



# 2010 Annual Report Supplement

Financial Statements  
Key Performance Indicators  
Characteristics of the Student Population

DISCOVERERS WELCOME

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### **Murdoch University**

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was correct as at March 2011.

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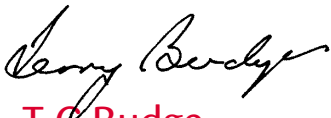
# Certification of Financial Statements

The accompanying financial statements of Murdoch University and the accompanying consolidated financial statements have been prepared in accordance with the provisions of the Financial Management Act 2006 from proper accounts and records to present fairly the financial transactions for the financial year ending 31 December 2010 and the financial position as at 31 December 2010.

We declare that the amount of Australian Government financial assistance expended during the reporting period was for the purpose for which it was intended and Murdoch University has complied with applicable legislation, contracts, agreements and program guidelines in making expenditure.

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

9 March 2011



**T C Budge**

Chancellor



**J V Yovich, AM**

Vice Chancellor



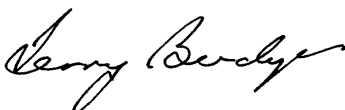
**J E Keene**

Chief Finance Officer

# Certification of Key Performance Indicators

We hereby certify that the 2010 Key Performance Indicators are based on proper records, are relevant and appropriate for assisting users to assess Murdoch University's performance, and fairly represent the performance of Murdoch University for the year ending 31 December 2010.

9 March 2011



**T C Budge**

Chancellor



**J V Yovich, AM**

Vice Chancellor

# Report by Members of Senate

## Members

The following persons were members of the Murdoch University Senate during the year and up to the date of this report:

<b>Terence Budge (Chancellor)</b>	Member since 2004
<b>Eva Skira (Deputy Chancellor)</b>	Member since 2008
<b>Professor John Yovich (Vice Chancellor)</b>	Member since 2002
<b>Brian Aitken</b>	Member since 2005
<b>Janice Bowra</b>	Member since 2003
<b>Associate Professor Lance Fung</b>	Member since 2009
<b>Associate Professor Pia Broderick</b>	Member since 2009
<b>Russell Gibbs</b>	Member since 2008 - Term expired 25 February 2011
<b>Liz Harris</b>	Appointed 10 March 2010
<b>Garry Hunt</b>	Member since 2004
<b>Tony Iannello</b>	Member since 2006
<b>Dr Marian Kemp</b>	Member since 2007
<b>Brodie Lewis</b>	Appointed 1 January 2010
<b>Darren Munday</b>	Member since 2008
<b>Maxine Murray</b>	Member since 2008
<b>Paul Niardone</b>	Member since 2008
<b>Michael Pilkington</b>	Appointed 1 January 2011
<b>Dr Lyndy Scott</b>	Member since 2007
<b>Basha Stasak</b>	Member since 2009 - Term expired 31 December 2010
<b>Dr Stewart Washer</b>	Member since 2007

## Meetings of Members

The numbers of meetings of the members of the Murdoch University Senate and of each Senate Sub-Committee held during the year ended 31 December 2010, and the numbers of meetings attended by each Senate member were:

	Senate		Senate Sub-Committees													
	A	B	Audit & Risk Management		Chancellor's		Environmental		Governance & Nominations		Honorary Awards & Ceremonial		Legislation		Resources	
			A	B	A	B	A	B	A	B	A	B	A	B	A	B
Terry Budge (Chancellor )	6	6			6	6			5	4	2	2				
Eva Skira (Deputy Chancellor)	6	5	4	4	6	4			5	3	2	2			7	5
Professor John Yovich (Vice Chancellor)	6	5					1	1	5	5	2	1			7	5
Brian Aitken	6	5	4	2	6	4									7	6
Janice Bowra	6	6	4	4												
Associate Professor Pia Broderick	6	6							5	4						
Associate Professor Lance Fung	6	6													7	7
Russell Gibbs	6	2			6	4									7	2
Liz Harris	6	6														
Garry Hunt	6	5			6	3	1	1							7	3
Tony Iannello	6	5			6	3			5	3					7	7
Dr Marian Kemp	6	6									2	2				
Brodie Lewis	6	6	4	3					5	4						
Darren Munday	6	5									2	2				
Maxine Murray	6	5			6	6			5	5						
Paul Niardone	6	5			6	3					2	0				
Dr Lyndy Scott	6	6	4	3							2	1				
Basha Stasak	6	2									2	1			7	2
Dr Stewart Washer	6	4					1	0								

**A** = Number of meetings held during the time the member held office or was a member of the committee during the year

**B** = Number of meetings attended

**Note:** The Senate Sub-Committee members that are not Senate members have been excluded from the table above.

## Principal Activities

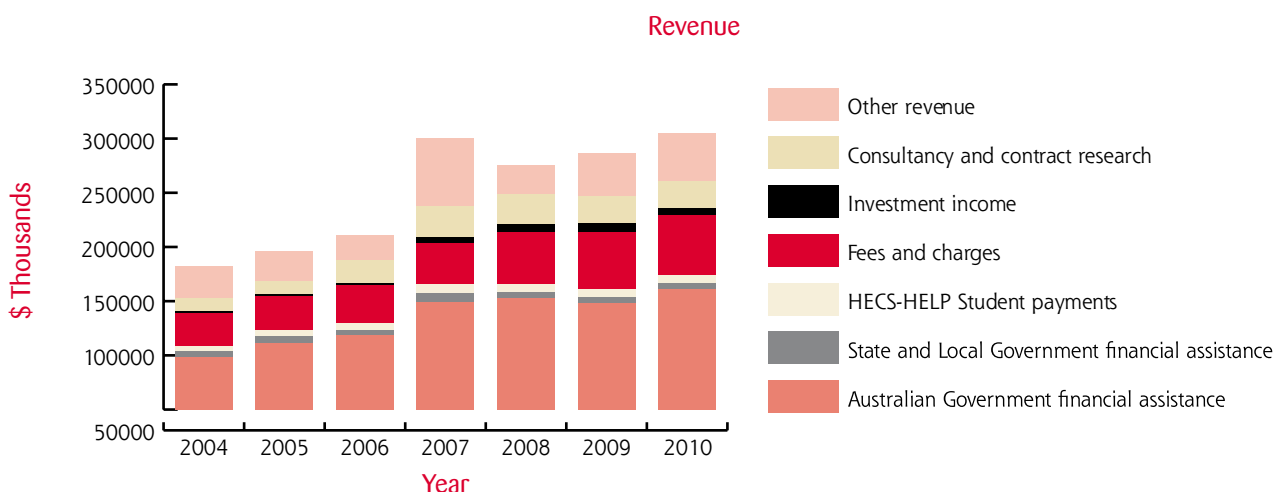
During the year the principal continuing activities of the University and its subsidiaries (the Group) consisted of higher education, research, consultancy and other commercial operations supporting University activities.

There were no significant changes in the nature of the activities of the Group during the financial year.

## Review of Operations

The Group reported an operating result after tax of \$24.6 million (2009: \$14.5 million) for the year, an increase of seventy per cent. The University reported an operating result after tax of \$32.4 million (2009: \$11.3 million) for the year, an increase of one hundred and eighty-seven per cent.

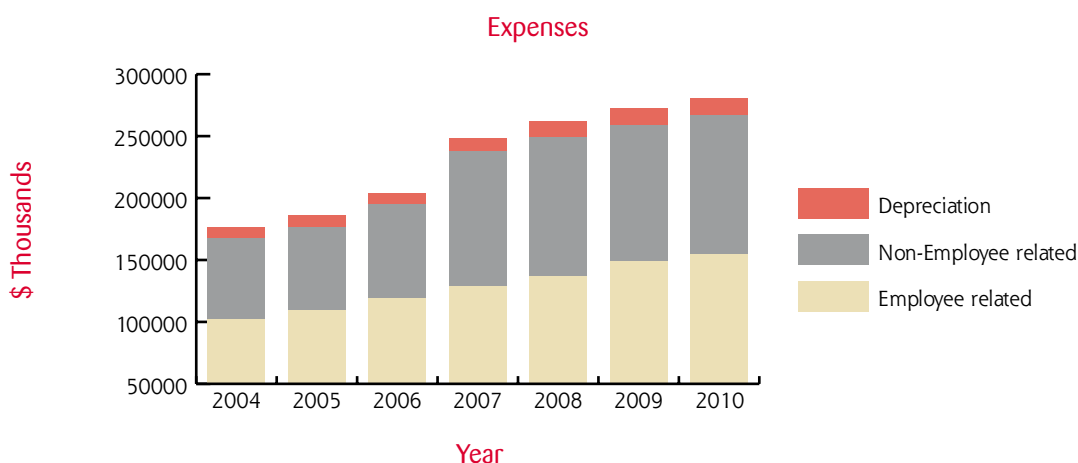
The Group result includes the net surplus impact of the St Ives Retirement Village operations of \$13.8 million in 2010 compared to a net deficit impact of \$0.2 million in 2009.



The Group reported revenue of \$305.1 million for 2010 (\$286.7 million in 2009), an increase of six per cent over the prior year.

The revenue increase is a combination of:

- Higher Australian Government Financial Assistance (\$13.3 million or nine per cent). Excluding capital grants (TLC and CDP grants) of \$9.9 million in 2010 and \$3.6m in 2009, the increase in Australian Government Financial Assistance is \$6.9 million or five per cent;
- Growth in fees and charges (\$3.2 million or six per cent) largely associated with international onshore and Open University Australia student fees;
- A decrease in investment revenue and income (\$1.4 million or eighteen per cent), largely associated with the volatility in equity markets over the past few years;
- An uplift in the fair value adjustment on investment property (\$12.3 million or four hundred and fifty per cent), largely related to the St Ives Retirement Village;
- A decrease in sponsorships received (\$4.7 million or four hundred and fifteen per cent) largely due to the one-off sponsorship of \$5 million to support the Institute for Immunology and Infectious Diseases in 2009; and
- A decrease in consultancy and contract research income (\$1.5 million or six per cent).





The Group reported expenses (including income tax) of \$280.5 million for 2010, an increase of \$8.3 million or three per cent over 2009.

Employee related costs increased \$5.2 million or four per cent, from \$149.2 million in 2009 to \$154.4 million in 2010.

This increase is due primarily to:

- Salary increases; and
- Automatic progression to higher paid levels of staff on Collective Workplace Agreements.

Non employee related costs increased \$2.8 million, or three per cent, largely due to increased costs associated with the University productivity improvement program (\$1.5 million or two hundred and thirty-four per cent), increased scholarship expenses (\$2.7 million or twenty-two per cent) and increased consultancy costs (\$3.6 million or nineteen per cent). The increase is partially offset by lower repair and maintenance costs (\$0.6 million or four per cent), reduced bad debts (\$0.9 million or fifty-eight per cent), reduced impairment losses (\$2.9 million or ninety per cent) and reduced fair value movement in resident loans (\$1.9 million or one hundred and twelve per cent).

Depreciation has increased as a result of new asset acquisitions, including the commissioning of new buildings (\$1.1 million or nine per cent).

A comprehensive review of the operations of the Group and the results of those operations is contained in the Vice Chancellor's Report included in the University's Annual Report.

## Current assets vs Current liabilities

The consolidated Statement of Financial Position reflects current assets of \$106.4 million and current liabilities of \$220.3 million.

This position is distorted by the resident loans relating to the St Ives Retirement Village of \$140.0 million which are classified as current liabilities. Under Australian Accounting Standards and under our policy as per note 1 (r) of the financial statements, the resident loans are required to be recognised as current liabilities as residents have control over when they exit the village, not the consolidated group. As a result, the consolidated group does not have an unconditional right to defer settlement.

The classification of the resident loans as current liabilities operates under the assumption that the consolidated group could be required to repay the entire liability at once. In practice however, this is unlikely to occur. Additionally, it is estimated that all payments required would be funded by the cash received from incoming new residents. This has been the situation since the retirement village commenced operations.

If the resident loans were excluded from current liabilities, the current liabilities would be \$80.3 million.

## Audit Qualification from the Office of the Auditor General

The Office of the Auditor General has qualified the University's financial report for the year ended 31 December 2010.

The qualification is based on the accounting treatment applied by the University for the recognition of research income which differs from the opinion of the Auditor General. The University's treatment of research income is in accordance with the Australian equivalents to International Financial Reporting Standard AASB 118 'Revenue'.

The University regards the receipt of these payments as a reciprocal transfer, as the University is required to undertake specific research in return for the research grants. Where the University fails to undertake the specific research, or to fully expend the research grant, the research grant or part thereof is required to be returned to the funding body. Under these conditions the payment received in advance may not be recognised until the University meets its obligations in the relevant year.

The Auditor-General has taken the view that these payments should be treated as income in the actual year of receipt and for that reason has qualified the University's financial report. The University does not agree with the interpretation of the nature of the income and believes this treatment distorts the University's performance from year to year.

The University has previously sought external advice from a professional accounting firm independent of the Auditor-General, which confirms the University's interpretation of the standards.

## Significant Changes in State of Affairs

In the opinion of the Members of the Senate, there were no significant changes in the state of affairs of the Group during the financial year under review.

## Matters Subsequent to the End of the Financial Year

There has not arisen in the period between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect significantly the operations or results of the Group.

## Likely Developments

The Group will continue to pursue its primary activities of higher education and research. It will further continue to identify commercial activities that provide opportunities for the Group to expand its primary activities, to further develop its endowment funds to strengthen the long term financial security of the Group, and expand the educational and research activities.

The higher education sector is facing ongoing challenges as a result of both changing market conditions and Commonwealth government policy. The Group continues to develop strategies and initiatives to operate successfully in this environment. This is likely to see ongoing change both within the sector and the Group.

Further information about likely developments in the operations of the Group and the expected results of those operations in future financial years has not been included in this report because disclosure of the information would be likely to result in unreasonable prejudice to the Group.

## Environmental Regulations

The Group's operations are subject to various environmental regulations under both Commonwealth and State legislation, which sets the minimum requirement the Group entity must meet.

The University has an Environmental Committee, which considers environmental issues on the University's campuses.

The University also has an Occupational Safety and Health Committee which considers regulatory and other obligations in relation to health and safety.

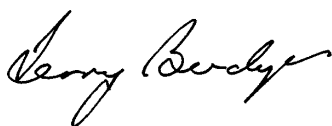
## Insurance of Officers

During the financial year, the Group has paid insurance premiums of \$39,847 (2009: \$39,631) in respect of directors' and officers' liability, for current and former directors and officers, including executive officers and secretaries of controlled entities.

Insurance premiums relate to:

- costs and expenses incurred by the relevant directors and officers in defending proceedings; and
- other liabilities that may arise from their position, with the exception of conduct involving a wilful breach of duty or improper use of information or position to gain a personal advantage.

This report is made in accordance with a resolution of the members of the Senate.



TC Budge

Chancellor and Member of Murdoch University Senate

Perth, Western Australia

9 March 2011

## Auditor General's Opinion



# Auditor General

## INDEPENDENT AUDITOR'S REPORT

To the Parliament of Western Australia

### MURDOCH UNIVERSITY

#### Report on the Financial Statements

I have audited the accounts and financial statements of Murdoch University and the consolidated entity.

The financial statements comprise the Statement of Financial Position as at 31 December 2010, the Income Statement, Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows of the University and the consolidated entity for the year then ended, and Notes comprising a summary of significant accounting policies and other explanatory information.

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

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

#### *Auditor's Responsibility*

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

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

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

#### *Basis for Qualified Opinion*

For the year ended 31 December 2010, the University has reported research grants of \$16 million as Other Current Liabilities. As the University effectively controlled these grants as at 31 December 2010, they should have been recognised as income in accordance with the requirements of Australian Accounting Standard AASB 1004 "Contributions". Accordingly, for the year ended 31 December 2010, Grant Income and the Operating Result are understated by \$1.1 million for the University, Other Current Liabilities are overstated by \$16 million, and Retained Surplus is understated by the same amount.

## **Murdoch University**

In addition, Australian Accounting Standard AASB 108 “Accounting Policies, Changes in Accounting Estimates and Errors” requires prior period errors to be corrected by restating the 2009 comparative figures in the University’s 31 December 2010 financial statements. The University has not made these retrospective adjustments, and the impact of these errors is that the 31 December 2009 comparative figures for Other Current Liabilities are overstated by \$14.9 million. In addition, Grant Income and the Operating Result are understated by \$1.8 million.

### ***Qualified Opinion***

In my opinion except for the effects of the matters described in the Basis for Qualified Opinion paragraphs, the financial statements are based on proper accounts and present fairly, in all material respects, the financial position of Murdoch University and the consolidated entity at 31 December 2010 and their financial performance and cash flows for the year then ended. They are in accordance with Australian Accounting Standards and the Treasurer’s Instructions.

### **Report on Controls**

I have audited the controls exercised by Murdoch University. The University Senate is responsible for ensuring that adequate control is maintained over the receipt, expenditure and investment of money, the acquisition and disposal of public and other property, and the incurring of liabilities in accordance with the Financial Management Act 2006 and the Treasurer’s Instructions, and other relevant written law.

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

### ***Opinion***

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

### **Report on the Key Performance Indicators**

I have audited the key performance indicators of Murdoch University. The University Senate is responsible for the preparation and fair presentation of the key performance indicators in accordance with the Financial Management Act 2006 and the Treasurer’s Instructions.

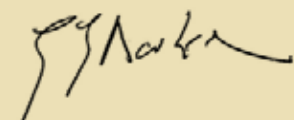
As required by the Auditor General Act 2006, my responsibility is to express an opinion on the key performance indicators based on my audit conducted in accordance with Australian Auditing Standards.

### ***Opinion***

In my opinion, the key performance indicators of Murdoch University are relevant and appropriate to assist users to assess the University’s performance and fairly represent indicated performance for the year ended 31 December 2010.

### **Independence**

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



GLEN CLARKE  
ACTING AUDITOR GENERAL  
11 March 2011

# Financial Statements

## Income Statement

For the Year Ended 31 December 2010

	Note	Consolidated		University	
		2010	2009	2010	2009
		\$'000's	\$'000's	\$'000's	\$'000's
<b>Revenue from continuing operations</b>					
Australian government financial assistance					
Australian government grants	4	117,353	106,425	117,353	106,423
HECS-HELP - Australian government payments	4	39,069	37,652	39,069	37,652
FEE-HELP	4	4,945	4,035	4,945	4,035
State and local government financial assistance	5	5,133	5,477	5,133	5,477
HECS-HELP student payments		7,047	7,368	7,047	7,368
Fees and charges	6	56,015	52,823	60,390	56,130
Investment revenue	7	4,697	4,297	2,596	3,714
Consultancy and contract research	8	24,288	25,786	24,030	25,073
Other revenue	9	29,599	36,505	27,723	23,669
<b>Total revenue from continuing operations</b>		<b>288,146</b>	<b>280,368</b>	<b>288,286</b>	<b>269,541</b>
<b>Income from continuing operations</b>					
Investments accounted for using the equity method	38	236	142	-	-
Other investment income	7	1,592	3,389	1,514	2,761
Other income	9	15,158	2,811	15,158	2,811
<b>Total income from continuing operations</b>		<b>16,986</b>	<b>6,342</b>	<b>16,672</b>	<b>5,572</b>
<b>Total revenue and income from continuing operations</b>		<b>305,132</b>	<b>286,710</b>	<b>304,958</b>	<b>275,113</b>
<b>Expenses from continuing operations</b>					
Employee related expenses	10	154,435	149,206	152,788	147,424
Depreciation and amortisation	11	13,641	13,356	13,639	13,353
Repairs and maintenance	12	13,669	14,260	13,108	13,693
Borrowing costs	13	722	720	1,647	1,423
Impairment of assets	14	945	4,666	803	4,714
Investment losses	7	147	321	1	-
Losses on disposal of assets		55	118	55	118
Other expenses	15	94,818	87,348	90,339	83,070
<b>Total expenses from continuing operations</b>		<b>278,432</b>	<b>269,995</b>	<b>272,380</b>	<b>263,795</b>
<b>Operating result before income tax</b>		<b>26,700</b>	<b>16,715</b>	<b>32,578</b>	<b>11,318</b>
Income tax (expense) / benefit	17	(2,083)	(2,173)	(177)	(60)
<b>Net operating result after income tax for the period</b>		<b>24,617</b>	<b>14,542</b>	<b>32,401</b>	<b>11,258</b>

The Income Statement should be read in conjunction with the accompanying notes.

