



Murdoch
UNIVERSITY

2013 Annual Report

Statement of Compliance

Hon. Peter Charles Collier BA Dip. Ed. MLC
Minister for Education; Aboriginal Affairs; Electoral Affairs
10th Floor, Dumas House
2 Havelock Street
WEST PERTH WA 6005

12 March 2014

Dear Minister,

In accordance with Section 63 of the *Financial Management Act 2006*, we hereby submit for your information and presentation to Parliament the Annual Report of Murdoch University for the financial year ended 31 December 2013.

The Annual Report has been prepared in accordance with the provisions of the *Financial Management Act 2006*.

Yours sincerely



D N Flanagan
Chancellor



R A Higgott
Vice Chancellor

Murdoch University
90 South Street, Murdoch
Western Australia 6150
Telephone: 08 9360 6000

Disclaimer

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Executive Summary



Introduction from the Chancellor

I am delighted to have been appointed Chancellor at such an exciting time in Murdoch University's history. Having taken up this post in August, I have had the opportunity to share in some of the University's recent successes, while working to manage future challenges.

The Senate continues to be pleased with the progress of the University against its stated objectives, as outlined in the 2012-2017 Strategic Plan. These activities lay the groundwork for the University's future success in its three priority areas – research, teaching and learning, and community engagement.

Murdoch University is committed to making a positive contribution to the local community, while embarking on initiatives of international importance. Even prior to becoming Chancellor, I was aware of these efforts through my involvement with The First Murdoch Commission.

The Vice Chancellor and his senior leadership group are now complemented by a full team of School Deans, who have joined the University following a highly competitive international search. Work is progressing on the Eastern Precinct, which will enhance Murdoch's operations and increase the University's capacity to collaborate with industry.

I look forward to contributing to the success of this great institution in my role as Chair of Murdoch's governing body as we approach the University's 40th year.

A handwritten signature in black ink, appearing to read 'David Flanagan'. The signature is fluid and cursive, with a long horizontal line extending to the right.

Mr David Flanagan
Chancellor

Vice Chancellor's Report



The past year has seen Murdoch University focus on the advancement of its strategic goals, as outlined in the Strategic Plan 2012 – 2017. The University's operations have been revitalised through internal reorganisation and consolidation has occurred in various facets of our core activities.

New appointments

Murdoch welcomed a number of key appointments in 2013, including the formal investiture of David Flanagan as our new Chancellor in August. Mr Flanagan is a highly respected businessman, philanthropist and entrepreneur with more than 20 years' experience in mining and mineral exploration. He is a dynamic, enthusiastic and community-minded leader whose core values are well aligned with those of the University.

The University has now appointed nine outstanding Deans to lead each of its Schools, including the new Sir Walter Murdoch School of Public Policy and International Affairs. The Deans are all active scholars with international reputations, and bring with them global expertise from some of the world's most renowned universities.

Murdoch's teaching and research activities have been further strengthened by the appointment of a new Director of Research and Development and a new Academic Registrar. Both bring with them considerable experience in their relative areas of expertise. A new Director of Campus and Facilities Management was also appointed in October 2013.

Challenges and opportunities

In April, the Federal Government announced that the university sector would face funding cuts of up to \$2.3 billion. This included a two per cent efficiency dividend worth \$900 million and a reduction in support for students of limited means. Not surprisingly, these developments created much uncertainty in the sector and impacted the University's operations.

The Federal election brought some of these issues to the fore, with both parties issuing policy statements. The new Coalition Government identified higher education as an 'engine of economic growth', but announced in November that the planned funding cuts would go ahead. Despite this, the new Government's desire to grow higher education as an export industry is heartening, along with its encouragement of two-way education and research links with Asia.

The Half Year Cohort will graduate from secondary school at the end of 2014, with an expected impact on universities from 2015. These effects are expected to continue through to 2017 as the reduced student intake progresses through the university system. The Federal Government is aware of this issue, and each of the WA universities has been vocal in their discussions about the budget implications this will have. The student recruitment environment will be highly competitive, and Murdoch will have to position itself to be more attractive to a reduced pool of applicants.

Teaching and Learning

The Murdoch Curriculum Commission has led the advancement of the new degree structures that will provide a rich and diverse academic learning experience. The delivery of new majors and degrees in 2014 will provide broader skill development and content for students. This Commission and its outcomes are an important aspect of our strategy to address the ongoing sustainability and relevance of our coursework offerings.

The University continued to review its Transnational Education (TNE) operations. The Transnational Education Project Team produced its final report, containing a series of recommendations for the implementation of the new TNE model in all offshore locations. The aim is to transition Murdoch's TNE model to higher quality provision, while strengthening the University's international presence. Murdoch has welcomed its first Singapore Dean, Dr Peter Waring, who is responsible for advancing the University's academic and strategic interests in Singapore, primarily through the management of the University's transnational partners.

Murdoch has signed a partnership with the University of Notre Dame to teach the Basic and Clinical Sciences component of Notre Dame's Medical degree. Murdoch has a long tradition of teaching excellence in areas such as biochemistry, physiology, anatomy and pathology as well as first-rate facilities for this teaching. The University's strong research record in clinical science, immunology and biomedical science will contribute to fostering this collaboration, while opening up future possibilities for the University and the State in the Murdoch Activity Centre.

Research

Throughout 2013, Murdoch University has continued to build upon its research strengths and implement initiatives to enhance both the quality and the quantity of research outputs. The University's Distinguished Collaborator program continued and four Adjunct Professors were appointed.

In September, the University celebrated the success of Professor Sue Fletcher and Professor Steve Wilton, who were awarded the NSW Health Jamie Callchor Eureka Prize for Medical Research Translation. The pair developed a breakthrough therapy for children living with Duchenne Muscular Dystrophy.

Murdoch has entered into a number of partnerships with industry to investigate issues of global importance, including food security and environmental sustainability.

Recognising the need for closer political, educational and economic ties with Asia, the University set up an independent international inquiry known as The First Murdoch Commission. This inquiry brought together a distinguished group of 12 leaders from across government, business and academia, with the core task of evaluating the importance of regional engagement in advancing growth and development. The report has now been released and was a significant achievement towards Murdoch's objectives of internationalisation and community engagement.

Significant achievements

An important reputational achievement has been the renewal of our registration as a self-accrediting higher education provider. The Tertiary Education Quality and Standards Agency (TEQSA) renewed Murdoch's registration as a higher education provider for a further seven years, to 18 July 2020. While this news was expected, it is an essential process allowing Murdoch to continue to provide world-class undergraduate and postgraduate programs.

In June, Murdoch debuted in the second annual Times Higher Education (THE) 100 Under 50 rankings, with a ranking of 57. The rankings are a global list of universities under the age of 50. Murdoch's inclusion in this table, along with its listing in the top 400 of the THE World University Rankings, confirms the dramatic reforms in the University over the last two years are paying dividends.

Murdoch University has a clear vision for the future and well-developed strategic plan to guide the way ahead. Significant progress has been made in 2013 through the initiatives listed here and in the coming pages. I am confident that the University will overcome the challenges on the horizon, while making the most of the exciting opportunities which present themselves locally, nationally and internationally.



Professor Richard Higgott
Vice Chancellor

Five Year Summary – Key Statistics

| | | 2013 | 2012 | 2011 | 2010 | 2009 |
|--|--------------------------------|---------------|---------------|---------------|---------------|---------------|
| STUDENT STATISTICS* | Total | 24,108 | 22,602 | 19,733 | 18,103 | 17,701 |
| Number of students | Commencing | 9,177 | 9,220 | 8,227 | 6,983 | 6,846 |
| Student load (EFTSL) | Total | 16,605 | 15,744 | 13,611 | 12,671 | 12,543 |
| | Undergraduate | 14,421 | 13,475 | 11,592 | 10,750 | 10,664 |
| | Postgraduate | 2,183 | 2,269 | 2,019 | 1,920 | 1,878 |
| Student load by funding source (EFTSL) | Commonwealth Grant Scheme | 8,305 | 8,231 | 7,933 | 7,741 | 7,592 |
| | Research Training Scheme | 377 | 376 | 381 | 378 | 346 |
| | Domestic fee paying | | | | | |
| | – Undergraduate | 0 | 1 | 0 | 11 | 9 |
| | – Postgraduate | 659 | 684 | 642 | 590 | 548 |
| | International Onshore | 1,672 | 1,577 | 1,584 | 1,634 | 1,794 |
| | Transnational | 5,541 | 4,808 | 2,980 | 2,197 | 2,122 |
| | Other | 44 | 66 | 91 | 120 | 132 |
| STAFF STATISTICS[^] | Total | 1,709 | 1,612 | 1,556 | 1,561 | 1,595 |
| Staff (FTE) | Academic | | | | | |
| | <i>Teaching only or mainly</i> | 193 | 190 | 164 | 180 | 185 |
| | <i>Research only</i> | 55 | 54 | 58 | 63 | 75 |
| | <i>Teaching and research</i> | 452 | 428 | 422 | 428 | 415 |
| | <i>Other</i> | 30 | 26 | 26 | 20 | 26 |
| | Non academic | 981 | 913 | 886 | 870 | 894 |
| FINANCIAL STATISTICS (Consolidated) | | | | | | |
| Net operating result (\$000's) | | 35,949 | 32,995 | 3,017 | 25,948 | 14,542 |
| Operating margin (%) | | 10 | 10 | 1 | 8 | 5 |
| Net assets (\$000's) | | 821,504 | 777,644 | 678,330 | 675,313 | 636,650 |
| Total assets (\$000's) | | 1,100,310 | 1,022,588 | 912,615 | 896,456 | 838,829 |
| Total revenue (\$000's) | | 353,299 | 328,364 | 308,861 | 306,400 | 286,710 |
| Total research income (\$000's) | | 27,905 | 30,184 | 31,757 | 38,689 | 43,050 |

* Student data figures are subject to updates in Summer school, revisions and final quarter submission corrections.

[^] Staff statistics do not include staff employed by transnational partners. The values were determined on the 31 December 2013.

Operational Structure

Overview of Murdoch University

Murdoch University was formally established in 1973 by an Act of the Western Australian Parliament. The Act identified the need for a second university in Perth to meet the growing needs of the community.

Named for prominent Australian author and philosopher Sir Walter Murdoch, and officially opened on the 100th anniversary of his birth, the University was the first in the nation to offer a new, flexible admission system. This made tertiary education more accessible to the community, a tradition that Murdoch University has upheld to this day.

As outlined in the *Murdoch University Act 1973*, the University is governed by the Senate. The Senate approves the goals of the institution, oversees its policies and procedures, guides the programs and activities undertaken, and is ultimately responsible for all University affairs.

To assist in the effective governance of the University, the Senate has established six committees and one sub-committee:

- Audit and Risk Committee, to help the Senate meet its governance and management control oversight responsibilities;
- Chancellor's Committee and Remuneration Sub-Committee, which advises the Chancellor on governance issues and reviews the performance, remuneration and succession plans for the Vice Chancellor and Senior Officers;
- Governance and Nominations Committee, which recommends the appointment of suitable Senate members, advises governance policy and Senate operating procedures, and ensures Senate activities are in accordance with the *Murdoch University Act 1973*;
- Honorary Awards and Ceremonial Committee, which awards Honorary Degrees and Senate Medals, and oversees guidelines and policies relating to Honorary Degrees, Senate Medals, graduation ceremonies and regalia;
- Resources Committee, which advises on a wide range of governance issues including financial control and sustainability, investment capability, campus development, commercial activities, the finances of the Guild of Students (in an advisory capacity) and other matters as relevant; and
- Summer Committee, which manages governance of the University from the final Senate meeting of the year to the first meeting of the new year.

The Senate appoints the Chancellor and Vice Chancellor, who in turn become Senate members. In August 2013, entrepreneur and philanthropist David Flanagan formally assumed the role of Chancellor for a three-year term. Professor Richard Higgott commenced as Vice Chancellor in 2011.

The Vice Chancellor is the chief executive officer and academic principal of the University. He and his senior executives, are responsible for the management of the University's academic, administrative and financial operations as delegated by the Senate under Section 18 of the *Murdoch University Act 1973*. The Vice Chancellor is also tasked with the leadership and development of the University, and the realisation of its stated mission.

The Senior Leadership Group (SLG), comprised of the three Deputy Vice Chancellors, the School Deans and other key senior staff, assist the Vice Chancellor in the operation of the University.



Deputy Vice Chancellor Academic, Professor Ann Capling

The Deputy Vice Chancellor Academic (DVCA) has overall responsibility for the University's academic affairs. The DVCA has strategic oversight of the performance of the University's Schools and its domestic regional campuses. The role also provides leadership and strategic direction on a broad range of academic matters including academic staffing, and teaching and learning.

Deputy Vice Chancellor Research, Professor David Morrison

This position has overall responsibility for the strategic direction and focus of research undertaken within the University. The Deputy Vice Chancellor Research actively seeks to develop closer research links and a funding base with both the private and public sector, while ensuring the promotion of research for the public good and its contribution to society.

Deputy Vice Chancellor Professional Services, Jon Baldwin

This position is responsible for the management of the University's administrative support services and resources, including Finance, Legal, Governance, Risk Management, Internal Audit, Human Resources, Library, Information Technology, Development and Communications, Student Services, Research and Development, Transnational Education, Facilities Management and Commercial Services. These services support the work of the Academy, as well as the wider organisation.

Academic Council

The Academic Council is the senior decision-making body on academic matters within the University, as set out in Section 21 of the *Murdoch University Act 1973*. It makes the final decision regarding matters of academic policy, but also makes recommendations to the Senate on other matters. The current President of the Academic Council is Associate Professor David Holloway.

Academic Restructure

In keeping with the University's strategic goals, a streamlined academic structure has been implemented. There are now nine Schools, including a new graduate School – the Sir Walter Murdoch School of Public Policy and International Affairs.

The University embarked on an international search for outstanding academics and researchers to lead each of the new Schools. This process has now been completed with the last of these new appointments commencing in February 2014. The Deans are supported in their leadership roles by a number of academic and professional staff.

Legislative Requirements

Under State legislation, the University reports to the Minister for Education for Western Australia regarding the proper conduct of its business. Several University programs receive funding from the Commonwealth and so report to the Federal Government through the Department of Industry or the Department of Education as required.

As required under the *Tertiary Education Quality and Standards Act 2011*, Murdoch University sought renewal of its registration as a higher education provider from the Tertiary Education Quality and Standards Agency (TEQSA). In 2013, the University received confirmation that this application had been successful, granting registration for a further seven years.

Risk Management

The Senate, in accordance with its Statement of Governance Principles, has responsibility for setting risk management policy and critically monitoring the management of risk across the University, including commercial undertakings. The Senate has approved a Terms of Reference for the Audit and Risk Committee (ARC), which requires the Committee to confirm the University's risk management framework is appropriate.

The ARC receives regular reports on the management of the University's significant risks and systems of internal control. To enhance controls, the ARC submits its minutes to the Senate regularly and submits an annual report on risk, internal controls and audit matters.

The Senate has also approved the University's risk management policy, which is consistent with concepts in Standards Australia AS/NZS ISO 31000:2009, Risk Management – Principles and Guidelines, and aligns with contemporary good practice. The policy sets out the University's approach to identification, management and reporting of risks and specifies formal roles and responsibilities for these activities.

The University has a Strategic Risk Register, which is closely aligned with the objectives of the University's Strategic Plan and highlights key risks of not achieving those objectives. The Strategic Risk Register is tabled twice a year at ARC and Senate meetings, and is continually being reviewed to ensure it records current risks and mitigating controls.

Operational Risk Registers were updated during the year and a consolidated Operational Risk Register is reported to the ARC on an annual basis. The University is working towards a formal process of reviewing and updating operational plans and Operational Risk Registers in tandem each year.

The Risk Registers enable the University to understand its objectives, related risks, actual controls in operation and any further controls required to mitigate risks to an acceptable level. The Risk Registers also form an important source of information in developing annual internal audit plans.

Senate Members

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

| | |
|--|---|
| David Flanagan (Current Chancellor) | Appointed 8 August 2013 |
| Terence Budge (Chancellor until 7 August 2013) | Member since 2004, term expired 7 August 2013 |
| Professor Richard Higgott (Vice Chancellor) | Member since 2011 |
| Brian Aitken | Member since 2005 |
| Professor Bonnie Barber | Appointed 26 November 2013 |
| Russell Barnett | Member since 2011 |
| Roland Belford | Appointed 1 January 2014 |
| Dr Janice Dudley | Member since 2012 |
| Chris Evans | Appointed 1 January 2013 |
| Fiona Feist | Member since 2011 |
| Anna George | Member since 2012 |
| Sanjeev Gupta | Appointed 1 January 2014 |
| Liz Harris | Member since 2010, term expired 9 March 2013 |
| Associate Professor David Holloway | Member since 2011 |
| Garry Hunt | Member since 2004, term expired 2 July 2013 |
| Tony Iannello | Member since 2006 |
| Dr Marian Kemp | Member since 2007, term expired 25 November 2013 |
| Patryck Lazarz | Appointed 1 January 2013, term expired 31 December 2013 |
| Maxine Murray | Member since 2008 |
| Paul Niardone | Member since 2008 |
| Paul Sadlier | Member since 2011 |
| Eva Skira | Member since 2008 |
| Bec Thompson | Member since 2012, term expired 31 December 2013 |

Meetings of Senate Members

The number of meetings of the members of the Murdoch University Senate, and of each Senate Sub-Committee, held during the year ended 31 December 2013, and the meetings attended by each Senate member were:

| SENATE MEETING INFORMATION 2013 | | | | | Senate | | | | | | | | | | | |
|--|------|------|------|------|--------|---|--------------|---|-------------------------------------|---|--------------------------|---|------------------------------|---|-----------|---|
| These meetings do NOT include decisions by circular resolution | | | | | | | Audit & Risk | | Chancellor's and its Sub-Committees | | Governance & Nominations | | Honorary Awards & Ceremonial | | Resources | |
| | | | | | A | B | A | B | A | B | A | B | A | B | A | B |
| Mr Terry Budge | CC | GNC | HACC | | 5 | 4 | | | 1 | 1 | 2 | 2 | 1 | 1 | | |
| Mr David Flanagan | CC | GNC | HACC | | 2 | 2 | | | | | 1 | 1 | 1 | 1 | | |
| Prof Richard Higgott | GNC | HACC | RC | CC | 7 | 6 | | | 3 | 1 | 3 | 3 | 2 | 2 | 5 | 3 |
| Mr Brian Aitken | AR | CC | RC | | 7 | 6 | 5 | 5 | | | | | | | 5 | 5 |
| Prof Bonnie Barber | | | | | 1 | 1 | | | | | | | | | | |
| Mr Russell Barnett | RC | | | | 7 | 6 | | | | | | | | | 5 | 2 |
| Dr Janice Dudley | HACC | | | | 7 | 6 | | | | | | | 2 | 2 | | |
| Mr Chris Evans | HACC | RC | | | 7 | 6 | | | | | | | 2 | 2 | 3 | 2 |
| Mrs Fiona Feist | HACC | | | | 7 | 6 | | | | | | | 2 | 2 | | |
| Ms Anna George | GNC | | | | 7 | 5 | | | | | 3 | 2 | | | | |
| Ms Liz Harris | | | | | | | | | | | | | | | | |
| Assoc Prof David Holloway | GNC | | | | 7 | 5 | | | | | 3 | 3 | | | | |
| Mr Garry Hunt | CC | RC | | | 3 | 3 | | | | | | | | | 2 | 0 |
| Mr Tony Iannello | CC | RC | | | 7 | 5 | | | 4 | 2 | | | | | 5 | 5 |
| Dr Marian Kemp | RC | CC | | | 6 | 4 | | | 3 | 2 | | | | | 4 | 1 |
| Mr Patryck Lazarz | HACC | | | | 7 | 6 | | | | | | | 2 | 2 | | |
| Ms Maxine Murray | CC | GNC | | | 7 | 7 | | | 4 | 4 | 3 | 3 | | | | |
| Mr Paul Niardone | AR | CC | | | 7 | 5 | 5 | 4 | | | | | | | | |
| Mr Paul Sadlier | CC | RC | | | 7 | 7 | | | | | | | | | 5 | 5 |
| Eva Skira | AR | CC | GNC | HACC | 7 | 7 | 5 | 5 | 4 | 4 | 3 | 2 | 2 | 1 | | |
| Bec Thompson | GNC | CC | | | 7 | 7 | | | 3 | 3 | 3 | 3 | | | | |

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.

Report by Members of the Senate

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 surplus before tax of \$37.3 million (2012: \$33.5 million) and an operating surplus after tax of \$35.9 million (2012: \$33.0 million) for the year. The 2013 Group operating surplus includes a \$16.5 million fair value adjustment associated with newly developed Stage 10 of the St Ives Retirement village. Excluding this adjustment, the Group operating surplus after tax would be \$19.4 million.

The University reported an operating surplus before tax of \$41.9 million (2012: \$85.7 million) and an operating surplus after tax of \$40.6 million (2012: \$85.2 million) for the year. The significant decrease in the University result is mainly due to a cash donation of \$34 million and a non-cash loan settlement of \$15 million received by the University from its subsidiary, Murdoch Retirement Services Pty Ltd (MRS) in 2012. The University did not receive any donation from MRS in 2013.

The Group reported revenue and income of \$353.3 million for 2013 (\$328.4 million in 2012), an increase of eight per cent over the prior year.

The revenue and income increase is a combination of:

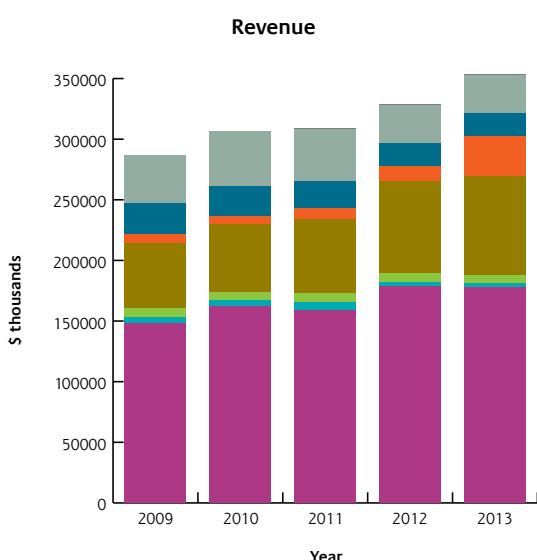
- lower Australian Government Financial Assistance (\$0.8 million or less than one per cent),
- a decrease in HECS-HELP student payments (\$0.6 million or seven per cent),
- growth in fees and charges (\$5.9 million or eight per cent), largely associated with international student fees, and
- an increase in the fair value adjustment on investment property (\$21 million), largely due to Stage 10 of the St Ives Retirement Village.

The Group reported expenses (including income tax) of \$317.4 million for 2013, an increase of \$22.0 million or seven per cent over 2012.

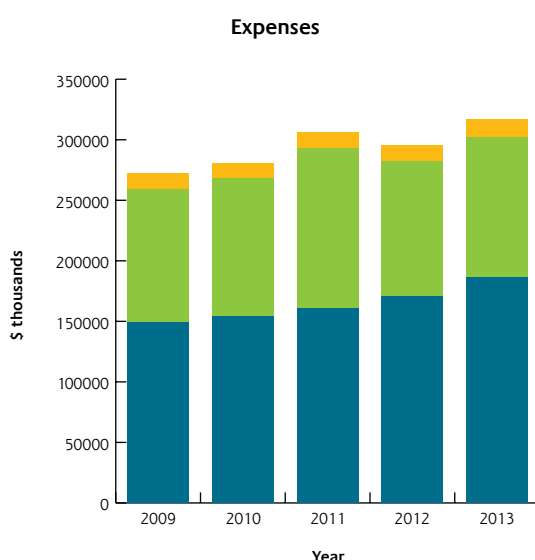
Employee related costs increased \$15.9 million or nine per cent, from \$170.2 million in 2012 to \$186.1 million in 2013. This increase is due primarily to the increase in staff (Full Time Equivalence), salary increases and the automatic progression to higher paid levels of staff on Collective Workplace Agreements.

Non employee related costs increased by \$4.5 million, or four per cent. This is largely due to higher impairment of assets (\$1.6 million or 189 per cent), higher productivity improvement program costs (\$1.5 million or 906 per cent) and higher scholarship expenses (\$1.3 million or eight per cent). These increases are partially offset by the decreased costs associated with lower fair value movement in resident loans (\$3.3 million or 98 per cent).

Depreciation and amortisation have increased by \$1.7 million or 12 per cent as a result of new asset acquisitions, including the commissioning of new buildings.



- Other revenue
- Consultancy and contract research
- Investment revenue
- Fees and charges
- HECS-HELP student payments
- State and Local Government financial assistance
- Australian Government financial assistance



- Depreciation
- Non-employee related
- Employee related

Unqualified Audit Opinion from the Office of the Auditor General

The University has received an unqualified audit opinion from the Office of the Auditor General in relation to its financial statements for the year ended 31 December 2013.

Current Assets vs Current Liabilities

The consolidated Statement of Financial Position reflects current assets of \$172.5 million and current liabilities of \$266.0 million.

This position is distorted by the resident loans relating to the St Ives Retirement Village of \$177.8 million which are classified as current liabilities. Under Australian Accounting Standards and under our policy as per note 1 (s) 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 \$88.2 million.

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 Sustainability Advisory 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.

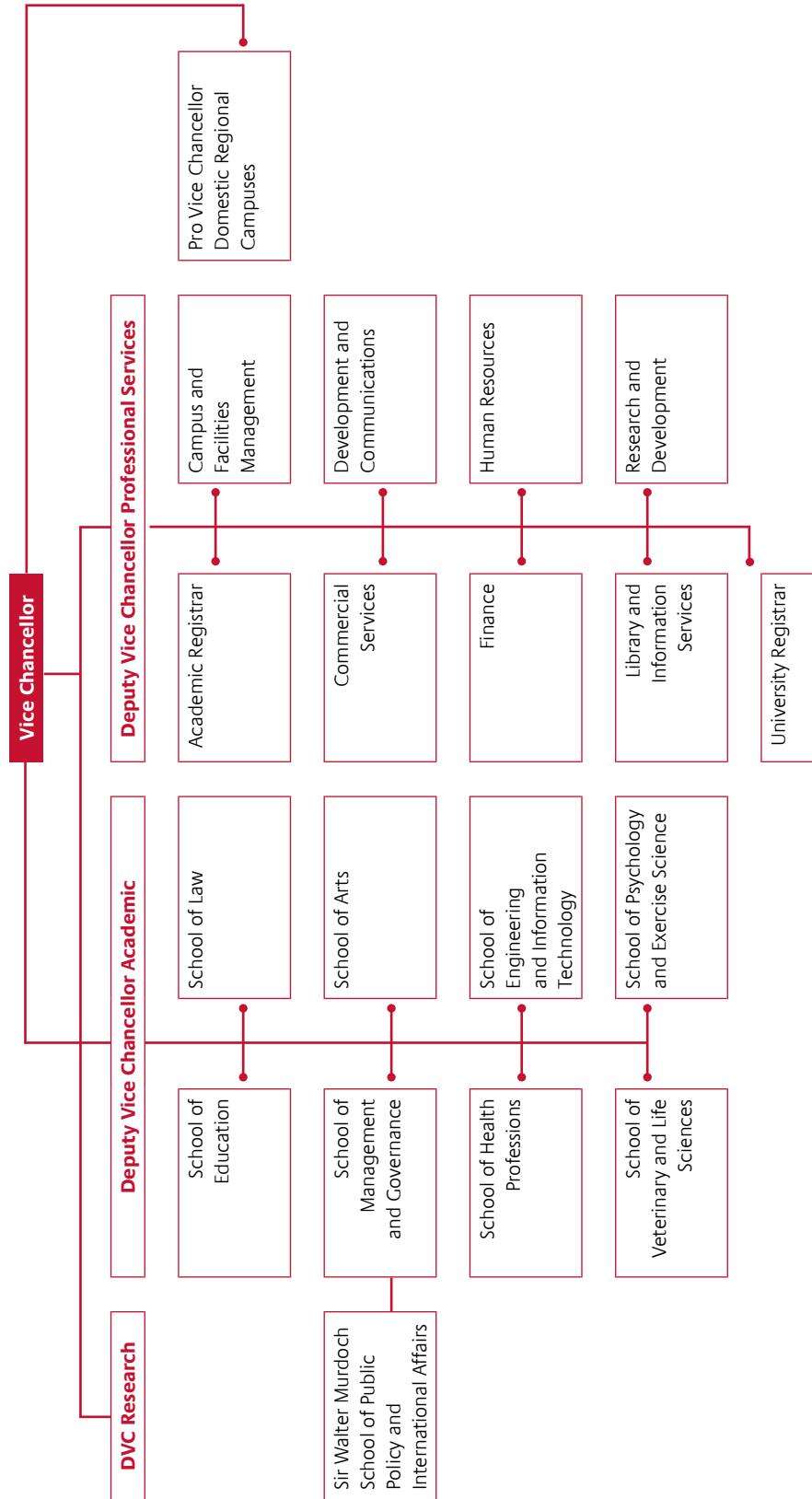
Insurance of Officers

During the financial year, the Group has paid insurance premiums of \$37,037 (2012: \$33,640) 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:

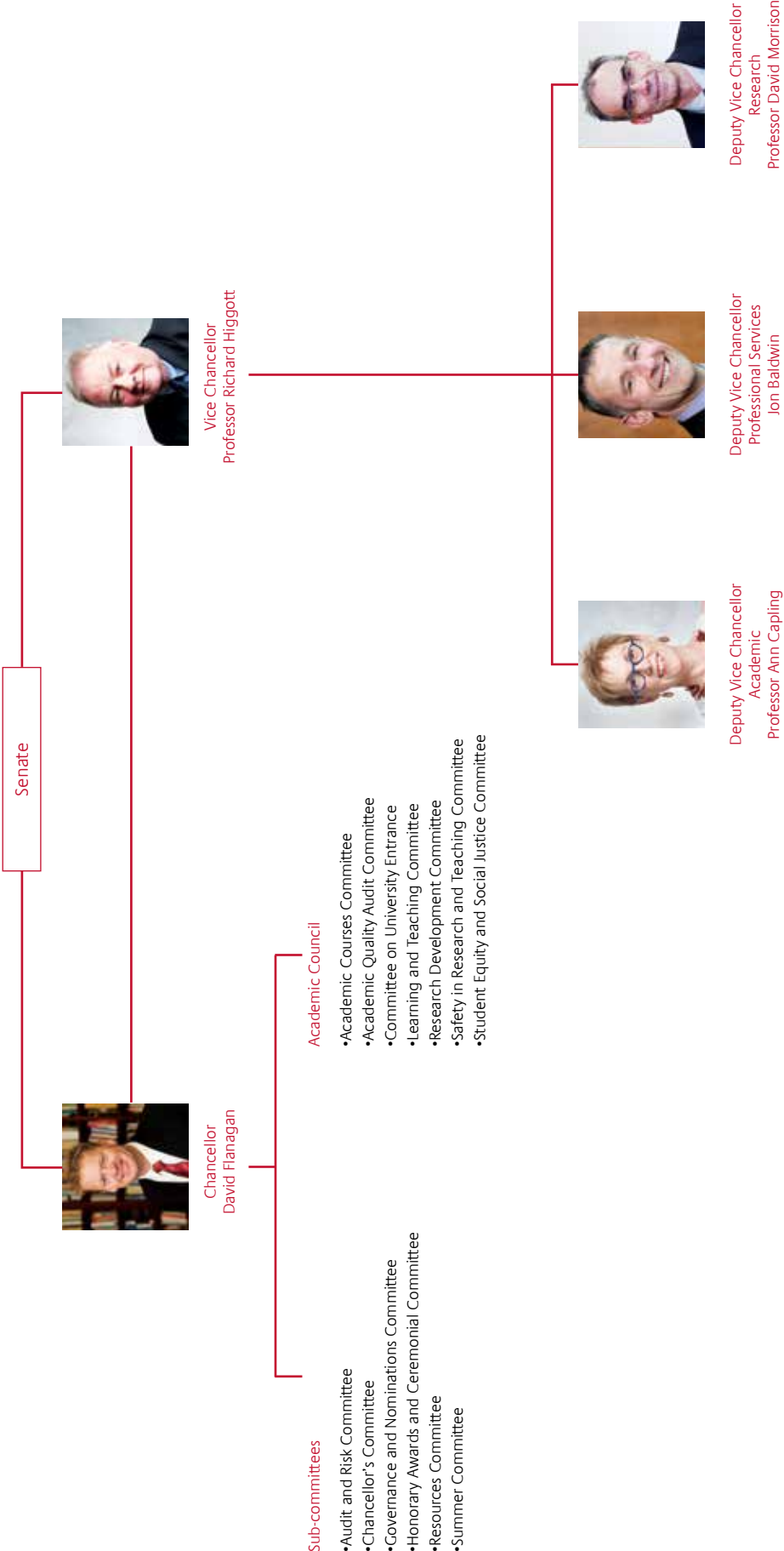
- costs and expenses incurred by the relevant directors and officers in defending proceedings; and
- other liabilities that may arise from their position, with the exception of conduct involving a wilful breach of duty or improper use of information or position to gain a personal advantage.


