicable.

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.

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.

An additional Strategic Priority (SP3), added in December 2012, reinforces ECU's commitment to improved graduate employment outcomes. This continues to be progressed through a range of strategies embedded in the curriculum and provided through support and services structures that are responding to this strategic priority.

Retention

The retention rate for ECU students who commenced in 2015 decreased slightly (0.4 percentage points) since 2014. The results over the time series have been stable.

Retention is defined here as the percentage of all domestic and international onshore students who commence a course in a given year (Year of Commencement) and remain enrolled at ECU in the following year.

Retention Commencing Students (%)

Year of Commencement:	2012	2013	2014	2015	2016
ECU	74.8	72.0	72.6	72.2	
Target	-	80.0	78.0	80.0	80.0

Notes: 1. Retention data for students commencing in 2016 will not be available until mid-2017. 2. ECU adopted an amended KPI definition in 2013 meaning that targets set for 2011 to 2012 are not applicable.

ECU adopted an amended KPI definition in 2016. Calculation of retention results uses students' enrolment groups (commencing or continuing) and course completion status. Changes to business rules have improved classification of the enrolment groups and recognition of course completion, improving the accuracy and relevancy of the results. The results for 2012-2014 have been updated to match the amended definition and provide an appropriate time series, and therefore differ from those stated in previous years' reports (74.7, 72.4 and 73.8, respectively).

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.

Research Publications

In 2015, the number of ECU articles published in scholarly reviewed journals increased by 15 per cent, which increased our unweighted and weighted publications totals. The number of publications in the other categories declined. The total weighted publications per 10 academic staff FTE increased from 10.4 in 2014 to 11.3 in 2015, just under the 2015 target of 11.5.

Research and Development Publications by Category and per 10 Academic FTE

Year of Publication:	2012	2013	2014	2015	2016
A1 – Authored Research Books	8.0	9.3	6.5	4.3	
B1 - Book Chapter	38.5	35.6	43.8	39.3	
C1 - Articles in Scholarly Refereed Journals	309.1	343.4	332.3	383.4	
E1 - Full Written Paper - Refereed Proceedings	154.2	128.3	95.6	85.2	
Total Unweighted Publications	509.7	516.6	478.2	512.3	
Total Weighted Publications	541.7	553.8	504.1	529.6	
Academic Staff FTE	528	512	486	467	
Weighted Publications per 10 FTE	10.3	10.8	10.4	11.3	
Target	12.0	12.0	11.0	11.5	11.5

Note: Research publications figures for 2016 are unavailable until June 2017.

Research and Development “Weighted Publications” is defined as the number of publications in the Department-defined categories A1, B, C1 and E1 in a year, with Authored Research Books (A1) being weighted 5:1. Weighted publications are expressed per 10 full-time equivalent (FTE) academic staff, where academic staff are those at Level B and above.

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.

Higher Degree Research Completions

Total completions for doctorates and masters by research remained stable between 2014 and 2015. Completions per 10 academic staff FTE increased by 0.2 to 2.7, which exceeded the 2015 target of 2.1. ECU's performance in 2014 and 2015 was close to the National Average and above the State Average for those years.

Higher Degree Research Completions by Level, Total Number and Per 10 Academic FTE

Year of Completion:	2012	2013	2014	2015	2016
Doctorate by Research	61	85	86	88	
Masters by Research	29	22	37	36	
Total Completions	90	107	123	124	
Academic Staff FTE	528	513	486	467	
Completions per 10 FTE	1.7	2.1	2.5	2.7	
Target	2.0	2.0	1.9	2.1	2.5
State Completions per 10 FTE	2.2	2.3	2.1	2.5	
National Completions per 10 FTE	2.3	2.6	2.6	2.8	

Notes: 1. Research completions for 2016 are unavailable until June 2017. 2. State Completions per 10 FTE and National Completions per 10 FTE are calculated using data from the Commonwealth Department of Education and Training's Higher Education Statistics Collection website at: <https://www.education.gov.au/student-data> (Table 8: Award Course Completions) and at: <https://www.education.gov.au/staff-data> (Table 1.7 FTE for Full-time and Fractional Full-time Staff).

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.

Doctorate and masters 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.

Operating Margin

ECU's operating margin has been above target throughout the time series and was again exceeded target in 2016.

Operating margin is the net operating result calculated as a percentage of total revenue. The target for this indicator is approved through ECU's budget processes.

ECU Operating Margin (%)

Year of Budget:	2012	2013	2014	2015	2016
ECU	7	8	7	7	6
Target	4	4	4	4	4

Operating margin is a direct measure of the underlying financial efficiency of the University. It also provides an indication of ECU's capacity to effectively provide research, together with courses of study that meet the needs of the Western Australian community in a supportive and stimulating learning environment, in support of Outcome 1 and Outcome 2.

Section 3: Significant Issues

Universities Legislation Amendment Act

Amendments to the *Edith Cowan University Act 1984 (WA)* were passed by the WA Parliament on 13 October 2016. Several amendments related to ECU only, including:

- expanded Functions with particular reference to international activities to align with the other WA universities; and
- revised definitions for the boards of the South West Campus and WAAPA, which are now defined as advisory, without a management role.

Amendments applying to all universities included:

- changes to the composition of university governing bodies to make them uniform;
- expanded Functions to allow further commercial activities and revenue generation;
- new provisions permitting the leasing of university land for commercial purposes; and
- changes to the share of the Student Amenities and Services Fee provided to Student Guilds.

Commonwealth Policy Environment

The election of Prime Minister Malcolm Turnbull and the appointment of Simon Birmingham as Minister for Education, led to the release of a discussion paper, [Driving Innovation, Fairness and Excellence in Australian Higher Education](#) in May 2016. The paper proposed several options for higher education reform, including amending the demand-driven system, introducing full-fee 'flagship courses', and changing funding clusters and student loan fees. After consideration of submissions to the proposed reforms, new legislation is expected to be drafted in early 2017. It remains unlikely the Commonwealth Government will attempt to reintroduce full fee deregulation.

Compliance with the Proposed Work Health and Safety Act

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

In 2016 this work included: provision of feedback on the proposed WHS legislation as part of the public consultation process; ongoing review and update of key safety and health policies, guidelines and protocols to meet WHS Act requirements; provision of training and information to managers and supervisors on the proposed legislation; enhanced reporting at all levels of the University on safety and health performance; and regular briefings on these matters to the University Health and Safety Committee, the Quality, Audit and Risk Committee and Council.

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

Opinion

I have audited the financial statements of Edith Cowan University which comprise the Statement of Financial Position as at 31 December 2016, the Income Statement, Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows for the year then ended, and Notes comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the financial statements are based on proper accounts and present fairly, in all material respects, the operating results and cash flows of Edith Cowan University for the year ended 31 December 2016 and the financial position at the end of that period. They are in accordance with Australian Accounting Standards, the *Financial Management Act 2006* and relevant Treasurer's Instructions.

Basis for Opinion

I conducted my audit in accordance with the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the University in accordance with the *Auditor General Act 2006* and the relevant ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial statements. I have also fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibility of the University Council 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, the *Financial Management Act 2006* and relevant 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.

In preparing the financial statements, the University Council is responsible for assessing the agency's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting.

Auditor's Responsibility for the Audit of the Financial Statements

As required by the *Auditor General Act 2006*, my responsibility is to express an opinion on the financial statements. The objectives of my audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the University Council.
- Conclude on the appropriateness of the University Council's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the agency's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Report on Controls

Opinion

I have undertaken a reasonable assurance engagement on the design and implementation of controls exercised by Edith Cowan University. The controls exercised by the 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 (the overall control objectives).

My opinion has been formed on the basis of the matters outlined in this report.

In my opinion, in all material respects, the controls exercised by 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 2016.

The University Council's Responsibilities

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

Auditor General's Responsibilities

As required by the *Auditor General Act 2006*, my responsibility as an assurance practitioner is to express an opinion on the suitability of the design of the controls to achieve the overall control objectives and the implementation of the controls as designed. I conducted my engagement in accordance with Standard on Assurance Engagements ASAE 3150 *Assurance Engagements on Controls* issued by the Australian Auditing and Assurance Standards Board. That standard requires that I comply with relevant ethical requirements and plan and perform my procedures to obtain reasonable assurance about whether, in all material respects, the controls are suitably designed to achieve the overall control objectives and the controls, necessary to achieve the overall control objectives, were implemented as designed.

An assurance engagement to report on the design and implementation of controls involves performing procedures to obtain evidence about the suitability of the design of controls to achieve the overall control objectives and the implementation of those controls. The procedures selected depend on my judgement, including the assessment of the risks that controls are not suitably designed or implemented as designed. My procedures included testing the implementation of those controls that I consider necessary to achieve the overall control objectives.

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

Limitations of Controls

Because of the inherent limitations of any internal control structure it is possible that, even if the controls are suitably designed and implemented as designed, once the controls are in operation, the overall control objectives may not be achieved so that fraud, error, or noncompliance with laws and regulations may occur and not be detected. Any projection of the outcome of the evaluation of the suitability of the design of controls to future periods is subject to the risk that the controls may become unsuitable because of changes in conditions.

Report on the Key Performance Indicators**Opinion**

I have undertaken a reasonable assurance engagement on the key performance indicators of Edith Cowan University for the year ended 31 December 2016. The key performance indicators are the key effectiveness indicators and the key efficiency indicators that provide performance information about achieving outcomes and delivering services.

In my opinion, in all material respects, the key performance indicators of 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 2016.

The 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 internal control as the University Council determines necessary to enable the preparation of key performance indicators that are free from material misstatement, whether due to fraud or error.

In preparing the key performance indicators, the University Council is responsible for identifying key performance indicators that are relevant and appropriate having regard to their purpose in accordance with Treasurer's Instruction 904U *Key Performance Indicators*.

Auditor General's Responsibility

As required by the *Auditor General Act 2006*, my responsibility as an assurance practitioner is to express an opinion on the key performance indicators. The objectives of my engagement are to obtain reasonable assurance about whether the key performance indicators are relevant and appropriate to assist users to assess the agency's performance and whether the key performance indicators are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. I conducted my engagement in accordance with Standard on Assurance Engagements ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* issued by the Australian Auditing and Assurance Standards Board. That standard requires that I comply with relevant ethical requirements relating to assurance engagements.

An assurance engagement involves performing procedures to obtain evidence about the amounts and disclosures in the key performance indicators. It also involves evaluating the relevance and appropriateness of the key performance indicators against the criteria and guidance in Treasurer's Instruction 904U for measuring the extent of outcome achievement and the efficiency of service delivery. The procedures selected depend on my judgement, including the assessment of the risks of material misstatement of the key performance indicators. In making these risk assessments I obtain an understanding of internal control relevant to the engagement in order to design procedures that are appropriate in the circumstances.

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

My Independence and Quality Control Relating to the Reports on Controls and Key Performance Indicators

I have complied with the independence requirements of the *Auditor General Act 2006* and the relevant ethical requirements relating to assurance engagements. In accordance with ASQC 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, and Other Assurance Engagements*, the Office of the Auditor General maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory 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 Edith Cowan University for the year ended 31 December 2016 included on the University's website. The University's management is responsible for the integrity of the University's website. This audit does not provide assurance on the integrity of the University's website. The auditor's report refers only to the financial statements and key performance indicators described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these financial statements or key performance indicators. If users of the financial statements and key performance indicators are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial statements and key performance indicators to confirm the information contained in this website version of the financial statements and key performance indicators.

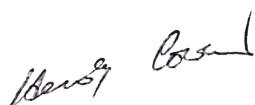


COLIN MURPHY
AUDITOR GENERAL
FOR WESTERN AUSTRALIA
Perth, Western Australia
17 March 2017

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 2016 and the financial position as at 31 December 2016.

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 AO
Chancellor

17 March 2017



Professor Stephen Chapman CBE
Vice-Chancellor

17 March 2017



Mr Brad Francis
Chief Financial Officer

15 March 2017

Certification of financial statements required by Commonwealth Department of Education

I declare that:

- the amount of Australian Government financial assistance expended during the reporting period was for the purpose(s) for which it was intended and ECU has complied with applicable legislation, contracts, agreements and program guidelines in making expenditure; and
- ECU charged Student Services and Amenities Fees strictly in accordance with the *Higher Education Support Act 2003* and the Administration Guidelines made under the Act. Revenue from the fee was spent strictly in accordance with the Act and only on services and amenities specified in subsection 19-38(4) of the Act.



The Hon Dr Hendy Cowan AO
Chancellor

17 March 2017



Professor Stephen Chapman CBE
Vice-Chancellor

17 March 2017

Edith Cowan University**Financial Statements - Contents****For the Year Ended 31 December 2016**

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

The financial report was authorised for issue by the University Council on the 16th day of March 2017. The University has the power to amend and reissue the financial statements.

