

EDITH COWAN UNIVERSITY

ANNUAL REPORT 2019



Edith Cowan University

Joondalup Campus

270 Joondalup Drive
Joondalup WA 6027
Australia

Telephone

Within Australia: 134 328
Outside Australia: +61 8 6304 0000

Mount Lawley Campus

2 Bradford Street
Mount Lawley WA 6050
Australia

South West Campus

585 Robertson Drive
Bunbury WA 6230
Australia

CRICOS IPC 00279B RTO Provider 4756

This document is available online at the link below.

www.ecu.edu.au/about-ecu/reports-and-plans/annual-reports

ECU is committed to reconciliation, and recognises and respects the significance of Aboriginal and Torres Strait Islander peoples, communities, cultures and histories. ECU acknowledges and respects our continuing association with the Whadjuk people and Wardandi people of the Noongar nation, the traditional custodians of the land upon which our campuses stand.

Contents

Statement of compliance	4	Disclosures and legal compliance	30
Chancellor's foreword	5	Occupational Safety, Health and Injury Management	30
Vice-Chancellor's summary	6	Staffing	31
Our vision	7	Major capital works.....	32
Our purpose	7	Directors' and officers' liability insurance.....	33
Our values	7	Pricing policy on outputs provided.....	33
ECU Strategic Plan.....	8	Advertising and marketing activities	33
Strategic themes	8	Disability Access and Inclusion Plan (DAIP) outcomes	34
Strategic goals and objectives.....	8	Voluntary Code of Best Practice for the Governance of Australian Universities	35
Overview.....	9	Sustainability	35
Governance.....	9	Risk Management	35
Edith Cowan University Council	10	National Student Representation Protocols	35
Key Committees of Council	11	Record Keeping – compliance with the State Records Act (2000).....	35
Council Members	12	Shares held by senior officers	36
Council Meetings 2019.....	13	Commitment to gender equality	36
Senior Executive	14	Independent auditor's report	37
ECU Organisational Chart.....	16	Financial statements.....	41
Schools	18	Certification of financial statements.....	41
Professional services	19	Key performance indicators.....	105
Controlled entities.....	19	Certification of key performance indicators	105
Key statistics	20	Introduction.....	106
Report on operations	21	Strategic goals and key performance indicators	106
Enhancing learning and teaching	21		
Growing internationalisation	25		
Ensuring organisational sustainability	27		
Significant issues and trends	29		

Statement of compliance

Hon. Sue Ellery MLC
Minister for Education and Training
13th Floor, Dumas House
2 Havelock Street
WEST PERTH WA 6005

10 March 2020

Dear Minister

In accordance with section 63 of the *Financial Management Act 2006*, we hereby submit for your information and presentation to Parliament, the Annual Report of Edith Cowan University for the year ending 31 December 2019.

The Annual Report has been prepared in accordance with the provisions of the *Financial Management Act 2006*, and is provided pursuant to a resolution of the University's Council.



The Hon Kerry Sanderson AC
Chancellor



Professor Steve Chapman CBE
Vice-Chancellor

Chancellor's foreword

As I conclude my first year as Chancellor of Edith Cowan University, I am pleased to present the 2019 Annual Report for what has been a very successful year for the University.

In 2019 the University has again made great strides towards meeting the goals set in 'World Ready', our 2017-2021 Strategic Plan, most notably achieving a top 500 place in the latest Times Higher Education World University Rankings. This is a great achievement for such a young university and means we have already attained our 2021 target.

In other significant achievements for 2019, ECU received five stars for teaching quality for the thirteenth year in a row and was the top public university for overall student satisfaction, and the Tertiary Education Quality Standards Agency (TEQSA) renewed the University's registration as an Australian University for a further seven years without conditions. These accomplishments reflect the dedication and professionalism of staff throughout the University and provide a solid platform for our continuing success.

As a Council, this year we worked to improve our governance processes, including our selection and recruitment processes for new members of Council and its committees. High standards of governance provide effective stewardship and strong financial management for the University, enabling investment in world class facilities. Two new state of the art facilities – a new School of Engineering building and the recently-unveiled \$48 million Science building – have augmented our relatively young Joondalup Campus. I am delighted that we are able to invest with confidence in facilities that will attract world-class academics to the University and improve the quality of the teaching and learning environment for our students.

During 2019 we were pleased to extend the appointment of Professor Steve Chapman CBE as ECU's Vice-Chancellor. The University will continue to benefit from his outstanding vision and guidance for at least another five years.

In June, the Council and members of the Executive team spent two days on retreat in Bunbury to review



the University's progress against its Strategic Plan, with a focus on a sub-set of the strategic goals. The retreat also provided us with a valuable opportunity to enhance our understanding of ECU's influence and reputation in the South West, and to engage with a range of local stakeholders. We gained a deeper appreciation of both the challenges and the opportunities that are inherent in maintaining a regional campus presence, and of the many existing and potential mutual benefits for the University and the South West Region community.

In addition to institutional governance matters, sector-wide issues considered by the Council in 2019 included the proposed Model Code arising from the inquiry by Justice Robert French AC into freedom of speech, and a briefing report on the Commonwealth's performance-based funding model. I am afforded additional insights into the broader implications of such matters through my involvement in the University Chancellors Council and its sub-committee.

As Chancellor, I have the privilege of being involved in ECU at all levels. I thank my predecessor the Hon Dr Hendy Cowan AO, my fellow Council, Committee and Advisory Board members and the Vice-Chancellor and his Executive Team for their expertise, hard work and good counsel through the year. I thank our many stakeholders for supporting ECU in a multitude of ways. Finally, I express my deep gratitude to all the staff and students for their ongoing commitment to the pursuit and transmission of knowledge to transform lives and enrich society, which is ultimately why our progressive, impressive and vibrant young university exists.

Vice-Chancellor's summary

It is with great pleasure that I am able to reflect on a year of achievement and success for Edith Cowan University. I am honoured to lead this young and dynamic university as it continues to excel in learning and teaching, and increases its world class research activities, in the face of challenging funding and policy settings.

For a record thirteenth year in a row ECU was recognised by the *Good Universities Guide* with a 5-star rating for teaching quality. ECU is the only public university in Australia to have achieved such a consistently high endorsement. ECU continues to rank in the world's top 150 young universities under 50 years old, as compiled by the Times Higher Education (THE) Young Universities Rankings and this year, for the first time, the University achieved a top 500 place in the overall THE World University Rankings.

In 2019 ECU extended its research base and the quality of research by continuing to invest in strategies such as professorial and research fellow recruitment, and through a revised focus on new research themes and priority research areas. The success of these and earlier strategies is reflected in the Excellence in Research for Australia 2018 ratings, released this year, with an increased number of ECU's research disciplines rated at, and above, world standard.

Recognition of another kind came in April 2019, when the Higher Education regulator TEQSA renewed ECU's registration, without conditions, for a further seven years. Then, in August 2019 Professor Rob Newton, Associate Dean Medical and Exercise Science was named the joint winner of the Western Australian Scientist of the Year in the Premier's Science Awards. In November Professor Hongqi Sun from the School of Engineering was named on the Highly Cited Researchers list for 2019. This is the first time that an ECU staff member has been named on this prestigious list.

2019 saw our largest ever commencing cohort of onshore international students, as well as increasing enrolments in our offshore programs.

ECU students travelled the world during 2019 with more than 40 overseas study tours to countries



including Bhutan, Cambodia, Canada, China, Czech Republic, France, India, Indonesia, Japan, Malawi, Mongolia, Nepal, Philippines, Singapore, South Africa, Sri Lanka, Tanzania, Thailand, United Kingdom, USA and Vietnam.

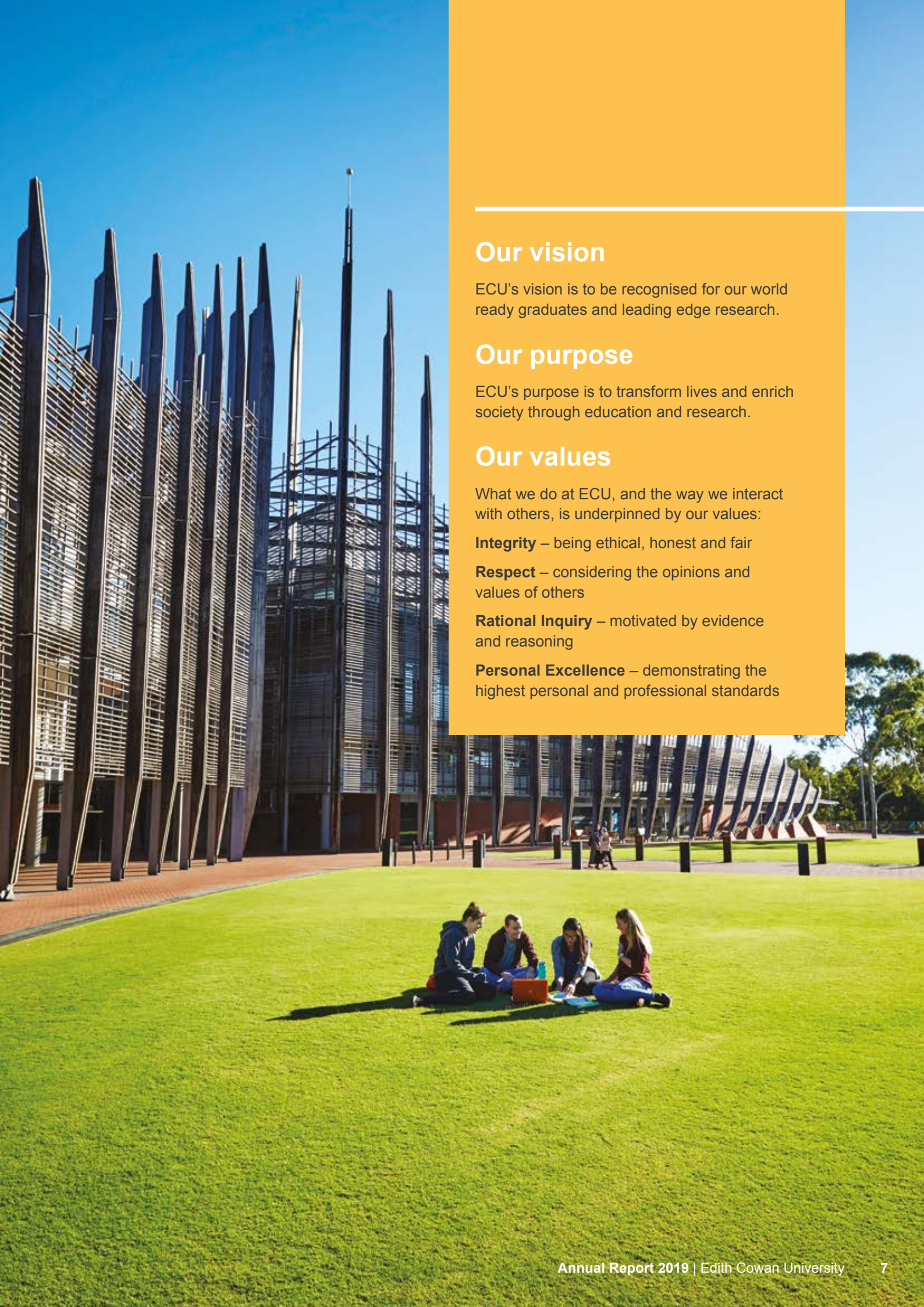
A new Engineering building was opened this year, and following completion of construction, our new \$48 million Science building at the ECU Joondalup Campus will be ready for occupancy early in 2020. The Science building includes 2500 sqm of laboratory space over two floors.

I am very proud to lead an inclusive university that champions equality and diversity. In 2019 ECU once again received an *Employer of Choice for Gender Equality* Citation and a worldwide 6th place ranking in the inaugural THE Impact Rankings for Gender Equity. The University also achieved Gold status as a Mental Health First Aid Skilled Workplace, and, for the first time in 2019, ECU participated in the Perth Pride Parade.

ECU is committed to environmental sustainability and as part of the University's efforts to limit the use of single use water bottles, filter water refill stations were installed at all our campuses.

The *ECU Strategic Plan, 2017-2021 – World Ready* sets a bold vision for our future and as we pass the halfway point in the plan's term, it is pleasing that ECU is well on the way to achieving, and in some cases, exceeding many of its targets.

I acknowledge and appreciate the many outstanding and sustained contributions to ECU by members of the University community including Council, staff, students and alumni along with the local community, industry partners and visiting scholars.



Our vision

ECU's vision is to be recognised for our world ready graduates and leading edge research.

Our purpose

ECU's purpose is to transform lives and enrich society through education and research.

Our values

What we do at ECU, and the way we interact with others, is underpinned by our values:

Integrity – being ethical, honest and fair

Respect – considering the opinions and values of others

Rational Inquiry – motivated by evidence and reasoning

Personal Excellence – demonstrating the highest personal and professional standards

ECU Strategic Plan

2017-2021:World Ready

Strategic themes

Five strategic themes guide our endeavours, and are enduring statements of ECU's ethos:

1. Dedicated to our students
2. Connecting with our community and the world
3. Building strategic partnerships and collaborations
4. Fostering strong alumni relations
5. Promoting equality, diversity and social responsibility

Strategic goals and objectives

ECU has four strategic goals, which are detailed in our *Strategic Plan 2017–2021:World Ready*.

1 Enhancing learning and teaching	2 Advancing research and knowledge translation	3 Growing internationalisation	4 Ensuring organisational sustainability
OBJECTIVE 1 Teaching that inspires	OBJECTIVE 5 Growth in research capacity and culture	OBJECTIVE 9 Growth in international enrolments	OBJECTIVE 13 High-performance culture
OBJECTIVE 2 Transformative learning experiences	OBJECTIVE 6 Extensive research collaboration	OBJECTIVE 10 Strong partnerships and international relations	OBJECTIVE 14 Service excellence
OBJECTIVE 3 A globally relevant and innovative curriculum	OBJECTIVE 7 Increased knowledge translation	OBJECTIVE 11 Global education delivery	OBJECTIVE 15 Infrastructure that supports our goals
OBJECTIVE 4 Improved learning outcomes and career readiness	OBJECTIVE 8 Growth in research training	OBJECTIVE 12 An internationalised student experience	OBJECTIVE 16 A strong financial base

Overview

Governance

Council

As the governing body of the University, Council controls and manages the operation, affairs, concerns and property of Edith Cowan University. The Council acts in accordance with the *Edith Cowan University Act 1984* and the University's Corporate Governance Statement.

2019 Highlights

The Honorable Kerry Sanderson AC commenced as the Chancellor of the University on 1 January 2019, and was invested as ECU's fourth Chancellor by the Governor of Western Australia in April. Mrs Sanderson is the first woman to hold the role of ECU Chancellor.

In March Professor Steve Chapman CBE was reappointed as Vice-Chancellor until 2025.

In May Council approved the establishment of a subsidiary company ("ECU Holdings Pty Ltd") to drive and support research commercialisation opportunities.

Governance matters

During 2019 key governance related matters considered by Council included:

- the revision of a number of key University rules, statutes and policies;
- the conferral of a number of honorary awards;
- financial and risk management decisions;
- approval of the 2018 Annual Report, Financial Statements and Key Performance Indicator report;
- remuneration of members of Council and Council committees; and
- the appointment of a consultant to undertake an external evaluation of Council (in accordance with the Corporate Governance Statement).

Council received presentations on progress against strategic objectives and developments throughout 2019, including:

- performance reports relating to the strategic goals and objectives;
- school initiatives and developments;
- results from the national Student Experience Survey;
- sector issues and trends;
- educational partnerships; and
- the Student Guild.

Council meetings

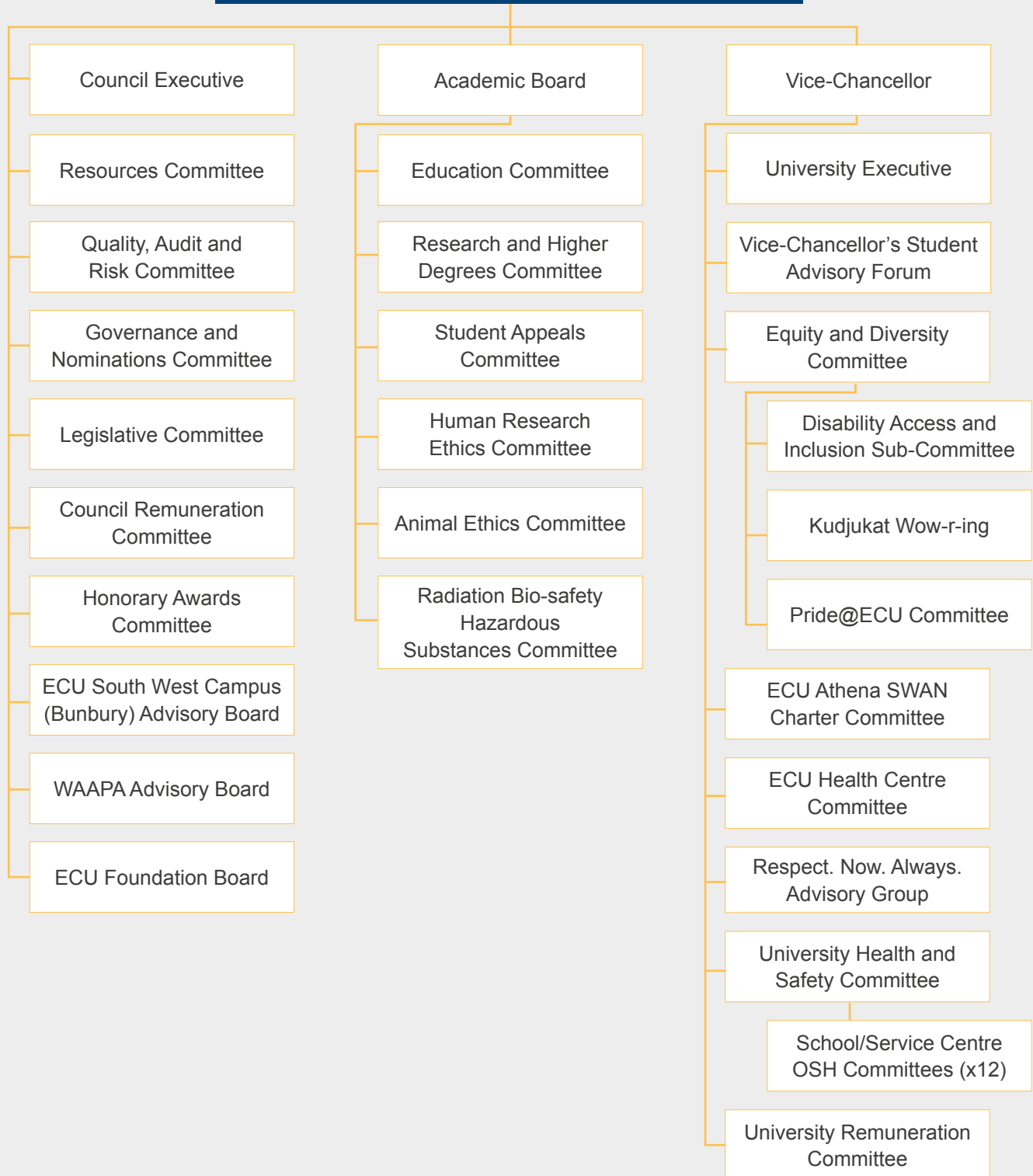
Council met on six occasions in 2019, including one meeting held at the South West (Bunbury) Campus.

Council retreat

In June 2019 members and accredited observers of Council met for a two-day retreat. The focus of the retreat was a review of the University's progress against the objectives set in the Strategic Plan and to reflect on the governance role of Council. In particular, Council considered whether findings from the recent Banking Royal Commission had relevance to the governance of universities on matters of culture and emerging risks.

Council members met with stakeholders from education, industry, business, regional development and local government at a reception held at the South West Campus. Council members also took the opportunity to participate in a cultural walking tour with Mr Troy Bennell of Ngalang Wongi Aboriginal Cultural Tours, on the Koombana Bay foreshore. This offered Council members insights into the cultural significance of the Bunbury estuary for the local Noongar people.

Edith Cowan University Council



Key Committees of Council

Committees of Council assist Council in fulfilling its governance responsibilities by allowing matters to be appropriately examined by subject experts prior to being brought to Council for resolution. The Council's committees are:

Academic Board

The Academic Board has the overarching responsibility for the academic functions and the academic governance of the University. The scope of the Academic Board ranges across all aspects of courses, student admission and enrolment and academic progress, teaching and learning and research, and services to students.

Resources Committee

The Resources Committee provides advice and recommendations to Council on the University's financial position, its assets and liabilities and its strategies relating to income, budget allocations and capital expenditure on information technology and physical infrastructure.

Quality Audit and Risk Committee

The Quality Audit and Risk Committee assists Council on the effective discharge of its fiduciary duties of governance and stewardship in respect of the University's performance monitoring, risk management, control and compliance, systems of internal control, continuous quality improvement, business continuity and regulatory compliance, including occupational safety and health.

Governance and Nominations Committee

The Governance and Nominations Committee assists Council in maintaining a model of governance at ECU which is guided by best practice and reflects Council's commitment to continuous improvement in university governance.

Legislative Committee

The Legislative Committee recommends to Council amendments to the *ECU Act 1984* and the adoption, amendment or repeal of University Statutes, Rules, By-Laws and Policies, necessary or advisable for the effective governance of the University.

ECU South West Campus (Bunbury) Advisory Board (SWCAB)

The SWCAB provides advice to the ECU Council and the Dean of the South West Campus on matters such as the skills needs of the South West Region, external relationships, community engagement, and promotion and development of the University. In addition, SWCAB members act as advocates for the University in their industry and community networks.

Advisory Board of the Western Australian Academy of Performing Arts (WAAPA Advisory Board)

The WAAPA Advisory Board provides strategic advice to Council in relation to the Academy.

Foundation Board

The Foundation Board advises Council on opportunities and strategies for fundraising activities aligned to the University's strategic priorities.



Council Members

Chancellor

The Hon Kerry Sanderson AC

BSc, BEc, HonDLitt, Hon DUniversity, FAICD

Deputy Chancellor

Ms Kelly Hick

Principal Consultant, KLH Consulting
LLB, DipAppSc, CertIVTrngAssmnt, GAICD

Vice-Chancellor

Professor Steve Chapman CBE

PhD, BScHons, HonDSc, FRSE, FRSC, CChem

Members appointed by the Governor

Mr Eddie Bartnik

Strategic Advisor, National Disability Insurance
Agency; Director, Tamar Consultancy Pty Ltd
BAHons, MPsyCh, MEdStud, GAICD

Mr John Cahill

Non-executive Director
BBus, PGradDipBus

Ms Denise Goldsworthy

Consultant, Alternate Futures
BMethHons, FAIM, FTSE, GAICD

Members co-opted by the Council

Ms Dorothy Collins

Principal, Collins Lawyers
BJuris, LLB, GAICD

Ms Janelle Marr

Managing Director, Step Beyond Strategy
BA, MBA, FAICD, FGIA

Mr Brian Piesse

Managing Director, C2C Holdings Pty Ltd
DipAgric, MDA, FAICD, FAIM

Mr Robert Radley

Managing Partner, Azure Consulting
BScHons, MScEng, MBA, GAICD

Chairperson of the Academic Board

Professor Mark McMahon

*BAHons, DipEd, GradCertCompInstrDesign,
MEd, PhD*

Academic staff - elected

Associate Professor Geoff Lummis

A/Director Edith Cowan Institute of Education
Research
DipTeach(Prim), BEd, BEd(Prim), MEd, PhD

Non-Academic staff - elected

Professor Margaret Jones

Director, Research Services
BScHons, PhD, GAICD

Enrolled Undergraduate Student

Mr Stewart Lee (to 10 Oct)

Enrolled in Bachelor of Engineering (Electrical
Powers) Honours

Ms Charlotte Fletcher (from 11 Oct)

Enrolled in Bachelor of Commerce (Accounting)

Enrolled Postgraduate Student

Mr Kuenley Dorji (to 10 Oct)

Enrolled in Master of Business Administration
International
PGradDipPAdmin, BSc

Mr Rahul Radhakrishnan (from 11 Oct)

Enrolled in Master of Engineering
BEng(Mech), DipMechConstruction

Alumni of the University - elected

Ms Natalie Dimmock

Lawyer, West Family Lawyers
BA, BPsych, LLB, GradDipMgt

Dr Susan King

Consultant, Susan King Consulting
TeachCert, BA, BEd, MEd, PhD, FAIMWA, GAICD

Council Meetings 2019

In 2019, Council met on six occasions. The following table identifies the basis of Council appointment under the *Edith Cowan University Act 1984* (WA) and the number of meetings attended by Council members.