Organisational Structure



University Governance and Management

(As at 31 December 2013)





This year, the University gained international recognition through inclusions in the Times Higher Education Top 400 World University Rankings and the Times Higher Education Top 100 Universities Under 50.

Performance

Vision and Values

In 2013, Murdoch University continued to focus on the three core priorities outlined in the Strategic Plan 2012-2017 – research, teaching and learning, and community engagement. This plan has been designed to guide the University's activities, as it works towards its vision of being an international research-led university pursuing excellence in select areas of knowledge.

At the core of this strategic plan are the University's values, which are integral to Murdoch's culture and provide a continuing context for all of its activities. These are:

- Scholarly Integrity
- Equity and Social Justice
- Sustainability
- Global Responsibility
- Innovation and Entrepreneurship

In order to succeed in the increasingly competitive higher education environment, the University has also identified the need for a more global approach in its activities. This internationalisation strategy underpins each of Murdoch University's three core priorities.

This year, the University gained international recognition through inclusions in the Times Higher Education (THE) Top 400 World University Rankings and the THE Top 100 Universities Under 50.

Implementing the Strategic Plan 2012-2017

Murdoch University has specified three strategic goals, which will help the University achieve its vision. These are:

Leading edge, blue sky and translational research

By 2017, the University will be research-led, with a reputation for high quality international research in select areas of knowledge, engaging with significant social and scientific challenges of our time.

In 2013, Murdoch University built upon its established and emerging research strengths across four priority themes: primary food production, climate change and environmental sustainability, human and animal health, and future security. The most recent audit into research excellence by the Australian Research Council found that Murdoch University is performing at world class standard (or above) in over 85 per cent of the assessed areas.

This year, Murdoch University also recruited a new Director of Research and Development, along with a number of internationally established scholars who will lead a variety of innovative projects.

High quality Teaching and Learning

By 2017, the University will provide a rich and diverse academic learning experience with a curriculum integrally linked to quality research and up-to-date pedagogy, equipping students with life-long learning skills and the capacities to successfully engage in a global world.

The recommendations from the Murdoch University Curriculum Commission are now being implemented, with the revitalised undergraduate course structure coming into effect in 2014.

For students beginning Bachelor Degree level study in 2014 and beyond, seven undergraduate degrees will be available. Each program incorporates depth through the study of a major or profession, and breadth through interdisciplinary studies. Each degree also provides students with training in research skills, which are highly valued by employers. Students also have the opportunity to undertake a work-integrated learning experience, where they can augment their academic training with professional experience.

Murdoch University has now introduced a new suite of professional postgraduate coursework programs through its new graduate School – the Sir Walter Murdoch School of Public Policy and International Affairs.

Strong societal engagement

By 2017, the University will communicate and engage with its various communities at the local, national and international levels, cultivating knowledge partnerships, participating in mutual endeavours and contributing to public debate and cultural enrichment.

A number of projects and activities, including the new Murdoch Aspirations and Pathways for University (MAP4U) Project, are working to cultivate interest in further education among under-represented groups.

Specifically, the MAP4U Project is engaging secondary students in the Rockingham, Kwinana and Mandurah regions, where tertiary enrolment rates are half the state average.

In 2013, the University forged and built upon research and training partnerships with a variety of organisations, including St John of God Murdoch Hospital. Work is also progressing on Whitby Falls, a 230-hectare farming property to be developed into an innovative, dynamic teaching and research facility. The Eastern Precinct project is also progressing with this 43-hectare site to become a mixed-use development anchored in teaching, research and community engagement.

Internationally, the University has now concluded The First Murdoch Commission, an independent international inquiry on the growing economic interdependency of Western Australia, Australia and the Asian region. The final report was launched and disseminated in late 2013.

Reconciliation Action Plan 2013-2017

The University is committed to its vision of a united and harmonious nation with equal opportunity for all. The Reconciliation Action Plan is an important tool, which will help ensure the wants and needs identified by Aboriginal communities are appropriately addressed.

Through the implementation of this plan, Aboriginal Peoples will participate meaningfully to incorporate cultural knowledge and leadership into Murdoch University's three core priorities of research, teaching and learning, and community engagement.

The plan will be monitored and is subject to annual reporting requirements.





According to the Australian Government's Excellence in Research for Australia (ERA) 2012 report, over 85 per cent of Murdoch's assessed research areas were at world-class standard or better.

Research

Murdoch University is a founding member of Innovative Research Universities (IRU), a network of seven research-intensive universities reaching the length and breadth of Australia. Through collaboration and partnership, this group works to enhance the outcomes of higher education by sharing effective policies and practices, creating opportunities for students and stakeholders, and building a strong collective voice with government and other influential bodies.

The University has a significant track record for high quality research. According to the Australian Government's Excellence in Research for Australia (ERA) 2012 report, over 85 per cent of Murdoch's assessed research areas were at world-class standard or better. In part, as a consequence of its research quality, Murdoch University retained its position in the top 400 of the Times Higher Education (THE) World University Rankings. Murdoch was also ranked 57 in the THE Top 100 Under 50, recognising institutions less than 50 years old. This is an excellent platform from which to further develop the research portfolio.

Research Strategy

The new University Research Strategy 2013-2017 guides Murdoch's research activities and documents how the University intends to intensify its efforts to be a research-led university, engaging with significant societal challenges of our time.

The above upbeat assessment notwithstanding, the University faces significant challenges:

- While Murdoch is holding its own, other universities are improving their performance at a faster rate in terms of winning research funds and publication outputs.
- The publication patterns across campus are in need of realignment with contemporary university rankings and assessment processes.
- The age profile of the most research active staff in the University is a continuing concern, as currently succession planning is not being undertaken systematically across campus.

To address the above, this year has seen a number of changes to the practices and policies of the University including:

- Redefinition of 'research active'.
- Introduction of a campus wide workload model philosophy that emphasises research and teaching in the allocation of work and recognises research productivity.
- Selective reinforcement for publication outputs.
- Continuation of the 'Distinguished Collaborator' Scheme to build international research linkages.
- Respecification of access to research leave and access to professional development.

Research Themes, Structure and Governance

During the second half of 2013, much activity focused on rationalising the University's research portfolio (through external peer review of Murdoch's research centres, for example) and also building research capacity through the launch of internal funding initiatives as previously described.

The University began to strengthen its interests in medical research, with a particular emphasis on aligning basic discovery research with clinical practice ('bench to bedside' activity). The Institute for Immunology and Infectious Diseases concept and building continues to bring together medical practitioners, basic science and computing to address clinical problems more holistically. As 2013 has progressed, it has become clear that highly active nodes of research, our research strengths and the breadth of our research disciplines can be grouped into four emerging themes:

- Primary food production
- Climate change, environmental sustainability and adaptation
- Human and animal health and welfare
- Securing our future

These themes will be useful as a framework to consider when and how to invest in research and to be able to effectively market Murdoch's research portfolio externally.

The Research Development Committee, constituted in 2012, is chaired by the Deputy Vice Chancellor Research and has School representation in the form of Associate Deans of Research. This Committee is one of the main information conduits between the Schools and the Office of the Deputy Vice Chancellor Research.

During 2014, the Directorate of Research and Development will continue to liaise directly with the Schools but in a more regular fashion in order to convey and receive advice on University research needs and strategy.

Research Dashboard

To support research monitoring and planning processes, the 'Research Dashboard' developed in 2012 was further refined with both internal and external benchmarking undertaken. Leiden University was engaged to facilitate this process with an assessment being undertaken of the impact of University hiring practices on relative ranking in the Leiden system. The results revealed an overall improvement of 23 places (323 to 300).

Investment in Research

The Sir Walter Murdoch Adjunct Professorship and Distinguished Collaborator Programs were run for the second time in 2013. These programs are intended to raise the University's profile among the global research community.

Four Adjunct Professors were appointed in 2013 from nominees at the universities of Pretoria, Illinois, Oxford and Hull. Seven Distinguished Collaborators were welcomed into the Murdoch research community. Some of the international universities participating in this program include King's College London, the University of Southern Denmark and the Plymouth Marine Laboratory in the United Kingdom.

A Strategic Research Initiatives Scheme was developed during the second half of 2013 to reinforce strategic directions and anticipate the University's 2014 budget. This funding scheme has been designed to increase Murdoch's research capacity, to connect with global interdisciplinary efforts, to increase the likelihood of winning external competitive funding and to enhance the volume and quality of research outputs.

Support for Research and Development

In May 2013, Dr Karen Shaw joined Murdoch as Director of Research and Development. Dr Shaw brings extensive experience in the strategic and administrative management of academic research from the United Kingdom higher education and research funding sectors. The role of the Director is to support and advise the Deputy Vice Chancellor Research on matters of research strategy, orchestrate the day-to-day operations of the Directorate to serve the academic community and ensure the University meets and leads the way in its research compliance obligations. For example, the University's Animal Ethics Committee was subject to an external triennial review in 2013 and in November, Murdoch chaired the organising committee of the Australasian Ethics Network Conference.

The University confirmed its commitment to realising its research aspirations by continuing to invest in the Directorate of Research and Development during the year. The Directorate will ensure a greater provision of more effective support services to the academic community, particularly in the preparation of competitive grant applications and in seeking new funding opportunities.

Investment will continue into 2014, which will see the strengthening of the business engagement and knowledge transfer functions. The knowledge transfer team had a busy and successful year culminating in a collaboration and commercialisation deal around wastewater treatment technology with a major Australian engineering firm. During 2013, the team presented information sessions on intellectual property management and led a seminar program with invited external guests. Keynote speakers, including representatives from the Federal Government, discussed the availability of funding for industry-related research and commercialisation. All of these activities are geared towards Murdoch's aspirations to encourage and support the academic community and ensure the research portfolio is high quality, relevant and in demand.

The Postgraduate Research Experience

The Directorate of Research and Development also supports the postgraduate research experience from recruitment through candidate management to completion.

In March 2013, Professor Neal Enright commenced a three-year appointment as the Dean of Graduate Studies and Chair of the Research Degrees and Scholarships Committee. During 2013, the Graduate Research staff within the Directorate supported the implementation of new regulations for research degrees, administration of scholarships, the development of strategic policy, day-to-day candidate management and the development of a number of new initiatives, including the establishment of guidelines for the submission of PhD theses through published works.



Research Highlights

Quarter 1:

The Australia-China Centre for Wheat Improvement launched the Wheat Genome Project under the leadership of Professor Rudi Appels. The outcomes from this project will enable our researchers to tailor and advise on wheat breeding programs, so that crops are developed with specific properties, which will enable our growers to meet the diversity of markets.

Driven by the need to feed a growing world population in a way which is environmentally sustainable, Professor Shashi Sharma was appointed to lead the biosecurity and food security research areas.

Murdoch University also received AusAID Development Research Awards totaling \$2.1 million (37 per cent of the total available pool). These funds will be used to help Mozambique and its neighbouring African countries manage agricultural and mining businesses in a sustainable manner.

Quarter 2:

Australia's newest freshwater fish, the Little Pygmy Perch, was identified and named by researchers from Murdoch University's Freshwater Fish Group and Fish Health Unit in association with the South Australian Museum.

Murdoch's agriculture and forestry research programs were formally recognised as being among the best in the world. The QS World University Rankings by Subject placed Murdoch in the top 200 of world institutions for these disciplines.

The importance of water security research in Australia was brought to the fore with the publication of the Climate Commission's 2013 Critical Decade report. The report warns of adverse impacts from reduced rainfall confirming the pivotal role of desalination as a water security strategy in Australia. The National Centre of Excellence in Desalination Australia based at Murdoch's Rockingham Campus, continues to play its part in drought-proofing Australian agriculture and looking at ways to meet the ever increasing urban demand.

Quarter 3:

Murdoch entered a partnership with the Western Australian Potato Marketing Corporation. The research will focus on improving the yield and quality of potatoes in the State including the development of new varieties for State growers.

An Australasian history conference was hosted by Murdoch entitled *What difference does war make? Reconfiguring Australasia 1930-1960*. This conference furthered debate and discussion on the regional historical relationships during the turning points of World War 2.

In August, Murdoch researchers within the Applied Nanotechnology Research Group developed a method using gold nanoparticles and eucalyptus leaf extract to create potential anti-cancer therapeutics.

Quarter 4:

The School of Engineering and Information Technology helped to develop and refine cyber forensic technologies with potential applications in investigating and combating white-collar crime, child pornography and terrorism.

Recognition of Excellence

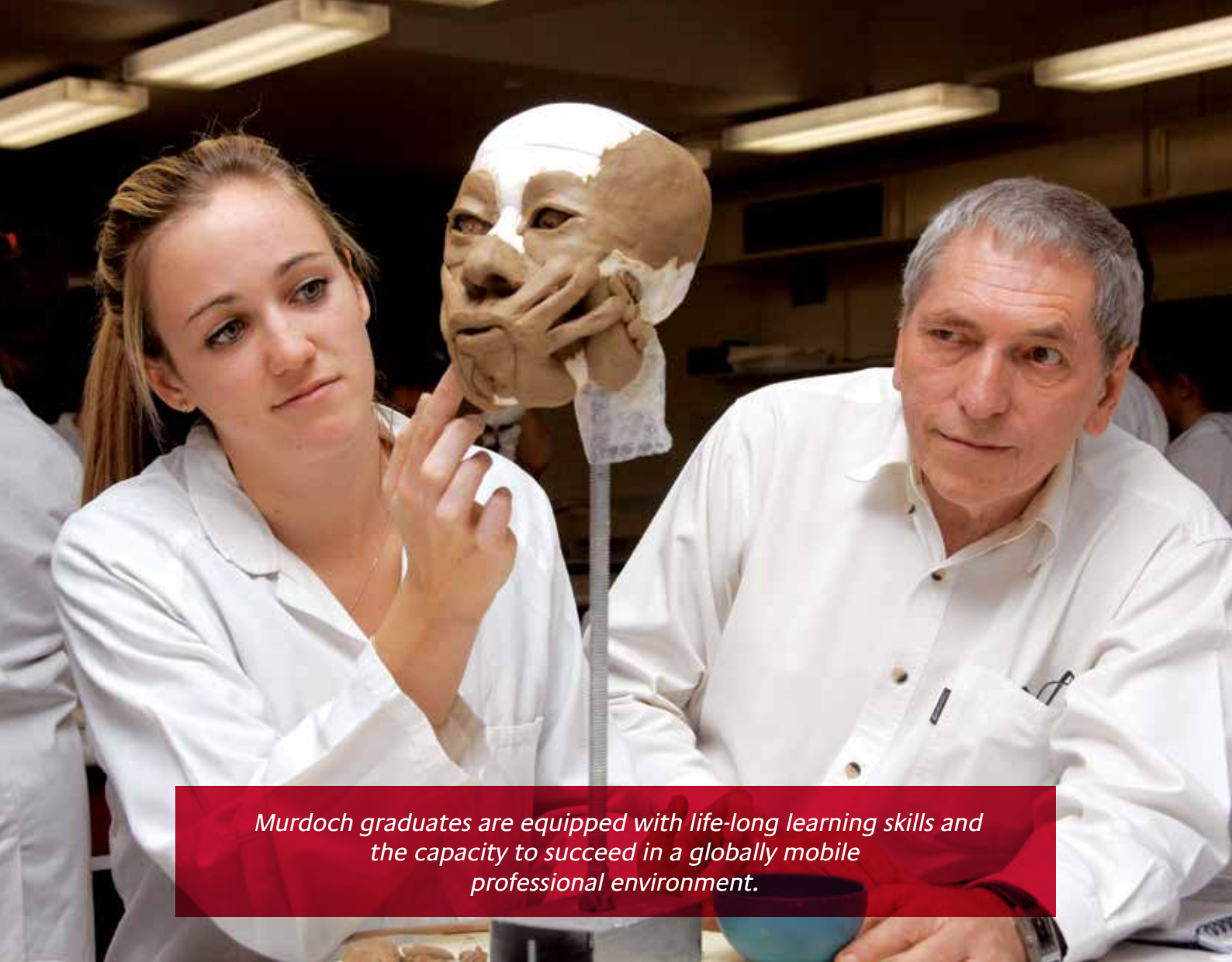
Professors Steve Wilton and Sue Fletcher accepted an Australian Museum Eureka Prize at a gala ceremony. The NSW Health Jamie Callachor Eureka Prize for Medical Research Translation was awarded in recognition of their breakthrough molecular therapy ('exon skipping') for boys suffering with Duchenne Muscular Dystrophy.

Professor David Pethick was awarded the Medal of the French Meat Academy. This honour was bestowed on Professor Pethick for his teaching and research contributions to animal science, which has had a positive impact on the French meat industry for over 20 years.

Professor Andy Thompson and his colleagues at Epichem found a potential cure for Chagas disease using mouse models. This disease affects some 10 million people in Latin America and causes 20,000 deaths per year.

Professor Ian Potter received the Jubilee Award from the Australian Marine Sciences Association. This award recognised Professor Potter's lifetime of work researching the biology and community ecology of fish and invertebrates in Western Australia's marine and estuarine waters.





Murdoch graduates are equipped with life-long learning skills and the capacity to succeed in a globally mobile professional environment.

Teaching and Learning

With a growing international presence, Murdoch is recognised for its flexible, student-centred approach, high quality teaching, and encouragement of inter-disciplinary study.

Together these elements drive a rich and diverse academic experience, supported by a curriculum that emphasises student acquisition of skills in research, analysis and communication. As a result, Murdoch graduates are equipped with life-long learning skills and the capacity to succeed in a globally mobile professional environment.

Murdoch University Curriculum Commission

To ensure Murdoch's courses continue to meet the high expectations of both students and employers, the University undertook a comprehensive review of its coursework programs in 2012. The Murdoch University Curriculum Commission reviewed the full suite of undergraduate and postgraduate coursework degrees offered at the University's onshore and offshore locations.

These changes were endorsed by the Academic Council and the rollout of the new curriculum across the University's Bachelor Degree and Honours programs will commence in 2014.

From 2014, Murdoch's new undergraduate degrees are:

- Bachelor of Arts
- Bachelor of Business
- Bachelor of Education
- Bachelor of Engineering
- Bachelor of Laws
- Bachelor of Nursing
- Bachelor of Science

The Bachelors of Arts, Business and Science will each offer a broad range of disciplinary majors to provide students with depth of knowledge. Alongside the majors, all students will complete a progressive sequence of research skills training and will acquire breadth of knowledge through inter-disciplinary study.

Detailed design work began in late-2012 to prepare for the progressive rollout of the new curriculum, which will be completed in 2016. At the same time, the development of new postgraduate coursework degrees delivered in blended modes of study has begun.



Open Day

To improve student recruitment, the University hosts an Open Day each year. Thousands of prospective students and their families explored the South Street campus on 18 August 2013, discussing course opportunities with academic staff and learning about the curriculum changes at general information sessions. Current students were on hand to provide visitor information. A variety of presentations, demonstrations, activities, competitions and campus tours showcased the many different research and study opportunities available at the University.

Student Experience

Improving the quality of teaching and overall student satisfaction across all fields of education at the University is crucial to delivering a distinctive and rewarding student experience.

Graduate satisfaction, as measured by the Course Experience Questionnaire, was maintained at very high levels in the 2012 survey (released in 2013) with around 90 per cent broad agreement for each of the 'Good Teaching' and 'Generic Skills' scales, as well as the 'Overall Satisfaction' item.

Teaching Awards

In September 2013, the Federal Government's Office for Learning and Teaching (OLT) awarded Dr Terri Trireksani (School of Management and Governance) and Lorraine Finlay (School of Law) national citations for outstanding contributions to student learning.

The OLT also awarded Dr Chris Creagh (School of Engineering and Information Technology) a prestigious National Teaching Fellowship to pursue the development of expert learning practices in physics.

Winners of the Vice Chancellor's Awards for Teaching Excellence were announced in October. Dr Karin Strehlow (Centre for University Teaching and Learning) and Dr Ravi Tiwari (School of Veterinary and Life Sciences) received awards in the General Teaching Excellence category, while Dr Katie Attwell (School of Management and Governance), Dr Sandra Hesterman (School of Education) and Lauren O'Mahony (School of Arts) were recognised in the Early Career Teaching category.

Work Integrated Learning

The University continues to encourage students to undertake Work Integrated Learning (WIL) as part of their formal studies. A recent audit showed that the proportion of courses providing these opportunities has increased from 86 per cent to 91 per cent. Employers have consistently praised the high quality of Murdoch students, with an increasing number of students finding employment as a result of the WIL experience.

Whitby Falls

Established as a pastoral property in 1858, this 230-hectare property will soon become an innovative, dynamic and research-informed facility of Murdoch University. The National Trust has now confirmed the lease of the site, while the University has invested significant funds to rehabilitate the site and its facilities.

An integrated working farm, Whitby Falls will give Murdoch students practical and applied learning experiences in veterinary science, agriculture and environmental science. It will focus on food production, animal health and welfare, intensive agriculture and environmental sustainability and adaptation, while supporting community and regional engagement.

The Whitby Falls research agenda will focus on key themes consistent with Murdoch's pillars of research designed to 'secure the future', including food production, food security, environmental conservation and animal health. The research program will be translational by intent whereby Murdoch, the State and the region will lead research that solves real-world problems for farmers, veterinarians, their communities and related businesses and industries.

Medical Training

In 2013, Murdoch embarked on an important partnership that will enhance the training of student health professionals in Western Australia.

The Australian Government, through Health Workforce Australia, provided over \$600,000 for a joint University and St John of God Murdoch Hospital project that will fund development of new learning activities using simulation techniques designed to enhance students' practical skills.





Transnational Education (TNE) and International Partnerships

Murdoch University currently has 7600 students studying 22 courses at four transnational education locations including two in Singapore, the others being Dubai and Malaysia.

Over the past year, the University has worked to build greater engagement in, and accountability for, the full range of TNE functions including course delivery, coordination and assessment, student support and guidance, and staff support and development.

Recent initiatives include the development of a policy framework to support very large class cohorts. There has also been a major investment in a reliable, high quality digital interface between Murdoch and its TNE partners. An online Learning Design Unit will be established, which will help Murdoch's academic staff create, design and deliver units of high digital quality.

In June 2013, the University established an office in Singapore to provide enhanced 'in-country' support for its transnational education activities. With more than 6000 students studying Murdoch degree programs in Singapore, the office confirms the University's commitment to delivering an outstanding student learning experience. The office accommodates the University's first Singapore Dean and a number of professional staff, with plans to accommodate academics and learning support staff in 2014.

Learning Management System

In July, Murdoch launched a new learning management system (LMS) that offers students high quality and flexible blended learning regardless of location.

The system integrates learning content management within an open source learning platform, the latest in digital and video recordings of lectures, an individualised student centred learning package, synchronous video conferencing, and an online text checking package. After the first semester of use, both students and staff reported that the new LMS was easy to use and was a significant improvement to the teaching and learning environment. By mid-2014, all of the University's courses will be on the new system.

New Graduate School

Murdoch University now delivers a suite of elite postgraduate coursework programs through the Sir Walter Murdoch School of Public Policy and International Affairs. The first of its kind in Western Australia, the School offers a range of professional Masters Degrees to equip graduates with the necessary skills and knowledge to pursue careers in all aspects of public policy and management, and international relations and development.

The School has a strong national and international orientation, drawing from Murdoch's leading faculty as well as national and international visiting scholars. Course delivery and assessment is designed to meet the needs of culturally diverse and globally mobile students. Future Masters programs in new areas such as science and environmental policy are also planned.

Improving Equity and Access

Murdoch University has implemented a number of programs and alternative entry pathways to allow students from a variety of disadvantaged backgrounds to attend university.

During the year, a number of programs operated to improve the recruitment and progress of groups that are traditionally under-represented in the student cohort. Figures made available by the Australian Government indicated that Murdoch University had a low socio-economic background student participation rate of 14.5 per cent, which compares favourably with the state average of 11.1 per cent.

Pathways for School Leavers

In preparation for the introduction of new undergraduate degree structures in 2014, Murdoch reviewed its admission processes and introduced a new program called ATAR RISE. This program is designed to help students who have faced obstacles progressing to university boost their ATAR making them eligible for a wider range of courses.

Murdoch's strong focus on access and equity has also seen the alternative entry schemes for school leavers simplified into a more accessible single Entry Award program.

Murdoch's Aspirations and Pathways for University (MAP4U) Project commenced in January 2013, targeting schools in Kwinana, Rockingham and Peel. Disproportionately low numbers of year 11 and 12 students from the region's public schools intend to go to university. MAP4U works with schools to reverse this trend, with five public schools now committed to grow the number of students willing, able and ready to go to university.

OnTrack

In 2013, almost 400 students enrolled in University's OnTrack program that helps non-ATAR school leavers and mature age applicants with a supported transition into university study. This free pre-university program is oriented towards people who can demonstrate educational disruption or disadvantage.

Kulbardi Aboriginal Centre

The Kulbardi Aboriginal Centre encourages increased participation in tertiary education by Indigenous students. To achieve this, the Centre offers alternative entry pathways for Indigenous students, including pre-media and K-Track programs. There are plans to offer K-Track as an online program to enable students to study externally, allowing Kulbardi to expand its presence into regional areas.

A full-time Indigenous Student Support Coordinator is on hand to assist students, complemented by the Indigenous Tutorial Assistance Scheme. This program offers supplementary academic coaching to students to help them maintain consistent and progressive results throughout their studies.

During 2013, the Centre developed and ran cultural awareness training for University staff, students, industry and government. Plans were also formulated to run a leadership program for Aboriginal Corporation traditional owner directors in conjunction with the University's Executive Education Centre. This program will combine

fundamental training in corporate governance with guided reflection on the leadership dimensions of Aboriginal Corporation board membership.

Kulbardi supported the Australian Indigenous Mentoring Experience work to establish a successful high school mentoring program in Western Australia.

The Centre is currently working with the School of Engineering and Information Technology to develop a pre-engineering course for Aboriginal employees. The course is aimed at assisting industry in the personal development of existing staff. Kulbardi also worked with Allens Linklater to develop a mentoring program for Aboriginal law students.

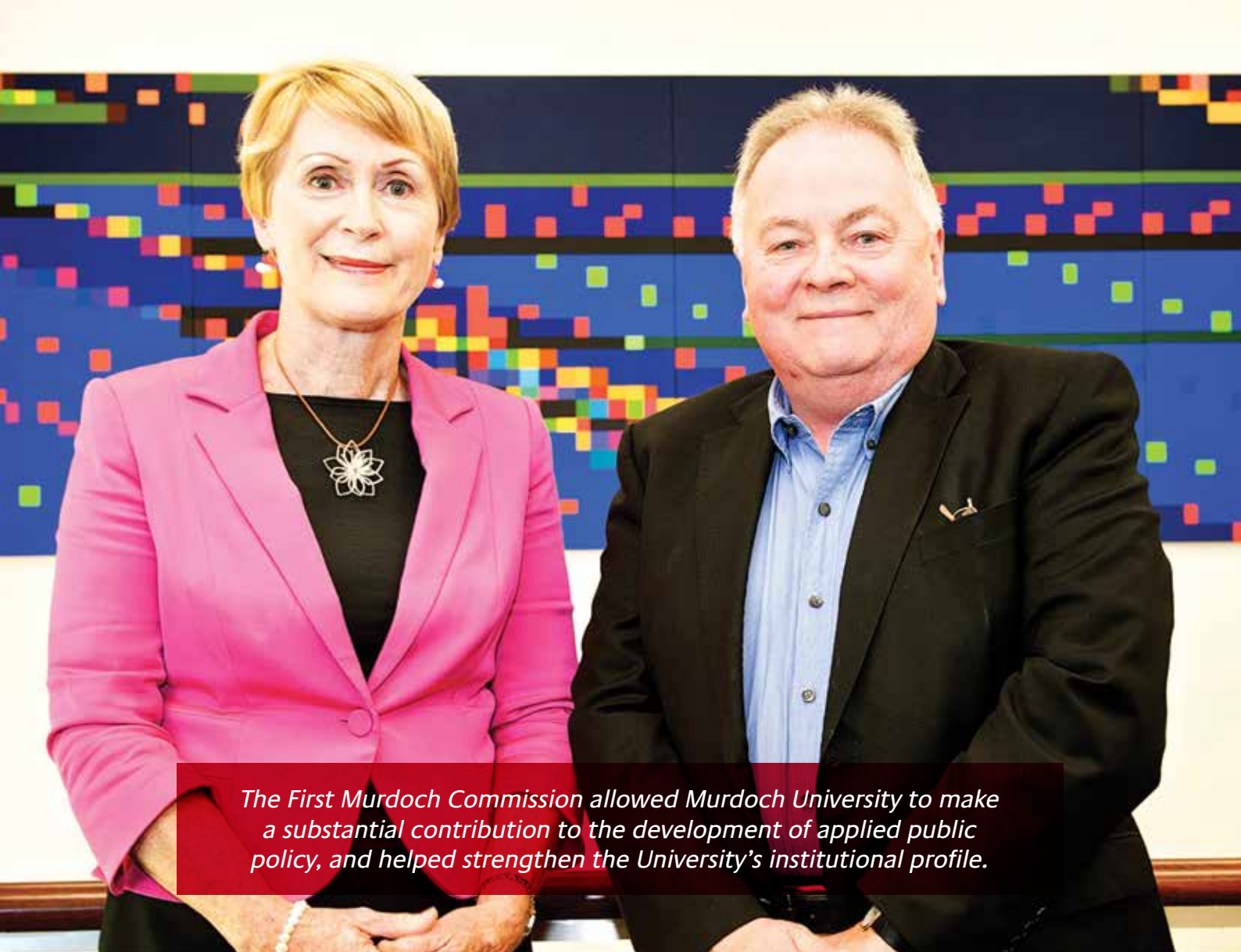
Disability Access

Over 750 support plans for students with a disability or medical condition were in place during the year. Action on the Disability Access and Inclusion Plan 2011-2015 ensured compliance with the *Western Australian Disability Services Act 1993*. Programs were implemented to realise the University's intention to create an environment where all people can safely work and study free from harassment or discrimination.