Edith Cowan University**Income Statement****For the Year Ended 31 December 2016**

	Note	2016 \$000's	2015 \$000's
Income from continuing operations			
Australian Government financial assistance			
Australian Government grants	2	171,272	156,730
HELP - Australian Government payments	2	94,154	91,023
State and local Government financial assistance	3	11,045	11,339
HECS-HELP - Student payments		9,527	10,005
Fees and charges	4	99,717	81,604
Investment revenue	5	10,387	11,029
Royalties	6	5,466	6,418
Consultancy and contracts	7	6,389	5,815
Other revenue	8	11,280	9,534
Gains on disposal of assets	9	31	483
Share of profit or loss on investments accounted for using the equity method	22	1,422	-
Other investment income	5	3,317	3,330
Other income	8	1,264	2,246
Total income from continuing operations		425,271	389,556
Expenses from continuing operations			
Employee related expenses	10	239,287	221,419
Depreciation and amortisation	11	22,233	21,859
Repairs and maintenance	12	13,062	7,388
Borrowing costs	13	2,997	3,425
Impairment of assets	14	432	-
Investment losses	5	2,454	-
Other expenses	15	120,209	106,568
Total expenses from continuing operations		400,674	360,659
Net result for the period		24,597	28,897

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

Edith Cowan University**Statement of Comprehensive Income**
For the Year Ended 31 December 2016

		2016	2015
	Note	\$000's	\$000's
Net result for the period		24,597	28,897
Items that may be reclassified to profit or loss			
Gain on value of available-for-sale financial assets	29	3,828	6,504
Loss on cash flow hedges	29	(9)	(10)
Total	29	3,819	6,494
Items that will not be reclassified to profit or loss			
Loss on revaluation of property, plant and equipment	29	(1,624)	(21,095)
Total other comprehensive income		2,195	(14,601)
Total comprehensive income attributable to the University		26,792	14,296

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

Edith Cowan University

Statement of Financial Position

As at 31 December 2016

Assets	Note	2016 \$000's	2015 \$000's
Current assets			
Cash and cash equivalents	16	69,555	47,239
Receivables	17	10,395	9,390
Derivative financial instruments	18	-	9
Other financial assets	19	122,720	115,568
Other non-financial assets	20	11,348	10,814
Total current assets		214,018	183,020
Non-current assets			
Receivables	17	20,107	21,808
Other financial assets	19	122,733	124,368
Investment properties	21	20,410	22,636
Investments accounted for using the equity method	22	1,422	-
Property, plant and equipment	23	805,727	815,887
Intangible assets	24	6,432	5,690
Other non-financial assets	20	1,558	1,658
Total non-current assets		978,389	992,047
Total assets		1,192,407	1,175,067
Liabilities			
Current liabilities			
Trade and other payables	25	11,083	11,146
Borrowings	26	19,436	18,941
Provisions	27	52,295	46,260
Other liabilities	28	42,910	33,928
Total current liabilities		125,724	110,275
Non-current liabilities			
Borrowings	26	61,173	80,608
Provisions	27	66,467	71,933
Total non-current liabilities		127,640	152,541
Total liabilities		253,364	262,816
Net Assets		939,043	912,251
Equity			
Reserves	29	322,189	318,440
Retained earnings	29	616,854	593,811
Total equity		939,043	912,251

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

Edith Cowan University

Statement of Changes in Equity**For the Year Ended 31 December 2016****2016**

	Retained Earnings \$000's	General Reserves \$000's	Total \$000's
Balance at 1 January 2016	593,811	318,440	912,251
Net result	24,597	-	24,597
Loss on revaluation of property, plant and equipment	-	(1,624)	(1,624)
Gain on available-for-sale financial assets	-	3,828	3,828
Loss on cash flow hedges	-	(9)	(9)
Transfer to revaluation reserves from retained surplus	(1,554)	1,554	-
Other comprehensive income	(1,554)	3,749	2,195
Total comprehensive income	23,043	3,749	26,792
Balance at 31 December 2016	616,854	322,189	939,043

2015

	Retained Earnings \$000's	General Reserves \$000's	Total \$000's
Balance at 1 January 2015	547,909	350,046	897,955
Net result	28,897	-	28,897
Loss on revaluation of property, plant and equipment	-	(21,095)	(21,095)
Gain on available-for-sale financial assets	-	6,504	6,504
Loss on cash flow hedges	-	(10)	(10)
Transfer from revaluation reserves to retained surplus	17,005	(17,005)	-
Other comprehensive income	17,005	(31,606)	(14,601)
Total comprehensive income	45,902	(31,606)	14,296
Balance at 31 December 2015	593,811	318,440	912,251

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

Edith Cowan University

Statement of Cash Flows

For the Year Ended 31 December 2016

	Note	2016 \$000's	2015 \$000's
Cash flows from operating activities			
Australian Government Grants received	2(g)	266,345	249,019
OS-HELP (net)	2(g)	289	(1,194)
Superannuation Supplementation	2(g)	2,510	2,665
State Government Grants received		12,328	11,138
Local Government Grants received		197	201
HECS-HELP - Student payments		9,527	10,005
Receipts from student fees and other customers		117,284	102,405
Dividends and distributions received		3,317	3,008
Interest received		9,731	11,530
Payments to suppliers and employees (inclusive of GST)		(369,365)	(342,493)
Interest and other cost of finance		(2,928)	(4,206)
GST recovered/(paid)		8,349	10,128
Net cash provided by operating activities	36	57,584	52,206
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		57	156
Payments for property, plant and equipment and investment properties		(14,697)	(52,731)
Payments for financial assets		(1,688)	(6,826)
Net cash used in investing activities		(16,328)	(59,401)
Cash flows from financing activities			
Repayment of borrowings		(18,940)	(96)
Net cash used in financing activities		(18,940)	(96)
Net increase/(decrease) in cash and cash equivalents		22,316	(7,291)
Cash and cash equivalents at beginning of financial year		47,239	54,530
Cash and cash equivalents at end of financial year	16	69,555	47,239
Financing arrangements	26		
Non-cash financing and investing activities	37		

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

Edith Cowan University**Notes to Financial Statements****For the Year Ended 31 December 2016**

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Edith Cowan University

Notes to Financial Statements

For the Year Ended 31 December 2016

1 Summary of significant accounting policies

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

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

(a) Basis of preparation

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

The University applies Tier 1 reporting requirements.

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

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

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

Date of authorisation for issue

The financial statements were authorised for issue by the University Council on 16th March 2017.

Historical cost convention

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

Critical accounting estimates and judgments

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

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

Edith Cowan University

Notes to Financial Statements

For the Year Ended 31 December 2016

1 Summary of significant accounting policies continued

(b) Basis of consolidation

Joint ventures

Under AASB11 investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations each investor has, rather than the legal structure of the joint arrangement.

The interest in a joint venture entity is accounted for in the financial statements using the equity method and is carried at cost. The share of the profits or losses of the entity is recognised in the income statement, and the share of movements in reserves is recognised in reserves in the statement of comprehensive income and statement of changes in equity. Details relating to the entity are set out in note 22.

(c) Revenue recognition

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

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

Revenue is recognised for the major business activities as follows:

(i) Government Grants

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

(ii) HELP payments

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

(iii) Student fees and charges

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

(iv) Royalties

Revenue from royalties is recognised as income when earned.

(v) Consultancy and contracts/ Fee for service

Revenue is recognised on delivery of the service to the client or by reference to the stage of completion of the transaction. The stage of completion is measured by reference to cost incurred to date as a percentage of estimated total cost for each contract.

Edith Cowan University

Notes to Financial Statements

For the Year Ended 31 December 2016

1 Summary of significant accounting policies continued

(c) Revenue recognition continued

(vi) Investment revenue

Dividend and distribution revenue from investments is recognised when the University's right to receive payment has been established. Interest revenue is recognised on an accrual basis taking into account the interest rates applicable to the financial assets.

(vii) 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 associated with financial assets

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

(viii) Lease income

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

(ix) Service concession income

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

(d) Income tax

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

(e) Borrowing costs

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

Edith Cowan University

Notes to Financial Statements

For the Year Ended 31 December 2016

1 Summary of significant accounting policies continued**(f) Impairment of assets**

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

(g) Cash and cash equivalents

For Statement of cash flows 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) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

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

(j) Investments and other financial assets*Classification*

The University classifies its investments and other financial assets 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.

Edith Cowan University

Notes to Financial Statements**For the Year Ended 31 December 2016****1 Summary of significant accounting policies continued****(j) Investments and other financial assets continued***(i) Loans and receivables*

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

(ii) Held-to-maturity investments

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

(iii) Available-for-sale financial assets

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

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

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

Subsequent measurement

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

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

Fair Value

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

Edith Cowan University

Notes to Financial Statements

For the Year Ended 31 December 2016

1 Summary of significant accounting policies continued**(j) Investments and other financial assets continued***Impairment*

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

(k) Derivatives

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The University derivatives comprise of highly probable forecast transactions (cash flow hedges).

The replacement or rollover of a hedging instrument into another hedging instrument is not considered an expiration or termination if such replacement is documented as part of the hedging strategy. Additionally it is not considered a termination or expiration if, as a consequence of law or constitution, parties to the hedging instrument agree to replace their original counterparty to become the new counterparty to each of the parties.

(i) Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in the income statement within other income or other expense.

Amounts that have been recognised in other comprehensive income are reclassified from equity to profit or loss as a reclassification adjustment in the periods when the hedged item affects the income statement (for instance when the forecast sale that is hedged takes place).

When the forecast cash flow that is hedged results in the recognition of a non-financial asset (for example, inventory or fixed assets) the gains and losses previously recognised in other comprehensive income are either reclassified as a reclassification adjustment to the income statement or are included in the initial measurement of the cost of the asset. The deferred amounts are ultimately recognised in the income statement as cost of goods sold in the case of inventory, or as depreciation in the case of fixed assets.

When a hedging instrument expires or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss that has been recognised in other comprehensive income from the period when the hedge was effective shall remain separately in equity until the forecast transaction occurs. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was recognised in other comprehensive income shall be reclassified to the income statement as a reclassification adjustment.

(l) Fair value measurement

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

Edith Cowan University

Notes to Financial Statements

For the Year Ended 31 December 2016

1 Summary of significant accounting policies continued**(l) Fair value measurement continued**

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

The fair value of assets or liabilities that are not traded in an active market (for example, over-the-counter derivatives, land and investment properties) is determined using valuation techniques. The University uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Quoted market prices or dealer quotes for similar instruments (level 2) are used for managed funds and derivative financial instruments and current rentals derived from market data are used for investment properties. Other techniques that are not based on observable market data are used to determine the fair value of unlisted shares, buildings and leasehold improvements (level 3). Techniques used to determine fair value for these assets and liabilities are outlined in note 39.

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

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

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values due to their short-term nature. The fair value for disclosure purposes, of financial assets and financial liabilities measured at amortised cost, is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the University for similar financial instruments.

(m) Property, plant and equipment

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

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

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

On derecognition, any accumulated surplus on revaluation is transferred from revaluation to retained earnings.

Edith Cowan University

Notes to Financial Statements

For the Year Ended 31 December 2016

1 Summary of significant accounting policies continued

(m) Property, plant and equipment continued

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 University.

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 at the date of acquisition.

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

Depreciation

Land and artworks are not depreciated.

Artworks are considered as heritage assets and are anticipated to have very long and indefinite useful lives. Their service potential has not, in any material sense, been consumed during the reporting period. As such no amount for depreciation has been recognised in respect of these artworks.

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

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

Asset Category	Estimated Useful Life
Buildings	25 - 50 years
Service concession assets - buildings	36.5 - 50 years
Computing equipment	3 - 4 years
Other equipment and furniture	6 years
Motor Vehicles	4 - 6 years
Library collections	10 years

Edith Cowan University

Notes to Financial Statements

For the Year Ended 31 December 2016

1 Summary of significant accounting policies continued**(m) Property, plant and equipment continued**

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

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

(n) Repairs and Maintenance

Repairs, maintenance and minor renewal costs are recognised as expenses as incurred.

(o) Investment properties

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

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

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

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

(p) Leases

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

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

(q) Intangible assets

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

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

Edith Cowan University

Notes to Financial Statements

For the Year Ended 31 December 2016

1 Summary of significant accounting policies continued**(q) Intangible assets continued**

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
Digital library collection	10 years

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

(r) Trade and other payables

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

(s) Borrowings

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

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

Borrowings are classified as current liabilities unless the University has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period and does not expect to settle the liability for at least 12 months after the end of the reporting period.