Member	ECU Act	Description	Meetings attended	Possible attendance
Hon Mrs Kerry Sanderson AC	Section 9(1)(i)	The Chancellor	6	6
Ms Kelly Hick	Section 9(1)(h)	Members co-opted by the Council	6	6
Professor Steve Chapman CBE	Section 9(1)(c)	The Vice-Chancellor	6	6
Mr Eddie Bartnik	Section 9(1)(a)	Members appointed by the Governor	5	6
Mr John Cahill	Section 9(1)(a)	Members appointed by the Governor	4	6
Ms Denise Goldsworthy	Section 9(1)(a)	Members appointed by the Governor	6	6
Ms Dorothy Collins	Section 9(1)(h)	Members co-opted by the Council	3	6
Ms Janelle Marr	Section 9(1)(h)	Members co-opted by the Council	5	6
Mr Brian Piesse	Section 9(1)(h)	Members co-opted by the Council	6	6
Mr Robert Radley	Section 9(1)(h)	Members co-opted by the Council	5	6
Professor Mark McMahon	Section 9(1)(b)	The Chairperson of the Academic Board	6	6
Associate Professor Geoff Lummis	Section 9(1)(d)	Academic Staff elected	6	6
Professor Margaret Jones	Section 9(1)(e)	Non-Academic staff elected	6	6
Mr Stewart Lee (to 10 Oct)	Section 9(1)(f)(i)	Enrolled Undergraduate student elected	4	5
Ms Charlotte Fletcher (from 11 Oct)	Section 9(1)(f)(i)	Enrolled Postgraduate student elected	1	1
Mr Kuenley Dorji (to 10 Oct)	Section 9(1)(f)(ii)	Enrolled Postgraduate student elected	4	5
Mr Rahul Radhakrishnan (from 11 Oct)	Section 9(1)(f)(ii)	Enrolled Undergraduate student elected	1	1
Ms Natalie Dimmock	Section 9(1)(g)	Alumni of the University elected	6	6
Dr Susan King	Section 9(1)(g)	Alumni of the University elected	6	6

Senior Executive



Professor Steve Chapman
Vice-Chancellor



Professor Arshad Omari
*Senior Deputy
Vice-Chancellor*



Professor Caroline Finch AO
*Deputy Vice-Chancellor
(Research) and Vice President*



Professor Cobie Rudd
*Deputy Vice-Chancellor
(Strategic Partnerships)
and Vice President*



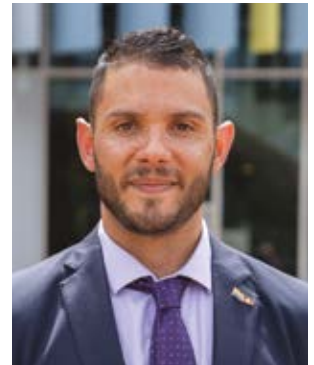
Professor Angela Hill
*Deputy Vice-Chancellor
(Education) and
Vice President*



Professor Simon Ridings
*Deputy Vice-Chancellor
(International) and
Vice President*



Mr Scott Henderson
*Vice President
(Corporate Services)*



Professor Braden Hill
*Pro-Vice-Chancellor,
Equity and Indigenous*



Professor Wei Wang
Pro-Vice-Chancellor (China)



Ms Sonia Mackay-Coghill
*Vice President Enterprise
and Development*



Professor Clive Barstow
*Executive Dean,
School of Arts and Humanities*



Professor Daryoush Habibi
*Executive Dean,
School of Engineering*



Professor Stephen Winn
*Executive Dean,
School of Education*



Professor Moira Sim
*Executive Dean,
School of Medical and Health
Sciences*



Professor Maryam Omari
*Executive Dean,
School of Business and Law*



Professor Di Twigg AM
*Executive Dean,
School of Nursing and
Midwifery*



**Professor Andrew
Woodward**
*Executive Dean,
School of Science*



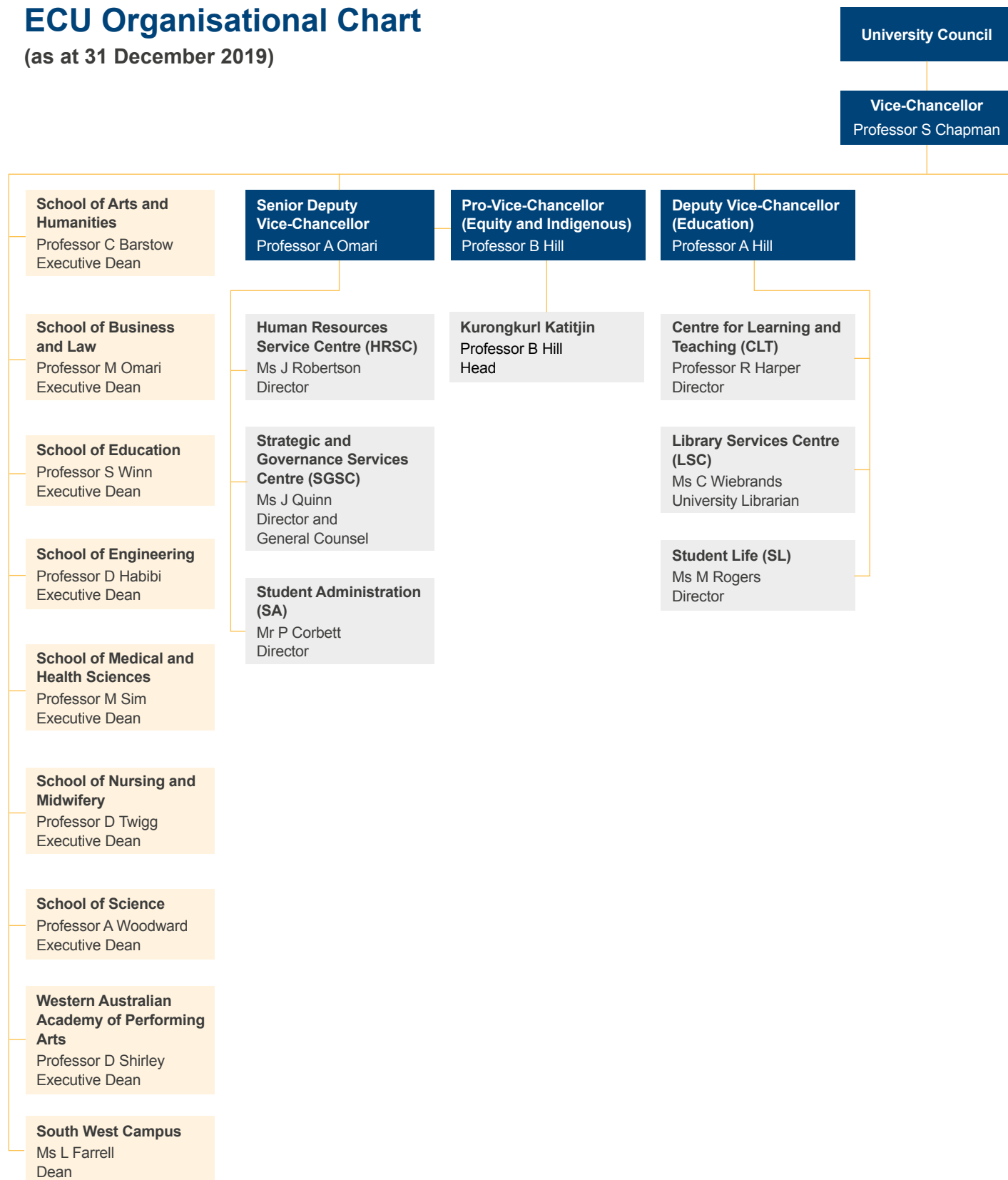
Professor David Shirley
*Executive Dean,
Western Australian Academy
of Performing Arts*

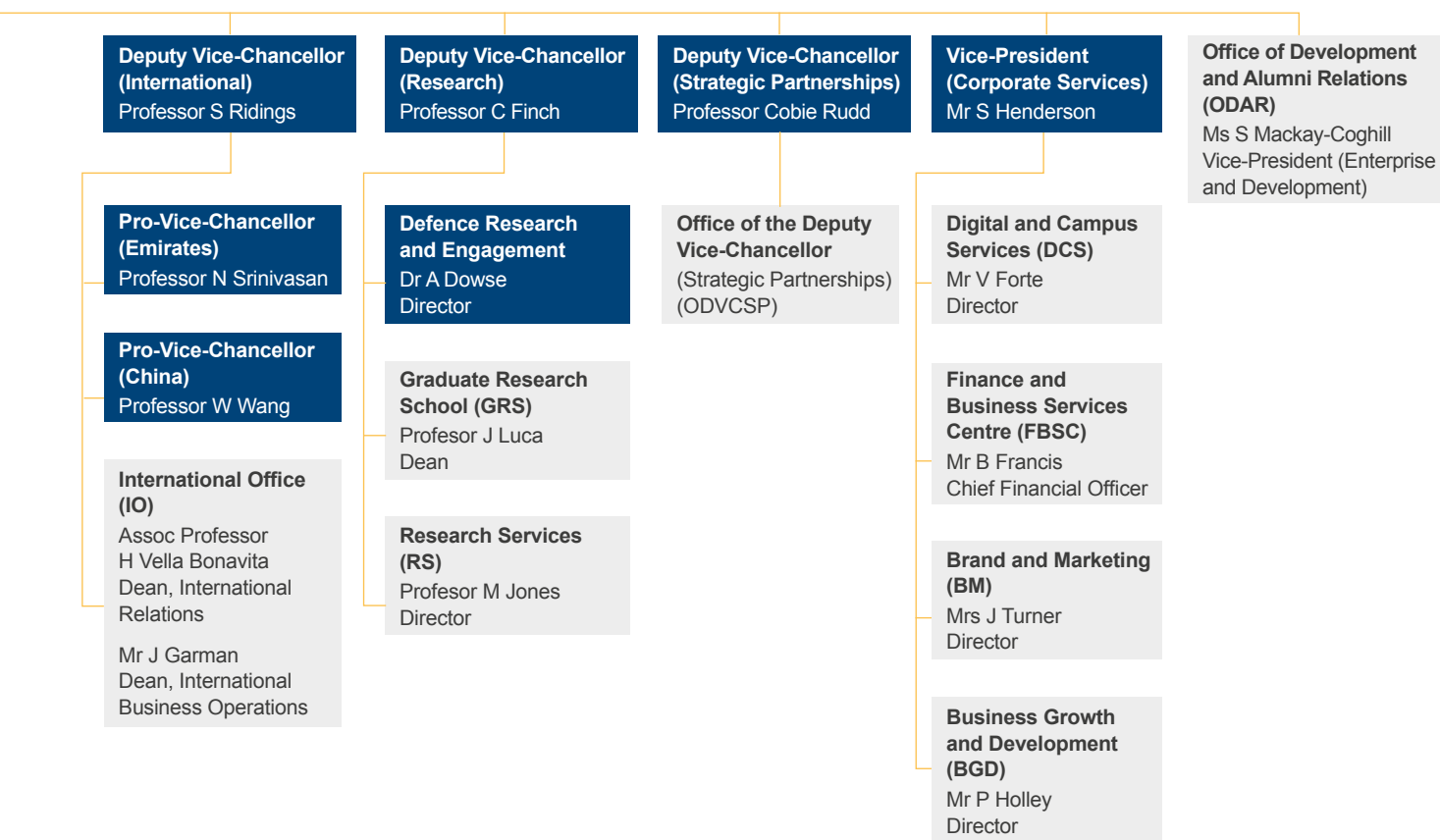


Ms Lyn Farrell
*Dean,
South West Campus*

ECU Organisational Chart

(as at 31 December 2019)





Schools

Arts and Humanities

The School of Arts and Humanities offers a diverse range of programs covering media and communications, contemporary arts, design, psychology and social sciences, criminology and justice and the humanities.

Business and Law

The School of Business and Law offers a comprehensive range of courses with major specialisations, as well as specialist industry-focused degrees. Disciplines include law, management, finance and banking, marketing and commerce, and all courses include relevant theory, practical work experience and employability skills.

Education

ECU has been at the forefront of teacher education for over 100 years and ECU's School of Education is the largest in Western Australia. Course programs are available in early childhood, primary and secondary education specialisations.

Engineering

ECU's School of Engineering is one of the fastest growing engineering schools in Australia, with courses in the specialisations of civil engineering, chemical engineering, mechanical engineering, electrical power, mechatronics, control and automation, electronics, communications, computer systems, naval architecture, marine engineering, offshore engineering, and motorsports.

Medical and Health Sciences

The School of Medical and Health Sciences undertakes teaching and research in medical, biomedical, exercise and sports science and paramedical science, with courses in medical science, human biology, emergency medical services, public health, nutrition, environmental health, occupational safety and health, exercise and sports science and occupational therapy.

Nursing and Midwifery

The School of Nursing and Midwifery runs the largest undergraduate nursing program in Western Australia. A diverse mix of course specialisations is offered, developed in consultation with industry groups and combining the latest theory with hands-on, practical experience.

Science

The School of Science offers a diverse range of industry-relevant courses with a strong emphasis on practical skills in the laboratory and field. Courses are offered in the disciplines of computing, information science, security science, biology, environmental science, chemistry, mathematics and physics.

Western Australian Academy of Performing Arts (WAAPA)

Recognised nationally and internationally for the quality of its graduates, WAAPA provides the most comprehensive range of performing arts training in Australia. Employing world-class staff, WAAPA enjoys state-of-the-art performance and teaching facilities.

South West Campus

Located in Bunbury, the South West Campus is Western Australia's largest regional university campus. Courses are offered in arts, business, nursing, engineering, teacher education and social work.

Kurongkurl Katitjin

Kurongkurl Katitjin is ECU's Centre for Indigenous Australian Education and Research. The Centre plays a vital role in assisting ECU to meet its commitments to Aboriginal and/ or Torres Strait Islander students, staff and communities, supporting University-wide activities and programs, as well as activities specific to Aboriginal and/or Torres Strait Islander people and their cultures.



Professional services

ECU's organisational structure includes a range of professional services that guide and support Council, the University Executive, schools, research centres, academics, students and the communities ECU serve. The professional services centres are:

- Brand and Marketing
- Business Growth and Development
- Centre for Learning and Teaching
- Development and Alumni Relations
- Digital and Campus Services
- Finance and Business Services
- Graduate Research School
- Human Resources Services
- International Office
- Library Services
- Research Services
- Strategic Governance Services
- Student Administration
- Student Life

Controlled entities

Edith Cowan Accommodation Holdings Pty Ltd

Provides residential and/or commercial accommodation and related ancillary activities that assist in establishing an affordable and supportive living environment for ECU students residing on campus.

ECU Holdings Pty Ltd

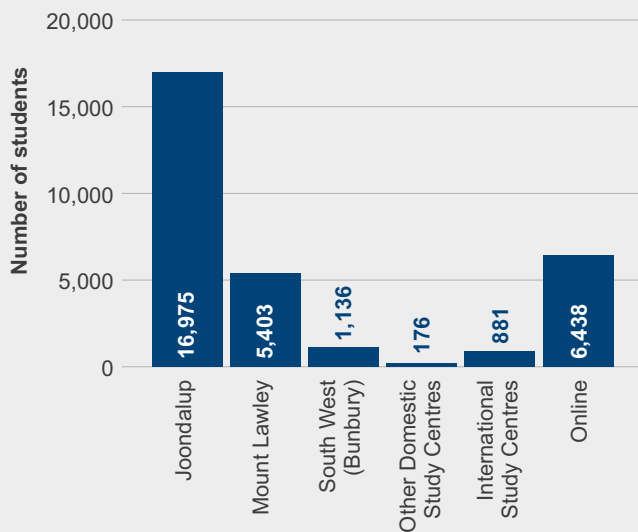
An entity established to focus on the commercial activities at ECU. Its purpose is primarily to generate revenue to be re-invested in ECU academic activities.

Australian Pathway Education Group Pty Ltd

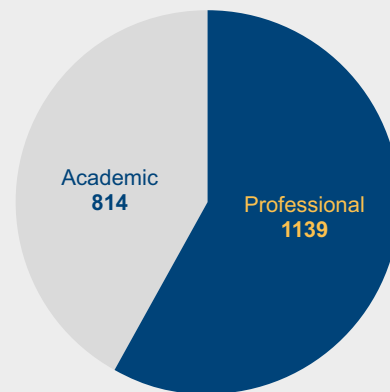
An Australian Registered Training Organisation focused on the delivery of Australian standard Vocational Education and Training programs to high school students in China.

Key statistics

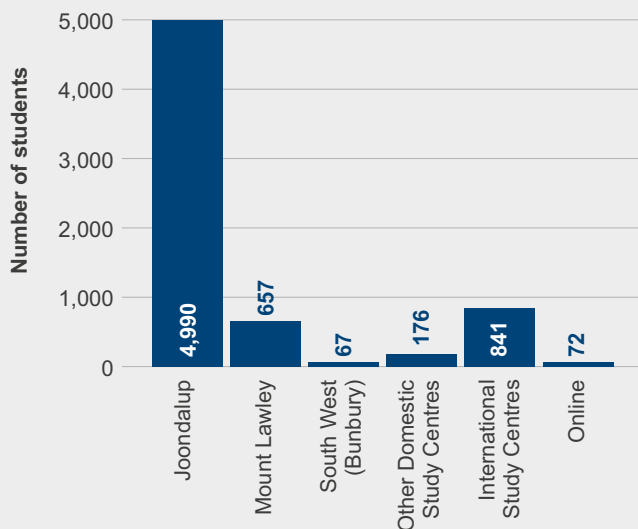
Student Enrolments by Home Campus



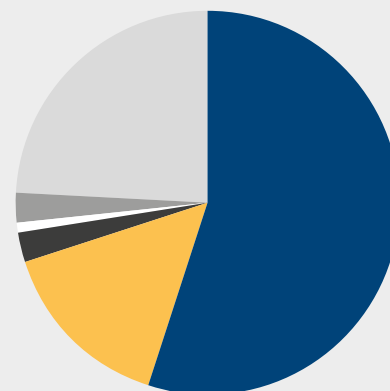
Number of Staff



International Enrolments by Home Campus

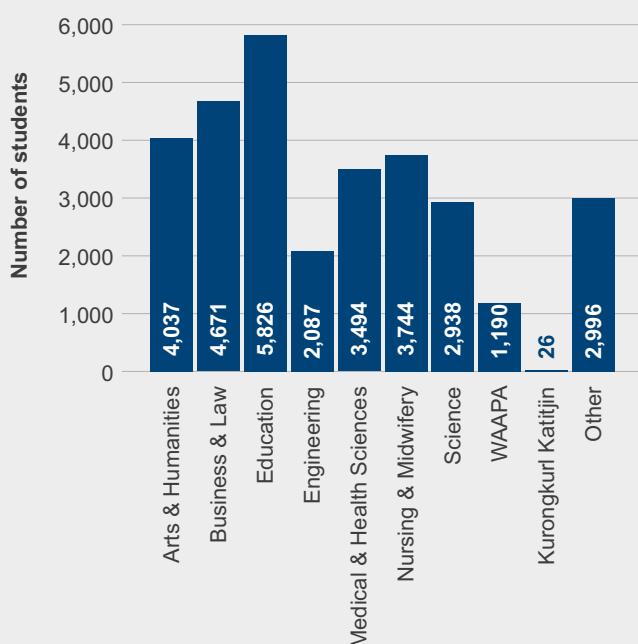


Student Load (EFTSL) by Home Campus



- Joondalup
- Mount Lawley
- South West (Bunbury)
- Other Domestic Study Centres
- International Study Centres
- Online

Student Enrolments by Enrolled School



Report on operations

Enhancing learning and teaching

The *ECU Strategic Plan 2017-2021* identifies the following objectives relevant to learning and teaching:

- Teaching that inspires;
- Transformative learning experiences;
- A globally relevant and innovative curriculum;
- Improved learning outcomes and career readiness.

ECU's strategies to ensure quality in teaching and learning are driven from the *ECU Student Success Blueprint, 2018-2021*. The Blueprint provides a four-year vision of a co-ordinated whole-of-institution approach that connects with and supports ECU's strategic goals and objectives. Further, the *ECU Technology Enhanced-Learning Blueprint 2017-2021* provides a whole of institution framework to guide the University's investment in online learning and learning technologies.

2019 Highlights

In April 2019 TEQSA renewed ECU's registration as an Australian university, without conditions, for a period of seven years, until April 2026.

In 2019 the University introduced an Academic Integrity Policy Suite and amended its General Misconduct (students) Rules. Changes were effected to improve clarity and strengthen deterrence, management and investigation of misconduct. Admissions Policies and Academic Enrolment and Academic Progress Rules were also revised. These amendments were undertaken to reflect organisational changes and ensure that ECU policies and rules continue to reflect best practice in the Higher Education sector.

Teaching that inspires

ECU continues to be recognised for its teaching excellence, attaining a five-star rating in the 2020 Good Universities Guide for teaching quality. This rating has now been achieved for thirteen years in a row.

In 2019 ECU's commitment to teaching excellence was recognised through the Australian Awards for University Teaching with two program awards and two citations.

ECU's sector leadership in academic integrity initiatives was showcased at the Council of Australasian Learning Leaders Conference in Melbourne.

Professional development for academic staff was enhanced, with a range of new course opportunities introduced.

Further, in 2019 ECU undertook a comprehensive reform of course review processes.

Transformative learning experiences

ECU continues to explore and introduce personalised ways of learning using contemporary course design and technology. Initiatives in 2019 included:

- Expanding the use of *Cadmus* (a third-party provider of an innovative assessment integrity platform).
- The deployment of *Panopto* as a video capture and management solution. The system was introduced in Semester 1 2019, enabling high quality video recording and storage, essential to the digital learning environment.

A range of initiatives were introduced to assist commencing students transition successfully into university life and to improve retention. These include:

- Strategies for academic preparedness and early engagement.
- New dedicated Academic Skills Centres at the Joondalup, Mount Lawley and Bunbury Campuses.
- Expanded use of Peer Assisted Study Sessions.
- New student leadership roles within the Peer Mentoring program.
- Increased health and wellbeing support for international students.
- Oral examination preparation workshops for higher degree by research students.

In 2019 ECU commenced a partnership to develop postgraduate coursework programs in Cybersecurity and Education with a third-party provider. Keypath Australia provides marketing, recruitment, retention and online learning design services for these accelerated learning programs. ECU staff oversee all aspects of admission, course content, delivery and assessment. Enrolments have exceeded expectations, and retention and success rates are high.

ECU was the first Western Australian University to undertake the *Children's University (CU)* program, in order to engage school children in learning and raise aspirations for higher education. Commencing in 2017, CU-ECU has over 700 members and has welcomed nearly 400 school students at graduation events.

A globally relevant and innovative curriculum

Student Mobility initiatives are described under Strategic Goal 3: Growing internationalisation.

ECU is increasing the emphasis on graduate readiness for careers and further study through industry/career and volunteering events, micro-credentialing and establishing industry links with peer mentors.

Improved learning outcomes and career readiness

The University is committed to providing Work Integrated Learning (WIL) opportunities to all its students and ECU has established a Work Integrated Learning Community focused on fostering good practice in design, delivery and assessment and evaluation of WIL.

Opportunities for internships and volunteering continued to expand in 2019, with ECU offering diverse programs and opportunities including the Disney Cultural Exchange Program and ECU's service-learning sustainability challenge in Cambodia, run in partnership with *Challenges Abroad*.

ECU continued to develop its career events, incorporating virtual networks such as *LinkedIn* into career fairs, employer information sessions, and workshops and networking sessions.

ECU continues to be recognised for its teaching excellence, attaining a five-star rating in the 2020 Good Universities Guide for teaching quality for the thirteenth year in a row.

Advancing research and knowledge translation

The *ECU Strategic Plan 2017-2021* identifies the following objectives relevant to research:

- Growth in research capacity and culture;
- Extensive research collaboration;
- Increased knowledge translation;
- Growth in research training.

2019 Highlights

In 2019 ECU established four new Research Themes, as a result of its 2018 review of the University's research strategy and operational support. The Research Themes are:

- Health
- Society and Culture
- Natural and Built Environments
- Securing Digital Futures.

The release of the 2018 ERA (Excellence in Research for Australia) assessment in 2019 provides evidence of the quality of research being undertaken across the University. ECU received ratings of 5 ("well above world standard": the highest rating) for the first time at the two-digit Field of Research (FoR) level in Chemical Sciences and Environmental Sciences. In addition, ratings of 4 ("above world standard") were achieved in a further four disciplines.

ECU's research was also rated "high" for its impact in the 2018 (E&I) Engagement and Impact, particularly in performance arts, cyber security, nursing and education.

Growth in research capacity and culture

ECU's Vice-Chancellor's Professorial Research Fellow recruitment activity continued in 2019 with the appointment of outstanding and world class professors whose research work aligns with ECU's Research Themes. These professors will mentor future research leaders and will contribute to the continual improvement of ECU's national and international rankings. A Research Professoriate group was also established, to provide a co-ordinated approach to research leadership and to improve research culture across the University.

ECU also recruited twelve world class Vice-Chancellor Research and Teaching Fellows at Academic Level B and C. It is expected that these early career researchers will make a significant contribution to the growth and sustainability of the University's research in 2020 and beyond.

ECU continued to expand its post graduate supervisory capacity through its Principal Supervisor Accreditation Program. In 2019, this program resulted in an additional seventeen Academics being endorsed as Principal Supervisors.

In 2019 ECU senior researchers were recognised for their outstanding contributions throughout the world. Highlights included:

- Professor Wei Wang was awarded the prestigious Fok Ying-Tung Prize (World Outstanding Chinese Doctor Award) by the World Chinese Doctors Association, in recognition of more than 30 years as a pioneering doctor and health researcher.
- Professor Hongqi Sun, Vice-Chancellor's Professorial Research Fellow in the School of Engineering, was announced as one of 2019's most highly cited researchers by the Web of Science Group in the cross-field category.
- Professor Rob Newton, School of Medical and Health Sciences and the Exercise Medicine Research Institute (EMRI), was named 2019 joint WA Scientist of the Year for his impactful research demonstrating the benefits of exercise for cancer patients.



Extensive research collaboration

In 2019 ECU funded two international visiting Professorial Fellowships, bringing world leading researchers in computing, nursing and engineering to ECU to collaborate, mentor early career researchers, and to deliver academic and public lectures. In so doing, ECU's researchers benefited from the extension of their international research networks in Finland, China and the USA.

ECU continued to be an active member of key national and WA-based research consortia, linking researchers to industry groups. Two new significant partnerships were funded through ARC and industry-linked Centres for Research Excellence.

ECU was successful in winning a highly competitive China Scholarship Council cohort scholarship bid which will bring 48 additional PhD candidates to ECU over three years. A collaborative agreement was also secured with Shantou University Medical College with a potential further twenty PhD candidates undertaking research training at ECU.

ECU PhD candidates actively participated in the ECU-developed and ECU-led iPREP program. This program allows students to engage with industry and encourages future, ongoing research collaborations.

As one of only eleven International Research Centres chosen by the International Olympic Committee, ECU is also collaborating globally to provide insights and knowledge into the prevention and treatment of sports injuries.

Increased knowledge translation

In 2019 eleven Industry Engagement projects with both new and established business partners commenced, contributing to research collaborations across Australia on a broad series of topics including Huntington's disease, Tourism in the Swan Valley, smart home technology to assist older Australians, and peer mentoring approaches to violence prevention among African-Australian youth.

In 2019 ECU's higher degrees by research candidates undertook internships, placements, and industry defined research projects, and were provided with industry engagement scholarships and training support to develop career and professional skills that will facilitate successful transition to employment.

Professor Rob Newton was named 2019 joint WA Scientist of the Year for his impactful research demonstrating the benefits of exercise for cancer patients.

Growing internationalisation

The *ECU Strategic Plan 2017-2021* identifies the following objectives for growing internationalisation:

- Growth in international enrolments;
- Strong partnerships and international relations;
- Global education delivery;
- An internationalised student experience.

2019 Highlights

In 2019 all performance targets under the *Strategic Goal 3: Growing Internationalisation* were exceeded or tracking ahead of schedule. Despite the geographical and domestic policy challenges faced by Western Australian universities, growth and risk were managed successfully to strengthen ECU's competitive position within the sector. As a result, income from international student fees exceeded target and budget forecast.

