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**EDITH COWAN UNIVERSITY**

**ANNUAL REPORT 2014**

**Edith Cowan University**

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

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

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

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

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SECTION 1: OVERVIEW

## Statement of Compliance

Hon Peter Collier MLC

Minister for Education; Aboriginal Affairs; Electoral Affairs

10th Floor, Dumas House

2 Havelock Street

WEST PERTH WA 6005

16 March 2015

Dear Minister

In accordance with section 61 of the *Financial Management Act 2006* (WA), we hereby submit for your information and presentation to Parliament, the Annual Report of Edith Cowan University for the year ending 31 December 2014.

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

Yours sincerely



The Hon Dr Hendy Cowan

Chancellor

On behalf of the University Council

Edith Cowan University

270 Joondalup Drive

JOONDALUP WA 6027

## Chancellor’s Foreword

In 2014 the University, its students and staff achieved success in a number of areas. Many of these achievements are highlighted within this Annual Report and it has been a pleasure to hear of these successes at Council meetings throughout the year.

A number of key initiatives were progressed during the year, including

* completion of the ECU Health Centre incorporating the Wanneroo GP Super Clinic – officially opened on 10 December 2014;
* construction of Building 34, for which Council approved the name *Ngoolark;*
* progress against the University’s Reconciliation Action Plan;
* the *Vision for Growth* strategy;
* recruitment of the next Vice-Chancellor; and
* a strategic retreat, which afforded Council the opportunity to work with the senior leadership team to examine opportunities for the University in 2015 and beyond.

Importantly, the University achieved its 2014 financial targets. The budget for 2015 was approved at the December 2014 meeting of Council, and will provide a sound financial basis to support the strategic goals of the University for 2015.

Council noted that the higher education sector continued to be a topic for debate at a national level. Whilst at this time the outcomes are still not known, the debate underscores that the University operates in an environment where there are high expectations that the sector will deliver skills and benefits for Australia, whilst being competitive, efficient and responsive to local community needs.

Our University is well placed to meet these expectations as it continues to undertake meaningful and useful research, provide a five star student experience, and to remain relevant to the communities that we serve.

Council was delighted to welcome Mr Simon Butterworth as a new member during the year. Mr Butterworth brings extensive commercial experience to ECU and served on the University’s Quality, Audit and Risk Committee before joining Council. Council recorded its great appreciation for the work of two long-standing and valued members: Ms Leslie Chalmers and Dr Norman Ashton. Both have completed three terms and made significant contributions to Council and to its committees and boards.

Professor Kerry Cox AO retired as Vice-Chancellor in September 2014. His eight-and-a-half years as Vice-Chancellor saw many advances across the University in teaching, research and above all, engagement. His leadership saw increased participation in higher education, particularly for those traditionally denied the opportunity. This is one of his greatest legacies. It was pleasing to see him appointed as an Officer of the Order of Australia in the 2015 Australia Day Honours.

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



**The Hon Dr Hendy Cowan**

**Chancellor, March 2015**

## Vice-Chancellor’s Executive Summary

In recent years, ECU has settled on a distinctive point of difference: being “One University – Students First”. The feedback from our graduates continues to reflect the success of this approach, and for the sixth consecutive year, ECU has been rated as five-stars in the categories of Teaching Quality, Generic Skills and Graduate Satisfaction. In alignment with this, our 2014 biennial staff survey again reported higher levels of engagement and commitment to ECU by our staff than peers in other Australian universities.

A 2014 highlight, was the opening of the ECU Health Centre in Wanneroo. Encompassing the Wanneroo GP Super Clinic, the facility will take pressure off emergency departments and help prevent hospital admissions. Once fully operational, it will provide wide-ranging health and wellness services to the local community, seven days a week. This exemplifies ECU’s approach that effective engagement should result in mutual benefits.

Engagement with ECU Alumni has also increased this year with the introduction of an alumni mentoring program, a series of exclusive events, and continued career support for life. We are now in touch with more than 52,500 ECU Alumni in all parts of the world.

Amongst our graduates, and one who epitomises excellence, is Hugh Jackman. It was a pleasure to welcome him back to ECU this year, when he launched the Jackman Furness Foundation for the Performing Arts, together with Australian veteran actor, friend of ECU and WAAPA, and Patron of the Foundation, Mr Jack Thompson AM. I acknowledge their tremendous efforts and generosity, and that of Deborra-Lee Furness, and thank them on behalf of students and staff.

ECU also received its largest ever philanthropic gift to support internationally-recognised education research. A seven-figure bequest from the estate of the late Mr Denis Holland was left in memory of his late wife and former ECU staff member Dr Susan Holland. This generous gift will be used to establish the Dr Susan Holland Scholarship that will support experienced teachers to complete research degrees directed towards enhancing the quality of teaching.

The University took pride in the recognition our Chancellor received with his appointment as an Officer of the Order of Australia in the Queen’s Birthday Honours, for his services to the community.

2014 was a significant year for ECU with the retirement of Professor Kerry Cox, after more than eight years as Vice-Chancellor. At a graduation ceremony in September, the University conferred upon him the degree of Doctor of the University (*honoris causa*) and the title of Emeritus Professor. I acknowledge his enormous contributions to ECU and to higher education more broadly, during a period of significant change.

It has been a privilege to lead the University since September and I thank our Chancellor, the Hon Dr Hendy Cowan AO, for the opportunity to do so until the arrival in April 2015, of our next Vice-Chancellor, Professor Stephen Chapman.

I thank all members of the University community who have contributed to ECU’s many successes in 2014. These include our hard working Council and Committee members, current and past students and staff, and guest speakers and visiting scholars. Through their efforts, ECU continues to provide an exceptional student experience that adds value for our graduates and communities.



**Professor Arshad Omari**

**Acting Vice-Chancellor, March 2015**

## About ECU

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

Granted university status in 1991, ECU offers innovative and practical courses across a wide range of disciplines and has a vibrant research culture with high quality researchers and research partners.

ECU has more than 22,900 students at undergraduate and postgraduate levels. Approximately 3,300 of these are international students originating from 95 countries. More than 300 courses are offered through four faculties:

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

**Strategic Direction**

ECU’s strategic direction ([*Engaging Minds, Engaging Communities: Towards 2020*](http://www.ecu.edu.au/about-ecu/welcome-to-ecu/purpose-vision-values)*)* includes a ‘Purpose’, ‘Vision’, ‘Values’, and five ‘Strategic Priorities’ as follows:

**Purpose**

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

**Vision**

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

**Values**

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

**Strategic Priorities**

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

## 

## Organisational Structure

Figure 1: ECU Organisational Structure as at 31 December 2014

This daigram illustrates ECU's faculty, school, and service centre strucure together with reporting lines from each area.  Each area ultimately reports to the Vice-Chancelor. 

## Committee Structure

Figure 2: ECU Committees as at 31 December 2014

This diagram shows a range of internal committees some of which report through a structure to Council, while others reporting to the Vice-Chancellor.

## Governance Structure

Figure 3: Council Membership 2014

| **Member** | **Term** | | **Date term commenced/ ended** | **Council Meetings Attended\*** |
| --- | --- | --- | --- | --- |
| **Chancellor** (ECU Act, section 12(1)) | | | | |
| Hon Dr Hendy Cowan AO | 1 Jan 2014 – 31 Dec 2016  1 Jan 2011 – 31 Dec 2013  1 Jan 2008 – 31 Dec 2010  1 Jan 2005 – 31 Dec 2007 | | Current | 5 |
| **Members appointed by the Governor** (ECU Act, section 9(1)(a)) | | | | |
| Mr Eddie Bartnik | 12 Jun 2012 – 11 Jun 2015 | | Current | 5 |
| Mr Simon Butterworth | 27 Apr 2014 – 26 Apr 2017 | | Term commenced 27 April 2014 | 3(5) |
| Mr John Cahill | 9 Aug 2011 – 8 Aug 2014  9 Aug 2014 – 8 Aug 2017 | | Current | 5(5) |
| Ms Leslie Chalmers | 27 Apr 2011 – 26 Apr 2014  27 Apr 2008 – 26 Apr 2011  12 Apr 2005 – 26 Apr 2008 | | Term ended  26 April 2014 | 1(1) |
| Mr Kempton Cowan | 19 Dec 2012 – 18 Dec 2015  19 Dec 2009 – 18 Dec 2012  19 Dec 2006 – 18 Dec 2009 | | Current | 0(1) |
| Dr Pamela Garnett | 20 Sept 2012 – 19 Sept 2015  20 Sept 2009 – 19 Sept 2012 | | Current | 6 |
| Ms Denise Goldsworthy | 30 Apr 2013 – 29 Apr 2016 | | Current | 6 |
| **Member nominated by Minister charged with administration of the *School Education Act 1999* (WA)** (ECU Act, section 9(1)(aa)) | | | | |
| Dr Norman Ashton | 30 Aug 2011 – 29 Aug 2014  30 Aug 2008 – 29 Aug 2011  30 Aug 2005 – 29 Aug 2008 | | Term ended  29 August 2014 | 4(4) |
| **Chief Executive Officer – ex-officio** (ECU Act, section 9(1)(b)) | | | | |
| Professor Kerry O. Cox | Ex-officio | | Term ended  6 September 2014 | 4(4) |
| Professor Arshad Omari | 7 Sept 2014 – 31 Mar 2015 | | Term commenced  7 September 2014 | 2(2) |
| **Academic Staff – elected** (ECU Act, section 9(1)(c)) | |  | | |
| Associate Professor Ute Mueller | 1 Oct 2012 – 30 Sept 2015  16 May 2011 – 31 Sept 2012 | | Current | 5 |
| Professor Mark Stoney | 1 Oct 2012 – 30 Sept 2015 | | Current | 6 |
| **Salaried Staff, Other than Academic Staff – elected** (ECU Act, section 9(1)(d)) | | | | |
| Ms Valentina Bailey | 1 Oct 2012 – 30 Sept 2015  1 Oct 2009 – 30 Sept 2012  1 Apr 2009 – 30 Sept 2009 | | Current | 3(4) |
| **Enrolled Students – elected** (ECU Act, section 9(1)(e)) | | | | |
| Ms Jacynth Cox | 10 Oct 2014 – 9 Oct 2015 | | Term commenced 10 October 2014 | 2(2) |
| Mr Harinderjit Gill | 10 Oct 2013 – 9 Oct 2014 | | Term ended  9 October 2014 | 2(4) |
| Mr Matthan Kipps | 10 Oct 2013 – 9 Oct 2014 | | Term ended  9 October 2014 | 2(4) |
| Mr Timothy Newhouse | 10 Oct 2014 – 9 Oct 2015 | | Term commenced 10 October 2014 | 2(2) |
| **Alumni – elected** (ECU Act, section 9(1)(f)) | | | | |
| Mr Brad McManus | 22 Dec 2014 – 21 Dec 2017  22 Dec 2011 – 21 Dec 2014 | | Current | 6 |
| Ms Julien Proud | 20 Sept 2013 – 19 Sept 2016  20 Sept 2010 – 19 Sept 2013  1 Apr 2009 – 19 Sept 2010 | | Current | 6 |
| **Members co-opted by Council** (ECU Act, section 9(1)(i)) | | | | |
| Ms Janet Curran | 20 Sept 2012 – 19 Sept 2015  20 Sept 2009 – 19 Sept 2012 | | Current | 4 |
| Ms Kelly Hick | 18 Mar 2012 – 17 Mar 2015 | | Current | 6 |
| Mr Simon Holthouse | 12 Sept 2013 – 11 Sept 2016  12 Sept 2010 – 11 Sept 2013  12 Sept 2007 – 11 Sept 2010 | | Current | 4 |
| Ms Denise McComish (Pro-Chancellor since 25.08.2011) | 22 Mar 2013 – 21 Mar 2016  22 Mar 2010 – 21 Mar 2013  22 Mar 2007 – 21 Mar 2010 | | Current | 3 |
| Dr Saliba Sassine | 17 Nov 2012 – 16 Nov 2015  25 Aug 2011 – 16 Nov 2012 | | Current | 3 |

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

Additional Council membership information can be viewed at [Members of Council.](http://www.ecu.edu.au/GPPS/council/index.html)

## Work of the Governing Council

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

The major activities of Council fall into five categories:

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

The Council met on six occasions during 2014. In addition to its regular meetings, Council:

* held a special meeting (May 2014) to complete the appointment of the next   
  Vice-Chancellor;
* attended a workshop on Council responsibilities in relation to workplace health and safety;
* held a Council Strategic Retreat in October 2014; and
* undertook a number of site visits, including a visit to the ECU Health Simulation Centre and to the ECU Health Centre.

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

**Strategic Direction of the University**

Major strategic issues considered by Council in 2014 included:

* a *Vision for Growth* strategy;
* briefings on Workplace Health and Safety;
* an annual report against the Reconciliation Action Plan, 2012-2015;
* the 2014 Audit Operational Plan;
* ECU’s Performance Indicator Framework – themed reports on *Resources Supporting Core Functions,* *Teaching and Learning; Capacity and Community Responsiveness,* and *Research;*
* a report on the role and function of the Academic Board;
* briefings on the proposed changes to higher education;
* the success of students entering university via non-traditional pathways;
* the ECU Health Centre;
* the work of the ECU Student Guild; and
* ECU’s Key Actions for 2015.

At its December 2014 meeting, Council considered and approved the Budget for 2015.

**Oversight of the Vice-Chancellor**

Council received a report from the Vice-Chancellor at each Council meeting. These reports included strategic advice and matters for information. In addition, the Vice-Chancellor reported to Council on the University’s performance against its Key Performance Indicators and its targets, as well as on the University’s progress against the Key Actions that Council had set for the year.

Professor Kerry Cox retired from his position in September 2014 and Council appointed Professor Stephen Chapman as the University’s next Vice-Chancellor. Professor Chapman will not commence his position with the University until April 2015 and Professor Arshad Omari was therefore appointed Acting Vice-Chancellor, for the period from September 2014 to April 2015.

**Self-governance of the Council**

ECU’s [Corporate Governance Statement](http://www.ecu.edu.au/GPPS/committees/corp_gov_stmt.html) assists current and commencing members of Council, executive management and senior staff of the University in carrying out their roles. It also helps to inform students and staff of the broader University community about governance processes at the University, and serves a similar purpose for the external community, including stakeholders such as governments.

In addition, ECU’s governing Council has affirmed a commitment to monitor its performance against the *Voluntary Code of Best Practice for the Governance of Australian Universities* and the *Tertiary Education Quality Standards Agency Threshold Provider Standards.*

Each year Council undertakes a self-evaluation and in 2014 an online questionnaire asked members to assess their own performance and that of Council as a whole. An independent reviewer received the responses and prepared a report for the Chancellor. The report confirmed that governance remains robust at ECU, with the skills and expertise of Council members, the leadership of the Chancellor, the monitoring of delegated responsibilities, and Council’s working relationship with the Vice-Chancellor, highlighted as particular strengths. The work of Council committees was also considered to be highly effective, as was the logistical and practical support offered to Council.

**Governance of the University**

Key Council activities in 2014 relating to the governance of the University included:

* reports from regular meetings of Council committees, provided to Council to keep it informed of activities across ECU’s academic and operational areas;
* mid-year and end-of-year reports on progress against Key Actions for 2014, as previously approved by Council, and on the performance against the University’s performance measures;
* amendments, as requested, to University Rules; and
* ongoing professional development opportunities, offered to all members of Council.

**Compliance**

The 2013 Annual Report was approved by Council and submitted to the Western Australian Minister for Education in accordance with the required timelines.

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

At its August 2014 meeting, Council reviewed TEQSA’s *Provider Threshold Standards* as they pertained to governance and noted that the University complied with the Standards.

The *Voluntary Code of Best Practice for the Governance of Australian Universities* (Item 14) requires that a university should disclose in its annual report its compliance with the *Voluntary Code of Best Practice* and provide reasons for any areas of non-compliance. At its August 2014 meeting, Council confirmed that it continued to comply with the *Voluntary Code of Best Practice*. Council is satisfied that the University is compliant with the new Code of Best Practice.

SECTION 2A: PERFORMANCE – REPORT ON OPERATIONS

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

**HIGHLIGHTS**

**ECU Health Centre**

The ECU Health Centre, incorporating the Wanneroo GP Super Clinic, opened for business on-schedule and on-budget in September 2014. The state-of-the-art, $22 million facility has more than 3,000 m2 of clinic space spread over three floors. This ‘one-stop shop’ will bring together a range of primary health services to provide high-quality care for patients, their families and carers.

**Uniting science and Aboriginal knowledge**

The ‘Old Ways New Ways’ project developed by ECU is inspiring Aboriginal and/or Torres Strait Islander students in WA high schools to study science at a tertiary level. The project brings together Western and Aboriginal knowledge perspectives to science and encourages students to explore science, in particular chemistry, through a range of hands-on activities that show students how chemistry is used in the forensics area.