## Statement of Comprehensive Income

For the Year Ended 31 December 2010

	Note	Consolidated		University	
		2010	2009	2010	2009
		\$000's	\$000's	\$000's	\$000's
<b>Net operating result after income tax for the period</b>		24,617	14,542	32,401	11,258
<b>Other comprehensive income:</b>					
Gain/(loss) on revaluation of property, plant and equipment - net of tax	24	-	(13,418)	-	(13,418)
		-	(13,418)	-	(13,418)
<b>Total comprehensive income</b>		<b>24,617</b>	<b>1,124</b>	<b>32,401</b>	<b>(2,160)</b>

The Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

## Statement of Financial Position

As At 31 December 2010

	Note	Consolidated		University	
		2010	2009	2010	2009
		\$'000's	\$'000's	\$'000's	\$'000's
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and cash equivalents	18	87,227	62,444	35,767	39,431
Receivables	19	12,260	14,138	12,186	13,807
Inventories	20	1,782	1,926	1,779	1,923
Other financial assets	21	875	954	23	23
Other non-financial assets	22	4,297	4,430	4,257	4,397
<b>Total current assets</b>		<b>106,441</b>	<b>83,892</b>	<b>54,012</b>	<b>59,581</b>
<b>Non-current assets</b>					
Receivables	19	900	900	900	900
Other financial assets	21	31,558	30,131	31,472	30,044
Investments accounted for using the equity method	38	496	260	-	-
Investment properties	23	196,331	152,709	196,331	152,709
Property, plant and equipment	24	530,547	538,956	530,541	538,949
Deferred tax assets	17(c)	30,183	31,981	-	-
<b>Total non-current assets</b>		<b>790,015</b>	<b>754,937</b>	<b>759,244</b>	<b>722,602</b>
<b>Total assets</b>		<b>896,456</b>	<b>838,829</b>	<b>813,256</b>	<b>782,183</b>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Trade and other payables	25	12,633	16,848	11,608	14,967
Borrowings	26	993	814	993	814
Provisions	27	34,917	33,504	26,873	26,678
Other liabilities	28	171,789	135,502	22,363	20,052
<b>Total current liabilities</b>		<b>220,332</b>	<b>186,668</b>	<b>61,837</b>	<b>62,511</b>
<b>Non-current liabilities</b>					
Borrowings	26	10,716	11,205	25,716	26,205
Provisions	27	4,141	4,306	4,141	4,306
<b>Total non-current liabilities</b>		<b>14,857</b>	<b>15,511</b>	<b>29,857</b>	<b>30,511</b>
<b>Total liabilities</b>		<b>235,189</b>	<b>202,179</b>	<b>91,694</b>	<b>93,022</b>
<b>Net assets</b>		<b>661,267</b>	<b>636,650</b>	<b>721,562</b>	<b>689,161</b>
<b>EQUITY</b>					
Reserves	29	314,653	314,653	314,653	314,653
Retained surplus		346,614	321,997	406,909	374,508
<b>Total equity</b>		<b>661,267</b>	<b>636,650</b>	<b>721,562</b>	<b>689,161</b>

The Statement of Financial Position should be read in conjunction with the accompanying notes.



## Statement of Changes in Equity

For the Year Ended 31 December 2010

	Reserves	Retained Surplus	Total
	\$000's	\$000's	\$000's
<b>Consolidated</b>			
Balance at 1 January 2009	328,095	307,431	635,526
<i>Total comprehensive income</i>			
Changes resulting from profit and loss	-	14,542	14,542
Changes from other comprehensive income:			
Gain/(loss) on revaluation of property, plant and equipment - net of tax	(13,418)	-	(13,418)
Total comprehensive income	(13,418)	14,542	1,124
Transfer (to)/from Reserves	(24)	24	-
<b>Balance at 31 December 2009</b>	<b>314,653</b>	<b>321,997</b>	<b>636,650</b>
Balance at 1 January 2010	314,653	321,997	636,650
<i>Total comprehensive income</i>			
Changes resulting from profit and loss	-	24,617	24,617
Total comprehensive income	-	24,617	24,617
<b>Balance at 31 December 2010</b>	<b>314,653</b>	<b>346,614</b>	<b>661,267</b>
<b>University</b>			
Balance at 1 January 2009	328,095	363,226	691,321
<i>Total comprehensive income</i>			
Changes resulting from profit and loss	-	11,258	11,258
Changes from other comprehensive income:			
Gain/(loss) on revaluation of property, plant and equipment - net of tax	(13,418)	-	(13,418)
Total comprehensive income	(13,418)	11,258	(2,160)
Transfer (to)/from Reserves	(24)	24	-
<b>Balance at 31 December 2009</b>	<b>314,653</b>	<b>374,508</b>	<b>689,161</b>
Balance at 1 January 2010	314,653	374,508	689,161
<i>Total comprehensive income</i>			
Changes resulting from profit and loss	-	32,401	32,401
Total comprehensive income	-	32,401	32,401
<b>Balance at 31 December 2010</b>	<b>314,653</b>	<b>406,909</b>	<b>721,562</b>

The Statement of Changes in Equity should be read in conjunction with the accompanying notes.

## Statement of Cash Flows

For the Year Ended 31 December 2010

	Note	Consolidated		University	
		2010	2009	2010	2009
		\$'000's	\$'000's	\$'000's	\$'000's
<b>Cash flows from operating activities</b>					
Australian government grants	4	159,497	145,943	159,497	145,941
State and local government grants		5,133	5,477	5,133	5,477
HECS-HELP - student payments		7,047	7,368	7,047	7,368
OS-HELP (net)	4	116	(31)	116	(31)
Receipts from student fees and other customers		112,318	108,572	117,071	100,130
Dividends received		41	1,165	5	1,132
Interest received		4,248	3,486	2,522	2,764
Payments to suppliers and employees		(265,894)	(244,270)	(259,446)	(241,577)
Interest and other costs of finance paid		(645)	(678)	(1,712)	(678)
Income taxes (paid) / refund		(69)	(622)	-	-
<b>Net cash provided by / (used in) operating activities</b>	30	<b>21,792</b>	<b>26,410</b>	<b>30,233</b>	<b>20,526</b>
<b>Cash flows from investing activities</b>					
Proceeds from sale of property, plant and equipment		60	229	60	229
Payments for property, plant and equipment and investment property		(33,192)	(47,450)	(33,192)	(47,450)
Proceeds from sale of financial assets		12	192	-	-
Loan from related entities		-	-	-	15,000
Loan to related entities		-	-	-	(50)
Repayment of loans by related entities		-	-	100	-
<b>Net cash provided by / (used in) investing activities</b>		<b>(33,120)</b>	<b>(47,029)</b>	<b>(33,032)</b>	<b>(32,271)</b>
<b>Cash flows from financing activities</b>					
Repayment of borrowings		(549)	(840)	(549)	(840)
Repayment of finance leases		(316)	(197)	(316)	(197)
Initial resident loans received		36,976	7,745	-	-
<b>Net cash provided by / (used in) financing activities</b>		<b>36,111</b>	<b>6,708</b>	<b>(865)</b>	<b>(1,037)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>24,783</b>	<b>(13,911)</b>	<b>(3,664)</b>	<b>(12,782)</b>
<b>Cash and cash equivalents at the beginning of the financial year</b>		<b>62,444</b>	<b>76,355</b>	<b>39,431</b>	<b>52,213</b>
<b>Cash and cash equivalents at the end of the financial year</b>	18	<b>87,227</b>	<b>62,444</b>	<b>35,767</b>	<b>39,431</b>
Financing arrangement	26				
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The Statement of Cash Flows should be read in conjunction with the accompanying notes.

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# 1 Statement of significant accounting policies

## General statement

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

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

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

## (a) Basis of preparation

The financial statements have been prepared on the accrual basis of accounting using the historical cost convention, except for land, buildings and infrastructure which have been measured at fair value.

The accounting policies adopted in the preparation of the financial statements have been consistently applied throughout all periods presented unless otherwise stated.

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

The judgements that have been made in the process of applying the Group's accounting policies that have the most significant effect on the amounts recognised in the financial statements are included at Note 3.

The key assumptions made concerning the future, and other key sources of estimation uncertainty at the year end date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are included at Note 3.

## (b) Principles of consolidation

### Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of the University as at 31 December 2010 and the results of all subsidiaries for the year then ended. The University and its subsidiaries together are referred to in this financial report as the Group or the consolidated entity.

Subsidiaries are all those entities (including special purpose entities) over which the University has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights.

The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the University controls another entity.

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

The acquisition method of accounting is used to account for the acquisition of subsidiaries by the Group.

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

### Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for in the University financial statements using the cost method and in the consolidated financial statements using the equity method of accounting, after initially being recognised at cost.

The Group's share of its associates' post-acquisition profits or losses is recognised in the Income Statement, and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Dividends receivable from associates are recognised in the parent entity's Income Statement, while in the consolidated financial statements they reduce the carrying amount of the investment.

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

## (c) Revenue and income recognition

### *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 Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Group and specific criteria have been met for each of the Group's activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The Group 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:

- **Grants (other than research grants), donations, gifts and other non-reciprocal contributions**

Revenue is recognised at fair value when the Group obtains control over the assets comprising the contributions, usually when cash is received.

Other non-reciprocal contributions are recognised at their fair value. Contributions of services are only recognised when a fair value can be reliably determined and the services would be purchased if not donated.

- **Research grant revenue**

Research grant revenue is considered to constitute a reciprocal transfer and therefore recorded in accordance with AASB 118 'Revenue' on the stage of completion method. The stage of completion is measured by reference to total expenditure incurred to date compared with the funding provided. A liability is recognised in the Statement of Financial Position in respect of research grant revenue which is unearned at the year end date.

- **Student fees and charges**

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

- **Interest revenue**

Interest revenue is recognised as it accrues. The effective interest method, which is the rate that discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset is used where applicable.

- **Sale of goods**

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

- **Dividends**

Dividend revenue is recognised net of any franking credits.

Revenue from distributions from subsidiaries is recognised by the University when the distributions are declared by the subsidiaries. As the University is a tax exempt entity, the University is entitled to claim the franking credits associated with the distributions from the taxation authority.

- **Lease income**

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

- **Deferred management fees**

Deferred management fees (DMF), relating to the retirement village, are earned whilst the resident occupies the independent living unit or serviced apartment. The DMF revenue on the original loan from the resident is recognised as income on a straight line basis over the resident's expected tenure. Expected tenure is calculated by reference to information issued by the Australian Bureau of Statistics for life expectancy and industry trends regarding rollovers.

The DMF revenue on increases in the market value is recognised on an emerging basis.

Where a rollover occurs prior to estimated tenure duration, the difference between the cash received and the accrued DMF is brought to account as revenue immediately.

### *Income recognition*

- **Gains**

Gains may be realised or unrealised and are usually recognised on a net basis. These include gains arising on the disposal of non-current assets and some revaluations of non-current assets.

## **(d) Property, plant and equipment**

Items of property, plant and equipment with a purchase price of \$5,000 or more are recognised as assets and the cost of utilising assets is expensed (depreciated) over their useful lives. Items of property, plant and equipment with a purchase price less than \$5,000 are immediately expensed direct to the Income Statement (other than where the cost forms part of a group of similar items which are significant in total). Land, buildings, infrastructure, motor vehicles and artwork have no minimum capitalisation limit.

### **Initial recognition and measurement**

All items of property, plant and equipment and infrastructure are initially recognised at cost. For items of property, plant and equipment and infrastructure acquired at no cost or for nominal cost, the cost is their fair value at the date of acquisition.

### **Subsequent measurement**

Subsequent to initial recognition as an asset, the revaluation model is used for the measurement of land, buildings, infrastructure and artworks and the cost model for all other property, plant and equipment. Land and artworks are carried at fair value less accumulated impairment losses. Buildings and infrastructure are carried at fair value less accumulated depreciation and accumulated impairment losses. All other items of property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses.

### **Fair value**

Classes of non-current assets including land, buildings, infrastructure and artworks, measured at fair value, are revalued with sufficient regularity to ensure the carrying amount of each asset in the class does not differ materially from fair value at reporting date.

Land has been determined on the basis of current use land value for the Murdoch University campus and market land value for all other land.

Buildings and infrastructure are valued at estimated current replacement costs less accumulated depreciation (depreciated replacement cost).

Artworks are valued at market value.

Revaluation increments, on a class of assets basis, are recognised in the asset revaluation reserve except that amounts reversing a decrement previously recognised as an expense are recognised as revenue. Revaluation decrements are only offset against revaluation increments relating to the same class of asset and any excess is recognised as an expense.

Upon disposal or derecognition of an item of land, buildings, infrastructure or artworks, any revaluation surplus relating to that asset is transferred directly to retained earnings.

### **Cost**

The net book value of library books is based on the cost of acquisitions for three years to the end of the current financial year. The University has adopted a 'rolling depreciation' methodology for library books, whereby acquisitions in the fourth year preceding the reporting year are charged to depreciation.

All other plant and equipment assets are presented at cost less accumulated depreciation and accumulated impairment losses where appropriate.

The Group recognises in the carrying amount of an item of property, plant and equipment the cost of replacing part of such an item when that cost is incurred if it is probable that the future economic benefits embodied with the item will flow to the Group and the cost of the item can be measured reliably. All other costs are recognised in the Income Statement as an expense.

### **Gain/loss on disposal**

The gain or loss on disposal of non-current asset sales is recognised as revenue/expense at the date control of the asset passes to the buyer, usually when an unconditional contract of sale is signed.

The gain or loss on disposal is calculated as the difference between the carrying amount of the asset at the time of disposal and the net proceeds on disposal (including incidental costs).

### **Depreciation**

All non-current assets having a limited useful life are systematically depreciated over their estimated useful lives in a manner that reflects the consumption of their future economic benefits. Land is not depreciated.

The depreciation rates used are as follows:

Computer equipment	25%
Other equipment	12.5%
Buildings and infrastructure	2%
Plant	5%
Motor vehicles	16.67%
Leased plant & equipment	12.5%

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

The basis for depreciation and the depreciation rates are reviewed annually.

### **(e) Impairment of assets**

Property, plant and equipment, infrastructure, investment properties and financial assets are tested for any indication of impairment at the end of each reporting period. Where there is an indication of impairment, the recoverable amount is estimated. Where the recoverable amount is less than the carrying amount, the asset is considered impaired and is written down to the recoverable amount and an impairment loss is recognised. As the University is a not-for-profit entity, unless an asset has been identified as a surplus asset, the recoverable amount is the higher of an asset's fair value less costs to sell and depreciated replacement cost.

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

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

### **(f) Investment property**

Initially, investment property is measured at cost including transaction costs. Costs of enhancement to an existing investment property are capitalised. Costs of day-to-day servicing of an investment property are expensed.

Subsequent to initial recognition, investment property is stated at fair value. Fair value is determined by reference to market-based evidence, which is the amount for which the asset could be exchanged between a knowledgeable willing buyer and a knowledgeable willing seller in an arm's length transaction as at the valuation date.

Gains or losses arising from changes in the fair value of investment property are included as income in the Income Statement in the period in which they arise.

Investment property is de-recognised when it has either been disposed of or when the investment property is permanently withdrawn from use and no future benefit is expected from its disposal. Any gains or losses on de-recognition of an investment property are recognised in the Income Statement in the period of de-recognition.

Land held for development purposes is also classified as investment property.

When an item of property, plant and equipment is transferred to investment property following a change in its use, any differences arising at the date of transfer between the carrying amount of the item immediately prior to transfer and its fair value is recognised in the Income Statement.

If an investment property becomes owner-occupied, it is reclassified as property, plant and equipment and its fair value at the date of reclassification becomes its cost for accounting purposes of subsequent recording.

### **(g) Investments and other financial assets**

#### **Classification**

The Group classifies its investments and other financial assets in the following categories: financial assets at fair value through profit or loss, loans and receivables and held-to-maturity investments. The classification depends on the purpose for which the investments and other financial assets 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.

#### ***Financial assets at fair value through profit or loss***

This category has two sub-categories: financial assets held for trading, and those designated at fair value through profit or loss on initial recognition. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. The policy of management is to designate a financial asset if there exists the possibility it will be sold in the short term or the asset is subject to frequent changes in fair value. Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within 12 months of the year end date.

### *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 arise when the Group provides money, goods or services directly to a debtor with no intention of selling the receivable. They are included in current assets, except for those with maturities greater than 12 months after the year end date which are classified as non-current assets. Loans and receivables are included in receivables in the Statement of Financial Position.

### *Held-to-maturity investments*

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

#### **Subsequent measurement**

Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method. Realised and unrealised gains and losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are included in the Income Statement in the period in which they arise.

### *Subsidiaries*

Investments in subsidiaries are carried in the University's financial statements at cost less any impairment in value.

### *Other*

In the Group's financial statements, investments in unlisted shares with no active market are carried at cost less any impairment in value.

### **(h) Inventories**

Inventories are valued at the lower of cost and net realisable value with provisions being made for obsolescence where considered necessary. Costs are assigned by the method most appropriate to each particular class of inventory, with the majority being valued on a weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

### **(i) Provisions**

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

### **(j) Employee benefits**

#### *Annual Leave and Long Service Leave*

All annual leave and long service leave provisions are in respect of employees' services up to the end of the reporting period.

The liability for annual and long service leave expected to be settled within 12 months after the reporting period is recognised and measured at the undiscounted amounts expected to be paid when the liabilities are settled. Annual and long service leave not expected to be settled within 12 months after the reporting period is recognised and measured at the present value of amounts expected to be paid when the liabilities are settled using the remuneration rate expected to apply at the time of settlement.

When assessing expected future payments consideration is given to expected future wage and salary levels including non-salary components such as employer superannuation contributions, as well as the experience of employee departures and periods of service. The expected future payments are discounted using market yields at the end of the reporting period on national government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

Annual leave and unconditional long service leave provisions are classified as current liabilities as the Group does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Conditional long service leave provisions are classified as non-current liabilities because the Group has an unconditional right to defer the settlement of the liability until the employee has completed the requisite years of service.



### **Retirement benefit obligations**

The employees of the Group are entitled to benefits on retirement from superannuation plans elected by the employees. These plans incorporate defined contribution sections only as per AASB 119 'Employee benefits'.

Obligations for contributions to defined contribution plans are recognised as an expense in the Income Statement as incurred.

### **Employee on-costs**

Employee on-costs, including workers' compensation insurance, are not employee benefits and are recognised separately as liabilities and expenses when the employment to which they relate has occurred.

### **(k) Leases**

Leases of property, plant and equipment where the Group, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases.

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

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. 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.

### **(l) Trade receivables**

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Trade receivables are due for settlement no more than 30 days.

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 Group 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 30 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 receivables are not discounted if the effect of discounting is immaterial. The amount of the provision is recognised in the Income Statement.

### **(m) Borrowings**

Borrowings are recognised initially at cost, being the fair value of the consideration received. Subsequent to initial recognition, borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the Income Statement over the period of the liabilities on an effective interest basis.

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

### **(n) Borrowing costs**

Borrowing costs are expensed as incurred unless they relate to the acquisition, construction or production of qualifying assets.

Qualifying assets are assets that take more than 12 months to get ready for their intended use or sale. In these circumstances, borrowing costs are capitalised to the cost of the assets.

Where funds are borrowed specifically for the acquisition, construction or production of a qualifying asset, the amount of borrowing costs capitalised is those incurred in relation to that borrowing, net of any interest earned on those borrowings. Where funds are borrowed generally, borrowing costs are capitalised using an effective interest rate method.

### **(o) Trade and other payables**

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year, which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

## (p) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as a current asset or liability in the Statement of Financial Position.