(t) Provisions

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

Provisions are not recognised for future operating losses.

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

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

Edith Cowan University

Notes to Financial Statements

For the Year Ended 31 December 2016

1 Summary of significant accounting policies continued

(t) Provisions continued

Employee benefits(i) *Short-term obligations*

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

(ii) *Other long-term obligations*

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

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

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

(iii) *Retirement benefit obligations*

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

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

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

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

(iv) *Deferred government benefit for superannuation*

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

Edith Cowan University

Notes to Financial Statements**For the Year Ended 31 December 2016****1 Summary of significant accounting policies continued****(t) Provisions continued**

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

Liabilities for existing pensioners have been calculated allowing for the level of the existing pension, the level of assumed pension indexation and expected mortality rates.

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

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

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

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

(v) Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts an offer of benefits in exchange for the termination of employment. The University recognises the expense and liability for termination benefits either when it can no longer withdraw the offer of those benefits or when it has recognised costs for restructuring within the scope of AASB137 that involves the payment of termination benefits. The expense and liability are recognised when the University is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy.

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

Service concession provision

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

Edith Cowan University

Notes to Financial Statements**For the Year Ended 31 December 2016****1 Summary of significant accounting policies continued****(u) Foreign currency translation and hedge accounting***(i) Functional and presentation currency*

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

(ii) Transactions and balances

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

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

(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 flows.

(w) Comparative amounts

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

Edith Cowan University

Notes to Financial Statements

For the Year Ended 31 December 2016

1 Summary of significant accounting policies continued

(x) New Accounting Standards and interpretations

Certain new Accounting Standards and interpretations have been published that are not mandatory for 31 December 2016 reporting periods. The University's assessment of the impact of these new Standards and Interpretations is set out below:

Standard	Name	Application date	Implications
AASB 2010-7	Amendments to Australian Accounting Standards arising from AASB 9	1 January 2018	ECU will determine the impact of the Standard when applicable.
AASB 2014-1	Amendments to Australian Accounting Standards (Part E: Financial Instruments)	1 January 2018	ECU will determine the impact of the Standard when applicable.
AASB 2014-5	Amendments to Australian Accounting Standards arising from AASB 15..	1 January 2019	ECU will determine the impact of the Standard when applicable.
AASB 2014-7	Amendments to Australian Accounting Standards arising from AASB 9	1 January 2018	ECU will determine the impact of the Standard when applicable.
AASB 2016-2	Amendments to Australian Accounting Standards - Disclosure Initiative: Amendments to AASB 107	1 January 2017	Additional disclosure requirements relating to changes in liabilities arising from financing activities. There is no financial impact.
AASB 2016-3	Amendments to Australian Accounting Standards - Clarifications to AASB 15	1 January 2018	ECU will determine the impact of the Standard when applicable.
AASB 2016-4	Amendments to Australian Accounting Standards - Recoverable Amount of Non-Cash Generating Specialised Assets of Not-for-Profit Entities	1 January 2017	ECU will determine the impact of the Standard when applicable.
AASB 2016-6	Amendments to Australian Accounting Standards - Applying AASB 9 Financial Instruments with AASB 4 Insurance Contracts	1 January 2018	ECU will determine the impact of the Standard when applicable.
AASB 15	Revenue from Contracts with Customers	1 January 2019	ECU will determine the impact of the Standard when applicable.
AASB 16	Leases	1 January 2019	ECU will determine the impact of the Standard when applicable.

(y) Rounding of amounts

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

Edith Cowan University

Notes to Financial Statements

For the Year Ended 31 December 2016

2 Australian Government financial assistance including Australian Government loan programs (HELP)**(a) Commonwealth Grants Scheme and Other Grants**

	Note	2016 \$000's	2015 \$000's
Commonwealth Grants Scheme ^{#1}		149,616	132,706
Indigenous Support Program		616	642
Higher Education Participation Program		3,485	3,556
Disability Support Program		115	102
Promotion of Excellence in Learning and Teaching		75	30
Total Commonwealth Grants Scheme and Other Grants	42(a)	153,907	137,036

(b) Higher Education Loan Programs

HECS - HELP		79,952	76,081
FEE - HELP		10,148	10,852
VET FEE - HELP		1,264	1,491
SA-HELP	42(h)	2,790	2,599
Total Higher Education Loan Programs	42(b)	94,154	91,023

(c) Scholarships

Australian Postgraduate Awards		2,233	2,169
International Postgraduate Research Scholarships		176	154
Commonwealth Education Costs Scholarship ^{#2}		83	164
Commonwealth Accommodation Scholarships ^{#3}		78	125
Indigenous Access scholarships		39	34
Total Scholarships	42(c)	2,609	2,646

(d) Education Research

Joint Research Engagement Program		2,655	2,747
Research Training Scheme		4,791	4,605
Research Infrastructure Block Grants		627	465
Sustainable Research Excellence in Universities		931	790
Other		7	703
Total Education Research Grants	42(d)	9,011	9,310

Edith Cowan University

Notes to Financial Statements

For the Year Ended 31 December 2016

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

(e) Australian Research Council

	Note	2016 \$000's	2015 \$000's
(i) Discovery			
Projects	42(e)(i)	283	217
(ii) Linkages			
Projects	42(e)(ii)	205	256
Total Australian Research Council		488	473

(f) Other Australian Government financial assistance

Non-capital

National competitive	1,526	1,896
Other research grants	3,068	2,718
Other non-research grants	663	2,651
Total other Australian Government financial assistance	5,257	7,265
Total Australian Government financial assistance	265,426	247,753

#1 Includes the basic CGS grant amount, CGS - Regional Loading, CGS - Enabling Loading, Allocated Places and Non-designated Courses

#2 Includes Indigenous CECS, Indigenous Enabling CECS

#3 Includes Indigenous CAS, Indigenous Enabling CAS

	2016 \$000's	2015 \$000's
Reconciliation		
Australian Government grants (a + c + d + e + f)	171,272	156,730
HECS - HELP payments	79,952	76,081
FEE - HELP payments	10,148	10,852
VET FEE - HELP	1,264	1,491
SA - HELP payments	2,790	2,599
Total Australian Government financial assistance	265,426	247,753

Edith Cowan University

Notes to Financial Statements

For the Year Ended 31 December 2016

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

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

		2016	2015
	Note	\$000's	\$000's
CGS and Other Education Grants	42(a)	152,857	137,767
Higher Education Loan Programs	42(b)	95,942	92,035
Scholarships	42(c)	2,651	2,529
Education research	42(d)	9,030	9,184
ARC grants - Discovery	42(e)	283	217
ARC grants - Linkages	42(e)	205	256
Other Australian Government Grants		5,377	7,031
Total Australian Government Grants received - cash basis		266,345	249,019
OS-Help (Net)	42(f)	289	(1,194)
Superannuation Supplementation	42(g)	2,510	2,665
Total Australian Government funding received - cash basis		269,144	250,490

3 State and Local Government financial assistance

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

	2016	2015
	\$000's	\$000's
Non-capital		
Department of Training and Workforce Development*	6,230	7,058
WA State Government research grants	4,618	4,080
Local Government research grants	197	201
Total State and Local Government financial assistance	11,045	11,339

*Relates to the funding for the Western Australian Academy of Performing Arts (WAAPA)

Edith Cowan University

Notes to Financial Statements

For the Year Ended 31 December 2016

4 Fees and charges

	Note	2016 \$000's	2015 \$000's
Course fees and charges			
Fee-paying onshore overseas students		82,924	64,651
Fee paying offshore overseas students		2,003	2,217
Continuing education		2,312	879
Fee-paying domestic postgraduate students		3,962	5,870
Fee-paying domestic undergraduate students		74	64
Total course fees and charges		91,275	73,681
Other non-course fees and charges			
Student Services and Amenities Fees	42(h)	1,043	1,157
Examination, registration and photocopying fees		467	429
Service fees		530	-
Parking fees		1,720	1,684
Facility hire		3,465	3,329
Fees and charges		1,217	1,324
Total other fees and charges		8,442	7,923
Total fees and charges		99,717	81,604

5 Investment revenue, income and losses

	2016 \$'000	2015 \$'000
Investment revenue		
Interest revenue from the University operating account	716	556
Interest from bank bills	8,208	9,047
Rental income from investment properties	1,463	1,426
Total investment revenue	10,387	11,029
Other investment income		
Dividends received	112	375
Distributions from managed funds	3,205	2,633
Net gain on revaluation of investment properties	-	322
Total other investment income	3,317	3,330
Investment losses		
Net loss on revaluation of investment properties	(2,454)	-
Net investment income	11,250	14,359

Edith Cowan University

Notes to Financial Statements

For the Year Ended 31 December 2016

6 Royalties

	2016 \$000's	2015 \$000's
Royalties	5,466	6,418

7 Consultancy and contracts

	2016 \$000's	2015 \$000's
Consultancy	181	261
Contract research	6,208	5,554
Total consultancy and contracts	6,389	5,815

8 Other revenue and income

	2016 \$000's	2015 \$000's
Other revenue		
Donations and bequests	934	690
Scholarships and prizes	1,321	1,404
Proceeds from sale of non-capitalised equipment	2,316	73
Commissions, recoveries and rebates recovered	3,571	4,203
Sale of goods	1,684	1,818
Box office sales	764	766
Other revenue	690	580
Total other revenue	11,280	9,534
Other income		
Service concession income	1,241	1,238
Other income	23	1,008
Total other income	1,264	2,246

Edith Cowan University

Notes to Financial Statements

For the Year Ended 31 December 2016

9 Gains on disposal of assets

	2016 \$000's	2015 \$000's
Proceeds from sale of assets	57	991
Carrying amount of assets disposed	(26)	(508)
Net gain on disposal	31	483

10 Employee related expenses

	2016 \$000's	2015 \$000's
Academic		
Salaries	88,377	82,147
Contributions to superannuation and pension schemes - funded	12,306	11,639
Payroll tax	6,043	5,772
Worker's compensation	456	439
Long service leave expense	2,666	1,929
Annual leave	1,709	1,187
Other	815	615
Total academic	112,372	103,728
Non-academic		
Salaries	102,333	95,608
Contributions to superannuation and pension schemes - funded	13,734	13,136
Payroll tax	6,508	5,917
Worker's compensation	518	476
Long service leave expense	1,802	914
Annual leave	1,420	1,216
Other	600	424
Total non-academic	126,915	117,691
Total employee related expenses	239,287	221,419

Edith Cowan University

Notes to Financial Statements

For the Year Ended 31 December 2016

11 Depreciation and amortisation

	2016 \$000's	2015 \$000's
Depreciation		
Buildings	14,031	14,025
Service concession assets	1,432	1,432
Other equipment and furniture	3,571	3,109
Computing equipment	534	561
Motor vehicles	119	118
Library collections	957	961
Total depreciation	20,644	20,206
Amortisation		
Intangible assets	1,027	1,088
Leasehold improvements	562	565
Total amortisation	1,589	1,653
Total depreciation and amortisation	22,233	21,859

12 Repairs and maintenance

	2016 \$000's	2015 \$000's
Building maintenance	10,390	5,259
Grounds maintenance	1,928	1,172
Other equipment maintenance	744	957
Total repairs and maintenance	13,062	7,388

13 Borrowing costs

	2016 \$000's	2015 \$000's
Interest expense	2,997	4,180
Less: amount capitalised	-	(755)
Total borrowing costs expensed	2,997	3,425

Edith Cowan University

Notes to Financial Statements

For the Year Ended 31 December 2016

14 Impairment of assets

	2016 \$000's	2015 \$000's
Bad and doubtful debts	432	-
Total impairment of assets	432	-

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

15 Other expenses

	2016 \$000's	2015 \$000's
Scholarships, grants and prizes	11,143	10,838
Non-capitalised equipment	2,491	3,367
Advertising and marketing	5,974	6,193
Promotions and sponsorships	3,128	4,352
Audit fees, bank charges, legal costs and insurance	2,406	6,467
Computer software and maintenance	22,962	18,051
General consumables	4,548	4,221
Hire and lease costs	4,130	2,683
Library subscriptions	3,292	1,533
Operating lease rental expenses	439	264
Printing and stationery	2,264	2,305
Professional and consulting fees	19,453	12,530
Student related expenditure	10,634	8,733
Telecommunications	1,690	1,286
Travel, staff development and entertainment	7,631	6,119
Utilities and rates	5,912	5,985
Net loss on asset write-offs ^{#1}	49	5
Cost of goods sold	39	45
Student Practicum and related expenses	2,497	2,226
Miscellaneous	9,527	9,365
Total other expenses	120,209	106,568

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

Edith Cowan University

Notes to Financial Statements

For the Year Ended 31 December 2016

16 Cash and cash equivalents

	2016 \$000's	2015 \$000's
Cash at bank	20,751	14,998
Term deposits	48,792	32,231
Cash held in imprest	12	10
Total cash and cash equivalent	69,555	47,239

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

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

	Note	2016 \$000's	2015 \$000's
Unrestricted cash		59,325	37,567
Restricted funds	30	10,230	9,672
Balance as per cash flow statement		69,555	47,239

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

Cash in the University operating account has earned interest at an average rate of 1.45% (2015: 1.90%).