Key outcomes for 2013 include the development of the Wayfinding Strategy, which is now being implemented. The Strategy, intended to ensure people with a disability can access all Murdoch facilities, assists through the provision of appropriate signage. An online training resource for staff on disability awareness and issues is also being developed. An Access Audit of South Street campus commenced in late June 2013. This audit will be instrumental in informing future initiatives.

The implementation of this plan will continue until 2016. Aligned to the University's budget program, it will be regularly reviewed to ensure delivery is occurring in a timely and appropriate manner.





The First Murdoch Commission allowed Murdoch University to make a substantial contribution to the development of applied public policy, and helped strengthen the University's institutional profile.

Community Engagement

The University's strategic plan identifies community engagement as one of its three core priorities. In 2013, Murdoch University continued activities that had been effective in previous years, while identifying new opportunities to communicate and engage with various communities at a local, regional and international level.

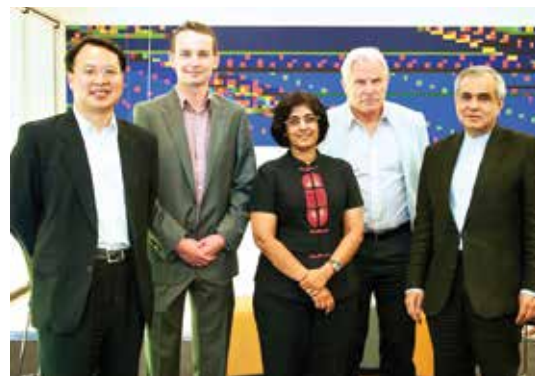
The First Murdoch Commission

As part of the University's efforts to engage communities on a regional scale, Murdoch University established an independent international inquiry into the growing economic interdependency between Western Australia, Australia and the Asian region. Known as The First Murdoch Commission, this inquiry allowed Murdoch University to make a substantial contribution to the development of applied public policy, and helped strengthen the University's institutional profile.

The Commission brought together a group of distinguished leaders and thinkers from government, business and academia, each with extensive expertise and experience in the key issues and challenges confronting Western Australia and the Asian region.

In developing the report, the Commission examined development potential in the region through a set of specific themes, covering economic prospects, diplomacy and governance, expertise and innovation, and resources security and sustainability. The Commission also evaluated the importance of regional engagement in advancing growth and development, with a view to enhancing mutual benefit and long-term resilience for the Asian region, including Australia.

The final report was published and disseminated in November 2013.





Government and Industry Relationships

Murdoch University engages with government and industry in a variety of ways. Not only do these activities enhance the University's reputation, but also allow Murdoch to contribute to public debate and the enrichment of Australian culture.

The Future of Higher Education

In March 2013, Murdoch University held a symposium titled *The 21st Century University: Transformation and resilience in a knowledge economy*. Featuring speakers from interstate and overseas, the symposium brought together leading thinkers, academics and interested parties from business, government and the community to discuss how universities will develop in coming decades.



ECANSE

The Estuaries, Catchments and NearShore Marine Environments initiative, led by Murdoch University, is working towards its goal of establishing a long-term collaboration between researchers, managers, government, industry and the community. One major project has already been launched, with a continued focus on building knowledge and relationships to help conserve these fragile environments in Australia's South West.

Forums and Conferences

Once again, Murdoch University was a major partner in The West Australian newspaper's flagship Leadership Matters series. This series brings together representatives from the private and public sector to discuss issues of leadership relevant to the wider community. In 2013, guest speakers included Australian cricket player Michael Hussey, the Hon. Julie Bishop MP, Corporal Daniel Keighran VC, Virgin Australia chief executive John Borghetti and Seven West Media chief executive Tim Worner.

The University also continues to be a member of the Committee for Economic Development of Australia and contributed to recent public discussions about sustainable agriculture, the mining sector, and public policy.

A number of national and international conferences were hosted in 2013, further raising the University's profile among industry leaders and experts. One of these was the Africa Australia Research Forum, held in partnership with Africa Down Under and the Crawford Fund. Other conferences covered themes such as theology, veterinary parasitology, drought-related agricultural science, economics, communications, sustainable water use and many more.

Public Lectures

Each year, Murdoch University invites a person of national or international standing to deliver the Sir Walter Murdoch Lecture on a topical issue of interest. This year, Dr Toby Miller of the University of California gave this free public lecture, exploring the theme of Australian citizenship and its relevance in the modern day.

In October, Western Australia's first female judge, The Hon. Antoinette Kennedy AO, gave the 2013 Banksia Association lecture, looking at the essential elements of the legal system and the community's expectations.

Dr Muriel Watt, Chair of the Australian Photovoltaics Association, delivered the 2013 Keith Roby Memorial Trust Lecture.

Media Profile

Experts from both the Academy and Professional Services continued to provide proactive and reactive comment to local, national and international media on a range of issues. In 2013, the State and Federal elections brought about an increase in media interest, as did the University's established and emerging expertise in South East Asian affairs, environmental sustainability, food production, health, agriculture and social issues.

Supporting the community

Murdoch University has undertaken a range of activities to cultivate educational aspiration, help protect the natural environment and encourage cultural and commercial activity in the community.

Sustainability

The University has built a strong reputation for its progressive environmental initiatives, both on-campus and in the community. A full-time Sustainability Officer oversees many of these activities.

More than \$120,000 of grant funding was secured, allowing Murdoch's biodiversity conservation program to continue in 2013. A part-time Biodiversity Grants Officer position was created for the administration of funded projects relating to cockatoo conservation. These include revegetation of strategic locations, reserve fencing, weed control and activities to control the destructive European House Borer beetle.



Students, staff and community volunteers assisted at four tree planting days over the winter months. Students were also engaged through the placement of a Sustainability Charter in the student diary.

The Environmental Sustainability Advisory Committee invited the University community to apply for \$20,000 worth of 'Green Campus Grants' to reduce the operational footprint and foster grassroots engagement among students and staff. Five projects were successful, including materials needed for a community garden, dry cell battery recycling collection points and the purchase of electric bicycles to reduce reliance on cars for short trips.

The Committee also funded a groundwater monitoring project, the purchase and installation of cockatoo warning road signs and the rollout of sustainability initiatives funded in 2012, including the sustainable food packaging strategy.

The TravelSmart program (funded in 2012) gained momentum with the provision of additional bicycle lockers and a bicycle repair station. In addition to this, a number of Murdoch University staff participated in events to support public health and sustainable transport. These included Walk Over October (a public health and sustainable transport initiative led by the Department of Transport) and the Cycle Instead Bike to Work Challenge. Drivers of electric vehicles now have access to a wall-mounted charging station at South Street campus.

E-waste collections at South Street, Rockingham and Peel campuses saw more than four tonnes of old equipment recycled or disposed of responsibly.

Over 500 kilograms of fluorescent lighting tubes were replaced (and responsibly recycled) with more efficient Light Emitting Diode (LED) lights in the South Street library, the Bush Court ambulatory, campus floodlights, stairwells and the Rockingham campus carpark. This equates to a reduction in energy consumption of approximately 50 kilowatts. Solar powered LED lights have been installed along a new cycle path adjacent to the sports fields on the western side of South Street campus.

The University's sustainability policy continues to develop, with the Senior Leadership Group involved in this process.



Sponsorships

The University has long been active in societal and community affairs. It has made significant contributions in the areas of environmental sustainability and social reform.

The partnership with Sunset Events continued to uniquely engage internal and external audiences and evidence the University's free thinking and social consciousness. Sunset Events runs the popular Southbound, West Coast Blues 'n' Roots and Groovin' the Moo music festivals. Sustainability forms a key part of the Sunset Events business model, which is one of many areas where Murdoch's values are closely aligned.

The University has won two State Australian Marketing Institute Awards for its work at Southbound in the categories of social marketing and sponsorship. In addition, almost 90 per cent of people surveyed recognised Murdoch as a major event sponsor, making it the most recognised official sponsor at the festival.

Graduations

Five local graduation ceremonies and four international graduation ceremonies were held in 2013. These are the University's premier events that recognise student achievements and excellence, while showcasing Murdoch University to the broader community.

The local ceremonies held in February and September were comprised of 1677 attending graduates, 61 PhD graduates, and Honorary Degree recipients Dr Walden Bello, the Hon. Elizabeth Constable, Emeritus Professor Stuart Harris, The Hon. Wayne Martin AC, and Professor Howard Thomas. The international ceremonies in Singapore comprised of 1010 graduating students.

Marketing

Creative agency Meerkats developed the current 'What is the world coming to?' marketing campaign, which was launched in late 2012. This campaign continued in 2013, profiling a number of researchers and highlighting the University's global connections.

The campaign taps into local pride, while driving people to the Murdoch website to seek more information about the researchers profiled, course offerings and the University itself.

Web Renewal Project

The Web Renewal Project will redesign and rebuild the public facing website to serve as an 'always-on' ambassador for the University. This will collectively meet user needs, assist in achieving the goals set out in the strategic plan and further enhance the University's reputation.

The changes to the website will ensure the University is able to engage prospective and current audiences in a user-centric manner and offer strategic advantages over other universities in keeping with Murdoch University's strategic plan.

Social Media

Murdoch University maintains a presence on Twitter and Facebook, with an Instagram account launched in 2013. These efforts build awareness and deliver results through positive engagements with the online community, in addition to quality content that provides a value-added experience.

Alumni Relations

In 2013, Alumni Relations stayed in contact with over 60,000 graduates. It hosted a wide range of functions, including new events in China and a hugely successful Family Fun Day at AQWA, the West Australian Aquarium.

The third annual Murdoch University Distinguished Alumni Awards took place in July with two outstanding winners. Barathan Pasupathi, CEO of Jetstar Asia, and Josh Byrne, WA presenter of ABC's Gardening Australia and Director of Josh Byrne & Associates, were acknowledged for their skills, knowledge and innovation that are changing the world for the better.

During the year, the inaugural Murdoch University Alumni Annual Appeal Scholarship was awarded to Marine Science and Journalism student, Natasha Prokop. This ongoing scholarship is funded through the generous support of Murdoch Alumni to the Alumni Annual Appeal. Alumni also donated their expertise to current students, School Committees and contributed to fundraising.



Eastern Precinct

The Eastern Precinct is a 43-hectare site which will form one of the key developments of the Murdoch Specialised Activity Centre. Murdoch University is working with government, at a local and state level, to progress works at this site, which will incorporate university teaching, learning and research. Other potential land uses include health, commercial, manufacturing and logistics, entertainment, retail and residential.

The Urban Design Framework has been approved by the Murdoch Senate, allowing work to begin on the master plan. An Environmental Management Plan will be developed as part of the master plan process, with this phase likely to conclude in mid-2014. Initial infrastructure works are expected to commence in early 2015.

Project KIDS moved into its new premises in the Eastern Precinct in mid-2013. This research program is investigating how children's brains develop, to better understand how learning, reasoning and emotional development occurs.

Scholarships and Prizes

In addition to supporting bright minds in the community, the University continues to promote and cultivate educational aspiration among under-represented groups. Thanks to the generous support of donors and funding bodies, Murdoch University is able to reward high achievers and assist students in meeting their financial commitments through a variety of scholarships and prizes.

In parts of Perth's southern corridor, tertiary enrolments are around half the state average. To help achieve balance, students in the Rockingham, Kwinana and Peel regions are eligible for dedicated scholarships and prizes. In 2013, a number of undergraduate scholarships, funded by the Federal Government, were awarded for the first time.

The Discover Your Potential Scholarships are the result of the generous support of the Rockingham Education Development Group, chaired by 2013 Senate Medal winner Barbara Holland. These four-year scholarships, worth \$10,000, were awarded to five high-achieving local students to help them complete their degrees.

Students in regional and remote areas will benefit thanks to renewed support for the George Alexander Foundation scholarships. From 2014, six scholarships valued at \$24,000 will be awarded annually to regional Year 12 students relocating to Perth to study at Murdoch University.



The Peel Community Foundation donated \$180,000 to the University in 2013 to establish two scholarships, each valued at \$2,500 per year. From 2014, these scholarships will be awarded to school leavers from the Peel region commencing studies at Murdoch University.

Murdoch University Foundation

The Murdoch University Foundation accepts and manages funds generously donated by many private and corporate supporters and partners through bequests, capital campaigns, gifts and general donations. These funds are distributed as scholarships and prizes or can be targeted to specific areas of teaching, learning or research or to fund specific capital developments.

In 2013, more than \$1.4 million was received to support the work of the University. Since its establishment, the Foundation has received more than \$22 million in donations and sponsorships.

Donors and Partners

The University works closely with a range of private donors and corporate supporters to enhance teaching, learning and research activities. In 2013, strong relationships were maintained with key partners, including the McCusker Charitable Foundation, the City of Rockingham, Rio Tinto, Alcoa of Australia, Energy Resourcing and Fremantle Ports to help support the University. These donations are not only an expression of generosity, but also a clear and beneficial investment in students, research and the wider community.

Murdoch University Veterinary Trust

Established in 1996, the Murdoch University Veterinary Trust has contributed \$3.7 million to fund the significant and increasing work of the School of Veterinary and Life Sciences.

In 2013, the Trust continued sponsorship partnerships with Hill's Pet Nutrition Pty Ltd, Boehringer Ingelheim Pty Ltd, Perth Zoo, Merial Australia Pty Ltd, Smith & Nephew Pty Ltd, Animal Dermatology Clinic, Virbac Animal Health, and Elanco Animal Health. These organisations provided funding for academic positions, student programs and continuing veterinary education.

Murdoch University Foundation Donors and Sponsors

Many other donors and sponsors have supported the University, its students and the community, but have chosen to remain anonymous. In addition, some donors have previously provided funds to the Foundation to be held in perpetuity, with the income to be used each year for student prizes, scholarships, research and community projects. We thank all of our donors and sponsors for their generous support.

Student Prizes

AMGEN Australia Pty Ltd
Anthropological Society of WA
Association of Chartered Certified Accountants
Australian Computer Society (ACS)
Australian Finance Conference
Australian Insurance Law Association
Australian Taxation Office
Professor Bonnie Barber
David Berinson
Craig Andrew Bowie
Malcolm Bradley
Peter Brown
Bureau Veritas Amdel
Challenger Institute of Technology
Chamber of Commerce and Industry of WA
Channel Seven
Chartered Secretaries Australia
Chiropractic & Osteopathic College of Australasia
City of Rockingham
Communications Expert Group (CEG)
Culshaw Miller Lawyers
Department of Education, Employment and Workplace Relations
Department of Water
Downings Legal
Professor Jim Ellis OAM
Engineers Australia
Environmental Protection Authority
Geoff & Lyn Field
Francis Burt Chambers
Frontier Software Pty Ltd
Global Industry Development Network
Laurelle Grimley
HBF
Dr Mark Hecimovich
Honeywell Ltd
IEEE WA Section
iiNet Ltd
Independent Metallurgical Operations
Industrial Relations Society of Western Australia
Institute of Chartered Accountants in Australia
Issa Family
Japan Chamber of Commerce and Industry in Perth Inc.
King & Wood Mallesons
Kott Gunning Lawyers
Kulbardi Aboriginal Centre
Mandurah Retirement Village Inc.
Mony de Kerloy Barristers & Solicitors
Murdoch University Environmental Science Association
Norton Rose Fulbright Australia
Rachael O'Byrne
Robyn O'Byrne
Oceanica Consulting Pty Ltd

Office of the Auditor General
Orbit Health and Fitness Solutions
P&N Bank
Paterson & Dowding
Lisa Roche
Royal Australian Chemical Institute
SGS Lakefield Oretest Pty Ltd
Shine Lawyers
Julie Anne Shuttleworth
Sinclair Knight Merz
Peter Smith
St John of God Health Care
Statewide Oil
WA Mining Club
WA Primary Principals' Association
Water Corporation

Student Scholarships

Allbro Industries
BHP Billiton Nickel West
Cedar Woods Properties
City of Kwinana
City of Rockingham
Eurotorp Pty Ltd
GDF SUEZ Australian Energy
Barbara Joan Grinsell
Robert K. Hammond
Buh Kwong Leong
Rio Tinto Ltd (Perth)
Emeritus Professor Ian Ritchie
Rockingham Education Development Group
Rockingham & Districts U3A
The George Alexander Foundation
The Ragdoll Foundation Pty Ltd

Research Support

Bayview Coral Bay
BHP Billiton Nickel West
Alison Brown
Dr Roberta Cowan
Lindsay & Jan Eva
Michele Farrell
Fremantle Ports
McCusker Charitable Foundation
Susan Pike
Steve Wall
Students at Perth Modern School
Leslie Wilson
Wisalts Inc.

Chiropractic Projects

Actimed Australia
Hugh Bevege
Booragoon Radiology
Dr Neil Brodie
Chiropractors' Association of Australia National Ltd
Chiropractors' Association of Australia (WA)
Renae Darmody
James Foster
Hands on India
Peter Jenner
Memlex Pty Ltd
Murdoch University Guild
Nexus Wealth Management
Daniel Paulsen
Dr Andrew Riddle
Barry Yap

Sponsorship of Academic Positions

City of Rockingham

Project Sponsorships

Chiropractors' Association of Australia National Ltd
Energy Resourcing Australia Pty Ltd
Fremantle Ports
St John of God Health Care
University of Western Australia (Earth & Environment)

General Donations

Dr Edward Adler
Brian Jason Drake
Gerty Ewen
Sandy Fehlberg
Barbara Harris
Nerida Lovell
Ronald Manners
Loreto Nedlands
Retired Teachers' Association WA
Transpacific Industries Group Ltd
Sophia Tromp

Alumni Donations

Fadiel Ahjum
Jane Brooks
Joan Carney
Evelyn De Klerk
Dr Christopher Dent
John Durham
Ross Gosatti
Dr Linda Gregory
Karl Hombergen
Richard Hyde
Rammesh Jacobs
David King
Allan MacDonald
Dr Roger May
James Mittra
Hilary Monck
Dr Glen Power
Natasha Prokop
Geoffrey Read
Keow Choo Reutens
John Toohey AC QC
John Wickham QC
Ying Wei Michelle Zheng

Banksia Association

Dr Godfrey Barrett-Lennard
Dr Bernard Bowen
Janice Adele Bowra
Jeremy Buxton
The Hon. Fred Chaney AO & Angela Chaney
Emeritus Professor William Clark
Emeritus Professor Nick Costa
Emeritus Professor Jan Currie
Emeritus Professor Lawrie Davidson
Emeritus Professor Michael Dilworth
Professor Jon Dunsmore
Professor Robin & Carol Giles
Janet Holmes à Court AC
Emeritus Professor Alexander Kerr AM
Dr James Leavesley
Richard & Lyn Lester
Emeritus Professor Kateryna Longley & Richard Longley
Frances Maber

Jen & Arthur McComb
The Hon. Michael Murray AM QC & Dale Murray
Professor Malcolm Nairn AM
Bradley Norman
Osborne Properties Pty Ltd
Paige Porter
Peter & Gwenda Rogers
Dr Ralph Sarich AO CitWA & Patricia Sarich
Professor Jennifer Searcy
Frank Usher

Art Collection Support

John Catlin & Seva Frangos
Megan & Arthur Criddle
Alan Dodge AM CitWA
Dr Alison Gaines & Greg Smith
Geoff Hancy
Professor Kevin Hewison
Jenny Mills
Dr Fred Nagle & Georgina Nagle
Jane Tangney
Penelope & Rodney Thompson
Jude Van Der Merwe
Wesfarmers Arts

Murdoch University Veterinary Trust Support

Richard Alder
Alder and Partners Pty Ltd
Alexander Park Probus Club
Betty Allan
Susie Andri
Applied Vocational Training
John Ballantyne
The Reverend Jennifer Ballard
Mary Teresa Barry
Cheryl Bartley
Louise Bass
Bernard Bent
Jenny Po Shan Berry
Catherine Bethel
Anthea Bird
Dr Anne Black
Kaesaree Boonyakurkul
Lynette Bowra
Hugh Christopher Broun
Brian Browes
Neil Brown
Sandra Brown
Kim Buttfield
Jill Chandler
Emma Chase
Jan Christensen
Jan Cicerello
City Beach Probus Club
Emeritus Professor William & Jean Clark
Kathryn Clarke
Julie Colless
Thomas Coveney
Diane Coxon
Melissa Crofts
Elaine Dacre
Sue D'Alton
Carolyn Daly
Vernon Dann
Dr Paul Davey OAM
Kerry Davies
Philippa A. Davies
Gwendoline Dawes

Margaret Dellaca
Delphi Ltd
Margaret Dickinson
Edna Dines
Sue Drake
Katarina Egan
Lynette Frances Embrey
Stan Evans
Audrey Fairchild
Dr Bruce Ferguson
Lynda Ford
Winfred E. Froude
Brian Frugtniet
Alma Gardiner
John Gaynor
Hana Geha
Anna Gosman
Phyllis Grant
Greengib Foundation
Sandra Griffiths
Gillian Griffiths
Sharon Hambridge
Hanny Properties
Adrienne Hansen
Dale Harper
Ken Harvey
Margaret Harvey
Adrienne Hawkins
Peter Hector
Margaret Herbert
Jane Hitchmough
Vivian Ho
Paula Hughes
Crystal Humphry
Paul Isbister
Marion Jackson
Rosemary Johnson
Matthew Johnston
Elizabeth Jane Kavanagh
Terrence Keyes
Kylie King
Janet Koelemij
Emily Kwauk
Chris Latham
Dr Christine Lawson-Smith
Cathy Lazzarich
Lynda Leatherman
Glyniss Linaker
Hazel Livsey
V. Lloyd
Dr Graham Long
Georgina Makaroff
Karen Marston
Marilyn Martin
Peter Maye
Rachael McGlinn
Cheryl McIntosh
Agnes McLeod
Gloria McMahon
Wendy Melzack
Jacqueline Meyer
Irene Miller
Jennifer Moss
Margaret Mundy
Alexander Murdoch
Murdoch University Vet Students' Association
Dr David Murphy
M. Murphy
Paul Murray

John Neilson
Dr Ryan Ng
Cristina O'Brien
Alex Omel
Dorothy Pears
Janice & Louie Polesello
Portec Veterinary Services
Peter Potter
Margaret Powell
Maria Pracilio
Ben Price
R. Purvis
Helen Ransom
Brian Ridal
Jan Roberts
Walter Roberts
Dr Ian Robertson
Chandra Roebuck
Dr Ralph Sarich AO CitWA & Patricia Sarich
Sylvia Schaber
ScreenWest
Enid Sedgwick
Dr Robyn Sharp
Cornwell Shiu
Carol Sinclair
Jenny Po Shan Siu
Fiona Spurling
Dr Donald Stewart
Anne Tan
Dr Suellen Maree Taylor
Dr David Tennant
Ann Thompson
Dave Thomson
Elaine Todman
Natasha Trapla
Heather Tunmore
Jane Underwood
Magdalena Joanna Upton
Vendquip
Maureen Wabel
Jennifer Wade
Richard G. Walton
Dr Elaine Waters
Gillian Weaver
Jane Webbware
Brigid Woss
Stephen Marc Yearwood

Veterinary and Life Sciences Prizes

Dr Peter Adamson
Australian and New Zealand College of Vet Scientists
Australian Veterinary Association Ltd
Simon Andrew Bell
Bioniche Animal Health
Marlene Carter
CenVet
Dr S. C. Chua
Department of Agriculture and Food (South Perth)
Dr Thomas Edwards
Epichem Pty Ltd
Equine Veterinarians Australia
Fisher Biotech
GeneWorks
Hill's Pet Nutrition
Rajni Joseph
Peter Kendall
Knowledge Transfer Office Murdoch University
John Kopriwa

Shirley Anne Lowe
Lorraine Luscombe
Milne AgriGroup Pty Ltd
Robert Newton
Ozgene Pty Ltd
Provet WA
Colleen Rigby & Clyde McGill
Royal Canin Australia Pty Ltd
Triangle Engineering Consultants
University of Sydney Centre of Veterinary Education
The Unusual Pet Vets
Associate Professor Carol Warren
Wellard Rural Exports Pty Ltd
Zoetis Animal Production

Caring for Pets Participating Clinics

Bullsbrook Veterinary Clinic
Bunbury Veterinary Clinic
Busselton Veterinary Hospital
Coral Coast Veterinary Hospital
Cottesloe Animal Hospital
Foothills Animal Hospital
Grantham St Vet Clinic
Greenfields Veterinary Hospital
Harradine & Associates Veterinary Hospital
Kalamunda Veterinary Clinic
Kenwick Veterinary Hospital
Midland Veterinary Hospital
Mira Mar Veterinary Hospital
Ranford Veterinary Hospital
St Francis Veterinary Hospital
Valley Veterinary Centre
Vogue Vets

Disclosures and Legal Compliance

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 ended 31 December 2013 and the financial position as at 31 December 2013.

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.



D N Flanagan
Chancellor



R A Higgott
Vice Chancellor



M P Conry
Chief Finance Officer

12 March 2014

Certification of Financial Statements required by the Department of Education

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.

Murdoch University charged Student Services and Amenities Fees strictly in accordance with the Higher Education Support Act 2003 and the Administration Guidelines made under the Act. Revenue from the fee was spent strictly in accordance with the Act and only on services and amenities specified in subsection 19-38(4) of the Act.



D N Flanagan
Chancellor



R A Higgott
Vice Chancellor

12 March 2014

Certification of Key Performance Indicators

We hereby certify that the 2013 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 2013.



D N Flanagan
Chancellor



R A Higgott
Vice Chancellor

12 March 2014



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 the Murdoch University and the consolidated entity.

The financial statements comprise the Statement of Financial Position as at 31 December 2013, the 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.

Opinion

In my opinion, the financial statements are based on proper accounts and present fairly, in all material respects, the financial position of the Murdoch University and the consolidated entity at 31 December 2013 and their financial performance and cash flows for the year then ended. They are in accordance with Australian Accounting Standards and the Treasurer's Instructions.

Report on Controls

I have audited the controls exercised by the Murdoch University during the year ended 31 December 2013.

Controls exercised by the Murdoch University are those policies and procedures established by the University Senate to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions.

University Senate's Responsibility for Controls

The University Senate is responsible for maintaining an adequate system of internal control to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of public and other property, and the incurring of liabilities are in accordance with the Financial Management Act 2006 and the Treasurer's Instructions, and other relevant written law.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the adequacy of controls to ensure that the University complies with the legislative provisions. The procedures selected depend on the auditor's judgement and include an evaluation of the design and implementation of relevant controls.

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

Opinion

In my opinion, the controls exercised by the 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 during the year ended 31 December 2013.

Report on the Key Performance Indicators

I have audited the key performance indicators of the Murdoch University for the year ended 31 December 2013.

The key performance indicators are the key effectiveness indicators and the key efficiency indicators that provide information on outcome achievement and service provision.

University Senate's Responsibility for the Key Performance Indicators

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 and for such controls as the University Senate determines necessary to ensure that the key performance indicators fairly represent indicated performance.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the key performance indicators. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the key performance indicators. In making these risk assessments the auditor considers internal control relevant to the University Senate's preparation and fair presentation of the key performance indicators in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the relevance and appropriateness of the key performance indicators for measuring the extent of outcome achievement and service provision.

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

Opinion

In my opinion, the key performance indicators of the 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 2013.

Independence

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

Matters Relating to the Electronic Publication of the Audited Financial Statements and Key Performance Indicators

This auditor's report relates to the financial statements and key performance indicators of the Murdoch University for the year ended 31 December 2013 included on the University's website. The University's management is responsible for the integrity of the University's website. This audit does not provide assurance on the integrity of the University's website. The auditor's report refers only to the financial statements and key performance indicators described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these financial statements or key performance indicators. If users of the financial statements and key performance indicators are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial statements and key performance indicators to confirm the information contained in this website version of the financial statements and key performance indicators.