This year Perth hosted the 33rd Australian International Education Conference (AIEC), inviting agents and stakeholders from all parts of the international education industry. The conference provided an opportunity to highlight ECU's new prominence as a destination for international students wishing to study in Western Australia.

Growth in international enrolments

Onshore international student enrolments continued to grow in 2019 and ECU welcomed its largest ever commencing cohort of international students. Strategies that have driven this growth include:

- innovative 'whole-of-university' recruitment events;
- a strategically targeted international scholarship program;
- continuing diversification of source country markets;

- well-developed quality and risk frameworks;
- enhanced agent performance management strategies; and
- the use of market-leading services providers in lead nurturing and applicant conversion.

ECU's international students study at all three campuses, as well as in Melbourne and Sydney, through ECU's partnership with the Victorian Institute of Technology.

Strong partnerships and international relations

In 2019 ECU has partnerships with more than 100 universities and highly respected educational institutions in some 30 countries. These relationships support student and staff mobility, transnational education programs, articulation pathways and collaborative research. Partnership highlights included:

- Renewing the China Scholarship Council (CSC) Memorandum of Understanding for a further three years.
- Signing of a further five-year contract with Tokyo City University, delivering the largest study abroad program of its kind in Australia. More than 800 Japanese students have studied at ECU under this program since 2015.
- Renewing of Memorandum of Understanding with a number of prestigious Chinese universities, including Zhejiang Normal University.
- Initiating a partnership with Shantou University Medical College to allow suitably qualified PhD students to study at ECU, with additional research support funding.
- Joining the Asia-Oceania alliance. This alliance will link ECU with universities in Malaysia, the Philippines, Thailand and Japan to facilitate postgraduate research, student mobility and research collaboration.

Global education delivery

ECU's partnerships provided opportunities for overseas students to participate in ECU programs in China (Zhejiang Normal University), Vietnam (Ho Chi Minh City Open University), Singapore (PSB Academy), Dubai (Emirates Centre of Aviation and Security Studies), and Sri Lanka (Australian College of Business and Technology). ECU also partnered with the College of Allied Educators in Singapore to deliver the Master of Education specialising in Special Education.

In 2019 ECU recorded growth in offshore student enrolments as a result of increased offerings in Sri Lanka, Vietnam and Singapore. The growth in new programs is underpinned by a strong governance framework.

In 2019 ECU continued to progress its offshore campus in Sri Lanka, with an expanded course profile, following approval from the State Minister for Education and Training in 2018.

In 2019 ECU has partnerships with more than 100 universities and highly respected educational institutions in some 30 countries.

An Internationalised student experience

ECU offered all students increasing opportunities for learning abroad, including study tours, clinical placements, practicums, student exchange, and study abroad, international work integrated learning, internships and international research opportunities.

In 2019 540 ECU students participated in over 40 short-term school led programs at destinations including: Bhutan, Cambodia, Canada, China, Czech Republic, France, India, Indonesia, Japan, Malawi, Mongolia, Nepal, Philippines, Singapore, South Africa, Sri Lanka, Tanzania, Thailand, United Kingdom, USA and Vietnam.

ECU's successful Tokyo City University mobility program was extended in 2019, making this tailored study abroad model available through new partner universities in China.

As part of ECU's focus on study abroad source markets and student diversity, in 2019 there was also a significant increase in student enrolments from European countries.

ECU received more than \$975,000 in Commonwealth funding for study abroad activities in 2019.

This included 22 projects funded under the New Colombo Plan and a further seven projects under the Endeavour Leadership Program.



China Scholarship Council (CSC) Delegation with ECU at the Consul General of China's residence

Ensuring organisational sustainability

The *ECU Strategic Plan 2017-2021* identifies the following objectives relevant to organisational sustainability:

- High-performance culture;
- Service excellence;
- Infrastructure that supports our goals;
- A strong financial base.

2019 Highlights

During 2019 ECU made a number of senior appointments, many due to the retirement of respected senior academics and professional staff. Key appointments in 2019 included:

- Deputy Vice-Chancellor (Education), Professor Angela Hill (previously Pro-Vice-Chancellor (Education));
- Pro-Vice-Chancellor (Equity and Indigenous), Professor Braden Hill;
- Executive Dean, WAAPA, Professor David Shirley;
- Executive Dean, School of Education, Professor Stephen Winn;
- Ms Michelle Rogers, Director, Student Life; and
- Mr Phil Holley, Director, Business Growth and Development.

High performance culture

In 2019 Vice-Chancellor Professor Steve Chapman accepted a further five-year contract at ECU, commencing in 2020.

ECU introduced a new online Enterprise Risk Management and Health and Safety solution in 2019. *Riskware* provides an efficient and effective way for staff and students to identify and manage risks, hazards and incidents at the University.

ECU achieved Gold status as a Mental Health First Aid Skilled Workplace, with more than 15% of the ECU workforce now trained.

ECU again received the WGEA Citation as an *Employer of Choice for Gender Equality* – the third year in succession. ECU is one of two of the State's universities, and one of only three organisations in Western Australia as a whole, with a current citation.

ECU achieved Athena SWAN Bronze Institutional Accreditation in 2018 and in 2019 the University was ranked 6th in the world for Gender Equality in the inaugural *Times Higher Education (THE)* University Impact Rankings. This recognition reflects the commitment made, through the ongoing Athena SWAN accreditation process, to create a gender inclusive workplace and to encourage women to enter and succeed in academia and university study.

Achievements against ECU's fourth *Reconciliation Action Plan (RAP) 2018-2021* in 2019 included:

- The appointment of Associate Professor Clint Bracknell as a Vice-Chancellor's, Teaching and Research Fellow.
- The inclusion of a priority research area *Aboriginal and Torres Strait Islander Society and Culture* under one of the four new Research Themes.

ECU is committed to inclusiveness through support to the lesbian, gay, bisexual, transgender, and intersex (LGBTI) community. ECU has an ALLY network of staff who advocate for better understanding of LGBTI people and the challenges they face. In 2019 ECU:

- Established a LGBTI Committee to support sexuality and gender diverse staff and students and to ensure inclusivity and active engagement with members of the LGBTI community.
- Introduced gender-neutral, single-use bathroom facilities at all three campuses in Western Australia.
- For the first time, participated in the Perth Pride parade.

ECU continues to implement its *Disability Access and Inclusion Plan, 2016-2021*. Progress against this plan is noted in the legal and compliance section of this Annual Report.

Service excellence

In 2019 a number of initiatives to provide more efficient and effective student-centred services were implemented under the Service Excellence Program. The Service Excellence Program uses a contemporary customer relationship management system to help deliver the student support objectives of the *Student Success Blueprint* through process improvement.

Infrastructure that supports our goals

Work was completed on the \$48 million Science building at the ECU Joondalup Campus. The new building includes 2500 sqm of laboratory space over two floors and will be operational from Semester 1 2020. The building's façade is the world's largest fixed Periodic Table, in recognition of the centenary of the Periodic Table in 2019.

The new Science building will also house several cybersecurity partners and include a cyber-science collaboration space.

Refurbishments have been undertaken at the Joondalup Campus to create a Security Operations Centre for security operations training, and at the Mount Lawley Campus to renovate the Enright Theatre.

In March 2019 the Commonwealth Government announced a \$10.4 million contribution to the proposed Yanchep Health Centre and the Western Australian Government has committed \$8.1 million towards the project. The Yanchep Health Centre will be based on the model established by the Wanneroo Health Centre, where ECU students and academics are provided with clinical training and research opportunities integrated across the range of primary healthcare services.

In mid-2018 ECU introduced a ban on single use still water plastic bottles at its events, and vendors across all campuses have supported this by restricting their sale, and by offering glass and reusable bottles instead. In 2019, 26 filtered water refill stations and water fountains were installed at the Joondalup, Mount Lawley and South West Campuses. These stations provide free filtered drinking water to students, staff and campus visitors.

Diversion from waste, energy and water consumption continued to be monitored to ensure that ECU is meeting its commitments to environmental sustainability.

A strong financial base

ECU has continued to operate from a strong financial base despite restricted Commonwealth funding and limited domestic student demand. 2019 saw a growth in total student load, principally through international student enrolments. Revenues to the ECU Foundation were used to support research and research training.

In 2019 the University established ECU Holdings, for the management and oversight of the University's commercial activities, with the aim of further diversification of revenue sources and additional funds for reinvestment in academic activities.

The University achieved an underlying operating surplus of \$22.1 million which represents an operating margin of 4.7% and therefore above the target of 4%. The operating surplus after non-operating items (which include fair value adjustments for investments under AASB 9) was \$35.4 million

2019 saw a growth in total student load, principally through international student enrolments.



Significant issues and trends

For 2018 and 2019, Commonwealth funding for domestic students in bachelor courses was constrained to the 2017 maximum funding allocation. Combined with weak domestic student demand, this has continued to present significant funding challenges in 2019. The introduction of performance-based funding from 2020 will provide only very limited growth in Commonwealth revenue.

ECU continues to seek opportunities to grow and diversify its revenue streams to limit the impact and risk of government funding constraints.

The recruitment of international students continued to represent a significant challenge to all universities. These challenges include:

- Limited student demand for study in Western Australia, compared to Victoria and New South Wales.
- Increasing domestic and international competition from other providers in Australia and overseas.
- State and Federal policy settings.
- Amendments to legislation such as the *Education Services for Overseas Students (ESOS) Regulations 2019 (Cth)*.

Despite these challenges, in 2019 ECU welcomed its largest ever commencing cohort of international students. This has been achieved by managing risks associated with the source country market concentration, by diversifying recruitment patterns, and retaining a focus on student diversity, quality and retention.

Government funding on research has declined in recent years, increasing the competition for research grants. The recent Review of Higher Education Provider Category Standards reaffirmed research as a defining feature of universities. Industry funding for research may emerge as key to the status of providers as universities, and a driver of improved research capacity for Australian universities.

ECU has continued to extend its research base and the quality of research through strategies such as the Vice-Chancellor's Professorial Fellow recruitment scheme. Evidence of improving research quality was provided with the release of the 2018 Excellence in Research for Australia ratings in 2019, and the naming of an ECU staff member on the 2019 Highly Cited Researchers list.

Overall, despite difficult economic conditions and funding constraints, ECU continues to operate from a strong financial base and has continued to demonstrate excellence in teaching and research.

Disclosures and legal compliance

Occupational Safety, Health and Injury Management

Refer: 2018-03 Code of Practice: Occupational Safety and Health in the WA Public Sector

Commitment

ECU is committed to protecting the health, safety and welfare of our staff, students, visitors and service providers.

As detailed in the *ECU Work Health and Safety Policy*, Council Members and the University Executive are responsible for exercising due diligence and ensuring ECU complies with all health and safety statutory requirements. Executive Deans and Directors undertake annual due diligence reviews of their business unit's health and safety performance using local performance indicators, improvement plans, hazard risk registers and other initiatives.

ECU's health and safety performance indicators and metrics are monitored and reported quarterly to the Quality, Audit and Risk Committee and Council.

All ECU staff are required to complete online health and safety inductions every two years, with additional health and safety leadership training for managers and supervisors every three years.

Mechanism for consultation

In accordance with the *Occupational Safety and Health Act 1984*, ECU's health and safety committees facilitate consultation, communication and the implementation of health and safety policy aims and objectives. There are two levels: the University Health and Safety Committee, which reports to the Vice-Chancellor via the University Executive, and local health and safety committees. These committees hold quarterly meetings, and members liaise and consult directly with those they represent. More details are provided in our *University Health and Safety Consultative Committees Procedure*.

ECU's Radiation, Biosafety and Hazardous Substances Committee reports to the Academic Board, and monitors our systems of radiation safety, biosafety, and chemicals and other hazardous materials safety to ensure compliance with the *Occupational Safety and Health Act 1984*; *Radiation Safety Act 1975*; *Biosecurity Act 2015* (Cth), *Gene Technology Act 2000* (Cth) and other relevant statutory requirements.



Injury management requirements

The University's *Fitness for Work Guideline and Injury and Illness Management Procedure* explain processes for workers' compensation and injury management. The policy was developed in accordance with the *Workers' Compensation and Injury Management Act 1981*, and is published on our website.

Assessment

An audit of ECU's occupational safety and health management system against the international standard *OHSAS 18001 - Occupational Health and Safety Standard* was completed by an external consultant in 2017. Two of the three actions have been completed. The remaining item relates to the update of the WHS Policy which has undergone a review and extensive stakeholder consultation in 2019. Audits are conducted every three years.

Injury management target performance

Indicator	2017 ¹	2018	2019 ²	Target
Fatalities	0	0	0	0
Lost time incidence rate	0.48	0.36	0.56	0, or 10% reduction
Lost time severity rate	11.11	0.00	0.00	0, or 10% reduction
Returned to work within:				
• 13 weeks	78%	100%	100%	At least 80% within 26 weeks
• 26 weeks	78%	100%	100%	
Managers trained	81%	87%	89%	At least 80%

¹ Lost time injury/disease incidence 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 work duties within 60 days, divided by the total lost time injury claims, multiplied by 100.

² The 2017 figure for Lost time severity rate has been amended to include 1 severe lost time injury where the injury became classified as severe in 2019.

³ In 2019 Health and Safety refresher training was introduced for existing managers.

Staffing

Employees		
Category	2019	2018
Academic	814	800
Teaching and research	369	375
Research-only	99	86
Teaching-focused	345	334
Other	1	6
Professional	1,139	1,167
TOTAL	1,953	1,967

Source: ECU.

Notes:

Full-time equivalent numbers shown. An estimate of casual staff is included in calculations.

Due to rounding, numbers may not sum to totals.

2018 figures have been updated to reflect a reallocation of staff as per Higher Education Standards.

The University has an extensive suite of staffing policies including recruitment and development.

Major capital works

Refer: *Treasurer's Instruction 903, (13)(ii)*

Completed

Project	Cost (\$m)	
	Estimate	Actual
Reassignment and refurbishment of teaching and demonstration wards in the School of Nursing and Midwifery at Joondalup and South West campuses	3.4	4.0
School of Engineering Annexe, Building 27 at the Joondalup Campus <i>Addition of smart lab technology; gantry crane; extra offices, furniture and power outlets; support for proposed CT scanner.</i>	11.2	11.3
New building to be shared by the School of Science, School of Medical and Health Sciences, and School of Nursing and Midwifery at the Joondalup Campus	48.0	40.8
Refurbishment of Level 3, Ngoolark, for the Service Excellence Program at the Joondalup Campus	1.2	1.0
Refurbishment of Enright Studio in the Mount Lawley Campus	1.0	0.9
Conversion of Building 18 Level 1 into a Cyber Security Operations Centre in the the Joondalup Campus	1.9	0.9

In progress

Project	Expected completion	Cost (\$m)	
		Estimate	To date
Refurbishment of Edith Cowan House at the Joondalup Campus	2020	0.5	0.3
Refurbishment of General Teaching Spaces at the Mount Lawley Campus <i>This project is on hold.</i>	2020	1.0	0.4
Refurbishment of the WAAPA Spatial Music Studio at the Mount Lawley Campus <i>This project is on hold.</i>	2020	0.7	0.1
Fit-out of Level 3 at ECU Health Centre in Wanneroo	2020	1.5	0.5
New Quadrangle Electronic Signage at the Joondalup Campus	2020	0.8	0.0
New Work Integrated Learning Space in Building 2 at the Joondalup Campus	2020	0.9	0.1
New Western Australian Academy of Performing Arts (WAAPA) building at the Mount Lawley Campus <i>This project is on hold.</i>	2021	20.0	0.1
New ECU Health Centre in Yanchep	2022	2.0	0.0



Directors' and officers' liability insurance

In 2019 ECU paid a premium \$135,000 for Management Liability Cover. This includes Directors and Officer Liability insurance cover for 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.

Pricing policy on outputs provided

ECU's pricing policies are set out in *Statute 31 – Fees*, *Statute 29 – Student Services and Amenities Fee*, the *Tuition Unit and Incidental Fee Setting Policy*, and the *Pricing Policy*. Student course and unit fees are published in our online Fees Calculator, and student incidental fees (e.g. personal safety equipment, field trips) are published on the ECU website.

Advertising and marketing activities

Refer: *Electoral Act 1907*, 175ZE

Type	Total
Advertising agencies	\$1,568,684
303 MullenLowe	
Rare	
Market research organisations	\$70,000
Polling organisations	Nil
Direct mail organisations	Nil
Media advertising organisations	\$3,780,790
Carat Australia	
Facebook	
Google Australia	
IPG Mediabrands	
TOTAL	\$5,419,474

Disability Access and Inclusion Plan (DAIP) outcomes

In 2019 the following progress was made against the *ECU Disability Access and Inclusion Plan, 2016-2021*:

Outcome One: People with disability have the same opportunities as other people to access the services of, and any events organised by, the University.	Information on Equity, Diversity and Disability is included in all recruitment publications, orientation events and course and unit outlines. The University continues to develop technology enhanced learning technologies with inbuilt accessibility features.
Outcome Two: People with disability have the same opportunities as other people to access buildings and other facilities of the University.	The new ECU Science building to open in 2020 has been designed and built in accordance with the <i>Disability Discrimination Act (1992)</i> Refurbishments have been undertaken in accordance with Section 12 – <i>Design for Universal Access in the ECU planning and design guidelines</i> .
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.	Academic and professional staff are encouraged to attend professional development workshops in creating accessible documents. ECU's Student Equity, Diversity and Disability Service provides support for students to ensure materials required to successfully complete studies at ECU is provided in the relevant accessible format.
Outcome Four: People with disability receive the same level of quality service from the staff of the University as other people receive from the staff of the University.	ECU has achieved Gold status as a Mental Health Skilled Workforce. On boarding and induction processes include content to allow for reasonable adjustment for individuals with disabilities.
Outcome Five: People with disability have the same opportunities as other people to make complaints to the University.	Complaints processes meet web accessibility requirements.
Outcome Six: People with disability have the same opportunities as other people to participate in any public consultation by the University.	The Disability Access and Inclusion Plan 2016-2021 includes information on how to provide feedback ECU's survey software has a 'check' accessibility function, which assists in maximising online accessibility for online questionnaires.
Outcome Seven: People with disabilities have the same opportunities as other people to obtain and maintain employment with the University.	The University is developing a disability employment strategy to identify actions to improve and increase opportunities for employing people with a disability at ECU through normal recruitment processes and via Disability Employment agencies.

Voluntary Code of Best Practice for the Governance of Australian Universities

ECU, where practical, complies with the Voluntary Code of Best Practice.

Sustainability

The University's *Sustainability Policy* outlines ECU's commitment to sustainability. Achievement of sustainability goals is overseen by the Sustainable Communities Steering Committee. Our Environmental Management System meets the standards in *AS/NZS ISO 14001:2016 Environmental management systems – Requirements with guidance for use*.

Risk Management

ECU's *Integrated Risk Management Policy* provides a risk management framework for its activities. Procedures are consistent with the principles and standards in *AS/NZS ISO 31000:2018 – Risk management – Guidelines*.

The Integrated Risk Management Framework maps risks to ECU's strategic priorities and is the basis for all risk registers. The Vice-Chancellor is responsible for ensuring that the risk management system is maintained in accordance with policy, and the Quality, Audit and Risk Committee provides oversight.

ECU also introduced a new online Enterprise Risk Management and Health and Safety solution in 2019. *Riskware* provides an efficient and effective way for staff and students to identify and manage risks, hazards and incidents at the University.

National Student Representation Protocols

ECU complies with the *National Student Representation Protocols*, with multiple opportunities for student involvement in decision-making. For example, student-elected representatives are members of the Student Services and Amenities Fee (SSAF) Steering Committee, and ECU Council. Annually, the draft SSAF expenditure priorities are shared with the ECU student community for comment.

Record Keeping – compliance with the State Records Act (2000)

The University manages and preserves official records in accordance with the *State Records Act 2000 (WA)* and best practice.

In accordance with the State Records Commission Standard 2, the University:

- Has an established Records Awareness Training program.
- Records Awareness training is identified in the University's Role Based Development Framework as required training for all staff.
- Access to the University's Records Management System is only provided after appropriate training has been undertaken.
- Training is regularly reviewed and feedback from attendees incorporated to ensure continuous improvement.

ECU's current record keeping plan was approved in 2016 and is due for renewal in 2021.

Shares held by senior officers

ECU has nothing to report for this item.

Commitment to gender equality

In 2019 ECU maintained its status as a Workplace Gender Equality Agency (WGEA) *Employer of Choice for Gender Equality*. The Citation reflects the University's active commitment to gender equality and diversity, as well as the improvement of gender equity policies and practices as they relate to ECU staff and students.

Additionally, ECU has been recognised as a 'Women in STEM Decadal Plan Champion' by demonstrating how our gender equity plans and activities align with the six opportunities identified in the *Women in STEM Decadal Plan*.

ECU's Vice-Chancellor is a member of CEOs for Gender Equity, and a signatory to the WGEA Pay Equity Pledge, as a demonstration of the University's ongoing commitment to achieving gender equality and gender pay equity.

In 2019 ECU's annual analysis showed our organisational wide gender pay gap was 15% (total remuneration). This represents a small improvement from 2018. Targets have been established to continue to improve this gap in future years.

ECU continues to work towards the advancement of gender equality through the successful implementation of the *Athena SWAN Bronze Institution Action Plan 2018-2021*.



Independent auditor's report



Auditor General

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 2019, the Income Statement, Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows for the University and the consolidated entity 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 and the consolidated entity for the year ended 31 December 2019 and the financial position at the end of that period. They are in accordance with Australian Accounting Standards, the *Financial Management Act 2006* and the 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.

Emphasis of Matter – Events occurring after the end of the reporting period

Attention is drawn to Note 31 of the financial statements that explains the University considers it is too early to quantify any impact from the COVID-19 virus and the related extended travel ban, on overseas student income in the year ending 31 December 2020. My opinion is not modified in respect of this matter.

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 the Treasurer's Instructions, and for such internal control as the University Council determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the University Council is responsible for assessing the University'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.

A further description of my responsibilities for the audit of the financial statements is on the Auditing and Assurance Standards Board website www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of my auditor's report.

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 2019.

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*, the 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 2019. 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 2019.

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 2019 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.



CAROLINE SPENCER
AUDITOR GENERAL
FOR WESTERN AUSTRALIA
Perth, Western Australia
12 March 2020

Financial statements

Certification of financial statements

The accompanying financial statements of Edith Cowan University have been prepared in compliance with the provisions of the *Financial Management Act 2006* from proper accounts and records to present fairly the financial transactions for the reporting period ended 31 December 2019 and the financial position as at 31 December 2019.

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 Kerry Sanderson AC
Chancellor
5 March 2020



Professor Steve Chapman CBE
Vice-Chancellor
10 March 2020



Mr Brad Francis
Chief Financial Officer
10 March 2020

We declare that the amount of Australian Government financial assistance expended during the financial year ended 31 December 2019 was for the purposes for which it was intended, and that Edith Cowan University has complied with applicable legislation, contracts, agreements and program guidelines in making expenditure.

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 Kerry Sanderson AC
Chancellor
5 March 2020



Professor Steve Chapman CBE
Vice-Chancellor
10 March 2020

Edith Cowan University
Contents
For the year ended 31 December 2019

Financial Statements

Income statement.....	39
Statement of comprehensive income.....	40
Statement of financial position.....	41
Statement of changes in equity.....	42
Statement of cash flows	44
Notes to the financial statements.....	45

The financial report covers the Edith Cowan University as a group and 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 10th day of March 2020. The University has the power to amend and reissue the financial statements.