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

## (q) Taxation

### *University*

The University is an income tax exempt body in Australia. It is subject to foreign income tax for overseas operations.

### *Consolidation*

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the Income Statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the year end date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the Statement of Financial Position liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

## (r) Resident loans

Resident loans, relating to the retirement village, are measured at the principal amount, plus the residents' share of any increase in the market value of the underlying property at year end date less the value of the deferred management fee receivable.

Resident loans are non-interest bearing and are payable at the end of the resident contract. In most cases this is greater than 12 months, however, they are classified as current liabilities because the company does not have an unconditional right to defer settlement.

In practice, the rate at which the company's retirement residents vacate their units, and hence the rate at which the resident loans will fall due for repayment can be estimated on the basis of statistical tables.

### *Deferred Management Fee (DMF) receivable*

DMF receivable represents the contractual amount receivable with reference to the underlying resident contract. The company has a contractual right of offset of the DMF receivable against the relevant resident loan.

## (s) Cash and cash equivalents

For cash flow statement presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments 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, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the Statement of Financial Position.

## (t) Financial instruments

In addition to cash and bank overdraft, the Group has the following categories of financial instrument:

- Receivables and payables;
- Investments; and
- Interest bearing liabilities.

Financial instruments have been disaggregated into the following classes:

- Financial Assets
  - (i) Cash and cash equivalents
  - (ii) Receivables
  - (iii) Listed securities
  - (iv) Managed funds
- Financial Liabilities
  - (i) Payables
  - (ii) Western Australian Treasury Corporation borrowings
  - (iii) Lease liabilities

Initial recognition and measurement of financial instruments is at fair value which normally equates to the transaction cost or the face value. Subsequent measurement is at amortised cost using the effective interest method.

The fair value of short-term receivables and payables is the transaction cost or the face value because there is no interest rate applicable and subsequent measurement is not required as the effect of discounting is not material.

## (u) Foreign currency translation

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 are recognised in the Income Statement.

## (v) Comparative figures

Comparative figures are, where appropriate, reclassified so as to be comparable with the figures represented in the current financial year.

## 2 Disclosure of changes in accounting policy

### (a) Initial application of an Australian Accounting Standard

The Group has applied the following Australian Accounting Standard effective for annual reporting periods beginning on or after 1 January 2010 that impacted on the Group.

AASB 2008-13	Amendments to Australian Accounting Standards arising from AASB Interpretation 17 – Distributions of Non-cash Assets to Owners (AASB 5 & AASB 110)
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This Standard amends AASB 5 Non-current Assets Held for Sale and Discontinued Operations in respect of the classification, presentation and measurement of non-current assets held for distribution to owners in their capacity as owners. There is no financial impact resulting from the Standard being first applied prospectively.

## (b) Future impact of Australian Accounting Standards not yet operative

The Group has not applied the following Australian Accounting Standards that have been issued that may impact the Group. Where applicable, the Group plans to apply these Australian Accounting Standards from their application date.

		<b>Operative date</b>
AASB 2009-11	<i>Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 &amp; 1038 and Interpretations 10 &amp; 12].</i>  The amendment to AASB 7 Financial Instruments: Disclosures requires modification to the disclosure of categories of financial assets. The Group does not expect any financial impact when the Standard is first applied. The disclosure of categories of financial assets in the notes will change.	1 Jan 2013
AASB 1053	<i>Application of Tiers of Australian Accounting Standards</i>  This Standard establishes a differential financial reporting framework consisting of two tiers of reporting requirements for preparing general purpose financial statements. The Standard does not have any financial impact on the Group. However it may affect disclosures in the financial statements of the Group if the reduced disclosure requirements apply. The Department of Treasury and Finance (DTF) has not yet determined the application or the potential impact of the new Standard for agencies.	1 July 2013
AASB 2010-2	<i>Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements</i>  This Standard makes amendments to many Australian Accounting Standards, including Interpretations, to introduce reduced disclosure requirements into these pronouncements for application by certain types of entities. The Standard is not expected to have any financial impact on the Group. However this Standard may reduce some note disclosures in the financial statements of the Group. DTF has not yet determined the application or the potential impact of the amendments to these Standards for agencies.	1 July 2013

The following Australian Accounting Standards and Interpretations are not applicable to the Group as they will have no impact:

		<b>Operative date</b>
AASB 9	<i>Financial Instruments</i>	1 Jan 2013
AASB 124	<i>Related Party Disclosures</i>	1 Jan 2011
Int 19	<i>Extinguishing Financial Liabilities with Equity Instruments</i>	1 July 2010
AASB 2009-12	<i>Amendments to Australian Accounting Standards [AASBs 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 &amp; 1031 and Interpretations 2, 4, 16, 1039 &amp; 1052]</i>	1 Jan 2011
AASB 2009-13	<i>Amendments to Australian Accounting Standards arising from Interpretation 19 [AASB 1]</i>	1 July 2010
AASB 2009-14	<i>Amendments to Australian Interpretation – Prepayments of a Minimum Funding Requirement [AASB Interpretation 14]</i>	1 Jan 2011
AASB 2010-1	<i>Amendments to the Australian Accounting Standards – Limited Exemption from Comparative AASB 7 Disclosures for First-time Adopters [AASB 1 &amp; AASB 7]</i>	1 July 2010

### 3 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The estimates and assumptions that have a higher risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year include:

#### *(i) Key estimates – Impairment*

The Group assesses impairment at each reporting date by evaluating conditions specific to the Group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the assets is determined.

#### *(ii) Key estimates – Artworks, land, buildings and infrastructure*

Artworks, land, buildings and infrastructure are measured on a fair value basis and the valuation is determined based on market value for artworks, current use land value for the Murdoch University campus, market land value for all other land and estimated current replacement costs less accumulated depreciation for buildings and infrastructure.

#### *(iii) Key judgement - Resident loans*

Residents are entitled to a portion of the revaluation gain on their unit in accordance with their resident contract. The revaluation of the unit is based on expected entry values for each unit as at year end.

#### *(iv) Key judgement – Deferred Management Fees (DMF)*

The DMF is calculated using variables including the average length of stay for units and serviced apartments and an estimate of the average period for a new tenancy.

Consolidated		University	
2010	2009	2010	2009
\$000's	\$000's	\$000's	\$000's

#### 4 Australian Government financial assistance

(including HECS-HELP and other Australian Government loan programs)

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

Capital Development Pool	2,085	3,567	2,085	3,567
Commonwealth Grants Scheme (CGS) *1	72,561	66,769	72,561	66,769
Disability Support Program	457	227	457	227
Diversity and Structural Adjustment Fund *3	120	-	120	-
Improving the Practical Component of Teacher Education Initiative	-	414	-	414
Indigenous Support Program	596	564	596	564
Partnership & Participation Program *2	1,130	197	1,130	197
Transitional Cost Program	239	369	239	369
Workplace Productivity Program	1,994	1,995	1,994	1,995
Workplace Reform Program	-	863	-	863
<b>Total Commonwealth Grants Scheme and Other Grants</b>	<b>79,182</b>	<b>74,965</b>	<b>79,182</b>	<b>74,965</b>

##### (b) Higher Education Loan Programs

HECS - HELP	39,069	37,652	39,069	37,652
FEE - HELP *4	4,945	4,035	4,945	4,035
<b>Total Higher Education Loan Programs</b>	<b>44,014</b>	<b>41,687</b>	<b>44,014</b>	<b>41,687</b>

##### (c) Scholarships

Australian Postgraduate Awards	2,141	1,808	2,141	1,808
Commonwealth Accommodation Scholarships *5	840	1,096	840	1,096
Commonwealth Education Cost Scholarships *5	662	980	662	980
International Postgraduate Research Scholarships	139	172	139	172
Indigenous Access Scholarships	136	154	136	154
<b>Total Scholarships</b>	<b>3,918</b>	<b>4,210</b>	<b>3,918</b>	<b>4,210</b>

##### (d) DIISR Research

Australian Scheme for Higher Education Repositories	-	194	-	194
Commercialisation Training Scheme	(15)	76	(15)	76
Joint Research Engagement Program *6	4,963	4,946	4,963	4,946
Implementation Assistance Program	39	78	39	78
Research Infrastructure Block Grants	1,960	2,361	1,960	2,361
Research Training Scheme	8,844	9,121	8,844	9,121
Sustainable Research Excellence in Universities	871	-	871	-
<b>Total DIISR Research</b>	<b>16,662</b>	<b>16,776</b>	<b>16,662</b>	<b>16,776</b>

##### (e) Other Capital Funding

Teaching and Learning Capital Fund	7,784	-	7,784	-
<b>Total Other Capital Funding</b>	<b>7,784</b>	<b>-</b>	<b>7,784</b>	<b>-</b>

**(f) Australian Research Council (ARC)***(i) Discovery*

Fellowships
Indigenous Researchers Development Project
Total Discovery

Consolidated		University	
2010	2009	2010	2009
\$'000's	\$'000's	\$'000's	\$'000's

380	182	380	182
81	97	81	97
1,082	1,560	1,082	1,560
1,543	1,839	1,543	1,839

*(ii) Linkages*

Projects
Total Linkages
Total ARC

835	810	835	810
835	810	835	810
2,378	2,649	2,378	2,649

**(g) Other Australian Government financial assistance**

Non research funding
Research funding
Total Other Australian Government financial assistance

820	1,307	820	1,305
6,609	6,518	6,609	6,518
7,429	7,825	7,429	7,823

**Total Australian Government financial assistance**

<b>161,367</b>	<b>148,112</b>	<b>161,367</b>	<b>148,110</b>
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\*1 Includes the basic CGS grant amount, CGS - Regional Loading, CGS - Enabling Loading, Maths and Science Transition Loading and Full Fee Places Transition Loading.

\*2 Includes Equity Support Program.

\*3 Includes Collaboration & Structural Adjustment Program.

\*4 Program is in respect of FEE-HELP for Higher Education only.

\*5 Includes Grandfathered Scholarships, National Priority and National Accommodation Priority Scholarships respectively.

\*6 Includes Institutional Grants Scheme.

**Reconciliation**

Australian Government grants
HECS - HELP payments
FEE-HELP payments
Total Australian Government financial assistance

117,353	106,425	117,353	106,423
39,069	37,652	39,069	37,652
4,945	4,035	4,945	4,035
161,367	148,112	161,367	148,110

**(h) Australian Government Grants Received - Cash Basis**

CGS and other DEEWR grants
Higher Education Loan Programs
Scholarships
DIISR Research
Other Capital Funding
ARC grants - Discovery
ARC grants - Linkage
Other Australian Government financial assistance
Total Australian Government grants received - cash basis
OS-HELP (net)
Total Australian Government funding received - cash basis

77,650	73,511	77,650	73,511
43,511	40,738	43,511	40,738
3,930	4,348	3,930	4,348
16,741	16,779	16,741	16,779
7,784	-	7,784	-
1,591	1,936	1,591	1,936
861	853	861	853
7,429	7,778	7,429	7,776
159,497	145,943	159,497	145,941
116	(31)	116	(31)
159,613	145,912	159,613	145,910

	Consolidated		University	
	2010	2009	2010	2009
	\$000's	\$000's	\$000's	\$000's
<b>5 State and local government financial assistance</b>				
State government	4,682	4,977	4,682	4,977
Local government	451	500	451	500
<b>Total state and local government financial assistance</b>	<b>5,133</b>	<b>5,477</b>	<b>5,133</b>	<b>5,477</b>
<b>6 Fees and charges</b>				
<b>Course fees and charges</b>				
Continuing education	127	79	127	79
Fee-paying domestic postgraduate students	2,138	1,853	2,138	1,853
Fee-paying domestic undergraduate students	103	84	103	84
Fee-paying overseas students	39,660	38,752	39,697	38,786
Other domestic course fees and charges	3,417	2,347	3,417	2,347
<b>Total course fees and charges</b>	<b>45,445</b>	<b>43,115</b>	<b>45,482</b>	<b>43,149</b>
<b>Other non-course fees and charges</b>				
Amenities and service fees	249	215	249	215
Facilities fees	1,232	1,502	1,232	1,502
Other fees and charges	5,242	4,929	6,283	5,097
Parking fees	640	607	640	607
Rental and lease charges	3,207	2,455	6,504	5,560
<b>Total other fees and charges</b>	<b>10,570</b>	<b>9,708</b>	<b>14,908</b>	<b>12,981</b>
<b>Total fees and charges</b>	<b>56,015</b>	<b>52,823</b>	<b>60,390</b>	<b>56,130</b>
<b>7 Investment income and losses</b>				
(i) <i>Investment revenue and income</i>				
Investment revenue				
Interest from bank bills and deposits	4,656	3,132	2,591	2,582
Dividends	41	1,165	5	1,132
<b>Total investment revenue</b>	<b>4,697</b>	<b>4,297</b>	<b>2,596</b>	<b>3,714</b>
<i>Other investment income</i>				
Change in fair value of financial assets designated as at fair value through profit & loss	1,592	3,389	1,514	2,761
<b>Total other investment income</b>	<b>1,592</b>	<b>3,389</b>	<b>1,514</b>	<b>2,761</b>
<b>Total investment revenue and income</b>	<b>6,289</b>	<b>7,686</b>	<b>4,110</b>	<b>6,475</b>



	Consolidated		University	
	2010	2009	2010	2009
	\$000's	\$000's	\$000's	\$000's
<b>(ii) Investment losses</b>				
<i>Other investment losses</i>				
Change in fair value of financial assets designated as at fair value through profit & loss	147	321	1	-
Total other investment losses	147	321	1	-
<b>Total investment losses</b>	<b>147</b>	<b>321</b>	<b>1</b>	<b>-</b>
<b>Net investment revenue and income</b>	<b>6,142</b>	<b>7,365</b>	<b>4,109</b>	<b>6,475</b>
<b>8 Consultancy and contract research</b>				
<i>Research</i>				
Contracts	21,036	21,145	21,036	21,145
<i>Other</i>				
Consultancy	3,252	4,641	2,994	3,928
<b>Total consultancy and contract research</b>	<b>24,288</b>	<b>25,786</b>	<b>24,030</b>	<b>25,073</b>
<b>9 Other revenue and income</b>				
<i>Other revenue</i>				
Deferred management fee	3,732	3,701	-	-
Donations and bequests	2,091	1,391	6,986	601
Franking credit refund on dividends received	11	97	-	85
In kind revenue	310	3,171	310	3,171
Non-government grants	185	179	185	179
Other revenue	6,206	5,570	4,236	3,632
Scholarships and prizes	310	284	310	284
Sponsorships income	1,139	5,862	617	14
Trading income	15,615	16,250	15,079	15,703
Total other revenue	29,599	36,505	27,723	23,669
<i>Other income</i>				
Fair value adjustment on investment property	15,037	2,737	15,037	2,737
Insurance recovery	121	74	121	74
Total other income	15,158	2,811	15,158	2,811
<b>Total other revenue and income</b>	<b>44,757</b>	<b>39,316</b>	<b>42,881</b>	<b>26,480</b>

**10 Employee related expenses****Academic**

	Consolidated		University	
	2010	2009	2010	2009
	\$000's	\$000's	\$000's	\$000's
Salaries	60,868	58,279	60,867	58,271
Contribution to superannuation and pension schemes	8,831	8,530	8,831	8,529
Payroll tax	3,869	3,712	3,869	3,712
Workers compensation	556	469	556	469
Annual leave	454	920	454	920
Long service leave	2,040	1,881	2,040	1,881
Other	96	79	96	79
<b>Total Academic</b>	<b>76,714</b>	<b>73,870</b>	<b>76,713</b>	<b>73,861</b>

**Non-academic**

Salaries	62,759	61,222	61,342	59,578
Contribution to superannuation and pension schemes	7,882	7,534	7,757	7,457
Payroll tax	3,888	3,711	3,799	3,662
Workers compensation	571	496	567	496
Annual leave	952	378	941	377
Long service leave	1,594	1,881	1,594	1,879
Other	75	114	75	114
<b>Total non-academic</b>	<b>77,721</b>	<b>75,336</b>	<b>76,075</b>	<b>73,563</b>

**Total employee related expenses**

<b>154,435</b>	<b>149,206</b>	<b>152,788</b>	<b>147,424</b>
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**11 Depreciation and amortisation****Depreciation**

Buildings	5,595	6,223	5,595	6,223
Computer equipment	1,020	887	1,020	887
General equipment	2,702	2,240	2,700	2,237
Library books	3,616	3,427	3,616	3,427
Motor vehicles	281	253	281	253
Plant and equipment	204	169	204	169
<b>Total depreciation</b>	<b>13,418</b>	<b>13,199</b>	<b>13,416</b>	<b>13,196</b>

**Amortisation**

Leased plant and equipment	223	157	223	157
<b>Total amortisation</b>	<b>223</b>	<b>157</b>	<b>223</b>	<b>157</b>

**Total depreciation and amortisation**

<b>13,641</b>	<b>13,356</b>	<b>13,639</b>	<b>13,353</b>
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**12 Repairs and maintenance**

Buildings and grounds	12,604	13,082	12,101	12,552
Other	1,065	1,178	1,007	1,141
<b>Total repairs and maintenance</b>	<b>13,669</b>	<b>14,260</b>	<b>13,108</b>	<b>13,693</b>

	Consolidated		University	
	2010	2009	2010	2009
	\$'000's	\$'000's	\$'000's	\$'000's
<b>13 Borrowing costs</b>				
Finance lease charges	77	69	77	69
Interest paid	645	651	1,570	1,354
<b>Total borrowing costs</b>	<b>722</b>	<b>720</b>	<b>1,647</b>	<b>1,423</b>
<b>14 Impairment of assets</b>				
Bad debts	453	394	422	364
Doubtful debts	182	1,101	171	1,129
Impairment losses	310	3,171	210	3,221
<b>Total impairment of assets</b>	<b>945</b>	<b>4,666</b>	<b>803</b>	<b>4,714</b>
<b>15 Other expenses</b>				
Administration expenses	6,159	6,139	4,836	5,681
Advertising, marketing and promotions	4,724	4,771	4,530	4,552
Amenities and service fees	295	317	295	317
Audit fees, bank charges, legal costs, insurance and taxes	4,440	4,231	2,711	2,822
Consulting fees - other	12,852	7,567	15,231	10,878
Consulting fees - research	10,063	11,728	8,421	8,571
Cost of sales	4,755	5,225	4,740	5,214
Donations and sponsorships	1,628	963	524	926
Fair value movement in resident loans	(201)	1,675	-	-
General consumables	5,014	4,609	4,640	4,201
Licence and royalty fees	2,241	2,466	2,241	2,466
Non-capitalised equipment	4,849	4,570	4,843	4,569
Occupancy costs	5,190	5,009	4,987	4,883
Operating lease payments	2,645	1,810	2,162	1,724
Other expenses	3,267	3,215	3,263	3,206
Productivity improvement program costs	2,183	654	2,183	654
Scholarships, grants and prizes	14,880	12,310	14,916	12,336
Telecommunications	1,063	1,102	1,061	1,099
Travel and related staff development and training	8,771	8,987	8,755	8,971
<b>Total other expenses</b>	<b>94,818</b>	<b>87,348</b>	<b>90,339</b>	<b>83,070</b>
<b>16 Trading result</b>				
Sales	15,615	16,250	15,079	15,703
Cost of sales:				
Opening inventory	(1,926)	(1,570)	(1,923)	(1,564)
Purchases	(4,611)	(5,581)	(4,596)	(5,573)
	(6,537)	(7,151)	(6,519)	(7,137)
Closing inventory	1,782	1,926	1,779	1,923
Cost of goods sold	(4,755)	(5,225)	(4,740)	(5,214)
<b>Trading result</b>	<b>10,860</b>	<b>11,025</b>	<b>10,339</b>	<b>10,489</b>

The trading result incorporates teaching related commercial ventures including the Veterinary Teaching Hospital, Chiropractic Teaching Clinic and the University Bookshop.