**Campus Dash**

Hundreds of people ran, jogged and walked through the streets of central Joondalup for the ECU Community Campus Dash on Sunday 12 October. The event, in its second year, attracted ECU students, staff, alumni and members of the community. The event raised funds for ECU’s Melanoma Research Group to continue its work developing an early-warning blood test to detect skin cancer melanomas.

**Technology scholarship**

Westpac Group and ECU are teaming up to offer new scholarships to support the brightest young minds in technology. Recipients will receive $5,000 per year for up to five years to support their undergraduate studies. The Westpac Bicentennial Foundation Young Technologists scholarships are open to all Year 12 students.

**Science Academy**

ECU’s School of Engineering collaborated with Ellenbrook Christian College to deliver a six-week science program for primary and high school students. The Science Academy allowed school students to learn from the expertise and facilities of the School of Engineering.

**Public lectures**

Several public lectures were held at ECU in 2014. In delivering the 2014 Edith Cowan Memorial Lecture, Ms Diane Smith-Gander delivered a strong call to action for change to improve the position of women in Western Australia. In July, Dr Ira Harkavy, Associate Vice-President and founding Director of the Barbara and Edward Netter Center for Community Partnerships at the University of Pennsylvania, delivered the 2014 Vice-Chancellor’s Distinguished Oration, highlighting the growing role of universities in their communities.

ECU approach to Engagement in 2014 included:

* A wide range of outreach activities and projects with community stakeholders and partners, supported and co-ordinated by ECU’s Engagement Unit, in collaboration with ECU’s faculties.
* Strategies, policies and procedures to support fundraising and alumni relationships, developed and implemented by ECU’s Office of Advancement.
* School engagement, including activities, projects and sporting events, and articulation agreements with registered training organisations to build transition pathways between the vocational education and training and higher education sectors.
* Continued development of over 100 mutually-beneficial partnerships, including those through the Bunbury Education Precinct, the Joondalup Learning Precinct, the ECU Health Centre, and the Smith Family.

**ECU’s Key Engagement Outcomes in 2014**

The University’s governing Council approved one key action relating to this Strategic Priority for 2014.

**Launch the ECU Health Centre to enhance ECU’s engagement with the health professions and position ECU as a major health innovator in Western Australia.**

The ECU Health Centre, incorporating the Wanneroo GP Super Clinic, opened in 2014. The Independent Practitioner Network has been appointed to operate the Wanneroo GP Super Clinic, which commenced operations on 30 September 2014.

In addition to the GP Super Clinic, the ECU Health Centre will operate a pharmacy, pathology collection, physiotherapy, occupational therapy, speech pathology, exercise physiology, community midwifery and dietetics services. ECU has also relocated its Psychological Services Centre to the facility and is currently developing further services to offer to the community.

The Centre offers ECU health students, researchers and health professionals exciting new opportunities for learning, investigation and collaboration, while helping to support improved health outcomes for the community.

ECU has invested $12 million in the Health Centre, with the Commonwealth and Western Australian governments providing $5 million each. The Commonwealth funding was provided through the GP Super Clinics Program.

The Centre was officially opened by the Hon. Dr Kim Hames MLA, Deputy Premier; Minister for Health; Tourism on 10 December 2014.

**ECU’s Strategic Focus on Engagement**

ECU’s engagement activities are embedded across all core functions of the University, via functional plans for teaching and learning, research and research training, and the operational plans of faculties and service centres.

The University’s engagement activities continued to be overseen by five Pro-Vice-Chancellors with engagement responsibilities:

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

During 2014, Professor Nara Srinivasan also continued to fill the part-time position of Pro-Vice Chancellor Engagement (Emirates) to encourage the development of programs in Dubai in conjunction with ECU’s partner, the Emirates Airlines Group.

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

**HIGHLIGHTS**

**Five star rating**

For the sixth consecutive year ECU received five star ratings, the highest level, for its teaching quality, generic skills and overall satisfaction, based on graduate ratings from the Australian Graduate Survey. ECU graduates have also enjoyed a steady improvement in graduate starting salaries, achieving five stars in the 2015 edition of the Good Universities Guide.

**Engineering accreditation**

ECU is the first university in WA, and one of only six in Australia, to offer a fully accredited Master of Engineering course after receiving accreditation from Engineers Australia in 2014. The course had been offered at ECU under provisional accreditation since 2010.

**Motion capture raises the bar**

Dance students at WAAPA now have access to a state-of-the-art motion capture facility, which aims to improve teaching and prevent injuries. The facility is the first to use motion capture technology and the expertise of a specialised bio-mechanist to support an elite dance program. The facility uses tiny markers on dancers’ bodies to map their movements in 3D to assist dancers in refining their technique and prevent injuries.

**New library study space**

The award-winning library on the Joondalup Campus now features a new study area, dubbed LL1 Common. It provides additional computers, new seating areas and collaborative learning spaces and whiteboards to facilitate working in groups. Two sleeping pods are also available for students to enjoy a 20-minute ‘power nap’ before an automated gentle wakening.

**New piano hitting right notes**

Dr Malcolm McCusker AC CVO QC and Mrs Tonya McCusker through the McCusker Charitable Foundation generously provided a Fazioli grand piano to WAAPA music students. The world-class, Italian piano will allow students to practice and perform in a range of musical genres, from classical to jazz.

**Office for Learning and Teaching citation**

ECU’s Dr Anne Harris was named as a recipient of an Office for Learning and Teaching (OLT) Citation for Outstanding Contributions to Student Learning by the Minister for Education the Hon. Christopher Pyne MP in September 2014.

**International student of the year**

ECU student, Shufaa Athman has received the prestigious Council of International Students Western Australia award for International Student of the Year for 2014. Shufaa was recognised for her volunteering work and her outstanding academic results.

**Health simulation rises to the challenge**

ECU has taken delivery of an inflatable simulation tent that erects in just two minutes to help train health students and professionals for health emergency scenarios such as oil-rig explosions, train derailments and toxic chemical fires. The fully portable structure, the size of a lounge room, will also allow ECU to extend its health simulation programs to regional and rural communities in WA.

**ECU’s Key Teaching and Learning Outcomes in 2014**

The University’s governing Council approved two key actions relating to this Strategic Priority for 2014.

**Maintain and enhance the quality of ECU’s program offerings and outcomes through the implementation of strong and integrated quality assurance processes and procedures.**

ECU’s course accreditation guidelines were applied in securing a number of professional accreditations in 2014 including: Social Work, Occupational Therapy, Nutrition and Dietetics, IT, Accounting, Engineering, Advertising, Nursing, Occupational Health and Safety, Human Resources and Project Management.

A number of school reviews were conducted in 2014, including the School of Computer and Security Science, School of Education, School of Law and Justice, and Kurongkurl Katitjin, ECU’s Centre for Indigenous Australian Education and Research. Processes for the review of research centres and institutes were piloted in the review of the Health and Wellness Institute.

The second round of unit and course reviews commenced in September 2014 with the review of units offered in Semester 1, while ECU’s Excellence Framework was further embedded into processes such as change management and professional development for unit co-ordinators.

The Curriculum Approval and Publications System (CAPS), which replaced the Course Management System, went live on 1 October. CAPS will provide greater functionality and the ability to map and monitor the course learning outcomes of each course.

**Implement a new business development capability through the Marketing and Communications Services Centre to deliver growth in domestic and international student enrolments.**

The Strategic Business Development Unit has been working to enhance ECU’s capacity to identify opportunities, assess potential return on investment and lead the implementation of plans to achieve the *ECU Vision for Growth*, approved by Council at its March 2014 meeting.

A ‘Market Creation to Customer Acquisition’ project was completed in February 2014 and led to establishment of:

* a Market Creation to Customer Acquisition framework and roadmap to implementation, based on an iterative process of funding and development;
* an eight stage Business Development framework;
* a Proposition Pipeline Management mechanism (for capture and development of new ideas);
* a process handbook describing 38 processes for implementation as resources/funding becomes available; and
* a future state technology architecture vision.

Growth vision revenue has been translated into student commencement targets and a sales growth plan for 2015 is in development.

**ECU’s Strategic Focus on Teaching and Learning**

**ECU has two functional plans that outline initiatives, actions, timeframes, responsibilities and performance measures for the achievement of the University’s goals in teaching and learning. The *Enrolment Functional Plan, 2012-2014*** includes activities relating to marketing, teaching, student support and partnership building. ECU has made continued progress in growing enrolments and increasing access and participation by under-represented groups. The *Teaching and Learning Functional Plan, 2014-2016* promotes a number of elements that will keep learning and teaching strategies and directions strongly aligned with ECU’s Purpose and Vision. This includes strategies to further develop internationalisation within the curriculum and develop the capacity and capability to use technology to provide flexible and enhanced learning opportunities for students.

**Student Recruitment and Admissions**

In 2014, ECU continued the “*That’s How University Should Be*” campaign across a variety of media including television, radio, print and digital advertising.  Digital marketing continued to grow as a proportion of total marketing activity. Growth continued across the social media channels: ECU’s Future Students’ Facebook page grew to over 54,000 likes by November 2014, an 85 per cent increase on 2013, future student Twitter followers grew to 3,442 (a 28 per cent increase), YouTube video views grew to 565,688 (a 134 per cent increase) and LinkedIn Company Page members grew to 5,421 members (a 46 per cent increase).

Overall, there were over 61,000 prospective student enquiries from within Australia (a growth of 1 per cent on 2013) and over 1.3 million visitors to the future students website (a growth of 19 per cent on 2013). Both were achieved despite lower numbers of WA Year 12 students in “the half-cohort”.

A number of school engagement activities were undertaken in 2014, supported by funding through the Australian Government’s Higher Education Participation and Partnership Program. These included a wide variety of initiatives in partnership with primary and secondary schools, and with young people from disadvantaged communities. The initiatives are intended to support learning and foster aspirations for higher education for all those with the ability and motivation to study.

In terms of international recruitment, a number of processes were implemented to improve the effectiveness of ECU’s sales capability and agent management in 2014. South East Asia, South Asia and North Asia continued to be key focus areas for the University’s international recruitment efforts, with a 9% increase in fee paying onshore student applications recorded for 2014.

The University’s new strategic business development capability also aims to improve the return on investment of student recruitment activities and to grow the number of onshore students participating in undergraduate and postgraduate programs. Examples of outcomes achieved in 2014 included:

* articulation agreements with all State Government VET providers in WA and a simplified approach to the assessment of VET qualifications;
* a Bachelor of Sustainability product review;
* streamlining of School of Communications and Arts domestic application processes through modification of application requirements; and
* development of a strategic position on recruiting Australia Awards students.

Consistent with the “One University: Students First” philosophy, international student admissions and domestic student admissions are both now administered by the Student Services Centre and average application turnaround times have reduced by 87% (22.7 days to 2.7 days) since 2013.

**Enrolments**

Full-year total student load for 2014 was estimated to be 17,678 Equivalent Full Time Student Load (EFTSL), which is a slight increase from 2013 (17,648 EFTSL).

ECU experienced stable Commonwealth-supported student load in 2014. The uncapping of Bachelor level Commonwealth-supported places in 2012 has had minimal impact in Western Australia, where limited growth in domestic student numbers is evident. This reflects the historically lower levels of unmet demand for higher education in Western Australia.

Despite the continuing strength of the Australian dollar, the relatively high cost of living in Perth and increasing competition from other international education provider countries, ECU experienced a slight increase in International onshore fee-paying student load.

The following tables show ECU’s student load for the period 2010-2014 by course award level and by funding categories.

Table 1: Student Load (EFTSL) by Course Award Level, 2010-2014

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **2010** | **2011** | **2012** | **2013** | **2014** |
| Doctorate by Research | 336 | 347 | 351 | 330 | 328 |
| Doctorate by Coursework | 20 | 14 | 11 | 4 | 3 |
| Masters by Research | 99 | 108 | 106 | 97 | 86 |
| Masters by Coursework | 2,181 | 1,583 | 1,415 | 1,426 | 1,634 |
| Postgraduate/Graduate Diploma | 842 | 833 | 855 | 806 | 763 |
| Postgraduate/Graduate Certificate | 277 | 275 | 284 | 276 | 356 |
| Bachelor | 13,725 | 14,116 | 13,951 | 13,600 | 13,337 |
| Sub-Bachelor | 108 | 85 | 69 | 41 | 27 |
| Enabling and Other | 687 | 562 | 606 | 622 | 744 |
| Vocational Education and Training | 488 | 477 | 483 | 446 | 400 |
| **Total** | **18,763** | **18,400** | **18,131** | **17,648** | **17,678** |
| **Notes**: 2014 data is as at 12/02/2015. Data for 2013 is finalised and differs from provisional figures reported in the Annual Report for 2013. | | | | | |

Table 2: Student Load (EFTSL) by Funding Category, 2010-2014

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **2010** | **2011** | **2012** | **2013** | **2014** |
| Commonwealth Grant | 12,657 | 12,995 | 13,002 | 12,866 | 13,066 |
| Domestic Tuition Fee | 792 | 963 | 1,049 | 1,093 | 1,066 |
| Fee-paying International on-shore | 2,732 | 2,594 | 2,379 | 2,304 | 2,372 |
| Fee-paying International off-shore | 1,767 | 1,034 | 878 | 632 | 478 |
| Research Training Scheme / ECU Funded | 325 | 337 | 340 | 307 | 296 |
| Vocational Education and Training | 490 | 477 | 483 | 446 | 400 |
| **Total** | **18,763** | **18,400** | **18,131** | **17,648** | **17,678** |

**Notes**: 2014 data is as at 12/02/2015. Data for 2013 is finalised and differs from provisional figures reported in the Annual Report for 2013.

**Retention**

The 2014 retention rate (for ECU students who commenced in 2013) decreased compared with the previous year’s results (see Report on Key Performance Indicatorsbeginning on page 45).

A working party was established with representation from key staff from faculties and service centres to examine retention issues and to promote greater accountability for retention at the school and course level.

ECU continued the effective work of the Connect for Success program, a proactive, University-wide student retention and success initiative that systematically identifies and supports commencing students who may require additional assistance to complete their studies.

Peer mentoring has also been used as a retention strategy, to positively influence a student’s experience and to build academic and social networks, particularly during the crucial first year of study. The ECU Retention and Persistence Transition Support initiative is one such example, and a number of successful ECU school-based peer mentoring programs were also in place in 2014.

During 2014, orientation modules such as *Balancing Life and Uni*, *Essential study skills* and *Basic computing skills* were available online and video information was embedded in the ECU website and on YouTube. The ECU Student Guide, which provides orientation and transition information, was also available electronically.

An ECU Buddy Program was established in Semester 2 to provide students who have relocated to Australia with support and guidance in adapting to life in a new country. Forty-one international onshore students received support from a range of ‘buddies’ consisting of student volunteers and mentors.

Peer support continued to be provided to postgraduate research students through the Graduate Research School’s Support–Opportunities–Advice–Resources Centre. Since 2009, over 3,500 client interactions have been recorded, providing cultural, academic and campus transition support to Higher Degree by Research and Bachelor Honours students and high levels of satisfaction with the service have been recorded.

**New Course Offerings in 2014**

ECU regularly renews its course offerings to maintain an academic profile that is contemporary and continues to reflect the needs of the communities it serves. New courses offered for the first time in 2014 were:

* Bachelor of Sustainability
* Bachelor of Engineering (Civil and Environmental)
* Master of Healthcare Studies
* Diploma of Live Production and Technical Services

**Student and Graduate Satisfaction**

ECU continued to perform well on the key indicators of teaching excellence, as measured by the national Course Experience Questionnaire (CEQ) of graduates and through ECU’s own online Unit and Teaching Evaluation Instrument (UTEI) and mid-course CEQ survey, that gauge the satisfaction of current ECU students.

As shown in Figure 4 below, student satisfaction with teaching quality and with unit content (as measured by the UTEI) remained steady in 2014, and continued the trend of high results over the time-series.

Figure 4: Unit and Teaching Satisfaction, 2010-2014

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

In the latest CEQ survey results, ECU was ranked 5th nationally for Overall Course satisfaction. On Good Teaching satisfaction ECU was ranked 5th nationally. On Generic Skills satisfaction ECU was ranked 7th nationally. ECU was also above the State and national averages for each of these indicators. Figure 5 below illustrates ECU’s performance for each of the graduate satisfaction indicators over the period 2009-2013.