COLIN MURPHY
AUDITOR GENERAL
FOR WESTERN AUSTRALIA
Perth, Western Australia
14 March 2014

Financial Statements

Income Statement

For the Year Ended 31 December 2013

| | Note | Consolidated | | University | |
|---|------|-----------------|-----------------|-----------------|-----------------|
| | | 2013 \$000's | 2012 \$000's | 2013 \$000's | 2012 \$000's |
| Revenue from continuing operations | | | | | |
| Australian Government financial assistance | | | | | |
| Australian Government grants | 2 | 117,592 | 127,213 | 117,592 | 127,213 |
| HELP - Australian Government payments | 2 | 60,002 | 51,173 | 60,002 | 51,173 |
| State and local government financial assistance | 3 | 3,442 | 3,462 | 3,442 | 3,462 |
| HECS-HELP - student payments | | 7,212 | 7,788 | 7,212 | 7,788 |
| Fees and charges | 4 | 81,540 | 75,629 | 88,334 | 82,022 |
| Investment revenue | 5 | 7,583 | 10,300 | 6,275 | 8,988 |
| Consultancy and contract research | 6 | 19,129 | 18,881 | 19,129 | 18,881 |
| Other revenue | 7 | 31,644 | 31,399 | 24,152 | 71,710 |
| Total revenue from continuing operations | | 328,144 | 325,845 | 326,138 | 371,237 |
| Other income from continuing operations | | | | | |
| Gain on disposal of assets | | - | 71 | - | 71 |
| Share of profit or loss on investments accounted for using the equity method | 38 | 272 | 250 | - | - |
| Other investment income | 5 | 24,883 | 2,198 | 24,394 | 1,942 |
| Total other income from continuing operations | | 25,155 | 2,519 | 24,394 | 2,013 |
| Total income from continuing operations | | 353,299 | 328,364 | 350,532 | 373,250 |
| Expenses from continuing operations | | | | | |
| Employee related expenses | 8 | 186,081 | 170,227 | 184,472 | 168,838 |
| Depreciation and amortisation | 9 | 15,619 | 13,969 | 15,617 | 13,967 |
| Repairs and maintenance | 10 | 9,585 | 9,580 | 7,958 | 8,500 |
| Borrowing costs | 11 | 553 | 608 | 553 | 1,289 |
| Impairment of assets | 12 | 2,426 | 838 | 2,376 | 838 |
| Investment losses | 5 | 200 | 299 | 147 | 292 |
| Loss on disposal of assets | | 151 | - | 151 | - |
| Other expenses | 13 | 101,433 | 99,369 | 97,407 | 93,836 |
| Total expenses from continuing operations | | 316,048 | 294,890 | 308,681 | 287,560 |
| Operating result before income tax | | 37,251 | 33,474 | 41,851 | 85,690 |
| Income tax expense | 14 | 1,302 | 479 | 1,268 | 482 |
| Operating result after income tax for the period attributable to members of Murdoch University | | 35,949 | 32,995 | 40,583 | 85,208 |

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

Statement of Comprehensive Income

For the Year Ended 31 December 2013

Operating result after income tax

Gain on revaluation of land, buildings, infrastructure and artworks, net of tax

Total comprehensive income attributable to members of Murdoch University

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

| Note | Consolidated | | University | |
|------|-----------------|-----------------|-----------------|-----------------|
| | 2013 \$000's | 2012 \$000's | 2013 \$000's | 2012 \$000's |
| | 35,949 | 32,995 | 40,583 | 85,208 |
| 22 | 7,911 | 66,319 | 7,911 | 66,319 |
| | 43,860 | 99,314 | 48,494 | 151,527 |

Statement of Financial Position

As at 31 December 2013

| | Note | Consolidated | | University | |
|---|------|------------------|------------------|------------------|-----------------|
| | | 2013 \$000's | 2012 \$000's | 2013 \$000's | 2012 \$000's |
| Assets | | | | | |
| Current assets | | | | | |
| Cash and cash equivalents | 15 | 146,901 | 121,019 | 105,953 | 98,470 |
| Receivables | 16 | 10,300 | 11,656 | 10,723 | 12,412 |
| Inventories | 17 | 1,797 | 2,163 | 1,791 | 2,158 |
| Derivative financial instruments | 18 | 1,691 | - | 1,691 | - |
| Other financial assets | 19 | 6,047 | 2,263 | - | - |
| Other non-financial assets | 20 | 5,756 | 4,945 | 5,689 | 4,880 |
| Total current assets | | 172,492 | 142,046 | 125,847 | 117,920 |
| Non-current assets | | | | | |
| Receivables | 16 | - | 540 | - | 490 |
| Other financial assets | 19 | 51,159 | 46,536 | 51,050 | 46,447 |
| Other non-financial assets | 20 | 158 | 162 | 158 | 162 |
| Investments accounted for using the equity method | 38 | 1,234 | 962 | - | - |
| Investment properties | 21 | 242,699 | 201,933 | 242,699 | 201,933 |
| Property, plant and equipment | 22 | 623,752 | 621,626 | 623,752 | 621,624 |
| Intangible assets | 23 | 8,797 | 8,767 | 8,797 | 8,767 |
| Deferred tax assets | 14 | 19 | 16 | - | - |
| Total non-current assets | | 927,818 | 880,542 | 926,456 | 879,423 |
| Total assets | | 1,100,310 | 1,022,588 | 1,052,303 | 997,343 |
| Liabilities | | | | | |
| Current liabilities | | | | | |
| Trade and other payables | 24 | 19,789 | 18,030 | 20,217 | 16,831 |
| Borrowings | 25 | 752 | 943 | 752 | 943 |
| Derivative financial instruments | 18 | 1,691 | - | 1,691 | - |
| Provisions | 26 | 46,098 | 40,836 | 34,545 | 30,249 |
| Other liabilities | 27 | 197,668 | 172,079 | 6,947 | 9,415 |
| Total current liabilities | | 265,998 | 231,888 | 64,152 | 57,438 |
| Non-current liabilities | | | | | |
| Borrowings | 25 | 8,223 | 8,924 | 8,223 | 8,924 |
| Provisions | 26 | 4,585 | 4,132 | 4,585 | 4,132 |
| Total non-current liabilities | | 12,808 | 13,056 | 12,808 | 13,056 |
| Total liabilities | | 278,806 | 244,944 | 76,960 | 70,494 |
| Net assets | | 821,504 | 777,644 | 975,343 | 926,849 |
| Equity | | | | | |
| Reserves | 28 | 388,822 | 380,911 | 388,822 | 380,911 |
| Retained earnings | 28 | 432,682 | 396,733 | 586,521 | 545,938 |
| Total equity | | 821,504 | 777,644 | 975,343 | 926,849 |

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

Statement of Changes in Equity

For the Year Ended 31 December 2013

| | Reserves | Retained Earnings | Total |
|---|----------------|-------------------|----------------|
| | \$000's | \$000's | \$000's |
| Consolidated | | | |
| Balance at 1 January 2012 | 314,592 | 363,738 | 678,330 |
| Profit or loss | - | 32,995 | 32,995 |
| Revaluation of land, buildings, infrastructure and artworks | 66,319 | - | 66,319 |
| Balance at 31 December 2012 | 380,911 | 396,733 | 777,644 |
| Balance at 1 January 2013 | 380,911 | 396,733 | 777,644 |
| Profit or loss | - | 35,949 | 35,949 |
| Revaluation of land, buildings, infrastructure and artworks | 7,911 | - | 7,911 |
| Balance at 31 December 2013 | 388,822 | 432,682 | 821,504 |
| University | | | |
| Balance at 1 January 2012 | 314,592 | 460,730 | 775,322 |
| Profit or loss | - | 85,208 | 85,208 |
| Revaluation of land, buildings, infrastructure and artworks | 66,319 | - | 66,319 |
| Balance at 31 December 2012 | 380,911 | 545,938 | 926,849 |
| Balance at 1 January 2013 | 380,911 | 545,938 | 926,849 |
| Profit or loss | - | 40,583 | 40,583 |
| Revaluation of land, buildings, infrastructure and artworks | 7,911 | - | 7,911 |
| Balance at 31 December 2013 | 388,822 | 586,521 | 975,343 |

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

Statement of Cash Flows

For the Year Ended 31 December 2013

| | Note | Consolidated | | University | |
|---|------|-----------------|-----------------|-----------------|-----------------|
| | | 2013 \$000's | 2012 \$000's | 2013 \$000's | 2012 \$000's |
| Cash flows from operating activities | | | | | |
| Australian Government grants | 2 | 174,368 | 180,858 | 174,368 | 180,858 |
| State and local government grants | | 3,442 | 3,462 | 3,442 | 3,462 |
| HECS-HELP - student payments | | 7,212 | 7,788 | 7,212 | 7,788 |
| OS-HELP (net) | 2 | 270 | (46) | 270 | (46) |
| Receipts from student fees and other customers | | 129,733 | 125,644 | 131,088 | 161,301 |
| Dividends received | | 294 | 530 | 209 | 456 |
| Interest received | | 5,606 | 6,481 | 4,758 | 4,849 |
| Payments to suppliers and employees | | (288,919) | (267,475) | (281,093) | (266,055) |
| Interest and other costs of finance paid | | (580) | (579) | (580) | (579) |
| Net cash provided by operating activities | | 31,426 | 56,663 | 39,674 | 92,034 |
| Cash flows from investing activities | | | | | |
| Proceeds from sale of property, plant and equipment | | 100 | 232 | 100 | 232 |
| Payments for property, plant and equipment, intangibles and investment property | | (31,451) | (29,461) | (31,451) | (29,461) |
| Repayment of loans by related parties | | - | 270 | 50 | 270 |
| Payments for investments | | (3,400) | (10,385) | - | (9,973) |
| Net cash used by investing activities | | (34,751) | (39,344) | (31,301) | (38,932) |
| Cash flows from financing activities | | | | | |
| Repayment of borrowings | | (643) | (611) | (643) | (611) |
| Repayment of finance lease liabilities | | (247) | (290) | (247) | (290) |
| Initial resident loans received | | 30,097 | - | - | - |
| Net cash provided by/(used in) financing activities | | 29,207 | (901) | (890) | (901) |
| Net increase in cash and cash equivalents held | | 25,882 | 16,418 | 7,483 | 52,201 |
| Cash and cash equivalents at beginning of year | | 121,019 | 104,601 | 98,470 | 46,269 |
| Cash and cash equivalents at end of financial year | | 146,901 | 121,019 | 105,953 | 98,470 |
| Financing arrangements | 15 | | | | |
| Non-cash financing and investing activities | 25 | | | | |
| | 29 | | | | |

The above Statement of Cash flows should be read in conjunction with the accompanying notes.

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1 Summary of significant accounting policies

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 (AASB) 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 AASB.

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, infrastructure and artworks 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).

Note 1 (x) 'Critical accounting estimates and judgements' discloses estimates and judgements made in the process of applying the Group's accounting policies resulting in the most significant effect on the amounts recognised in the financial statements.

Note 1 (x) 'Critical accounting estimates and judgements' discloses key assumptions made concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

The University is a not-for-profit entity and the financial statements have been prepared on that basis. Some of the Australian Accounting Standards requirements for not-for-profit entities are inconsistent with the International Financial Reporting Standards (IFRS) requirements.

(b) Basis of consolidation

Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of the University as at 31 December 2013 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 Group has the ability 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 Group 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 control ceases.

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

Interentity transactions, balances and unrealised gains on transactions between Group entities 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 recognised and 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 (including 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.

Research grants are recognised at their fair value when the Group obtains control of the right to receive the grant, it is probable that economic benefits will flow to the Group and it can be measured reliably.

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.

HELP payments

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

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 rate, 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 of the independent living unit or serviced apartment 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

Realised and unrealised gains 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 costing \$5,000 or more are recognised as assets and the cost of utilising assets is expensed (depreciated) over their useful lives. Items of property, plant and equipment costing less than \$5,000 are 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, library books, motor vehicles and artworks have no minimum capitalisation limit.

Initial recognition and measurement

All items of property, plant and equipment are initially recognised at cost. For items of property, plant and equipment acquired at no cost or for nominal cost, 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 income. Revaluation decrements are only offset against revaluation increments in reserves relating to the same class of asset and any excess is recognised as an expense. At the date of revaluation, accumulated depreciation are eliminated against the gross carrying amount of the building or infrastructure.

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 or loss on disposal

The gain or loss on disposal of non-current assets is recognised as income/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) Intangible assets

Capitalisation/expensing of assets

The Group's intangible assets, electronic library materials, have no minimum capitalisation limit. The cost of utilising the assets is expensed (amortised) over their useful life. Electronic library materials have an expected useful life of 10 years.

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

The cost model is applied for subsequent measurement requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses.

Amortisation for intangible assets with finite useful lives is calculated for the period of the expected benefit (estimated useful life which is reviewed annually) on the straight-line basis. All intangible assets controlled by the Group have a finite useful life and zero residual value.

(f) Impairment of assets

Property, plant and equipment, intangibles, 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. Where an asset measured at cost is written down to recoverable amount, an impairment loss is recognised in profit or loss. Where a previously revalued asset is written down to recoverable amount, the loss is recognised as a revaluation decrement in other comprehensive income. 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 the asset's future economic benefits and to evaluate any impairment risk from falling replacement costs.

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

(g) 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.

(h) 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. 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.

(i) Inventories

Inventories are measured 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 measured 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.

(j) 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.

(k) Employee benefits

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

Annual Leave

Annual leave is not expected to be settled wholly within 12 months after the end of the reporting period and is therefore considered to be 'other long-term employee benefits'. The annual leave liability is recognised and measured at the present value or 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.

The provision for annual leave is classified as a current liability as the Group does not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

Long Service Leave

Long service leave is not expected to be settled wholly within 12 months after the end of 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.

A liability for long service leave is recognised after an employee has completed five years of service based on remuneration rates current as at the end of the reporting period.

An actuarial assessment of long service leave undertaken by PWC Actuaries at 31 December 2011 determined that the liability measured using the short hand measurement technique above was not materially different from the liability determined using the present value of expected future payments. This calculation is consistent with the Group's experience of employee retention and leave taken.

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 end of the reporting period. Pre-conditional and 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.

(l) 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 (note 34). 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.

(m) 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 receivable are not discounted if the effect of discounting is immaterial. The amount of the provision is recognised in the income statement.

(n) Borrowings

Borrowings are recognised initially at the fair value, being the proceeds received, net of transaction costs incurred. Subsequent to initial recognition, borrowings are stated at amortised cost with any difference between the proceeds (net of transaction costs) and redemption value being recognised in the income statement over the period of the borrowings 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 and does not expect to settle the liability for at least 12 months after the year end date.

(o) 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 those borrowings, net of any interest earned on those borrowings. Where funds are borrowed generally, borrowing costs are capitalised using a weighted average capitalisation rate.

(p) Trade and other payables

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

(q) Goods and Services Tax (GST)

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

Receivables and payables are stated inclusive of the amount of GST receivable or payable.

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

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

(r) Taxation

University

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

Consolidated entity

Certain subsidiaries of the University are also tax exempt bodies. Other subsidiaries are taxable entities.

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

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction (other than a business combination) that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses, only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

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

Current and deferred tax assets and liabilities relating to the same taxation authority are offset when there is a legally enforceable right to offset current tax assets and liabilities and they are intended to be settled on a net basis, or the asset is to be realised and the liability settled simultaneously.

Current and deferred tax balances attributable to amounts recognised outside profit and loss are also recognised outside profit and loss.

(s) 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.

(t) Cash and cash equivalents

For statement of cash flows 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.

(u) Financial instruments

In addition to cash and bank overdraft, the Group has the following classes of financial instruments:

- 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) 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 or at fair value as applicable.

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.

(v) Foreign currency translation and hedge accounting

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

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

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

(w) Comparative figures

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

(x) 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:

a) Critical accounting estimates and assumptions

(i) Impairment of assets

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) 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) Investment properties

Commercial building is measured annually on a fair value basis based on market based evidence.

The St Ives Retirement Village is fair valued using an industry specific valuation model updated with assumptions and advice on an annual basis. The key assumptions in this model include growth rates, life expectancies and discount rates applicable to the Retirement Village industry.

(iv) Leave provision

Annual leave provision is discounted based on appropriate market yields on government bonds.

The assessment of the Group's long service leave provision is based on the appropriate inflation rates, discounting rates, probability and rates for employees leaving service and taking leave while in service.

b) Critical judgements in applying the Group's accounting policies

(i) Useful life of assets

The Group determines the useful life of property, plant and equipment (with the exception of land and artworks) and intangible assets to ensure the assets are depreciated in a manner that reflects the consumption of their future economic benefits.

(ii) 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.

(iii) 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.

(y) Initial application of an Australian Accounting Standard

The Group has applied the following Australian Accounting Standards effective for annual reporting periods beginning on or after 1 January 2013 that impacted on the Group.

| | |
|---------------------|---|
| <i>AASB 13</i> | <i>Fair Value Measurement</i> This Standard defines fair value, sets out a framework for measuring fair value and requires additional disclosures for fair value measurements for non financial assets and liabilities. There is no financial impact. |
| <i>AASB 119</i> | <i>Employee Benefits</i> This Standard supersedes AASB 119 (October 2010), making changes to the recognition, presentation and disclosure requirements. The Group assessed employee leave patterns to determine whether annual leave is a short term or other long term employee benefit. The resultant discounting of annual leave liabilities that were previously measured at the undiscounted amounts is not material. |
| <i>AASB 2011-8</i> | <i>Amendments to Australian Accountant Standards arising from AASB 13 [AASB 1, 2, 3, 4, 5, 7, 9, 2009-11, 2010 7, 101, 102, 108, 110, 116, 117, 118, 119, 120, 121, 128, 131, 132, 133, 134, 136, 138, 139, 140, 141, 1004, 1023 & 1038 and Int 2, 4, 12, 13, 14, 17, 19, 131 & 132]</i> This Standard replaces the existing definition and fair value guidance in other Australian Accounting Standards and Interpretations as the result of issuing AASB 13 in September 2011. There is no financial impact. |
| <i>AASB 2011-9</i> | <i>Amendments to Australian Accounting Standards Presentation of Items of Other Comprehensive Income [AASB 1, 5, 7, 101, 112, 120, 121, 132, 133, 134, 1039 & 1049]</i> This Standard requires to group items presented in other comprehensive income on the basis of whether are potentially reclassifiable to profit or loss subsequently (reclassification adjustments). There is no financial impact. |
| <i>AASB 2011-10</i> | <i>Amendments to Australian Accounting Standards arising from AASB 119 (September 2011) [AASB 1, 8, 101, 124, 134, 1049 & 2011 8 and Int 14]</i> This Standard makes amendments to other Australian Accounting Standards and Interpretations as a result of issuing AASB 119 in September 2011. The resultant discounting of annual leave liabilities that were previously measured at the undiscounted amounts is not material. |
| <i>AASB 2012-2</i> | <i>Amendments to Australian Accounting Standards Disclosures Offsetting Financial Assets and Financial Liabilities [AASB 7 & 132]</i> This Standard amends the required disclosures in AASB 7 to include information that will enable users of an entity's financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set off associated with the entity's recognised financial assets and recognised financial liabilities, on the entity's financial position. There is no financial impact. |
| <i>AASB 2012-5</i> | <i>Amendments to Australian Accounting Standards arising from Annual Improvements 2009-11 Cycle [AASB 1, 101, 116, 132 & 134 and Int 2]</i> This Standard makes amendments to the Australian Accounting Standards and Interpretations as a consequence of the annual improvements process. There is no financial impact. |
| <i>AASB 2012-6</i> | <i>Amendments to Australian Accounting Standards Mandatory Effective Date of AASB 9 and Transition Disclosures [AASB 9, 2009-11, 2010-7, 2011-7 & 2011-8]</i> This Standard amends the mandatory effective date of AASB 9 Financial Instruments to 1 January 2015 (instead of 1 January 2013). Further amendments are also made to numerous consequential amendments arising from AASB 9 that will apply from 1 January 2015. There is no financial impact. |
| <i>AASB 2012-9</i> | <i>Amendment to AASB 1048 arising from the Withdrawal of Australian Int 1039</i> The withdrawal of Int 139 Substantive Enactment of Major Tax Bills in Australia has no financial impact for the Group during the reporting period and at balance date. Measurement of tax assets and liabilities continues to be measured in accordance with enacted or substantively enacted tax law pursuant to AASB 112.46-47. |
| <i>AASB 2012-10</i> | <i>Amendments to Australian Accounting Standards Transition Guidance and Other Amendments [AASB 1, 5, 7, 8, 10, 11, 12, 13, 101, 102, 108, 112, 118, 119, 127, 128, 132, 133, 134, 137, 1023, 1038, 1039, 1049 & 2011-7 and Int 12]</i> The Standard introduces a number of editorial alterations and amends the mandatory application date of Standards for not-for-profit entities accounting for interests on other entities. There is no financial impact. |

(z) 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.

| | | Operative reporting periods beginning on / after |
|-----------------|---|---|
| <i>Int 21</i> | <i>Levies</i> This Interpretation clarifies the circumstances under which a liability to pay a government levy imposed should be recognised. There is no financial impact for the Authority at reporting date. | 1 Jan 2014 |
| <i>AASB 9</i> | <i>Financial Instruments</i> This Standard supersedes AASB 139 Financial Instruments: Recognition and Measurement, introducing a number of changes to accounting treatments. The mandatory application date of this Standard was amended to 1 January 2015. The Group has not yet determined the application or the potential impact of this Standard. | 1 Jan 2015 |
| <i>AASB 10</i> | <i>Consolidated Financial Statements</i> This Standard, issued in August 2011, supersedes AASB 127 Consolidated and Separate Financial Statements and Int 112 Consolidation Special Purpose Entities, introducing a number of changes to accounting treatments. Mandatory application was deferred by one year for not-for-profit entities by AASB 2012-10 Amendments to Australian Accounting Standards Transition - Guidance and Other Amendments. The adoption of the new Standard has no financial impact for the Group as it doesn't impact accounting for the related bodies and the Group has no interests in other entities. | 1 Jan 2014 |
| <i>AASB 11</i> | <i>Joint Arrangements</i> This Standard, issued in August 2011, supersedes AASB 131 Interests in Joint Ventures, introduces new principles for determining the type of joint arrangements that exists, which are more aligned to the actual rights and obligations of the parties to the arrangement. Mandatory application of the Standard was deferred by one year for not-for-profit entities by AASB 2012-10. There is no financial impact for the Group as the new standard will continue to require proportional consolidation of the Group's rights to assets and liabilities for the unincorporated joint operation. | 1 Jan 2014 |
| <i>AASB 12</i> | <i>Disclosure of Interests in Other Entities</i> This Standard, issued in August 2011, supersedes disclosure requirements under AASB 127 Consolidated and Separate Financial Statements, removing the consolidation requirements of the earlier standard whilst retaining accounting and disclosure requirements for the preparation of separate financial statements. Mandatory application was deferred by one year for not-for-profit entities by AASB 2012-10. There is no financial impact. | 1 Jan 2014 |
| <i>AASB 127</i> | <i>Separate Financial Statements</i> This Standard, issued in August 2011, supersedes AASB 127 Consolidated and Separate Financial Statements, removing the consolidation requirements of the earlier standard whilst retaining accounting and disclosure requirements for the preparation of separate financial statements. Mandatory application was deferred by one year for not-for-profit entities by AASB 2012-10. There is no financial impact. | 1 Jan 2014 |
| <i>AASB 128</i> | <i>Investments in Associates and Joint Ventures</i> This Standard issued in August 2011, supersedes AASB 128 Investments in Associates, introduced a number of clarifications for the accounting treatments of changed ownership interest. Mandatory application was deferred by one year for not-for-profit entities by AASB 2012-10. The adoption of the new Standard has no financial impact for the Group as it doesn't hold investments in associates or and the accounting treatments for joint operations is consistent with current practice. | 1 Jan 2014 |

**Operative
reporting periods
beginning on/after**

| | | |
|--------------|---|------------|
| AASB 1055 | <p><i>Budgetary Reporting</i></p> <p>This Standard specifies the nature of budgetary disclosures, the circumstances in which they are to be included in the general purpose financial statements of not-for-profit entities within the General Government Sector. There is no financial impact.</p> | 1 Jul 2014 |
| AASB 2009-11 | <p><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 & 1038 and Int 10 & 12]</i></p> <p>[modified by AASB 2010-7]</p> | 1 Jan 2015 |
| AASB 2010-7 | <p><i>Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Int 2, 5, 10, 12, 19 & 127]</i></p> <p>This Standard makes consequential amendments to other Australian Accounting Standards and Interpretations as a result of issuing AASB 9 in December 2010. The Group has not yet determined the application or the potential impact of the Standard.</p> | 1 Jan 2015 |
| AASB 2011-7 | <p><i>Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards [AASB 1, 2, 3, 5, 7, 9, 2009-11, 101, 107, 112, 118, 121, 124, 132, 133, 136, 138, 139, 1023 & 1038 and Int 5, 9, 16 & 17]</i></p> <p>This Standard gives effect to consequential changes arising from the issuance of AASB 10, AASB 11, AASB 127 Separate Financial Statements and AASB 128 Investments in Associates and Joint Ventures. The Group has undertaken an analysis of the suite of Consolidation and Joint Arrangements Standards and determined that there is no financial impact arising from adoption of the various Standards.</p> | 1 Jan 2014 |
| AASB 2012-3 | <p><i>Amendments to Australian Accounting Standards - Offsetting Financial Assets and Financial Liabilities [AASB 132]</i></p> <p>This Standard adds application guidance to AASB 132 to address inconsistencies identified in applying some of the offsetting criteria, including clarifying the meaning of 'currently has a legally enforceable right to set-off' and that some gross settlement systems may be considered equivalent to net settlement. The Group does not routinely hold financial assets and financial liabilities that it intends to settle on a net basis, therefore there is no financial impact.</p> | 1 Jan 2014 |
| AASB 2013-3 | <p><i>Amendments to AASB 136 - Recoverable Amount Disclosures for Non-Financial Assets.</i></p> <p>This Standard introduces editorial and disclosure changes. There is no financial impact.</p> | 1 Jan 2014 |
| AASB 2013-4 | <p><i>Amendments to Australian Accounting Standards - Novation of Derivatives and Continuation of Hedge Accounting [AASB 139]</i></p> <p>This Standard permits the continuation of hedge accounting in circumstances where a derivative, which has been designated as a hedging instrument, is novated from one counterparty to a central counterparty as a consequence of laws or regulations. The Group does not routinely enter into derivatives or hedges, therefore there is no financial impact.</p> | 1 Jan 2014 |
| AASB 2013-8 | <p><i>Amendments to Australian Accounting Standards - Australian Implementation Guidance for Not-for-Profit Entities - Control and Structured Entities [AASB 10, 12 & 1049]</i></p> <p>The amendments, issued in October 2013, provide significant guidance to clarify whether a not-for-profit entity controls another entity when financial returns aren't a key attribute of the investor's relationship. The Standard has no financial impact in its own right, rather the impact results from the adoption of the amended AASB 10.</p> | 1 Jan 2014 |

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

| | | Operative for reporting periods beginning on/after |
|--------------|--|---|
| Int 20 | Stripping costs in the Production Phase of a Surface Mine | 1 Jan 2013 |
| AASB 1053 | Application of Tiers of Australian Accounting Standards | 1 Jul 2013 |
| AASB 2010-2 | Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements [AASB 1,2,3,5,7,8,101,102,107,108,110,111,112,116,117,119,121,123,124,127,128,131,133,134,136,137,138,140,141,1050 & 1052 and Int 2,4,5,15,17,127,129 & 1052] | 1 Jul 2013 |
| AASB 2011-2 | Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project - Reduced Disclosure Requirements [AASB 101 & 1054] | 1 Jul 2013 |
| AASB 2011-4 | Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements [AASB 124] | 1 Jul 2013 |
| AASB 2011-6 | Amendments to Australian Accounting Standards - Extending Relief from Consolidation, the Equity Method and Proportionate Consolidation - Reduced Disclosure Requirements [AASB 127, 128 & 131] | 1 Jul 2013 |
| AASB 2011-11 | Amendments to AASB 119 (September 2011) arising from Reduced Disclosure Requirement | 1 Jul 2013 |
| AASB 2012-1 | Amendments to Australian Accounting Standards - Fair Value Measurement - Reduced Disclosure Requirements [AASB 3,7,13, 140 & 141] | 1 Jul 2013 |
| AASB 2012-7 | Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements [AASB 7,12,101 & 127] | 1 Jul 2013 |
| AASB 2012-11 | Amendments to Australian Accounting Standards - Reduced Disclosure Requirements and Other Amendments [AASB 1,2,8,10,107,128,133,134 & 2011-4] | 1 Jul 2013 |
| AASB 2013-1 | Amendments to AASB 1049 - Relocation of Budgetary Reporting Requirements | 1 Jul 2014 |
| AASB 2013-5 | Amendments to Australian Accounting Standards - Investment Entities [AASB 1,3,7,10,12,107,112,124,127,132,134 & 139] | 1 Jan 2014 |
| AASB 2013-6 | Amendments to AASB 136 arising from Reduced Disclosure Requirements | 1 Jan 2014 |
| AASB 2013-7 | Amendments to AASB 1038 arising from AASB 10 in relation to consolidation and interests of policyholders | 1 Jan 2014 |

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

(a) Commonwealth Grants Scheme and Other Grants

| | Consolidated | | University | |
|--|-----------------|-----------------|-----------------|-----------------|
| | 2013 \$000's | 2012 \$000's | 2013 \$000's | 2012 \$000's |
| Commonwealth Grants Scheme (CGS) ^{#1} | 85,529 | 84,900 | 85,529 | 84,900 |
| Disability Support Program | 172 | 596 | 172 | 596 |
| Indigenous Support Program | 640 | 579 | 640 | 579 |
| Partnership and Participation Program ^{#2} | 2,452 | 2,609 | 2,452 | 2,609 |
| Transitional Cost Program | - | 24 | - | 24 |
| Promotion of Excellence in Learning and Teaching | 561 | 565 | 561 | 565 |
| Reward funding - CGS income | 213 | 206 | 213 | 206 |
| Total Commonwealth Grants Scheme and Other Grants | 89,567 | 89,479 | 89,567 | 89,479 |

(b) Higher Education Loan Programs

| | | | | |
|---|---------------|---------------|---------------|---------------|
| HECS - HELP | 51,552 | 44,006 | 51,552 | 44,006 |
| FEE - HELP ^{#3} | 7,242 | 6,551 | 7,242 | 6,551 |
| SA - HELP | 1,208 | 616 | 1,208 | 616 |
| Total Higher Education Loan Programs | 60,002 | 51,173 | 60,002 | 51,173 |

(c) Scholarships

| | | | | |
|--|--------------|--------------|--------------|--------------|
| Australian Postgraduate Awards | 2,317 | 3,004 | 2,317 | 3,004 |
| Commonwealth Accommodation Scholarships ^{#4} | 54 | 150 | 54 | 150 |
| Commonwealth Education Costs Scholarship ^{#4} | 120 | 204 | 120 | 204 |
| International Postgraduate Research Scholarships | 266 | 269 | 266 | 269 |
| Indigenous Access scholarships | 142 | 105 | 142 | 105 |
| Total Scholarships | 2,899 | 3,732 | 2,899 | 3,732 |

(d) Education Research

| | | | | |
|---|---------------|---------------|---------------|---------------|
| Research Training Scheme | 8,481 | 8,588 | 8,481 | 8,588 |
| Sustainable Research Excellence in Universities | 1,246 | 1,301 | 1,246 | 1,301 |
| Research Infrastructure Block Grants | 1,329 | 1,628 | 1,329 | 1,628 |
| Joint Research Engagement Program ^{#5} | 5,202 | 5,703 | 5,202 | 5,703 |
| Total Education Research | 16,258 | 17,220 | 16,258 | 17,220 |

(e) Australian Research Council (ARC)

| | | | | |
|------------------------|--------------|--------------|--------------|--------------|
| (i) Discovery | | | | |
| Fellowships | 215 | 413 | 215 | 413 |
| Projects | 1,622 | 1,518 | 1,622 | 1,518 |
| Total Discovery | 1,837 | 1,931 | 1,837 | 1,931 |
| (ii) Linkages | | | | |
| Project | 885 | 818 | 885 | 818 |
| Total ARC | 2,722 | 2,749 | 2,722 | 2,749 |

(f) Other Australian Government financial assistance

| | | | | |
|---|----------------|----------------|----------------|----------------|
| Non research funding | 3,461 | 8,514 | 3,461 | 8,514 |
| Research funding | 2,685 | 5,519 | 2,685 | 5,519 |
| Total Other Australian Government financial assistance | 6,146 | 14,033 | 6,146 | 14,033 |
| Total Australian Government financial assistance | 177,594 | 178,386 | 177,594 | 178,386 |

^{#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} Program is in respect of FEE-HELP for Higher Education only.

^{#4} Includes Grandfathered Scholarships, National Priority and National Accommodation Priority Scholarships respectively.

^{#5} Includes Institutional Grants Scheme.