## 17 Income tax

### (a) Income tax (expense) / benefit

Current
Deferred
Income tax (expense) / benefit

Consolidated		University	
2010	2009	2010	2009
\$000's	\$000's	\$000's	\$000's
(285)	(123)	(177)	(60)
(1,798)	(2,050)	-	-
<b>(2,083)</b>	<b>(2,173)</b>	<b>(177)</b>	<b>(60)</b>

### (b) Numerical reconciliation of income tax (expense) / benefit to prima facie tax payable

Operating result from continuing operations before income tax (expense) / benefit subject to income tax

Tax (expense) / benefit at the Australian tax rate of 30% (2009: 30%)
Difference in overseas tax rates
Prior year adjustment
Tax losses brought to account
Tax losses not brought to account
Income tax (expense) / benefit

125	(1,593)	966	332
(38)	477	(290)	(100)
113	38	113	40
4	-	-	-
3	12	-	-
(2,165)	(2,700)	-	-
<b>(2,083)</b>	<b>(2,173)</b>	<b>(177)</b>	<b>(60)</b>

### (c) Deferred tax assets and liabilities

*Recognised deferred tax assets and liabilities*

The balance comprises temporary differences attributable to:

#### *Deferred tax assets*

Property, plant and equipment
Accruals
Provisions
Resident loans
Management fee provision
Unearned income
Other

3	3	-	-
14	13	-	-
23	38	-	-
25,107	27,862	-	-
2,405	2,026	-	-
2,758	2,053	-	-
-	4	-	-
<b>30,310</b>	<b>31,999</b>	<b>-</b>	<b>-</b>

#### *Deferred tax liabilities*

Accrued income
----------------

(127)	(18)	-	-
<b>(127)</b>	<b>(18)</b>	<b>-</b>	<b>-</b>

Net tax assets / (liabilities) pursuant to set-off provisions

<b>30,183</b>	<b>31,981</b>	<b>-</b>	<b>-</b>
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#### *Movements:*

Opening balance at 1 January
Credited to the income statement
Closing balance at 31 December

31,981	34,031	-	-
(1,798)	(2,050)	-	-
<b>30,183</b>	<b>31,981</b>	<b>-</b>	<b>-</b>

**(d) Tax losses**

At 31 December 2010, there is \$4,938,254 (2009: \$2,776,390) of unrecognised deferred income tax assets in relation to tax losses carried forward as it is not probable that they will be used in the foreseeable future.

Consolidated		University	
2010	2009	2010	2009
\$'000's	\$'000's	\$'000's	\$'000's

**(e) Deferred tax asset**

The balance comprises temporary differences attributable to:

Amounts recognised in operating result

30,310	31,999	-	-
30,310	31,999	-	-

Set-off of accrued income pursuant to set off provisions

(127)	(18)	-	-
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Net deferred tax assets

<b>30,183</b>	<b>31,981</b>	-	-
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Deferred tax assets to be recovered within 12 months

(91)	39	-	-
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Deferred tax assets to be recovered after more than 12 months

30,274	31,942	-	-
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<b>30,183</b>	<b>31,981</b>	-	-
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Movements - Consolidated	PP&E	Accruals	Provisions	Resident Loans	Resident Loan garage
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>At 1 January 2009</b>	5	12	33	30,490	34
Charged/(credited) to the income statement	(2)	1	5	(2,628)	(34)
<b>At 31 December 2009</b>	3	13	38	27,862	-
Charged/(credited) to the income statement	-	1	(15)	(2,755)	-
<b>At 31 December 2010</b>	<b>3</b>	<b>14</b>	<b>23</b>	<b>25,107</b>	-

Movements - Consolidated	Mgt Fee Provision	Unearned Income	Tax losses	Other	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>At 1 January 2009</b>	1,783	1,744	-	10	34,111
Charged/(credited) to the income statement	243	309	-	(6)	(2,112)
<b>At 31 December 2009</b>	2,026	2,053	-	4	31,999
Charged/(credited) to the income statement	379	705	-	(4)	(1,689)
<b>At 31 December 2010</b>	<b>2,405</b>	<b>2,758</b>	-	-	<b>30,310</b>

Consolidated		University	
2010	2009	2010	2009
\$'000's	\$'000's	\$'000's	\$'000's

**(f) Deferred tax liability**

The balance comprises temporary differences attributable to:

Amounts recognised in operating result

Accrued income

(127)	(18)	-	-
(127)	(18)	-	-

Set-off of deferred tax liabilities pursuant to set-off provisions

127	18	-	-
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Net deferred tax liabilities

-	-	-	-
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Movements - Consolidated	Accrued Income \$'000
<b>At 1 January 2009</b>	(80)
Charged/(credited) to the income statement	62
<b>At 31 December 2009</b>	(18)
Charged/(credited) to the income statement	(109)
<b>At 31 December 2010</b>	<b>(127)</b>

**(g) Movement in unrecognised deferred tax assets and liabilities during the year**

**Movements - Consolidated**

**At 1 January 2009**

Additions

Recognition

**At 31 December 2009**

Additions

Recognition

**At 31 December 2010**

Tax losses \$'000	Taxable Temporary Differences \$'000	Deductible Temporary Differences \$'000	Total \$'000
65	-	-	65
2,699	-	-	2,699
12	-	-	12
2,776	-	-	2,776
2,165	-	-	2,165
(3)	-	-	(3)
<b>4,938</b>	-	-	<b>4,938</b>

Consolidated		University	
2010	2009	2010	2009
\$000's	\$000's	\$000's	\$000's

**18 Cash and cash equivalents**

**Current**

Cash at bank and on hand

Bank bills and deposits

**Total cash and cash equivalents**

21,863	25,625	14,757	14,230
65,364	36,819	21,010	25,201
<b>87,227</b>	<b>62,444</b>	<b>35,767</b>	<b>39,431</b>

(a) Reconciliation to cash at end of the year

The above figures are reconciled to cash at the end of the year as shown in the Cash Flow Statement as follows:

Balances as above

Balance per Cash Flow Statements

87,227	62,444	35,767	39,431
<b>87,227</b>	<b>62,444</b>	<b>35,767</b>	<b>39,431</b>

(b) Cash at bank and on hand

These are interest bearing at an average floating interest rate of 4.16% as at 31 December 2010 (2009: 3.40%).

(c) Bank bills and deposits

The bank bills and deposits are bearing average fixed interest rates of 5.94% as at 31 December 2010 (2009: 4.98%). These deposits have an average maturity of 79 days.

**19 Receivables**

**Current**

Trade receivables

Less: Provision for impaired receivables

Other

Total current receivables

11,834	13,177	12,320	12,839
(1,777)	(1,642)	(1,763)	(1,635)
10,057	11,535	10,557	11,204
2,203	2,603	1,629	2,603
<b>12,260</b>	<b>14,138</b>	<b>12,186</b>	<b>13,807</b>

**Non-current**

Loans receivable

Total non-current receivables

900	900	900	900
900	900	900	900

**Total receivables**

<b>13,160</b>	<b>15,038</b>	<b>13,086</b>	<b>14,707</b>
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**(a) Impaired receivables**

Consolidated	
2010	2009
\$000's	\$000's

*Impaired:*

Movements in the provision for impaired receivables are as follows:

At 1 January	1,642	640
Provision for impairment recognised during the year	632	1,516
Receivables written off during the year as uncollectible	(497)	(514)
At 31 December	<b>1,777</b>	<b>1,642</b>

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 prospect of further recovery.

*Past due date:*

As at 31 December 2010, trade receivables of \$2,573k (2009: \$2,797k) were 90 or more days past due but not impaired. These relate mainly to student debt and to a number of customers for whom there is no recent history of default. The ageing analysis of these receivables is as follows:

	Consolidated	
	2010	2009
	\$000's	\$000's
Not past due	4,036	5,480
Past due 30 days	1,556	1,594
Past due 60 days	1,892	1,664
Past due 90 or more days	4,350	4,439
	<b>11,834</b>	<b>13,177</b>

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.

Consolidated		University	
2010	2009	2010	2009
\$000's	\$000's	\$000's	\$000's

**(b) Foreign exchange risk**

The carrying amount of the Group's and University's current and non-current receivables are denominated in the following currencies:

Canadian Dollars	-	1	-	1
Euro	-	111	-	111
Great Britain Pounds	-	4	-	4
Hong Kong Dollars	-	1	-	1
Malaysian Ringgit	-	10	-	10
Singapore Dollars	-	21	-	21
United Arab Emirates Dirham	-	4	-	4
US Dollars	213	165	213	165
New Zealand Dollars	10	-	10	-
Swiss Francs	4	-	4	-
	<b>227</b>	<b>317</b>	<b>227</b>	<b>317</b>
Current receivables	227	317	227	317
Non-current receivables	-	-	-	-
	<b>227</b>	<b>317</b>	<b>227</b>	<b>317</b>

A summarised analysis of the sensitivity of receivables to foreign exchange risk can be found in note 36.

**(c) Fair value and credit risk***Current receivables*

Due to the short term nature of current receivables, the carrying value is assumed to approximate fair value.

*Non-current receivables*

Loans receivable

Consolidated		University	
Carrying amount	Fair Value	Carrying amount	Fair Value
\$000's	\$000's	\$000's	\$000's
900	900	900	900
<b>900</b>	<b>900</b>	<b>900</b>	<b>900</b>

The maximum exposure to credit risk at the reporting date is the higher of the carrying value and fair value of each class of receivables mentioned above. The Group does not hold any collateral as security.

**20 Inventories****Current**

Bookshop - at cost

Veterinary Hospital - at cost

Other - at cost

**Total current inventories**

Consolidated		University	
2010	2009	2010	2009
\$000's	\$000's	\$000's	\$000's

967	1,157	967	1,157
812	766	812	766
3	3	-	-
<b>1,782</b>	<b>1,926</b>	<b>1,779</b>	<b>1,923</b>

**21 Other financial assets****Current**

Financial assets at fair value through profit and loss - Listed securities

Total current other financial assets

875	954	23	23
<b>875</b>	<b>954</b>	<b>23</b>	<b>23</b>

**Non-current**

Shares in subsidiaries - cost

Shares in other unlisted entities - cost

Financial assets at fair value through profit and loss - Managed funds

Total non-current other financial assets

-	-	100	100
110	110	10	10
31,448	30,021	31,362	29,934
<b>31,558</b>	<b>30,131</b>	<b>31,472</b>	<b>30,044</b>

**Total other financial assets**

<b>32,433</b>	<b>31,085</b>	<b>31,495</b>	<b>30,067</b>
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Changes in fair values of other financial assets at fair value through profit or loss are recorded in investment income and investment losses in the income statement (note 7).

The maximum exposure to credit risk at the reporting date is the carrying amount of the assets.

**22 Other non-financial assets****Current**

Prepayments

**Total other assets**

4,297	4,430	4,257	4,397
<b>4,297</b>	<b>4,430</b>	<b>4,257</b>	<b>4,397</b>



Consolidated		University	
2010	2009	2010	2009
\$'000's	\$'000's	\$'000's	\$'000's

## 23 Investment properties

### Non-current

Opening balance at 1 January

Fair value adjustments

Transfer from property, plant and equipment

Closing balance at 31 December

152,709	142,158	152,709	142,158
15,037	2,737	15,037	2,737
28,585	7,814	28,585	7,814
<b>196,331</b>	<b>152,709</b>	<b>196,331</b>	<b>152,709</b>

Investment property includes a commercial building that is leased to a third party under an operating lease and the St Ives Retirement Village Murdoch.

### (a) Amounts recognised in the Income Statement for the commercial building

Rental income

Revaluation increment

Direct operating expenses

Total recognised in income statement

1,180	1,177	1,180	1,177
1,300	700	1,300	700
(87)	(81)	(87)	(81)
<b>2,393</b>	<b>1,796</b>	<b>2,393</b>	<b>1,796</b>

### (b) Amounts recognised in the Income Statement for St Ives Retirement Village Murdoch

Fair value adjustment on investment property

Total recognised in income statement

13,737	2,037	13,737	2,037
<b>13,737</b>	<b>2,037</b>	<b>13,737</b>	<b>2,037</b>

### (c) Valuations

Investment properties are measured on a fair value basis.

The 2010 valuation of the commercial building was determined by independent valuer, McGees Property, utilising market based evidence.

The 2010 valuation of the St Ives Retirement Village Murdoch was determined by utilising an industry specific valuation model (developed by Ernst and Young), after updating key assumptions in the model.

These assumptions were obtained from advice received from Ernst and Young.

### (d) Operating leases (as lessor) - Commercial building

The future minimum lease payments under non-cancellable leases are as follows:

Within one year

Later than one year but not later than five years

Later than five years

1,210	1,168	1,210	1,168
5,344	5,157	5,344	5,157
-	1,421	-	1,421
<b>6,554</b>	<b>7,746</b>	<b>6,554</b>	<b>7,746</b>

## 24 Property, plant and equipment

### Consolidated

#### At 1 January 2009

- Cost	
- Independent Valuation	
- Murdoch Valuation	
Accumulated depreciation	
Net book amount	

#### Year ended 31 December 2009

Opening net book amount	
Revaluation increment / (decrement)	
Additions	
Disposals	
Transfers to investment property	
Transfers to buildings & infrastructure	
Transfers to other equipment	
Depreciation charge	
Closing net book amount	

#### At 31 December 2009

- Cost	
- Independent Valuation	
- Murdoch Valuation	
Accumulated depreciation	
Net book amount	

#### Year ended 31 December 2010

Opening net book amount	
Revaluation increment / (decrement)	
Additions	
Disposals	
Transfers to investment property	
Transfers to buildings & infrastructure	
Transfers to other equipment	
Depreciation charge	
Closing net book amount	

#### At 31 December 2010

- Cost	
- Independent Valuation	
- Murdoch Valuation	
Accumulated depreciation	
Net book amount	

Land	Buildings & Infrastructure	Construction in progress	Plant	Computing Equipment	Other Equipment	Motor Vehicles	Artworks	Library Books	Leased Plant and Equipment	Total
\$'000's	\$'000's	\$'000's	\$'000's	\$'000's	\$'000's	\$'000's	\$'000's	\$'000's	\$'000's	\$'000's
-	-	36,178	4,521	10,018	34,712	1,476	-	14,503	965	102,373
-	-	-	-	-	-	-	-	-	-	-
158,880	299,115	-	-	-	-	-	3,005	-	-	461,000
-	-	-	(689)	(7,370)	(24,940)	(474)	-	(3,646)	(194)	(37,313)
<b>158,880</b>	<b>299,115</b>	<b>36,178</b>	<b>3,832</b>	<b>2,648</b>	<b>9,772</b>	<b>1,002</b>	<b>3,005</b>	<b>10,857</b>	<b>771</b>	<b>526,060</b>
158,880	299,115	36,178	3,832	2,648	9,772	1,002	3,005	10,857	771	526,060
31,565	(45,566)	-	-	-	-	-	583	-	-	(13,418)
4,255	472	35,765	-	935	2,060	350	68	3,548	381	47,834
-	(42)	-	(24)	(69)	(105)	(110)	-	-	-	(350)
-	-	(7,814)	-	-	-	-	-	-	-	(7,814)
-	30,632	(30,632)	-	-	-	-	-	-	-	-
-	-	(3,817)	(422)	-	4,239	-	-	-	-	-
-	(6,223)	-	(169)	(887)	(2,240)	(253)	-	(3,427)	(157)	(13,356)
<b>194,700</b>	<b>278,388</b>	<b>29,680</b>	<b>3,217</b>	<b>2,627</b>	<b>13,726</b>	<b>989</b>	<b>3,656</b>	<b>10,978</b>	<b>995</b>	<b>538,956</b>
-	-	29,680	4,063	10,408	39,235	1,634	-	14,405	1,346	100,771
194,700	278,124	-	-	-	-	-	3,612	-	-	476,436
-	264	-	-	-	-	-	44	-	-	308
-	-	-	(846)	(7,781)	(25,509)	(645)	-	(3,427)	(351)	(38,559)
<b>194,700</b>	<b>278,388</b>	<b>29,680</b>	<b>3,217</b>	<b>2,627</b>	<b>13,726</b>	<b>989</b>	<b>3,656</b>	<b>10,978</b>	<b>995</b>	<b>538,956</b>
194,700	278,388	29,680	3,217	2,627	13,726	989	3,656	10,978	995	538,956
-	-	-	-	-	-	-	-	-	-	-
-	-	23,831	106	205	4,625	281	364	3,782	738	33,932
-	-	-	-	(1)	(82)	(32)	-	-	-	(115)
-	-	(28,585)	-	-	-	-	-	-	-	(28,585)
-	15,147	(15,147)	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	(5,595)	-	(204)	(1,020)	(2,702)	(281)	-	(3,616)	(223)	(13,641)
<b>194,700</b>	<b>287,940</b>	<b>9,779</b>	<b>3,119</b>	<b>1,811</b>	<b>15,567</b>	<b>957</b>	<b>4,020</b>	<b>11,144</b>	<b>1,510</b>	<b>530,547</b>
-	-	9,779	4,169	9,505	41,749	1,863	-	14,760	2,084	83,909
-	-	-	-	-	-	-	-	-	-	-
194,700	293,535	-	-	-	-	-	4,020	-	-	492,255
-	(5,595)	-	(1,050)	(7,694)	(26,182)	(906)	-	(3,616)	(574)	(45,617)
<b>194,700</b>	<b>287,940</b>	<b>9,779</b>	<b>3,119</b>	<b>1,811</b>	<b>15,567</b>	<b>957</b>	<b>4,020</b>	<b>11,144</b>	<b>1,510</b>	<b>530,547</b>

	Land	Buildings & Infrastructure	Construction in progress	Plant	Computing Equipment	Other Equipment	Motor Vehicles	Artworks	Library Books	Leased Plant and Equipment	Total
	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's
<b>University</b>											
<b>At 1 January 2009</b>											
- Cost	-	-	36,178	4,521	10,018	34,672	1,476	-	14,503	965	102,333
- Independent Valuation	-	-	-	-	-	-	-	-	-	-	-
- Murdoch Valuation	158,880	299,115	-	-	-	-	-	3,005	-	-	461,000
Accumulated depreciation	-	-	-	(689)	(7,370)	(24,909)	(474)	-	(3,646)	(194)	(37,282)
Net book amount	<b>158,880</b>	<b>299,115</b>	<b>36,178</b>	<b>3,832</b>	<b>2,648</b>	<b>9,763</b>	<b>1,002</b>	<b>3,005</b>	<b>10,857</b>	<b>771</b>	<b>526,051</b>
<b>Year ended 31 December 2009</b>											
Opening net book amount	158,880	299,115	36,178	3,832	2,648	9,763	1,002	3,005	10,857	771	526,051
Revaluation increment / (decrement)	31,565	(45,566)	-	-	-	-	-	583	-	-	(13,418)
Additions	4,255	472	35,765	-	935	2,059	350	68	3,548	381	47,833
Disposals	-	(42)	-	(24)	(69)	(105)	(110)	-	-	-	(350)
Transfers to investment property	-	-	(7,814)	-	-	-	-	-	-	-	(7,814)
Transfers to buildings & infrastructure	-	30,632	(30,632)	-	-	-	-	-	-	-	-
Transfers to other equipment	-	-	(3,817)	(422)	-	4,239	-	-	-	-	-
Depreciation charge	-	(6,223)	-	(169)	(887)	(2,237)	(253)	-	(3,427)	(157)	(13,353)
Closing net book amount	<b>194,700</b>	<b>278,388</b>	<b>29,680</b>	<b>3,217</b>	<b>2,627</b>	<b>13,719</b>	<b>989</b>	<b>3,656</b>	<b>10,978</b>	<b>995</b>	<b>538,949</b>
<b>At 31 December 2009</b>											
- Cost	-	-	29,680	4,063	10,408	39,196	1,634	-	14,405	1,346	100,732
- Independent Valuation	194,700	278,124	-	-	-	-	-	3,612	-	-	476,436
- Murdoch Valuation	-	264	-	-	-	-	-	44	-	-	308
Accumulated depreciation	-	-	-	(846)	(7,781)	(25,477)	(645)	-	(3,427)	(351)	(38,527)
Net book amount	<b>194,700</b>	<b>278,388</b>	<b>29,680</b>	<b>3,217</b>	<b>2,627</b>	<b>13,719</b>	<b>989</b>	<b>3,656</b>	<b>10,978</b>	<b>995</b>	<b>538,949</b>
<b>Year ended 31 December 2010</b>											
Opening net book amount	194,700	278,388	29,680	3,217	2,627	13,719	989	3,656	10,978	995	538,949
Revaluation increment / (decrement)	-	-	-	-	-	-	-	-	-	-	-
Additions	-	-	23,831	106	205	4,624	281	364	3,782	738	33,931
Disposals	-	-	-	-	(1)	(82)	(32)	-	-	-	(115)
Transfers to investment property	-	-	(28,585)	-	-	-	-	-	-	-	(28,585)
Transfers to buildings & infrastructure	-	15,147	(15,147)	-	-	-	-	-	-	-	-
Transfers to other equipment	-	-	-	-	-	-	-	-	-	-	-
Depreciation charge	-	(5,595)	-	(204)	(1,020)	(2,700)	(281)	-	(3,616)	(223)	(13,639)
Closing net book amount	<b>194,700</b>	<b>287,940</b>	<b>9,779</b>	<b>3,119</b>	<b>1,811</b>	<b>15,561</b>	<b>957</b>	<b>4,020</b>	<b>11,144</b>	<b>1,510</b>	<b>530,541</b>
<b>At 31 December 2010</b>											
- Cost	-	-	9,779	4,169	9,505	41,710	1,863	-	14,760	2,084	83,870
- Independent Valuation	-	-	-	-	-	-	-	-	-	-	-
- Murdoch Valuation	194,700	293,535	-	-	-	-	-	4,020	-	-	492,255
Accumulated depreciation	-	(5,595)	-	(1,050)	(7,694)	(26,149)	(906)	-	(3,616)	(574)	(45,584)
Net book amount	<b>194,700</b>	<b>287,940</b>	<b>9,779</b>	<b>3,119</b>	<b>1,811</b>	<b>15,561</b>	<b>957</b>	<b>4,020</b>	<b>11,144</b>	<b>1,510</b>	<b>530,541</b>

#### Valuations of land and buildings

Land, buildings, infrastructure and artworks are measured on a fair value basis, being the amount for which the assets could be exchanged between knowledgeable and willing parties in an arm's length transaction, having regard to the highest and best use of the asset for which other parties would be willing to pay. The valuations as at 31 December 2009 determined by independent valuers, McGees Property and Dawson & Ward (land, buildings and infrastructure), Perth Galleries (artworks) and Seva Franços ART (artworks), are on the basis of current use land value for the Murdoch University campus and market land value for all other land, estimated current replacement costs less accumulated depreciation for buildings and infrastructure and market value for artworks. The valuations as at 31 December 2010 determined by Murdoch University take into account the prior year valuations, additions and disposals during the year, depreciation of buildings during the year, market movements and advice provided by the independent valuers who conducted the 2009 valuations.