Figure 5: Graduate Satisfaction, 2009-2013

**Notes**: The three measures record the percentage of ECU Bachelor level graduates who, in responding to the relevant Course Experience Questionnaire survey items ‘agree’ with those statements. The percentage agreement is the percentage of responses that are 4 (agree) and 5 (strongly agree) on the five-point Likert scale. This is a departure from previous years, which reported ‘broad agreement’ for these measures. This change is in keeping with the usual method of measurement across the Higher Education sector.

The annual University Experience Survey was conducted at all Australian universities in 2014. The satisfaction of undergraduate students is measured across five focus areas and in four of these (Skills Development, Teaching Quality, Student Support, and Learning Resources). ECU’s results were in the top 10 of Australian universities.

ECU’s learning environment and support for student learning is also evaluated through the ECU Student Services and Facilities Feedback Evaluation (SSAFE) survey, which is conducted biennially. The latest SSAFE survey was conducted in late 2013 and an internal summary report including specific improvement plans was finalised in 2014 in consultation with all relevant service centre stakeholders and faculties and reported to the University’s Senior Leadership Team and the Quality, Audit and Risk Committee. Results from the survey illustrated that overall satisfaction with ECU’s services and facilities increased slightly, while 87% of survey respondents agreed that they would recommend ECU, or their current course, to others.

Additional data on course satisfaction and quality of teaching, including comparison with State and national benchmarks, can be found in the Report on Key Performance Indicators beginning on page 45.

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

**HIGHLIGHTS**

**Paid internships**

Students from ECU’s Graduate Diploma of Broadcasting received paid internships with major media organisations around Australia in 2014. Upon completion of the one-year course, the graduates began working alongside journalists at the Seven Network, ABC News 24, Fox Sports News, 6PR and WAtoday.com.au. The first paid internship was established for this course in 2007 with 6PR with available opportunities now expanded to seven, giving students in the course a one-in-three chance of securing a paid placement.

**Bound for Oxford**

Aboriginal graduate Tamara Murdock was one of just three recipients of the national Charlie Perkins Scholarship in 2014. It follows her completion of a Bachelor of Science (Environmental Management) with First Class Honours and work with the Yamatji Marlpa Aboriginal Corporation in Geraldton, her hometown. The scholarship assisted her in commencing a Master of Science in Biodiversity, Conservation and Management at the University of Oxford.

**Social work wins**

The outstanding quality of ECU’s social work program was again recognised with graduate and (now) lecturer in the program, Pippa Blackburn, winning WA’s prestigious Social Worker of the Year Award. In the 2014 WA Youth Awards, the Minister for Youth’s Outstanding Youth Worker Award was also awarded to ECU Social Work Graduate, Matthew Bartlett.

**Study and internship in Bali**

Paramedical Science student Brienna Forster secured a prestigious New Colombo Plan Scholarship giving her the chance to study for six-months in Bali, Indonesia. Brienna will complete six months study at Udayana University and will undertake an internship at Sanglah Hospital.

**Mentoring with our alumni**

A new ECU Alumni Mentoring program was piloted in Semester 2, 2014 to provide mentoring from some of ECU’s brightest past and present students. Fourteen mentoring partnerships were established in this initial phase of the program, which seeks to provide students and graduates with career advice regarding their chosen field of employment.

**ECU’s Key Graduate Employment Outcomes in 2014**

The University’s governing Council approved two key actions for this Strategic Priority for 2014.

**Improve graduate learning outcomes through an employability focus to the curriculum supporting the development of generic skills and English language outcomes.**

ECU has an extensive English Language Proficiency framework, as part of the *Course and Unit Planning and Development* policy, last amended in October 2014.

In 2014 a Post-Entry Language Assessment (PELA) was implemented within first year core units in all undergraduate courses and an increasing number of postgraduate courses. The PELA provides a post-enrolment test of commencing students’ English language proficiency and was completed by over 6,000 students in 2014. ECU staff use the PELA results to tailor English language support for commencing students to enhance the employment prospects of ECU graduates.

ECU has implemented an English Language Proficiency (ELP) measure to provide comprehensive and timely feedback to students on their English language skills. Monitoring of the PELA process and the ELP strategy was undertaken by the Deputy Vice-Chancellor (Teaching, Learning and International), the ELP Committee and the Curriculum, Teaching and Learning Committee.

Learning Advisors in faculty-based Academic Skills Centres continued to provide a range of student support measures tailored to faculty, school and/or courses. These assist students with the development of their academic skills, as well as presentation and team working skills. Faculty-based Careers Advisors provide an employability focus within the curriculum in designated first year units and a number of courses now include a first year foundation, or generic skills unit, to be completed in a student’s first semester of study.

**Support and evaluate improvements in graduate outcomes in our various pathways resulting from enhanced retention strategies and inclusive practice in workplace integrated learning, career development, volunteering and student leadership.**

Connect for Success (C4S) is a program that seeks to identify students who may require extra support in their transition to university studies. An analysis of the program indicates its success in improving the retention rates for those students accessing the C4S service compared with others.

In March 2014, Employability Week events and activities were held across all ECU campuses to help students prepare for employment after graduation. Activities included a Volunteer Fair, Business and Law Fair, Engineering Fair and twenty-five career specific workshops.

The University’s 'one-stop shop' for career planning and job search resources and information, CareerHub, continued to grow in 2014. The CareerHub received 3,389 student registrations, 351 organisation registrations, and advertised 1,523 job opportunities.

ECU’s VolunteerHub, which received over 1,100 student registrations in 2014, also provided specific access to volunteering opportunities and resources for students. In 2014, 111 organisations registered on VolunteerHub with a total of 511 volunteering opportunities having been available.

Faculty-based Career Advisers continued to support students, with in excess of 740 appointments and a range of workshops and career seminars/presentations held in 2014.

In 2014, an internal review of workplace integrated learning (WIL) recommended development of a stand-alone WIL Policy to improve risk management practices, engagement with host organisations, process of agreements and appropriate University-wide software to manage WIL placements. WIL resources were developed to support Academic staff in designing and/or revising WIL opportunities. An Australian Qualifications Framework compliance project was completed and course-level learning outcomes for WIL have been embedded in relevant courses. ECU’s e-portfolio system, PebblePad, was used to help direct, document and assess WIL activities.

Improving the employment outcomes for ECU’s graduates will continue to be a strategic focus for the foreseeable future, as the initiatives described above expand in scope over time to support a greater proportion of the ECU student cohort.

Graduate full-time employment outcomes, as measured by the Australian Graduate Survey, four months post-graduation, have persistently tracked below national averages as shown in Figure 5 below.

Figure 6: ECU Full-time Graduate Employment, 2010-2013

**Notes**: The measure reported is the Bachelor-level domestic graduates who are working full-time, as a proportion of those in, or available for, full-time work. ‘Available’ includes, in addition to those already in full-time work, those seeking full-time work who are either not working or are working part-time. ‘Bachelor-level’ includes Pass Bachelor, Honours, and Graduate Entry degrees.

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

**HIGHLIGHTS**

**New habitats for birds**

Mine sites in WA’s Pilbara region are inadvertently providing new habitats for migratory shorebirds. A study by ECU School of Natural Sciences Postdoctoral Research Fellow Dr Sora Marin-Estrella found these man-made wetlands are being utilised by shorebirds in preference to traditional intertidal mudflats, which are increasingly under threat from coastal development and climate change. The research was made possible through a collaboration with Rio Tinto subsidiary Dampier Salt.

**Bushfire information at click of a button**

A new website that allows the public to access bushfire information previously only available to authorities won a National iAward in 2014. ECU School of Communications and Arts PhD student Paul Haimes created the MyFireWatch website as part of a collaborative ARC Linkage project between Landgate and ECU. ECU has now won National iAwards in each of the last three years.

**Literacy on the move**

The ‘Moving on with Literacy’ program, developed by ECU School of Education researchers, is designed to help children develop the specific physical skills needed to read and write, such as holding a pen and tracking eyes across a page. The program involves students singing and dancing along to action songs as modelled by their teacher. A year-long study in eight Perth schools has shown the movement program to be effective in improving students’ literacy skills.

**Cyber security awareness in small business**

Researchers from ECU’s Security Research Institute surveyed businesses in Perth’s northern suburbs on their knowledge around cyber security. The research found lax security measures were commonplace among small businesses, which are the target for more than 31 per cent of all cyber-attacks. The researchers then conducted a series of workshops to educate small business owners on minimising the risks of cyber-attacks.

**Sensor gets to heart of the matter**

An innovative new heart rate monitor that operates under the same principles as noise cancelling headphones is under development at the ECU Electron Science Research Institute. The monitor works by isolating the magnetic field generated by a heart, and provides more detailed information than a standard electrocardiogram.

**Research Week**

The Joondalup, Mount Lawley and South West (Bunbury) campuses again hosted the annual [*Research Week*](http://www.ecu.edu.au/research/week/overview) in September, which celebrated the research activities and outcomes of ECU researchers of all levels, and shared their knowledge, insights and inspiration with students, staff and the wider community. ECU offered a series of events, including a lecture about the importance of science education to regional and rural Australia and another about Alzheimer’s disease by WA’s new Chief Scientist, Professor Peter Klinken and Associate Professor Simon Laws.

**ECU’s Key Research and Research Training Outcomes in 2014**

The University’s governing Council approved two key actions for this Strategic Priority for 2014.

**Increase engaged research funding and activity and attain the milestone targets for 2014 in Collaborative Research Networks funding for ECU.**

Engaged research funding and activity is monitored through grants forming part of the Higher Education Research Data Collection (HERDC) submission. Refer to Table 3 for more details.

Research networks within the Collaborative Research Networks (CRN) sub-projects have expanded both internally and externally and this has created new opportunities for the development of greater understanding and knowledge depth of the CRN teams’ research areas. All sub-projects progressed well towards their objectives/outcomes in 2014 and highlights included:

* three successful CRN workshops on Child Mental Health and Wellbeing, Nano-electronics and Nano-photonics, and Protection of Coastal Ecosystems; and
* as a result of the CRN funding:
  + 117 journal articles and 14 book chapters have been published;
  + 52 Visiting Fellows visited ECU to discuss research projects and collaborations; and
  + 149 joint grant applications were submitted, of which 45 grants have been funded.

Initial discussions have taken place with project teams about the long-term sustainability of projects, and an outline summary has been prepared to transition each of the six sub-projects following the end of CRN funding.

**Increase the proportion of timely research higher degree completions and effectiveness of research supervision through enhanced supervisor training and the continued application of threshold requirements for supervisor research outputs.**

The proportion of timely completions in 2014 decreased to 55% (from 67% in 2013) due to the transition of ‘overtime’ students through ECU’s new candidature management procedures, implemented in late 2013. There were 116 completions in 2014, compared to 103 completions in 2013.

Training to support higher degree by research candidates in 2014 included: “Managing your research project for timely completions”, “Completion master classes”, and the “Retreat to Complete”. Ten higher degree supervisor-training workshops were delivered to 136 staff (face-to-face and online).

A research supervisors’ stream was introduced at the 2014 InSPIRE Research Training Conference, and several supervisor workshops (not related to compliance training) were delivered, including “Improving Supervisor Practice”.

**ECU’s Strategic Focus on Research and Research Training**

**Research Profile**

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

* Medical and Health Sciences, including Nursing, Neurosciences, and Human Movement and Sports Science
* Ecology, Environmental Science and Management
* Communication and Media Studies; Cultural Studies
* Performing Arts and Creative Writing
* Education
* Engineering
* Law
* Innovation, Management, and Services
* Visual Arts and Crafts, and Design
* Cyber Security
* Aboriginal Culture, Education and Health

**Research Leadership**

ECU continued to build a rich research culture in 2014 by implementing new, and consolidating existing, initiatives designed to engage and support researchers, whilst expanding engagement activities with industry and government. A broad range of activities included the following highlights.

* Research translation workshops were available along with a *Research Impact Award* to encourage, recognise and reward outcomes-focused research that benefits our communities.
* A program of Master Classes was available for researchers, including a series of five *Excellence in Academe* workshops facilitated by Dr Shelda Debowski; and a grant writing workshop led by Dr Gil Stokes.
* Two Research Orientation *(You, your research and ECU)* sessions were delivered to inform researchers about the many support services available at ECU.
* An ‘Early Start’ grants review process, supported by internal and external peer reviews of research proposals, was developed.
* Eight ‘Enterprise Tuesday’ sessions were implemented, designed to introduce researchers to potential industry and government partners, as well as to encourage and inspire individuals to pursue their entrepreneurial ambitions.
* ECU students, staff, and members of the community listened to, and engaged with, Professor Margaret Seares, at the 2014 *Inspirational Leaders Seminar*.
* eResearch has expanded greatly in 2014, with a motion capture facility and a desktop eye tracking capability established at the ECU Mount Lawley Campus.
* The Centre for Innovative Practice was reclassified to a University-designated Research Centre; and the Centre for Nursing, Midwifery and Health Services was established following an amalgamation of the WA Centre for Cancer and Palliative Care and the Clinical Nursing and Midwifery Research Centre.
* ECU worked towards the establishment of a new Australian Cyber Security Research Institute to represent a co-ordinated strategic research and education effort between national cyber security agencies, industry and researchers.

**Research Funding**

Total research income in 2014 is likely to be above that achieved in 2013 ($16.5 million), based on unaudited figures as at 31 December 2014 ($17.1 million). The Australian Government’s total research block grant allocation for 2014 was $8.5 million.

Table 3: Research Funding by Category, 2009-2014 ($M)

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **2010** | **2011** | **2012** | **2013** | **2014** |
| National Competitive Research Grants | 2.75 | 2.80 | 2.99 | 3.37 | 3.60 |
| Other Public Sector Research Funding | 8.30 | 8.40 | 6.32 | 5.82 | 6.93 |
| Industry and Other Funding | 4.21 | 4.55 | 4.92 | 5.37 | 4.71 |
| Co-operative Research Centre Funding | 0.05 | 0 | 1.19 | 1.96 | 1.84 |
| **Total** | **15.31** | **15.75** | **15.43** | **16.51** | **17.09** |

**Notes**: The 2014 income figures are as at 31 December 2014 and unaudited. Further analysis will be done based on the latest HERDC guidelines, which might alter research income by HERDC category for 2014. The 2013 income figures are final (audited and submitted) and differ from the provisional figures reported in the Annual Report for 2013.

Table 4: Research Block Funding by Category, 2009-2014 ($M)

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **2010** | **2011** | **2012** | **2013** | **2014** |
| Joint Research Engagement Program | 2.03 | 2.19 | 2.42 | 2.58 | 2.81 |
| Research Training Scheme | 4.41 | 4.41 | 4.48 | 4.58 | 4.56 |
| Research Infrastructure Block Grant | 0.37 | 0.47 | 0.51 | 0.44 | 0.44 |
| Sustainable Research Excellence | 0.45 | 0.52 | 0.71 | 0.71 | 0.72 |
| **Total** | **7.27** | **7.59** | **8.12** | **8.31** | **8.53** |

**Notes:** The 2014 income figures are for the full year.

ECU maintained its position in the top Tier Two funding group for Sustainable Research Excellence, based on Category 1 Australian Competitive Research Grant income.

**National Grants announced in 2014**

Professor Lelia Green and Dr Donell Holloway from ECU’s School of Communications and Arts were awarded a $365,211 Australian Research Council (ARC) Discovery Project grant. They will work with colleagues including Professor Sonia Livingstone, OBE, from the London School of Economics to examine family practices and attitudes around very young children’s internet use in Australia and the United Kingdom.

Two ECU projects, one to investigate how to break the cycle of welfare dependency and a second, to develop weed-zapping lasers, secured prestigious ARC Linkage Project Scheme grants worth a combined $420,000 in 2014. The University received $270,000 supporting a Photonic Weed Detection System, developed by Professor Kamal Alameh, that will change the way farmers target and eliminate weeds, reducing herbicide use by up to 75 per cent while also eliminating the need to ‘blanket spray’ crops. Professor Lelia Green and Associate Professor Panizza Allmark received $150,000 for a project partnering with the St Vincent de Paul Society aimed at breaking the multi-generational cycle of poverty.

Professor Alfred Allan from ECU's School of Psychology and Social Science is also a Chief Investigator in a national team of researchers awarded $636,590 to look at ways to reduce the risk of convicted sex offenders re-offending.

In 2014, ECU increased its strategic research investment by 2 per cent to $10.3 million, with a focus on increasing external research collaborations and building research capacity. These funds were applied to key state, national and international initiatives, fellowships, scholarships and infrastructure, in order to foster industry linkages and commercialisation in areas of research priority.

**Research Training**

Higher Degree by Research student numbers declined between 2010 and 2013, and provisional figures for 2014 indicate a further decrease.