Reconciliation

| | | | | |
|---|----------------|----------------|----------------|----------------|
| Australian Government grants | 117,592 | 127,213 | 117,592 | 127,213 |
| HECS - HELP | 51,552 | 44,006 | 51,552 | 44,006 |
| FEE - HELP | 7,242 | 6,551 | 7,242 | 6,551 |
| SA - HELP | 1,208 | 616 | 1,208 | 616 |
| Total Australian Government financial assistance | 177,594 | 178,386 | 177,594 | 178,386 |

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

(g) Australian Government Grants received - Cash Basis

| | Consolidated | | University | |
|--|-----------------|-----------------|-----------------|-----------------|
| | 2013 \$000's | 2012 \$000's | 2013 \$000's | 2012 \$000's |
| CGS and other Education grants | 89,325 | 89,201 | 89,325 | 89,201 |
| Higher Education Loan Programs | 59,134 | 52,046 | 59,134 | 52,046 |
| Scholarships | 739 | 5,609 | 739 | 5,609 |
| Education Research | 16,258 | 17,220 | 16,258 | 17,220 |
| ARC grants - Discovery | 1,881 | 1,931 | 1,881 | 1,931 |
| ARC grants - Linkages | 885 | 818 | 885 | 818 |
| Other Australian Government financial assistance | 6,146 | 14,033 | 6,146 | 14,033 |
| Total Australian Government grants received - cash basis | 174,368 | 180,858 | 174,368 | 180,858 |
| OS-Help (net) | 270 | (46) | 270 | (46) |
| Total Australian Government funding received - cash basis | 174,638 | 180,812 | 174,638 | 180,812 |

3. State and local government financial assistance

Non-Capital

| | | | | |
|--|--------------|--------------|--------------|--------------|
| State government | 2,817 | 2,908 | 2,817 | 2,908 |
| Local government | 625 | 554 | 625 | 554 |
| Total state and local government financial assistance | 3,442 | 3,462 | 3,442 | 3,462 |

4. Fees and charges

Course fees and charges

| | | | | |
|---|---------------|---------------|---------------|---------------|
| Continuing education | 68 | 178 | 68 | 178 |
| Fee-paying domestic postgraduate students | 2,468 | 2,878 | 2,468 | 2,878 |
| Fee-paying overseas students | 55,772 | 49,299 | 55,772 | 49,299 |
| Other domestic course fees and charges | 8,526 | 9,219 | 8,526 | 9,219 |
| Total course fees and charges | 66,834 | 61,574 | 66,834 | 61,574 |

Other non-course fees and charges

| | | | | |
|-------------------------------------|---------------|---------------|---------------|---------------|
| Student services fees from students | 1,520 | 1,898 | 1,520 | 1,898 |
| Facilities fees | 1,133 | 734 | 1,133 | 734 |
| Other fees and charges | 7,198 | 6,772 | 7,927 | 7,473 |
| Parking fees | 959 | 835 | 959 | 835 |
| Rental and lease charges | 3,896 | 3,816 | 9,961 | 9,508 |
| Total other fees and charges | 14,706 | 14,055 | 21,500 | 20,448 |
| Total fees and charges | 81,540 | 75,629 | 88,334 | 82,022 |

5. Investment income and losses

(i) Investment revenue and income

Investment revenue

| | | | | |
|--|--------------|---------------|--------------|--------------|
| Interest from bank bills and deposits | 5,585 | 6,585 | 4,503 | 5,347 |
| Dividends | 65 | 58 | - | - |
| Income distributions from managed funds | 1,704 | 3,185 | 1,563 | 3,185 |
| Franking credits refund on dividend received | 229 | 472 | 209 | 456 |
| Total investment revenue | 7,583 | 10,300 | 6,275 | 8,988 |

Other investment income

| | | | | |
|--|---------------|--------------|---------------|--------------|
| Change in fair value of financial assets designated as at fair value through profit & loss | 3,913 | 1,651 | 3,424 | 1,395 |
| Fair value adjustment on investment property | 20,970 | 547 | 20,970 | 547 |
| Total other investment income | 24,883 | 2,198 | 24,394 | 1,942 |

Total investment revenue and income

| | | | | |
|--|---------------|---------------|---------------|---------------|
| | 32,466 | 12,498 | 30,669 | 10,930 |
|--|---------------|---------------|---------------|---------------|

(ii) Investment losses

Other investment losses

| | | | | |
|--|------------|------------|------------|------------|
| Change in fair value of financial assets designated as at fair value through profit & loss | 200 | 299 | 147 | 292 |
| Total other investment losses | 200 | 299 | 147 | 292 |

Total investment losses

| | | | | |
|--|------------|------------|------------|------------|
| | 200 | 299 | 147 | 292 |
|--|------------|------------|------------|------------|

Net investment revenue and income

| | | | | |
|--|---------------|---------------|---------------|---------------|
| | 32,266 | 12,199 | 30,522 | 10,638 |
|--|---------------|---------------|---------------|---------------|

6. Consultancy and contract research

Research

| | | | | |
|-----------|--------|--------|--------|--------|
| Contracts | 18,507 | 17,867 | 18,507 | 17,867 |
|-----------|--------|--------|--------|--------|

Other

| | | | | |
|-------------|-----|-------|-----|-------|
| Consultancy | 622 | 1,014 | 622 | 1,014 |
|-------------|-----|-------|-----|-------|

Total consultancy and contract research

| | | | | |
|--|---------------|---------------|---------------|---------------|
| | 19,129 | 18,881 | 19,129 | 18,881 |
|--|---------------|---------------|---------------|---------------|

7. Other revenue

Other revenue

| | | | | |
|----------------------------|---------------|---------------|---------------|---------------|
| Deferred management fee | 4,399 | 4,757 | - | - |
| Donations and bequests | 1,803 | 2,374 | 2,289 | 50,465 |
| Non-government grants | 364 | 477 | 364 | 477 |
| Other revenue | 7,369 | 5,799 | 4,630 | 3,563 |
| Scholarships and prizes | 45 | 261 | 45 | 261 |
| Sponsorships income | 863 | 1,213 | 470 | 804 |
| Trading income | 16,542 | 16,370 | 16,095 | 15,992 |
| Bad debts recovered | 201 | 15 | 201 | 15 |
| Insurance recovery | 58 | 133 | 58 | 133 |
| Total other revenue | 31,644 | 31,399 | 24,152 | 71,710 |

8. Employee related expenses

Academic

| | | | | |
|--|---------------|---------------|---------------|---------------|
| Salaries | 71,475 | 66,333 | 71,475 | 66,333 |
| Contribution to superannuation and pension schemes | 10,535 | 9,864 | 10,535 | 9,864 |
| Payroll tax | 4,529 | 4,222 | 4,529 | 4,222 |
| Workers compensation | 530 | 557 | 530 | 557 |
| Annual leave | 1,843 | 1,754 | 1,843 | 1,754 |
| Long service leave | 2,008 | 2,150 | 2,008 | 2,150 |
| Other | 3 | 75 | 3 | 75 |
| Total academic | 90,923 | 84,955 | 90,923 | 84,955 |

Non-academic

| | | | | |
|--|---------------|---------------|---------------|---------------|
| Salaries | 75,825 | 68,195 | 74,457 | 66,981 |
| Contribution to superannuation and pension schemes | 10,532 | 9,147 | 10,405 | 9,038 |
| Payroll tax | 4,772 | 4,271 | 4,689 | 4,204 |
| Workers compensation | 561 | 569 | 555 | 564 |
| Annual leave | 1,324 | 951 | 1,313 | 959 |
| Long service leave | 2,142 | 2,107 | 2,128 | 2,105 |
| Other | 2 | 32 | 2 | 32 |
| Total non-academic | 95,158 | 85,272 | 93,549 | 83,883 |

Total employee related expenses

| | | | | |
|--|----------------|----------------|----------------|----------------|
| | 186,081 | 170,227 | 184,472 | 168,838 |
|--|----------------|----------------|----------------|----------------|

9. Depreciation and amortisation

Depreciation

| | | | | |
|----------------------------|---------------|---------------|---------------|---------------|
| Buildings | 6,654 | 6,004 | 6,654 | 6,004 |
| Infrastructure | 436 | 336 | 436 | 336 |
| Computer equipment | 1,582 | 1,639 | 1,582 | 1,639 |
| General equipment | 3,517 | 3,279 | 3,515 | 3,277 |
| Library books | 981 | 660 | 981 | 660 |
| Motor vehicles | 293 | 251 | 293 | 251 |
| Plant and equipment | 386 | 254 | 386 | 254 |
| Leased plant and equipment | 148 | 183 | 148 | 183 |
| Total depreciation | 13,997 | 12,606 | 13,995 | 12,604 |

Amortisation

| | | | | |
|------------------------------|-------|-------|-------|-------|
| Electronic library materials | 1,622 | 1,363 | 1,622 | 1,363 |
|------------------------------|-------|-------|-------|-------|

Total depreciation and amortisation

| | Consolidated | | University | |
|---------------|-----------------|-----------------|-----------------|-----------------|
| | 2013 \$000's | 2012 \$000's | 2013 \$000's | 2012 \$000's |
| 15,619 | 13,969 | 15,617 | 13,967 | |

10. Repairs and maintenance

| | | | | |
|--------------------------------------|--------------|--------------|--------------|--------------|
| Buildings and grounds | 8,159 | 7,883 | 6,776 | 7,110 |
| Other | 1,426 | 1,697 | 1,182 | 1,390 |
| Total repairs and maintenance | 9,585 | 9,580 | 7,958 | 8,500 |

11. Borrowing costs

| | | | | |
|------------------------------|------------|------------|------------|--------------|
| Finance lease charges | 57 | 46 | 57 | 46 |
| Interest paid | 496 | 562 | 496 | 1,243 |
| Total borrowing costs | 553 | 608 | 553 | 1,289 |

12. Impairment of assets

| | | | | |
|-----------------------------------|--------------|------------|--------------|------------|
| Bad debts | - | 53 | - | 53 |
| Doubtful debts | 753 | 785 | 753 | 785 |
| Impairment losses | 1,673 | - | 1,623 | - |
| Total impairment of assets | 2,426 | 838 | 2,376 | 838 |

13. Other expenses

| | | | | |
|--|----------------|---------------|---------------|---------------|
| Administration expenses | 7,913 | 7,242 | 6,553 | 7,092 |
| Advertising, marketing and promotions | 3,462 | 3,818 | 3,264 | 3,687 |
| Amenities and service fees | 10 | 18 | 10 | 18 |
| Audit fees, bank charges, legal costs, insurance and taxes | 4,644 | 4,334 | 2,842 | 2,803 |
| Consulting fees - other | 16,569 | 16,828 | 16,918 | 17,352 |
| Consulting fees - research | 6,217 | 7,392 | 6,217 | 7,392 |
| Cost of sales | 4,822 | 4,697 | 4,818 | 4,691 |
| Donations and sponsorships | 718 | 981 | 718 | 1,067 |
| Fair value movement in resident loans | 75 | 3,358 | - | - |
| General consumables | 3,987 | 3,954 | 3,789 | 3,807 |
| Licence and royalty fees | 3,822 | 2,646 | 3,817 | 2,646 |
| Non-capitalised equipment | 5,373 | 3,135 | 5,373 | 3,127 |
| Occupancy costs | 7,048 | 7,350 | 6,775 | 7,101 |
| Operating lease payments | 3,298 | 3,095 | 2,861 | 2,551 |
| Other expenses | 3,459 | 3,383 | 3,448 | 3,376 |
| Productivity improvement program costs | 1,610 | 160 | 1,610 | 160 |
| Scholarships, grants and prizes | 17,698 | 16,424 | 17,698 | 16,424 |
| Telecommunications | 938 | 968 | 937 | 967 |
| Travel and related staff development and training | 9,770 | 9,586 | 9,759 | 9,575 |
| Total other expenses | 101,433 | 99,369 | 97,407 | 93,836 |

14. Income tax

(a) Income tax (expense)/benefit

Current tax

Deferred tax

Total

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

Operating result before income tax from continuing operations

Tax at the Australian tax rate of 30% (2012: 30%)

Difference in overseas tax rates

Tax losses brought to account

Income tax expense

(c) Tax losses

At 31 December 2013 there is \$26,388 (2012: \$32,878) of unrecognised deferred tax assets in relation to tax losses carried forward as it is not probable that they will be used in the foreseeable future

Unused tax losses for which no deferred tax asset has been recognised

Potential tax benefit @ 30%

(d) Deferred tax assets

The balance comprises temporary differences attributable to:

Amounts recognised in operating result

Property, plant and equipment

Accruals

Provisions

Net deferred tax assets

Deferred tax assets to be recovered within 12 months

Deferred tax assets to be recovered after more than 12 months

Movements:

At 1 January

Credited to the income statement

At 31 December

Movements – Consolidated

At 1 January 2012

Charged to the income statement

At 31 December 2012

Charged/(credited) to the income statement

At 31 December 2013

15. Cash and cash equivalents

Current

Cash at bank and on hand

Bank bills and deposits

Total cash and cash equivalents

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

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

Balances as above

Balance as per statement of cash flows

(b) Cash at bank and on hand

These are interest bearing at an average floating interest rate of 1.90% as at 31 December 2013 (2012 : 2.23%).

(c) Bank bills and deposits

The bank bills and deposits are bearing average fixed interest rates of 3.66% as at 31 December 2013 (2012 : 4.57%). These deposits have an average maturity of 46 days.

| Consolidated | | University | |
|-----------------|-----------------|-------------------|----------------|
| 2013 | 2012 | 2013 | 2012 |
| \$000's | \$000's | \$000's | \$000's |
| (1,305) | (482) | (1,268) | (482) |
| 3 | 3 | - | - |
| (1,302) | (479) | (1,268) | (482) |
| 6,082 | 2,843 | 5,948 | 2,830 |
| (1,824) | (853) | (1,784) | (849) |
| 516 | 367 | 516 | 367 |
| 6 | 7 | - | - |
| (1,302) | (479) | (1,268) | (482) |
| 88 | 110 | - | - |
| 26 | 33 | - | - |
| 1 | 2 | - | - |
| 4 | 4 | - | - |
| 14 | 10 | - | - |
| 19 | 16 | - | - |
| 18 | 14 | - | - |
| 1 | 2 | - | - |
| 16 | 13 | - | - |
| 3 | 3 | - | - |
| 19 | 16 | - | - |
| PP&E | Accruals | Provisions | Total |
| \$000's | \$000's | \$000's | \$000's |
| 1 | 4 | 8 | 13 |
| 1 | - | 2 | 3 |
| 2 | 4 | 10 | 16 |
| (1) | - | 4 | 3 |
| 1 | 4 | 14 | 19 |

| Consolidated | | University | |
|----------------|----------------|----------------|---------------|
| 2013 | 2012 | 2013 | 2012 |
| \$000's | \$000's | \$000's | \$000's |
| 20,018 | 23,248 | 13,881 | 18,992 |
| 126,883 | 97,771 | 92,072 | 79,478 |
| 146,901 | 121,019 | 105,953 | 98,470 |
| 146,901 | 121,019 | 105,953 | 98,470 |
| 146,901 | 121,019 | 105,953 | 98,470 |

16. Receivables

Current

Trade receivables
Less: Provision for impaired receivables

Other
Total current receivables

Non-current

Loans receivable
Less: Provision for impaired loans
Total non-current receivables

Total receivables

(a) Impaired receivables

Impaired:

Movements in the provision for impaired receivables are as follows:

At 1 January
Provision for impairment recognised during the year
Receivables written off during the year as uncollectible
Amounts recovered during the year

At 31 December

The creation and release of the provision for impaired receivables has been included in 'Impairment of assets' in the income statement. Assets impaired include trade debtors, student fees, loans and investments.

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 2013 trade receivables of \$1,050K (2012: \$1,607K) 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:

Not past due
Past due 30 days
Past due 60 days
Past due 90 days or more

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.

(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:

Euro
US Dollars
New Zealand Dollars

Current receivables

A summarised analysis of the sensitivity of receivables to foreign exchange risk can be found in note 34.

(c) Fair value and credit risk

Current receivables (Consolidated and University)

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

Non-current receivables

Loans receivable

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.

| | Consolidated | | University | |
|--|-----------------|-----------------|-----------------|-----------------|
| | 2013 \$000's | 2012 \$000's | 2013 \$000's | 2012 \$000's |
| Trade receivables | 10,678 | 11,031 | 11,189 | 11,773 |
| Less: Provision for impaired receivables | (3,187) | (2,003) | (3,173) | (1,989) |
| | 7,491 | 9,028 | 8,016 | 9,784 |
| Other | 2,809 | 2,628 | 2,707 | 2,628 |
| Total current receivables | 10,300 | 11,656 | 10,723 | 12,412 |
| Loans receivable | 540 | 540 | 540 | 540 |
| Less: Provision for impaired loans | (540) | - | (540) | (50) |
| Total non-current receivables | - | 540 | - | 490 |
| Total receivables | 10,300 | 12,196 | 10,723 | 12,902 |
| | | | | |
| At 1 January | 2,003 | 1,754 | | |
| Provision for impairment recognised during the year | 2,426 | 785 | | |
| Receivables written off during the year as uncollectible | (503) | (536) | | |
| Amounts recovered during the year | (199) | - | | |
| At 31 December | 3,727 | 2,003 | | |
| | | | | |
| Not past due | 5,656 | 4,987 | | |
| Past due 30 days | 1,842 | 2,168 | | |
| Past due 60 days | 244 | 266 | | |
| Past due 90 days or more | 2,936 | 3,610 | | |
| | 10,678 | 11,031 | | |
| | | | | |
| Euro | 19 | 18 | 19 | 18 |
| US Dollars | 299 | 189 | 299 | 189 |
| New Zealand Dollars | - | 5 | - | 5 |
| | 318 | 212 | 318 | 212 |
| Current receivables | 318 | 212 | 318 | 212 |
| | 318 | 212 | 318 | 212 |

| Carrying amount \$000's | Carrying amount \$000's | Fair value \$000's | Fair value \$000's |
|----------------------------|----------------------------|-----------------------|-----------------------|
| - | 540 | - | 540 |
| - | 540 | - | 540 |

17. Inventories

Current

Bookshop - at cost

Veterinary Hospital - at cost

Other - at cost

Total current inventories

| Consolidated | | University | |
|--------------|--------------|--------------|--------------|
| 2013 | 2012 | 2013 | 2012 |
| \$000's | \$000's | \$000's | \$000's |
| 980 | 1,061 | 980 | 1,061 |
| 811 | 1,097 | 811 | 1,097 |
| 6 | 5 | - | - |
| 1,797 | 2,163 | 1,791 | 2,158 |

18. Derivative financial instruments

Current assets

Forward foreign exchange contract - cash flow hedge

Total derivative financial instruments (asset)

Current liabilities

Forward foreign exchange contract - cash flow hedge

Total derivative financial instruments (liability)

| | | | |
|--------------|----------|--------------|----------|
| 1,691 | - | 1,691 | - |
| 1,691 | - | 1,691 | - |
| 1,691 | - | 1,691 | - |
| 1,691 | - | 1,691 | - |

Instruments used by the Group

The Group is party to derivative financial instruments in the normal course of business in order to hedge exposure to fluctuations in foreign exchange rates in accordance with note 36.

Forward exchange contract - cash flow hedge

In order to protect against exchange rate movements, the University has entered into a forward exchange contract to purchase United States Dollars.

This contract is a hedging obligation for payments for the ensuing financial year. The contract is timed to mature when payments for international purchases are scheduled to be made.

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

19. Other financial assets

Current

Bank deposits

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

Total current other financial assets

Non-current

Shares in subsidiaries - cost

Shares in unlisted entities - cost

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

Total non-current other financial assets

Total other financial assets

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 5).

| | | | |
|---------------|---------------|---------------|---------------|
| 3,300 | 200 | - | - |
| 2,747 | 2,063 | - | - |
| 6,047 | 2,263 | - | - |
| - | - | 100 | 100 |
| 110 | 110 | 10 | 10 |
| 51,049 | 46,426 | 50,940 | 46,337 |
| 51,159 | 46,536 | 51,050 | 46,447 |
| 57,206 | 48,799 | 51,050 | 46,447 |

20. Other non-financial assets

Current

Prepayments

Non-current

Other non-financial assets

Total other non-financial assets

| | | | |
|--------------|--------------|--------------|--------------|
| 5,756 | 4,945 | 5,689 | 4,880 |
| 158 | 162 | 158 | 162 |
| 5,914 | 5,107 | 5,847 | 5,042 |

21. Investment properties

Non-current

Opening balance at 1 January

Fair value adjustment on investment property

Transfer (from)/to investment property

Closing balance at 31 December

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

Direct operating expenses

Fair value adjustment on investment property

Total recognised in income statement

(b) Amounts recognised in the income statement for St Ives Retirement Village Murdoch

Fair value adjustment on investment property

Total recognised in income statement

(c) Operating lease (as lessor) - Commercial building

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

Within one year

Later than one year but not later than five years

Total operating lease

| | Consolidated | | University | |
|--|-----------------|-----------------|-----------------|-----------------|
| | 2013 \$000's | 2012 \$000's | 2013 \$000's | 2012 \$000's |
| Opening balance at 1 January | 201,933 | 201,930 | 201,933 | 201,930 |
| Fair value adjustment on investment property | 20,970 | 547 | 20,970 | 547 |
| Transfer (from)/to investment property | 19,796 | (544) | 19,796 | (544) |
| Closing balance at 31 December | 242,699 | 201,933 | 242,699 | 201,933 |
| (a) Amounts recognised in the income statement for the commercial building | | | | |
| Rental income | 1,314 | 1,263 | 1,314 | 1,263 |
| Direct operating expenses | (100) | (95) | (100) | (95) |
| Fair value adjustment on investment property | 485 | 500 | 485 | 500 |
| Total recognised in income statement | 1,699 | 1,668 | 1,699 | 1,668 |
| (b) Amounts recognised in the income statement for St Ives Retirement Village Murdoch | | | | |
| Fair value adjustment on investment property | 20,485 | 47 | 20,485 | 47 |
| Total recognised in income statement | 20,485 | 47 | 20,485 | 47 |
| (c) Operating lease (as lessor) - Commercial building | | | | |
| The future minimum lease payments under non-cancelable leases are as follows: | | | | |
| Within one year | 1,366 | 1,313 | 1,366 | 1,313 |
| Later than one year but not later than five years | 1,176 | 2,787 | 1,176 | 2,787 |
| Total operating lease | 2,542 | 4,100 | 2,542 | 4,100 |

22. Property, plant and equipment

| | 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 | \$000's |
| University | | | | | | | | | | | | |
| At 1 January 2012 | | | | | | | | | | | | |
| - Cost | - | - | - | 17,663 | 4,176 | 12,757 | 43,408 | 2,121 | - | 3,110 | 2,106 | 85,341 |
| - Murdoch Valuation | 194,700 | 297,374 | 10,419 | - | - | - | - | - | 4,279 | - | - | 506,772 |
| Accumulated depreciation | - | (11,058) | (417) | - | (1,259) | (7,863) | (28,208) | (1,038) | - | (803) | (819) | (51,465) |
| Net book amount | 194,700 | 286,316 | 10,002 | 17,663 | 2,917 | 4,894 | 15,200 | 1,083 | 4,279 | 2,307 | 1,287 | 540,648 |
| Year ended 31 December 2012 | | | | | | | | | | | | |
| Opening net book amount | 194,700 | 286,316 | 10,002 | 17,663 | 2,917 | 4,894 | 15,200 | 1,083 | 4,279 | 2,307 | 1,287 | 540,648 |
| Revaluation increment/(decrement) | 24,305 | 41,811 | (406) | - | - | - | - | - | 609 | - | - | 66,319 |
| Additions | - | 94 | 35 | 18,906 | 506 | 1,693 | 4,897 | 370 | 99 | 645 | - | 27,245 |
| Disposals | - | - | - | - | - | - | (408) | (126) | - | - | - | (534) |
| Transfers from investment property | - | 550 | - | - | - | - | - | - | - | - | - | 550 |
| Transfers to buildings & infrastructure | - | 10,728 | 7,199 | (17,927) | - | - | - | - | - | - | - | - |
| Transfers to other equipment | - | (20) | - | (19) | - | (7) | 483 | - | - | - | (437) | - |
| Transfers to plant | - | (649) | - | (1,631) | 2,280 | - | - | - | - | - | - | - |
| Depreciation charge | - | (6,004) | (336) | - | (254) | (1,639) | (3,277) | (251) | - | (660) | (183) | (12,604) |
| Closing net book amount | 219,005 | 332,826 | 16,494 | 16,992 | 5,449 | 4,941 | 16,895 | 1,076 | 4,987 | 2,292 | 667 | 621,624 |
| At 31 December 2012 | | | | | | | | | | | | |
| - Cost | - | - | - | 16,992 | 6,962 | 14,274 | 48,284 | 2,135 | - | 3,755 | 1,296 | 93,698 |
| - Independent Valuation | 219,005 | 332,772 | 15,898 | - | - | - | - | - | 4,956 | - | - | 572,631 |
| - Murdoch Valuation | - | 54 | 596 | - | (1,513) | (9,333) | (31,389) | (1,059) | 31 | (1,463) | (629) | 681 |
| Accumulated depreciation | - | - | - | - | (1,513) | (9,333) | (31,389) | (1,059) | - | (1,463) | (629) | (45,386) |
| Net book amount | 219,005 | 332,826 | 16,494 | 16,992 | 5,449 | 4,941 | 16,895 | 1,076 | 4,987 | 2,292 | 667 | 621,624 |
| Year ended 31 December 2013 | | | | | | | | | | | | |
| Opening net book amount | 219,005 | 332,826 | 16,494 | 16,992 | 5,449 | 4,941 | 16,895 | 1,076 | 4,987 | 2,292 | 667 | 621,624 |
| Revaluation increment/(decrement) | 11,480 | (3,555) | (16) | - | - | - | - | - | 2 | - | - | 7,911 |
| Additions | - | 452 | 10 | 24,734 | 427 | 637 | 1,516 | 464 | 302 | 616 | 52 | 29,210 |
| Disposals | - | (38) | - | - | (74) | (214) | (777) | (55) | - | - | (44) | (1,202) |
| Transfers to investment property | - | - | - | (19,796) | - | - | - | - | - | - | - | (19,796) |
| Transfers to buildings & infrastructure | - | 7,142 | 5,518 | (12,660) | - | - | - | - | - | - | - | - |
| Transfers to other equipment | - | - | - | (1,001) | - | - | 1,071 | 6 | - | - | (76) | - |
| Transfers to plant | - | - | - | (2,459) | 2,459 | - | - | - | - | - | - | - |
| Depreciation charge | - | (6,654) | (436) | - | (386) | (1,582) | (3,515) | (293) | - | (981) | (148) | (13,995) |
| Closing net book amount | 230,485 | 330,173 | 21,570 | 5,810 | 7,875 | 3,782 | 15,190 | 1,198 | 5,291 | 1,927 | 451 | 623,752 |
| At 31 December 2013 | | | | | | | | | | | | |
| - Cost | - | - | - | 5,810 | 9,697 | 12,741 | 45,137 | 2,403 | - | 2,908 | 838 | 79,534 |
| - Independent Valuation | 230,485 | 322,524 | 15,564 | - | - | - | - | - | - | - | - | 568,573 |
| - Murdoch Valuation | - | 7,718 | 6,054 | - | - | - | - | - | 5,291 | - | - | 19,063 |
| Accumulated depreciation | - | (69) | (48) | - | (1,822) | (8,959) | (29,947) | (1,205) | - | (981) | (387) | (43,418) |
| Net book amount | 230,485 | 330,173 | 21,570 | 5,810 | 7,875 | 3,782 | 15,190 | 1,198 | 5,291 | 1,927 | 451 | 623,752 |

22. Property, plant and equipment (continued)

| | 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 | \$000's |
| Consolidated | | | | | | | | | | | | |
| At 1 January 2012 | | | | | | | | | | | | |
| - Cost | 194,700 | 297,374 | 10,419 | 17,663 | 4,176 | 12,757 | 43,447 | 2,121 | - | 3,110 | 2,106 | 85,380 |
| - Murdoch Valuation | - | (11,058) | (417) | - | (1,259) | (7,863) | (28,243) | (1,038) | 4,279 | (803) | (819) | 506,772 |
| Accumulated depreciation | | | | | | | | | | | | |
| Net book amount | 194,700 | 286,316 | 10,002 | 17,663 | 2,917 | 4,894 | 15,204 | 1,083 | 4,279 | 2,307 | 1,287 | 540,652 |
| Year ended 31 December 2012 | | | | | | | | | | | | |
| Opening net book amount | 194,700 | 286,316 | 10,002 | 17,663 | 2,917 | 4,894 | 15,204 | 1,083 | 4,279 | 2,307 | 1,287 | 540,652 |
| Revaluation increment/(decrement) | 24,305 | 41,811 | (406) | - | - | 609 | - | - | 609 | - | - | 66,319 |
| Additions | - | 94 | 35 | 18,906 | 506 | 1,693 | 4,897 | 370 | 99 | 645 | - | 27,245 |
| Disposals | - | - | - | - | - | - | (408) | (126) | - | - | - | (534) |
| Transfers from investment property | - | 550 | - | - | - | - | - | - | - | - | - | 550 |
| Transfers to buildings & infrastructure | - | 10,728 | 7,199 | (17,927) | - | - | - | - | - | - | - | - |
| Transfers to other equipment | - | (20) | - | (19) | - | (7) | 483 | - | - | - | (437) | - |
| Transfers to plant | - | (649) | - | (1,631) | 2,280 | - | - | - | - | - | - | - |
| Depreciation charge | - | (6,004) | (336) | - | (254) | (1,639) | (3,279) | (251) | - | (660) | (183) | (12,606) |
| Closing net book amount | 219,005 | 332,826 | 16,494 | 16,992 | 5,449 | 4,941 | 16,897 | 1,076 | 4,987 | 2,292 | 667 | 621,626 |
| At 31 December 2012 | | | | | | | | | | | | |
| - Cost | 219,005 | 332,772 | 15,898 | 16,992 | 6,962 | 14,274 | 48,323 | 2,135 | - | 3,755 | 1,296 | 93,737 |
| - Independent Valuation | - | - | - | - | - | - | - | - | 4,956 | - | - | 572,631 |
| - Murdoch Valuation | - | 54 | 596 | - | - | - | - | - | 31 | - | - | 681 |
| Accumulated depreciation | - | - | - | - | (1,513) | (9,333) | (31,426) | (1,059) | - | (1,463) | (629) | (45,423) |
| Net book amount | 219,005 | 332,826 | 16,494 | 16,992 | 5,449 | 4,941 | 16,897 | 1,076 | 4,987 | 2,292 | 667 | 621,626 |
| Year ended 31 December 2013 | | | | | | | | | | | | |
| Opening net book amount | 219,005 | 332,826 | 16,494 | 16,992 | 5,449 | 4,941 | 16,897 | 1,076 | 4,987 | 2,292 | 667 | 621,626 |
| Revaluation increment/(decrement) | 11,480 | (3,555) | (16) | - | - | - | - | - | 2 | - | - | 7,911 |
| Additions | - | 452 | 10 | 24,734 | 427 | 637 | 1,516 | 464 | 302 | 616 | 52 | 29,210 |
| Disposals | - | (38) | - | - | (74) | (214) | (777) | (55) | - | - | (44) | (1,202) |
| Transfers to investment property | - | - | - | (19,796) | - | - | - | - | - | - | - | (19,796) |
| Transfers to buildings & infrastructure | - | 7,142 | 5,518 | (12,660) | - | - | - | - | - | - | - | - |
| Transfers to other equipment | - | - | - | (1,001) | - | - | 1,071 | 6 | - | - | (76) | - |
| Transfers to plant | - | - | - | (2,459) | 2,459 | - | - | - | - | - | - | - |
| Depreciation charge | - | (6,654) | (436) | - | (386) | (1,582) | (3,517) | (293) | - | (981) | (148) | (13,997) |
| Closing net book amount | 230,485 | 330,173 | 21,570 | 5,810 | 7,875 | 3,782 | 15,190 | 1,198 | 5,291 | 1,927 | 451 | 623,752 |
| At 31 December 2013 | | | | | | | | | | | | |
| - Cost | 230,485 | 322,524 | 15,564 | 5,810 | 9,697 | 12,741 | 45,176 | 2,403 | - | 2,908 | 838 | 79,573 |
| - Independent Valuation | - | - | - | - | - | - | - | - | - | - | - | 568,573 |
| - Murdoch Valuation | - | 7,718 | 6,054 | - | - | - | - | - | 5,291 | - | - | 19,063 |
| Accumulated depreciation | - | (69) | (48) | - | (1,822) | (8,959) | (29,986) | (1,205) | - | (981) | (387) | (43,457) |
| Net book amount | 230,485 | 330,173 | 21,570 | 5,810 | 7,875 | 3,782 | 15,190 | 1,198 | 5,291 | 1,927 | 451 | 623,752 |

23. Intangible assets

Electronic Library Materials

At 1 January 2012

| | | |
|---|---------|---------|
| - Cost | 11,918 | 11,918 |
| - Accumulated amortisation and impairment | (4,433) | (4,433) |

Net book amount

| | |
|--------------|--------------|
| 7,485 | 7,485 |
|--------------|--------------|

Year ended 31 December 2012

| | | |
|-------------------------|---------|---------|
| Opening net book amount | 7,485 | 7,485 |
| Additions | 2,645 | 2,645 |
| Amortisation charge | (1,363) | (1,363) |

Closing net book amount

| | |
|--------------|--------------|
| 8,767 | 8,767 |
|--------------|--------------|

At 31 December 2012

| | | |
|---|---------|---------|
| - Cost | 14,563 | 14,563 |
| - Accumulated amortisation and impairment | (5,796) | (5,796) |

Net book amount

| | |
|--------------|--------------|
| 8,767 | 8,767 |
|--------------|--------------|

Year ended 31 December 2013

| | | |
|-------------------------|---------|---------|
| Opening net book amount | 8,767 | 8,767 |
| Additions | 1,652 | 1,652 |
| Amortisation charge | (1,622) | (1,622) |

Closing net book amount

| | |
|--------------|--------------|
| 8,797 | 8,797 |
|--------------|--------------|

At 31 December 2013

| | | |
|---|---------|---------|
| - Cost | 16,215 | 16,215 |
| - Accumulated amortisation and impairment | (7,418) | (7,418) |

Net book amount

| | |
|--------------|--------------|
| 8,797 | 8,797 |
|--------------|--------------|

24. Trade and other payables

Current

| | | | | |
|-----------------------------|--------|--------|--------|--------|
| Trade payables | 1,029 | 3,840 | 1,910 | 3,067 |
| Current tax liability | 2,246 | 940 | 2,208 | 940 |
| Accruals and other payables | 16,514 | 13,250 | 16,099 | 12,824 |

Total current trade and other payables

| | | | |
|---------------|---------------|---------------|---------------|
| 19,789 | 18,030 | 20,217 | 16,831 |
|---------------|---------------|---------------|---------------|

(a) Foreign exchange risk

The carrying amounts of the Group's and University's current payables are denominated in Australian currency only.