## 25 Trade and other payables

### Current

Trade payables

Current tax liability

Accruals and other payables

### Total trade and other payables

### (a) Foreign exchange risk

The carrying amount of the Group's and University's current payables are denominated in the following currencies:

US dollars

A summarised analysis of the sensitivity of payables to foreign exchange risk can be found in note 36.

### (b) Fair value and credit risk

Current payables

Due to the short term nature of the current payables, their carrying value is assumed to approximate their fair value.

## 26 Borrowings

### Current

*Secured*

Lease liabilities

Western Australian Treasury Corporation \*

Total current secured borrowings

*Unsecured*

Western Australian Treasury Corporation \*

Total current unsecured borrowings

### Total current borrowings

### Non-current

*Secured*

Lease liabilities

Western Australian Treasury Corporation \*

Total non-current secured borrowings

*Unsecured*

Loan from wholly owned subsidiary

Western Australian Treasury Corporation \*

Total non-current unsecured borrowings

### Total non-current borrowings

### Total borrowings

Consolidated		University	
2010	2009	2010	2009
\$000's	\$000's	\$000's	\$000's

3,661	1,652	3,502	1,614
292	76	237	60
8,680	15,120	7,869	13,293
<b>12,633</b>	<b>16,848</b>	<b>11,608</b>	<b>14,967</b>

-	6	-	6
<b>-</b>	<b>6</b>	<b>-</b>	<b>6</b>

413	265	413	265
315	294	315	294
<b>728</b>	<b>559</b>	<b>728</b>	<b>559</b>

265	255	265	255
<b>265</b>	<b>255</b>	<b>265</b>	<b>255</b>

<b>993</b>	<b>814</b>	<b>993</b>	<b>814</b>
------------	------------	------------	------------

725	634	725	634
8,744	9,059	8,744	9,059
<b>9,469</b>	<b>9,693</b>	<b>9,469</b>	<b>9,693</b>

-	-	15,000	15,000
1,247	1,512	1,247	1,512
<b>1,247</b>	<b>1,512</b>	<b>16,247</b>	<b>16,512</b>

<b>10,716</b>	<b>11,205</b>	<b>25,716</b>	<b>26,205</b>
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<b>11,709</b>	<b>12,019</b>	<b>26,709</b>	<b>27,019</b>
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\* The loans from Western Australian Treasury Corporation are as follows:

(a) Law building loan of \$320,209 which is unsecured, interest bearing at a fixed rate of 5.93% and repayable in quarterly instalments by October 2018.

(b) Student Village loan of \$1,191,929 which is unsecured, interest bearing at a weighted average rate of 5.60% and repayable in quarterly instalments by October 2017.

(c) Peel Campus loan 1 of \$6,344,769 which is secured by a Guarantee of the Treasurer of the State, interest bearing at a fixed rate of 6.69% and repayable in quarterly instalments by April 2027.

(d) Peel Campus loan 2 of \$2,714,061 which is secured by a Guarantee of the Treasurer of the State, interest bearing at a weighted average interest rate of 4.48% and repayable in quarterly instalments by July 2017.

Consolidated		University	
2010	2009	2010	2009
\$'000's	\$'000's	\$'000's	\$'000's

**a) Assets pledged as security**

The carrying amounts of assets pledged as security for current and non-current interest bearing liabilities are:

**Non-current**

*Finance leases*

Plant and equipment

1,510	995	1,510	995
<b>1,510</b>	<b>995</b>	<b>1,510</b>	<b>995</b>

**Total assets pledged as security**

**b) Financing arrangements**

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

*Bank facilities*

*Total facilities available*

Asset finance (Finance leases)

1,500	1,500	1,500	1,500
<b>1,500</b>	<b>1,500</b>	<b>1,500</b>	<b>1,500</b>

*Facilities utilised at reporting date*

Asset finance (Finance leases)

1,138	899	1,138	899
<b>1,138</b>	<b>899</b>	<b>1,138</b>	<b>899</b>

*Facilities not utilised at reporting date*

Asset finance (Finance leases)

362	601	362	601
<b>362</b>	<b>601</b>	<b>362</b>	<b>601</b>

**c) Fair value**

The fair value of the current and non-current borrowings equals their carrying value, as the impact of discounting is not significant.

Consolidated		University	
2010	2009	2010	2009
\$000's	\$000's	\$000's	\$000's

## 27 Provisions

### Current

*Employee benefits:*

Annual leave	9,403	9,380	9,386	9,350
Long service leave	13,758	12,703	13,748	12,695
Other	402	88	402	88
Other provisions	11,354	11,333	3,337	4,545
<b>Total current provisions</b>	<b>34,917</b>	<b>33,504</b>	<b>26,873</b>	<b>26,678</b>

### Non-current

*Employee benefits:*

Long service leave	3,606	3,624	3,606	3,624
Other	151	-	151	-
Other provisions	384	682	384	682
<b>Total non-current provisions</b>	<b>4,141</b>	<b>4,306</b>	<b>4,141</b>	<b>4,306</b>

### Total provisions

<b>39,058</b>	<b>37,810</b>	<b>31,014</b>	<b>30,984</b>
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The provisions above that have been classified as current are done so as there is no unconditional right to defer settlement for at least 12 months after balance sheet date. However, assessments indicate that actual settlement of the liabilities will occur as follows:

Current provisions expected to be settled within 12 months

*Employee benefits:*

Annual leave	6,013	5,460	6,002	5,443
Long service leave	613	828	613	826
Other	402	88	402	88
Other provisions	10,303	10,329	2,286	3,541
	<b>17,331</b>	<b>16,705</b>	<b>9,303</b>	<b>9,898</b>

Current provisions expected to be settled after more than 12 months

*Employee benefits:*

Annual leave	3,390	3,920	3,384	3,907
Long service leave	13,145	11,875	13,135	11,869
Other provisions	1,051	1,004	1,051	1,004
	<b>17,586</b>	<b>16,799</b>	<b>17,570</b>	<b>16,780</b>

### Total current provisions

<b>34,917</b>	<b>33,504</b>	<b>26,873</b>	<b>26,678</b>
---------------	---------------	---------------	---------------

### Other provisions

Included in other provisions are amounts for employee on-costs, self insurance, Commonwealth support, management fees and productivity improvement program costs. The provisions are based on estimates made from historical information.

### Movements in provisions

#### (a) Other provisions

##### Current

Balance at beginning of year

Additional provisions

Amounts used

Unused amounts released

Balance at end of year

##### Non-current

Balance at beginning of year

Additional provisions

Amounts used

Unused amounts released

Balance at end of year

Consolidated		University	
2010	2009	2010	2009
\$000's	\$000's	\$000's	\$000's

11,333	14,649	4,545	8,674
2,454	4,014	1,190	3,169
(566)	(6,488)	(531)	(6,456)
(1,867)	(842)	(1,867)	(842)
<b>11,354</b>	<b>11,333</b>	<b>3,337</b>	<b>4,545</b>

682	1,490	682	1,490
-	38	-	38
(1)	(473)	(1)	(473)
(297)	(373)	(297)	(373)
<b>384</b>	<b>682</b>	<b>384</b>	<b>682</b>

## 28 Other liabilities

### Current

Deferred research income

Income in advance

Other liabilities

Resident loans\*

OS-HELP liability

**Total current other liabilities**

15,976	14,893	15,976	14,893
15,044	10,633	5,589	3,507
700	1,670	700	1,670
139,971	108,324	-	-
98	(18)	98	(18)
<b>171,789</b>	<b>135,502</b>	<b>22,363</b>	<b>20,052</b>

\* Resident Loan Obligation

Less: Deferred Management Fees (DMF) Receivable

169,700	132,940	-	-
(29,729)	(24,616)	-	-
139,971	108,324	-	-

Resident loan obligation and DMF receivable are recognised on a net basis due to the right of offset in accordance with AASB 117.

## 29 Reserves

Asset revaluation reserve

**Total reserves**

314,653	314,653	314,653	314,653
<b>314,653</b>	<b>314,653</b>	<b>314,653</b>	<b>314,653</b>

### Movement during the year:

#### (a) Asset revaluation reserve

Balance at beginning of year

Net revaluation increment / (decrement):

Land, buildings and infrastructure

Transfer to/(from) reserve to retained earnings

Balance at end of year

314,653	328,095	314,653	328,095
-	(13,418)	-	(13,418)
-	(24)	-	(24)
<b>314,653</b>	<b>314,653</b>	<b>314,653</b>	<b>314,653</b>

**30 Reconciliation of profit from ordinary activities to net cash flows provided by operating activities**

Profit from ordinary activities after income tax

*Adjustments for:*

Depreciation and amortisation

(Gain) / loss on disposal of property, plant and equipment

Fair value (gain) / loss on other financial assets

Fair value (gain) / loss on investment property

Fair value movement in resident loans

Share of net results of associates accounted for using the equity method

Impairment losses

Management fees

In-kind revenue

Other income

*Changes in assets and liabilities:*

(Increase) / decrease in receivables

(Increase) / decrease in inventories

(Increase) / decrease in other assets

(Increase) / decrease in deferred tax assets

Increase / (decrease) in payables

Increase / (decrease) in provisions

Increase / (decrease) in resident loans

Increase / (decrease) in other liabilities

Net cash provided by operating activities

**Non-cash investing and financing activities**

Acquisition of plant and equipment by means of finance leases

**31 Remuneration of auditor**

During the year the following fees were paid for services provided by the Auditor General of WA to the Group.

*Audit services*

Auditing of financial reports

**32 Contingent liabilities**

There were no contingent liabilities at reporting date.

**33 Events subsequent to reporting date**

There has not arisen in the period between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect significantly the operations or results of the Group.

Consolidated		University	
2010	2009	2010	2009
\$000's	\$000's	\$000's	\$000's

24,617	14,542	32,401	11,258
--------	--------	--------	--------

13,641	13,356	13,639	13,353
--------	--------	--------	--------

55	118	55	118
----	-----	----	-----

(1,445)	(3,068)	(1,513)	(2,761)
---------	---------	---------	---------

(15,037)	(2,737)	(15,037)	(2,737)
----------	---------	----------	---------

(201)	1,675	-	-
-------	-------	---	---

(236)	(143)	-	-
-------	-------	---	---

310	3,171	210	3,221
-----	-------	-----	-------

85	55	85	55
----	----	----	----

(310)	(3,171)	(310)	(3,171)
-------	---------	-------	---------

-	(17)	-	(17)
---	------	---	------

1,877	773	1,621	265
-------	-----	-------	-----

144	(356)	144	(359)
-----	-------	-----	-------

133	(1,360)	139	(1,361)
-----	---------	-----	---------

1,798	2,050	-	-
-------	-------	---	---

(4,397)	6,929	(3,542)	6,507
---------	-------	---------	-------

1,247	(1,994)	30	(2,812)
-------	---------	----	---------

(5,128)	(3,044)	-	-
---------	---------	---	---

4,639	(369)	2,311	(1,033)
-------	-------	-------	---------

<b>21,792</b>	<b>26,410</b>	<b>30,233</b>	<b>20,526</b>
---------------	---------------	---------------	---------------

738	381	738	381
-----	-----	-----	-----

\$	\$	\$	\$
----	----	----	----

<b>284,950</b>	<b>247,000</b>	<b>236,650</b>	<b>222,900</b>
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Consolidated		University	
2010	2009	2010	2009
\$000's	\$000's	\$000's	\$000's

### 34 Commitments for expenditure

The following commitments are GST exclusive.

#### (a) Capital commitments

Capital expenditure contracted for at the reporting date but not recognised as liabilities is as follows:

Within one year

Later than one year but not later than five years

Total capital commitments

1,576	13,982	1,576	13,982
-	52	-	52
<b>1,576</b>	<b>14,034</b>	<b>1,576</b>	<b>14,034</b>

#### (b) Lease commitments

##### (i) Operating leases

Commitments relating to non-cancellable operating leases are as follows:

Within one year

Later than one year but not later than five years

Total operating lease commitments

859	787	859	787
740	718	740	718
<b>1,599</b>	<b>1,505</b>	<b>1,599</b>	<b>1,505</b>

##### (ii) Finance leases

Commitments relating to finance leases are as follows:

Within one year

Later than one year but not later than five years

Later than five years

Less: Future lease finance charges

482	322	482	322
800	704	800	704
-	-	-	-
1,282	1,026	1,282	1,026
(144)	(127)	(144)	(127)
<b>1,138</b>	<b>899</b>	<b>1,138</b>	<b>899</b>

Lease liabilities provided for in the financial statements:

Current

Non-current

Total lease liability

413	265	413	265
725	634	725	634
<b>1,138</b>	<b>899</b>	<b>1,138</b>	<b>899</b>

#### (c) Other expenditure commitments

Commitments relating to other expenditure are as follows:

Within one year

Later than one year but not later than five years

Total other expenditure commitments

1,800	1,662	1,800	1,662
2,410	3,879	2,410	3,879
<b>4,210</b>	<b>5,541</b>	<b>4,210</b>	<b>5,541</b>

Consolidated		University	
2010	2009	2010	2009
\$000's	\$000's	\$000's	\$000's

### 35 Remuneration of senior officers and Senate members

#### Remuneration of senior officers

The total of fees, salaries, allowances, superannuation and other benefits received or due and receivable for the financial year by senior officers of the University.

4,243	2,675	4,243	2,675
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The number of senior officers other than senior officers reported as members of the Senate, whose total of fees, salaries, allowances, superannuation and other benefits for the financial year, fall within the following bands are:

\$20,001 - \$30,000

1	-	1	-
---	---	---	---

\$50,001 - \$60,000

-	1	-	1
---	---	---	---

\$90,001 - \$100,000

1	-	1	-
---	---	---	---

\$110,001 - \$120,000

2	-	2	-
---	---	---	---

\$130,001 - \$140,000

-	1	-	1
---	---	---	---

\$140,001 - \$150,000

1	-	1	-
---	---	---	---

\$160,001 - \$170,000

2	-	2	-
---	---	---	---

\$190,001 - \$200,000

1	-	1	-
---	---	---	---

\$200,001 - \$210,000

1	2	1	2
---	---	---	---

\$210,001 - \$220,000

2	3	2	3
---	---	---	---

\$220,001 - \$230,000

2	1	2	1
---	---	---	---

\$240,001 - \$250,000

-	1	-	1
---	---	---	---

\$250,001 - \$260,000

-	1	-	1
---	---	---	---

\$260,001 - \$270,000 (#)

1	-	1	-
---	---	---	---

\$340,001 - \$350,000 (\*)

1	-	1	-
---	---	---	---

\$360,001 - \$370,000

-	2	-	2
---	---	---	---

\$380,001 - \$390,000 (\*)

1	-	1	-
---	---	---	---

\$410,001 - \$420,000

1	-	1	-
---	---	---	---

\$700,001 - \$710,000 (\*)

1	-	1	-
---	---	---	---

(\*) - Amount includes termination and leave entitlements paid to senior officer

(#) - Amount includes leave entitlements paid to senior officer

#### Note:

The increase in remuneration entitlements of senior officers in 2010 compared to 2009 is largely related to the following:

- A number of new positions have met the definition of a senior officer under Treasurer's Instruction 952 as a result of the senior management restructure in 2010; and
- Termination and leave entitlements paid to senior officers leaving the University.

#### Remuneration of members of Senate

Names of Persons who were members of Senate during the year are:

Terence Budge (Chancellor)	Darren Munday
Eva Skira (Deputy Chancellor)	Maxine Murray
Professor John Yovich (Vice Chancellor)	Paul Niardone
Brian Aitken	Associate Professor Pia Broderick
Janice Bowra	Dr Lyndy Scott
Associate Professor Lance Fung	Basha Stasak
Russell Gibbs	Dr Stewart Washer
Garry Hunt	Liz Harris
Tony Iannello	Brodie Lewis
Dr Marian Kemp	

Consolidated		University	
2010	2009	2010	2009
\$000's	\$000's	\$000's	\$000's

The total of fees, salaries, allowances, superannuation and other benefits received or due and receivable for the financial year by members of Senate

935	857	935	857
-----	-----	-----	-----

The number of members of Senate whose total of fees, salaries, allowances, superannuation and other benefits for the financial year, fall within the following bands are:

\$850,001 - \$860,000

-	1	-	1
---	---	---	---

\$930,001 - \$940,000 (#)

1	-	1	-
---	---	---	---

The Vice Chancellor is the only member of Senate that is a senior officer of the University and receives remuneration in that capacity. All other members of Senate serve in an honorary capacity.

(#) - Amount includes leave entitlements paid to senior officer

### 36 Financial instruments

#### Financial Risk Management

The Group's activities expose it to a variety of financial risks: market risk (including interest rate risk, foreign exchange risk and price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group.

#### (i) Market risk

##### Interest rate risk

The Group is exposed to cash flow interest rate risk as it borrows and invests funds at floating interest rates. The risk is managed through maintaining an appropriate mix of borrowings and investments at fixed and floating rates, maintaining an appropriate mix of financial institutions to invest with and setting limits in terms of borrowings and investments.

##### Foreign exchange risk

Foreign exchange risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the Group's functional currency. The Group does have exposure to the international market and therefore is exposed to foreign exchange risk. The Group's current policy is to enter into forward currency contracts to minimise its foreign exchange risk where there is an underlying actual currency exposure.