(c) Term deposits

The term deposits are bearing fixed interest rates between 2.50% and 2.70% (2015: 2.85% and 3.05%). These deposits have an average maturity of 46.5 days.

Edith Cowan University

Notes to Financial Statements

For the Year Ended 31 December 2016

17 Receivables

	Note	2016 \$000's	2015 \$000's
Current			
Trade receivables and student debts		5,141	4,198
Less: Provision for impaired receivables		(746)	(364)
		<u>4,395</u>	<u>3,834</u>
Deferred government benefit for superannuation	41	2,487	2,651
GST and withholding tax receivable		<u>3,513</u>	<u>2,905</u>
Total current receivables		<u>10,395</u>	<u>9,390</u>
Non-current			
Deferred government benefit for superannuation	41	<u>20,107</u>	<u>21,808</u>
Total non-current receivables		<u>20,107</u>	<u>21,808</u>
Total trade and other receivables		<u>30,502</u>	<u>31,198</u>

Impaired receivables

As at 31 December 2016 current receivables of the University with a nominal value of \$0.7m (2015: \$0.4m) were impaired. It was assessed that a portion of these receivables are expected to be recovered.

The ageing analysis of these receivables is as follows:

	2016 \$000's	2015 \$000's
3 to 6 months	424	223
6 to 12 months	170	50
Over 12 months	152	91
Total current impaired receivables	<u>746</u>	<u>364</u>

As at 31 December 2016, trade receivables of \$0.9m (2015: \$1.0m) were past due but not impaired. These relate to a number of clients and students for whom there is no recent history of default.

The ageing analysis of these receivables is as follows:

	2016 \$000's	2015 \$000's
3 months or less	<u>858</u>	<u>1,040</u>

Edith Cowan University

Notes to Financial Statements

For the Year Ended 31 December 2016

Movements in the provision for impaired receivables are as follows:

	2016 \$000's	2015 \$000's
Balance at 1 January	364	1,411
Provision for impairment recognised during the year	432	(973)
Receivables written off during the year as uncollectible	(50)	(74)
Balance at 31 December	<u>746</u>	<u>364</u>

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 further recovery.

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

18 Derivative financial instruments

Current assets

	2016 \$000's	2015 \$000's
Current assets		
Derivative financial instruments	-	9

(a) Instruments used by the University

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

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

These contracts are hedging obligations for payments for the ensuing financial year. The contracts are timed to mature when payments are contractually due for payment.

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 parts recognised in the statement of financial positions by the related amount deferred in equity.

(b) Interest rate and foreign exchange risk

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

Edith Cowan University

Notes to Financial Statements

For the Year Ended 31 December 2016

19 Other financial assets

	2016 \$000's	2015 \$000's
Current		
Held-to-maturity investments		
Fixed term deposits	122,720	115,568
Total current other financial assets	122,720	115,568
Non-Current		
Available-for-sale investments		
Listed shares	1,992	1,868
Unlisted shares	11,027	9,198
Funds under management	58,689	54,040
Held-to-maturity investments		
Fixed term deposits	51,025	59,262
Total non-current other financial assets	122,733	124,368
Total other financial assets	245,453	239,936

20 Other non-financial assets

	2016 \$000's	2015 \$000's
Current		
Accrued income	634	1,933
Advances and prepayments	10,714	8,881
Total current other non-financial assets	11,348	10,814
Non-current		
Non-current other non-financial assets	1,558	1,658
Total other non-financial assets	12,906	12,472

Edith Cowan University

Notes to Financial Statements

For the Year Ended 31 December 2016

21 Investment properties

	2016 \$000's	2015 \$000's
At Fair value		
Opening balance at 1 January	22,636	21,354
Additions	228	960
Gain/(loss) on revaluation	(2,454)	322
Closing balance as at 31 December	20,410	22,636

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

(a) Amounts recognised in Income Statement for investment properties

	2016 \$000's	2015 \$000's
Rental income	1,463	1,426
Direct operating expenses	(340)	(513)
Gain/(loss) on revaluation	(2,454)	322
Total recognised in Income Statement	(1,331)	1,235

(b) Valuation basis

The fair value of all investment properties has been determined by reference to recent market transactions. The investment properties have been valued as at 31 December 2016 by an independent professional valuer.

22 Investments accounted for using the equity method

(a) Joint Ventures

Name of Entity	Country of incorporation	Carrying amount		Ownership Interest		Principal activity
		2016 \$000's	2015 \$000's	2016 %	2015 %	
Edith Cowan College Pty Ltd	Australia	1,422	-	50.00	-	Provider of university pathway programs

Edith Cowan University

Notes to Financial Statements**For the Year Ended 31 December 2016****22 Investments accounted for using the equity method continued**

(b) Individually immaterial joint venture

Aggregate carrying amount of interests in the joint venture accounted for using the equity method that are not individually material in the financial statements:

	2016 \$000's	2015 \$000's
Profit from continuing operations	969	-
Profit from continuing operations after income tax	655	-
Post tax profit/(loss) from discontinued operations	-	-
Other comprehensive income	-	-
Total comprehensive income	655	-

Edith Cowan University

Notes to Financial Statements

For the Year Ended 31 December 2016

23 Property, plant and equipment

	Work-in-progress \$000's	Land \$000's	Buildings \$000's	Service concession assets - land \$000's	Service concession assets - building \$000's	Leasehold improvements \$000's	Artworks \$000's	Library Collections \$000's	Motor Vehicles \$000's	Other equipment and furniture \$000's	Computer Equipment \$000's	Total \$000's
At 1 January 2015												
- Cost	72,351	-	-	11,617	53,488	-	-	12,400	817	40,464	10,605	201,742
- Valuation	-	131,735	509,249	-	-	6,395	12,919	-	-	-	-	660,298
Accumulated depreciation	-	-	-	-	(5,613)	-	-	(7,446)	(458)	(31,720)	(9,996)	(55,233)
Net book amount	72,351	131,735	509,249	11,617	47,875	6,395	12,919	4,954	359	8,744	609	806,807
Year ended 31 December 2015												
Opening net book amount	72,351	131,735	509,249	11,617	47,875	6,395	12,919	4,954	359	8,744	609	806,807
Additions	25,141	14,825	7,307	-	-	-	350	-	-	4,999	131	52,753
Disposals during the year	-	(825)	-	-	-	-	-	-	-	(22)	-	(847)
Revaluation increments/(decrements)	-	(1,125)	(21,247)	-	-	(59)	1,336	-	-	-	-	(21,095)
Reclassifications in/(out)	(960)	-	-	-	-	-	-	-	-	-	-	(960)
Depreciation charge	-	-	(14,025)	-	(1,432)	(565)	-	(961)	(118)	(3,109)	(561)	(20,771)
Transfers	(88,495)	-	74,837	-	11,118	-	-	920	40	543	1,037	-
Closing net book amount	8,037	144,610	556,121	11,617	57,561	5,771	14,605	4,913	281	11,155	1,216	815,887
At 31 December 2015												
- Cost	8,037	-	-	11,617	64,607	-	-	13,320	793	37,168	10,961	146,503
- Valuation	-	144,610	556,121	-	-	5,771	14,605	-	-	-	-	721,107
Accumulated depreciation	-	-	-	-	(7,046)	-	-	(8,407)	(512)	(26,013)	(9,745)	(51,723)
Net book amount	8,037	144,610	556,121	11,617	57,561	5,771	14,605	4,913	281	11,155	1,216	815,887

Edith Cowan University

Notes to Financial Statements

For the Year Ended 31 December 2016

23 Property, plant and equipment continued

	Work-in-progress \$000's	Land \$000's	Buildings \$000's	Service concession assets - land \$000's	Service concession assets - building \$000's	Leasehold improvements \$000's	Artworks \$000's	Library Collections \$000's	Motor Vehicles \$000's	Other equipment and furniture \$000's	Computer Equipment \$000's	Total \$000's
Year ended 31 December 2016												
Opening net book amount	8,037	144,610	556,121	11,617	57,561	5,771	14,605	4,913	281	11,155	1,216	815,887
Additions	10,211	-	680	-	-	-	70	-	23	1,876	68	12,928
Disposals during the year	-	-	-	-	-	-	-	-	(7)	(19)	-	(26)
Revaluation increments/(decrements)	-	(210)	(947)	-	-	(467)	-	-	-	-	-	(1,624)
Reclassifications in/(out)	(228)	-	-	-	-	-	-	-	-	-	-	(228)
Write-offs during the year	-	-	-	-	-	-	(4)	-	-	-	-	(4)
Depreciation charge	-	-	(14,031)	-	(1,432)	(562)	-	(957)	(119)	(3,571)	(534)	(21,206)
Transfers	(8,727)	-	6,577	-	-	-	-	155	33	1,800	162	-
Closing net book amount	9,293	144,400	548,400	11,617	56,129	4,742	14,671	4,111	211	11,241	912	805,727
At 31 December 2016												
- Cost	9,293	-	-	11,617	64,606	-	-	13,474	805	40,264	10,181	150,240
- Valuation	-	144,400	548,400	-	-	4,742	14,671	-	-	-	-	712,213
Accumulated depreciation	-	-	-	-	(8,477)	-	-	(9,363)	(594)	(29,023)	(9,269)	(56,726)
Net book amount	9,293	144,400	548,400	11,617	56,129	4,742	14,671	4,111	211	11,241	912	805,727

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Notes to Financial Statements

For the Year Ended 31 December 2016

23 Property, plant and equipment continued

(a) Valuations of land, buildings and Artworks

Land, buildings and leasehold improvements were revalued as at 31 December 2016 by independent professional valuers. The fair value of all land has been determined by reference to recent market transactions and the fair value of buildings and leasehold improvements have been determined by reference to the cost of replacing the remaining future economic benefits, refer to note 1(m).

Artworks are heritage assets and have been valued as at 31 December 2015 by independent professional valuers, the fair value of artworks 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, a 127 bed student accommodation in Joondalup and continue to undertake refurbishment of existing accommodation at Mt Lawley, Joondalup and Bunbury campuses. CLV has assumed management of all such accommodation. CLV is compensated for the provision of capital works to the University through the granting of rights by the University to CLV allowing CLV to operate and enjoy full access to such assets, including the retention of all rental income.

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

A breakdown of service concession assets at reporting date is:

	2016 \$000's	2015 \$000's
Land	11,617	11,617
Buildings	56,129	57,561
Net book amount	67,746	69,178

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Notes to Financial Statements

For the Year Ended 31 December 2016

24 Intangible assets

	2016 \$000's	2015 \$000's
Digital library collections		
At 1 January		
- Cost	13,867	13,554
- Accumulated amortisation and impairment	(8,177)	(7,089)
Opening net book value	5,690	6,465
- Additions	1,769	313
- Amortisation charge	(1,027)	(1,088)
Closing net book amount	6,432	5,690

25 Trade and other payables

	2016 \$000's	2015 \$000's
Current		
OS HELP liabilities to Australian Government	911	622
Trade payables	9,081	9,460
CGS and other liabilities to Australian Government	801	945
GST payable	290	119
Total current trade and other payables	11,083	11,146

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

(a) Foreign currency risk

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

	2016 \$000's	2015 \$000's
Australian Dollar	11,067	11,090
Euro Dollar	12	37
Great British Pound	-	2
US Dollar	4	17
	11,083	11,146

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

Edith Cowan University

Notes to Financial Statements

For the Year Ended 31 December 2016

26 Borrowings

	2016 \$000's	2015 \$000's
Current - Unsecured interest bearing		
WATC*	19,436	18,941
Non-current - Unsecured interest bearing		
WATC	61,173	80,608
Total borrowings	80,609	99,549

*WATC - Western Australian Treasury Corporation

(a) Financing arrangements

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

	2016 \$000's	2015 \$000's
Credit standby arrangements		
Total credit standby arrangements		
WATC	120,000	100,000
Bank facilities	7,570	6,050
Total credit standby arrangements	127,570	106,050
Used at balance date		
WATC	80,609	99,549
Bank facilities	432	280
Total used at balance date	81,041	99,829
Unused at balance date		
WATC	39,391	451
Bank facilities	7,138	5,770
Total unused at balance date	46,529	6,221

The current interest rates on loans from WATC range between 3.00% and 3.29%, depending on the type of borrowing (2015: 3% and 3.29%).