Edith Cowan University
Income statement
For the year ended 31 December 2019

		Consolidated		Parent	
		2019	2018	2019	2018
	Note	\$'000	\$'000	\$'000	\$'000
Income from continuing operations					
Australian Government financial assistance					
Australian Government grants	2.1	171,914	170,916	171,914	170,916
HELP - Australian Government payments	2.1	105,968	102,451	105,968	102,451
State and Local Government financial assistance	2.2	10,549	11,628	10,549	11,628
HECS-HELP - student payments		7,668	7,927	7,668	7,927
Fees and charges	2.3	139,764	123,701	131,899	116,414
Royalties	2.4	555	412	555	412
Consultancies and contracts	2.5	7,302	6,819	7,302	6,819
Other revenue	2.6	9,596	13,192	11,946	15,338
Investment income gains/(losses)	3	28,774	10,032	30,598	11,926
Share of profit or loss on investments accounted for using the equity method	15	3,129	2,001	3,129	2,001
Total income from continuing operations		485,219	449,079	481,528	445,832
Expenses from continuing operations					
Employee related expenses	4	265,067	254,651	263,784	253,656
Repairs and maintenance	5	8,380	7,735	8,380	7,735
Borrowing costs	6	5,120	3,609	5,120	3,609
Impairment of assets	7	-	853	-	1,784
Other expenses and loss on disposal of assets	8	145,922	137,438	142,850	134,738
Depreciation and amortisation	16 & 17	25,355	22,757	24,903	22,310
Total expenses from continuing operations		449,844	427,043	445,037	423,832
Net result before income tax		35,375	22,036	36,491	22,000
Net result after income tax for the period		35,375	22,036	36,491	22,000
Net result attributable to:					
Parent entity		35,375	22,559	36,491	22,000
Non-controlling interest	24	-	(523)	-	-
Total		35,375	22,036	36,491	22,000

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 2019

	Note	Consolidated		Parent	
		2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Net result for the period		35,375	22,036	36,491	22,000
<i>Items that will be reclassified to profit or loss</i>					
Gain/(loss) on cash flow hedges	23	(100)	97	(100)	97
<i>Items that will not be reclassified to profit or loss</i>					
Gain on revaluation of property, plant and equipment	23	5,138	6,362	5,138	6,362
Gain on value of investments designated as fair value through equity	23	17,076	7,280	17,076	7,280
Total other comprehensive income		22,114	13,739	22,114	13,739
Total comprehensive income		57,489	35,775	58,605	35,739
Total comprehensive income attributable to:					
Parent entity		57,489	36,298	58,605	35,739
Non-controlling interest	24	-	(523)	-	-
Total		57,489	35,775	58,605	35,739

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 2019

		Consolidated		Parent	
		2019	2018	2019	2018
	Note	\$'000	\$'000	\$'000	\$'000
Assets					
Current assets					
Cash and cash equivalents	10	60,823	51,553	57,985	50,287
Receivables	11	12,273	9,914	12,258	9,751
Other financial assets	12	126,173	114,929	127,732	116,420
Other non-financial assets	13	15,193	16,337	13,129	13,011
Total current assets		214,462	192,733	211,104	189,469
Non-current assets					
Receivables	11	18,594	18,196	18,594	18,196
Other financial assets	12	270,788	164,089	309,623	204,483
Other non-financial assets	13	1,258	1,358	1,257	1,358
Investment properties	14	18,760	17,880	18,760	17,880
Investments accounted for using the equity method	15	592	671	592	671
Property, plant and equipment	16	846,894	805,703	846,325	805,065
Intangible assets	17	16,092	16,958	7,035	7,601
Investment in subsidiaries	30	-	-	13,815	12,635
Total non-current assets		1,172,978	1,024,855	1,216,001	1,067,889
Total assets		1,387,440	1,217,588	1,427,105	1,257,358
Liabilities					
Current liabilities					
Trade and other payables	18	13,768	15,767	14,092	15,569
Borrowings	19	23,770	21,977	23,769	21,977
Other financial liabilities	20	35	-	35	-
Employee benefit provisions	21	56,261	45,813	57,654	47,240
Provisions	21	3,837	10,008	3,837	10,008
Other liabilities	22	55,424	36,769	55,182	36,404
Contract liabilities	2.7	8,613	-	8,613	-
Total current liabilities		161,708	130,334	163,182	131,198
Non-current liabilities					
Borrowings	19	158,315	61,053	158,311	61,053
Employee benefit provisions	21	27,122	24,358	27,122	24,358
Provisions	21	1,478	2,566	40,045	42,958
Total non-current liabilities		186,915	87,977	225,478	128,369
Total liabilities		348,623	218,311	388,660	259,567
Net Assets		1,038,817	999,277	1,038,445	997,791
Equity					
Parent entity interest					
Reserves	23	347,616	327,632	347,616	327,632
Retained earnings	23	691,201	671,645	690,829	670,159
Total equity		1,038,817	999,277	1,038,445	997,791

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 2019

2019

		Consolidated				
	Note	Retained Earnings \$'000	General Reserves \$'000	Total University \$'000	Non-controlling interests \$'000	Total \$'000
Balance at 1 January 2019		671,645	327,632	999,277	-	999,277
Effect of adoption of new accounting standards	23	(8,163)	-	(8,163)	-	(8,163)
Rectification of Prior period error	21	(9,786)	-	(9,786)	-	(9,786)
Balance as restated		653,696	327,632	981,328	-	981,328
Net result after income tax		35,375	-	35,375	-	35,375
Other comprehensive income						
Gain on revaluation of properties		-	5,138	5,138	-	5,138
Gain on financial assets at fair value through other comprehensive income		-	17,076	17,076	-	17,076
Loss on cash flow hedges		-	(100)	(100)	-	(100)
Transfer to revaluation reserves from retained surplus		2,130	(2,130)	-	-	-
Other comprehensive income		2,130	19,984	22,114	-	22,114
Total comprehensive income		37,505	19,984	57,489	-	57,489
Balance at 31 December 2019		691,201	347,616	1,038,817	-	1,038,817

2018

		Consolidated				
	Note	Retained Earnings \$'000	General Reserves \$'000	Total University \$'000	Non-controlling interests \$'000	Total \$'000
Balance at 1 January 2018		645,942	311,788	957,730	-	957,730
Effect of adoption of new accounting standards	23	4,099	1,451	5,550	-	5,550
Balance as restated		650,041	313,239	963,280	-	963,280
Net result after income tax		22,559	-	22,559	(523)	22,036
Other comprehensive income						
Gain on revaluation of properties		-	6,362	6,362	-	6,362
Gain on financial assets at fair value through other comprehensive income		-	7,280	7,280	-	7,280
Gain on cash flow hedges		-	97	97	-	97
Transfer to revaluation reserves from retained surplus		(654)	654	-	-	-
Other comprehensive income		(654)	14,393	13,739	-	13,739
Total comprehensive income		21,905	14,393	36,298	(523)	35,775
Non-controlling interest arising on business combination		-	-	-	584	584
Acquisition of non-controlling interest		-	-	-	(362)	(362)
Loss on transactions with non-controlling interest		(301)	-	(301)	301	-
Balance at 31 December 2018		671,645	327,632	999,277	-	999,277

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

Edith Cowan University

Statement of changes in equity

For the year ended 31 December 2019

2019

Note	Parent				
	Retained Earnings \$'000	General Reserves \$'000	Total University \$'000	Non-controlling interests \$'000	Total \$'000
Balance at 1 January 2019	670,159	327,632	997,791	-	997,791
Effect of adoption of new accounting standards	(8,165)		(8,165)	-	(8,165)
Prior period error	(9,786)		(9,786)	-	(9,786)
Balance as restated	652,208	327,632	979,840	-	979,840
Net result	36,491	-	36,491	-	36,491
Other comprehensive income					
Gain on revaluation of properties	-	5,138	5,138	-	5,138
Gain on financial assets at fair value through other comprehensive income	-	17,076	17,076	-	17,076
Gain on cash flow hedges	-	(100)	(100)	-	(100)
Transfer to revaluation reserves from retained surplus	2,130	(2,130)	-	-	-
Other comprehensive income	2,130	19,984	22,114	-	22,114
Total comprehensive income	38,621	19,984	58,605	-	58,605
Balance at 31 December 2019	690,829	347,616	1,038,445	-	1,038,445

2018

Note	Parent				
	Retained Earnings \$'000	General Reserves \$'000	Total University \$'000	Non-controlling interests \$'000	Total \$'000
Balance at 1 January 2018	644,714	311,788	956,502	-	956,502
Effect of adoption of new accounting standards	4,099	1,451	5,550	-	5,550
Balance as restated	648,813	313,239	962,052	-	962,052
Net result	22,000	-	22,000	-	22,000
Other comprehensive income					
Gain on revaluation of properties	-	6,362	6,362	-	6,362
Gain on financial assets at fair value through other comprehensive income	-	7,280	7,280	-	7,280
Gain on cash flow hedges	-	97	97	-	97
Transfer to revaluation reserves from retained surplus	(654)	654	-	-	-
Other comprehensive income	(654)	14,393	13,739	-	13,739
Total comprehensive income	21,346	14,393	35,739	-	35,739
Balance at 31 December 2018	670,159	327,632	997,791	-	997,791

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 2019

		Consolidated		Parent	
	Note	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Cash flows from operating activities					
Australian Government grants received	2.1(f)	277,909	271,947	277,909	271,947
OS-HELP (net)	2.1(f)	(374)	158	(374)	158
Superannuation supplementation	2.1(f)	2,067	2,502	2,067	2,502
State Government grants received		10,541	11,792	10,582	11,792
Local Government grants received		8	20	8	20
HECS-HELP - student payments		7,668	7,927	7,668	7,927
Receipts from student fees and other customers		183,377	146,707	175,243	141,273
Dividends and distributions received		7,444	4,560	7,444	4,560
Interest received		8,642	7,810	10,466	9,704
Payments to suppliers and employees (inclusive of GST)		(447,066)	(412,156)	(442,185)	(407,614)
Interest and other costs of finance		(4,279)	(3,704)	(4,279)	(3,704)
GST recovered		13,695	10,772	13,411	10,366
Short-term lease payments		(291)	-	(182)	-
Lease payments for leases of low-value assets		(3,133)	-	(3,133)	-
Net cash provided by operating activities	32	56,208	48,335	54,645	48,931
Cash flows from investing activities					
Proceeds from sale of property, plant and equipment		40	121	40	121
Payments for intangibles, property, plant and equipment		(56,954)	(34,204)	(57,274)	(34,183)
Payments for financial assets		(90,907)	(12,023)	(90,908)	(12,023)
Proceeds from sale of financial assets		2,330	-	2,330	-
Acquisition of subsidiary, net of cash acquired		-	(323)	-	(3,115)
Capital investments in subsidiary		-	-	(1,180)	-
Repayment of loan from subsidiary		-	-	1,491	1,426
Distributions from joint ventures		3,446	2,633	3,446	2,633
Net cash used in investing activities		(142,045)	(43,796)	(142,055)	(45,141)
Cash flows from financing activities					
Proceeds from borrowings		119,692	-	119,692	-
Repayment of borrowings net of loan acquired		(22,325)	(21,577)	(22,325)	(21,398)
Repayment of lease liabilities		(2,260)	-	(2,259)	-
Net cash provided by / (used in) financing activities		95,107	(21,577)	95,108	(21,398)
Net increase / (decrease) in cash and cash equivalents		9,270	(17,038)	7,698	(17,608)
Cash and cash equivalents at the beginning of the financial year		51,553	68,591	50,287	67,895
Cash and cash equivalents at end of financial year	10	60,823	51,553	57,985	50,287

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

Notes to the financial statements

1	Summary of Significant Accounting Policies	46
2	Revenue and Income	52
2.1	Australian Government Financial Assistance including Australian Government Loan Programs (HELP)	52
2.2	State and local government financial assistance	53
2.3	Fees and charges	53
2.4	Royalties	54
2.5	Consultancies and contracts	54
2.6	Other revenue	54
2.7	Revenue and income from continuing operations	54
3	Investment income	57
4	Employee related expenses	57
5	Repairs and maintenance	58
6	Borrowing costs	58
7	Impairment of assets	58
8	Other expenses	59
9	Income tax benefit	59
10	Cash and cash equivalents	59
11	Receivables and contract assets	60
12	Other financial assets	61
13	Other non-financial assets	62
14	Investment properties	62
15	Investments accounted for using the equity method	63
16	Property plant and equipment	65
16.1	Right-of-use assets	70
17	Intangible assets	71
18	Trade and other payables	72
19	Borrowings	73
19.1	The University as lessee	74
20	Other financial liabilities	75
21	Provisions	76
22	Other liabilities	79
23	Reserves and retained earnings	79
24	Non-controlling interest	81
25	Restricted cash	81
26	Key management personnel disclosures	82
27	Remuneration of auditors	82
28	Commitments	83
29	Related parties	83
30	Subsidiaries	84
31	Events occurring after the reporting date	85
32	Reconciliation of net result to net cash flows from operating activities	85
33	Financial risk management	85
34	Fair value measurements	88
35	Contingencies	92
36	Write-offs	92
37	Deferred government benefit for superannuation	92
38	Acquittal of Australian Government financial assistance	96
39	Business Combinations	99

Edith Cowan University
Notes to the financial statements
For the year ended 31 December 2019

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 include separate statements for Edith Cowan University as the parent entity and the consolidated entity consisting of Edith Cowan University and its subsidiaries.

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

i) 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); and
- 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 10th March 2020.

Historical cost convention

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

Critical accounting estimates

The preparation of financial statements in conformity with Australian Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the University's accounting policies. The estimates and underlying assumptions are reviewed on an ongoing basis. 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;
- Control of student accommodation assets;
- Impairment of assets;
- Classification of financial assets;
- Discount rates and payback periods used in estimating provisions; and
- Estimating liabilities for defined benefit superannuation plans

ii) Basis for consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Edith Cowan University ("parent entity") as at 31 December 2019 and the results of all subsidiaries for the year then ended. Edith Cowan University and its subsidiaries together are referred to in this financial report as the University or the consolidated entity.

iii) 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 in Notes 2 Revenue and Income, 3 Investment income, 4 Employee related expenses, and 5 Repairs and maintenance. 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.

iv) Foreign currency translation and hedge accounting

(i) Functional and presentation currency

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

Edith Cowan University
Notes to the financial statements
For the year ended 31 December 2019

1 Summary of Significant Accounting Policies (continued)

(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 profit or loss.

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 or loss, translation gains or losses are also recognised in profit or loss.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

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.

vi) Comparative Figures

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

vii) New Accounting Standards and interpretations

Certain new Accounting Standards and interpretations have been published that are not mandatory for 31 December 2019 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 1059	Service Concession Arrangements: Grantors	1 January 2020	ECU will determine the impact of the Standard when applicable.
AASB 138	Intangible Assets	1 January 2020	ECU will determine the impact of the Standard when applicable.

In addition, at the date of authorisation of the financial statements, the following IASB Standards and IFRIC Interpretations were on issue not yet effective, and for which Australian equivalent Standards and Interpretations have not yet been issued:

Amendments to References to the Conceptual Framework in IFRS Standards – 1 January 2020

viii) Initial application of accounting standards

The University has adopted AASB15, AASB1058 and AASB16 in accordance with the transitional provisions applicable to each standard. The nature and effect of the changes as a result of adoption of these new accounting standards are described below.

The following interpretations and amending standards have also been adopted:

Standard	Name
AASB 2016-8	Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities
AASB 2018-8	Amendments to Australian Accounting Standards – Right-of-Use Assets of Not-for-Profit Entities

AASB 15 and AASB 1058

The University adopted AASB 15 and AASB 1058 using the modified retrospective method of transition, with the date of initial application of 1 January 2019. In accordance with the provisions of this transition approach, the University recognised the cumulative effect of applying these new standards as an adjustment to opening retained earnings at the date of initial application, i.e. 1 January 2019. Consequently, the comparative information presented has not been restated and continues to be reported under the previous standards on revenue and income. In addition, the University has applied the practical expedient and elected to apply these standards retrospectively only to contracts and transactions that were not completed contracts at the date of initial application.

As the University is applying the modified retrospective approach, the University applied the practical expedient described in AASB 16.C5 (c), for all contract modifications that occur before the date of initial application.

Edith Cowan University
Notes to the financial statements
For the year ended 31 December 2019

1 Summary of Significant Accounting Policies (continued)

The University did not retrospectively restate the contract for those modifications in accordance with AASB 15.20-21. Instead, the University reflected the aggregate effect of all of the modifications that occurred before the beginning of the earliest period presented when:

- Identifying the satisfied and unsatisfied performance obligations
- Determining the transaction price
- Allocating the transaction price to the satisfied and unsatisfied performance obligation

The new accounting policies for revenue and other income for not-for-profit in accordance with AASB 15 and AASB 1058 respectively are provided in Note 2.7 Revenue and income from continuing operations.

Overview of AASB 15 and AASB 1058

Under the new income recognition model applicable to not-for-profit entities, the University shall first determine whether an enforceable agreement exists and whether the promises to transfer goods or services to the customer are 'sufficiently specific'.

If an enforceable agreement exists and the promises are 'sufficiently specific' (to a transaction or part of a transaction), the University applies the general AASB 15 principles to determine the appropriate revenue recognition. If these criteria are not met, the University shall consider whether AASB 1058 applies.

The nature and effect of the changes as a result of adoption of AASB 15 and AASB 1058 are described as follows:

	Consolidated		Parent	
	Ref	1 January	Ref	1 January
	adjustments	2019	adjustments	2019
		\$'000		\$'000
Liabilities				
Contract liabilities		7,758		7,758
Total liabilities		7,758		7,758
Total adjustments on equity				
Retained earnings	23	7,758	23	7,758
		7,758		7,758

Set out below are the amounts by which each financial statement line item is affected as at and for the year ended 31 December 2019 as a result of the adoption of AASB 15 and AASB 1058. The adoption of AASB 15 did not have a material impact on other comprehensive income or the University's operating, investing and financing cash flows. The first column shows amounts prepared under AASB 15 and AASB 1058 and the second column shows what the amounts would have been had AASB 15 and AASB 1058 not been adopted:

Income statement

Amounts prepared under						
	Ref	Consolidated	Previous	Increase /	Parent	Increase /
	adjustments	AASB15 /	AAS	decrease	Previous	decrease
		AASB1058	\$'000	\$'000	AAS	\$'000
		\$'000			\$'000	
Revenue and income from continuing operations						
Australian Government financial assistance grants	2.1	171,914	171,882	32	171,914	32
HELP - Australian Government payments	2.1	105,968	105,968	-	105,968	-
State and local government financial assistance	2.2	10,549	11,044	(495)	11,044	(495)
HECS-HELP - Student payments		7,668	7,668	-	7,668	-
Fees and charges	2.3	139,764	139,764	-	131,899	-
Royalties	2.4	555	555	-	555	-
Consultancy and contracts	2.5	7,302	7,514	(212)	7,302	(212)
Other revenue	2.6	9,596	9,596	-	11,946	-
Other income	3 & 15	31,903	31,903	-	33,727	-
Total revenue and income from continuing operations		485,219	485,894	(675)	482,203	(675)

Edith Cowan University
Notes to the financial statements
For the year ended 31 December 2019

1 Summary of Significant Accounting Policies (continued)

	Amounts prepared under						
	Ref adjustments	Consolidated AASB15 / AASB1058 \$'000	Previous AAS \$'000	Increase / decrease \$'000	AASB15 / AASB1058 \$'000	Parent Previous AAS \$'000	Increase / decrease \$'000
Total expenses from continuing operations		449,844	449,844	-	445,037	445,037	-
Net result after income tax for the period		35,375	36,050	(675)	36,491	37,166	(675)

Statement of financial position

	Ref adjustments	Amounts prepared under					
		Consolidated AASB15 / AASB1058 \$'000	Previous AAS \$'000	Increase / decrease \$'000	AASB15 / AASB1058 \$'000	Parent Previous AAS \$'000	Increase / decrease \$'000
Total assets		1,387,440	1,387,440	-	1,427,105	1,427,105	-
Liabilities							
Contract liabilities		8,613	180	8,433	8,613	180	8,433
Other liabilities		340,010	340,010	-	380,047	380,047	-
Total liabilities		348,623	340,190	8,433	388,660	380,227	8,433
Net Assets		1,038,817	1,047,250	(8,433)	1,038,445	1,046,878	(8,433)
Equity							
Retained earnings	23	691,201	699,634	(8,433)	690,829	699,262	(8,433)
Reserves	23	347,616	347,616	-	347,616	347,616	-
Total equity		1,038,817	1,047,250	(8,433)	1,038,445	1,046,878	(8,433)

The nature of the adjustments as at 1 January 2019 and the reasons for the significant changes in the statement of financial position as at 31 December 2018 and the income statement for the year ended 31 December 2019 are described below:

- Research income is reported as the contractual performance obligations are satisfied, instead of when a contractual right exists to receive the funds.
- Scholarship income is reported as a contractual liability when there is a primary obligation to deliver cash to a third party instead of in income and expenses.

Edith Cowan University
Notes to the financial statements
For the year ended 31 December 2019

1 Summary of Significant Accounting Policies (continued)

AASB 16

The University has adopted AASB16 using the modified retrospective method of transition, with the date of initial application of 1 January 2019. Under the modified approach, the University has chosen, on a lease-by-lease basis, to measure the related right-of-use asset at its carrying amount as if AASB16 had been applied since the commencement date, but discounted using the lessee's incremental borrowing rate at the date of initial application.

In accordance with the provisions of this transition approach, the University recognised the cumulative effect of applying this new standard as an adjustment to opening retained earnings at the date of initial application i.e. 1 January 2019. Consequently, the comparative information presented has not been restated and continues to be reported under the previous standards on leases - AASB117 and AASB Interpretation 4 *Determining whether an arrangement contains a lease (Interpretation 4)*. The new accounting policies for leases in accordance with AASB16 are provided in the Note 16.1 Right-of-use assets.

The nature and effect of the changes as a result of adoption of AASB16 are as described below:

Definition of lease

Previously, the University determined at contract inception whether an arrangement is or contains a lease under Interpretation 4. Under AASB16, the University will continue to assess at contract inception whether a contract is, or contains, a lease but now uses the new definition of a lease.

On transition to AASB16, the University elected to apply the practical expedient to grandfather the assessment of which transactions are or contain leases. This means that for arrangements entered into before 1 January 2019, the University has not reassessed whether they are, or contain, a lease in accordance with the new AASB16 lease definition. Consequently, contracts existing prior to 1 January 2019 which were assessed per the previous accounting policy described below in accordance with AASB117 and Interpretation 4 as a lease will be treated as a lease under AASB16. Whereas, contracts previously not identified as a lease, will not be reassessed to determine whether they would meet the new definition of a lease in accordance with AASB16. Therefore, the University applied the recognition and measurement requirements of AASB16 only to contracts that were previously identified as leases and does not apply AASB16 to contracts that were previously not identified as leases. The new definition of lease under AASB16 will only be applied to contracts entered into or modified on or after 1 January 2019.

The University as a lessee

The University previously classified leases as operating or finance leases based on its assessment of whether the lease transferred substantially all of the risks and rewards incidental to ownership of the underlying asset to the University. Under AASB16, this classification no longer exists for the University as a lessee. Instead, practically all leases are now recognised on the statement of financial position as right-of-use assets with corresponding lease liabilities comprising all amounts which are considered to be lease payments (see Note 19.1 The University as lessee for the new leases policy which explains what amounts are included in lease payments).

Leases previously classified as operating leases under AASB117

On transition to AASB16, the University recognised lease liabilities for leases previously classified as operating leases by discounting the remaining lease payments using the incremental borrowing rate as at the date of initial application, i.e. 1 January 2019. The right-of-use assets were recognised on a lease-by-lease basis at its carrying amount as if AASB16 had been applied since the commencement date but discounted using the lessee's incremental borrowing rate at the date of initial application.

The University has applied the following practical expedients in transitioning existing operating leases, based on practical expedients selected:

- Applied a single discount rate to a portfolio of leases with reasonably similar characteristics (such as leases with a similar remaining lease term for a similar class of underlying asset in a similar economic environment)
- Applied the exemption not to recognise right-of-use assets and lease liabilities where the remaining leases term is 12 months or less from the date of initial application
- Relied on its assessment of whether leases are onerous applying AASB137 immediately before the date of initial application, as an alternative to undertaking an impairment review
- Excluded initial direct costs from the measurement of right-of-use asset at the date of initial application.

Leases previously classified as finance leases under AASB117

Edith Cowan University does not have any leases classified as finance lease under AASB 117.

Reconciliation of operating lease commitments under AASB117 and lease liabilities under AASB16

As a lessee, the weighted average incremental borrowing rate applied to lease liabilities recognised in the statement of financial position on the date of initial application was 3.4%.

The difference between the operating lease commitments disclosed previously by applying AASB117 and the value of the lease liabilities recognised under AASB16 on 1 January 2019 is explained as follows:

Edith Cowan University
Notes to the financial statements
For the year ended 31 December 2019

1 Summary of Significant Accounting Policies (continued)

Operating lease commitments disclosed as at 31 December 2018
Discounted using the University's weighted average incremental borrowing rate
of 3.4%
(Less): Low-value leases recognised on a straight-line basis as an expense
Add/(less): Adjustments as a result of different treatment of GST
Lease liability recognised as at 1 January 2019

Consolidated 1 January 2019 \$'000	Parent \$'000
8,808	8,808
(144)	(144)
(4,707)	(4,707)
(373)	(373)
3,584	3,584

The University as a lessor

Overview

The University is not required to make any adjustments on transition to AASB16 where it is a lessor.

viii) Rounding of amounts

Amounts in the financial statements have been rounded off in accordance with ASIC Corporations (Rounding in Financial/Directors' Report) Instrument 2016/191. Amounts have been rounded off to the nearest thousand dollars.

Edith Cowan University
Notes to the financial statements
For the year ended 31 December 2019

2 Revenue and Income

2.1 Australian Government Financial Assistance including Australian Government Loan Programs (HELP)

a) Commonwealth Grants Scheme and Other Grants

Notes	Consolidated		Parent	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Commonwealth Grants Scheme ^{#1}	148,764	148,947	148,764	148,947
Indigenous Student Success Program ^{#4}	963	1,234	963	1,234
Higher Education Participation Program	3,177	2,811	3,177	2,811
Disability Support Program	233	274	233	274
Academic Centres of Cyber Security Excellence	192	235	192	235
Promotion of Excellence in Learning and Teaching	13	-	13	-
Total Commonwealth Grants Scheme and Other Grants	153,342	153,501	153,342	153,501

b) Higher Education Loan Programs

HECS-HELP	86,922	86,414	86,922	86,414
FEE-HELP	14,601	11,979	14,601	11,979
VET FEE-HELP	1,462	1,139	1,462	1,139
SA-HELP	2,983	2,919	2,983	2,919
Total Higher Education Loan Programs	105,968	102,451	105,968	102,451

c) Education Research

Research Training Program ^{#2}	6,773	7,109	6,773	7,109
Research Support Program ^{#3}	3,978	4,196	3,978	4,196
Total Education Research Grants	10,751	11,305	10,751	11,305

d) Australian Research Council

Discovery	557	353	557	353
Linkages	124	126	124	126
Total Australian Research Council	681	479	681	479

e) Other Australian Government financial assistance

Non-capital				
National competitive	3,232	2,368	3,232	2,368
Other research grants	2,663	2,268	2,663	2,268
Other non-research grants	1,245	995	1,245	995
Total other Australian Government financial assistance	7,140	5,631	7,140	5,631
Total Australian Government financial assistance	277,882	273,367	277,882	273,367

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

#2 Includes Australian Postgraduate Awards, International Postgraduate Research Scholarships and Research Training Scheme

#3 Includes Joint Research Engagement, JRE Engineering Cadetship, Research Block Grants and Sustainable Research Excellence in Universities

#4 Includes Indigenous Commonwealth Scholarships Programs and Indigenous Support Program

Edith Cowan University
Notes to the financial statements
For the year ended 31 December 2019

2.1 Australian Government Financial Assistance including Australian Government Loan Programs (HELP) (continued)

	Consolidated		Parent	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Reconciliation				
Australian Government grants (a + c + d + e)	171,914	170,916	171,914	170,916
HECS - HELP payments	86,922	86,414	86,922	86,414
FEE - HELP payments	14,601	11,979	14,601	11,979
VET FEE - HELP	1,462	1,139	1,462	1,139
SA - HELP payments	2,983	2,919	2,983	2,919
Total Australian Government financial assistance	277,882	273,367	277,882	273,367

f) Australian Government Grants received – cash basis (Note 38 Acquittal of Australian Government financial assistance)

Notes	Consolidated		Parent	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
CGS and other Education Grants	38(a) 153,833	152,571	153,833	152,571
Higher Education Loan Programs	38(b) 105,354	101,961	105,354	101,961
Department of Education, Skills and Employment and Training Research	38(c) 10,751	11,305	10,751	11,305
ARC grants - Discovery & Linkages	38(e) 831	479	831	479
Other Australian Government grants	7,140	5,631	7,140	5,631
Total Australian Government grants received - cash basis	277,909	271,947	277,909	271,947
OS-HELP (net)	38(g) (374)	158	(374)	158
Superannuation Supplementation	38(h) 2,067	2,502	2,067	2,502
Total Australian Government funding received - cash basis	279,602	274,607	279,602	274,607

2.2 State and local government financial assistance

	Consolidated		Parent	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Non-capital				
WA State Government research grants	3,518	4,549	3,518	4,549
WA State Government operating grants	7,023	7,059	7,023	7,059
Local Government research grants	8	20	8	20
Total State and Local Government financial assistance	10,549	11,628	10,549	11,628

2.3 Fees and charges

	Consolidated		Parent	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Course fees and charges				
Fee-paying onshore overseas students	114,148	98,881	114,147	98,881
Fee-paying offshore overseas students	3,032	2,581	2,597	2,389
Continuing education - short course fees	3,327	3,396	3,327	3,396
Fee-paying domestic postgraduate students	3,251	2,889	3,251	2,889
Fee-paying domestic undergraduate students	-	14	-	14
Fee-paying non award courses	105	-	105	-
Total course fees and charges	123,863	107,761	123,427	107,569
Other non-course fees and charges				
Student Services and Amenities Fees	951	1,060	951	1,060
Examination, registration and photocopying fees	82	39	82	39
Service fees	2,028	2,133	2,028	2,133
Parking fees	1,993	1,946	1,993	1,946
Facility hire	1,387	1,262	1,387	1,262
Student accommodation and rental income	7,429	7,095	-	-
Other sundry fees and charges	2,031	2,405	2,031	2,405
Total other fees and charges	15,901	15,940	8,472	8,845
Total fees and charges	139,764	123,701	131,899	116,414

Edith Cowan University
Notes to the financial statements
For the year ended 31 December 2019

2.4 Royalties

	Consolidated		Parent	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Royalties	555	412	555	412

2.5 Consultancies and contracts

	Consolidated		Parent	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Consultancies	575	526	575	526
Contract research	6,727	6,293	6,727	6,293
Total consultancies and contracts	7,302	6,819	7,302	6,819

2.6 Other revenue

	Consolidated		Parent Entity	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Other revenue				
Donations and bequests	1,426	2,287	1,426	2,287
Scholarships and prizes	544	1,821	541	1,821
Proceeds from sale of non-capitalised equipment	9	20	9	20
Gains on asset disposal	-	84	-	84
Commissions, recoveries and rebates recovered	4,633	6,155	5,545	6,901
Sale of goods	1,341	1,320	1,341	1,320
Box office sales	899	842	899	842
Operating rights income	-	-	1,438	1,400
Other revenue	744	663	747	663
Total other revenue	9,596	13,192	11,946	15,338

2.7 Revenue and income from continuing operations

Accounting policies and significant accounting judgements and estimates

Course fees and charges and Research

The course fees and charges revenue relate to undergraduate programs, graduate and professional degree programs and continuing education and executive programs.