The Group entered into a forward currency contract in January 2010 to hedge against the exchange rate risk arising from the anticipated payment of USD in the second half of the year. The contract was settled in November 2010. There is no outstanding forward currency contract as at the reporting date.

##### Price risk

A portion of the Group's investments are exposed to fluctuations in the prices of equity securities. The Group's investment policy provides strategies for the minimisation of price risk with the diversification of that risk through various investment managers and on-going monitoring by the Resources Committee to ensure there is no concentration of risk exposure in any one area.

### 36 Financial instruments (continued)

#### Summarised sensitivity analysis

The following table summarises the sensitivity of the Group's financial assets and financial liabilities to interest rate risk.

	Interest rate risk				
	Carrying amount	-1%		+1%	
		Result	Equity	Result	Equity
	\$'000's	\$'000's	\$'000's	\$'000's	\$'000's
<b>2010</b>					
<b>Financial assets</b>					
Cash and cash equivalents (Refer note 18)	87,227	(872)	(872)	872	872
<b>Financial liabilities</b>					
Borrowings - floating interest rate (Refer note 26)	3,906	39	39	(39)	(39)
<b>Total increase/(decrease)</b>		(833)	(833)	833	833
<b>2009</b>					
<b>Financial assets</b>					
Cash and cash equivalents (Refer note 18)	62,444	(624)	(624)	624	624
<b>Financial liabilities</b>					
Borrowings - floating interest rate (Refer note 26)	4,220	42	42	(42)	(42)
<b>Total increase/(decrease)</b>		(582)	(582)	582	582

The following table summarises the sensitivity of the Group's financial assets and financial liabilities to foreign exchange risk.

	Foreign exchange risk				
	Carrying amount	-10%		+10%	
		Result	Equity	Result	Equity
	\$'000's	\$'000's	\$'000's	\$'000's	\$'000's
<b>2010</b>					
<b>Financial assets</b>					
Accounts receivable in foreign currency (Refer note 19(b))	227	(23)	(23)	23	23
<b>Financial liabilities</b>					
Accounts payable in foreign currency (Refer note 25(a))	-	-	-	-	-
<b>Total increase/(decrease)</b>		(23)	(23)	23	23
<b>2009</b>					
<b>Financial assets</b>					
Accounts receivable in foreign currency (Refer note 19(b))	317	(32)	(32)	32	32
<b>Financial liabilities</b>					
Accounts payable in foreign currency (Refer note 25(a))	6	(1)	(1)	1	1
<b>Total increase/(decrease)</b>		(33)	(33)	33	33

The following table summarises the sensitivity of the Group's financial assets and financial liabilities to price risk.

	Other price risk				
	Carrying amount	-10%		+10%	
		Result	Equity	Result	Equity
2010	\$'000's	\$'000's	\$'000's	\$'000's	\$'000's
<b>Financial assets</b>					
Listed securities (Refer note 21)	875	(88)	(88)	88	88
Managed funds (Refer note 21)	31,448	(3,145)	(3,145)	3,145	3,145
<b>Total increase/(decrease)</b>		<b>(3,233)</b>	<b>(3,233)</b>	<b>3,233</b>	<b>3,233</b>

	Carrying amount	-20%		+20%	
		Result	Equity	Result	Equity
	2009	\$'000's	\$'000's	\$'000's	\$'000's
<b>Financial assets</b>					
Listed securities (Refer note 21)	954	(191)	(191)	191	191
Managed funds (Refer note 21)	30,021	(6,004)	(6,004)	6,004	6,004
<b>Total increase/(decrease)</b>		<b>(6,195)</b>	<b>(6,195)</b>	<b>6,195</b>	<b>6,195</b>

The Group's exposure to fluctuations in the prices of equity securities was reduced in 2010 due to improved investment market conditions.

#### (ii) Credit risk

The Group's maximum exposure to credit risk at year end date in relation to each class of recognised financial asset is the carrying amount of those assets indicated in the Statement of Financial Position. The Group's credit risk is spread over a significant number of parties and is concentrated primarily in Australia. Notes 19(c) and 21 provide further details.

#### (iii) Liquidity risk

Liquidity risk is managed through maintaining adequate cash reserves and borrowing facilities by continuously monitoring forecast and actual cash flows.

The following table provides a summary of the financial liabilities maturity on the undiscounted contractual cash flow basis for the Group for 2010 and 2009.

	Carrying amount	Contractual cash flows	Maturity		
			1 year or less \$'000's	1 to 5 years \$'000's	Over 5 years \$'000's
2010	\$'000's	\$'000's	\$'000's	\$'000's	\$'000's
<b>Financial liabilities</b>					
Interest bearing liabilities (Refer note 26)	11,709	17,294	1,723	5,568	10,003
Payables (Refer note 25)	12,633	12,633	12,633	-	-
<b>2009</b>					
<b>Financial liabilities</b>					
Interest bearing liabilities (Refer note 26)	12,019	18,197	1,535	5,726	10,936
Payables (Refer note 25)	16,848	16,848	16,848	-	-

### 36 Financial instruments (continued)

#### (iv) Fair value estimation

The fair values of financial assets and liabilities are determined as follows:

- The fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices;
- The fair value of "other financial assets" and "other financial liabilities" are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions.
- Financial assets which include unlisted shares are measured at cost less impairment if no active market exists for those shares to be traded in and no fair value can be determined; and
- The carrying value less impairment provision of trade receivables is a reasonable approximation of their fair values due to the short term nature of trade receivables.
- All other financial assets and financial liabilities are recorded at amortised cost in the financial statements and their carrying value approximates their fair value.

Due to the short term nature of current receivables and current payables, their carrying value is assumed to approximate their fair value.

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

	Carrying Amount		Fair Value	
	2010	2009	2010	2009
	\$000's	\$000's	\$000's	\$000's
<b>Non-current financial assets</b>				
Trade and other receivables (Refer note 19(c))	900	900	900	900
Other financial assets (Refer note 21)	31,558	30,131	31,558	30,131

#### Non-current financial liabilities

Borrowings (Refer note 26)	10,716	11,205	10,716	11,205
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Fair value measurements recognised in the Statement of Financial Position are categorised into the following levels:

	2010	Level 1 <sup>#1</sup>	Level 2 <sup>#2</sup>	Level 3 <sup>#3</sup>
	\$000's	\$000's	\$000's	\$000's
<b>Non-current financial assets</b>				
Trade and other receivables (Refer note 19(c))	900	900	-	-
Other financial assets (Refer note 21)	31,558	31,558	-	-
	<b>32,458</b>	<b>32,458</b>	-	-

#### Non-current financial liabilities

Borrowings (Refer note 26)	10,716	10,716	-	-
	<b>10,716</b>	<b>10,716</b>	-	-

	2009	Level 1 <sup>#1</sup>	Level 2 <sup>#2</sup>	Level 3 <sup>#3</sup>
	\$000's	\$000's	\$000's	\$000's
<b>Non-current financial assets</b>				
Trade and other receivables (Refer note 19(c))	900	900	-	-
Other financial assets (Refer note 21)	30,131	30,131	-	-
	<b>31,031</b>	<b>31,031</b>	-	-

#### Non-current financial liabilities

Borrowings (Refer note 26)	11,205	11,205	-	-
	<b>11,205</b>	<b>11,205</b>	-	-

<sup>#1</sup> Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

<sup>#2</sup> Level 2 - Quoted prices in active markets for similar items or valuation techniques where significant inputs are based on observable market data.

<sup>#3</sup> Level 3 - Valuation technique where a significant input is not based on observable market data.

### 37 Subsidiaries

Name of entity	Principal activities	Country of incorporation	Class of shares	Ownership interest		Operating result	
				2010	2009	2010	2009
				%	%	\$000's	\$000's
<b>Parent entity</b>							
Murdoch University		Australia					
<b>Controlled entities</b>							
Murdoch Investments Company Pty Ltd	Investment	Australia	Ordinary	100	100	-	-
Murdoch Retirement Services Pty Ltd (*)	Retirement Village	Australia	Ordinary	100	100	(3,060)	(4,228)
The University Company Pty Ltd	Investment	Australia	Ordinary	100	100	-	-
Murdoch Link Pty Ltd	Consulting	Australia	Ordinary	100	100	284	164
Innovative Chiropractic Learning Pty Ltd	Chiropractic Clinic	Australia	Ordinary	100	100	21	28
Murdoch Ventures Pty Ltd	Investment	Australia	Ordinary	100	100	-	-
Murdoch University Foundation	Trust	Australia	-	100	100	(4,856)	6,716
Murdoch University Veterinary Trust	Trust	Australia	-	100	100	(289)	413

(\*) Murdoch Retirement Services Pty Ltd (MRS) has been provided with a letter of support by Murdoch University due to the net current asset deficiency position. This position is distorted by the resident loans relating to the St Ives Retirement Village of \$140.0 million which are classified as current liabilities. Under Australian Accounting Standards and our policy as per note 1 (r) of the financial statements, the resident loans are required to be recognised as current liabilities as residents have control over when they exit the village, not MRS. Thereby, MRS does not have an unconditional right to defer settlement. The classification of the resident loans as current liabilities operates under the assumption that MRS could be required to repay the entire liability at once. In practice however, this is unlikely to occur. Additionally, it is estimated that all payments required would be funded by the cash received from incoming new residents. This has been the situation since the retirement village commenced operations. Based on the above, the University does not expect that it will need to provide any support under this agreement.

### 38 Investments accounted for using the equity method

#### Investments in associates

Information relating to associates is set out below.

#### Name and Principal Activities

Murdoch College Properties Pty Ltd: 45% ownership and voting rights.

The entity leases the land designated for Murdoch College from the University.

It carries the loan to build the College and leases this building and the land to Murdoch College Inc.

	Consolidated	
	2010	2009
	\$000's	\$000's
<b>Carrying value</b>		
Murdoch College Properties Pty Ltd	496	260
<b>Movement in carrying value</b>		
Carrying value at beginning of year	260	118
Share of net results of associates	236	142
Carrying value at end of year	496	260
<b>Results attributable to associate</b>		
Share of profit / (loss) from ordinary activities before related income tax	338	204
Share of income tax (expense) / benefit	(102)	(62)
Share of profit / (loss) from ordinary activities after related income tax	236	142
Share of retained profit/ (loss) at beginning of year	260	118
Share of retained profit / (loss) at end of year	496	260
<b>Summary of the performance and financial position of the associate</b>		
The aggregate profit / (loss), assets and liabilities of the associate is:		
Profit / (loss) from ordinary activities after related income tax expense	524	318
Total Assets	5,599	5,833
Total Liabilities	(4,466)	(5,141)

As the audit of Murdoch College Properties Pty Ltd is yet to be finalised, the 2010 information above is based on unaudited financial information. The balances disclosed in this note do not have a material impact on the financial statements of Murdoch University.



### 39 Related parties

#### (a) Senate members and senior officers

Disclosures relating to Senate members and senior officers are set out in note 35.

#### (b) Controlled entities

Ownership interests in controlled entities are set out in note 37.

#### (c) Transactions with related parties

Aggregate amounts included in the determination of operating result from ordinary activities that resulted from transactions with related parties:

	Consolidated		University	
	2010	2009	2010	2009
	\$000's	\$000's	\$000's	\$000's
<b>Wholly owned entity</b>				
Consulting	-	-	1,929	4,054
Donations, sponsorships and bequests	-	-	5,889	800
Interest paid	-	-	925	703
Other fees and charges	-	-	1,757	548
Rental and lease charges	-	-	3,297	3,105
Sponsorship income	-	-	259	-
Other income	-	-	417	-

#### (d) Outstanding balances

Aggregate amounts receivable from, and payable to, each class of related parties at balance date:

##### Wholly owned entity

Current receivables	-	-	981	1,098
Inter entity loan receivable	-	-	570	1,021
Inter entity loan payable	-	-	6	141

### 40 Supplementary financial information

#### Write-offs

Bad debts written off during the year	496	516	460	485
Property, plant and equipment written off during the year	49	98	49	98
<b>Total write-offs</b>	<b>545</b>	<b>614</b>	<b>509</b>	<b>583</b>

#### Theft and default

	<b>5</b>	<b>3</b>	<b>5</b>	<b>3</b>
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#### Losses through theft and default

Where appropriate, reports were made to the police and insurance claims submitted where the value exceeded the excess on the University's insurance policy.

#### 41 Superannuation - UniSuper defined benefit division

The Group currently contributes to the UniSuper defined benefit division (DBD) on behalf of certain employees. The DBD is a defined benefit plan under Superannuation Law but, as a result of amendments in 2006 to Clause 34 of the UniSuper Trust Deed, it is considered to be a defined contribution plan under AASB119 "Employee benefits".

##### *Current Clause 34:*

- a) If, after an actuarial investigation and valuation of UniSuper, the Trustee considers that UniSuper is or may be insufficient to provide benefits payable under the Deed, the Trustee must notify each Employer.
- (b) If, after the next two succeeding actuarial investigations and valuations of UniSuper (made in a period of not less than 4 years) the Trustee still considers that UniSuper is or may be insufficient to provide the benefits payable under the Deed, the Trustee must reduce the benefits (including benefits in the course of payment) payable under Division A and Division B on a fair and equitable basis.
- (c) Notwithstanding anything in this Clause 34, if the Trustee believes that UniSuper is or may be technically insolvent, the Trustee must comply with Superannuation Law.

##### *Previous Clause 34:*

The previous Clause 34 of the UniSuper Trust Deed outlined the process UniSuper must undertake (including employer notifications and notice periods) in order to request additional contributions from employers if the UniSuper assets are considered by the Trustee to be insufficient to provide benefits payable under the Deed. At least four years notice that such a request may be made was required. If such a request was agreed to by employers then members must also contribute additional contributions equal to one-half of the rate at which their employer is prepared to contribute. If the employers do not agree to increase contributions the Trustee must reduce benefits on a fair and equitable basis. The Trustee notified employers during 2003 that such a request may be made in the future but it considered this was unlikely at that time.

##### *Financial position of the UniSuper defined benefit division*

For comparative information purposes only, the financial position below is applicable to the whole UniSuper DBD incorporating all participating employers, not only Murdoch University.

As at 30 June 2010 the assets of the DBD in aggregate were estimated to be \$1,217 million in deficiency of vested benefits. The vested benefits are benefits which are not conditional upon continued membership (or any factor other than leaving the service of the participating institution) and include the value of CPI indexed pensions being provided by the DBD.

As at 30 June 2010 the assets of the DBD in aggregate were estimated to be \$312 million in excess of accrued benefits. The accrued benefits have been calculated as the present value of expected future benefit payments to members and CPI indexed pensioners which arise from membership of UniSuper up to the reporting date.

The vested benefit and accrued benefit liabilities were determined by the Fund's actuary, Russell Employee Benefits, using the actuarial demographic assumptions outlined in their report dated 12 June 2009 on the actuarial investigation of the DBD as at 31 December 2008. The financial assumptions used were:

	Vested benefits	Accrued benefits
Gross of tax investment return	7.25% p.a.	8.50% p.a.
Net of tax investment return	6.75% p.a.	8.00% p.a.
Consumer Price Index	2.75% p.a.	2.75% p.a.
Inflationary salary increases long term	3.75% p.a.	3.75% p.a.

Assets have been included at their net market value, i.e. allowing for realisation costs.

The Defined Benefit Division as at 30 June 2010 is therefore in an "unsatisfactory financial position" as defined by SIS Regulation 9.04. An "unsatisfactory financial position" for a defined benefit fund is defined as when 'the value of the assets of the Fund is inadequate to cover the value of the liabilities of the Fund in respect of benefits vested in the members of the Fund'. The Actuary and the Trustee have followed the procedure required by Section 130 of the SIS Act when funds are found to be in an unsatisfactory financial position.

The actuary currently believes, in respect of the long-term financial condition of the Fund, that assets as at 30 June 2010, together with current contribution rates, are expected to be sufficient to provide for the current benefit levels for both existing members and anticipated new members if experience follows the "best estimate" assumptions.

42 Acquittal of Australian Government financial assistance (University only)

42.1 DEEWR - CGS and Other DEEWR Grants

	Commonwealth Grants Scheme #1		Indigenous Support Program		Partnership & Participation Program #2		Disability Support Program		Workplace Reform Program	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the Programs)	71,129	65,315	596	564	1,130	197	457	227	-	863
Net accrual adjustments	1,432	1,454	-	-	-	-	-	-	-	-
Revenue for the period	72,561	66,769	596	564	1,130	197	457	227	-	863
Surplus / (deficit) from the previous year	-	-	-	-	-	-	-	27	-	-
Total revenue including accrued revenue	72,561	66,769	596	564	1,130	197	457	254	-	863
Less expenses including accrued expenses	(72,561)	(66,769)	(596)	(564)	(1,156)	(197)	(457)	(254)	-	(863)
Surplus / (deficit) for reporting period	-	-	-	-	(26)	-	-	-	-	-

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

#2 Includes Equity Support Program.

42.1 DEEWR - CGS and Other DEEWR Grants (continued)

	Workplace Productivity Program		Capital Development Pool		Improving Practical Component of Teacher Education Initiative		Transitional Cost Program		Diversity and Structural Adjustment Fund #3	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the Programs)	1,994	1,995	2,085	3,567	-	414	259	369	-	-
Net accrual adjustments	-	-	-	-	-	-	(20)	-	120	-
Revenue for the period	1,994	1,995	2,085	3,567	-	414	239	369	120	-
Surplus / (deficit) from the previous year	-	-	205	-	-	-	-	-	27	120
Total revenue including accrued revenue	1,994	1,995	2,290	3,567	-	414	239	369	147	120
Less expenses including accrued expenses	(1,994)	(1,995)	(2,290)	(3,362)	-	(414)	(239)	(369)	(134)	(93)
Surplus / (deficit) for reporting period	-	-	205	205	-	-	-	-	13	27

#3 Includes Collaboration and Structural Adjustment Program.

**42.1 DEEWR - CGS and Other DEEWR Grants  
(continued)**

		Total	
	2010	2009	
	\$000's	\$000's	
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the Programs)	77,650	73,511	
Net accrual adjustments	1,532	1,454	
Revenue for the period	79,182	74,965	
Surplus / (deficit) from the previous year	232	147	
Total revenue including accrued revenue	79,414	75,112	
Less expenses including accrued expenses	(79,427)	(74,880)	
Surplus / (deficit) for reporting period	(13)	232	

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

Net accrual adjustments

Revenue for the period

Surplus / (deficit) from the previous year

Total revenue including accrued revenue

Less expenses including accrued expenses

Surplus / (deficit) for reporting period

**42.2 Higher Education Loan Programs**

	HECS-HELP (Australian Government payments only)		FEE-HELP #4		Total	
	2010	2009	2010	2009	2010	2009
	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the Programs)	38,736	36,188	4,775	4,550	43,511	40,738
Net accrual adjustments	333	1,464	170	(515)	503	949
Revenue for the period	39,069	37,652	4,945	4,035	44,014	41,687
Surplus / (deficit) from the previous year	-	-	-	-	-	-
Total revenue including accrued revenue	39,069	37,652	4,945	4,035	44,014	41,687
Less expenses including accrued expenses	(39,069)	(37,652)	(4,945)	(4,035)	(44,014)	(41,687)
Surplus / (deficit) for the reporting period	-	-	-	-	-	-

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

Net accrual adjustments

Revenue for the period

Surplus / (deficit) from the previous year

Total revenue including accrued revenue

Less expenses including accrued expenses

Surplus / (deficit) for the reporting period

#4 Program is in respect of FEE-HELP for Higher Education only.