A majority of the used bank facilities of \$0.4m (2015: \$0.3m) represent credit card balances outstanding as at year end which are included as part of trade and other payables in note 25.

Assets pledged as security

The University has not pledged any assets as security against the borrowings. The borrowings are secured by the Western Australian Government guarantee for which ECU incurs a 0.7% guarantee fee.

Edith Cowan University

Notes to Financial Statements

For the Year Ended 31 December 2016

26 Borrowings continued

(b) Fair value

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

	2016		2015	
	Carrying Amount \$000's	Fair Value \$000's	Carrying Amount \$000's	Fair Value \$000's
<i>Borrowings</i>				
WATC	80,609	81,253	99,549	99,957
	80,609	81,253	99,549	99,957

The fair value of borrowings have been prepared assuming hypothetical settlement dates of 31 December 2015 and 31 December 2016.

(c) Risk exposures

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

	2016 \$000's	2015 \$000's
Within one year	19,436	18,941
Between one and five years	61,173	80,608
	80,609	99,549
These borrowings are classified as follows:		
Current borrowings	19,436	18,941
Non-current borrowings	61,173	80,608
	80,609	99,549

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

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

Edith Cowan University

Notes to Financial Statements

For the Year Ended 31 December 2016

27 Provisions

	Note	2016 \$000's	2015 \$000's
Current provisions expected to be settled within 12 months			
Employee benefits			
Annual leave and other compensated absences		7,974	7,292
Long service leave		8,153	7,589
Superannuation and other post employment benefits		2,419	2,223
Employment on-costs provision		1,265	1,165
Defined benefit obligation	41	2,487	2,651
Staff bonuses		1,578	1,484
Provision for service concession liabilities		1,241	1,241
Other provisions		4,005	2,080
		29,122	25,725
Current provisions expected to be settled after more than 12 months			
Employee benefits			
Annual leave and other compensated absences		1,010	908
Long service leave		18,134	16,058
Superannuation and other post-employment benefits		2,532	2,242
Employment on-costs provision		1,497	1,327
		23,173	20,535
Total current provisions		52,295	46,260
Non-current provisions			
Employee benefits			
Long service leave		2,588	2,777
Defined benefit obligation	41	20,107	21,808
Provision for deferred salary		439	367
Employment on-costs provision		1,990	1,855
Provision for service concession liabilities		36,792	38,032
Other provisions		4,551	7,094
Total non-current provisions		66,467	71,933
Total provisions		118,762	118,193

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

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Notes to Financial Statements

For the Year Ended 31 December 2016

27 Provisions continued

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

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

(a) Movements in provisions

Movements in each class of provision during the financial year, other than employee benefit, are set out below:

	Employment on-costs	Service concession liabilities	Other	Total
	\$000's	\$000's	\$000's	\$000's
2016				
Carrying amount at start of year	4,347	39,273	9,174	52,794
Additional provisions recognised	5,109	-	-	5,109
Amounts used	(4,704)	(1,240)	-	(5,944)
Unused amounts reversed	-	-	(618)	(618)
Carrying amount at end of year	4,752	38,033	8,556	51,341

28 Other liabilities

	2016	2015
	\$000's	\$000's
Current		
Fees and grants received in advance	16,120	18,888
Financial assistance received in advance	2,661	1,445
Accrued expenses	24,129	13,595
Total other liabilities	42,910	33,928

29 Reserves and retained earnings

(a) Reserves

	2016	2015
	\$000's	\$000's
Reserves		
Property, plant and equipment revaluation surplus	306,113	306,183
Investment revaluation surplus	16,076	12,248
Hedging reserve - cash flow hedges	-	9
Total Reserves	322,189	318,440

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Notes to Financial Statements

For the Year Ended 31 December 2016

29 Reserves and retained earnings continued

Movements	2016 \$000's	2015 \$000's
<i>Property, plant and equipment revaluation surplus</i>		
Balance 1 January	306,183	344,283
Revaluation - gross	(1,624)	(21,095)
Transfer to retained earnings	1,554	(17,005)
Balance 31 December	306,113	306,183
<i>Investments revaluation surplus</i>		
Balance 1 January	12,248	5,744
Revaluation - gross	3,828	6,504
Balance 31 December	16,076	12,248
<i>Hedging reserve - cash flow hedges</i>		
Balance 1 January	9	19
Revaluation - gross	(9)	(10)
Balance 31 December	-	9
Total reserves	322,189	318,440

(b) Retained earnings

Movement in retained earnings were as follows:

	2016 \$000's	2015 \$000's
Retained earnings at the beginning of the year	593,811	547,909
Net result for the period	24,597	28,897
Transfer from property, plant and equipment revaluation reserve	(1,554)	17,005
Retained earnings at end of the year	616,854	593,811

(c) Nature and purpose of reserves

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

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

(ii) *Investments revaluation surplus*

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

Edith Cowan University

Notes to Financial Statements

For the Year Ended 31 December 2016

29 Reserves and retained earnings continued

- (c) Nature and purpose of reserves continued

(iii) *Hedging reserve - cash flow hedges*

The hedging reserve is used to record gains or losses on a hedging instrument in a cash flow hedge that are recognised directly in equity, as described in note 1(u). Amounts are reclassified to the income statement when the associated hedged transaction affects profit and loss. If the gains/losses in a cash flow hedge relate to the foreign purchase of a non-financial asset (e.g. property, plant and equipment), they are reclassified to the carrying amount of the asset on initial recognition.

30 Restricted funds

	2016 \$000's	2015 \$000's
Restricted funds		
ECU Foundation	10,230	9,672

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. These restricted funds are considered to be controlled by the University and are included in cash and cash equivalents.

31 Key management personnel disclosures

- (a) Remuneration of members of the University Council

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

	2016 Number	2015 Number
Nil to \$10,000	15	19
\$130,001 to \$140,000	1	1
\$140,001 to \$150,000	-	1
\$180,001 to \$190,000	1	1
\$190,001 to \$200,000	1	-
\$230,001 to \$240,000	-	1
\$360,001 to \$370,000	-	1
\$470,001 to \$480,000	-	1
\$510,001 to \$520,000	-	-
\$600,001 to \$610,000	-	1
\$860,001 to \$870,000	1	-

Edith Cowan University

Notes to Financial Statements

For the Year Ended 31 December 2016

31 Key management personnel disclosures continued

(a) Remuneration of members of the University Council continued

	2016 \$000's	2015 \$000's
Base remuneration and superannuation	1,302	2,007
Annual leave and long service leave accruals	8	65
Other benefits	70	78
The total aggregate remuneration of members of the University Council	1,380	2,150

No Council member has received any remuneration in his/her capacity as a Council member.

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

No Council members are members of the pension scheme.

(b) Remuneration of senior officers

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

	2016 Number	2015 Number
\$70,001 to \$80,000	-	1
\$170,001 to \$180,000	-	1
\$260,001 to \$270,000	1	2
\$280,001 to \$290,000	1	-
\$300,001 to \$310,000	1	-
\$310,001 to \$320,000	2	-
\$320,001 to \$330,000	1	-
\$330,001 to \$340,000	2	-
\$340,001 to \$350,000	-	-
\$350,001 to \$360,000	-	1
\$360,001 to \$370,000	1	-
\$370,001 to \$380,000	-	1
\$380,001 to \$390,000	1	-
\$390,001 to \$400,000	-	1
\$410,001 to \$420,000	1	1
\$420,001 to \$430,000	1	-
\$470,001 to \$480,000	-	-
\$480,001 to \$490,000	1	-
\$490,001 to \$500,000	-	1
\$500,001 to \$510,000	1	-
\$560,001 to \$570,000	1	-

Edith Cowan University

Notes to Financial Statements

For the Year Ended 31 December 2016

31 Key management personnel disclosures continued

(b) Remuneration of senior officers continued

	2016 \$000's	2015 \$000's
Base remuneration and superannuation	4,859	2,495
Annual leave and long service leave accruals	526	119
Other benefits	237	201
The total aggregate remuneration of senior officers	5,622	2,815

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

No senior officer is a member of the pension scheme.

32 Remuneration of auditors

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

	2016 \$000's	2015 \$000's
Audit the Financial Statements		
Audit fees - OAG	249	246
Other audit and assurance services		
Audit fees - OAG	14	14
Total	263	260

33 Contingencies

As at 31 December 2016 or at the date of this report, there is no know contingent liabilities which is likely to materially affect the University's financial position.

34 Commitments

(a) Capital expenditure commitments

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

	2016 \$000's	2015 \$000's
Property, plant and equipment		
Within one year	4,323	6,351
	4,323	6,351

Edith Cowan University

Notes to Financial Statements

For the Year Ended 31 December 2016

34 Commitments continued

- (b) Lease commitments: The Entity as lessee

(i) Operating leases

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

	2016 \$000's	2015 \$000's
Within one year	3,747	1,904
Between one year and five years	6,806	6,554
Non-cancellable operating lease	10,553	8,458

- (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:

	2016 \$000's	2015 \$000's
Within one year	13,198	12,071
Between one year and five years	5,820	10,887
	19,018	22,958

All commitments reported above are exclusive of GST.

35 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 University.

Edith Cowan University

Notes to Financial Statements

For the Year Ended 31 December 2016

36 Reconciliation of net result to net cash flows from operating activities

	2016 \$000's	2015 \$000's
Net result for the period	24,597	28,897
Non-cash items		
Depreciation and amortisation expense	22,233	21,859
Revaluation of investment properties	2,454	(322)
Provision for impairment of receivables	432	(973)
Service concession income	(1,241)	(1,238)
Loss on sale of asset	(31)	(483)
Net loss on asset write-offs	49	5
Share of (profit)/loss on investments accounted for using the equity method not received as dividends or distributions	(1,422)	-
	<u>47,071</u>	<u>47,745</u>
(increase)/decrease in receivables and non-financial assets	(215)	4,925
increase/(decrease) in trade and other payables	8,919	(1,754)
increase/(decrease) in provisions	1,809	1,290
	<u>10,513</u>	<u>4,461</u>
Net cash provided by operating activities	<u>57,584</u>	<u>52,206</u>

37 Non-cash investing and financing activities

	2016 \$000's	2015 \$000's
Proceeds accrued from sale of property, plant and equipment	-	835

Edith Cowan University**Notes to Financial Statements****For the Year Ended 31 December 2016****38 Financial risk management**

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

(a) Market risk

(i) Foreign exchange risk

The University manages its foreign exchange risk by negotiating all contracts in Australian dollars as far as it is practical. The University seeks to hedge any material and highly probable foreign exchange exposure. The University does not speculate in foreign currency exchange.

At 31 December 2016, the University held no open foreign currency forward exchange contracts.

(ii) Interest risk

The University's exposure to interest rate risk arises from its cash at bank balance and borrowings. The University's interest rate risk arising from the University's borrowings is managed by diversifying maturities and interest rate terms, and monthly monitoring of targeted interest cover, liquidity and debt portfolio maturity profile. Other than as detailed in the interest rate sensitivity analysis table in (iv), the University has limited exposure to interest rate.