The revenue is recognised over time as and when the course is delivered to students over the semester.

When the courses or training have been paid in advance by students or the University has received the government funding in advance (e.g. before starting the academic period), the University recognises a contract liability until the services are delivered.

The University does not have any obligations to return or refund fees.

There is no significant financing component, as the period to when the student has paid and the service is provided is less than 12 months and the consideration is not variable.

Revenue recognition for research funding is dependent upon the source of the funding and the nature of the transaction.

The following specific research revenue recognition criteria have been applied:

- Funding received from Australian Research Council ("ARC"): enforceable contract criteria are met and sufficiently specific performance obligations are contained in the proposal for the grant.
- Funding received from National Health and Medical Research Council ("NHMRC"): enforceable contract criteria are met and sufficiently specific performance obligations are contained in the proposal for the grant.
- Funding received from the Department of Education, Skills and Employment – Research Block Grant ("RBG"): enforceable contract criteria are met and sufficiently specific performance obligations are contained in the proposal for the grant.
- Funding received from non-government entities: enforceable contract criteria are met and sufficiently specific performance obligations are contained in the proposal for the grant.

The revenue is recognised:

- Over time when the University satisfies its obligations under the contract as service is performed, which established rights to receive; or
- At a point in time when the service is provided.

The research grants that are considered within the scope of AASB15 meet the enforceability criteria due to the existence of refund clauses in the agreements with the grantor and the promises to transfer goods or services to the customer (or on behalf of the customer) are sufficiently specific as the University has the obligation to provide:

Edith Cowan University
Notes to the financial statements
For the year ended 31 December 2019

2.7 Revenue and income from continuing operations (continued)

- Publishing or providing access to research data and results on an ongoing basis in an openly accessible repository as requested by the grantor; and
- Intellectual property that ultimately transfers to the grantor.

Depending on the nature of the promise, the University either recognises revenue at a point in the time when the promise is delivered (e.g. when research findings are published or made available) or recognises revenue over time as the service is performed (e.g. as the customer obtains control or access to the intellectual property or research data as it is created).

Non-course fees and charges

Non-course fees and charges revenue relates to student services and amenities fees, parking fees, facility hire and student accommodation.

Revenue is recognised:

- Over time as and when the service is provided; or
- At a point in time when the service is provided.

Other

Other revenue that is within the scope of AASB 15 mainly relates to donations and bequests, scholarships, commissions and sale of goods.

Revenue is recognised:

- Over time as and when the service is provided over the period; or
- At a point in time when the service or goods are provided.

Royalties

Royalties that are within the scope of AASB 15 mainly relate to revenue from surveys.

Revenue is recognised at a point in time when the service is provided.

(a) Unsatisfied performance obligations

Remaining performance obligations represent services the University has promised to provide to customers under research agreements which are satisfied as the goods or services are provided over the contract term. In determining the transaction price allocated to the remaining performance obligations in the University's contracts with customers, the University has allocated unused funding to these obligations. For customer contracts with terms of one year or less, or where revenue is recognised using the 'right to invoice' method of recognising revenue, as permitted under AASB 15, disclosures are not required in relation to the transaction price allocated to these unsatisfied performance obligations. Further, the amounts disclosed below do not include variable consideration which has been constrained.

These unsatisfied performance obligations are expected to be satisfied within the following periods:

	Within 1 year \$'000	From 1 to 5 years \$'000	After 5 years \$'000	Total \$'000
Consolidated				
Contract Liabilities	8,613	-	-	-
Parent				
Contract Liabilities	8,613	-	-	-

As permitted under the transitional provisions in AASB 15, the transaction price allocated to partially unsatisfied performance obligations as of 31 December 2018 is not disclosed.

(b) Assets and liabilities related to contracts with customers

The University has recognised the following assets and liabilities related to contracts with customers:

	Consolidated 2019		Parent Entity 2019	
	Closing balance \$'000	Opening balance Restated \$'000	Closing balance \$'000	Opening balance Restated \$'000
Contract liabilities - current	8,613	7,758	8,613	7,758

Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period was \$7.8m.

Edith Cowan University
Notes to the financial statements
For the year ended 31 December 2019

2.7 Revenue and income from continuing operations (continued)

Accounting policy

While a receivable is the University's right to consideration that is unconditional, a contract asset is the University's right to consideration in exchange for goods or services that the University has transferred to the customer when that right is conditioned on something other than the passage of time (e.g. the University's future performance).

Contract liabilities

The contract liabilities are associated to research contracts and scholarships.

Accounting policy

A contract liability is the obligation to transfer goods or services to a customer for which the University has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the University transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the University performs under the contract.

Contract liabilities differ from the amounts disclosed in Note 2.7 Revenue and income from continuing operations. The contract liabilities include deferred income or liabilities arising from rebate agreements, loyalty reward programs and gift cards, among others.

(c) Right of return assets and refund liabilities

The University has no right of return assets and refund liabilities related to contracts with customers.

Income of not-for-profit

(d) Accounting policies and significant accounting judgements and estimates

Donations and Bequests

Donations and Bequests are categorised as:

Donations and Bequests for which a DGR tax receipt is issued. Income is recognised immediately when the funds are received.

Donations and Bequests received under a Deed of Gift agreement which contain enforceable rights and obligations and sufficiently specific performance obligations. Income is recognised under AASB 15 over time or at a point in time as the performance obligations are satisfied.

(e) Transfers to acquire or construct a non-financial asset

	Consolidated 2019		Parent Entity 2019	
	Closing balance \$'000	Opening balance \$'000	Closing balance \$'000	Opening balance \$'000
Deferred Capital Grants	10,400	-	10,400	-

During the reporting period, movements in the liability arose from cash received of \$10.4 million and no income was recognised as result of acquiring or constructing non-financial assets. Refer to Note 22.

(f) Volunteer services

ECU has elected not to volunteer services (or a class of volunteer services) received as income.

On the initial recognition of volunteer services as an asset or an expense, the University recognises any related amounts in accordance with the relevant standard. The University recognises the excess of the fair value of the volunteer services over the recognised related amounts as income immediately in the income statement.

(g) Restrictions

Edith Cowan University has no restrictions imposed.

Edith Cowan University
Notes to the financial statements
For the year ended 31 December 2019

3 Investment income

	Consolidated		Parent	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Interest				
Debt instruments at amortised cost	8,643	8,169	10,467	10,063
Dividends and distributions				
Equity instruments at fair value through other comprehensive income	824	3,532	824	3,532
Equity instruments designated at fair value through profit or loss	4,720	3,743	4,720	3,743
Rental income				
Rental income from investment properties	1,353	1,650	1,353	1,650
Fair value gains/(losses)				
Equity instruments at fair value through profit or loss	12,354	(5,722)	12,354	(5,722)
Investment properties at fair value through profit or loss	880	(1,340)	880	(1,340)
Investment income gain/(losses)	28,774	10,032	30,598	11,926

Accounting policy

Interest

Interest revenue is recognised on an accrual basis taking into account the interest rates applicable to the financial assets.

Dividends

Dividends and distribution revenue from investments are recognised when (a) the University's right to receive the payment is established, which is generally when shareholders approve the dividend, (b) it is probable that the economic benefits associated with the dividend will flow to the entity, and (c) the amount of the dividend can be measured reliably.

Rental income

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

Change in the fair value of financial assets

Unrealised gains are determined on a net basis as the difference between the fair value and the carrying amount of an asset. Gains or loss arising from changes in the fair value of an investment property are included in the income/expense for the period in which they arise. Assets that do not meet the criteria for amortised cost or fair value through other comprehensive income are measured at fair value through profit and loss. A gain or loss on an investment that is measured at fair value through profit or loss is recognised in the income/expense for the period in which they arise.

4 Employee related expenses

	Consolidated		Parent	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Academic				
Salaries	101,331	98,479	101,331	98,479
Contributions to superannuation and pension schemes - funded	14,224	13,703	14,224	13,703
Payroll tax	7,210	6,095	7,210	6,095
Worker's compensation	349	277	349	277
Long service leave expense	1,798	320	1,798	320
Annual leave	1,559	1,674	1,559	1,674
Other	177	120	177	120
Total academic	126,648	120,668	126,648	120,668
Non-academic				
Salaries	110,830	111,466	109,647	110,569
Contributions to superannuation and pension schemes - funded	15,111	14,740	15,058	14,691
Payroll tax	7,618	6,371	7,618	6,371
Worker's compensation	381	244	378	244
Long service leave expense	2,007	(1,222)	2,007	(1,222)
Annual leave	1,677	1,866	1,633	1,817
Other	795	518	795	518
Total non-academic	138,419	133,983	137,136	132,988
Total employee related expenses	265,067	254,651	263,784	253,656

Edith Cowan University
Notes to the financial statements
For the year ended 31 December 2019

4 Employee related expenses (continued)

Accounting policy

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

5 Repairs and maintenance

	Consolidated		Parent	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Building maintenance	7,616	7,232	7,616	7,232
Grounds maintenance	764	503	764	503
Total repairs and maintenance	8,380	7,735	8,380	7,735

6 Borrowing costs

	Consolidated		Parent	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Interest expense	5,528	3,609	5,528	3,609
Interest expense on lease liabilities	88	-	88	-
Less: amount capitalised	(496)	-	(496)	-
Total borrowing costs expensed	5,120	3,609	5,120	3,609

Accounting policy

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.

For interest expense on lease liabilities, please refer to Note 19.1 The University as lessee which details the policy for lease accounting where the University is a lessee.

7 Impairment of assets

	Consolidated		Parent	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Bad and doubtful debts	-	98	-	98
Investments	-	-	-	1,686
Goodwill	-	755	-	-
Total impairment of assets	-	853	-	1,784

Accounting Policy

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 or 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.

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other 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 or value in use.

Edith Cowan University
Notes to the financial statements
For the year ended 31 December 2019

8 Other expenses

	Consolidated		Parent	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Scholarships, grants and prizes	15,008	14,581	15,008	14,581
Computing, equipment and consumables	9,255	10,089	9,252	10,089
Advertising and marketing	6,283	5,928	6,283	5,928
Promotions and sponsorships	2,876	2,812	2,873	2,809
Audit fees, bank charges, legal costs and insurance	3,437	2,587	3,350	2,501
Software maintenance and licencing	21,036	23,609	20,963	23,567
Other occupancy related costs	6,381	5,457	6,266	5,369
Library subscriptions	4,835	4,059	4,835	4,059
Lease rentals	-	142	-	142
Printing and stationery	2,563	2,844	2,550	2,835
Professional and consulting fees	21,297	21,627	21,088	21,593
Student related expenditure	20,419	14,452	20,396	14,448
Telecommunications	1,454	1,574	1,451	1,570
Travel, entertainment, staff development and related expenses	11,064	10,179	10,874	10,045
Utilities and rates	6,530	6,307	6,530	6,307
Net loss on asset write-offs ^{#1}	-	11	-	11
Cost of goods sold	26	26	26	26
Student Practicum and related expenses	2,212	2,446	2,212	2,446
Student accommodation outgoings	2,334	2,279	-	-
Miscellaneous	8,887	6,429	8,868	6,412
Loss on asset disposal	25	-	25	-
Total other expenses	145,922	137,438	142,850	134,738

#1 Additional detail on write-offs during the year is included at Note 36 Write-offs

9 Income tax benefit

a) Numerical reconciliation of income tax expense to prima facie tax payable

	Consolidated		Parent	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Net result before income tax:				
From continuing operations	35,375	22,036	36,491	22,000
Less: Non taxable operating results	(35,375)	(22,036)	(36,491)	(22,000)
Tax at the Australian tax rate of 30% (2018: 30%)	-	-	-	-
Total income tax expense	-	-	-	-

Accounting policy

The University does not provide for Australian income tax as it is exempt under the provisions of Division 50 of the Income Tax Assessment Act 1997 (ITAA).

In 2018, the University acquired Australian Pathway Education Group Pty Ltd, an entity to which Income Tax Assessment Act 1997 Act applies.

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

The amount of unused tax losses for which no deferred tax assets is recognised in the statement of financial position is approximately \$5.1 million.

10 Cash and cash equivalents

	Consolidated		Parent	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Cash at bank	17,515	14,057	14,699	12,818
Term deposits	43,293	37,481	43,271	37,454
Cash held in imprest	15	15	15	15
Total cash and cash equivalents	60,823	51,553	57,985	50,287

Edith Cowan University
Notes to the financial statements
For the year ended 31 December 2019

10 Cash and cash equivalents (continued)

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:

	Consolidated		Parent	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Unrestricted	47,733	38,968	44,895	37,702
Restricted cash	13,090	12,585	13,090	12,585
Balance as per cash flow statement	60,823	51,553	57,985	50,287

b) Cash-at-bank and held in imprests

Cash at bank is interest bearing at variable interest rates. Refer to Note 33 Financial risk management.

Financial risk management.

c) Term deposits

The term deposits are interest bearing at variable interest rates. Refer to Note 33 Financial risk management.

Financial risk management.

Accounting Policy

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.

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.

11 Receivables and contract assets

		Consolidated		Parent	
	Notes	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Current					
Trade receivables and student debts		7,484	5,499	7,468	5,575
Less: Allowance for expected credit losses		(932)	(1,143)	(926)	(1,142)
		6,552	4,356	6,542	4,433
Deferred government benefit for superannuation	37.1	2,126	2,485	2,126	2,485
GST and withholding tax receivable		3,595	3,073	3,590	2,833
Contract assets					
Total current receivables		12,273	9,914	12,258	9,751
Non-current					
Deferred government benefit for superannuation	37.1	18,594	18,196	18,594	18,196
Total non-current receivables		18,594	18,196	18,594	18,196
Total trade and other receivables		30,867	28,110	30,852	27,947

A receivable represents the University's right to an amount of consideration that is unconditional (i.e. only the passage of time is required before payment of the consideration is due).

Refer to Note 12 Other financial assets for a detailed accounting policy for financial assets.

Impaired receivables

Set out below is the movement in the allowance for expected credit losses of trade receivables and contract assets:

Edith Cowan University
Notes to the financial statements
For the year ended 31 December 2019

11 Receivables and contract assets (continued)

	Consolidated		Parent	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Balance at 1 January	1,143	1,255	1,142	1,243
Provision for Expected Credit Loss				
Impairment recognised during the year	7	98	-	98
Written off during the year	(144)	(213)	(142)	(202)
Amounts recovered during the year	(74)	3	(74)	3
Balance at 31 December	<u>932</u>	<u>1,143</u>	<u>926</u>	<u>1,142</u>

The significant changes in the balances of contract assets are disclosed in Note 2.7 Revenue and income from continuing operations while the information about the credit exposures are disclosed in Note 33 Financial Risk Management.

Accounting Policy

Classification and measurement

Trade receivables are held to collect contractual cash flows and give rise to cash flows representing solely payments of principal and interest. At initial recognition trade receivables are measured at their transaction price and subsequently these are classified and measured as debt instruments at amortised cost. Trade receivables are due for settlement no more than 120 days from the date of recognition for land development and resale debtors, and no more than 30 days for other debtors.

Impairment

For trade receivables and contract assets the University applies a simplified approach in calculating expected credit losses ("ECLs").

Therefore, the University does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The University has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

12 Other financial assets

	Consolidated		Parent	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Current				
Financial assets at fair value through other comprehensive income				
Derivative financial instruments	-	65	-	65
Financial assets at amortised cost				
Fixed term deposits	126,173	114,864	126,173	114,864
Intercompany loans receivable	-	-	1,559	1,491
Total current other financial assets	<u>126,173</u>	<u>114,929</u>	<u>127,732</u>	<u>116,420</u>
Non-current				
Financial assets at fair value through other comprehensive income				
Listed shares	486	2,356	486	2,356
Unlisted shares	45,472	28,856	45,472	28,856
Financial assets designated at fair value through profit or loss				
Funds under management	133,092	81,851	133,092	81,851
Financial assets at amortised cost				
Fixed term deposits	91,738	51,026	91,738	51,026
Intercompany loans receivable	-	-	38,835	40,394
Total non-current other financial assets	<u>270,788</u>	<u>164,089</u>	<u>309,623</u>	<u>204,483</u>
Total other financial assets	<u>396,961</u>	<u>279,018</u>	<u>437,355</u>	<u>320,903</u>

Accounting policy

The University adopted AASB 9 'Financial Instruments' in the previous reporting year.

Financial assets at fair value through profit or loss (including designated)

Financial assets at fair value through profit or loss principally comprise non derivative financial assets with fixed or determinable payments and fixed maturities and investments in asset management companies (funds under management). They are included in non-current assets unless the maturity date of the asset is within twelve months of the reporting date. Financial assets at fair value through profit or loss are initially recognised at fair value, with subsequent increases or decreases in fair value recognised in profit or loss. Refer to Note 3 Investment income.

Transaction costs incurred in the acquisition of financial assets at fair value through profit or loss are recognised as expenses in net profit in the period in which they are incurred.

Edith Cowan University
Notes to the financial statements
For the year ended 31 December 2019

12 Other financial assets (continued)

Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income principally comprise marketable equity securities. 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. Investments are initially recognised at fair value plus transaction costs with subsequent increases or decreases in fair value recognised in equity. Refer to Note 23 Reserves and retained earnings.

Financial assets at amortised cost

Financial assets are held for the objective of collecting contractual cash inflows on specific dates and those cash flows are generally in the form of principal and/or interest. Loan and receivables 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.

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 references 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.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the University's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired or
- The University has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the University has transferred substantially all the risks and rewards of the asset, or (b) the University has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the University has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership.

When it has neither transferred nor retained substantially all the risks and rewards of the asset, nor transferred control of the asset, the University continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the University also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the University has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the University could be required to repay.

13 Other non-financial assets

	Consolidated		Parent	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Current				
Accrued income	3,428	6,449	2,433	4,247
Advances and prepayments	11,765	9,888	10,696	8,764
Total current non-financial assets	15,193	16,337	13,129	13,011
Non-current				
Other non-financial assets	1,258	1,358	1,257	1,358
Total non-current non-financial assets	1,258	1,358	1,257	1,358
Total other non-financial assets	16,451	17,695	14,386	14,369

14 Investment properties

	Consolidated		Parent	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
At fair value				
Opening balance at 1 January	17,880	19,220	17,880	19,220
Gain/(Loss) on revaluation	880	(1,340)	880	(1,340)
Closing balance as at 31 December	18,760	17,880	18,760	17,880

For fair value hierarchy categorisation of investment properties see Note 34 Fair value measurement.

Edith Cowan University
Notes to the financial statements
For the year ended 31 December 2019

14 Investment properties (continued)

a) Amounts recognised in Income Statement for investment properties

	Consolidated		Parent	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Rental income	1,353	1,650	1,353	1,650
Direct operating expenses	(615)	(464)	(615)	(464)
Gain/(Loss) on revaluation	880	(1,340)	880	(1,340)
Total recognised in Income Statement	1,618	(154)	1,618	(154)

Accounting policy

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.

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

15 Investments accounted for using the equity method

a) Associates

Name of entity	Country of incorporation	Carrying amount		Ownership interest		Principal activity
		2019 \$'000	2018 \$'000	2019 %	2018 %	
Sapien Cyber Limited (formerly known as SC8 Limited)	Australia	-	-	26	30	Provider of cyber security services

b) Joint Ventures

Name of entity	Country of incorporation	Carrying amount		Ownership interest		Principal activity
		2019 \$'000	2018 \$'000	2019 %	2018 %	
Edith Cowan College Pty Ltd	Australia	592	671	50	50	Provider of university pathway programs

c) Individually immaterial associate and joint ventures

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

	Associates		Joint ventures	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Profit/(loss) from continuing operations	-	(658)	3,129	2,659
Total comprehensive income	-	(658)	3,129	2,659

Accounting policy

Associates

Associates are all entities over which the University has significant influence but not control. Investments in associates are accounted for in the parent entity financial statements using the cost method or the equity method, and in the consolidated financial statements using the equity method of accounting, after initially being recognised at cost. The University's investment in associates includes goodwill (net of any accumulated impairment loss) identified on acquisition.

The University's share of its associates' post acquisition profits or losses is recognised in the income statement, and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post acquisition movements are adjusted against the

Edith Cowan University
Notes to the financial statements
For the year ended 31 December 2019

15 Investments accounted for using the equity method (continued)

carrying amount of the investment. Dividends receivable from associates are recognised in the parent entity's income statement, while in the consolidated financial statements they reduce the carrying amount of the investment.

Gains or losses resulting from 'upstream' and 'downstream' transactions, involving assets that do not constitute a business, are recognised in the parent's financial statements only to the extent of unrelated investors' interests in the associate or joint venture. Gains or losses resulting from the contribution of non-monetary assets in exchange for an equity interest are accounted for in the same method.

When the University's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the University does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Joint ventures

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 consolidated financial statements using the equity method and is carried at cost by the parent entity. Under the equity method, 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 the statement of changes in equity.