### 42.3 Scholarships

Australian Postgraduate Awards		International Postgraduate Research Scholarships		Commonwealth Education Costs Scholarships #5		Commonwealth Accommodation Scholarships #5		Indigenous Access Scholarships	
2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's
2,141	1,808	264	284	665	998	720	1,104	140	154
-	-	(125)	(112)	(3)	(18)	120	(8)	(4)	-
2,141	1,808	139	172	662	980	840	1,096	136	154
(1,006)	(1,364)	-	-	-	40	-	29	-	-
1,135	444	139	172	662	1,020	840	1,125	136	154
(2,062)	(1,450)	(139)	(172)	(717)	(1,020)	(755)	(1,125)	(136)	(154)
(927)	(1,006)	-	-	(55)	-	85	-	-	-

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

Net accrual adjustments

Revenue for the period

Surplus / (deficit) from the previous year

Total revenue including accrued revenue

Less expenses including accrued expenses

Surplus / (deficit) for the reporting period

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

### 42.3 Scholarships (continued)

Total	
2010	2009
\$000's	\$000's
3,930	4,348
(12)	(138)
3,918	4,210
(1,006)	(1,295)
2,912	2,915
(3,809)	(3,921)
(897)	(1,006)

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

Net accrual adjustments

Revenue for the period

Surplus / (deficit) from the previous year

Total revenue including accrued revenue

Less expenses including accrued expenses

Surplus / (deficit) for the reporting period

#### 42.4 DIISR Research

	Joint Research Engagement <sup>#6</sup>		Research Training Scheme		Research Infrastructure Block Grants		Implementation Assistance Program		Commercialisation Training Scheme	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the Programs)	4,963	4,946	8,844	9,121	1,960	2,361	39	81	64	76
Net accrual adjustments	-	-	-	-	-	-	-	(3)	(79)	-
Revenue for the period	4,963	4,946	8,844	9,121	1,960	2,361	39	78	(15)	76
Surplus / (deficit) from the previous year	404	-	-	-	-	-	-	-	158	98
Total revenue including accrued revenue	5,367	4,946	8,844	9,121	1,960	2,361	39	78	143	174
Less expenses including accrued expenses	(5,367)	(4,542)	(8,844)	(9,121)	(1,960)	(2,361)	(39)	(78)	(1)	(16)
Surplus / (deficit) for the reporting period	-	404	-	-	-	-	-	-	142	158

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

Net accrual adjustments

Revenue for the period

Surplus / (deficit) from the previous year

Total revenue including accrued revenue

Less expenses including accrued expenses

Surplus / (deficit) for the reporting period

<sup>#6</sup> Includes Institutional Grants Scheme.

#### 42.4 DIISR Research (continued)

	Australian Scheme for Higher Education Repositories		Sustainable Research Excellence in Universities		Total	
	2010	2009	2010	2009	2010	2009
	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the Programs)	-	194	871	-	16,741	16,779
Net accrual adjustments	-	-	-	-	(79)	(3)
Revenue for the period	-	194	871	-	16,662	16,776
Surplus / (deficit) from the previous year	172	210	-	-	734	308
Total revenue including accrued revenue	172	404	871	-	17,396	17,084
Less expenses including accrued expenses	-	(232)	(871)	-	(17,082)	(16,350)
Surplus / (deficit) for the reporting period	172	172	-	-	314	734

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

Net accrual adjustments

Revenue for the period

Surplus / (deficit) from the previous year

Total revenue including accrued revenue

Less expenses including accrued expenses

Surplus / (deficit) for the reporting period

#### 42.5 Other Capital Funding

Better Universities Renewal Funding		Teaching and Learning Capital Fund		Total	
2010	2009	2010	2009	2010	2009
\$000's	\$000's	\$000's	\$000's	\$000's	\$000's
-	-	7,784	-	7,784	-
-	-	-	-	-	-
-	-	7,784	-	7,784	-
2,526	5,459	-	-	2,526	5,459
2,526	5,459	7,784	-	10,310	5,459
(1,155)	(2,933)	(1,987)	-	(3,142)	(2,933)
1,371	2,526	5,797	-	7,168	2,526

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

Net accrual adjustments

Revenue for the period

Surplus / (deficit) from the previous year

Total revenue including accrued revenue

Less expenses including accrued expenses

Surplus / (deficit) for the reporting period

#### 42.6 Australian Research Council Grants

##### (a) Discovery

Projects		Fellowships		Indigenous Researchers Development		Total	
2010	2009	2010	2009	2010	2009	2010	2009
\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's
1,116	1,642	392	192	83	102	1,591	1,936
(34)	(82)	(12)	(10)	(2)	(5)	(48)	(97)
1,082	1,560	380	182	81	97	1,543	1,839
1,173	982	182	-	91	-	1,446	982
2,255	2,542	562	182	172	97	2,989	2,821
(738)	(1,369)	(280)	-	(34)	(6)	(1,052)	(1,375)
1,517	1,173	282	182	138	91	1,937	1,446

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

Net accrual adjustments

Revenue for the period

Surplus / (deficit) from the previous year

Total revenue including accrued revenue

Less expenses including accrued expenses

Surplus / (deficit) for the reporting period

**42.6 Australian Research Council Grants (continued)**  
**(b) Linkages**

International		Projects			Total	
2010	2009	2010	2009	2010	2009	
\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's
-	-	861	853	861	853	853
-	-	(26)	(43)	(26)	(43)	(43)
-	-	835	810	835	810	810
-	23	1,449	1,302	1,449	1,449	1,325
-	23	2,284	2,112	2,284	2,284	2,135
-	(23)	(809)	(663)	(809)	(686)	(686)
-	-	1,475	1,449	1,475	1,475	1,449

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

Net accrual adjustments

Revenue for the period

Surplus / (deficit) from the previous year

Total revenue including accrued revenue

Less expenses including accrued expenses

Surplus / (deficit) for the reporting period

**42.7 OS-HELP**

OS-HELP	
2010	2009
\$000's	\$000's
387	176
(271)	(207)
116	(31)
(18)	13
98	(18)

Cash Received during the reporting period

Cash Spent during the reporting period

Net Cash received

Cash Surplus / (deficit) from the previous period

Cash Surplus / (deficit) for reporting period



## Key Performance Indicators 2010

The University's Strategic Plan 2010–2015 was launched this year. Objectives and key strategies are developed on the foundation of the University's purpose and intent:

*Murdoch University will continue to be a comprehensive research-focused University, with high levels of scholarship informing quality teaching.*

In this Strategic Plan, Murdoch further strengthens its commitment to the various stakeholders: Murdoch will develop its students to be their best; its staff to achieve their potential; and contribute to a knowledge society where Australia's economic and cultural vitality are central. This will be done through a focus on the following key themes:

- Academic Profile
- Internationalisation
- Quality and Reputation
- Strategic Investment Capacity
- Innovation and Excellence

To achieve these objectives, Murdoch will continue to focus on its core capabilities – teaching & learning (education) and research. At the same time, Murdoch is committed to diversifying its sources of income and developing its strategic investment capacity.

Priority actions continue to reaffirm Murdoch's 'commitment to make a university education available to all people with the ability and inclination, regardless of their age or where they live'. This ethos has been adopted since 1972 by the foundation Vice Chancellor, Stephen Griew, and has been a vital part of Murdoch's history.

The key strategies identified will continue to distinguish us as a high quality, student-centred teaching University that offers a multidisciplinary/multi-competency approach to courses. The Key Performance Indicators (KPIs) identified below assess the key outcomes for Murdoch University in the areas of Teaching and Learning, Research, and Strategic Investment Capacity.

As this is the first year of reporting these specific KPIs, some comparative information may be limited.

### Teaching and Learning

Murdoch has long been recognised for its high quality, student-centred teaching and its multidisciplinary/multi-competency approach to course offerings. These teaching and learning strengths are distinctive to Murdoch, and we will further develop capability and investment in these areas. This is what defines and distinguishes us and is also a key point of differentiation in an increasingly competitive sector.

As key outcomes for teaching and learning, Murdoch will continue course offerings that reflect market demand and government priorities – including those around increased participation and equitable access. At the same time we will ensure that these programs support Murdoch's reputation for excellence in teaching quality and student outcomes.

The key effectiveness indicators relating to Teaching and Learning are:

- Student satisfaction as measured by the quality of teaching
- New student retention rate
- Participation rate for low socio-economic status students
- Student success rate

The key efficiency indicator relating to Teaching and Learning is:

- Total academic salary costs relative to total student load

### Research

Research and research training have long been one of Murdoch's strengths, particularly when measured relative to the University's size and overall position in the higher education sector. As a research focused university, Murdoch will build on areas of research strength to ensure that future investment, activity and outcomes are directed to these areas as a priority. Research training will continue to be integral to the research effort at Murdoch University.

The focus of research will be into strategic research themes, and with the assistance of Murdoch's research institutes, provides for future strength and emphasis. Emphasis on research training will ensure a strong pipeline of research students to build the research capacity of the University and support succession.

The key effectiveness indicator for Research is:

- Increase research income

The key efficiency indicator for Research is:

- Total research income per academic FTE (full-time equivalent)

## Strategic Investment Capacity

The University is no longer adequately supported by Commonwealth Government funding, primarily sourced through the Department of Education, Employment and Workplace Relations (DEEWR) and the Department of Industry, Innovation, Science & Research (DIISR). The low indexation of this funding and its inability to meet real program costs, combined with escalating costs and competition from private providers are some of the factors which will see Murdoch under pressure in the new student-centred higher education environment. Proactive diversification of income will be essential in order to maintain quality and standards.

The outcome of this objective is that Murdoch will build its strategic investment capacity through an appropriate balance of income sources, and further development of commercial revenue streams and philanthropic activities. In addition, the University's investment portfolio will be actively managed to improve returns that will be available for re-investment into core University activities.

The key effectiveness indicator for Strategic Investment Capacity is:

- Proportion of non Commonwealth Government income

The key efficiency indicator for Strategic Investment Capacity is:

- Non Commonwealth Government income relative to total assets

## Effectiveness Indicators

### Student satisfaction and quality of teaching

The effort of the teaching staff and content of the course encourage a dynamic learning environment. They are also the primary success factors of our teaching quality.

This indicator monitors our teaching quality and identifies the specific areas of improvement.

The University participates in the annual national Course Evaluation Questionnaire (CEQ) conducted by Graduate Careers Australia. In this Evaluation, graduates who completed their course in the previous year are asked to express their agreement and disagreement to statements which are grouped into the following scales:

Year of Survey	CEQ Scale: Percentage Broadly Agree		
	Good Teaching	Generic Skills	Overall Satisfaction
Target	90.0	92.0	95.0
2006	89.1	90.3	93.8
2007	87.1	90.2	91.5
2008	86.9	88.5	90.2
2009	88.3	89.5	91.6

Comments:

Graduate Careers Australia administers the CEQ survey. The results from the 2010 survey (covering 2009 graduates) would be made available later this year. In 2009, the number of graduates surveyed was 2,385, of whom 1,245 responded.

Murdoch University strives to achieve higher quality of teaching as measured by CEQ. The above measures indicate that Murdoch has maintained consistently high performance in the area of student satisfaction. The improvements required to achieve the targets will follow from increased investment in student experience flowing from Higher Education Participation and Partnerships Program funding.

## New student retention rate

Commencing students are more susceptible to withdrawal as there may be a realisation their studies do not meet their desires and the support provided is not aligned to what is required. Strategies have been introduced to provide a more supportive learning environment intent on improving the quality of the student experience. Commencing students would aspire to continue with their studies at the University.

This indicator measures the effectiveness of retaining commencing students at Murdoch University. The success rate indicates the percentage of students who persevere in their studies on completion of their first year of studies at Murdoch University.

	Target	2006	2007	2008	2009
New student retention rate	90.0%	78.5%	79.6%	81.2%	77.3%

### Comments:

The commencing student retention rate has been hovering around 80% which was the basis for formulating targets in this area for the Strategic Plan 2010–2015. Of the 2009 commencing students, 77.3% continued their studies at the University in 2010; the resurgent West Australian economy may explain the drop in retention as a job now can be more attractive than two or three years' further study. A number of strategies have been introduced in 2010 to support the aim of retaining 90% of commencing students.

## Participation rate for low socio-economic status students

Low socio-economic status (SES) is determined by the position of a student's permanent address postcode in a ranking compiled by the Australian Bureau of Statistics using demographic and social data collected in the census, with the lowest quartile being classified as low SES. Students from the low SES community face more challenges in their University aspirations; financial commitment and non-conducive home learning environment being two examples. More strategies have been introduced to support the national commitment to increase the participation of low SES students in higher education.

This indicator measures the effectiveness of the facilities and services put in place to assist students from the low SES community. The participation rate of low SES student enrolments is measured by the percentage of low SES students to the total domestic student enrolments.

	Target	2007	2008	2009	2010
Participation rate for low socio-economic status students	19.4%	17.8%	16.9%	16.8%	16.9%

### Comments:

Low SES participation has been stable at about 17% for the last three years, and this result positions us well for the Government's direction for increased participation. In line with the national targets as set through the Compact process, Murdoch aims to increase its low SES participation by 2.5 percentage points.

## Student success rate

The ability for students to progress and complete their chosen course of study within the standard timeframes is an important indicator of the success of the University's teaching and learning environment.

This indicator measures the percentage of successfully attempted units against the total number of assessed units. The units are calculated in terms of load (equivalent full-time student load or EFTSL) against the assessed load for students enrolled onshore in a coursework course.

	Target	2006	2007	2008	2009
Student success rate	90.0%	88.1%	87.4%	87.8%	87.9%

### Comments:

The percentage of students successfully completing their units against the units attempted stabilised around 88% for the past four years. It is the University's aim to achieve 90% success rate.

## Increase research income

As a research focused University, it is important that Murdoch continues to grow research income, particularly in areas considered as Murdoch's research strengths. Research income is the most tangible indicator of research performance and this indicator measures the growth in research income across all category types. Murdoch University aims to achieve a target of 3% per annum growth in research income.

	Target	2007	2008	2009	2010
Total research income (\$'000)		35,285	40,835	45,145	37,500
Percentage increase in total research income	3% p.a.	-1.7%	15.7%	10.6%	-16.9%

### Comments:

Research income is crucial to the development of basic and applied research. The income supports our pursuit to build new knowledge. Research and consultancy is most susceptible to financial crisis as is reflected in the lower total research income in 2010. The recently released Excellence in Research Australia results provide Murdoch with the opportunity to focus its efforts on areas of research strength and achieve the targeted growth in research income.

## Proportion of non Commonwealth Government income to total income

The University must diversify its income sources, as Commonwealth funding alone is insufficient to sustain the activities the University is engaged in and the outcomes to be achieved. The dependency on Commonwealth funding should be decreasing over time.

This indicator measures the diversity of our sources of income.

	Target	2007	2008	2009	2010
Proportion of non Commonwealth Government income to total income	50%	49.0%	43.0%	46.2%	47.1%

### Comments:

The trend since 2008 has been a steady increase in the proportion of non Commonwealth Government income. 2007 included an abnormal adjustment to non Commonwealth Government income which has distorted the trend.

## Efficiency Indicators

### Total academic salary costs relative to total student load

This indicator measures the academic salary cost per student, as a key input to the overall cost of teaching and learning and research.

The average expenditure per unit of Equivalent Full-Time Student Load (EFTSL) is dependent on and will vary according to the discipline mix taught by a university. Clinical and laboratory based sciences are more expensive to teach than classroom based disciplines.

This indicator measures the average investment in academic salary cost per student load.

	Target	2007	2008	2009	2010
Total academic salary costs per total EFTSL (\$'000)	7.16	6.75	6.81	7.13	7.37

### Comments:

The difference between target and actual for the current year was affected by a lower than planned load outcome, off-set slightly by a lower than budgeted salary cost. Our aim is to achieve a reducing rate of growth in this indicator, thereby demonstrating increased efficiency.

### Total research income per academic FTE

This indicator measures the level of intensity of research activity for the University.

	Target	2007	2008	2009	2010
Total research income per academic FTE (\$'000)	75.00	58.21	69.64	71.51	57.74

### Comments:

Research income reflects our research strength. Research income fluctuates year on year due to varying success rates in winning grants coupled with the multi-year nature of many large grants. The 2010 figure reflects a decline in research income coinciding with an increased staff complement. Strategies to increase research income are in place.

## Non Commonwealth Government income relative to total assets

Whilst diversification of income is an important objective for the University, the rate at which this income is earned, relative to the asset base of the University, reflects the ability to generate alternate sources of revenue by leveraging the University's assets, and managing these assets more strategically.

	Target	2007	2008	2009	2010
Proportion of non Commonwealth Government income relative to total assets	23.0%	20.8%	15.0%	16.2%	17.7%

### Comments:

The trend since 2008 has been a steady increase in the proportion of non Commonwealth Government income relative to total assets. While the target has been set at 23%, this is a longer term target. The actual result for 2010, while well below the target, indicates that through the steady increase, the target will be reached. 2007 included an abnormal adjustment to non Commonwealth Government income which has distorted the trend.

# Characteristics of the student population (unaudited)

## Summary Statistics

### Student Enrolments

Level	2006	2007	2008	2009	2010
Higher Degree Research	894	902	903	872	897
Higher Degree Coursework	610	800	875	1,005	1,097
Other Postgraduate	969	1,118	1,231	1,348	1,373
Undergraduate	11,484	12,346	13,366	14,332	14,633
Non-Award	314	348	395	250	203
<b>Total</b>	<b>14,271</b>	<b>15,514</b>	<b>16,770</b>	<b>17,807</b>	<b>18,203</b>
Broad Field of Study	2006	2007	2008	2009	2010
Agriculture, Environmental and Related Studies	454	475	532	546	565
Architecture & Building	5	19	26	18	15
Creative Arts	933	1,057	1,204	1,310	1,311
Education	1,991	2,043	2,069	2,258	2,239
Engineering and Related Technologies	317	377	431	573	614
Health	1,366	1,675	1,800	1,872	1,757
Information Technology	675	716	791	801	808
Management and Commerce	2,478	2,785	3,377	3,625	3,798
Natural and Physical Sciences	1,688	1,745	1,779	1,762	1,847
Society and Culture	4,050	4,274	4,366	4,792	5,046
Non-Award	314	348	395	250	203
<b>Total</b>	<b>14,271</b>	<b>15,514</b>	<b>16,770</b>	<b>17,807</b>	<b>18,203</b>

### Student Load (EFTSL)

Level	2006	2007	2008	2009	2010
Higher Degree Research	637	656	654	629	645
Higher Degree Coursework	308	452	555	619	665
Other Postgraduate	460	551	598	630	610
Undergraduate	8,245	8,904	9,860	10,560	10,660
Non-Award	139	157	165	104	90
<b>Total</b>	<b>9,788</b>	<b>10,720</b>	<b>11,831</b>	<b>12,543</b>	<b>12,671</b>
Broad Field of Study	2006	2007	2008	2009	2010
Agriculture, Environmental and Related Studies	276	290	329	343	348
Architecture and Building	4	14	15	9	8
Creative Arts	689	785	950	1,022	983
Education	1,316	1,361	1,364	1,451	1,429
Engineering and Related Technologies	231	275	317	370	409
Health	1,070	1,317	1,510	1,568	1,449
Information Technology	444	465	520	541	551
Management and Commerce	1,737	1,996	2,494	2,694	2,721
Natural and Physical Sciences	1,179	1,230	1,246	1,241	1,338
Society and Culture	2,703	2,831	2,921	3,199	3,346
Non-Award	139	157	165	104	90
<b>Total</b>	<b>9,788</b>	<b>10,720</b>	<b>11,831</b>	<b>12,543</b>	<b>12,671</b>

## Completions

Level	2005	2006	2007	2008	2009
Higher Degree Research	91	109	88	84	96
Higher Degree Coursework	136	107	172	214	217
Other Postgraduate	413	517	647	654	584
Undergraduate	2,197	2,150	2,083	2,459	2,170
<b>Total</b>	<b>2,837</b>	<b>2,883</b>	<b>2,990</b>	<b>3,411</b>	<b>3,067</b>

Broad Field of Study	2005	2006	2007	2008	2009
Agriculture, Environmental and Related Studies	117	100	89	103	72
Architecture and Building	0	0	1	4	2
Creative Arts	301	236	208	368	366
Education	397	380	431	381	337
Engineering and Related Technologies	24	33	66	85	93
Health	152	232	290	366	395
Information Technology	171	117	119	117	90
Management and Commerce	479	616	641	838	899
Natural and Physical Sciences	383	346	346	377	256
Society and Culture	813	823	799	772	557
<b>Total</b>	<b>2,837</b>	<b>2,883</b>	<b>2,990</b>	<b>3,411</b>	<b>3,067</b>