Table 5: Higher Degree by Research Student Load, 2011-2014

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **2010** | **2011** | **2012** | **2013** | **2014** |
| Doctorate by Research | 336 | 347 | 351 | 330 | 328 |
| Masters by Research | 99 | 108 | 106 | 97 | 86 |
| **Total (EFTSL)** | **435** | **455** | **457** | **420** | **414** |

**Notes**: 2014 data is as at 12/02/2015. 2013 data is finalised and differs from the provisional figures reported in the Annual Report for 2013.

Instruments such as the International Student Barometer show that ECU’s research and higher degree students and graduates continue to rate highly the support received from their supervisors and ECU’s Graduate Research School.

Results from the Postgraduate Research Experience Questionnaire (for both domestic and international students) as shown in Figure 7 below also show high levels of student satisfaction with ECU. In each of the last three years, ECU was rated higher than the national average.

Figure 7: Higher Degree by Research Graduate Satisfaction, 2008-2013

**Notes**: This measures the percentage of ECU Higher Degree by Research graduates who, in responding to the overall satisfaction item from the national Postgraduate Research Experience Questionnaire “agree” with the statement “Overall, I was satisfied with the quality of my higher degree research experience”. The percentage agreement is the percentage of responses that are 4 (agree) and 5 (strongly agree) on the five-point Likert scale.

ECU has expanded its scholarships programs to include a new category of ‘Industry Engagement Scholarships’, which provide PhD scholarships for specific projects in industry, community and government. The industry partner contributes support and direction to the research project, and the higher degree by research candidate has the opportunity to develop their career in research, or one in the broader economy, where their high levels of technical and analytical skills and creativity would be valuable.

The doctoral training program is also driving engagement through the [Industry and Postgraduate Research Engagement Program](http://www.waresearch.com/#!iprepwa/mainPage) (iPREP). This is an ECU initiative with all five universities in WA linking industry partners with interdisciplinary teams of PhD candidates to work on authentic industry and community issues and problems. The aim of iPREP is to familiarise industry with university research, improve employment prospects for doctoral graduates, and develop professional skills needed in industry settings.

The number of international scholarship opportunities also increased through partnerships with international institutions and foreign governments. Recruitment activity for international research students also increased through attendance at international scholarship fairs.

A project commenced in 2014 to develop a four-year research degree, which integrates research preparation (one year) and research (three years), comprising generic and discipline specific skills, into a single degree. The aim of this new degree is to provide an alternative pathway to the PhD, with the first year designed to help higher degree by research candidates build required research training skills, and scaffold their research journey for a successful PhD.

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

**HIGHLIGHTS**

**New leader for ECU**

Following a global recruitment campaign, Professor Stephen Chapman was appointed as ECU’s next Vice-Chancellor, replacing Professor Kerry Cox, who retired in September 2014. Professor Chapman is currently the Principal and Vice-Chancellor of Heriot-Watt University, Scotland and has led significant improvements to the student experience, with Heriot-Watt University being named by *The Sunday Times* newspaper as the Best Scottish University for an unprecedented two consecutive years, 2011-12 and 2012-13.

**Star support**

Hollywood actor Hugh Jackman returned to ECU in May 2014 to launch the Jackman Furness Foundation for the Performing Arts. The WAAPA graduate established the Foundation with a $1 million donation, matched by Andrew and Nicola Forrest’s Minderoo Foundation. The Foundation aims to raise $10 million over four years to support performing arts in Australia and WAAPA’s performing arts projects will be funded in perpetuity through interest raised.

**Smart travel**

ECU was named the winner of the ‘Achieve’ category at the WA Department of Transport’s TravelSmart awards. The award recognises ECU’s Transport Management Group and the University’s Active Transport Plan. These initiatives have resulted in more than half of all travel by students to and from the University’s campuses considered “active transport”.

**Gold Medal workplace**

The University was one of only three organisations to receive ‘gold’ recognition from the WA Department of Health’s *Healthier Workplaces WA* program. The award recognises ECU’s successful staff health and wellness program: *Live Life Longer*, a network of over 600 ‘legends’ who are provided with incentives to promote the program and encourage staff involvement.

**Welcome spaces**

The first of ECU’s five cultural reflection spaces opened in May 2014. *Welcome to Place,* the first reflection space, is located at the entrance to the Joondalup campus near Building 1 and welcomes students, staff and visitors onto campus, with the bilingual greetings “Wandjoo” and “Welcome”. The reflection spaces support ECU’s Reconciliation Action Plan and will provide a unique opportunity to learn about traditional Whadjuk Nyoongar knowledge.

**ECU’s Key Organisational Sustainability Outcomes in 2014**

The University’s governing Council approved three key actions for this Strategic Priority for 2014.

**Continue the implementation of the *IT@ECU for the Future* outcomes, to improve delivery of IT services and return on the University’s technology investment.**

The *IT@ECU for the Future*program moved into an implementation phaseduring 2014 and work to provide a ‘virtual computing environment’ for staff and students continued. Specific activities included:

* development of a business case for provision of a data centre and cloud services;
* procurement for the upgrade of the University’s wired and wireless network;
* development of a strategy and detailed roadmaps for several enterprise systems; and
* progress of a business case to move the University to a ‘desktop as a service’ model.

The University-wide approach to investment in technology capability is now embedded in University processes. For example, development of the 2015 Asset Management Plan was informed by planning and prioritisation processes conducted under the enterprise technology governance framework.

**Continue to implement strategies necessary to ameliorate the financial impact of the 2015 half-cohort of WA school-leavers.**

The financial impact of the anticipated reduction in commencing student load arising from the 2015 half-cohort has been addressed within the ECU Budget for 2015, which was approved by Council at its December 2014 meeting.

The University continues to proactively manage the challenges of the half-cohort with strategies for cost containment, resource re-alignment and enrolment growth, including:

* a Staffing Strategies Committee chaired by the Deputy Vice-Chancellor (Academic), which continues to review and approve all staff appointments;
* workforce management initiatives such as monitoring staffing profiles, leave, flexible working hours, by the Deputy Vice-Chancellor (Academic) and the Director, Human Resources;
* cessation, prior to 2015, of the Academic Initiatives Fund (4% of faculty revenue);
* a real reduction of 2% in service centre funding for 2014, requiring centres to identify productivity efficiencies and prioritise activities;
* further refinement of the Enterprise Resource Allocation Model to facilitate improved strategic budget allocation and decision-making across the University; and
* strategic sourcing initiatives to contain contract expenditure and improved cost management across the University.

**Improve Alumni engagement and deliver the outcomes of the integrated fundraising program through partnerships, fundraising and Alumni relations.**

A series of 16 alumni events were held in 2014, including careers workshops, speaker events and social events such as movie nights, comedy nights, and the flagship outdoor concert ‘Music under the Stars’.

The number of alumni in contact with the University increased from 44,500 to more than 52,500 in 2014, and almost 80 per cent of respondents to an alumni survey indicated that they felt proud to be a graduate of ECU.

The first Finding Solutions Panel Debate was held at Kurongkurl Katitjin, ECU’s Centre for Indigenous Australian Education and Research, to showcase ECU’s ability to engage with key stakeholders in solving real-world issues.

**ECU’s Strategic Focus on Organisational Sustainability**

This Strategic Priority comprises staffing, financial positioning, infrastructure and facilities services, and sustainability.

**Staffing**

The *ECU Staffing Plan 2012-15* addresses key workforce planning and staffing strategies to 2015. This plan details the University’s equity and diversity commitments in relation to its workforce, addressing the legislative requirements of the *Equal Opportunity Act 1984* (WA), reported to the Workplace Gender Equity Agency.

ECU continued to streamline organisational structures to improve staffing efficiency and effectiveness in anticipation of reduced Commonwealth support for universities and the direct impact on WA universities of the half-cohort. These adjustments included change management and staff reductions across most areas of the University.

ECU implemented new arrangements from the 2013 Collective Agreement including a review of staff profiles within ECU schools to identify options for alternative academic roles and streamlined academic leadership structures. ECU also continued its focus in recruitment and promotion to grow research capability and the proportion of the academic workforce with PhD qualifications.

There were 12 academic promotions to Senior Lecturer and above in 2014. As anticipated, in the period following the introduction of ECU’s Academic Standards framework there have been lower applicant numbers and applicant ratios. However, success rates have recovered to 60%.

In 2014, ECU increased the representation of women at senior levels amongst both academic and professional staff, and was confirmed as being compliant with *Workplace Gender Equality Act 2012* (Cwlth).

The biennial staff survey was conducted in 2014. The ‘Voice’ survey is run at most Australian universities. ECU staff responses to the survey totalled 1303, giving a response rate of 73%, which is well above sector averages. In 2014 staff reported higher levels of engagement and commitment to ECU (77%) than their peers in other Australian universities. Satisfaction scores were highest for: organisation direction, and mission and values, and were lowest for: recruitment and selection, organisational change and involvement, and support for research.

The survey included questions relating to organisational risk factors such as equal employment opportunity culture and psycho-social workplace factors such as harassment and bullying. For the University as a whole most results were positive, although some areas were identified as requiring specific support in 2015.

A strategy to reduce excess leave accruals was implemented successfully, together with a process to monitor and prevent excessive leave balances accruing in the future.

**Strengthening ECU’s Leadership Capacity**

A number of significant appointments were made in 2014. These included:

* Professor Stephen Chapman, appointed as Vice-Chancellor, effective April 2015;
* Professor Lynne Cohen, reappointed as Pro-Vice-Chancellor: Engagement (Communities) and Executive Dean of the Faculty of Education and Arts;
* Ms Jenny Robertson, appointed Director, Human Resources Services Centre;
* Professor Neil Drew, appointed Professor and Director of the Australian Indigenous Health*Info*net, Faculty of Education and Arts;
* Professor Joe Luca, reappointed as Dean, Graduate Research School;
* Ms Joanne Quinn, reappointed as General Counsel, Office of Legal Services;
* Professor Clive Barstow, reappointed as Head of School of Communications and Arts, Faculty of Education and Arts;
* Professor Di Twigg, reappointed as Head of School of Nursing and Midwifery, Faculty of Health, Engineering and Science;
* Associate Professor Annette Raynor, reappointed as Head of School of Exercise and Health Sciences, Faculty of Health, Engineering and Science;
* Professor David McKinnon, appointed Professor and Director, Edith Cowan Institute for Education Research, School of Education, Faculty of Education and Arts;
* Professor Kathy Boxall, appointed Professor of Social Work and Disability Studies, Faculty of Regional Professional Studies; and
* Professor Mark Hackling, appointed as Emeritus Professor.

**Financial Positioning**

The University’s five strategic priorities are reflected in University-wide strategic budget allocations and in the expenditure plans of each faculty and service centre. ECU has implemented budget strategies to enable it to respond quickly to change, while progressing its Purpose, Vision and Strategic Priorities.

Budget strategies work in parallel with complementary initiatives designed to:

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

ECU overall financial position remained sound and the University received a “clean bill of health” from the Australian Government’s Department of Education in its annual review of the financial position of Australian universities. In addition, the University once again received an unqualified external audit opinion for 2014.

Throughout 2014, ECU operated within the key budget parameters approved by Council. Performance against the 2014 financial targets set by Council was once again strong. The University posted a 2014 operating surplus of $27.5 million for the year, which exceeded the original budget ($17.8 million) by $9.7 million. Total revenue for the University in 2014 was $388 million, which exceeded the original budget ($371 million) by $17 million.

Table 6: Financial Ratios, 2014

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Actual** | **Target** | **Variance/ Comment** |
| **Total Revenue** | $388 million | $371 million | Revenue is higher than original budget. |
| **Operating Margin** | 7% | >4% | Operating margin is above 4% minimum target and achieved original budget. |
| **Interest cover (Debt Service Coverage Ratio)** | 7.9 times | >3 times | Interest cover is above target of at least 3 times and exceeds original budget. |
| **Current Ratio** | 2.5 | >1.0 | Current ratio exceeds minimum target of 1 and achieved original budget. |
| **Number of Weeks Revenue - Cash Assets Reserves** | 1. weeks | >4 weeks | Number of weeks’ revenue in cash is higher than the minimum 4 and exceeds original budget. |
| **Debt to equity ratio** | 11.1% | <30% | The debt to equity ratio is well within target of less than 30% |

The Financial Statements begin on page 60 of this Annual Report.

**Infrastructure and Facilities Services**

ECU measures its infrastructure and facilities services performance on five measures (as follow) that are benchmarked against other Australian universities through the Tertiary Education Facilities Management Association. The latest available benchmark data is for 2013.

**Backlog Maintenance**

This measure provides the ratio of backlog maintenance cost to asset replacement value and indicates that ECU continues to maintain low liability in backlog maintenance when compared to WA university averages and sector averages.

Table 7: Backlog Maintenance (%), 2009-2013

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **2009** | **2010** | **2011** | **2012** | **2013** |
| ECU | 0.7% | 0.8% | 0.4% | 0.5% | 1.2% |
| WA | 2.6% | 2.8% | 2.2% | 3.5% | 3.3% |
| Sector | 5.5% | 4.4% | 4.3% | 3.4% | 4.0% |

**Utilisation Rates**

This measure provides the daytime utilisation of teaching spaces (% time used) as measured by audits. Results indicate that ECU has capacity to grow teaching and learning activities through improved utilisation of existing space.

Table 8: Utilisation Rates (% time used), 2009-2013

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **2009** | **2010** | **2011** | **2012** | **2013** |
| ECU | 15.3% | 21.5% | 21.1% | 21.4% | 18.3% |
| WA | - | - | 40.2% | 42.2% | 28.9% |
| Sector | 31.3% | 31.4% | 35.7% | 33.4% | 30.3% |

**Water Consumption**

This measures the use of water (kL) against student load (EFTSL). Benchmarking rules were changed in 2011 and earlier figures are not comparable with those for 2011 and later. ECU performs well when compared to WA and sector averages.

Table 9: Water Consumption (kL/ EFTSL), 2009-2013

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **2009** | **2010** | **2011** | **2012** | **2013** |
| ECU | 6.1 | 4.8 | 14.4 | 12.0 | 13.7 |
| WA | 10.4 | 12.5 | 32.6 | 33.0 | 30.1 |
| Sector | 10.3 | 9.9 | 12.4 | 12.0 | 13.6 |

**Waste to Landfill**

This measures waste to landfill in (kg) against student load (EFTSL). In 2014, ECU completed the rollout of recycling bins within buildings that should impact positively on future results.

Table 10: Waste to Landfill (kg/EFTSL), 2011-2013

|  |  |  |  |
| --- | --- | --- | --- |
|  | **2011** | **2012** | **2013** |
| ECU | 25.9 | 29.7 | 31.9 |
| WA | 44.5 | 30.2 | 30.0 |
| Sector | 52.3 | 47.5 | 44.6 |

**Energy Consumption**

This measures energy consumption (gigajoules) against gross floor area (m2). All new buildings at ECU have been designed to use less energy. ECU performs very well compared with WA and sector averages.

Table 11: Energy Consumption (GJ/m2), 2009-2013

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **2009** | **2010** | **2011** | **2012** | **2013** |
| ECU | 0.6 | 0.5 | 0.5 | 0.5 | 0.5 |
| WA | 0.7 | 0.7 | 0.7 | 0.8 | 0.8 |
| Sector | 0.7 | 0.7 | 0.7 | 0.7 | 0.7 |

**Environmental Sustainability**

ECU operates under an environmental management system accredited to ISO 14001, Environmental Management Systems. This system includes programs around energy, water, waste and travel to drive improved environmental outcomes.  In 2014, ECU received a TravelSmart Award from the WA Department of Transport for the University’s Transport Management Group and Active Transport Plan.

**Building Infrastructure**

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

Major building projects completed in 2014 included:

* The Joondalup Engineering Pavilion, completed to budget. The School of Engineering has -moved into the facility allowing the lease of an off-campus facility to cease.
* The construction of an additional 127 student housing beds at the Joondalup Campus under a Public Private Partnership with Campus Living Villages. This will be ready for occupation in Semester 1, 2015. The project is partly funded through the National Rental Affordability Scheme.

Other major projects were at varying stages of development at the end of 2014:

* Construction of Ngoolark (Building 34 at the Joondalup Campus) remains on schedule to be completed in January 2015 and will be delivered significantly under budget.
* The ECU Health Centre (incorporating the Wanneroo GP Super Clinic) began operations in September 2014 and tenants are being sought for the unoccupied third floor, which will require fit-out. The project is currently significantly under budget.

**IT Infrastructure**

Major IT infrastructure initiatives in 2014, that will provide a foundation for teaching and learning and research activities in the future, included the following.

* Finalisation of the procurement activity and business case relating to the provisioning of data centre and cloud services. The option of moving to an externally managed solution has been adopted and negotiations with the preferred supplier are underway.
* Evaluation of the procurement for the network replacement program commenced and the replacement of both wired and wireless networks is expected to be completed before the beginning of Semester 2, 2015.
* Implementation of new Call Centre technology was successfully completed.
* Continuation of the information security work to improve the protection of the University’s network and information from the increasing number of cyber security attacks.