Edith Cowan University
Notes to the financial statements
For the year ended 31 December 2019

16 Property plant and equipment

	Work in progress \$'000	Land \$'000	Buildings \$'000	Leasehold improvements \$'000	Artworks \$'000	Library Collections \$'000	Motor vehicles \$'000	Other equipment and furniture \$'000	Computer equipment \$'000	Total \$'000
Consolidated										
As at 1 January 2018										
Cost	13,437	-	-	-	-	-	13,628	792	44,548	10,411
Valuation	-	153,535	585,758	4,061	14,732	-	-	-	-	-
Accumulated depreciation	-	-	-	-	-	(10,253)	(663)	(32,945)	(9,440)	-
Net book amount	13,437	153,535	585,758	4,061	14,732	3,375	129	11,603	971	787,601
Year ended 31 December 2018										
Opening net book amount	13,437	153,535	585,758	4,061	14,732	3,375	129	11,603	971	787,601
Additions	21,671	8,664	-	-	74	-	20	2,933	37	33,399
Disposals during the year	-	-	-	-	-	-	-	(32)	(5)	(37)
Revaluation increments	-	-	-	-	-	-	-	-	-	-
Write-offs during the year	-	230	6,106	26	-	-	-	(11)	-	6,362
Depreciation charge	-	-	(14,910)	(507)	-	(811)	(61)	(4,300)	(600)	(21,189)
Transfers	(9,294)	-	7,093	-	-	98	-	1,636	467	-
Reclassifications	(201)	-	(221)	-	-	-	-	-	-	(422)
Closing net book amount	25,613	162,429	583,826	3,580	14,806	2,662	88	11,829	870	805,703
As at 31 December 2018										
Cost	25,613	-	-	-	-	-	13,726	792	46,748	4,256
Valuation	-	162,429	583,826	3,580	14,806	-	-	-	-	-
Accumulated depreciation	-	-	-	-	-	(11,064)	(704)	(34,919)	(3,386)	-
Net book amount	25,613	162,429	583,826	3,580	14,806	2,662	88	11,829	870	805,703

Edith Cowan University
Notes to the financial statements
For the year ended 31 December 2019

16 Property plant and equipment (continued)

	Work in progress \$'000	Land \$'000	Buildings \$'000	Leasehold improvements \$'000	Artworks \$'000	Library Collections \$'000	Motor vehicles \$'000	Other equipment and furniture \$'000	Computer equipment \$'000	Subtotal property, plant and equipment \$'000	Right of use assets \$'000	Total \$'000
Consolidated												
Year ended 31 December 2019												
Opening net book amount	25,613	162,429	583,826	3,580	14,806	2,662	88	11,829	870	805,703	-	805,703
Adoption of AASB 16	-	-	-	-	-	-	-	-	-	-	3,420	3,420
Additions	52,792	-	-	-	50	71	82	3,635	438	57,068	231	57,299
Disposals during the year	-	-	-	-	-	-	-	(49)	(16)	(65)	-	(65)
Revaluation increments	-	4,640	-	-	498	-	-	-	-	5,138	-	5,138
Write-offs during the year	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation charge	-	-	(15,415)	(511)	-	(688)	(58)	(4,523)	(473)	(21,668)	(2,090)	(23,758)
Transfers	(28,733)	-	25,784	-	-	-	35	2,830	84	-	-	-
Reclassifications	(449)	-	(394)	-	-	-	-	(3)	3	(843)	-	(843)
Closing net book amount	49,223	167,069	593,801	3,069	15,354	2,045	147	13,719	906	845,333	1,561	846,894
As at 31 December 2019												
Cost	49,223	-	25,784	-	-	13,797	881	52,789	4,485	146,959	3,651	150,610
Valuation	-	167,069	583,432	3,580	15,354	-	-	-	-	769,435	-	769,435
Accumulated depreciation	-	-	(15,415)	(511)	-	(11,752)	(734)	(39,070)	(3,579)	(71,061)	(2,090)	(73,151)
Net book amount	49,223	167,069	593,801	3,069	15,354	2,045	147	13,719	906	845,333	1,561	846,894

Edith Cowan University
Notes to the financial statements
For the year ended 31 December 2019

16 Property plant and equipment (continued)

	Work in progress \$'000	Land \$'000	Buildings \$'000	Leasehold improvements \$'000	Artworks \$'000	Library Collections \$'000	Motor vehicles \$'000	Other equipment and furniture \$'000	Computer equipment \$'000	Total \$'000
Parent										
As at 1 January 2018										
Cost	13,436	-	-	-	-	13,628	792	43,147	10,268	81,271
Valuation	-	153,535	585,757	4,061	14,732	-	-	-	-	758,085
Accumulated depreciation	-	-	-	-	-	(10,253)	(663)	(32,270)	(9,333)	(52,519)
Net book amount	13,436	153,535	585,757	4,061	14,732	3,375	129	10,877	935	786,837
Year ended 31 December 2018										
Opening net book amount	13,436	153,535	585,757	4,061	14,732	3,375	129	10,877	935	786,837
Additions	21,671	8,664	-	-	74	-	20	2,912	35	33,376
Disposals during the year	-	-	-	-	-	-	-	(32)	(5)	(37)
Revaluation increments	-	-	-	-	-	-	-	-	-	6,362
Write-offs during the year	-	230	6,106	26	-	-	-	(11)	-	(11)
Depreciation charge	-	-	(14,910)	(507)	-	(811)	(61)	(4,160)	(593)	(21,042)
Transfers	(9,294)	-	7,093	-	-	98	-	1,636	467	-
Reclassifications	(200)	-	(220)	-	-	-	-	-	-	(420)
Closing net book amount	25,613	162,429	583,826	3,580	14,806	2,662	88	11,222	839	805,065
As at 31 December 2018										
Cost	25,613	-	-	-	-	13,726	792	45,326	4,111	89,568
Valuation	-	162,429	583,826	3,580	14,806	-	-	-	-	764,641
Accumulated depreciation	-	-	-	-	-	(11,064)	(704)	(34,104)	(3,272)	(49,144)
Net book amount	25,613	162,429	583,826	3,580	14,806	2,662	88	11,222	839	805,065

Edith Cowan University
Notes to the financial statements
For the year ended 31 December 2019

16 Property plant and equipment (continued)

	Work in progress \$'000	Land \$'000	Buildings \$'000	Leasehold improvements \$'000	Artworks \$'000	Library collections \$'000	Motor vehicles \$'000	Other equipment and furniture \$'000	Computer equipment \$'000	Subtotal property, plant and equipment \$'000	Right of use assets \$'000	Total \$'000
Parent												
Year ended 31 December 2019												
Opening net book amount	25,613	162,429	583,826	3,580	14,806	2,662	88	11,222	839	805,065	-	805,065
On adoption of AASB 16	-	-	-	-	-	-	-	-	-	-	3,420	3,420
Additions	52,792	-	-	-	50	71	83	3,564	431	56,991	225	57,216
Disposals during the year	-	-	-	-	-	-	-	(49)	(16)	(65)	-	(65)
Revaluation increments	-	4,640	-	-	498	-	-	-	-	5,138	-	5,138
Depreciation charge	-	-	(15,415)	(511)	-	(688)	(58)	(4,382)	(462)	(21,516)	(2,090)	(23,606)
Transfers	(28,733)	-	25,784	-	-	-	35	2,830	84	-	-	-
Reclassifications	(449)	-	(394)	-	-	-	-	-	-	(843)	-	(843)
Closing net book amount	49,223	167,069	593,801	3,069	15,354	2,045	148	13,185	876	844,770	1,555	846,325
As at 31 December 2019												
Cost	49,223	-	25,784	-	-	13,797	882	51,304	4,331	145,321	3,645	148,966
Valuation	-	167,069	583,432	3,580	15,354	-	-	-	-	769,435	-	769,435
Accumulated depreciation	-	-	(15,415)	(511)	-	(11,752)	(734)	(38,119)	(3,455)	(69,986)	(2,090)	(72,076)
Net book amount	49,223	167,069	593,801	3,069	15,354	2,045	148	13,185	876	844,770	1,555	846,325

Edith Cowan University
Notes to the financial statements
For the year ended 31 December 2019

16 Property plant and equipment (continued)

Accounting Policy

Land and buildings, leasehold improvements and artworks are shown at fair value less subsequent depreciation for buildings and leasehold improvements. Land, buildings, and leasehold improvements are revalued periodically at least triennially by an external independent valuer. Artworks are revalued periodically at least every five 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 land and buildings are recognised, net of tax, in other comprehensive income and accumulated in equity under the heading of revaluation reserve. To the extent that the increase reverses a decrease previously recognised in profit or loss, the increase is first recognised in profit or loss. 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.

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.

Construction work in progress

Construction work in progress is stated at the aggregate of contract costs incurred to date plus recognised profits less recognised losses and progress billings. If there are contracts where progress billings exceed the aggregate costs incurred plus profits less losses, the net amounts are presented under other liabilities.

Contract costs include all costs directly related to specific contracts, costs that are specifically chargeable to the customer under the terms of the contract and costs that are attributable to contract activity in general and can be allocated to the contract.

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:

Depreciable assets

	Estimated useful life
Buildings	25 – 50 years
Motor vehicles	4 – 6 years
Computer equipment	3 – 4 years
Other equipment and furniture	6 years
Library collections	10 years
Right-of-use assets	3 -5 years

Valuations of land, buildings

Land was revalued in December 2019 by independent professional valuers. The fair value of all land has been determined by reference to recent market transactions. The buildings and leasehold improvements were revalued in December 2018 by reference to the cost of replacing the remaining future economic benefits.

Artworks are heritage assets and have been valued in February 2019 by independent professional valuers, the fair value of artworks will be determined by reference to recent market transactions. Artwork is revalued every three to five years.

Edith Cowan University
Notes to the financial statements
For the year ended 31 December 2019

16.1 Right-of-use assets

Information about leases where the University is a lessee is presented below:

	Consolidated		Parent Entity	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Right-of-use assets				
As at 1 January 2019	3,420	-	3,420	-
Addition of right-of-use assets	231	-	225	-
Depreciation charges	(2,090)	-	(2,090)	-
As at 31 December 2019	1,561	-	1,555	-

Accounting Policy

Policy applicable from 1 January 2019

Assessment of whether a contract is, or contains, a lease

In inception of a contract, the University assesses whether a contract is, or contains a lease. A contract is or contains a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration.

The University assesses whether:

- (a) The contract involves the use of an identified asset – The asset may be explicitly or implicitly specified in the contract. A capacity portion of larger assets is considered an identified asset if the portion is physically distinct or if the portion represents substantially all the capacity of the asset. The asset is not considered an identified asset, if the supplier has the substantive right to substitute the asset throughout the period of use.
- (b) The customer has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use.
- (c) The customer has the right to direct the use of the asset throughout the period of use – The customer is considered to have the right to direct the use of the asset only if either:
 - a. The customer has the right to direct how and for what purpose the identified asset is used throughout the period of use; or
 - b. The relevant decisions about how and for what purposes the asset is used is predetermined and the customer has the right to operate the asset, or the customer designed the asset in a way that predetermines how and for what purpose the asset will be used throughout the period of use.

Accounting for leases – The University as lessee

In contracts where the University is a lessee, the University recognises a right-of-use asset and a lease liability at the commencement date of the lease, unless the short-term or low-value exemption is applied.

Right-of-use asset

A right-of-use asset is initially measured at cost comprising the initial measurement of the lease liability adjusted for any lease payments made before the commencement date (reduced by lease incentives received), plus initial direct costs incurred in obtaining the lease and an estimate of costs to be incurred in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

A right-of-use asset associated with land and buildings is subsequently measured at fair value. All other property, plant and equipment are measured as described in the accounting policy for property, plant and equipment in Note 16 Property plant and equipment.

The University has elected to measure a class (or classes) of right-of-use assets arising under 'concessionary leases' at initial recognition at cost, in accordance with AASB16 paragraphs 23 to 25, which incorporates the amount of the initial measurement of the lease liability.

Edith Cowan University
Notes to the financial statements
For the year ended 31 December 2019

17 Intangible assets

	Digital library collections \$'000	Re-acquired operating rights \$'000	Goodwill \$'000	Total \$'000
Consolidated				
Year ended 31 December 2018				
Opening book amount	7,642	9,001	-	16,643
Additions	1,226	-	1,412	2,638
Amortisation charge	(1,268)	(301)	-	(1,569)
Impairment	-	-	(755)	(755)
Closing net book amount	7,600	8,700	657	16,957
As at 31 December 2018				
Cost	19,197	9,151	1,412	29,760
Accumulated amortisation/impairment	(11,596)	(451)	(755)	(12,802)
Net Book amount	7,601	8,700	657	16,958
Year ended 31 December 2019				
Opening book amount	7,601	8,700	657	16,958
Additions	731	-	-	731
Amortisation charge	(1,297)	(300)	-	(1,597)
Closing net book amount	7,035	8,400	657	16,092
As at 31 December 2019				
Cost	19,928	9,151	1,412	30,491
Accumulated amortisation/impairment	(12,893)	(751)	(755)	(14,399)
Net Book amount	7,035	8,400	657	16,092

	Digital library collections \$'000
Parent	
Year ended 31 December 2018	
Opening book amount	7,642
Additions	1,227
Amortisation charge	(1,268)
Closing net book amount	7,601
As at 31 December 2018	
Cost	19,197
Accumulated amortisation/impairment	(11,596)
Net Book amount	7,601
Year ended 31 December 2019	
Opening book amount	7,601
Additions	731
Amortisation charge	(1,297)
Closing net book amount	7,035
As at 31 December 2019	
Cost	19,928
Accumulated amortisation/impairment	(12,893)
Net Book amount	7,035

Accounting policy

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. For assets acquired at no cost or for nominal cost, cost is their fair value at the end 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 the income statement during the financial period in which they are incurred.

Edith Cowan University
Notes to the financial statements
For the year ended 31 December 2019

17 Intangible assets (continued)

Amortisation is calculated on a straight line basis over the estimated useful life of the asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

The remaining amortisation periods of the above classes of intangible assets are as follows:

- Digital library collections 10 years
- Re-acquired operating rights 28 - 36 years

Re-acquired Operating Rights

In 2017, the University as parent entity re-acquired operating rights previously granted to an external operator to manage and operate student accommodation buildings.

Re-acquired operating rights are recognised separately in Intangible assets and amortised on a straight-line basis over the life of the operating rights.

Research

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

Goodwill

Goodwill represents the excess of the aggregate of the fair value measurement of the consideration transferred in an acquisition, the amount of any non-controlling interest and any previously held equity interest in the acquiree, over the fair value of the University's share of the net identifiable assets of the acquiree at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill on acquisitions of associates is included in investments in associates. Goodwill is not amortised, instead it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Intangible assets acquired in a business combination are recognised separately from goodwill if they are separable, but only together with a related contract, identifiable asset or liability.

18 Trade and other payables

	Consolidated		Parent Entity	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Current				
OS-HELP liability to Australian Government	1,017	1,391	1,017	1,391
Trade creditors	11,757	13,528	12,105	13,354
CGS and other liabilities to Australian Government	694	679	694	679
GST payable	300	169	276	145
Total current trade and other payables	13,768	15,767	14,092	15,569

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.

	Consolidated		Parent Entity	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Australian Dollar	13,700	15,453	14,039	15,255
Euro	9	14	9	14
Great British Pound	-	47	-	47
US Dollar	44	247	44	247
Canadian Dollar	-	6	-	6
Hong Kong Dollar	5	-	-	-
Chinese Yuan	10	-	-	-
	13,768	15,767	14,092	15,569

For an analysis of the sensitivity of trade and other payables to foreign currency risk refer to note 33 Financial risk management.

Accounting Policy

These amounts represent liabilities for goods and services provided to the University prior to the end of 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.

Edith Cowan University
Notes to the financial statements
For the year ended 31 December 2019

19 Borrowings

	Consolidated		Parent Entity	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Current				
Secured loans	22,571	21,977	22,571	21,977
Lease liabilities	1,199	-	1,198	-
	23,770	21,977	23,769	21,977
Non-current				
Secured loans	38,482	61,053	38,482	61,053
Lease liabilities	444	-	440	-
Medium term notes	119,389	-	119,389	-
	158,315	61,053	158,311	61,053
Total borrowings	182,085	83,030	182,080	83,030

On 11 April 2019, the University issued \$120 million of AUD Fixed Rate Medium Term Notes with a 3% per annum coupon rate and a settlement date of 11 April 2029. Interest is paid semi-annually and any interest accrued is reported as part of Note 22 Other Liabilities.

a) Financing arrangements

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

	Consolidated		Parent Entity	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Credit standby arrangements				
Total credit standby arrangements				
Loan facilities	120,000	120,000	120,000	120,000
Used at balance date				
Loan facilities	61,053	83,030	61,053	83,030
Unused at balance date				
Loan facilities	58,947	36,970	58,947	36,970

b) Fair value

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

	2019		2018	
	Carrying amount \$'000	Fair value \$'000	Carrying amount \$'000	Fair value \$'000
Consolidated				
Borrowings				
Secured loans	61,053	67,002	83,030	85,423
Medium term notes	119,389	119,389	-	-
Lease liabilities	1,643	1,643	-	-
	182,085	188,034	83,030	85,423
Parent				
Borrowings				
Secured loans	61,053	67,002	83,030	85,423
Medium term notes	119,389	119,389	-	-
Lease liabilities	1,638	1,638	-	-
	182,080	188,029	83,030	85,423

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:

	Consolidated		Parent Entity	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Within one year	23,770	21,977	23,769	21,977
Between one and five years	7,708	27,915	7,704	27,915
Later than five years	150,607	33,138	150,607	33,138
	182,085	83,030	182,080	83,030
These borrowings are classified as follows:				
Current borrowings	23,770	21,977	23,769	21,977
Non-current borrowings	158,315	61,053	158,311	61,053
	182,085	83,030	182,080	83,030

Edith Cowan University
Notes to the financial statements
For the year ended 31 December 2019

19 Borrowings (continued)

For an analysis of the sensitivity of borrowings to interest rate risk refer to note 33 Financial Risk management.

Financial risk management.

d) Reconciliation of liabilities arising from financing activities

	2018 \$'000	Cash flows \$'000	Non-cash changes - Other \$'000	2019 \$'000
Long-term borrowings	61,053	119,692	(22,430)	158,315
Short-term borrowings	21,977	(24,585)	26,378	23,770
	<u>83,030</u>	<u>95,107</u>	<u>3,948</u>	<u>182,085</u>

Accounting policy

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.

The fair value of borrowings have been prepared assuming hypothetical settlement dates of 31 December 2018 and 31 December 2019.

Assets pledged as security

The University has not directly pledged any assets as security against the borrowings. The borrowings are secured by the Western Australian Government guarantee.

19.1 The University as lessee

Amounts recognised in the income statement

	Consolidated 2019 \$'000	Parent 2019 \$'000
Interest of lease liabilities	88	88
Depreciation on right of use assets	2,090	2,090
Expenses relating to leases of low-value assets, excluding short term leases of low-value assets	3,133	3,133
Subtotal	<u>5,311</u>	<u>5,311</u>

Maturity analysis – undiscounted contractual cash flows

	Consolidated 2019 \$'000	Parent 2019 \$'000
Less than one year	1,199	1,198
One to five years	444	440
More than 5 years	-	-
Total undiscounted contractual cash flows	<u>1,643</u>	<u>1,638</u>
Lease liabilities recognised in the statement of financial position		
Current	1,199	1,198
Non-current	444	440
	<u>1,643</u>	<u>1,638</u>

Nature of leasing activities

ECU has lease arrangements for vehicles and network equipment ranging from three to five years in length.

Potential exposure to future cash flows not reflected in the measurement of lease liability.

Edith Cowan University
Notes to the financial statements
For the year ended 31 December 2019

19.1 The University as lessee (continued)

Amounts recognised in statement of cash flows

	Consolidated 2019 \$'000	Parent 2019 \$'000
Total cash outflow for leases	(2,260)	(2,259)

Accounting policy

Policy applicable from 1 January 2019

Lease liabilities – The University as lessee

Policy on assessment of whether a contract is, or contains, a lease is detailed in note 16.1 Right-of-use assets.

Lease liability

A lease liability is initially measured at the present value of unpaid lease payments at the commencement date of the lease. To calculate the present value, the unpaid lease payments are discounted using the interest rate implicit in the lease if the rate is readily determinable. If the interest rate implicit in the lease cannot be readily determined, the incremental borrowing rate at the commencement date of the lease is used. Lease payments included in the measurement of lease liabilities comprise:

- Fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date (e.g. payments varying on account of changes in CPI); and
- Amounts expected to be payable by the lessee under residual value guarantees
- Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

For a contract that contains a lease component and one or more additional lease or non-lease components, the University allocates the consideration in the contract to each lease component based on the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

Subsequently, the lease liability is measured at amortised cost using the effective interest rate method resulting in interest expense being recognised as a borrowing cost in the income statement. The lease liability is remeasured when there are changes in future lease payments arising from a change in an index or rate with a corresponding adjustment to the right-of-use asset. The adjustment amount is factored into depreciation of the right-of-use asset prospectively.

Right-of-use assets are presented within property, plant and equipment in Note 16.1 and lease liabilities are presented as borrowings in Note 19.

Short-term leases and leases of low-value assets

The University has elected not to recognise right-of-use assets and lease liabilities for short-term leases i.e. leases with a lease term of 12 months or less and leases of low-value assets i.e., when the value of the leased asset when new is \$5,000 or less. The University recognises the lease payments associated with these leases as expense on a straight-line basis over the lease term.

20 Other financial liabilities

	Consolidated 2019 \$'000	2018 \$'000	Parent Entity 2019 \$'000	2018 \$'000
Current				
Financial liabilities at fair value through other comprehensive income				
Derivative financial instruments	35	-	35	-

Accounting Policy

The University is a 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 33 Financial Risk management).

In order to protect against exchange rate movements, the University has 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 Position by the related amount deferred in equity.

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 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 probably forecast transactions (cash flow hedges).

Edith Cowan University
Notes to the financial statements
For the year ended 31 December 2019

20 Other financial liabilities (continued)

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.

For an analysis of the sensitivity of derivatives to interest rate and foreign exchange risk refer to Note 33 Financial Risk Management.

21 Provisions

	Consolidated		Parent Entity	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Current provisions expected to be settled within 12 months				
Employee benefits				
Annual leave and other compensated absences	8,435	7,990	8,391	7,973
Long service leave	13,667	8,206	13,667	8,206
Superannuation and other post-employment benefits	2,557	2,130	2,557	2,130
Employment on-costs provision	1,505	1,135	1,505	1,135
Defined benefit obligation	2,126	2,485	2,126	2,485
Staff bonuses	-	-	-	-
Provision for operating rights	-	-	1,437	1,444
Other provisions	3,251	2,813	3,251	2,813
Restructuring provision	586	7,195	586	7,195
	32,127	31,954	33,520	33,381
Current provisions expected to be settled after more than 12 months				
Employee benefits				
Annual leave and other compensated absences	1,726	1,728	1,726	1,728
Long service leave	21,474	18,039	21,474	18,039
Superannuation and other post-employment benefits	3,060	2,640	3,060	2,640
Employment on-costs provision	1,711	1,460	1,711	1,460
	27,971	23,867	27,971	23,867
Total current provisions	60,098	55,821	61,491	57,248
Non-current provisions				
Employee benefits				
Long service leave	5,046	3,285	5,046	3,285
Defined benefit obligation	18,594	18,196	18,594	18,196
Provision for deferred salary	55	114	55	114
Employment on-costs provision	3,427	2,763	3,427	2,763
Provision for operating rights	-	-	38,567	40,392
Other provisions	1,478	2,566	1,478	2,566
Total non-current provisions	28,600	26,924	67,167	67,316
Total provisions	88,698	82,745	128,658	124,564

a) Movements in provisions

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

	Employment on-costs	Other	Total
	\$'000	\$'000	\$'000
Consolidated 2019			
Carrying amount as at 1 January 2019	5,358	12,574	17,932
Additional provisions recognised	8,710	7,209	15,919
Amounts used	(7,425)	(11,642)	(19,067)
Unused amounts reversed	-	(2,826)	(2,826)
Carrying amount as at 31 December 2019	6,643	5,315	11,958

Edith Cowan University
Notes to the financial statements
For the year ended 31 December 2019

21 Provisions (continued)

	Employment on-costs \$'000	Operating rights issued \$'000	Other \$'000	Total \$'000
Parent 2019				
Carrying amount as at 1 January 2019	5,358	41,836	12,574	59,768
Additional provisions recognised	8,710	-	7,209	15,919
Reduction provisions recognised	-	(1,832)	-	(1,832)
Amounts used	(7,425)	-	(11,642)	(19,067)
Unused amounts reversed	-	-	(2,826)	(2,826)
Carrying amount as at 31 December 2019	6,643	40,004	5,315	51,962

Accounting policy

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

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the 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.

Details about the nature of provisions (other than those relating to employee benefits) are set out below:

Other Provision

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.

For details relating to the individual scheme, refer to Note 37 Deferred Government benefit for superannuation.

Financial risk management.

Provision of operating rights

The parent entity has recognised a provision relating to the granting of operating rights to its subsidiary in the Statement of Financial Position. The liability reflects the performance obligation the parent entity has incurred to allow its subsidiary access to, and the right to generate revenue from the student accommodation assets. The liability incurred is initially recognised at an amount equivalent to the value of buildings delivered to the parent entity and is amortised to the Statement of Comprehensive Income over the duration of the lease 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.

Restructuring provision

The University recognises costs for restructuring within the scope of AASB137 that involves the payment of termination benefits.

Employee benefits

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 the reporting date.

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

The settlement of annual and long service leave liabilities gives rise to the payment of employment on-costs including workers compensation premiums and payroll tax. The provision is measured at the present value of expected future payments. The associated expense, apart from the unwinding of the discount (finance cost), is included at Note 4 Employee related expenses.

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.

21 Provisions (continued)

ii) Other long-term obligations

The liability for other long-term benefits are those that are not expected to be settled wholly before twelve 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 plan. The University has a defined benefit section and a defined contribution section within its plan. 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 parent entity are all members of the defined contribution section of the University's plan.

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

iv) 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.

v) 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, Skills and Employment, 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 year's practice had been to disclose liabilities by way of a note to the financial statements.

The unfunded liabilities recorded in the Statement of Financial Position under Provisions have been determined by independent actuary, Mercer, and relate to liabilities for existing employees who are members of the pension scheme and 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.

vi) Prior period error

During 2019 the University undertook a review of the application of both the requirements of the *Fair Work Act 2009* and the University's historical industrial agreements to the calculation of long service leave balances for current and previous employees. In doing so, it was identified that the University had been incorrectly calculating the long service leave entitlements for a portion of its employees.

Edith Cowan University
Notes to the financial statements
For the year ended 31 December 2019

21 Provisions (continued)

The resulting error in the long service leave provision has been corrected by restating the long service leave provision at 1 January 2019, with an equivalent entry in retained earnings, and then correctly calculating the entitlements in the current financial year. The impact on the relevant balances on rectification of the error was as follows:

	Consolidated			Parent		
	At 1-Jan-19 As previously stated \$'000	Increase / (Decrease) \$'000	1-Jan-19 Restated \$'000	At 1-Jan-19 As previously stated \$'000	Increase / (Decrease) \$'000	1-Jan-19 Restated \$'000
Balance Sheet (extract)						
Current Liabilities						
Employee benefit provisions	45,813	7,810	53,623	45,796	7,810	53,606
Non-current Liabilities						
Employee benefit provisions	24,358	1,976	26,334	24,358	1,976	26,334
Net assets	999,277	(9,786)	989,491	997,791	(9,786)	988,005
Retained earnings	671,645	(9,786)	661,859	670,159	(9,786)	660,373
Total equity	999,277	(9,786)	989,491	997,791	(9,786)	988,005

Long service leave balances prior to 1 January 2019 and the impact on the income statement for the year ending 31 December 2018 have not been restated as it was impractical to perform the recalculation of long service leave balances for earlier periods due to the volume of calculations and the fact that certain required data points were not available for those periods.

The amounts disclosed about for the balance sheets as at 1 January 2019 are before restatements for the change in accounting policy disclosed in note 23 Reserves and Retained Earnings.