(iii) Price risk

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

Edith Cowan University

Notes to Financial Statements

For the Year Ended 31 December 2016

38 Financial risk management continued

(a) Market risk continued

(iv) Summarised sensitivity analysis

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

	Carrying amount \$'000	Interest rate risk				Foreign exchange risk				Other price risk			
		-1%		+1%		-10%		+10%		-10%		+10%	
		Profit \$000's	Equity \$000's	Profit \$000's	Equity \$000's	Profit \$000's	Equity \$000's	Profit \$000's	Equity \$000's	Profit \$000's	Equity \$000's	Profit \$000's	Equity \$000's
31 December 2016													
Financial assets													
Cash and cash equivalents	69,555	(423)	(423)	423	423	-	-	-	-	-	-	-	-
Trade receivable	4,395	-	-	-	-	5	5	(5)	(5)	-	-	-	-
Financial assets - Available for sale	71,708	-	-	-	-	-	-	-	-	(7,171)	(7,171)	7,171	7,171
Financial assets - Held to maturity	173,745	(65)	(65)	65	65	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-
Sub-total		(488)	(488)	488	488	5	5	(5)	(5)	(7,171)	(7,171)	7,171	7,171
Financial liabilities													
Trade payables	10,793	-	-	-	-	(2)	(2)	2	2	-	-	-	-
Borrowings	80,609	-	-	-	-	-	-	-	-	-	-	-	-
Accrued expenses	24,129	-	-	-	-	-	-	-	-	-	-	-	-
Sub-total		-	-	-	-	(2)	(2)	2	2	-	-	-	-
Total increase/(decrease)		(488)	(488)	488	488	3	3	(3)	(3)	(7,171)	(7,171)	7,171	7,171
31 December 2015													
Financial assets													
Cash and cash equivalents	47,239	(266)	(266)	266	266	-	-	-	-	-	-	-	-
Trade receivables	3,834	-	-	-	-	-	-	-	-	-	-	-	-
Financial assets - available for sale	65,106	-	-	-	-	-	-	-	-	(6,511)	(6,511)	6,511	6,511
Financial assets - held to maturity	174,830	(166)	(166)	166	166	-	-	-	-	-	-	-	-
Derivatives - cash flow hedges	9	-	-	-	-	1	1	(1)	(1)	-	-	-	-
Sub-total		(432)	(432)	432	432	1	1	(1)	(1)	(6,511)	(6,511)	6,511	6,511
Financial liabilities													
Trade payables	11,027	-	-	-	-	(6)	(6)	6	6	-	-	-	-
Borrowings	99,549	-	-	-	-	-	-	-	-	-	-	-	-
Accrued expenses	13,595	-	-	-	-	-	-	-	-	-	-	-	-
Sub-total		-	-	-	-	(6)	(6)	6	6	-	-	-	-
Total increase/(decrease)		(432)	(432)	432	432	(5)	(5)	5	5	(6,511)	(6,511)	6,511	6,511

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Notes to Financial Statements
For the Year Ended 31 December 2016
38 Financial risk management continued
(b) Credit risk

Credit risk arises principally from the University's investment securities and to a limited extent from its receivables. The carrying amount of the financial assets represents the maximum credit risk exposure at the reporting date.

The University manages its exposure to credit risk by diversifying investments between fund managers, setting investment restrictions and establishing strategic asset allocation benchmarks.

The University's Investment Policy Statement, sets out Investment Policy for matters such as performance objectives, investment restrictions, performance benchmarks and monitoring, and the strategic asset allocation benchmark for each investment pool. The Investment Policy Statement is reviewed internally at least every three years. An independent consultant is engaged to assess both the Investment Policy and the internal reviews thereof, unless otherwise approved by Council.

The majority of the University's exposure to credit risk from receivables is denominated in Australian dollars. The University's trade and receivable management policy is designed to ensure that credit facilities are provided to customers with an appropriate credit history.

The University's cash and cash equivalent transactions are invested only with investment grade deposit taking institutions and in accordance with the University Treasury Policy, where maximum exposure limits are set for each institution according to their risk profile.

(c) Liquidity risk

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

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

The tables below analyse the University'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.

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Notes to Financial Statements

For the Year Ended 31 December 2016

38 Financial risk management continued

(c) Liquidity risk continued

	Within 1 year		1 - 2 years		2 - 5 years		5+ years		Total	
	2016 \$000's	2015 \$000's	2016 \$000's	2015 \$000's	2016 \$000's	2015 \$000's	2016 \$000's	2015 \$000's	2016 \$000's	2015 \$000's
Financial Assets:										
Cash and cash equivalents	69,555	47,239	-	-	-	-	-	-	69,555	47,239
Trade and other receivables	4,395	3,834	-	-	-	-	-	-	4,395	3,834
Financial assets - available for sale	-	-	-	-	-	-	71,708	65,106	71,708	65,106
Financial assets - held to maturity	122,704	123,797	-	-	51,025	51,033	-	-	173,729	174,830
Derivative financial instruments	-	9	-	-	-	-	-	-	-	9
Total Financial Assets	196,654	174,879	-	-	51,025	51,033	71,708	65,106	319,387	291,018
Financial Liabilities:										
Trade and other payables	10,793	11,028	-	-	-	-	-	-	10,793	11,028
Borrowings	19,436	18,941	19,867	19,436	41,306	61,172	-	-	80,609	99,549
Accrued expenses	24,129	13,595	-	-	-	-	-	-	24,129	13,595
Total Financial Liabilities	54,358	43,564	19,867	19,436	41,306	61,172	-	-	115,531	124,172

The following are the average interest rates for the above financial assets and liabilities as at 31 December 2016

Financial assets

1. Cash and cash equivalents - 2.60% p.a (2015: 2.64% p.a).
2. Trade and other receivables - Non-interest bearing financial asset.
3. Available-for-sale financial assets - Non-interest bearing financial asset.
4. Held to maturity investments - 3.62% p.a (2015: 3.88% p.a).

Financial liability

1. Trade and other payable - Non-interest bearing financial liability.
2. Borrowings - 3.29% p.a (2015: 3.29% p.a).

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

39 Fair value measurement

(a) Fair value measurements

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

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

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

Edith Cowan University

Notes to Financial Statements

For the Year Ended 31 December 2016

39 (a) Fair value measurement continued

		Carrying Amount		Fair Value	
	Note	2016 \$000's	2015 \$000's	2016 \$000's	2015 \$000's
Financial assets					
Cash and cash equivalents	16	69,555	47,239	69,555	47,239
Trade receivables	17	4,395	3,834	4,395	3,834
Available-for-sale financial assets	19	71,708	65,106	71,708	65,106
Held-to-maturity financial assets	19	173,745	174,830	173,745	174,830
Derivative financial instruments	18	-	9	-	9
Total financial assets		319,403	291,018	319,403	291,018
Financial liabilities					
Trade payables	25	10,793	11,027	10,793	11,027
Borrowings	26	80,609	99,549	81,253	99,957
Accrued expense	28	24,129	13,595	24,129	13,595
Total financial liabilities		115,531	124,171	116,175	124,579

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

- Derivative financial instruments
- Available-for-sale financial assets
- Land and buildings
- Leasehold improvements
- Investments properties
- Artworks

(b) Fair value hierarchy

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

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

(i) Recognised fair value measurements - Fair value measurements recognised in the statement of financial position are categorised into the following level:

Edith Cowan University

Notes to Financial Statements

For the Year Ended 31 December 2016

39 Fair value measurement continued

(b) Fair value hierarchy continued

Fair value measurements at 31 December 2016

	Note	\$000's	Level 1 \$000's	Level 2 \$000's	Level 3 \$000's
Recurring fair value measurements					
Financial assets					
Investment in shares	19	1,992	1,992	-	-
Investment in unlisted shares	19	11,027	-	-	11,027
Investment in managed funds	19	58,689	-	58,689	-
Total financial assets		71,708	1,992	58,689	11,027
Non-financial assets					
Investment properties	21	20,410	-	20,410	-
Land	23	144,400	-	144,400	-
Buildings	23	548,400	-	-	548,400
Leasehold improvements	23	4,742	-	-	4,742
Artworks	23	14,671	-	14,671	-
Total non-financial assets		732,623	-	179,481	553,142

Fair value measurements at 31 December 2015

	Note	\$000's	Level 1 \$000's	Level 2 \$000's	Level 3 \$000's
Recurring fair value measurements					
Financial assets					
Investment in shares	19	1,868	1,868	-	-
Investment in managed funds	19	54,040	-	54,040	-
Invested in Unlisted Shares	19	9,198	-	-	9,198
Derivative financial instruments	19	9	-	9	-
Total financial assets		65,115	1,868	54,049	9,198
Non-financial assets					
Investment properties	21	22,636	-	22,636	-
Land	23	144,610	-	144,610	-
Buildings	23	556,121	-	-	556,121
Leasehold improvements	23	5,771	-	-	5,771
Artworks	23	14,605	-	14,605	-
Total non-financial assets		743,743	-	181,851	561,892

There were no transfers between levels 1, 2 and 3 for recurring fair value measurements during the year. All reported fair value measurements were recurring.

Edith Cowan University

Notes to Financial Statements

For the Year Ended 31 December 2016

39 Fair value measurement continued

(a) Fair value hierarchy continued

(ii) Disclosed fair values

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

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

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

(c) Valuation techniques used to derive level 2 and level 3 fair values

(i) *Recurring fair value measurements*

The fair value of financial instruments that are not traded in an active market (for example, derivatives and unlisted shares) is determined using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, buildings and leasehold improvements.

The University uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments
- the fair value of forward foreign exchange contracts is determined using forward exchange rates at the end of the reporting period
- other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments

All of the resulting fair value estimates are included in level 2 except for unlisted equity securities (as explained in (d) below), buildings and leasehold improvements.

Investment properties and freehold land and buildings (classified as property, plant and equipment) are valued independently every year. At the end of each reporting period, the University updates their assessment of the fair value of each property, taking into account the most recent independent valuations.

The best evidence of fair values is current prices in an active market for similar properties. Where such information is not available, the valuers consider information from a variety of sources, including:

- current prices in an active market for properties of different nature or recent prices of similar properties in less active markets, adjusted to reflect those differences
- discounted cash flow projections based on reliable estimates of future cash flows
- capitalised income projections based on a property's estimated net market income, and a capitalisation rate derived from an analysis of market evidence

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Notes to Financial Statements

For the Year Ended 31 December 2016

39 Fair value measurement continued

- (b) Valuation techniques used to derive level 2 and level 3 fair values continued

All resulting fair value estimates for properties are included in level 3 except for land and investment properties. The level 2 fair value of land and investment properties has been derived using the sales comparison approach. Sale prices of comparable land in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square metre.

- (d) Fair value measurements using significant unobservable inputs (level 3)

The following table is a reconciliation of level 3 items for the periods ended 31 December 2016 and 2015:

Reconciliation for level 3 buildings is not included following early adoption of AASB 2015-7.

Level 3 Fair Value Measurement 2016	Unlisted Shares \$000's
Opening balance	9,198
Recognised in other comprehensive income	1,829
Closing balance	<u><u>11,027</u></u>

Level 3 Fair Value Measurement 2015	Unlisted Shares \$000's
Opening balance	-
Recognised in other comprehensive income	9,198
Closing balance	<u><u>9,198</u></u>

(i) Transfers between levels 2 and 3 and changes in valuation techniques

There were no transfers of assets/liabilities between levels 2 and 3.

(ii) Valuation inputs and relationships to fair value

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements. See (c) above for the valuation techniques adopted.

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Notes to Financial Statements

For the Year Ended 31 December 2016

39 Fair value measurement continued

(c) Fair value measurements using significant unobservable inputs (level 3) continued

Description	Fair value at 31 December 2016 \$000's	Unobservable inputs*	Range of inputs (probability weighted average)	Relationship of unobservable inputs to fair value
Unlisted shares	11,027	Discount on value of underlying assets	+/-10%	Increase/decrease of discount by 10% would increase/decrease fair value of underlying assets by \$1.3m

*There were no significant inter-relationship between unobservable inputs that materially affects fair value

(iii) Valuation processes

Calculation methodology has been disclosed as part of (c) in this note.

40 Write-offs

	2016 \$000's	2015 \$000's
Total write-offs as approved by the University council during the financial year		
Receivables written-off against provision	50	74
Other receivables written-off	45	5
Property, plant and equipment	4	-
Total write-offs	99	79

41 Deferred government benefit for superannuation

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

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

The recognition of both the asset and the liability concurrently does not affect the end of year net asset position of the University. The liability and equivalent receivables are measured actuarially on an annual basis.

Nature of the benefits provided by the Schemes

Pension Scheme

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

Edith Cowan University

Notes to Financial Statements

For the Year Ended 31 December 2016

41 Deferred government benefit for superannuation continued

resignation.