SECTION 2B: PERFORMANCE – REPORT ON KEY PERFORMANCE INDICATORS

## Report Certification

We hereby certify that the key performance indicators are based on proper records, are relevant and appropriate for assisting users to assess ECU’s performance, and fairly represent the performance of ECU for the financial year ended 31 December 2014.

  
The Hon Dr Hendy Cowan

Chancellor

7 March 2015

  
Professor Arshad Omari

Acting Vice-Chancellor

7 March 2015

## Key Performance Indicators

**Introduction**

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

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

A revised version of the University’s strategic directions document: *Edith Cowan University: Engaging Minds; Engaging Communities. Towards 2020* was approved by Council in December 2012. The revised document specifies ECU’s Purpose and five Strategic Priorities that articulate the University’s commitment to the communities it serves.

ECU’s Purpose is: *To further develop valued citizens for the benefit of Western Australia and beyond, through teaching and research inspired by engagement and partnerships.*

ECU’s five Strategic Priorities are:

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

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

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

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

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

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

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

A summary of KPIs to be audited by the Auditor General is provided in the diagram on the next page.

**Summary of KPIs to be audited by the Office of the Auditor General**

|  |  |
| --- | --- |
| **Outcome 1:  ECU’s courses of study meet the needs of the Western Australian community and are provided in a supportive and stimulating learning environment** | **Outcome 2:  ECU’s research and scholarship advance and develop education, industry, commerce and the community, through the practical application of knowledge.** |
| **Course Satisfaction**  (effectiveness indicator) | **Research Publications (per 10 Academic Staff FTE)**  (effectiveness and efficiency indicator) |
| **Quality of Teaching**  (effectiveness indicator) | **Higher Degree Research Completions (per 10 Academic Staff FTE)**  (effectiveness and efficiency indicator) |
| **Graduate Employment**  (effectiveness indicator) |  |
| **Retention**  (effectiveness indicator) |
| **Operating Margin**  (effectiveness and efficiency indicator) | |

Course Satisfaction

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

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

Course Satisfaction is defined as the percentage of all domestic and international Bachelor level (Bachelor Pass, Bachelor Honours and Bachelor Graduate Entry) graduates who ‘agree’ with the statement: “Overall, I was satisfied with the quality of this course” from the Course Experience Questionnaire. The percentage agreement is the percentage of responses that are 4 (agree) or 5 (strongly agree) on the five-point Likert scale.

Table 12: Bachelor Course Level Graduates’ CEQ Course Satisfaction

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **Year of Survey** | | | | |
|  | **2010** | **2011** | **2012** | **2013** | **20141** |
| ECU | 86.9% | 86.9% | 85.1% | 86.9% |  |
| Target | - | - | - | - | 86.0% |
| National Average | 81.1% | 82.2% | 83.2% | 83.0% |  |
| State Average | 82.5% | 83.4% | 84.1% | 83.0% |  |
| **Notes**: 1. National data sets for 2014 were not made available in sufficient time to allow inclusion in this Report. 2. The performance results are shown here by “Year of Survey” as is common practice across the sector. 3. For the 2013 survey 3,314 ECU Bachelor graduates were surveyed, of whom 1,898 responded to the CEQ, equating to a response rate of 57.3%. 4. ECU adopted an amended KPI definition for the 2014 survey year meaning that targets set in previous years are not applicable. | | | | | | |

ECU graduates’ Course Satisfaction level in the 2013 survey increased (by 1.8 percentage points), compared with the 2012 survey. The results over the time series (between 2010 and 2013) have been stable.

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

Quality of Teaching

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

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

The Quality of Teaching Scale is defined as the proportion of domestic and international Bachelor level (Bachelor Pass, Bachelor Honours and Bachelor Graduate Entry) graduates who ‘agree’ on average with the six items comprising this scale. The percentage agreement is the proportion of a respondent’s scores on the six items which are 4 (agree) or 5 (strongly agree) on the five-point Likert scale.

Table 13: Bachelor Course Level Graduates’ CEQ Quality of Teaching Scale

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **Year of Survey** | | | | |
|  | **2010** | **2011** | **2012** | **2013** | **20141** |
| ECU | 73.6% | 73.4% | 74.2% | 73.2% |  |
| Target | - | - | - | - | 74.0% |
| National Average | 62.2% | 64.6% | 66.3% | 66.9% |  |
| State Average | 65.5% | 66.1% | 67.1% | 66.2% |  |
| **Notes**: 1. National data sets for 2014 were not available in sufficient time to allow inclusion in this Report. 2. The performance results are shown here by “Year of Survey”, as is common practice across the sector. 3. For the 2013 survey 3,314 ECU Bachelor graduates were surveyed, of whom 1,898 responded to the CEQ, equating to a response rate of 57.3%. 4. ECU adopted an amended KPI definition for the 2014 survey year meaning that targets set in previous years are not applicable. | | | | | | |

ECU graduates’ level of satisfaction with the quality of teaching for the 2013 survey decreased (by 1.0 percentage point), compared with the 2012 survey. The results over the time series (between 2010 and 2013) have been stable.

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

Graduate Employment

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

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

The Graduate Employment measure is defined as domestic Bachelor-level graduates who are working full-time, as a percentage of those available for full-time work. ‘Available’ includes, in addition to those already in full-time work, those seeking full-time work who are either not working or are working part-time. ‘Bachelor-level’ includes Pass Bachelor, Honours, and Graduate Entry degrees.

Table 14: Domestic Bachelor Course Level Graduates in Full-time Employment

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **Year of Survey** | | | | |
|  | **2010** | **2011** | **2012** | **2013** | **20141** |
| ECU | 72.7% | 68.6% | 71.3% | 67.1% |  |
| Target | - | - | - | - | 75.0% |
| National Average | 76.6% | 76.7% | 76.1% | 71.3% |  |
| State Average | 75.1% | 76.6% | 79.2% | 72.9% |  |
| **Notes**: 1. National data sets for 2014 were not available in sufficient time to allow inclusion in this Report. 2. The performance results are shown here by “Year of Survey”, as is common practice across the sector. 3. For the 2013 survey 2,669 ECU Domestic Bachelor graduates were surveyed, of whom 1,550 responded to the GDS, equating to a response rate of 58.1%. 4. ECU adopted an amended KPI definition for the 2014 survey year meaning that targets set in previous years are not applicable. | | | | | |

The proportion of ECU graduates in full-time employment at the time of the 2013 survey decreased by 4.2 percentage points, compared with those surveyed in 2012. The 2013 survey result is below both the National and State averages.

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

Retention

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

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

Table 15: Retention Commencing Students

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **Year of Commencement** | | | | |
|  | **2010** | **2011** | **2012** | **2013** | **2014**1 |
| ECU | 75.4% | 75.4% | 74.7% | 72.3% |  |
| Target | - | - | - | 80.0% | 78.0% |
| **Notes**: 1. Retention data for students commencing in 2014 will not be available until mid-2015. 2. ECU adopted an amended KPI definition in 2013 meaning that targets set for 2010 to 2012 are not applicable. | | | | | |

The retention rate for ECU students commencing in 2013 decreased (by 2.4 percentage points) compared with the retention rate for those who commenced in 2012.

Research Publications

The number of recognised research and development publications produced in a year, as reported to the Department of Industry, is a direct measure of research output.

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

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

Table 16: Research and Development Publications per 10 Academic FTE

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **2010** | **2011** | **2012** | **2013** | **2014**1 |
| A1 – Authored Research Books | 20.0 | 11.5 | 8.0 | 9.3 |  |
| B1 - Book Chapter | 46.6 | 40.6 | 38.5 | 35.6 |  |
| C1 - Articles in Scholarly Refereed Journal | 268.4 | 296.0 | 309.1 | 343.4 |  |
| E1 - Full Written Paper - Refereed Proceedings | 187.2 | 201.3 | 154.2 | 128.3 |  |
| **Total Unweighted Publications** | **522.1** | **549.4** | **509.7** | **516.6** |  |
| **Total Weighted Publications** | **602.1** | **595.4** | **541.7** | **553.8** |  |
| Academic Staff FTE | 531 | 517 | 528 | 512 |  |
| Weighted Publications per 10 FTE | 11.3 | 11.6 | 10.3 | 10.8 |  |
| Target | 12.8 | 12.8 | 12.0 | 12.0 | 11.0 |
| **Note**: 1. Research publications figures for 2014 are unavailable until verified by audit in June 2015. | | | | | | |

Total Unweighted Publications increased by 6.9 publications between 2012 and 2013. Total Weighted Publications also increased between 2012 and 2013, by 12.1 publications. Weighted Publications per 10 Academic Staff FTE increased between 2012 and 2013, from 10.3 to 10.8, and was below the 2013 target of 12 publications per 10 Academic Staff FTE.

Higher Degree Research Completions

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

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

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

Table 17: Higher Degree Research Completions by level, total number and per 10 Academic FTE

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **2010** | **2011** | **2012** | **2013** | **2014**1 |
| Doctorate by Research | 51 | 56 | 61 | 84 |  |
| Masters by Research | 19 | 22 | 29 | 27 |  |
| **Total Completions** | **70** | **78** | **90** | **111** |  |
| Total State Completions2 | 647 | 696 | 797 | 830 |  |
| Total National Completions2 | 7,403 | 7,961 | 8,230 | 9,209 |  |
| Academic Staff FTE | 531 | 517 | 528 | 512 |  |
| **Completions per 10 FTE** | **1.3** | **1.5** | **1.7** | **2.2** |  |
| Target | 2.2 | 2.2 | 2.0 | 2.0 | 1.9 |

**Notes**: 1. Research completions for 2014 are unavailable until verified by audit in June 2015. 2. State and National Higher Degree by Research completions for 2013 are from Table 8 of the 2013 Award Course Completions listings on the Department of Education website at: <http://education.gov.au/selected-higher-education-statistics-2013-student-data>.

Total completions for research doctorates increased between 2012 and 2013 while total completions for research masters decreased slightly between 2012 and 2013. Completions per 10 Academic Staff FTE increased (from 1.7 to 2.2) and exceeded target by 0.2 completions per 10 Academic Staff FTE.

Operating Margin

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

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

Table 18: ECU Operating Margin

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **2010** | **2011** | **2012** | **2013** | **2014** |
| ECU | 6% | 9% | 7% | 8% | 7% |
| Target | 3% | 4% | 4% | 4% | 4% |

ECU’s Operating Margin has been above the minimum target throughout the time series.

SECTION 3: SIGNIFICANT ISSUES

**Higher Education Reforms**

The Federal Coalition Government came to power in September 2013 and subsequently announced its intention to undertake reviews of higher education funding, participation targets, quality assurance and regulatory burden.

The 2014-15 Commonwealth Budget handed down in May 2014, proposed significant structural and funding changes to higher education including: an average 20 per cent reduction in funding for Commonwealth supported places; fee deregulation to allow providers to set their own student fees for domestic students; extending the provisions of the demand driven system of uncapped places to non-university providers and to sub-Bachelor level qualifications, including the provision of government funding; and the introduction of student fees for research higher degrees.

These arrangements, intended to deliver budget savings of $3.9 billion over three years, were articulated in a bill that was voted down by the Senate on 2 December 2014. A revised *Higher Education and Research Reform Bill 2014* was introduced into the House of Representatives on 3 December. The amended bill retracts the proposal to change the interest rates charged on student debts. The bill also makes provision for a $100 million structural adjustment fund and a more targeted equity funding program to support regional universities, outer metropolitan universities and others with limited capacity to generate significant additional revenues under a deregulated student fee model. In February 2015, the Senate referred to its Education and Employment Legislation Committee and its Education and Employment References Committeeinquiries into the provisions of the *Higher Education and Research Reform Bill 2014*, with both reports due by mid-March 2015.

In the event that, and the extent to which, the reforms are enacted; ECU will need to continue to develop and implement strategies to respond to the legislative changes that result.

**The 2015 “Half-Cohort”**

In 2001, the Western Australian Government increased the pre-school and school entry age by six months to align with other Australian states and territories. This change reduced the number of students commencing in kindergarten of that year by approximately 40 per cent. This has resulted in a reduced cohort of Year 12 school-leaver students of approximately 16,000 students in 2014, compared to 24,000 students in the previous year. This change will impact on ECU’s commencing student numbers in 2015 and 2016, and a range of strategies including cost containment, resource re-alignment and enrolment growth were implemented in 2014 in preparation for reduced revenues.

**Course Accreditation**

In 2014 ECU further embedded improved processes for achieving professional accreditation of its courses. As a result of revised and more rigorous course accreditation guidelines, the University secured a number of accreditations for courses in a range of disciplines including Social Work, Occupational Therapy, Nutrition and Dietetics, Speech Pathology, Information Technology, Accounting, Engineering, Advertising, Nursing, Occupational Health and Safety, Human Resources and Project Management.

ECU’s Pro-Vice-Chancellor (Health Advancement) continued to oversee a proactive approach to the accreditation of health courses, and ECU met all completion and compliance reporting requirements of the Australian Health Practitioner Regulation Agency and Health Workforce Australia. Throughout the year, ECU maintained contact with the *Tertiary Education Quality and Standards Agency* (TEQSA) to keep it informed of developments and actions taken by ECU in order to maintain the high quality and good reputation of its programs, including its over 150 professionally accredited courses.

**Autonomous Sanctions and UNSC Sanctions**

Sanctions imposed through the *Autonomous Sanctions Act 2011* (Cwlth) and theUnited Nations Security Council (UNSC) requires the University to implement compliance processes to ensure that the University does not: 1. provide sanctioned services to sanctioned individuals; and/or 2. deal with designated entities/individuals. The University has implemented relevant compliance processes and is monitoring the compliance obligations to verify that its processes and procedures continue to maintain compliance.

**Harmonised Work Safety and Health Legislation**

Harmonisation of the safety and health legislation across Australia will result in uniform work safety and health legislation across jurisdictions. Legislation in Western Australia was delayed and the new laws are now expected to be enacted in 2015. ECU has reviewed the proposed laws and is well prepared to meet the requirements of the new legislation.

***Australian Charities and Not-for-profits Commission (ACNC) Act 2012***

The ACNC Act requires all universities to register as a charity with the ACNC Commissioner, conditional upon meeting the required governance and external conduct standards. The registration includes the names of all Council members as responsible officers and therefore ECU is obliged to notify changes to the register records as these arise. In addition, ECU is required to provide the ACNC Commissioner with an annual information statement in the approved form.

***Legal Deposits Act 2012* (WA)**

The *Legal Deposits Act 2012* (WA) requires that Western Australia publications (including University publications) be deposited with the State Library, to ensure the ongoing collection and preservation of the State’s cultural heritage for future generations. The compliance aspects of the *Legal Deposits Act* are being co-ordinated by the Library Services Centre.

***Education Services for Overseas Students (ESOS) Act***

The *Education Services for Overseas Students Act 2000* (Cwlth) (*ESOS Act*) and related legislation is designed to protect the interests of students coming to Australia on student visas. The Australian Government undertook a review of the Education Services for Overseas Students (ESOS) framework in 2014, to consider ways to better align the *ESOS Act*, the National Code of Practice for Registration Authorities and Providers of Education and Training to Overseas Students, and Streamlined Visa Processing.

ECU is supportive of the proposed amendments to reduce regulatory burdens on education institutions offering courses to international students, streamline standards and quality assurance processes, improved information sharing by the Department of Immigration and Border Protection and improve flexibility to meet the changing needs of international students. Changes to the *ESOS Act*, ESOS framework and associated legislation are expected in 2015.