22 Other liabilities

	Consolidated		Parent Entity	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Current				
Fees and grants received in advance	24,594	17,435	24,594	17,408
Financial assistance received in advance	59	1,250	59	1,250
Deferred capital grants	10,400	-	10,400	-
Accrued expenses	20,371	18,084	20,129	17,746
Total other liabilities	55,424	36,769	55,182	36,404

23 Reserves and retained earnings

a) Reserves

	Consolidated		Parent Entity	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Reserves				
Hedging reserve - cash flow hedges	(35)	65	(35)	65
Revaluation reserves - investment	45,958	31,012	45,958	31,012
Revaluation reserves - properties	301,693	296,555	301,693	296,555
Total reserves	347,616	327,632	347,616	327,632

Edith Cowan University
Notes to the financial statements
For the year ended 31 December 2019

23 Reserves and retained earnings (continued)

Movements

	Consolidated		Parent Entity	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Hedging reserve - cash flow hedges				
Balance at 1 January	65	(32)	65	(32)
Revaluation - gross	(100)	97	(100)	97
Balance at 31 December	(35)	65	(35)	65
Revaluation reserves - investments				
Balance at 1 January	31,012	22,281	31,012	22,281
Reclassification on adoption of AASB 9	-	1,451	-	1,451
Transfers to retained earnings	(2,130)	-	(2,130)	-
Balance as restated	28,882	23,732	28,882	23,732
Revaluation - gross	17,076	7,280	17,076	7,280
Balance at 31 December	45,958	31,012	45,958	31,012
Revaluation reserves - properties				
Balance at 1 January	296,555	289,539	296,555	289,539
Revaluation - gross	5,138	6,362	5,138	6,362
Transfers to retained earnings	-	654	-	654
Balance at 31 December	301,693	296,555	301,693	296,555
Total reserves	347,616	327,632	347,616	327,632

b) Retained earnings

Movement in retained earnings were as follows:

Note	Consolidated		Parent Entity	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Retained earnings at the beginning of the year	671,645	645,942	670,159	644,714
Rectification of prior period error	(9,786)	-	(9,786)	-
Reclassification on adoption of AASB 9	(241)	4,099	(243)	4,099
Reclassification on adoption of AASB 15	(7,758)	-	(7,758)	-
Reclassification on adoption of AASB 16	(164)	-	(164)	-
Net result attributable to parent entity for the period	35,375	22,559	36,491	22,000
Transfers from revaluation reserves	2,130	(654)	2,130	(654)
Loss on transactions with non-controlling interest	-	(301)	-	-
Retained earnings at the end of the year	691,201	671,645	690,829	670,159

c) Nature and purpose of reserves

i) Revaluation reserves - properties

The property, plant and equipment revaluation reserve is used to record increments and decrements on the revaluation of non-current assets.

ii) Revaluation reserves - investments

Changes in the fair value and exchange differences arising on revaluation of investments, such as equities, classified as financial assets designated at fair value through profit or loss, are taken to the investment revaluation reserve.

Amounts are reclassified to the income statement when the associated assets are sold or impaired.

iii) Hedging reserve - cash flow hedges

The hedging reserve is used to record gains or losses on a hedging instrument in a cash flow hedge that are recognised directly in equity. 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.

Edith Cowan University
Notes to the financial statements
For the year ended 31 December 2019

24 Non-controlling interest

	Consolidated	
	2019 \$'000	2018 \$'000
Non-controlling interest in St Stephen's College at acquisition date	-	584
Loss for year attributable to non-controlling interest	-	(523)
Acquisition of non-controlling interest	-	(362)
Loss on buy-out by Edith Cowan University (transferred to reserve)	-	301
Total Non-controlling interest	-	-

In January 2018, the University acquired 50.19% interest in the equity of what was then known as St. Stephen's College (now Australian Pathway Education Group Pty Ltd). In November and December 2018, the non-controlling interest was diluted when the University subscribed for further capital in St Stephens' college and, soon after, the entire non-controlling interest was acquired by the University.

25 Restricted cash

	Consolidated		Parent	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Restricted cash				
ECU Foundation	13,090	12,585	13,090	12,585

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.

Edith Cowan University
Notes to the financial statements
For the year ended 31 December 2019

26 Key management personnel disclosures

a) Remuneration of key management personnel

The University has determined key management personnel to include members of the University Council and senior officers.

The total fees, salaries, superannuation, non-monetary benefits and other benefits for senior officers and University Council members for the reporting period are presented within the following bands:

	Consolidated		Parent Entity	
	2019	2018	2019	2018
	Number	Number	Number	Number
\$0 to \$10,000	7	16	7	16
\$10,001 to \$20,000	5	-	5	-
\$20,001 to \$30,000	2	-	2	-
\$40,001 to \$50,000	1	-	1	-
\$60,001 to \$70,000	1	-	1	-
\$90,001 to \$100,000	-	1	-	1
\$120,001 to \$130,000	1	-	1	-
\$180,001 to \$190,000	-	1	-	1
\$190,001 to \$200,000	1	1	1	1
\$230,001 to \$240,000	1	-	1	-
\$240,001 to \$250,000	1	1	1	1
\$250,001 to \$260,000	-	3	-	3
\$260,001 to \$270,000	3	-	3	-
\$270,001 to \$280,000	1	-	1	-
\$280,001 to \$290,000	2	1	2	1
\$290,001 to \$300,000	-	2	-	2
\$300,001 to \$310,001	-	2	-	2
\$310,001 to \$320,000	3	2	3	2
\$320,001 to \$330,000	1	-	1	-
\$330,001 to \$340,000	1	3	1	3
\$370,001 to \$380,000	-	1	-	1
\$400,001 to \$410,000	1	-	1	-
\$420,001 to \$430,000	-	1	-	1
\$430,001 to \$440,000	2	-	2	-
\$440,001 to \$450,000	1	-	1	-
\$450,001 to \$460,000	-	1	-	1
\$460,001 to \$470,000	1	-	1	-
\$480,001 to \$490,000	-	1	-	1
\$510,001 to \$520,000	1	1	1	1
\$520,001 to \$530,000	1	-	1	-
\$820,001 to \$830,000	-	1	-	1
\$880,001 to \$890,000	1	-	1	-
Total	39	39	39	39

	Consolidated		Parent Entity	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Short-term employee benefits	6,812	6,190	6,812	6,190
Other long-term employee benefits	561	520	561	520
Post-employment benefits	1,012	995	1,012	995
Total key management personnel compensation	8,385	7,705	8,385	7,705

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

No Council member or senior officer is a member of the pension scheme.

27 Remuneration of auditors

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

	Consolidated		Parent Entity	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Audit of the financial statements				
Audit fees - OAG	267	252	267	252
Other audit and assurance services				
Audit fees - OAG	29	29	14	14
Audit fees - Non-OAG firms	29	36	6	6
Total	325	317	287	272

Edith Cowan University
Notes to the financial statements
For the year ended 31 December 2019

28 Commitments

a) Capital expenditure commitments

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

	Consolidated		Parent	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Property, plant and equipment				
Within one year	4,592	6,634	4,592	6,634
Between one year and five years	-	-	-	-
	<u>4,592</u>	<u>6,634</u>	<u>4,592</u>	<u>6,634</u>

b) Operating Lease commitments: The Entity as lessee

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

	Consolidated 2018 \$'000	Parent 2018 \$'000
Within one year	5,121	5,121
Between one year and five years	3,687	3,687
	<u>8,808</u>	<u>8,808</u>

c) Other expenditure commitments

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

	Consolidated		Parent	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Within one year	10,170	14,058	10,170	14,058
Between one year and five years	5,286	11,114	5,286	11,114
	<u>15,456</u>	<u>25,172</u>	<u>15,456</u>	<u>25,172</u>

29 Related parties

a) Parent entities

The ultimate parent entity within the Group is Edith Cowan University. Transactions between parent company and its subsidiaries are eliminated on consolidation and are not disclosed in this note.

b) Subsidiaries

Interests in subsidiaries are set out in Note 30 Subsidiaries.

c) Joint Ventures and Associates

The University's interests in joint ventures and associates are set out in Note 15 Investments accounted for using the equity method.

d) Key management personnel

The University had no material related party transaction with Key Management Personnel or their close family members or their controlled (or jointly controlled) entities for disclosure.

e) Transactions with related parties

The following transactions occurred with related parties:

	Joint venture		Associates	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Sale of goods and services	2,351	2,469	271	1,119
Purchase of goods and services	460	741	-	-

f) Outstanding balances

The following balances are outstanding at the reporting date in relation to transactions with related parties:

	Joint venture		Associates	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Trade amounts owing from related parties	22	100	-	-
Trade amounts owing to related parties	79	-	-	-

Edith Cowan University
Notes to the financial statements
For the year ended 31 December 2019

29 Related parties (continued)

No provisions for doubtful debts have been raised in relation to any outstanding balances, and no expense has been recognised in respect of bad or doubtful debts due from related parties.

30 Subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries:

Name of Entity	Principal place of business	Ownership interest	
		2019 %	2018 %
Edith Cowan Accommodation Holdings Pty Ltd	Western Australia	100.00	100.00
Australian Pathway Education Group Pty Ltd (previously known as St Stephen's College)	Western Australia	100.00	100.00
ECU Holdings Pty Ltd as trustee for The Edith Cowan University Hold Trust	Western Australia	100.00	-

	Edith Cowan Accommodation Holdings \$'000	Australian Pathway Education Group \$'000
At 31 December 2018		
Cost	11,206	3,115
Impairment	-	(1,686)
Carrying amount	11,206	1,429
Year ended 31 December 2019		
Opening carrying amount	11,206	1,429
Additions	-	1,180
Impairment	-	-
Carrying amount	11,206	2,609

Australian Pathway Education Group Pty Ltd became a wholly owned subsidiary of the University on 19 December 2018.

On 12 November 2019, the University established The Edith Cowan University Hold Trust with the University as its sole beneficiary. ECU Holdings Pty Ltd as trustee for The Edith Cowan University Hold Trust will hold interests in assets for the benefits of the University. As at 31 December 2019 the trust was not yet operational.

Accounting Policy

Subsidiaries are all those entities (including structured entities) over which the University has control. The University has control over an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Power over the investee exists when the University has existing rights that give it current ability to direct the relevant activities of the investee. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the University controls another entity. Returns are not necessarily monetary and can be only positive, only negative, or both positive and negative.

Subsidiaries are fully consolidated from the date on which control is transferred to the University. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the University.

The acquisition method of accounting is used to account for the acquisition of a subsidiary by the University.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated Statement of Comprehensive Income, Statement of Financial Position and Statement of Changes in Equity respectively.

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Interests in subsidiaries is accounted for at cost, less any impairment, in the parent entity. Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

Edith Cowan University
Notes to the financial statements
For the year ended 31 December 2019

31 Events occurring after the reporting date

Subsequent to 31 December 2019, the Australian Government has introduced restrictions on travel to and from Australia as a result of the outbreak of the novel coronavirus (COVID-19) in the Hubei Province of China.

ECU has developed and implemented measures to mitigate the late arrival of those commencing and continuing students including online orientation and flexible study plans. It is too early to accurately quantify the impact from the COVID-19 virus and the related extended travel ban, however ECU does not expect that there will be a material impact to revenue from delays to students arriving to study at ECU in 2020.

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

	Consolidated		Parent Entity	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Net result for the period	35,375	22,036	36,491	22,000
Non-cash items				
Depreciation and amortisation	25,355	22,757	24,903	22,310
Fair Value Gains/(Losses) on investments	(13,234)	7,062	(13,234)	7,062
Provision for impairment of receivables	-	98	-	98
Bad debt recovered	(74)	-	(74)	-
Impairment of investments	-	-	-	1,686
Impairment of goodwill	-	755	-	-
(Gain)/loss on sale of asset	25	(84)	25	(84)
Net loss on asset write-offs	-	11	-	11
Operating rights income	-	-	(1,438)	(1,400)
Share of profit on investments accounted for using the equity method not received as dividends or distributions	(3,129)	(2,001)	(3,129)	(2,001)
Amortisation of borrowing costs	114	-	114	-
	44,432	50,634	43,658	49,682
(Increase)/decrease in receivables and non-financial assets	(1,665)	1,555	(3,068)	2,777
Decrease in trade and other payables	(1,739)	(2,315)	(1,098)	(1,776)
Increase in contract liabilities	19,013	-	19,013	-
Decrease in provisions	(3,833)	(1,539)	(3,860)	(1,752)
	11,776	(2,299)	10,987	(751)
Net cash inflow from operating activities	56,208	48,335	54,645	48,931

33 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.

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's investment portfolio is 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 an independent expert to ensure that there is no concentration of risk in any one area.

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.

Edith Cowan University
Notes to the financial statements
For the year ended 31 December 2019

33 Financial risk management (continued)

a) Market risk (continued)

	Carrying Amount \$'000	Interest rate risk			Foreign exchange risk			Other price risk		
		-4%	1%	10%	-10%	10%	-10%	10%	-10%	10%
		Profit \$'000	Equity \$'000	Profit \$'000	Equity \$'000	Profit \$'000	Equity \$'000	Profit \$'000	Equity \$'000	Profit \$'000
31 December 2019										
Financial Assets										
Cash and cash equivalents	60,823	(389)	(389)	389	-	-	-	-	-	-
Trade receivable	6,552	-	-	-	7	(7)	-	-	-	-
Financial assets at amortised cost	217,911	(1,274)	(1,274)	1,274	-	-	-	-	-	-
Financial assets - through other comprehensive income	45,958	-	-	-	-	-	(4,596)	(4,596)	4,596	4,596
Financial assets designated at fair value through profit or loss	133,092	-	-	-	-	-	(13,309)	13,309	13,309	13,309
Sub-total		(1,663)	(1,663)	1,663	7	(7)	(17,905)	17,905	(17,905)	17,905
Financial Liabilities										
Trade payables	13,768	-	-	-	(7)	7	-	-	-	-
Borrowings	182,085	-	-	-	-	-	-	-	-	-
Accrued expenses	20,371	-	-	-	-	-	-	-	-	-
Other financial liabilities	35	-	-	-	(4)	4	-	-	-	-
Sub-total		-	-	-	(11)	11	-	-	-	-
Total increase/(decrease)		(1,663)	(1,663)	1,663	(4)	4	(17,905)	17,905	(17,905)	17,905

Edith Cowan University
Notes to the financial statements
For the year ended 31 December 2019

33 Financial risk management (continued)

a) *Market risk (continued)*

	Carrying Amount \$'000	Interest rate risk			Foreign exchange risk			Other price risk		
		-1%	1%		-10%	10%		-10%	10%	
		Profit \$'000	Equity \$'000	Profit \$'000	Equity \$'000	Profit \$'000	Equity \$'000	Profit \$'000	Equity \$'000	Profit \$'000
31 December 2018										
Financial Assets										
Cash and cash equivalents	51,553	(336)	(336)	336	-	-	-	-	-	-
Trade receivable	4,356	-	-	-	7	(7)	(7)	-	-	-
Financial assets at amortised cost	165,890	(431)	(431)	431	-	-	-	-	-	-
Financial assets - through other comprehensive income	31,277	-	-	-	-	-	-	(3,128)	(3,128)	3,128
Financial assets designated at fair value through profit or loss	81,851	-	-	-	-	-	-	(8,185)	(8,185)	8,185
Sub-total		(767)	(767)	767	7	(7)	(7)	(11,313)	(11,313)	11,313
Financial Liabilities										
Trade payables	15,767	-	-	-	(31)	31	31	-	-	-
Borrowings	83,030	-	-	-	-	-	-	-	-	-
Accrued expenses	18,084	-	-	-	-	-	-	-	-	-
Other financial liabilities	-	-	-	-	-	-	-	-	-	-
Sub-total		-	-	-	(31)	31	31	-	-	-
Total increase/(decrease)		(767)	(767)	767	(24)	24	24	(11,313)	(11,313)	11,313

Edith Cowan University
Notes to the financial statements
For the year ended 31 December 2019

33 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.

	Within 1 year		1 - 2 years		2 - 5 years		5+ years		Total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial Assets										
Cash and cash equivalents	60,823	51,553	-	-	-	-	-	-	60,823	51,553
Trade and other receivables	6,552	4,356	-	-	-	-	-	-	6,552	4,356
Financial assets at amortised cost	197,539	125,064	20,372	40,826	-	-	-	-	217,911	165,890
Financial assets - through other comprehensive income	-	-	-	-	-	-	45,958	31,277	45,958	31,277
Financial assets designated at fair value through profit or loss	-	-	-	-	-	-	133,092	81,851	133,092	81,851
Total financial assets	264,914	180,973	20,372	40,826	-	-	179,050	113,128	464,336	334,927
Financial Liabilities										
Trade and other payables	13,768	15,767	-	-	-	-	-	-	13,768	15,767
Borrowings	23,770	21,977	1,941	22,572	5,767	5,344	151,218	33,137	182,696	83,030
Accrued expenses	20,371	18,084	-	-	-	-	-	-	20,371	18,084
Derivative financial instruments	35	-	-	-	-	-	-	-	35	-
Total financial liabilities	57,944	55,828	1,941	22,572	5,767	5,344	151,218	33,137	216,870	116,881

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

34 Fair value measurements

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 the financial statements
For the year ended 31 December 2019

34 Fair value measurement (continued)

a) *Fair value measurements (continued)*

Consolidated

	Notes	Carrying Amount		Fair Value	
		2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Financial Assets					
Cash and cash equivalents	10	60,823	51,553	60,823	51,553
Trade receivables	11	6,552	4,356	6,552	4,356
Financial assets at amortised cost	12	217,911	165,890	217,911	165,890
Financial assets through other comprehensive income	12	45,958	31,277	45,958	31,277
Financial assets designated at fair value through profit or loss	12	133,092	81,851	133,092	81,851
Total financial assets		464,336	334,927	464,336	334,927
Financial Liabilities					
Trade payables	18	13,768	15,767	13,768	15,767
Borrowings	19	182,085	83,030	188,034	85,423
Other financial liabilities	20	35	-	35	-
Accrued expense	22	20,371	18,084	20,371	18,084
Total financial liabilities		216,259	116,881	222,208	119,274

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 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)

c) *Recognised fair value measurements*

Fair value measurements recognised in the statement of financial position are categorised into the following levels at 31 December 2019.

Edith Cowan University
Notes to the financial statements
For the year ended 31 December 2019

34 Fair value measurements (continued)

Fair value measurements at 31 December 2019

	Note	2019 \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Consolidated					
Recurring fair value measurements					
Financial assets					
Financial assets at fair value through other comprehensive income	12				
Listed shares		486	486	-	-
Unlisted shares		45,472	-	-	45,472
Derivative financial instruments		-	-	-	-
Financial assets designated at fair value through profit or loss	12				
Funds under management		133,092	-	133,092	-
Total financial assets		179,050	486	133,092	45,472
Non-financial assets					
Investment properties	14	18,760	-	18,760	-
Land	16	167,069	-	167,069	-
Buildings	16	593,801	-	-	593,801
Leasehold improvements	16	3,069	-	-	3,069
Artworks	16	15,354	-	15,354	-
Total non-financial assets		798,053	-	201,183	596,870

Fair value measurements at 31 December 2018

	Note	2018 \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Consolidated					
Recurring fair value measurements					
Financial assets					
Financial assets at fair value through other comprehensive income	12				
Listed shares		2,356	2,356	-	-
Unlisted shares		28,856	-	-	28,856
Derivative financial instruments		65	-	65	-
Financial assets designated at fair value through profit or loss	12				
Funds under management		81,851	-	81,851	-
Total financial assets		113,128	2,356	81,916	28,856
Non-financial assets					
Investment properties	14	17,880	-	17,880	-
Land	16	162,429	-	162,429	-
Buildings	16	583,826	-	-	583,826
Leasehold improvements	16	3,580	-	-	3,580
Artworks	16	14,806	-	14,806	-
Total non-financial assets		782,521	-	195,115	587,406

There were no transfers between levels 1 and 2.

d) *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.

Edith Cowan University
Notes to the financial statements
For the year ended 31 December 2019

34 Fair value measurement (continued)

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; and
- 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 (e) 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; and
- capitalised income projections based on a property's estimated net market income, and a capitalisation rate derived from an analysis of market evidence.

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.

e) 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 2019 and 2018.

Consolidated
Level 3 Fair Value Measurements 2019
 Opening balance
 Recognised in other comprehensive income
Closing balance

Unlisted Shares \$'000
28,856
16,616
45,472

Consolidated
Level 3 Fair Value Measurements 2018
 Opening balance
 Recognised in other comprehensive income
Closing balance

Unlisted Shares \$'000
16,202
12,654
28,856

- i) There were no transfers between levels 2 and 3 and changes in valuation techniques.
- ii) Valuation inputs and relationships to fair value

Management has engaged an independent external valuation to determine the fair value of the unlisted shares which has determined that an asset-based approach is the most appropriate method given the nature of these entities. In using this approach, the net assets of the entities has formed the basis for the valuation without the need for any adjustments as the net assets and liabilities of the entities are either measured at fair value or approximate fair value.

*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.

Edith Cowan University
Notes to the financial statements
For the year ended 31 December 2019

34 Fair value measurement (continued)

Accounting Policy

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 securities, the University establishes fair value by using valuation techniques that maximise the use of relevant data. These include reference to the estimated price in an orderly transaction that would take place between market participants at the measurement date. Other valuation techniques used are the cost approach and the income approach based on the characteristics of the asset and the assumptions made by market participants.

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

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

The fair value of assets or liabilities that are not traded in an active market (for example, over-the-counter derivatives) 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 fair value of unlisted shares, buildings and leasehold improvements (level 3).

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 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 of financial assets and liabilities for disclosure purposes 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.

35 Contingencies

The University did not have any contingencies at 31 December 2019 (31 December 2018: None).

36 Write-offs

	Consolidated		Parent Entity	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Total write-offs as approved by the University council during the financial year				
Receivables written-off against provision	144	213	142	202
Property, plant and equipment	-	11	-	11
Total write-offs	144	224	142	213

37 Deferred government benefit for superannuation

a) Government Employees Superannuation Board

Pension scheme

	Impact on defined benefit obligation (\$'000)		
	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	0.5% p.a	(766)	823
Pension increase rate	0.5% p.a	759	(714)

Gold State Super (transferred) benefits

	Impact on defined benefit obligation (\$'000)		
	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	0.5% p.a	(7)	6
Salary increase rate	0.5% p.a	5	(6)

Edith Cowan University
Notes to the financial statements
For the year ended 31 December 2019

37 Deferred government benefit for superannuation (continued)

a) Government Employees Superannuation Board (continued)

Reconciliation of the net defined benefit liability/(asset)

	Pension scheme		Gold State Super	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Defined benefit obligation	20,353	20,338	367	343
Deficit	20,353	20,338	367	343
Net deferred benefit/(asset)	20,353	20,338	367	343

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

	Pension scheme		Gold State Super		Total	
	2019	2018	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Current	2,060	2,398	66	87	2,126	2,485
Non-current	18,293	17,940	301	256	18,594	18,196
Total	20,353	20,338	367	343	20,720	20,681

Reconciliation of the defined benefit obligation:

	Pension scheme		Gold State Super	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Present value of defined benefit obligations at the beginning of the year	20,338	23,184	343	337
Interest cost	473	517	7	7
Actuarial (gains)/losses arising from changes in demographic assumptions	(644)	-	2	-
Actuarial (gains)/losses arising from changes in financial assumptions	2,160	(239)	18	(1)
Actuarial (gains)/losses arising from liability experience	96	(890)	(3)	-
Benefits paid	(2,070)	(2,234)	-	-
Balance at the end of the year	20,353	20,338	367	343

Reconciliation of the fair value of Scheme assets:

	Pension scheme	
	2019	2018
	\$'000	\$'000
Fair value of Scheme assets at the beginning of the year	-	-
Employer contributions	2,070	2,234
Benefits paid	(2,070)	(2,234)
Balance at the end of the year	-	-

Significant Actuarial assumptions at the reporting date:

	Pension scheme		Gold State Super	
	2019	2018	2019	2018
	% p.a	% p.a	% p.a	% p.a
Discount rate (active members)	0.96	2.47	0.96	2.47
Discount rate (pensioners)	0.96	2.47	0.96	2.47
Expected salary increase rates	-	-	1.5% for the first two years, then 4.2% p.a	1.5% for the first three years, then 4.2% p.a
Expected pension increase rates	2.50	2.50	2.50	2.50

Edith Cowan University
Notes to the financial statements
For the year ended 31 December 2019

37 Deferred government benefit for superannuation (continued)

b) Expected Contributions

Pension scheme 2019 \$'000	Gold State Super 2019 \$'000
2,060	66

Expected employer contributions in the next financial year

Accounting Policy

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 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 12).

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 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; and
- **Inflation risk** - the risk that inflation is higher than anticipated, increasing pension payments, and the associated employer contributions.

Gold State Super (transferred benefits)

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

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

37 Deferred government benefit for superannuation (continued)

Significant events

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

Sensitivity analysis

Sensitivity analyses are based on a change in an assumption while holding all the other assumptions constant. In practice this will 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

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

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; and
- No asset-liability matching strategies.

Discount Rate

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.

Maturity Profile

Pension Scheme

The weighted average duration of the defined benefit obligation for the whole of the Pension Scheme is 7.9 years (2018: 7.4 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 3.4 years (2018: 3.1 years).

Edith Cowan University
Notes to the financial statements
For the year ended 31 December 2019

38 Acquitall of Australian Government financial assistance

a) Education - CGS and other Education grants

	Commonwealth Grants Scheme ^{#1}		Higher Education Participation Funding		Disability Performance Funding ^{#2}		Promotion of Excellence in Learning and Teaching		Academic Centres of Cyber Security Excellence		Indigenous Student Success Program ^{#3}		Total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Notes	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Parent entity (University) only														
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the program)	148,764	147,997	3,177	2,840	233	274	13	-	240	235	1,406	1,225	153,833	152,571
Net accrual adjustment	-	950	-	(29)	-	-	-	-	(48)	-	(443)	9	(491)	930
Revenue for the period	148,764	148,947	3,177	2,811	233	274	13	-	192	235	963	1,234	153,342	153,501
2.1(a)														
Surplus / (deficit) from the previous year	-	-	-	-	-	-	-	-	-	231	-	-	-	231
Total revenue including accrued revenue	148,764	148,947	3,177	2,811	233	274	13	-	192	466	963	1,234	153,342	153,732
Less expenses including accrued expenses	(148,764)	(148,947)	(3,177)	(2,811)	(233)	(274)	(13)	-	(192)	(215)	(963)	(919)	(153,342)	(153,166)
Surplus / (deficit) for reporting period	-	-	-	-	-	-	-	-	-	251	-	315	-	566

#1 Includes the basic CGS grant amount, CGS – Regional Loading, CGS – Enabling Loading, CGS – Medical Student Loading, Allocated Places, Non Designated Courses and CGS - Special Advances from Future Years.

#2 Disability Performance Funding includes Additional Support for Students with Disabilities and Australian Disability Clearinghouse on Education & Training

#3 Indigenous Student Success Program has replaced the Indigenous Commonwealth Scholarships Program and the Indigenous Support Program as of 1 January 2018.