## Staff – Full Time Equivalence (FTE)

Staff Function	2006	2007	2008	2009	2010
Teaching Only	133	135	147	172	185
Research Only	76	90	86	85	75
Teaching & Research	375	385	373	394	415
Other	21	16	21	22	26
Non-Academic	832	854	856	893	894
<b>Total</b>	<b>1,437</b>	<b>1,481</b>	<b>1,483</b>	<b>1,565</b>	<b>1,595</b>

## Student Load (EFTSL) per Teaching Staff FTE

	2006	2007	2008	2009	2010
Load/FTE Ratio*	18.2	18.6	19.2	18.4	17.4

\*Excludes offshore student load

Offshore student load to be deducted for Load/FTE Ratio	549	1,053	1,816	2,135	2,214
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## Equity Student Statistics (Enrolments)

Broad Field of Study

### Aboriginal & Torres Strait Islanders

	2006	2007	2008	2009	2010
Agriculture, Environmental and Related Studies	3	3	4	4	6
Creative Arts	10	9	12	8	9
Education	22	30	33	36	35
Engineering and Related Technologies	0	0	0	0	1
Health	12	14	18	14	9
Information Technology	3	3	3	1	0
Management and Commerce	7	8	10	10	13
Natural and Physical Sciences	7	14	17	13	12
Society and Culture	105	71	79	134	126
Non-Award	0	0	2	0	0
Total	169	152	178	220	211

### Female

Agriculture, Environmental and Related Studies	245	274	295	303	319
Architecture & Building	0	8	10	9	8
Creative Arts	550	649	744	806	788
Education	1,553	1,656	1,698	1,883	1,843
Engineering and Related Technologies	53	61	78	106	122
Health	918	1,137	1,213	1,227	1,172
Information Technology	105	111	132	125	128
Management and Commerce	1,356	1,532	1,919	2,131	2,191
Natural and Physical Sciences	934	937	979	1,002	1,102
Society and Culture	2,587	2,695	2,769	2,995	3,232
Non-Award	195	223	245	134	125
Total	8,496	9,283	10,082	10,721	11,030

### Rural

Agriculture, Environmental and Related Studies	48	54	58	57	63
Architecture & Building	0	1	3	2	2
Creative Arts	43	45	52	47	48
Education	245	276	271	286	285
Engineering and Related Technologies	20	26	25	40	40
Health	174	239	259	236	241
Information Technology	29	38	30	26	26
Management and Commerce	111	107	91	82	79
Natural and Physical Sciences	131	116	124	123	138
Society and Culture	256	270	263	267	309
Non-Award	2	3	22	5	5
Total	1,059	1,175	1,198	1,171	1,236



Broad Field of Study

**Isolated**

Agriculture, Environmental and Related Studies
Architecture & Building
Creative Arts
Education
Engineering and Related Technologies
Health
Information Technology
Management and Commerce
Natural and Physical Sciences
Society and Culture
Non-Award
Total

	2006	2007	2008	2009	2010
33	35	37	35	31	
0	1	2	1	1	
23	25	23	24	22	
168	171	156	170	181	
7	11	13	7	13	
33	29	45	37	39	
25	26	22	13	14	
52	51	34	26	24	
78	84	73	85	86	
122	123	117	112	111	
1	0	6	1	1	
542	556	528	511	523	

**Low Socio-Economic Status**

Agriculture, Environmental and Related Studies
Architecture & Building
Creative Arts
Education
Engineering and Related Technologies
Health
Information Technology
Management and Commerce
Natural and Physical Sciences
Society and Culture
Non-Award
Total

106	121	141	141	144
0	3	6	2	1
148	153	153	161	188
670	690	697	747	722
87	92	101	114	111
256	346	402	401	421
135	158	149	148	141
400	369	333	309	318
382	360	371	387	440
983	999	981	1,120	1,158
5	11	20	6	4
3,172	3,302	3,354	3,536	3,648

**Non-English Speaking Background**

Agriculture, Environmental and Related Studies
Architecture & Building
Creative Arts
Education
Engineering and Related Technologies
Health
Information Technology
Management and Commerce
Natural and Physical Sciences
Society and Culture
Non-Award
Total

8	6	5	6	7
0	0	1	0	0
11	14	11	10	9
21	30	40	35	29
14	18	20	19	36
22	37	42	43	50
23	25	23	19	14
52	53	70	58	80
56	58	59	39	55
104	136	132	106	133
4	5	4	8	5
315	382	407	343	418

Broad Field of Study

**People with a Disability**

Agriculture, Environmental and Related Studies  
 Architecture & Building  
 Creative Arts  
 Education  
 Engineering and Related Technologies  
 Health  
 Information Technology  
 Management and Commerce  
 Natural and Physical Sciences  
 Society and Culture  
 Non-Award  
 Total

	2006	2007	2008	2009	2010
Agriculture, Environmental and Related Studies	15	14	32	28	38
Architecture & Building	0	1	1	2	1
Creative Arts	34	38	40	42	50
Education	79	69	105	104	114
Engineering and Related Technologies	9	9	14	26	25
Health	36	35	49	73	75
Information Technology	23	22	36	34	34
Management and Commerce	56	45	74	64	66
Natural and Physical Sciences	57	63	104	121	136
Society and Culture	284	280	351	401	405
Non-Award	3	3	2	5	4
Total	596	579	808	900	948

**Summary (Percent of Population)**

Total Student Enrolments  
 Aboriginal & Torres Strait Islanders  
 Female  
 Rural  
 Isolated  
 Low Socio-Economic Status  
 Non-English Speaking Background  
 People with a Disability

Total Student Enrolments	14,271	15,514	16,770	17,807	18,203
Aboriginal & Torres Strait Islanders	1.2%	1.0%	1.1%	1.2%	1.2%
Female	59.5%	59.8%	60.1%	60.2%	60.6%
Rural	7.4%	7.6%	7.1%	6.6%	6.8%
Isolated	3.8%	3.6%	3.1%	2.9%	2.9%
Low Socio-Economic Status	22.2%	21.3%	20.0%	19.9%	20.0%
Non-English Speaking Background	2.2%	2.5%	2.4%	1.9%	2.3%
People with a Disability	4.2%	3.7%	4.8%	5.1%	5.2%

## Report of Operations

### Commonwealth Grant Scheme and Load

#### Funding Agreement Load (EFTSL)

	2006	2007	2008	2009	2010
Target	7,094	7,353	7,645	7,587	7,773
Actual	6,869	7,133	7,201	7,592	7,740
Variance (EFTSL)	-225	-220	-444	5	-33
Variance (%)	-3.17%	-3.00%	-5.80%	0.07%	-0.42%

#### Undergraduate Target Load (EFTSL)

Target	6,909	7,153	7,430	7,227	7,429
Actual	6,665	6,877	6,914	7,244	7,440
Variance (EFTSL)	-243	-276	-516	18	11
Variance (%)	-3.52%	-3.85%	-6.95%	0.24%	0.15%

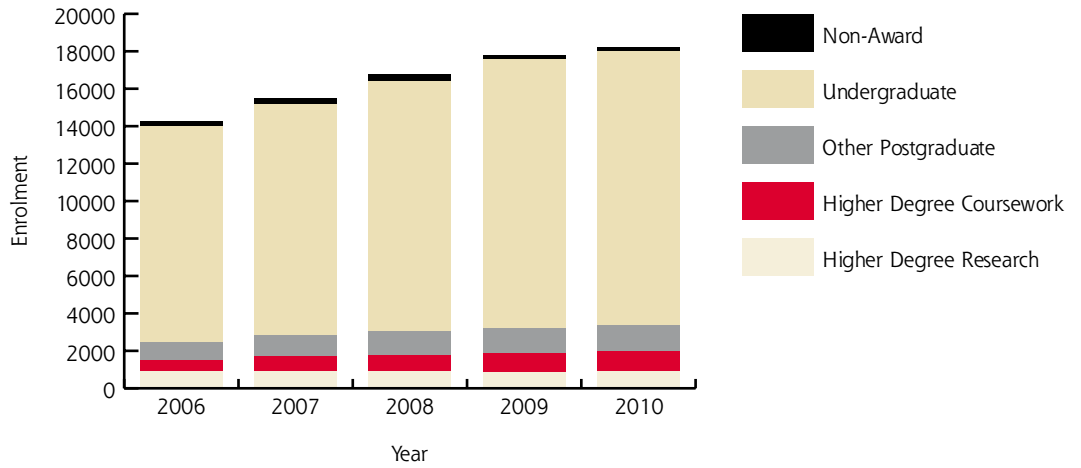
#### Funding Sources

Commonwealth Grants (\$000's)	119,040	149,198	152,444	148,017	161,367
Commonwealth Grants (at 2010 prices) (\$000's)	129,030	158,509	158,821	151,111	161,367
Outside Research Grants & Donations (\$000)	25,040	37,096	34,495	31,750	30,881
Commonwealth Grants per EFTSL (at 2010 prices)	18,785	22,223	22,054	19,904	20,848
Total Commonwealth Grants as a Percentage of Total Income	57%	50%	55%	52%	53%

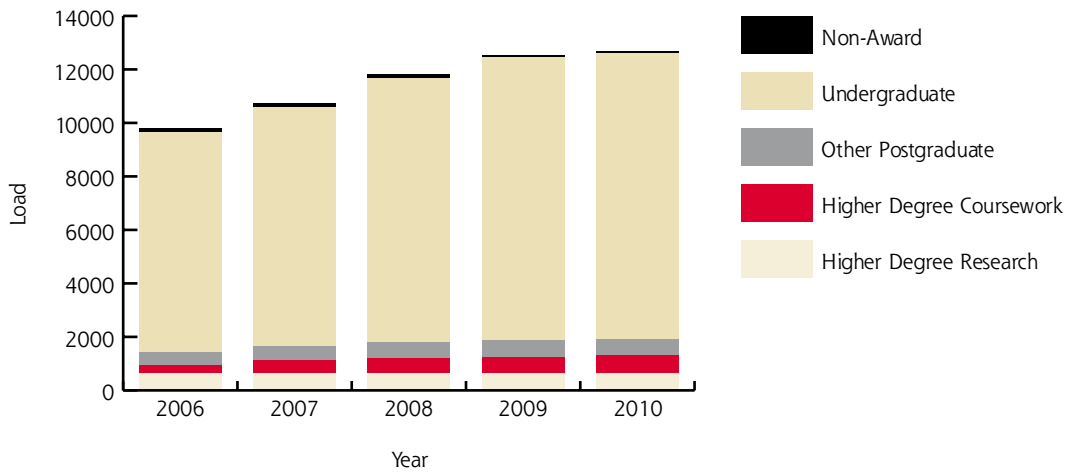
#### External Research Funding (at 2010 prices)

Number of Competitive Research Grants	148	165	135	113	107
Value of Competitive Research Grants (\$000's)	13,586	12,415	10,043	8,804	8,441
Value of Non-Competitive Grants (\$000's)	25,315	25,204	31,202	31,579	29,059
Total Research Grants (\$000's)	38,901	37,620	41,245	40,384	37,500
Index	1.084	1.062	1.042	1.021	1.000
Higher Education Indexation Number	1.040	1.061	1.082	1.105	1.128

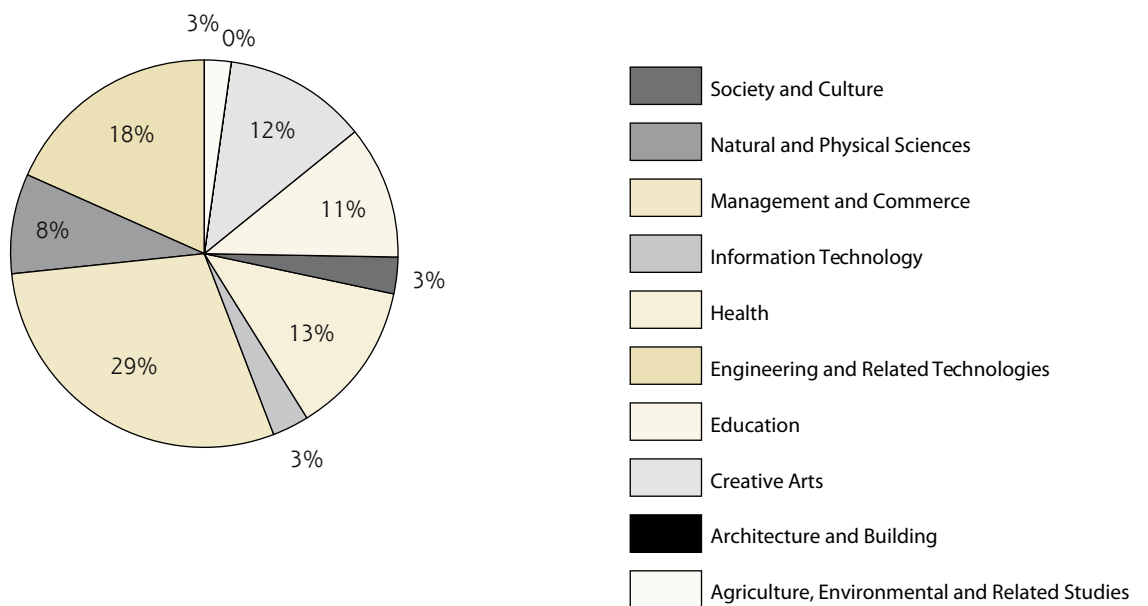
### Enrolment by Year and Level



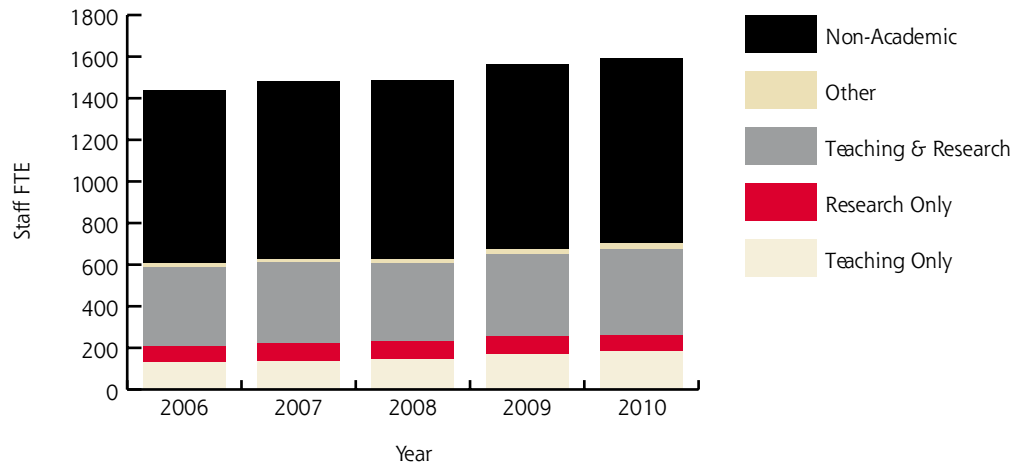
### Load (EFTSL) by Year and Level



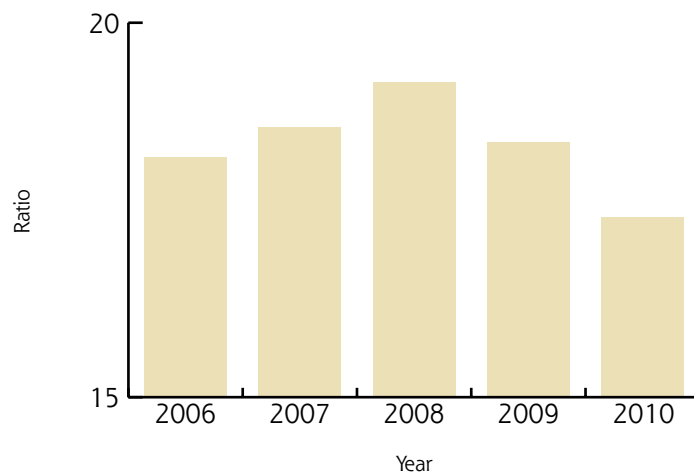
### Completions by Broad Field of Education – 2009



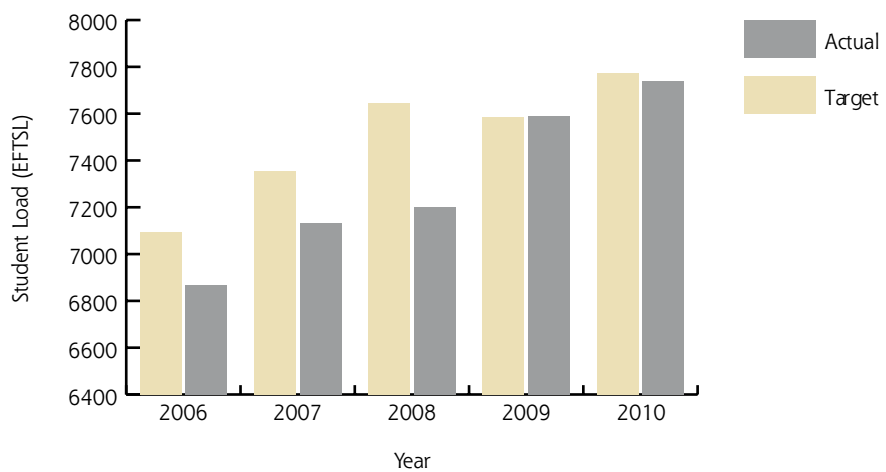
### Staff FTE by Function and Year



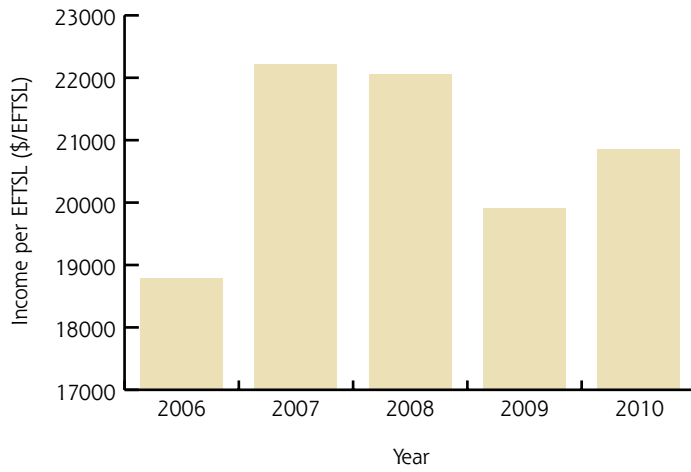
### Student Load (EFTSL) per Teaching Staff FTE



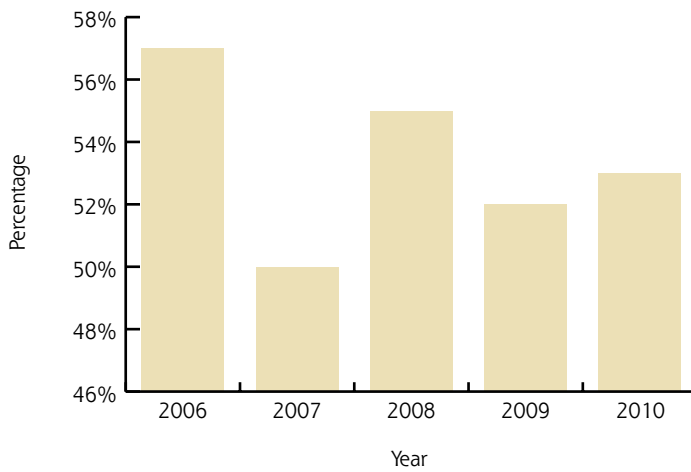
### Target and Actual Funding Agreement Load



### Commonwealth Grant Scheme<sup>1</sup> Income per unit of Funded Load



### Commonwealth Grant Scheme as Percentage of Total Income



NOTE:

<sup>1</sup>: Commonwealth Grant Scheme includes Commonwealth Contribution (Funding Agreement) plus Student Contribution (HECS)





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