SECTION 4: DISCLOSURES AND LEGAL COMPLIANCE

## Auditor General’s Statement







## Certification of Financial Statements

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

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



The Hon Dr Hendy Cowan

Chancellor

7 March 2015



Professor Arshad Omari

Acting Vice-Chancellor

7 March 2015

  
Mr Brad Francis

Chief Financial Officer

6 March 2015

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

I declare that:

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

|  |  |
| --- | --- |
|  |  |

The Hon Dr Hendy Cowan Professor Arshad Omari

Chancellor Acting Vice-Chancellor

7 March 2015 7 March 2015

## Financial Statements

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| This financial report covers Edith Cowan University as an individual entity. The financial report is presented in the Australian currency.  The financial report was authorised for issue by the University Council on the 7th day of March 2015. The University has the power to amend and reissue the financial statements. |  |
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| --- | --- | --- | --- | --- |
|  | Note | 2014  $000's | 2013  $000's |  |
| Income from continuing operations |  |  |  |  |
| Australian Government financial assistance |  |  |  |  |
| Australian Government grants | 2 | 162,839 | 162,731 |  |
| HELP ‑ Australian Government payments | 2 | 92,408 | 87,823 |  |
| State and local Government financial assistance | 3 | 13,318 | 13,580 |  |
| HECS‑HELP ‑ Student Payments |  | 10,098 | 11,677 |  |
| Fees and charges | 4 | 70,683 | 69,768 |  |
| Investment revenue | 5 | 11,860 | 11,657 |  |
| Royalties | 6 | 6,336 | 4,588 |  |
| Consultancy and contracts | 7 | 5,549 | 5,528 |  |
| Other Revenue | 8 | 11,834 | 14,376 |  |
| Total revenue from continuing operations |  | 384,925 | 381,728 |  |
| Gains on disposal of assets | 9 | 138 | 1,921 |  |
| Other investment income | 5 | 1,930 | 3,993 |  |
| Other Income | 8 | 4,576 | 1,955 |  |
| Total income from continuing operations |  | 391,569 | 389,597 |  |
| Expenses from continuing operations |  |  |  |  |
| Employee related expenses | 10 | 221,678 | 216,965 |  |
| Depreciation and amortisation | 11 | 20,581 | 23,600 |  |
| Repairs and maintenance | 12 | 10,035 | 9,146 |  |
| Borrowing costs | 13 | 1,488 | 4,068 |  |
| Impairment of assets | 14 | 156 | - |  |
| Investment losses | 5 | - | 7,547 |  |
| Other expenses | 15 | 110,136 | 95,448 |  |
| Total expenses from continuing operations |  | 364,074 | 356,774 |  |
| Net result for the period |  | 27,495 | 32,823 |  |

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

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

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

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

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

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

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

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

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

Financing arrangements 26

Non‑cash financing and investing activities 37

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

|  |  |  |
| --- | --- | --- |
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| 1 Summary of significant accounting policies |

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

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

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| --- |
| (a) Basis of preparation |

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

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

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

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

Date of authorisation for issue

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

*Historical cost convention*

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

Critical accounting estimates and judgments

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

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

|  |
| --- |
| (b) Revenue recognition |

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

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

Revenue is recognised for the major business activities as follows:

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

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

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

(iv) *Royalties*  
Royalty income is recognised as income when earned.

(v) *Consultancy and contracts/ Fee for service*   
Revenue is recognised on delivery of the service to the client or by reference to the stage of completion of the transaction.

(vi) *Interest revenue*  
Revenue is accrued on a time‑proportion basis, by reference to the principal outstanding and at the effective interest rate applicable.

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

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

**(b) Revenue recognition continued**

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

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

*Unrealised gains associated with investment property at fair value*  
Gains arising from changes in the fair value of an investment property are included in income for the period in which they arise.

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

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

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

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| (c) Income tax |

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

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| (d) Borrowing costs |

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

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| (e) Impairment of assets |

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

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| (f) Cash and cash equivalents |

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

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| (g) Restricted funds |

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

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| (h) Trade receivables |

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

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

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| (i) Investments and other financial assets |

Classification

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

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

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

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

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

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

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

*Subsequent measurement*

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

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

*Fair Value*

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

*Impairment*

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

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| (j) Fair value measurement |

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

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

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

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

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

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

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

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| (k) Property, plant and equipment |

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

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

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

*Leasehold improvement*

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

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

*Service concession assets*

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

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

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

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

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

*Works of Art*

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

*Depreciation*

Land and works of art are not depreciated.

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

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

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

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

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

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| (l) Investment properties |

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

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

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

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

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| (m) Leases |

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

**m) Leases continued**

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

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| (n) Intangible assets |

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

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

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

**Intangible asset class Life**

Library collection 10 years

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

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| (o) Non‑current assets held for sale |

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

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

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

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| (p) Trade and other payables |

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

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| (q) Borrowings |

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

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

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

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| (r) Provisions |

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

Provisions are not recognised for future operating losses.

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

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

*Employee benefits*

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

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

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

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

**(r) Provisions continued**

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

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

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

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

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

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

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

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

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

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

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

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

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

*Service concession provision*

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

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| (s) Foreign currency translation and hedge accounting |

(i) Functional and presentation currency

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

(ii) Transactions and balances

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

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

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

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

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

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

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

cash flows.

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| (u) Comparative amounts |

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

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| (v) New Accounting Standards and interpretations |

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

|  |  |  |
| --- | --- | --- |
| Standard | Application date | Implications |
| AASB 9 | 1 January 2018 | ECU will consider the provisions of this standard when applicable. |
| AASB 2010‑7 | 1 January 2018 | ECU will consider the provisions of these standards when applicable. |
| AASB 2014‑1 | 1 January 2015 1 January 2016 1 January 2018 | ECU will consider the provisions of these standards when applicable. |
| AASB 2014‑3 | 1 January 2016 | ECU will consider the provisions of these standards when applicable. |
| AASB2014‑4 | 1 January 2016 | ECU will consider the provisions of these standards when applicable. |
| (w) Rounding of amounts | | | | |

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

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| 2 Australian Government financial assistance including Australian Government loan programs (HELP) | | | | |
| (a) Commonwealth Grants Scheme and Other Grants | | | | |
|  | Note | 2014  $000's | 2013  $000's |
|  |  |  |  |
| Commonwealth Grants Scheme #1 |  | 136,132 | 132,168 |
| Indigenous Support Program |  | 617 | 619 |
| Partnership and Participation Program#2 |  | 3,236 | 2,770 |
| Disability Support Program |  | 110 | 84 |
| Promotion of Excellence in Learning and Teaching |  | 12 | 42 |
| Reward Funding |  | - | 330 |
| Other |  | - | 2,781 |
| Total Commonwealth Grants Scheme and other grants | 42(a) | 140,107 | 138,794 |
| (b) Higher Education Loan Programs | | | | |
| HECS ‑ HELP |  | 77,294 | 73,851 |
| FEE ‑ HELP#3 |  | 11,877 | 13,019 |
| VET FEE ‑ HELP |  | 904 | - |
| SA ‑ HELP | 42(h) | 2,333 | 953 |
| Total Higher Education Loan Programs | 42(b) | 92,408 | 87,823 |
| (c) Scholarships | | | | |
| Australian Postgraduate Awards |  | 1,882 | 1,641 |
| International Postgraduate Research Scholarships |  | 148 | 162 |
| Commonwealth Education Cost Scholarship#4 |  | 62 | 86 |
| Commonwealth Accommodation Scholarships#4 |  | 11 | 40 |
| Indigenous Access Scholarships |  | 52 | 61 |
| Total Scholarships | 42(c) | 2,155 | 1,990 |
| (d) Education Research | | | | |
| Joint Research Engagement Program#5 |  | 2,808 | 2,579 |
| Research Training Scheme |  | 4,558 | 4,583 |
| Research Infrastructure Block Grants |  | 439 | 441 |
| Sustainable Research Excellence in Universities |  | 716 | 709 |
| Other |  | 1,559 | 452 |
| Total Education Research Grants | 42(d) | 10,080 | 8,764 |

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

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

#2 Includes Equity Support Program.  
#3 Program in respect of FEE‑HELP for Higher Education only and excludes funds received in respect of VET FEE HELP.  
#4 Includes Grandfather Scholarships, National Priority and National Accommodation Priority Scholarships.  
#5 Includes Institutional Grants Scheme.

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

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

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

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

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

|  |  |  |  |
| --- | --- | --- | --- |
| 4 Fees and charges | | | |
|  | 2014  $000's | 2013  $000's |
| Course fees and charges |  |  |
| Fee‑paying onshore overseas students | 54,762 | 51,845 |
| Fee‑paying offshore overseas students | 2,898 | 3,508 |
| Continuing education | 520 | 446 |
| Fee‑paying domestic postgraduate students | 5,279 | 5,751 |
| Fee‑paying domestic undergraduate students | 11 | 86 |
| Fee‑paying domestic non‑award students | - | 85 |
| Total course fees and charges | 63,470 | 61,721 |
| Other non‑course fees and charges |  |  |
| Student services and amenities fees | 1,561 | 1,734 |
| Examination, registration and photocopying fees | 441 | 490 |
| Other fees and charges | 578 | 1,277 |
| Parking fees | 1,660 | 1,462 |
| Rental charges | 2,688 | 2,553 |
| Other | 285 | 531 |
| Total Other Fees and Charges | 7,213 | 8,047 |
| Total fees and charges | 70,683 | 69,768 |
| 5 Investment revenue and income | | | |
|  | 2014  $'000 | 2013  $'000 |
| Investment revenue |  |  |
| Interest revenue from operating account | 229 | 349 |
| Interest from bank bills | 10,583 | 10,552 |
| Rental income from investment properties | 1,048 | 756 |
| Total investment revenue | 11,860 | 11,657 |
| Other investment income |  |  |
| Dividends received | 112 | 111 |
| Distributions from managed funds | 1,408 | 702 |
| Net gain on disposal of available‑for‑sale financial assets transferred from equity | 10 | 3,180 |
| Net gain on revaluation of investment properties | 400 | - |
| Total other investment income | 1,930 | 3,993 |
| Other investment losses |  |  |
| Net loss on revaluation of investment properties | - | (7,547) |
| Net investment income | 13,790 | 8,103 |

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

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| 9 Gains on disposal of assets | | | | |
|  | | 2014  $000's | 2013  $000's |
|  | |  |  |
| Proceeds from sale of property, plant and equipment and non‑current assets held for sale | | 1,447 | 19,215 |
| Carrying amount of property, plant and equipment and non‑current assets held for sale ‑ sold | | (1,309) | (17,294) |
| Net gain on disposal | | 138 | 1,921 |
| 10 Employee related expenses | | | | |
|  |  | 2014  $000's | 2013  $000's |
| Academic |  |  |  |
| Salaries |  | 86,133 | 79,929 |
| Contributions to superannuation and pension schemes ‑ funded |  | 11,209 | 11,837 |
| Payroll tax |  | 5,566 | 5,494 |
| Worker's compensation |  | 444 | 181 |
| Long service leave expense |  | 1,616 | 2,782 |
| Annual leave |  | 974 | 249 |
| Other |  | 701 | 549 |
| Total academic |  | 106,643 | 101,021 |
| Non‑academic |  |  |  |
| Salaries |  | 94,080 | 93,572 |
| Contributions to superannuation and pension schemes ‑ funded |  | 12,370 | 13,101 |
| Payroll tax |  | 6,027 | 5,926 |
| Worker's compensation |  | 494 | 240 |
| Long service leave expense |  | 694 | 2,433 |
| Annual leave |  | 915 | 243 |
| Other |  | 455 | 429 |
| Total non‑academic |  | 115,035 | 115,944 |
| Total employee related expenses |  | 221,678 | 216,965 |

|  |  |  |  |
| --- | --- | --- | --- |
| 11 Depreciation and amortisation | | | |
|  | 2014  $000's | 2013  $000's |
| Depreciation |  |  |
| Buildings | 13,016 | 13,325 |
| Service concession assets | 1,209 | 1,209 |
| Leasehold improvements | 581 | 968 |
| Other equipment and furniture | 3,317 | 3,321 |
| Computing equipment | 309 | 2,690 |
| Motor vehicles | 121 | 95 |
| Library collections | 1,003 | 1,029 |
| Total depreciation | 19,556 | 22,637 |
| Amortisation |  |  |
| Intangible assets | 1,025 | 963 |
| Total depreciation and amortisation | 20,581 | 23,600 |
| 12 Repairs and maintenance | | | |
|  | 2014  $000's | 2013  $000's |
|  |  |  |
| Buildings maintenance | 7,816 | 7,366 |
| Grounds maintenance | 802 | 904 |
| Other equipment maintenance | 1,417 | 876 |
| Total repairs and maintenance | 10,035 | 9,146 |
| 13 Borrowing costs | | | |
|  | 2014  $000's | 2013  $000's |
|  |  |  |
| Interest expense | 3,964 | 4,949 |
| Less: Amount capitalised | (2,476) | (881) |
| Total borrowing costs expensed | 1,488 | 4,068 |

|  |  |  |  |
| --- | --- | --- | --- |
| 14 Impairment of assets | | | |
|  | 2014  $000's | 2013  $000's |
|  |  |  |
| Bad and doubtful debts | 156 | - |
| Total impairment of assets | 156 | - |

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

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

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

|  |  |  |  |
| --- | --- | --- | --- |
| 16 Cash and cash equivalents | | | |
|  | 2014  $000's | 2013  $000's |
|  |  |  |
| Cash at bank | 9,330 | 10,916 |
| Bank Bills | 45,190 | 55,526 |
| Cash held in imprests | 10 | 10 |
| **Total cash and cash equivalent** | 54,530 | 66,452 |
| (a) Reconciliation to cash at the end of the year | | | |

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

|  |  |  |  |
| --- | --- | --- | --- |
|  | Note | 2014  $000's | 2013  $000's |
|  |  |  |  |
| Unrestricted cash |  | 45,246 | 57,722 |
| Restricted funds | 30 | 9,284 | 8,730 |
| Balance as per cash flow statement |  | 54,530 | 66,452 |
| (b) Cash at bank and held in imprests | | | | |

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

|  |
| --- |
| (c) Bank Bills |

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

|  |  |  |  |
| --- | --- | --- | --- |
| 17 Receivables | | | |
|  | 2014  $000's | 2013  $000's |
| **Current** |  |  |
| Trade receivables and student fees | 6,454 | 8,474 |
| Less: Provision for impaired receivables | (1,411) | (1,292) |
|  | 5,043 | 7,182 |
| Deferred Government benefit for superannuation | 2,741 | 2,856 |
| GST and withholding tax receivable | 4,047 | 2,120 |
| Total current receivables | 11,831 | 12,158 |
| **Non‑current** |  |  |
| Deferred Government benefit for superannuation | 22,833 | 22,986 |
| Total non‑current receivables | 22,833 | 22,986 |
| **Total trade and other receivables** | 34,664 | 35,144 |

**Impaired receivables**

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

The ageing analysis of these receivables is as follows:

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

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

The ageing analysis of these receivables is as follows:

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

Movements in the provision for impaired receivables are as follows:

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

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

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

|  |  |  |  |
| --- | --- | --- | --- |
| 18 Derivative financial instruments | | | |
|  | 2014  $000's | 2013  $000's |
| Current assets |  |  |
| Derivative financial instruments | 19 | 21 |
| (a) Instruments used by the University | | | |

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

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

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

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

|  |
| --- |
| (b) Interest rate and foreign exchange risk |

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

|  |  |  |  |
| --- | --- | --- | --- |
| 19 Other financial assets | | | |
|  | 2014  $000's | 2013  $000's |
| Current |  |  |
| Held‑to‑maturity |  |  |
| Term deposits | 137,307 | 114,768 |
| Total current other financial assets | 137,307 | 114,768 |
| Non‑Current |  |  |
| Available‑for‑sale investments |  |  |
| Investment in shares | 2,032 | 2,572 |
| Investment in managed funds | 24,288 | 18,808 |
| Held‑to‑maturity |  |  |
| Term deposits | 58,000 | 50,000 |
| Total non‑current other financial assets | 84,320 | 71,380 |
| **Total other financial assets** | 221,627 | 186,148 |
| 20 Non‑current assets classified as held for sale | | | |
|  | 2014  $000's | 2013  $000's |
| **Non‑current assets held for sale** |  |  |
| Land | - | 1,305 |
| **Total non‑current assets held for sale** | - | 1,305 |
| 21 Other non‑financial assets | | | |
|  | 2014  $000's | 2013  $000's |
| Current |  |  |
| Accrued income | 5,503 | 4,627 |
| Advances and prepayments | 9,841 | 3,556 |
| Total current other non‑financial assets | 15,344 | 8,183 |
| Non‑current |  |  |
| Non‑current other non‑financial assets | 1,758 | - |
| Total other non‑financial assets | 17,102 | 8,183 |

|  |  |  |  |
| --- | --- | --- | --- |
| 22 Investment properties | | | |
|  | 2014  $000's | 2013  $000's |
| At fair value |  |  |
| Opening balance at 1 January | 13,610 | 9,820 |
| Additions | 7,344 | 9,287 |
| Transfers from property, plant and equipment | - | 2,050 |
| Gain/(loss) on revaluation | 400 | (7,547) |
| Closing balance as at 31 December | 21,354 | 13,610 |

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

|  |  |  |  |
| --- | --- | --- | --- |
| (a) Amounts recognised in income statement for investment properties | | | |
|  | 2014  $000's | 2013  $000's |
|  |  |  |
| Rental income | 1,048 | 756 |
| Gain/(loss) on revaluation | 400 | (7,547) |
| Total recognised in income statement | 1,448 | (6,791) |
| (b) Valuation basis | | | |