(b) Fair value

Current payables

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

25. Borrowings

Current

Secured

Lease liabilities

| Consolidated | | University | |
|--------------|---------|------------|---------|
| 2013 | 2012 | 2013 | 2012 |
| \$000's | \$000's | \$000's | \$000's |
| 136 | 299 | 136 | 299 |

Western Australian Treasury Corporation *

| | | | |
|-----|-----|-----|-----|
| 384 | 359 | 384 | 359 |
|-----|-----|-----|-----|

Total current secured borrowings

| | | | |
|-----|-----|-----|-----|
| 520 | 658 | 520 | 658 |
|-----|-----|-----|-----|

Unsecured

Western Australian Treasury Corporation *

| | | | |
|-----|-----|-----|-----|
| 232 | 285 | 232 | 285 |
|-----|-----|-----|-----|

Total current unsecured borrowings

| | | | |
|-----|-----|-----|-----|
| 232 | 285 | 232 | 285 |
|-----|-----|-----|-----|

Total current borrowings

| | | | |
|------------|------------|------------|------------|
| 752 | 943 | 752 | 943 |
|------------|------------|------------|------------|

Non-current

Secured

Lease liabilities

| | | | |
|-----|-----|-----|-----|
| 103 | 188 | 103 | 188 |
|-----|-----|-----|-----|

Western Australian Treasury Corporation *

| | | | |
|-------|-------|-------|-------|
| 7,665 | 8,049 | 7,665 | 8,049 |
|-------|-------|-------|-------|

Total non-current secured borrowings

| | | | |
|-------|-------|-------|-------|
| 7,768 | 8,237 | 7,768 | 8,237 |
|-------|-------|-------|-------|

Unsecured

Western Australian Treasury Corporation *

| | | | |
|-----|-----|-----|-----|
| 455 | 687 | 455 | 687 |
|-----|-----|-----|-----|

Total non-current unsecured borrowings

| | | | |
|-----|-----|-----|-----|
| 455 | 687 | 455 | 687 |
|-----|-----|-----|-----|

Total non-current borrowings

| | | | |
|--------------|--------------|--------------|--------------|
| 8,223 | 8,924 | 8,223 | 8,924 |
|--------------|--------------|--------------|--------------|

Total borrowings

| | | | |
|--------------|--------------|--------------|--------------|
| 8,975 | 9,867 | 8,975 | 9,867 |
|--------------|--------------|--------------|--------------|

* The loans from Western Australian Treasury Corporation are as follows:

(i) Law building loan of \$217,381 (2012: \$253,693) which is unsecured, interest bearing at a fixed rate of 5.93% and repayable in quarterly instalments by October 2018.

(ii) Student Village loan of \$469,391 (2012: \$718,450) which is unsecured, interest bearing at a weighted average rate of 5.35% and repayable in quarterly instalments by October 2017.

(iii) Peel Campus loan 1 of \$5,642,017 (2012: \$5,891,970) 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.

(iv) Peel Campus loan 2 of \$2,407,061 (2012: \$2,516,254) which is secured by a Guarantee of the Treasurer of the State, interest bearing at a weighted average interest rate of 3.13% and repayable in quarterly instalments by July 2017.

(a) Assets pledged as security

The carrying amounts of assets pledged as security for current and non-current borrowings are:

Non-current assets

Finance leases

Plant and equipment

| | | | |
|-----|-----|-----|-----|
| 451 | 667 | 451 | 667 |
|-----|-----|-----|-----|

Total assets pledged as security

| | | | |
|------------|------------|------------|------------|
| 451 | 667 | 451 | 667 |
|------------|------------|------------|------------|

(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)

| | | | |
|-------|-------|-------|-------|
| 2,000 | 2,000 | 2,000 | 2,000 |
|-------|-------|-------|-------|

| | | | |
|--------------|--------------|--------------|--------------|
| 2,000 | 2,000 | 2,000 | 2,000 |
|--------------|--------------|--------------|--------------|

Facilities utilised at reporting date

Asset finance (Finance leases)

| | | | |
|-----|-----|-----|-----|
| 239 | 487 | 239 | 487 |
|-----|-----|-----|-----|

| | | | |
|------------|------------|------------|------------|
| 239 | 487 | 239 | 487 |
|------------|------------|------------|------------|

Facilities not utilised at reporting date

Asset finance (Finance Leases)

| | | | |
|-------|-------|-------|-------|
| 1,761 | 1,513 | 1,761 | 1,513 |
|-------|-------|-------|-------|

| | | | |
|--------------|--------------|--------------|--------------|
| 1,761 | 1,513 | 1,761 | 1,513 |
|--------------|--------------|--------------|--------------|

(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.

26. Provisions

Current

Employee benefits:

| | | | | |
|---------------------------------|---------------|---------------|---------------|---------------|
| Annual leave | 14,584 | 12,575 | 14,562 | 12,555 |
| Long service leave | 15,785 | 15,035 | 15,759 | 15,021 |
| Other | 374 | 245 | 374 | 245 |
| Management fees | 11,506 | 10,553 | - | - |
| Other provisions | 3,849 | 2,428 | 3,850 | 2,428 |
| Total current provisions | 46,098 | 40,836 | 34,545 | 30,249 |

Non-current

Employee benefits:

| | | | | |
|-------------------------------------|--------------|--------------|--------------|--------------|
| Long service leave | 4,382 | 3,950 | 4,382 | 3,950 |
| Other provisions | 203 | 182 | 203 | 182 |
| Total non-current provisions | 4,585 | 4,132 | 4,585 | 4,132 |

Total provisions

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 wholly within 12 months

Employee benefits:

| | | | | |
|--------------------|---------------|---------------|---------------|---------------|
| Annual leave | 8,126 | 7,811 | 8,113 | 7,799 |
| Long service leave | 1,299 | 1,210 | 1,298 | 1,209 |
| Other | 374 | 245 | 374 | 245 |
| Other provisions | 12,543 | 11,688 | 2,188 | 1,135 |
| | 22,342 | 20,954 | 11,973 | 10,388 |

Provisions expected to be settled wholly after more than 12 months

Employee benefits:

| | | | | |
|-------------------------|---------------|---------------|---------------|---------------|
| Annual leave | 6,458 | 4,764 | 6,448 | 4,756 |
| Long service leave | 18,868 | 17,775 | 18,842 | 17,762 |
| Other provisions | 3,015 | 1,475 | 1,867 | 1,475 |
| | 28,341 | 24,014 | 27,157 | 23,993 |
| Total provisions | 50,683 | 44,968 | 39,130 | 34,381 |

Other provisions

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

Movements in provisions

Management fees

| | | | | |
|---|---------------|---------------|----------|----------|
| Balance at beginning of year | 10,553 | 9,455 | - | - |
| Additional provisions | 1,589 | 1,352 | - | - |
| Amounts used | (636) | (254) | - | - |
| Carrying amount at end of period | 11,506 | 10,553 | - | - |

Other provisions

Current

| | | | | |
|---|--------------|--------------|--------------|--------------|
| Balance at beginning of year | 2,428 | 2,287 | 2,428 | 2,288 |
| Additional provisions | 2,329 | 810 | 2,330 | 809 |
| Amounts used | (908) | (669) | (908) | (669) |
| Carrying amount at end of period | 3,849 | 2,428 | 3,850 | 2,428 |

Non-current

| | | | | |
|---|------------|------------|------------|------------|
| Balance at beginning of year | 182 | 166 | 182 | 166 |
| Additional provisions | 21 | 16 | 21 | 16 |
| Carrying amount at end of period | 203 | 182 | 203 | 182 |

| | Consolidated | | University | |
|--|---------------|---------------|---------------|---------------|
| | 2013 | 2012 | 2013 | 2012 |
| | \$000's | \$000's | \$000's | \$000's |
| Current | | | | |
| Employee benefits: | | | | |
| Annual leave | 14,584 | 12,575 | 14,562 | 12,555 |
| Long service leave | 15,785 | 15,035 | 15,759 | 15,021 |
| Other | 374 | 245 | 374 | 245 |
| Management fees | 11,506 | 10,553 | - | - |
| Other provisions | 3,849 | 2,428 | 3,850 | 2,428 |
| Total current provisions | 46,098 | 40,836 | 34,545 | 30,249 |
| Non-current | | | | |
| Employee benefits: | | | | |
| Long service leave | 4,382 | 3,950 | 4,382 | 3,950 |
| Other provisions | 203 | 182 | 203 | 182 |
| Total non-current provisions | 4,585 | 4,132 | 4,585 | 4,132 |
| Total provisions | 50,683 | 44,968 | 39,130 | 34,381 |
| 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 wholly within 12 months | | | | |
| Employee benefits: | | | | |
| Annual leave | 8,126 | 7,811 | 8,113 | 7,799 |
| Long service leave | 1,299 | 1,210 | 1,298 | 1,209 |
| Other | 374 | 245 | 374 | 245 |
| Other provisions | 12,543 | 11,688 | 2,188 | 1,135 |
| | 22,342 | 20,954 | 11,973 | 10,388 |
| Provisions expected to be settled wholly after more than 12 months | | | | |
| Employee benefits: | | | | |
| Annual leave | 6,458 | 4,764 | 6,448 | 4,756 |
| Long service leave | 18,868 | 17,775 | 18,842 | 17,762 |
| Other provisions | 3,015 | 1,475 | 1,867 | 1,475 |
| | 28,341 | 24,014 | 27,157 | 23,993 |
| Total provisions | 50,683 | 44,968 | 39,130 | 34,381 |
| Other provisions | | | | |
| Included in other provisions are amounts for employee on-costs, self insurance, Commonwealth support and productivity improvement program costs. The provisions are based on estimates made from historical information. | | | | |
| Movements in provisions | | | | |
| Management fees | | | | |
| Balance at beginning of year | 10,553 | 9,455 | - | - |
| Additional provisions | 1,589 | 1,352 | - | - |
| Amounts used | (636) | (254) | - | - |
| Carrying amount at end of period | 11,506 | 10,553 | - | - |
| Other provisions | | | | |
| <i>Current</i> | | | | |
| Balance at beginning of year | 2,428 | 2,287 | 2,428 | 2,288 |
| Additional provisions | 2,329 | 810 | 2,330 | 809 |
| Amounts used | (908) | (669) | (908) | (669) |
| Carrying amount at end of period | 3,849 | 2,428 | 3,850 | 2,428 |
| <i>Non-current</i> | | | | |
| Balance at beginning of year | 182 | 166 | 182 | 166 |
| Additional provisions | 21 | 16 | 21 | 16 |
| Carrying amount at end of period | 203 | 182 | 203 | 182 |

27. Other liabilities

Current

| | | | | |
|---|----------------|----------------|--------------|--------------|
| Income in advance | 18,210 | 16,570 | 5,305 | 5,725 |
| Other liabilities | 1,642 | 3,690 | 1,642 | 3,690 |
| Resident loans | 177,816 | 151,819 | - | - |
| Total current other liabilities | 197,668 | 172,079 | 6,947 | 9,415 |
| * Resident loans obligation | 221,667 | 191,525 | - | - |
| Less: Deferred Management Fees (DMF) receivable | (43,851) | (39,706) | - | - |
| | 177,816 | 151,819 | - | - |

Resident loans obligation and DMF receivable are recognised on a net basis due to the right of offset in accordance with AASB117.

28. Equity

Equity represents the residual interest in the net assets of the Group. The asset revaluation surplus represents that portion of equity resulting from the revaluation of non-current assets.

Reserves

| | | | | |
|---------------------------|----------------|----------------|----------------|----------------|
| Asset revaluation reserve | 388,822 | 380,911 | 388,822 | 380,911 |
| Total reserves | 388,822 | 380,911 | 388,822 | 380,911 |

Movement during the year:

Asset revaluation reserve

| | | | | |
|--|---------|---------|---------|---------|
| Balance at beginning of year | 380,911 | 314,592 | 380,911 | 314,592 |
| Land, buildings, infrastructure and artworks | 7,911 | 66,319 | 7,911 | 66,319 |
| Balance at end of year | 388,822 | 380,911 | 388,822 | 380,911 |

Retained surplus

| | | | | |
|--------------------------------------|----------------|----------------|----------------|----------------|
| Balance at start of period | 396,733 | 363,738 | 545,938 | 460,730 |
| Result for the period | 35,949 | 32,995 | 40,583 | 85,208 |
| Balance at end of period | 432,682 | 396,733 | 586,521 | 545,938 |
| Total Equity at end of period | 821,504 | 777,644 | 975,343 | 926,849 |

29. Reconciliation of profit from ordinary activities to net cash provided by operating activities

| | | | | |
|--|---------------|---------------|---------------|---------------|
| Operating result after income tax | 35,949 | 32,995 | 40,583 | 85,208 |
| <i>Adjustments for:</i> | | | | |
| Depreciation and amortisation | 15,619 | 13,969 | 15,617 | 13,967 |
| (Gain)/loss on disposal of property, plant and equipment | 151 | (71) | 151 | (71) |
| Fair value (gain)/loss on other financial assets | (3,712) | (1,353) | (3,277) | (1,103) |
| Fair value (gain)/loss on investment property | (20,970) | (547) | (20,970) | (547) |
| Fair value movement in resident loans | 75 | 3,358 | - | - |
| Share of net results of associates accounted for using the equity method | (272) | (250) | - | - |
| Impairment of assets | 2,426 | 838 | 2,376 | 838 |
| Management fees | 240 | 175 | 210 | 175 |
| Donations | (346) | (62) | (346) | (15,062) |
| Income from managed funds reinvested | (1,704) | (3,185) | (1,563) | (3,185) |
| <i>Changes in assets and liabilities:</i> | | | | |
| (Increase)/decrease in receivables | (389) | 2,345 | (247) | 2,074 |
| (Increase)/decrease inventories | 366 | (71) | 367 | (71) |
| (Increase)/decrease in other assets | (807) | 321 | (805) | 342 |
| (Increase)/decrease in deferred tax assets | (3) | (3) | - | - |
| (Decrease)/increase in payables | 1,787 | 4,120 | 5,298 | 2,664 |
| Increase/(decrease) in provisions | 7,601 | 4,789 | 4,748 | 3,682 |
| Increase/(decrease) in resident loans | (4,176) | (4,331) | - | - |
| Increase/(decrease) in other liabilities | (409) | 3,626 | (2,468) | 3,123 |
| Net cash provided by operating activities | 31,426 | 56,663 | 39,674 | 92,034 |

30. Remuneration of Auditors

During the year, the following fees were paid or payable for services provided by the auditor of the parent entity:

Audit and review of Financial Statements

| | | | | |
|--|-----|-----|-----|-----|
| Fees paid to Office of the Auditor General | 296 | 285 | 240 | 231 |
|--|-----|-----|-----|-----|

31. Fair value measurement

(a) Non-financial assets measured at fair value

| | Level 1 \$000's | Level 2 \$000's | Level 3 \$000's | Fair Value At end of period \$000's |
|---------------------------------|--------------------|--------------------|--------------------|--|
| 2013 | | | | |
| Investment properties (Note 21) | - | 242,699 | - | 242,699 |
| Land (Note 22) | - | 230,485 | - | 230,485 |
| Buildings (Note 22) | - | 330,173 | - | 330,173 |
| Infrastructure (Note 22) | - | 21,570 | - | 21,570 |
| | - | 824,927 | - | 824,927 |

Level 1 "quoted prices (unadjusted) in active markets for identical assets or liabilities."

Level 2 "inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly."

Level 3 "inputs for the asset or liability that are not based on observable market data (unobservable inputs)."

(b) Valuation techniques to derive fair values

Investment properties are measured on a fair value basis. The 2013 valuation of the commercial building was determined by independent valuer, McGees Property, utilising market based evidence.

The 2013 valuation of the St Ives Retirement Village Murdoch was determined by utilising a specific valuation model (developed by Ernst and Young), incorporating growth rates, life expectancy statistics, industry specific discount rates and updated market values of the residential units and apartments.

Land, buildings and infrastructure (classified as property, plant and equipment) are valued independently at least every three years, along with an annual desktop valuation.

The valuations as at 31 December 2013 determined by independent valuers, McGees Property (land, buildings and infrastructure), 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.

(c) Valuation process

There were no changes in valuation techniques during the period.

At the end of each reporting period, the Group updates their assessment of the fair value of each property, taking into account the most recent independent valuations.

Fair value for existing use specialised building and infrastructure assets is determined by reference to the cost of replacing the remaining future economic benefits embodied in the asset, i.e. the depreciated replacement cost. Depreciated replacement cost is the current replacement cost of an asset less accumulated depreciation calculated on the basis of such cost to reflect the already consumed economic benefit, expired economic benefit or obsolescence of the asset. Determination of the current replacement cost of such assets held by the Group is calculated by reference to gross project size specifications and the historical cost, adjusted by relevant indices.

Fair value for restricted use land is based on market value, by either using market evidence of sales of comparable land that is unrestricted (low restricted use land), or, comparison with market evidence for land with low level utility (high restricted use land).

Significant Level 2 inputs used by the Group are derived and evaluated as follows:

Historical cost of building per square metre floor area (m²)

The costs of construction of specialised buildings are extracted from financial records of the Group, then indexed on advice from Quantity Surveyors Davson and Ward and confirmed by McGees Property (Independent Licensed Valuers).

Consumed economic benefit/obsolescence of asset

These are estimated by McGees Property.

Sales prices of appropriate land of low utility

These are selected by McGees Property.

Selection of land with similar approximate utility

Fair value for land with low level utility (high restricted use) is determined by comparison with market evidence for land with similar approximate utility. Relevant comparators of land with similar approximate utility are selected by Quantity Surveyors Davson and Ward and confirmed by McGees Property.

Historical cost per cubic metre (m³)

The costs of construction of infrastructure are extracted from financial records of the Group, then indexed on advice from Quantity Surveyors Davson and Ward and confirmed by McGees Property.

(d) Basis of valuation

In the absence of market-based evidence due to the specialised nature of the assets, non-financial assets are valued at Level 3 of the fair value hierarchy on an existing use basis. The existing use basis recognises that restrictions or limitations have been placed on their use and disposal when they are not determined to be surplus to requirements. These restrictions are imposed by virtue of the assets being held for higher education purposes and the Group's enabling legislation.

32. Contingent assets and contingent liabilities

The University is subject to two litigation claims for which liability has been denied. Any legal claim will be defended and counter claims made where appropriate. The potential financial impact should these claims be successful cannot be reliably measured at this time and the University is of the belief that there will be no significant impact on the University's financial position.

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.

34. Commitments for expenditure

The following commitments are GST inclusive.

(a) Capital commitments

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

Within one year

Total capital commitments

(b) Lease commitments

(i) Operating leases

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

Within one year

Later than one year but not later than five years

Total operating lease commitments

(ii) Finance leases

Commitments relating to finance leases are as follows:

Within one year

Later than one year but not later than five years

Less: Future lease finance charges

Total finance lease commitments

Lease liabilities provided for in the financial statements:

Current

Non-current

Total lease liability

(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

Later than five years

Total other expenditure commitments

| Consolidated | | University | |
|--------------|---------------|--------------|---------------|
| 2013 | 2012 | 2013 | 2012 |
| \$000's | \$000's | \$000's | \$000's |
| | | | |
| 2,038 | 15,740 | 2,038 | 15,740 |
| 2,038 | 15,740 | 2,038 | 15,740 |
| | | | |
| 1,147 | 1,186 | 1,147 | 1,186 |
| 866 | 1,125 | 866 | 1,125 |
| 2,013 | 2,311 | 2,013 | 2,311 |
| | | | |
| 147 | 326 | 147 | 326 |
| 106 | 199 | 106 | 199 |
| 253 | 525 | 253 | 525 |
| (15) | (38) | (15) | (38) |
| 238 | 487 | 238 | 487 |
| | | | |
| 136 | 299 | 136 | 299 |
| 102 | 188 | 102 | 188 |
| 238 | 487 | 238 | 487 |
| | | | |
| 3,541 | 2,255 | 3,541 | 2,255 |
| 2,853 | 2,194 | 2,853 | 2,194 |
| 620 | 385 | 620 | 385 |
| 7,014 | 4,834 | 7,014 | 4,834 |

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:

| | Consolidated | | University | |
|--|-----------------|-----------------|-----------------|-----------------|
| | 2013 \$000's | 2012 \$000's | 2013 \$000's | 2012 \$000's |
| Base remuneration and superannuation | 4,046 | 2,692 | 4,046 | 2,692 |
| Annual leave and long service leave accruals | 366 | 66 | 366 | 66 |
| Other benefits | 180 | 164 | 180 | 164 |
| Total remuneration of senior officers | 4,592 | 2,922 | 4,592 | 2,922 |

Note:

The increase in remuneration entitlements in 2013 compared to 2012 is specifically related to an increase in the number of positions that have met the definition of senior officers under Treasurer's Instruction 903 as a result of senior management and organisational restructures.

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:

| | Consolidated | | University | |
|-----------------------|------------------|----------------------|------------------|----------------------|
| | 2013 | 2012 | 2013 | 2012 |
| \$60,001 - \$70,000 | 1 ^(#) | - | 1 ^(#) | - |
| \$70,001 - \$80,000 | - | 1 ^(*) (#) | - | 1 ^(*) (#) |
| \$80,001 - \$90,000 | 1 ^(#) | - | 1 ^(#) | - |
| \$100,001 - \$110,000 | 3 ^(#) | - | 3 ^(#) | - |
| \$110,001 - \$120,000 | - | 1 ^(*) (#) | - | 1 ^(*) (#) |
| \$120,001 - \$130,000 | 1 ^(#) | - | 1 ^(#) | - |
| \$140,001 - \$150,000 | 1 ^(#) | - | 1 ^(#) | - |
| \$150,001 - \$160,000 | 2 ^(#) | - | 2 ^(#) | - |
| \$180,001 - \$190,000 | 2 ^(#) | - | 2 ^(#) | - |
| \$190,001 - \$200,000 | 1 ^(#) | - | 1 ^(#) | - |
| \$230,001 - \$240,000 | - | 1 ^(#) | - | 1 ^(#) |
| \$240,001 - \$250,000 | 1 | - | 1 | - |
| \$250,001 - \$260,000 | - | 1 | - | 1 |
| \$260,001 - \$270,000 | 1 | - | 1 | - |
| \$270,001 - \$280,000 | - | 1 ^(#) | - | 1 ^(#) |
| \$290,001 - \$300,000 | - | 1 ^(#) | - | 1 ^(#) |
| \$300,001 - \$310,000 | 2 | - | 2 | - |
| \$330,001 - \$340,000 | 1 | - | 1 | - |
| \$360,001 - \$370,000 | - | 1 | - | 1 |
| \$370,001 - \$380,000 | - | 1 | - | 1 |
| \$430,001 - \$440,000 | - | 1 ^(*) (#) | - | 1 ^(*) (#) |
| \$450,001 - \$460,000 | 1 | - | 1 | - |
| \$460,001 - \$470,000 | 1 | - | 1 | - |
| \$480,001 - \$490,000 | - | 1 | - | 1 |
| \$590,001 - \$600,000 | 1 | - | 1 | - |
| | 20 | 10 | 20 | 10 |

(*) - Amount includes leave and/or one-off entitlements paid to senior officer who has ceased employment with the University.

(#) - Includes employees who became or ceased to be a senior officer during the year.

Remuneration of Senate members

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

| | Consolidated | | University | |
|--|-----------------|-----------------|-----------------|-----------------|
| | 2013 \$000's | 2012 \$000's | 2013 \$000's | 2012 \$000's |
| Cash remuneration received | 1,296 | 1,193 | 1,296 | 1,193 |
| Annual leave and long service leave accruals | 137 | 106 | 137 | 106 |
| Other benefits | 59 | 95 | 59 | 95 |
| Total remuneration of Senate members | 1,492 | 1,394 | 1,492 | 1,394 |

35. Remuneration of senior officers and Senate members (continued)

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

\$0 - \$10,000
 \$10,001 - \$20,000
 \$30,001 - \$40,000
 \$120,001 - \$130,000
 \$140,001 - \$150,000
 \$150,001 - \$160,000
 \$180,001 - \$190,000
 \$190,001 - \$200,000
 \$200,001 - \$210,000
 \$690,001 - \$700,000
 \$780,001 - \$790,000

| | Consolidated | | University | |
|-----------------------|--------------|------|------------|------|
| | 2013 | 2012 | 2013 | 2012 |
| \$0 - \$10,000 | 15 | 14 | 15 | 14 |
| \$10,001 - \$20,000 | - | 1 | - | 1 |
| \$30,001 - \$40,000 | 1 | - | 1 | - |
| \$120,001 - \$130,000 | - | 1 | - | 1 |
| \$140,001 - \$150,000 | 2 | - | 2 | - |
| \$150,001 - \$160,000 | - | 1 | - | 1 |
| \$180,001 - \$190,000 | 1 | - | 1 | - |
| \$190,001 - \$200,000 | 1 | 1 | 1 | 1 |
| \$200,001 - \$210,000 | - | 1 | - | 1 |
| \$690,001 - \$700,000 | - | 1 | - | 1 |
| \$780,001 - \$790,000 | 1 | - | 1 | - |
| | 21 | 20 | 21 | 20 |

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.

(a) 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 December 2013 to hedge against the exchange rate risk arising from the anticipated payment of USD in the ensuing financial year. The contract is expected to be settled by December 2014.

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.

Summarised sensitivity analysis

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

| | Interest rate risk | | | | |
|---|--------------------|----------------|----------------|--------------|--------------|
| | Carrying amount | -1% | | +1% | |
| | | Result | Equity | Result | Equity |
| \$000's | \$000's | \$000's | \$000's | \$000's | |
| 2013 | | | | | |
| Financial assets | | | | | |
| Cash and cash equivalents (Refer note 15) | 146,901 | (1,469) | (1,469) | 1,469 | 1,469 |
| Bank deposits (Refer note 19) | 3,300 | (33) | (33) | 33 | 33 |
| Financial liabilities | | | | | |
| Borrowings - floating interest rate (Refer note 25) | (2,876) | 29 | 29 | (29) | (29) |
| Total increase/(decrease) | | (1,473) | (1,473) | 1,473 | 1,473 |
| 2012 | | | | | |
| Financial assets | | | | | |
| Cash and cash equivalents (Refer note 15) | 121,019 | (1,210) | (1,210) | 1,210 | 1,210 |
| Bank deposits (Refer note 19) | 200 | (2) | (2) | 2 | 2 |
| Financial liabilities | | | | | |
| Borrowings - floating interest rate (Refer note 25) | (3,235) | 32 | 32 | (32) | (32) |
| Total increase/(decrease) | | (1,180) | (1,180) | 1,180 | 1,180 |

36. Financial instruments (continued)

The following table summarises the sensitivity of the Group's financial assets to foreign exchange risk. The Group's financial liabilities are denominated in Australian currency and not subject to foreign exchange risk.

| | Foreign exchange risk | | | | |
|---|-----------------------|---------|---------|---------|--------|
| | Carrying Amount | -5% | | +5% | |
| | | Result | Equity | Result | Equity |
| \$000's | \$000's | \$000's | \$000's | \$000's | |
| 2013 | | | | | |
| Financial Assets | | | | | |
| Amounts receivable in foreign currency (Refer note 16(b)) | 318 | (16) | (16) | 16 | 16 |
| Total increase/(decrease) | | (16) | (16) | 16 | 16 |
| 2012 | | | | | |
| Financial Assets | | | | | |
| Amounts receivable in foreign currency (Refer note 16(b)) | 212 | (11) | (11) | 11 | 11 |
| Total increase/(decrease) | | (11) | (11) | 11 | 11 |

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 |
| \$000's | \$000's | \$000's | \$000's | \$000's | |
| 2013 | | | | | |
| Financial assets | | | | | |
| Listed securities (refer note 19) | 2,747 | (275) | (275) | 275 | 275 |
| Managed funds (refer note 19) | 51,049 | (5,105) | (5,105) | 5,105 | 5,105 |
| Total increase/(decrease) | | (5,380) | (5,380) | 5,380 | 5,380 |
| 2012 | | | | | |
| Financial assets | | | | | |
| Listed securities (refer note 19) | 2,063 | (206) | (206) | 206 | 206 |
| Managed funds (refer note 19) | 46,426 | (4,643) | (4,643) | 4,643 | 4,643 |
| Total increase/(decrease) | | (4,849) | (4,849) | 4,849 | 4,849 |

(b) 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 16(c) and 19 provide further details.