Gold State Super (transferred benefits)

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

The regulatory framework

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

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

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

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

Other entities responsibilities for the governance of the Schemes

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

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

Scheme risks*Pension Scheme*

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

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

Edith Cowan University

Notes to Financial Statements

For the Year Ended 31 December 2016

41 Deferred government benefit for superannuation continued

Gold State Super (transferred benefits)

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

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

Significant events

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

Sensitivity analysis*Pension Scheme*

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

	Change in assumption	Impact on defined benefit obligation (\$'000)	
		Increase in assumption	Decrease in assumption
Discount rate	0.5% p.a	(771)	(823)
Pension increase rate	0.5% p.a	(821)	777

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

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

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Notes to Financial Statements

For the Year Ended 31 December 2016

41 Deferred government benefit for superannuation continued

Gold State Super (transferred benefits)

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

	Change in assumption	Impact on defined benefit obligation (\$'000)	
		Increase in assumption	Decrease in assumption
Discount rate	0.5% p.a	6	(7)
Salary increase rate	0.5% p.a	(4)	4

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

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

Funding Arrangements

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

Reconciliation of the net defined benefit liability/(asset)

	Pension Scheme		Gold State Super	
	2016 \$000's	2015 \$000's	2016 \$000's	2015 \$000's
Defined benefit obligation	22,268	24,034	326	425
Fair value of plan assets	-	-	-	-
Deficit	22,268	24,034	326	425
Adjustment for effect of asset ceiling	-	-	-	-
Net deferred benefit liability/(asset)	22,268	24,034	326	425

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

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Notes to Financial Statements

For the Year Ended 31 December 2016

41 Deferred government benefit for superannuation continued

	Pension Scheme		Gold State Super		Total	
	2016 \$000's	2015 \$000's	2016 \$000's	2015 \$000's	2016 \$000's	2015 \$000's
Current	2,431	2,584	56	67	2,487	2,651
Non-current	19,837	21,450	270	358	20,107	21,808
Total	22,268	24,034	326	425	22,594	24,459

Reconciliation of the defined benefit obligation

	Pension Scheme		Gold State Super	
	2016 \$000's	2015 \$000's	2016 \$000's	2015 \$000's
Present value of defined benefit obligations at the beginning of the year	24,035	25,090	425	484
Interest cost	654	741	11	14
Actuarial (gains)/losses arising from changes in demographic assumptions	-	17	-	(1)
Actuarial (gains)/losses arising from changes in financial assumptions	392	416	(9)	-
Actuarial (gains)/losses arising from liability experience	(295)	387	6	(12)
Benefits paid	(2,518)	(2,616)	(107)	(60)
Balance at the end of the year	22,268	24,035	326	425

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

Reconciliation of the fair value of Scheme assets

	Pension Scheme		Gold State Super	
	2016 \$000's	2015 \$000's	2016 \$000's	2015 \$000's
Fair value of Scheme assets at beginning of the year	-	-	-	-
Employer contributions	2,518	2,616	107	60
Benefits paid	(2,518)	(2,616)	(107)	(60)
Balance at the end of the year	-	-	-	-

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

Edith Cowan University

Notes to Financial Statements

For the Year Ended 31 December 2016

41 Deferred government benefit for superannuation continued

Fair value of Scheme assets

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

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

Significant Actuarial assumptions at the reporting date

	Pension Scheme		Gold State Super	
	2016	2015	2016	2015
	% p.a	% p.a	% p.a	% p.a
Discount rate (active members)	2.63	2.88	2.63	2.88
Discount rate (pensioners)	2.63	2.88	2.63	2.88
Expected salary increase rates	-	-	3.50	4.50
Expected pension increase rates	2.50	2.50	-	-

The discount rate is based on the Government bond maturing in April 2025. The decrement rates used (e.g. mortality and retirement rates) are based on those used at the last actuarial valuation for the Schemes.

Expected Contributions

	Pension Scheme	Gold State Super
	2016	2016
	\$000's	\$000's
Expected employer contributions in the next financial year	2,431	56

41 Deferred government benefit for superannuation continued

Maturity profile of defined benefit obligation

Pension Scheme

The weighted average duration of the defined benefit obligation for the whole of the Pension Scheme is 7.3 years (2015: 7.5 years).

Gold State Super (transferred benefits)

The weighted average duration of the defined benefit obligation for the whole of the Gold State Super Scheme is 4.1 years (2015: 4.6 years).

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Notes to Financial Statements

For the Year Ended 31 December 2016

42 Acquittal of Australian Government financial assistance

(a) Education - CGS and other Education grants

		Commonwealth Grants Scheme ^{#1}		Indigenous Support Program		Higher Education Participation Program ^{#2}		Disability Support Program		Promo of Excellence in Learning and Teaching		Total	
	Note	2016 \$000's	2015 \$000's	2016 \$000's	2015 \$000's	2016 \$000's	2015 \$000's	2016 \$000's	2015 \$000's	2016 \$000's	2015 \$000's	2016 \$000's	2015 \$000's
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the program)	2(g)	148,465	133,464	616	642	3,521	3,374	115	102	140	185	152,857	137,767
Net accrual adjustments		1,151	(758)	-	-	(36)	182	-	-	(65)	(155)	1,050	(731)
Revenue for the period	2(a)	149,616	132,706	616	642	3,485	3,556	115	102	75	30	153,907	137,036
Total revenue including accrued revenue		149,616	132,706	616	642	3,485	3,556	115	102	75	30	153,907	137,036
Less expenses including accrued expenses		(149,616)	(132,706)	(616)	(642)	(3,485)	(3,556)	(115)	(102)	(75)	(30)	(153,907)	(137,036)
Surplus/(deficit) for reporting period		-	-	-	-	-	-	-	-	-	-	-	-

#1 Includes the basic CGS grant amount, CGS – Regional Loading, CGS – Enabling Loading, Allocated Places, and Non-Designated Course

#2 Includes National Priorities

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Notes to Financial Statements

For the Year Ended 31 December 2016

42 Acquittal of Australian Government financial assistance continued

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

	Note	HECS-HELP (Australian Government payments only)		FEE-HELP		VET FEE-HELP		SA-HELP		Total	
		2016 \$000's	2015 \$000's	2016 \$000's	2015 \$000's	2016 \$000's	2015 \$000's	2016 \$000's	2015 \$000's	2016 \$000's	2015 \$000's
Cash Payable/(Receivable) at the beginning of the year		(325)	(1,457)	82	26	(165)	(15)	(24)	2	(432)	(1,444)
Financial assistance received in Cash during the reporting period	2(g)	81,454	77,213	10,236	10,908	1,439	1,341	2,813	2,573	95,942	92,035
Cash available for period		81,129	75,756	10,318	10,934	1,274	1,326	2,789	2,575	95,510	90,591
Revenue earned	2(b)	79,952	76,081	10,148	10,852	1,264	1,491	2,790	2,599	94,154	91,023
Cash Payable/(Receivable) at end of year	2(b)	1,177	(325)	170	82	10	(165)	(1)	(24)	1,356	(432)

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Notes to Financial Statements

For the Year Ended 31 December 2016

42 Acquittal of Australian Government financial assistance continued

(c) Scholarships

	Note	Australian Postgraduate Awards		International Postgraduate Research Scholarships		Commonwealth Education Cost Scholarships ^{#3}		Commonwealth Accommodation Scholarships ^{#4}		Indigenous Access Scholarship		Total	
		2016 \$000's	2015 \$000's	2016 \$000's	2015 \$000's	2016 \$000's	2015 \$000's	2016 \$000's	2015 \$000's	2016 \$000's	2015 \$000's	2016 \$000's	2015 \$000's
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the program)	2(g)	2,272	2,163	176	154	86	112	78	66	39	34	2,651	2,529
Net accrual adjustments		(39)	6	-	-	(3)	52	-	59	-	-	(42)	117
Revenue for the period	2(c)	2,233	2,169	176	154	83	164	78	125	39	34	2,609	2,646
Surplus/(deficit) from the previous year		-	-	-	-	-	7	-	5	-	-	-	12
Total revenue including accrued revenue		2,233	2,169	176	154	83	171	78	130	39	34	2,609	2,658
Less expenses including accrued expenses		(2,233)	(2,169)	(176)	(154)	(83)	(171)	(78)	(130)	(39)	(34)	(2,609)	(2,658)
Surplus/(deficit) for reporting period		-	-	-	-	-	-	-	-	-	-	-	-

#3 Includes Indigenous CECS, Indigenous Enabling CECS

#4 Includes Indigenous CAS, Indigenous Enabling CAS

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Notes to Financial Statements

For the Year Ended 31 December 2016

42 Acquittal of Australian Government financial assistance continued

(d) Education Research

		Joint Research Engagement		JRE Engineering Cadetships		Research Training Scheme		Research Infrastructure Block Grants		Sustainable Research Excellence in Universities		Other		Total	
	Note	2016 \$000's	2015 \$000's	2016 \$000's	2015 \$000's	2016 \$000's	2015 \$000's	2016 \$000's	2015 \$000's	2016 \$000's	2015 \$000's	2016 \$000's	2015 \$000's	2016 \$000's	2015 \$000's
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the program)	2(g)	2,655	2,747	26	16	4,791	4,605	627	465	931	790	-	561	9,030	9,184
Net accrual adjustments		-	-	(26)	(16)	-	-	-	-	-	-	7	142	(19)	126
Revenue for the period	2(d)	2,655	2,747	-	-	4,791	4,605	627	465	931	790	7	703	9,011	9,310
Surplus/(deficit) from the previous year		-	-	-	-	-	-	-	-	-	-	1	268	1	268
Total revenue including accrued revenue		2,655	2,747	-	-	4,791	4,605	627	465	931	790	8	971	9,012	9,578
Less expenses including accrued expenses		(2,655)	(2,747)	-	-	(4,791)	(4,605)	(627)	(465)	(931)	(790)	(8)	(970)	(9,012)	(9,577)
Surplus/(deficit) for reporting period		-	-	-	-	-	-	-	-	-	-	-	1	-	1

Edith Cowan University

Notes to Financial Statements

For the Year Ended 31 December 2016

42 Acquittal of Australian Government financial assistance continued

(e) Australian Research Council Grants

(i) Discovery

Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the program)

Revenue for the period

Surplus/(deficit) from the previous year

Total revenue including accrued revenue

Less expenses including accrued expenses

Surplus/(deficit) for reporting period

	Projects		Total Discovery	
Note	2016 \$000's	2015 \$000's	2016 \$000's	2015 \$000's
2(g)	283	217	283	217
2(e)(i)	283	217	283	217
	126	121	126	121
	409	338	409	338
	(331)	(212)	(331)	(212)
	78	126	78	126

(ii) Linkages

Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the program)

Revenue for the period

Surplus/(deficit) from the previous year

Total revenue including accrued revenue

Less expenses including accrued expenses

Surplus/(deficit) for reporting period

Note	Projects	Total Linkages		
	2016 \$000's	2015 \$000's	2016 \$000's	2015 \$000's
2(e)(ii)	205	256	205	256
	205	256	205	256
	33	275	33	275
	238	531	238	531
	(201)	(498)	(201)	(498)
	37	33	37	33

Edith Cowan University

Notes to Financial Statements

For the Year Ended 31 December 2016

42 Acquittal of Australian Government financial assistance continued

(f) OS-HELP

		2016 \$000's	2015 \$000's
	Note		
Cash received during the reporting period		1,734	(324)
Cash spent during the reporting period		(1,445)	(870)
Net cash received	2(g)	289	(1,194)
Cash surplus/(deficit) from the previous period		622	1,816
Cash surplus/(deficit) for reporting period	25	911	622

(g) Superannuation Supplementation

		2016 \$000's	2015 \$000's
	Note		
Cash received during the reporting period	2(g)	2,510	2,665
University contribution in respect of current employees		179	192
Cash available		2,689	2,857
Cash surplus / (deficit) from the previous period		144	90
Cash available for current period		2,833	2,947
Contributions to specified defined benefit funds		(2,864)	(2,794)
Cash surplus/(deficit) this period		(31)	153

(h) Student Services and Amenities Fee

		2016 \$000's	2015 \$000's
	Note		
Unspent/(overspent) revenue from previous period		-	-
SA-HELP revenue earned	2(b)	2,790	2,599
Student services and amenities fees direct from students	4	1,043	1,157
Total revenue expendable in period		3,833	3,756
Student services expenses during period		(3,833)	(3,756)
Unspent/(overspent) student services revenue		-	-

Other Financial, Governance and Legal Disclosures

Pricing Policies

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

Major Capital Projects

Table 3: Major Capital Projects Completed, 2016

Project	Estimated total cost (\$M)	Actual total cost (\$M)
Campus Way Finding	2.0	2.1
Building Refurbishment – Joondalup and Mount Lawley	15.4	15.1
Campus Access Control Systems	2.0	1.9

Table 4: Major Capital Projects in Progress, 2016

Project	Estimated total cost (\$M)	Actual cost to date (\$M)
Carparks, traffic and infrastructure	2.5	2.0

Employees

Table 5: Academic Staff by Function, 2012-2016

	2012	2013	2014	2015	2016
Teaching	130	138	157	175	227
Research	53	61	52	64	63
Teaching and Research	484	468	429	408	389
Other	27	25	24	10	5
Total Academic Staff	694	692	662	658	685
Total Professional Staff	1,180	1,186	1,146	1,128	1,126

Note: Figures are based on full-time equivalency, rather than headcount. Figures are average full-time equivalents for the 12 calendar months as at 1 February 2017.

Occupational Safety, Health and Injury Management

Executive Commitment to Occupational Safety, Health and Injury Management

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

Executive commitment is articulated in the [University Work Health and Safety Policy](#) and implementation of a robust due diligence compliance framework that requires all ECU schools and service centres to report against a number of health and safety targets and measures as well as develop and implement Health and Safety improvement plans. Compliance with due diligence health and safety requirements is certified annually by the Risk Assurance Service Centre and reported to the University Health and Safety Committee, Quality, Audit and Risk Committee, and University Executive.