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

|  |
| --- |
| 23 Property, plant and equipment |

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

|  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Work in progress  $000's | Land  $000's | Buildings  $000's | Service concession assets ‑ land  $000's | Service concession assets ‑ building  $000's | Leasehold improvements  $000's | Works of Art  $000's | Library Collections  $000's | Motor Vehicles  $000's | Other equipment and furniture  $000's | Computer Equipment  $000's | Total  $000's |
| Year ended 31 December 2014 |  |  |  |  |  |  |  |  |  |  |  |  |
| Opening net book amount | 34,566 | 124,069 | 525,738 | 11,617 | 49,084 | 9,115 | 12,921 | 5,586 | 381 | 9,078 | 786 | 782,941 |
| Additions | 47,090 | - | - | - | - | - | 70 | - | 99 | 1,833 | - | 49,092 |
| Disposals | - | - | - | - | - | - | - | - | (44) | (993) | (998) | (2,035) |
| Accumulated depreciation on disposals | - | - | - | - | - | - | - | - | 44 | 990 | 998 | 2,032 |
| Write‑offs during the year | - | - | - | - | - | - | (68) | - | - | - | - | (68) |
| Accumulated depreciation on write‑offs | - | - | - | - | - | - | - | - | - | - | - | - |
| Revaluation increments/(decrements) | - | 7,666 | (11,122) | - | - | (181) | - | - | - | - | - | (3,637) |
| Reclassifications in/(out) | - | - | - | - | - | (1,958) | (4) | - | - | - | - | (1,962) |
| Depreciation charge | - | - | (13,016) | - | (1,209) | (581) | - | (1,003) | (121) | (3,317) | (309) | (19,556) |
| Transfers | (9,305) | - | 7,649 | - | - | - | - | 371 | - | 1,153 | 132 | - |
| Closing net book amount | 72,351 | 131,735 | 509,249 | 11,617 | 47,875 | 6,395 | 12,919 | 4,954 | 359 | 8,744 | 609 | 806,807 |
| At 31 December 2014 |  |  |  |  |  |  |  |  |  |  |  |  |
| ‑ Cost | 72,351 | - | - | 11,617 | 53,488 | - | - | 12,400 | 817 | 40,464 | 10,605 | 201,742 |
| ‑ Valuation | - | 131,735 | 509,249 | - | - | 6,395 | 12,919 | - | - | - | - | 660,298 |
| Accumulated depreciation | - | - | - | - | (5,613) | - | - | (7,446) | (458) | (31,720) | (9,996) | (55,233) |
| Net book amount | 72,351 | 131,735 | 509,249 | 11,617 | 47,875 | 6,395 | 12,919 | 4,954 | 359 | 8,744 | 609 | 806,807 |

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

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

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

|  |
| --- |
| (b) Service concession assets |

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

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

A breakdown of service concession assets at reporting date is:

|  |  |  |  |
| --- | --- | --- | --- |
|  |  | 2014  $000's | 2013  $000's |
|  |  |  |  |
| Land |  | 11,617 | 11,617 |
| Buildings |  | 47,875 | 49,084 |
| Work in progress |  | 11,119 | 1,433 |
| Net book amount |  | 70,611 | 62,134 |
| 24 Intangible assets | | | | | |
|  | | | Library collections  $000's | Total  $000's |
| Year ended 31 December 2013 | | |  |  |
| Opening net book value | | | 5,667 | 5,667 |
| Additions | | | 1,399 | 1,399 |
| Amortisation charge | | | (963) | (963) |
| Closing net book amount | | | 6,103 | 6,103 |
| At 31 December 2013 | | |  |  |
| ‑ Cost | | | 12,168 | 12,168 |
| ‑ Accumulated amortisation and impairment | | | (6,065) | (6,065) |
| Net book amount | | | 6,103 | 6,103 |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Library collections  $000's | | Total  $000's | |
| Year ended 31 December 2014 |  | |  | |
| Opening net book amount | 6,103 | | 6,103 | |
| Additions | 1,387 | | 1,387 | |
| Amortisation charge | (1,025) | | (1,025) | |
| Closing net book amount | 6,465 | | 6,465 | |
| At 31 December 2014 |  | |  | |
| ‑ Cost | 13,554 | | 13,554 | |
| ‑ Accumulated amortisation and impairment | (7,089) | | (7,089) | |
| Net book amount | 6,465 | | 6,465 | |
| 25 Trade and other payables | | | | | |
|  | | 2014  $000's | | 2013  $000's |
| **Current** | |  | |  |
| Trade payables | | 4,725 | | 5,728 |
| CGS and other liabilities to Australian Government | | 300 | | 405 |
| OS HELP liabilities to Australian Government | | 1,816 | | 93 |
| GST payable | | 478 | | 269 |
| **Total current trade and other payables** | | 7,319 | | 6,495 |

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

|  |
| --- |
| (a) Foreign currency risk |

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

|  |  |  |
| --- | --- | --- |
|  | 2014  $000's | 2013  $000's |
|  |  |  |
| Australian Dollar | 7,300 | 6,495 |
| US Dollar | 19 | - |
|  | 7,319 | 6,495 |

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

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| 26 Borrowings | | | | |
|  |  | 2014  $000's | 2013  $000's |
| **Current ‑ Unsecured interest bearing** |  |  |  |
| Western Australian Treasury Corporation |  | 125 | 172 |
| **Non‑current ‑ Unsecured interest bearing** |  |  |  |
| Western Australian Treasury Corporation |  | 99,520 | 90,145 |
| Total borrowings |  | 99,645 | 90,317 |
| (a) Financing arrangements | | | | |

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

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

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

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

|  |
| --- |
| (b) Fair value |

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

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

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

|  |
| --- |
| (c) Risk exposures |

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

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

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

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

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| 27 Provisions | | | | |
|  | 2014  $000's | | 2013  $000's |
| Current provisions expected to be settled within 12 months |  | |  |
| Employee benefits |  | |  |
| Annual leave and other compensated absences | 6,810 | | 6,754 |
| Long service leave | 7,294 | | 7,185 |
| Defined benefit obligation | 2,741 | | 2,856 |
| Staff bonuses | 1,150 | | 1,038 |
| Superannuation and other post‑employment benefits | 2,073 | | 2,038 |
| Employee on‑costs | 1,102 | | 1,088 |
| Provision for service concession liabilities | 1,238 | | 948 |
| Other provisions | 3,391 | | 2,607 |
|  | 25,799 | | 24,514 |
| Current provisions expected to be settled after more than 12 months |  | |  |
| Employee benefits |  | |  |
| Annual leave and other compensated absences | 709 | | 496 |
| Long Service Leave | 12,806 | | 11,460 |
| Superannuation and other post‑employment benefits | 1,770 | | 1,560 |
| Employee On‑costs | 1,056 | | 934 |
|  | 16,341 | | 14,450 |
| Total current provisions | 42,140 | | 38,964 |
| Non‑current provisions |  | |  |
| Employee benefits |  | |  |
| Long service leave | 4,395 | | 4,187 |
| Defined benefit obligation | 22,833 | | 22,986 |
| Provision for deferred salary | 221 | | 100 |
| Superannuation and other post‑employment benefits | 1,703 | | 1,419 |
| Employee on‑costs | 343 | | 327 |
| Provision for service concession liabilities | 39,273 | | 30,825 |
| Other provisions | 7,232 | | - |
| Total non‑current provisions | 76,000 | | 59,844 |
| **Total provisions** | | 118,140 | 98,808 |

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

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

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

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

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

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| (a) Movements in provision | | | | |
|  | Employment on‑costs  $000's | Service concession liabilities  $000's | Other  $000's |
| 2014 |  |  |  |
| Current |  |  |  |
| Carrying amount at start of year | 2,022 | 948 | 2,607 |
| Additional provisions recognised | 985 | 1,238 | 1,746 |
| Amounts incurred and charged | (849) | (948) | (962) |
| Carrying amount at end of year | 2,158 | 1,238 | 3,391 |
| Non‑current |  |  |  |
| Carrying amount at start of year | 327 | 30,825 | - |
| Additional provisions recognised | 145 | 9,686 | 7,232 |
| Amounts incurred and charged | (129) | (1,238) | - |
| Carrying amount at end of year | 343 | 39,273 | 7,232 |

|  |  |  |  |
| --- | --- | --- | --- |
|  | Employment on‑costs  $000's | Service concession liabilities  $000's | Other  $000's |
| 2013 |  |  |  |
| Current |  |  |  |
| Carrying amount at start of year | 1,505 | 948 | 8,874 |
| Additional provisions recognised | 517 | 948 | - |
| Amounts incurred and charged | - | (948) | (6,267) |
| Carrying amount at end of year | 2,022 | 948 | 2,607 |
| Non‑current |  |  |  |
| Carrying amount at start of year | 513 | 30,340 | - |
| Additional provisions recognised | (186) | 1,433 | - |
| Amounts incurred and charged | - | (948) | - |
| Carrying amount at end of year | 327 | 30,825 | - |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| 28 Other liabilities | | | | |
|  | | 2014  $000's | 2013  $000's |
| Current | |  |  |
| Fees and grants received in advance | | 17,352 | 15,159 |
| Financial assistance received in advance | | 1,468 | 3,845 |
| Accrued expenses | | 20,689 | 10,823 |
| **Total other liabilities** | | 39,509 | 29,827 |
| 29 Reserves and retained earnings | | | | |
| (a) Reserves | | | | |
|  | 2014  $000's | 2013  $000's |
| Reserves |  |  |
| Property, plant and equipment revaluation surplus | 344,283 | 348,719 |
| Investments revaluation surplus | 5,744 | 6,105 |
| Hedging reserve ‑ cash flow hedges | 19 | 21 |
| Total Reserves | 350,046 | 354,845 |
| Movements | | | | |
|  | 2014  $000's | 2013  $000's |
| *Property, plant and equipment revaluation surplus* |  |  |
| Balance 1 January | 348,719 | 375,692 |
| Revaluation ‑ gross | (3,637) | (23,695) |
| Transfer to retained earnings | (799) | (3,278) |
| Balance 31 December | 344,283 | 348,719 |
| *Investments revaluation surplus* |  |  |
| Balance 1 January | 6,105 | 4,827 |
| Revaluation ‑ gross | (361) | 3,995 |
| Reclassification of net change in fair value of available‑for‑sale financial assets to profit and loss | - | (2,717) |
| Balance 31 December | 5,744 | 6,105 |

|  |  |  |
| --- | --- | --- |
|  | 2014  $000's | 2013  $000's |
| *Hedging reserve ‑ cash flow hedges* |  |  |
| Balance 1 January | 21 | - |
| Revaluation ‑ gross | (2) | 21 |
| Balance 31 December | 19 | 21 |
| Total reserves | 350,046 | 354,845 |
| (b) Retained earnings | | | |

Movement in retained earnings were as follows:

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

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

|  |
| --- |
| (c) Nature and purpose of reserves |

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

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

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

|  |  |  |  |
| --- | --- | --- | --- |
| 30 Restricted funds | | | |
|  | 2014  $000's | 2013  $000's |
| Restricted funds |  |  |
| ECU Foundation | 9,284 | 8,730 |

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

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

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

|  |  |  |
| --- | --- | --- |
|  | 2014  Number | 2013  Number |
| Nil to $10,000 | 20 | 19 |
| $120,001 to 130,000 | - | 1 |
| $130,001 to $140,000 | 1 | - |
| $160,001 to $170,000 | - | 1 |
| $170,001 to $180,000 | 1 | - |
| $260,001 to $270,000 | - | 1 |
| $360,001 to $370,000 | 1 | - |
| $510,001 to $520,000 | 1 | - |
| $530,001 to $540,000 | 1 | - |
| $740,001 to $750,000 | - | 1 |

|  |  |  |
| --- | --- | --- |
|  | 2014  $000's | 2013  $000's |
|  |  |  |
| Base remuneration and superannuation | 1,526 | 1,232 |
| Annual leave and long service leave accruals | 139 | 40 |
| Other benefits | 67 | 28 |
| The total aggregate remuneration of members of the accountable authority | 1,732 | 1,300 |

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

No council members are members of the pension scheme.

|  |
| --- |
| (b) Remuneration of senior officers |

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

|  |  |  |
| --- | --- | --- |
|  | 2014  Number | 2013  Number |
| $60,001 to $70,000 | - | 1 |
| $230,001 to $240,000 | - | 1 |
| $240,001 to $250,000 | 1 | - |
| $310,001 to $320,000 | 2 | - |
| $320,001 to $330,000 | 1 | - |
| $340,001 to $350,000 | - | 1 |
| $350,000 to $360,000 | 1 | 5 |
| $370,001 to $380,000 | 1 | - |
| $410,001 to $420,000 | 1 | - |
| $470,001 to $480,000 | 1 | 1 |
| $490,001 to $500,000 | - | 1 |

|  |  |  |  |
| --- | --- | --- | --- |
|  |  | 2014  $000's | 2013  $000's |
|  |  |  |  |
| Base remuneration and superannuation |  | 2,668 | 2,982 |
| Annual leave and long service leave accruals |  | 6 | 202 |
| Other benefits |  | 157 | 203 |
| The total aggregate remuneration of senior officers |  | 2,831 | 3,387 |

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

No senior officer is a member of the pension scheme.

|  |
| --- |
| 32 Remuneration of auditors |

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

|  |  |  |
| --- | --- | --- |
|  | 2014  $000's | 2013  $000's |
| Audit the Financial Statements |  |  |
| Audit fees ‑ OAG | 242 | 252 |
| Other audit and assurance services |  |  |
| Audit fees ‑ OAG | 14 | 5 |
| Audit fees ‑ Non‑OAG firms | 5 | - |
| **Total** | 261 | 257 |

|  |
| --- |
| 33 Contingencies |
| Contingent liabilities |

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

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

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

|  |
| --- |
| 34 Commitments |
| (a) Capital expenditure commitments |

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

|  |  |  |
| --- | --- | --- |
|  | 2014  $000's | 2013  $000's |
| Property, plant and equipment |  |  |
| Within one year | 11,103 | 39,441 |
|  | 11,103 | 39,441 |
| (b) Lease commitments: The Entity as lessee | | | |

(i) Operating leases

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

|  |  |  |
| --- | --- | --- |
|  | 2014  $000's | 2013  $000's |
|  |  |  |
| Within one year | 276 | 230 |
| Between one year and five years | 270 | 353 |
| **Cancellable operating lease** | 546 | 583 |

|  |
| --- |
| (c) Other expenditure commitments |

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

|  |  |  |
| --- | --- | --- |
|  | 2014  $000's | 2013  $000's |
|  |  |  |
| Within one year | 13,005 | 6,589 |
| 35 Events occurring after the reporting date | | | |

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

|  |  |  |  |
| --- | --- | --- | --- |
| 36 Reconciliation of operating result after income tax to net cash flows from operating activities | | | |
|  | 2014  $000's | 2013  $000's |
|  |  |  |
| Net result for the period | 27,495 | 32,823 |
| Non‑cash items |  |  |
| Depreciation and amortisation expense | 20,581 | 23,600 |
| Revaluation of investment properties | (400) | 7,547 |
| Provision for impairment of receivables | 156 | (664) |
| Service concession income | (948) | (948) |
| Gain on sale of asset | (138) | (1,921) |
| Net loss on asset write‑offs | 68 | 36 |
| Gain on sale of investment | (10) | (3,180) |
|  | 46,804 | 57,293 |
| (Increase)/decrease in receivables and non‑financial assets | (9,245) | 1,620 |
| Decrease in inventories | - | 1,783 |
| Increase/(decrease) in trade and other payables | 10,504 | (2,560) |
| Increase/(decrease) in provisions | 10,595 | (8,204) |
|  | 11,854 | (7,361) |
| Net cash provided by operating activities | 58,658 | 49,932 |
| 37 Non‑cash investing and financing activities | | | |
|  | 2014  $000's | 2013  $000's |
| Proceeds accrued from sale of property, plant and equipment and non‑current assets held for sale | - | 650 |

|  |
| --- |
| 38 Financial risk management |

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

|  |
| --- |
| (a) Market risk |

(i) Foreign exchange and interest risk

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

(ii) Price risk

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

(iii) Summarised sensitivity analysis

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

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

|  |
| --- |
| 38 Financial risk management continued  (b) Credit risk |

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

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

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

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

|  |
| --- |
| (c) Liquidity risk |

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

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

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

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

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

Financial assets

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

Financial liability

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

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

|  |
| --- |
| 39 Fair value measurement |
| (a) Fair value measurements |

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

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

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

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

|  |
| --- |
| 39 Fair value measurement continued |
| (a) Fair value measurements continued |

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

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

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

|  |
| --- |
| (b) Fair value hierarchy |

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

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

(i) Recognised fair value measurements

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

**Fair value measurements at 31 December 2014**

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

**Fair value measurements at 31 December 2013**

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

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

(ii) Disclosed fair values

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

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

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

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

(i) Recurring fair value measurements

*Available‑for‑sale financial assets*  
The fair values of investments in managed funds were based on the redemption prices at balance date, provided by the fund managers. These prices represent the fair value of these investments.