Edith Cowan University
Notes to the financial statements
For the year ended 31 December 2019

38 Acquittal of Australian Government financial assistance (continued)

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

HECS-HELP Australian Gov't Payments Only															
Notes	2019		2018		FEE- HELP		VET FEE HELP		SA-HELP		Total				
	\$'000	\$'000	\$'000	\$'000	2019	2018	2019	2018	2019	2018	2019	2018			
					\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000			
		(185)	339		(92)	(136)	(4)	(4)	(10)	-		199			
2.1(f)	Parent entity (University) only	86,880	85,890		14,006	12,023	1,466	1,139	3,002	2,909	105,354	101,961			
	Cash payable / (receivable) at beginning of year	86,695	86,229		13,914	11,887	1,462	1,135	2,992	2,909	105,063	102,160			
2.1(b)	Financial assistance received in cash during the reporting period	86,922	86,414		14,601	11,979	1,462	1,139	2,983	2,919	105,968	102,451			
	Cash available for period														
2.1(b)	Cash payable / (receivable) at end of year	(227)	(185)		(687)	(92)	-	(4)	9	(10)	(905)	(291)			

c) Department of Education, Skills and Employment and Training Research^{#4}

	Notes	Research Training Program		Research Support Program		Total	
		2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Parent entity (University) only							
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the program)	2.1(f)	6,773	7,109	3,978	4,196	10,751	11,305
Net accrual adjustment		-	-	-	-	-	-
Revenue for the period	2.1(c)	6,773	7,109	3,978	4,196	10,751	11,305
Total revenue including accrued revenue		6,773	7,109	3,978	4,196	10,751	11,305
Less expenses including accrued expenses		(6,773)	(7,109)	(3,978)	(4,196)	(10,751)	(11,305)
Surplus / (deficit) for reporting period		-	-	-	-	-	-

#4 Includes Joint Research Engagement, JRE Engineering Cadetships, Research Block Grants, and Sustainable Research Excellence in Universities

d) Total Higher Education Provider Research Training Program expenditure^{#5}

	Total Domestic Students \$'000	Total Overseas Students \$'000
Research Training Program Fee Offsets	4,741	-
Research Training Program Stipends	1,805	227
Total for all types of support	6,546	227

#5 Please refer to the Commonwealth Scholarship Guidelines for expenditure definitions for the Research Training Program

Edith Cowan University
Notes to the financial statements
For the year ended 31 December 2019

38 Acquittal of Australian Government financial assistance (continued)

e) *Australian Research Council Grants*

Notes	Discovery		Linkages		Total	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Parent entity (University) only						
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the program)	703 (146)	353	128 (4)	126	831 (150)	479
Net accrual adjustment	557	353	124	126	681	479
Revenue for the period	-	78	-	-	-	78
Surplus / (deficit) from the previous year	557 (557)	431 (388)	124 (124)	126 (126)	681 (681)	557 (514)
Total revenue including accrued revenue						
Less expenses including accrued expenses						
Surplus / (deficit) for reporting period	-	43	-	-	-	43

Edith Cowan University
Notes to the financial statements
For the year ended 31 December 2019

38 Acquittal of Australian Government financial assistance (continued)

f) Other Australian Government Financial Assistance

	Notes	2019 \$'000	2018 \$'000
Parent entity (University) only			
Cash received during the reporting period	2.1(f)	7,140	5,631
Cash spent during the reporting period		(7,140)	(5,631)
Net cash received		-	-
Cash surplus / (deficit) from the previous period		-	-
Cash surplus / (deficit) for the reporting period		-	-

g) OS-HELP

	Notes	2019 \$'000	2018 \$'000
Cash received during the reporting period	2.1(f)	1,816	1,932
Cash spent during the reporting period		(2,190)	(1,774)
Net cash received		(374)	158
Cash surplus / (deficit) from the previous period		1,391	1,233
Cash surplus / (deficit) for the reporting period	18	1,017	1,391

h) Superannuation Supplementation

	Notes	2019 \$'000	2018 \$'000
Cash received during the reporting period	2.1(f)	2,067	2,502
University contribution in respect of current employees		123	120
Cash available		2,190	2,622
Cash surplus/(deficit) from the previous period		427	133
Cash available for current period		2,617	2,755
Contributions to specified defined benefit funds		(2,179)	(2,328)
Cash surplus/(deficit) this period		438	427

i) Student Services and Amenities Fee

	Notes	2019 \$'000	2018 \$'000
Unspent/(overspent) revenue from previous period		-	-
SA-HELP revenue earned	2.1(b)	2,983	2,919
Previous year adjustment		(19)	-
Student services and amenities fees direct from students	2.3	951	1,060
Total revenue expendable in period		3,915	3,979
Student services expenses during the period		(3,915)	(3,979)
Unspent/(overspent) student services revenue		-	-

39 Business Combinations

(a) Summary of acquisition

On 15 January 2018, the University acquired 50.19% of the issued share capital of St Stephen's College.

Details of the purchase considerations, the net assets acquired are as follows:

	2018 \$'000
Purchase consideration (refer to (b) below):	
Cash Paid	2,000
Total purchase consideration	2,000

Edith Cowan University
Notes to the financial statements
For the year ended 31 December 2019

39 Business Combinations (continued)

(b) Purchase consideration

	2018 \$'000
Outflow of cash to acquire subsidiary, net of cash acquired	
Cash consideration	2,000
Less: Cash balance acquired	(2,039)
Inflow of cash	<u>(39)</u>

(c) Assets acquired and liabilities assumed

The assets and liabilities recognised as a result of the acquisition are as follows:

	Fair Value \$'000
Outflow of cash to acquire subsidiary, net of cash acquired	
Cash	2,039
Receivables	8
Property, plant and equipment	1
Loans	(179)
Payables	(668)
Provisions	(24)
Deferred revenue	(5)
Net identifiable assets acquired	<u>1,172</u>

(d) Goodwill arising on acquisition

	2018 \$'000
Consideration	2,000
Less: Fair value of identifiable asset acquired	(1,172)
Add: Non-controlling interest	584
Goodwill arising on acquisition	<u>1,412</u>

(e) Subscription of additional capital during the year

On 30 November 2018, the University participated in a share issue in St Stephens' College and subscribed to an additional 553 shares in St Stephen's College for \$0.75 million.

(f) Buy-out of Non-Controlling interests during the year

On 19 December 2018, the University bought out the Non-controlling interest in St Stephens' College for a cash consideration of \$0.36 million.

Accounting Policy

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

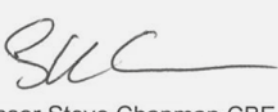
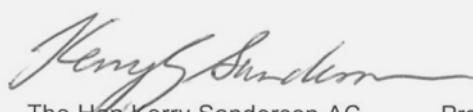
- Fair values of the assets transferred
- Liabilities incurred to the former owners of the acquired business
- Equity interests issued by the University
- Fair value of any asset or liability resulting from a contingent consideration arrangement, and
- Fair value of any pre-existing equity interest in the Subsidiary

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The University recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Key performance indicators

Certification of key performance indicators

We hereby certify that the key performance indicators are based on proper records, are relevant and appropriate for assisting users to assess Edith Cowan University's performance, and fairly represent the performance of ECU for the financial year ended 31 December 2019.



The Hon Kerry Sanderson AC
Chancellor

5 March 2020

Professor Steve Chapman CBE
Vice-Chancellor

10 March 2020

Introduction

Edith Cowan University's vision is to be recognised for our world ready graduates and leading-edge research, and the *ECU Strategic Plan 2017-2021: World Ready* sets our path forward. The four Strategic Goals direct the University's progress towards our vision, while staying true to our purpose: *to transform lives and enrich society through education and research*. Each goal is linked to objectives.

The seven key performance indicators in this report are a sub-set of the performance indicators in the Strategic Plan.

For each key performance indicator, a time series of results is shown, together with comparative results (national or State averages) where possible. Explanations of variances between results and targets are given where the variance is more than ten per cent.

As per the Treasurer's Instruction 904U, KPIs have been classified as 'effectiveness' or 'efficiency' indicators. 'Effectiveness' indicators relate to the services delivered, and 'efficiency' to the resources required to deliver the services.

Strategic goals and key performance indicators

1. Enhancing learning and teaching

Objectives	Key performance indicators
1. Teaching that inspires	1. Satisfaction with the educational experience
2. Transformative learning experiences	2. Graduates in full-time employment
3. A globally relevant and innovative curriculum	3. Retention of commencing students
4. Improved learning outcomes and career readiness	

Three of the effectiveness key performance indicators are directly linked to Strategic Goal 1 and outcomes relating to the first four objectives of that Strategic Goal. These three KPIs are benchmarked against other universities' results, allowing us to further assess and analyse our relative progress over time.

KPI 1 Satisfaction with the educational experience is based on feedback from students and measures outcomes in terms of the quality of our teaching and curriculum (Objective 1 and Objective 3) and the overall learning experience (Objective 2).

KPI 2 Graduates in full-time employment enables us to assess our progress with improving graduate career readiness and employment outcomes (Objective 3 and Objective 4).

KPI 3 Retention of commencing students measures the effectiveness of our academic and support operations to engage new learners and support them in their first year of university study (Objective 2).

2. Advancing research and knowledge translation

Objectives	Key performance indicators
5. Growth in research capacity and culture	4. Weighted research publications
6. Extensive research collaboration	5. Higher degree by research completions
7. Increased knowledge translation	
8. Growth in research training	

Two of ECU's audited key performance indicators measure the University's progress in advancing research and knowledge translation, as specified in Strategic Goal 2. The KPIs are effectiveness, and efficiency, indicators.

KPI 4 Weighted research publications measures the key output of research and knowledge translation activity – the production of research publications. KPI 4 therefore provides a composite measure of outcomes in terms of ECU's research capacity, collaboration, and knowledge translation (Objective 5, Objective 6, and Objective 7). Measuring our research outputs per ten full-time equivalent staff provides a measure of research productivity.

KPI 5 Higher degree by research completions reports graduates in masters by research and doctorates by research, as a direct outcome of the research training function and activities such as attracting research students, and providing supervision and support tailored to the research training environment (Objective 8). Measuring this output per ten full-time equivalent staff allows results to be compared to those of other Australian universities regardless of size, for meaningful benchmarking.

3. Growing internationalisation

Objectives	Key performance indicators
9. Growth in international enrolments	6. Income from international student fees
10. Strong partnerships and international relations	
11. Global education delivery	
12. An internationalised student experience	

KPI 6 is an effectiveness indicator that evaluates ECU's overall outcomes relative to the objectives of Strategic Goal 3.

KPI 6 Income from international student fees demonstrates how strongly ECU is competing in international markets (Objective 9), the impact of joint training programs and student transfer arrangements on student intake (Objective 10), and the growth of offshore education delivery (Objective 11). Fee income quantifies the consequences of changes to international student load as a result of these activities. Diversifying revenue streams by growing international student fee income is an important contribution to the sustainability of universities.

Objective 12 relates to improving student experiences and graduate outcomes through opportunities for international study and an internationalised curriculum, and is measured by *KPI 1 Satisfaction with the educational experience*. The objective is embedded in Strategic Goal 3 due to its strong emphasis on building partnerships with overseas institutions, as a way of contributing to this Strategic Goal.

4. Ensuring organisational sustainability

Objectives	Key performance indicators
13. High-performance culture	7. Operating margin
14. Service excellence	
15. Infrastructure that supports our goals	
16. A strong financial base	

The final KPI is both an effectiveness, and efficiency, indicator for Strategic Goal 4.

KPI 7 Operating margin directly measures the financial outcome relating to the objective of a strong financial base (Objective 16).

The achievement of the other objectives under Strategic Goal 4 is evidenced in other KPIs. Objective 13 is supported through the recruitment of academic staff with strong research backgrounds and hence improved research publications (*KPI 4 Weighted research publications*) and research staff capacity (*KPI 5 Higher degree by research completions*). Other elements of this objective are measured through external mechanisms, e.g. Athena SWAN and the Workplace Gender Equality Agency endorsements, reported on elsewhere in the Annual Report.

Efficient student support and professional services (Objective 14) are evidenced in performance against *KPI 1 Satisfaction with the educational experience*, *KPI 2 Graduates in full-time employment*, *KPI 3 Retention of commencing students*, *KPI 5 Higher degree by research completions*, *KPI 6 Income from international student fees*, and *KPI 7 Operating margin*. The wide range of administrative functions at ECU means that Objective 14 has a broad impact across the organisation.

ECU's supporting infrastructure (Objective 15) is reflected in several KPIs, including *KPI 1 Satisfaction with the educational experience*, *KPI 6 Income from international student fees*, and *KPI 7 Operating margin*.

KPI 1 Satisfaction with the educational experience

Strategic Goal 1: Enhancing learning and teaching

Edith Cowan University has a strong tradition of high quality teaching: students and graduates have for many years recorded high levels of satisfaction with their learning experiences at ECU. We maintain this focus on the student experience and teaching excellence in the *ECU Strategic Plan 2017-2021*.

Measure

The Student Experience Survey (SES) collects feedback from students on their learning experiences and the national results are published on the Commonwealth Government's Quality Indicators for Learning and Teaching (QILT) website, which encourages prospective students to compare Australian institutions on such indicators. The SES commenced in 2015.

This effectiveness indicator measures the satisfaction of undergraduate students with the overall quality of their educational experience, as derived from the SES results.

Performance result

ECU's performance for the latest reporting year represents a continuation of strong performance on student and graduate satisfaction measures over many years. Overall satisfaction reduced slightly (from 84.9 per cent in 2017 to 83.8 per cent in 2018) but remains above the national average (79.2 per cent in 2018). ECU's performance ranking declined slightly from third to fourth rank in the 2018 survey, the second highest level of overall student satisfaction of the 37 Australian public universities.

Year of survey	2015	2016	2017	2018	2019
ECU (%)	86.9	85.7	84.9	83.8	
National average (%)	80.0	79.9	78.5	79.2	
ECU national rank	4	3	3	4	
Target national rank		-	top 10	top 10	top 10

Source: Social Research Centre – Student Experience Survey (SES) 2015-2018.

Definition: The percentage of undergraduate domestic and onshore international students who were satisfied with their overall educational experience in response to the single question: 'Overall quality of education experience' in the SES.

Notes: All Table A and B providers are included in the published survey data except the Batchelor Institute, the University of Divinity and Torrens University.

Data for the 2019 survey year is not yet available.

KPI 2 Graduates in full-time employment

Strategic Goal 1: Enhancing learning and teaching

Good employment outcomes are fundamental to the wellbeing and livelihood of our graduates and their communities. ECU continues to improve the career-readiness of our graduates through work-integrated learning, internships, volunteering, student exchange programs, and targeted career advice and support.

Measure

The Graduate Outcomes Survey (GOS) collects feedback from graduates approximately four months after graduation and the national results are published on the Commonwealth Government's Quality Indicators for Learning and Teaching (QILT) website, which encourages prospective students to compare Australian institutions on such indicators. From 2016 the former Graduate Destination Survey (GDS) was replaced with the new Graduate Outcomes Survey.

This effectiveness indicator measures the full-time graduate employment rate for domestic students graduating from all undergraduate courses, as derived from the GOS and GDS results.

Performance result

ECU's performance for the latest reporting year was below target; set for 2019 as the State average. The full-time graduate employment rate increased slightly from 57.8 per cent in 2018 to 58.9 per cent in 2019, an improvement of 1.1 percentage points. The ECU results was 7.8 percentage points below the State average for 2018 and 7.4 percentage points below the State average for 2019.

Year of survey	2015	2016	2017	2018	2019
ECU (%)	64.9	65.4	58.3	57.8	58.9
State average (%)	66.5	68.9	64.9	65.6	66.3
Target (%)	73.0	65.0	State av	State av	State av

Source: Department of Education and Training – Graduate Outcomes Survey 2016-2019; Graduate Destination Survey 2015.

Definition: The proportion of domestic undergraduate graduates who were employed full-time approximately four months after completing their course, as a percentage of those who were available for full-time employment. 'Available' means, in addition to those already in full-time work, those seeking full-time work.

Notes: 'State average' includes all WA institutions, and the University of Notre Dame Australia graduates based in Sydney (except 2015). The survey is conducted in two parts: in November for mid-year completers and in May for end of year completers from the previous year. The 2019 survey national dataset relates to all those who completed their courses in 2018. The survey methodology changed from 2016, with the replacement of the Graduate Destination Survey with the Graduate Outcomes Survey.

KPI 3 Retention of commencing students

Strategic Goal 1: Enhancing learning and teaching

ECU provides a range of support services to help new students in their first year of study. Nearly 70 per cent of ECU students are admitted based on prior vocational education and training (VET) study, secondary education, or work and life experience, so many are unfamiliar with university study and the university environment. Supporting students during their first year of study is critical to their overall success.

Measure

Retention of students from the first year to the second year of study is a key indicator of institutional performance and a well-established metric used by the sector and government.

Many factors influence student retention, including some that are outside of a university's control, such as employment and training alternatives, government financial assistance and the availability of places for enabling programs. Other influences include curriculum design, student support services, entry standards and academic staff skills.

Differences in university student demographics also impact on the relative overall retention performance of institutions. For example, mature age students

are more likely to discontinue their courses than school leavers, due to external pressures like caring responsibilities and financial commitments.

This effectiveness indicator measures the proportion of all domestic and international bachelor course students who commence a course and remain enrolled in the institution in the following year.

Performance result

ECU's performance for the latest reporting year is for students commencing in 2017 who continued their studies into 2018. The retention rate has improved slightly, while the national average has slightly declined. ECU's retention rate is 5.2 percentage points below the national average.

ECU's student demographics may be impacting performance. The proportion of commencing bachelor course mature age students (aged 25 years and over) at ECU is 16 percentage points above the sector average (35 per cent compared to 19 per cent). The mature age cohort is associated with lower retention rates.

Year of commencement	2014	2015	2016	2017	2018
ECU (%)	75.7	74.9	75.4	76.3	
National average (%)	81.2	81.2	81.9	81.5	
Target (%)				National av	National av

Source: Department of Education and Training – Education Portal.

Definition: The proportion of all domestic and international bachelor students who commence a course in the specified year and remain enrolled in the following year, excluding students who completed their course.

Notes: The national average is for Table A and Table B providers only. The reference year is the year of commencement in a course. The definition was amended to match that used by Government, so earlier targets are no longer applicable. In 2019 the Government amended the definition to prioritise returning students over those that complete their course. The impact of the change is a slight increase in retention rates in many cases. Data has been restated across the time series using the new definition. The dataset is made available via the Department of Education and Training's Selection Higher Education Statistics, Table 15.9: <https://docs.education.gov.au/node/53029>
Data for the 2018 commencement year is not yet available.

KPI 4 Weighted research publications

Strategic Goal 2: Advancing research and knowledge translation

Growing research outputs, and the quality of research, so that all of ECU's research is world class, is critical to the future development and sustainability of the University. This will require a step-change in ECU's research capacity and the development of a strong and supportive research culture. This improvement will build on a firm base: the most recent Excellence in Research for Australia (ERA) assessment in 2018, judged ECU's research to be above, or well above, world standard in a number of health and medical science disciplines including: nursing, neuroscience, clinical sciences, nutrition and dietetics, and oncology and carcinogenesis, and in science and engineering disciplines including: ecology, biochemistry and cell biology, environmental science, chemical engineering and materials engineering.

Measure

Research publications are a well-established measure of research output, and through the classification of publications, the quality of those research outputs.

This effectiveness and efficiency indicator measures the research publication output of ECU researchers, adjusted for changes in academic staff full-time equivalence numbers (i.e. per 10 FTE), to allow meaningful comparison over time.

Performance result

ECU's performance for the latest reporting year shows an increase in weighted and unweighted publications over the time series. However, an increase in academic staff FTE has resulted in steady results for weighted publications per 10 FTE, when compared with 2017. The result for 2018 (13.1) does not meet target of 13.4 weighted publications per 10 FTE.

Building ECU's research capacity, and therefore our research outputs, will be achieved by recruiting high-achieving researchers in key fields, enhancing succession planning, increasing research support and refining our recognition and incentive mechanisms. At the same time, maintaining and further improving the quality and impact of ECU's result will be a focus.

Publication year	2015	2016	2017	2018	2019
Unweighted publications	512.3	532.9	542.4	562.8	
Authored books	4.3	2.2	4.5	3.0	
Book chapters	39.3	29.4	35.0	27.3	
Journal articles	383.4	384.8	407.8	459.5	
Conference publications	85.2	116.4	95.1	73.0	
Weighted publications	529.6	541.7	560.4	574.8	
Academic staff FTE	437	434	429	439	
ECU publications per 10 FTE	12.1	12.5	13.1	13.1	
Target per 10 FTE		-	12.6	13.4	14.2

Source: ECU.

Definition: Total traditional research outputs authored by ECU staff, adjunct staff and/or students in the following historical Higher Education Research Data Collection publication categories: 'Book: Authored – Research'; 'Book Chapter: Chapter in a Book: Authored – Research'; 'Journal Article: Refereed Article in a Scholarly Journal'; and, 'Conference Publication: Full Written Paper – Refereed'. All publications are counted, irrespective of the work function of the author(s). Weighted publications refers to each 'Book: Authored – Research' being 5:1 compared with all other publication types. Outputs are also apportioned based on the proportion of co-authorship for each output attributable to ECU.

Notes: Research publications figures for 2019 are unavailable until June 2020. Academic staff FTE is the full-time equivalence of academic staff in work functions 'research only' and 'teaching and research', excluding casual/sessional academic staff. In prior Annual Reports, this figure (and the totals for research outputs) was restricted to staff at Level B and above, and included 'teaching only' staff. Numbers from prior years have been adjusted to match the updated definition (weighted publications per 10 FTE increased by 0.8 for 2015). Targets in those years are no longer applicable.

Data for the 2019 publication year is not yet available.

KPI 5 Higher degree by research completions

Strategic Goal 2: Advancing research and knowledge translation

Increasing completions of higher degrees by research (doctorates or masters by research qualifications) benefits academia, industry and society. New ideas open up new research opportunities and discoveries, and the specialised knowledge of these graduates also benefits employers. Higher degrees by research are also the pathway into academia, and producing an increased number of high-quality graduates benefits ECU's objectives to increase the number of research staff and to strengthen succession planning.

Measure

This effectiveness and efficiency indicator measures the doctorates by research and masters by research completions, adjusted for changes in academic staff full-time equivalence numbers (i.e. per 10 FTE), to allow meaningful comparison over time and against national average figures.

Performance result

ECU's performance in the latest reporting year shows an increase in performance and in national rank, but is below target. For the first year in the time series, ECU's performance is above the national average.

ECU's target is to be in the top 10 nationally on this indicator each year through to 2021. To achieve this, we intend to improve supervision capacity and quality by increasing the number of PhD qualified staff and those who meet criteria for supervision. We will review the skills training embedded in our research training programs, and provide additional support to those completing their research and moving into employment.

Year of completion	2015	2016	2017	2018	2019
Completions	124	90	104	114	
Doctorate	88	67	71	78	
Masters	36	23	33	36	
Academic staff FTE	437	434	429	439	
ECU completions per 10 FTE	2.8	2.1	2.4	2.6	
National completions per 10 FTE	2.5	2.7	2.7	2.5	
ECU national rank	5	27	17	12	
Target national rank			top 10	top 10	top 10

Source: Department of Education – Higher Education Student Data Collection (HESDC).

Definition: Completions recorded against course levels "Masters by Research" and "Doctorates by Research".

Notes: Academic staff FTE is the full-time equivalence of academic staff in work functions 'research only' and 'teaching and research', excluding casual/sessional academic staff. In prior Annual Reports, this figure was restricted to only staff at Level B and above, and included 'teaching only' staff. Numbers from prior years have been adjusted to match the updated definition (completions per 10 FTE increased by 0.1 for 2015). Previous targets are no longer applicable.

Data for the 2019 completion year is not yet available.

KPI 6 Income from international student fees

Strategic Goal 3: Growing internationalisation

ECU aspires to be a leader in international student education. We will provide opportunities for more overseas students to participate in ECU programs by increasing our onshore enrolments and by expanding our international presence through teaching delivered in locations outside Australia.

Growth in international student numbers and international partnerships, will provide further opportunities for all students, both domestic and international, to experience an internationalised student experience and to become world-ready graduates.

Measure

Income from international student fees is a direct measure of the growth of internationalisation at ECU through onshore and offshore delivery. It is also a measure of the University's diversification of its revenue base and its success in generating income from non-government sources.

This effectiveness indicator measures the total income (or revenue) from fee-paying international students, both onshore and offshore.

Performance result

ECU's performance in 2019 exceeded target by \$16 million (16 per cent) and was an increase on income in 2018 by \$16 million (16 per cent).

ECU's international student income growth has accelerated in recent years as part of a renewed focus on diverse and effective student recruitment channels, global education delivery and strong partnerships with sponsoring bodies, agents, institutions and articulation program providers.

The *ECU Strategic Plan 2017-2021* sets an ambitious, yet achievable, annual growth target of 7 per cent (compounding) for the duration of the Strategic Plan.

Accounting year	2015	2016	2017	2018	2019
ECU (\$M)	67	85	94	101	117
Target (\$M)			88	94	101

Source: ECU.

Definition: Total income (or revenue) from fee-paying international students onshore and offshore.

Notes: Revenue is interpreted in accordance with the Australian Accounting Standards.

KPI 7 Operating margin

Strategic Goal 4: Ensuring organisational sustainability

In order to meet the objectives of the first three strategic goals, the University needs to maintain a sound financial base. Over the past few years, higher education policy changes have limited recurring government funding and removed government support for capital development. Operating surpluses generated by universities provide for building and maintenance of significant infrastructure, the development of new technologies and other strategic initiatives.

Measure

Operating margin is a key means for the Commonwealth Government to assess the “financial wellbeing” of universities. As an effectiveness indicator, operating margin shows the extent to which a university has effectively planned for the future and possible adverse events or conditions. As an efficiency indicator, the operating margin shows whether a university has sufficient resources to run its services.

This effectiveness and efficiency indicator measures the net operating result as a proportion of total revenue.

Performance result

ECU's performance in 2019 was above target.

ECU has consistently demonstrated that it has a sound financial base, with sustainable revenue streams and controlled costs that consistently deliver moderate operating surpluses, meeting or exceeding the target 4 per cent.

The *ECU Strategic Plan 2017-2021* includes an objective to further strengthen our financial sustainability by growing student enrolments, strategically allocating funding, developing further budget flexibility in ECU schools, achieving productivity gains in service centres, and growing revenue to the ECU Foundation.

Accounting year	2015	2016	2017	2018	2019
ECU (%)	7	6	7	5	7
Target (%)	4	4	4	4	4

Source: ECU.

Definition: Operating margin is the net operating result over total revenue, and therefore a direct measure of the underlying financial efficiency of the University.

Notes: Revenue and expenditure are interpreted in accordance with the Australian Accounting Standards.

Contact


P 134 328

P (61 8) 6304 0000 (outside Australia)


E enquiries@ecu.edu.au

W ecu.edu.au


Find us at

 [ECUjourney](#)

 [edithcowanuni](#)

 [edithcowanuniversity](#)

 [school/edith-cowan-university](#)

 [edithcowanuniversity](#)