(c) 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 2013 and 2012.

| | Carrying Amount | Contractual cash flows | Maturity | | |
|--|-----------------|------------------------|----------------|--------------|--------------|
| | | | 1 year or less | 1 to 5 years | Over 5 years |
| | \$000's | \$000's | \$000's | \$000's | \$000's |
| 2013 | | | | | |
| Financial liabilities | | | | | |
| Interest bearing liabilities (Refer note 25) | 8,975 | 12,754 | 1,139 | 4,049 | 7,565 |
| Payables (Refer note 24) | 19,789 | 19,789 | 19,789 | - | - |
| 2012 | | | | | |
| Financial liabilities | | | | | |
| Interest bearing liabilities (Refer note 25) | 9,867 | 14,298 | 1,381 | 4,322 | 8,595 |
| Payables (Refer note 24) | 18,030 | 18,030 | 18,030 | - | - |

36. Financial instruments (continued)

(d) 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 | |
|--|-----------------|-----------------|-----------------|-----------------|
| | 2013 \$000's | 2012 \$000's | 2013 \$000's | 2012 \$000's |
| Non-current financial assets | | | | |
| Trade and other receivables (Refer note 16(c)) | - | 540 | - | 540 |
| Other financial assets (Refer note 19) | 51,159 | 46,536 | 51,159 | 46,536 |
| Non-current financial liabilities | | | | |
| Borrowings (Refer note 25) | 8,223 | 8,924 | 8,223 | 8,924 |

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

| | 2013 | Level 1 ^{#1} | Level 2 ^{#2} | Level 3 ^{#3} |
|--|---------|-----------------------|-----------------------|-----------------------|
| | \$000's | \$000's | \$000's | \$000's |
| Non-current financial assets | | | | |
| Other financial assets (Refer note 19) | 51,159 | 51,049 | - | 110 |
| Non-current financial liabilities | | | | |
| Borrowings (Refer note 25) | 8,223 | 8,223 | - | - |
| | | | | |
| Non-current financial assets | | | | |
| Trade and other receivables (Refer note 16(c)) | 540 | 540 | - | - |
| Other financial assets (Refer note 19) | 46,536 | 46,536 | - | - |
| | 47,076 | 47,076 | - | - |
| Non-current financial liabilities | | | | |
| Borrowings (Refer note 25) | 8,924 | 8,924 | - | - |

^{#1} Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

^{#2} Level 2 - Quoted prices in active markets for similar items or valuation techniques where significant inputs are based on observable market data.

^{#3} Level 3 - Valuation technique where a significant input is not based on observable market data.

37. Subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1(b):

| Name of entity | Principal activities | Country of incorporation | Class of Shares | Ownership interest | | Operating result | |
|--|----------------------|--------------------------|-----------------|--------------------|-----------|------------------|-----------------|
| | | | | 2013 % | 2012 % | 2013 \$000's | 2012 \$000's |
| Parent entity | | | | | | | |
| Murdoch University | | Australia | | | | | |
| Controlled entities | | | | | | | |
| Murdoch Investments Company Pty Ltd | Investment | Australia | Ordinary | 100 | 100 | - | - |
| Murdoch Retirement Services Pty Ltd* | Retirement Village | Australia | Ordinary | 100 | 100 | (5,762) | (54,553) |
| Innovative Chiropractic Learning Pty Ltd | Chiropractic Clinic | Australia | Ordinary | 100 | 100 | 13 | 16 |
| Murdoch Ventures Pty Ltd | Investment | Australia | Ordinary | 100 | 100 | 87 | - |
| Murdoch University Foundation | Trust | Australia | | 100 | 100 | 362 | 1,793 |
| Murdoch University Veterinary Trust# | Trust | Australia | | 100 | 100 | 444 | 281 |
| M.U.F.T Company Pty Ltd | Corporate Trustee | Australia | Ordinary | 100 | - | - | - |

* 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 \$177.8 million which are classified as current liabilities. Under Australian Accounting Standards and our policy as per note 1(s) 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.

The Trustees of Murdoch University Veterinary Trust have decided by way of resolution to wind-up the operations of Murdoch University Veterinary Trust and establish as a sub-fund of the Murdoch University Foundation in 2014.

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 | |
|---|-----------------|-----------------|
| | 2013 \$000's | 2012 \$000's |
| Carrying value | | |
| Murdoch College Properties Pty Ltd | 1,234 | 962 |
| Movement in carrying value | | |
| Carrying value at beginning of year | 962 | 712 |
| Share of net results of associate | 272 | 250 |
| Carrying value at end of year | 1,234 | 962 |
| Results attributable to associate | | |
| Share of profit/(loss) from ordinary activities before related income tax | 370 | 357 |
| Share of income tax (expense)/benefit | (98) | (107) |
| Share of profit/(loss) from ordinary activities after related income tax | 272 | 250 |
| Share of retained profit/(loss) at beginning of year | 962 | 712 |
| Share of retained profit/(loss) at end of year | 1,234 | 962 |
| Summary of the performance and financial position of the associate | | |
| The aggregate profit/(loss), assets and liabilities of the associate is: | | |
| Profit/(loss) from ordinary activities after related income tax expense | 570 | 556 |
| Total Assets | 5,389 | 5,347 |
| Total Liabilities | (2,647) | (3,176) |

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:

| | University | |
|---|-----------------|-----------------|
| | 2013 \$000's | 2012 \$000's |
| Wholly owned entity | | |
| Donations*, sponsorships and bequests | 1,706 | 50,532 |
| Interest paid | - | 681 |
| Other fees and charges | 730 | 701 |
| Rental and lease charges | 6,065 | 5,692 |
| Sponsorship income | 58 | 6 |
| Other income | 634 | 612 |
| * In 2012, the University received a \$49m donation from its subsidiary Murdoch Retirement Services Pty Ltd, of which \$15m was offset against a loan provided by the subsidiary to the University in 2009. | | |
| (d) Outstanding balances | | |
| Aggregate amounts receivable from, and payable to, each class of related parties at balance date: | | |
| Wholly owned entity | | |
| Current receivables | - | 1,561 |
| Inter entity loan receivable | 206 | 265 |
| Inter entity loan payable | 308 | 29 |

40. Supplementary financial information

| | Consolidated | | University | |
|---|-----------------|-----------------|-----------------|-----------------|
| | 2013 \$000's | 2012 \$000's | 2013 \$000's | 2012 \$000's |
| Write-offs | | | | |
| Bad debts written off during the year | 503 | 536 | 503 | 536 |
| Property, plant and equipment written off during the year | 37 | 27 | 37 | 27 |
| Total write-offs | 540 | 563 | 540 | 563 |

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 AASB 119 "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 four 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 2013, the assets of the DBD in aggregate were estimated to be \$691 million in deficiency of vested benefits (\$770 million after allowing for various reserves). 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 indexed pensions being provided by the DBD.

As at 30 June 2013 the assets of the DBD in aggregate were estimated to be \$861 million above accrued benefits (\$782 million after allowing for various reserves). The accrued benefits have been calculated as the present value of expected future benefit payments to members and 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 14 November 2013 on the actuarial investigation of the DBD as at 30 June 2013. The financial assumptions used were:

| | Vested benefits | Accrued benefits |
|---|------------------------|-------------------------|
| Gross of tax investment return - DBD pensions | 6.10% p.a. | 7.80% p.a. |
| Gross of tax investment return – commercial rate indexed pensions | 3.70% p.a. | 3.70% p.a. |
| Net of tax investment return - non pensioner members | 5.50% p.a. | 7.00% 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.

Clause 34 was initiated following the 31 December 2008, 30 June 2011 and 30 June 2012 actuarial investigations and it has again been initiated following the 30 June 2013 actuarial investigation.

Following the end of the monitoring period commenced in relation to the 31 December 2008 actuarial investigation, the UniSuper Limited Board made a decision not to reduce accrued benefits but to reduce the rate at which benefits accrue in respect of the DBD membership after 1 January 2015.

42. Acquittal of Australian Government Financial Assistance

| | Commonwealth Grants Scheme ^{#1} | | Indigenous Support Program | | Partnership & Participation Program ^{#2} | | Disability Support Program | | Diversity and Structural Adjustment Fund ^{#3} | | Transitional Cost Program | | Promotion of Excellence in Learning and Teaching | | Reward Funding | | Total | | |
|--|--|--------------|----------------------------|--------------|---|--------------|----------------------------|--------------|--|--------------|---------------------------|--------------|--|--------------|----------------|--------------|--------------|--------------|--------------|
| | 2013 \$000's | 2012 \$000's | 2013 \$000's | 2012 \$000's | 2013 \$000's | 2012 \$000's | 2013 \$000's | 2012 \$000's | 2013 \$000's | 2012 \$000's | 2013 \$000's | 2012 \$000's | 2013 \$000's | 2012 \$000's | 2013 \$000's | 2012 \$000's | 2013 \$000's | 2012 \$000's | 2013 \$000's |
| (a) Department of Education - CGS and other Department of Education grants | 85,287 | 84,617 | 640 | 579 | 2,452 | 2,609 | 172 | 596 | - | - | - | - | 29 | 561 | 213 | 206 | 89,325 | 89,201 | 278 |
| Net accrual adjustments | 242 | 283 | - | - | - | - | - | - | - | - | - | - | (5) | - | - | - | 242 | 278 | - |
| Revenue for the period | 85,529 | 84,900 | 640 | 579 | 2,452 | 2,609 | 172 | 596 | - | - | - | - | 24 | 561 | 213 | 206 | 89,567 | 89,479 | 19 |
| Surplus/(deficit) from the previous year | - | - | 31 | 6 | 11 | - | 277 | - | 13 | 13 | - | - | - | 544 | - | - | 876 | 876 | - |
| Total revenue including accrued revenue | 85,529 | 84,900 | 671 | 585 | 2,463 | 2,609 | 449 | 596 | 13 | 13 | - | - | 24 | 1,105 | 213 | 206 | 90,443 | 89,498 | - |
| Less expenses including accrued expenses | (85,529) | (84,900) | (610) | (554) | (2,301) | (2,598) | (114) | (319) | - | - | - | - | (24) | (379) | (213) | (206) | (89,146) | (88,622) | - |
| Surplus/(deficit) for the reporting period | - | - | 61 | 31 | 162 | 11 | 335 | 277 | 13 | 13 | - | - | - | 726 | 544 | - | 1,297 | 876 | - |

^{#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 and Structural Adjustments Program

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

Parent Entity (University) Only

Cash Payable/(Receivable) at the beginning of the year

Financial assistance received in cash during the reporting period

Cash available for the period

Revenue earned

Cash Payable/(Receivable) at the end of the year

^{#4} Program is in respect of FEE-HELP for Higher Education only and excludes funds received in respect of VET FEE-HELP.

| | HECS-HELP (Aust. Government payments only) | | FEE-HELP ^{#4} | | SA-HELP | | Total | |
|--|--|--------------|------------------------|--------------|--------------|--------------|--------------|--------------|
| | 2013 \$000's | 2012 \$000's | 2013 \$000's | 2012 \$000's | 2013 \$000's | 2012 \$000's | 2013 \$000's | 2012 \$000's |
| | 189 | (530) | 353 | 14 | (185) | - | 357 | (516) |
| | 51,026 | 44,725 | 6,715 | 6,890 | 1,393 | 431 | 59,134 | 52,046 |
| | 51,215 | 44,195 | 7,068 | 6,904 | 1,208 | 431 | 59,491 | 51,530 |
| | (51,552) | (44,006) | (7,242) | (6,551) | (1,208) | (616) | (60,002) | (51,173) |
| | (337) | 189 | (174) | 353 | - | (185) | (511) | 357 |

42. Acquittal of Australian Government Financial Assistance (continued)

| | Australian Postgraduate Awards | | International Postgraduate Research Scholarships | | Commonwealth Education Cost Scholarships ^{#5} | | Commonwealth Accommodation Scholarships ^{#5} | | Indigenous Access Scholarship | | Total | |
|---------|--------------------------------|---------|--|---------|--|---------|---|---------|-------------------------------|---------|---------|---------|
| | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 |
| | \$000's | \$000's | \$000's | \$000's | \$000's | \$000's | \$000's | \$000's | \$000's | \$000's | \$000's | \$000's |
| 3,237 | 3,004 | 266 | 269 | 1,194 | 831 | 739 | 5,609 | | | | | |
| (920) | - | - | - | (990) | (681) | (206) | (1,877) | | | | | |
| 2,317 | 3,004 | 266 | 269 | 204 | 150 | 2,899 | 3,732 | | | | | |
| 91 | (620) | (155) | (99) | - | - | - | (64) | | | | | |
| 2,408 | 2,384 | 111 | 170 | 204 | 150 | 2,835 | 3,013 | | | | | |
| (2,408) | (2,293) | (271) | (325) | (204) | (54) | (2,995) | (3,077) | | | | | |
| - | 91 | (160) | (155) | - | - | (160) | (64) | | | | | |

(c) Scholarships

Parent Entity (University) Only

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

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 Scholarships, National Priority and National Accommodation Priority Scholarships respectively.

| | Joint Research Engagement ^{#6} | | Research Training Scheme | | Sustainable Research Excellence in Universities | | Research Infrastructure Grants | | Total | |
|---------|---|---------|--------------------------|---------|---|----------|--------------------------------|---------|---------|---------|
| | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 |
| | \$000's | \$000's | \$000's | \$000's | \$000's | \$000's | \$000's | \$000's | \$000's | \$000's |
| 5,202 | 5,703 | 8,481 | 8,588 | 1,301 | 1,628 | 17,220 | | | | |
| (520) | - | - | - | - | - | (520) | | | | |
| 4,682 | 5,703 | 8,481 | 8,588 | 1,301 | 1,628 | 17,220 | | | | |
| (6,253) | (6,223) | (8,614) | (8,588) | (1,301) | (1,628) | (17,740) | | | | |
| (1,571) | (520) | (133) | - | - | (345) | (2,049) | | | | |

(d) Department of Education Research

Parent Entity (University) Only

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

Revenue for the period

Surplus/ (deficit) from the previous year

Total revenue including accrued revenue

Less expenses including accrued expenses

Surplus/ (deficit) for the reporting period

^{#6} Includes Institutional Grants Scheme.

42. Acquittal of Australian Government Financial Assistance (continued)

| | Projects | | Fellowships | | Indigenous Researchers Development | | | Total | |
|------------|--------------|--------------|--------------|--------------|------------------------------------|--------------|--------------|--------------|--|
| | 2013 \$000's | 2012 \$000's | 2013 \$000's | 2012 \$000's | 2013 \$000's | 2012 \$000's | 2013 \$000's | 2012 \$000's | |
| 1,666 (44) | 1,518 | - | 215 | 413 | - | - | 1,881 | 1,931 | |
| 1,622 | 1,518 | 215 | 413 | - | - | - | 1,837 | 1,931 | |
| 1,832 | 1,734 | 271 | 275 | 5 | 61 | - | 2,108 | 2,070 | |
| 3,454 | 3,252 | 486 | 688 | 5 | 61 | - | 3,945 | 4,001 | |
| (1,226) | (1,420) | (332) | (417) | - | (56) | - | (1,558) | (1,893) | |
| 2,228 | 1,832 | 154 | 271 | 5 | 5 | - | 2,387 | 2,108 | |

(e) Australian Research Council Grants

(i) Discovery

Parent Entity (University) Only

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

Net accrual adjustments

Revenue for the period

Surplus/(Deficit) from previous year

Total revenue including accrued revenue

Less expenses including accrued expenses

Surplus/(deficit) for the reporting period

(ii) Linkages

Parent Entity (University) Only

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

Revenue for the period

Surplus/(deficit) from the previous year

Total revenue including accrued revenue

Less expenses including accrued expenses

Surplus/(deficit) for the reporting period

(f) OS-HELP

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 the reporting period

(g) Student Services and Amenities Fee

SA-HELP Revenue Earned

Student Services Fees direct from Students

Total revenue expendable in period

Student Services expenses during period

Unspent/(overspent) Student Services Revenue

| | Infrastructure | | Projects | | | Total | |
|-------|----------------|--------------|--------------|--------------|--------------|--------------|--|
| | 2013 \$000's | 2012 \$000's | 2013 \$000's | 2012 \$000's | 2013 \$000's | 2012 \$000's | |
| - | - | - | 885 | 818 | 885 | 818 | |
| (188) | - | - | 885 | 818 | 885 | 818 | |
| (188) | 165 | 165 | 1,928 | 2,023 | 1,740 | 2,188 | |
| - | 165 | 165 | 2,813 | 2,841 | 2,625 | 3,006 | |
| (188) | (353) | (353) | (738) | (913) | (738) | (1,266) | |
| (188) | (188) | (188) | 2,075 | 1,928 | 1,887 | 1,740 | |
| | | | | | 574 | 530 | |
| | | | | | (304) | (576) | |
| | | | | | 270 | (46) | |
| | | | | | (87) | (41) | |
| | | | | | 183 | (87) | |
| | | | | | 1,208 | 616 | |
| | | | | | 1,517 | 1,882 | |
| | | | | | 2,725 | 2,498 | |
| | | | | | (2,663) | (2,498) | |
| | | | | | 62 | - | |

Key Performance Indicators 2013

On 3 October 2012, the University launched its new Strategic Plan 2012-2017 to help achieve its goal of enhancing and advancing the quality and reputation of the University.

Strategic goals imply particular outcomes and the extent to which these have been achieved is assessed using appropriate key performance indicators (KPIs). KPIs to support the goals for the new strategic plan are under development and will be reported against in the 2014 annual report

In light of the data lag and the lengthy approval cycle, the KPIs reported below are those aligned with the previous Strategic Plan.

The Key Performance Indicators assess important outcomes for Murdoch University in the areas of Teaching and Learning, Research, and Strategic Investment Capacity. The targets set for each indicator are mostly end-of-plan targets, set in line with the previous Strategic Plan 2010-2015. Where 2015 targets are not used, an annual target is set as the basis for performance measurement.

Teaching and Learning

Murdoch is recognised for its student-centred high quality teaching, its interdisciplinary approach to course offerings, and the link between teaching and its strength in applied or 'translational' research. These characteristics were acknowledged by the Murdoch University Curriculum Commission (MUCC) and incorporated into its recommendations for renewal of Murdoch's academic offerings.

Increased participation and equitable access have been strategic priorities for the University. Strategies to help the transition to university study, be it from school or later in life, have been introduced and will be further enhanced by the introduction of a transition unit providing the skills necessary for success at university. This will also strengthen the success and retention of students, especially those from educationally disadvantaged backgrounds.

Clear pathways from our undergraduate degrees to employment or further study are in place and will be strengthened by initiatives arising from the MUCC. In particular, the embedding of research skills in courses will 'future proof' qualifications and provide students with highly marketable skills, as well as opening options for postgraduate study.

Noting that they were developed to test the effectiveness of the previous Strategic Plan, 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

A key efficiency indicator relating to Teaching and Learning is:

- Total costs relative to total student load

Research

Murdoch University is, and always has been, a research-led university with a reputation for world class research in select areas of knowledge. It is recognised as one of Australia's leading research institutions with over 85 per cent of its research effort being assessed as at world standard or better by independent assessors in the 2012 Australian Research Council Excellence in Research for Australia assessment.

Murdoch has an acknowledged strength in research that is translational in nature and has impact in the communities and industries that we serve. It has implemented strategies that will be further enhanced as the new Strategic Plan is implemented, to identify and focus on key areas of research and ensure that future investment, activity and outcomes are directed to these research areas as a priority.

A key effectiveness indicator for Research, as determined for the previous Strategic Plan, is:

- Increase research income

A key efficiency indicator for Research is:

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

Strategic Investment Capacity

The Base Funding Review conducted by the Department of Industry, Innovation, Science, Research and Tertiary Education showed that the low indexation of Commonwealth Government funding means that it fails to meet real program costs. Combined with escalating costs, competition from private providers and other factors, universities continue to be under pressure in the new student-centred higher education environment. Proactive diversification of income is a key mechanism to maintain quality and standards.

The outcome of this objective from the Strategic Plan 2010-2015 is that Murdoch will build its strategic investment capacity through an appropriate balance of income sources, and further development of commercial revenue streams through the consolidated group and philanthropic activities to facilitate strategic re-investment into core University activities.

A key effectiveness indicator for Strategic Investment Capacity is:

- Proportion of non Commonwealth Government income

A key efficiency indicator for Strategic Investment Capacity is:

- Non Commonwealth Government income relative to total assets

These indicators are measured at the consolidated level.

Effectiveness Indicators

Student satisfaction and quality of teaching

The effort of teaching staff and content of courses encourage a dynamic learning environment. These embedded elements of the student experience connect with directed initiatives in affecting overall teaching quality.

The University participates in the annual national Course Evaluation Questionnaire 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 with statements which are grouped into the broad areas shown below.

This indicator monitors impressions of teaching quality and helps identify areas where additional focus may be required.

| CEQ Scale: Percentage Broad Agreement Scores | | | |
|--|---------------|----------------|----------------------|
| Year of Survey | Good Teaching | Generic Skills | Overall Satisfaction |
| 2015 Target | 90.0 | 92.0 | 95.0 |
| 2010 | 87.9 | 89.9 | 91.7 |
| 2011 | 89.8 | 92.5 | 93.7 |
| 2012 | 89.5 | 91.8 | 93.9 |
| 2013 | 89.5 | 91.8 | 91.5 |

Comments:

Graduate Careers Australia administers the CEQ survey. The results from the 2013 survey are Murdoch's unpublished figures. In 2013, the number of graduates surveyed was 2475 with 1294 responding. The results show that Murdoch is maintaining its Good Teaching, and Generic Skills scores close to target, while there has been a small decline in the measured Overall Satisfaction.

New student retention rate

Studies have shown that commencing students are more susceptible to withdrawal as there may be a realisation their studies do not meet their aspirations, or other factors emerge such as financial difficulties. Strategies have been introduced to provide a more supportive learning environment intent on improving the quality of the student experience. This indicator measures the effectiveness of retaining commencing students. The retention rate indicates the percentage of students who continue in their studies on completion of their first year of studies at Murdoch University.

| New student retention rate | |
|----------------------------|--------------|
| 2015 Target | 90.0% |
| 2009 | 77.4% |
| 2010 | 78.1% |
| 2011 | 81.5% |
| 2012 | 80.9% |

Comments:

The commencing student retention rate has been around 80% for the last four years, with small fluctuations. However, following targeted initiatives implemented during 2011, the number of commencing students who continued their studies at the University has stepped up compared to prior years. Initiatives such as the First Year Advisor network continue to be enhanced 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 population census, with the lowest quartile being classified as low SES. Students from the low SES community may face greater challenges to their University aspirations, financial commitment and non-conducive home learning environment being two examples.

Murdoch has built upon its existing suite of linked strategies that raise aspirations and facilitate inclusive entry for school leavers and non-traditional students to support national targets for 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.

| Participation rate for low socio-economic status students | |
|---|--------------|
| 2015 Target | 19.9% |
| 2010 | 16.9% |
| 2011 | 17.1% |
| 2012 | 18.1% |
| 2013 | 17.8% |

Comments:

Murdoch's low SES participation has been relatively stable in the past couple of years. Murdoch is continuing to work towards the policy direction for increased participation in line with the national growth target. Performance is calculated using the released Australian Bureau of Statistics census data (2006 and 2011) which relate socio-economic status to residential postcodes. The latest ABS release was in 2013; prior year calculations rely on the 2006 indices.

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 – one Equivalent Full-Time Student Load (EFTSL) being 24 credit points—against the assessed load for students enrolled onshore in a non-research course.

| Student success rate | |
|----------------------|--------------|
| 2015 Target | 90.0% |
| 2009 | 87.9% |
| 2010 | 87.4% |
| 2011 | 87.6% |
| 2012 | 86.8% |

Comments:

The percentage of students successfully completing their units against the units attempted has stabilised in the high 80% range. The University's aim is to achieve an even better 90% success rate through improved student support.

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 strengths. Research income is one indicator of research performance measuring the growth in research income across all category types.

| Increase research income | | |
|--------------------------|--------------------------------|--|
| | Total research income (\$'000) | Percentage increase in total research income |
| Annual Target | | 3.0% p.a. |
| 2010 | 38,689 | -10.1% |
| 2011 | 31,757 | -17.9% |
| 2012 | 30,184 | -5.0% |
| 2013 | 27,905 | -7.6% |

Comments:

Research income is crucial to the development of basic and applied research. There continues to be a decline in Research Income mainly in the area of ARC Large Grants and Industry Research Income, offset to a degree by new researchers transferring their work to Murdoch and new grants from bodies such as Meat and Livestock Australia and AusAID. An improvement to Murdoch's research performance is an immediate priority and a number of key initiatives have been and will be implemented to increase competitive and other research funding.

Proportion of non Commonwealth Government income to total income

The University aims to diversify its income sources as Commonwealth funding alone is insufficient to sustain the activities in which the University is engaged and the quality of outcomes to be achieved. The University aims to decrease dependency on Commonwealth funding over time.

This indicator measures the diversity of our sources of income within the consolidated group.

| Proportion of non Commonwealth Government income to total income | |
|--|--------------|
| 2015 Target | 50.0% |
| 2010 | 47.3% |
| 2011 | 48.6% |
| 2012 | 45.7% |
| 2013 | 49.7% |

Comments:

The data shows Murdoch has improved its performance in the proportion of non Commonwealth Government income relative to total university income in recent years, with an increase in this year's data. The non-Commonwealth Government income is dependent on the timing of asset transactions which significantly contribute to year-on-year variability. The sector in recent years has seen effective government funding per EFTSL shrink relative to the sector's cost inflation rate, this issue is being actively managed by Murdoch.

Efficiency Indicators

Total costs relative to total student load

This indicator measures the total costs relative to the University's teaching and learning endeavour as measured by student load, 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 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 total costs per student load within the University entity.

| Total costs per total EFTSL (\$'000) | |
|--------------------------------------|-------------|
| Annual Target | 28.2 |
| 2010 | 26.1 |
| 2011 | 25.8 |
| 2012 | 26.5 |
| 2013 | 28.1 |

Comments:

The trend for the total costs relative to total student load is rising given the plan of improving the student experience and increasing need to include technology and pedagogic methods at the cutting edge. Innovation from the staff and management is aiding in increased efficiency to offset these rising costs.

Total research income per academic FTE

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

| Total research income per academic FTE (\$'000) | |
|---|-------------|
| 2015 Target | 66.0 |
| 2010 | 56.0 |
| 2011 | 47.3 |
| 2012 | 43.3 |
| 2013 | 38.3 |

Comments:

Research income has generally fallen in recent years with fluctuations year-on-year due to varying success rates in winning grants and the report timing relative to the beginning and end dates of multi-year large grants. The "academic FTE" component has remained stable, so the observed trend is driven by research income. Measures to increase support for academic staff applying for research grants 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.

This indicator measures the non Commonwealth Government income relative to total assets for the consolidated group.

| Proportion of non Commonwealth Government income relative to total assets | |
|---|--------------|
| 2015 Target | 18.8% |
| 2010 | 16.2% |
| 2011 | 16.5% |
| 2012 | 14.7% |
| 2013 | 16.0% |

Comments:

The underlying trend has been flat for non Commonwealth Government income to total assets. The target has been set at 18.8%. The University aims to encourage long-term growth in non Commonwealth Government income to meet the target, however the current income is dependent on the timing of asset transactions which significantly contribute to year-on-year variability.

Characteristics of the student population

Summary Statistics

Students

| Level | 2009 | 2010 | 2011 | 2012 | 2013 |
|--|---------------|---------------|---------------|---------------|---------------|
| Higher Degree Research | 874 | 897 | 864 | 809 | 794 |
| Higher Degree Coursework | 1,004 | 1,096 | 1,361 | 1,697 | 1,707 |
| Other Postgraduate | 1,325 | 1,358 | 1,411 | 1,483 | 1,456 |
| Undergraduate | 14,248 | 14,549 | 15,907 | 18,460 | 19,986 |
| Non-Award | 250 | 203 | 190 | 153 | 165 |
| Total | 17,701 | 18,103 | 19,733 | 22,602 | 24,108 |
| Broad Field of Study | | | | | |
| Agriculture, Environmental and Related Studies | 541 | 559 | 568 | 601 | 548 |
| Architecture and Building | 18 | 15 | 10 | 7 | 5 |
| Creative Arts | 1,309 | 1,310 | 1,437 | 1,628 | 1,727 |
| Education | 2,256 | 2,239 | 2,293 | 2,439 | 2,385 |
| Engineering and Related Technologies | 573 | 614 | 629 | 668 | 661 |
| Health | 1,873 | 1,757 | 1,738 | 1,762 | 1,887 |
| Information Technology | 801 | 808 | 923 | 1,196 | 1,408 |
| Management and Commerce | 3,625 | 3,797 | 4,772 | 6,640 | 7,574 |
| Natural and Physical Sciences | 1,751 | 1,839 | 1,895 | 1,901 | 1,935 |
| Society and Culture | 4,704 | 4,962 | 5,278 | 5,607 | 5,813 |
| Non-Award | 250 | 203 | 190 | 153 | 165 |
| Total | 17,701 | 18,103 | 19,733 | 22,602 | 24,108 |

Student Load (EFTSL)

| Level | 2009 | 2010 | 2011 | 2012 | 2013 |
|--|---------------|---------------|---------------|---------------|---------------|
| Higher Degree Research | 629 | 645 | 611 | 551 | 533 |
| Higher Degree Coursework | 619 | 665 | 779 | 1,084 | 1,034 |
| Other Postgraduate | 630 | 610 | 629 | 635 | 616 |
| Undergraduate | 10,560 | 10,660 | 11,509 | 13,414 | 14,354 |
| Non-Award | 104 | 90 | 83 | 61 | 67 |
| Total | 12,543 | 12,671 | 13,611 | 15,744 | 16,605 |
| Broad Field of Study | | | | | |
| Agriculture, Environmental and Related Studies | 343 | 348 | 347 | 367 | 318 |
| Architecture and Building | 9 | 8 | 6 | 4 | 1 |
| Creative Arts | 1,022 | 983 | 1,043 | 1,223 | 1,279 |
| Education | 1,451 | 1,429 | 1,415 | 1,505 | 1,462 |
| Engineering and Related Technologies | 370 | 409 | 427 | 448 | 464 |
| Health | 1,568 | 1,449 | 1,408 | 1,405 | 1,441 |
| Information Technology | 541 | 551 | 638 | 795 | 958 |
| Management and Commerce | 2,694 | 2,721 | 3,314 | 4,744 | 5,318 |
| Natural and Physical Sciences | 1,241 | 1,338 | 1,384 | 1,368 | 1,375 |
| Society and Culture | 3,199 | 3,346 | 3,547 | 3,826 | 3,921 |
| Non-Award | 104 | 90 | 83 | 61 | 67 |
| Total | 12,543 | 12,671 | 13,611 | 15,744 | 16,605 |

Completions

| Level | 2008 | 2009 | 2010 | 2011 | 2012 |
|--|--------------|--------------|--------------|--------------|--------------|
| Higher Degree Research | 84 | 96 | 106 | 103 | 111 |
| Higher Degree Coursework | 214 | 217 | 305 | 347 | 355 |
| Other Postgraduate | 654 | 584 | 852 | 1,077 | 988 |
| Undergraduate | 2,459 | 2,170 | 3,447 | 3,394 | 3,120 |
| Total | 3,411 | 3,067 | 4,710 | 4,921 | 4,574 |
| Broad Field of Study | | | | | |
| Agriculture, Environmental and Related Studies | 103 | 72 | 122 | 186 | 123 |
| Architecture and Building | 4 | 2 | 0 | 1 | 2 |
| Creative Arts | 368 | 366 | 512 | 519 | 406 |
| Education | 381 | 337 | 455 | 388 | 517 |
| Engineering and Related Technologies | 85 | 93 | 96 | 147 | 99 |
| Health | 366 | 395 | 448 | 369 | 298 |
| Information Technology | 117 | 90 | 207 | 166 | 224 |
| Management and Commerce | 838 | 899 | 1,330 | 1,551 | 1,619 |
| Natural and Physical Sciences | 377 | 256 | 395 | 452 | 320 |
| Society and Culture | 772 | 557 | 1,145 | 1,142 | 966 |
| Total | 3,411 | 3,067 | 4,710 | 4,921 | 4,574 |