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

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

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

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

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

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

(ii) Non‑recurring fair value measurement

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

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

|  |
| --- |
| 41 Deferred government benefit for superannuation |

Unfunded Pension and Unfunded Gold State (Lump sum) Schemes

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

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

*Pension Scheme*

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

*Gold State Super (transferred benefits)*

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

**The regulatory framework**

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

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

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

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

**41 Deferred government benefit for superannuation continued**

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

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

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

**Scheme risks**

*Pension Scheme*

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

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

*Gold State Super (transferred benefits)*

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

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

**Significant events**

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

**Sensitivity analysis**

*Pension Scheme*

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

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

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

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

*Gold State Super (transferred benefits)*

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

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

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

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

**Funding arrangements**

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

**41 Deferred government benefit for superannuation continued**

**Reconciliation of the Net Defined Benefit liability (asset)**

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

**Reconciliation of the Defined Benefit obligation**

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

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

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

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

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

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

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

**Fair value of Scheme assets**

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

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

|  |  |  |
| --- | --- | --- |
|  |  |  |

**Significant Actuarial assumptions at the reporting date**

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

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

|  |  |  |  |
| --- | --- | --- | --- |
| Expected Contributions | | | |
|  | Pension Scheme  2015  $000's | Gold State Super  2015  $000's |
| Expected contributions |  |  |
| Expected employer contributions | 2,683 | 58 |

**Maturity profile of defined benefit obligation**

*Pension Scheme*

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

*Gold State Super (transferred benefits)*

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

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 42 Acquittal of Australian Government financial assistance | | | | | | | | | | | | | | | |
| (a) CGS and other Education grants | | | | | | | | | | | | | | | |
|  |  | Commonwealth Grants Scheme#1 | | Indigenous Support Program | | Partnership & Participation Program#2 | | Disability Support Program | | | Promotion of Excellence in Learning and Training | | Reward Funding | |
|  | Note | 2014  $000's | 2013  $000's | 2014  $000's | 2013  $000's | 2014  $000's | 2013  $000's | 2014  $000's | 2013  $000's | | 2014  $000's | 2013  $000's | 2014  $000's | 2013  $000's |
| Financial assistance received in CASH during the reporting period (total cash received from Australian Government for the program) | 2(g) | 136,224 | 132,116 | 617 | 566 | 2,885 | 3,419 | 89 | 105 | | 10 | 44 | - | 329 |
| Net accrual adjustments |  | (92) | 52 | - | 53 | 351 | (649) | 21 | (21) | | 2 | (2) | - | 1 |
| Revenue for the period | 2(a) | 136,132 | 132,168 | 617 | 619 | 3,236 | 2,770 | 110 | 84 | | 12 | 42 | - | 330 |
| Surplus/(deficit) from the previous year |  | - | - | - | - | - | - | - | - | | 70 | 49 | - | - |
| Total revenue including accrued revenue |  | 136,132 | 132,168 | 617 | 619 | 3,236 | 2,770 | 110 | 84 | | 82 | 91 | - | 330 |
| Less expenses including accrued expenses |  | (136,132) | (132,168) | (617) | (619) | (3,236) | (2,770) | (110) | (84) | | (82) | (21) | - | (330) |
| Surplus/(deficit) for the reporting period |  | - | - | - | - | - | - | - | - | | - | 70 | - | - |
|  | | | | | | | | | |  | Other#3 | | Total | |
|  | | | | | | | | | | Note | 2014  $000's | 2013  $000's | 2014  $000's | 2013  $000's |
| Financial assistance received in CASH during the reporting period (total cash received from Australian Government for the program) | | | | | | | | | | 2(g) | - | 2,781 | 139,825 | 139,360 |
| Net accrual adjustments | | | | | | | | | |  | - | - | 282 | (566) |
| Revenue for the period | | | | | | | | | | 2(a) | - | 2,781 | 140,107 | 138,794 |
| Surplus/(deficit) from the previous year | | | | | | | | | |  | - | 807 | 70 | 856 |
| Total revenue including accrued revenue | | | | | | | | | |  | - | 3,588 | 140,177 | 139,650 |
| Less expenses including accrued expenses | | | | | | | | | |  | - | (3,588) | (140,177) | (139,580) |
| Surplus/(deficit) for the reporting period | | | | | | | | | |  | - | - | - | 70 |

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

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

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

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 42 Acquittal of Australian Government financial assistance continued | | | | | | | | | |  | |  | |  | |  | |  | |  | |  | |  | |  | |  | |
| (c) Scholarships | |  |  | | |  | |  | |  | |  | |  | |  | |  | |  | |  | |  | |  | |
|  | | |  |  | |  | |  | |  | |  | |  | |  | |  | |  | |  | |  | |  | |
|  | | |  | Australian Postgraduate Awards | | | | International Postgraduate Research Scholarships | | | | Commonwealth Education Cost Scholarships#5 | | | | Commonwealth Accommodation Scholarships#5 | | | | Indigenous Access Scholarship | | | | Total | | | |
|  | | | Note | 2014  $000's | | 2013  $000's | | 2014  $000's | | 2013  $000's | | 2014  $000's | | 2013  $000's | | 2014  $000's | | 2013  $000's | | 2014  $000's | | 2013  $000's | | 2014  $000's | | 2013  $000's | |
| Financial assistance received in CASH during the reporting period (total cash received from Australian Government for the program) | | | 2(g) | 2,072 | | 1,991 | | 148 | | 162 | | 116 | | (1,203) | | 72 | | (71) | | 52 | | 2 | | 2,460 | | 881 | |
| Net accrual adjustments | | |  | (190) | | (350) | | - | | - | | (54) | | 1,289 | | (61) | | 111 | | - | | 59 | | (305) | | 1,109 | |
| Revenue for the period | | | 2(c) | 1,882 | | 1,641 | | 148 | | 162 | | 62 | | 86 | | 11 | | 40 | | 52 | | 61 | | 2,155 | | 1,990 | |
| Surplus/(deficit) from the previous year | | |  | 226 | | 283 | | - | | - | | 7 | | - | | 5 | | - | | - | | - | | 238 | | 283 | |
| Total revenue including accrued revenue | | |  | 2,108 | | 1,924 | | 148 | | 162 | | 69 | | 86 | | 16 | | 40 | | 52 | | 61 | | 2,393 | | 2,273 | |
| Less expenses including accrued expenses | | |  | (2,108) | | (1,698) | | (148) | | (162) | | (62) | | (79) | | (11) | | (35) | | (52) | | (61) | | (2,381) | | (2,035) | |
| Surplus/(deficit) for the reporting period | | |  | - | | 226 | | - | | - | | 7 | | 7 | | 5 | | 5 | | - | | - | | 12 | | 238 | |

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

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

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

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| 42 Acquittal of Australian Government financial assistance continued  (e) Australian Research Council Grants | | | | | | |
|  |  | Projects | | Total | |
| (i) Discovery | Note | 2014  $000's | 2013  $000's | 2014  $000's | 2013  $000's |
| Financial assistance received in CASH during the reporting period (total cash received from Australian Government for the program) | 2(g) | 196 | 208 | 196 | 208 |
| Net accrual adjustments |  | - | - | - | - |
| Revenue for the period | 2(e)(i) | 196 | 208 | 196 | 208 |
| Surplus/(deficit) from the previous year |  | 131 | 164 | 131 | 164 |
| Total revenue including accrued revenue |  | 327 | 372 | 327 | 372 |
| Less expenses including accrued expenses |  | (206) | (241) | (206) | (241) |
| Surplus/(deficit) for the reporting period |  | 121 | 131 | 121 | 131 |
|  |  | Projects | | Total | |
| (ii) Linkages | Note | 2014  $000's | 2013  $000's | 2014  $000's | 2013  $000's |
| Financial assistance received in CASH during the reporting period (total cash received from Australian Government for the program) | 2(g) | 341 | 367 | 341 | 367 |
| Net accrual adjustments |  | - | - | - | - |
| Revenue for the period | 2(e)(ii) | 341 | 367 | 341 | 367 |
| Surplus/(deficit) from the previous year |  | 273 | 179 | 273 | 179 |
| Total revenue including accrued revenue |  | 614 | 546 | 614 | 546 |
| Less expenses including accrued expenses |  | (339) | (273) | (339) | (273) |
| Surplus/(deficit) for the reporting period |  | 275 | 273 | 275 | 273 |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| 42 Acquittal of Australian Government financial assistance continued  (f) OS‑HELP | | | | |
|  |  |  | |
|  | Note | 2014  $000's | 2013  $000's |
|  |  |  |  |
| Cash received during the reporting period |  | 2,625 | 490 |
| Cash spent during the reporting period |  | (902) | (430) |
| Net cash received | 2(g) | 1,723 | 60 |
| Cash surplus/(deficit) from the previous period |  | 93 | 33 |
| Cash surplus/(deficit) for the reporting period | 25 | 1,816 | 93 |

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

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

## Additional Facts and Statistics

**STUDENT ENROLMENTS (PERSONS)**

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

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

Table 20: Enrolments by Campus, 2010-2014

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

Table 21: Enrolments by Gender, 2010-2014

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

Table 22: Enrolments by Course Level, 2010-2014

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

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

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

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

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

Table 25: Completions by Course Level, 2009-2013

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

## Other Financial, Governance and Legal Disclosures

### Pricing Policies

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

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

### Major Capital Projects

Table 26: Major Capital Projects Completed, 2014

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

Table 27: Major Capital Projects in Progress, 2014

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

### Employees and Employee Relations

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

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

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

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

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

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

### Occupational Safety, Health and Injury Management

Executive Commitment to Occupational Safety, Health and Injury Management

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

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

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

Mechanism for Consultation with Employees on OSH and Injury Management Matters

ECU’s Occupational Safety and Health [Consultative Committee structure](http://intranet.ecu.edu.au/staff/centres/human-resources-service/our-services/work-health-safety-and-wellness/communication-and-consultation) comprises the following four levels:

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

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

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

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

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

Workers’ Compensation and Injury Management

ECU has a formal [Workers’ Compensation and Injury Management Policy](http://www.ecu.edu.au/GPPS/policies_db/tmp/hr098.pdf) and [Guidelines](http://intranet.ecu.edu.au/__data/assets/pdf_file/0017/501614/Workers-Compensation-and-Injury-Management-Guidelines.pdf) as well as a detailed workers’ compensation claim and return to work process, which meets the requirements of the *Workers’ Compensation and Injury Management Act 1981* (WA). Return to work programs for employees with both work and non-work related injuries and illnesses are developed in consultation with the employee, their supervisor and the treating medical practitioner.

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

Assessment of the occupational safety and health management system

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

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

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

Table 30: Performance against 2014 Injury Management Targets

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

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

### Insurance of Officers

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

### Corporate Standards and Risk Management

**Equity Commitments and Compliance Reporting in 2014**

ECU values diversity and strives to maintain an environment free from inequality and discrimination. ECU is committed to increasing access and providing opportunities for students who face barriers to higher education. ECU’s staffing strategies also seek to achieve appropriate representation and distribution of under-represented groups in its workplaces. These values were reiterated in the University’s [*Direction for Inclusive Practice*](http://www.ecu.edu.au/__data/assets/pdf_file/0011/594155/ECUs-Direction-for-Inclusive-Practice.pdf) that was finalised in 2014.

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

In 2014, the University made further progress in the implementation of its second *Reconciliation Action Plan* (RAP) for 2012-2015. The RAP outlines the University’s vision for reconciliation and its objective to translate its commitments to Aboriginal and Torres Strait Islander peoples into improved educational, social and economic outcomes.

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

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

**Celebrating and Supporting Equity in 2014**

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

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

**Quality and Academic Governance**

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

The ECUonQ system was reopened in October 2013 for the review of units offered during Semester 1, 2014. The system is based on the [*Excellence Framework*](http://intranet.ecu.edu.au/staff/centres/planning-quality-and-equity-services/our-services/excellence-framework) and aims to provide a consistent approach to continuous quality improvement of academic offerings.

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

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

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

**Governance**

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

**Risk Management Statement**

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

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

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

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

**Risk Management**

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

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

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

More information on [Risk Management](http://www.ecu.edu.au/centres/risk-and-assurance-services/overview) can be found on the ECU website.

### Advertising

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

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

Table 31: Advertising Expenditure, 2014

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

### Recordkeeping

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

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

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

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

|  |
| --- |
| ***The efficiency and effectiveness of the organisation’s record keeping system is evaluated not less than once every 5 years.*** |
| ECU’s Record Keeping Plan was approved for a further five-year period in 2011, and is due for review again in 2016.  The West Australian University Sector Disposal Authority for records was approved by the State Record Commission and was updated in 2013.  It will be fully reviewed in 2016.  Promotion of the ECU Vital Record program to ECU staff commenced in April 2012 and there has been an increase of 29 per cent of vital records registered in the recordkeeping system in 2014. |
| ***The organisation conducts a record keeping training program.*** |
| ECU conducts regular record keeping training programs that are integrated into the University’s overall professional development and training framework. These include:   * A basic record keeping induction training session, available to all new staff. * The Records Awareness Training System, which was implemented in 2008 to raise record management awareness for staff, continues to be offered to staff. Since implementation, 2,116 staff have completed, or are working through the course. * Monthly training courses on the University’s record keeping software (TRIM) are provided at Basic, Intermediate and Advanced levels.  In 2014, 361 staff undertook some form of records training. * Customised group sessions on TRIM continued to be developed and delivered, on request. * One-on-one training occurred, on request. |
| ***The efficiency and effectiveness of the record keeping training program is reviewed from time to time*** |
| The outcomes of all record keeping training are monitored and staff feedback is collected through questionnaires. This feedback is reviewed to assess whether the training was effective.  Feedback is then used to review training sessions and the overall training program. An Intermediate level course and customised refresher sessions for users were introduced as a result of this feedback. |
| ***The organisation’s induction program addresses employees’ roles and responsibilities with regards to their compliance with the organisation’s record keeping plan.*** |
| All new ECU employees undergo an induction course that addresses employee roles and responsibilities about the compliance aspects of the Record Keeping Plan. There has also been ongoing communication throughout 2014 pertaining to the management of the Universities vital records as part of the EDRMS implementation program. Such sessions are delivered so that staff are aware of their responsibilities in relation to the management of the University critical records. |

### Disability Access and Inclusion Plan Outcomes

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

|  |
| --- |
| ***Outcome One: People with disabilities have the same opportunities as other people to access the services of, and any events organised by, the University.*** |
| * A clause was included in all course and unit outlines promoting reasonable adjustments to the learning program for people with disabilities. * Information on reasonable adjustments was made available via ECU’s website. |
| ***Outcome Two: People with disabilities have the same opportunities as other people to access the buildings and other facilities of the University.*** |
| * Construction of Ngoolark (Building 34) at the Joondalup Campus included accessibility features that go beyond minimum access standards. * A bus stop at ECU’s South West Campus was revamped to improve its accessibility. |
| **Outcome Three: People with disabilities receive information from the University in a format that will enable them to access the information as readily as other people are able to access it.** |
| * Teaching and Learning guides (e.g. the Little Red Book) included updated sections on accessibility and principles for inclusive curriculum design, delivery and assessment. * Progress was made towards Web Content Accessibility Guidelines 2.0 Level AA compliance across ECU authored webpages. |
| **Outcome Four: People with disabilities receive the same level and quality of service from the staff of the University as other people receive from the staff of the University.** |
| * Two mental health workshops were available for staff. * Anti-discrimination training for staff (including coverage of disability issues) was mandated through the Equal Opportunity Online training program. |
| **Outcome Five: People with disabilities have the same opportunities as other people to make complaints to the University.** |
| * A centralised complaints website was created and conformed to University website accessibility requirements. * The University Contact Officer and ALLY networks have been maintained. |
| **Outcome Six: People with disabilities have the same opportunities as other people to participate in any public consultation by the University.** |
| * ECU’s standard survey software remained compliant with US section 508 accessibility requirements. * ECU’s *DAIP 2011-2016* made available for public consultation via ECU’s website. |
| **Outcome Seven: People with disabilities have the same opportunities as other people to seek employment and work experience placements with the University.** |
| * Staff records systems have been checked to ensure consistent disability definitions are available for staff to record their status. * ECU has had regular contact (monthly) with leading disability agencies discussing positions that are being advertised. |