In 2016, enhancements were made to the University's Health and Safety induction program to tailor inductions to work groups, including staff who are based off campus, to ensure key health and safety risks are effectively communicated. In addition to statutory requirements, all managers and supervisors are provided with information, instruction, training and supervision on safety and health procedures and work practices, so that a safe and healthy working environment is maintained at all times.

Mechanism for Consultation with Employees on OSH and Injury Management Matters

In 2016, ECU's Health and Safety [Consultative Committee structure](#) was modified to reflect the outcome of organisational change and improve effective communication. The structure comprises the following two levels:

- University Health and Safety Committee – this group meets quarterly, and consists of both safety and health representatives and management representatives. It reports to the Vice-Chancellor via the University Executive, who have two nominated representatives on the Committee; and
- School and Service Centre Safety and Health committees – these groups meet at least quarterly and report to the University Health and Safety Committee.

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

Workers' Compensation and Injury Management

ECU has a formal [Workers' Compensation and Injury Management Policy](#) and guidelines and a detailed Workers' Compensation claim and return to work process. Collectively these documents meet the requirements of the *Workers' Compensation and Injury Management Act 1981* (WA). Return to work programs for employees, with both work and non-work

related physical and psychological injuries and illnesses, are developed in consultation with the employee, their supervisor and the treating medical practitioner.

Performance indicators for Workers' Compensation claims, costs and premiums, and incident/ injury metrics are monitored and reported quarterly to the Quality, Audit and Risk Committee and Council.

Assessment of the Occupational Safety and Health Management System

ECU continues to promote self-assessment of health and safety processes by ECU schools and service centres, based on the primary functions and supporting principles of the Australian and New Zealand Standard AS/NZS 4801:2001 and the International Standard OHSAS 18001:2007. ECU undertook internal audits against these standards in both 2014 and 2016 and all agreed actions from these audits are complete. An external audit of the Health and Safety management system was undertaken against OHSAS 18001 in 2014 and the University continues to use the results to revise the current framework, address identified gaps and promote continuous improvement to the system. As at the end of 2016, 74% of agreed actions arising from the external audit have been completed.

Completion and regular review of a Health and Safety Hazard Risk Register is mandated to ensure that inherent and residual health and safety risks are identified, formally reviewed and signed off by School Deans and Service Centre Directors.

Additionally, staff attitudes to, and perceptions of, health and safety in their work environment are monitored biennially through a staff survey. The 2016 staff survey showed a high level of satisfaction with health and safety awareness and responsiveness at the University, maintaining the positive survey results of 2014.

Table 6: Performance against 2016 Injury Management Targets

Indicator	Target	2014	2015	2016	2016 Target
Number of fatalities	Zero	0	0	0	Achieved
Lost time injury/diseases incidence rate	Zero or 10% reduction on previous year	0.49	0.50	0.55	Not Achieved
Lost time injury severity rate	Zero or 10% improvement on previous year	0.0	0.0	0.0	Achieved
Percentage of injured workers returned to work within:					
(i) 13 weeks	-	89%	67%	80%	-
(ii) 26 weeks	At least 80% return to work within 26 weeks	100%	77%	100%	Achieved

Indicator	Target	2014	2015	2016	2016 Target
Percentage of managers trained in occupational safety and health and injury management	At least 80%	28%	53%	68%	Not Achieved

Notes: Lost time injury/diseases incidence rate is defined as the number of lost time injury claims lodged, divided by the number of employees (FTE), multiplied by 100. Lost time injury severity rate is the number of lost time injury claims where employees do not return to any work duties within 60 days, divided by the total lost time injury claims, multiplied by 100. The percentage of injured workers returned to work within 13 weeks and 26 weeks measures employees returning to full duties.

There has been a change to figures reported in the 2015 Annual Report for the percentage of workers returned to work within 13 and 26 weeks in 2015. This is due to two injuries that occurred in second half of 2015, where the timeframes of 13 weeks and 26 weeks had not been reached when the 2015 Annual Report was finalised.

Insurance of Officers

ECU paid a premium of \$24,508 in respect of Directors and Officers Liability Insurance in 2016. The cover applies to members of Council and Officers of the University and its controlled entities. The cover also applies to staff members and external members appointed to ECU advisory boards and committees established by statute.

Disclosure of Senior Officers Interests

There is nothing to report regarding the interests of Senior Officers of the University in subsidiary bodies or contractors to the University. No disclosures have been made.

Corporate Standards and Risk Management

Equity Commitments and Compliance Reporting in 2016

ECU values diversity and strives to maintain an environment free from inequality and discrimination. ECU is committed to increasing access and providing opportunities for students who face barriers to higher education. ECU's staffing strategies also seek to achieve appropriate representation and distribution of under-represented groups in ECU's workplaces.

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

In 2016, ECU's new Vice-Chancellor's Reconciliation Committee oversaw the implementation of the University's third *Reconciliation Action Plan, (RAP) 2015-2018*.

A performance report on the first year of the RAP's implementation was provided to ECU's Council in August 2016 and submissions were made to Reconciliation Australia through its online RAP Impact Measurement Questionnaire, as required.

The *Aboriginal and Torres Strait Islander Employment Strategy and Action Plan, 2016-2019* was endorsed by Council and includes revised employment targets of 3% for professional staff and 2% for academic staff. Retention rates for Aboriginal and Torres Strait Islander staff were 100% for 2016, however meeting the academic employment targets continues to be a challenge. The Athena SWAN pilot brought additional focus to the intersectionality between Aboriginality and gender.

In response to the submission of ECU's annual compliance report to the Workplace Gender Equity Agency, ECU was assessed as compliant with the requirements of the *Workplace Gender Equality Act 2012* (Cth) in August 2016. In December 2016, ECU received a national citation recognising the University as an "Employer of Choice for Gender Equality".

Celebrating and Supporting Equity

ECU hosted a range of events in 2016 for students, staff and the community to celebrate and support equity initiatives, including: Harmony Week, International Women's Day, NAIDOC Week, International Day of People with Disability, and Mental Health Week.

NAIDOC Week 2016

ECU provided a range of opportunities to celebrate the history, culture and achievements of Aboriginal and/or Torres Strait Islander people during NAIDOC Week. Flag raising ceremonies, film screenings and other cultural activities were held on all three campuses.

The latest acquisitions to ECU's Aboriginal and/or Torres Strait Islander Art Collection were showcased at the Celebration of Indigenous Art and Culture Exhibition in the Kurongkurl Katitjin Gallery at the Mount Lawley Campus.

ECU remained a signatory to the Australian Human Rights Commission's *Racism. It Stops with Me.* Campaign.

In 2016, ECU was part of a major new national campaign to prevent sexual assault and harassment. The campaign *Respect. Now. Always* highlights the determination of Australia's universities to ensure that staff and students are safe from sexual assault and sexual harassment.

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

As part of ECU's 25th anniversary celebrations, Kurungkurl Katitjin, Centre for Indigenous Australian Education and Research, held the Black Moon Breakfast. At the event, 25 people were awarded a Black Moon commemorative pin to recognise and acknowledge their contribution to making a difference to Aboriginal and/or Torres Strait Islander peoples and culture at ECU during the past 25 years.

For the first time in 2016, ECU obtained membership of *Pride in Diversity*, the national not-for-profit employer support program for LGBTI workplace inclusion.

Quality and Academic Governance

ECU's quality management and academic governance activities, include: the administration of academic committees; unit and course reviews; support for course accreditations; research centre and research institute reviews; and annual school and centre reviews.

In 2016, a gap analysis of current policies, procedures and practices was conducted to confirm compliance with the new Higher Education Standards Framework (HESF). The HESF outlines the minimum quality requirements set by the Tertiary Education and Quality Standards Agency (TEQSA) and is effective from 1 January 2017. In addition to this, revisions were made to quality processes, procedures and documentation to reflect ECU's Academic Organisation Redesign. This included workflows for the Curriculum Approval and Publication System (CAPS) to incorporate an accreditation management system and revised Admission, Enrolment and Academic Progress Rules.

Governance

ECU continues to comply with the Voluntary Code of Best Practice for the Governance of Australian Universities (the Code). Council undertook a preliminary assessment of the expected changes to the Code in 2016 and identified no compliance issues with future governance standards.

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 Services Centre Charter. A Risk Reference Forum, chaired by the Deputy Vice-Chancellor (Academic), assists with the exchange of experiences of best practice and dissemination of risk management-related material within the University.

Functionally, the Risk and Assurance Services Centre is responsible for the development and implementation of risk management strategies, methods and tools, legislative

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

Risk Management

A major component of corporate governance at ECU is effective risk management. During 2016, the University updated its Strategic Risk Register to accord with *ECU Strategic Plan, 2017-2021 – World Ready*.

In relation to particular risks, a mapping of the strategic risks and assurance provision was updated during 2016. The expansion of internal audit's data analytic capabilities have served to reduce ECU exposures to fraud and academic integrity risks. Cyber resilience risks continue to be a focus of internal audit work and the University has made a considerable investment in technologies, policies and procedures to mitigate the risk to the fullest possible extent.

Safety and regulatory risks continue to be monitored, with enhancements to the way that safety incidents are analysed, reported and acted upon. There has been no intervention by regulators in respect of regulatory non-compliance.

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

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

Advertising

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

Advertising expenditure in 2016 totalled \$5,199,781. The amount in each expenditure class and the organisations paid are listed in Table 7.

Table 7: Advertising Expenditure, 2016

Advertising agencies	\$3,224,542
303 Mullenlowe Australia Pty Ltd	
Longtail Communications Company Pty Ltd	
Other Organisations	
Market research organisations	\$51,280
Polling organisations	0
Direct mail organisations	0
Media advertising organisations	\$1,923,959
Carat Australia Media Services Pty Ltd	
Google	
Other Organisations	
Total Expenditure	\$5,199,781

Recordkeeping

The University has continued to embed record keeping practices and has finalised the rollout of the electronic document and records management system (EDRMS). Additional work was undertaken in 2016 to progress the appropriate management of University research records and data for University researchers and Higher Degree by Research students.

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

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

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 approved for a further five-year period in 2016, and is due for review again in 2021.

The West Australian University Sector Disposal Authority for records was last updated and approved by the State Record Commission in 2013. The Working Party responsible for the Disposal Authority has been in conversation with the State Records Office of WA who have agreed to facilitate the review of the Sector Disposal Authority during 2017.

A Client Satisfaction Survey pertaining to record keeping at the University was developed and disseminated during 2016. Results from the survey will help inform service improvement and identify training and education requirements.

ECU's University Vital Record education program continued and in excess of 400 new vital records were registered and securely stored in the recordkeeping system in 2016.

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:

- The Records Awareness Training System, which was implemented in 2008 to raise record management awareness for staff, continues to be offered. Since implementation, 2,400 staff have completed, or are working through the course.
- Monthly training courses on the University's record keeping software HP Record Manager (HPRM) are provided at Basic, Intermediate and Advanced levels. In 2016, 197 staff undertook some form of records training.
- Customised group and one-on-one training sessions on HPRM continued to be developed and delivered 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 informs the future content and delivery overall training program.

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 that addresses employee roles and responsibilities about the compliance aspects of the University's Record Keeping Plan. Induction processes of the University flag the need for all new employees to undertake Records Awareness Training and the course is deemed essential training within the University Role Base Development Framework.

Disability Access and Inclusion Plan Outcomes

In July 2016, 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 2015/16 reporting year. Examples of achievements or highlights against each DAIP outcome are listed below.

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

- Planning was undertaken to facilitate a deafblind student who volunteered to assist in ECU's Open Day. An interpreter was funded to attend pre-event training and participate in the Open Day.

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

- Accessibility reports were sought for all new buildings and major works and accessibility issues were raised at the Disability Access and Inclusion Sub-Committee.

Outcome Three: People with disability 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 refit of the Mount Lawley lecture theatre included provision for Hearing Loop services.

Outcome Four: People with disability receive the same level and quality of service from the staff of the University as other people receive from the staff of the University.

- Four mental health workshops were delivered to 25 staff and four staff were accredited as Mental Health First Aiders.

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

- Complaints processes were accessible. Relevant training and support was made available to University Contact Officers.

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

- The University held a workshop in October 2015 seeking feedback in the development of the new DAIP 2016-2021. This workshop was attended by a variety of disability sector representatives and not-for-profit groups, including people with disability.

Outcome Seven: People with disabilities have the same opportunities as other people to obtain and maintain employment with the University.

- Local disability employment agencies were provided with information about ECU's employment opportunities.