Staff – Full Time Equivalence (FTE)

| Staff Function | 2009 | 2010 | 2011 | 2012 | 2013 |
|-------------------------|--------------|--------------|--------------|--------------|--------------|
| Teaching Only or Mainly | 185 | 180 | 164 | 190 | 193 |
| Research Only | 75 | 63 | 58 | 54 | 55 |
| Teaching and Research | 415 | 428 | 422 | 428 | 452 |
| Other | 26 | 20 | 26 | 26 | 30 |
| Non-Academic | 894 | 870 | 886 | 914 | 981 |
| Total | 1,595 | 1,561 | 1,556 | 1,612 | 1,709 |

Student Load (EFTSL) per Teaching Staff FTE

| | 2009 | 2010 | 2011 | 2012 | 2013 |
|---|-------|-------|-------|-------|-------|
| Load/FTE Ratio* | 17.3 | 17.2 | 18.0 | 17.6 | 17.1 |
| *Excludes student load in offshore courses: | 2,135 | 2,214 | 3,028 | 4,856 | 5,578 |

Note: 2013 student data prior to HEIMS submission; staff data at year end

Equity Student Statistics

Broad Field of Study

Aboriginal and Torres Strait Islanders

| | 2009 | 2010 | 2011 | 2012 | 2013 |
|--|------------|------------|------------|------------|------------|
| Agriculture, Environmental and Related Studies | 4 | 6 | 0 | 6 | 6 |
| Creative Arts | 8 | 9 | 15 | 15 | 11 |
| Education | 36 | 35 | 30 | 40 | 38 |
| Engineering and Related Technologies | 0 | 1 | 1 | 0 | 0 |
| Health | 14 | 9 | 10 | 12 | 13 |
| Information Technology | 1 | 0 | 2 | 6 | 3 |
| Management and Commerce | 10 | 13 | 9 | 8 | 12 |
| Natural and Physical Sciences | 13 | 12 | 16 | 12 | 24 |
| Society and Culture | 134 | 126 | 95 | 69 | 88 |
| Non-Award | 0 | 0 | 1 | 0 | 0 |
| Total | 220 | 211 | 185 | 168 | 195 |

Female

| | | | | | |
|--|---------------|---------------|---------------|---------------|---------------|
| Agriculture, Environmental and Related Studies | 303 | 319 | 340 | 367 | 340 |
| Architecture and Building | 9 | 8 | 6 | 5 | 3 |
| Creative Arts | 806 | 788 | 874 | 956 | 1012 |
| Education | 1883 | 1843 | 1860 | 1984 | 1899 |
| Engineering and Related Technologies | 106 | 122 | 111 | 130 | 134 |
| Health | 1227 | 1172 | 1188 | 1215 | 1307 |
| Information Technology | 125 | 128 | 142 | 192 | 233 |
| Management and Commerce | 2131 | 2191 | 2721 | 3866 | 4393 |
| Natural and Physical Sciences | 1002 | 1102 | 1161 | 1187 | 1203 |
| Society and Culture | 2995 | 3232 | 3388 | 3586 | 3736 |
| Non-Award | 134 | 125 | 122 | 93 | 99 |
| Total | 10,721 | 11,030 | 11,913 | 13,581 | 14,359 |

Regional*

| | | | | | |
|--|--------------|--------------|--------------|--------------|--------------|
| Agriculture, Environmental and Related Studies | 65 | 75 | 88 | 97 | 84 |
| Architecture and Building | 3 | 3 | 1 | 1 | 2 |
| Creative Arts | 46 | 53 | 70 | 60 | 61 |
| Education | 308 | 343 | 338 | 295 | 284 |
| Engineering and Related Technologies | 32 | 31 | 38 | 41 | 54 |
| Health | 138 | 145 | 170 | 160 | 163 |
| Information Technology | 38 | 35 | 37 | 35 | 44 |
| Management and Commerce | 81 | 73 | 97 | 93 | 101 |
| Natural and Physical Sciences | 166 | 177 | 193 | 198 | 217 |
| Society and Culture | 290 | 303 | 329 | 396 | 425 |
| Non-Award | 2 | 2 | 2 | 3 | 4 |
| Total | 1,169 | 1,240 | 1,363 | 1,379 | 1,439 |

Remote*

| | | | | | |
|--|------------|------------|------------|------------|------------|
| Agriculture, Environmental and Related Studies | 23 | 23 | 21 | 17 | 20 |
| Architecture and Building | 0 | 0 | 0 | 0 | 0 |
| Creative Arts | 10 | 7 | 7 | 6 | 6 |
| Education | 101 | 92 | 94 | 96 | 74 |
| Engineering and Related Technologies | 4 | 9 | 10 | 11 | 6 |
| Health | 25 | 27 | 25 | 11 | 14 |
| Information Technology | 3 | 5 | 4 | 4 | 3 |
| Management and Commerce | 9 | 12 | 16 | 24 | 22 |
| Natural and Physical Sciences | 40 | 41 | 42 | 37 | 47 |
| Society and Culture | 55 | 55 | 60 | 58 | 48 |
| Non-Award | 0 | 0 | 1 | 4 | 2 |
| Total | 271 | 272 | 279 | 269 | 242 |

| Broad Field of Study | 2009 | 2010 | 2011 | 2012 | 2013 |
|--|--------------|--------------|--------------|--------------|--------------|
| Low Socio-Economic Status* | | | | | |
| Agriculture, Environmental and Related Studies | 62 | 68 | 64 | 69 | 67 |
| Architecture & Building | 62 | 68 | 64 | 0 | 0 |
| Creative Arts | 70 | 76 | 80 | 93 | 97 |
| Education | 483 | 473 | 468 | 496 | 505 |
| Engineering and Related Technologies | 61 | 62 | 73 | 76 | 82 |
| Health | 262 | 285 | 300 | 305 | 368 |
| Information Technology | 80 | 87 | 88 | 72 | 89 |
| Management and Commerce | 166 | 164 | 183 | 200 | 209 |
| Natural and Physical Sciences | 201 | 223 | 259 | 242 | 262 |
| Society and Culture | 570 | 601 | 635 | 630 | 731 |
| Non-Award | 4 | 3 | 1 | 2 | 3 |
| Total | 2,021 | 2,110 | 2,215 | 2,185 | 2,413 |
| Non-English Speaking background | | | | | |
| Agriculture, Environmental and Related Studies | 6 | 7 | 8 | 14 | 15 |
| Architecture & Building | 0 | 0 | 0 | 0 | 0 |
| Creative Arts | 10 | 9 | 16 | 19 | 17 |
| Education | 35 | 29 | 26 | 36 | 42 |
| Engineering and Related Technologies | 19 | 36 | 45 | 53 | 58 |
| Health | 43 | 50 | 46 | 53 | 57 |
| Information Technology | 19 | 14 | 17 | 23 | 33 |
| Management and Commerce | 58 | 80 | 87 | 108 | 119 |
| Natural and Physical Sciences | 39 | 55 | 64 | 69 | 71 |
| Society and Culture | 106 | 133 | 158 | 201 | 204 |
| Non-Award | 8 | 5 | 2 | 10 | 9 |
| Total | 343 | 418 | 469 | 586 | 625 |
| People with a disability | | | | | |
| Agriculture, Environmental and Related Studies | 28 | 38 | 34 | 35 | 39 |
| Architecture & Building | 2 | 1 | 0 | 0 | 0 |
| Creative Arts | 42 | 50 | 62 | 72 | 66 |
| Education | 104 | 114 | 129 | 133 | 144 |
| Engineering and Related Technologies | 26 | 25 | 30 | 35 | 41 |
| Health | 73 | 75 | 72 | 100 | 91 |
| Information Technology | 34 | 34 | 32 | 47 | 51 |
| Management and Commerce | 64 | 66 | 74 | 90 | 103 |
| Natural and Physical Sciences | 121 | 136 | 153 | 162 | 176 |
| Society and Culture | 401 | 405 | 429 | 482 | 457 |
| Non-Award | 5 | 4 | 1 | 4 | 5 |
| Total | 900 | 948 | 1016 | 1160 | 1173 |
| Summary (percent of population) | | | | | |
| Total Student Enrolled | 17,701 | 18,103 | 19,733 | 22,602 | 24,108 |
| Aboriginal & Torres Strait Islanders | 1.2% | 1.2% | 0.9% | 0.7% | 0.8% |
| Female | 60.6% | 60.9% | 60.4% | 60.1% | 59.6% |
| Regional | 6.6% | 6.9% | 6.9% | 6.6% | 6.0% |
| Remote | 1.5% | 1.5% | 1.4% | 1.2% | 1.0% |
| Low Socio-Economic Status | 11.4% | 11.7% | 11.2% | 10.4% | 10.0% |
| Non-English Speaking Background | 1.9% | 2.3% | 2.4% | 2.6% | 2.6% |
| People with a Disability | 5.1% | 5.2% | 5.1% | 5.1% | 4.9% |

*Data prior to 2011 calculated using student's permanent residential postcode to associate status in MCEETYA Concord (2006). Recent data calculated using ABS 2011 Census Data.

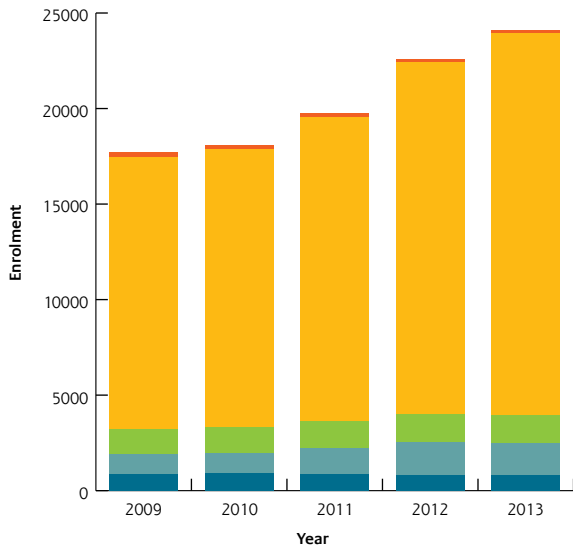
Report of Operations

Commonwealth Grant Scheme and Load

| | 2009 | 2010 | 2011 | 2012 | 2013 |
|---|---------|---------|---------|---------|---------|
| Funding Agreement Load (EFTSL) | | | | | |
| Target | 7,587 | 7,773 | 7,781 | 8,092 | 8,614 |
| Actual | 7,592 | 7,740 | 7,933 | 8,231 | 8,305 |
| Variance (EFTSL) | 5 | -33 | 152 | 139 | -309 |
| Variance (%) | 0.07% | -0.42% | 1.95% | 1.72% | -3.59% |
| Undergraduate Target Load (EFTSL) | | | | | |
| Target | 7,227 | 7,429 | 7,510 | 7,820 | 8,343 |
| Actual | 7,244 | 7,440 | 7,507 | 7,998 | 8,088 |
| Variance (EFTSL) | 18 | 11 | -3 | 178 | -255 |
| Variance (%) | 0.24% | 0.15% | -0.04% | 2.28% | -3.06% |
| Funding Sources | | | | | |
| Commonwealth Grants (\$000's) | 148,112 | 161,367 | 158,702 | 178,386 | 177,594 |
| Commonwealth Grants (at 2013 prices) (\$000's) | 162,172 | 173,068 | 167,530 | 185,343 | 177,594 |
| Outside Research Grants & Donations (\$000) | 31,750 | 31,591 | 34,436 | 23,903 | 24,374 |
| Commonwealth Grants per EFTSL (at 2013 prices) | 21,361 | 22,360 | 21,119 | 22,517 | 21,383 |
| Total Commonwealth Grants as a Percentage of Total Income | 52% | 53% | 52% | 54% | 50% |
| External Research Funding (at 2013 prices)* | | | | | |
| Number of Competitive Research Grants | 113 | 107 | 91 | 88 | 111 |
| Value of Competitive Research Grants (\$000's) | 9,443 | 9,053 | 6,198 | 7,592 | 9,319 |
| Value of Non-Competitive Grants (\$000's) | 33,869 | 31,166 | 24,989 | 21,149 | 17,330 |
| Total Research Grants (\$000's) | 43,312 | 40,220 | 31,187 | 28,741 | 26,650 |
| Index | 1.0949 | 1.0725 | 1.0556 | 1.0390 | 1.0000 |
| Higher Education Indexation Number | 1.1046 | 1.1277 | 1.1458 | 1.1641 | 1.2095 |

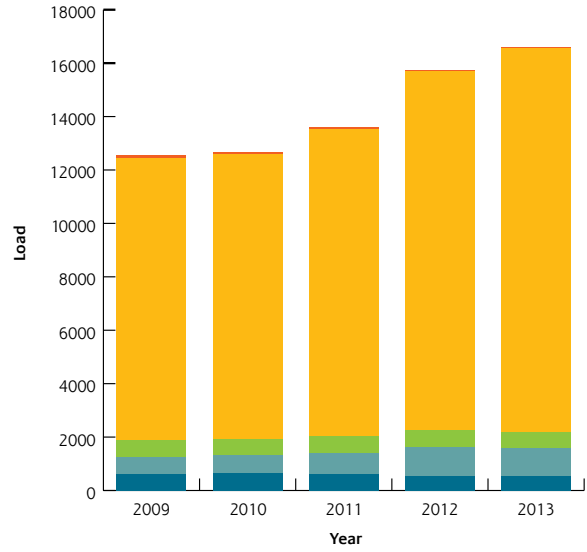
* Research data aligns with Higher Education Research Data Collection (HERDC).

Enrolment by Year and Level



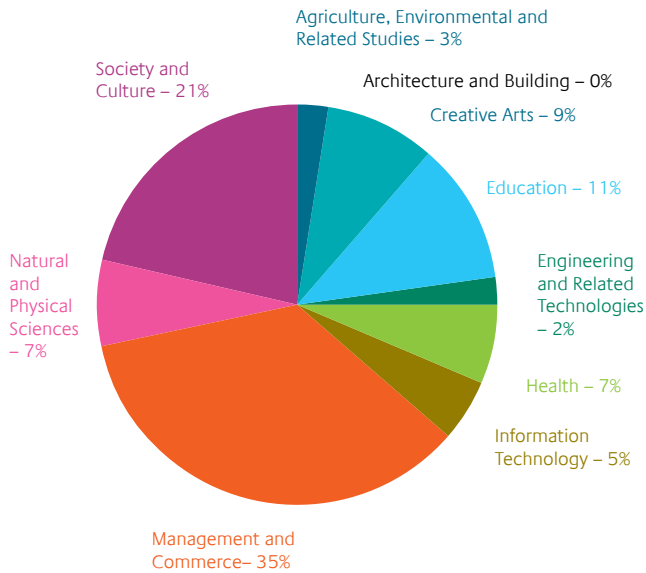
- Non-Award
- Undergraduate
- Other Postgraduate
- Higher Degree Coursework
- Higher Degree Research

Load (EFTSL) by Year and Level

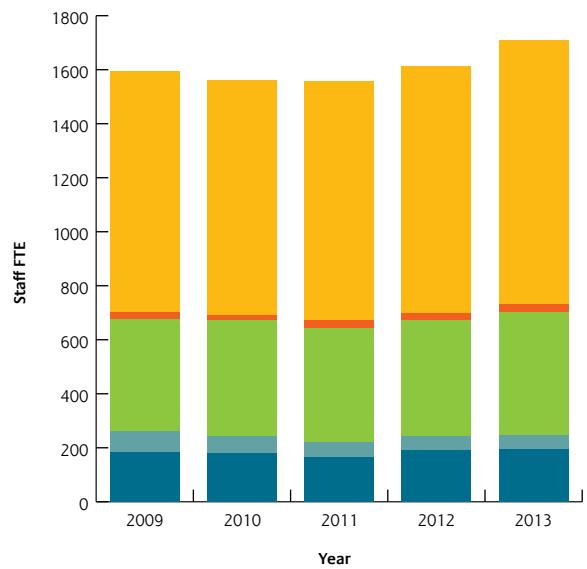


- Non-Award
- Undergraduate
- Other Postgraduate
- Higher Degree Coursework
- Higher Degree Research

Completions by Broad Field of Education – 2012

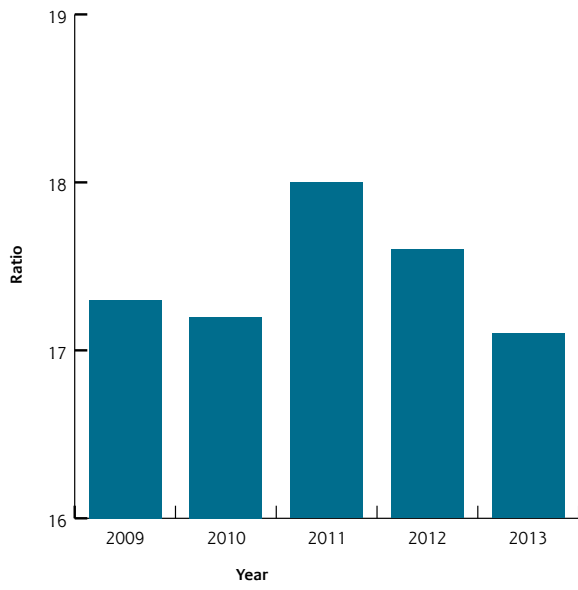


Staff FTE by Function and Year

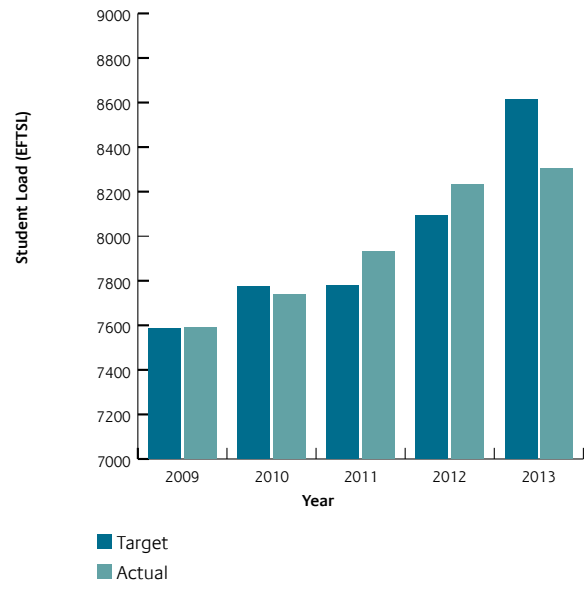


- Non-Academic
- Other
- Teaching and Research
- Research Only
- Teaching Only and Mainly

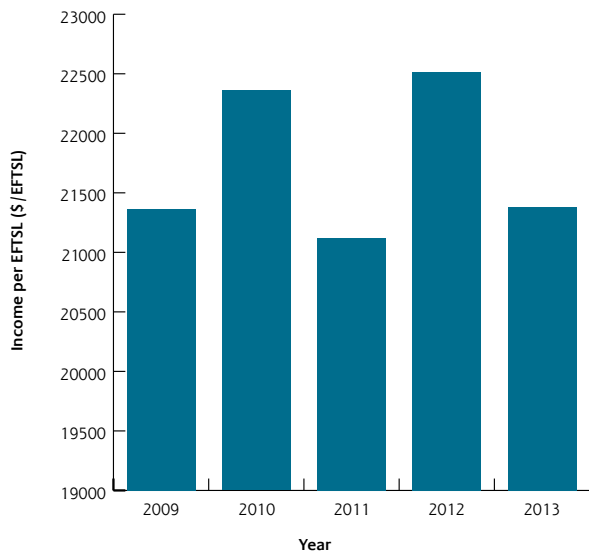
Student Load (EFTSL) per Teaching Staff FTE



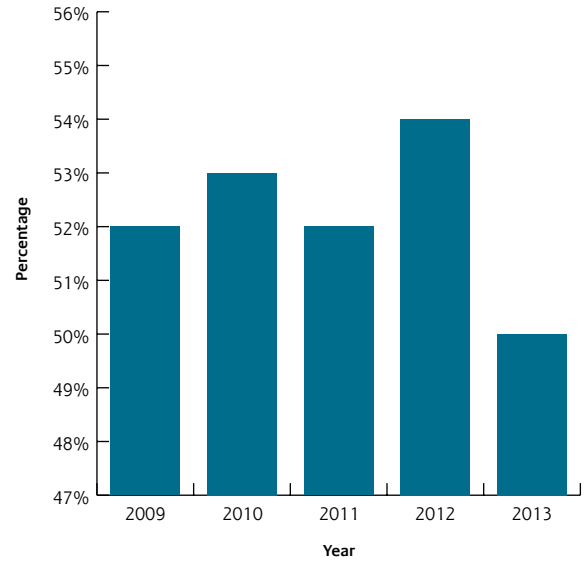
Target and Actual Funding Agreement Load



Commonwealth Grant Scheme¹ Income per unit of Funded Load



Commonwealth Grant Scheme as Percentage of Total Income



¹ Commonwealth Grant Scheme includes Commonwealth Contribution (Funding Agreement) plus Student Contribution (HECS)

Other Disclosures

Significant Issues Impacting the University

Murdoch University, along with other Western Australian universities, is preparing for a period of decreased enrolments among school leavers. In 2001, the school starting age was changed to bring Western Australia into line with other states and territories. This resulted in a 'half cohort' of students. These students will commence university studies in 2015, with an expected 39 per cent drop in school leaver enrolments. WA universities expect a financial impact in the order of \$62 million that year, with continuing losses through until 2018.

Heightened competition in the university sector, domestically and internationally, will also continue to impact university operations. Murdoch is working strategically and proactively to strengthen its reputation at home and abroad, with a particular focus on the Asian region.

In 2013, both State and Federal elections were held, with a change of government at the Federal level. In April, the previous government announced it would redirect \$2.3 billion from the higher education sector to fund reforms recommended by the Gonski Review. In November, the new Coalition Government announced that it would proceed with these cuts. Impacts on other funding streams, particularly research funding, is currently unknown.

In July, the University received notification from the Federal Government's new higher education regulator, the Tertiary Education Quality and Standards Agency that its registration as a higher education provider has been renewed for a further seven years. Murdoch University was one of the first 10 universities to complete this registration process. Three months later, the new Education Minister announced that recommendations from the Review of Higher Education would be implemented. One of the outcomes will be the simplification of paperwork and a reduction of regulation.

In late 2013, the Federal Government announced a National Commission of Audit, to which the University has responded. Murdoch's submission highlighted the vital contributions that universities make to national productivity growth and the economy. A review of the Demand Driven Funding System has also been undertaken by the Department of Education, with the report due to be presented to Government in February 2014.

Major Capital Projects

| Project | Estimated total cost (\$m) | Estimated cost to complete (\$m) | Expected year of completion |
|---|----------------------------|----------------------------------|-----------------------------|
| Construction of 64 units for St Ives Retirement Village final stage | 22.94 | 2.00 | 2014 |
| South Street campus infrastructure | 12.20 | 11.80 | 2014 |
| Engineering and IT Laboratory (refurbishment) | 1.90 | 1.70 | 2014 |

Staffing Matters

Staff Profile

| FTE | Continuous | Fixed Term | Casual | Total |
|----------|------------|------------|--------|-------|
| Academic | 338 | 203 | 181 | 722 |
| General | 570 | 254 | 94 | 918 |
| Total | 908 | 457 | 275 | 1640 |

NOTE:

- Continuous and fixed term FTE as at 31 March, 2013
- Casual hours worked from January to December 2012 converted to FTE (as reported in 2013 to DIISTRE)

Policy Changes

To attain Murdoch's strategic goals in Teaching and Learning, the University needs to attract, develop and retain high calibre academic staff. To support these goals, 2013 saw the introduction of major policy changes governing academic recruitment, probation, promotion and performance development and appraisals.

The University also introduced a new Academic Work Profiles policy, which provides greater recognition of the diversity of academic work, along with a new Academic Workload Framework and School Workload models.

These policies have all been approved by the Vice Chancellor and the Senior Leadership Group, and noted by Academic Council.

A new no smoking policy came into effect at the start of Semester 2, 2013. As a result, smoking is now prohibited within the 'building envelope' of both South Street and Rockingham campuses. Peel campus continues to be completely smoke-free.

Industrial Relations

The previous Enterprise Agreements expired on 30 June 2012. Negotiations for a new Enterprise Agreement commenced in September 2012 and in-principle agreement was reached with the NTEU in November 2013. The new Agreement, which covers both Academic and Professional Staff, was drafted and the final wording agreed by all the parties. It is expected that the Fair Work Commission will have approved the Agreement by the date of publication of the Annual Report. The Agreement will expire on 30 June 2016.

Staff Development

In early 2013, responsibility for the academic staff development portfolio was transferred from the Organisational Capability Unit (OCU) to the newly formed Centre for University Teaching and Learning (CUTL). This has allowed OCU to focus its efforts and activities around leadership and professional development. In 2013, OCU conducted and organised 165 courses and events, which were attended by 1833 staff. This is a significant increase on the 106 activities organised last year, attended by 1229 staff.

Leadership Development

The Organisational Capability Unit continues to design and deliver programs to build a leadership culture that is strategic, engaged and continuously learning.

Over the past year, OCU has built on its three tier Leadership Development Program (LDP) comprising of Murdoch, Leadership and Me, Stepping Up to the T and Transitions: A Leadership Program for Senior Executives.

More than 150 staff have participated in the LDP since its introduction in 2012.

Staff who have completed the program form the Leadership Alumni Network. This group promotes continuous learning and networking among colleagues, thus reinforcing the connected nature of the Academy and Professional Services. Activities include discussions led by business and community leaders and short presentations by practitioners and experts on issues related to management and leadership.

Professional Development

OCU has identified a number of core competencies, which have been deemed critical skills for Murdoch's workforce. These are project management, interpersonal communication, resilience, technology and business administration. In 2013, OCU conducted 88 professional development courses attended by 1055 staff.

With a number of key projects currently being developed and run by the University, competency in project management continues to be a key focus. Thirteen courses covering different aspects of project management were conducted in 2013 with a total of 131 participants. Since 2012, 36 staff have completed Projects in Controlled Environments (PRINCE2) training.

Training Course Management System (TCMS)

OCU has worked closely with the Human Resources Systems Team to create a training database which links into the Human Resources Information System (ALESCO). In February 2013, the Training Course Management System (TCMS) was rolled out across the University. To ensure that all information on staff development is captured on ALESCO, TCMS hosts all courses and seminars conducted and organised by OCU and CUTL. TCMS allows staff to easily register for courses and seminars, while capturing valuable information on staff capability.

Occupational Safety and Health (OSH)

Murdoch University employs dedicated Occupational Safety and Health staff and has a safety management system in keeping with relevant legislation. An increase in funding has also resulted in a five per cent increase in the number of elected and trained OSH representatives.

During 2013, an online induction for staff and students was implemented, along with an online contractor induction, which incorporates a safe permit to work system. Online education programs for current staff and students have also been implemented, covering manual handling, chemical safety, safety in science and office safety (including ergonomics).

As part of the chemical safety review, a substances audit was completed resulting in improved usage, storage and disposal of chemical substances.

Injury Management

A dedicated Workers' Compensation and Injury Management Coordinator is employed to manage and assist injured workers. In 2013, a reduced workers' compensation premium rate was applied due to the decrease in claims numbers.

Indicators comply with AS 1885.1- 1990 Workplace injury and disease recording standard.

| Indicator | Target | Actual |
|---|--------|--------|
| Number of fatalities | 0 | 0 |
| Lost time injury/disease (LTII)/D incidence rate | 0.23 | 0.25 |
| Number of LTI/D X 100 | | |
| Lost time injury severity rate | 0.11 | 0.10 |
| Working time lost X 1,000,000 | | |
| Percentage of injured workers returned to work within 28 weeks | 100% | 100 |
| Percentage of managers trained in occupational safety, health and injury management responsibilities. | > 55% | 55% |

Staff Diversity and Social Inclusion

Since its establishment, Murdoch University has demonstrated a strong commitment to equity and social justice. These values guide the University's recruitment practices and are reflected in the Strategic Plan.

The University's social justice initiatives for students and staff, equal opportunity policies and access and equity programs meet the key drivers for the implementation of the policy framework for substantive equality as outlined by the Substantive Equality Unit of the Equal Opportunity Commission of Western Australia.

Recruitment

A Targeted Recruitment Search Plan is in place to ensure advertised job positions reach targeted groups, including Aboriginal people and those living with a disability.

Murdoch is committed to social inclusion in employment. The University provides traineeship opportunities to Aboriginal people with a view to long-term employment. In 2012, the Public Sector Commission awarded the University a 12-month Indigenous traineeship position at Murdoch University's Rockingham Library. The University is providing the trainee with an employment contract beyond the traineeship period.

Gender Equity

Representation of women at Level 10 and above has improved, standing at 49 per cent female and 51 per cent male during the reporting period. Paid Parental Leave of 26 weeks and a further 26 weeks unpaid continues to be offered to staff.

Training

To ensure staff are aware of their rights and responsibilities in maintaining a work environment free from harassment, training programs in equal opportunity law, intercultural competence and Aboriginal cross-cultural awareness training are offered across the University. Special focus is given to managers, supervisors and members of recruitment panels. The majority of staff in Human Resources, Organisational Capability and Occupational Safety and Health have attended training sessions relating to these areas.

Media and Advertising Expenditure

Section 175ZE of the *Electoral Act 1907* requires the University to include a statement in the Annual Report setting out details of expenditure incurred by the University during the financial year in relation to advertising agencies, direct mail organisations, media advertising organisations and market research organisations.

The total expenditure incurred by the University during the 2013 financial year on those organisations was \$2,270,513.

The classes of organisation, the names of the organisations within the class and the total expenditure for the class were as follows:

| | |
|--|--------------------|
| Advertising Agencies | \$369,099 |
| Meerkats | |
| Direct Mail Organisations | \$44,498 |
| Lasermail | |
| Media Advertising Organisations | \$1,854,766 |
| Community Newspapers | |
| Adcorp HR Advertising | |
| Mindshare | |
| Hatchd Digital | |
| Initiative Media | |
| Market Research Organisations | \$2,150 |
| Painted Dog | |

Pricing Policy Statement

The University's pricing policy for its educational programs is consistent with the Commonwealth Government's policies on Australian domestic undergraduate and postgraduate coursework students and international fee-paying students. Details of the University's prices are available on both the University's website (http://print.handbook.murdoch.edu.au/study/index.php?section=2f_fees) and the Commonwealth website (www.studyassist.gov.au/sites/StudyAssist).

Records Management

Murdoch University is required to report on strategies for ensuring staff compliance with the University's recordkeeping plan. Under Section 61 of the *State Records Act 2000*, the State Records Commission (SRC) is responsible for establishing principles and standards to govern record keeping by government organisations. The following information is provided in accordance with Principle 6 of SRC Standard 2: Recordkeeping Plan.

In association with professional services consulting firm Deloitte Touche Tohmatsu Ltd, the University undertook high level planning for the implementation of an Enterprise Content Management (ECM) system. It is expected that the ECM will be progressively rolled out across the University from 2014.

An internal audit of the records management function is currently being undertaken (in conjunction with Ernst & Young) to assess the adequacy and effectiveness of the key processes and controls. Recommendations will be finalised in early 2014.

The University conducts an online records management training course for staff. This course outlines the roles and responsibilities of staff as they relate to record keeping, including the creation, capture, access, management and disposal of records.

All new staff are enrolled in the course as part of the University's induction program, with 310 people successfully completing the training in 2013. These issues are also covered at monthly staff induction sessions conducted by the University's Organisational Capability Unit. The training course was updated in 2013 to include greater coverage of digital records to ensure it remains a current and relevant training tool.



Murdoch
UNIVERSITY

Murdoch University
90 South Street, Murdoch
Western Australia 6150
Telephone: 08 9360 6000